



NEWS ANNOUNCEMENT

FOR IMMEDIATE RELEASE

*2013年8月8日に発表されたプレスリリースの抄訳です

タワージャズ、2013年度第2四半期の業績を発表

11%売上高増加、第3四半期も継続的な売上高増加を予測

イスラエル ミグダル・ハエメク、2013年8月8日 – スペシャルティファウンドリの世界的リーダーであるタワージャズは本日、2013年6月30日に終了した2013年度第2四半期の業績を発表しました。

ハイライト

- 第2四半期売上高1億2千500万ドル、11%増加。
- Non-GAAPベースの売上総利益35%に増加。Non-GAAPベースの営業利益率21%に増加。Non-GAAPベースの純利益率15%に増加。
- 当四半期 EBITDA 2千700万ドル、前四半期から1千200万ドル増加。
- 2013年度第3四半期売上高予測は1億3千万ドルから1億4千万ドルで8%程度の成長見込み。
- 当四半期末現金残高1億1千700万ドル、株主資本1億8千400万ドルで、かつ健全な貸借対照表比率
- 合計約4千万ドルの株式購入権の分配に成功。

CEOの見解

タワージャズの CEO（最高経営責任者）ラッセルエルワンガーは、次のように結びました。

「2013年度第2四半期は、私達の事業のほぼ全ての分野で大きな成果を残しました。主要顧客とのパートナーシップを結び、私達が唯一の専門ファウンドリであるいくつかの新しい分野に進出しました。オペレーション面では、私達は、継続的に効率を改善し、このことによってより高い売上総利益、営業利益率を実現することができました。2013年度上期は、7500という記録的なマスク数がタワージャズの工場に投入されたこと（2012年度上期から30%増）からもわかるように、全ビジネスユニットが顕著にマーケットシェアを拡大させており、これらのテープアウトが量産に入ると今後数年の売り上げが見込まれます。

2013年度第2四半期業績の要約

2013年度第2四半期の売上高は、前四半期1億1千300万ドルから11%増の、1億2千500万ドルでした。2013年度第2四半期の売上高は、2012年度第2四半期と比較し26%減となりましたが、これはこれまでの説明にもあったように、マイクロンの量産契約によって明確になっていた減産によるものです

以下にも記載されているように、Non-GAAP ベースでの2013年度第2四半期の売上総利益および営業利益は、前四半期が3千400万ドルと1千500万ドルであったのに対し、4千400万ドルと2千600万ドルで、売上総利益率及び営業利益率は、前四半期が30%と13%であったのに対し、35%と21%でした。

Non-GAAP ベースでの2013年度第2四半期の純利益は1千800万ドルでした。これに対して、前四半期の純利益は600万ドルでした。

GAAP ベースでの当四半期の純損失は2千300万ドル、1株当たりの純損失は0.59ドルでした。これに対して、前四半期の純損失は2千300万ドル、1株当たりの純損失は0.94ドルでした。

業績予想

タワージャズは、2013年度第3四半期の売上高は1億3千万ドルから1億4千万ドルになると予想しており、8%程度の成長を予測しています。

カンファレンスコールおよびウェブキャストのご案内

タワージャズは、2013年8月8日10:00 a.m. Eastern Time / 5:00 p.m. Israel time に、2013年第2四半期の結果を報告するための電話会議を開催します。

参加される方は：1-888-668-9141 (U.S. toll-free number) もしくは+972-3-918-0610(international) で、ID code: TOWER-JAZZ.をご利用ください。イスラエルから参加する場合は：03-918-0644をご利用ください。または、このカンファレンスは、ウェブキャスト (<http://www.earnings.com> および www.towerjazz.com) で90日間ご覧になれます。

タワージャズについて

タワーセミコンダクター株式会社 (NASDAQ: TSEM, TASE: TSEM)は、米国にある完全子会社ジャズセミコンダクター社、日本にある完全子会社タワージャズジャパン株式会社とともに、タワージャズというブランド名でグローバルに事業展開するスペシャルティファンドリのリーダーです。タワージャズは、集積回路を生産し、SiGe、BiCMOS、ミックスドシグナル/CMOS、RFCMOS、CMOS イメージセンサ、パワーマネージメント (BCD)、MEMS など、幅広いカスタマイズが可能なプロセス技術を提供しています。また迅速かつ正確なデザインサイクルを実現する世界クラスのデザインイネーブルメントプラットフォームも提供します。さらに、IDM やキャパシティ拡大を必要とするファブレス企業向けの Transfer Optimization and development Process Services(TOPS)も提供します。イスラエルにある2か所、米国と日本に各1か所ある複数のファブを使ってサービスを展開しています。詳細は www.towerjazz.com をご覧ください。

