

These second quarter 2010 Financial Schedules have been updated as of August 4, 2010 to correct certain financial information, as discussed in Cadence's Current Report on Form 8-K filed on August 4, 2010.

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Cadence Design Systems, Inc.
Condensed Consolidated Balance Sheets
July 3, 2010 and January 2, 2010
(In thousands)
(Unaudited)

	July 3, 2010	January 2, 2010
Current Assets:		
Cash and cash equivalents	\$ 475,603	\$ 569,115
Short-term investments	2,860	2,184
Receivables, net of allowances of \$11,194 and \$14,020, respectively	191,291	200,628
Inventories	23,874	24,165
Prepaid expenses and other	71,448	54,655
Total current assets	765,076	850,747
Property, plant and equipment, net of accumulated depreciation of \$652,965 and \$637,107, respectively	295,073	311,502
Goodwill	158,227	-
Acquired intangibles, net of accumulated amortization of \$90,983 and \$124,507, respectively	192,422	28,841
Installment contract receivables, net of allowances of \$0 and \$9,724, respectively	40,296	58,448
Other assets	244,661	161,049
Total Assets	\$ 1,695,755	\$ 1,410,587
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 153,982	\$ 150,207
Current portion of deferred revenue	290,105	247,691
Total current liabilities	444,087	397,898
Long-Term Liabilities:		
Long-term portion of deferred revenue	92,477	92,298
Convertible notes	541,767	436,012
Other long-term liabilities	454,744	376,006
Total long-term liabilities	1,088,988	904,316
Stockholders' Equity	162,680	108,373
Total Liabilities and Stockholders' Equity	\$ 1,695,755	\$ 1,410,587

Cadence Design Systems, Inc.
Trended Condensed Consolidated Balance Sheets
(In thousands)
(Unaudited)

	July 4, 2009	October 3, 2009	January 2, 2010	April 3, 2010	July 3, 2010
Current Assets:					
Cash and cash equivalents	\$ 556,925	\$ 570,617	\$ 569,115	\$ 619,303	\$ 475,603
Short-term investments	5,481	4,756	2,184	3,188	2,860
Receivables, net	225,377	195,468	200,628	181,155	191,291
Inventories	22,634	25,626	24,165	19,323	23,874
Prepaid expenses and other	56,831	64,694	54,655	56,617	71,448
Total current assets	<u>867,248</u>	<u>861,161</u>	<u>850,747</u>	<u>879,586</u>	<u>765,076</u>
Property, plant and equipment, net	328,507	313,398	311,502	302,499	295,073
Goodwill	-	-	-	5,605	158,227
Acquired intangibles, net	37,604	33,438	28,841	26,566	192,422
Installment contract receivables, net	77,016	64,859	58,448	41,510	40,296
Other assets	142,284	141,361	161,049	159,220	244,661
Total assets	<u>\$ 1,452,659</u>	<u>\$ 1,414,217</u>	<u>\$ 1,410,587</u>	<u>\$ 1,414,986</u>	<u>\$ 1,695,755</u>
Current Liabilities:					
Accounts payable and accrued liabilities	\$ 182,410	\$ 159,728	\$ 150,207	\$ 147,782	\$ 153,982
Current portion of deferred revenue	258,645	245,528	247,691	253,947	290,105
Total current liabilities	<u>441,055</u>	<u>405,256</u>	<u>397,898</u>	<u>401,729</u>	<u>444,087</u>
Long-Term Liabilities:					
Long-term portion of deferred revenue	116,530	108,941	92,298	85,498	92,477
Convertible notes	426,170	431,072	436,012	441,107	541,767
Other long-term liabilities	382,518	372,756	376,006	367,617	454,744
Total long-term liabilities	<u>925,218</u>	<u>912,769</u>	<u>904,316</u>	<u>894,222</u>	<u>1,088,988</u>
Stockholders' Equity:					
Common stock and capital in excess of par value	1,656,183	1,664,029	1,674,396	1,684,538	1,708,610
Treasury stock, at cost	(490,391)	(433,505)	(431,310)	(386,433)	(370,700)
Accumulated deficit	(1,116,869)	(1,175,535)	(1,177,983)	(1,224,619)	(1,215,391)
Accumulated other comprehensive income	37,463	41,203	43,270	45,549	40,161
Total stockholders' equity	<u>86,386</u>	<u>96,192</u>	<u>108,373</u>	<u>119,035</u>	<u>162,680</u>
Total liabilities and stockholders' equity	<u>\$ 1,452,659</u>	<u>\$ 1,414,217</u>	<u>\$ 1,410,587</u>	<u>\$ 1,414,986</u>	<u>\$ 1,695,755</u>

