Nuance Communications, Inc.
Form S-4
May 31, 2007

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As filed with the Securities and Exchange Commission on May 31, 2007

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form S-4
REGISTRATION STATEMENT
Under
The Securities Act of 1933

NUANCE COMMUNICATIONS, INC.
(Exact name of Registrant as specified in its charter)

Delaware	**3577**	**94-3156479**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

1 Wayside Road
Burlington, Massachusetts 01803
(781) 565-5000
(Address, including zip code, and telephone number, including area code, of Registrant s principal executive offices)

James R. Arnold, Jr.
Chief Financial Officer
Nuance Communications, Inc.
1 Wayside Road
Burlington, Massachusetts 01803
(781) 565-5000
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Robert Sanchez, Esq.
Wilson Sonsini Goodrich & Rosati
Professional Corporation
1700 K Street, NW
Fifth Floor
Washington, D.C. 20006
(202) 973-8800

Jo-Anne Sinclair, Esq.
Vice President and General Counsel
Nuance Communications, Inc.
1 Wayside Road
Burlington, Massachusetts 01803
(781) 565-5000

Brian Keeler, Esq.
Julio E. Vega, Esq.
Bingham McCutchen LLP
150 Federal Street
Boston, Massachusetts 02110
(617) 951-8000

Approximate date of commencement of proposed sale to the public: As soon as practical after effectiveness of this registration statement and upon consummation of the merger described herein.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement number for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

CALCULATION OF REGISTRATION FEE

e of Each Class of Securities to be Registered	**Amount to be Registered (1)**	**Proposed Maximum Offering Price per Unit**	**Proposed Maximum Aggregate Offering Price(2)**	**Amount Registration**
mon Stock, par value $0.001 hare	5,836,576 shares	N/A	$0	$0

(1) Based upon the estimated maximum number of shares of common stock, par value $0.001 per share, of Nuance Communications, Inc. that may be issued pursuant to the merger.

(2) Estimated solely for purposes of calculating the registration fee required by the Securities Act of 1933, as amended, and computed pursuant to Rules 457(f)(2) under the Securities Act. The proposed maximum aggregate offering price has been estimated as $0 because (i) the amount of cash to be paid by the registrant pursuant to the merger, approximately $210,000,000, exceeds (ii) the product of (A) the book value of a share of VoiceSignal common stock or common stock equivalent as of March 31, 2007 $(0.02) and (B) 152,823,927, the maximum

number of shares of VoiceSignal common stock and common stock equivalents expected to be exchanged in connection with the merger.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a) may determine.

THE INFORMATION IN THIS JOINT INFORMATION STATEMENT/PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. NUANCE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS JOINT INFORMATION STATEMENT/PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED MAY 31, 2007

VOICE SIGNAL TECHNOLOGIES, INC.
June , 2007

Dear Voice Signal Technologies, Inc. Stockholders:

As previously communicated, the boards of directors of Nuance Communications, Inc. and Voice Signal Technologies, Inc. have unanimously approved a merger, which provides for the merger of a subsidiary of Nuance into VoiceSignal. If we complete the merger, VoiceSignal will become a wholly owned subsidiary of Nuance and your shares of VoiceSignal stock will be converted into the right to receive a mix of cash and shares of Nuance common stock.

We are soliciting an action by written consent which asks you to adopt the Agreement and Plan of Merger, dated as of May 14, 2007, by and among Nuance, Vicksburg Acquisition Corporation, a Delaware corporation and a wholly owned subsidiary of Nuance, VoiceSignal, U.S. Bank National Association, as escrow agent and Stata Venture Partners, LLC, as the representative of the VoiceSignal s stockholders, with respect to the merger of Vicksburg Acquisition Corporation with and into VoiceSignal upon the terms and subject to the conditions thereof and approve the transactions contemplated by the merger agreement. **The merger is more completely described in the accompanying joint information statement/prospectus, and a copy of the merger agreement is attached as Annex A thereto.**

AFTER CAREFUL CONSIDERATION, YOUR BOARD OF DIRECTORS UNANIMOUSLY APPROVED THE MERGER REFERRED TO ABOVE AND CONCLUDED THAT IT IS IN THE BEST INTERESTS OF VOICESIGNAL AND ITS STOCKHOLDERS. YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU CONSENT TO THE ACTION REFERRED TO ABOVE.

In the material accompanying this letter you will find a joint information statement/prospectus relating to the actions to be taken by the VoiceSignal stockholders pursuant to the enclosed action by written consent. The joint information statement/prospectus more fully describes the merger agreement and the proposed merger and includes information about VoiceSignal and Nuance.

We encourage you to read the joint information statement/prospectus, which includes important information about the merger. IN ADDITION, THE SECTION ENTITLED RISK FACTORS BEGINNING ON PAGE 15 OF THE JOINT INFORMATION STATEMENT/PROSPECTUS CONTAINS A DESCRIPTION OF RISKS THAT YOU SHOULD CONSIDER IN EVALUATING THE MERGER.

It is important that you use this opportunity to take part in the affairs of VoiceSignal by voting pursuant to the action by written consent. PLEASE COMPLETE, DATE, SIGN AND PROMPTLY RETURN THE ACCOMPANYING ACTION BY WRITTEN CONSENT IN THE ENCLOSED POSTAGE-PAID ENVELOPE SO THAT YOUR

SHARES MAY BE REPRESENTED. YOUR VOTE IS VERY IMPORTANT.

Sincerely,

/s/
Richard J. Geruson
Richard J. Geruson
Chief Executive Officer

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THIS TRANSACTION OR THE SECURITIES OF NUANCE TO BE ISSUED PURSUANT TO THE MERGER, OR DETERMINED IF THIS JOINT INFORMATION STATEMENT/PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This joint information statement/prospectus is dated June , 2007, and is first being sent to VoiceSignal stockholders on or about June , 2007.

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ADDITIONAL INFORMATION

See the section entitled Where You Can Find More Information on page 140 of this joint information statement/prospectus for more information about the documents referred to in this joint information statement/prospectus.

You should rely only on the information contained in this joint information statement/prospectus in deciding how to vote on the action by written consent of VoiceSignal stockholders. No one has been authorized to provide you with information that is different from that contained in this joint information statement/prospectus. This joint information statement/prospectus is dated June , 2007. You should not assume that the information contained in this joint information statement/prospectus is accurate as of any date other than that date.

This joint information statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this joint information statement/prospectus regarding VoiceSignal has been provided by VoiceSignal and information contained in this joint information statement/prospectus regarding Nuance and Vicksburg Acquisition Corporation has been provided by Nuance.

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QUESTIONS AND ANSWERS ABOUT THE MERGER OF VOICESIGNAL AND NUANCE

Q: WHY ARE VOICESIGNAL AND NUANCE PROPOSING THE MERGER?

A: We are proposing the merger because we believe the combination of our two companies will bring together a broad set of speech technologies, products and professional services in a diversified organization that is able to support partners and customers more effectively and efficiently.

Q: WHAT WILL HAPPEN TO VOICESIGNAL AS A RESULT OF THE MERGER?

A: If the merger is completed, VoiceSignal will become a wholly owned subsidiary of Nuance.

Q: WHAT WILL I RECEIVE IN THE MERGER?

A: Upon completion of the merger, VoiceSignal stockholders will be entitled to receive aggregate merger consideration consisting of approximately $210 million in cash and approximately 5,836,576 shares of Nuance common stock. The merger consideration payable to VoiceSignal stockholders upon completion of the merger is subject to a number of adjustments, including adjustments for (i) certain expenses incurred by VoiceSignal in connection with the merger and (ii) the exercise of vested VoiceSignal stock options between the date of the merger agreement and completion of the merger. As a result, the exact consideration that a VoiceSignal stockholder will receive may not be known at the time the written consent is effective and will depend on the magnitude of the adjustments, if any, described above. All VoiceSignal stockholders will also have a portion of the merger consideration that they would otherwise be entitled to receive deposited in an escrow fund that will be used to compensate Nuance if Nuance is entitled to indemnification under the merger agreement.

The maximum number of shares of Nuance common stock to be issued by Nuance in the merger was fixed at the time the merger agreement was signed. Nuance common stock trades on the NASDAQ Global Select Market and is subject to price fluctuation. Therefore, the value of the Nuance common stock you receive as merger consideration cannot be known at the time the written consent is effective. The value of the Nuance common stock you receive in the merger may be equal to, less than or greater than its value on the date the merger agreement was signed and/or the date of the written consent.

Q: WHAT IS THE ESCROW AND HOW DOES IT WORK?

A: Upon completion of the merger, Nuance will withhold $30 million from the cash portion of the consideration to be distributed to the VoiceSignal stockholders in connection with the merger and deposit such amount into an escrow fund. This escrowed amount will be available to compensate Nuance if it is entitled to indemnification under the merger agreement. Any portion of this escrowed amount that, twelve months following the completion of the merger, has not been used to indemnify Nuance and that is not the subject of an unresolved claim for indemnification by Nuance will be distributed to the VoiceSignal stockholders.

Q: WHO IS THE STOCKHOLDERS REPRESENTATIVE?

A: Stata Venture Partners, LLC will serve as the representative of the VoiceSignal stockholders. As such, Stata Venture Partners, LLC will represent your interests after the merger and will be entitled to make decisions regarding the escrow fund. By approving the merger agreement, the merger and related transactions, you are consenting to the appointment of Stata Venture Partners, LLC as your representative.

Q: WHAT HAPPENS TO VOICESIGNAL STOCK OPTIONS IN THE MERGER?

A: All holders of outstanding VoiceSignal stock options that are vested and exercisable at or prior to the effective time of the merger or that become vested and exercisable as a result of the merger, will be provided with the opportunity to exercise the options on a net exercise basis and exchanged for the appropriate amount of merger consideration. All outstanding VoiceSignal stock options that are unvested at the effective time of the merger will, at Nuance s option, either be (i) assumed by Nuance on generally the same terms and conditions governing outstanding options immediately prior to the completion of the merger, except that the number of Nuance common shares into which each outstanding VoiceSignal option will be exercisable and the exercise price will be appropriately adjusted to reflect the ratio of Nuance common shares into which VoiceSignal common shares are converted pursuant to the merger agreement or (ii) fully accelerated and cashed out at their net exercise value.

Q: MAY VOICESIGNAL OPTIONHOLDERS EXERCISE VESTED STOCK OPTIONS BETWEEN NOW AND COMPLETION OF THE MERGER?

A: Yes. Any shares of VoiceSignal stock that an optionholder receives upon exercise of vested stock options prior to completion of the merger will be converted into the right to receive the merger consideration described above, subject to the escrow provisions described above.

Q: WILL I RECEIVE FRACTIONAL SHARES OF NUANCE STOCK IN THE MERGER?

A: No. The number of shares of Nuance common stock that each VoiceSignal stockholder will receive in the merger will be rounded down to the nearest whole share and each holder will receive a cash payment in an amount equal to any fractional share that would otherwise be issued to such holder multiplied by $15.42.

Q: WILL MY RIGHTS AS A NUANCE STOCKHOLDER BE DIFFERENT FROM MY RIGHTS AS A VOICESIGNAL STOCKHOLDER?

A: Yes. Upon completion of the merger, you will become a Nuance stockholder. There are important differences between the rights of stockholders of Nuance and stockholders of VoiceSignal. Please carefully review the description of these differences in the section of this joint information statement/prospectus entitled Comparison of Stockholder Rights beginning on page 135.

Q: WHAT STOCKHOLDER APPROVALS ARE REQUIRED TO COMPLETE THE MERGER?

A: We cannot complete the merger unless, among other things, (i) a majority of the outstanding shares of VoiceSignal capital stock on an as-converted-to-common stock basis and (ii) a majority of the outstanding shares of VoiceSignal Series C preferred stock and Series D preferred stock, voting together as a single class on an as converted-to-common stock basis, vote to adopt the merger agreement and approve the transactions contemplated thereby. As of May 31, 2007, VoiceSignal directors, executive officers and their affiliates were entitled to vote approximately 88% of the outstanding shares of VoiceSignal capital stock on an as-converted-to-common stock basis and approximately 91% of the VoiceSignal Series C preferred stock and Series D preferred stock voting together on an as-converted-to-common basis. VoiceSignal directors, executive officers and their affiliates holding approximately 74% of the outstanding shares of VoiceSignal capital stock on an as-converted-to-common stock basis and approximately 78% of the Series C preferred stock and Series D preferred stock, voting together on an as-converted-to-common stock basis, have already agreed with Nuance and VoiceSignal, in a voting agreement, to vote their shares of VoiceSignal stock in favor of the adoption of the merger agreement and approval of the transactions contemplated thereby. No vote of Nuance stockholders is required to complete the merger.

Q: HOW DOES THE BOARD OF DIRECTORS OF VOICESIGNAL RECOMMEND THAT I VOTE?

A: The VoiceSignal board of directors unanimously recommends that VoiceSignal stockholders vote FOR the proposal to adopt the merger agreement and approve the transactions contemplated thereby.

Q: WHEN DO YOU EXPECT TO COMPLETE THE MERGER?

A: We expect to complete the merger as quickly as possible once all the conditions to the merger, including obtaining the approvals of VoiceSignal stockholders, are fulfilled. While we cannot predict the exact timing, we currently expect to complete the merger in June 2007.

Q: WHERE CAN I FIND MORE INFORMATION ABOUT VOICESIGNAL AND NUANCE?

A: You can find more information about VoiceSignal and Nuance from reading this joint information statement/prospectus and the various sources described in this joint information statement/prospectus under the section entitled Where You Can Find More Information.

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Q: WHERE DO I RETURN VOICESIGNAL S ACTION BY WRITTEN CONSENT AND BY WHEN?

A: We request that the completed and executed action by written consent be received by mail or fax no later than June , 2007, to the following address:

Voice Signal Technologies, Inc.
150 Presidential Way, Suite 310
Woburn, Massachusetts 01801
Attn: Corporate Secretary
Facsimile: (781) 970-2300

Q: CAN VOICESIGNAL S STOCKHOLDERS CHANGE THEIR VOTES AFTER THEY HAVE MAILED THEIR SIGNED ACTION BY WRITTEN CONSENT?

A: Yes. VoiceSignal stockholders can change their votes at any time before a sufficient number of written consents to take a corporation action have been filed with the corporate secretary by delivering a signed written revocation or a later-dated signed written consent to the address set forth in the answer to the previous question.

Q: WHO IS PAYING FOR THE SOLICITATION OF THE ACTION BY WRITTEN CONSENT?

A: Nuance is paying the cost of soliciting the action by written consent, including the printing and filing of this joint information statement/prospectus, and any additional information furnished to VoiceSignal stockholders, except that Nuance and VoiceSignal will pay their respective legal and accounting fees incurred in connection with preparing this joint information statement/prospectus. Neither Nuance nor VoiceSignal has engaged a proxy solicitation firm to solicit the written consents from VoiceSignal s stockholders.

Q: WHAT DO I NEED TO DO TO VOTE?

A: After carefully reading and considering the information contained in this joint information statement/prospectus, please mail your completed and signed action by written consent in the enclosed postage-paid return envelope as soon as possible so that your shares may be voted. In order to assure that we obtain your vote, please vote as instructed on the action by written consent.

Q: ARE THERE RISKS I SHOULD CONSIDER IN DECIDING WHETHER TO VOTE FOR ADOPTION OF THE MERGER AGREEMENT AND APPROVAL OF THE TRANSACTIONS CONTEMPLATED THEREBY?

A: Yes. You should consider the risk factors set out in the section entitled Risk Factors beginning on page 15 of this joint information statement/prospectus.

Q: WILL VOICESIGNAL STOCKHOLDERS BE ABLE TO TRADE THE NUANCE COMMON STOCK THAT THEY RECEIVE PURSUANT TO THE MERGER?

A: Yes. VoiceSignal stockholders will be able to trade the shares of Nuance common stock they receive pursuant to the merger once the stock certificates representing such shares have been received from the exchange agent upon their surrender to the exchange and paying agent of the VoiceSignal stock certificates. The shares of Nuance common stock that VoiceSignal stockholders receive pursuant to the merger will be listed on the NASDAQ Global Select Market under the symbol NUAN. Certain persons who are deemed affiliates of VoiceSignal will be required to comply with Rule 145 promulgated under the Securities Act of 1933, as amended, which we refer to as the Securities Act, if they sell their shares of Nuance common stock received pursuant to the merger.

Q: IS THE MERGER EXPECTED TO BE TAXABLE TO ME?

A: Generally, yes. The receipt of the merger consideration for VoiceSignal capital stock pursuant to the merger will be a taxable transaction for United States federal income tax purposes. For United States federal income tax purposes, generally you will recognize gain or loss as a result of the merger measured by the difference, if any, between (i) the fair market value of the Nuance common stock as of the effective

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time of the merger and the cash received and (ii) your adjusted tax basis in the VoiceSignal capital stock exchanged therefore in the merger.

You should read The Merger Material U.S. Federal Income Tax Consequences of the Merger beginning on page 35 for a more complete discussion of the United States federal income tax consequences of the merger. Tax matters can be complicated and the tax consequences of the merger to you will depend on your particular tax situation. **You should consult your tax advisor to determine the tax consequences of the merger to you.**

Q: SHOULD I SEND IN MY VOICESIGNAL STOCK CERTIFICATES NOW?

A: No. If VoiceSignal stockholders adopt the merger agreement and approve the transactions contemplated thereby, immediately prior to the completion of the merger, Nuance will send VoiceSignal stockholders written instructions, including a letter of transmittal, that will explain how to exchange VoiceSignal stock certificates for Nuance common stock certificates and cash. Please do not send in any VoiceSignal stock certificates until you receive these written instructions and the letter of transmittal.

Q: AM I ENTITLED TO APPRAISAL RIGHTS IN CONNECTION WITH THE MERGER?

A: Yes. The stockholders of VoiceSignal may be entitled, under certain circumstances, to appraisal rights under Delaware law. For a detailed discussion of appraisal rights under Delaware law, please see The Merger Appraisal Rights beginning on page 38.

Q: WHO CAN HELP ANSWER MY QUESTIONS?

A: If you have any questions about the merger or if you need additional copies of this joint information statement/prospectus or the enclosed action by written consent, you should contact:

VOICE SIGNAL TECHNOLOGIES, INC.
150 Presidential Way, Suite 310
Woburn, Massachusetts 01801
(781) 970-5200
Attention: Damon Pender, Vice President of Finance

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SUMMARY OF THE MERGER

The following is a summary of the information contained in this document relating to the merger of VoiceSignal and Nuance. This summary may not contain all of the information that is important to you. You should carefully read this entire joint information statement/prospectus and the other documents to which we refer. In particular, you should read the annexes attached to this joint information statement/prospectus, including the merger agreement, which is attached as Annex A and is incorporated by reference into this joint information statement/prospectus.

The Companies

Voice Signal Technologies, Inc.
150 Presidential Way, Suite 310
Woburn, Massachusetts 01801
(781) 970-5200
http://www.voicesignal.com

Voice Signal Technologies, Inc. develops and markets voice software solutions for cell phones and other mobile devices. By enabling people to use voice to access phone features and network services through their handsets, VoiceSignal s solutions make it significantly easier to realize the potential of mobile computing on a wide range of handsets and devices. VoiceSignal s products range from VSuite, VoiceSignal s line of small footprint voice interface solutions for voice dialing and voice commands, to VSearch, VoiceSignal s recently announced voice-enabled client-server platform for mobile search.

Nuance Communications, Inc.
1 Wayside Road
Burlington, Massachusetts 01803
(781) 565-5000
http://www.nuance.com

Nuance Communications, Inc. is a leading provider of speech and imaging solutions for businesses and consumers around the world. Its technologies, applications and services make the user experience more compelling by transforming the way people interact with information and how they create, share and use documents. Every day, millions of users and thousands of businesses experience Nuance s proven applications.

Vicksburg Acquisition Corporation
1 Wayside Road
Burlington, Massachusetts 01803
(781) 565-5000
http://www.nuance.com

Vicksburg Acquisition Corporation is a wholly owned subsidiary of Nuance recently formed solely for the purpose of effecting the merger. It has no business operations.

Structure of the Merger (See page 41)

The merger is structured as a reverse-triangular merger pursuant to which Vicksburg Acquisition Corporation, a wholly owned subsidiary of Nuance, will merge with and into VoiceSignal, and thereafter will cease to exist as a separate corporate entity. After completion of the merger, VoiceSignal will be a wholly owned subsidiary of Nuance.

The terms and conditions of the merger are contained in the merger agreement, which is attached as Annex A to this joint information statement/prospectus. Please carefully read the merger agreement as it is the legal document that governs the proposed merger.

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Consideration in the Merger (See pages 41 and 42)

Upon completion of the merger, VoiceSignal stockholders will be entitled to receive aggregate merger consideration consisting of approximately $210 million in cash and approximately 5,836,576 shares of Nuance common stock. The merger consideration payable to VoiceSignal stockholders upon completion of the merger is subject to a number of adjustments, including adjustments for (i) certain expenses incurred by VoiceSignal in connection with the merger and (ii) the exercise of vested VoiceSignal stock options between the date of the merger agreement and completion of the merger. As a result, the exact consideration that a VoiceSignal stockholder will receive may not be known at the time the written consent is effective as it will depend on the magnitude of the adjustments, if any, described above. All VoiceSignal stockholders will also have a portion of the merger consideration that they would otherwise be entitled to receive deposited in an escrow account that will be used to compensate Nuance if Nuance is entitled to indemnification under the merger agreement.

The maximum number of shares of Nuance common stock to be issued by Nuance in the merger was fixed at the time the merger agreement was signed. Nuance common stock trades on the NASDAQ Global Select Market and is subject to price fluctuation. Therefore, the value of the Nuance common stock you will receive in the merger cannot be known at this time. The value of the Nuance common stock you receive in the merger may be equal to, less than or greater than its value on the date the merger agreement was signed and/or the date the written consent is effective.

Treatment of Options (See pages 43 and 44)

Vested VoiceSignal Stock Options

Nuance will not assume or otherwise replace any VoiceSignal stock option that is vested and exercisable as of the effective time of the merger or that becomes vested and exercisable as a result of the merger.

Prior to completion of the merger, VoiceSignal will give each holder of a vested stock option the opportunity to decline to accept an otherwise automatic modification of such holder s vested stock options such that:

immediately prior to the effective time of the merger, and conditioned on the completion of the merger, such holder shall automatically be deemed to have exercised such vested stock option pursuant to a net exercise program whereby such holder will be deemed to have paid the total exercise price required under such vested stock option by relinquishing that number of shares of VoiceSignal common stock underlying such option in an amount necessary to pay the applicable total exercise price and any applicable withholding taxes required because of such net exercise of such vested stock option.

After net exercise, the holder of each such vested VoiceSignal stock option will participate in the merger in the same way, and to the same extent, as if such holder owned the number of shares of VoiceSignal common stock delivered after the automatic deemed net exercise.

Unvested VoiceSignal Options

Nuance will have the opportunity to make a written election prior to the effective time of the merger, either to assume every unvested VoiceSignal option or, instead, to cause all such unvested VoiceSignal options to vest and terminate in exchange for a cash payment to the holder of each such terminated option.

The cash payment Nuance will make to each holder of an unvested option if Nuance elects to terminate the unvested options will be equal to (i) the number of shares of VoiceSignal common stock underlying the VoiceSignal option multiplied by (ii) the amount of merger consideration to which each outstanding share of VoiceSignal stock on an as-converted-to-common-stock-basis is entitled in the merger, minus (iii) the total amount of the exercise price due under such option.

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If, instead of terminating the unvested options and making the cash payment described above, Nuance elects to assume all unvested VoiceSignal options, each such assumed option will be converted into an option to purchase a number of shares of Nuance common stock at an exercise price appropriately adjusted for the conversion of VoiceSignal common stock into Nuance common stock in the merger.

If any time after completion of the merger, Nuance or VoiceSignal shall terminate for any reason or no reason, other than for Cause, the employment of any holder of an assumed option that was unvested at the effective time of the merger, or the holder of any assumed option that was unvested at the effective time of the merger shall terminate for Good Reason his or her employment with Nuance or VoiceSignal, then, immediately upon such termination, such unvested option shall automatically become exercisable for all of the shares of Nuance common stock subject to such assumed option.

Cause means a determination by the Nuance board of directors that the holder of an assumed unvested option has (a) engaged in willful misconduct or unlawful or dishonest conduct in connection with the performance of such holder s duties and responsibilities as an employee or consultant of Nuance or VoiceSignal; (b) materially breached any of such holder s obligations under any agreement between such holder and Nuance or VoiceSignal that pertains to such holder s employment or consulting relationship with Nuance or VoiceSignal; (c) been convicted of a felony; or (d) refused to obey or follow a lawful and reasonable directive issued by such holder s direct supervisor.

Good Reason means with regard to a holder of an assumed unvested option: (a) a material change in such holder s position and responsibilities as an employee or consultant of Nuance or VoiceSignal, except in connection with the termination of such holder s employment; (b) a reduction in such holder s base salary or consulting fees not agreed to by such holder; or (c) a material breach by Nuance or VoiceSignal of their obligations under any agreement with such holder.

Voting Requirements (See pages 27 and 28)

We cannot complete the merger unless, among other things, (i) a majority of the outstanding shares of VoiceSignal common stock and VoiceSignal preferred stock, voting together as a single class with each share of VoiceSignal common stock entitled to cast one vote and each share of VoiceSignal preferred stock entitled to cast that number of votes equal to the number of shares of VoiceSignal common stock into which such share of VoiceSignal preferred stock is convertible and (ii) a majority of the outstanding shares of VoiceSignal Series C preferred stock and Series D preferred stock, voting together as a single class, on an as-converted-to-common-stock basis, vote to adopt the merger agreement and approve the transactions contemplated thereby. As of May 31, 2007, VoiceSignal directors, executive officers and their affiliates were entitled to vote approximately 88% of the outstanding shares of VoiceSignal capital stock, voting on an as-converted-to-common-stock basis, and approximately 91% of the VoiceSignal Series C preferred stock and Series D preferred stock voting together as a single class, on an as-converted-to-common-stock basis. VoiceSignal directors, executive officers and their affiliates holding approximately 74% of the outstanding shares of VoiceSignal capital stock on an as-converted-to-common stock basis and approximately 78% of the Series C preferred stock and Series D preferred stock, voting together on an as-converted-to-common stock basis, have already agreed with Nuance and VoiceSignal, in a voting agreement, to vote their shares of VoiceSignal stock in favor of the adoption of the merger agreement and approval of the transactions contemplated thereby. No vote of Nuance stockholders is required to complete the merger.

Recommendations of the VoiceSignal Board of Directors Regarding the Merger (See pages 32 and 33)

After careful consideration of numerous factors, the VoiceSignal board of directors has determined that the proposed merger is advisable, and is fair to and in the best interests of VoiceSignal and its stockholders and unanimously recommends that VoiceSignal stockholders vote FOR the proposal to adopt the merger agreement and approve the transactions contemplated thereby.

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Completion and Effectiveness of the Merger (See page 41)

We will complete the merger when all of the conditions to completion of the merger are satisfied or waived. The merger will become effective when the certificate of merger we file with the State of Delaware is accepted for filing or at a later time if we specify a later time in the certificate.

While we cannot predict the exact timing, we currently expect to complete the merger in June 2007.

