

CADENCE DESIGN SYSTEMS INC  
 Form 4  
 May 15, 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 \*  
**BUSHBY KEVIN**

2. Issuer Name and Ticker or Trading Symbol  
**CADENCE DESIGN SYSTEMS INC [CDNS]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
**2655 SEELY AVENUE, BLDG. 5**  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**05/12/2006**

\_\_\_\_ Director  
 Officer (give title below) \_\_\_\_\_ 10% Owner  
 \_\_\_\_\_ Other (specify below)  
**Exec VP - WW Field Operations**

**SAN JOSE,, CA 95134**

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

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

(City) (State) (Zip)

**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 (Instr. 8)	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	(D)	Price
Common Stock	05/12/2006		S		4,100	D	\$ 19.3 197,590
Common Stock	05/12/2006		S		500	D	\$ 19.32 197,090
Common Stock	05/12/2006		S		3,000	D	\$ 19.35 194,090
Common Stock	05/12/2006		S		2,300	D	\$ 19.31 191,790
Common Stock	05/12/2006		S		100	D	\$ 19.33 191,690

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Common Stock	05/15/2006	M	3,750	A	\$ 10.105	195,440	D
Common Stock	05/15/2006	M	15,000	A	\$ 12.625	210,440	D
Common Stock	05/15/2006 <sup>(1)</sup>	S	6,000	D	\$ 19.1	204,440	D
Common Stock	05/15/2006 <sup>(1)</sup>	S	4,000	D	\$ 19.0131	200,440	D
Common Stock	05/15/2006 <sup>(1)</sup>	S	5,000	D	\$ 19.1023	195,440	D
Common Stock	05/15/2006 <sup>(1)</sup>	S	3,750	D	\$ 19.1318	191,690	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 Security (Instr. 3 and 4)	Amount or Number of Shares
Non-qualified stock option (right to buy)	\$ 10.105	05/15/2006		M	3,750	<sup>(2)</sup> 01/29/2013	Common Stock	3,750
Non-Qualified stock option (right to buy)	\$ 12.625	05/15/2006		M	15,000	<sup>(3)</sup> 07/31/2012	Common Stock	15,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BUSHBY KEVIN			Exec VP - WW Field Operations	

2655 SEELY AVENUE, BLDG. 5  
SAN JOSE,, CA 95134

## Signatures

R.L. Smith McKeithen, Attorney-in-Fact for Kevin  
Bushby

05/15/2006

\_\_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).

- (1) The transaction reported in this Form 4 was effected pursuant to a Rule 10b5-1 Trading Plan adopted by reporting person on February 7, 2006.
- (2) Option was granted on January 29, 2003 and vests at a rate of 1/48th per month thereafter.
- (3) Option was granted on July 31, 2002 and vests at a rate of 1/48th per month thereafter.

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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