Cadence Design Systems, Inc.
Condensed Consolidated Statements of Operations
For the Three and Six Months Ended July 3, 2010 and July 4, 2009
(In thousands, except per share amounts)
(Unaudited)

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>July 3, 2010</u>	<u>July 4, 2009</u>	<u>July 3, 2010</u>	<u>July 4, 2009</u>
Revenue:				
Product	\$ 117,066	\$ 101,840	\$ 219,832	\$ 189,363
Services	25,258	27,808	51,178	57,015
Maintenance	84,740	80,281	177,992	169,853
Total revenue	<u>227,064</u>	<u>209,929</u>	<u>449,002</u>	<u>416,231</u>
Costs and Expenses:				
Cost of product	7,123	9,752	12,415	17,423
Cost of services	21,556	24,418	43,481	48,463
Cost of maintenance	10,481	11,857	21,879	24,318
Marketing and sales	71,513	71,431	146,275	146,321
Research and development	91,880	90,653	181,310	185,345
General and administrative	17,058	34,240	39,892	72,579
Amortization of acquired intangibles	2,551	2,828	5,242	5,968
Restructuring and other charges (credits)	(317)	18,528	(1,391)	18,008
Total costs and expenses	<u>221,845</u>	<u>263,707</u>	<u>449,103</u>	<u>518,425</u>
Income (loss) from operations	5,219	(53,778)	(101)	(102,194)
Interest expense	(7,972)	(7,266)	(15,403)	(14,314)
Other income (expense), net	(3,100)	(2,533)	2,874	(8,682)
Loss before provision (benefit) for income taxes	(5,853)	(63,577)	(12,630)	(125,190)
Provision (benefit) for income taxes	(54,460)	10,780	(49,452)	12,424
Net income (loss)	<u>\$ 48,607</u>	<u>\$ (74,357)</u>	<u>\$ 36,822</u>	<u>\$ (137,614)</u>
Basic net income (loss) per share	<u>\$ 0.19</u>	<u>\$ (0.29)</u>	<u>\$ 0.14</u>	<u>\$ (0.54)</u>
Diluted net income (loss) per share	<u>\$ 0.18</u>	<u>\$ (0.29)</u>	<u>\$ 0.14</u>	<u>\$ (0.54)</u>
Weighted average common shares outstanding - basic	<u>262,163</u>	<u>256,883</u>	<u>262,380</u>	<u>255,592</u>
Weighted average common shares outstanding - diluted	<u>266,423</u>	<u>256,883</u>	<u>266,539</u>	<u>255,592</u>

