

AUDIOCODES LTD
Form SC 13G
March 26, 2007
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No.*)

AUDIOCODES LTD.

(Name of Issuer)

Ordinary Shares, par value NIS 0.01 per share

(Title of Class of Securities)

M15342104

(CUSIP Number)

March 15, 2007

(Date of Event which Requires Filing

of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

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*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Continued on the following page(s)

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Exhibit Index: Page 10

Schedule 13G

CUSIP No.: M15342104

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- 1** Name of Reporting Persons
 I.R.S. Identification Nos. of above persons (entities only)
 SOROS FUND MANAGEMENT LLC
- 2** Check the Appropriate Box if a Member of a Group (See Instructions)
 a.
 b.
3 SEC Use Only
- 4** Citizenship or Place of Organization

DELAWARE

	5	Sole Voting Power 2,781,937
Number of	6	Shared Voting Power 0
Shares	7	Sole Dispositive Power 2,781,937
Beneficially	8	Shared Dispositive Power 0
Owned By		
Each		
Reporting		
Person		
With		

- 9** Aggregate Amount of Beneficially Owned by Each Reporting Person
 2,781,937
- 10** Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)
- 11** Percent of Class Represented By Amount in Row (9)
 6.4%
- 12** Type of Reporting Person (See Instructions)
 OO; IA

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- 1** Names of Reporting Persons
I.R.S. Identification Nos. of above persons (entities only)
GEORGE SOROS (in the capacity described herein)
- 2** Check the Appropriate Box if a Member of a Group (See Instructions)
 - a.
 - b.
- 3** SEC Use Only
- 4** Citizenship or Place of Organization

UNITED STATES

- 5** Sole Voting Power
0
- Number of **6** Shared Voting Power
Shares 2,781,937
- Beneficially **7** Sole Dispositive Power
Owned By 0
- Each **8** Shared Dispositive Power
Reporting Person 2,781,937
- With **9** Aggregate Amount of Beneficially Owned by Each Reporting Person
2,781,937
- 10** Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)
- 11** Percent of Class Represented By Amount in Row (9)
6.4%
- 12** Type of Reporting Person (See Instructions)
IA

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- 1** Names of Reporting Persons
I.R.S. Identification Nos. of above persons (entities only)
ROBERT SOROS (in the capacity described herein)
- 2** Check the Appropriate Box if a Member of a Group (See Instructions)
 - a.
 - b.
- 3** SEC Use Only
- 4** Citizenship or Place of Organization

UNITED STATES

- 5** Sole Voting Power
0
- Number of **6** Shared Voting Power
Shares 2,781,937
- 7** Sole Dispositive Power
Beneficially 0
- 8** Shared Dispositive Power
Owned By 2,781,937
- Each
Reporting
Person
With
- 9** Aggregate Amount of Beneficially Owned by Each Reporting Person
2,781,937
- 10** Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)
- 11** Percent of Class Represented By Amount in Row (9)
6.4%
- 12** Type of Reporting Person (See Instructions)
IA

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- 1** Names of Reporting Persons
I.R.S. Identification Nos. of above persons (entities only)
JONATHAN SOROS (in the capacity described herein)
- 2** Check the Appropriate Box if a Member of a Group (See Instructions)
 - a.
 - b.
- 3** SEC Use Only
- 4** Citizenship or Place of Organization

UNITED STATES

- 5** Sole Voting Power
0
- Number of **6** Shared Voting Power
Shares 2,781,937
- 7** Sole Dispositive Power
Beneficially 0
- 8** Shared Dispositive Power
Owned By 2,781,937
- Each Reporting Person
- With **9** Aggregate Amount of Beneficially Owned by Each Reporting Person
2,781,937
- 10** Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)
- 11** Percent of Class Represented By Amount in Row (9)
6.4%
- 12** Type of Reporting Person (See Instructions)
IA

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Item 1(a) Name of Issuer:

AudioCodes Ltd. (the "Issuer").

Item 1(b) Address of the Issuer's Principal Executive Offices:

1 Hayarden Street

Airport City Lod, 70151

ISRAEL

Item 2(a) Name of Person Filing:

This statement is filed on behalf of each of the following persons (collectively, the "Reporting Persons"):

- (i) Soros Fund Management LLC (SFM LLC);
- (ii) George Soros;
- (iii) Robert Soros; and
- (iv) Jonathan Soros.

This statement relates to Shares (as defined herein) held for the account of Quantum Partners LDC, a Cayman Islands exempted limited duration company ("Quantum Partners"). SFM LLC serves as principal investment manager to Quantum Partners. As such, SFM LLC has been granted investment discretion over portfolio investments, including the Shares, held for the account of Quantum Partners. George Soros serves as Chairman of SFM LLC, Robert Soros serves as Chief Investment Officer and Co-Deputy Chairman of SFM LLC, and Jonathan Soros serves as President and Co-Deputy Chairman of SFM LLC.