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TOWER SEMICONDUCTOR LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

	June 30, 2013	March 31, 2013	December 31, 2012
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	
A S S E T S			
CURRENT ASSETS			
Cash, short-term deposits and designated deposits	\$ 116,559	\$ 119,707	\$ 133,398
Trade accounts receivable	87,118	79,957	79,354
Other receivables	12,105	8,084	5,379
Inventories	71,195	61,575	65,570
Other current assets	15,236	16,756	14,804
Total current assets	<u>302,213</u>	<u>286,079</u>	<u>298,505</u>
LONG-TERM INVESTMENTS	<u>13,440</u>	<u>13,306</u>	<u>12,963</u>
PROPERTY AND EQUIPMENT, NET	<u>383,792</u>	<u>407,991</u>	<u>434,468</u>
INTANGIBLE ASSETS, NET	<u>39,716</u>	<u>43,692</u>	<u>47,936</u>
GOODWILL	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>
OTHER ASSETS, NET	<u>16,145</u>	<u>13,088</u>	<u>13,768</u>
TOTAL ASSETS	<u>\$ 762,306</u>	<u>\$ 771,156</u>	<u>\$ 814,640</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short term debt	\$ 35,207	\$ 30,086	\$ 49,923
Trade accounts payable	74,678	68,132	81,372
Deferred revenue	3,261	5,795	1,784
Other current liabilities	31,870	40,628	36,240
Total current liabilities	<u>145,016</u>	<u>144,641</u>	<u>169,319</u>
LONG-TERM DEBT	<u>306,980</u>	<u>305,574</u>	<u>288,954</u>
LONG-TERM CUSTOMERS' ADVANCES	<u>7,182</u>	<u>7,347</u>	<u>7,407</u>
EMPLOYEE RELATED LIABILITES	<u>74,237</u>	<u>73,397</u>	<u>77,963</u>
DEFERRED TAX LIABILITY	<u>22,522</u>	<u>27,219</u>	<u>26,804</u>
OTHER LONG-TERM LIABILITIES	<u>22,167</u>	<u>22,596</u>	<u>24,168</u>
Total liabilities	<u>578,104</u>	<u>580,774</u>	<u>594,615</u>
SHAREHOLDERS' EQUITY	<u>184,202</u>	<u>190,382</u>	<u>220,025</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 762,306</u>	<u>\$ 771,156</u>	<u>\$ 814,640</u>

TOWER SEMICONDUCTOR LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(dollars in thousands, except per share data)

	Three months ended	
	June 30,	March 31,
	2013	2013
	<u>GAAP</u>	<u>GAAP</u>
REVENUES	\$ 125,236	\$ 112,647
COST OF REVENUES	<u>113,014</u>	<u>110,072</u>
GROSS PROFIT	<u>12,222</u>	<u>2,575</u>
OPERATING COSTS AND EXPENSES		
Research and development	7,396	9,495
Marketing, general and administrative	10,942	10,045
Amortization related to a lease agreement early termination	<u>1,866</u>	<u>1,866</u>
	<u>20,204</u>	<u>21,406</u>
OPERATING LOSS	(7,982)	(18,831)
INTEREST EXPENSES, NET	(8,305)	(8,027)
OTHER FINANCING INCOME (EXPENSE), NET	(8,213)	986
OTHER INCOME (EXPENSE), NET	<u>201</u>	<u>(260)</u>
LOSS BEFORE INCOME TAX	(24,299)	(26,132)
INCOME TAX BENEFIT	<u>1,412</u>	<u>2,981</u>
LOSS FOR THE PERIOD	<u>\$ (22,887)</u>	<u>\$ (23,151)</u>
Basic loss per ordinary share	<u>\$ (0.59)</u>	<u>\$ (0.94)</u>

