



NEWS ANNOUNCEMENT

FOR IMMEDIATE RELEASE

TowerJazz and TLI Korea Collaborate on Sensor ICs Targeting 1.7B Worldwide Mobile Phone Market

NISHIWAKI, Japan, and SEONGNAM, Korea, May 13, 2013 – [TowerJazz](#), the global specialty foundry leader, today announced collaboration with TLI (Technology Leaders & Innovators), a fabless company that designs non-memory integrated circuits (ICs) focused on timing controllers and driver ICs on TFT-LCD panel modules. TLI has developed an acceleration sensor control IC and proximity illumination sensor IC based on TowerJazz's advanced 0.18um CMOS technology which enables TLI to provide local offerings to mobile phone suppliers in Korea where the market leaders are located.

As of 2012, the worldwide mobile phone market by units was 1.7 billion and 43% of this was attributed to smart phones with acceleration sensor control ICs and proximity and illumination sensor ICs. The portion of smart phones with these ICs is expected to grow steadily and TLI is targeting this fast growing market with two of its products utilizing TowerJazz's process. A mass production is expected to start in Q3, 2013.

The acceleration sensor market is mostly dominated by a few major foreign companies, however in January of this year, TLI succeeded in developing an acceleration sensor control IC and a proximity illumination sensor IC in Korea. These products are the first released from the very close collaboration between TowerJazz and TLI. By utilizing the advanced features of TowerJazz's 0.18um CMOS process, TLI realized accurate modeling as well as flash memory without mask adder for its acceleration sensor control IC and succeeded in realizing the sensing block without expensive color filtering for its proximity illumination sensor IC.

"We have been very pleased with our collaboration on these exciting products which has enabled us to provide local offerings to Korean mobile phone suppliers that are expected to be the most cost effective solutions in this market. This is the result of our close discussions with TowerJazz to utilize the advanced features of their 0.18 CMOS process. Also, these products showed full functionality from first silicon," said Soonwon Hong, Vice President of TLI.

“Korea is an important region for technical and manufacturing innovation and we are very excited to work with a leading-edge partner such as TLI to enable localization of their specialized sensor ICs,” said Michael Song, VP of Sales and President of TowerJazz Korea. “TLI has trusted us to co-develop and bring to market their latest products and we are pleased with the progress we have made in this region which is home to many leading semiconductor companies.”

About TLI

TLI Inc. (KOSDAQ; 062860), is a fabless design company that specializes in non-memory semiconductor ICs for flat panel displays. As such, TLI has developed the world’s first timing controller for the 120Hz FHD TV in 2007, one of the most important ICs in TFT LCD panels. TLI has applied the display port interface to the timing controller, and is aiming to become the world’s leader in 240Hz FHD TV Technology. TLI has been a prominent contributor to other advancements in the LCD industry. As an integral part of the semiconductor industry in Korea and a leading pioneer since its foundation in 1998, TLI’s innovations and technical developments have been based on continuous creativity and a spirit to face challenges.

TLI autonomously developed the analog IP, in combination with reliable, accelerated and precise product development, and is the result of collaboration between excellent analog IP and digital design technology, after many years of R&D to satisfy clients. Since 2011, TLI utilizes expertise attained from R&D to envision, develop and manufacture advanced motion sensors and flash controllers for the mobile industry with a remarkable expectation of revenues in the sensor industry. For more information, please visit: <http://tli.co.kr/eng/>

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) Technology Optimization 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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