CADENCE DESIGN SYSTEMS INC

Form 4

February 16, 2006

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

Expires:

January 31, 2005

0.5

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OMB APPROVAL

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obligations may continue. See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person <u>*</u> 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) 2655 SEELY AVENU	(Middle) JE, BLDG. 5	3. Date of Earliest Transaction (Month/Day/Year) 02/15/2006	Director 10% Owner X Officer (give title Other (specify below) below) Exec VP - WW Field Operations		
(Street)		4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person		
SAN JOSE,, CA 9513	34		Form filed by More than One Reporting Person		

(City)	(State)	(Zip) Tab	le I - Non-l	Derivative	Secur	ities Acqui	red, Disposed of,	or Beneficial	y 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. Securit pror Dispos (Instr. 3, 4)	ed of (` ′	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)
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	

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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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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. Transactic Code (Instr. 8)	5. Number of or 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 Underlying Securiti (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amou or Numb of Sha
Non-qualified stock option (right to buy)	\$ 10.105	02/15/2006		M	20,000	(2)	01/29/2013	Common Stock	20,0
Non-qualified stock option (right to buy)	\$ 12.625	02/15/2006		M	40,000	(3)	07/31/2012	Common Stock	40,0

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

BUSHBY KEVIN

2655 SEELY AVENUE, BLDG. 5 Exec VP - WW Field Operations

SAN JOSE,, CA 95134

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.

Reporting Owners 2

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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. 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.