UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2008

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission File Number: 000-23593

VERISIGN, INC.
(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**94-3221585** **(I.R.S. Employer Identification No.)**
487 East Middlefield Road, Mountain View, CA **(Address of principal executive offices)**	**94043** **(Zip Code)**

Registrant's telephone number, including area code: (650) 961-7500

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.): YES ☐ NO ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Shares Outstanding October 31, 2008
Common stock, $.001 par value	194,036,155

TABLE OF CONTENTS

Table of Contents

PART I—FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

As required under Item 1—Condensed Consolidated Financial Statements (Unaudited) included in this section are as follows:

Table of Contents

VERISIGN, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)
(Unaudited)

	September 30, 2008	December 31, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	$ 403,525	$ 1,376,722
Short-term investments	248,794	1,011
Accounts receivable, net of allowance for doubtful accounts of $1,931 and $6,329 at September 30, 2008, and December 31, 2007, respectively	68,189	208,799
Prepaid expenses and other current assets	94,462	163,041
Assets held for sale	692,981	—
Total current assets	1,507,951	1,749,573
Property and equipment, net	374,097	621,917
Goodwill	355,057	1,082,420
Other intangible assets, net	29,305	121,792
Restricted cash	2,113	46,936
Other assets	296,342	290,647
Investments in unconsolidated entities	125,307	109,828
Total long-term assets	1,182,221	2,273,540
Total assets	$ 2,690,172	$ 4,023,113
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 264,832	$ 398,124
Accrued restructuring costs	32,942	2,878
Deferred revenues	591,750	552,070
Other liabilities	2,758	2,632
Liabilities related to assets held for sale	76,865	—
Total current liabilities	969,147	955,704
Long-term deferred revenues	206,018	186,719
Long-term accrued restructuring costs	1,161	1,473
Convertible debentures	1,263,613	1,265,296
Other long-term liabilities	25,382	41,133
Total long-term liabilities	1,496,174	1,494,621
Total liabilities	2,465,321	2,450,325
Commitments and contingencies		
Minority interest in subsidiaries	59,950	54,485
Stockholders' equity:		
Preferred stock—par value $.001 per share; Authorized shares: 5,000,000; Issued and outstanding shares: none	—	—
Common stock—par value $.001 per share; Authorized shares: 1,000,000,000; Issued and outstanding shares: 193,946,072 excluding 110,010,950 held in treasury, at September 30, 2008, and 222,849,348 excluding 73,720,953 shares held in treasury, at December 31, 2007	303	297
Additional paid-in capital	21,470,824	22,559,045
Accumulated deficit	(21,317,195)	(21,043,014)
Accumulated other comprehensive income	10,969	1,975
Total stockholders' equity	164,901	1,518,303
Total liabilities and stockholders' equity	$ 2,690,172	$ 4,023,113

See accompanying Notes to Condensed Consolidated Financial Statements.

VERISIGN, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended September 30, 2008	Three Months Ended September 30, 2007	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007
Revenues	$ 246,052	$215,744	$ 724,992	$636,457
Costs and expenses				
Cost of revenues	55,880	60,523	168,719	185,729
Sales and marketing	41,298	55,407	133,349	180,832
Research and development	22,337	25,263	72,089	78,676
General and administrative	49,896	59,268	154,369	178,663
Restructuring, impairments and other charges (reversals), net	5,973	(1,030)	107,366	33,601
Amortization of other intangible assets	2,865	4,478	8,623	14,641
Total costs and expenses	178,249	203,909	644,515	672,142
Operating income (loss)	67,803	11,835	80,477	(35,685)
Other (loss) income, net	(12,688)	(6,408)	(20,107)	86,109
Income from continuing operations before income taxes, (loss) earnings from unconsolidated entities and minority interest	55,115	5,427	60,370	50,424
Income tax (expense) benefit	(8,071)	7,964	(6,642)	(5,241)
(Loss) earnings from unconsolidated entities, net of tax	(2,509)	216	(3,099)	2,412
Minority interest, net of tax	(815)	(2,054)	(2,710)	(2,541)
Income from continuing operations	43,720	11,553	47,919	45,054
Discontinued operations, net of tax	(243,754)	3,401	(322,100)	26,936
Net (loss) income	$(200,034)	$ 14,954	$(274,181)	$ 71,990
Basic (loss) income per share from:				
Continuing operations	$ 0.23	$ 0.05	$ 0.24	$ 0.19
Discontinued operations	(1.26)	0.01	(1.62)	0.11
Net (loss) income	$ (1.03)	$ 0.06	$ (1.38)	$ 0.30
Diluted (loss) income per share from:				
Continuing operations	$ 0.22	$ 0.05	$ 0.24	$ 0.18
Discontinued operations	(1.24)	0.01	(1.59)	0.11
Net (loss) income	$ (1.02)	$ 0.06	$ (1.35)	$ 0.29
Shares used in per share computation:				
Basic	193,853	240,054	198,622	242,570
Diluted	195,930	245,537	202,951	247,752

See accompanying Notes to Condensed Consolidated Financial Statements.

VERISIGN, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007
Cash flows from operating activities:		
Net (loss) income	$ (274,181)	$ 71,990
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Gain on divestiture of businesses, net of tax	(32,853)	(76,356)
Unrealized gain on joint venture call options	—	(7,747)
Unrealized (gain) loss on contingent interest derivative on convertible debentures	(1,664)	12,589
Depreciation of property and equipment	85,454	85,195
Amortization of other intangible assets	22,758	90,693
Impairments and other charges	354,558	13,797
Provision for doubtful accounts	1,119	(116)
Stock-based compensation	75,368	66,863
Loss on sale of property and equipment	80,487	—
Net loss on sale and other-than-temporary impairment of investments	6,571	3,429
Loss (earnings) from unconsolidated entities, net of tax	3,099	(2,412)
Minority interest, net of tax	2,710	2,541
Excess tax benefit associated with stock options	(7,094)	—
Deferred income taxes	(13,380)	16,442
Changes in operating assets and liabilities:		
Accounts receivable	30,548	(113,268)
Prepaid expenses and other current assets	17,044	133,053
Accounts payable and accrued liabilities	(114,394)	(129,133)
Accrued restructuring costs	29,752	2,926
Deferred revenues	93,164	96,719
Net cash provided by operating activities	359,066	267,205
Cash flows from investing activities:		
Proceeds from maturities and sales of investments	1,440	144,849
Purchases of investments	—	(311)
Reclassification of cash equivalents to short-term investments	(256,571)	—
Proceeds from sale of property and equipment	48,843	—
Purchases of property and equipment	(79,022)	(97,234)
Proceeds received from divestiture of businesses, net of cash contributed	60,613	165,422
Investments in unconsolidated entities	(15,679)	(17,150)
Proceeds from repayment of promissory note by unconsolidated entities	4,494	—
Cash received from trust, previously restricted	45,000	—
Proceeds from contingent purchase price adjustment	1,175	—
Other assets	3,087	3,639
Net cash (used in) provided by investing activities	(186,620)	199,215
Cash flows from financing activities:		
Proceeds from issuance of common stock from option exercises and employee stock purchase plans	120,469	219,994
Change in net assets of minority interest	134	(436)
Repurchases of common stock	(1,276,683)	(1,154,763)
Proceeds from credit facility	200,000	—
Repayment of short-term debt related to credit facility	(200,000)	(199,000)
Proceeds from issuance of convertible debentures, net of issuance costs	—	1,224,600
Excess tax benefit associated with stock options	7,094	—
Dividend paid to minority interest holders in subsidiary	(741)	—
Net cash (used in) provided by financing activities	(1,149,727)	90,395
Effect of exchange rate changes on cash and cash equivalents	4,084	2,713
Net (decrease) increase in cash and cash equivalents	(973,197)	559,528
Cash and cash equivalents at beginning of period	1,376,722	501,784
Cash and cash equivalents at end of period	$ 403,525	$ 1,061,312
Supplemental cash flow disclosures:		
Cash paid for interest	$ 40,755	$ 1,945
Amounts payable for purchases of property and equipment	$ 5,960	$ —

See accompanying Notes to Condensed Consolidated Financial Statements.

VERISIGN, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Basis of Presentation

Interim Financial Statements

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared by VeriSign, Inc. and its subsidiaries (collectively, “VeriSign” or the “Company”) in accordance with the instructions to Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) and, therefore, do not include all information and notes normally provided in audited financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals and other adjustments) considered necessary for a fair presentation have been included. The results of operations for any interim period are not necessarily indicative, nor comparable to the results of operations for any other interim period or for a full fiscal year. These unaudited Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and related notes contained in VeriSign’s fiscal 2007 Annual Report on Form 10-K (the “2007 Form 10-K”) filed with the SEC on February 29, 2008.

Reclassifications and Adjustments

The Condensed Consolidated Statements of Operations have been reclassified for all periods presented to reflect discontinued operations treatment. Unless noted otherwise, discussions in the Notes to Condensed Consolidated Financial Statements pertain to continuing operations.

As a result of a comprehensive review of its business strategy, VeriSign changed its reportable segments in 2008. Previously, the Company had the following two reportable segments: Internet Services Group (“ISG”) and Communications Services Group (“CSG”). Beginning in fiscal 2008, the Company’s business consists of the following reportable segments: Internet Infrastructure and Identity Services (“3IS”), which consists of Naming Services, Secure Socket Layer (“SSL”) Certificate Services, and Identification and Authentication Services (“IAS”); and Other Services, which represents continuing operations of non-core businesses and legacy products and services. Accordingly, the segment information has been reclassified for all periods presented. See Note 12, “Segment Information,” for further information regarding the Company’s reportable segments.

During the six months ended June 30, 2008, the Company identified that it had not accrued for penalties related to late payment of federal and state payroll taxes for the periods during fiscal 2004 through fiscal 2007 of approximately $9.6 million. The amounts associated with each affected prior period are not material to the consolidated financial statements of such periods. However, as the cumulative amount of unrecorded penalties identified during the first two quarters of 2008 are expected to have a significant impact on the results of operations of fiscal 2008, the Company corrected the prior periods, as presented, by recording the penalties and interest in their respective prior periods, resulting in increased operating expenses and decreased net income (loss) previously reported. As a result, the Company recorded penalties and interest of approximately $4.1 million for the three and nine months ended September 30, 2007.

The following table presents the effects of the adjustments to the Company's Condensed Consolidated Statement of Operations for the three and nine months ended September 30, 2007:

	Three Months Ended September 30, 2007			Nine Months Ended September 30, 2007		
	As Reported	Adjustments (In thousands)	As Adjusted	As Reported	Adjustments (In thousands)	As Adjusted
Revenues	$373,587	$ —	$373,587	$1,109,853	$ —	$1,109,853
Costs and expenses	345,665	3,986(1)	349,651	1,100,775	3,986(1)	1,104,761
Operating income	27,922	(3,986)(1)	23,936	9,078	(3,986)(1)	5,092
Income from continuing operations before income taxes	19,880	(4,050)(1)	15,830	94,981	(4,050)(1)	90,931
Income tax expense	(3,501)		(3,501)	(23,871)		(23,871)
Discontinued operations, net of tax	2,625		2,625	4,930		4,930
Net income	$ 19,004	$ (4,050)	$ 14,954	$ 76,040	$ (4,050)	$ 71,990
Basic income per share from:						
Continuing operations	$ 0.07		$ 0.05	$ 0.29		$ 0.28
Discontinued operations	0.01		0.01	0.02		0.02
Net income	$ 0.08		$ 0.06	$ 0.31		$ 0.30
Diluted income per share from:						
Continuing operations	$ 0.07		$ 0.05	$ 0.29		$ 0.27
Discontinued operations	0.01		0.01	0.02		0.02
Net income	$ 0.08		$ 0.06	$ 0.31		$ 0.29

(1) Correction of previously unrecorded payroll tax penalties and interest for the three and nine months ended September 30, 2007.

The results of operations for the three and nine months ended September 30, 2007, were further adjusted for classification of disposal groups as discontinued operations, as described in Note 4, "Assets Held for Sale and Discontinued Operations."

Recent Accounting Pronouncements

In October 2008, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") No. Statement of Financial Accounting Standards ("SFAS") 157-3 ("FSP SFAS 157-3") *"Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active."* FSP SFAS 157-3 applies to financial assets within the scope of accounting pronouncements that require or permit fair value measurements in accordance with SFAS No. 157 (SFAS 157), *"Fair Value Measurements,"* and clarifies the application of SFAS 157 in a market that is not active. FSP SFAS 157-3 became effective at the time of issuance and applies to prior periods for which financial statements have not been issued. As described more fully in Note 15, *"Fair Value of Financial Instruments,"* the Company has applied the guidance provided by FSP SFAS 157-3 in determining the fair value of all of its investments in money market funds classified as Short-term investments.