Conditions to Completion of the Merger (See pages 50 and 51)

Each of VoiceSignal s and Nuance s obligation to complete the merger is subject to the satisfaction or waiver of a number of conditions, including:

- that no governmental entity shall have enacted, issued, promulgated, enforced or entered any law, decree, injunction or other order that is in effect and that has the effect of making the merger illegal or otherwise prohibiting completion of the merger;

- that no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing completion of the merger shall be in effect, nor shall any proceeding brought by an administrative agency or commission or other governmental entity or instrumentality, domestic or foreign, seeking any of the foregoing be threatened or pending;

- that VoiceSignal stockholders shall have adopted the merger agreement, and approved the transactions contemplated thereby, including the appointment of Stata Venture Partners, LLC as the stockholder representative;

- that the registration statement, of which this joint information statement/prospectus is a part, be effective;

- that the waiting period (and any extension thereof) applicable to the merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, the HSR Act, and similar merger notification laws or regulations of foreign governmental entities in connection with the merger shall have expired or been terminated;

- that each company s representations and warranties in the merger agreement are true and correct, to the extent set forth in the merger agreement, except when the failure of such representations or warranties to be true and correct have not resulted, and would not reasonably be expected to result in, individually or in the aggregate with other such failures, a material adverse effect, to the other party;

- that each party has complied in all material respects with its covenants and agreements in the merger agreement, to the extent set forth in the merger agreement; and

- that no material adverse effect exist on either company.

Termination of the Merger Agreement (See pages 53 and 54)

VoiceSignal and Nuance may mutually agree at any time to terminate the merger agreement without completing the merger.

In addition, either of VoiceSignal or Nuance may, without the consent of the other, terminate the merger agreement in either of the following circumstances:

- if the merger is not completed by November 14, 2007; or

- if: (i) there shall be a final non-appealable order of a federal or state court in effect preventing consummation of the merger, or (ii) there shall be any law enacted, promulgated or issued or deemed applicable to completion of the merger by any governmental entity that would make completion of the merger illegal.

In addition, Nuance may, without the consent of VoiceSignal, terminate the merger agreement in either of the following circumstances:

if there shall be any action taken, or any law enacted, promulgated or issued or deemed applicable to the merger by any governmental entity, that would prohibit Nuance s ownership or operation of the business of VoiceSignal; or

if Nuance is not in material breach of its obligations under the merger agreement and there has been a breach of any representation, warranty, covenant or agreement of VoiceSignal or the stockholders contained in the merger agreement such that the closing conditions regarding such representations, warranties and covenants would not be satisfied and such breach has not been cured within ten calendar days after written notice to VoiceSignal and the stockholder representative, unless the breach, by its nature, cannot be cured.

In addition, VoiceSignal may, without the consent of Nuance, terminate the merger agreement if:

none of VoiceSignal or the stockholders is in material breach of their respective obligations under the merger agreement and there has been a breach of any representation, warranty, covenant or agreement of Nuance contained in the merger agreement such that the closing conditions regarding Nuance s representations, warranties and covenants would not be satisfied and such breach has not been cured within ten calendar days after written notice thereof to Nuance, unless the breach, by its nature, cannot be cured.

Payment of Certain VoiceSignal Expenses following Termination (See page 54)

Nuance has agreed to pay up to $1 million of transaction-related expenses incurred by VoiceSignal if the merger agreement is terminated under certain circumstances.

Prohibition from Soliciting Other Offers (See page 48)

VoiceSignal has agreed that it will not solicit or encourage the initiation of any inquiries regarding any acquisition proposals or proposals by third parties. If VoiceSignal receives an inquiry or proposal, VoiceSignal must immediately suspend any discussions with the party making such inquiry or proposal and notify Nuance of such inquiry or proposal.

Voting Agreements (See pages 54 and 55)

As an inducement to Nuance entering into the merger agreement, certain of VoiceSignal s executive officers, directors and affiliates entered into a voting agreement with Nuance in which each has agreed, among other things, to vote his, her or its shares of VoiceSignal capital stock in favor of the adoption of the merger agreement and approval of the transactions contemplated thereby and against any action that would delay or prevent the merger and against any alternative transaction. These persons have the right, as of May 31, 2007, to vote a total of approximately 74% shares of VoiceSignal capital stock on an as-converted-to-common-stock basis and approximately 78% of the Series C preferred stock and Series D preferred stock, voting together on an as-converted-to-common stock basis. In connection with the voting agreements, these persons have granted an irrevocable proxy appointing members of the Nuance board of directors, and each of them individually, as their sole and exclusive attorneys and proxies to vote their shares in accordance with the terms of the voting agreements.

Share Ownership of Directors and Executive Officers of VoiceSignal (See pages 54 and 55)

As of May 31, 2007, VoiceSignal directors, executive officers and their affiliates were entitled to vote approximately 88% of the outstanding shares of VoiceSignal capital stock voting together as a single class, on an as-converted-to-common-stock basis, and approximately 91% of the VoiceSignal Series C preferred stock and Series D preferred stock voting together as a single class, on an as-converted-to-common-stock basis.

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The vote required for the adoption of the merger agreement and approval of the transactions contemplated thereby is, (i) a majority of the outstanding shares of VoiceSignal common stock and VoiceSignal preferred stock, voting together as a single class with each share of VoiceSignal common stock entitled to cast one vote and each share of VoiceSignal preferred stock entitled to cast a number of votes equal to the number of shares of VoiceSignal common stock into which such share of VoiceSignal preferred stock is convertible and (ii) a majority of the outstanding shares of VoiceSignal Series C preferred stock and Series D preferred stock, voting together as a single class on an as-converted-to common stock basis.

Interests of Directors and Officers in the Merger (See pages 33-35)

You should be aware that certain VoiceSignal officers and directors have interests in the merger that may be different from, or in addition to, interests of VoiceSignal stockholders generally. These interests include, among others:

- Certain directors and officers each individually beneficially own or control over 5% of VoiceSignal capital stock on an as-converted-to-common stock basis.
- The employment agreements with certain VoiceSignal executive officers entitle them to certain benefits in the event of a Change in Control (as defined in the agreements) of VoiceSignal and severance payments under certain circumstances.
- The agreement of Nuance to honor the obligations of VoiceSignal pursuant to indemnification agreements between Nuance and its directors and officers and to provide directors and officers liability insurance coverage for a period of six years following the effective time of the merger.
- VoiceSignal has entered into a letter agreement with four senior executives pursuant to which these executives will become entitled to receive bonuses totalling $795,000 upon the effective time of the merger.
- Acceleration of certain VoiceSignal options held by certain officers and the partial acceleration of certain VoiceSignal options held by certain other officers.

The VoiceSignal board of directors was aware of these interests in approving the merger.

Regulatory Approvals (See page 50)

Under the HSR Act, as amended, the merger may not be consummated unless certain filings have been submitted to the Federal Trade Commission, or the FTC, and the Antitrust Division of the Department of Justice, or the Antitrust Division, and certain waiting period requirements have been satisfied. VoiceSignal and Nuance have filed the appropriate notification and report forms with the FTC and with the Antitrust Division.

The FTC and the Antitrust Division frequently evaluate transactions like the proposed merger. At any time before or after the completion of the merger, the FTC or the Antitrust Division could take any action under the antitrust laws that it deems necessary or advisable in the public interest, including seeking to enjoin the completion of the merger or seeking the divestiture of substantial assets of VoiceSignal or Nuance. In addition, certain private parties, as well as states attorneys general and other antitrust authorities, may challenge the transaction under antitrust laws under certain circumstances.

In addition, the merger may be subject to various foreign antitrust laws.

VoiceSignal and Nuance believe that the completion of the merger will not violate any antitrust laws. There can be no assurance that a challenge to the merger on antitrust grounds will not be made, or, if such a challenge is made that the result will be favorable.

Listing of Nuance Common Stock (See page 38)

The authorization of the shares of Nuance common stock to be issued in the merger for listing on the NASDAQ Global Select Market is a condition to the merger.

Appraisal Rights **(See pages 38-41)**

Subject to compliance with the procedures set forth in Section 262 of the Delaware General Corporation Law, or DGCL, VoiceSignal stockholders who do not vote in favor of adoption of the merger agreement and approval of the transactions contemplated thereby and otherwise comply with the requirements of the DGCL will be entitled to appraisal rights in connection with the merger, whereby such stockholders may receive the fair value of their VoiceSignal shares in cash. Failure to take any of the steps required under Section 262 of the DGCL on a timely basis may result in a loss of those appraisal rights. The provisions of Delaware law that grant appraisal rights and govern such procedures are attached as Annex B.

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SUMMARY CONSOLIDATED FINANCIAL DATA OF NUANCE

The following table presents summary historical consolidated financial data of Nuance for the five most recent fiscal years and the first six months of the current fiscal year comparative to the same period in the prior fiscal year. The financial data is derived from Nuance s consolidated financial statements. Since the information in this table is only a summary and does not provide all of the information contained in Nuance s financial statements, including related notes, you should read Management s Discussion and Analysis of Nuance s Financial Condition and Results of Operations beginning on page 75 and Nuance s consolidated financial statements, including related notes beginning on page F-3.

Nuance Communications, Inc.
Selected Summary Historical Financial Data

	Six Months Ended March 31,		Fiscal Year Ended		Nine Months Ended	Fiscal Year Ended	
	2007	2006	Sep. 30, 2006	Sep. 30, 2005	Sep. 30, 2004	Dec. 31, 2003	Dec. 31, 2002
	(In thousands, except per share data)						
Consolidated Statement of Operations Data:							
Total revenue	$ 265,483	$ 147,280	$ 388,510	$ 232,388	$ 130,907	$ 135,399	$ 106,619
Income (loss) from operations	17,697	(59)	8,370	2,032	(7,993)	(6,462)	6,603
Income (loss) before income taxes	4,392	(1,244)	(7,071)	1,395	(8,045)	(5,787)	6,587
Net income (loss)	$ (2,964)	$ (6,272)	$ (22,887)	$ (5,417)	$ (9,378)	$ (5,518)	$ 6,333
Net income (loss) per share:							
Basic and diluted	$ (0.02)	$ (0.04)	$ (0.14)	$ (0.05)	$ (0.09)	$ (0.07)	$ 0.09
Weighted average common shares outstanding:							
Basic	170,501	159,859	163,873	109,540	103,780	78,398	67,010
Diluted	170,501	159,859	163,873	109,540	103,780	78,398	72,796

As of

	Mar. 31, 2007	Sep. 30, 2006	Sep. 30, 2005	Sep. 30, 2004	Dec. 31, 2003	Dec. 31, 2002
			(In thousands)			
Consolidated Balance Sheet Data:						
Cash and cash equivalents	$ 89,204	$ 112,334	$ 71,687	$ 22,963	$ 42,584	$ 18,853
Short term investments			24,127	7,373		
Working capital	30,714	51,273	12,130	27,940	44,305	16,842
Total assets	1,274,157	1,235,074	757,212	392,653	401,940	143,690
Long-term liabilities	454,298	446,430	79,775	45,360	48,340	725
Total stockholders equity	615,314	576,596	514,665	301,745	303,226	119,378

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SUMMARY CONSOLIDATED FINANCIAL DATA OF VOICESIGNAL

The following table presents summary historical consolidated financial data of VoiceSignal for the five most recent fiscal years and the three months ended March 31, 2007 and 2006. The financial data are derived from VoiceSignal s consolidated financial statements, some of which are not included in this joint information statement/prospectus. Because the information in this table is only a summary and does not provide all of the information contained in VoiceSignal s financial statements, including related notes, you should read VoiceSignal s Management s Discussion and Analysis of VoiceSignal s Financial Condition and Results of Operations beginning on page 115 and VoiceSignal s consolidated financial statements, including related notes, beginning on page F-88.

Voice Signal Technologies, Inc.
Selected Summary Historical Financial Data

	Three Months Ended March 31,		Fiscal Year Ended December 31,				
	2007	2006	2006	2005	2004	2003	2002
	(In thousands, except per share data)						
Consolidated Statement of Operations Data:							
Total revenue	$ 6,558	$ 5,513	$ 24,601	$ 11,741	$ 7,467	$ 2,442	$ 2,078
Income (loss) from operations	1,861	1,334	7,205	(3,304)	(2,986)	(5,879)	(4,734)
Income (loss) before income taxes	1,894	1,352	7,195	(3,097)	(2,942)	(5,835)	(5,757)
Net income (loss)	$ 2,233	$ 1,385	$ 7,382	$ 113	$ (2,942)	$ (5,836)	$ (5,758)
Net income (loss) available to common shareholders	$ 1,762	$ 914	$ 5,499	$ (1,770)	$ (4,809)	$ (7,252)	$ (6,574)
Net income (loss) per share:							
Basic	$ 0.10	$ 0.06	$ 0.32	$ (0.11)	$ (0.30)	$ (0.45)	$ (0.42)
Diluted	$ 0.02	$ 0.01	$ 0.06	$ (0.11)	$ (0.30)	$ (0.45)	$ (0.42)
Weighted average common shares outstanding:							
Basic	17,287	16,609	16,980	16,507	16,063	15,941	15,681
Diluted	122,347	122,132	121,823	16,507	16,063	15,941	15,681

As of

	Mar. 31, 2007	Dec. 31, 2006	Dec. 31, 2005	Dec. 31, 2004	Dec. 31, 2003	Dec. 31, 2002
	(In thousands)					
Consolidated Balance Sheet Data:						
Cash and cash equivalents	$ 1,936	$ 3,983	$ 297	$ 1,959	$ 5,049	$ 2,923
Short term investments	3,043	3,000	6,117			
Working capital	10,693	8,699	3,178	2,266	4,018	2,223
Total assets	21,446	20,123	16,952	8,089	5,862	4,400
Long-term liabilities	2,036	2,400	4,868	1,267	1,039	617
Total stockholders deficit	(21,150)	(22,975)	(28,704)	(26,950)	(22,227)	(15,049)

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SUPPLEMENTARY FINANCIAL INFORMATION OF VOICESIGNAL

The following table presents historical quarterly consolidated data of VoiceSignal that is derived from unaudited consolidated statements that, in the opinion of management, include all recurring adjustments necessary for a fair statement of such information (in thousands):

	Quarter Ended								
	March 31, 2007	Dec. 31, 2006	Sept. 30, 2006	June 30, 2006	March 31, 2006	Dec. 31, 2005	Sept, 30, 2005	June 30, 2005	March 31, 2005
Total revenue	$ 6,558	$ 7,223	$ 6,121	$ 5,744	$ 5,513	$ 4,605	$ 2,830	$ 2,198	$ 2,108
Gross margin	6,119	6,792	5,691	5,273	5,020	4,217	2,502	1,883	1,811
Net income (loss)	2,233	2,903	1,749	1,345	1,385	4,121	(374)	(1,982)	(1,652)

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SUMMARY UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED FINANCIAL DATA

The following table presents summary unaudited pro forma combined financial data which reflects the proposed acquisition of VoiceSignal. The summary unaudited pro forma combined financial data are derived from and should be read in conjunction with the unaudited pro forma combined financial statements and related notes thereto included in this joint information statement/prospectus. See Unaudited Pro Forma Financial Information beginning on page F-231.

	Six Months Ended March 31, 2007	Fiscal Year Ended September 30, 2006
	(In thousands, except per share data)	
Pro Forma Combined Statement of Operations Data:		
Total revenue	$ 288,666	$ 511,224
Income (loss) from operations	14,984	(24,447)
Loss before income taxes	(9,685)	(76,746)
Net loss	$ (16,906)	$ (93,554)
Net loss per share:		
Basic and Diluted	$ (0.10)	$ (0.55)
Weighted average common shares outstanding:		
Basic and Diluted	176,338	169,710

	As of March 31, 2007
Pro Forma Combined Balance Sheet Data:	
Cash and cash equivalents	$ 138,172
Short term investments	3,043
Working capital	102,416
Total assets	1,635,238
Long-term liabilities	718,456
Total stockholders equity	706,166

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COMPARATIVE HISTORICAL AND PRO FORMA PER SHARE DATA

The following table reflects (i) the historical income (loss) from continuing operations and book value per share of Nuance common stock in comparison to the pro forma income (loss) from continuing operations and book value per share after giving effect to the proposed merger with VoiceSignal; and (ii) the historical income (loss) from continuing operations and book value per share of VoiceSignal common stock in comparison with the equivalent pro forma income (loss) from continuing operations and book value per share. The comparative historical and pro forma per share data should be read in conjunction with the unaudited pro forma combined financial statements and related notes thereto and the historical consolidated financial statements of Nuance and notes thereto, which can be found beginning on page F-3 of this joint information statement/prospectus, and the historical consolidated financial statements of VoiceSignal, which information can be found beginning on page F-88 of this joint information statement/prospectus. The pro forma combined financial data are not necessarily indicative of the operating results of future operations or the actual results that would have occurred had the merger been completed at the beginning of the period presented.

Nuance and VoiceSignal did not declare or pay cash dividends on their common stock during the fiscal years ended September 30, 2006 and December 31, 2006, respectively, or during the six months and three months ended March 31, 2007, respectively. They do not intend to pay dividends on their common stock in the foreseeable future; however, VoiceSignal will convert any accrued dividends into shares of VoiceSignal capital stock prior to the closing of the merger. See Comparative Per Share Market Price Data.

	Six Months Ended March 31, 2007	Fiscal Year Ended September 30, 2006
Nuance:		
Loss from continuing operations per share:		
Historical basic and diluted	$ (0.02)	$ (0.14)
Pro forma basic and diluted	$ (0.10)	$ (0.55)
Book value per share:		
Historical(1)	$ 3.52	
Pro forma(2)	$ 3.91	
VoiceSignal:		
Income (loss) from continuing operations per share:		
Historical basic for the fiscal year ended December 31, 2006		$ 0.32
Historical diluted for the fiscal year ended December 31, 2006		$ 0.06
Equivalent pro forma for the fiscal year ended September 30, 2006 basic and diluted(3)		$ (0.02)
Book value per share:		
Historical(1)	$ (1.22)	

Equivalent pro forma	$	0.15

(1) The historical book value per share was calculated by dividing stockholders equity (deficit) by the number of shares of common stock outstanding at March 31, 2007.

(2) The pro forma combined book value per share was computed by dividing pro forma stockholders equity by the pro forma number of shares of Nuance common stock which would have been outstanding had the merger been completed as of the balance sheet date.

(3) The equivalent pro forma loss are equal to the pro forma loss per share for the fiscal year ended September 30, 2006, after giving effect to the proposed merger with VoiceSignal, multiplied by 0.0382, the number of shares of Nuance common stock to be issued in exchange for each share of VoiceSignal common stock.

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MARKET PRICE DATA

Nuance common stock trades on the NASDAQ Global Select Market under the symbol NUAN. The following table sets forth, for each quarter of Nuance s fiscal year indicated, the high and low closing sales prices per Nuance common share, in each case as reported on the Nasdaq Global Select Market.

	High	Low
2005		
First Quarter	$ 4.51	$ 3.28
Second Quarter	$ 4.80	$ 3.43
Third Quarter	$ 4.64	$ 3.42
Fourth Quarter	$ 5.35	$ 3.74
2006		
First Quarter	$ 7.89	$ 4.60
Second Quarter	$ 12.04	$ 7.41
Third Quarter	$ 13.48	$ 7.37
Fourth Quarter	$ 10.39	$ 6.94
2007		
First Quarter	$ 12.02	$ 7.64
Second Quarter	$ 16.63	$ 11.00
Third Quarter, through Market close on May 30, 2007	$ 17.20	$ 14.94

Nuance has never declared or paid dividends on its common stock and does not have any current plans to pay any dividends in the future.

VoiceSignal s capital stock is not listed for trading on any exchange or automated quotation service. As of May 31, 2007, there were 39 holders of record of VoiceSignal capital stock. VoiceSignal has never declared or paid cash dividends on its capital stock and does not plan to pay any cash dividends prior to the merger but will convert any accrued dividends into shares of VoiceSignal capital stock prior to closing.

The table below shows the high and low sales prices per share of Nuance common stock as reported on the NASDAQ Global Select Market on (1) May 14, 2007, the last full trading day preceding public announcement that Nuance and VoiceSignal had entered into the merger agreement, and (2) June , 2007, the last trading day for which closing prices were available at the time of the printing of this joint information statement/prospectus.

The table also includes the equivalent high and low prices per share of VoiceSignal common stock on those dates. This equivalent high and low price per share reflects the fluctuating value of the Nuance common stock that VoiceSignal stockholders would receive in exchange for each share of VoiceSignal capital stock if the merger was completed on either of these dates applying the exchange ratio of 0.0382 shares of Nuance common stock and $1.3875 of cash, without interest, for each share of VoiceSignal capital stock exchanged in the merger.

	Nuance Common Stock	Equivalent Price per Share

	High	Low	High	Low
May 14, 2007	$ 15.49	$ 15.23	$ 1.98	$ 1.97
June , 2007	$	$	$	$

The foregoing table shows only historical comparisons. These comparisons may not provide meaningful information to you in determining whether to adopt the merger agreement and approve the transactions contemplated thereby. Because the maximum number of shares of Nuance common stock to be issued in the merger is fixed, changes in the market price of Nuance common stock will affect the dollar value of Nuance common stock to be received by VoiceSignal stockholders pursuant to the merger. VoiceSignal stockholders are urged to obtain current market quotations for Nuance common stock and to review carefully the other information contained in this joint information statement/prospectus or incorporated by reference into this joint information statement/prospectus in considering whether to adopt the merger agreement and approve the transactions contemplated thereby. See the section entitled Where You Can Find More Information on page 140.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This joint information statement/prospectus and the documents incorporated by reference into this joint information statement/prospectus contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties, as well as assumptions, that, if they never materialize or prove incorrect, could cause the results of Nuance and its consolidated subsidiaries, on the one hand, or VoiceSignal and its consolidated subsidiaries, on the other, to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements generally are identified by the words expects, anticipates, believes, intends, estimates, should, would, strategy, plan and similar expressions. All statements other tha statements of historical fact are statements that could be deemed forward-looking statements. For example, forward-looking statements include projections of earnings, revenues, synergies, accretion or other financial items; any statements of the plans, strategies and objectives of management for future operations, including the execution of integration and restructuring plans and the anticipated timing of filings, approvals relating to, and the closing of, the merger; any statements concerning proposed new products, services, developments or industry rankings; any statements regarding future economic conditions or performance; statements of belief and any statement of assumptions underlying any of the foregoing. The risks, uncertainties and assumptions referred to above include the difficulty of maintaining expense growth while increasing revenues; the challenges of integration and restructuring associated with the merger and the challenges of achieving the anticipated synergies; the possibility that the merger may not close or that Nuance or VoiceSignal may be required to modify some aspect of the acquisition in order to obtain regulatory approval; the challenge of maintaining revenues on a combined company basis following the merger; and other risks and uncertainties described in the section entitled Risk Factors beginning on page 15 of this joint information statement/prospectus.

If any of these risks or uncertainties materializes or any of these assumptions proves incorrect, results of Nuance and VoiceSignal could differ materially from the expectations in these statements. The forward-looking statements included in this joint information statement/prospectus are made only as of the date of this joint information statement/prospectus, and neither Nuance nor VoiceSignal is under any obligation to update their respective forward-looking statements and neither party intends to do so.

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RISK FACTORS

You should carefully consider the risks described below before making your decision to vote for adoption of the merger agreement and approval of the transactions contemplated thereby. The risks and uncertainties described below are not the only ones facing Nuance and VoiceSignal. Additional risks and uncertainties not presently known to us or that we do not currently believe are important to an investor may also harm our respective business operations. If any of the events, contingencies, circumstances or conditions described in the following risks actually occurs, our respective businesses, financial condition or our results of operations could be seriously harmed. If that happens, the trading price of Nuance common stock could decline and you may lose part or all of the value of any Nuance shares held by you.

Risks Related to the Merger

By voting to adopt the merger agreement and approve the transactions contemplated thereby, VoiceSignal stockholders will be choosing to invest in Nuance common stock. Nuance and VoiceSignal will operate as a combined company in a market environment that cannot be predicted and that involves significant risks, many of which will be beyond the control of the combined company. In addition to the other information contained in this joint information statement/prospectus, you should carefully consider the risks described below before deciding how to vote your shares. Additional risks and uncertainties not presently known to Nuance and VoiceSignal or that are not currently believed to be important to you also may adversely affect the merger and Nuance and VoiceSignal as a combined company.

You should pay particular attention to the following risks relating to the merger.

The Nuance common stock to be received by VoiceSignal stockholders in the merger may fluctuate in value.

The market value of Nuance common stock is likely to change, both before and after the merger, and no one can accurately predict what the market value will be at any given time. Market prices of Nuance common stock may vary for many reasons, including changes in the business, operations or prospects of Nuance, market assessments of the likelihood that the merger will be completed, the timing of regulatory considerations and general market and economic conditions. Because the market price of Nuance common stock may fluctuate, the value of the Nuance common stock to be received by VoiceSignal stockholders will depend upon the market price of the shares at the time they are actually received following the closing of the merger. We urge you to obtain current market quotations for Nuance common stock.

Certain transaction-related expenses of VoiceSignal will reduce the total consideration to be received by VoiceSignal stockholders in the merger.

The total consideration to be received by VoiceSignal stockholders in the merger will be reduced by transaction-related expenses of VoiceSignal. For a description of how these expenses are calculated and how they affect the total consideration to be received by VoiceSignal stockholders in the merger, see the section entitled The Merger Agreement beginning on page 41 of this joint information statement/prospectus and in detail in the merger agreement.

As a result of the escrow provisions and indemnification obligations contained in the merger agreement, the VoiceSignal stockholders may not receive the full consideration in the Merger.

Pursuant to the merger agreement, $30 million of the cash consideration will be deposited on behalf of VoiceSignal stockholders in escrow for a period of twelve months. The escrowed amount will be held by the escrow agent so that it is available to indemnify Nuance and other persons against losses arising out of: (i) any breach or inaccuracy of a representation or warranty of VoiceSignal contained in the merger agreement or in any certificate or other instruments delivered pursuant to the merger agreement, (ii) any failure by VoiceSignal to perform or comply with any covenant applicable to it contained in the merger agreement, (iii) any third party expenses in connection with the merger in excess of those upon which the parties agreed and (iv) any payments to dissenting stockholders. Any escrowed amount that, twelve months following the completion of

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the merger has not been used to indemnify Nuance or other persons entitled to indemnification and that is not the subject of an unresolved claim for indemnification by Nuance or any such other persons entitled to indemnification will be distributed to the VoiceSignal stockholders. There can be no assurance that VoiceSignal stockholders will receive any of the consideration that is deposited in the escrow account.

If the conditions to the merger are not satisfied or waived, the merger will not occur.

A number of conditions must be either satisfied or waived before the merger can be completed. Most of these conditions relate to actions that must be taken by VoiceSignal and certain of its employees and stockholders. A number of these conditions, including obtaining government approvals, are not within the control of VoiceSignal. A smaller number of conditions relate to actions that must be taken by Nuance. Neither Nuance nor VoiceSignal can assure you that each of the conditions will be satisfied or waived. If the conditions are not satisfied or waived, the merger will not occur. These conditions are described under the section entitled Conditions to Completion of the Merger in the Agreements Related to the Merger section of this joint information statement/prospectus beginning on page 50 and in detail in the merger agreement.

If the merger is not completed, VoiceSignal will be subject to a number of risks.

If the merger is not completed, VoiceSignal will be subject to a number of risks, including: (i) the possible loss of key employees, management personnel and customers; (ii) the accrual of legal, accounting and other fees and costs incurred in connection with the merger in excess of the $1 million that Nuance has agreed to pay if the merger agreement is terminated under certain circumstances; and (iii) the risk of disruption of VoiceSignal s business. In addition, if the merger is not completed, VoiceSignal s business reputation and goodwill could be harmed.

