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Cadence Design Systems, Inc.
Condensed Consolidated Balance Sheets
June 30, 2012 and December 31, 2011
(In thousands)
(Unaudited)

	<u>June 30, 2012</u>	<u>December 31, 2011</u>
Current Assets:		
Cash and cash equivalents	\$ 661,658	\$ 601,602
Short-term investments	51,304	3,037
Receivables	123,243	136,772
Inventories	41,066	43,243
2015 notes hedges	219,199	215,113
Prepaid expenses and other	61,976	64,216
Total current assets	<u>1,158,446</u>	<u>1,063,983</u>
Property, plant and equipment, net of accumulated depreciation of \$668,328 and \$658,990, respectively	251,920	262,517
Goodwill	192,238	192,125
Acquired intangibles, net of accumulated amortization of \$89,572 and \$91,542, respectively	159,807	173,234
Long-term receivables	7,750	11,371
Other assets	59,096	58,039
Total Assets	<u><u>\$ 1,829,257</u></u>	<u><u>\$ 1,761,269</u></u>
Current Liabilities:		
Convertible notes	\$ 301,292	\$ 294,061
2015 notes embedded conversion derivative	219,199	215,113
Accounts payable and accrued liabilities	153,957	165,791
Current portion of deferred revenue	328,405	340,401
Total current liabilities	<u>1,002,853</u>	<u>1,015,366</u>
Long-Term Liabilities:		
Long-term portion of deferred revenue	58,213	73,959
Convertible notes	135,006	131,920
Other long-term liabilities	131,172	128,894
Total long-term liabilities	<u>324,391</u>	<u>334,773</u>
Stockholders' Equity	<u>502,013</u>	<u>411,130</u>
Total Liabilities and Stockholders' Equity	<u><u>\$ 1,829,257</u></u>	<u><u>\$ 1,761,269</u></u>

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

	July 2, 2011	October 1, 2011	December 31, 2011	March 31, 2012	June 30, 2012
Current Assets:					
Cash and cash equivalents	\$ 665,317	\$ 696,101	\$ 601,602	\$ 659,687	\$ 661,658
Short-term investments	3,255	2,959	3,037	3,287	51,304
Receivables, net	150,241	152,433	136,772	79,997	123,243
Inventories	44,391	47,056	43,243	41,720	41,066
2015 notes hedges	222,085	-	215,113	257,775	219,199
Prepaid expenses and other	79,966	59,910	64,216	69,178	61,976
Total current assets	<u>1,165,255</u>	<u>958,459</u>	<u>1,063,983</u>	<u>1,111,644</u>	<u>1,158,446</u>
Property, plant and equipment, net	267,758	259,940	262,517	257,743	251,920
Goodwill	173,752	192,153	192,125	192,445	192,238
Acquired intangibles, net	178,566	180,045	173,234	166,528	159,807
Long-term receivables	10,622	9,178	11,371	7,555	7,750
2015 notes hedges	-	179,658	-	-	-
Other assets	78,672	81,244	58,039	58,917	59,096
Total assets	<u>\$ 1,874,625</u>	<u>\$ 1,860,677</u>	<u>\$ 1,761,269</u>	<u>\$ 1,794,832</u>	<u>\$ 1,829,257</u>
Current Liabilities:					
Convertible notes	\$ 433,857	\$ 148,530	\$ 294,061	\$ 297,653	\$ 301,292
2015 notes embedded conversion derivative	222,085	-	215,113	257,775	219,199
Accounts payable and accrued liabilities	165,698	140,422	165,791	143,760	153,957
Current portion of deferred revenue	362,762	360,580	340,401	312,238	328,405
Total current liabilities	<u>1,184,402</u>	<u>649,532</u>	<u>1,015,366</u>	<u>1,011,426</u>	<u>1,002,853</u>
Long-Term Liabilities:					
Long-term portion of deferred revenue	91,360	88,039	73,959	62,634	58,213
Convertible notes	128,928	420,982	131,920	133,459	135,006
2015 notes embedded conversion derivative	-	179,658	-	-	-
Other long-term liabilities	138,619	145,870	128,894	126,561	131,172
Total long-term liabilities	<u>358,907</u>	<u>834,549</u>	<u>334,773</u>	<u>322,654</u>	<u>324,391</u>
Stockholders' Equity:					
Common stock and capital in excess of par value	1,725,660	1,713,151	1,733,884	1,735,689	1,741,869
Treasury stock, at cost	(330,093)	(294,285)	(290,462)	(269,646)	(266,820)
Accumulated deficit	(1,114,847)	(1,092,468)	(1,083,245)	(1,053,745)	(1,018,190)
Accumulated other comprehensive income	50,596	50,198	50,953	48,454	45,154
Total stockholders' equity	<u>331,316</u>	<u>376,596</u>	<u>411,130</u>	<u>460,752</u>	<u>502,013</u>
Total liabilities and stockholders' equity	<u>\$ 1,874,625</u>	<u>\$ 1,860,677</u>	<u>\$ 1,761,269</u>	<u>\$ 1,794,832</u>	<u>\$ 1,829,257</u>