In May 2008, the FASB issued FSP No. Accounting Principles Board ("APB") 14-1 ("FSP APB 14-1"), "*Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement).*" FSP APB 14-1 specifies that issuers of convertible debt instruments should separately account for the liability (debt) and equity (conversion option) components of such instruments in a manner that reflects the issuer's non-convertible debt borrowing rate. FSP APB 14-1 is effective for fiscal years beginning after December 15, 2008, and will be adopted by the Company in the first quarter of fiscal 2009. FSP APB 14-1 will be applied retrospectively to all periods presented. The Company's adoption of FSP APB 14-1 will affect its 3.25% junior subordinated convertible debentures due 2037 ("Convertible Debentures"). The Company expects the adoption of FSP APB 14-1 will result in higher interest expense for fiscal 2007 through fiscal 2037, assuming the debentures will be settled upon maturity in 2037, associated with a significant reduction in its Convertible Debentures balance along with a corresponding increase in its stockholders' equity as of December 31, 2007 and 2008.

In April 2008, the FASB issued FSP No. SFAS 142-3 ("FSP SFAS 142-3"), "*Determination of the Useful Life of Intangible Assets*." FSP SFAS 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142 ("SFAS 142"), "*Goodwill and Other Intangible Assets*." The intent of FSP SFAS 142-3 is to improve the consistency between the useful life of a recognized intangible asset under SFAS 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS No. 141(R) ("SFAS 141R"), "*Business Combinations*," and other United States ("U.S.") generally accepted accounting principles ("GAAP"). FSP FAS 142-3 is effective for fiscal years beginning after December 15, 2008, and will be adopted by the Company in the first quarter of fiscal 2009. The Company is currently evaluating the effect of FSP SFAS 142-3 and the impact it will have on its financial position and results of operations.

In March 2008, the FASB issued SFAS No. 161 ("SFAS 161"), "*Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133.*" SFAS 161 requires enhanced disclosures about an entity's derivative instruments and hedging activities. It requires qualitative disclosures about the objectives and strategies for using derivative instruments, quantitative disclosures about the fair value amounts of gains and losses on derivative instruments, and disclosures about how derivative instruments and related hedged items affect a company's financial position, results of operations and cash flows. SFAS 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008 and will be adopted by the Company in the first quarter of fiscal 2009. The Company is currently evaluating the effect of SFAS 161, and the impact it will have on its financial position and results of operations.

In December 2007, the FASB issued SFAS No. 160 ("SFAS 160"), "*Non-controlling Interests in Consolidated Financial Statements, an amendment of Accounting Research Bulletin No. 51,*" which requires all entities to report minority interests in subsidiaries as equity in the consolidated financial statements, and requires that transactions between entities and non-controlling interests be treated as equity. SFAS 160 is effective for fiscal years beginning on or after December 15, 2008 and will be adopted by the Company in the first quarter of fiscal 2009. The Company is currently evaluating the effect of SFAS 160, and the impact it will have on its financial position and results of operations.

In December 2007, the FASB issued SFAS 141R which will significantly change how business acquisitions are accounted for and will impact financial statements both on the acquisition date and in subsequent periods. SFAS 141R is effective for fiscal years beginning on or after December 15, 2008, and will be adopted by the Company in the first quarter of fiscal 2009 to business acquisition transactions occurring thereafter.

Note 2. Stock-Based Compensation

Stock-based compensation is classified in the Condensed Consolidated Statements of Operations in the same expense line items as cash compensation. The following table presents the classification of stock-based compensation:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	(In thousands)			
Stock-based compensation:				
Cost of revenues	$ 1,694	$ 2,428	$ 5,988	$ 5,042
Sales and marketing	667	4,316	6,775	11,019
Research and development	1,531	2,294	5,961	5,575
General and administrative	4,568	5,913	21,193	25,974
Restructuring, impairments and other charges, net	3,153	—	8,314	2,134
Stock-based compensation for continuing operations	11,613	14,951	48,231	49,744
Discontinued operations	7,424	7,712	27,137	17,119
Total stock-based compensation	$19,037	$22,663	$75,368	$66,863

VeriSign currently uses the Black-Scholes option pricing model to determine the fair value of stock options and employee stock purchase plan awards. The determination of the fair value of stock-based payment awards using an option-pricing model is affected by the Company's stock price as well as assumptions regarding a number of complex and subjective variables. The following table sets forth the weighted-average assumptions used to estimate the fair value of the stock options and employee stock purchase plan awards:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Stock options:				
Volatility	35%	37%	35%	37%
Risk-free interest rate	2.87%	4.44%	2.77%	4.49%
Expected term	3.41	3.40	3.29	3.32
Dividend yield	Zero	Zero	Zero	Zero
Employee stock purchase plan awards:				
Volatility	36%	27%	36%	33%
Risk-free interest rate	2.28%	4.94%	2.31%	5.20%
Expected term	1.25 years	1.25 years	1.25 years	1.25 years
Dividend yield	Zero	Zero	Zero	Zero

VeriSign's expected volatility is based on the average of the historical volatility over the period commensurate with the expected term of the options and the mean historical implied volatility of traded options. The risk-free interest rates are derived from the average U.S. Treasury constant maturity rates during the respective periods commensurate with the expected term. The expected terms are based on an analysis of the observed and expected time to post-vesting exercise and/or cancellation of options. The Company does not anticipate paying any cash dividends in the foreseeable future and therefore uses an expected dividend yield of zero. The Company estimates forfeitures at the time of grant and revises those estimates in subsequent periods if actual forfeitures differ from those estimates. The Company uses historical data to estimate pre-vesting option and award forfeitures and records stock-based compensation only for those options and awards that are expected to vest.

The following table presents the nature of the Company's total stock-based compensation, inclusive of amounts for discontinued operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Stock-based compensation:				
Stock options	$ 3,699	$ 5,628	$15,674	$26,032
Employee stock purchase plans	4,729	12,120	19,423	16,881
Restricted stock units	5,565	4,418	21,396	11,046
Stock options/awards acceleration	5,808	1,170	20,783	14,428
Capitalization (1)	(764)	(673)	(1,908)	(1,524)
Total stock-based compensation	$19,037	$22,663	$75,368	$66,863

(1) The capitalized amount is included in Property and equipment, net.

During the three and nine months ended September 30, 2008, the Company modified certain stock-based awards to accelerate the vesting of twenty-five percent (25%) of unvested "in-the-money" stock options outstanding and 25% of unvested restricted stock units outstanding on the termination dates of employees affected by divestitures and workforce reductions. The Company remeasured the fair value of these modified awards and recorded the charges over the future service periods, if any. The modification charges are included in restructuring for continuing operations as well as for discontinued operations.

In addition, during the nine months ended September 30, 2008, the Company modified certain stock-based awards outstanding for Mr. William A. Roper, Jr., the former chief executive officer. Pursuant to the settlement agreement with Mr. Roper, the Company accelerated the vesting of Mr. Roper's then unvested shares of sign-on options, unvested shares of sign-on restricted stock unit awards, first-year options outstanding that would otherwise have vested had Mr. Roper remained employed with the Company through August 8, 2008, and one-third of the first-year restricted stock unit awards outstanding. Upon acceleration of vesting of Mr. Roper's stock-based awards, the Company recognized an additional $4.9 million of stock-based compensation during the nine months ended September 30, 2008.

During the nine months ended September 30, 2007, the Company recorded additional stock-based compensation of $11.0 million related to the acceleration of vesting of certain stock-based awards for Mr. Stratton Sclavos. During the nine months ended September 30, 2007, the Company also recorded $1.2 million related to the acceleration of vesting of certain stock-based awards for Ms. Dana Evan, a former chief financial officer, and another employee.

The Company resumed its employee payroll withholdings for the purchase of its common stock under the 1998 Purchase Plan during July 2007. The Company allowed its employees affected by the earlier suspension of the 1998 Purchase Plan to make catch-up payments to their accounts under the 1998 Purchase Plan for the lost payroll contributions attributable to the period when the Company was not current in its reporting obligations under the Securities Exchange Act of 1934, as amended. The Company also allowed employees to increase their contribution withholding percentages from 15% up to a maximum of 25% of their compensation, subject to applicable U.S. Internal Revenue Service ("IRS") limits, effective August 1, 2007. The Company accounted for the increases in employee payroll withholdings as modifications. The Company recorded $12.1 million and $16.9 million of stock-based compensation expense for the purchase plans for the three and nine months ended September 30, 2007, respectively.

Note 3. Joint Ventures

On January 31, 2007, VeriSign entered into two joint venture agreements with Fox Entertainment ("Fox"), a subsidiary of News Corporation, to provide mobile entertainment to consumers on a global basis. As of September 30, 2008, under the terms of the agreements, Fox owns a 51% interest and VeriSign owns a 49% interest in the joint ventures.

In 2007, the Company provided a working capital loan of $15.0 million under a promissory note to the joint ventures, of which $4.4 million is outstanding as of September 30, 2008, and is included in Other assets.

In connection with the joint ventures, VeriSign and Fox entered into various put and call arrangements related to the Company's ownership interests in the joint ventures, including VeriSign's right to sell all of its interests in the joint ventures to Fox for $150 million and $350 million in fiscal 2010 and 2012, respectively (the "put options"), and Fox's right to purchase all of VeriSign's interests in the joint ventures for $400 million, the greater of $250 million or fair value, and the greater of $400 million or fair value, in fiscal 2009, 2010 and 2012, respectively (the "call options"). As of September 30, 2008, the Company determined that the call options did not have a material value. The Company has not recorded the value of the put options separately from its investments in the joint ventures.

In July 2008, the Company invested an additional amount of $15.7 million pursuant to capital calls approved by the board of managers of the joint ventures with Fox, and recorded the amount as investments in unconsolidated entities. The purpose of the capital calls was to fund the ongoing business and working capital needs of the joint ventures.

On October 6, 2008, the Company sold its aggregate remaining 49% interest in the joint ventures to Fox for approximately $200 million. Pursuant to the sale agreement, certain outstanding debts and accrued but unpaid interest owed among the Company and the joint ventures have been repaid, and the parties have agreed to the settlement and discharge of all other payments among them as of the date of the agreement.

Note 4. Assets Held for Sale and Discontinued Operations

During the fourth quarter of 2007, VeriSign announced a change to its business strategy to be more aligned with its core competencies, which are to provide highly scaleable, reliable and secure Internet infrastructure and identity services to customers around the world. The strategy calls for the divesture or winding down of a number of non-core businesses in the Company's portfolio, such as communications, billing and commerce, content delivery, messaging and enterprise security services as well as other smaller businesses. By divesting or winding down these non-core businesses, additional resources should be available to invest in the core businesses that will remain: Naming Services, SSL Certificate Services, and IAS.

Assets classified as held for sale are recorded at the lower of their carrying amount or fair value less costs to sell and are not depreciated or amortized. Classification of the Company's disposal groups as held for sale occurs when sufficient authority to sell the disposal group has been obtained, the disposal group is available for immediate sale, an active program to sell the disposal group has been initiated and its sale is probable within one year. If at any time these criteria are no longer met, the disposal group would be reclassified as held and used. The Company evaluates the held for sale classifications during each reporting period.

The results of operations of disposal groups held for sale or disposed of are presented as discontinued operations when the underlying operations and cash flows of the disposal group will be or have been eliminated from the Company's continuing operations and the Company no longer has the ability to influence the operating and/or financial policies of the disposal group. This assessment is made at the time the disposal group is classified as held for sale and for a one-year period after the sale of the disposal group.

Completed Divestitures

On April 30, 2008, the Company sold its Digital Brand Management Services ("DBMS") business, which offered a range of corporate domain name and brand protection services that help enterprises, legal professionals, information technology professionals and brand marketers monitor, protect and build digital brand equity, for net cash proceeds of $50.4 million and recorded a gain on sale of $30.6 million. The net cash proceeds include $5.0 million that was placed in an escrow account to cover any contingent claims made by the buyer against VeriSign through April 30, 2009. If no claims are made, the amount in escrow will be released to VeriSign during the second quarter of fiscal 2009. The DBMS business was part of the former ISG segment. The historical results of operations of the DBMS business have been classified as discontinued operations for all periods presented.