Although Nuance and VoiceSignal expect that the merger will result in benefits to the combined company, the combined company may not realize those benefits because of integration and other challenges.

The failure of the combined company to meet the challenges involved in integrating the operations of Nuance and VoiceSignal successfully or otherwise to realize any of the anticipated benefits of the merger, could seriously harm the results of operations of the combined company. Realizing the benefits of the merger will depend in part on the integration of technology, operations, and personnel. The integration of the companies is a complex, time-consuming and expensive process that, without proper planning and implementation, could significantly disrupt the businesses of Nuance and VoiceSignal. The challenges involved in this integration include the following:

- consolidating and rationalizing corporate IT and administrative infrastructures;
- coordinating sales and marketing efforts to effectively communicate the capabilities of the combined company;
- coordinating and rationalizing research and development activities to enhance introduction of new products and technologies with reduced cost; and
- preserving important relationships of both Nuance and VoiceSignal and resolving potential conflicts that may arise.

The combined company may not successfully integrate the operations of Nuance and VoiceSignal in a timely manner, or at all. The combined company may not realize the anticipated benefits or synergies of the merger to the extent, or in the timeframe, anticipated. These anticipated benefits and synergies are based on projections and assumptions, not actual experience, and assume a successful integration.

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Some directors and officers of VoiceSignal have interests that could have affected their decision to support or approve the merger.

The interests of some VoiceSignal directors and executive officers in the merger and their participation in arrangements are different from, or are in addition to, those of VoiceSignal stockholders generally and could have affected their decision to support or approve the merger. As a result, these directors and officers may be more likely to recommend the proposals relating to the merger than if they did not have these interests. Please see the section entitled Interests of VoiceSignal Directors and Officers in the Merger under The Merger section of this joint information statement/prospectus beginning on page 33.

Nuance and VoiceSignal expect to incur significant costs associated with the merger.

Each of Nuance and VoiceSignal will incur significant transaction costs in connection with the merger. Nuance and VoiceSignal have agreed that all third party expenses incurred by VoiceSignal, including any bonuses paid to VoiceSignal employees in connection with the merger in excess of $397,500, will either be deducted from the merger consideration or the escrow amount described above. Nuance and VoiceSignal believe the combined entity may incur charges to operations, which currently are not reasonably estimable, in the quarter in which the merger is completed or the following quarters, to reflect costs associated with integrating the two companies. There can be no assurance that the combined company will not incur additional material charges in subsequent quarters to reflect additional costs associated with the merger.

Charges to earnings resulting from the application of the purchase method of accounting may adversely affect the market value of Nuance common stock following the merger.

In accordance with United States generally accepted accounting principles, the combined company will account for the merger using the purchase method of accounting, which will result in charges to Nuance s earnings that could harm the market value of Nuance common stock following completion of the merger. Under the purchase method of accounting, the combined company will allocate the total estimated purchase price to VoiceSignal s net tangible assets, amortizable intangible assets, intangible assets with indefinite lives and in-process research and development based on their fair values as of the date of completion of the merger, and record the excess of the purchase price over those fair values as goodwill. The combined company will incur additional depreciation and amortization expense over the useful lives of certain of the net tangible and intangible assets acquired in connection with the merger. In addition, to the extent the value of goodwill or intangible assets with indefinite lives becomes impaired, the combined company may be required to incur material charges relating to the impairment of those assets. These depreciation, amortization, in-process research and development and potential impairment charges could have a material impact on the combined company s results of operations.

To be successful, the combined company must retain and motivate key employees. Any failure to do so could seriously harm the combined company.

To be successful, the combined company must retain and motivate key employees. The market for highly skilled employees is limited, and the loss of any of these key employees could have a significant impact on the combined company s operations. Employee retention may be a particularly challenging issue in connection with the merger. Accordingly, Nuance has developed and adopted retention programs designed to assure the continued dedication of these key employees and to provide them with financial incentives to remain with the combined company following the merger. A number of factors, however, may counteract the benefits of these retention programs. In particular, employees of VoiceSignal may experience uncertainty about their future role with the combined company until or after strategies with regard to the combined company are announced or executed. The combined company also must continue to motivate these employees and keep them focused on the strategies and goals of the combined company, which may be particularly difficult due to the potential distractions of the merger.

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Whether or not the merger is completed, the announcement and pendency of the proposed merger may cause disruptions in the business of VoiceSignal or disruptions in the business of Nuance, which could have material adverse effects on each company s or the combined company s business and operations.

Whether or not the merger is completed, Nuance s and VoiceSignal s customers, in response to the announcement and pendency of the merger, may delay or defer purchase decisions, which could have a material adverse effect on the business of each company or the combined company. The extent of this adverse effect could depend on the length of time prior to completion of the merger or termination of the merger agreement.

Failure to complete the merger could negatively impact Nuance s stock price, and the future business and operation of both Nuance and VoiceSignal.

If the merger is not completed for any reason, both VoiceSignal and Nuance may be subject to a number of material risks, including the following:

Neither VoiceSignal nor Nuance would realize any anticipated benefits from being a part of a combined company;

VoiceSignal may experience difficulties in attracting strategic customers and partners who were expecting to use the products proposed to be offered by the combined company;

VoiceSignal must pay all or a portion of certain costs relating to the merger, such as legal, accounting, financial advisor and printing fees, even if the merger is not completed, which costs will be substantial; however, in the event that the merger agreement is terminated under certain circumstances more specifically set forth in the merger agreement, Nuance has agreed to pay up to $1 million of VoiceSignal s transaction-related expenses; and

VoiceSignal may not be able to find another buyer willing to pay a price in an alternative transaction that is equivalent to, or higher than, the price that would be paid pursuant to the merger.

Regulatory agencies, private parties, state attorneys general and other antitrust authorities may raise challenges to the merger on antitrust grounds.

Under the HSR Act, the merger may not be consummated unless certain filings have been submitted to the FTC and the Antitrust Division and certain waiting period requirements have been satisfied. In addition, the merger may be subject to various foreign antitrust laws. Nuance and VoiceSignal filed the appropriate notification and report forms with the FTC and with the Antitrust Division and are awaiting the expiration, or notice of the early termination, of the waiting period.

The FTC and the Antitrust Division frequently evaluate transactions like the merger. At any time before or after the completion of the merger, the FTC or the Antitrust Division could take any action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the completion of the merger or seeking the divestiture of substantial assets of Nuance or VoiceSignal. In addition, certain private parties, as well as states attorneys general and other antitrust authorities, may challenge the transaction under antitrust laws under certain circumstances.

There can be no assurance that the waiting period under the HSR Act will be permitted to expire or be terminated at all or without materially adverse restrictions or conditions that would have an adverse effect on the combined company. The combined company may be required to agree to various operating restrictions, before or after receipt of stockholder approval, in order to obtain the necessary authorizations and approvals of the merger or to assure that governmental authorities do not seek to block the merger.

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Risks Related to Nuance

Risks Related to Nuance s Business

Nuance s operating results may fluctuate significantly from period to period, and this may cause its stock price to decline.

Nuance s revenue and operating results have fluctuated in the past and are expected to continue to fluctuate in the future. Given this fluctuation, Nuance believes that quarter to quarter comparisons of revenue and operating results are not necessarily meaningful or an accurate indicator of Nuance s future performance. As a result, Nuance s results of operations may not meet the expectations of securities analysts or investors in the future. If this occurs, the price of Nuance s stock would likely decline. Factors that contribute to fluctuations in operating results include the following:

- slowing sales by Nuance s distribution and fulfillment partners to their customers, which may place pressure on these partners to reduce purchases of Nuance s products;
- volume, timing and fulfillment of customer orders;
- Nuance s efforts to generate additional revenue from its portfolio of intellectual property;
- concentration of operations with one manufacturing partner and ability to control expenses related to the manufacture, packaging and shipping of Nuance s boxed software products;
- customers delaying their purchasing decisions in anticipation of new versions of Nuance s products;
- customers delaying, canceling or limiting their purchases as a result of the threat or results of terrorism;
- introduction of new products by Nuance or its competitors;
- seasonality in purchasing patterns of Nuance s customers;
- reduction in the prices of Nuance s products in response to competition or market conditions;
- returns and allowance charges in excess of accrued amounts;
- timing of significant marketing and sales promotions;
- impairment charges against goodwill and other intangible assets;
- write-offs of excess or obsolete inventory and accounts receivable that are not collectible;
- increased expenditures incurred pursuing new product or market opportunities;
- general economic trends as they affect retail and corporate sales; and
- higher than anticipated costs related to fixed-price contracts with Nuance s customers.

Due to the foregoing factors, among others, Nuance s revenue and operating results are difficult to forecast. Nuance s expense levels are based in significant part on Nuance s expectations of future revenue and Nuance may not be able to reduce its expenses quickly to respond to a shortfall in projected revenue. Therefore, Nuance s failure to meet revenue expectations would seriously harm its operating results, financial condition and cash flows.

Nuance has grown, and may continue to grow, through acquisitions, which could dilute its existing stockholders and could involve substantial integration risks.

As part of Nuance s business strategy, Nuance has in the past acquired, and expects to continue to acquire, other businesses and technologies. In connection with past acquisitions, Nuance issued a substantial number of shares of common stock as transaction consideration and also incurred significant debt to finance the cash consideration used for Nuance s acquisitions of Dictaphone Corporation, BlueStar Resources Limited (the parent company of Focus Enterprises Limited and Focus Infosys India Private Limited) and BeVocal, Inc. Nuance may continue to issue equity securities for future acquisitions, which would dilute existing

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stockholders, perhaps significantly depending on the terms of the acquisition. Nuance may also incur additional debt in connection with future acquisitions, which, if available at all, may place additional restrictions on Nuance s ability to operate its business. Furthermore, Nuance s prior acquisitions required substantial integration and management efforts. Acquisitions of this nature involve a number of risks, including:

difficulty in transitioning and integrating the operations and personnel of the acquired businesses, including different and complex accounting and financial reporting systems;

potential disruption of Nuance s ongoing business and distraction of management;

potential difficulty in successfully implementing, upgrading and deploying in a timely and effective manner new operational information systems and upgrades of Nuance s finance, accounting and product distribution systems;

difficulty in incorporating acquired technology and rights into Nuance s products and technology;

unanticipated expenses and delays in completing acquired development projects and technology integration;

management of geographically remote units both in the United States and internationally;

impairment of relationships with partners and customers;

customers delaying purchases of Nuance s products pending resolution of product integration between Nuance s existing and its newly acquired products;

entering markets or types of businesses in which Nuance has limited experience; and

potential loss of key employees of the acquired company.

As a result of these and other risks, Nuance may not realize anticipated benefits from its acquisitions. Any failure to achieve these benefits or failure to successfully integrate acquired businesses and technologies could seriously harm Nuance s business.

Purchase accounting treatment of Nuance s acquisitions could decrease Nuance s net income or expected revenue in the foreseeable future, which could have a material and adverse effect on the market value of Nuance common stock.

Under accounting principles generally accepted in the United States of America, Nuance has accounted for its acquisitions using the purchase method of accounting. Under purchase accounting, Nuance records the market value of Nuance common stock or other form of consideration issued in connection with the acquisition and the amount of direct transaction costs as the cost of acquiring the company or business. Nuance has allocated that cost to the individual assets acquired and liabilities assumed, including various identifiable intangible assets such as acquired technology, acquired trade names and acquired customer relationships based on their respective fair values. Intangible assets generally will be amortized over a five to ten year period. Goodwill and certain intangible assets with indefinite lives, are not subject to amortization but are subject to at least an annual impairment analysis, which may result in an impairment charge if the carrying value exceeds its implied fair value. As of March 31, 2007, Nuance had identified intangible assets amounting to approximately $230.5 million and goodwill of approximately $750.8 million. In addition, purchase accounting limits Nuance s ability to recognize certain revenue that otherwise would have been recognized by the acquired company as an independent business. Accordingly, due to the purchase method of accounting, the combined company may recognize less revenue than Nuance and the acquired company would have recognized as independent companies.

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Nuance s significant debt could adversely affect its financial health and prevent Nuance from fulfilling its obligations under its credit facility.

Nuance has a significant amount of debt. On April 5, 2007, Nuance entered into an amended and restated credit facility which consists of a $442.0 million term loan due March 2013 and a $75.0 million revolving credit line due March 2012. As of April 30, 2007, $441.5 million remained outstanding under the term loan. As of April 30, 2007 there were $17.4 million of letters of credit issued under the revolving credit line and there were no outstanding borrowings under the revolving credit line. Nuance also anticipates incurring additional debt under the amended and restated credit facility to fund the cash portion of the acquisition of VoiceSignal. Nuance s debt level could have important consequences, for example it could:

- require Nuance to use of a large portion of its cash flow to pay principal and interest on the credit facility, which will reduce the availability of Nuance s cash flow to fund working capital, capital expenditures, research and development expenditures and other business activities;
- restrict Nuance from making strategic acquisitions or exploiting business opportunities;
- place Nuance at a competitive disadvantage compared to its competitors that have less debt; and
- limit, along with the financial and other restrictive covenants in Nuance s debt, Nuance s ability to borrow additional funds, dispose of assets or pay cash dividends.

In addition, a substantial portion of Nuance s debt bears interest at variable rates. If market interest rates increase, Nuance s debt service requirements will increase, which would adversely affect its cash flows. While Nuance has entered into an interest rate swap agreement limiting Nuance s exposure for a portion of its debt, such agreement does not offer complete protection from this risk.

Nuance has a history of operating losses, and may incur losses in the future, which may require Nuance to raise additional capital on unfavorable terms.

Nuance reported net losses of approximately $3.0 million for the six months ended March 31, 2007 and $22.9 million, $5.4 million and $9.4 million for fiscal years 2006, 2005 and 2004, respectively. Nuance had an accumulated deficit of approximately $193.1 million at March 31, 2007. If Nuance is unable to achieve and maintain profitability, the market price for Nuance s stock may decline, perhaps substantially. Nuance cannot assure you that its revenue will grow or that Nuance will achieve or maintain profitability in the future. If Nuance does not achieve profitability, Nuance may be required to raise additional capital to maintain or grow its operations. The terms of any transaction to raise additional capital, if available at all, may be highly dilutive to existing investors or contain other unfavorable terms, such as a high interest rate and restrictive covenants.

Nuance depends on limited or sole source suppliers for critical components. The inability to obtain sufficient components as required, and under favorable purchase terms, could harm Nuance s business.

Nuance is dependent on certain suppliers, including limited and sole source suppliers, to provide key components used in its products. Nuance has experienced, and may continue to experience, delays in component deliveries, which in turn could cause delays in product shipments and require the redesign of certain products. In addition, if Nuance is unable to procure necessary components under favorable purchase terms, including at favorable prices and with the order lead-times needed for the efficient and profitable operation of Nuance s business, its results of operations could suffer.

Speech technologies may not achieve widespread acceptance by businesses, which could limit Nuance s ability to grow its speech business.

Nuance has invested and expects to continue to invest heavily in the acquisition, development and marketing of speech technologies. The market for speech technologies is relatively new and rapidly evolving. Nuance s ability to increase revenue in the future depends in large measure on acceptance of speech

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technologies in general and Nuance s products in particular. The continued development of the market for Nuance s current and future speech solutions will also depend on the following factors:

- consumer demand for speech-enabled applications;
- development by third-party vendors of applications using speech technologies; and
- continuous improvement in speech technology.

Sales of Nuance s speech products would be harmed if the market for speech technologies does not continue to develop or develops more slowly than Nuance expects, and, consequently, Nuance s business could be harmed and Nuance may not recover the costs associated with its investment in its speech technologies.

The markets in which Nuance operates are highly competitive and rapidly changing and Nuance may be unable to compete successfully.

There are a number of companies that develop or may develop products that compete in Nuance s targeted markets. The individual markets in which Nuance competes are highly competitive, and are rapidly changing. Within imaging, Nuance competes directly with ABBYY, Adobe, I.R.I.S. and NewSoft. Within speech, Nuance competes with AT&T, Fonix, IBM, Microsoft and Philips. Within healthcare dictation and transcription, Nuance competes with Philips Medical, Spheris and other smaller providers. In speech, some of Nuance s partners such as Avaya, Cisco, Edify, Genesys and Nortel develop and market products that can be considered substitutes for Nuance s solutions. In addition, a number of smaller companies in both speech and imaging produce technologies or products that are in some markets competitive with Nuance s solutions. Current and potential competitors have established, or may establish, cooperative relationships among themselves or with third parties to increase the ability of their technologies to address the needs of Nuance s prospective customers.

The competition in these markets could adversely affect Nuance s operating results by reducing the volume of the products Nuance licenses or the prices Nuance can charge. Some of Nuance s current or potential competitors, such as Adobe, IBM and Microsoft, have significantly greater financial, technical and marketing resources than Nuance does. These competitors may be able to respond more rapidly than Nuance can to new or emerging technologies or changes in customer requirements. They may also devote greater resources to the development, promotion and sale of their products than Nuance does.

Some of Nuance s customers, such as IBM and Microsoft, have developed or acquired products or technologies that compete with Nuance s products and technologies. These customers may give higher priority to the sale of these competitive products or technologies. To the extent they do so, market acceptance and penetration of Nuance s products, and therefore Nuance s revenue, may be adversely affected.

Nuance s success will depend substantially upon Nuance s ability to enhance its products and technologies and to develop and introduce, on a timely and cost-effective basis, new products and features that meet changing customer requirements and incorporate technological advancements. If Nuance is unable to develop new products and enhance functionalities or technologies to adapt to these changes, or if Nuance is unable to realize synergies among its acquired products and technologies, its business will suffer.

The failure to successfully maintain the adequacy of Nuance s system of internal control over financial reporting could have a material adverse impact on its ability to report its financial results in an accurate and timely manner.

Nuance s management s assessment of the effectiveness of its internal control over financial reporting, as of September 30, 2005, identified a material weakness in Nuance s internal controls related to tax accounting, primarily as a result of a lack of necessary corporate accounting resources and ineffective execution of certain controls designed to prevent or detect actual or potential misstatements in the tax accounts. While Nuance has taken remediation measures to correct this material weakness, which measures are more fully described in Item 9A of its Annual Report on Form 10-K/A, Nuance cannot assure you that it will not have material weaknesses in its internal controls in the future. Any failure in the effectiveness of Nuance s system of internal

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control over financial reporting could have a material adverse impact on its ability to report its financial results in an accurate and timely manner.

A significant portion of Nuance s revenue and a significant portion of Nuance s research and development are based outside the United States. Nuance s results could be harmed by economic, political, regulatory and other risks associated with these international regions.

Because Nuance licenses its products worldwide, its business is subject to risks associated with doing business internationally. Nuance anticipates that revenue from international operations will continue to increase in the remainder of fiscal 2007. Reported international revenue, classified by the major geographic areas in which its customers are located, represented approximately $63.1 million for the six months ended March 31, 2007 and approximately $100.2 million, $71.5 million and $39.4 million, for fiscal 2006, 2005 and 2004 respectively. Most of Nuance s international revenue is generated by sales in Europe and Asia. In addition, some of Nuance s products are developed and manufactured outside the United States. A significant portion of the development and manufacturing of Nuance s speech products are completed in Belgium, and a significant portion of its imaging research and development is conducted in Hungary. In connection with prior acquisitions Nuance has added research and development resources in Aachen, Germany, Montreal, Canada and Tel Aviv, Israel. Accordingly, its future results could be harmed by a variety of factors associated with international sales and operations, including:

- changes in a specific country s or region s economic conditions;
- geopolitical turmoil, including terrorism and war;
- trade protection measures and import or export licensing requirements imposed by the United States or by other countries;
- compliance with foreign and domestic laws and regulations;
- negative consequences from changes in applicable tax laws;
- difficulties in staffing and managing operations in multiple locations in many countries;
- difficulties in collecting trade accounts receivable in other countries; and
- less effective protection of intellectual property.

Nuance is exposed to fluctuations in foreign currency exchange rates.

Because Nuance has international subsidiaries and distributors that operate and sell its products outside the United States, Nuance is exposed to the risk of changes in foreign currency exchange rates or declining economic conditions in these countries. In certain circumstances, Nuance has entered into forward exchange contracts to hedge against foreign currency fluctuations on intercompany balances with its foreign subsidiaries. Nuance uses these contracts to reduce its risk associated with exchange rate movements, as the gains or losses on these contracts are intended to offset any exchange rate losses or gains on the hedged transaction. Nuance does not engage in foreign currency speculation. Hedges are designated and documented at the inception of the hedge and are evaluated for effectiveness monthly. Forward exchange contracts hedging firm commitments qualify for hedge accounting when they are designated as a hedge of the foreign currency exposure and they are effective in minimizing such exposure. With Nuance s increased international presence in a number of geographic locations and with international revenue projected to increase in the remainder of fiscal 2007, Nuance is exposed to changes in foreign currencies including the

Euro, British Pound, Canadian Dollar, Japanese Yen, Israeli New Shekel, Indian Rupee and the Hungarian Forint. Changes in the value of the Euro or other foreign currencies relative to the value of the U.S. dollar could adversely affect future revenue and operating results.

Impairment of Nuance s intangible assets could result in significant charges that would adversely impact its future operating results.

Nuance has significant intangible assets, including goodwill and intangibles with indefinite lives, which are susceptible to valuation adjustments as a result of changes in various factors or conditions. The most significant intangible assets are patents and core technology, completed technology, customer relationships and trademarks. Customer relationships are amortized on an accelerated basis based upon the pattern in which the economic benefit of customer relationships are being utilized. Other identifiable intangible assets are amortized on a straight-line basis over their estimated useful lives. Nuance assesses the potential impairment of identifiable intangible assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors that could trigger an impairment of such assets, include the following:

- significant underperformance relative to historical or projected future operating results;
- significant changes in the manner of or use of the acquired assets or the strategy for Nuance s overall business;
- significant negative industry or economic trends;
- significant decline in Nuance s stock price for a sustained period; and
- a decline in Nuance s market capitalization below net book value.

Future adverse changes in these or other unforeseeable factors could result in an impairment charge that would impact Nuance s results of operations and financial position in the reporting period identified. As of March 31, 2007, Nuance had identified intangible assets amounting to approximately $230.5 million and goodwill of approximately $750.8 million.

If Nuance is unable to attract and retain key personnel, its business could be harmed.

If any of Nuance s key employees were to leave, Nuance could face substantial difficulty in hiring qualified successors and could experience a loss in productivity while any successor obtains the necessary training and experience. Nuance s employment relationships are generally at-will and Nuance has had key employees leave in the past. Nuance cannot assure you that one or more key employees will not leave in the future. Nuance intends to continue to hire additional highly qualified personnel, including software engineers and operational personnel, but may not be able to attract, assimilate or retain qualified personnel in the future. Any failure to attract, integrate, motivate and retain these employees could harm Nuance s business.

Nuance s medical transcription services may be subject to legal claims for failure to comply with laws governing the confidentiality of medical records.

Healthcare professionals who use Nuance s medical transcription services deliver to Nuance health information about their patients including information that constitutes a record under applicable law that Nuance may store on its computer systems. Numerous federal and state laws and regulations, the common law and contractual obligations govern collection, dissemination, use and confidentiality of patient-identifiable health information, including:

- state and federal privacy and confidentiality laws;
- Nuance s contracts with customers and partners;

- state laws regulating healthcare professionals;
- Medicaid laws; and
- the Health Insurance Portability and Accountability Act of 1996 and related rules proposed by the Health Care Financing Administration.

The Health Insurance Portability and Accountability Act of 1996 establishes elements including, but not limited to, federal privacy and security standards for the use and protection of protected health information.

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Any failure by Nuance or by its personnel or partners to comply with applicable requirements may result in a material liability to Nuance.

Although Nuance has systems and policies in place for safeguarding protected health information from unauthorized disclosure, these systems and policies may not preclude claims against Nuance for alleged violations of applicable requirements. There can be no assurance that Nuance will not be subject to liability claims that could have a material adverse affect on Nuance s business, results of operations and financial condition.

Risks Related to Nuance s Intellectual Property and Technology

Unauthorized use of Nuance s proprietary technology and intellectual property could adversely affect Nuance s business and results of operations.

Nuance s success and competitive position depend in large part on Nuance s ability to obtain and maintain intellectual property rights protecting its products and services. Nuance relies on a combination of patents, copyrights, trademarks, service marks, trade secrets, confidentiality provisions and licensing arrangements to establish and protect its intellectual property and proprietary rights. Unauthorized parties may attempt to copy aspects of Nuance s products or to obtain, license, sell or otherwise use information that Nuance regards as proprietary. Policing unauthorized use of Nuance s products is difficult and Nuance may not be able to protect its technology from unauthorized use. Additionally, Nuance s competitors may independently develop technologies that are substantially the same or superior to Nuance s technologies and that do not infringe Nuance s rights. In these cases, Nuance would be unable to prevent its competitors from selling or licensing these similar or superior technologies. In addition, the laws of some foreign countries do not protect Nuance s proprietary rights to the same extent as the laws of the United States. Although the source code for Nuance s proprietary software is protected both as a trade secret and as a copyrighted work, litigation may be necessary to enforce Nuance s intellectual property rights, to protect Nuance s trade secrets, to determine the validity and scope of the proprietary rights of others, or to defend against claims of infringement or invalidity. Litigation, regardless of the outcome, can be very expensive and can divert management efforts.

Third parties have claimed and may claim in the future that Nuance is infringing their intellectual property, and Nuance could be exposed to significant litigation or licensing expenses or be prevented from selling its products if such claims are successful.

From time to time, Nuance is subject to claims that Nuance or its customers may be infringing or contributing to the infringement of the intellectual property rights of others. Nuance may be unaware of intellectual property rights of others that may cover some of its technologies and products. If it appears necessary or desirable, Nuance may seek licenses for these intellectual property rights. However, Nuance may not be able to obtain licenses from some or all claimants, the terms of any offered licenses may not be acceptable to Nuance, and Nuance may not be able to resolve disputes without litigation. Any litigation regarding intellectual property could be costly and time-consuming and could divert the attention of Nuance s management and key personnel from its business operations. In the event of a claim of intellectual property infringement, Nuance may be required to enter into costly royalty or license agreements. Third parties claiming intellectual property infringement may be able to obtain injunctive or other equitable relief that could effectively block Nuance s ability to develop and sell its products.

On April 10, 2007, Disc Link Corporation filed a patent infringement action against Nuance in the United States District Court for the Eastern District of Texas. Damages are sought in an unspecified amount. In this lawsuit, Disc Link Corporation alleges that Nuance infringes U.S. Patent No. 6,314,574, titled Information Distribution System. Nuance is in the early stages of evaluating these claims and intends to defend the action vigorously.

On May 31, 2006, GTX Corporation filed an action against Nuance in the United States District Court for the Eastern District of Texas claiming patent infringement. Damages were sought in an unspecified amount. In the lawsuit, GTX Corporation alleged that Nuance is infringing United States Patent No. 7,016,536

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entitled Method and Apparatus for Automatic Cleaning and Enhancing of Scanned Documents. Nuance believes these claims have no merit and intends to defend the action vigorously.

