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Cadence Design Systems, Inc.
Condensed Consolidated Balance Sheets
September 29, 2012 and December 31, 2011
(In thousands)
(Unaudited)

	September 29, 2012	December 31, 2011
Current Assets:		
Cash and cash equivalents	\$ 649,099	\$ 601,602
Short-term investments	95,819	3,037
Receivables, net of allowances of \$110 and \$0, respectively	123,206	136,772
Inventories	34,629	43,243
2015 notes hedges	287,079	215,113
Prepaid expenses and other	60,780	64,216
Total current assets	1,250,612	1,063,983
Property, plant and equipment, net of accumulated depreciation of \$638,552 and \$658,990, respectively	246,856	262,517
Goodwill	233,275	192,125
Acquired intangibles, net of accumulated amortization of \$97,746 and \$91,542, respectively	192,768	173,234
Long-term receivables	5,668	11,371
Other assets	59,335	58,039
Total Assets	\$ 1,988,514	\$ 1,761,269
Current Liabilities:		
Convertible notes	\$ 305,029	\$ 294,061
2015 notes embedded conversion derivative	287,079	215,113
Accounts payable and accrued liabilities	160,250	165,791
Current portion of deferred revenue	322,260	340,401
Total current liabilities	1,074,618	1,015,366
Long-Term Liabilities:		
Long-term portion of deferred revenue	58,436	73,959
Convertible notes	136,594	131,920
Other long-term liabilities	130,478	128,894
Total long-term liabilities	325,508	334,773
Stockholders' Equity	588,388	411,130
Total Liabilities and Stockholders' Equity	\$ 1,988,514	\$ 1,761,269

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

	October 1, 2011	December 31, 2011	March 31, 2012	June 30, 2012	September 29, 2012
Current Assets:					
Cash and cash equivalents	\$ 696,101	\$ 601,602	\$ 659,687	\$ 661,658	\$ 649,099
Short-term investments	2,959	3,037	3,287	51,304	95,819
Receivables, net	152,433	136,772	79,997	123,243	123,206
Inventories	47,056	43,243	41,720	41,066	34,629
2015 notes hedges	-	215,113	257,775	219,199	287,079
Prepaid expenses and other	59,910	64,216	69,178	61,976	60,780
Total current assets	<u>958,459</u>	<u>1,063,983</u>	<u>1,111,644</u>	<u>1,158,446</u>	<u>1,250,612</u>
Property, plant and equipment, net	259,940	262,517	257,743	251,920	246,856
Goodwill	192,153	192,125	192,445	192,238	233,275
Acquired intangibles, net	180,045	173,234	166,528	159,807	192,768
Long-term receivables	9,178	11,371	7,555	7,750	5,668
2015 notes hedges	179,658	-	-	-	-
Other assets	81,244	58,039	58,917	59,096	59,335
Total assets	<u>\$ 1,860,677</u>	<u>\$ 1,761,269</u>	<u>\$ 1,794,832</u>	<u>\$ 1,829,257</u>	<u>\$ 1,988,514</u>
Current Liabilities:					
Convertible notes	\$ 148,530	\$ 294,061	\$ 297,653	\$ 301,292	\$ 305,029
2015 notes embedded conversion derivative	-	215,113	257,775	219,199	287,079
Accounts payable and accrued liabilities	140,422	165,791	143,760	153,957	160,250
Current portion of deferred revenue	360,580	340,401	312,238	328,405	322,260
Total current liabilities	<u>649,532</u>	<u>1,015,366</u>	<u>1,011,426</u>	<u>1,002,853</u>	<u>1,074,618</u>
Long-Term Liabilities:					
Long-term portion of deferred revenue	88,039	73,959	62,634	58,213	58,436
Convertible notes	420,982	131,920	133,459	135,006	136,594
2015 notes embedded conversion derivative	179,658	-	-	-	-
Other long-term liabilities	145,870	128,894	126,561	131,172	130,478
Total long-term liabilities	<u>834,549</u>	<u>334,773</u>	<u>322,654</u>	<u>324,391</u>	<u>325,508</u>
Stockholders' Equity:					
Common stock and capital in excess of par value	1,713,151	1,733,884	1,735,689	1,741,869	1,711,797
Treasury stock, at cost	(294,285)	(290,462)	(269,646)	(266,820)	(207,018)
Accumulated deficit	(1,092,468)	(1,083,245)	(1,053,745)	(1,018,190)	(962,515)
Accumulated other comprehensive income	50,198	50,953	48,454	45,154	46,124
Total stockholders' equity	<u>376,596</u>	<u>411,130</u>	<u>460,752</u>	<u>502,013</u>	<u>588,388</u>
Total liabilities and stockholders' equity	<u>\$ 1,860,677</u>	<u>\$ 1,761,269</u>	<u>\$ 1,794,832</u>	<u>\$ 1,829,257</u>	<u>\$ 1,988,514</u>