On April 30, 2008, the Company sold its Content Delivery Network ("CDN") business, which offered broadband content services that enable the delivery of high-quality video and other rich media securely and efficiently at a very large scale, for net cash proceeds of $1.0 million and recorded a gain on sale of $2.0 million**.** The Company has retained an equity ownership in the CDN business and has accounted for its investment in the CDN business on an equity method basis. As a result of the Company's continuing involvement in the CDN business, the historical results of operations of the CDN business have not been classified as discontinued operations. The CDN business was part of the former CSG segment.

On March 31, 2008, the Company sold its Self-Care and Analytics ("SC&A") business, which provided on-line analysis applications for mobile communications customers and on-line customer self-service with a single view of billing across multiple systems, for net cash proceeds of $14.2 million and recorded a gain on sale of $1.0 million. The SC&A business was part of the former CSG segment. The historical results of operations of the SC&A business have been classified as discontinued operations for all periods presented.

On September 1, 2007, the Company sold its wholly-owned Jamba Service GmbH subsidiary ("Jamba Service"), which marketed insurance and extended service warranties to consumers for mobile electronic equipment and products, for net cash proceeds of $12.8 million and recorded a gain on sale of $1.8 million. Jamba Service was part of the former CSG segment. The historical results of operations of Jamba Service have been classified as discontinued operations for all periods presented.

Assets Held for Sale

The Company did not have any assets held for sale as of December 31, 2007. The following table presents the carrying amounts of major classes of assets and liabilities related to assets held for sale as of September 30, 2008. During the three and nine months ended September 30, 2008, the Company recorded losses on disposals, including estimated losses on disposal of $237.4 million and $308.8 million, respectively, which are included in discontinued operations. Gains on disposal are recorded on the date the sale of the disposal group is consummated.

	September 30, 2008 (In thousands)
Assets:	
Accounts receivable	$ 104,173
Other current assets	53,329
Goodwill	379,986
Other long-lived assets	155,493
Total assets held for sale	$ 692,981
Liabilities:	
Accounts payable and accrued liabilities	$ 54,136
Deferred revenues	22,729
Total liabilities related to assets held for sale	$ 76,865

As of September 30, 2008, businesses classified as held for sale and presented as discontinued operations are the following:

Messaging Services

Messaging and Mobile Media

The Company's Messaging and Mobile Media ("MMM") business is an industry leading global provider of short-messaging, multimedia messaging, and mobile content application services. MMM enables messages and multimedia content to be sent globally across any wireless operator and mobile device. MMM offers the global connectivity, network reliability, and scalability necessary to capitalize on the fast growing global messaging and media content markets.

Content Portal Services

The Company's Content Portal Services ("CPS") business enables a seamless end-to-end solutions business focused on providing best-in-class digital content storefront services. CPS can be used as a content delivery platform for games, ringtones, and other content services. CPS provides its services to mobile carriers and media companies primarily located in Canada.

EMEA Mobile Media

The Company's EMEA Mobile Media ("EMM") business offers mobile application services which includes interactive messaging applications, content portal services, and messaging gateway services. EMM provides its services to mobile carriers and media companies primarily located in Europe.

Post-pay

The Company's Post-pay business enables advanced billing and customer care services to wireless telecommunications carriers.

Communications Services

The Company's Communications Services business provides communications services, such as connectivity and interoperability services, intelligent database services and clearing and settlement services. The Company's Connectivity and interoperability services primarily include its Signaling System 7 ("SS7") Connectivity and Voice and Data Roaming services. The Company's intelligent database services primarily include its Number Portability, Caller Name Identification, Toll-free Database and TeleBlock Do Not Call Services. The Company's clearing and settlement services primarily include its Clearinghouse services which serve as a distribution and collection point for billing information and payment collection for services provided by one carrier to customers billed by another.

Communications Consulting

The Company's Communications Consulting business offers a full range of strategy and technology consulting, business planning, sourcing, and implementation services to help telecommunications operators and equipment manufacturers drive profitable new business and technology strategies.

Table of Contents

Enterprise Security Services

The Company's Enterprise Security Services business includes the Managed Security Services ("MSS") business, the iDefense Security Intelligence services business, and the Security Consulting business. The Company's MSS business enables enterprises to effectively monitor and manage their network security infrastructure 24 hours per day, 365 days per year while reducing the associated time, expense, and personnel commitments by relying on VeriSign's security platform and experienced security staff. The Company's iDefense Security Intelligence services business delivers comprehensive, actionable intelligence to help companies decide how to respond to threats and manage risk on networks. The Security Consulting business provides services that assist companies in understanding corporate security requirements, navigating the maze of diverse regulations, identifying security vulnerabilities, defending against and responding to attacks, reducing risk, and meeting the security compliance requirements of their business and industry.

International Clearing

The Company's International Clearing business enables financial settlement and call data settlement for wireless and wireline carriers.

The current and historical operations, gains and losses upon disposition, including estimated losses upon disposition, of these disposal groups are presented as discontinued operations for all periods presented in the Company's Condensed Consolidated Statements of Operations. The amounts presented represent direct operating costs of the disposal groups. The Company has determined direct costs consistent with the manner in which the disposal groups were structured and managed during the respective periods. Allocations of indirect costs such as corporate overheads have not been made.

For a period of time, the Company will continue to generate cash flows and will report income statement activity in continuing operations that are associated with these disposal groups and certain of the completed divestitures. The activities that will give rise to these impacts are transitional in nature and generally result from agreements that ensure and facilitate the orderly transfer of business operations. The nature, magnitude and duration of the agreements will vary depending on the specific circumstances of the service, location and/or business need. The agreements can include the following: logistics, customer service, support of financial processes, procurement, human resources, facilities management, data collection and information services. Existing agreements extend for periods less than 12 months.

The following table presents the revenues and the components of discontinued operations, net of tax:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	(In thousands)			
Revenues	$ 143,075	$160,908	$ 451,885	$485,265
Income (loss) before income taxes	$ 11,862	$ 14,314	$ (37,526)	$ 46,483
Income tax expense	(18,097)	(12,270)	(10,999)	(20,904)
(Loss) income from discontinued operations	(6,235)	2,044	(48,525)	25,579
(Loss) gain on sale of discontinued operations and assets held for sale, before income taxes	(237,519)	1,357	(276,539)	1,357
Income tax benefit	—	—	2,964	—
(Loss) gain on sale of discontinued operations and assets held for sale	(237,519)	1,357	(273,575)	1,357
Total discontinued operations, net of tax	$(243,754)	$ 3,401	$(322,100)	$ 26,936

Note 5. Restructuring, Impairments and Other Charges (Reversals), Net

A comparison of restructuring, impairments and other charges (reversals), net, is presented below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	(In thousands)			
2008 restructuring plan charges	$ 5,959	$ —	$ 27,854	$ —
2007 restructuring plan (reversals) charges	—	(1,329)	369	20,573
2003 and 2002 restructuring plan (reversals) charges	—	(51)	60	91
Total restructuring charges (reversals) for continuing operations	5,959	(1,380)	28,283	20,664
Impairments and other charges for continuing operations	14	350	79,083	12,937
Total restructuring, impairments and other charges (reversals), net, for continuing operations	5,973	(1,030)	107,366	33,601
2008 restructuring plan charges for discontinued operations	6,996	—	30,350	—
2007 restructuring plan charges for discontinued operations	—	2,906	—	9,736
Impairments and other charges for discontinued operations	237,350	130	354,558	860
Total restructuring, impairments and other charges, net, for discontinued operations	244,346	3,036	384,908	10,596
Total restructuring, impairments and other charges, net	$ 250,319	$ 2,006	$ 492,274	$ 44,197

2008 Restructuring Plan

In the fourth quarter of 2007, VeriSign announced a change in its business strategy to be more aligned with its core competencies, which are providing highly scaleable, reliable and secure Internet infrastructure and identity services to customers around the world. The strategy calls for divestiture or winding down of a number of non-core businesses in its portfolio. As part of this divestiture strategy, the Company initiated a restructuring plan in the first quarter of 2008, which includes workforce reductions, excess facilities and other exit costs primarily related to the consulting and professional fees incurred for initiating and executing the divestiture strategy. As of September 30, 2008, VeriSign recorded a total of $58.2 million in restructuring charges, inclusive of amounts for discontinued operations, under its 2008 restructuring plan.

2007 Restructuring Plan

In January 2007, VeriSign initiated a restructuring plan to execute a company-wide reorganization replacing the previous business unit structure with a combined worldwide sales and services team, and an integrated development and products organization. The restructuring plan included workforce reductions, abandonment of excess facilities, and other exit costs.

2003 and 2002 Restructuring Plans

In November 2003, VeriSign announced a restructuring initiative related to the sale of its Network Solutions business and the realignment of other business units. The restructuring plan resulted in reductions in workforce, abandonment of excess facilities, disposals of property and equipment and other charges.

In April 2002, VeriSign announced plans to restructure its operations to rationalize, integrate and align resources. This restructuring plan included workforce reductions, abandonment of excess facilities, write-off of abandoned property and equipment and other charges.

The following table presents the consolidated restructuring charges, inclusive of amounts for discontinued operations, associated with all the restructuring plans:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	(In thousands)			
Workforce reduction	$12,228	$(2,274)	$55,907	$21,023
Excess facilities	980	2,656	1,267	5,283
Other exit costs	(253)	1,144	1,459	4,094
Total restructuring charges	$12,955	$ 1,526	$58,633	$30,400

Of the total consolidated restructuring charges, $7.0 million and $30.4 million relate to workforce reduction for discontinued operations for the three and nine months ended September 30, 2008, respectively. Of the total consolidated restructuring charges, $0.1 million and $4.9 million relate to workforce reduction for discontinued operations for the three and nine months ended September 30, 2007, respectively.

For the three and nine months ended September 30, 2008, $7.2 million and $16.0 million, respectively, of the consolidated workforce reduction charges relate to stock-based compensation for certain severed employees, of which $3.4 million and $7.7 million, respectively, are recorded in discontinued operations. For the nine months ended September 30, 2007, $2.3 million of the consolidated workforce reduction charges relate to stock-based compensation for certain severed employees, of which $0.2 million is recorded in discontinued operations. For the three months ended September 30, 2007, there were no workforce reduction charges related to stock-based compensation for severed employees.

As of September 30, 2008, the consolidated accrued restructuring costs associated with all restructuring plans are $34.1 million and consist of the following:

	Accrued Restructuring Costs at December 31, 2007	Restructuring Charges	Cash Payments	Non-cash Charges	Accrued Restructuring Costs at September 30, 2008
			(In thousands)		
Workforce reduction	$ 493	$ 55,907	$ (9,470)	$(16,244)	$ 30,686
Excess facilities	3,702	1,267	(2,019)	35	2,985
Other exit costs	156	1,459	(1,171)	(12)	432
Total accrued restructuring costs	$ 4,351	$ 58,633	$(12,660)	$(16,221)	$ 34,103
Included in current portion of accrued restructuring costs					$ 32,942
Included in long-term portion of accrued restructuring costs					$ 1,161

Table of Contents

Cash payments totaling approximately $7.4 million related to the abandonment of excess facilities under all restructuring plans will be paid over the respective lease terms, the longest of which extends through 2016. The present value of future cash payments related to lease terminations due to the abandonment of excess facilities is expected to be as follows:

	Contractual Lease Payments	Anticipated Sublease Income	Net
		(In thousands)	
2008 (remaining 3 months)	$ 471	$ —	$ 471
2009	1,872	(398)	1,474
2010	1,564	(988)	576
2011	1,275	(811)	464
2012	394	(394)	—
Thereafter	1,272	(1,272)	—
	$ 6,848	$ (3,863)	$2,985

Impairments and Other Charges

The following table presents the consolidated impairments and other charges, inclusive of amounts for discontinued operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	(In thousands)			
Estimated losses on assets held for sale	$ 237,350	$ —	$ 308,765	$ —
Impairment of goodwill and other intangible assets	—	—	45,793	4,849
Other charges	14	480	79,083	8,948
Total impairments and other charges	$ 237,364	$ 480	$ 433,641	$ 13,797

Estimated losses on assets held for sale

During the three and nine months ended September 30, 2008, the Company recorded a charge of $237.4 million and $308.8 million, respectively, for estimated losses on assets held for sale, all of which is classified as discontinued operations.

Impairment of goodwill and other intangible assets

During the nine months ended September 30, 2008, the Company recorded a charge of $45.8 million for an impairment of goodwill related to its Post-pay business, which is classified as discontinued operations. See Note 6, “Goodwill and Other Intangible Assets,” for further information regarding the impairment of goodwill related to the Post-pay business. During the nine months ended September 30, 2007, the Company wrote off approximately $4.8 million of other intangible assets specifically related to abandoned technology acquired for a specific customer, all of which relates to continuing operations.