On November 27, 2002, AllVoice Computing plc filed an action against Nuance in the United States District Court for the Southern District of Texas claiming patent infringement. In the lawsuit, AllVoice Computing plc alleges that Nuance is infringing United States Patent No. 5,799,273 entitled Automated Proofreading Using Interface Linking Recognized Words to their Audio Data While Text is Being Changed. Such patent generally discloses techniques for manipulating audio data associated with text generated by a speech recognition engine. Although Nuance has several products in the speech recognition technology field, Nuance believes that its products do not infringe AllVoice Computing plc s patent because, in addition to other defenses, Nuance does not use the claimed techniques. Damages are sought in an unspecified amount. Nuance filed an Answer on December 23, 2002. The United States District Court for the Southern District of Texas entered summary judgment against AllVoice Computing plc and dismissed all claims against Nuance on February 21, 2006. AllVoice Computing plc filed a notice of appeal from this judgment on April 26, 2006. Nuance believes these claims have no merit and intends to defend the action vigorously.

Nuance believes that the final outcome of the current litigation matters described above will not have a significant adverse effect on Nuance s financial position and results of operations. However, even if Nuance s defense is successful, the litigation could require significant management time and could be costly. Should Nuance not prevail in these litigation matters, Nuance may be unable to sell and/or license certain of its technologies Nuance considers to be proprietary, and its operating results, financial position and cash flows could be adversely impacted.

Nuance s software products may have bugs, which could result in delayed or lost revenue, expensive correction, liability to Nuance s customers and claims against Nuance.

Complex software products such as Nuance s may contain errors, defects or bugs. Defects in the solutions or products that Nuance develops and sells to its customers could require expensive corrections and result in delayed or lost revenue, adverse customer reaction and negative publicity about Nuance or its products and services. Customers who are not satisfied with any of Nuance s products may also bring claims against Nuance for damages, which, even if unsuccessful, would likely be time-consuming to defend, and could result in costly litigation and payment of damages. Such claims could harm Nuance s reputation, financial results and competitive position.

Risks Related to Nuance s Corporate Structure, Organization and Common Stock

The holdings of Nuance s two largest stockholders may enable them to influence matters requiring stockholder approval.

On March 19, 2004, Warburg Pincus, a global private equity firm agreed to purchase all outstanding shares of Nuance stock held by Xerox Corporation for approximately $80 million. Additionally, on May 9, 2005 and September 15, 2005 Nuance sold shares of common stock, and warrants to purchase common stock to Warburg Pincus for aggregate gross proceeds of approximately $75.1 million. As of March 31, 2007, Warburg Pincus beneficially owned approximately 23% of Nuance s outstanding common stock, including warrants exercisable for up to 7,066,538 shares of Nuance common stock and 3,562,238 shares of Nuance s outstanding Series B Preferred Stock, each of which is convertible into one share of Nuance common stock. Fidelity is Nuance s second largest stockholder, owning approximately 9.5% of Nuance common stock. Because of their large holdings of Nuance s capital stock relative to other stockholders, each of these two stockholders acting individually, or together, have a strong influence over matters requiring approval by Nuance s stockholders.

The market price of Nuance common stock has been and may continue to be subject to wide fluctuations.

Nuance s stock price historically has been, and may continue to be, volatile. Various factors contribute to the volatility of the stock price, including, for example, quarterly variations in Nuance s financial results, new product introductions by Nuance or its competitors and general economic and market conditions. While

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Nuance cannot predict the individual effect that these factors may have on the market price of Nuance common stock, these factors, either individually or in the aggregate, could result in significant volatility in Nuance s stock price during any given period of time. Moreover, companies that have experienced volatility in the market price of their stock often are subject to securities class action litigation. If Nuance were the subject of such litigation, it could result in substantial costs and divert management s attention and resources.

Compliance with changing regulation of corporate governance and public disclosure may result in additional expenses.

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002, new regulations promulgated by the Securities and Exchange Commission and the rules of the NASDAQ Global Select Market, are resulting in increased general and administrative expenses for companies such as Nuance. These new or changed laws, regulations and standards are subject to varying interpretations in many cases, and as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies, which could result in higher costs necessitated by ongoing revisions to disclosure and governance practices. Nuance is committed to maintaining high standards of corporate governance and public disclosure. As a result, Nuance intends to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities. If Nuance s efforts to comply with new or changed laws, regulations and standards differ from the activities intended by regulatory or governing bodies, Nuance s business may be harmed.

Nuance has implemented anti-takeover provisions, which could discourage or prevent a takeover, even if an acquisition would be beneficial to Nuance s stockholders.

Provisions of Nuance s certificate of incorporation, bylaws and Delaware law, as well as other organizational documents could make it more difficult for a third party to acquire Nuance, even if doing so would be beneficial to Nuance s stockholders. These provisions include:

- authorized blank check preferred stock;
- prohibiting cumulative voting in the election of directors;
- limiting the ability of stockholders to call special meetings of stockholders;
- requiring all stockholder actions to be taken at meetings of Nuance s stockholders; and
- establishing advance notice requirements for nominations of directors and for stockholder proposals.

THE VOICESIGNAL ACTION BY WRITTEN CONSENT OF STOCKHOLDERS

VoiceSignal s board of directors is using this joint information statement/prospectus to solicit an action by written consent from the stockholders of VoiceSignal. This joint information statement/prospectus and accompanying action by written consent are first being mailed to VoiceSignal stockholders on or about June , 2007.

Matters to be Acted on by Written Consent

Purpose of the Written Consent. The purpose of the written consent is for VoiceSignal stockholders to vote on the adoption of the merger agreement and approval of the transactions contemplated thereby.

Recommended Action. The VoiceSignal board of directors has unanimously approved the merger agreement, the merger and the related transactions and has determined that the merger agreement, the merger and the related transactions are fair to, and in the best interests of, VoiceSignal and its stockholders. Accordingly, the VoiceSignal board of directors unanimously recommends to the VoiceSignal stockholders that they vote FOR the adoption of the merger agreement and approval of the transactions contemplated thereby, including the appointment of Stata Venture Partners, LLC, as stockholder representative.

Outstanding Shares on May 31, 2007. As of May 31, 2007, there were 17,363,169 shares of VoiceSignal common stock and 80,084,844 shares of VoiceSignal preferred stock outstanding, for an aggregate of 105,116,073 of shares of VoiceSignal capital stock on an as-converted-to-common stock basis, and there were approximately 39 holders of record.

Shares Entitled to Vote. Only holders of record of VoiceSignal shares are entitled to receive and vote on the action by written consent. You will be entitled to one vote for each share of VoiceSignal stock you own on an as-converted-to-common stock basis.

Vote Requirement. Approval of the adoption of the merger agreement requires the effective vote of (i) a majority of the outstanding shares of VoiceSignal common stock and VoiceSignal preferred stock, voting together as a single class with each share of VoiceSignal common stock entitled to cast one vote and each share of VoiceSignal preferred stock entitled to cast a number of votes equal to the number of shares of VoiceSignal common stock into which such share of VoiceSignal preferred stock is convertible and (ii) a majority of the outstanding shares of VoiceSignal Series C preferred stock and Series D preferred stock, voting together as a single class on an as-converted-to-common stock basis.

Failure to return a signed written consent to VoiceSignal will have the same effect as a vote AGAINST the matters submitted for approval to the VoiceSignal stockholders.

Revocability Of Action By Written Consent. The stockholder actions on which you are being asked to act by written consent will be effective at the time when written consents sufficient to approve the required corporate action have been filed with the corporate secretary of VoiceSignal. You may revoke your written consent at any time prior to the effective time of the stockholder action by delivering to the corporate secretary of VoiceSignal at the address set forth below a signed written revocation or a later-dated, signed written consent.

All written notices of revocation and other communications with respect to revocation of written consents should be addressed Voice Signal Technologies, Inc., Attn: Corporate Secretary, 150 Presidential Way, Woburn, MA 01801.

Shares Beneficially Owned by VoiceSignal Directors and Executive Officers as of May 31, 2007. As of May 31, 2007, directors and executive officers of VoiceSignal and their affiliates beneficially owned, and were entitled to vote, 92,146,389 shares of VoiceSignal common stock, on an as-converted-to-common stock basis, or approximately 88% of the total outstanding VoiceSignal common stock and approximately 91% of the Voice Signal Series C preferred stock and Series D preferred stock voting together as a single class on an-as-converted-to-common stock basis.

You should also be aware that as of close of business on May 31, 2007, ten of VoiceSignal s directors, executive officers and stockholders affiliated with certain VoiceSignal directors have already agreed to vote an aggregate of approximately 13,900,000 shares of VoiceSignal common stock, 1,000,000 shares of VoiceSignal Series A preferred stock, 6,094,718 shares of VoiceSignal Series C preferred stock and 49,614,300 shares of VoiceSignal Series D preferred stock for an aggregate total of 77,930,422 shares of VoiceSignal capital stock on an as-converted-to-common stock basis, in favor of adoption of the merger agreement and approval of the transactions contemplated thereby. These shares represent approximately 74% of the VoiceSignal capital stock outstanding, on an as-converted-to-common stock basis and approximately 78% of the outstanding Series C preferred stock and Series D preferred stock, voting together as a single class on an as-converted-to-common stock basis, as of May 31, 2007. See the section entitled VoiceSignal Voting Agreements in this joint information statement/prospectus.

Do not send in any stock certificates with your action by written consent. The exchange agent for the merger will mail transmittal forms with instructions for the surrender of stock certificates representing VoiceSignal shares to former VoiceSignal stockholders as soon as practicable prior to the completion of the merger.

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THE MERGER

The following is a description of the material aspects of the proposed merger and related transactions. The following description may not contain all of the information that is important to you. You should read this entire joint information statement/prospectus, including the section entitled Agreements Related to the Merger, and the other documents we refer to carefully for a more complete understanding of the merger and the related transactions.

Background of the Merger

Both Nuance and VoiceSignal regularly evaluate strategic opportunities, including potential mergers with other companies, acquisitions of other companies or assets, and licensing, marketing and development alliances.

From time to time since 2003, VoiceSignal and Nuance have engaged in preliminary discussions regarding a possible business combination. Since February 2004, VoiceSignal and Nuance have been engaged in litigation regarding various patent and trade secret disputes.

In April 2006, Nuance approached VoiceSignal about a possible merger. The VoiceSignal board of directors subsequently decided it was appropriate to engage a financial advisor to assist with evaluation of the Nuance offer and other unsolicited offers being received. In August 2006, VoiceSignal engaged Goldman, Sachs & Co., a financial advisor, to evaluate strategic opportunities and to assist VoiceSignal with the possible sale of all or a portion of VoiceSignal or the undertaking of an initial public offering of its common stock.

On June 13, 2006, Nuance and VoiceSignal entered into a Mutual Non-Disclosure and FRE 408 Agreement in order to facilitate preliminary discussions regarding a potential strategic transaction.

From time to time between September 2006 and March 2007, representatives of Nuance and VoiceSignal engaged in preliminary discussions regarding a potential strategic transaction between the companies. Prior to March 2007, the VoiceSignal board of directors did not view the proposed merger consideration as beneficial to the VoiceSignal stockholders or adequately representative of the value of VoiceSignal.

On November 2, 2006, Nuance and VoiceSignal entered into a new Mutual Non-Disclosure and FRE 408 Agreement in order to facilitate additional preliminary discussions regarding a potential strategic transaction.

During March 2007, representatives of Nuance s management team and representatives of Lehman Brothers, Nuance s financial advisor, met several times to discuss financial analyses regarding a potential acquisition of VoiceSignal. On March 23, 2007, Nuance contacted VoiceSignal and delivered a formal, non-binding, offer to Richard Geruson, Chief Executive Officer and a member of the board of directors of VoiceSignal, offering to purchase VoiceSignal for $290 million and presented a term sheet and draft merger agreement outlining the proposed transaction.

On March 26, 2007, the VoiceSignal board of directors discussed via conference call the term sheet that had been received from Nuance and the conditions for the proposed acquisition. The board of directors consulted with outside legal counsel, and requested their counsel to review the term sheet and proposed merger agreement.

On March 27, 2007, the VoiceSignal board of directors met telephonically to discuss the high-level issues identified by its legal counsel. Representatives from Goldman, Sachs also telephonically attended the meeting of the board of directors. The board of directors discussed several aspects of the proposed merger with Goldman, Sachs and legal counsel. The board of directors then reviewed the proposed transaction without the outside advisors. After the meeting, the board of directors directed management to engage in negotiations with Nuance to attempt to resolve any outstanding issues and attempt to reach a definitive merger agreement with Nuance.

On March 28, 2007, Paul Ricci, Nuance s Chairman and Chief Executive Officer, and Richard Palmer, Nuance s Senior Vice President of Corporate Development, met telephonically with representatives of

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Goldman, Sachs, VoiceSignal s financial advisor, to discuss the terms of the proposed transaction and the process the companies would follow to complete the transaction.

Between March 28, 2007 and April 4, 2007, representatives of Nuance, Lehman Brothers, Goldman, Sachs and legal advisors to VoiceSignal and Nuance met telephonically several times to negotiate the major economic terms of the transaction and the terms under which VoiceSignal would agree to enter into an exclusive negotiating period.

On April 4, 2007, VoiceSignal and Nuance entered into an exclusivity agreement. Pursuant to the terms of the agreement, Nuance was not allowed to perform diligence of VoiceSignal until a non-disclosure agreement among the parties had been executed and a mutually satisfactory form of the merger agreement had been reached.

On April 16 and 17, 2007, Mr. Ricci, Lee Barbieri, a member of VoiceSignal s board of directors, Mr. Geruson, and their respective financial and legal advisors met telephonically to negotiate certain open points of the merger agreement.

On April 19, 2007, the VoiceSignal board of directors met telephonically to review the status of the negotiations with Nuance. Mr. Geruson reviewed the timetable for reaching a transaction with Nuance and updated the board of directors on the diligence process to be completed prior to the execution of a merger agreement. Mr. Geruson and the VoiceSignal board of directors considered the total purchase price, the mix of proposed merger consideration, the treatment of vested and unvested stock options at closing and the size of the proposed escrow to cover indemnification claims.

On April 30, 2007, the parties agreed to an updated Non-Disclosure and FRE 408 Agreement. The agreement set forth the process and procedures for the receipt of the diligence information by Nuance and its advisors.

On May 2, 2007, the Nuance board of directors held a regular meeting via conference call, at which it considered the possible acquisition of VoiceSignal. Among other matters, the directors discussed: (1) the strategic benefits of the transaction; (2) financial analyses and other information with respect to the companies presented by Lehman Brothers; (3) the financing alternatives available to Nuance in order to consummate the transaction; and (4) the impact of the transaction on Nuance and its stockholders.

On May 4, 2007, pursuant to the terms of the exclusivity agreement between the parties, VoiceSignal, through its legal advisor, notified Nuance that VoiceSignal had received an acquisition inquiry, offer or proposal from a third party.

On May 5, 2007, Nuance and VoiceSignal agreed on the form of a merger agreement. Pursuant to the terms of the non-disclosure agreement, Nuance s legal counsel and financial advisors began the review of VoiceSignal s diligence material in the offices of VoiceSignal s legal counsel. From May 6, 2007 through May 11, 2007, these advisors continued their diligence review of VoiceSignal.

On May 10, 2007, representatives of VoiceSignal and Goldman, Sachs met telephonically with Mr. Ricci and representatives of Lehman Brothers to discuss an overview of Nuance s business.

On May 12, 2007, VoiceSignal, through its legal advisor, notified Nuance that VoiceSignal had received another acquisition inquiry, offer or proposal from a third party.

On May 12, 2007, the VoiceSignal board of directors met telephonically to review the status of the proposed merger. Mr. Geruson informed the board of directors that a merger agreement had been negotiated with respect to the potential transaction and that Nuance s diligence review had been completed. Mr. Geruson requested that VoiceSignal s outside legal counsel update the board of directors with the terms of the merger agreement and review any changes that had occurred during the negotiations. The board of directors also considered the letter agreement between VoiceSignal and certain executive officers with respect to transaction bonuses payable upon closing of the merger and the acceleration of the option awards to certain founders upon the closing of the merger. The VoiceSignal board of directors then unanimously approved the transactions contemplated by the merger agreement and the appointment of Stata Venture Partners, LLC as the stockholder representative.

On May 12, 2007, the Nuance board of directors held a special meeting, at which it reviewed the terms and status of the negotiations. The board requested additional information from management and then agreed to reconvene the following day.

On the evening of May 12, 2007, Mr. Ricci, Steve Chambers, President of Nuance s Speech Division, Helgi Bloom, Director of Corporate Development for Nuance, Messrs. Barbieri and Geruson, and Damon Pender, VoiceSignal s Vice President of Finance, held a conference call to discuss certain aspects of VoiceSignal s business.

On May 13, 2007, the Nuance board of directors held a special meeting, at which management and representatives of Lehman Brothers and Nuance s accounting consultants and legal advisors discussed the findings of Nuance s diligence of VoiceSignal, the strategic benefits of the acquisition and reported on the final terms of the merger agreement and related agreements. Representatives of Lehman Brothers reviewed financial analyses with respect to the proposed acquisition. After consideration of these presentations, the Nuance board of directors unanimously approved the acquisition and merger agreement.

On May 14, 2007, Nuance, VoiceSignal and Vicksburg Acquisition Corporation entered into the merger agreement.

On May 14, 2007, certain executive officers, directors and related stockholder affiliates holding approximately 74% of the capital stock of VoiceSignal on an as-converted-to-common stock basis and approximately 78% of the Series C preferred stock and Series D preferred stock, voting together as a single class on an as-converted-to-common stock basis entered into voting agreements with Nuance pursuant to which they have agreed to vote in favor of the merger upon presentation to the VoiceSignal stockholders.

Consideration of the Merger by Nuance

The Nuance board of directors considered a number of alternatives for enhancing its competitive position in the speech technology markets and increasing stockholder value. The Nuance board of directors believes that the proposed merger is in the best interest of Nuance and its stockholders. The Nuance board of directors unanimously approved the merger agreement and the merger. This decision was based on a number of factors, including the potential benefits that the Nuance board of directors believes will contribute to the future success of the combined company. These benefits include:

- the ability to better serve the customer base of each company with a comprehensive portfolio of technologies, applications and expertise that will enable customers to effectively deploy innovative speech-solutions;
- the ability of the combined company to bring together an array of technical resources, including scientists and engineers and an expanded intellectual property portfolio;
- the complementary nature of the technologies of the combined company;
- the ability to leverage a unified sales infrastructure to expand sales coverage and create improved opportunities for selling the products of the combined company;
- the ability to leverage combined technical assets and expertise to focus on technology specific to specific verticals, increased ability to develop applications more efficiently and optimization of technology to improve performance;

the ability of the combined company to employ the skills and resources of both companies management teams; and

the transaction is expected to achieve synergies from the combined research and development, marketing, sales and administrative areas of the company following the merger.

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The Nuance board of directors evaluated all of the potential benefits described above in light of their knowledge of VoiceSignal s business, financial condition and prospects, Nuance s business, financial condition and prospects, and the market for speech technology solutions. The Nuance board of directors also identified and considered potentially negative factors that could result from the merger, including the risks posed by the necessary integration of the businesses and operations of the two companies and the risk that the combined company will not be able to fully realize potential synergies and cost saving opportunities. In addition, the Nuance board of directors considered a number of other factors in evaluating the proposed merger, including presentations given by Nuance s management. In view of the variety of factors considered by the Nuance board of directors in its evaluation of the merger, the Nuance board of directors did not find it practicable to, and did not, quantify or otherwise assign relative weight to the specific factors considered in reaching its decision. In addition, individual members of the Nuance board of directors may have given different weight to different factors. While the list of potential benefits described in this section as having been considered by the Nuance board of directors is not intended to be the complete list of all of the potential benefits considered, it is believed to include the potential benefits considered by the Nuance board of directors to be material.

The Nuance board of directors believes that the merger is advisable, and is fair to and in the best interests of Nuance and its stockholders.

Consideration of the Merger by VoiceSignal

VoiceSignal has been in operation since 1995, and has historically raised capital through private financings. The VoiceSignal board of directors considered a number of alternatives for enhancing its competitive position in the speech technology market and increasing stockholder value. Prior to March 2007, the board of directors considered several acquisitions of companies to grow the company and increase the value of the company for stockholders. The VoiceSignal board of directors also considered raising capital and increasing stockholder liquidity through an initial public offering of its common stock.

The VoiceSignal board of directors believes that the proposed merger is in the best interests of VoiceSignal and its stockholders. The VoiceSignal board of directors unanimously approved the proposed merger and related merger agreement. This decision was based on a number of factors, including:

- the total merger consideration of approximately $300 million, to be comprised of $210 million in cash and $90 million in shares of Nuance common stock;
- the opportunity for VoiceSignal s stockholders to gain liquidity and participate in the future performance of a larger provider of speech and imaging solutions;
- the relative financial conditions, results of operations and prospects of VoiceSignal and Nuance;
- the board of director s belief that the merger would allow VoiceSignal and Nuance to achieve synergies in the form of cost savings and other efficiencies;
- the general market conditions and changes in the outlook for the industries in which Nuance s and VoiceSignal s businesses operate;
- the requested escrow amount for Nuance indemnification claims of $30 million for a period of twelve months subsequent to the closing of the merger;

the treatment of VoiceSignal outstanding stock options, which includes: the assumption of unvested options by Nuance and the opportunity for holders of vested options to net exercise their vested options in order to pay the applicable total exercise price and receive their pro rate share of the merger consideration; and

the ability for the parties to close the merger after signing the merger agreement.

In reaching its decision to approve and adopt the merger agreement and the transactions contemplated thereby, the VoiceSignal board of directors also identified and considered a number of potentially negative factors that could result from the merger, including the following:

- the risks that the integration of the businesses, products and personnel of the two companies will not be successfully implemented and may require a significant amount of management time and resources;
- the risk that the potential synergies and cost-saving opportunities identified by Nuance and VoiceSignal will not be fully realized or not fully realized in the time frame anticipated;
- in the event that the transaction is not consummated, the possible negative effects of the announcement of the merger on VoiceSignal s relationships with customers and suppliers, employee morale and potential loss of key employees, and the impact on our sales, operating results and stock price, and the negative impact that the transaction costs incurred in connection with the proposed merger would have on Voice Signal s cash reserves and operating results;
- because VoiceSignal stockholders will receive shares of Nuance common stock as part of the merger consideration, the price volatility of Nuance s common stock which may reduce the market price of the Nuance common stock that VoiceSignal stockholders will receive upon the closing of the merger;
- the restrictions that the merger agreement imposes on actively soliciting competing bids;
- the limitations that the merger agreement imposes on VoiceSignal s ability to operate its business until the transaction closes or is terminated;
- the risk of diverting management s attention from other strategic priorities to implement merger integration efforts; and
- the other risks described in this joint information statement/prospectus in the section entitled Risk Factors.

The VoiceSignal board of directors evaluated all of the factors described above in light of its knowledge of VoiceSignal s business, financial condition and prospects, Nuance s business, financial condition and prospects, and the market opportunities for speech technology solutions. In view of the variety of factors considered by the VoiceSignal board of directors in its evaluation of the merger, the VoiceSignal board of directors did not find it practicable to, and did not, quantify or otherwise assign relative weight to the specific factors considered in reaching its decision. In addition, individual members of the VoiceSignal board of directors may have given different weight to different factors. The list of factors described in this section as having been considered by the VoiceSignal board of directors is not intended to be the complete list of all factors considered but is believed to include all of the factors considered by the VoiceSignal board of directors to be material.

After considering all of the information and factors described in this section, the VoiceSignal board of directors unanimously approved the merger, the merger agreement and the other transactions contemplated by the merger agreement. The VoiceSignal board of directors believes that the merger agreement and the merger are fair to, advisable and in the best interests of VoiceSignal and its stockholders. The VoiceSignal board of directors has unanimously recommended that the VoiceSignal stockholders vote FOR the adoption of the merger agreement and approval of the transactions contemplated thereby.

Interests of VoiceSignal Directors and Officers in the Merger

When VoiceSignal stockholders consider the recommendation of the board of directors of VoiceSignal with respect to the merger, they should be aware that some of the officers and directors of VoiceSignal have interests in connection with the merger, that are different from, or in addition to, the interests of their stockholders, as summarized below. In making their decision to recommend the merger, the board of directors of VoiceSignal was aware of these interests and considered them among the other matters described above under the section entitled The Merger Consideration of the Merger by VoiceSignal on page 32.

The table below sets forth the interests of the directors and officers of VoiceSignal in VoiceSignal s capital stock as of June , 2007.

Name	Aggregate Shares of Voice Signal Common Stock*	Aggregate Shares Subject to Options Outstanding	Aggregate Shares Subject to Unvested Options	Weighted Average Exercise Price of Outstanding Options	Relationship to VoiceSignal
Lee Barbieri(1)	37,513,664			n/a	Director
Thomas DiBenedetto(2)	12,647,281			n/a	Director
Frank Boyer		275,000	154,688	$ 0.09	Director
Richard Geruson		8,316,114	519,757	$ 0.09	Director, Chief Executive Officer
Jason Martin(3)	23,018,936			n/a	Director
Daniel L. Roth	7,090,133	2,019,103	50,000	$ 0.09	Director, President
Victor Zue		90,000		$ 0.45	Director
Thomas Lazay	7,090,133	639,701	39,981	$ 0.09	Vice President of Product Management
Damon Pender	50,000	104,920	37,500	$ 0.26	Vice President of Finance

* Includes shares of preferred stock on an as-converted-to-common stock basis.

(1) Shares beneficially owned consists of the 37,513,664 shares held by Stata Venture Partners, LLC.

(2) Shares beneficially owned includes 3,189,815 held in various trusts for the benefit of family members of Mr. DiBenedetto.

(3) Shares beneficially owned consists of 23,018,936 shares held by Argonaut Holdings LLC.

Accelerated Vesting of Stock Options. All outstanding vested stock options will terminate following the completion of the merger if not exercised before such time. Certain outstanding stock options held by directors and officers of VoiceSignal are subject to acceleration benefits in connection with the merger. The table above identifies, for each VoiceSignal director and officer, as of June , 2007, the aggregate number of shares subject to outstanding options of VoiceSignal common stock that may contain acceleration of vesting benefits in connection with the merger.

Stock Option Acceleration Agreements with Executive Officers. On May 12, 2007, VoiceSignal s board of directors approved the acceleration of all stock option awards held by Thomas Lazay and Daniel Roth, providing that upon the completion of the merger, all unvested stock options held by both Mr. Lazay and Mr. Roth will be 100% vested.

Employment Agreement with VoiceSignal s CEO. The letter agreement with Richard Geruson, VoiceSignal s Chief Executive Officer and a member of the board of directors, dated September 4, 2003, provides that if VoiceSignal terminates Mr. Geruson s employment without cause or if his employment terminates due to resignation for good reason, death or disability, Mr. Geruson shall receive (i) one times his annual compensation; (ii) continuing benefits for a period of twelve months of termination; (iii) his target bonus for the year of termination of employment; and

(iv) a six month acceleration of vesting for his then unvested equity. Upon a change in control of VoiceSignal, 50% of Mr. Geruson s then unvested equity will immediately vest. If such termination occurs within two years following a change of control, 100% of his unvested equity will vest in full.

Employment Agreements. VoiceSignal has also entered into agreements with certain officers and key employees that provide severance benefits if such officer s or key employee s employment is terminated under certain circumstances.

Under the following employment agreements, if VoiceSignal terminates the employment of any of these employees without cause or their employment terminates due to resignation for good reason (including a voluntary resignation for any reason within three (3) months after a change in control) or disability, such employee shall receive the following severance benefits:

Agreement with Daniel Roth, dated as of September 6, 2003, provides that Mr. Roth will receive twelve months base salary, target bonus for the year and continuing health benefits for the twelve months following termination of employment.

