



30 September 2007

Mr. Dov Moran, Chairman
Tower Semiconductor Ltd.
Migdal Ha'emek

Mr. Russel Allwanger, CEO
Tower Semiconductor Ltd.
Migdal Ha'emek

Dear Sirs,

Tower Semiconductor Directorship Resignation

I hereby give notice of my resignation from my office as a member of the Board of Directors of Tower Semiconductors Ltd. on which I acted as representative of Israel Corporation Ltd.

Israel Corporation is now represented by its CEO, Mr. Nir Gilad, and by Mr. Ron Moskowitz, a director with considerable experience in technology, who will replace me.

I wish to express my gratitude to the management and directors of Tower in respect of the period during which we worked together. This was a most important period for Tower, leading the way to expansion and improvement in cash flow and results. I am leaving Tower with a feeling of confidence that the Company is in the best of hands with an energetic professional management under the leadership of Dov Moran and Russel Allwanger.

I wish the Company every success.

Yours most sincerely,



Yossi Rosen

Copies: Mr. Idan Ofer, Chairman Israel Corporation
Members of the Board of Directors, Tower
Adv. Natty Somech-Gilboa, Tower Secretary