Cadence Design Systems, Inc.
Trended Condensed Consolidated Statements of Operations
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended				
	July 4, 2009	October 3, 2009	January 2, 2010	April 3, 2010	July 3, 2010
Revenue:					
Product	\$ 101,840	\$ 96,932	\$ 114,478	\$ 102,766	\$ 117,066
Services	27,808	26,669	22,871	25,920	25,258
Maintenance	80,281	92,521	82,930	93,252	84,740
Total revenue	<u>209,929</u>	<u>216,122</u>	<u>220,279</u>	<u>221,938</u>	<u>227,064</u>
Costs and Expenses:					
Cost of product	9,752	6,405	8,286	5,292	7,123
Cost of services	24,418	21,139	20,934	21,925	21,556
Cost of maintenance	11,857	11,105	11,170	11,398	10,481
Marketing and sales	71,431	68,282	72,230	74,762	71,513
Research and development	90,653	88,049	81,309	89,430	91,880
General and administrative	34,240	28,732	21,337	22,834	17,058
Amortization of acquired intangibles	2,828	2,726	2,726	2,691	2,551
Restructuring and other charges (credits)	18,528	(175)	13,543	(1,074)	(317)
Total costs and expenses	<u>263,707</u>	<u>226,263</u>	<u>231,535</u>	<u>227,258</u>	<u>221,845</u>
Income (loss) from operations	(53,778)	(10,141)	(11,256)	(5,320)	5,219
Interest expense	(7,266)	(7,278)	(7,280)	(7,431)	(7,972)
Other income (expense), net	(2,533)	2,917	4,723	5,974	(3,100)
Loss before provision (benefit) for income taxes	(63,577)	(14,502)	(13,813)	(6,777)	(5,853)
Provision (benefit) for income taxes	10,780	(455)	(15,603)	5,008	(54,460)
Net income (loss)	<u>\$ (74,357)</u>	<u>\$ (14,047)</u>	<u>\$ 1,790</u>	<u>\$ (11,785)</u>	<u>\$ 48,607</u>
Basic net income (loss) per share	<u>\$ (0.29)</u>	<u>\$ (0.05)</u>	<u>\$ 0.01</u>	<u>\$ (0.04)</u>	<u>\$ 0.19</u>
Diluted net income (loss) per share	<u>\$ (0.29)</u>	<u>\$ (0.05)</u>	<u>\$ 0.01</u>	<u>\$ (0.04)</u>	<u>\$ 0.18</u>
Weighted average common shares outstanding - basic	<u>256,883</u>	<u>259,193</u>	<u>260,752</u>	<u>262,597</u>	<u>262,163</u>
Weighted average common shares outstanding - diluted	<u>256,883</u>	<u>259,193</u>	<u>265,093</u>	<u>262,597</u>	<u>266,423</u>

Cadence Design Systems, Inc.
Condensed Consolidated Statements of Cash Flows
For the Six Months Ended July 3, 2010 and July 4, 2009
(In thousands)
(Unaudited)

	Six Months Ended	
	July 3, 2010	July 4, 2009
Cash and Cash Equivalents at Beginning of Period	\$ 569,115	\$ 568,255
Cash Flows from Operating Activities:		
Net income (loss)	36,822	(137,614)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	41,333	50,023
Amortization of debt discounts and fees	11,301	10,244
Loss on extinguishment of debt	5,321	-
Stock-based compensation	20,807	29,235
Loss from equity method investments	73	231
(Gain) loss on investments, net	(6,935)	7,991
Write-down of investment securities	1,500	4,606
Impairment of property, plant and equipment	427	3,695
Deferred income taxes	(69,266)	(5,044)
Proceeds from the sale of receivables, net	-	5,827
Provisions (recoveries) for losses (gains) on trade and installment contract receivables	(12,978)	18,361
Other non-cash items	3,340	(9,038)
Changes in operating assets and liabilities, net of effect of acquired businesses:		
Receivables	(25,384)	43,134
Installment contract receivables	70,479	89,957
Inventories	(10,923)	5,847
Prepaid expenses and other	(13,778)	(125)
Other assets	3,750	6,769
Accounts payable and accrued liabilities	6,026	(66,247)
Deferred revenue	31,882	(58,364)
Other long-term liabilities	1,904	3,518
Net cash provided by operating activities	<u>95,701</u>	<u>3,006</u>
Cash Flows from Investing Activities:		
Proceeds from the sale of long-term investments	10,133	-
Purchases of property, plant and equipment	(18,765)	(22,282)
Purchases of software licenses	(2,517)	(394)
Investment in venture capital partnerships and equity investments	(500)	(1,550)
Cash paid in business combinations and asset acquisitions, net of cash acquired	(253,951)	(4,896)
Net cash used for investing activities	<u>(265,600)</u>	<u>(29,122)</u>
Cash Flows from Financing Activities:		
Principal payments on receivable sale financing	(1,719)	(796)
Proceeds from issuance of 2015 Notes	350,000	-
Payment of Convertible Senior Notes	(187,150)	-
Payment of 2015 Notes issuance costs	(9,800)	-
Purchase of 2015 Notes Hedges	(76,635)	-
Proceeds from termination of Convertible Senior Notes Hedges	280	-
Proceeds from sale of 2015 Warrants	37,450	-
Tax benefit from employee stock transactions	59	-
Proceeds from issuance of common stock	8,119	19,601
Stock received for payment of employee taxes on vesting of restricted stock	(4,114)	(2,439)
Purchases of treasury stock	(39,997)	-
Net cash provided by financing activities	<u>76,493</u>	<u>16,366</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(106)</u>	<u>(1,580)</u>
Decrease in cash and cash equivalents	<u>(93,512)</u>	<u>(11,330)</u>
Cash and Cash Equivalents at End of Period	<u>\$ 475,603</u>	<u>\$ 556,925</u>