Agreement with Thomas Lazay, dated as of September 6, 2003, provides that Mr. Lazay will receive twelve months base salary, target bonus for the year and continuing health benefits for twelve months following termination of employment.

In addition, VoiceSignal entered into a Change in Control Separation Agreement with Damon Pender, dated as of April 20, 2004, that provides that if Mr. Pender is terminated by VoiceSignal within six months of a change in control, Mr. Pender will receive six months salary and continuing health benefits for six months following termination of employment.

Change in Control Bonuses. VoiceSignal has entered into a letter agreement with the following officers and directors providing that upon the effective date of the merger, each of the following officers and directors will receive payments, as set forth below:

Individual	**Title**	**Amount**
Richard Geruson	Chief Executive Officer, Director	$495,000
Damon Pender	Vice President of Finance	$250,000
Frank Boyer	Director	$25,000
Victor Zue	Director	$25,000

Voting Agreements. Certain of VoiceSignal directors and officers have entered into voting agreements with Nuance in connection with the merger. See the section entitled Agreements Related to the Merger VoiceSignal Voting Agreements beginning on page 55 for a description of these agreements.

Material U.S. Federal Income Tax Consequences of the Merger

The following discussion summarizes certain U.S. federal income tax consequences of the merger that are generally applicable to holders of VoiceSignal capital stock. This discussion is based on currently existing provisions of the Internal Revenue Code of 1986, as amended, which is referred to as the Code, existing Treasury regulations thereunder, and current administrative rulings and court decisions, all as of the date hereof and all of which are subject to change. Any such change, which may or may not be retroactive, could alter the tax consequences to holders of VoiceSignal capital stock as described herein. Stockholders should be aware that this discussion does not deal with all U.S. federal income tax consequences that may be relevant to the individual stockholders in light of each stockholder s particular circumstances, including, for example, for a stockholder who is a foreign person or entity, a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) or a partner in such partnership, an estate, a trust, a tax-exempt entity, a financial institution, an insurance company, a dealer in securities, a stockholder who acquired VoiceSignal capital stock in connection with a stock option or stock purchase plan or otherwise in connection with the performance of services, who is subject to the alternative minimum tax provisions of the Code or who holds shares of VoiceSignal capital stock as part of a hedge, straddle, or other risk reduction, constructive sale or conversion transaction. This discussion assumes that the shares of VoiceSignal capital stock are held as capital assets (generally, for investment). In addition, the following discussion does not address the tax consequences of transactions effectuated prior or subsequent to, or concurrently with, the merger (whether or not such transactions are in connection with the merger), including without limitation transactions in which shares of VoiceSignal capital stock are acquired or shares of Nuance common stock are disposed of. Moreover, this summary does not address the tax consequences of the merger or related transactions to holders of promissory notes, options or warrants to purchase VoiceSignal capital stock, or to stockholders who receive consideration other than the merger Consideration or other than in exchange for VoiceSignal capital stock. Furthermore, no foreign, state or local tax considerations are addressed herein.

Taxable sale of VoiceSignal capital stock. The receipt of the merger consideration pursuant to the merger, or the receipt of cash pursuant to the exercise of appraisal rights under Delaware law, in exchange for shares of VoiceSignal capital stock will be taxable to the stockholders of VoiceSignal. Stockholders generally will recognize gain or loss equal to the difference between their adjusted tax basis in the surrendered VoiceSignal capital stock and the proceeds received pursuant to the merger or the exercise of appraisal rights, including any cash and the fair market value of any shares of Nuance common stock. Except for the portion of any payment from the escrow fund taxed as interest income (as described below), and the payment of interest as directed by a Delaware court with respect to dissenting shares, such gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the stockholder s holding period for the VoiceSignal capital stock is more than one year as of the completion of the merger. For non-corporate stockholders, long-term capital gain is currently subject to a maximum federal income tax rate of 15%. The deductibility of capital losses is subject to limitations.

Gain or loss must be calculated separately for each block of VoiceSignal capital stock (i.e., shares of VoiceSignal capital stock acquired at the same time in a single transaction). Stockholders who own separate blocks of VoiceSignal capital stock should consult their tax advisors with respect to these rules.

Installment Sale Reporting. Because the cash deposited in the escrow fund is to be received by the stockholders, if at all, after the close of the taxable year in which the merger occurs, any gain realized by a stockholder on the sale of VoiceSignal capital stock should be reported under the installment method, unless the stockholder affirmatively elects out of or is otherwise ineligible for installment method reporting. The installment method does not apply to any stockholder who will recognize a loss upon the sale of such stockholder s VoiceSignal capital stock.

Generally, under the installment method, a portion of each payment received is taxable as gain in the year of receipt, a portion represents a tax-free recovery of the stockholder s basis in the shares of VoiceSignal capital stock and, with respect to any payment more than six months after the completion of the merger, a portion is taxable as imputed interest (as discussed below). The gain to a stockholder generally would be calculated by multiplying the value of any payment received (excluding the portion of such payment treated as interest income under the imputed interest rules described below) by the gross profit ratio. The gross profit ratio is the ratio that (1) the selling price less the stockholder s adjusted basis in the shares of VoiceSignal capital stock bears to (2) the total selling price of the stockholder s shares of VoiceSignal capital stock. When a maximum sales price is stated, Treasury regulations regarding the installment method generally require stockholders to assume, for purposes of calculating the selling price and the gross profit ratio, that they will receive the maximum possible amount of sale proceeds at the earliest possible times under the terms of the merger agreement. However, the selling price does not include amounts treated as interest income under the imputed interest rules described below.

One significant effect of the installment method of which stockholders should be aware is that the amount of gain attributable to the merger consideration paid on completion of the merger may be reduced by only a portion of the stockholder s basis in the shares of VoiceSignal capital stock. To the extent the installment sale rules result in a net over inclusion of gain, a stockholder generally would be entitled to a capital loss.

Imputed Interest. Under the installment method, a portion of any payment more than six months after the completion of the merger will be treated as interest income taxable at ordinary income rates when received, and will reduce the amount of gain (or increase the amount of loss) otherwise recognizable. The portion of any payment more than six months after the completion of the merger that will be treated as interest income is determined by discounting the actual amount of the payment, using the appropriate applicable federal rate, from the date the payment becomes fixed to the date of the completion of the merger. The discounted amount is then subtracted from the actual amount of the payment, and the remainder is the portion of the payment treated as interest income.

Section 453A Additional Interest Charges on Deferred Taxes. Under Section 453A of the Code, additional annual interest charges may be imposed on the portion of a stockholder s tax liability that is deferred by the installment method in connection with sales of any property (including the shares of VoiceSignal capital stock) with a sales price greater than $150,000, to the extent that the aggregate face

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amount of installment receivables that arise from all $150,000 sales by the stockholder (including sales of shares of VoiceSignal capital stock) during the year and that remain outstanding as of the close of the year exceeds $5 million.

Electing Out of Installment Method. Stockholders may elect not to use the installment method for U.S. federal income tax purposes. Such election not to use the installment method should be made on a stockholder s return for the taxable year in which the completion of the merger occurs. A stockholder who elects out of the installment method must recognize gain on the sale (including gain based on the fair market value of the escrow fund) in accordance with such stockholder s method of accounting. To the extent that a payment from the escrow fund is more or less than the amount previously taken into income, a stockholder would be required to recognize additional gain or loss.

STOCKHOLDERS WHO ANTICIPATE RECOGNIZING A GAIN AS A RESULT OF THE MERGER ARE STRONGLY ENCOURAGED TO CONSULT THEIR OWN TAX ADVISORS WITH REGARD TO THE EFFECT TO THEM OF THE APPLICATION OF THE INSTALLMENT METHOD AND WHETHER THEY SHOULD ELECT OUT THE INSTALLMENT METHOD BASED ON THEIR PARTICULAR SITUATIONS.

Backup Withholding. In order to avoid backup withholding of U.S. federal income tax on payments to VoiceSignal stockholders, unless an exception applies, each stockholder must provide such stockholder s correct taxpayer identification number, or TIN, on IRS Form W-9 (or, if appropriate, another withholding form) and certify under penalties of perjury that such number is correct and that such stockholder is not subject to backup withholding. If a VoiceSignal stockholder fails to provide the correct taxpayer or certification, payments received may be subject to backup withholding, currently at a 28% rate. Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained, provided that the required information is furnished to the IRS.

Accounting Treatment of the Merger

Nuance will account for the merger using the purchase method of accounting in accordance with Statement of Financial Accounting Standards No. 141, Business Combinations. As such, the assets acquired and liabilities assumed of VoiceSignal will be recorded at their fair values as of the date of the merger. Any excess of the purchase price over the fair value of the net tangible assets and identifiable intangible assets acquired will be recorded as goodwill. The results of operations of VoiceSignal will be included in Nuance s results of operations from the date of the closing of the merger.

Regulatory Approvals

Under the HSR Act, the merger may not be consummated unless certain filings have been submitted to the FTC and the Antitrust Division and certain waiting period requirements have been satisfied. Nuance and VoiceSignal filed the appropriate notification and report forms with the FTC and with the Antitrust Division and are awaiting the expiration, or notice of the early termination, of the waiting period.

The FTC and the Antitrust Division frequently evaluate transactions like the merger. At any time before or after the completion of the merger, the FTC or the Antitrust Division could take any action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the completion of the merger or seeking the divestiture of substantial assets of Nuance or VoiceSignal. In addition, certain private parties, as well as state attorneys general and other antitrust authorities, may challenge the transaction under antitrust laws under certain circumstances.

In addition, the merger may be subject to various foreign antitrust laws.

Nuance and VoiceSignal believe that the completion of the merger will not violate any antitrust laws. There can be no assurance, however, that a challenge to the merger on antitrust grounds will not be made, or, if such a challenge is made, what the result will be.

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Listing on the Nasdaq National Market of Nuance Shares Issued Pursuant to the Merger

The authorization for listing of the shares of Nuance common stock to be issued in the merger on the NASDAQ Global Select Market, subject to official notice of issuance, is a condition to the merger.

Restrictions on Sales of Shares of Nuance Common Stock Received in the Merger

The shares of Nuance common stock to be issued in connection with the merger will be registered under the Securities Act and will be freely transferable, except for shares of Nuance common stock issued to any person who is deemed to be an affiliate of VoiceSignal prior to the merger. Persons who may be deemed to be affiliates of VoiceSignal prior to the merger include individuals or entities that control, are controlled by, or are under common control of VoiceSignal prior to the merger, and may include officers and directors, as well as principal stockholders of VoiceSignal prior to the merger. Affiliates of VoiceSignal will be notified separately of their affiliate status.

Persons who may be deemed to be affiliates of VoiceSignal prior to the merger may not sell any of the shares of Nuance common stock received by them in connection with the merger except pursuant to:

- an effective registration statement under the Securities Act covering the resale of those shares;
- an exemption under paragraph (d) of Rule 145 under the Securities Act; or
- any other applicable exemption under the Securities Act.

Nuance s registration statement on Form S-4, of which this joint information statement/prospectus is a part, does not cover the resale of shares of Nuance common stock to be received in connection with the merger by persons who may be deemed to be affiliates of VoiceSignal prior to the merger.

Appraisal Rights

Holders of record of VoiceSignal capital stock who do not vote in favor of adopting the merger agreement, the merger, and approving the transactions contemplated by the merger agreement, and who otherwise comply with the applicable provisions of Section 262 of the Delaware General Corporation Law, which we refer to throughout this joint information statement/prospectus as the DGCL, will be entitled to exercise appraisal rights under Section 262 of the DGCL.

This means that those who do not provide written consent in favor of the proposal relating to approval of the adoption of merger agreement, the merger and the transactions contemplated by the merger agreement and who comply with the other provisions of Section 262 will have the right to seek payment of the fair market value of their stock if the merger is completed. A copy of Section 262 is attached hereto as Annex B. A stockholder s execution of the written consent provided with this joint information will constitute a waiver of applicable dissenters rights. Only stockholders as of the date the merger is approved are eligible to assert dissenters rights.

Appraisal Rights Under Delaware Law. The following is a summary of the procedures to be followed under Section 262, the full text of which is attached hereto as Annex B and is incorporated herein by reference. The summary does not purport to be a complete statement of, and is qualified in its entirety by reference to, Section 262 and to any amendments to such section after the date of this joint information statement/prospectus. Failure to follow any of the procedures of Section 262 may result in termination or waiver of appraisal rights under Section 262.

VoiceSignal stockholders should assume that VoiceSignal will take no action to perfect any appraisal rights of any stockholder. Any VoiceSignal stockholder who desires to exercise his, her or its appraisal rights should review carefully Section 262 and is urged to consult his, her or its legal advisor before electing or attempting to exercise such rights.

Only a holder of record of shares of VoiceSignal capital stock who has not consented to the merger will be entitled to seek appraisal. The demand for appraisal must be executed by or for the holder of record, fully and correctly, as such holder s name appears on the holder s certificates evidencing shares of VoiceSignal capital stock. If the shares are owned of record in a fiduciary capacity, such as by a trustee, guardian or

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custodian, the demand should be made in that capacity, and if the shares are owned of record by more than one person, as in a joint tenancy or tenancy in common, the demand must be made by or for all owners of record. An authorized agent, including one or more joint owners, may execute the demand for appraisal for a holder of record; however, such agent must identify the record owner or owners and expressly disclose in such demand that the agent is acting as agent for the record owner or owners of such shares.

A record holder, such as a broker who holds shares of VoiceSignal capital stock as a nominee for beneficial owners, some or all of whom desire to demand appraisal, must exercise rights on behalf of such beneficial owners with respect to the shares held for such beneficial owners. In such case, the written demand for appraisal should set forth the number of shares covered by such demand. Unless a demand for appraisal specifies a number of shares, such demand will be presumed to cover all shares held in the name of such record owner.

Under Sections 228(d) and 262(d)(2) of the DGCL, VoiceSignal is required to mail to each holder of VoiceSignal capital stock who has not consented in writing to the adoption and approval of the merger agreement, and the merger and the transactions contemplated thereby, a Notice of Corporate Action Taken Without a Meeting and Notice of Availability of Appraisal and Dissenters Rights, referred to as the Notice of Action Taken and Appraisal Rights. The Notice of Action Taken and Appraisal Rights must be delivered to the applicable VoiceSignal stockholders by either VoiceSignal following receipt of the requisite approval of the adoption and approval of the merger agreement, the merger and the transactions contemplated thereby, or by VoiceSignal within 10 days following the consummation of the merger. Any stockholder entitled to appraisal rights may, on or before 20 days after the date of mailing of the Notice of Action Taken and Appraisal Rights, demand in writing from VoiceSignal an appraisal of his, her or its shares of VoiceSignal capital stock. Such demand will be sufficient if it reasonably informs VoiceSignal of the identity of the stockholder and that the stockholder intends to demand an appraisal of the fair value of the stockholder s shares. Failure to make such a demand on or before the expiration of such twenty-day period will foreclose a stockholder s rights to appraisal. Stockholders should not expect to receive any additional notice with respect to the deadline for demanding appraisal rights.

A VoiceSignal stockholder who elects to exercise appraisal rights must mail or deliver the written demand for appraisal to:

Voice Signal Technologies, Inc.
150 Presidential Way, Suite 310
Woburn, MA 01801
Attn: Corporate Secretary
Telephone: (781) 970-5200
Facsimile: (781) 970-5300

A stockholder may withdraw a demand for appraisal within 60 days after the effective time of the merger. Thereafter, the approval of VoiceSignal will be needed for such a withdrawal. Upon withdrawal of a demand for appraisal, a VoiceSignal stockholder will be entitled to receive the consideration set forth in the merger agreement in exchange for his, her or its shares of VoiceSignal capital stock.

Within 120 days after the effective time of the merger, referred to as the 120-Day Period, in compliance with Section 262, any VoiceSignal stockholder who has properly demanded an appraisal and who has not withdrawn the stockholder s demand as provided above (such stockholders being referred to collectively as the Dissenting Stockholders) and VoiceSignal each have the right to file in the Delaware Court of Chancery a petition demanding a determination of the value of the shares held by all of the Dissenting Stockholders. If, within the 120-day Period, no petition shall have been filed as provided above, all rights to appraisal will cease and all of the Dissenting Stockholders who owned shares of VoiceSignal capital stock will become entitled to receive the consideration set forth in the merger agreement in exchange for his, her or its shares of VoiceSignal capital stock. VoiceSignal is not obligated and does not currently intend to file a petition. Any Dissenting Stockholder is entitled, within the 120-day Period and upon written request to VoiceSignal, to receive from VoiceSignal a statement setting forth the aggregate number of shares not voted in favor of the

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merger and with respect to which demands for appraisal have been received and the aggregate number of Dissenting Stockholders.

Upon the filing of a petition by a Dissenting Stockholder, the Delaware Court may order a hearing and that notice of the time and place fixed for the hearing on the petition be mailed to VoiceSignal and all the Dissenting Stockholders. Notice will also be published at least one week before the day of the hearing in a newspaper of general circulation published in the City of Wilmington, Delaware, or in another publication deemed advisable by the Delaware Court. The costs relating to these notices will be borne by VoiceSignal.

If a hearing on the petition is held, the Delaware Court is empowered to determine which Dissenting Stockholders have complied with the provisions of Section 262 and are entitled to an appraisal of their shares. The Delaware Court may require that Dissenting Stockholders submit their share certificates for notation thereon of the pendency of the appraisal proceedings. The Delaware Court is empowered to dismiss the proceedings as to any Dissenting Stockholder who does not comply with such requirement. Accordingly, Dissenting Stockholders are cautioned to retain their share certificates pending resolution of the appraisal proceedings.

The shares will be appraised by the Delaware Court at the fair value thereof as of the effective time of the merger exclusive of any element of value arising from the accomplishment or expectation of the merger. In determining the value, the court is to take into account all relevant factors. In *Weinberger v. UOP, Inc. et al.*, decided February 1, 1983, the Delaware Supreme Court expanded the considerations that could be considered in determining fair value in an appraisal proceeding, stating that proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court should be considered and that fair price obviously requires consideration of all relevant factors involving the value of a company. The Delaware Supreme Court stated, in making this determination of fair value, that the court must consider market value, asset value, dividends, earnings, prospects, the nature of the enterprise and any other factors which could be ascertained as of the date of the merger which throw any light on future prospects of the merged corporation. The Delaware Supreme Court noted that Section 262 provides that fair value is to be determined exclusive of any element of value arising from the accomplishment or expectation of the merger. In *Weinberger*, the Delaware Supreme Court held that elements of future value, including the nature of the enterprise, which are known or susceptible of proof as of the date of the merger and not the product of speculation, may be considered.

VoiceSignal stockholders considering seeking appraisal should bear in mind that the fair value of their shares determined under Section 262 could be more, the same or less than the consideration payable pursuant to the merger agreement.

The Delaware Court may also (i) determine a fair rate of interest (simple or compound), if any, to be paid to Dissenting Stockholders in addition to the fair value of the shares for the period from the effective time of the merger to the date of payment, (ii) assess costs of the proceeding among the parties as the Delaware Court deems equitable, and (iii) order all or a portion of the expenses incurred by any Dissenting Stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorneys fees and fees and expenses of experts, to be charged *pro rata* against the value of all shares entitled to appraisal. Determinations by the Delaware Court are subject to appellate review by the Delaware Supreme Court.

Dissenting Stockholders are generally permitted to participate in the appraisal proceedings. No appraisal proceedings in the Delaware Court shall be dismissed as to any Dissenting Stockholder without the approval of the Delaware Court, and this approval may be conditioned upon terms which the Delaware Court deems just. From and after the effective time of the merger, Dissenting Stockholders will not be entitled to vote their shares for any purpose and will not be entitled to receive payment of dividends or other distributions in respect of such shares payable to stockholders of record thereafter.

Failure to follow the steps required by Section 262 of the DGCL for perfecting appraisal rights may result in the loss of these rights, in which event a VoiceSignal stockholder will be entitled to receive the consideration payable with respect to their shares of VoiceSignal capital stock in accordance with the merger agreement (without interest).

Consequently, any VoiceSignal stockholder willing to exercise appraisal rights is urged to consult with legal counsel prior to attempting to exercise such rights.

AGREEMENTS RELATED TO THE MERGER

The Merger Agreement

The following is a summary of the material provisions of the merger agreement. This summary is qualified in its entirety by reference to the merger agreement, a copy of which is attached as Annex A to this joint information statement/prospectus and is incorporated into this joint information statement/prospectus by reference. You should read the merger agreement in its entirety, as it is the legal document governing this merger, and the provisions of the merger agreement are not easily summarized.

Structure of the Merger

The merger is structured as a reverse-triangular merger pursuant to which Vicksburg Acquisition Corporation, a wholly owned subsidiary of Nuance, will merge with and into VoiceSignal. Thereafter, Vicksburg Acquisition Corporation will cease to exist as a separate corporate entity and VoiceSignal will continue as the surviving corporation and as a wholly owned subsidiary of Nuance. Unless otherwise determined by Nuance, prior to the effective time of the merger, the certificate of incorporation of the combined company shall be amended and restated as of the effective time of the merger to be identical to the certificate of incorporation of Vicksburg Acquisition Corporation as in effect immediately prior to the effective time of the merger; provided, however, that at the effective time of the merger, Article I of the certificate of incorporation of the combined company shall be amended and restated in its entirety to read as follows: The name of the corporation is Voice Signal Technologies, Inc.

Effective Time and Timing of Closing

The merger will be completed and become effective when the certificate of merger related to the merger of Vicksburg Acquisition Corporation with and into VoiceSignal is filed with the Secretary of State of the State of Delaware, or at such later time as we may agree and as is specified in the certificate of merger, in accordance with Delaware law. The closing of the merger will take place as soon as practicable after all conditions to the merger have been satisfied or waived, or on such other date as we may agree. We currently anticipate that we will complete the merger promptly after the action by written consent has been obtained, assuming VoiceSignal s stockholders give their requisite approvals and all conditions to the merger have been satisfied or waived.

Merger Consideration

Upon completion of the merger, VoiceSignal stockholders will be entitled to receive aggregate merger consideration consisting of approximately $210 million in cash and approximately 5,836,576 shares of Nuance common stock. The merger consideration actually payable to VoiceSignal stockholders upon completion of the merger is subject to the following adjustments:

- the $210 million in cash will be increased by an amount equal to any cash proceeds received by VoiceSignal in respect of the exercise of any stock options between the date of the merger agreement and completion of the merger as well as any cash paid in lieu of fractional shares of Nuance common stock that would otherwise be issued in the merger;

the $210 million in cash will be decreased by an amount equal to all fees and expenses incurred by VoiceSignal in connection with the negotiating and completing the merger, such as legal, accounting financial advisory, consulting and all other fees and expenses of third parties; and

the number of shares of Nuance common stock may be reduced to account for the rounding of share distributions and payment in cash of fractional shares to VoiceSignal stockholders.

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As a result of these adjustments as well as adjustments in the allocation of the merger consideration among VoiceSignal stockholders resulting from dividend obligations to certain holders of VoiceSignal preferred stock that fluctuate depending upon the actual date on which the merger is completed, the exact consideration that a VoiceSignal stockholder will receive will not be known at the time the written consent is effective and will depend on the magnitude of these adjustments.

All VoiceSignal stockholders will also have a portion of the merger consideration that they would otherwise be entitled to receive deposited in an escrow account that will be used to compensate Nuance if Nuance is entitled to indemnification under the merger agreement.

The maximum number of shares of Nuance common stock to be issued by Nuance in the merger was fixed at the time the merger agreement was signed. Nuance common stock trades on the NASDAQ Global Select Market and is subject to price fluctuation. Therefore, the value of the Nuance common stock you receive in the merger cannot be known at the time the written consent is effective. The value of the Nuance common stock you receive in the merger may be equal to, less than or greater than its value on the date the merger agreement was signed and/or the time the written consent is effective.

Fractional Shares

Nuance will not issue any fractional shares of common stock in connection with the merger. Instead, each holder of VoiceSignal capital stock who would otherwise be entitled to receive a fraction of a share of Nuance common stock will be entitled to receive cash, without interest, in an amount equal to such fraction multiplied by $15.42.

Exchange of VoiceSignal Stock Certificates for Nuance Stock Certificates

Immediately prior to the completion of the merger, the exchange agent for the merger will mail to each record holder of VoiceSignal capital stock a letter of transmittal and instructions for surrendering the record holder s VoiceSignal stock certificates in exchange for the consideration to be received by VoiceSignal stockholders in the merger. Only those holders of VoiceSignal capital stock who properly surrender their VoiceSignal stock certificates in accordance with the exchange agent s instructions will receive:

- certificates representing the number of whole shares of Nuance common stock to which they are entitled pursuant to the merger agreement;
- cash representing the cash portion of the consideration to which they are entitled pursuant to the merger agreement; and
- cash in lieu of any fractional share of Nuance common stock.

The surrendered certificates representing VoiceSignal capital stock will be canceled. After the effective time of the merger, each certificate representing shares of VoiceSignal capital stock that has not been surrendered will represent only the right to receive each of the items, as the case may be, enumerated above. Following the completion of the merger, VoiceSignal will not register any transfers of VoiceSignal capital stock on its stock transfer books. Holders of VoiceSignal capital stock should not send in their VoiceSignal stock certificates until they receive a letter of transmittal from the exchange agent for the merger, with instructions for the surrender of VoiceSignal stock certificates.

Appraisal Rights

Subject to compliance with the procedures set forth in Section 262 of the Delaware General Corporation Law, or DGCL, VoiceSignal stockholders who do not vote in favor of, or consent to, the adoption of the merger agreement and approval of the transactions contemplated thereby and otherwise comply with the requirements of the DGCL will not receive the merger consideration in exchange for their shares, but instead will be entitled to appraisal rights in connection with the merger, whereby such stockholders may receive the appraised value of their shares of VoiceSignal capital stock held by them in accordance with the provisions of

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such Section 262 of the DGCL. Failure to take any of the steps required under Section 262 of the DGCL on a timely basis may result in a loss of those appraisal rights.

Distributions with Respect to Unexchanged Shares; Adjustments

Holders of VoiceSignal capital stock are not entitled to receive any dividends or other distributions on Nuance common stock until the merger is completed. Such holders will not receive interest in respect of the cash portion of the merger consideration. In the event of any stock split, reverse stock split, stock dividend, reorganization, reclassification, combination, recapitalization or other like change with respect to VoiceSignal capital stock or Nuance common stock occurring after May 14, 2007 and prior to the closing of the merger, all calculations in the merger agreement that are based upon numbers of shares of any class or series (or trading prices therefore) affected by such event will be equitably adjusted to the extent necessary to provide the same economic effect as contemplated by the merger agreement prior to such stock split, reverse stock split, stock dividend, reorganization, reclassification, combination, recapitalization or other like change.

Transfers of Ownership and Lost Stock Certificates

If the payment of the portion of the merger consideration to which a VoiceSignal stockholder is entitled is to be paid to a person other than the person in whose name the certificates surrendered in exchange therefore are registered, it will be a condition of payment that the certificates so surrendered be properly endorsed and otherwise in proper form for transfer (including, if requested, a medallion guarantee), and that the persons requesting such payment will have paid to Nuance or any agent designated by it any transfer or other taxes required. In the event that any certificates representing VoiceSignal capital stock shall have been lost, stolen or destroyed, the holder of such certificate may need to deliver a bond prior to receiving any merger consideration.

