



Jazz Semiconductor Trusted Foundry, Inc.

TowerJazz Announces the Creation and Accreditation of Jazz Semiconductor Trusted Foundry

Expands support for the US Aerospace and Defense market in its Newport Beach, CA facility

NEWPORT BEACH, Calif., – August 28, 2013 – Jazz Semiconductor Inc., a fully owned U.S. subsidiary of Tower Semiconductor Ltd., has announced the accreditation for trusted status of Jazz Semiconductor Trusted Foundry (JSTF), a wholly-owned subsidiary of Jazz Semiconductor, Inc. JSTF has been accredited as a Category 1A Trusted Supplier by the United States Department of Defense (DoD) as a provider of trusted semiconductors in critical defense applications. JSTF joins a small list of companies accredited by the DoD Trusted Foundry Program, established to ensure the integrity of the people and processes used to deliver national security critical microelectronic components, and administered by the DoD's Defense Microelectronics Activity (DMEA).

The creation and accreditation of JSTF will help broaden existing business relationships previously disclosed with major defense contractors such as Raytheon, Northrop Grumman, BAE Systems, DRS, Alcatel-Lucent, and L-3 Communications.

TowerJazz CEO Russell Ellwanger stated, "TowerJazz has an intrinsic culture of community service at all of our sites, ranging from a focus on male/female employment and management ratio equality to minority population integration into the work force, and educational and vocational development of populations that otherwise have limited exposure to opportunities. In the United States there was no "pure play" trusted foundry capability available. Our aerospace and defense customers asked that we would go this route to enable them greater freedom to serve their great country's needs; a country that stands as a banner for democratic process throughout the world. Primarily for this purpose, we went beyond our initial commitment to the US State Department to continue support of our ITAR customers and engaged in rounds of discussion with the US Department of Defense toward participation in the Trusted program in our Newport Beach facility. And, as in all activities where one serves purposes of great principle, it is also good business."

By achieving Trusted status, TowerJazz continues to demonstrate its ongoing commitment to its aerospace and defense customers as well as with capacity expansion and new technologies at its US facility with leadership in areas such as high-speed SiGe, Readout Integrated Circuits (ROICs), imaging, and MEMS.

“Specific recent activities to further support our customers include a long-term lease extension and implementation of new technology focused on the aerospace and defense market, including CMOS image sensors and ROICs for IR sensors,” stated Mike Scott, Director – TowerJazz Aerospace and Defense Business Unit. “

“Jazz Semiconductor Trusted Foundry is proud to join the DoD Trusted Foundry Program to enable trusted access to a broad range of on-shore technologies and manufacturing capabilities,” said Scott Jordan, President, JSTF. “The accreditation process adds trust to the existing quality and security systems, improving our level of service to our military and defense customers.”

About TowerJazz

Tower Semiconductor Ltd. (NASDAQ: TSEM, TASE: TSEM), its fully owned U.S. subsidiary Jazz Semiconductor Ltd., and its fully owned Japanese subsidiary TowerJazz Japan, Ltd., operate collectively under the brand name TowerJazz, the global specialty foundry leader. TowerJazz manufactures integrated circuits, offering a broad range of customizable process technologies including: SiGe, BiCMOS, Mixed-Signal/CMOS, RFCMOS, CMOS Image Sensor, Power Management (BCD), and MEMS capabilities. TowerJazz also provides a world-class design enablement platform that enables a quick and accurate design cycle. In addition, TowerJazz provides (TOPS) Transfer Optimization and development Process Services to IDMs and fabless companies that need to expand capacity. TowerJazz offers multi-fab sourcing with two manufacturing facilities in Israel, one in the U.S., and one in Japan. 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.

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