

EARNINGS UPDATE

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Tower Semiconductor Ltd.

(TSEM^{5,8} \$1.96) BUY

**Tower turns cash-flow positive on generally in-line results.
Adjusting estimates, maintain BUY.**

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Results largely inline with our estimates. Tower Semi reported Q3 sales of \$55.5M (+8% Q/Q), slightly below our \$56.9M (+11% Q/Q) estimate, and near the mid-point of the company's guidance of \$53M to \$57M. Excluding depreciation expenses, gross margins improved 110bps to 42.8% from the September quarter. Loss from operations improved to \$37.7M compared to \$40.6M in the previous quarter, with depreciation expense totaling \$41.0M, and interest expense declining to \$10.2M from \$12.4M due to debt restructuring completed in Q3. The company delivered another quarter of positive EBITDA, improving to approximately \$13.5M compared to \$10M in the prior quarter. Furthermore, the company recorded its first quarterly positive cash flow generation from operations since Fab2 entered production about 4 years ago. This is a crucial milestone for a company that has been, in the past, saddled with significant amount of debt. The number of customers that contribute \$4M+ in revenues reached 12 this quarter, compared to just 4 at the beginning of the year. Both Fab-1 and Fab-2 are running in utilization in excess of 90%. The company remains on track to increase Fab2 capacity to 24,000 wafers/ month by the end of Q1'07 up from 17K wafers/ month at the end of Q4. Management is confident that this capacity will be enough to increase Tower's annual revenue run rate to approximately \$300M by 2H'07.

The company is guiding Q1 revenues to come in flat sequentially, in the range of \$53 - 57M largely attributable to seasonal factors in its end-markets.

Q1 guidance well above peers. While the midpoint of management's guidance of \$55M, or flat sequentially is below our prior estimate of \$62.5M (+10% Q/Q), it is significantly better than that of its peers. Top-tier foundries have guided Q1 sales to decline sequentially in Q1: Chartered Semiconductor guided to a 3%-7% decline while Taiwan Semiconductor guided for 15%-17% decline, and UMC is guiding for a 10%-12% decline. We believe that Tower will continue to outgrow the industry as recent customer wins should continue to provide meaningful revenues going forward. The company should continue to enjoy healthy demand from customers such as Atheros and Sandisk. We continue to believe that once International Rectifier completes the sale of its PCS business unit to Vishay who already has a significant long-term contract with Tower; this deal could also result in further revenue upside for Tower.

2007 appears to be shaping up well for Tower. The number of customers and products that are at the pre-production stage, are roughly the same number as are currently in production, and as these transition into production could significantly increase revenue from current levels.

CFFO in the black. We view the positive cash flow from operations this quarter, although modest at \$2M, as a significant achievement. Slowly, but surely Tower has transitioned from a company struggling to survive, to one that is doing what a business is supposed to do: generate money. We expect the company will continue to generate cash through 2007. In comments to the press, management suggested Tower could turn profitable in 2H'08; a company perceived to have been lost, seems to be finding its way.

Adjusting revenue estimates. Maintain BUY. We are maintaining our EPS estimates for Q1 at \$(0.37), despite lowering out revenues estimates from \$62.5M (+10% Q/Q) to \$56.5M (+2% Q/Q). Our FY'07 estimates are for EPS of \$(1.35) on revenues of \$270M (+44% Y/Y) compared to our prior estimate of \$(1.37)/\$299M (+58% Y/Y). We remain buyers of the stock as this point as we continue to believe that the potential for upside to the stock is meaningful; the company is well on its path of fixing itself—through strong sales growth and management controls to restructure its finances. We maintain our BUY rating and \$3 target, which is based on 1.2x our estimated 2007 sales/share.

Risk Factors that could impact the stock include the possibility of weakness in the foundry sector of the semiconductor industry, Tower's ability to gain new customers and ramp production at the smaller geometries in its Fab 2, wafer pricing volatility, company execution risks such as controlling manufacturing costs, and industry-wide issues such as competitive threats and a deeper than expected cyclical downturn in the industry that could further lower valuation multiples. In addition Tower has a significant debt burden that may constrain the company's financial flexibility.

