

CADENCE DESIGN SYSTEMS INC

Form 424B3

July 08, 2004

**Filed under Rule 424(b)(3) of the Securities Act of 1933,
relating to Registration No. 333-110346**

**Prospectus Supplement No. 4
to Prospectus Dated April 29, 2004
of**

CADENCE DESIGN SYSTEMS, INC.

Relating to

**\$420,000,000 Zero Coupon Zero Yield Senior Convertible Notes due 2023
and
Shares of Common Stock Issuable upon Conversion of the Notes**

This prospectus supplement no. 4 relates to the resale by selling securityholders of Cadence Design Systems, Inc. of its Zero Coupon Zero Yield Senior Convertible Notes Due 2023 and the shares of Cadence common stock issuable upon conversion of the notes.

You should read this prospectus supplement no. 4 in conjunction with the prospectus dated April 29, 2004, which should be delivered in conjunction with this prospectus supplement. This prospectus supplement is not complete without, and may not be delivered or used except in conjunction with, the prospectus, including any amendments or supplements to it. This prospectus supplement is qualified by reference to the prospectus, except to the extent that the information provided by this prospectus supplement supercedes information contained in the prospectus.

Investing in the notes and the common stock issuable upon conversion of the notes involves risk. See the discussion entitled Risk Factors beginning on page 6 of the prospectus dated April 29, 2004.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the prospectus dated April 29, 2004. Any representation to the contrary is a criminal offense.

The table under the caption Selling Securityholders beginning on page 51 of the prospectus is hereby supplemented and amended by updating information as to a certain selling securityholder identified in the table below and adding to it certain selling securityholders identified in the table below. We prepared this table based on information supplied to us by the selling securityholders named in the table below on or prior to July 8, 2004. Information about the selling securityholders may change over time. If required, any changed or new information given to us will be set forth in supplements to the prospectus or amendments to the registration statement of which this prospectus is a part, if and when necessary.

We have assumed for purposes of the table below that the selling securityholders will sell all of the notes and all of the common stock issuable upon conversion of the notes pursuant to this prospectus supplement and the

prospectus, and that any other shares of our common stock beneficially owned by the selling securityholders will continue to be beneficially owned.

Except as set forth below, none of the selling securityholders has, or within the past three years has had, any position, office or other material relationship with us or any of our predecessors or affiliates.

The selling securityholders identified below may have sold, transferred or otherwise disposed of, pursuant to transactions exempt from the registration requirements of the Securities Act of 1933, as amended, all or a portion of their notes since the date on which they provided the information regarding their notes.

Name of Selling Securityholder	Principal Amount of Notes		Number of Shares of Common		Number of Shares of Common		Natural Person(s) with Voting or Investment Power
	Beneficially Owned and Offered	Percentage of Notes Outstanding	Stock Beneficially Owned(1)(2)	Stock Offered (1)	Stock Offered (1)	Number of Shares of Common Stock Beneficially Owned after the Offering(2)(3)	
MSD TCB, L.P.(4)	\$ 4,000,000	*	255,516	255,516	255,516	0	John Phelan and Glenn Furman
Plexus Fund Limited	7,000,000	1.67%	447,153	447,153	447,153	0	(5)
Global Bermuda Limited Partnership	5,000,000	1.19%	319,395	319,395	319,395	0	(6)
Lakeshore International, Ltd.	20,000,000	4.76%	1,277,580	1,277,580	1,277,580	0	(6)

* Less than one percent (1%).

(1) Assumes conversion of all of the holder's notes at a conversion rate of 63.8790 shares of common stock per \$1,000 principal amount at maturity of the notes. This conversion rate is subject to adjustment as described under "Description of Notes Conversion Rights" in the prospectus dated April 29, 2004. As a result, the number of shares of common stock issuable upon conversion of the notes may increase or decrease in the future. Excludes shares of common stock that may be issued by us upon the repurchase of the notes as described under "Description of Notes Repurchase of the Notes by Us at the Option of Holders Upon a Fundamental Change" in the prospectus and fractional shares. Holders will receive a cash adjustment for any fractional share amount resulting from conversion of the notes, as described under "Description of Notes Conversion Rights" in the prospectus.

(2) The number of shares of common stock beneficially owned by each holder named above is less than 1% of our outstanding common stock, calculated based on 273,356,132 shares of common stock outstanding as of April 3, 2004. In calculating this amount for each holder, we treated as outstanding the number of shares of common stock issuable upon conversion of all of that holder's notes, but we did not assume conversion of any other holder's notes.

(3) For the purposes of computing the number and percentage of notes and shares to be held by the selling shareholders after the conclusion of the offering, we have assumed for purposes of the table above that the selling securityholders named above will sell all of the notes and all of the common stock issuable upon conversion of the notes offered by this prospectus supplement and the prospectus, and that any other shares of our common stock beneficially owned by these selling securityholders will continue to be beneficially owned.

(4) This selling securityholder was previously listed as holding \$12,000,000 of the notes. The current listing indicating a holding of \$4,000,000 represents an additional \$4,000,000 of notes to be registered, acquired subsequent to the sale of the entire original \$12,000,000 of notes included in the original prospectus. This information supercedes all prior information concerning MSD TCB, L.P.

(5) The selling securityholder has informed us that there are no natural persons with voting or investment power over the notes and common stock issuable upon conversion of the notes.

(6) The selling securityholder has informed us that Global Capital Management, Inc. is the general partner of this selling securityholder, and that there are no natural persons with voting or investment power over the notes and common stock issuable upon conversion of the notes.

The date of this prospectus supplement is July 8, 2004.