Cadence Design Systems, Inc.
Condensed Consolidated Income Statements
For the Three and Six Months Ended June 30, 2012 and July 2, 2011
(In thousands, except per share amounts)
(Unaudited)

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 30, 2012</u>	<u>July 2, 2011</u>	<u>June 30, 2012</u>	<u>July 2, 2011</u>
Revenue:				
Product	\$ 208,301	\$ 157,938	\$ 398,325	\$ 299,757
Services	28,966	29,477	58,508	57,282
Maintenance	89,209	95,855	185,473	192,333
Total revenue	<u>326,476</u>	<u>283,270</u>	<u>642,306</u>	<u>549,372</u>
Costs and Expenses:				
Cost of product	21,585	20,074	36,986	34,268
Cost of services	17,071	20,616	36,445	40,691
Cost of maintenance	10,821	10,716	22,632	21,614
Marketing and sales	80,418	77,006	164,213	155,378
Research and development	112,031	99,268	220,625	200,567
General and administrative	30,244	25,377	58,014	44,679
Amortization of acquired intangibles	3,643	4,505	7,429	8,964
Restructuring and other charges (credits)	43	751	(8)	710
Total costs and expenses	<u>275,856</u>	<u>258,313</u>	<u>546,336</u>	<u>506,871</u>
Income from operations	50,620	24,957	95,970	42,501
Interest expense	(8,566)	(10,768)	(17,103)	(21,754)
Other income, net	3,669	8,394	6,103	12,863
Income before provision (benefit) for income taxes	45,723	22,583	84,970	33,610
Provision (benefit) for income taxes	9,337	(4,325)	17,480	379
Net income	<u>\$ 36,386</u>	<u>\$ 26,908</u>	<u>\$ 67,490</u>	<u>\$ 33,231</u>
Basic net income per share	<u>\$ 0.13</u>	<u>\$ 0.10</u>	<u>\$ 0.25</u>	<u>\$ 0.13</u>
Diluted net income per share	<u>\$ 0.13</u>	<u>\$ 0.10</u>	<u>\$ 0.24</u>	<u>\$ 0.12</u>
Weighted average common shares outstanding - basic	<u>269,739</u>	<u>263,191</u>	<u>268,840</u>	<u>262,362</u>
Weighted average common shares outstanding - diluted	<u>275,318</u>	<u>270,885</u>	<u>276,526</u>	<u>269,732</u>