Key Data

52-Week Range	\$1.22-\$2.18
Weighted Average Shares (MM)	94.4
Float (MM)	37.0
% Held Institutionally	3.2%
Market Capitalization (MM)	\$185
Average Daily Volume (000)	157
Revenues - LTM (MM)	\$187
Total Debt (MM)	\$357
Cash per Share	\$.40
Long-Term Growth Rate	15%
12-Month Price Target	\$3.00

Fiscal Year Ends: Dec.	2005A	2006A	2007E
Revenue (MM)	\$102.0	\$187.4	\$269.9
Previous Revenues (MM)	-	\$188.8	\$298.6
Earnings per Share			
Q1	\$(0.84)	\$(0.63)A	\$(0.37)
Q2	\$(0.71)	\$(0.55)A	\$(0.34)
Q3	\$(0.83)	\$(0.48)A	\$(0.34)
Q4	<u>\$(0.55)</u>	<u>\$(0.40)A</u>	<u>\$(0.31)</u>
Year	\$(2.94)	\$(2.06)	\$(1.35)
Previous EPS	-	\$(2.05)	\$(1.37)
P/E	NM	NM	NM
Shares Fully Diluted (MM)	70.2	82.5	95.6



Tower Semiconductor is a wafer foundry based in Israel, and was established in 1993. The company's technology portfolio includes mixed-signal, CMOS and RF Integrated Circuit production. The company recently expanded its technology offering down to 0.16-micron, and 0.13-micron CMOS processes. Tower has two fabs—Fab 1 has been in production since 1993, while production at Fab 2 commenced in late 2002.

Companies Mentioned: Chartered Semiconductor (CHRT, NR, \$9.66), Taiwan Semi (TSM, NR, \$11.16), United Microelectronics (UMC, NR, \$3.54), Atheros (ATHR, \$26.15, BUY), Sandisk (SNDK, \$41.66, NR), International Rectifier (IRF, \$42.58, NR) and Vishay (VSH, \$14.21, NR)

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February 8, 2007

Disclaimers regarding the content of this report as well as full disclosure of C.E. Unterberg, Towbin's ratings and information on the firm's position(s) in securities mentioned herein appear on the final page of this report.

Tower Semiconductor Ltd. (NASDAQ: TSEM)
Quarterly Income Statement
Ramesh Misra; C.E. Unterberg, Towbin

