Power Integrations Named Winner of Efficiency Challenge 2004

U.S. EPA and California Energy Commission Present Top Award for Power Supply Utilizing LinkSwitch® Integrated Circuits with EcoSmart® Technology

AUSTIN, Texas – March 7, 2005 – Power Integrations, Inc. (Nasdaq: POWI), the leading supplier of high-voltage analog integrated circuits used in power conversion, today was named Grand Champion in its category of Efficiency Challenge 2004, an international design competition for power supply efficiency. The contest, sponsored by the U.S. Environmental Protection Agency and the California Energy Commission, showcases highly efficient power supply technologies for consumer electronics. The award will be presented to Power Integrations president and CEO Balu Balakrishnan today at the plenary session of the Applied Power Electronics Conference (APEC) in Austin.
The winning design, an energy-efficient adapter for a cordless telephone, was judged the top entry in the "market ready" category of the competition, in which practical factors such as cost and packaging were considered in addition to energy efficiency. The design utilizes Power Integrations' LinkSwitch family of integrated circuits, which are ideally suited for use in low-power applications such as cordless phones, cell phones, consumer appliances and many industrial applications.

The winning design will enable manufacturers to comply with the recently launched ENERGY STAR Ò specification for cordless phones, as well as the mandatory standards recently placed on external adapters by the California Energy Commission. Complete documentation on the winning design, including application notes, engineering reports and data sheets, can be found on the Reference Designs page of the Power Integrations Web site at www.powerint.com/dak.htm (DAK-16A).

"I am delighted that the U.S. Environmental Protection Agency and the California Energy Commission have selected Power Integrations as Grand Champion of Efficiency Challenge 2004," said Balu Balakrishnan, president and CEO of Power Integrations. "It is particularly significant that the winning design is for the cordless phone market, where inefficient linear transformers are still the predominant power supply technology. This award validates the fact that a cost-effective, efficient alternative to these 'energy vampires' is available and ready for market."

According to Ecos Consulting, portable telephones are one of the biggest opportunities for external power supply savings in the U.S. market.

"Average efficiency levels for conventional products in this category usually range between 30 percent and 55 percent," said Chris Calwell, research and policy director for Ecos Consulting and an Efficiency Challenge judge. "For the Power Integrations team to achieve an average efficiency of 69 percent is quite remarkable. If all U.S. phones had a power supply as efficient as this model, the nation could save 1.5 billion kWh per year. This would prevent the release of a million tons of carbon dioxide into the atmosphere, and save consumers one hundred million dollars on their utility bills. We congratulate Power Integrations for its exemplary power supply design."

Power Integrations has been recognized repeatedly for its contributions to improving the energy efficiency of electronic products. The company was awarded the 1999 Discover Award for Technological Innovation for the environmental benefits of its energy-saving TinySwitch family of integrated circuits, the first of the company's products to incorporate EcoSmart technology. In 2001, CEO Balu Balakrishnan demonstrated EcoSmart technology for President Bush and Secretary of Energy Spencer Abraham. In 2003, the company was named one of the top 20 sustainable stocks by SustainableBusiness.com for its standout performance in terms of both sustainability and financial strength.

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 $900 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.