TOWER SEMICONDUCTOR LTD. AND SUBSIDIARIES
RECONCILIATION OF REPORTED GAAP TO NON-GAAP CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(dollars in thousands, except per share data)

	Three months ended		Three months ended		Three months ended	
	June 30, 2013	March 31, 2013	June 30, 2013	March 31, 2013	June 30, 2013	March 31, 2013
	non-GAAP		Adjustments (see a, b, c, d, e, f below)		GAAP	
REVENUES	\$ 125,236	\$ 112,647	\$ --	\$ --	\$ 125,236	\$ 112,647
COST OF REVENUES	81,204	78,947	31,810(a)	31,125(a)	113,014	110,072
GROSS PROFIT	44,032	33,700	(31,810)	(31,125)	12,222	2,575
OPERATING COSTS AND EXPENSES						
Research and development	7,256	9,347	140(b)	148(b)	7,396	9,495
Marketing, general and administrative	10,471	9,403	471(c)	642(c)	10,942	10,045
Amortization related to a lease agreement early termination	--	--	1,866(d)	1,866(d)	1,866	1,866
	<u>17,727</u>	<u>18,750</u>	<u>2,477</u>	<u>2,656</u>	<u>20,204</u>	<u>21,406</u>
OPERATING PROFIT (LOSS)	26,305	14,950	(34,287)	(33,781)	(7,982)	(18,831)
INTEREST EXPENSES, NET	(8,305)	(8,027)	--(e)	--(e)	(8,305)	(8,027)
OTHER FINANCING INCOME (EXPENSE), NET	--	--	(8,213)(e)	986(e)	(8,213)	986
OTHER INCOME (EXPENSE), NET	201	(260)	--	--	201	(260)
PROFIT (LOSS) BEFORE INCOME TAX	18,201	6,663	(42,500)	(32,795)	(24,299)	(26,132)
INCOME TAX BENEFIT (EXPENSE)	--	(190)	1,412(f)	3,171(f)	1,412	2,981
NET PROFIT (LOSS) FOR THE PERIOD	\$ 18,201	\$ 6,473	\$ (41,088)	\$ (29,624)	\$ (22,887)	\$ (23,151)
NON-GAAP GROSS MARGINS	<u>35%</u>	<u>30%</u>				
NON-GAAP OPERATING MARGINS	<u>21%</u>	<u>13%</u>				
NON-GAAP NET MARGINS	<u>15%</u>	<u>6%</u>				

- (a) Includes depreciation and amortization expenses in the amounts of \$31,735 and \$30,966 and stock based compensation expenses in the amounts of \$75 and \$159 for the three months ended June 30, 2013 and March 31, 2013 respectively.
- (b) Includes depreciation and amortization expenses in the amounts of \$75 and \$30 and stock based compensation expenses in the amounts of \$65 and \$118 for the three months ended June 30, 2013 and March 31, 2013 respectively.
- (c) Includes depreciation and amortization expenses in the amounts of \$160 and \$204 and stock based compensation expenses in the amounts of \$311 and \$438 for the three months ended June 30, 2013 and March 31, 2013 respectively.

- (d) **Non cash amortization related to an early termination of an office building lease contract.**
 - (e) **Non-GAAP interest expenses and other financing expense, net include only interest on an accrual basis.**
 - (f) **Non-GAAP income tax expenses include taxes paid during the period.**
 - (*) **Basic earnings per ordinary share according to non-GAAP results is \$0.47 and \$0.26 for the three months ended June 30, 2013 and March 31, 2013, respectively and the weighted average number of ordinary shares outstanding is 39.1 million and 24.7 million for these periods. Fully diluted earnings per share according to non-GAAP results would be \$0.36 and \$0.13 for the three months ended June 30, 2013 and March 31, 2013, respectively, and the weighted average number of shares outstanding would be 49.7 million and 49.5 million for these periods; fully diluted earnings results and quantities of number of shares outstanding exclude 23.2 million and 22.0 million for the three months ended June 30, 2013 and March 31, 2013, respectively, of securities that carry exercise price or conversion ratios, which are above the average price of the company's stock during these periods.**
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TOWER SEMICONDUCTOR LTD. AND SUBSIDIARIES
RECONCILIATION OF REPORTED GAAP TO NON-GAAP CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(dollars in thousands, except per share data)

