



NEWS ANNOUNCEMENT

FOR IMMEDIATE RELEASE

TowerJazz Selected as Winner of Raytheon Network Centric Systems Supplier Excellence Award

TowerJazz, USA Aerospace and Defense Division recognized for exemplary performance and commitment to excellence

NEWPORT BEACH, Calif. and WALTHAM, Mass., October 31, 2011 – TowerJazz, the global specialty foundry leader, today announced that its USA Aerospace and Defense Division has been selected as a winner of a Raytheon Network Centric Systems (NCS) Supplier 3 Star Excellence Award. The NCS Supplier Excellence Program is designed to formally recognize its suppliers for exemplary performance in working with their company.

Raytheon utilizes TowerJazz's advanced CMOS process in its Newport Beach fab for the manufacture of their ROIC designs in support of their overall infrared detector products and systems. In addition, Raytheon takes advantage of TowerJazz's specialized Aerospace and Defense process variants which help facilitate ease of manufacturing, improved yields and quality for downstream detector manufacturing steps.

"We are deeply honored to receive this award from Raytheon NCS, a prestigious company responsible for extremely critical missions. We are privileged to work with such a highly regarded company which helps protect lives and ensures customer success through innovative, net-enabled solutions," said Mike Scott, Director of Sales and Marketing – USA Aerospace and Defense Division, TowerJazz. "As we look ahead, it is our goal to continue supporting this important partnership with the same level of dedication and commitment, further providing advanced specialty technology to assist in the production of its substantial mission systems."

About Raytheon Network Centric Systems (NCS)

Raytheon NCS, headquartered in McKinney, Texas, develops and produces mission solutions for networking, command and control, battlespace awareness, and air traffic management. Programs include civilian applications, command and control systems, integrated communications systems, and netted sensor systems. NCS serves all branches of the United States military, the National Guard, the Department of Homeland Security, the Federal Aviation Administration, and other U.S. national security agencies, as well as international customers. NCS is driving transformation in the Information Age by leading Raytheon's Net Centric Operations Enterprise Priority. This effort unites the core strengths of the company to provide

networked systems, net-enabled systems, and net-centric integration to customers worldwide for emerging requirements. NCS continues to remain focused on the needs of today's warfighters by providing mission systems integration for the Homeland Security and Intelligence, Surveillance and Reconnaissance missions. We further provide systems and components to support the Missile Defense and Precision Engagement missions. In each of these vital efforts, NCS serves to provide our customers with unprecedented accuracy, speed, and Common Decision Engagement Capability.™

About TowerJazz

Tower Semiconductor Ltd. (NASDAQ: TSEM, TASE: TSEM), the global specialty foundry leader, its fully owned U.S. subsidiary Jazz Semiconductor, Inc. and its fully owned Japanese subsidiary TowerJazz Japan, Ltd., 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 RF CMOS, CMOS Image Sensor, Power Management (BCD), and Non-Volatile Memory (NVM) as well as MEMS capabilities. To provide multi-fab sourcing, TowerJazz maintains two manufacturing facilities in Israel, one in the U.S., and one in Japan 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 TowerJazz'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.

For TowerJazz:

Company/Media Contact:

Lauri Julian
(949) 715-3049
lauri.julian@towerjazz.com

Investor Relations Contact:

Noit Levi
+972 4 604 7066
Noit.levi@towerjazz.com