Cadence Design Systems, Inc.
Condensed Consolidated Income Statements
For the Three and Nine Months Ended September 29, 2012 and October 1, 2011
(In thousands, except per share amounts)
(Unaudited)

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 29,</u>	<u>October 1,</u>	<u>September 29,</u>	<u>October 1,</u>
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenue:				
Product	\$ 216,561	\$ 163,966	\$ 614,886	\$ 463,723
Services	28,415	29,102	86,923	86,384
Maintenance	93,557	99,389	279,030	291,722
Total revenue	<u>338,533</u>	<u>292,457</u>	<u>980,839</u>	<u>841,829</u>
Costs and Expenses:				
Cost of product	23,337	18,185	60,323	52,453
Cost of services	16,809	20,410	53,254	61,101
Cost of maintenance	11,124	11,223	33,756	32,837
Marketing and sales	82,461	79,914	246,674	235,292
Research and development	115,078	103,154	335,703	303,721
General and administrative	26,350	24,041	84,364	68,720
Amortization of acquired intangibles	3,876	3,786	11,305	12,750
Restructuring and other charges (credits)	57	(433)	49	277
Total costs and expenses	<u>279,092</u>	<u>260,280</u>	<u>825,428</u>	<u>767,151</u>
Income from operations	59,441	32,177	155,411	74,678
Interest expense	(8,737)	(10,830)	(25,840)	(32,584)
Other income (expense), net	(131)	7,244	5,972	20,107
Income before provision (benefit) for income taxes	50,573	28,591	135,543	62,201
Provision (benefit) for income taxes	(8,011)	485	9,469	864
Net income	<u>\$ 58,584</u>	<u>\$ 28,106</u>	<u>\$ 126,074</u>	<u>\$ 61,337</u>
Net income per share - basic	<u>\$ 0.22</u>	<u>\$ 0.11</u>	<u>\$ 0.47</u>	<u>\$ 0.23</u>
Net income per share - diluted	<u>\$ 0.21</u>	<u>\$ 0.10</u>	<u>\$ 0.45</u>	<u>\$ 0.23</u>
Weighted average common shares outstanding - basic	<u>271,350</u>	<u>264,723</u>	<u>269,643</u>	<u>263,149</u>
Weighted average common shares outstanding - diluted	<u>283,328</u>	<u>270,741</u>	<u>278,760</u>	<u>270,068</u>

