



NEWS ANNOUNCEMENT

FOR IMMEDIATE RELEASE

TowerJazz and Medigus Release Second Generation of World's Smallest Camera for Medical Disposal Endoscopic Devices

Based on advanced CMOS image sensor, camera breaches 1 mm diameter threshold, lowers cost and enables a variety of medical procedures

Targets fast growing market for disposable endoscopy cameras, estimated at over half a billion dollars in 2011; 4M units annually increasing to 7M units in 2015

OMER and MIGDAL HA'EMEK, Israel, May 2, 2011 — Medigus Ltd. (TASE: MDGS), a leading developer of endoscopic and visualization medical devices, and TowerJazz (Nasdaq: TSEM, TASE: TSEM), the global specialty foundry leader, today announced successful sampling of the second generation of TowerJazz's CMOS imager that serves in Medigus' line of disposable miniature cameras. The image sensor, a high performance product at a low cost, combines superb sensitivity, high resolution and dynamic versatility, allowing customers a variety of potential medical applications in growing markets such as cardiology, bronchoscopy, gastroenterology, gynecology, and orthopedic and robotic surgery. The use of disposable cameras eliminates the need for the very expensive and time consuming sterilization process commonly associated with endoscopic procedures.

The imager was developed using TowerJazz's best-in-class sensor design and production technologies, while the camera was developed using Medigus' electronic, optic and integration platform technologies. The disposable camera sensor will be manufactured in TowerJazz's Fab2 using its 0.18-micron CMOS image sensor process and will be integrated into the camera produced in Medigus' manufacturing facilities.

In this second generation miniature camera, Medigus and TowerJazz are using advanced technologies, including TSV (through silicon via) for packaging which minimizes the camera's size and reduces production costs in high volumes. The camera's diameter is only 0.99 mm, the first video camera in the world with a diameter smaller than 1 mm. The camera includes a dedicated image sensor, measuring 0.66x0.66 mm and its resolution remains high with 45K pixels. The camera features dedicated bio-compatible components suitable for medical device

applications and will enable new medical diagnostic and therapeutic markets in which the use of current video cameras is not feasible due to their size.

Medigus will begin supplying samples of the camera to customers in Japan and in the US for cardiology procedures. The camera will be integrated in Medigus' other endoscopy products and will also be sold to third-party medical equipment manufacturers.

"We are excited to release our second generation disposable camera with advanced features to further progress the medical endoscopic field," said Dr. Elazar Sonnenschein, CEO for Medigus Ltd. "Due to our collaboration with TowerJazz, we are able to produce the world's smallest camera to allow a variety of medical procedures that were previously not possible. In addition, our breakthrough technology provides the medical community and patients with quality and cost-effective diagnostics."

"We are proud to work with Medigus to jointly develop such an important tool to the medical market. By using our advanced sensor technology combined with Medigus' expertise in visualization medical devices, we enable not only the smallest, but the highest performance disposable camera," said Dr. Avi Strum, Vice President & General Manager, Specialty Business Unit at TowerJazz. "Our best-in-class sensor design capabilities and pixel performance have allowed us to maintain a leading position in this growing, high margin market."

About Medigus Ltd.

Medigus is a medical device company specializes in developing innovative endoscopic procedures and devices. Medigus is a pioneer developer of a unique proprietary endoscopic device for the treatment of GERD, one of the most common chronic diseases in the western world. Medigus has an advanced technology platform that includes the necessary elements for developing a wide range of endoscopic procedures. The platform includes various CCD and CMOS video cameras developed by Medigus and single use endoscopes. Each camera includes a micro camera head with high quality optics and video processors. For more information, please visit www.medigus.com

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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