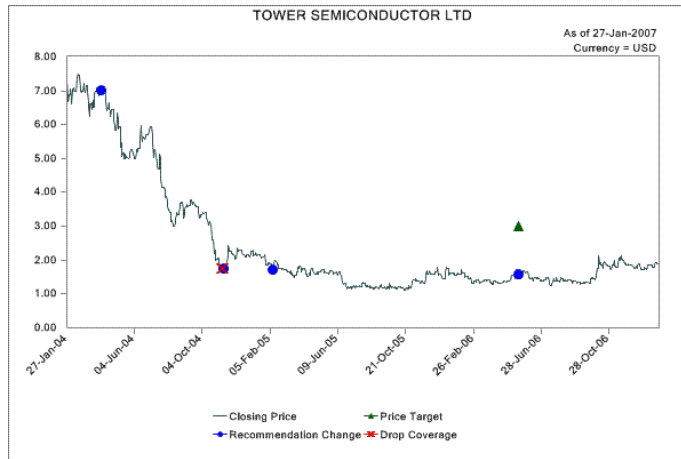
(\$ in Millions, except EPS)	FY2004					FY2005E					FY2006					FY2007E				
	Q1 Mar-04	Q2 Jun-04	Q3 Sep-04	Q4 Dec-04	FY 2004	Q1 Mar-05	Q2 Jun-05	Q3 Sep-05	Q4E Dec-05	FYE 2005	Q1 Mar-06	Q2 Jun-06	Q3 Sep-06	Q4 Dec-06	FYE 2006	Q1E Mar-07	Q2E Jun-07	Q3E Sep-07	Q4E Dec-07	FYE 2007
Total Revenue	27.2	33.7	35.1	30.1	126.1	23.2	27.2	20.6	31.1	102.0	35.9	44.6	51.5	55.5	187.4	56.5	63.3	71.5	78.7	269.9
Depreciation	26.0	27.0	30.8	34.0	117.8	34.6	36.0	36.9	36.0	143.5	38.1	37.6	38.2	41.0	154.9	41.0	42.0	43.0	44.0	170.0
Cost of Goods Sold	24.1	27.3	27.0	32.2	110.6	26.6	25.3	20.2	22.8	94.9	23.2	27.5	30.0	31.7	112.5	29.6	32.7	39.2	41.7	143.3
Gross Profit	(22.9)	(20.6)	(22.7)	(36.1)	(102.4)	(38.0)	(34.0)	(36.6)	(27.7)	(136.4)	(25.4)	(20.6)	(16.7)	(17.2)	(80.0)	(14.1)	(11.4)	(10.7)	(7.1)	(43.3)
R&D	3.5	3.8	4.0	5.8	17.1	4.8	3.9	4.2	3.2	16.0	3.4	3.6	4.2	3.9	15.0	3.9	4.1	4.4	4.6	17.1
SG&A	5.6	5.4	5.2	5.1	21.3	4.5	4.2	4.7	3.9	17.4	5.3	5.5	7.3	6.4	24.5	6.5	6.9	7.3	7.7	28.3
Amortization																				0.0
Restructuring/Other																				0.0
Operating Expenses	9.1	9.2	9.2	11.0	38.4	9.3	8.1	8.9	7.1	33.4	8.7	9.0	11.5	10.3	39.5	10.4	11.0	11.7	12.3	45.4
Operating Income	(32.0)	(29.8)	(31.9)	(47.1)	(140.8)	(47.3)	(42.2)	(45.5)	(34.8)	(169.8)	(34.1)	(29.6)	(28.2)	(27.5)	(119.5)	(24.5)	(22.4)	(22.4)	(19.4)	(88.7)
EBITDA	(6.0)	(2.7)	(1.1)	(13.1)	(23.0)	(12.7)	(6.2)	(8.6)	1.2	(26.3)	4.0	8.0	10.0	13.5	35.4	16.5	19.6	20.6	24.6	81.3
Interest Income / (Expense)	(6.5)	(6.8)	(7.6)	(8.8)	(29.7)	(8.2)	(7.4)	(9.9)	(10.2)	(35.7)	(11.5)	(14.1)	(12.4)	(10.2)	(48.1)	(10.2)	(10.2)	(10.2)	(10.2)	(40.8)
Other				32.6	32.6	0.2	2.3	0.0	(0.1)	2.4	0.6	0.0			0.6					0.0
Pretax Income	(38.5)	(36.5)	(39.5)	(23.3)	(137.9)	(55.3)	(47.2)	(55.4)	(45.2)	(203.1)	(45.1)	(43.6)	(40.6)	(37.7)	(167.0)	(34.7)	(32.6)	(32.6)	(29.6)	(129.5)
Taxes					0.0					0.0					0.0					0.0
Net Income--Operating	(38.5)	(36.5)	(39.5)	(55.9)	(170.5)	(55.3)	(47.2)	(55.4)	(45.2)	(203.1)	(45.1)	(43.6)	(40.6)	(37.7)	(167.0)	(34.7)	(32.6)	(32.6)	(29.6)	(129.5)
EPS--Operating	(\$0.61)	(\$0.55)	(\$0.60)	(\$0.83)	(\$2.60)	(\$0.84)	(\$0.71)	(\$0.83)	(\$0.55)	(\$2.94)	(\$0.63)	(\$0.55)	(\$0.48)	(\$0.40)	(\$2.06)	(\$0.37)	(\$0.34)	(\$0.34)	(\$0.31)	(\$1.35)
Fully Diluted Shares (m)	63.0	66.6	65.6	67.0	65.6	65.7	66.2	66.7	82.2	70.2	71.9	78.7	85.1	94.4	82.5	94.9	95.4	95.9	96.4	95.6
Basic Shares (m)																				

