



NEWS ANNOUNCEMENT

FOR IMMEDIATE RELEASE

TowerJazz Signs Amendment to Lease Agreement for Manufacturing Facility in Newport Beach, CA

Confirms extension option for TowerJazz to retain fab building through March 2027

NEWPORT BEACH, Calif., December 28, 2010 – TowerJazz, the global specialty foundry leader, today announced it has signed an amendment to its existing lease confirming the validity of TowerJazz's lease and extension option, and confirming its right to retain the building that houses its semiconductor manufacturing facility in Newport Beach through March 2027. This amendment was signed with TowerJazz's new landlord, Uptown Newport LP, a joint venture consisting of a fund controlled by New York-based DRA Advisors LLC and an affiliate of The Shopoff Group, a real estate investment firm based in Irvine, CA.

"We would like to assure our investors, customers and employees that we will conduct our Newport Beach operations as usual. There will be no impact to our business due to the property sale by Conexant as we have secured the lease extension until the year of 2027," said Rafi Mor, Senior Vice President and General Manager, Newport Beach.

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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Company Contact

Melinda Jarrell

+1 949 435 8181

melinda.jarrell@towerjazz.com

Media Contact

Lauri Julian

+1 949 715 3049

lauri.julian@towerjazz.com

Investor Relations Contact

Noit Levi

+972 4 604 7066

noit.levi@towerjazz.com