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

	Three Months Ended				
	July 2, 2011	October 1, 2011	December 31, 2011	March 31, 2012	June 30, 2012
Revenue:					
Product	\$ 157,938	\$ 163,966	\$ 177,113	\$ 190,024	\$ 208,301
Services	29,477	29,102	30,308	29,542	28,966
Maintenance	95,855	99,389	100,585	96,264	89,209
Total revenue	<u>283,270</u>	<u>292,457</u>	<u>308,006</u>	<u>315,830</u>	<u>326,476</u>
Costs and Expenses:					
Cost of product	20,074	18,185	17,204	15,401	21,585
Cost of services	20,616	20,410	20,397	19,374	17,071
Cost of maintenance	10,716	11,223	11,164	11,811	10,821
Marketing and sales	77,006	79,914	88,506	83,795	80,418
Research and development	99,268	103,154	97,024	108,594	112,031
General and administrative	25,377	24,041	24,143	27,770	30,244
Amortization of acquired intangibles	4,505	3,786	3,786	3,786	3,643
Restructuring and other charges (credits)	751	(433)	83	(51)	43
Total costs and expenses	<u>258,313</u>	<u>260,280</u>	<u>262,307</u>	<u>270,480</u>	<u>275,856</u>
Income from operations	24,957	32,177	45,699	45,350	50,620
Interest expense	(10,768)	(10,830)	(10,441)	(8,537)	(8,566)
Other income (expense), net	8,394	7,244	(2,033)	2,434	3,669
Income before provision (benefit) for income taxes	22,583	28,591	33,225	39,247	45,723
Provision (benefit) for income taxes	(4,325)	485	22,333	8,143	9,337
Net income	<u>\$ 26,908</u>	<u>\$ 28,106</u>	<u>\$ 10,892</u>	<u>\$ 31,104</u>	<u>\$ 36,386</u>
Basic net income per share	<u>\$ 0.10</u>	<u>\$ 0.11</u>	<u>\$ 0.04</u>	<u>\$ 0.12</u>	<u>\$ 0.13</u>
Diluted net income per share	<u>\$ 0.10</u>	<u>\$ 0.10</u>	<u>\$ 0.04</u>	<u>\$ 0.11</u>	<u>\$ 0.13</u>
Weighted average common shares outstanding - basic	<u>263,191</u>	<u>264,723</u>	<u>266,120</u>	<u>267,940</u>	<u>269,739</u>
Weighted average common shares outstanding - diluted	<u>270,885</u>	<u>270,741</u>	<u>273,057</u>	<u>277,733</u>	<u>275,318</u>

Cadence Design Systems, Inc.
Condensed Consolidated Statements of Cash Flows
For the Six Months Ended June 30, 2012 and July 2, 2011
(In thousands)
(Unaudited)

	Six Months Ended	
	June 30, 2012	July 2, 2011
Cash and Cash Equivalents at Beginning of Period	\$ 601,602	\$ 557,409
Cash Flows from Operating Activities:		
Net income	67,490	33,231
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	43,736	46,283
Amortization of debt discount and fees	11,529	14,587
Stock-based compensation	21,886	19,698
Gain on investments, net	(4,169)	(13,676)
Non-cash restructuring and other charges	125	136
Deferred income taxes	459	(4,811)
Provisions (recoveries) for losses (gains) on trade and installment contract receivables, net	-	(5,885)
Other non-cash items	3,439	2,518
Changes in operating assets and liabilities, net of effect of acquired businesses:		
Current and long-term receivables	16,513	64,535
Inventories	499	(6,987)
Prepaid expenses and other	414	1,969
Other assets	(169)	1,479
Accounts payable and accrued liabilities	(4,694)	(48,650)
Deferred revenue	(27,446)	25,979
Other long-term liabilities	(1,424)	(4,628)
Net cash provided by operating activities	<u>128,188</u>	<u>125,778</u>
Cash Flows from Investing Activities:		
Proceeds from the sale and maturity of available-for-sale securities	136	9,588
Purchases of available-for-sale securities	(49,083)	-
Proceeds from the sale of long-term investments	44	2,785
Purchases of property, plant and equipment	(18,269)	(11,312)
Investment in venture capital partnerships and equity investments	(250)	(608)
Cash paid in business combinations and asset acquisitions, net of cash acquired, and acquisition of intangibles	(1,041)	(22,865)
Net cash used for investing activities	<u>(68,463)</u>	<u>(22,412)</u>
Cash Flows from Financing Activities:		
Principal payments on receivable sale financing	(2,907)	(2,829)
Tax effect related to employee stock transactions allocated to equity	4,075	967
Payment of acquisition-related contingent consideration	(39)	-
Proceeds from issuance of common stock	13,063	10,302
Stock received for payment of employee taxes on vesting of restricted stock	(9,897)	(7,389)
Net cash provided by financing activities	<u>4,295</u>	<u>1,051</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(3,964)</u>	<u>3,491</u>
Increase in cash and cash equivalents	<u>60,056</u>	<u>107,908</u>
Cash and Cash Equivalents at End of Period	<u>\$ 661,658</u>	<u>\$ 665,317</u>

Cadence Design Systems, Inc.
Trended Condensed Consolidated Statements of Cash Flows
For the Five Quarters Ended June 30, 2012
(In thousands)
(Unaudited)