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

	Three Months Ended				
	October 1, 2011	December 31, 2011	March 31, 2012	June 30, 2012	September 29, 2012
Revenue:					
Product	\$ 163,966	\$ 177,113	\$ 190,024	\$ 208,301	\$ 216,561
Services	29,102	30,308	29,542	28,966	28,415
Maintenance	99,389	100,585	96,264	89,209	93,557
Total revenue	<u>292,457</u>	<u>308,006</u>	<u>315,830</u>	<u>326,476</u>	<u>338,533</u>
Costs and Expenses:					
Cost of product	18,185	17,204	15,401	21,585	23,337
Cost of services	20,410	20,397	19,374	17,071	16,809
Cost of maintenance	11,223	11,164	11,811	10,821	11,124
Marketing and sales	79,914	88,506	83,795	80,418	82,461
Research and development	103,154	97,024	108,594	112,031	115,078
General and administrative	24,041	24,143	27,770	30,244	26,350
Amortization of acquired intangibles	3,786	3,786	3,786	3,643	3,876
Restructuring and other charges (credits)	(433)	83	(51)	43	57
Total costs and expenses	<u>260,280</u>	<u>262,307</u>	<u>270,480</u>	<u>275,856</u>	<u>279,092</u>
Income from operations	32,177	45,699	45,350	50,620	59,441
Interest expense	(10,830)	(10,441)	(8,537)	(8,566)	(8,737)
Other income (expense), net	7,244	(2,033)	2,434	3,669	(131)
Income before provision (benefit) for income taxes	28,591	33,225	39,247	45,723	50,573
Provision (benefit) for income taxes	485	22,333	8,143	9,337	(8,011)
Net income	<u>\$ 28,106</u>	<u>\$ 10,892</u>	<u>\$ 31,104</u>	<u>\$ 36,386</u>	<u>\$ 58,584</u>
Net income per share - basic	<u>\$ 0.11</u>	<u>\$ 0.04</u>	<u>\$ 0.12</u>	<u>\$ 0.13</u>	<u>\$ 0.22</u>
Net income per share - diluted	<u>\$ 0.10</u>	<u>\$ 0.04</u>	<u>\$ 0.11</u>	<u>\$ 0.13</u>	<u>\$ 0.21</u>
Weighted average common shares outstanding - basic	<u>264,723</u>	<u>266,120</u>	<u>267,940</u>	<u>269,739</u>	<u>271,350</u>
Weighted average common shares outstanding - diluted	<u>270,741</u>	<u>273,057</u>	<u>277,733</u>	<u>275,318</u>	<u>283,328</u>

Cadence Design Systems, Inc.
Condensed Consolidated Statements of Cash Flows
For the Nine Months Ended September 29, 2012 and October 1, 2011
(In thousands)
(Unaudited)

	Nine Months Ended	
	September 29, 2012	October 1, 2011
Cash and Cash Equivalents at Beginning of Period	\$ 601,602	\$ 557,409
Cash Flows from Operating Activities:		
Net income	126,074	61,337
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	67,171	68,934
Amortization of debt discount and fees	17,480	22,068
Stock-based compensation	34,285	31,589
Gain on investments, net	(2,222)	(19,220)
Non-cash restructuring and other charges	188	202
Deferred income taxes	(14,107)	(4,741)
Provisions (recoveries) for losses (gains) on receivables, net	120	(6,596)
Other non-cash items	3,270	3,689
Changes in operating assets and liabilities, net of effect of acquired businesses:		
Receivables	24,276	63,729
Inventories	6,936	(9,767)
Prepaid expenses and other	1,547	19,718
Other assets	(3,101)	3,718
Accounts payable and accrued liabilities	(1,714)	(71,832)
Deferred revenue	(38,230)	20,245
Other long-term liabilities	(1,855)	(4,868)
Net cash provided by operating activities	<u>220,118</u>	<u>178,205</u>
Cash Flows from Investing Activities:		
Proceeds from the sale and maturity of available-for-sale securities	7,436	9,588
Purchases of available-for-sale securities	(101,248)	-
Proceeds from the sale of long-term investments	44	4,824
Purchases of property, plant and equipment	(25,932)	(17,703)
Investment in venture capital partnerships and equity investments	(250)	(608)
Cash paid in business combinations and asset acquisitions, net of cash acquired	(66,432)	(44,052)
Net cash used for investing activities	<u>(186,382)</u>	<u>(47,951)</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	5,790	2,897
Payment of acquisition-related contingent consideration	(39)	-
Proceeds from issuance of common stock	28,755	16,994
Stock received for payment of employee taxes on vesting of restricted stock	(13,457)	(9,926)
Net cash provided by financing activities	<u>18,142</u>	<u>7,136</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(4,381)</u>	<u>1,302</u>
Increase in cash and cash equivalents	<u>47,497</u>	<u>138,692</u>
Cash and Cash Equivalents at End of Period	<u>\$ 649,099</u>	<u>\$ 696,101</u>

