

Nuance Communications, Inc.

Form 424B7

March 13, 2008

Filed pursuant to Rule 424(b)(7)
Registration No. 333-147715

PROSPECTUS SUPPLEMENT NO. 1

(TO PROSPECTUS SUPPLEMENT DATED FEBRUARY 8, 2008)

2.75% Senior Convertible Debentures due 2027

and the Common Stock Issuable Upon Conversion of the Debentures

This Prospectus Supplement No. 1 supplements the prospectus supplement, dated February 8, 2008 and the prospectus, dated November 29, 2007, relating to the resale by selling securityholders of up to \$250,000,000 aggregate principal amount of our 2.75% Senior Convertible Debentures due 2027 (the debentures), and the shares of common stock issuable upon conversion of the debentures.

This prospectus supplement should be read in conjunction with the prospectus and previous prospectus supplement, and is qualified by reference to the prospectus and previous prospectus supplement, except to the extent that the information presented herein supersedes the information contained in the prospectus or previous prospectus supplement. This prospectus supplement is not complete without, and may not be delivered or utilized except in connection with, the prospectus, including any amendments or supplements thereto.

Our common stock is quoted on the Nasdaq Global Select Market under the symbol *NUAN*. On March 11, 2008, the last quoted sale price of our common stock was \$17.62 per share.

Investing in the debentures or our common stock involves risks. See Risk Factors beginning on page S-13 of the prospectus supplement dated February 8, 2008.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS SUPPLEMENT, THE PREVIOUS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus supplement is March 12, 2008.

SELLING SECURITYHOLDERS

We originally issued and sold the debentures to Citigroup Global Markets Inc. and Goldman, Sachs & Co. (collectively, the initial purchasers) in a private placement transaction exempt from the registration requirements of the Securities Act of 1933, as amended (the Securities Act). The debentures were resold by the initial purchasers in transactions exempt from registration pursuant to Rule 144A under the Securities Act to persons reasonably believed by the initial purchasers to be qualified institutional buyers as defined by Rule 144A under the Securities Act. Selling securityholders, including their transferees, pledgees or donees or their successors, may from time to time offer and sell any or all of the debentures and shares of common stock into which the debentures are convertible pursuant to this prospectus supplement, the previous prospectus supplement dated February 8, 2008, and the prospectus dated November 29, 2007.

The information in the table appearing under the caption Selling Securityholders in the prospectus supplement dated February 8, 2008, is supplemented by adding the information below with respect to persons not previously listed in the prospectus supplement and by superseding the information with respect to persons previously listed in the prospectus supplement with the information set forth below. The information is based on information provided to us by or on behalf of the selling securityholders, and we have not independently verified this information. The selling securityholders may offer all, some or none of the debentures or the common stock into which the debentures are convertible. Because the selling securityholders may offer all or some portion of the debentures or the common stock, we cannot estimate the amount of the debentures or the common stock that will be held by the selling securityholders upon termination of any of these sales; the table below assumes that all selling securityholders will sell all of their debentures or common stock, unless otherwise indicated. In addition, the selling securityholders identified below may have sold, transferred or otherwise disposed of all or a portion of their debentures since the date on which they provided the information regarding their debentures in transactions exempt from the registration requirements of the Securities Act.

The percentage of debentures outstanding beneficially owned by each selling securityholder is based on \$250,000,000 aggregate principal amount. The number of shares of common stock that may be sold includes only shares of common stock into which the debentures are initially convertible. The conversion rate of the debentures and the number of shares of common stock issuable upon conversion of the debentures is subject to adjustment under certain circumstances. Accordingly, the number of shares of common stock into which the debentures are convertible may change.

Based upon information provided by the selling securityholders, none of the selling securityholders nor any of their affiliates, officers, directors or principal equity holders has held any position or office or has had any material relationship with us within the past three years with the exception of Goldman Sachs & Co., which acted as an initial purchaser in the original issuance of the debentures on August 13, 2007.

Selling Securityholder Table

Name	Principal Amount at Maturity of Debentures Beneficially Owned That May Be Sold	Percentage of Debentures Outstanding	Principal Amount of Debentures Owned After Completion of Offering	Number of Shares of Common Stock That May Be Sold	Percentage of Common Stock Outstanding	Number of Shares of Common Stock Owned After Completion of Offering
			(1)	(2)	(3)	(2)(4)

Edgar Filing: Nuance Communications, Inc. - Form 424B7

Arkansas Teacher Retirement System (10)	2,270,000	*	116,618	*
Baptist Health of South Florida, Inc. (10)	525,000	*	26,971	*
Bear, Stearns & Co. Inc. (11)	8,000,000	3.20%	410,988	*
Calamos Global Funds PLC Calamos U.S. Opportunities Fund (12)	390,000	*	20,035	*

