

CADENCE DESIGN SYSTEMS INC
 Form 4
 February 16, 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)
 02/15/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------|
| | | | | (A) or (D) | Price | | |
| Common Stock | 02/15/2006 | | M | 20,000 | A \$ 10.105 | 231,690 | D |
| Common Stock | 02/15/2006 ⁽¹⁾ | | S | 12,000 | D \$ 17.06 | 239,690 | D |
| Common Stock | 02/15/2006 ⁽¹⁾ | | S | 1,400 | D \$ 16.98 | 230,290 | D |
| Common Stock | 02/15/2006 ⁽¹⁾ | | S | 900 | D \$ 16.91 | 217,390 | D |
| Common Stock | 02/15/2006 | | M | 40,000 | A \$ 12.625 | 257,390 | D |

Common Stock 02/15/2006⁽¹⁾ S 45,700 D \$ 16.75 211,690 D

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

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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) | \$ 10.105 | 02/15/2006 | | M | 20,000 | ⁽²⁾ 01/29/2013 | Common Stock 20,000 |
| Non-qualified stock option (right to buy) | \$ 12.625 | 02/15/2006 | | M | 40,000 | ⁽³⁾ 07/31/2012 | Common Stock 40,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | |
|-------------------------------------------------------------------|---------------|-----------|-------------------------------|
| | Director | 10% Owner | Officer |
| BUSHBY KEVIN 2655 SEELY AVENUE, BLDG. 5 SAN JOSE,, CA 95134 | | | Exec VP - WW Field Operations |

Signatures

R.L. Smith McKeithen, Attorney-in-Fact for Kevin Bushby 02/16/2006

__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 sale reported in this Form 4 was effected pursuant to a Rule 10b5-1 Trading Plan adopted by reporting person on February 7, 2006.

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(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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