

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

For the month of November 2003

TOWER SEMICONDUCTOR LTD.

(Translation of registrant's name into English)

P.O. BOX 619, MIGDAL HAEMEK, ISRAEL 10556
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

On November 2, 2003, the Registrant announced its financial results for the three and nine months ended September 30, 2003. Attached hereto is the press release announcing the results.

This Form 6-K is being incorporated by reference in all effective registration statements filed by us under the Securities Act of 1933.

TOWER SEMICONDUCTOR LTD. ANNOUNCES
THIRD QUARTER AND NINE MONTHS 2003 RESULTS

MIGDAL HAEMEK, Israel-- November 2, 2003-- Tower Semiconductor Ltd. (NASDAQ: TSEM; TASE: TSEM) today announced results for the third quarter and nine months ended September 30, 2003.

Sales for the third quarter of 2003 were \$16.1 million, an increase of 25 percent over sales of \$12.9 million in the prior quarter. In the third quarter of 2002, the company reported revenues of \$16.2 million, which were comprised of \$12.2 million in sales from operations and \$4.0 million from a technology-transfer revenue.

Total third quarter loss was \$37.1 million, or \$0.77 per share, compared with a loss of \$16.8 million, or \$0.37 per share, for the second quarter of 2003, and compared with a loss of \$14.5 million, or \$0.48 per share, for the third quarter of 2002. The increase in loss results mainly from the commencement of Fab 2 depreciation and amortization expenses, which totaled \$17.3 million for the quarter.

Sales for the nine months ended September 30, 2003, were \$41.5 million, versus revenues of \$36.2 million for the nine months ended September 30, 2002, which were comprised of \$32.2 million in sales from operations and \$4.0 million from a technology-transfer revenue.

The company reported a loss of \$68.3 million, or \$1.49 per share, for the nine months ended September 30, 2003, compared with a loss of \$37.8 million, or \$1.34 per share, in the nine months ended September 30, 2002.

"In the third quarter, Tower began to recognize Fab 2 sales in its financial results. This is a significant milestone for our customers, our investors and us. We are encouraged by the general improvement in demand for wafer-foundry services, and remain focused on ramping our 0.18-micron wafer outputs for the next several quarters. Accordingly, we are expecting moderate sales growth for the fourth quarter," said Carmel Vernia, chairman and CEO of Tower Semiconductor.

Tower's two fabs generated positive results during the reporting period. The third quarter marked the sixth consecutive quarter that Tower's Fab 1 had positive cash flow from operations. Fab 2 began to generate production revenue from 0.18-micron wafers during the quarter, with SanDisk Corporation representing the fab's largest customer.

Fab 2 capacity installation continues to progress on schedule. The company expects Fab 2 to achieve 8,500 wafer starts per month at the 0.18-micron technology node by year-end.

In addition to Fab 1's continuing strong presence in the CMOS image-sensor market, Fab 2 is already in the advanced stages of developing prototype CMOS image sensors using 0.18-micron technology. Tower seeks to broaden its position in the CMOS image-sensor market by offering differentiated and value-added services and technologies.

Harold Blomquist announced his resignation as CEO of Tower Semiconductor USA and senior vice president of Tower Semiconductor, Ltd. for personal reasons. Company management intends to quickly identify a qualified replacement.

Tower will host a conference call to discuss these results on Monday, November 3, 2003, at 11:00 a.m. Eastern time / 18:00 Israel time. To participate, call 1-800-915-4836 (U.S. toll-free number) or 1-973-317-5319 (international) and mention ID code: TOWER. Callers in Israel are invited to call local 03-925-5910. The conference call also will be webcast live at www.companyboardroom.com and at www.towersemi.com, and will be available thereafter on both Web sites for replay for 90 days, starting at 2:00 p.m. Eastern time on the day of the call.

FINANCIAL TABLES ATTACHED

About Tower Semiconductor Ltd.

