

CADENCE DESIGN SYSTEMS INC  
 Form 4  
 February 09, 2011

**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 \*  
 TAN LIP BU

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)  
 02/08/2011

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 \_\_\_\_ Officer (give title below) \_\_\_\_ Other (specify below)  
 President and CEO

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  | (A) or (D)   | Price   |
| Common Stock                    | 02/08/2011                           |  | P                              |   | 12,600  | A  | \$ 9.72   |
|                                 |                                      |  |                                |   |   |  | 142,386   |
|                                 |                                      |  |                                |   |   |  | I (1)   |
|                                 |                                      |  |                                |   |   |  | By Trust  |
| Common Stock                    | 02/08/2011                           |  | P                              |   | 6,000   | A  | \$ 9.79   |
|                                 |                                      |  |                                |   |   |  | 148,386   |
|                                 |                                      |  |                                |   |   |  | I (2)   |
|                                 |                                      |  |                                |   |   |  | By Trust  |
| Common Stock                    | 02/08/2011                           |  | P                              |   | 6,400   | A  | \$ 9.84   |
|                                 |                                      |  |                                |   |   |  | 31,400  |
|                                 |                                      |  |                                |   |   |  | I (3)   |
|                                 |                                      |  |                                |   |   |  | Held By IRA   |
| Common Stock                    | 02/08/2011                           |  | A(4)                           |   | 100,000   | A  | \$ 0  |
|                                 |                                      |  |                                |   |   |  | 558,332   |
|                                 |                                      |  |                                |   |   |  | D   |

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

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. SEC 1474 (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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Non-Qualified Stock Option (right to buy)  | \$ 9.66  | 02/08/2011                           |  | A                              | 800,000   | (5) 02/08/2018   | Common Stock 80   |

## Reporting Owners

| Reporting Owner Name / Address                                | Relationships |           |                   |       |
|---|---------------|-----------|-------------------|-------|
|   | Director      | 10% Owner | Officer           | Other |
| TAN LIP BU<br>2655 SEELY AVENUE, BLDG 5<br>SAN JOSE, CA 95134 |               |           | President and CEO |       |

## Signatures

James J. Cowie, Attorney-in-Fact for Lip-Bu Tan  
Date: 02/09/2011

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) Amount of Shares Beneficially Owned Following Reported Transaction includes: (i) 1,000 shares held by L Tan & N Lee & W Lee Trustees Pacven Walden Inc. 401(k) PSB FBO Lip-Bu Tan; (ii) 136,286 shares held by Lip-Bu Tan and Ysa Loo Tan dated 2/3/1992 (including 991 share acquired through the Cadence Design Systems, Inc. Employee Stock Purchase Plan on January 31, 2011), and (iii) 5,000 shares held by A&E Investment LLC, the sole member of which is the Lip-Bu Tan and Ysa Loo Trust dated 2/3/1992

(2) Amount of Shares Beneficially Owned Following Reported Transaction includes: (i) 7,000 shares held by L Tan & N Lee & W Lee Trustees, Pacven Walden Inc. 401(k) PSB FBO Lip-Bu Tan; (ii) 136,386 shares held by Lip-Bu Tan and Ysa Loo Trust dated 2/3/1992; and (iii) 5,000 shares held by A&E Investment LLC, the sole member of which is the Lip-Bu Tan and Ysa Loo Trust dated 2/3/1992.

(3) Shares held by IRA FBO Lip-Bu Tan DB Securities Inc. Custodian Rollover Account DTD 5/19/97.

(4) Grant of performance based incentive stock.

(5) Option vests at a rate of 1/48th per month.

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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