Other charges

During the nine months ended September 30, 2008, the Company recorded a loss of $79.1 million in continuing operations as a result of the sale of a portion of its Mountain View facilities, as described in Note 7, "Other Balance Sheet Items." The sale of Mountain View facilities was consummated during the second quarter of 2008 as a result of the 2008 restructuring plan to divest or wind down the non-core businesses. During the three and nine months ended September 30, 2007, the Company recorded a charge of $0.5 million and $8.9 million, respectively, for excess and obsolete property and equipment. Of the total consolidated other charges, $0.1 million and $0.9 million relates to discontinued operations for the three and nine months ended September 30, 2007, respectively.

Note 6. Goodwill and Other Intangible Assets

The following table summarizes the changes in the carrying amount of goodwill as allocated to the Company's reportable segments during the nine months ended September 30, 2008:

	Internet Infrastructure and Identity Services	Other Services	Total
		(In thousands)	
Balance at December 31, 2007	$ 352,833	$ 729,587	$1,082,420
Divestiture of businesses	—	(19,726)	(19,726)
Impairment	—	(45,793)	(45,793)
Reclassification to assets held for sale	—	(664,068)	(664,068)
Other adjustments (1)	2,224	—	2,224
Balance at September 30, 2008	$ 355,057	$ —	$ 355,057

(1) Other adjustments consist of foreign exchange fluctuations.

VeriSign performed its annual impairment tests during the second quarter of 2008 and 2007. The fair value of VeriSign's reporting units is determined using either the income or the market valuation approach or a combination thereof. Under the income approach, the fair value of the reporting unit is based on the present value of estimated future cash flows the reporting unit is expected to generate over its remaining life. Under the market approach, the value of the reporting unit is based on an analysis that compares the value of the reporting unit to values of publicly traded companies in similar lines of business. In the application of the income and market valuation approaches, VeriSign is required to make estimates of future operating trends and judgments on discount rates and other variables. Actual future results related to assumed variables could differ from these estimates. The Company did not record any impairment for goodwill from the annual impairment test conducted during the second quarter of 2007.

During the second quarter of 2008, the Company performed an impairment review of its Naming Services, SSL Certificate Services, IAS and VeriSign Japan reporting units related to its core businesses; and the Post-pay and Messaging Services reporting units related to its non-core businesses. In accordance with SFAS 142, the Company tested goodwill for each of these reporting units for impairment by comparing the fair value of the reporting unit to its carrying value. The comparison of fair value to carrying value represents Step 1 of the two-step approach required by SFAS 142. The estimated fair value of each reporting unit was computed using the combination of the income and market valuation approach. Each of the reporting units reviewed for impairment, except for the Post-pay reporting unit, had a fair value in excess of its carrying value and no further analysis was required. The Post-pay reporting unit had a fair value less than its carrying value and the Company concluded that the goodwill in its Post-pay reporting unit was impaired and that further analysis was required to determine the amount by which the carrying value of the goodwill of this reporting unit exceeded its implied fair value.

A Step 2 analysis required the Company to allocate the fair value of the Post-pay reporting unit to all of the assets and liabilities of that unit (including any unrecognized intangible assets) as if the reporting unit had been acquired in a current business combination and the fair value of the reporting unit was the price paid to acquire it. Prior to this allocation of the assets to the reporting unit, the Company assessed the long-lived assets, other than goodwill, of that unit for impairment, and determined they were not impaired. Based on this allocation, the excess of the fair value of a reporting unit over the amounts assigned to its assets and liabilities resulted in a goodwill impairment of $45.8 million relating to the Post-pay reporting unit, which is classified as a discontinued operation for the nine months ended September 30, 2008.

VeriSign's other intangible assets are comprised of:

	September 30, 2008		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
		(In thousands)	
Customer relationships	$ 29,294	$ (13,185)	$ 16,109
Technology in place	18,605	(10,560)	8,045
Non-compete agreements	3,383	(2,435)	948
Trade name	5,800	(2,014)	3,786
Other	1,000	(583)	417
Total other intangible assets	$ 58,082	$ (28,777)	$ 29,305

	December 31, 2007		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
		(In thousands)	
Customer relationships	$ 212,978	$ (152,844)	$ 60,134
Technology in place	212,377	(179,144)	33,233
Carrier relationships	36,300	(26,864)	9,436
Non-compete agreements	30,154	(19,089)	11,065
Trade names	12,968	(7,425)	5,543
Other	9,000	(6,619)	2,381
Total other intangible assets	$ 513,777	$ (391,985)	$ 121,792

Fully amortized other intangible assets are not included in the above tables. At September 30, 2008, the net carrying value of other intangible assets included in the 3IS segment totaled $25.5 million. At December 31, 2007, the net carrying value of other intangible assets which relate to businesses that have been divested or classified as disposal groups held for sale as of September 30, 2008, totaled $84.3 million. Estimated future amortization expense related to other intangible assets at September 30, 2008, is as follows:

	(In thousands)
2008 (remaining 3 months)	$ 2,848
2009	10,524
2010	7,567
2011	4,409
2012	2,262
Thereafter	1,695
	$ 29,305

Table of Contents

Note 7. Other Balance Sheet Items

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following:

	September 30, 2008	December 31, 2007
	(In thousands)	
Prepaid expenses	$ 29,135	$ 25,344
Deferred tax assets	43,324	46,080
Non-trade receivables	20,700	19,763
Other	1,303	71,854
Total prepaid expenses and other current assets	$ 94,462	$ 163,041

Non-trade receivables primarily consist of income tax receivables and value added tax receivables. Other, at December 31, 2007, primarily consists of pass-through receivables, which are amounts that the Company collects from its customers that are due to third-party vendors as part of a revenue sharing agreement. As of September 30, 2008, pass-through receivables are included in assets held for sale.

Property and Equipment, Net

The following table presents the detail of Property and equipment, net:

	September 30, 2008	December 31, 2007
	(In thousands)	
Land	$ 133,746	$ 222,750
Buildings	127,866	118,220
Computer equipment and software	286,953	738,549
Capital work in progress	19,430	69,298
Office equipment, furniture and fixtures	14,923	33,408
Leasehold improvements	47,190	47,510
Total cost	630,108	1,229,735
Less: accumulated depreciation and amortization	(256,011)	(607,818)
Total property and equipment, net	$ 374,097	$ 621,917

During the second quarter of 2008, the Company sold certain property and equipment in its Mountain View, California, location for net cash proceeds of $47.6 million. The sale primarily included land with a total cost of $88.1 million and buildings with a total cost of $50.1 million. The accumulated depreciation of the Mountain View property which was sold was $12.5 million.

Restricted Cash

In September 2008, the trust established during 2004 for the Company's director and officer liability self-insurance coverage was terminated, and as a result $45.0 million was released from the trust. As of September 30, 2008, the amount is recorded as Cash and cash equivalents as the Company's ability to use it is no longer restricted.

As of September 30, 2008, the Company has $2.1 million classified as restricted cash, of which $0.5 million is pledged as collateral for standby letters of credit that guarantee certain of its contractual obligations relating to its real estate lease agreements, and $1.6 million represents employee payroll withholdings, net of claims, paid related to the short-term disability program under the State of California Employment Development Department's Voluntary Plan Fund guidelines.

Other Assets

Other assets consist of the following:

	September 30, 2008	December 31, 2007
	(In thousands)	
Long-term deferred tax assets	$ 245,768	$ 230,695
Long-term note receivable	4,363	15,000
Long-term investments	5,994	6,385
Debt issuance costs	27,428	28,411
Security deposits and other	12,789	10,156
Total other assets	$ 296,342	$ 290,647

Long-term note receivable as of September 30, 2008, included a working capital loan provided under a promissory note to the joint ventures described in Note 3, "Joint Ventures." The promissory note bears an interest rate of 6% per annum and is receivable in December 2011. The promissory note may be optionally repaid by the borrower at any time before maturity. In October 2008, the Company sold its remaining 49% interest in the joint ventures to Fox, and the outstanding balance of the promissory note was settled pursuant to the sale agreement with Fox. Debt issuance costs represent costs incurred upon the issuance of the Convertible Debentures and credit facility which are being amortized over their respective terms.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

	September 30, 2008	December 31, 2007
	(In thousands)	
Accounts payable	$ 12,062	$ 9,075
Accrued employee compensation	100,645	136,891
Customer deposits	21,923	115,014
Taxes payable and other tax liabilities	51,383	25,847
Other accrued liabilities	78,819	111,297
Total accounts payable and accrued liabilities	$ 264,832	$ 398,124

Customer deposits, at December 31, 2007, primarily consist of payables related to pass-through receivables as part of a revenue sharing agreement. As of September 30, 2008, customer deposits relating to the pass-through receivables are included in assets held for sale.

Note 8. Comprehensive (Loss) Income

Comprehensive (loss) income consists of net (loss) income adjusted for unrealized gains and losses on marketable securities classified as available-for-sale and foreign currency translation adjustments.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	(In thousands)			
Net (loss) income	$(200,034)	$14,954	$(274,181)	$71,990
Change in unrealized (loss) gain on investments, net of tax	(91)	(493)	(406)	2,389
Foreign currency translation adjustments	284	7,210	9,400	5,739
Comprehensive (loss) income	$(199,841)	$21,671	$(265,187)	$80,118

Table of Contents

Note 9. Credit Facility

VeriSign has a credit agreement (the "Credit Agreement") with a syndicate of banks and other financial institutions related to a $500.0 million senior unsecured revolving credit facility (the "Facility"), under which VeriSign, or certain designated subsidiaries may be borrowers. The Facility is available for cash borrowings up to $500.0 million and for the issuance of letters of credit up to a maximum limit of $50.0 million. During the first quarter of 2008, the Company borrowed $200.0 million and repaid $60.0 million under the Facility. During the second quarter of 2008, the Company repaid the previously outstanding loan balance of $140.0 million under the Facility. As of September 30, 2008, the Company did not have any outstanding borrowings under the Facility and the Company had utilized $1.4 million for outstanding letters of credit. The Company's Credit Agreement contains negative covenants that limit its ability to sell assets and freely deploy the proceeds it receives from such sales, subject to exceptions based on the size and timing of the sales. As of September 30, 2008, the Company was in compliance with all covenants under the Facility.

Note 10. Calculation of Net (Loss) Income Per Share

The Company computes basic net (loss) income per share by dividing net (loss) income available to common stockholders by the weighted-average number of common shares outstanding during the period. Diluted net income per share gives effect to dilutive potential common equivalent shares, including unvested stock options, unvested restricted stock units, employee stock purchases, warrants and the conversion spread relating to the Convertible Debentures using the treasury stock method.

The following table presents the computation of basic and diluted net (loss) income per share:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	(In thousands, except per share data)			
Income:				
Income from continuing operations	$ 43,720	$ 11,553	$ 47,919	$ 45,054
Discontinued operations, net of tax	(243,754)	3,401	(322,100)	26,936
Net (loss) income	$(200,034)	$ 14,954	$(274,181)	$ 71,990
Weighted-average shares:				
Weighted-average common shares outstanding	193,853	240,054	198,622	242,570
Weighted-average potential common shares outstanding:				
Stock options	1,154	4,533	1,805	4,425
Unvested restricted stock awards	923	739	1,111	586
Conversion spread related to convertible debentures	—	—	1,103	—
Employee stock purchase plans	—	211	310	171
Shares used to compute diluted net income per share	195,930	245,537	202,951	247,752
Income per share:				
Basic:				
Continuing operations	$ 0.23	$ 0.05	$ 0.24	$ 0.19
Discontinued operations	(1.26)	0.01	(1.62)	0.11
Net (loss) income	$ (1.03)	$ 0.06	$ (1.38)	$ 0.30
Diluted:				
Continuing operations	$ 0.22	$ 0.05	$ 0.24	$ 0.18
Discontinued operations	(1.24)	0.01	(1.59)	0.11
Net (loss) income	$ (1.02)	$ 0.06	$ (1.35)	$ 0.29

Weighted-average potential common shares do not include stock options with an exercise price that exceeded the average fair market value of VeriSign's common stock for the periods presented. The following table sets forth the weighted-average potential common shares that were excluded from the above calculation because their effect was anti-dilutive, and the respective weighted-average exercise prices of the weighted-average stock options outstanding:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	(In thousands, except per share data)			
Weighted-average stock options outstanding	4,353	5,842	4,100	8,022
Weighted-average exercise price	$ 33.09	$ 46.27	$ 32.87	$ 53.68
Weighted-average restricted stock awards outstanding	657	75	38	573
Employee stock purchase plans	346	—	—	—

Note 11. Repurchase of Common Stock

On January 31, 2008, the Board of Directors of VeriSign authorized a stock repurchase program ("2008 Stock Repurchase Program") having an aggregate purchase price of up to $600.0 million of its common stock. On February 8, 2008, the Company entered into an Accelerated Share Repurchase ("ASR") agreement to repurchase $600.0 million of its common stock under the 2008 Stock Repurchase Program. The Company paid $600.0 million to a financial institution in exchange for an initial purchase of 15.1 million shares. The ASR agreement was completed on July 10, 2008, when the Company received an additional 1.4 million shares for an aggregate of 16.5 million shares under the terms of the ASR agreement. The average price per share paid by the Company on the ASR agreement was $36.33. On August 5, 2008, the Company's Board of Directors authorized additional stock repurchases under its 2008 Stock Repurchase Program having an aggregate purchase price of up to $680.0 million of the Company's common stock. As of September 30, 2008, $680.0 million remained available for further repurchases under the 2008 Stock Repurchase Program.

