



Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares of our common stock outstanding as of February 14, 2006 was 14,935,587 shares.

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**Explanatory Note**

This Amendment on Form 10-Q/A is being filed solely to correct the amount reported as number of shares outstanding as of December 31, 2005 in the Company's notes to the unaudited condensed consolidated financial statements under Part I, Item 1. Due to a typographical error, the amount reported was 381,316 shares; the correct amount, which is set forth in the Amendment, is 3,781,316. No other information included in the original report on Form 10-Q is amended by this amendment on Form 10-Q/A.

The following table summarizes the Company's stock option plan as of December 31, 2005, and changes during the three months ended December 31, 2005:

	Number of Shares	Weighted- average Exercise Price	Weighted- average Remaining Contractual Term
Outstanding at October 1, 2005	4,084,490	\$ 3.75	
Granted	8,000	1.93	
Exercised	(141,809)	0.81	
Forfeitures and cancellations	(169,365)	5.36	
Outstanding at December 31, 2005	3,781,316	\$ 3.77	6.23
Vested and expected to vest at December 31, 2005	2,910,105	\$ 4.06	
Exercisable at December 31, 2005	2,910,105	\$ 4.06	

During the three months ended December 31, 2005, 2.9 million shares of options are exercisable with a weighted-average exercise price of \$4.06. The weighted-average remaining contractual term for outstanding options at December 31, 2005 was 6.2 years.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALTIGEN COMMUNICATIONS, INC.

Date: February 17, 2006

By: /s/ Philip M.  
McDermott  
Philip M. McDermott,  
Chief Financial Officer  
(Principal Financial and Accounting Officer)