

POWER INTEGRATIONS INC  
 Form 4  
 December 28, 2007

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**BALAKRISHNAN BALU**

2. Issuer Name and Ticker or Trading Symbol  
**POWER INTEGRATIONS INC [POWI]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
**5245 HELLYER AVE**  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**12/26/2007**

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
**President and CEO**

**SAN JOSE, CA 95138**  
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
Common Stock	12/26/2007		M		300 A \$ 14.2188	4,652	D
Common Stock	12/26/2007		S		300 D \$ 31.81	4,352	D
Common Stock	12/26/2007		M		100 A \$ 14.2188	4,452	D
Common Stock	12/26/2007		S		100 D \$ 32.18	4,352	D
Common Stock	12/26/2007		M		300 A \$ 14.2188	4,652	D

Edgar Filing: POWER INTEGRATIONS INC - Form 4

Common Stock	12/26/2007	S	300	D	\$ 32.2	4,352	D	
Common Stock	12/26/2007	M	300	A	\$ 14.2188	4,652	D	
Common Stock	12/26/2007	S	300	D	\$ 32.25	4,352	D	
Common Stock	12/26/2007	M	200	A	\$ 14.2188	4,552	D	
Common Stock	12/26/2007	S	200	D	\$ 32.35	4,352	D	
Common Stock	12/26/2007	M	200	A	\$ 14.2188	4,552	D	
Common Stock	12/26/2007	S	200	D	\$ 32.36	4,352	D	
Common Stock	12/26/2007	M	200	A	\$ 14.2188	4,552	D	
Common Stock	12/26/2007	S	200	D	\$ 32.38	4,352	D	
Common Stock	12/26/2007	M	200	A	\$ 14.2188	4,552	D	
Common Stock	12/26/2007	S	200	D	\$ 32.42	4,352	D	
Common Stock	12/26/2007	M	200	A	\$ 14.2188	4,552	D	
Common Stock	12/26/2007	S	200	D	\$ 32.44	4,352	D	
Common Stock	12/26/2007	M	700	A	\$ 14.2188	5,052	D	
Common Stock	12/26/2007	S	700	D	\$ 32.5	4,352	D	
Common Stock	12/26/2007	M	300	A	\$ 14.2188	4,652	D	
Common Stock	12/26/2007	S	300	D	\$ 32.51	4,352	D	
Common Stock						232,752	I	by Trust

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474  
(9-02)

Edgar Filing: POWER INTEGRATIONS INC - Form 4

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 14.2188	12/26/2007		M	<u>300</u> <sup>(1)</sup>	04/20/1999	04/20/2009	Common Stock	300
Non-Qualified Stock Option (right to buy)	\$ 14.2188	12/26/2007		M	<u>100</u> <sup>(1)</sup>	04/20/1999	04/20/2009	Common Stock	100
Non-Qualified Stock Option (right to buy)	\$ 14.2188	12/26/2007		M	<u>300</u> <sup>(1)</sup>	04/20/1999	04/20/2009	Common Stock	300
Non-Qualified Stock Option (right to buy)	\$ 14.2188	12/26/2007		M	<u>300</u> <sup>(1)</sup>	04/20/1999	04/20/2009	Common Stock	300
Non-Qualified Stock Option (right to buy)	\$ 14.2188	12/26/2007		M	<u>200</u> <sup>(1)</sup>	04/20/1999	04/20/2009	Common Stock	200
Non-Qualified Stock Option (right to buy)	\$ 14.2188	12/26/2007		M	<u>200</u> <sup>(1)</sup>	04/20/1999	04/20/2009	Common Stock	200
Non-Qualified Stock Option (right to buy)	\$ 14.2188	12/26/2007		M	<u>200</u> <sup>(1)</sup>	04/20/1999	04/20/2009	Common Stock	200
Non-Qualified Stock Option (right to buy)	\$ 14.2188	12/26/2007		M	<u>200</u> <sup>(1)</sup>	04/20/1999	04/20/2009	Common Stock	200
Non-Qualified Stock Option (right to buy)	\$ 14.2188	12/26/2007		M	<u>200</u> <sup>(1)</sup>	04/20/1999	04/20/2009	Common Stock	200
Non-Qualified Stock Option (right to buy)	\$ 14.2188	12/26/2007		M	<u>700</u> <sup>(1)</sup>	04/20/1999	04/20/2009	Common Stock	700