In 2006, the Board of Directors authorized a stock repurchase program ("2006 Stock Repurchase Program") with no expiration date to repurchase up to $1.0 billion of its common stock. In July 2008, the Company repurchased approximately 3.5 million shares of its common stock at an average stock price of $34.38 per share for an aggregate cost of $120.0 million under the 2006 Stock Repurchase Program. During the first quarter of 2008, the Company repurchased approximately 15.9 million shares of its common stock at an average stock price of $33.85 per share for an aggregate cost of $544.7 million under the 2006 Stock Repurchase Program. Since inception of the 2006 Stock Repurchase Program, the Company has repurchased approximately 20.1 million shares at an average stock price of $33.79 per share for an aggregate cost of $680.0 million. As of September 30, 2008, $320.0 million remained available for further repurchases under the 2006 Stock Repurchase Program.

In aggregate, as of November 7, 2008, $1.0 billion is available for repurchase of the Company's common stock under the Company's stock repurchase programs.

Note 12. Segment Information

Description of segments

As a result of a comprehensive review of its business strategy, VeriSign changed its reportable segments in 2008. Previously, the Company had the following two reportable segments: ISG and CSG. As of September 30, 2008, the Company's business consists of the following reportable segments: 3IS, and Other Services. The 3IS segment is comprised of Naming Services, SSL Certificate Services, IAS and VeriSign Japan. The Naming Services business is the authoritative directory provider of all *.com*, *.net*, *.cc*, and *.tv* domain names. SSL Certificate Services enable enterprises and Internet merchants to implement and operate secure networks and websites that utilize SSL protocol. These services provide customers the means to authenticate themselves to their end users and website visitors and to encrypt communications between client browsers and web servers. IAS includes managed public key infrastructure ("PKI") services, unified authentication services, and identity protection services. VeriSign Japan is a majority-owned subsidiary and its operations primarily consist of resale of SSL Certificate Services and IAS.

The Other Services segment consists of the continuing operations of non-core businesses as well as legacy products and services. The non-core businesses that the Company plans to divest or wind down primarily include its pre-pay billing and payment services and real-time publishing services.

The segments were determined based on how the chief operating decision maker ("CODM") views and evaluates VeriSign's operations. VeriSign's Chief Executive Officer has been identified as the CODM. Other factors, including customer base, homogeneity of products, technology and delivery channels, were also considered in determining the reportable segments.

The following table presents the results of VeriSign's reportable segments:

	Internet Infrastructure and Identity Services	Other Services	Total Segments
	(In thousands)		
Three months ended September 30, 2008:			
Revenues	$ 239,728	$ 6,324	$246,052
Cost of revenues	39,785	2,353	42,138
	$ 199,943	$ 3,971	$203,914

	Internet Infrastructure and Identity Services	Other Services	Total Segments
	(In thousands)		
Three months ended September 30, 2007:			
Revenues	$ 202,916	$12,828	$215,744
Cost of revenues	31,142	6,269	37,411
	$ 171,774	$ 6,559	$178,333

	Internet Infrastructure and Identity Services	Other Services	Total Segments
	(In thousands)		
Nine months ended September 30, 2008:			
Revenues	$ 695,776	$29,216	$724,992
Cost of revenues	114,320	10,238	124,558
	$ 581,456	$18,978	$600,434

	Internet Infrastructure and Identity Services	Other Services	Total Segments
	(In thousands)		
Nine months ended September 30, 2007:			
Revenues	$ 577,079	$59,378	$636,457
Cost of revenues	84,397	33,540	117,937
	$ 492,682	$25,838	$518,520

Table of Contents

A reconciliation of the totals reported for the reportable segments to the applicable line items in the Condensed Consolidated Statements of Operations is as follows:

	Three Months Ended September 30, 2008	Three Months Ended September 30, 2007	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007
	(In thousands)			
Total revenues from reportable segments	$246,052	$215,744	$724,992	$636,457
Total cost of revenues from reportable segments	42,138	37,411	124,558	117,937
Unallocated operating expenses (1)	136,111	166,498	519,957	554,205
Operating income (loss)	67,803	11,835	80,477	(35,685)
Other (loss) income, net	(12,688)	(6,408)	(20,107)	86,109
Income from continuing operations before income taxes, (loss) earnings from unconsolidated entities and minority interest	$ 55,115	$ 5,427	$ 60,370	$ 50,424

(1) Unallocated operating expenses include unallocated cost of revenues, sales and marketing, research and development, general and administrative, restructuring, impairments and other charges (reversals), net, and amortization of other intangible assets.

Geographic Revenues

The following table presents a comparison of the Company's geographic revenues:

	Three Months Ended September 30, 2008	Three Months Ended September 30, 2007	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007
	(In thousands)			
United States	$ 163,689	$ 156,592	$ 489,341	$ 482,352
Switzerland	58,145	34,215	155,948	63,315
Japan	18,322	17,450	57,893	51,691
Other	5,896	7,487	21,810	39,099
Total revenues	$ 246,052	$ 215,744	$ 724,992	$ 636,457

VeriSign operates in North America, Europe, Australia, Latin America, South Africa, Japan and certain other countries in the Asia Pacific region. Revenues are generally attributed to the respective countries in which the VeriSign contracting entities are located, which does not necessarily reflect the location of the Company's customers.

The following table presents a comparison of property and equipment, net of accumulated depreciation, by geographic region:

	September 30, 2008	December 31, 2007
	(In thousands)	
Americas:		
United States	$ 347,619	$ 592,554
CALA (1)	33	1,130
Total Americas	347,652	593,684
EMEA (2)	7,898	10,005
APAC (3)	18,547	18,228
Total property and equipment, net	$ 374,097	$ 621,917

(1) Canada and Latin America (“CALA”)

(2) Europe, the Middle East and Africa (“EMEA”)

(3) Australia, Japan and Asia Pacific (“APAC”)

Note 13. Other (Loss) Income, Net

The following table presents the components of other (loss) income, net:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	(In thousands)			
Interest income	$ 3,981	$ 11,308	$ 15,004	$ 28,039
Interest expense	(10,278)	(5,061)	(30,578)	(7,644)
Net loss on sale and impairment of investments	(6,829)	(4,314)	(6,571)	(3,429)
Net gain on divestiture of businesses	—	—	1,611	74,999
Unrealized gain on joint venture call options	—	3,992	—	7,747
Unrealized (loss) gain on contingent interest derivative on convertible debentures	(420)	(12,589)	1,664	(12,589)
Income from transition services agreements	1,224	—	2,590	—
Other, net	(366)	256	(3,827)	(1,014)
Total other (loss) income, net	$(12,688)	$ (6,408)	$(20,107)	$ 86,109

Interest income is earned principally from the investment of VeriSign’s surplus cash balances. Interest expense is derived principally from interest on VeriSign’s Convertible Debentures. Income from transition services agreements includes income generated from services provided to the purchasers of the divested businesses for a certain period of time to ensure and facilitate the transfer of business operations for those businesses. Other, net, primarily consists of foreign exchange rate gains and losses.

Note 14. Income Taxes

For the three and nine months ended September 30, 2008, the Company recorded income tax expense for continuing operations of $8.1 million and $6.6 million, respectively. For the three and nine months ended September 30, 2007, the Company recorded income tax benefit for continuing operations of $8.0 million and income tax expense of $5.2 million, respectively. The increase in income tax expense for continuing operations was primarily attributable to the increase in income from continuing operations before income taxes.

The Company applies a valuation allowance to certain deferred tax assets when management does not believe that it is more likely than not that they will be realized. These deferred tax assets consist primarily of investments with differing book and tax bases, capital loss carryforwards, and net operating losses related to certain foreign operations.

As of September 30, 2008, the Company had an unrecognized tax benefit for income taxes associated with uncertain tax positions of $25.4 million. If the liabilities associated with these uncertain tax positions are recognized in the future, the entire amount of unrecognized tax benefits would affect the effective tax rate. During the three and nine months ended September 30, 2008, the Company recorded a decrease in unrecognized tax benefits associated with uncertain tax positions of $16.0 million and $15.9 million, respectively, as a result of a lapse of a statute of limitation. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as a component of income tax expense. At September 30, 2008, the Company had $11.4 million of accrued interest and penalties relating to uncertain tax positions. For the three and nine months ended September 30, 2008, the Company expensed $0.4 million and $1.3 million, respectively, for interest and penalties related to income tax liabilities through income tax expense. For the three and nine months ended September 30, 2007, the Company expensed $0.7 million and $2.5 million, respectively, for interest and penalties related to income tax liabilities through income tax expense.

The Company is currently under examination by the Internal Revenue Service ("IRS") and the California Franchise Tax Board for the years ended December 31, 2004, and December 31, 2005. The Company is also under examination by numerous state taxing jurisdictions. Because the Company may utilize net operating losses and other tax attributes to offset its taxable income in years subsequent to their origination, such attributes can be adjusted by the IRS and other taxing authorities until the statute closes on the year in which such attribute was utilized. The Company is not currently under examination by significant international taxing jurisdictions. The statutes of limitations for these jurisdictions are generally 5 years.

Note 15. Fair Value of Financial Instruments

In February 2007, the FASB issued SFAS No. 159 ("SFAS 159"), "*The Fair Value Option for Financial Assets or Financial Liabilities*," which provides companies with an option to report selected financial assets and liabilities at fair value. SFAS 159 establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities. The Company has not elected to report its financial instruments at fair value, other than those already recognized and reported at fair value.

In September 2006, the FASB issued SFAS No. 157 ("SFAS 157"), "*Fair Value Measurements*," which defines fair value, establishes guidelines for measuring fair value and expands disclosures regarding fair value measurements. SFAS 157 does not require any new fair value measurements but rather eliminates inconsistencies in guidance found in various prior accounting pronouncements. On February 12, 2008, the FASB issued FSP SFAS 157-2, "*Effective Date of FASB Statement No. 157*," which defers the effective date for adoption of fair value measurements for nonfinancial assets and liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually), to fiscal years beginning after November 15, 2008. These nonfinancial items include assets and liabilities such as reporting units measured at fair value in a goodwill impairment test and nonfinancial assets acquired and liabilities assumed in a business combination.

The Company adopted SFAS 157 effective January 1, 2008, for all of its financial assets and liabilities that are recognized or disclosed at fair value on a recurring basis (at least annually). To increase consistency and comparability in fair value measurements, SFAS 157 establishes a fair value hierarchy based on the inputs used in valuation techniques. There are three levels to the fair value hierarchy of inputs to fair value, as follows:

- Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Inputs reflect quoted prices for identical assets or liabilities in markets that are not active; quoted prices for similar assets or liabilities in active markets; inputs other than quoted prices that are observable for the assets or liabilities; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

- Level 3: Unobservable inputs reflecting the Company's own assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

The Company measures and reports certain financial assets and liabilities at fair value on a recurring basis, including its investments in money market funds, foreign currency forward contracts, equity investments in other public companies and a contingent interest derivative associated with its Convertible Debentures.

