



TowerJazz Announces Reverse Share Split Approved

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Trade On Split-Adjusted Basis at a 1 for 15 Ratio to Commence on the NASDAQ Capital Market and the Tel Aviv Stock Exchange

TowerJazz (Nasdaq: TSEM; TASE: TSEM), the global specialty foundry leader, today announced that its reverse split of its ordinary shares has become effective as it was approved in its shareholders' meeting held today.

(Logo: <http://photos.prnewswire.com/prnh/20120509/531192>)

The Company's ordinary shares will begin trading on a split-adjusted basis on NASDAQ commencing August 6, 2012 and on the Tel Aviv Stock Exchange commencing August 5, 2012.

As previously announced, the reverse split ratio will be 1 for 15 and will reduce the number of outstanding ordinary shares of the Company to approximately 22 million shares. Fractional shares as a result of the reverse share split will be rounded up to the next whole number. Proportional adjustments will be made to all of TowerJazz's outstanding convertible securities.

The reverse share split is intended to enable TowerJazz to regain compliance with the NASDAQ minimum bid requirement to maintain the Company's stock listing on NASDAQ.

About TowerJazz

Tower Semiconductor Ltd. (NASDAQ: TSEM, TASE: TSEM), the global specialty foundry leader, 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, 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 <http://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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