Cadence Design Systems, Inc.
Trended Condensed Consolidated Statements of Cash Flows
For the Five Quarters Ended July 3, 2010
(In thousands)
(Unaudited)

	<u>Q2 2009</u>	<u>Q3 2009</u>	<u>Q4 2009</u>	<u>Q1 2010</u>	<u>Q2 2010</u>
Cash and Cash Equivalents at Beginning of Period	\$ 554,404	\$ 556,925	\$ 570,617	\$ 569,115	\$ 619,303
Cash Flows from Operating Activities:					
Net income (loss)	(74,357)	(14,047)	1,790	(11,785)	48,607
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation and amortization	23,766	21,311	21,805	21,465	19,868
Amortization of debt discounts and fees	5,215	5,313	5,355	5,523	5,778
Loss on extinguishment of debt	-	-	-	-	5,321
Stock-based compensation	16,507	14,455	11,016	10,372	10,435
Loss on equity method investments	85	138	112	27	46
(Gain) loss on investments, net	1,623	(3,684)	(5,599)	(5,591)	(1,344)
Write-down of investment securities	613	601	-	-	1,500
Impairment of property, plant and equipment	266	2,908	127	164	263
Deferred income taxes	(1,971)	(1,476)	3,082	(1,706)	(67,560)
Proceeds from the sale of receivables, net	2,369	-	-	-	-
Provisions (recoveries) for losses (gains) on trade and installment contract receivables	8,543	307	2,279	(2,593)	(10,385)
Other non-cash items	(769)	4,954	2,967	940	2,400
Changes in operating assets and liabilities, net of effect of acquired businesses:					
Receivables	11,202	13,310	5,522	(23,989)	(1,395)
Installment contract receivables	32,190	32,345	(7,956)	57,769	12,710
Inventories	6,512	(3,001)	1,050	(6,047)	(4,876)
Prepaid expenses and other	(297)	(3,916)	2,648	(1,518)	(12,260)
Other assets	(314)	5,040	235	5,538	(1,788)
Accounts payable and accrued liabilities	(2,511)	(13,148)	(15,456)	925	5,101
Deferred revenue	(26,783)	(25,396)	(11,375)	3,813	28,069
Other long-term liabilities	8,455	(14,291)	(16,694)	(6,604)	8,508
Net cash provided by operating activities	<u>10,344</u>	<u>21,723</u>	<u>908</u>	<u>46,703</u>	<u>48,998</u>
Cash Flows from Investing Activities:					
Proceeds from the sale of available-for-sale securities	-	139	3,996	-	-
Proceeds from the sale of long-term investments	-	-	-	8,964	1,169
Proceeds from the sale of property, plant and equipment	-	-	3,864	-	-
Purchases of property, plant and equipment	(7,464)	(8,222)	(10,804)	(9,899)	(8,866)
Purchases of software licenses	(394)	(380)	-	(487)	(2,030)
Investment in venture capital partnerships and equity investments	(400)	(750)	-	-	(500)
Cash paid in business combinations and asset acquisitions, net of cash acquired	(1,353)	(9,230)	-	-	(253,951)
Net cash used for investing activities	<u>(9,611)</u>	<u>(18,443)</u>	<u>(2,944)</u>	<u>(1,422)</u>	<u>(264,178)</u>
Cash Flows from Financing Activities:					
Principal payments on receivable sale financing	-	(1,671)	-	(1,719)	-
Proceeds from issuance of 2015 Notes	-	-	-	-	350,000
Payment of Convertible Senior Notes	-	-	-	-	(187,150)
Payment of 2015 Notes issuance costs	-	-	-	-	(9,800)
Purchase of 2015 Notes Hedges	-	-	-	-	(76,635)
Proceeds from termination of Convertible Senior Notes Hedges	-	-	-	-	280
Proceeds from sale of 2015 Warrants	-	-	-	-	37,450
Tax benefit from employee stock transactions	-	-	1,383	30	29
Proceeds from issuance of common stock	80	8,261	148	8,044	75
Stock received for payment of employee taxes on vesting of restricted stock	(1,780)	(1,616)	(1,904)	(2,079)	(2,035)
Purchases of treasury stock	-	-	-	-	(39,997)
Net cash provided by (used for) financing activities	<u>(1,700)</u>	<u>4,974</u>	<u>(373)</u>	<u>4,276</u>	<u>72,217</u>
Effect of exchange rate changes on cash and cash equivalents	<u>3,488</u>	<u>5,438</u>	<u>907</u>	<u>631</u>	<u>(737)</u>
Increase (decrease) in cash and cash equivalents	<u>2,521</u>	<u>13,692</u>	<u>(1,502)</u>	<u>50,188</u>	<u>(143,700)</u>
Cash and Cash Equivalents at End of Period	<u>\$ 556,925</u>	<u>\$ 570,617</u>	<u>\$ 569,115</u>	<u>\$ 619,303</u>	<u>\$ 475,603</u>