The following table summarizes the Company's financial assets and liabilities measured at fair value on a recurring basis, by level within the fair value hierarchy:

	September 30, 2008			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets:				
Investments in money market funds	$ 228,662	$ —	$ 248,403	$ 477,065
Equity investments	391	—	—	391
Total	$ 229,053	$ —	$ 248,403	$ 477,456
Liabilities:				
Foreign currency forward contracts	$ —	$ 1,675	$ —	$ 1,675
Contingent interest derivative on convertible debentures	—	—	12,500	12,500
Total	$ —	$ 1,675	$ 12,500	$ 14,175

The fair value of the Company's investments in certain money market funds approximates their face value. Such instruments are classified as Level 1 and are included in Cash and cash equivalents. In September 2008, there was a major disruption in the global credit markets due to the rising concerns about possible financial institution defaults, the bankruptcy filing of Lehman Brothers Holdings Inc. and the potential for a deep economic recession. Following these disruptions, certain money market funds managed by The Reserve made various announcements that their underlying portfolios had experienced a loss of principal, the redemption rights of all holders were suspended indefinitely and the funds would be liquidated. As of September 30, 2008, the Company had $256.6 million invested in The Reserve's Primary Fund ("Primary Fund") and The Reserve International Liquidity Fund, Ltd. ("International Fund") which it had previously classified as Cash and cash equivalents and has now classified as Short-term investments. Due to the lack of an active market for most corporate and bank debt securities, the Company assessed the fair value of the underlying securities within the Primary Fund and the International Fund based on a review of investment ratings of the underlying securities within the money-market funds coupled with an evaluation of the expected maturity value and the current performance of the securities within the funds in meeting scheduled payments of principal and interest. The Company based its estimates on historical experience and various other assumptions that it believes to be reasonable, the results of which form the basis for making judgments about the carrying values of its investments in the Primary Fund and the International Fund. The Company believes its investments in the Primary Fund and the International Fund have experienced a decline in fair value that is other-than-temporary and has, therefore, recognized an impairment loss of $8.2 million in Other (loss) income, net. This impairment is primarily related to the underlying securities of Lehman Brothers Holdings Inc. held in the Primary Fund and the International Fund. As there is a lack of an active market and as the Company has utilized its own assumptions to assess the fair value of its investments in the Primary Fund and the International Fund, the overall fair value measurement of such investments has been transferred from Level 1 into Level 3.

The fair value of the Company's foreign currency forward contracts is based on foreign currency rates quoted by banks or foreign currency dealers and other public data sources. Such instruments are included in Accounts payable and accrued liabilities. The Company recorded unrealized losses related to changes in the fair value of its foreign currency forward contracts in Other (loss) income, net. The Company recorded unrealized losses of $0.3 million and $1.7 million for the three and nine months ended September 30, 2008, respectively, and unrealized losses of $0.1 million and $0.8 million for the three and nine months ended September 30, 2007, respectively, related to changes in the fair value of its foreign currency forward contracts.

Equity investments relate to the Company's investments in the securities of other public companies. The fair value of these investments is based on the quoted market prices of the underlying shares. Such investments are included in Short-term investments.

The Company's Convertible Debentures have contingent interest payments that are considered to be an embedded derivative. The Company accounts for the embedded derivative separately from the Convertible Debentures at fair value, with gains and losses reported in Other (loss) income, net. The Company has utilized a valuation model based on simulations of stock prices, interest rates, credit ratings and bond prices to estimate the value of the embedded derivative. The inputs to the model include risk adjusted interest rates, volatility and average yield curve observations and stock price. As several significant inputs are not observable, the overall fair value measurement of the embedded derivative is classified as Level 3.

The following table summarizes the changes in the fair value of the Company's Level 3 assets and liabilities:

	Nine Months Ended September 30, 2008	
	Investments in money market funds	Contingent interest derivative on convertible debentures
	(In thousands)	
Balance at December 31, 2007	$ —	$ 14,164
Transfers in from Level 1	256,571	—
Realized loss on other-than-temporary impairment of investment (1)	(8,168)	—
Unrealized gain on contingent interest derivative on convertible debentures (1)	—	(1,664)
Balance at September 30, 2008	$ 248,403	$ 12,500

(1) Included in Other (loss) income, net.

Note 16. Commitments and Contingencies

Lease Commitments

On June 19, 2008, the Company entered into a lease agreement with the purchaser of its Mountain View property. Under the terms of the lease agreement, the Company will lease the property for an initial term of 30 months, which will expire on December 31, 2010, with an option to extend the lease for five years from the date of expiration of the initial term. The Company's lease obligations under the initial term will be approximately $3.1 million, $5.6 million and $5.4 million in 2008, 2009 and 2010, respectively.

Legal Proceedings

On September 7, 2001, NetMoneyIN, an Arizona corporation, filed a complaint alleging patent infringement against VeriSign and several other previously-named defendants in the U.S. District Court for the District of Arizona asserting infringement of certain patents. The complaint alleged that VeriSign's Payflow payment products and services directly infringe certain claims of NetMoneyIN's three patents and requested the Court to enter judgment in favor of NetMoneyIN, a permanent injunction against the defendants' alleged infringing activities, an order requiring defendants to provide an accounting for NetMoneyIN's damages, to pay NetMoneyIN such damages and three times that amount for any willful infringers, and an order awarding NetMoneyIN attorney fees and costs. NetMoneyIN has withdrawn its allegations of infringement of one of the patents and the Court has dismissed with prejudice all claims of infringement of such patent. In its ruling on the claim construction issues, the Court found some of the claims asserted against VeriSign to be valid. NetMoneyIN may file an appeal after a final judgment seeking to overturn this ruling. Only one claim remains in the case. On July 13, 2007, the Court issued an order granting summary judgment in favor of VeriSign based on the Court's finding that such claim is invalid, and denying all other pending dispositive motions. On August 29, 2007, plaintiff filed a Notice of Appeal. On September 19, 2007, the U.S. Court of Appeals for the Federal Circuit docketed the appeal. On October 20, 2008, the appellate court issued a decision that affirmed in part and reversed in part the summary judgment order and remanded the case for further proceedings in the trial court. While the Company cannot predict the outcome of this lawsuit, it believes that the allegations are without merit.

On February 14, 2005, Southeast Texas Medical Associates, LLP filed a putative class action lawsuit in the Superior Court of California, alleging violations of the unfair competition laws, breach of express warranty and unjust enrichment relating to VeriSign's Secure Site Pro SSL certificates. The complaint is brought on behalf of a class of persons who purchased the Secure Site Pro SSL certificates from February 2001 to present. On April 17, 2006, the class was certified and class notice was issued on May 21, 2007. VeriSign disputes these claims. In March 2008, the parties entered into a settlement agreement to resolve this matter. The settlement became final on July 15, 2008.

On April 11, 2005, Prism Technologies, LLC filed a complaint against VeriSign in the U.S. District Court for the District of Delaware alleging that VeriSign's "Go Secure" suite of applications and related hardware and software products and its unified authentication solution and related hardware and software products, including the VeriSign Identity Protection ("VIP") product infringe U.S. Patent No. 6,516,416, entitled "Subscription Access System for Use With an Untrusted Network." Prism Technologies seeks judgment in favor of Prism Technologies, a permanent injunction from infringement, damages in an amount not less than a reasonable royalty, attorneys' fees and costs. On April 2, 2007, the Court issued a ruling from the claim construction hearing. On April 13, 2007, the Court granted Defendants' Motion for Leave to File Amended Answers and Counterclaims to add an inequitable conduct defense. On April 23, 2007, on the basis of the claim construction ruling, the Court entered a stipulated Final Judgment of Non-Infringement, dismissing all claims and counterclaims in the case. On April 27, 2007, Plaintiff filed a Notice of Appeal. On February 5, 2008, the U.S. Court of Appeals for the Federal Circuit affirmed the district court's claim construction ruling and dismissal in VeriSign's favor.

On July 6, 2006, a stockholder derivative complaint (Parnes v. Bidzos, et al., and VeriSign) was filed against the Company, as a nominal defendant, and certain of its current and former directors and executive officers related to certain historical stock option grants. The complaint seeks unspecified damages on behalf of VeriSign, constructive trust and other equitable relief. Two other derivative actions were filed, one in U.S. District Court for the Northern District of California (Port Authority v. Bidzos, et al., and VeriSign), and one in state court (Port Authority v. Bidzos, et al., and VeriSign) on August 14, 2006. The state court derivative actions are stayed pending resolution of the federal action. The Company is named as a nominal defendant in these actions. The federal actions have been consolidated and plaintiffs filed a consolidated complaint on November 20, 2006. Motions to dismiss the consolidated federal court complaint were heard on May 23, 2007.

Those motions were granted on September 14, 2007. On November 16, 2007, a second amended shareholder derivative complaint was filed wherein the Company was again named as a nominal defendant. By stipulation and Court order, defendants' obligation to respond to the second amended shareholder derivative complaint has been continued pending informal efforts by the parties to resolve the action. On May 15, 2007, a putative class action (Mykityshyn v. Bidzos, et al., and VeriSign) was filed in Superior Court for the State of California, Santa Clara County, naming the Company and certain current and former officers and directors, alleging false representations and disclosure failures regarding certain historical stock option grants. The plaintiff purports to represent all individuals who owned VeriSign's common stock between April 3, 2002, and August 9, 2006. The complaint seeks rescission of amendments to the 1998 and 2006 Option Plans and the cancellation of shares added to the 1998 Option Plan. The complaint also seeks to enjoin defendants from granting any stock options and from allowing the exercise of any currently outstanding options granted under the 1998 and 2006 Option Plans. The complaint seeks an unspecified amount of compensatory damages, costs and attorneys fees. The identical case was filed in state court under a separate name (Pace. v. Bidzos, et al., and VeriSign) on June 19, 2007, and on October 3, 2007 (Mehdian v. Bidzos, et al.). On December 3, 2007, a consolidated complaint was filed in Superior Court for the State of California, Santa Clara County. VeriSign and the individual defendants dispute all of these claims. Defendants' collective pleading challenges to the putative consolidated class action complaint were granted with leave to amend in August 2008.

On November 7, 2006, a judgment was entered against VeriSign by an Italian trial court in the matter of Penco v. VeriSign, Inc. for Euro 5.8 million plus fees arising from a lawsuit brought by a former consultant who claimed to be owed commissions. The Company was granted a stay on execution of the judgment and the company filed an appeal. On July 9, 2008, the appellate court rejected all of plaintiff's claims.

On May 31, 2007, plaintiffs Karen Herbert, et al., on behalf of themselves and a nationwide class of consumers ("*Herbert*"), filed a complaint against VeriSign, Inc., m-Qube, Inc., and other defendants alleging that defendants collectively operate an illegal lottery under the laws of multiple states by allowing viewers of the NBC television show "Deal or No Deal" to incur premium text message charges in order to participate in an interactive television promotion called "Lucky Case Game." The lawsuit is pending in the U.S. District Court for the Central District of California, Western Division. On June 5, 2007, plaintiffs Cheryl Bentley, et al., on behalf of themselves and a nationwide class of consumers ("*Bentley*"), filed a complaint against VeriSign, Inc., m-Qube, Inc., and other defendants alleging that defendants collectively operate an illegal lottery under the laws of multiple states by allowing viewers of the NBC television show "The Apprentice" to incur premium text message charges in order to participate in an interactive television promotion called "Get Rich With Trump." Both *Herbert* and *Bentley* are currently pending in the U.S. Court of Appeals for the Ninth Circuit awaiting resolution of defendants' petition for interlocutory appeal of the District Court's denial of a motion to dismiss. While the Company cannot predict the outcome of any of these matters, it believes that the allegations in each of them are without merit and intends to vigorously defend against them.

On October 9, 2007, the Associated Press filed a complaint in the U.S. District Court for the Southern District of New York against Moreover Technologies, Inc. and VeriSign, Inc. for copyright and trademark infringement and other claims arising from the Real Time Publishing business. The complaint seeks unspecified compensatory, punitive and treble damages and a permanent injunction. The parties resolved this dispute and the case was dismissed on August 15, 2008.

On April 30, 2008, Prism Technologies LLC filed a complaint against VeriSign in the U.S. District Court for the District of Nebraska alleging that VeriSign's manufacture, sale and use of "security certificates" infringes a U.S. patent. While the Company cannot predict the outcome of this matter, it intends to vigorously defend against the claims.

VeriSign is involved in various other investigations, claims and lawsuits arising in the normal conduct of its business, none of which, in its opinion will have a material effect on its business. The Company cannot assure you that it will prevail in any litigation. Regardless of the outcome, any litigation may require the Company to incur significant litigation expense and may result in significant diversion of management attention.

Note 17. Subsequent Events

On October 6, 2008, VeriSign sold its aggregate remaining 49% interest in the joint ventures described in Note 3, "Joint Ventures," to Fox for approximately $200 million. Pursuant to the sale agreement, certain outstanding debts and accrued but unpaid interest owed among the Company and the joint ventures have been repaid, and the parties have agreed to the settlement and discharge of all other payments among them as of the date of the agreement.

On October 1, 2008, VeriSign completed its acquisition of Global Name Registry, Ltd., a United Kingdom based company that manages and operates the *.name* top level domain. VeriSign paid approximately $10.7 million in cash for the acquisition, which included approximately $0.6 million to cover certain transaction costs.

