

Blanka Lior  
Form 3  
February 02, 2011

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name <b>and</b> Ticker or Trading Symbol	
Â Blanka Lior		(Month/Day/Year)	DSP GROUP INC /DE/ [DSPG]	
(Last)	(First)	(Middle)	01/31/2011	
C/O DSP GROUP, INC.,Â 2580			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
NORTH FIRST STREET,				
SUITE 460			(Check all applicable)	
(Street)			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner	6. Individual or Joint/Group Filing(Check Applicable Line)
			<input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Form filed by One Reporting Person
			(give title below) (specify below)	<input type="checkbox"/> Form filed by More than One Reporting Person
			Chief Technology Officer	
SAN JOSE,Â CAÂ 95131				
(City)	(State)	(Zip)		

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of	

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				Shares		or Indirect (I) (Instr. 5)	
Stock Appreciation Right	Â (1)	07/23/2014	Common Stock	50,000 (5)	\$ 18.31	D	Â
Stock Appreciation Right	Â (2)	01/30/2015	Common Stock	50,000 (6)	\$ 10.23	D	Â
Stock Appreciation Right	Â (3)	02/02/2016	Common Stock	70,000 (7)	\$ 5.97	D	Â
Stock Appreciation Right	Â (4)	01/27/2017	Common Stock	70,000 (8)	\$ 7.26	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Blanka Lior C/O DSP GROUP, INC. 2580 NORTH FIRST STREET, SUITE 460 SAN JOSE, CA 95131	Â	Â	Â Chief Technology Officer	Â

## Signatures

/s/ Lior Blanka                      02/02/2011

\_\_Signature of  
Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 5(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).

- (1) 25% of the stock appreciation rights vested on July 23, 2008. 6.25% of the remaining stock appreciation rights vest each quarter thereafter.
- (2) 25% of the stock appreciation rights vested on January 30, 2009. 6.25% of the remaining stock appreciation rights vest each quarter thereafter.
- (3) 25% of the stock appreciation rights vested on February 2, 2010. 6.25% of the remaining stock appreciation rights vest each quarter thereafter.
- (4) 25% of the stock appreciation rights vested on January 27, 2011. 6.25% of the remaining stock appreciation rights vest each quarter thereafter.

Mr. Blanka received a grant to purchase 50,000 stock appreciation rights. The grant is subject to a ceiling such that when the fair market value of the Company's common stock is equal to or greater than two times the base appreciation amount of the stock appreciation rights, (5) the portion of the stock appreciation rights that is vested on such date is automatically exercised on the next trading day and the appreciation amount is paid by the issuance of the respective number of shares of the Company's common stock. Therefore the grant is exercisable for 25,000 shares of the Company's common stock.

Mr. Blanka received a grant to purchase 50,000 stock appreciation rights. The grant is subject to a ceiling such that when the fair market value of the Company's common stock is equal to or greater than two times the base appreciation amount of the stock appreciation rights, (6) the portion of the stock appreciation rights that is vested on such date is automatically exercised on the next trading day and the appreciation amount is paid by the issuance of the respective number of shares of the Company's common stock. Therefore the grant is exercisable for 25,000 shares of the Company's common stock.

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(7) Mr. Blanka received a grant to purchase 70,000 stock appreciation rights. The grant is subject to a ceiling such that when the fair market value of the Company's common stock is equal to or greater than four times the base appreciation amount of the stock appreciation rights, the portion of the stock appreciation rights that is vested on such date is automatically exercised on the next trading day and the appreciation amount is paid by the issuance of the respective number of shares of the Company's common stock. Therefore the grant is exercisable for 52,500 shares of the Company's common stock. 10,000 stock appreciation right units representing 1,397 shares were exercised and sold on August 5, 2010 at a sale price of \$6.97 per share.

(8) Mr. Blanka received a grant to purchase 70,000 stock appreciation rights. The grant is subject to a ceiling such that when the fair market value of the Company's common stock is equal to or greater than three times the base appreciation amount of the stock appreciation rights, the portion of the stock appreciation rights that is vested on such date is automatically exercised on the next trading day and the appreciation amount is paid by the issuance of the respective number of shares of the Company's common stock. Therefore the grant is exercisable for 46,667 shares of the Company's common stock.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.