BUSHBY KEVIN

Form 4

December 20, 2006

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

Expires:

Form filed by More than One Reporting

Person

January 31, 2005

0.5

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OMB APPROVAL

if no longer subject to Section 16. Form 4 or Form 5

obligations

may continue.

See Instruction

Check this box

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 * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading **BUSHBY KEVIN** Issuer Symbol CADENCE DESIGN SYSTEMS (Check all applicable) INC [CDNS] (Last) (First) (Middle) 3. Date of Earliest Transaction Director 10% Owner Other (specify _X__ Officer (give title . (Month/Day/Year) below) 2655 SEELY AVENUE, BLDG. 5 12/19/2006 Exec VP - WW Field Operations (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) _X_ Form filed by One Reporting Person

SAN JOSE,, CA 95134

(City)	(State)	(Zip) Tab	le I - Non-	Derivative	Secui	ities Acquir	ed, Disposed of,	or Beneficiall	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactic Code (Instr. 8)	4. Securit DID 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	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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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. Transactio Code (Instr. 8)	5. Number of orDerivative 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)	\$ 9.735	12/19/2006		M	4,375	(2)	02/14/2013	Common Stock	4,37
Non-qualified Stock Option (right to buy)	\$ 12.625	12/19/2006		M	15,000	(3)	07/31/2012	Common Stock	15,0

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 purusant 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.

Reporting Owners 2

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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. 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.