Vested VoiceSignal Stock Options

Nuance will not assume or otherwise replace any VoiceSignal stock option that is vested and exercisable as of the effective time of the merger or that becomes vested and exercisable as a result of the merger.

Prior to completion of the merger, VoiceSignal will give each holder of a vested stock option the opportunity to decline to accept an otherwise automatic modification of such holders vested stock options such that:

> immediately prior to the effective time of the merger, and conditioned on the completion of the merger, such holder shall automatically be deemed to have exercised such vested stock option pursuant to a net exercise program whereby such holder will be deemed to have paid the total exercise price required under such vested stock option by relinquishing that number of shares of VoiceSignal common stock underlying such option in an amount necessary to pay the applicable total exercise price and any applicable withholding taxes required because of such net exercise of such vested stock option.

After net exercise, the holder of each such vested VoiceSignal stock option will participate in the merger in the same way, and to the same extent, as if such holder owned the number of shares of VoiceSignal common stock delivered after the automatic deemed net exercise.

Unvested VoiceSignal Options

Nuance will have the opportunity to make a written election prior to the effective time of the merger, to either assume every unvested VoiceSignal option or, instead, cause all such unvested VoiceSignal options to vest and terminate in exchange for a cash payment to the holder of each such terminated option.

The cash payment Nuance will make to each holder of an unvested option if Nuance elects to terminate the unvested options will be equal to (i) the number of shares of VoiceSignal common stock underlying the VoiceSignal option multiplied by (ii) amount of merger consideration to which each outstanding share of VoiceSignal stock on an as-converted-to-common stock basis is entitled in the merger, minus (iii) the total amount of the exercise price due under such option.

If, instead of terminating the unvested options and making the cash payment described above, Nuance elects to assume all unvested VoiceSignal options, each such assumed option will be converted into an option to purchase a number of shares of Nuance common stock at an exercise price appropriately adjusted for the conversion of VoiceSignal common stock into Nuance common stock in the merger.

If any time after completion of the merger, Nuance or VoiceSignal shall terminate for any reason, other than for Cause, the employment of any holder of an assumed option that was unvested at the effective time of the merger, or the holder of any assumed option that was unvested at the effective time of the merger shall terminate for Good Reason his or her employment with Nuance or VoiceSignal, then, immediately upon such termination, such unvested option shall automatically become exercisable for all of the shares of Nuance common stock subject to such assumed option.

Cause means a determination by the Nuance board of directors that the holder of an assumed unvested option has (a) engaged in willful misconduct or unlawful or dishonest conduct in connection with the performance of such holder s duties and responsibilities as an employee or consultant of Nuance or VoiceSignal; (b) materially breached any of such holder s obligations under any agreement between such holder and Nuance or VoiceSignal that pertains to such holder s employment or consulting relationship with Nuance or VoiceSignal; (c) been convicted of a felony; or (d) refused to obey or follow a lawful and reasonable directive issued by such holder s direct supervisor.

Good Reason means with regard to a holder of an assumed unvested option: (a) a material change in such holder s position and responsibilities as an employee or consultant of Nuance or VoiceSignal, except in connection with the termination of such holder s employment; (b) a reduction in such holder s base salary or consulting fees not agreed to by such holder; or (c) a material breach by Nuance or VoiceSignal of their obligations under any agreement with such holder.

Representations and Warranties

The merger agreement contains representations and warranties made by each of Nuance and Vicksburg Acquisition Corporation on the one hand, and VoiceSignal, on the other, regarding aspects of their respective businesses, financial condition and structure, as well as other facts pertinent to the merger. The representations and warranties are subject, in some cases, to specified exceptions and qualifications.

Representations and warranties made by both VoiceSignal and Nuance relate to, among other things:

Nuance s and VoiceSignal s due incorporation, good standing and possession of all governmental licenses, authorizations, permits, consents and approvals required to carry such organizations respective businesses;

Nuance s and VoiceSignal s corporate power and authority to enter into the merger agreement and to consummate the transactions contemplated by the merger agreement;

the possession by Nuance and VoiceSignal of any required consents or approvals of government entities necessary to consummate the transactions contemplated by the merger agreement;

the absence of any violations of or conflicts with Nuance s or VoiceSignal s organizational documents, applicable laws and certain agreements as a result of entering into the merger agreement and the escrow agreement and consummating the transactions contemplated by the merger agreement;

the accuracy of Nuance s and VoiceSignal s financial statements and other information contained in such documents;

the absence of litigation or outstanding court orders; and

the absence of undisclosed liabilities of Nuance and VoiceSignal.

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The merger agreement also contains representations and warranties made by VoiceSignal relating to, among other things:

- its capitalization, including in particular the number of shares of VoiceSignal common and preferred stock and stock options outstanding;
- the existence of any subsidiaries;
- the requisite approval of its stockholders and the unanimous approval by its board of directors of the merger agreement and the transactions contemplated by the merger agreement;
- sufficient internal accounting controls;
- the absence of certain changes or events since December 31, 2006, including:
  - any transaction by VoiceSignal made outside the ordinary course;
  - any capital expenditure or expenditures in excess of specified amounts;
  - any payment, discharge or satisfaction of any liabilities in excess of specified amounts;
  - any damage, destruction or loss of material assets;
  - any change in any method of accounting, except as required by generally accepted accounting principles;
  - any changes to VoiceSignal s tax reporting or tax accounting;
  - any material revaluation of VoiceSignal s assets;
  - any increase in salary or compensation to VoiceSignal officers, directors or employees;
  - any incurrence of indebtedness for borrowed money;
  - any waiver or release of any rights or claims of VoiceSignal in excess of specified amounts;
  - commencement or settlement of any lawsuit;
  - any receipt by VoiceSignal of any claim of infringement; and
  - any sale or license of VoiceSignal s intellectual property or modification or amendment of any existing agreement relating to intellectual property, other than in the ordinary course;
- certain tax representations with respect to VoiceSignal;
- any restrictions on business practices or distribution of technology or products of VoiceSignal;
- its leased real property;

its intellectual property;

the significant contractual agreements to which VoiceSignal is a party;

certain interests of certain officers, directors or stockholders of VoiceSignal;

its minute books;

certain environmental matters with respect to VoiceSignal;

the absence of finders fees;

employment and labor matters, including matters relating to the Employee Retirement Income Security Act and VoiceSignal s employee benefit plans;

its insurance coverage;

absence of any notices of violation of laws;

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its bank accounts;

the accuracy of the information supplied by VoiceSignal and contained in this joint information statement/prospectus; and

disclaimer of representations and warranties related to pending litigation between Nuance and VoiceSignal.

The merger agreement further contains representations and warranties made by Nuance and Vicksburg Acquisition Corporation relating to, among other things:

their capital structure;

the sufficiency of capital held by Nuance to pay the cash consideration in connection with the merger;

the timely filing of appropriate documents with the Securities and Exchange Commission;

the absence of certain changes or events between December 31, 2006, and the date of the merger agreement, including:

any material adverse effect;

any declaration or payment of a dividend with respect to Nuance common stock;

any amendment of Nuance s certificate of incorporation or bylaws, or material term of any outstanding security;

any material change in Nuance s method of accounting;

any split, combination or reclassification of Nuance capital stock;

the due authorization and valid issuance of fully paid and nonassessable Nuance common stock to be issued as merger consideration;

the formation of merger sub solely for purposes of the merger; and

the accuracy of the information supplied by Nuance and contained in this registration and information statement.

The representations and warranties of each of VoiceSignal and Nuance contained in the merger agreement will survive the merger for a period of twelve months from completion of the merger.

Covenants of VoiceSignal

Except as contemplated by the merger agreement, VoiceSignal has agreed that, until completion of the merger or termination of the merger agreement, it will use commercially reasonable efforts to (i) conduct its and its subsidiaries business in the usual, regular and ordinary course, in substantially the same manner as previously conducted, (ii) in the ordinary course of business consistent with past practices pay its debts and pay or perform other material obligations and, when due, its taxes (subject to good faith disputes over such debts, taxes or obligations), (iii) preserve intact its present business organization, (iv) use commercially reasonable efforts to keep available the services of its present executive officers and other key employees, and (v) use commercially reasonable efforts to preserve in the ordinary course of business its relationships with customers, suppliers, licensors, licensees, and others with which it has business dealings. In addition, VoiceSignal shall promptly notify Nuance in writing of any material adverse effect involving its business or operations.

Under the merger agreement, VoiceSignal also agreed that, until the earlier of the completion of the merger or termination of the merger agreement, or unless Nuance consents in writing, VoiceSignal will not:

adopt or propose any change to its certificate of incorporation or bylaws;

make any expenditures or commitments in excess of the amounts in the merger agreement;

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other than as specifically described in the merger agreement, pay, discharge, waive or satisfy any indebtedness in excess of the amounts in the merger agreement;

adopt or change accounting methods other than as required by generally accepted accounting practices;

make or change any material tax election;

materially revalue any of its assets;

declare, set aside or pay any dividends on shares of capital stock;

split, combine or reclassify any shares of VoiceSignal capital stock;

issue or authorize the issuance of any securities in substitution of VoiceSignal capital stock;

repurchase, redeem or otherwise acquire shares of VoiceSignal capital stock;

increase the salary or other compensation of any officer, director employee or advisor, except in the ordinary course;

sell, lease, license or dispose of any properties or assets, except in the ordinary course and consistent with past practices;

make any loans, purchase debt securities or amend the terms of existing loan agreements;

incur any indebtedness for borrowed money, guarantee any indebtedness or issue any debt securities;

waive or release any material right or claim of VoiceSignal;

commence or settle any lawsuit, except as described in the merger agreement;

issue, grant, deliver or purchase any shares of VoiceSignal capital stock of any class, except in connection with the exercise of outstanding options;

issue, grant, deliver or purchase any options, warrants, convertible securities or other rights to acquire any shares of VoiceSignal capital stock;

sell, lease, license or transfer any right to VoiceSignal s intellectual property or modify any existing agreement to do the same;

purchase or license the intellectual property of a third party or modify any existing agreement to do the same;

enter any agreement or modify an existing agreement related to the development of any intellectual property;

change the pricing or royalties charged by VoiceSignal to its customers or licensees, other than as described in the merger agreement;

enter into or amend any exclusive marketing, distribution, development, manufacturing agreement;

purchase or sell any real estate or enter into or modify any existing lease;

amend or terminate existing material contractual arrangements;

acquire any business or corporation;

adopt or amend any plan providing for employee benefits;

enter into strategic alliances affiliate agreements or joint marketing agreements, except as described in the merger agreement;

promote, demote, hire or terminate any employees, except as described in the merger agreement;

alter any interest VoiceSignal may have in any corporation or association;

cancel, amend or renew any material insurance policy; or

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take any or agree to any actions that would prevent VoiceSignal from performing its obligations under the merger agreement or result in any conditions under the merger agreement not to be satisfied.

Alternative Transactions VoiceSignal

VoiceSignal has agreed that neither it, nor any of its subsidiaries, nor any of the executive officers or directors of it or its subsidiaries shall, and that it shall use its commercially reasonable efforts to cause all other employees and any investment banker, attorney, accountant or other representative retained by VoiceSignal not to, directly or indirectly:

solicit, encourage, seek, entertain, support, assist, initiate or participate in any inquiry, negotiations or discussions, or enter into any agreement, with respect to any acquisition proposal, as defined below, or effect any such transaction;

disclose any information not customarily disclosed to any person concerning the business, technologies or properties of VoiceSignal, or afford to any person access to its properties, technologies, books or records, not customarily afforded such access;

assist or cooperate with any person to make any proposal to purchase all or any part of the VoiceSignal capital stock or assets (other than inventory in the ordinary course of business); or

enter into any agreement with any person regarding an acquisition proposal.

An acquisition proposal means any offer or proposal relating to any transaction or series of related transactions, other than the merger, involving:

any offer or proposal to acquire all or any part of the business, properties or technologies of VoiceSignal, other than transactions in the ordinary course and consistent with past practices; or

any offer or proposal to acquire any amount of the capital stock of Vicksburg (whether or not outstanding), whether by merger, purchase of assets, enter offer, license or otherwise.

VoiceSignal also has agreed to suspend immediately all negotiations, discussions or agreements regarding an acquisition proposal and notify Nuance immediately after receiving such acquisition proposal or any request regarding the business, technologies or properties of VoiceSignal, and to provide Nuance with the identity of the offeror or the party and the specific terms of such offer or proposal.

Other Covenants

The merger agreement contains a number of other covenants by Nuance and VoiceSignal including:

Preparation of Registration Statement and Information Statement. Nuance and VoiceSignal agreed to promptly prepare and file this joint information statement/prospectus and the registration statement of which it is a part, and Nuance agreed to promptly prepare and file the registration statement following the execution of the merger agreement. Both parties also agreed to use commercially reasonable efforts to have the registration statement declared effective by the SEC as promptly as practicable. VoiceSignal agreed to furnish information regarding VoiceSignal and its stockholders as reasonably required.

VoiceSignal Stockholders Vote. VoiceSignal agreed to obtain sufficient stockholder votes to adopt the merger agreement and approve the merger and the transactions contemplated thereby and to prepare and distribute appropriate solicitation material relating thereto. Such vote will be obtained either through a VoiceSignal special meeting or written consent.

Parachute Payment Approval. VoiceSignal agreed to use commercially reasonable efforts to obtain stockholder approval for certain payments to certain executive officers of VoiceSignal such that these payments will not be declared parachute payments under the Code.

Access to Information. VoiceSignal agreed to afford Nuance reasonable access during the period prior to the effective time of the merger to an employee list, officers and other employees for discussion regarding VoiceSignal s core business and processes, and officers and other employees of VoiceSignal

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for limited technical discussions to facilitate integration of VoiceSignal technology in the combined company.

Confidentiality. Nuance and VoiceSignal agreed that any information obtained from the other during the period prior to the effective time of the merger shall be governed by confidential nondisclosure agreements.

Expenses. Whether or not the merger is consummated, Nuance and VoiceSignal agreed that all transaction-related expenses incurred by a party shall be borne by such party, excluding certain disclosed expenses as provided in more detail in the merger agreement. If the Merger Agreement is terminated under certain circumstances, Nuance has agreed to reimburse VoiceSignal for up to $1 million of transaction-related expenses incurred by VoiceSignal.

FIRPTA Compliance. On the effective date of the merger, VoiceSignal shall deliver to Nuance a FIRPTA compliance certificate in a form reasonably acceptable to Nuance.

Public Announcements. Nuance and VoiceSignal have agreed to consult with one another before issuing any press release or otherwise making any public statements about the merger or related transactions, unless otherwise required by any applicable laws or regulations.

Nuance Notification of Certain Matters. Nuance agreed to use commercially reasonable efforts to give prompt notice to VoiceSignal of the occurrence or non-occurrence of any event which would cause Nuance not to satisfy a closing condition to the consummation of the merger.

Third Party Consents. VoiceSignal agreed to use all commercially reasonable efforts to obtain any material consents, waivers or approvals under any of its contracts which are required to be obtained in connection with the consummation of the merger.

Termination of 401(k) Plans and Other Plans. VoiceSignal agreed to adopt resolutions to terminate its 401(k) and other group severance, separation and salary continuation plans effective no later than the date immediately preceding the effective date of the merger.

Financials. VoiceSignal agreed to provide, as soon as practicable, the unaudited balance sheet as of March 31, 2007 and the related unaudited statement of income, cash flow and changes in redeemable convertible preferred stock, stockholders deficit and comprehensive income (loss) for the three-month period then ended, within thirty days from the end of such quarter, the unaudited balance sheet and the related unaudited statement of income, cash flow and changes in redeemable convertible preferred stock, stockholders deficit and comprehensive income (loss) for the fiscal quarters ending thereafter, in each case reviewed by VoiceSignal s independent accountants, and promptly upon the completion of such audit, the audited consolidated balance sheets as of December 31, 2006 and related consolidated statements of income, cash flow and changes in redeemable convertible preferred stock, stockholders deficit and comprehensive income (loss) for the twelve-month period then ended.

Disclosure Supplements. VoiceSignal agreed to supplement the disclosure schedules to disclose any matter arising prior to the effective date of the merger that would have been required to be set forth in the disclosure schedules or that has become inaccurate.

Non-Disparagement. Until the earlier of the effective time of the merger or termination of the merger agreement, Nuance and VoiceSignal will not, and will not cause their respective affiliates, directors, officers, employees and representatives to, disparage, deprecate or make any negative comments with respect to the business, operations, properties, assets, technologies, products or services of the other party.

Stockholder Arrangements. VoiceSignal shall take any actions necessary to termination any voting agreements, investor rights agreements, stockholders agreements and similar agreements so that following the effective time of the merger neither Nuance nor the combined company will have any obligations or liabilities thereunder.

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Indemnification and Insurance

The merger agreement provides that after the completion of the merger, Nuance will, and will cause VoiceSignal (as a wholly owned subsidiary) to fulfill all obligations of VoiceSignal to indemnify its present and former officers, directors, employees, agents and their heirs, devisees, legatees, executors and assigns. Nuance has agreed that the certificate of incorporation and bylaws of VoiceSignal following the merger will contain provisions with respect to indemnification, contribution, advancement of expenses and elimination of liability for monetary damages at least as favorable as those contained in the certificate of incorporation and bylaws of VoiceSignal prior to the merger. Subject to certain limitations, for six years after completion of the merger, Nuance and VoiceSignal (as a wholly owned subsidiary) will, to the fullest extent permitted under applicable law, indemnify and hold harmless (including advancement of expenses) each present or former officer or director of VoiceSignal from and against all damages suffered by any of them for actions taken or omitted to be taken in their capacities as officers or directors of VoiceSignal. Nuance has agreed to purchase a directors and officers insurance tail policy under VoiceSignal s existing directors and officers insurance policy which will provide coverage no less advantageous overall than the existing coverage for a period of six years following the merger, so long as the tail policy does not cost more than $100,000.

Employment Arrangements

Nuance and VoiceSignal agreed that Nuance and VoiceSignal s chief executive officer will jointly approach VoiceSignal s employees to discuss the terms and conditions on which Nuance proposes to continue the employment of each employee, if at all. Any offers will have terms and conditions determined by Nuance and consistent with standard Nuance employment arrangements and will supersede any prior employment agreements and other arrangements with such employees in effect prior to the closing of the merger, subject to any existing individual retention and severance agreements. All communications with employees will be done by Nuance and VoiceSignal cooperatively, constructively and proactively.

Regulatory Approvals

Each of Nuance and VoiceSignal agreed to use all commercially reasonable efforts to take promptly all actions to consummate and make effective the transactions contemplated by the merger agreement, to obtain all necessary consents, waivers and approvals, to effect all necessary registrations and filings, and to file with the FTC and the Antitrust Division of the United States Department of Justice Notification and Report Forms relating to the transactions contemplated in the merger agreement by the HSR Act; provided, however, that Nuance shall not be required to agree to any divestiture by Nuance or VoiceSignal or any of Nuance s subsidiaries or affiliates, of shares of capital stock or of any business, assets or property of Nuance or its subsidiaries or affiliates, or of VoiceSignal or its affiliates, or of the imposition of any material limitation on the ability of any of them to conduct their own business or own or exercise control of such assets, properties and stock.

Conditions to Completion of the Merger

The respective obligations of Nuance and Vicksburg Acquisition Corporation, on the one hand, and VoiceSignal, on the other, to complete the merger are subject to the satisfaction or waiver, by the each party entitled to waive such condition, of each of the following conditions before completion of the merger:

- that no governmental entity shall have enacted, issued, promulgated, enforced or entered any law, decree, injunction or other order that is in effect and that has the effect of making the merger illegal or otherwise prohibiting completion of the merger;

that no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing completion of the merger shall be in effect, nor shall any proceeding brought by an administrative agency or commission or other governmental entity or instrumentality, domestic or foreign, seeking any of the foregoing be threatened or pending;

that VoiceSignal stockholders shall have adopted the merger agreement, and approved the merger and related transactions, including the appointment of Stata Venture Partners, LLC as the stockholder representative;

that the registration statement, of which this joint information statement/prospectus is a part, be declared effective by the SEC;

that the waiting period (and any extension thereof) applicable to the merger under the HSR Act and similar merger notification laws or regulations of foreign governmental entities in connection with the merger shall have expired or been terminated;

that each company s representations and warranties in the merger agreement are true and correct, to the extent set forth in the merger agreement, except when the failure of such representations or warranties to be true and correct have not resulted, and would not reasonably be expected to result in, individually or in the aggregate with other such failures, a material adverse effect, to the other party;

that each company has complied in all material respects with its covenants and agreements in the merger agreement, to the extent set forth in the merger agreement;

that VoiceSignal shall have terminated certain agreements with its stockholders; and

that no material adverse effect shall exist with respect to each company.

Survival of Representations and Warranties; Indemnification.

Under the merger agreement, VoiceSignal s and Nuance s representations and warranties will survive until one year after the effective time of the merger, which we refer to as the expiration date. If either VoiceSignal delivers to Nuance or Nuance delivers to VoiceSignal written notice of a claim for indemnification prior to the expiration date, then the relevant representations and warranties will survive as to such claim until such claim has been finally resolved.

The merger agreement provides that Nuance and its affiliates, officers, directors, employees, agents, successors and assigns will be indemnified by VoiceSignal s stockholders, severally for any damages incurred by Nuance arising out of:

any breach or inaccuracy of any representation or warranty made by VoiceSignal or its stockholders in the merger agreement or any related document;

any breach of a covenant or agreement made or to be performed by VoiceSignal or its stockholders contained in the merger agreement;

the failure to subtract from the merger consideration before completion of the merger all third party expenses incurred by VoiceSignal in connection with negotiation of the merger agreement and completion of the merger and related transactions; or

the obligation to pay any amounts to VoiceSignal stockholders who have had their shares of VoiceSignal stock appraised in accordance with Delaware law if those amounts are greater than the amount of merger consideration that would have been allocated to the appraised shares under the merger agreement.

Nuance s right to receive indemnification payments under the merger agreement is subject to a number of limitations, including the following:

Nuance may not receive any indemnification payments for breaches of representations or warranties unless the aggregate amount of damages arising out of all breaches of representations and warranties exceeds $3 million and then Nuance is not entitled to indemnification for the first $500,000 of such damages;

except in the case of fraud or intentional breach of a covenant, the maximum amount of damages for which Nuance is entitled to indemnification is the amount in the escrow fund;

- any damages for which Nuance is entitled to indemnification shall generally be reduced by amounts actually recovered by Nuance under applicable insurance policies, but Nuance will not have any obligation to carry any insurance or make any insurance claims;

- Nuance will not be entitled to indemnification for any matter that was disclosed by VoiceSignal under its covenant to supplement the disclosure schedules if Nuance has had the option not to complete the merger, either because the matter in the supplemental disclosure causes the failure of a closing condition or because VoiceSignal has given Nuance the choice not to complete the merger because of the supplemental disclosure;

- Nuance will not be entitled to indemnification under the merger agreement if the merger is not completed; and

- Nuance may not recover for diminution in value to the extent caused by any business interruption, loss of future revenue, cash flows or profits.

The merger agreement also provides that the VoiceSignal stockholders will be indemnified by Nuance for any damages incurred by them arising out of:

- any breach or inaccuracy of a representation of Nuance or Vicksburg Acquisition Corporation contained in the merger agreement or any related document; or

- any failure by Nuance or Vicksburg Acquisition Corporation to perform or comply with any covenant made under the merger agreement.

The VoiceSignal stockholders right to indemnification payments under the merger agreement is subject to a number of limitations, including the following:

- the maximum amount the VoiceSignal stockholders can recover from Nuance is limited to $30 million, except in the case of Nuance s failure to honor its obligations to indemnify the former officers and directors of VoiceSignal or in the case of Nuance s failure to deliver the merger consideration; and

- the VoiceSignal stockholders will not be entitled to indemnification under the merger agreement if the merger is not completed.

Escrow Fund

Upon completion of the merger, Nuance will withhold $30 million in cash from the consideration to be distributed to the VoiceSignal stockholders in connection with the merger and deposit such amount into an escrow fund. This escrowed amount will be available to compensate Nuance if it is entitled to indemnification under the merger agreement. Any portion of this escrowed amount that, twelve months following the completion of the merger, has not been used to indemnify Nuance and that is not the subject of an unresolved claim for indemnification by Nuance will be distributed to the VoiceSignal stockholders. The escrowed amount will be held by US Bank, National Association, as the escrow agent under the terms of the merger agreement. The amount of the escrow fund contributed by each VoiceSignal stockholder will be proportional to each such holder s pro rata portion of the total merger consideration.

VoiceSignal Board of Directors Recommendations

The merger agreement requires the VoiceSignal board of directors:

- to unanimously recommend that its stockholders vote in favor of the adoption of the merger agreement and approval of the merger; and

- to determine that that the terms and conditions of the Merger are fair to, and in the best interests of, the VoiceSignal stockholders.

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Definition of Material Adverse Change

As it Pertains to Nuance:

Nuance Material Adverse Effect means any change, event or effect that (i) is materially adverse to the business, assets (whether tangible or intangible), financial condition, or results of operations of Nuance and its subsidiaries, taken as a whole or (ii) will or is reasonably likely to materially impede the ability of Nuance to timely consummate the transactions contemplated by the merger agreement in accordance with the terms hereof; provided, however, that, for purposes of clause (i) above, in no event shall any of the following be taken into account in determining whether there has been or will be a Nuance Material Adverse Effect: (A) any effect resulting from changes or effects in general worldwide or United States economic, capital market or political conditions (which changes or effects do not disproportionately affect Nuance), (B) any effect resulting from changes or effects generally affecting the industries or markets in which Nuance operates (which changes or effects do not disproportionately affect Nuance), (C) any effect resulting from any act of war or terrorism (or, in each case, any escalation thereof) (which changes or effects do not disproportionately affect Nuance), (D) any changes in applicable laws or generally accepted accounting principles, (E) any effect resulting directly from the announcement or pendency of the merger, (F) any change in and of itself in Nuance s Stock price or trading volume, or (G) any change, event or effect resulting from or arising out of any action on the part of VoiceSignal or any of its affiliates, including, without limitation, actions taken in the ordinary course of business.

As it Pertains to VoiceSignal:

VoiceSignal Material Adverse Effect means any change, event or effect that is materially adverse to the business, assets (whether tangible or intangible), financial condition, operations or capitalization of VoiceSignal and any subsidiaries, taken as a whole; provided, however, that, in no event shall any of the following be taken into account in determining whether there has been or will be a VoiceSignal Material Adverse Effect: (A) any effect resulting from changes or effects in general worldwide or United States economic, capital market or political conditions (which changes or effects do not disproportionately affect VoiceSignal), (B) any effect resulting from changes or effects generally affecting the industries or markets in which VoiceSignal operates (which changes or effects do not disproportionately affect VoiceSignal), (C) any effect resulting from any act of war or terrorism (or, in each case, any escalation thereof) (which changes or effects do not disproportionately affect VoiceSignal), (D) any changes in applicable laws or generally accepted accounting principles, (E) any effect resulting directly from the announcement or pendency of the merger, or (F) any change, event or effect resulting from or arising out of any action on the part Nuance or any of its affiliates, including, without limitation, actions taken in the ordinary course of business.

Termination of the Merger Agreement

The merger agreement may be terminated in accordance with its terms at any time, except as set forth below, prior to completion of the merger, whether before or after the approval of stockholders:

VoiceSignal and Nuance may mutually agree at any time to terminate the merger agreement without completing the merger.