Item 2(b) Address of Principal Business Office or, if None, Residence:

The address and principal business office of each of SFM LLC, George Soros, Robert Soros and Jonathan Soros is 888 Seventh Avenue, 33rd Floor, New York, New York, 10106.

Item 2(c) Citizenship:

- (i) SFM LLC is a Delaware limited liability company;
- (ii) George Soros is a United States citizen;
- (iii) Robert Soros is a United States citizen; and
- (iv) Jonathan Soros is a United States citizen.

Item 2(d) Title of Class of Securities:

Ordinary Shares, par value NIS 0.01 per share (the "Shares").

Item 2(e) CUSIP Number:

M15342104

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Item 3. If this statement is filed pursuant to §§ 240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:
This Item 3 is not applicable.

Item 4. Ownership:

Item 4(a) Amount Beneficially Owned:

As of March 23, 2007, each of the Reporting Persons may be deemed to be the beneficial owner of 2,781,937 Shares issuable upon conversion of 2.00% Senior Convertible Notes due 2024 beneficially owned by the Reporting Persons.

Item 4(b) Percent of Class:

As of March 23, 2007, assuming full conversion of the 2.00% Senior Convertible Notes due 2024 beneficially owned by the Reporting Persons, each of the Reporting Persons may be deemed to be the beneficial owner of approximately 6.4% of the total number of Shares outstanding.

Item 4(c) Number of shares as to which the person has:

SFM LLC

(i)	Sole power to vote or to direct the vote:	2,781,937
(ii)	Shared power to vote or to direct the vote:	0
(iii)	Sole power to dispose or to direct the disposition of:	2,781,937
(iv)	Shared power to dispose or to direct the disposition of:	0

George Soros

(i)	Sole power to vote or to direct the vote:	0
(ii)	Shared power to vote or to direct the vote:	2,781,937
(iii)	Sole power to dispose or to direct the disposition of:	0
(iv)	Shared power to dispose or to direct the disposition of:	2,781,937

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Robert Soros

(i)	Sole power to vote or to direct the vote:	0
(ii)	Shared power to vote or to direct the vote:	2,781,937
(iii)	Sole power to dispose or to direct the disposition of:	0
(iv)	Shared power to dispose or to direct the disposition of:	2,781,937

Jonathan Soros

(i)	Sole power to vote or to direct the vote:	0
(ii)	Shared power to vote or to direct the vote:	2,781,937
(iii)	Sole power to dispose or to direct the disposition of:	0
(iv)	Shared power to dispose or to direct the disposition of:	2,781,937

Item 5. Ownership of Five Percent or Less of a Class:

This Item 5 is not applicable.

Item 6. Ownership of More than Five Percent on Behalf of Another Person:

The shareholders of Quantum Partners are entitled to receive, or have the power to direct, the receipt of dividends from or the proceeds of sales of the Shares held for the account of Quantum Partners, in accordance with their ownership interests in Quantum Partners.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company:

This Item 7 is not applicable.

Item 8. Identification and Classification of Members of the Group:

This Item 8 is not applicable.

Item 9. Notice of Dissolution of Group:

This Item 9 is not applicable.

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Item 10. Certification:

By signing below each of the Reporting Persons certifies that, to the best of such person's knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having such purpose or effect.

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SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: March 26, 2007

SOROS FUND MANAGEMENT LLC

By:

/s/ Jodye M. Anzalotta
Jodye M. Anzalotta

Assistant General Counsel

Date: March 26, 2007

GEORGE SOROS

By:

/s/ Jodye M. Anzalotta
Jodye M. Anzalotta

Attorney-in-Fact

Date: March 26, 2007

ROBERT SOROS

By:

/s/ Jodye M. Anzalotta
Jodye M. Anzalotta

Attorney-in-Fact

Date: March 26, 2007

JONATHAN SOROS

By:

/s/ Jodye M. Anzalotta
Jodye M. Anzalotta

Attorney-in-Fact

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	<u>Page No.</u>
A. Joint Filing Agreement, dated as of March 26, 2007, by and among Soros Fund Management LLC, George Soros, Robert Soros, and Jonathan Soros.	12
B. Power of Attorney, dated June 16, 2005, granted by George Soros in favor of Armando T. Belly, Jodye Anzalotta, Maryann Canfield, Jay Schoenfarber, and Robert Soros.	13
C. Power of Attorney, dated as of January 8, 2007, granted by Robert Soros in favor of Armando T. Belly, Jodye Anzalotta, Maryann Canfield, Jay Schoenfarber, and David Taylor.	14