

Power Integrations Reports Appeals Decision in Patent Litigation with Fairchild Semiconductor

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Court affirms finding of infringement against Fairchild, noting that Fairchild “fostered a corporate culture of copying”

SAN JOSE, Calif.--(BUSINESS WIRE)-- Power Integrations (Nasdaq: **POWI**) today announced a decision from a federal appeals court regarding the company's 2004 patent-infringement lawsuit against Fairchild Semiconductor. In 2006, Fairchild was found to infringe several Power Integrations patents, resulting in a permanent injunction against more than 100 infringing Fairchild products. The U.S. Court of Appeals yesterday affirmed Fairchild's infringement of Power Integrations' intellectual property rights, supporting the basis for the permanent injunction. The appeals court also identified certain aspects of the case for reconsideration by the district court, including issues surrounding financial damages.

The decision follows a series of rulings favoring Power Integrations in its dispute with Fairchild. In 2012, a jury found that Fairchild infringed two of the same patents previously found to be infringed in the 2004 case, implicating 75 additional Fairchild products. Power Integrations is seeking damages and an injunction against those infringing products as well. In 2006, the International Trade Commission (ITC) found that System General (SG), later acquired by Fairchild, infringed two Power Integrations patents and issued an exclusion order barring SG's importation of the infringing products into the U.S. market. In December 2012, in a case brought by Fairchild against Power Integrations, a Chinese court ruled that Power Integrations did not infringe any of the patents asserted by Fairchild.

Commented Balu Balakrishnan , president and CEO of Power Integrations: “We are pleased that the Court has confirmed Fairchild's infringement, supporting the basis for the permanent injunction. We intend to continue seeking financial compensation for the harm done to us over the past decade by Fairchild's blatant disregard of our intellectual property rights, which flows from what the appeals court described as Fairchild's ‘corporate culture of

copying.”

About Power Integrations

Power Integrations, Inc., is a Silicon Valley-based supplier of high-performance electronic components used in high-voltage power-conversion systems. The company’s integrated circuits and diodes enable compact, energy-efficient AC-DC power supplies for a vast range of electronic products including mobile devices, TVs, PCs, appliances, smart utility meters and LED lights. CONCEPT IGBT drivers enhance the efficiency, reliability and cost of high-power applications such as industrial motor drives, solar and wind energy systems, electric vehicles and high-voltage DC transmission. Since its introduction in 1998, Power Integrations’ EcoSmart® energy-efficiency technology has prevented billions of dollars’ worth of energy waste and millions of tons of carbon emissions. Reflecting the environmental benefits of the company’s products, Power Integrations’ stock is included in the NASDAQ® Clean Edge® Green Energy Index, The Cleantech Index®, and the Ardour Global IndexSM. For more information, including design-support tools and resources, please visit www.powerint.com; visit Power Integrations’ **Green Room** for a comprehensive guide to energy-efficiency standards around the world.

Note Regarding Forward-Looking Statements

Certain statements in this press release are forward-looking statements reflecting management’s current expectations and beliefs. Such statements are based on current information that is, by its nature, subject to rapid and even abrupt changes. Due to risks and uncertainties associated with the company’s business and the litigation process, actual results could differ materially from those projected or implied. General risk factors associated with the company’s business are more fully explained under the caption “Risk Factors” in the company’s most recent Annual Report on Form 10-K, filed with the Securities and Exchange Commission on February 22, 2013. The company is under no obligation (and expressly disclaims any obligation) to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise, except as otherwise required by the rules and regulations of the SEC.

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