In addition, either of VoiceSignal or Nuance may, without the consent of the other, terminate the merger agreement in either of the following circumstances:

if the merger is not completed by November 14, 2007; or if: (i) there shall be a final non-appealable order of a federal or state court in effect preventing consummation of the merger, or (ii) there shall be any law enacted, promulgated or issued or deemed applicable to completion of the merger by any governmental entity that would make completion of the merger illegal.

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In addition, Nuance may, without the consent of VoiceSignal, terminate the merger agreement in either of the following circumstances:

if there shall be any action taken, or any law enacted, promulgated or issued or deemed applicable to the merger by any governmental entity, that would prohibit Nuance s ownership or operation of the business of VoiceSignal; or

if Nuance is not in material breach of its obligations under the merger agreement and there has been a breach of any representation, warranty, covenant or agreement of VoiceSignal or the stockholders contained in the merger agreement such that the closing conditions regarding such representations, warranties and covenants would not be satisfied and such breach has not been cured within ten calendar days after written notice to VoiceSignal and the stockholder representative, unless the breach, by its nature, cannot be cured.

In addition, VoiceSignal may, without the consent of Nuance, terminate the merger agreement if:

none of VoiceSignal or the stockholders is in material breach of their respective obligations under the merger agreement and there has been a breach of any representation, warranty, covenant or agreement of Nuance contained in the merger agreement such that the closing conditions regarding Nuance s representations, warranties and covenants would not be satisfied and such breach has not been cured within ten calendar days after written notice thereof to Nuance, unless the breach, by its nature, cannot be cured.

Payment of Certain VoiceSignal Expenses

Nuance has agreed to pay up to $1 million of transaction-related expenses incurred by VoiceSignal if the merger agreement is terminated under certain circumstances.

Costs and Expenses

In general, all costs and expenses incurred in connection with the merger agreement will be paid by the party incurring such expenses whether or not the merger is consummated. Notwithstanding the foregoing, Nuance and VoiceSignal have agreed that third party expenses incurred by VoiceSignal, including bonuses payable to certain members of VoiceSignal management upon the consummation of the merger, in excess of $397,500 will either be deducted from the merger consideration or the escrow amount described above.

VoiceSignal Voting Agreements

The following is a summary of certain material provisions of the VoiceSignal voting agreements. This summary is qualified in its entirety by reference to the form of voting agreement, a copy of which is attached as Annex C to this joint information statement/prospectus and is incorporated into this joint information statement/prospectus by reference.

Agreement to Vote

Each of Argonaut Holdings LLC, Daniel Roth, Thomas J. Lazay, Stata Venture Partners, LLC, DiBenedetto Family Trust U/A 11/01/91 FBO Thomas A. DiBenedetto, DiBenedetto Family Trust U/A 11/01/91 FBO Christian R. DiBenedetto, DiBenedetto Family Trust U/A 11/01/91 FBO Cory J. DiBenedetto, DiBenedetto Family Trust U/A 11/01/91 FBO Marc A. DiBenedetto, DiBenedetto 1993 Family Trust and Lawrence DiBenedetto has entered into a voting agreement with Nuance.

Each of these VoiceSignal directors, executive officers and affiliates has agreed to vote his, her or its shares of VoiceSignal capital stock, and any and all options, warrants and other rights to acquire shares of

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VoiceSignal capital stock, (i) in favor of adoption of the merger agreement and approval of the transactions contemplated thereby, (ii) against any proposal made in opposition to or in competition with the merger, (iii) against any merger, consolidation, business combination, sale of assets, reorganization or recapitalization of VoiceSignal with any party, (iv) against any sale, lease or transfer of any significant part of the assets of VoiceSignal, (v) against any reorganization, recapitalization, dissolution, liquidation or winding up VoiceSignal, (vi) against any material change in the capitalization of VoiceSignal or VoiceSignal s corporate structure, (vii) against any other action that is intended, or could reasonably be expected to, impede, interfere with, delay, postpone, discourage or adversely affect the merger or any of the other transactions contemplated by the merger agreement, (viii) in favor of waiving any notices that may have been or may be required as a result of or relating to the merger and the transactions contemplated by the merger agreement, and (ix) in favor of Stata Venture Partners, LLC as the agent and attorney-in-fact for and on and behalf of the stockholders in connection with the merger agreement. These persons have the right, as of May 31, 2007, to vote a total of 77,930,422 shares of VoiceSignal capital stock on an as-converted-to-common-stock basis, or approximately 74% of the outstanding shares of VoiceSignal stock on an as-converted-to-common stock basis and approximately 78% of the outstanding shares of Series C preferred stock and Series D preferred stock, voting together on an as-converted-to-common stock basis.

In connection with the voting agreements, these persons have granted an irrevocable proxy appointing members of the Nuance board of directors, and each of them individually, as their sole and exclusive attorneys and proxies to vote their shares in accordance with the terms of the voting agreements.

Transfer Restrictions

The voting agreement, subject to certain exceptions, restricts or limits the ability of each stockholder that is a party to the agreement to sell, transfer, pledge, encumber, grant an option with respect to or otherwise dispose of any of his or her shares of VoiceSignal capital stock, or to agree to do the foregoing. Several exceptions to this restriction exist, such as the right to transfer to a family member, a trust for the benefit of family members, a charitable trust or a charity if the transferee agrees in writing to be bound by the voting agreement.

The irrevocable proxy and voting agreement will terminate upon the earlier to occur of:

- the completion of the merger; or
- the termination of the merger agreement in accordance with its terms.

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SELECTED FINANCIAL DATA OF NUANCE

The following selected consolidated financial data should be read in conjunction with Management s Discussion and Analysis of Nuance s Financial Condition and Results of Operations beginning on page 75 and the consolidated financial statements of Nuance and related notes thereto included elsewhere in this joint information statement/prospectus. The financial data for interim periods presented is derived from unaudited financial statements and is not necessarily indicative of the results expected for any other interim period or for the fiscal year as a whole.

	Six Months Ended March 31,		Fiscal Year Ended		Nine Months Ended	Fiscal Year Ended	
			September 30,	September 30,	September 30,	December 31,	December 31,
	2007	2006	2006	2005	2004	2003	2002
	(In thousands, except per share data)						
Revenues:							
Product and licensing	$ 146,064	$ 101,736	$ 235,825	$ 171,200	$ 98,262	$ 128,681	$ 101,524
Professional services, subscription and hosting(2)	60,807	29,971	81,320	47,308	25,358		
Maintenance and support	58,612	15,573	71,365	13,880	7,287		
Related parties						6,718	5,095
Total revenue	265,483	147,280	388,510	232,388	130,907	135,399	106,619
Costs and Expenses:							
Cost of revenue:							
Cost of product and licensing(1)	22,287	9,737	31,394	20,378	10,348	26,123	16,419
Cost of professional services, subscription and hosting(1)	43,120	22,134	59,015	34,737	20,456		
Cost of maintenance and support(1)	13,538	3,537	17,723	4,938	2,559		
Cost of revenue from amortization of intangible assets	5,842	4,951	12,911	9,150	8,431	10,516	9,470
Total cost of revenue	84,787	40,359	121,043	69,203	41,794	36,639	25,889
Gross margin	180,696	106,921	267,467	163,185	89,113	98,760	80,730
Operating expenses:							
	34,087	25,059	59,403	39,190	26,390	33,938	27,633

Research and development(1)							
Sales and marketing(1)	85,721	53,684	128,412	78,797	49,554	48,706	32,990
General and administrative(1)	32,925	25,553	55,343	31,959	18,394	16,258	10,678
Amortization of other intangible assets	10,266	3,984	17,172	3,984	1,967	2,297	1,682
Stock-based compensation expense						330	103
Restructuring and other charges (credits), net		(1,300)	(1,233)	7,223	801	3,693	1,041
Total operating expenses	162,999	106,980	259,097	161,153	97,106	105,222	74,127
Income (loss) from operations	17,697	(59)	8,370	2,032	(7,993)	(6,462)	6,603

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	Six Months Ended March 31, 2007	Six Months Ended March 31, 2006	Fiscal Year Ended September 30, 2006	Fiscal Year Ended September 30, 2005	Nine Months Ended September 30, 2004	Fiscal Year Ended December 31, 2003	Fiscal Year Ended December 31, 2002
	(In thousands, except per share data)						
Other income (expense):							
Interest income	2,715	1,384	3,305	1,244	429	465	354
Interest expense	(15,181)	(1,786)	(17,614)	(1,644)	(340)	(793)	(369)
Other (expense) income, net	(839)	(783)	(1,132)	(237)	(141)	1,003	(1)
Income (loss) before income taxes	4,392	(1,244)	(7,071)	1,395	(8,045)	(5,787)	6,587
Provision for (benefit from) income taxes	7,356	4,356	15,144	6,812	1,333	(269)	254
Income (loss) before cumulative effect of accounting change	(2,964)	(5,600)	(22,215)	(5,417)	(9,378)	(5,518)	6,333
Cumulative effect of accounting change		672	672				
Net income (loss)	$ (2,964)	$ (6,272)	$ (22,887)	$ (5,417)	$ (9,378)	$ (5,518)	$ 6,333
Net income (loss) per share, basic and diluted	$ (0.02)	$ (0.04)	$ (0.14)	$ (0.05)	$ (0.09)	$ (0.07)	$ 0.09
Weighted average common shares outstanding, basic	170,501	159,859	163,873	109,540	103,780	78,398	67,010
Weighted average common shares outstanding, diluted	170,501	159,859	163,873	109,540	103,780	78,398	72,796

(1) Excludes stock-based compensation

expense as follows:							
Cost of product and licensing	$	$	$	$	$	$ 11	$
Cost of professional services , subscription and hosting							
Research and development							
Sales and marketing						15	
General and administrative						116	
Restructuring and other charges, net						188	103
	$	$	$	$	$	$ 330	$ 103

(2) As a result of the acquisition of Speechworks in August 2003, professional services became a material component of Nuance s business. As a result of the acquisition, beginning in Fiscal 2004, Nuance began to separately track and disclose professional services revenues and cost of revenue. Prior to Fiscal 2004, it did not separately disclose professional services revenue and cost of revenue as they were immaterial and it is not practical to reclassify these revenues and associated costs, retrospectively.

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	As of March 31, 2007	As of September 30, 2006	September 30, 2005	September 30, 2004	December 31 2003	December 31 2002
			(In thousands)			
Consolidated Balance Sheet Data:						
Cash and cash equivalents	$ 89,204	$ 112,334	$ 71,687	$ 22,963	$ 42,584	$ 18,853
Short term investments			24,127	7,373		
Working capital	30,714	51,273	12,130	27,940	44,305	16,842
Total assets	1,274,157	1,235,074	757,212	392,653	401,940	143,690
Long-term liabilities	454,298	446,430	79,775	45,360	48,340	725
Total stockholders equity	615,314	576,596	514,665	301,745	303,226	119,378

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SELECTED FINANCIAL DATA OF VOICESIGNAL

The following selected consolidated financial data should be read in conjunction with Management s Discussion and Analysis of VoiceSignal s Financial Condition and Results of Operations beginning on page 115 and the consolidated financial statements of VoiceSignal and related notes thereto beginning on page F-88. The financial data for the years ended December 31, 2003 and 2002 and for the interim periods ending March 31, 2007 and 2006 presented is derived from unaudited financial statements and is not necessarily indicative of the results expected for any other interim period or for the fiscal year as a whole. See Where You Can Find More Information on page 140.

	Three Months Ended March 31,		Year Ended December 31,				
	2007	2006	2006	2005	2004	2003	2002
	(In thousands, except per share data)						
Revenue:							
Product and licensing	$ 6,050	$ 4,570	$ 21,519	$ 10,056	$ 6,508	$ 1,260	$ 989
Professional services	508	943	3,082	1,685	959	1,182	1,089
Total revenue	6,558	5,513	24,601	11,741	7,467	2,442	2,078
Costs and expenses:							
Cost of revenue:							
Professional services	313	376	1,351	1,328	495	469	495
Cost of revenue from amortization of intangible assets	126	117	474				
Total cost of revenue	439	493	1,825	1,328	495	469	495
Gross margin	6,119	5,020	22,776	10,413	6,972	1,973	1,583
Operating expenses:							
Research and development	1,716	1,531	6,001	5,351	4,088	4,373	3,539
Sales and marketing	1,247	1,021	4,214	4,072	3,131	1,141	1,106
General and administrative	1,295	1,134	5,356	4,294	2,739	2,338	1,672
Total operating expenses	4,258	3,686	15,571	13,717	9,958	7,852	6,317
Income (loss) from operations	1,861	1,334	7,205	(3,304)	(2,986)	(5,879)	(4,734)
Interest income (expense), net	33	18	(10)	207	44	44	(1,023)
	1,894	1,352	7,195	(3,097)	(2,942)	(5,835)	(5,757)

Income (loss) before income taxes							
Provision for (benefit from) income taxes	(339)	(33)	(187)	(3,210)		1	1
Net income (loss)	$ 2,233	$ 1,385	$ 7,382	$ 113	$ (2,942)	$ (5,836)	$ (5,758)
Net income (loss) available to common shareholders	$ 1,762	$ 914	$ 5,499	$ (1,770)	$ (4,809)	$ (7,252)	$ (6,574)
Net income (loss) per share:							
Basic	$ 0.10	$ 0.06	$ 0.32	$ (0.11)	$ (0.30)	$ (0.45)	$ (0.42)
Diluted	$ 0.02	$ 0.01	$ 0.06	$ (0.11)	$ (0.30)	$ (0.45)	$ (0.42)
Weighted average common shares outstanding:							
Basic	17,287	16,609	16,980	16,507	16,063	15,941	15,681
Diluted	122,347	122,132	121,823	16,507	16,063	15,941	15,681

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	As of March 31, 2007	As of December 31, 2006	2005	2004	2003	2002
	(In thousands)					
Consolidated Balance Sheet Data:						
Cash and cash equivalents	$ 1,936	$ 3,983	$ 297	$ 1,959	$ 5,049	$ 2,923
Short term investments	3,043	3,000	6,117			
Working capital	10,693	8,699	3,178	2,266	4,018	2,223
Total assets	21,446	20,123	16,952	8,089	5,862	4,400
Long-term liabilities	2,036	2,400	4,868	1,267	1,039	617
Total stockholders deficit	(21,150)	(22,975)	(28,704)	(26,950)	(22,227)	(15,049)

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SELECTED UNAUDITED PRO FORMA COMBINED FINANCIAL DATA

The selected unaudited pro forma combined financial data should be read in conjunction with the unaudited pro forma combined financial statements and related notes thereto, the historical consolidated financial statements of Nuance, and related notes thereto, Management s Discussion and Analysis of Nuance s Financial Condition and Results of Operations beginning on page 75 and Management s Discussion and Analysis of VoiceSignal s Financial Condition and Results of Operations beginning on page 115, included in this joint information statement/prospectus, and the historical consolidated financial statements of VoiceSignal, located in this joint information statement/prospectus.

	Six Months Ended March 31, 2007	Fiscal Year Ended September 30, 2006
	(In thousands except per share date)	
Product and licensing	$ 158,622	$ 292,648
Professional services, subscription and hosting	71,432	108,698
Maintenance and support	58,612	109,878
Total revenue	288,666	511,224
Costs and expenses:		
Cost of product and licensing	22,287	53,406
Cost of professional services, subscription and hosting	49,189	76,258
Cost of maintenance and support	13,538	26,213
Cost of revenue from amortization of intangible assets	7,212	17,277
Total cost of revenue	92,226	173,154
Gross margin	196,440	338,070
Operating expenses:		
Research and development	37,270	69,460
Sales and marketing	88,523	154,030
General and administrative	37,580	77,070
Amortization of other intangible assets	18,083	38,444
Merger expense		22,379
Cost of and loss related to sale of divisions		2,367
Restructuring and other credits, net		(1,233)
Total operating expenses	181,456	362,517
Income (loss) from operations	14,984	(24,447)
Other income (expense):		
Interest income	2,748	3,896

Interest expense	(26,652)	(54,658)
Other (expense) income, net	(765)	(1,547)
Loss before income taxes	(9,685)	(76,746)
Provision for income taxes	7,221	16,136
Loss before cumulative effect of accounting change	(16,906)	(92,882)
Cumulative effect of accounting change		672
Net loss	$ (16,906)	$ (93,554)
Net loss per common share:		
Basic and Diluted	$ (0.10)	$ (0.55)
Weighted average common shares outstanding,		
Basic and diluted	176,338	169,710

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	As of March 31, 2007
Pro Forma Combined Balance Sheet Data:	
Cash and cash equivalents	$ 138,172
Short term investments	3,043
Working capital	102,416
Total assets	1,635,238
Long-term liabilities	718,456
Total stockholders equity	706,166

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NUANCE S BUSINESS

Introduction

Nuance is a leading provider of speech and imaging solutions for businesses and consumers around the world. Nuance s technologies, applications and services are transforming the way people create, use and interact with information and make the experience of its end users a more compelling, convenient and satisfying one.

The value of Nuance s solutions is best realized in markets that are information and process-intensive, such as healthcare, telecommunications, financial services, legal services and government administration. Nuance delivers premier, comprehensive technologies and services as an independent application or as part of a larger integrated system. Nuance is an active participant in rapidly growing markets for speech, including healthcare dictation and transcription, call center automation, mobile search and communication and embedded technologies for consumer products. In imaging, Nuance is positioned to benefit from increasing demand for PDF and networked imaging solutions.

Every day, millions of users and thousands of businesses experience Nuance by calling directory assistance, getting account information over a telephone, dictating patient records, controlling mobile phones using their voice or reproducing documents that can be shared and searched. As of March 31, 2007, Nuance has deployed thousands of speech applications for some of the world s most respected companies, manufacturers and healthcare organizations. Nuance s imaging devices are used by millions of business professionals and are included in hundreds of imaging devices and applications.

Today, Nuance offers the world s largest portfolio of speech and imaging products backed by the expertise of its professional services organization and a partner network that can create solutions for businesses and organizations around the globe. Nuance markets and distributes our products indirectly through a global network of resellers comprising system integrators, independent software vendors, value-added resellers, hardware vendors, telecommunications carriers and distributors; and directly to businesses and consumers through a dedicated direct sales force and the Nuance e-commerce website (www.nuance.com).

Nuance s business is predicated on providing partners and customers with a comprehensive portfolio of value-added solutions, ensuring technological leadership, promoting the broad adoption of innovative technology and building global sales and channel relationships. From Nuance s founding until 2001, Nuance focused exclusively on delivering imaging solutions that simplified converting and managing information as it moved from paper formats to electronic systems. In December 2001, Nuance entered the speech market through the acquisition of the Speech & Language Technology Business from Lernout & Hauspie. Nuance believed speech solutions were a natural complement to imaging solutions as both are developed, marketed and delivered through similar resources and channels. Nuance continues to execute against a strategy of being the market leader in speech solutions through the organic growth of Nuance s business as well as through strategic acquisitions. Nuance has successfully completed numerous acquisitions since 2000 and expects to continue to make acquisitions of other companies, businesses and technologies to complement Nuance s internal investments. Acquisitions completed in recent years include the following significant transactions:

On January 30, 2003, Nuance acquired Royal Philips Electronics Speech Processing Telephony and Voice Control business units to expand Nuance s solutions for speech in call centers, automobiles and mobile devices.

On August 11, 2003, Nuance acquired SpeechWorks International, Inc. to broaden Nuance s speech applications for telecommunications, call centers and embedded environments as well as establish a professional services organization.

On February 1, 2005, Nuance acquired Phonetic Systems Ltd. to complement Nuance s solutions and expertise in automated directory assistance and enterprise speech applications.

On September 15, 2005, Nuance acquired the former Nuance Communications, Inc., or Former Nuance, to expand its portfolio of technologies, applications and services for call center automation, customer self-service and directory assistance.

On March 31, 2006, Nuance acquired Dictaphone Corporation, a leading healthcare information technology company that provides a broad range of digital dictation, transcription, and report management system solutions.

On December 29, 2006, Nuance acquired Mobile Voice Control, Inc. to further accelerate its deployment of speech-enabled solutions in the wireless industry.

On March 26, 2007, Nuance acquired Bluestar Resources Limited, the parent of Focus Enterprises Limited and Focus Infosys India Private Limited, which provide medical transcription services, to enhance Nuance s hosted services offerings.

On April 24, 2007, Nuance acquired BeVocal, Inc. to expand its product portfolio in the areas of mobile customer lifecycle management, mobile premium services and other mobile consumer products.

Nuance was incorporated in 1992 as Visioneer, Inc. under the laws of the state of Delaware. In 1999, the company changed its name to ScanSoft, Inc. and also changed its ticker symbol to SSFT. In October 2004, the company changed its fiscal year end to September 30, resulting in a nine-month fiscal year for 2004. In October 2005, the company changed its name to Nuance Communications, Inc., to reflect its core mission of being the world s most comprehensive and innovative provider of speech solutions, and in November 2005, the company changed its ticker symbol to NUAN.

Market Opportunity

The ability to access, exchange and manage information with speed and sophistication through various means information systems, dictation processes, call centers, documents, mobile devices is often an important characteristic of the most successful organizations worldwide. Many organizations define their strategy and assess their ability to compete and manage their customer relationships based on the quality, diversity and availability of their information products, services and resources. The format of vital information is wide and varied, ranging from the spoken word in multiple languages to customer database systems to paper, electronic files and Internet content.

Confronted by exponentially increasing information through more and more channels, consumers, business personnel and healthcare professionals employ a variety of resources for retrieving information, transcribing patient information, conducting transactions and performing their jobs. The Internet, telecommunications systems, wireless and mobile networks and related corporate infrastructure have emerged as powerful global communications networks and channels for conducting business.

These electronic systems have fundamentally changed the way organizations and consumers obtain information, communicate, purchase goods and conduct business. Today, businesses and manufacturers around the world share a common motivation to enhance the service they provide to their customers and differentiate their offerings while improving operating efficiency. Customer satisfaction, employee productivity and company operating results can often be linked to an organization s ability to manage, utilize and communicate information effectively.

Nuance Solutions

Nuance creates technologies, applications and solutions that transform the way people access, share, manage and use information, both in business and in daily life. Nuance helps enterprises, professionals and consumers increase productivity, reduce costs and save time by developing and commercializing new technologies that make the user experience more compelling and productive. Nuance s speech offerings utilize the human voice, and are advancing towards a vision of the future where natural conversations will be the preferred interface for these interactions and will make the user experience more compelling. Nuance s imaging solutions build on decades of experience and technology development to deliver businesses, manufacturers and consumers a broad set of PDF and document offerings.

Nuance provides a broad set of speech and imaging offerings to its customers that increase their end users productivity, reduce costs and save time in the following areas:

Customer Care and Call Center Automation

Organizations turn to Nuance s speech solutions as a means to improve the quality of their customer care while reducing the associated costs and ensuring a positive customer experience. Nuance s speech solutions allow users to direct their own calls, obtain information and conduct transactions by simply speaking naturally over any telephone.

Nuance s speech solutions are used within a wide range of applications across many customer-service intensive sectors, including financial services, telecommunications, healthcare, utilities, government, travel and entertainment. For example, Nuance s software is integrated into applications that provide flight information, personal banking, equipment repair and claims processing. Nuance provides an extensive portfolio of speech technologies and applications that offer superior accuracy, support up to 49 languages and dialects for Nuance s speech recognition and 26 languages for its natural-sounding synthesized speech. Nuance s solutions adhere to global industry standards and the company provides speech technologies and services in more languages than any other vendor worldwide.

These speech solutions are licensed to enterprises, such as those in the Fortune 1000, and telecommunications carriers. Although in certain cases Nuance sells directly to customers, the majority of Nuance s solutions are fulfilled through channel networks comprised of telecommunications equipment companies, systems integrators and technology providers, such as Avaya, Cisco, Genesys, Intervoice and Nortel, that integrate Nuance s solutions into their proprietary hardware and software platforms.

Nuance complements its technologies and products with a global professional services organization that supports customers and partners with business and systems consulting project management, user interface design and application development assistance. Nuance services its customers from its corporate headquarters in Burlington, Massachusetts and through other principal offices located in the United States, Canada, Belgium, Israel and Japan.

Healthcare Dictation and Transcription

The healthcare industry is under pressure to streamline operations and reduce costs while at the same time find new ways to improve patient care. In recent years, the healthcare industry comprising hospitals, clinics, medical groups, physicians offices, insurance providers and service organizations has increasingly turned to speech solutions to automate manual processes, especially with respect to dictation and transcription.

Today, clinical documentation is based largely on the manual transcription of recorded physician dictation, representing a significant industry worldwide. This presents an opportunity for Nuance to apply speech technologies to automate manual processes, reduce costs, speed access to accurate data, and significantly improve patient care.

Nuance is a leading supplier of speech recognition solutions to the healthcare industry through desktop and integrated OEM dictation products, and recently through complete transcription processing and workflow solutions. In March 2006, Nuance acquired Dictaphone to expand Nuance s product portfolio, market reach and revenue streams within the large and rapidly growing healthcare vertical.

Today, more than 3,000 hospitals, clinics, and group practices, and over 400,000 physicians, use Nuance s Dictaphone healthcare solutions to manage the dictation and transcription of patient records. Nuance s voice platform helps reduce the high cost of medical reporting, managing both a traditional transcription workflow and the use of in-house speech recognition to reduce the reliance on manual transcription. Nuance s enterprise-level speech recognition includes phone-based dictation, transcriptionist editing tools and physician self-completion control.

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Desktop Dictation

Nuance s desktop dictation applications increase productivity by using speech to create documents, streamline repetitive and complex tasks, input data, complete forms and automate manual transcription processes. The Dragon NaturallySpeaking family of products delivers enhanced productivity for professionals and consumers who need to create documents and transcripts. Professionals and consumers also look to Nuance s dictation solutions as a way to maximize the productivity of their existing workers, including those with disabilities, and to comply with government requirements relating to workplace safety and accessibility.

Nuance s Dragon NaturallySpeaking solutions allow users to convert speech automatically into text at up to 160 words-per-minute. Nuance s software supports a vocabulary of more than 300,000 words that can be expanded by users to include specialized words and phrases, is designed to adapt to individual voice patterns and accents and is able to achieve accuracy rates of up to 99%.

Nuance offers a range of desktop and server solutions, each with features that match a specific customer target. Nuance s dictation software is currently available in eight languages. Nuance utilizes a combination of its global reseller network and direct sales to distribute our speech recognition and dictation products.

Embedded Speech for Mobile Devices and Consumer Products

Voice capabilities are becoming ubiquitous in consumer and mobile devices, from cell phones and PDAs to automobiles and navigation systems. Nuance s embedded speech solutions add voice control capabilities to these devices, allowing people to use spoken words or commands for dialing a mobile phone by saying a name, entering destination information into an automotive navigation system, dictating a text message or having emails and screen information read aloud.

Nuance s embedded speech solutions identify specific words and phrases at any moment in time and convert these spoken words into instructions that control specific functions within applications. Nuance s solutions support dynamic vocabularies and have sophisticated noise management capabilities that improve accuracy, even in noisy environments. Nuance s products scale to meet the size and accuracy requirements for automotive and navigation systems and offer rapid application development tools, extensive compatibility with hardware and operating systems and support of multiple languages.

Nuance s embedded speech solutions are used by automobile, cell phone, entertainment and aftermarket system manufacturers and their suppliers including Alpine, Bosch-Blaupunkt, Delphi, General Motors, LG, Microsoft, Motorola, Nokia, Pioneer, Samsung, Sony and Visteon. These technologies are included as part of a larger system, application or solution that is designed, manufactured and sold by Nuance s customers. These customers include handset and other device manufacturers and tier-one suppliers; companies whose size and importance qualify them to be direct suppliers to the major automotive manufacturers as well as in-dash radio, navigation system and other electronic device manufacturers.

