



## Tower Semiconductor Awards Multi-Year Service Contract to Applied Materials

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SANTA CLARA, Calif., Apr 06, 2009 (BUSINESS WIRE) -- Tower Semiconductor Ltd. and Applied Materials, Inc. announced today that they have signed a five-year contract to support all Applied Materials wafer processing systems at Tower's Fab 2 manufacturing facility in Migdal Haemek, Israel. Through its Applied Performance Service program, the most cost-effective and flexible service offering in the semiconductor industry, Applied will provide Tower with committed system uptime at a low, predictable cost that varies with factory loading - a critical benefit at a time of uncertain market conditions.

"By leveraging Applied's unmatched infrastructure, technology and global expertise we expect to realize substantial cost and operating efficiencies," said Shimon Dahan, senior vice president, worldwide operations. "We're relying on Applied to maximize tool performance and optimize maintenance cost at any load level, enabling us to focus on delivering world-class CMOS and mixed-signal foundry services to our customers while remaining competitive even when demand fluctuates."

"Our Performance Service program is a powerful strategy for customers to lower their overall costs and to align them with revenue by converting fixed costs to variable expenses," said Manfred Kerschbaum, senior vice president and general manager of Applied Global Services. "Applied can help Tower maintain its world class Fab metrics and operational effectiveness in a time of lower fab loading and be ready to ramp smoothly when conditions improve. This agreement is a testament to the value proposition that we offer and demonstrates the growing momentum of our service business at customers worldwide."

Under the agreement, Applied will service all the Applied Materials tools in Tower's Fab 2, including CVD\*, PVD, etch, metrology, RTP, CMP and epitaxial deposition systems. Using an unmatched range of engineering and logistics technologies including Applied's ExpertConnect(TM) remote diagnostic capability, a team of local and internationally located Applied certified engineers will provide around the clock support to perform preventive and corrective maintenance, spare parts management, parts cleaning and coating, and analytical services.

For more information about Applied's comprehensive portfolio of service solutions, visit [www.appliedmaterials.com/products/index\\_pc2.html](http://www.appliedmaterials.com/products/index_pc2.html).

**Tower Semiconductor Ltd.** (NASDAQ: TSEM, TASE: TSEM) is a pure-play independent specialty wafer foundry. Tower manufactures integrated circuits with geometries ranging from 1.0 to 0.13-micron; it also provides complementary technical services and design support. In addition to digital CMOS process technology, Tower offers advanced mixed-signal & RF-CMOS, Power Management, CMOS image-sensor and non-volatile memory technologies. Through access to the process portfolio of its fully owned subsidiary, Jazz Semiconductor, Tower offers RF CMOS, Analog CMOS, Silicon and SiGe BiCMOS, SiGe C-BiCMOS, Power CMOS and High Voltage CMOS. To provide world-class customer service, Tower maintains two manufacturing facilities in Israel with access to its fully owned subsidiary Jazz Semiconductor's fab in the U.S. and manufacturing capacity in China through Jazz's partnerships with ASMC and HHNEC. For more information, please visit [www.towersemi.com](http://www.towersemi.com) and [www.jazzsemi.com](http://www.jazzsemi.com).

**Applied Materials, Inc.** (Nasdaq:AMAT) is the global leader in Nanomanufacturing Technology(TM) solutions with a broad portfolio of innovative equipment, service and software products for the fabrication of semiconductor chips, flat panel displays, solar photovoltaic cells, flexible electronics and energy efficient glass. At Applied Materials, we apply Nanomanufacturing Technology to improve the way people live. Learn more at [www.appliedmaterials.com](http://www.appliedmaterials.com).

\* CVD = chemical vapor deposition; PVD = physical vapor deposition; RTP = rapid thermal processing; CMP = chemical-mechanical planarization

Photos/Multimedia Gallery Available: <http://www.businesswire.com/cgi-bin/mmg.cgi?eid=5933792&lang=en>

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