Cadence Design Systems, Inc.
Trended Condensed Consolidated Statements of Cash Flows
For the Five Quarters Ended September 29, 2012
(In thousands)
(Unaudited)

	<u>Q3 2011</u>	<u>Q4 2011</u>	<u>Q1 2012</u>	<u>Q2 2012</u>	<u>Q3 2012</u>
Cash and Cash Equivalents at Beginning of Period	\$ 665,317	\$ 696,101	\$ 601,602	\$ 659,687	\$ 661,658
Cash Flows from Operating Activities:					
Net income	28,106	10,892	31,104	36,386	58,584
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	22,651	22,714	21,939	21,797	23,435
Amortization of debt discount and fees	7,481	7,198	5,734	5,795	5,951
Stock-based compensation	11,891	11,999	11,525	10,361	12,399
(Gain) loss on investments, net	(5,544)	3,483	(1,949)	(2,220)	1,947
Non-cash restructuring and other charges	66	38	63	62	63
Tax impact of convertible notes interest	-	8,486	-	-	-
Deferred income taxes	70	(3,070)	223	236	(14,566)
Provisions (recoveries) for losses (gains) on receivables, net	(711)	-	-	-	120
Other non-cash items	1,171	(493)	683	2,756	(169)
Changes in operating assets and liabilities, net of effect of acquired businesses:					
Receivables	(806)	13,056	60,172	(43,659)	7,763
Inventories	(2,780)	2,947	(154)	653	6,437
Prepaid expenses and other	17,749	335	(5,545)	5,959	1,133
Other assets	2,239	(5,938)	(577)	408	(2,932)
Accounts payable and accrued liabilities	(23,182)	24,882	(19,582)	14,888	2,980
Deferred revenue	(5,734)	(33,653)	(39,315)	11,869	(10,784)
Other long-term liabilities	(240)	(739)	(3,612)	2,188	(431)
Net cash provided by operating activities	<u>52,427</u>	<u>62,137</u>	<u>60,709</u>	<u>67,479</u>	<u>91,930</u>
Cash Flows from Investing Activities:					
Proceeds from the sale and maturity of available-for-sale securities	-	205	-	136	7,300
Purchases of available-for-sale securities	-	-	-	(49,083)	(52,165)
Proceeds from the sale of long-term investments	2,039	4,967	44	-	-
Purchases of property, plant and equipment	(6,391)	(13,718)	(8,201)	(10,068)	(7,663)
Investment in venture capital partnerships and equity investments	-	-	(250)	-	-
Cash paid in business combinations and asset acquisitions, net of cash acquired	(21,187)	-	(1,041)	-	(65,391)
Net cash used for investing activities	<u>(25,539)</u>	<u>(8,546)</u>	<u>(9,448)</u>	<u>(59,015)</u>	<u>(117,919)</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	1,930	2,652	2,842	1,233	1,715
Payment of acquisition-related contingent consideration	-	-	(39)	-	-
Proceeds from issuance of common stock	6,692	2,720	12,761	302	15,692
Stock received for payment of employee taxes on vesting of restricted stock	(2,537)	(4,299)	(6,173)	(3,724)	(3,560)
Net cash provided by (used for) financing activities	<u>6,085</u>	<u>(151,940)</u>	<u>9,391</u>	<u>(5,096)</u>	<u>13,847</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(2,189)</u>	<u>3,850</u>	<u>(2,567)</u>	<u>(1,397)</u>	<u>(417)</u>
Increase (decrease) in cash and cash equivalents	<u>30,784</u>	<u>(94,499)</u>	<u>58,085</u>	<u>1,971</u>	<u>(12,559)</u>
Cash and Cash Equivalents at End of Period	<u>\$ 696,101</u>	<u>\$ 601,602</u>	<u>\$ 659,687</u>	<u>\$ 661,658</u>	<u>\$ 649,099</u>

Cadence Design Systems, Inc.
As of October 24, 2012
Impact of Non-GAAP Adjustments on Forward Looking Diluted Net Income Per Share
(Unaudited)