	Three months ended June 30,		Three months ended June 30,		Three months ended June 30,	
	2013	2012	2013	2012	2013	2012
	non-GAAP		Adjustments (see a, b, c, d, e, f, g below)		GAAP	
REVENUES	\$ 125,236	\$ 168,637	\$ --	\$ --	\$ 125,236	\$ 168,637
COST OF REVENUES	81,204	100,679	31,810(a)	39,620(a)	113,014	140,299
GROSS PROFIT	44,032	67,958	(31,810)	(39,620)	12,222	28,338
OPERATING COSTS AND EXPENSES						
Research and development	7,256	6,966	140(b)	616(b)	7,396	7,582
Marketing, general and administrative	10,471	8,246	471(c)	1,449(c)	10,942	9,695
Reorganization costs	--	--	--	5,789(d)	--	5,789
Amortization related to a lease agreement early termination	--	--	1,866(e)	--	1,866	--
	<u>17,727</u>	<u>15,212</u>	<u>2,477</u>	<u>7,854</u>	<u>20,204</u>	<u>23,066</u>
OPERATING PROFIT (LOSS)	26,305	52,746	(34,287)	(47,474)	(7,982)	5,272
INTEREST EXPENSES, NET	(8,305)	(6,925)	--(f)	--(f)	(8,305)	(6,925)
OTHER FINANCING EXPENSE, NET	--	--	(8,213)(f)	(1,784)(f)	(8,213)	(1,784)
OTHER INCOME (EXPENSE), NET	201	(1,019)	--	--	201	(1,019)
PROFIT (LOSS) BEFORE INCOME TAX	18,201	44,802	(42,500)	(49,258)	(24,299)	(4,456)
INCOME TAX BENEFIT (EXPENSE)	--	(35)	1,412(g)	(4,913)(g)	1,412	(4,948)
NET PROFIT (LOSS) FOR THE PERIOD	<u>\$ 18,201</u>	<u>\$ 44,767</u>	<u>\$ (41,088)</u>	<u>\$ (54,171)</u>	<u>\$ (22,887)</u>	<u>\$ (9,404)</u>
NON-GAAP GROSS MARGINS	<u>35%</u>	<u>40%</u>				
NON-GAAP OPERATING MARGINS	<u>21%</u>	<u>31%</u>				
NON-GAAP NET MARGINS	<u>15%</u>	<u>27%</u>				

- (a) Includes depreciation and amortization expenses in the amounts of \$31,735 and \$39,360 and stock based compensation expenses in the amounts of \$75 and \$260 for the three months ended June 30, 2013 and June 30, 2012 respectively.
- (b) Includes depreciation and amortization expenses in the amounts of \$75 and \$419 and stock based compensation expenses in the amounts of \$65 and \$197 for the three months ended June 30, 2013 and June 30, 2012 respectively.
- (c) Includes depreciation and amortization expenses in the amounts of \$160 and \$304 and stock based compensation expenses in the amounts

of \$311 and \$1,145 for the three months ended June 30, 2013 and June 30, 2012 respectively.

- (d) Includes reorganization costs.
 - (e) Non cash amortization related to an early termination of an office building lease contract.
 - (f) Non-GAAP interest expenses and other financing expense, net include only interest on an accrual basis.
 - (g) Non-GAAP income tax expenses include taxes paid during the period.
 - (*) Basic earnings per ordinary share according to non-GAAP results is \$0.47 and \$2.03 for the three months ended June 30, 2013 and June 30, 2012, respectively and the weighted average number of ordinary shares outstanding is 39.1 million and 22.0 million for these periods. Fully diluted earnings per shares according to non-GAAP results would be \$0.36 and \$0.90 for the three months ended June 30, 2013 and June 30, 2012, respectively, and the weighted average number of shares outstanding would be 49.7 million for these periods; fully diluted earnings results and quantities of number of shares outstanding exclude 23.2 million and 1.4 million for the three months ended June 30, 2013 and June 30, 2012, respectively, of securities that carry exercise price or conversion ratios, which are above the average price of the company's stock during these periods.
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TOWER SEMICONDUCTOR LTD. AND SUBSIDIARIES
RECONCILIATION OF REPORTED GAAP TO NON-GAAP CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(dollars in thousands, except per share data)

