#### POWER INTEGRATIONS INC

Form 4

December 28, 2007

## FORM 4

## UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or

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

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**OMB APPROVAL** 

3235-0287

January 31,

2005

OMB

Number:

Expires:

Form 5 obligations may continue. See Instruction

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

1(b).

(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) 5245 HELLYE	(First) ER AVE	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 12/26/2007	Director 10% Owner _X_ Officer (give title Other (specify below)  President and CEO		
	(Street)		4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person		
SAN JOSE, CA 95138				Form filed by More than One Reporting Person		

(City)	(State)	(Zip) Tab	le I - Non-	Derivative	Secu	rities Acqui	red, Disposed of,	or Beneficiall	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. 4. Securities Ac Transaction Disposed of Code (Instr. 3, 4 and 3 (Instr. 8)			(D) 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)
Common Stock	12/26/2007		Code V M	Amount 300	(D)	Price \$ 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	

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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

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

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SEC 1474 (9-02)

Trust

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# $\label{thm:convergence} \begin{tabular}{ll} Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned \\ (\emph{e.g.}, puts, calls, warrants, options, convertible securities) \\ \end{tabular}$

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

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Non-Qualified Stock Option \$ 14.2188

12/26/2007

M

000 (1) 04/20/1999 04/20/2009 Common Stock

300

(right to buy)

## **Reporting Owners**

**Reporting Owner Name / Address** 

Relationships

Director 10% Owner Officer

Other

BALAKRISHNAN BALU 5245 HELLYER AVE SAN JOSE, CA 95138

President and CEO

**Signatures** 

Balakrishnan

By: /s/ Rafael Torres Attorney-In-Fact For: Balu

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

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