Cadence Design Systems, Inc.
As of July 28, 2010
Impact of Non-GAAP Adjustments on Forward Looking Diluted Net Loss Per Share
(Unaudited)

	Three Months Ending October 2, 2010 Forecast	Year Ending January 1, 2011 Forecast
Diluted net loss per share on a GAAP basis	\$(0.10) to \$(0.08)	\$(0.04) to \$(0.00)
Amortization of acquired intangibles	0.03	0.08
Stock-based compensation expense	0.04	0.16
Non-qualified deferred compensation expenses	-	0.01
Restructuring and other charges (credits)	-	(0.01)
Shareholder litigation costs	-	0.01
Integration and acquisition-related costs	0.02	0.04
Other income or expense related to investments and non-qualified deferred compensation plan assets*	-	(0.02)
Loss on extinguishment of debt	-	0.02
Amortization of debt discount	0.02	0.09
Acquisition-related income tax benefit	-	(0.25)
Income tax effect of non-GAAP adjustments	-	0.03
Diluted net income per share on a non-GAAP basis	<u>\$0.01 to \$0.03</u>	<u>\$0.12 to \$0.16</u>

* Includes, as applicable, equity in losses or income from investments, write-down of investments, gains or losses on sale of investments and gains or losses on non-qualified deferred compensation plan assets recorded in Other income (expense), net.

Cadence Design Systems, Inc.
As of July 28, 2010
Impact of Non-GAAP Adjustments on Forward Looking Net Loss
(Unaudited)

(\$ in Millions)	Three Months Ending October 2, 2010 Forecast	Year Ending January 1, 2011 Forecast
Net loss on a GAAP basis	\$(26) to \$(20)	\$(11) to \$(1)
Amortization of acquired intangibles	7	21
Stock-based compensation expense	12	43
Non-qualified deferred compensation expenses	-	2
Restructuring and other charges (credits)	-	(1)
Shareholder litigation costs	-	3
Integration and acquisition-related costs	5	12
Other income or expense related to investments and non-qualified deferred compensation plan assets*	-	(5)
Loss on extinguishment of debt	-	5
Amortization of debt discount	6	23
Acquisition-related income tax benefit	-	(67)
Income tax effect of non-GAAP adjustments	(1)	7
Net income on a non-GAAP basis	<u>\$3 to \$9</u>	<u>\$32 to \$42</u>

* Includes, as applicable, equity in losses or income from investments, write-down of investments, gains or losses on sale of investments and gains or losses on non-qualified deferred compensation plan assets recorded in Other income (expense), net.