Tower Semiconductor Ltd. is a pure-play independent wafer foundry established in 1993. The company manufactures integrated circuits with geometries ranging from 1.0 to 0.18 microns; it also provides complementary technical services and design support. In addition to digital CMOS process technology, Tower offers advanced non-volatile memory solutions, mixed-signal and CMOS image-sensor technologies. To provide world-class customer service, the company maintains two manufacturing facilities: Fab 1 has process technologies from 1.0 to 0.35 microns and can produce up to 20,000 150mm wafers per month. Fab 2 features 0.18-micron and below process technologies, including foundry-standard technology. When complete, Fab 2 is expected to offer full production capacity of 33,000 200mm wafers per month. The Tower Web site is located at www.towersemi.com.

Safe Harbor

This press release includes forward-looking statements, which are subject to risks and uncertainties. Our actual results may vary from those projected or implied by such forward-looking statements. Potential risks and uncertainties include, without limitation, risks and uncertainties associated with (i) Our need to complete our financing package with our banks, which is a condition to receipt of the remainder of the fifth milestone payment from our wafer and equity investors in the amount of approximately \$25.1 million, (ii) Our need to amend our previously approved revised fifth milestone arrangements with our wafer and equity partners to conform the fifth milestone terms to the arrangements we have concluded with our banks, (iii) Our need to obtain shareholders approval to our further revised fifth milestone arrangements and our financing package with our banks, (iii) obtaining the approval of the Israeli Investment Center to extend the five-year investment period under our Fab 2 approved enterprise program and of amendments to our modified business plan, (iv) market acceptance and competitiveness of the products to be manufactured by us for customers using these technologies, as well as obtaining additional business from new and existing customers, (v) our need to renegotiate our credit arrangements with our banks, to restructure certain financial covenants and to extend the deadlines by which we were and are required to meet the fifth and sixth milestones, which, in the absence of a renegotiated agreement, would result in an event of default under the credit facility in which event our banks would have the right to call our loans and exercise their liens against our assets and we would most likely face claims from our wafer partners, financial investors and the Investment Center, (vi) our ability to obtain additional financing for the Fab 2 project from equity and/or wafer partners, the Israeli Investment Center, our banks, and/or other sources, as required under the Fab 2 business plan and pursuant to our agreements with our wafer and equity partners, banks and the Israeli Investment Center, (vii) ramp-up of production at Fab 2 (viii) completion of the development and/or transfer of advanced process technologies to be utilized in our existing facility and in Fab 2, (ix) initial production difficulties we may experience in connection with the functionality of the equipment installed in Fab 2 during its early manufacturing period, and (x) conditions in the market for foundry manufacturing services and for semiconductor products generally. A more 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 our business is included at "Risk Factors" in our most recent Annual Report on Form 20-F and Form F-3, as were filed with the Securities and Exchange Commission and the Israel Securities Authority.

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TOWER SEMICONDUCTOR LTD. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA AND PER SHARE DATA)

