



TowerJazz Announces Receipt of \$32 Million; Completed Sale of its Holdings in HHSL

August 18, 2011

Book Value of the Holdings in HHSL is presented at \$17 Million in TowerJazz Balance Sheet

MIGDAL HAEMEK, Israel & NEWPORT BEACH, Calif., Aug 18, 2011 (BUSINESS WIRE) --

TowerJazz, the global specialty foundry leader, today announced the closing of the sale of all its holdings in Hua Hong Semiconductor Limited ("HHSL"), the parent company of HHNEC, one of Mainland China's leaders in the field of IC foundry service, in a HHSL share repurchase transaction, for \$32 million in cash. TowerJazz's holdings consisted of 10% of HHSL'S shares, valued per GAAP in the amount of \$17 million on TowerJazz's balance sheet.

TowerJazz received the cash from this transaction and expects to record a gross gain in the third quarter of \$15 million as a direct result of this sale, and approximately \$8 million of net gain (after taking into account expected tax and other payments and fees associated with the transaction).

Chardan Capital Markets, LLC advised TowerJazz on this transaction.

About TowerJazz

Tower Semiconductor Ltd. (NASDAQ: TSEM) (TASE: TSEM), the global specialty foundry leader, its fully owned U.S. subsidiary Jazz Semiconductor 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 RFCMOS, 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.

About HHNEC

Founded in July 1997, Shanghai Hua Hong NEC Electronics Company, Ltd. ("HHNEC") is one of Mainland China's leaders in the field of IC foundry service. The company is dedicated to the manufacture of IC, providing high quality products and value-added services to both domestic and overseas customers. It is well-known for its advanced technologies, on-time delivery performance, excellent yields and cost competitiveness. Based on its solid foundation in 0.35-0.13um memory, logic and mixed signal technologies, HHNEC has progressively developed many sought-after processes, including embedded non-volatile memories, HVMOS, and RFCMOS. It focuses on embedded NVM, LCD driver, analog/power management, RF technology field and customer electronics, providing competitive and advanced platform of special processes. With its mature patented wafer processing techniques, HHNEC is able to help its customers achieve lower prototyping costs and shorter time-to-market For more information, please visit <http://www.hhnec.com/EN/AboutUs/Overview.aspx>.

SOURCE: TowerJazz

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