



TowerJazz Buys Back Its \$45 Million Notes Issued in 2010

Reduces Jazz \$45 Million Debt Due June 2015 to Zero by Early Redemption Using Its Available Cash On Hand

Newport Beach, California and Migdal Haemek, Israel – December 8, 2014 – TowerJazz, the global specialty foundry leader, today announced that it has decided to early redeem its approximately \$45 million 8% coupon senior notes originally due June 30, 2015. In accordance with the Indenture dated as of July 15, 2010, the Company can early redeem these notes in its discretion, and save future interest accruals and payments. The notes will be redeemed on January 7, 2015, causing all of the outstanding 8% Senior Notes due June 2015 to become fully repaid as of such date. In accordance with the indenture, the redemption price is 102 percent of the outstanding principal amount, together with accrued and unpaid interest thereon. As a result, the Company will save approximately \$1.7 million of interest payments that otherwise would accrue and be paid during 2015.

About TowerJazz

Tower Semiconductor Ltd. ([TSEM](#)) ([TSEM.TA](#)) and its fully owned U.S. subsidiary Jazz Semiconductor, Inc. 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, RF CMOS, CMOS image sensor, integrated power management (BCD and 700V), and MEMS. TowerJazz also provides a world-class design enablement platform for a quick and accurate design cycle as well as Transfer Optimization and development Process Services (TOPS) to IDMs and fabless companies that need to expand capacity.

To provide multi-fab sourcing and extended capacity for its customers, TowerJazz operates two manufacturing facilities in Israel (150mm and 200mm), one in the U.S. (200mm) and three additional facilities in Japan (two 200mm and one 300mm) through **TowerJazz Panasonic Semiconductor Co.** (TPSCo), established with Panasonic Corporation of which TowerJazz has the majority holding. Through TPSCo, TowerJazz provides leading edge 45nm CMOS, 65nm RF CMOS and 65nm 1.12um pixel technologies. For more information, please visit www.towerjazz.com and www.tpsemico.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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