



NEWS ANNOUNCEMENT

FOR IMMEDIATE RELEASE

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JAZZ LICENSES ITS RF DESIGN ENABLEMENT TECHNOLOGY TO FUJITSU MICROELECTRONICS, PROVIDING TIME-TO-MARKET ADVANTAGE FOR 90NM AND 65NM RF CMOS CUSTOMERS

NEWPORT BEACH, Calif., November 12, 2008 – Jazz Semiconductor, Inc., a Tower Group Company (NASDAQ: TSEM, TASE: TSEM), and a leader in Analog-Intensive Mixed-Signal (AIMS) foundry solutions, announced today that Fujitsu Microelectronics Limited has licensed Jazz's high-precision RF models and design kits for RF and very high digital content System-on-Chip (SoC) products. This license agreement creates a time-to-market advantage for RF CMOS customers requiring 90nm and 65nm technology for these products and provides for an ongoing royalty revenue stream to Jazz.

Jazz Design Kits contain well developed RF device models and productive RF design tools providing customers fast time-to-market for RF design by reducing design time and the number of mask spins required for production. The alliance between Fujitsu and Jazz enables both companies to deliver high-performance Customer Owned Tooling (COT) foundry services to SoC customers for products developed using the Fujitsu low-leakage, leading-edge LSI manufacturing process at the company's 300mm Mie fab in Japan.

"Jazz's RF models and design kits address the key challenges engineers face in providing optimal products while meeting stringent deadlines," said Tatsuya Yamazaki, vice president in charge of the ASIC/COT business of Fujitsu Microelectronics Limited. "Worldwide demand for high-frequency wireless and high-speed networking products continues to grow, and these kits and models are invaluable to Fujitsu's efforts to consistently meet customer requirements."

Accelerating Time to Revenue

Jazz enables faster time to revenue by providing state-of-the-art Analog-Intensive Mixed-Signal (AIMS) modeling platforms and advanced statistical analysis tools which allow customers to optimize their designs. Jazz offers a Process Control Model Tool (PCMT) which allows designers to close the loop between simulated results from their silicon models and actual results for their product designs. In addition, the Jazz Inductor Toolbox (JIT), an advanced inductor design and modeling platform, enables customers to realize optimal performance of their designs while greatly reducing design cycle times.

“The collaboration between Jazz and Fujitsu is a cost-effective approach to providing optimal solutions aimed at the wireless SoC market. Jazz's continued relationship with Fujitsu aids in the expansion of our technology roadmap, and we will also continue to focus on high-speed AIMS solutions for customers targeting best-of-breed technology down to the 130nm node,” said Chuck Fox, senior vice president of worldwide sales, Tower Semiconductor.

Availability

RF CMOS Physical Design Kits (PDKs) are available now for 90nm and 65nm process technologies.

About Tower Semiconductor, Ltd. and Jazz Semiconductor, Inc

Tower Semiconductor Ltd. (NASDAQ: TSEM, TASE: TSEM) is a pure-play independent specialty wafer foundry and Jazz Semiconductor, Inc., a Tower Group Company, is a leader in Analog-Intensive Mixed-Signal (AIMS) foundry solutions. Tower and Jazz manufacture integrated circuits with geometries ranging from 1.0 to 0.13-micron and provide complementary technical services and design support. In addition to digital CMOS process technology, Tower offers advanced mixed-signal and RF CMOS, Power Management, CMOS image-sensor, non-volatile memory technologies and Flash MTP and OTP solutions. Jazz's comprehensive process portfolio of modular AIMS technologies includes RFCMOS, Analog CMOS, Silicon and SiGe BiCMOS, SiGe C-BiCMOS, Power CMOS and High Voltage CMOS. To provide world-class customer service, Tower maintains two manufacturing facilities in Israel; Jazz maintains a fab in the U.S. and additional manufacturing capacity in China through partnerships with ASMC and HHNEC. For more information, please visit www.towersemi.com and www.jazzsemi.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's and 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. 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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