-2-

Name	Principal Amount at Maturity of Debentures Beneficially Owned That May Be Sold	Percentage of Debentures Outstanding	Principal Amount of Debentures Owned After Completion of Offering (1)	Number of Shares of Common Stock That May Be Sold (2)	Percentage of Common Stock Outstanding (3)	Number of Shares of Common Stock Owned After Completion of Offering (2)(4)
Calamos Growth and Income Portfolio Calamos Advisors Trust (12)	284,000	*		14,590	*	
Calamos Growth and Income Portfolio Calamos Investment Trust (12)	47,654,000	19.06%		2,448,157	1.16%	
Citadel Equity Fund Ltd. (13) (14)	66,000,000	26.40%		3,390,657	1.60%	
DBAG London (14)	40,273,000	16.11%		2,068,968	*	
dbx-Convertible Arbitrage 12 Fund c/o Quattro Global Capital, LLC	400,000	*		20,549	*	
Dunham Appreciation and Income Fund (11) (12)	350,000	*		17,980	*	
Engineers Joint Pension Fund (10)	170,000	*		8,733	*	
Goldman Sachs & Co. (16)	4,267,000	1.71%		219,211	*	147,104
Institutional Benchmark Series (Master Feeder) Limited in Respect of Electra Series c/o Quattro Global Capital, LLC	1,500,000	*		77,060	*	
Lyxor/Quattro Fund Limited c/o Quattro Global Capital, LLC	1,000,000	*		51,373	*	
Lyxor/Mohican Convertible Arbitrage Fund Limited (15)	1,500,000	*		77,060	*	

Nicholas Applegate U.S. Convertible Fund (10)	1,965,000	*	100,949	*
North Slope Borough (12)	257,000	*	13,203	*
Quattro Fund Ltd.	7,400,000	2.96%	380,164	*
Quattro Multistrategy Masterfund LP	700,00	*	35,961	*
San Diego City Retirement System (10)	915,000	*	47,006	*
San Diego County Employee Retirement Association (10)	805,000	*	41,355	*
The California Wellness Foundation (12)	415,000	*	21,320	*

* Less than 1%

(1) Assumes sale of all debentures offered hereby, although selling securityholders are not obligated to sell any debentures.

(2) Assumes conversion of all of the holder's debentures at the initial conversion rate of 51.3736 shares of common stock per \$1,000 principal amount of the debentures, not including fractional shares for which we will pay cash as described under Description of Debentures Conversion Rights Settlement Upon Conversion in the Prospectus Supplement, dated February 8, 2008. However, this conversion rate will be subject to adjustment as described under the section entitled Description of the

Debentures Conversion
Rights Conversion Rate
Adjustments in the
Prospectus
Supplement, dated
February 8, 2008. As a
result, the amount of
common stock issuable
upon conversion of the
debentures may
increase or decrease in
the future.

- (3) Calculated based on Rule 13d-3(d)(1)(i) of the Exchange Act using 208,225,357 shares of common stock outstanding as of December 31, 2007. In calculating this amount, we treated as outstanding the number of shares of common stock issuable upon conversion of all of that particular holder's debentures. However, we did not assume the conversion of any other holder's debentures.
- (4) Assumes sale of all shares of common stock that may be issued upon conversion, and includes other shares of common stock identified to us by the selling securityholder as owned by it.
- (10) This selling securityholder has delegated full authority to Nicholas-Applegate Capital Management LLC (Nicholas Applegate) as investment advisor

over these securities,
including full voting
and dispositive power.
The chief investment
officer of
Nicholas-Applegate is
Horacio Valeiras who,
in such capacity, has
oversight authority
over all portfolio
managers at
Nicholas-Applegate.

- (11) The selling
securityholder is a
broker-dealer.

(12) Calamos Advisors LLC is the investment manager of the selling securityholder and Nick Calamos is the natural person with control over Calamos Advisors LLC.

(13) Citadel Limited Partnership (CLP) is the trading manager of Citadel Equity Fund Ltd. and consequently has investment discretion over securities held by Citadel Equity Fund Ltd. Citadel Investment Group (CIG) controls CLP. Kenneth C. Griffin controls CIG and therefore has ultimate investment discretion over securities held by Citadel Equity Fund Ltd. CLP, CIG and Mr. Griffin each disclaim beneficial ownership of the shares held by Citadel Equity Fund Ltd.

(14) The selling securityholder is an affiliate of a broker-dealer.

(15) SG Hambros Fund Managers (Jersey) Limited shares voting and investment control over these securities. Lyxor AM is the submanager of the selling securityholder and a wholly owned subsidiary of Société Generale, which is an affiliate of Société Generale Americas Securities LLC, a U.S. broker-dealer and a part of Société Generale Corporate Group. However, there are Chinese Walls in place between the selling securityholder, Société Generale and Société Generale Americas Securities LLC. The U.S. broker-dealer affiliates are not involved in the transaction.

(15) SG Hambros Fund Managers (Jersey) Limited shares voting and investment control over these securities. Lyxor AM is the submanager of the selling securityholder and a wholly owned subsidiary of Société Generale, which is an affiliate of Société Generale Americas Securities LLC, a U.S. broker-dealer and a part of Société Generale Corporate Group. However, there are Chinese Walls in place between the selling securityholder, Société Generale and Société Generale Americas Securities LLC. The U.S. broker-dealer affiliates are not involved in the transaction.

(16) The selling securityholder acted as joint bookrunner for this issue and is

a broker-dealer.

Information about other selling securityholders will be set forth in prospectus supplements or post-effective amendments, if required. Information about the selling securityholders may change from time to time. Any changed information with respect to which we are given notice will be set forth in prospectus supplements.

Beneficial ownership is determined under the rules of the SEC, and generally includes voting or investment power with respect to securities.

None of the selling securityholders who are broker-dealers or affiliates of broker-dealers purchased the securities outside of the ordinary course of business or, at the time of the purchase of the securities, had any agreements or understandings, directly or indirectly, with any person to distribute the securities.

-4-