On October 3, 2008, the Emergency Economic Stabilization Act of 2008 (the "Act"), which includes the Tax Extenders and Alternative Minimum Tax Relief Act of 2008, was enacted. Under the Act, the research credit was retroactively extended for amounts paid or incurred after December 31, 2007, and before January 1, 2010. The impact of the change in the tax law will be recognized in the Company's fourth quarter, which is the quarter in which the Act was enacted. The Company currently estimates the income tax benefit resulting from the change in the tax law to range between $4.5 million and $6.0 million.

On October 31, 2008, VeriSign sold its Communications Consulting business in a management buyout transaction.

On October 31, 2008, VeriSign received a distribution of approximately $63 million from the Primary Fund. This represents approximately 50% of the Company's total investment in the Primary Fund. As of November 7, 2008, the Company has not received any distribution from the International Fund.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with the interim unaudited Condensed Consolidated Financial Statements and related notes.

Except for historical information, this Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements involve risks and uncertainties, including, among other things, statements regarding our anticipated costs and expenses and revenue mix. Forward-looking statements include, among others, those statements including the words "expects," "anticipates," "intends," "believes" and similar language. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in the section titled "Risk Factors" in Part II, Item 1A. You should carefully review the risks described in other documents we file from time to time with the Securities and Exchange Commission, including the Quarterly Reports on Form 10-Q or Current Reports on Form 8-K that we file in 2008 and our 2007 Form 10-K, which was filed on February 29, 2008, which discuss our business in greater detail. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q. We undertake no obligation to publicly release any revisions to the forward-looking statements or reflect events or circumstances after the date of this document.

Overview

We operate intelligent infrastructure services that enable and protect billions of interactions every day across the world's voice and data networks and provide enterprises, governmental entities, and individuals with highly scaleable, reliable and secure Internet infrastructure and identity services.

Our business consists of the following reportable segments: Internet Infrastructure and Identity Services ("3IS"), and Other Services. Our 3IS segment, comprising the retained core businesses from our former ISG segment, consists of our Naming Services, Secure Socket Layer ("SSL") Certificate Services, Identity and Authentication Services ("IAS") businesses and VeriSign Japan.

The Naming Services business is the exclusive registry of all *.com*, *.net*, *.cc* and *.tv* domain names and maintains a shared registration system that allows registrars to enter new names in the master directory and to submit modifications, transfers, re-registrations and deletions for their domain names. The SSL Certificate Services business enables our on-line customers, such as enterprises or Internet merchants, to authenticate themselves to their end users and encrypt Internet communications through use of public key infrastructure ("PKI") and SSL protocol. The IAS business includes managed PKI services, unified authentication services, and identity protection services, all of which provide services intended to help enterprises secure intranets, extranets and other applications and devices and provide authentication credentials. VeriSign Japan is a majority-owned subsidiary and its operations primarily consist of resale of SSL Certificate Services and IAS.

The Other Services segment consists of the continuing operations of non-core businesses as well as legacy products and services. The businesses included in the Other Services segment provide pre-pay billing and payment services and real-time publishing services.

During the fourth quarter of 2007, we announced a change to our business strategy to allow management to focus its attention on our core competencies and to make additional resources available to invest in our core businesses. The strategy calls for a divestiture or winding down of all the business lines in our former Communications Services Group ("CSG"), and all business lines in our former Internet Services Group ("ISG") except for our core businesses. The business lines that we expect to divest, including those that have been sold since the fourth quarter of 2007, accounted for approximately 50% of our overall revenues in fiscal 2007. The continued execution of our divestiture plan is subject to the availability of financing, identification of buyers, and general market conditions, including further developments in the current economic crisis and potential continued deterioration of the credit markets. While we are executing our divestiture plan, we will experience additional risks, including, but not limited to the disruption of our business and the potential loss of key employees; difficulties separating operations, services, products and personnel; the potential damage to relationships with our existing customers; and the delay in completion of transition services. For example, our divestiture plan will require a substantial amount of management, administrative and operational resources. Once our divestiture plan is completed, the scale and scope of our operations will decrease in absolute terms, which we expect will allow our remaining core businesses to benefit from a more efficient and streamlined operational structure. However, we cannot assure you that we will be able to achieve the full strategic and financial benefits we expect from the divestiture of our non-core businesses and there is no guarantee that the planned divestitures will occur or will not be significantly delayed.

Our Core Businesses

Our core businesses consist of our Naming Services, SSL Certificate Services, and IAS businesses.

Naming Services

As of September 30, 2008, we had approximately 89.4 million domain names registered under the *.com* and *.net* registries. The number of domain names registered is largely driven by Internet usage and broadband penetration rates. Although growth in absolute number of registrations remains greatest in mature markets such as the U.S. and Western Europe, growth on an annual percentage basis is expected to be greatest in markets outside of the U.S. and Europe where Internet penetration has demonstrated the greatest potential for growth. We are largely insulated from the risk posed by fluctuations in exchange rates due to the fact that all revenues paid to us for *.com* and *.net* registrations are in U.S. dollars.

SSL Certificate Services

As of September 30, 2008, we had an installed base of SSL certificates of approximately 1.1 million. We currently offer the following SSL Certificate Services: VeriSign®, GeoTrust®, and thawte® branded certificates. The major factors impacting the growth and performance of our SSL Certificate Services business are the penetration and adoption of the Internet, especially through broadband services, the spread of e-commerce, the utilization of electronic means for executing financial transactions (such as credit card payments), and the extent to which advertising through search engines encourages consumers to engage in e-commerce. As a result of the growing impact of the Internet on global commercial transactions, we expect continued revenue growth in our business, primarily in markets outside of the U.S. where e-commerce has the largest growth potential.

IAS

As with our SSL Certificate Services business, the major factors impacting the growth and performance of our IAS business are the penetration and adoption of the Internet, especially through broadband services, the spread of e-commerce, the utilization of electronic means for executing financial transactions (such as credit card payments), and the extent to which advertising through search engines encourages consumers to engage in e-commerce.

Business Highlights and Trends—Three and nine months ended September 30, 2008

Our 3IS segment recorded revenues of $239.7 million and $695.8 million during the three and nine months ended September 30, 2008, respectively, experiencing an increase of 18% and 21%, respectively, from the same periods last year. For the three and nine months ended September 30, 2008, domestically and internationally, we experienced revenue growth in all of the businesses in the 3IS segment, with the largest growth coming from our Naming Services business. Our increased revenues are primarily related to the continued Internet growth and adoption which has, in turn, resulted in an increase in active domain names ending in *.com* and *.net*, an increase in the installed base of SSL certificates and an increase in demand for our identity and authentication services.

Our Other Services segment recorded revenues of $6.3 million and $29.2 million during the three and nine months ended September 30, 2008. We expect revenues for our Other Services segment to decrease in absolute dollars as we divest or wind down non-core businesses.

We recorded a net loss of $200.0 million and $274.2 million during the three and nine months ended September 30, 2008, respectively, as compared to a net income of $15.0 million and $72.0 million during the three and nine months ended September 30, 2007, respectively. Our net loss during the three and nine months ended September 30, 2008, is primarily a result of the estimated losses on our assets held for sale of $237.4 million and $308.8 million, respectively, classified as discontinued operations, offset by the net income from continuing operations for those periods.

In the third quarter of 2008, we classified our Messaging and Post-pay businesses as assets held for sale. The current and historical operations, including estimated losses on these disposal groups are presented as discontinued operations for all periods presented.

In September 2008, there was a major disruption in the global credit markets due to the rising concerns about possible financial institution defaults, the bankruptcy filing of Lehman Brothers Holdings Inc. and the potential for a deep economic recession. Following these disruptions, certain money market funds managed by The Reserve made various announcements that their underlying portfolios had experienced a loss of principal, the redemption rights of all holders were suspended indefinitely and the funds would be liquidated. As of September 30, 2008, we had $256.6 million invested in the Primary Fund and the International Fund which we had previously classified as Cash and cash equivalents and have now classified as Short-term investments. Due to the lack of an active market for most corporate and bank debt securities, we assessed the fair value of the underlying securities within the Primary Fund and the International Fund based on a review of investment ratings of the underlying securities within the money-market funds coupled with an evaluation of the expected maturity value and the current performance of the securities within the funds in meeting scheduled payments of principal and interest. We based our estimates on historical experience and various other assumptions that we believe to be reasonable, the results of which form the basis for making judgments about the carrying values of our investments in the Primary Fund and the International Fund. We believe our investments in the Primary Fund and the International Fund have experienced a decline in fair value that is other-than-temporary and have, therefore, recognized an impairment loss of $8.2 million in Other (loss) income, net. This impairment is primarily related to the underlying securities of Lehman Brothers Holdings Inc. held in the Primary Fund and the International Fund. On October 31, 2008, we received a distribution of approximately $63 million from the Primary Fund. This represents approximately 50% of our total investment in the Primary Fund. As of November 7, 2008, we have not received any distribution from the International Fund.

In September 2008, the trust established during 2004 for our director and officer liability self-insurance coverage was terminated, and as a result $45.0 million was released from the trust. As of September 30, 2008, the amount is recorded as Cash and cash equivalents as our ability to use it is no longer restricted.

In July 2008, we repurchased approximately 3.5 million shares of our common stock at an average stock price of $34.38 per share for an aggregate cost of $120.0 million under the 2006 Stock Repurchase Program. In July, the ASR agreement that was entered into in February 2008 was completed and we received an additional 1.4 million shares for an aggregate of 16.5 million shares under the terms of the ASR agreement. On August 5, 2008, our Board of Directors authorized additional stock repurchases under our 2008 Stock Repurchase Program having an aggregate purchase price of up to $680.0 million of the Company's common stock.

In July 2008, we invested an additional amount of $15.7 million pursuant to capital calls approved by the board of managers of the joint ventures with Fox, and recorded the amount as investments in unconsolidated entities. The purpose of the capital calls was to fund the ongoing business and working capital needs of the joint ventures. In October 2008, we sold our aggregate remaining 49% interest in the joint ventures to Fox for approximately $200 million.

In June 2008, we sold certain land and buildings located in Mountain View, California, for net cash proceeds of $47.6 million. At the time of closing, we entered into a separate lease agreement with the purchaser of the Mountain View property. We leased the property from the purchaser for an initial term of 30 months, expiring December 31, 2010, with an option to extend the lease for five years from the date of initial term expiration. Our lease obligations under the initial term are $14.1 million. As a result of the sale, we recorded a loss of approximately $79.1 million.

On April 30, 2008, we sold our Digital Brand Management Services ("DBMS") business which offered a range of corporate domain name and brand protection services that help enterprises, legal professionals, information technology professionals and brand marketers monitor, protect and build digital brand equity for net cash proceeds of $50.4 million and recorded a gain on sale of $30.6 million. The net cash proceeds include $5.0 million that was placed in an escrow account to cover any contingent claims made by the buyer against us through April 30, 2009. If no claims are made, the amount in escrow will be released to us during the second quarter of fiscal 2009. The DBMS business was part of our former ISG segment. The historical results of operations of the DBMS business have been classified as discontinued operations for all periods presented.

On April 30, 2008, we sold our Content Delivery Network ("CDN") business which offered broadband content services that enable the delivery of high-quality video and other rich media securely and efficiently at a very large scale, for net cash proceeds of $1.0 million and recorded a gain on sale of $2.0 million. We have retained an equity ownership in the CDN business and have accounted for our investment in the CDN business on an equity method basis. As a result of our continuing involvement in the CDN business, the historical results of operations of the CDN business have not been classified as discontinued operations. The CDN business was part of our former CSG segment.

On March 31, 2008, we sold our Self-Care and Analytics ("SC&A") business unit, which provided on-line analysis applications for mobile communications customers and on-line customer self-service with a single view of billing across multiple systems, for net cash proceeds of $14.2 million and recorded a gain on sale of $1.0 million. The SC&A business was part of our former CSG segment. The historical results of operations of the SC&A business have been classified as discontinued operations for all periods presented.

Our 2008 restructuring plan, was announced in late 2007 to complement our divestiture plan. We recorded $58.2 million in restructuring charges related to the 2008 restructuring plan as of September 30, 2008, of which expenses related to severance and benefit costs for terminated employees, inclusive of amounts for discontinued operations, totaled $55.9 million. Since announcing the 2008 restructuring plan, we have reduced our headcount in businesses targeted for divestiture, either through sale of businesses, employee terminations or voluntary resignations.

Recent Accounting Pronouncements

Recent accounting pronouncements are detailed in Note 1, "Basis of Presentation," of the Notes to Condensed Consolidated Financial Statements.