MARGIN ANALYSIS	FY2004					FY2005E					FY2006E					FY2007E				
	Q1 Mar-04	Q2 Jun-04	Q3 Sep-04	Q4 Dec-04	FY 2004	Q1 Mar-05	Q2 Jun-05	Q3 Sep-05	Q4E Dec-05	FYE 2005	Q1 Mar-06	Q2 Jun-06	Q3 Sep-06	Q4 Dec-06	FYE 2006	Q1E Mar-07	Q2E Jun-07	Q3E Sep-07	Q4E Dec-07	FYE 2007
Cost of Sales (excl. Depreciation)	88.8%	81.0%	76.9%	107.0%	87.7%	114.9%	92.8%	98.4%	73.3%	93.0%	64.6%	61.8%	58.3%	57.2%	60.0%	52.4%	51.6%	54.9%	53.1%	53.1%
Gross Margin	-84.4%	-61.1%	-64.7%	-120.1%	-81.2%	-164%	-125%	-178%	-89%	-133.7%	-71%	-46%	-33%	-31%	-42.7%	-25%	-18%	-15%	-9%	-16.0%
GM ex-depreciation	11.2%	19.0%	23.1%	-7.0%	12%	-14.9%	7.2%	1.6%	26.7%	7%	35.4%	38.2%	41.7%	42.8%	40%	47.6%	48.4%	45.1%	46.9%	47%
R & D	12.9%	11.3%	11.4%	19.4%	13.6%	20.6%	14.3%	20.4%	10.2%	15.7%	9.3%	8.0%	8.1%	7.0%	8.0%	6.9%	6.6%	6.2%	5.9%	6.3%
Selling, G & A	20.6%	15.9%	14.8%	17.0%	16.9%	19.5%	15.6%	22.9%	12.7%	17.1%	14.8%	12.3%	14.2%	11.5%	13.1%	11.4%	10.8%	10.2%	9.7%	10.5%
Operating Margin	-117.8%	-88.3%	-90.9%	-156.6%	-111.7%	-204.3%	-155.0%	-221.3%	-112.1%	-166.5%	-95.0%	-66.5%	-54.8%	-49.5%	-63.7%	-43.4%	-35.4%	-31.4%	-24.6%	-32.9%
Interest Income	-23.9%	-20.0%	-21.7%	-29.4%	-23.5%	-35.3%	-27.0%	-48.2%	-32.9%	-35.0%	-32.1%	-31.5%	-24.0%	-18.4%	-25.7%	-18.0%	-16.1%	-14.3%	-13.0%	-15.1%
Pre Tax Income	-141.7%	-108.3%	-112.5%	-77.6%	-109.4%	-238.8%	-173.6%	-269.3%	-145.4%	-199.1%	-125.6%	-98.0%	-78.9%	-67.9%	-89.1%	-61.4%	-51.5%	-45.6%	-37.6%	-48.0%
Tax Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Net Income	-134.4%	-82.8%	-148.1%	-77.6%	-110.9%	-238.8%	-173.6%	-269.3%	-145.4%	-199.1%	-125.6%	-98.0%	-78.9%	-67.9%	-89.1%	-61.4%	-51.5%	-45.6%	-37.6%	-48.0%

Growth Rates:																				
Year to Year % Change:																				
Sales	116%	161%	118%	52%	105%	-15%	-19%	-41%	3%	-19%	55%	64%	151%	79%	84%	57%	42%	39%	42%	44%
Gross Profit	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Operating Profit	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Pretax Income	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Earnings Per Share	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Qtr/Qtr % Change:																				
Sales	37%	24%	4%	-14%		-22.9%	17.4%	-24.5%	51.1%		15.5%	24.2%	15.6%	7.8%		1.8%	12.0%	13.0%	10.0%	
Gross Profit	NM	NM	NM	NM		NM	NM	NM	NM		NM	NM	NM	NM		NM	NM	NM	NM	
Operating Profit	-21%	-7%	7%	48%		1%	-11%	8%	-23%		-2%	-13%	-5%	-3%		-11%	-9%	0%	-14%	
Pretax Income	NM	NM	NM	NM		NM	NM	NM	NM		NM	NM	NM	NM		NM	NM	NM	NM	
Earnings Per Share	-33%	-10%	10%	39%		1%	-15%	16%	-34%		14%	-12%	-14%	-16%		-8%	-7%	-0%	-10%	

Tower Semiconductor Ltd. (NASDAQ: TSEM)
Balance Sheet
Ramesh Misra; C.E. Unterberg, Towbin

