

DSP GROUP INC /DE/  
Form 3  
July 25, 2006

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name <b>and</b> Ticker or Trading Symbol	
Â Levy Dror		(Month/Day/Year)	DSP GROUP INC /DE/ [DSPG]	
(Last)	(First)	07/19/2006		
C/O DSP GROUP, INC.,Â 3120 SCOTT BLVD		4. Relationship of Reporting Person(s) to Issuer		5. If Amendment, Date Original Filed(Month/Day/Year)
(Street)			(Check all applicable)	
SANTA CLARA,Â CAÂ 95054		<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other (give title below)    (specify below) Chief Financial Officer		6. Individual or Joint/Group Filing(Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person
(City)	(State)	(Zip)		

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

**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.**

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

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable    Expiration Date	Title    Amount or Number of Shares			

(Instr. 5)

Stock Option (Right to Buy)	Â (1)	10/30/2009	Common Stock	136	\$ 11.4848	D	Â
Stock Option (Right to Buy)	Â (2)	08/26/2009	Common Stock	337	\$ 13.3502	D	Â
Stock Option (Right to Buy)	Â (3)	10/30/2009	Common Stock	500	\$ 11.4848	D	Â
Stock Option (Right to Buy)	Â (4)	08/26/2009	Common Stock	1,750	\$ 13.3502	D	Â
Stock Option (Right to Buy)	Â (5)	05/13/2010	Common Stock	21,250	\$ 22.42	D	Â
Stock Option (Right to Buy)	Â (6)	07/04/2012	Common Stock	15,000	\$ 23.88	D	Â
Stock Appreciation Right	Â (7)	04/05/2013	Common Stock	20,000	\$ 28.59	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Levy Dror C/O DSP GROUP, INC. 3120 SCOTT BLVD SANTA CLARA, CA 95054	Â	Â	Â Chief Financial Officer	Â

## Signatures

/s/ Dror Levy                      07/25/2006  
 \*\*Signature of                      Date  
 Reporting Person

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 5(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) Vests on October 30, 2006.
- (2) Vests on August 26, 2006.
- (3) Vests on October 30, 2006.
- (4) Currently exercisable as to 500 options with the remaining 1,250 options vesting on August 26, 2006.
- (5) Currently exercisable as to 13,750 options and will vest as to 1,875 options on August 13, 2006, November 13, 2006, February 13, 2007 and May 13, 2007.
- (6) Vested as to 25% on July 4, 2006 and will vest thereafter as to 6.25% at the end of each 3 month period.
- (7) Will vest as to 25% on April 5, 2007 and thereafter as to 6.25% at the end of each 3 month period.

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.