Cadence Design Systems, Inc.
Reconciliation of GAAP Net Income (Loss) to Non-GAAP Net Income (Loss)
For the Three and Six Months Ended July 3, 2010 and July 4, 2009
(Unaudited)

(In thousands)	Three Months Ended		Six Months Ended	
	July 3, 2010	July 4, 2009	July 3, 2010	July 4, 2009
Net income (loss) on a GAAP basis	\$ 48,607	\$ (74,357)	\$ 36,822	\$ (137,614)
Amortization of acquired intangibles*	3,142	4,820	7,498	11,159
Stock-based compensation expense**	10,435	16,507	20,807	29,235
Non-qualified deferred compensation expenses (credits)***	1,192	(1,523)	2,363	(7,785)
Restructuring and other charges (credits)	(317)	18,528	(1,391)	18,008
Shareholder litigation costs	2,862	-	2,862	-
Integration and acquisition-related costs****	2,469	180	2,583	375
Amortization of debt discount	5,248	4,770	10,293	9,397
Other income or expense related to investments and non-qualified deferred compensation plan assets †	202	2,321	(5,362)	12,828
Loss on extinguishment of debt	5,321	-	5,321	-
Acquisition-related income tax benefit	(66,707)	-	(66,707)	-
Income tax effect of non-GAAP adjustments	5,825	15,453	8,846	25,937
Net income (loss) on a non-GAAP basis	\$ 18,279	\$ (13,301)	\$ 23,935	\$ (38,460)

† Includes, as applicable, equity in losses or income from investments, write-down of investments, gains or losses on sale of investments and gains or losses on non-qualified deferred compensation plan assets recorded in Other income (expense), net.

* Total amortization of acquired intangibles is reported in the Condensed Consolidated Statements of Operations as follows:

(In thousands)	Three Months Ended		Six Months Ended	
	July 3, 2010	July 4, 2009	July 3, 2010	July 4, 2009
Cost of product	\$ 591	\$ 947	\$ 1,211	\$ 3,101
Cost of maintenance	-	1,045	1,045	2,090
Amortization of acquired intangibles	2,551	2,828	5,242	5,968
Total amortization of acquired intangibles	\$ 3,142	\$ 4,820	\$ 7,498	\$ 11,159

** Total stock-based compensation expense is reported in the Condensed Consolidated Statements of Operations as follows:

(In thousands)	Three Months Ended		Six Months Ended	
	July 3, 2010	July 4, 2009	July 3, 2010	July 4, 2009
Cost of product	\$ 28	\$ 49	\$ 54	\$ 82
Cost of services	536	1,084	1,044	1,798
Cost of maintenance	346	694	673	1,151
Marketing and sales	2,362	3,712	4,608	6,379
Research and development	4,470	7,960	8,883	14,436
General and administrative	2,693	3,008	5,545	5,389
Total stock-based compensation expense	\$ 10,435	\$ 16,507	\$ 20,807	\$ 29,235

***Cadence records operating expenses (credits) related to its non-qualified deferred compensation plan assets as those assets increase or decrease in value. An offsetting gain or loss is recorded in Other income (expense), net, such that the net impact on Cadence's Net income (loss) is not significant. The operating expenses (credit) are reported in the Condensed Consolidated Statements of Operations as follows:

(In thousands)	Three Months Ended		Six Months Ended	
	July 3, 2010	July 4, 2009	July 3, 2010	July 4, 2009
Cost of product	\$ -	\$ (1)	\$ -	\$ (5)
Cost of services	8	(14)	19	(89)
Cost of maintenance	5	(9)	12	(57)
Marketing and sales	174	(359)	453	(1,792)
Research and development	659	(443)	1,104	(2,672)
General and administrative	346	(697)	775	(3,170)
Total non-qualified deferred compensation expenses (credits)	\$ 1,192	\$ (1,523)	\$ 2,363	\$ (7,785)

