



ITC Exclusion Order Now in Effect against System General Corp.

Ruling in Favor of Power Integrations Enforced as Presidential Review Period Expires

SAN JOSE, Calif. – October 22, 2006 – Power Integrations (OTC: POWI), the leader in high-voltage analog integrated circuits for power conversion, today announced that the exclusion order issued by the International Trade Commission (ITC) against System General Corp. (SG) is now in force. On June 30, 2006, the ITC accepted the determination that certain of SG's power-supply controllers infringe Power Integrations U.S. Patent Nos. 6,351,398 and 6,538,908, and that SG is therefore in violation of section 337 of the Tariff Act of 1930. In August, the ITC determined to exclude from the U.S. market certain products containing the infringing SG chips, pending the review of the President. The Presidential review period has expired and the exclusion order is now in effect.

The exclusion order prohibits the importation of SG's infringing products into the United States, as well as the importation of any LCD monitors and printer adapters containing the infringing parts. The infringing parts covered by the order are the SG6840, SG6841, SG6841x3, SG6842, SG6842J and SG6843.

Power Integrations is proceeding with its patent-infringement lawsuit against SG in Federal District Court in San Francisco, originally filed in June 2004. In that lawsuit, which had been stayed pending the final decision of the ITC, Power Integrations is seeking financial damages as well as an injunction against all SG products that infringe Power Integrations patents. These include parts not subject to the ITC decision, such as the SG6848, SG6849 and other parts introduced more recently.

"Power Integrations respects the intellectual property of others, and we are intent on protecting our IP from unlawful copying by our competitors," said Balu Balakrishnan, president and CEO of Power Integrations. "The district court case against SG will enable us to address additional infringing products not covered by the ITC decision, and to collect the damages that we are entitled to."

Earlier this month, a jury found that Fairchild Semiconductor willfully infringed four Power Integrations patents, and set damages at approximately \$34 million.

About Power Integrations

Power Integrations, Inc. is the leading supplier of high-voltage analog integrated circuits used in power conversion. The company's breakthrough technology enables compact, energy-efficient power supplies in a wide range of electronic products, in both AC-DC and DC-DC applications. The company's EcoSmart[®] energy-efficiency technology, which dramatically reduces energy waste, has saved consumers and businesses around the world more than an estimated \$1.8 billion on their electricity bills since its introduction in 1998. For more information, visit the company's website at www.powerint.com.

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