



TowerJazz Revises Fourth Quarter Guidance

Completed First Milestone in Asian Project

MIGDAL HAEMEK, Israel – December 21, 2009 – TowerJazz, the global specialty foundry leader, today announced it expects fourth-quarter revenue to exceed the company's previous guidance given on November 9, 2009 due to successful completion of the first milestone in its Asian project announced on November 23, 2009, in which TowerJazz is providing know-how, training and turnkey manufacturing solutions.

The company now expects fourth-quarter revenue to be between \$98 million and \$102 million, which is higher than the previous guidance of \$90 million to \$94 million, with a mid-range representing a 26% increase from previous quarter revenues and a 29% increase year over year and representing company record revenue.

Russell Ellwanger, chief executive officer of TowerJazz, said: "To be in the guidance range of \$100 million is a significant achievement for the company. We foresee the following quarters in 2010 to continue to grow on top of this new baseline performance. I can imagine no place that is more exciting to work than at TowerJazz."

About TowerJazz

Tower Semiconductor Ltd. (NASDAQ: TSEM, TASE: TSEM), the global specialty foundry leader and its fully owned U.S. subsidiary Jazz Semiconductor, operate collectively under the brand name TowerJazz, manufacturing integrated circuits with geometries ranging from 1.0 to 0.13-micron. TowerJazz provides industry leading design enablement tools to allow complex designs to be achieved quickly and more accurately and offers a broad range of customizable process technologies including SiGe, BiCMOS, Mixed-Signal and RFCMOS, CMOS Image Sensor, Power Management (BCD), and Non-Volatile Memory (NVM) as well as MEMS capabilities. To provide world-class customer service, TowerJazz maintains two manufacturing facilities in Israel and one in the U.S. with additional capacity available in China through manufacturing partnerships. For more information, please visit www.towerjazz.com.

Safe Harbor Regarding Forward-Looking Statements

This press release includes forward-looking statements, which are subject to risks and uncertainties. Actual results may vary from those projected or implied by such forward-looking statements. A complete discussion of risks and uncertainties that may affect the accuracy of forward-looking statements included in this press release or which may otherwise affect Tower and/or Jazz's business is included under the heading "Risk Factors" in Tower's most recent filings on Forms 20-F, F-3, F-4 and 6-K, as were filed with the Securities and Exchange Commission (the "SEC") and the Israel Securities Authority and Jazz's most recent filings on Forms 10-K and 10-Q, as were filed with the SEC, respectively. Tower and Jazz do not intend to update, and expressly disclaim any obligation to update, the information contained in this release.

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