	Three Months Ending December 29, 2012 Forecast	Year Ending December 29, 2012 Forecast
Diluted net income per share on a GAAP basis	\$0.13 to \$0.15	\$0.58 to \$0.60
Amortization of acquired intangibles	0.03	0.10
Stock-based compensation expense	0.04	0.17
Non-qualified deferred compensation expenses	-	0.01
Integration and acquisition-related costs	0.01	0.03
Amortization of debt discount	0.02	0.07
Other income or expense related to investments and non-qualified deferred compensation plan assets*	-	(0.01)
Acquisition-related income tax benefit	-	(0.05)
Income tax effect of non-GAAP adjustments	(0.05)	(0.15)
Diluted net income per share on a non-GAAP basis	<u>\$0.18 to \$0.20</u>	<u>\$0.75 to \$0.77</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 October 24, 2012
Impact of Non-GAAP Adjustments on Forward Looking Net Income
(Unaudited)

(\$ in Millions)	Three Months Ending December 29, 2012 Forecast	Year Ending December 29, 2012 Forecast
Net income on a GAAP basis	\$36 to \$42	\$162 to \$168
Amortization of acquired intangibles	8	29
Stock-based compensation expense	13	47
Non-qualified deferred compensation expenses	-	3
Integration and acquisition-related costs	2	9
Amortization of debt discount	5	21
Other income or expense related to investments and non-qualified deferred compensation plan assets*	-	(2)
Acquisition-related income tax benefit	-	(15)
Income tax effect of non-GAAP adjustments	(13)	(44)
Net income on a non-GAAP basis	<u>\$51 to \$57</u>	<u>\$210 to \$216</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 Nine Months Ended September 29, 2012 and October 1, 2011
(Unaudited)

(In thousands)	Three Months Ended		Nine Months Ended	
	September 29, 2012	October 1, 2011	September 29, 2012	October 1, 2011
Net income on a GAAP basis	\$ 58,584	\$ 28,106	\$ 126,074	\$ 61,337
Amortization of acquired intangibles*	7,750	6,692	20,969	20,335
Stock-based compensation expense**	12,399	11,891	34,285	31,589
Non-qualified deferred compensation expenses (credits)***	(839)	229	3,237	3,177
Restructuring and other charges (credits)	57	(433)	49	277
Shareholder litigation costs	-	179	46	1,353
Executive and other employee severance costs****	-	1,331	-	3,247
Integration and acquisition-related costs*****	3,016	766	7,091	2,245
Amortization of debt discount	5,279	6,697	15,492	19,782
Other income or expense related to investments and non-qualified deferred compensation plan assets †	1,954	(5,544)	(2,215)	(19,164)
Acquisition-related income tax benefit	(14,806)	-	(14,806)	(5,021)
Income tax effect of non-GAAP adjustments	(14,054)	(12,619)	(31,494)	(26,626)
Net income on a non-GAAP basis	\$ 59,340	\$ 37,295	\$ 158,728	\$ 92,531

† 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		Nine Months Ended	
	September 29, 2012	October 1, 2011	September 29, 2012	October 1, 2011
Cost of product	\$ 3,605	\$ 2,906	\$ 9,395	\$ 7,585
Cost of maintenance	269	-	269	-
Amortization of acquired intangibles	3,876	3,786	11,305	12,750
Total amortization of acquired intangibles	\$ 7,750	\$ 6,692	\$ 20,969	\$ 20,335

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

(In thousands)	Three Months Ended		Nine Months Ended	
	September 29, 2012	October 1, 2011	September 29, 2012	October 1, 2011
Cost of product	\$ 26	\$ 31	\$ 71	\$ 80
Cost of services	493	590	1,351	1,522
Cost of maintenance	317	381	871	981
Marketing and sales	2,647	2,983	7,286	7,740
Research and development	5,774	5,070	15,223	13,010
General and administrative	3,142	2,836	9,483	8,256
Total stock-based compensation expense	\$ 12,399	\$ 11,891	\$ 34,285	\$ 31,589