Mobile Search and Communication

The mobile device and wireless phone market is one of the fastest growing technology markets in the world and the opportunity to provide content, advertising, and services creates a significant opportunity. While many phones and devices today have Web and data capabilities, advanced mobile phone functionality and much of the available mobile content remains virtually invisible to users because it is too deeply hidden in confusing menu hierarchies. Nuance believes speech technology provides a means to overcome these challenges and create growth for mobile services.

Nuance s mobile speech solutions, comprising elements from many of its dictation, network and embedded speech solutions, offer an innovative approach to accessing search and communications services on mobile devices. Nuance offers user interaction with mobile search and communications applications that enable consumers to significantly increase the utility of their mobile devices, while enabling handset vendors and service providers to tap into significant new sources of revenue.

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Nuance s search and communication solutions allow consumers to use their voices to browse and download mobile content including ringtones, music, videos, wallpapers, and games; search local information databases for business listings, yellow pages, restaurant guides and movie schedules by naturally speaking their requests; dictate text messages to mobile instant messaging and mobile email dictation significantly faster than with the keypad; and allow wireless subscribers to access their personal or public address books, calendar and a range of information services using simple speech commands.

PDF and Document Imaging Solutions

Nuance s PDF and document imaging solutions help businesses and consumers by automating a range of document processes increasing productivity, saving time and reducing costs. With products for enterprises, small-to-medium-sized businesses and home offices, Nuance s ScanSoft Imaging Solutions offer cost-effective PDF applications for business users; convert paper and PDF into documents that can be easily edited; and simplify scanning and document management using multifunction scanners and networked digital copiers.

Nuance s OmniPage product family uses optical character recognition technology to deliver highly accurate document and PDF conversion, replacing the need to manually re-create documents. Nuance s OmniPage applications are used by individuals and in professional office settings. Nuance utilizes a combination of its global reseller network and direct sales to distribute its document conversion and PDF products. Nuance licenses its software to companies such as Brother, Canon, Dell, HP and Xerox, which bundle its solutions with multifunction devices, digital copiers, printers and scanners. Nuance also licenses software development toolkits to independent software vendors who use its technology for production capture or desktop applications, including vendors such as Autodesk, Canon, EMC/Captiva, Filenet, Kofax, Microsoft, Sharp and Verity.

Nuance s PaperPort product family converts paper into digital documents that can be easily archived, retrieved and shared. Nuance s software can be used in conjunction with network scanning devices to preserve an image of a document exactly as it appears on paper. Nuance s software automatically indexes the scanned image so that it can be stored together with other digital documents on a desktop, over a network or within an enterprise content management system. Nuance utilizes a combination of its global reseller network and direct sales to distribute its digital paper management products. Nuance also licenses its software to companies such as Brother, Hewlett-Packard, and Xerox, who bundle Nuance s solutions with multifunction devices, digital copiers, printers and scanners.

Nuance s PDF Converter product family comprises affordable solutions used to create PDF files and turn existing PDF files into fully-formatted Microsoft Word, Microsoft Excel and Corel WordPerfect documents that can be edited. Nuance s PDF solutions are used by business professionals and consumers and have proven to be a cost-effective alternative to those offered by Adobe Systems. PDF Converter Professional, Nuance s flagship PDF application, allows users to view, manipulate and edit PDF documents as well as create and complete PDF forms. PDF Create! is an affordable solution to enable the creation of PDF from all PC applications, including support for PDF security, font embedding and other advanced features.

Sales, Marketing and Distribution

Nuance markets and distributes its products through a variety of means, including indirectly through a global network of resellers, comprising system integrators, independent software vendors, value-added resellers, hardware vendors, telecommunications carriers and distributors and directly through Nuance s dedicated direct sales force and through its e-commerce website (www.nuance.com).

Nuance has established relationships with more than 2,000 channel partners, including leading system vendors, independent software vendors, value-added resellers and distributors, through whom Nuance markets and distributes its products and solutions. In speech, companies such as Avaya, Bosch-Blaupunkt, Cisco, Delphi, Genesys, LG, Microsoft, Nokia, Nortel, Samsung and Visteon embed Nuance s technologies into telecommunications systems and automotive, PC, handset, healthcare or multimedia applications. In Imaging, companies such as Brother, Dell, Hewlett-Packard, Visioneer and Xerox include Nuance s technology in digital copiers, printers and scanners, as well as multifunction devices that combine these capabilities and companies

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such as Corel, Canon, Captiva, Kofax, Sharp and Verity embed Nuance s imaging technology into their commercial software applications.

Nuance licenses its applications to enterprises, professionals and consumers through distribution and fulfillment partners, including 1450, Ingram Micro, Tech Data and Digital River. These distribution and fulfillment partners provide Nuance s products to computer superstores, consumer electronic stores, eCommerce Web sites, mail order houses and office superstores, such as Amazon.com, Best Buy, CDW, MicroWarehouse, Circuit City, CompUSA, Fry s Electronics, Office Depot, PC Connection and Staples.

As of September 30, 2006, Nuance had 448 full-time employees in sales and marketing, with 298 in the United States and 150 internationally.

Research and Development/Intellectual Property

In recent years, Nuance has developed and acquired extensive technology assets, intellectual property and industry expertise in speech and imaging which provide Nuance with a competitive advantage in markets where it competes. Nuance s technologies are based on complex mathematical formulas which require extensive amounts of linguistic and image data, acoustic models and recognition techniques. A significant investment in capital and time would be necessary to replicate Nuance s current capabilities.

Nuance continues to invest in its technologies to maintain its market-leading position and to develop new applications. Nuance s technologies are covered by more than 550 patents or patent applications, expiring on various dates between 2007 and 2023. Nuance s intellectual property, whether purchased and included as an asset on its balance sheet, or developed internally and thus not generally included as an asset on its balance sheet, is critical to Nuance s success and competitive position and, ultimately, to its market value. Nuance relies on a combination of patents, copyrights, trademarks, services marks, trade secrets, confidentiality provisions and licensing arrangements to establish and protect its intellectual property and proprietary rights.

As of September 30, 2006, Nuance had 417 full-time employees in research and development. Nuance s research and development expenses for the twelve months ended September 30, 2006 and 2005, and the nine months ending September 30, 2004 were $59.4 million, $39.2 million and $26.4 million, respectively.

International Operations

Nuance s international headquarters are located in Belgium and Nuance has additional principal offices in a number of international locations including: Canada, Germany, Hungary, Israel, Japan and the United Kingdom. The responsibilities of Nuance s international operations include research and development, customer support, sales and marketing and administration. Additionally, Nuance maintains smaller sales, services and support offices throughout the world to support its international customers and to expand international revenue opportunities.

Geographic revenue classification is based on the geographic areas in which Nuance s customers are located. For fiscal 2006, 2005 and 2004, 74%, 69% and 70% of revenue was generated in the United States and 26%, 31% and 30% of revenue was generated by our international operations, respectively.

For a discussion of risks attendant to Nuance s international operations, see Risk Factors A significant portion of Nuance s revenue and a significant portion of Nuance s research and development are based outside the United States. Nuance s results could be harmed by economic, political, regulatory and other risks associated with these international regions.

Strategy

Nuance focuses on providing competitive and value-added solutions for its customers and partners through a broad set of technologies, service offerings and channel capabilities. To continue to provide industry leading solutions, through acquisitions and organic growth, Nuance intends to:

Participate Broadly In Speech. Nuance intends to leverage its comprehensive technologies and leadership in speech to expand its opportunities in the call center, automotive, healthcare,

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telecommunications and mobile markets. Nuance also intends to pursue emerging opportunities to use its speech technologies within consumer devices, games and other embedded applications. To expand Nuance s position in speech, Nuance intends to introduce new versions of its products and applications complete new license agreements with customers and partners that will resell its technologies; and continue to make strategic acquisitions that Nuance believes complement its existing capabilities in the telecommunications, automotive and electronics markets.

Pursue Opportunities for Dictation and Transcription in Healthcare. Nuance intends to increase its investments and efforts in providing dictation solutions to the healthcare market, where Nuance believes there is a large and attractive opportunity to automate transcription processes and information workflow. Nuance has formed a healthcare-specific sales organization aggressively to pursue sales into healthcare provider organizations; expanded its reseller and system integrator channels within healthcare; and entered into OEM license agreements with leading healthcare IT hardware and software vendors.

Pursue Strategic Acquisitions. Nuance has selectively pursued strategic acquisitions to expand its technology, channel and service resources and to complement its organic growth. Nuance expects to continue to make acquisitions of other companies, businesses and technologies to complement its existing capabilities and its internal investments in these areas and has a team that focuses on evaluating market needs and potential acquisitions to fulfill them. Nuance has a disciplined methodology for integrating acquired companies and businesses after the transaction is complete.

Expand Worldwide Channels. Nuance intends to expand its global channel network and build upon its existing distribution channels, especially in Europe, Asia and Latin America. Along these lines, Nuance has added sales employees in different geographic regions and launched programs and events to help recruit new partners for its channel network.

Expand PDF and Imaging Solutions. Nuance intends to enhance the value and functionality of its PDF and imaging solutions to enable enterprises to address the proliferation of PDF, the expanded use of content management systems and the widespread adoption of networked multifunction and digital scanning devices. Nuance intends to continue to introduce new and improved versions of its products to take advantage of developing market opportunities. Nuance also plans to enhance its software development toolkits so its technologies can be integrated with more third-party and OEM solutions.

Competition

The individual markets in which Nuance competes are highly competitive and are subject to rapid technology changes. There are a number of companies that develop or may develop products that compete in Nuance s target markets; however, currently there is no one company that competes with Nuance in all of its product areas. While Nuance expects competition to continue to increase both from existing competitors and new market entrants, Nuance believes that it will compete effectively based on many factors, including:

Technological Superiority. Nuance s speech and imaging technologies, applications and solutions are often recognized as the most proficient products in their respective categories. Nuance s speech technology has industry-leading recognition accuracy and provides a natural, speech-enabled interaction with systems, devices and applications. Nuance s imaging technology is viewed as the most accurate in the industry, with rates as high as 99.8%. Technology publications, analyst research and independent benchmarks have indicated Nuance s products rank at or above performance levels of alternative solutions.

Broad Distribution Channels. Nuance s extensive global network of resellers, comprising system integrators, independent software vendors, value-added resellers, hardware vendors, telecommunications carriers and distributors; Nuance s dedicated direct sales force; and, its e-commerce website (www.nuance.com) enables it to address the needs of specific markets, such as financial, legal, healthcare and government, and introduce new products quickly and effectively.

International Appeal. The international reach of Nuance s products is due to the broad language coverage of its offerings, including its speech technology which provides recognition for up to

49 languages and dialects and natural sounding synthesized speech in 26 languages and supports a broad range of hardware platforms and operating systems. Nuance s imaging technology supports more than 100 languages. Nuance currently has a significant portion of its operations located outside of the United States.

Specialized Professional Services. Nuance s superior technology when coupled with the high quality of its professional services, allows Nuance s customers and partners to place a high degree of confidence and trust in its ability to deliver results.

Within speech, Nuance competes with AT&T, Fonix, IBM, Loquendo, Microsoft, Philips and Telisma. Within healthcare dictation and transcription, Nuance competes with Philips Medical, Spheris and other smaller providers. Within imaging, Nuance competes directly with ABBYY, Adobe, eCopy, and I.R.I.S. In speech, some of Nuance s partners such as Avaya, Cisco, Edify, Genesys and Nortel develop and market products that can be considered substitutes for Nuance s solutions. In addition, a number of smaller companies in both speech and imaging produce technologies or products that are competitive with Nuance s solutions in some markets. Current and potential competitors have established, or may establish, cooperative relationships among themselves or with third parties to increase the ability of their technologies to address the needs of Nuance s prospective customers.

Some of Nuance s competitors or potential competitors in its markets, such as Adobe, IBM and Microsoft, have significantly greater financial, technical and marketing resources than Nuance does. These competitors may be able to respond more rapidly than Nuance can to new or emerging technologies or changes in customer requirements. They may also devote greater resources to the development, promotion and sale of their products than Nuance does. See Risk Factors The markets in which Nuance operates are highly competitive and rapidly changing and Nuance may be unable to compete successfully.

Employees

As of September 30, 2006, Nuance employed 1,681 full-time employees worldwide in 16 countries, including 448 in sales and marketing, 417 in research and development, 329 in professional service consulting, 211 in customer service and support and 276 in general and administration, including information services personnel. Nuance s employees are not represented by any labor union and are not organized under a collective bargaining agreement, and Nuance has never experienced a work stoppage. Nuance believes that its relationships with its employees are generally good.

Company Information

Nuance s website is located at www.nuance.com. This joint information statement/prospectus, the Nuance Annual Reports on Form 10-K, the Nuance Quarterly Reports on Form 10-Q, the Nuance Current Reports on Form 8-K, and all amendments to these reports, as well as proxy statements and other information Nuance files with or furnishes to the SEC are accessible free of charge on Nuance s website. Nuance makes these documents available as soon as reasonably practicable after it files them with, or furnishes them to, the SEC. Except as otherwise stated in these documents, the information contained on Nuance s website or available by hyperlink from its website is not incorporated by reference into this joint information statement/prospectus or any other documents Nuance files with or furnishes to the SEC.

Nuance Properties

The Nuance corporate headquarters and administrative, sales, marketing, research and development and support functions occupy approximately 105,000 square feet of space that are leased in Burlington,

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Massachusetts. Nuance also leases additional properties in the United States and a number of foreign countries. The following table summarizes Nuance s significant properties as of September 30, 2006:

Location	Sq. Ft. (approx.)	Lease Term	Primary Use
Burlington, Massachusetts	105,000	May 2015	Corporate headquarters and administrative, sales, marketing, research and development and support functions.
Menlo Park, California(1)	34,000	August 2009	Sales, marketing and support functions.
Aachen, Germany	20,000	March 2011	Research and development.
Budapest, Hungary	21,000	December 2009	Research and development.
Merelbeke, Belgium	25,000	April 2010	International headquarters, sales, marketing and research and development.
Montreal, Quebec	48,000	June 2006 to March 2011	Sales, marketing, research and development, customer support and order fulfillment functions.
Pacific Shores, Redwood City, California(2)	141,000	July 2012	Seventy-five percent of this facility is unoccupied, the remainder has been sublet to a third party.
Melbourne, Florida(3)	130,000	Owned	Administrative, sales, marketing, and support functions. A portion of this facility has been leased to a third party.
New York, New York(4)	34,000	February 2016	Subleased to two separate third-party tenants.

(1) This is a lease that was assumed as part of Nuance s acquisition of the company formerly known as Nuance Communications, Inc. 10,000 sq. ft. of the 34,000 sq. ft. is unoccupied.

(2) The lease for this property was assumed as part of Nuance s acquisition of the company formerly known as Nuance. See Note 3 of Notes to Consolidated Financial Statements of Nuance Communications, Inc.

(3) This building is owned and was acquired as part of the Dictaphone acquisition.

(4) The lease for this property was assumed as part of Nuance s acquisition of SpeechWorks.

In addition to the properties referenced above, Nuance also leases a number of small sales and marketing offices in the United States and internationally. As of September 30, 2006, Nuance was productively utilizing substantially all of the space in its facilities, except for space identified above as unoccupied or that has been leased or subleased to third parties.

Legal Proceedings

Like many companies in the software industry, Nuance has from time to time been notified of claims that Nuance may be infringing certain intellectual property rights of others. These claims have been referred to counsel, and they are in various stages of evaluation and negotiation. If it appears necessary or desirable, Nuance may seek licenses for these intellectual property rights. There is no assurance that licenses will be offered by all claimants, that the terms of any offered licenses will be acceptable to Nuance or that in all cases the dispute will be resolved without litigation, which may be time consuming and expensive, and may result in injunctive relief or the payment of damages by Nuance.

On May 31, 2006 GTX Corporation, or GTX, filed an action against Nuance in the United States District Court for the Eastern District of Texas claiming patent infringement. Damages were sought in an unspecified

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amount. In the lawsuit, GTX alleged that Nuance is infringing United States Patent No. 7,016,536 entitled Method and Apparatus for Automatic Cleaning and Enhancing of Scanned Documents. Nuance believes the claims have no merit and intends to defend the action vigorously.

On November 27, 2002, AllVoice Computing plc filed an action against Nuance in the United States District Court for the Southern District of Texas claiming patent infringement. In the lawsuit, AllVoice alleges that Nuance is infringing United States Patent No. 5,799,273 entitled Automated Proofreading Using Interface Linking Recognized Words to their Audio Data While Text is Being Changed , which is referred to as the 273 Patent. The 273 Patent generally discloses techniques for manipulating audio data associated with text generated by a speech recognition engine. Although Nuance has several products in the speech recognition technology field, Nuance believes that its products do not infringe the 273 Patent because, in addition to other defenses, they do not use the claimed techniques. Damages are sought in an unspecified amount. Nuance filed an Answer on December 23, 2002. The United States District Court for the Southern District of Texas entered summary judgment against AllVoice and dismissed all claims against Nuance on February 21, 2006. AllVoice filed a notice of appeal from this judgment on April 26, 2006. Nuance believes these claims have no merit and intends to defend the action vigorously.

On April 10, 2007, Disc Link Corporation filed a patent infringement action against Nuance in the United States District Court for the Eastern District of Texas. Damages are sought in an unspecified amount. In this lawsuit, Disc Link alleges that Nuance infringes U.S. Patent No. 6,314,574, titled Information Distribution System. Nuance is in the early stages of evaluating these claims and intends to defend the action vigorously.

In August 2001, the first of a number of complaints was filed in the United States District Court for the Southern District of New York, on behalf of a purported class of persons who purchased the former Nuance Communications, Inc., referred to as Former Nuance, stock between April 12, 2000 and December 6, 2000. Those complaints have been consolidated into one action. The complaint generally alleges that various investment bank underwriters engaged in improper and undisclosed activities related to the allocation of shares in Former Nuance s initial public offering of securities. The complaint makes claims for violation of several provisions of the federal securities laws against those underwriters, and also against Former Nuance and some of the Former Nuance s directors and officers. Similar lawsuits, concerning more than 250 other companies initial public offerings, were filed in 2001. In February 2003, the Court denied a motion to dismiss with respect to the claims against Former Nuance. In the third quarter of 2003, a proposed settlement in principle was reached among the plaintiffs, issuer defendants (including Former Nuance) and the issuers insurance carriers. The settlement calls for the dismissal and release of claims against the issuer defendants, including Former Nuance, in exchange for a contingent payment to be paid, if necessary, by the issuer defendants insurance carriers and an assignment of certain claims. The timing of the conclusion of the settlement remains unclear, and the settlement is subject to a number of conditions, including approval of the court. The settlement is not expected to have any material impact upon Nuance, as payments, if any, are expected to be made by insurance carriers. In July 2004, the underwriters filed a motion opposing approval by the court of the settlement among the plaintiffs, issuers and insurers. In March 2005, the court granted preliminary approval of the settlement, subject to the parties agreeing to modify the term of the settlement which limits each underwriter from seeking contribution against its issuer for damages it may be forced to pay in the action. On April 24, 2006, the court held a fairness hearing in connection with the motion for final approval of the settlement. The court has yet to issue a ruling on the motion for final approval. On December 5, 2006, the Court of Appeals for the Second Circuit reversed the court s order certifying a class in several test cases that had been selected by the underwriter defendants and plaintiffs in the coordinated proceeding. The settlement remains subject to a number of conditions, including final court approval. In the event the settlement is not concluded, Nuance intends to defend the litigation vigorously. Nuance believes it has meritorious defenses to the claims against Former Nuance.

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DEVELOPMENTS IN NUANCE S BUSINESS DURING FISCAL 2007

Acquisition of Mobile Voice Control

On December 29, 2006, Nuance acquired all of the outstanding capital stock of Mobile Voice Control, Inc., or MVC, for a purchase price consisting of a combination of cash and Nuance common stock. In connection with the closing of the acquisition, Nuance issued an aggregate of 784,266 shares of Nuance common stock to the former stockholders of MVC. Subsequently, Nuance agreed to repurchase a portion of those shares issued at closing from the former MVC stockholders. Nuance may issue up to an additional 1,700,840 shares of Nuance common stock upon the achievement of certain revenue milestones for the calendar years ending December 31, 2007 and December 31, 2008. The issuance of no portion of these additional shares is guaranteed. The MVC acquisition allowed Nuance to further accelerate the deployment of speech-enabled solutions in the wireless industry, in particular within the mobile search and communications markets. MVC s products offerings include a speech-enabled service that allows consumers easily to dictate and send e-mail or text messages, dial a contact, create calendar entries, and search web content entirely with their voice.

Acquisition of Bluestar Resources/Focus Infomatics

On March 26, 2007, Nuance acquired all of the outstanding capital stock of Bluestar Resources Ltd., (the parent company of Focus Enterprises Limited and Focus Infosys India Private Limited), a healthcare transcription solution company with operations in India and the United States, for an aggregate purchase price of approximately $59.3 million. The acquisition expanded Nuance s ability to deliver web-based speech recognition editing services and significantly accelerated Nuance s strategy to automate manual transcription in the healthcare industry. In connection with the Focus acquisition, Nuance granted 185,367 shares of its common stock, in the form of stand-alone restricted stock units, as an inducement material to 61 individuals entering into employment agreements with Nuance. The issuance of the restricted stock units was approved by the compensation committee of the Nuance board of directors. The restricted stock units vest over a three-year period, subject to acceleration upon the achievement of certain performance targets.

Expanded Credit Facility

On April 5, 2007, Nuance entered into (i) an Amended and Restated Credit Agreement dated as of April 5, 2007, among Nuance, the Lenders party to the credit agreement from time to time, UBS AG, Stamford Branch, as administrative agent, Citicorp North America, Inc., as syndication agent, Credit Suisse Securities (USA) LLC, as documentation agent, Citigroup Global Markets Inc. and UBS Securities LLC, as joint lead arrangers, Credit Suisse Securities (USA) LLC and Banc Of America Securities LLC, as co-arrangers, and Citigroup Global Markets INC., UBS Securities LLC and Credit Suisse Securities (USA) LLC, as joint bookrunners and (ii) an Amendment Agreement, dated as of April 5, 2007, among Nuance, UBS AG, Stamford Branch, as administrative agent, Citicorp North America, INC., as syndication agent, Credit Suisse Securities (USA) LLC, as documentation agent, the Lenders party thereto from time to time, Citigroup Global Markets Inc. and UBS Securities LLC, as joint lead arrangers and joint bookrunners, Credit Suisse Securities (USA) LLC, as joint bookrunner and co-arranger, and Banc Of America Securities LLC, as co-arranger.

The Credit Agreement and the Amendment Agreement, provide for the amendment and restatement of Nuance s prior 7-year term facility and 6-year revolving credit facility, which, together we refer to as the expanded facility. The expanded facility includes $90 million of additional term debt resulting in a $442 million term facility due in March 2013 and a $75 million revolving credit facility due in March 2012. The additional funds received by Nuance under the expanded facility were used to fund the cash portion of the merger consideration for Nuance s acquisitions of BeVocal, Inc. and Focus Infomatics, Inc. and for other general corporate purposes and is secured by substantially all of the assets of Nuance and its domestic subsidiaries. The Credit Agreement contains customary covenants, including covenants that in certain cases restrict the ability of Nuance and our subsidiaries to incur additional indebtedness, create or permit liens on assets, enter into sale-leaseback transactions, make loans or investments, sell assets, make acquisitions, pay dividends, or repurchase stock. The Credit Agreement also contains customary events of default, including

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failure to make payments, failure to observe covenants, breaches of representations and warranties, defaults under certain other material indebtedness, failure to satisfy material judgments, a change of control and certain insolvency events.

Acquisition of BeVocal

On April 24, 2007, Nuance acquired all of the outstanding capital stock of BeVocal, Inc. The aggregate consideration delivered to the former stockholders of BeVocal consisted of approximately 8.3 million shares of Nuance common stock and an initial payment of approximately $15 million in cash, net of the estimated cash closing balance of BeVocal. Additionally, Nuance agreed to a contingent payment of up to an additional $60,000,000 in cash to be paid, if at all, approximately 18 months following the closing, upon the achievement of certain performance objectives. The acquisition of BeVocal brought Nuance an expanded product portfolio with additions in the areas of mobile customer lifecycle management, mobile premium services and other mobile consumer products. In connection with the BeVocal acquisition, Nuance granted 501,530 shares of its common stock, in the form of stand-alone restricted stock units, and options to purchase 750,000 shares of its common stock as an inducement that is material to 145 individuals entering into employment arrangements with Nuance. The issuance of the restricted stock units and stock options was approved by the compensation committee of the Nuance board of directors. The restricted stock units vest over a three-year period, subject to acceleration upon the achievement of certain performance targets and the stock options vest over a four-year period.

Agreement to Acquire VoiceSignal

On May 14, 2007, Nuance entered into an agreement and plan of merger pursuant to which it agreed to acquire VoiceSignal to enhance Nuance s ability to satisfy the accelerating demand for speech enabled mobile devices and services. The aggregate consideration consists of (i) approximately 5.84 million shares of Nuance common stock, and (ii) an initial cash payment of approximately $204 million, net of the estimated cash closing balance of Voice Signal. The proposed transaction is described in greater detail in this joint information statement/prospectus.

MANAGEMENT S DISCUSSION AND ANALYSIS OF NUANCE S FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management s Discussion and Analysis, or MD&A, is intended to help the reader understand the results of operations and financial condition of Nuance s business. MD&A is provided as a supplement to, and should be read in conjunction with, Nuance s consolidated financial statements and the accompanying notes to the consolidated financial statements included in this joint information statement/prospectus.

Forward-looking Statements

This joint information statement/prospectus contains forward-looking statements. These forward-looking statements include predictions regarding:

- Nuance s future revenue, cost of revenue, research and development expenses, selling, general and administrative expenses, amortization of other intangible assets and gross margin;
- Nuance s strategy relating to speech and imaging technologies;
- the potential of future product releases;
- Nuance s product development plans and investments in research and development;
- Nuance s future acquisitions, and anticipated benefits from prior acquisitions;
- Nuance s international operations and localized versions of our products; and
- Nuance s legal proceedings and litigation matters.

You can identify these and other forward-looking statements by the use of words such as may, will, should, expects, plans, anticipates, believes, estimates, predicts, intends, potential, continue or the negative of such term comparable terminology. Forward-looking statements also include the assumptions underlying or relating to any of the foregoing statements. Nuance s actual results could differ materially from those anticipated in these forward-looking statements for many reasons, including the risks described under Risk Factors and elsewhere in this joint information statement/prospectus.

OVERVIEW

Nuance is a leading provider of speech and imaging solutions for businesses and consumers around the world. Nuance s technologies, applications and services are transforming the way people create, use and interact with information and make the experience of Nuance s end users a more compelling, convenient and satisfying one.

Nuance s speech technologies enable voice-activated services over a telephone, transform speech into written word, and permit the control of devices and applications by simply speaking. With the acquisition of Dictaphone, Nuance expanded its speech technologies in the automatic conversion of voice reports into electronic patient reports for a wide range of users in the transcription and healthcare industry. Nuance s imaging solutions offer cost-effective PDF applications for business users, convert paper and PDF into documents that can be easily edited, and simplify scanning and document management using mult