

DSP GROUP INC /DE/  
Form 4  
February 27, 2006

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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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 \*  
AYALON ELIYAHU

(Last) (First) (Middle)

C/O DSP GROUP, INC., 3120  
SCOTT BLVD

(Street)

SANTA CLARA, CA 95054

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
DSP GROUP INC /DE/ [DSPG]

3. Date of Earliest Transaction  
(Month/Day/Year)  
02/23/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Chairman of Board and CEO

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**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		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 Indirect Beneficial Ownership (Instr. 4)	
			Code	V	Amount	(A) or (D)				Price
Common Stock	02/23/2006		M		28,500	A	\$ 16.79	28,500	D	
Common Stock	02/23/2006		S		28,500	D	\$ 26.465	0	D	
Common Stock	02/23/2006		M		62,500	A	\$ 16.79	62,500	D	
Common Stock	02/23/2006		S		62,500	D	\$ 26.465	0	D	
Common Stock	02/23/2006		M		62,500	A	\$ 16.79	62,500	D	

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Common Stock	02/23/2006	S	62,500	D	\$ 26.465	0	D
Common Stock	02/23/2006	M	36,500	A	\$ 16.79	36,500	D
Common Stock	02/23/2006	S	36,500	D	\$ 26.465	0	D
Common Stock	02/24/2006	M	26,000	A	\$ 16.79	26,000	D
Common Stock	02/24/2006	S	26,000	D	\$ 27.0001	0	D
Common Stock	02/24/2006	M	62,500	A	\$ 17.8161	62,500	D
Common Stock	02/24/2006	S	62,500	D	\$ 26.964	0	D
Common Stock	02/24/2006	M	62,500	A	\$ 17.8161	62,500	D
Common Stock	02/24/2006	S	62,500	D	\$ 26.964	0	D
Common Stock	02/24/2006	M	37,500	A	\$ 17.3893	37,500	D
Common Stock	02/24/2006	S	37,500	D	\$ 27.0138	0	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option	\$ 16.79	02/23/2006		M	28,500	01/22/2003	01/22/2010	Common Stock	28,500

(Right to Buy)									
Stock Option (Right to Buy)	\$ 16.79	02/23/2006	M	62,500	01/22/2004	01/22/2010	Common Stock	62,500	
Stock Option (Right to Buy)	\$ 16.79	02/23/2006	M	62,500	01/22/2005	01/22/2010	Common Stock	62,500	
Stock Option (Right to Buy)	\$ 16.79	02/23/2006	M	36,500	01/22/2006	01/22/2010	Common Stock	36,500	
Stock Option (Right to Buy)	\$ 16.79	02/24/2006	M	26,000	01/22/2006	01/22/2010	Common Stock	26,000	
Stock Option (Right to Buy)	\$ 17.8161	02/24/2006	M	62,500	02/04/2004	02/04/2009	Common Stock	62,500	
Stock Option (Right to Buy)	\$ 17.8161	02/24/2006	M	62,500	02/04/2005	02/04/2009	Common Stock	62,500	
Stock Option (Right to Buy)	\$ 17.3893	02/24/2006	M	37,500	10/26/2003	10/26/2007	Common Stock	37,500	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
AYALON ELIYAHU C/O DSP GROUP, INC. 3120 SCOTT BLVD SANTA CLARA, CA 95054	X		Chairman of Board and CEO	

## Signatures

/s/ Eliyahu  
Ayalon

02/27/2006

\*\*Signature of  
Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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