	<u>Q2 2011</u>	<u>Q3 2011</u>	<u>Q4 2011</u>	<u>Q1 2012</u>	<u>Q2 2012</u>
Cash and Cash Equivalents at Beginning of Period	\$ 612,208	\$ 665,317	\$ 696,101	\$ 601,602	\$ 659,687
Cash Flows from Operating Activities:					
Net income	26,908	28,106	10,892	31,104	36,386
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	23,376	22,651	22,714	21,939	21,797
Amortization of debt discount and fees	7,324	7,481	7,198	5,734	5,795
Stock-based compensation	10,341	11,891	11,999	11,525	10,361
(Gain) loss on investments, net	(9,229)	(5,544)	3,483	(1,949)	(2,220)
Non-cash restructuring and other charges	71	66	38	63	62
Tax impact of convertible notes interest	-	-	8,486	-	-
Deferred income taxes	(4,876)	70	(3,070)	223	236
Provisions (recoveries) for losses (gains) on trade and installment contract receivables, net	(688)	(711)	-	-	-
Other non-cash items	2,030	1,171	(493)	683	2,756
Changes in operating assets and liabilities, net of effect of acquired businesses:					
Current and long-term receivables	26,893	(806)	13,056	60,172	(43,659)
Inventories	(2,971)	(2,780)	2,947	(154)	653
Prepaid expenses and other	7,425	17,749	335	(5,545)	5,959
Other assets	(183)	2,239	(5,938)	(577)	408
Accounts payable and accrued liabilities	(27,969)	(23,182)	24,882	(19,582)	14,888
Deferred revenue	10,372	(5,734)	(33,653)	(39,315)	11,869
Other long-term liabilities	589	(240)	(739)	(3,612)	2,188
Net cash provided by operating activities	<u>69,413</u>	<u>52,427</u>	<u>62,137</u>	<u>60,709</u>	<u>67,479</u>
Cash Flows from Investing Activities:					
Proceeds from the sale and maturity of available-for-sale securities	8,091	-	205	-	136
Purchases of available-for-sale securities	-	-	-	-	(49,083)
Proceeds from the sale of long-term investments	108	2,039	4,967	44	-
Purchases of property, plant and equipment	(6,131)	(6,391)	(13,718)	(8,201)	(10,068)
Investment in venture capital partnerships and equity investments	-	-	-	(250)	-
Cash paid in business combinations and asset acquisitions, net of cash acquired, and acquisition of intangibles	(20,327)	(21,187)	-	(1,041)	-
Net cash used for investing activities	<u>(18,259)</u>	<u>(25,539)</u>	<u>(8,546)</u>	<u>(9,448)</u>	<u>(59,015)</u>
Cash Flows from Financing Activities:					
Principal payments on receivable sale financing	-	-	(3,013)	-	(2,907)
Payment of 2011 Notes	-	-	(150,000)	-	-
Tax effect related to employee stock transactions allocated to equity	807	1,930	2,652	2,842	1,233
Payment of acquisition-related contingent consideration	-	-	-	(39)	-
Proceeds from issuance of common stock	1,405	6,692	2,720	12,761	302
Stock received for payment of employee taxes on vesting of restricted stock	(4,535)	(2,537)	(4,299)	(6,173)	(3,724)
Net cash provided by (used for) financing activities	<u>(2,323)</u>	<u>6,085</u>	<u>(151,940)</u>	<u>9,391</u>	<u>(5,096)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>4,278</u>	<u>(2,189)</u>	<u>3,850</u>	<u>(2,567)</u>	<u>(1,397)</u>
Increase (decrease) in cash and cash equivalents	<u>53,109</u>	<u>30,784</u>	<u>(94,499)</u>	<u>58,085</u>	<u>1,971</u>
Cash and Cash Equivalents at End of Period	<u>\$ 665,317</u>	<u>\$ 696,101</u>	<u>\$ 601,602</u>	<u>\$ 659,687</u>	<u>\$ 661,658</u>

Cadence Design Systems, Inc.
As of July 25, 2012
Impact of Non-GAAP Adjustments on Forward Looking Diluted Net Income Per Share
(Unaudited)

