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FOR IMMEDIATE RELEASE

City of San Jose to Celebrate Cadence Facility Groundbreaking

Event marks first new construction as part of the North San Jose Vision 2030 Plan

SAN JOSE, CALIF., Feb. 13, 2006 – Mayor Chuck Reed will lead a groundbreaking ceremony at 9 a.m., Wednesday, February 14, at Cadence Design Systems, Inc. (NASDAQ: CDNS), 2655 Seely Avenue in San Jose.

The groundbreaking recognizes the start of construction of a five-story, 208,000 square foot, R&D center at the Cadence Design Systems, Inc. campus in San Jose.

“We are looking forward to consolidating our local R &D operation into a single technology center and enhancing collaboration across our primary campus. The building is an outward sign to our local employees, customers and the community of our commitment to continued innovation,” said Mike Fister, president and CEO, Cadence Design Systems.

The new building will house the engineers, who develop leading-edge design automation software and hardware used to create integrated circuits and electrical systems for the global electronics industry.

“My colleagues on the San Jose City Council and I admire and thank Cadence for its commitment to investing in its engineering and R&D operations in San Jose. The new facility will symbolize all that is good and competitive about doing business in San Jose. City Hall will be a partner in this and deliver the top quality service Cadence needs to meet its time-to-market goals. I applaud the Cadence team for their contributions to ensuring that San Jose remains the number one community for innovators,” said San Jose Mayor Chuck Reed.

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The new construction of the Cadence facility represents the first structure built in accordance with the *North San Jose Vision 2030 Plan*, a framework for greater innovation and prosperity opportunities for businesses and residents alike. *North San Jose Vision 2030 Plan* is a large development strategy that evolves North San Jose from a traditional industrial park to a multi-faceted innovation district, involving the upgrading of transportation systems, traffic and pedestrian circulation, creation of opportunities for more San Jose jobs and construction of more homes near those jobs.

“Our Agency has had a long standing relationship with Cadence since they built their headquarters in the mid-1990s,” said Harry Mavrogenes, executive director, San Jose Redevelopment Agency. “I am pleased that we can continue this partnership. The revenues from the Cadence and the more than 8,000 dwelling units currently being reviewed will contribute to the necessary infrastructure to support the North San Jose development.”

North San Jose Vision 2030 Plan components include generating 26.7 million square feet of new R&D, office space, 32,000 new high density residential units in close proximity to jobs, 1.7 million square feet of new supporting retail space, \$570 million in new transportation improvements, new bicycle and pedestrian facilities, as well as parks and open spaces, public safety services, and educational facilities.

“*North San Jose Vision 2030 Plan* strengthens the overall economy and enhances community. Cadence’s expansion is a great example of how the plan reinforces San Jose’s economy by adding high-tech jobs. Plus, the Cadence facility complements planned dense housing, restaurants and other amenities. The area will evolve from a corporate office park to a vibrant mid-rise mixed-use urban community,” said Paul Krutko, San Jose’s chief development officer.

About Cadence

Cadence enables global electronic-design innovation and plays an essential role in the creation of today's integrated circuits and electronics. Customers use Cadence® software and hardware, methodologies, and services to design and verify advanced semiconductors, consumer electronics, networking and telecommunications equipment, and computer systems. Cadence reported 2006 revenues of approximately \$1.5 billion, and has approximately 5,200 employees. The company is headquartered in San Jose, Calif., with sales offices, design centers, and research facilities around the world to serve the global electronics industry. More information about the company, its products, and services is available at www.cadence.com.

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About the San Jose Redevelopment Agency

The Agency is dedicated to improving the quality of life for all who live and work in San José. Governed by the City Council, the Agency facilitates and oversees comprehensive programs for development to revitalize and strengthen quality of life and competitiveness for San Jose's downtown, neighborhoods, and industrial areas www.sjredevelopment.org.

About the City of San Jose's Office of Economic Development

The City of San Jose's Office of Economic Development (OED) is committed to a vital, competitive San Jose economy that increases prosperity for people and companies and enhances City revenues. The Office guides the City's economic strategy, provides assistance for business success, helps connect employers with trained workers, and provides art, sporting and cultural resources to our community. For more information, please visit, www.sjeconomy.com.

About the City of San Jose

From its founding in 1777 as California's first city, San Jose has been a leader, driven by its spirit of innovation. Today, San Jose stands as the largest city in Northern California and the Capital of Silicon Valley—the world's leading center of innovation. The city, the 10th largest in the U.S., is committed to remaining a top-ranked place to do business, work, live, play and learn. For more information, visit, www.sanjoseca.gov.

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