

POWER INTEGRATIONS INC  
Form 4  
December 28, 2007

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

OMB APPROVAL  
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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 \*  
Bailey Doug

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)  
12/27/2007

\_\_\_\_ Director  
 Officer (give title below) \_\_\_\_\_ 10% Owner  
\_\_\_\_\_ Other (specify below)  
VP Marketing

SAN JOSE, CA 95138

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

(City) (State) (Zip)

**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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V Amount (A) or (D) Price   |   |  |                                   |
| Common Stock                    | 12/27/2007                           |  | M                              | 1,000 A \$ 19.73  | 1,000   | D  |                                   |
| Common Stock                    | 12/27/2007                           |  | S                              | 1,000 D \$ 33   | 0   | D  |                                   |
| Common Stock                    | 12/27/2007                           |  | M                              | 39 A \$ 19.73   | 39  | D  |                                   |
| Common Stock                    | 12/27/2007                           |  | S                              | 39 D \$ 33.14   | 0   | D  |                                   |
| Common Stock                    | 12/27/2007                           |  | M                              | 425 A \$ 19.73  | 425   | D  |                                   |

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|              |            |   |     |   |          |     |   |
|--------------|------------|---|-----|---|----------|-----|---|
| Common Stock | 12/27/2007 | S | 425 | D | \$ 33.20 | 0   | D |
| Common Stock | 12/27/2007 | M | 300 | A | \$ 19.73 | 300 | D |
| Common Stock | 12/27/2007 | S | 300 | D | \$ 33.22 | 0   | D |
| Common Stock | 12/27/2007 | M | 36  | A | \$ 19.73 | 36  | D |
| Common Stock | 12/27/2007 | S | 36  | D | \$ 33.23 | 0   | D |

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)

**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 Security (Instr. 3 and 4) | 8. Amount or Number of Shares |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|----------------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                         | Amount or Number of Shares |
| Non-Qualified Stock Option (right to buy)  | \$ 19.73   | 12/27/2007                           |  | M                              | 1,000<br>(1)  | 11/30/2004 11/30/2014                                    | Common Stock  | 1,000                         |                            |
| Non-Qualified Stock Option (right to buy)  | \$ 19.73   | 12/27/2007                           |  | M                              | 39 (1)  | 11/30/2004 11/30/2014                                    | Common Stock  | 39                            |                            |
| Non-Qualified Stock Option (right to buy)  | \$ 19.73   | 12/27/2007                           |  | M                              | 425<br>(1)  | 11/30/2004 11/30/2014                                    | Common Stock  | 425                           |                            |
| Non-Qualified Stock Option (right to buy)  | \$ 19.73   | 12/27/2007                           |  | M                              | 300<br>(1)  | 11/30/2004 11/30/2014                                    | Common Stock  | 300                           |                            |
| Non-Qualified Stock Option                 | \$ 19.73   | 12/27/2007                           |  | M                              | 36 (1)  | 11/30/2004 11/30/2014                                    | Common Stock  | 36                            |                            |

(right to buy)

## Reporting Owners

| Reporting Owner Name / Address                        | Relationships |           |              |       |
|---|---------------|-----------|--------------|-------|
|   | Director      | 10% Owner | Officer      | Other |
| Bailey Doug<br>5245 HELLYER AVE<br>SAN JOSE, CA 95138 |               |           | VP Marketing |       |

## Signatures

By: /s/ Rafael Torres Attorney-In-Fact For: Doug Bailey 12/28/2007

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) This sale is pursuant to a 10B5-1 Sales Plan

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.