	AS OF SEPTEMBER 30,		DECEMBER 31,
	2003	2002	2002
	(UNAUDITED)		
A S S E T S			
CURRENT ASSETS			
CASH AND CASH EQUIVALENTS	\$ 4,218	\$ 7,046	\$ 7,857
SHORT-TERM INTEREST-BEARING DEPOSITS	2,500	11,500	10,500
CASH AND SHORT-TERM INTEREST-BEARING DEPOSITS DESIGNATED FOR INVESTMENTS RELATING TO FAB 2	1,659	34,743	51,338
TRADE ACCOUNTS RECEIVABLE (NET OF ALLOWANCE FOR DOUBTFUL ACCOUNTS OF \$110, \$250 AND \$155, RESPECTIVELY)	9,302	5,082	7,456
OTHER RECEIVABLES	14,564	21,338	21,322
INVENTORIES	17,058	10,085	10,201
OTHER CURRENT ASSETS	1,681	2,030	1,407
Total current assets	50,982	91,824	110,081
LONG-TERM INVESTMENTS			
LONG-TERM INTEREST-BEARING DEPOSITS DESIGNATED FOR INVESTMENTS RELATING TO FAB 2	11,945	11,544	11,893
OTHER LONG-TERM INVESTMENTS	6,000	6,000	6,000
	17,945	17,544	17,893
PROPERTY AND EQUIPMENT, NET	576,425	435,485	493,074
OTHER ASSETS	105,260	84,913	95,213
TOTAL ASSETS	\$ 750,612	\$ 629,766	\$ 716,261
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
SHORT-TERM DEBT	\$ 4,000	\$ 4,000	\$ 4,000
TRADE ACCOUNTS PAYABLE	65,772	54,559	76,083
OTHER CURRENT LIABILITIES	9,382	8,819	8,071
Total current liabilities	79,154	67,378	88,154
LONG-TERM DEBT	347,000	254,000	253,000
CONVERTIBLE DEBENTURES	25,552	23,369	24,121
LONG-TERM LIABILITY IN RESPECT OF CUSTOMERS' ADVANCES	46,920	32,578	47,246
OTHER LONG-TERM LIABILITIES	5,869	5,332	5,406
Total liabilities	504,495	382,657	417,927
SHAREHOLDERS' EQUITY			
ORDINARY SHARES, NIS 1 PAR VALUE - AUTHORIZED 100,000,000 SHARES; ISSUED 50,079,146, 31,511,228 AND 44,735,532 SHARES, RESPECTIVELY	12,479	8,537	11,294
ADDITIONAL PAID-IN CAPITAL	415,645	338,777	400,808
SHAREHOLDER RECEIVABLES AND UNEARNED COMPENSATION	-26	-74	-53
ACCUMULATED DEFICIT	-172,909	-91,059	-104,643
TREASURY STOCK, AT COST - 1,300,000 SHARES	255,189	256,181	307,406
	-9,072	-9,072	-9,072
Total shareholders' equity	246,117	247,109	298,334
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 750,612	\$ 629,766	\$ 716,261

TOWER SEMICONDUCTOR LTD. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(dollars in thousands, except share data and per share data)

	NINE MONTHS ENDED SEPTEMBER 30,		THREE MONTHS ENDED SEPTEMBER 30,		YEAR ENDED DECEMBER 31,
	2003	2002	2003	2002	2002
	(unaudited)		(unaudited)		
SALES	\$ 41,545	\$ 36,229	\$ 16,074	\$ 16,187	\$ 51,801
COST OF SALES	75,816	49,956	38,548	21,078	67,022
GROSS LOSS	-34,271	-13,727	-22,474	-4,891	15,221
OPERATING COSTS AND EXPENSES					
RESEARCH AND DEVELOPMENT	12,551	10,184	3,895	3,642	17,031
MARKETING, GENERAL AND ADMINISTRATIVE	17,064	11,807	6,300	4,680	17,091
	29,615	21,991	10,195	8,322	34,122
OPERATING LOSS	-63,886	-35,718	-32,669	-13,213	49,343
FINANCING EXPENSE, NET	-4,293	-2,100	-4,264	-1,300	-2,104
OTHER INCOME (EXPENSE), NET	-87	--	-153	--	45
LOSS FOR THE PERIOD	\$ -68,266	\$ -37,818	\$ -37,086	\$ -14,513	\$ -51,402
BASIC LOSS PER ORDINARY SHARE					
(**) Loss per share	\$ -1.49	\$ -1.34	\$ -0.77	\$ -0.48	\$ -1.63
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES OUTSTANDING - IN THOUSANDS	45,788	28,129	48,360	30,211	31,523

(**) Basic and diluted loss per share in accordance with U.S. GAAP would be \$1.49 and \$0.77 for the nine and three months ended September 30, 2003 [\$1.34 and \$0.48 in the nine and three months ended September 30, 2002, respectively and \$1.63 for the year ended December 31, 2002].

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TOWER SEMICONDUCTOR LTD.

Date: November 4, 2003

By: /s/ Amir Harel

Amir Harel
Chief Financial Officer