	Three Months Ending September 29, 2012 Forecast	Year Ending December 29, 2012 Forecast
Diluted net income per share on a GAAP basis	\$0.17 to \$0.18	\$0.51 to \$0.55
Amortization of acquired intangibles	0.03	0.10
Stock-based compensation expense	0.04	0.18
Non-qualified deferred compensation expenses	-	0.01
Integration and acquisition-related costs	0.01	0.03
Amortization of debt discount	0.02	0.08
Other income or expense related to investments and non-qualified deferred compensation plan assets*	-	(0.01)
Income tax effect of non-GAAP adjustments	(0.09)	(0.20)
Diluted net income per share on a non-GAAP basis	<u>\$0.18 to \$0.19</u>	<u>\$0.70 to \$0.74</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 25, 2012
Impact of Non-GAAP Adjustments on Forward Looking Net Income
(Unaudited)

(\$ in millions)	Three Months Ending September 29, 2012 Forecast	Year Ending December 29, 2012 Forecast
Net income on a GAAP basis	\$46 to \$51	\$141 to \$153
Amortization of acquired intangibles	8	28
Stock-based compensation expense	13	50
Non-qualified deferred compensation expenses	-	4
Integration and acquisition-related costs	2	8
Amortization of debt discount	5	21
Other income or expense related to investments and non-qualified deferred compensation plan assets*	-	(4)
Income tax effect of non-GAAP adjustments	(25)	(54)
Net income on a non-GAAP basis	<u>\$49 to \$54</u>	<u>\$194 to \$206</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 to Non-GAAP Net Income
For the Three and Six Months Ended June 30, 2012 and July 2, 2011
(Unaudited)

(In thousands)	Three Months Ended		Six Months Ended	
	June 30, 2012	July 2, 2011	June 30, 2012	July 2, 2011
Net income on a GAAP basis	\$ 36,386	\$ 26,908	\$ 67,490	\$ 33,231
Amortization of acquired intangibles*	6,534	6,988	13,219	13,643
Stock-based compensation expense**	10,361	10,341	21,886	19,698
Non-qualified deferred compensation expenses***	2,278	1,186	4,076	2,948
Restructuring and other charges (credits)	43	751	(8)	710
Shareholder litigation costs	-	1,106	46	1,174
Executive and other employee severance costs****	-	1,916	-	1,916
Integration and acquisition-related costs*****	3,627	1,005	4,075	1,479
Amortization of debt discount	5,124	6,566	10,213	13,085
Other income or expense related to investments and non-qualified deferred compensation plan assets †	(2,220)	(9,229)	(4,169)	(13,620)
Income tax effect of non-GAAP adjustments	(9,245)	(15,560)	(17,440)	(19,028)
Net income on a non-GAAP basis	<u>\$ 52,888</u>	<u>\$ 31,978</u>	<u>\$ 99,388</u>	<u>\$ 55,236</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.

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

(In thousands)	Three Months Ended		Six Months Ended	
	June 30, 2012	July 2, 2011	June 30, 2012	July 2, 2011
Cost of product	\$ 2,891	\$ 2,483	\$ 5,790	\$ 4,679
Amortization of acquired intangibles	3,643	4,505	7,429	8,964
Total amortization of acquired intangibles	<u>\$ 6,534</u>	<u>\$ 6,988</u>	<u>\$ 13,219</u>	<u>\$ 13,643</u>

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

(In thousands)	Three Months Ended		Six Months Ended	
	June 30, 2012	July 2, 2011	June 30, 2012	July 2, 2011
Cost of product	\$ 20	\$ 25	\$ 45	\$ 49
Cost of services	384	474	858	932
Cost of maintenance	248	305	554	600
Marketing and sales	2,128	2,740	4,639	4,757
Research and development	4,441	4,075	9,449	7,940
General and administrative	3,140	2,722	6,341	5,420
Total stock-based compensation expense	<u>\$ 10,361</u>	<u>\$ 10,341</u>	<u>\$ 21,886</u>	<u>\$ 19,698</u>

***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 is not significant. The operating expenses (credits) are reported in the Condensed Consolidated Income Statements as follows:

(In thousands)	Three Months Ended		Six Months Ended	
	June 30, 2012	July 2, 2011	June 30, 2012	July 2, 2011
Cost of product	\$ 2	\$ -	\$ 3	\$ 1
Cost of services	42	5	71	20
Cost of maintenance	27	3	46	13
Marketing and sales	212	158	469	479
Research and development	1,083	551	1,890	1,313
General and administrative	912	469	1,597	1,122
Total non-qualified deferred compensation expenses	<u>\$ 2,278</u>	<u>\$ 1,186</u>	<u>\$ 4,076</u>	<u>\$ 2,948</u>