	Six months ended June 30,		Six months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012	2013	2012
	non-GAAP		Adjustments (see a, b, c, d, e, f, g below)		GAAP	
REVENUES	\$ 237,883	\$ 336,650	\$ --	\$ --	\$ 237,883	\$ 336,650
COST OF REVENUES	160,151	209,938	62,935(a)	75,626(a)	223,086	285,564
GROSS PROFIT	77,732	126,712	(62,935)	(75,626)	14,797	51,086
OPERATING COSTS AND EXPENSES						
Research and development	16,603	14,358	288(b)	1,224(b)	16,891	15,582
Marketing, general and administrative	19,874	19,341	1,113(c)	2,854(c)	20,987	22,195
Reorganization costs	--	--	--	5,789(d)	--	5,789
Amortization related to a lease agreement early termination	--	--	3,732(e)	--	3,732	--
	<u>36,477</u>	<u>33,699</u>	<u>5,133</u>	<u>9,867</u>	<u>41,610</u>	<u>43,566</u>
OPERATING PROFIT (LOSS)	41,255	93,013	(68,068)	(85,493)	(26,813)	7,520
INTEREST EXPENSES, NET	(16,332)	(15,088)	--(f)	--(f)	(16,332)	(15,088)
OTHER FINANCING EXPENSE, NET	--	--	(7,227)(f)	(12,150)(f)	(7,227)	(12,150)
OTHER EXPENSE, NET	(59)	(1,019)	--	--	(59)	(1,019)
PROFIT (LOSS) BEFORE INCOME TAX	24,864	76,906	(75,295)	(97,643)	(50,431)	(20,737)
INCOME TAX BENEFIT (EXPENSE)	(190)	1,085	4,583(g)	(9,069)(g)	4,393	(7,984)
NET PROFIT (LOSS) FOR THE PERIOD	<u>\$ 24,674</u>	<u>\$ 77,991</u>	<u>\$ (70,712)</u>	<u>\$ (106,712)</u>	<u>\$ (46,038)</u>	<u>\$ (28,721)</u>
NON-GAAP GROSS MARGINS	<u>33%</u>	<u>38%</u>				
NON-GAAP OPERATING MARGINS	<u>17%</u>	<u>28%</u>				
NON-GAAP NET MARGINS	<u>10%</u>	<u>23%</u>				

- (a) Includes depreciation and amortization expenses in the amounts of \$62,701 and \$75,107 and stock based compensation expenses in the amounts of \$234 and \$519 for the six months ended June 30, 2013 and June 30, 2012, respectively.
- (b) Includes depreciation and amortization expenses in the amounts of \$105 and \$814 and stock based compensation expenses in the amounts of \$183 and \$410 for the six months ended June 30, 2013 and June 30, 2012, respectively.
- (c) Includes depreciation and amortization expenses in the amounts of \$364 and \$625 and stock based compensation expenses in the amounts

of \$749 and \$2,229 for the six months ended June 30, 2013 and June 30, 2012, respectively.

- (d) Includes reorganization costs.
 - (e) Non cash amortization related to an early termination of an office building lease contract.
 - (f) Non-GAAP interest expenses and other financing expense, net include only interest on an accrual basis.
 - (g) Non-GAAP income tax expenses include taxes paid during the period
 - (*) Basic earnings per ordinary share according to non-GAAP results is \$0.77 and \$3.56 for the six months ended June 30, 2013 and June 30, 2012, respectively and the weighted average number of ordinary shares outstanding is 31.9 million and 21.9 million for these periods. Fully diluted earnings per shares according to non-GAAP results would be \$0.50 and \$1.57 for the six months ended June 30, 2013 and June 30, 2012, respectively, and the weighted average number of shares outstanding would be 49.6 million for these periods; fully diluted earnings results and quantities of number of shares outstanding exclude 23.2 million and 1.5 million for the six months ended June 30, 2013 and June 30, 2012, respectively, of securities that carry exercise price or conversion ratios, which are above the average price of the company's stock during these periods.
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