

CADENCE DESIGN SYSTEMS INC  
 Form 4  
 October 17, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

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 \*  
**PORTER WILLIAM**

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)  
**10/16/2006**

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
**EVP, Chief Financial Officer**

**SAN JOSE, CA 95134**

(City) (State) (Zip)

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

**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	10/16/2006 <sup>(1)</sup>		M		50,000	A	\$ 10.105
Common Stock	10/16/2006 <sup>(1)</sup>		S		2,300	D	\$ 17.71
Comon Stock	10/16/2006 <sup>(1)</sup>		S		5,000	D	\$ 17.7
Common Stock	10/16/2006 <sup>(1)</sup>		S		4,800	D	\$ 17.7053
Common Stock	10/16/2006 <sup>(1)</sup>		S		2,400	D	\$ 17.6948

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Common Stock	10/16/2006 <sup>(1)</sup>	S	5,500	D	\$ 17.7012	295,187	D
Common Stock	10/16/2006 <sup>(1)</sup>	S	3,600	D	\$ 17.7305	291,587	D
Common Stock	10/16/2006 <sup>(1)</sup>	S	6,400	D	\$ 17.7398	285,187	D
Common Stock	10/16/2006 <sup>(1)</sup>	S	6,000	D	\$ 17.7713	279,187	D
Common Stock	10/16/2006 <sup>(1)</sup>	S	4,000	D	\$ 17.7283	275,187	D
Common Stock	10/16/2006 <sup>(1)</sup>	S	5,000	D	\$ 17.7656	270,187	D
Common Stock	10/16/2006 <sup>(1)</sup>	S	5,000	D	\$ 17.822	265,187	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)	\$ 10.105	10/16/2006		M	50,000	<sup>(2)</sup> 01/29/2013	Common Stock 50,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PORTER WILLIAM 2655 SEELY AVENUE, BLDG. 5			EVP, Chief Financial Officer	

SAN JOSE, CA 95134

## Signatures

William Porter

10/16/2006

\_\_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 transaction reported in this Form 4 was effected pursuant to Rule 10b5-1 Trading Plan adopted by reporting person on November 30, 2005.
- (2) Option was granted on January 29, 2003 and vests at the rate of 1/48th per month commencing on the date of the grant.

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.