**** Total executive and other employee severance costs are reported in the Condensed Consolidated Income Statements as follows:

(In thousands)	Three Months Ended		Six Months Ended	
	June 30, 2012	July 2, 2011	June 30, 2012	July 2, 2011
Cost of services	\$ -	\$ 210	\$ -	\$ 210
Marketing and sales	-	980	-	980
Research and development	-	454	-	454
General and administrative	-	272	-	272
Total executive and other employee severance costs	<u>\$ -</u>	<u>\$ 1,916</u>	<u>\$ -</u>	<u>\$ 1,916</u>

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

(In thousands)	Three Months Ended		Six Months Ended	
	June 30, 2012	July 2, 2011	June 30, 2012	July 2, 2011
Marketing and sales	\$ 80	\$ 133	\$ 189	\$ 233
Research and development	2,341	241	2,571	548
General and administrative	1,206	631	1,315	655
Interest expense	-	-	-	43
Total integration and acquisition-related costs	<u>\$ 3,627</u>	<u>\$ 1,005</u>	<u>\$ 4,075</u>	<u>\$ 1,479</u>

Cadence Design Systems, Inc.
Reconciliation of GAAP Diluted Net Income Per Share to Non-GAAP Diluted Net Income Per Share
For the Three Months Ended June 30, 2012, March 31, 2012 and July 2, 2011
and the Six Months Ended June 30, 2012 and July 2, 2011
(Unaudited)

(In thousands, except per share data)	Three Months Ended			Six Months Ended	
	June 30, 2012	March 31, 2012	July 2, 2011	June 30, 2012	July 2, 2011
Diluted net income per share on a GAAP basis	\$ 0.13	\$ 0.11	\$ 0.10	\$ 0.24	\$ 0.12
Amortization of acquired intangibles	0.02	0.03	0.03	0.05	0.05
Stock-based compensation expense	0.04	0.04	0.04	0.08	0.07
Non-qualified deferred compensation expenses	0.01	0.01	0.01	0.01	0.01
Restructuring and other charges (credits)	-	-	-	-	-
Shareholder litigation costs	-	-	-	-	-
Executive and other employee severance costs	-	-	0.01	-	0.01
Integration and acquisition-related costs	0.01	-	-	0.01	0.01
Amortization of debt discount	0.02	0.02	0.02	0.04	0.05
Other income or expense related to investments and non-qualified deferred compensation plan assets *	(0.01)	(0.01)	(0.03)	(0.01)	(0.05)
Income tax effect of non-GAAP adjustments	(0.03)	(0.03)	(0.06)	(0.06)	(0.07)
Diluted net income per share on a non-GAAP basis	\$ 0.19	\$ 0.17	\$ 0.12	\$ 0.36	\$ 0.20
Shares used in calculation of diluted net income per share - GAAP **	275,318	277,733	270,885	276,526	269,732
Shares used in calculation of diluted net income per share - non-GAAP **	275,318	277,733	270,885	276,526	269,732

* 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 per share are expected to be the same as shares used in the calculation of non-GAAP net income 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>	2011					2012	
	Q1	Q2	Q3	Q4	Year	Q1	Q2
Americas	44%	47%	44%	44%	45%	44%	46%
Europe, Middle East and Africa	21%	20%	21%	20%	20%	19%	20%
Japan	19%	17%	18%	17%	18%	18%	16%
Asia	16%	16%	17%	19%	17%	19%	18%
Total	100%	100%	100%	100%	100%	100%	100%

Revenue Mix by Product Group (% of Total Revenue)

<u>PRODUCT GROUP</u>	2011					2012	
	Q1	Q2	Q3	Q4	Year	Q1	Q2
Functional Verification and Design IP	28%	33%	30%	32%	30%	30%	33%
Digital IC Design	24%	21%	22%	21%	22%	23%	22%
Custom IC Design	20%	22%	23%	23%	22%	23%	22%
Design for Manufacturing	8%	6%	6%	6%	7%	7%	6%
System Interconnect	10%	8%	9%	8%	9%	8%	8%
Services and other	10%	10%	10%	10%	10%	9%	9%
Total	100%	100%	100%	100%	100%	100%	100%

Note: Product Group total revenue includes Product + Maintenance