(\$ millions)	FY2003				FY2004				FY2005E				FY2006				FY2007E			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1E	Q2E	Q3E	Q4E
	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06	Sep-06	Dec-06	Mar-07	Jun-07	Aug-07	Nov-07
ASSETS																				
Cash & Short Term Invsts.	43.1	19.3	8.4	56.5	92.6	61.4	58.5	81.5	52.1	40.4	29.7	39.0	32.7	11.5	61.7	40.9	34.2	38.1	42.5	50.1
Cash			4.2	12.4	14.3	19.1	21.9	27.7	34.5	23.5	11.7	7.3	17.6	8.6	61.7	40.9	34.2	38.1	42.5	50.1
ST Investments			4.2	44.0	78.3	42.3	36.6	53.8	17.6	17.0	18.0	31.7	15.1	2.9	-	-	-	-	-	-
Receivables	31.3	26.2	23.9	22.7	30.4	39.2	44.3	30.7	21.6	19.7	17.7	25.8	27.8	60.2	38.4	36.9	41.0	44.7	48.6	53.2
Inventories	10.8	13.3	17.1	19.4	21.6	25.7	30.4	25.7	21.6	17.1	20.9	24.4	28.7	34.4	38.5	41.1	45.6	49.7	54.1	59.2
Other current assets	1.7	2.5	1.7	1.7	2.3	2.1	1.2	1.8	0.9	1.3	2.4	1.0	1.4	1.6	1.7	1.5	1.6	1.8	1.9	2.1
Current Assets	86.9	61.2	51.0	100.3	146.9	128.4	134.4	139.6	96.2	78.5	70.8	90.2	90.5	107.7	140.4	120.4	122.5	134.3	147.2	164.6
Net PP&E	527.5	574.2	576.4	568.4	566.8	589.3	613.6	609.3	587.7	563.0	534.7	510.6	484.3	460.3	522.0	533.0	533.0	533.0	533.0	533.0
Intangible assets																				
Long-term Investments	18.1	18.4	17.9	10.8	10.7	10.9	10.9	5.1	5.1	-	-	-	-	-	-	-	-	-	-	-
Other assets	105.7	107.8	105.3	108.8	105.4	102.1	98.0	93.5	92.5	86.5	83.3	77.8	61.2	55.9	50.7	45.0	49.9	54.4	59.2	64.8
Total Assets	738.1	761.6	750.6	788.3	829.9	830.7	856.9	847.5	781.4	728.0	688.7	678.7	636.0	624.0	713.2	698.4	705.3	721.7	739.4	762.3
LIABILITIES & S. E.																				
Short Term Debt	4.0	4.0	4.0	-	-	-	-	-	-	-	-	27.6	5.7	6.2	-	6.6	6.6	6.6	6.6	6.6
Accounts Payable	82.9	79.8	65.8	40.2	45.1	51.1	61.2	65.3	53.2	59.6	59.8	59.7	52.0	50.4	59.7	55.1	52.0	56.7	61.7	67.5
Other Current Liabilities	7.6	9.3	9.4	9.6	8.2	8.9	9.1	10.7	16.2	14.8	15.6	9.0	8.9	11.5	21.9	22.1	24.5	26.7	29.1	31.8
Current Liabilities	94.5	93.1	79.2	49.8	53.3	59.9	70.3	76.0	69.4	74.4	75.4	96.3	66.7	68.1	81.6	83.9	83.2	90.1	97.4	105.9
Long Term Debt	306.5	334.5	372.6	456.8	455.9	486.5	522.6	523.7	516.7	516.0	529.6	497.0	549.4	515.8	355.1	356.9	356.9	356.9	356.9	356.9
Other	53.0	53.3	52.8	52.3	54.0	54.0	72.9	79.9	82.6	71.2	69.5	90.0	64.8	115.9	127.2	125.9	125.9	125.9	125.9	125.9
Total Liabilities	454.0	480.9	504.5	558.9	563.2	600.4	665.8	679.5	668.8	661.6	674.4	683.3	680.8	699.8	563.9	566.7	566.0	572.9	580.3	588.8
Shareholder's Equity	284.1	280.7	246.1	229.5	266.7	230.3	191.1	168.0	112.7	66.4	14.3	(4.6)	(44.8)	(75.9)	149.3	133.0	139.3	148.7	159.1	173.5
Total Liabilities & Shareholders' Equity	738.1	761.6	750.6	788.3	829.9	830.7	856.9	847.5	781.4	728.0	688.7	678.7	636.0	624.0	713.2	699.7	705.3	721.7	739.4	762.3
RATIO ANALYSIS:																				
Book Value/Share	6.55	6.17	5.09	4.5	4.23	3.46	2.91	2.5	1.71	1.00	0.21	(0.1)	(0.62)	(0.96)	1.75	1.4	1.47	1.56	1.66	1.8
Tangible Book Value/Share	6.55	6.17	5.09	4.5	4.23	3.46	2.91	2.5	1.71	1.00	0.21	(0.1)	-0.62	-0.96	1.75	1.4	1.47	1.56	1.66	1.8
Cash/Share	0.99	0.42	0.09	1.12	1.47	0.92	0.89	1.22	0.79	0.61	0.45	0.47	0.24	0.11	0.73	0.4	0.36	0.40	0.44	0.5