**** Total integration and acquisition-related costs are reported in the Condensed Consolidated Statements of Operations as follows:

(In thousands)	Three Months Ended		Six Months Ended	
	July 3, 2010	July 4, 2009	July 3, 2010	July 4, 2009
Research and development	\$ 762	-	\$ 762	-
General and administrative	1,610	-	1,610	-
Interest expense	97	180	211	375
Total integration and acquisition-related costs	\$ 2,469	\$ 180	\$ 2,583	\$ 375

Cadence Design Systems, Inc.
Reconciliation of GAAP Diluted Net Income (Loss) Per Share to Non-GAAP Diluted Net Income (Loss) Per Share
For the Three and Six Months Ended July 3, 2010 and July 4, 2009
(Unaudited)

(In thousands, except per share data)	Three Months Ended		Six Months Ended	
	July 3, 2010	July 4, 2009	July 3, 2010	July 4, 2009
Diluted net income (loss) per share on a GAAP basis	\$ 0.18	\$ (0.29)	\$ 0.14	\$ (0.54)
Amortization of acquired intangibles	0.01	0.02	0.03	0.04
Stock-based compensation expense	0.04	0.06	0.08	0.12
Non-qualified deferred compensation expenses (credits)	0.01	-	0.01	(0.03)
Restructuring and other charges (credits)	-	0.07	(0.01)	0.07
Shareholder litigation costs	0.01	-	0.01	-
Integration and acquisition-related costs	0.01	-	0.01	-
Amortization of debt discount	0.02	0.02	0.04	0.04
Other income or expense related to investments and non-qualified deferred compensation plan assets *	-	0.01	(0.02)	0.05
Loss on extinguishment of debt	0.02	-	0.02	-
Acquisition-related income tax benefit	(0.25)	-	(0.25)	-
Income tax effect of non-GAAP adjustments	0.02	0.06	0.03	0.10
Diluted net income (loss) per share on a non-GAAP basis	\$ 0.07	\$ (0.05)	\$ 0.09	\$ (0.15)
Shares used in calculation of diluted net income (loss) per share - GAAP **	266,423	256,883	266,539	255,592
Shares used in calculation of diluted net income (loss) per share - non-GAAP **	266,423	256,883	266,539	255,592

* Includes, as applicable, equity in losses or income from investments, write-down of investments, gains or losses on sale of investments and gains or losses on non-qualified deferred compensation plan assets recorded in Other income (expense), net.

** Shares used in the calculation of GAAP net income (loss) per share are expected to be the same as shares used in the calculation of non-GAAP net income (loss) per share, except when the company reports a GAAP net loss and non-GAAP net income, or GAAP net income and a non-GAAP net loss.

Cadence Design Systems, Inc.
(Unaudited)

Revenue Mix by Geography (% of Total Revenue)

<u>GEOGRAPHY</u>	<u>2009</u>					<u>2010</u>	
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Year</u>	<u>Q1</u>	<u>Q2</u>
Americas	42%	48%	43%	51%	46%	40%	46%
Europe	24%	21%	20%	24%	22%	22%	23%
Japan	19%	17%	23%	12%	18%	23%	14%
Asia	15%	14%	14%	13%	14%	15%	17%
Total	100%	100%	100%	100%	100%	100%	100%

Revenue Mix by Product Group (% of Total Revenue)

<u>PRODUCT GROUP</u>	<u>2009</u>					<u>2010</u>	
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Year</u>	<u>Q1</u>	<u>Q2</u>
Functional Verification	20%	23%	21%	22%	22%	22%	26%
Digital IC Design	19%	24%	19%	22%	21%	21%	21%
Custom IC Design	26%	25%	28%	28%	27%	27%	26%
Design for Manufacturing	9%	5%	9%	7%	7%	9%	6%
System Interconnect	12%	10%	11%	11%	11%	9%	10%
Services & Other	14%	13%	12%	10%	12%	12%	11%
Total	100%	100%	100%	100%	100%	100%	100%

Note: Product Group total revenue includes Product + Maintenance