***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		Nine Months Ended	
	September 29, 2012	October 1, 2011	September 29, 2012	October 1, 2011
Cost of product	\$ (1)	\$ 1	\$ 2	\$ 2
Cost of services	(19)	20	52	40
Cost of maintenance	(12)	13	34	26
Marketing and sales	(87)	19	382	498
Research and development	(369)	135	1,521	1,448
General and administrative	(351)	41	1,246	1,163
Total non-qualified deferred compensation expenses (credits)	\$ (839)	\$ 229	\$ 3,237	\$ 3,177

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

(In thousands)	Three Months Ended		Nine Months Ended	
	September 29, 2012	October 1, 2011	September 29, 2012	October 1, 2011
Cost of services	\$ -	\$ 49	\$ -	\$ 259
Marketing and sales	-	1,193	-	2,173
Research and development	-	68	-	522
General and administrative	-	21	-	293
Total executive and other employee severance costs	\$ -	\$ 1,331	\$ -	\$ 3,247

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

(In thousands)	Three Months Ended		Nine Months Ended	
	September 29, 2012	October 1, 2011	September 29, 2012	October 1, 2011
Marketing and sales	\$ 308	\$ 122	\$ 497	\$ 355
Research and development	1,820	231	4,391	779
General and administrative	888	413	2,203	1,068
Interest expense	-	-	-	43
Total integration and acquisition-related costs	\$ 3,016	\$ 766	\$ 7,091	\$ 2,245

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 September 29, 2012, June 30, 2012 and October 1, 2011
and the Nine Months Ended September 29, 2012 and October 1, 2011
(Unaudited)

(In thousands, except per share data)	Three Months Ended			Nine Months Ended	
	September 29, 2012	June 30, 2012	October 1, 2011	September 29, 2012	October 1, 2011
Diluted net income per share on a GAAP basis	\$ 0.21	\$ 0.13	\$ 0.10	\$ 0.45	\$ 0.23
Amortization of acquired intangibles	0.03	0.02	0.03	0.08	0.08
Stock-based compensation expense	0.04	0.04	0.04	0.12	0.12
Non-qualified deferred compensation expenses	-	0.01	-	0.01	0.01
Restructuring and other charges (credits)	-	-	-	-	-
Shareholder litigation costs	-	-	-	-	0.01
Executive and other employee severance costs	-	-	0.01	-	0.01
Integration and acquisition-related costs	0.01	0.01	-	0.03	0.01
Amortization of debt discount	0.02	0.02	0.02	0.06	0.07
Other income or expense related to investments and non-qualified deferred compensation plan assets *	-	(0.01)	(0.02)	(0.01)	(0.07)
Acquisition-related income tax benefit	(0.05)	-	-	(0.05)	(0.02)
Income tax effect of non-GAAP adjustments	(0.05)	(0.03)	(0.04)	(0.12)	(0.11)
Diluted net income per share on a non-GAAP basis	\$ 0.21	\$ 0.19	\$ 0.14	\$ 0.57	\$ 0.34

Shares used in calculation of diluted net income per share - GAAP **	283,328	275,318	270,741	278,760	270,068
Shares used in calculation of diluted net income per share - non-GAAP **	283,328	275,318	270,741	278,760	270,068

* 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	Q3
Americas	44%	47%	44%	44%	45%	44%	46%	43%
EMEA	21%	20%	21%	20%	20%	19%	20%	20%
Japan	19%	17%	18%	17%	18%	18%	16%	17%
Asia	16%	16%	17%	19%	17%	19%	18%	20%
Total	100%	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	Q3
Functional Verification and Design IP	28%	33%	30%	32%	30%	30%	33%	30%
Digital IC Design	24%	21%	22%	21%	22%	23%	22%	23%
Custom IC Design	20%	22%	23%	23%	22%	23%	22%	24%
Design for Manufacturing	8%	6%	6%	6%	7%	7%	6%	6%
System Interconnect	10%	8%	9%	8%	9%	8%	8%	9%
Services & Other	10%	10%	10%	10%	10%	9%	9%	8%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Note: Product Group total revenue includes Product + Maintenance