Current Ratio	0.92	0.66	0.64	2.0	2.76	2.14	1.91	1.8	1.38	1.05	0.94	0.9	1.36	1.58	1.72	1.4	1.47	1.49	1.51	1.6
Quick Ratio	0.79	0.49	0.41	1.6	2.31	1.68	1.46	1.5	1.06	0.81	0.63	0.7	0.91	1.05	1.23	0.9	0.90	0.92	0.94	1.0
Net Working Capital (\$MM)	(7.60)	(31.90)	(28.17)	50.5	93.64	68.46	64.13	63.6	26.73	4.06	(4.63)	(6.0)	23.87	39.61	58.88	36.6	39.29	44.21	49.78	58.7
Sales/Total Assets	1.7%	1.7%	2.1%	2.5%	3.3%	4.1%	4.1%	3.5%	3.0%	3.7%	3.0%	4.6%	5.6%	7.1%	7.2%	7.9%	8.0%	8.8%	9.7%	10.3%
LT Debt/Capital	51.9%	54.4%	60.2%	66.6%	63.1%	67.9%	73.2%	75.7%	82.1%	88.6%	97.4%	100.9%	108.9%	117.3%	70.4%	72.9%	71.9%	70.6%	69.2%	67.3%
LT Debt/Equity	107.9%	119.2%	151.4%	199.1%	170.9%	211.3%	273.5%	311.7%	459%	778%	3701%	-10866%	-1226.2%	-679.6%	237.9%	268.4%	256.2%	240.0%	224.4%	205.7%
Return on Sales*	-72.6%	-80.6%	-126.3%	-186.7%	-177.1%	-150.5%	-138.7%	-110.9%	-147.9%	-154.0%	-222.6%	-199.1%	-166.4%	-120.1%	-98.0%	-89.1%	-69.1%	-59.9%	-52.2%	-48.0%
Return on Assets*	-6.1%	-6.5%	-9.7%	-15.1%	-17.2%	-18.2%	-19.4%	-16.6%	-15.8%	-22.1%	-21.6%	-28.2%	-21.8%	-20.7%	-19.7%	-25.0%	-16.0%	-14.8%	-13.8%	-17.7%
Return on Equity*	-14.9%	-16.6%	-26.0%	-44.1%	-52.7%	-60.0%	-70.0%	-65.3%	-83.1%	-132.2%	-245.0%	-430.4%	1245.2%	320.6%	-1356.5%	-413.4%	-80.4%	-74.8%	-67.0%	-83.4%
Days of Receivables*	169.99	184.58	160.38	153.0	148.13	123.23	107.48	77.2	125.52	93.03	124.49	101.0	99.15	127.62	88.89	61.1	112.98	86.54	81.61	60.9
Days of Receivables (Single Pt Qtr)	226.06	184.82	134.89	104.2	101.73	105.80	114.97	92.8	84.73	65.94	78.51	75.6	70.57	123.03	67.93	60.5	66.01	64.24	61.87	61.5
Days of Receivables (Double Pt Qtr)	216.95	202.81	141.49	106.9	88.84	93.95	108.27	113.5	102.56	69.04	82.90	63.8	68.03	89.92	87.18	61.8	62.74	61.59	59.36	58.9
Inventory Turns*	5.34	4.68	4.26	4.6	4.91	4.85	4.26	4.9	3.62	5.19	3.10	3.8	2.89	2.66	2.57	3.44	2.28	2.13	2.13	2.86
Days of Inventory*	68.39	78.00	85.76	79.0	74.28	75.19	85.68	74.3	100.71	70.30	117.88	96.3	126.16	137.35	142.12	106.23	159.80	171.30	171.16	127.76
Days of Inventory (Single Pt Qtr)	76.19	98.03	75.57	78.1	81.33	85.71	102.36	72.6	73.94	61.47	94.02	97.5	112.61	113.66	116.67	117.9	140.14	138.52	125.52	129.1
Days of Inventory (Double Pt Qtr)	74.07	88.97	67.14	73.4	77.19	78.83	94.51	79.3	80.85	69.69	85.38	90.5	104.15	104.22	110.43	114.2	133.20	132.80	120.44	123.5



TOWER SEMICONDUCTOR LTD
Currency = USD

Date	Closing Price	Recommendation Change	Date	Closing Price	Price Target
19-May-2006	1.60	BUY	19-May-2006	1.60	3.00
07-Feb-2005	1.73	MARKET PERFORM			
06-Nov-2004	1.75	DROPPED			
08-Nov-2004	1.75	MARKET PERFORM			
05-Apr-2004	7.03	MP/MP			

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- Buy: 12 months, estimated 20% or more appreciation
- Market Perform: Performance in line with the market averages anticipated.
- Under Perform: 12 months, estimated underperformance of 20% or more

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	% of CEUT Universe with this rating	% of rating tier for which CEUT provided IB services
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Market Perform	40%	19%
Under Perform	1%	0%

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