



Power Integrations Offers Cost-Effective Solutions to Meet New, Mandatory California Energy Efficiency Requirements

EcoSmart® Integrated Circuits and Ready-to-Use Reference Designs Enable Easy Replacement of Energy-Wasting External Power Supplies

New Rules Drive Stake in the Heart of "Energy Vampires"

SAN JOSE, Calif. – December 16, 2004 – Power Integrations, Inc. (Nasdaq: POWI), the leading supplier of high-voltage analog integrated circuits used in power conversion, today presented a suite of solutions enabling electronics manufacturers to comply cost-effectively with new, mandatory energy-efficiency standards for the state of California.

The mandatory standards, introduced yesterday by the California Energy Commission (CEC), place stringent energy efficiency requirements on both AC-DC and AC-AC external power supplies. The standards apply to a vast array of electronic products employing external power supplies (chargers/adapters), including such devices as cell phones, cordless phones, portable music players and game systems, toys, tools and many more. Beginning July 1, 2006, external power supplies manufactured for retail sale in California will be required to meet minimum efficiency standards in both active and no-load modes. These requirements practically rule out the use of energy-wasting linear transformers, also known as "energy vampires," in external power supplies. Complete details on the new requirements, which are included in the newly updated California Appliance Efficiency Regulations, can be found on the CEC Web site at www.energy.ca.gov/appliances.

Power Integrations offers a range of revolutionary integrated-circuit solutions specifically designed to assist manufacturers in meeting and exceeding the new standards. The company's EcoSmart® technology enables switched-mode power supplies that consume only a fraction of the electricity wasted by linear transformers and many discrete designs. Power Integrations ICs with EcoSmart technology are supported by comprehensive design tools including application notes, data sheets, reference design kits (DAKs) and the company's power supply design software, PI Expert™. An array of copy-ready reference designs for CEC-compliant external power supplies can be found on a special section of the Power Integrations Web site devoted to the new CEC standards (www.powerint.com/greenroom/reg_cec.htm). A list of answers to frequently asked questions about the standards can be downloaded at www.powerint.com/PDFFiles/cecfaq.pdf.

The California requirements, the first-ever mandatory standards specifically addressing external power supplies, reflect the widespread availability of cost-effective alternatives to older, inefficient power supply technologies. California law requires that the CEC appliance efficiency standards be cost-effective based on a reasonable use pattern, meaning that they must not result in added total costs to the consumer over the life of the appliance.

"These new standards are an acknowledgement that proven, readily available technologies, such as our EcoSmart integrated circuits, are a highly cost-effective way to make power supplies more efficient," said Balu Balakrishnan, president and CEO of Power Integrations. "Our ICs enable manufacturers to meet all current and proposed energy standards worldwide, and are already being used to meet the requirements of Energy Star, the European Commission Code of Conduct, the U.S. One-Watt Executive Order, and many other regulations and standards around the world."

Ecos Consulting, an environmental consulting firm, estimates that there are at least 145 million external power supplies in service today in California, with an additional 28 million sold in the state annually. "Improving the efficiency of external power supplies offers a tremendous opportunity for energy savings," noted Chris Calwell of Ecos. "If all of the external power supplies currently in use in California were energy-efficient, California could be saving more than 360,000 tons of carbon-dioxide emissions annually, an amount equal to the annual emissions of more than 60,000 automobiles." For more information about Ecos Consulting's work on power supply efficiency, see www.efficientpowersupplies.org.

About Power Integrations

Power Integrations, Inc. is the leading supplier of high-voltage analog integrated circuits used in power conversion. The company's breakthrough integrated-circuit 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 \$790 million on their electricity bills since its introduction in 1998. For more information, visit the company's Web site at www.powerint.com. For information on global energy-efficiency standards and EcoSmart solutions, visit the Power Integrations Green Room at www.powerint.com/greenroom.