

BALAKRISHNAN BALU  
Form 4  
October 19, 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)  
  
 Director  10% Owner  
 Officer (give title below)  Other (specify below)  
**President and CEO**

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
**10/17/2007**

**C/O POWER INTEGRATIONS, 5245 HELLYER AVE**

(Street)

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

**SAN JOSE, CA 95138**

(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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D)  | Price   |  |                                   |
| Common Stock                    | 10/17/2007                           |  | M                              | A   | \$ 200<br>14.82   | 4,552  | D                                 |
| Common Stock                    | 10/17/2007                           |  | S                              | D   | \$ 200<br>31.04   | 4,352  | D                                 |
| Common Stock                    | 10/17/2007                           |  | M                              | A   | \$ 300<br>14.82   | 4,652  | D                                 |
| Common Stock                    | 10/17/2007                           |  | S                              | D   | \$ 300<br>31.07   | 4,352  | D                                 |
|                                 | 10/17/2007                           |  | M                              | A   | 538   | 4,890  | D                                 |

Edgar Filing: BALAKRISHNAN BALU - Form 4

|              |            |   |     |   |          |          |   |  |
|--------------|------------|---|-----|---|----------|----------|---|--|
| Common Stock |            |   |     |   |          | \$ 14.82 |   |  |
| Common Stock | 10/17/2007 | S | 538 | D | \$ 31.2  | 4,352    | D |  |
| Common Stock | 10/17/2007 | M | 700 | A | \$ 12.1  | 5,052    | D |  |
| Common Stock | 10/17/2007 | S | 700 | D | \$ 31.17 | 4,352    | D |  |
| Common Stock | 10/17/2007 | M | 262 | A | \$ 12.1  | 4,614    | D |  |
| Common Stock | 10/17/2007 | S | 262 | D | \$ 31.2  | 4,352    | 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 Securities (Instr. 3 and 4) | Amount or Number of Shares |  |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|--|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                      |  |
| Non-Qualified Stock Option (right to buy)  | \$ 12.1  | 10/17/2007                           |  | M                              | 700<br>(1)  | 05/31/2001 05/31/2011                                    | Common Stock  | 700                        |  |
| Non-Qualified Stock Option (right to buy)  | \$ 12.1  | 10/17/2007                           |  | M                              | 262<br>(1)  | 05/31/2001 05/31/2011                                    | Common Stock  | 262                        |  |
| Non-Qualified Stock Option (right to buy)  | \$ 14.82   | 10/17/2007                           |  | M                              | 200<br>(1)  | 02/21/2002 02/21/2012                                    | Common Stock  | 200                        |  |
| Non-Qualified Stock Option                 | \$ 14.82   | 10/17/2007                           |  | M                              | 300<br>(1)  | 02/21/2002 02/21/2012                                    | Common Stock  | 300                        |  |

