

BUSHBY KEVIN
Form 4
December 20, 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)
12/19/2006

____ 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 Indirect Beneficial Ownership (Instr. 4)			
			Code	V	Amount	(D)	Price			
Common Stock	12/19/2006 ⁽¹⁾		M		4,375	A	\$ 9.735	180,816	D	
Common Stock	12/19/2006 ⁽¹⁾		M		15,000	A	\$ 12.625	195,816	D	
Common Stock	12/19/2006 ⁽¹⁾		S		5,500	D	\$ 18.132	190,316	D	
Common Stock	12/19/2006 ⁽¹⁾		S		8,000	D	\$ 18.0227	182,316	D	
Common Stock	12/19/2006 ⁽¹⁾		S		5,875	D	\$ 17.9397	176,441	D	

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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)	\$ 9.735	12/19/2006		M	4,375	<u>(2)</u> 02/14/2013	Common Stock	4,375
Non-qualified Stock Option (right to buy)	\$ 12.625	12/19/2006		M	15,000	<u>(3)</u> 07/31/2012	Common Stock	15,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
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
12/19/2006

__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 as amended on June 8, 2006 and September 15, 2006.
- (2) Option was granted on February 14, 2003 and vests at the rate of 1/48th per month commencing on the date of the grant.
- (3) Option was granted on July 31, 2002 and vests at the rate of 1/48th per month commencing on the date of the grant.

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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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