Subsequent Events

On October 6, 2008, we sold our aggregate remaining 49% interest in the joint ventures to Fox for approximately $200 million. Pursuant to the sale agreement, certain outstanding debts and accrued but unpaid interest owed among us and the joint ventures have been repaid, and we have agreed to the settlement and discharge of all other payments among us and the joint ventures as of the date of the agreement.

On October 1, 2008, we completed our acquisition of Global Name Registry, Ltd., a United Kingdom based company that manages and operates the *.name* top level domain. We paid approximately $10.7 million in cash for the acquisition, which included approximately $0.6 million to cover certain transaction costs.

On October 3, 2008, the Emergency Economic Stabilization Act of 2008 (the “Act”), which includes the Tax Extenders and Alternative Minimum Tax Relief Act of 2008, was enacted. Under the Act, the research credit was retroactively extended for amounts paid or incurred after December 31, 2007, and before January 1, 2010. The impact of the change in the tax law will be recognized in the Company’s fourth quarter, which is the quarter in which the Act was enacted. We currently estimate the income tax benefit resulting from the change in the tax law to range between $4.5 million and $6.0 million.

On October 31, 2008, we sold our Communications Consulting business in a management buyout transaction.

On October 31, 2008, we received a distribution of approximately $63 million from the Primary Fund. This represents approximately 50% of our total investment in the Primary Fund. As of November 7, 2008, we have not received any distribution from the International Fund.

Results of Operations

The following table presents information regarding our results of operations as a percentage of revenues:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Revenues	100%	100%	100%	100%
Costs and expenses				
Cost of revenues	23	28	23	29
Sales and marketing	17	26	18	29
Research and development	9	12	10	12
General and administrative	20	27	21	28
Restructuring, impairments and other charges, net	2	—	15	5
Amortization of other intangible assets	1	2	1	2
Total costs and expenses	72	95	88	105
Operating income (loss)	28	5	12	(5)
Other (loss) income, net	(5)	(3)	(3)	13
Income from continuing operations before income taxes, (loss) earnings from unconsolidated entities and minority interest	23	2	9	8
Income tax (expense) benefit	(3)	4	(1)	(1)
(Loss) earnings from unconsolidated entities, net of tax	(1)	—	(1)	—
Minority interest, net of tax	(1)	(1)	(1)	—
Income from continuing operations	18	5	6	7
Discontinued operations, net of tax	(99)	2	(44)	4
Net (loss) income	(81)%	7%	(38)%	11%

Revenues

We have two reportable segments: Internet Infrastructure and Identity Services and Other Services. A comparison of revenues is presented below:

	Three Months Ended September 30,		%
	2008	2007	Change
	(Dollars in thousands)		
Internet Infrastructure and Identity Services	$239,728	$202,916	18%
Other Services	6,324	12,828	(51)%
Total revenues	$246,052	$215,744	14%

	Nine Months Ended September 30,		%
	2008	2007	Change
	(Dollars in thousands)		
Internet Infrastructure and Identity Services	$695,776	$577,079	21%
Other Services	29,216	59,378	(51)%
Total revenues	$724,992	$636,457	14%

The changes in revenues during the three and nine months ended September 30, 2008, are described in the segment discussions that follow.

Internet Infrastructure and Identity Services

3IS segment revenues increased $36.8 million and $118.7 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year.

The following table compares active domain names ending in *.com* and *.net* managed by our Naming Services business and the approximate installed base of SSL certificates in our SSL Certificate Services business as of September 30, 2008 and 2007:

	September 30,		%
	2008	2007	Change
Active domain names ending in *.com* and *.net*	89.4 million	77.0 million	16%
Installed base of SSL certificates	1,095,000	957,000	14%

Naming Services

Revenues in our Naming Services business are derived from registrations for domain names in the *.com*, *.net*, *.tv*, and *.cc* domain name registries. Revenues from *.tv* and *.cc* are not significant. We receive a fixed fee per domain name registered with the *.com* and *.net* registries, at a fee per annual registration that is fixed pursuant to our agreements with the Internet Corporation for Assigned Names and Numbers (“ICANN”). Changes in revenues are driven largely by increases in the number of new domain name registrations and the renewal rate for existing registrations. During the third quarter of 2008, the growth in the number of domain names registered was primarily driven by continued Internet growth and adoption, though we have seen some signs of slowing growth in domain name registrations for customers engaged in the business of on-line advertising. We expect that new name registrations and renewals from customers engaged in the business of on-line advertising would continue to experience slower growth through 2009.

Our Naming Services revenues increased $26.2 million and $76.6 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year, primarily due to a 16% year-over-year increase in active domain names ending in *.com* and *.net*.

Effective October 1, 2008, our *.com* and *.net* domain name registry fees further increased by 7% and 10%, respectively, to $6.86 and $4.23, respectively.

SSL Certificate Services

Revenues in our SSL Certificate Services business are derived from licensing and service fees charged to our customers for the issuance of SSL certificates that authenticate their identity to the third parties with whom they carry out secured transactions. Revenues in the SSL Certificate Services business are related to fees charged per certificate, which are based upon a number of factors, including: (i) the brand name under which the certificate is issued, level of encryption and rigor of authentication; (ii) the number of servers authenticated, and (iii) the duration of the certification. We issue SSL certificates for one, two and three years and the majority of our customers tend to commit to shorter certifications. We have historically experienced strong renewal rates, and have not increased prices for our SSL certificates during the first nine months ended September 30, 2008.

Our SSL Certificate Services revenues increased $9.5 and $34.1 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year, primarily due to a 14% year-over-year increase in the installed base of SSL certificates.

Our installed base SSL Certificates from our GeoTrust® and thawte® brands increased at a higher rate than our higher-priced VeriSign® brand. As a result of this shift to lower-priced brands in our product mix, we expect that our installed base of SSL Certificates will continue to increase at a higher rate than our SSL Certificate revenues.

IAS

Revenues in our IAS business are derived from one-time credential sales to customers seeking network services, and one-time set-up fees. We also charge an annual service fee based upon the number of individual users authorized by the customer to access its network and a customer support fee. Our managed PKI service is characterized by lower growth rates than other product lines within the IAS business, reflecting the greater maturity of our managed PKI service.

Our IAS revenues increased $1.4 million and $7.2 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year, primarily due to increased demand for our unified authentication and identity protection services.

Other Services

Other Services segment revenues decreased $6.5 million and $30.2 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year. The decrease during the three months ended September 30, 2008, as compared to the same period last year, was primarily due to a decrease in revenues from our legacy products. The decrease during the nine months ended September 30, 2008, as compared to the same period last year, was primarily due to the divestiture of our majority ownership interest in our Jamba subsidiary in the first quarter of 2007.

We expect revenues for our Other Services segment to decrease in absolute dollars as we divest or wind down certain non-core businesses in 2008. Upon classification as discontinued operations, the revenues of the non-core businesses will be reclassified from Other Services to discontinued operations.

Within the Other Services segment, our divestiture plan has led some of our customers to delay entering into arrangements with us until they are able to obtain greater clarity concerning the composition and direction the divested businesses will take following the completion of the divestiture plan. We anticipate having greater clarity as to the trends impacting these businesses as the divestiture plan progresses.

Geographic Revenues

A comparison of our geographic revenues is presented below:

	Three Months Ended September 30,		%
	2008	2007	Change
	(In thousands)		
United States	$163,689	$156,592	5%
Switzerland	58,145	34,215	70%
Japan	18,322	17,450	5%
Other	5,896	7,487	(21)%
Total revenues	$246,052	$215,744	14%

	Nine Months Ended September 30,		%
	2008	2007	Change
	(In thousands)		
United States	$489,341	$482,352	1%
Switzerland	155,948	63,315	146%
Japan	57,893	51,691	12%
Other	21,810	39,099	(44)%
Total revenues	$724,992	$636,457	14%

Revenues are generally attributed to the respective countries in which the VeriSign contracting entities are located, which does not necessarily reflect the location of our customers.

Revenues in Switzerland increased $23.9 million and $92.6 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year, primarily due to the continued implementation of our global business structure including contracting through our foreign subsidiaries for services provided to customers located outside the U.S. and Japan. Revenues in the U.S. increased $7.1 million and $7.0 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year, primarily due to continued growth in our Naming Services and SSL Certificate Services businesses. Revenues in Japan increased $0.9 million and $6.2 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year, primarily due to increases in demand from our SSL Certificate Services and IAS. Revenues from our Other regions decreased $1.6 million and $17.3 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year. The decrease in revenues in the Other regions during the nine months ended September 30, 2008, was primarily due to the divestiture of our majority ownership interest in our Jamba subsidiary in the first quarter of 2007.

Mature markets, such as the U.S. and Western Europe, where broadband and e-commerce have seen strong market penetration, may be expected to see consistent incremental growth reflecting the maturity of these markets. We expect to see larger increases in revenues from other EMEA and APAC countries driven by greater growth in international regions, resulting from greater broadband and Internet penetration and expanding e-commerce as electronic means of payment are increasingly adopted.

Cost of revenues

Cost of revenues consist primarily of costs related to providing digital certificate enrollment and issuance services, billing services, operational costs associated with the delivery of our services, customer support and training, consulting and development services, labor costs to provide security and costs of facilities and computer equipment used in these activities.

A comparison of cost of revenues is presented below:

	Three Months Ended September 30, 2008	Three Months Ended September 30, 2007	% Change	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007	% Change
	(Dollars in thousands)			(Dollars in thousands)		
Cost of revenues	$55,880	$60,523	(8)%	$168,719	$185,729	(9)%

Cost of revenues decreased $4.6 million and $17.0 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year. Direct cost of revenues decreased $11.2 million during the nine months ended September 30, 2008, as compared to the same period last year, primarily due to the divestiture of our majority ownership interest in Jamba during the first quarter of 2007. Salary and employee benefits expenses, which include stock-based compensation expenses, decreased $3.1 million and $2.5 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year. The decrease is primarily due to a decrease in headcount related to the 2008 restructuring plan to divest or wind down our non-core businesses. Contract and professional services expenses decreased $0.9 million and $5.4 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year, primarily due to a reduction in spending on consulting services as a result of management's realignment initiatives relating to the 2008 restructuring plan. Allocated overhead expenses decreased $2.7 million and $4.2 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year, primarily due to a reduction in headcount and general corporate overhead expenses. Telecommunication expenses increased $1.4 million and $4.4 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year, primarily due to increased spending on capacity for global constellation sites that support our *.com* and *.net* registries.

Sales and marketing

Sales and marketing expenses consist primarily of salaries, sales commissions, sales operations and other personnel-related expenses, travel and related expenses, trade shows, costs of lead generation, costs of computer and communications equipment and support services, facilities costs, consulting fees and costs of marketing programs, such as the Internet, television, radio, print and direct mail advertising costs.

A comparison of sales and marketing expenses is presented below:

	Three Months Ended September 30, 2008	Three Months Ended September 30, 2007	% Change	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007	% Change
	(Dollars in thousands)			(Dollars in thousands)		
Sales and marketing	$41,298	$ 55,407	(25)%	$133,349	$180,832	(26)%

Sales and marketing expenses decreased $14.1 million and $47.5 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year. Salary and employee benefits expenses, which include stock-based compensation expenses, decreased $17.0 million and $36.6 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year. The decrease is primarily due to lower headcount resulting from the 2008 restructuring plan to divest or wind down our non-core businesses. Advertising and marketing expenses increased $5.6 million during the three months ended September 30, 2008, as compared to the same period last year, as we focus on increasing the market penetration of our Naming Services and SSL Certificate Services businesses. Advertising and marketing expenses for the nine months ended September 30, 2008, as compared to the same period last year, remained relatively constant as the increases in advertising expenses for Naming Services and SSL Certificate Services businesses in 2008 were offset by a reduction in spending related to our majority ownership interest in Jamba, which was divested in the first quarter of 2007. Travel expenses decreased $1.4 million and $4.3 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year, primarily due to lower headcount and cost savings that resulted from the initiatives relating to the 2008 restructuring plan. Allocated overhead expenses decreased $2.0 million and $4.7 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year, primarily due to a reduction in headcount and general corporate overhead expenses.

Research and development

Research and development expenses consist primarily of costs related to research and development personnel, including salaries and other personnel-related expenses, consulting fees and the costs of facilities, computer and communications equipment and support services used in service and technology development.

A comparison of research and development expenses is presented below:

	Three Months Ended September 30,		% Change	Nine Months Ended September 30,		% Change
	2008	2007		2008	2007	
	(Dollars in thousands)			(Dollars in thousands)		
Research and development	$22,337	$ 25,263	(12)%	$72,089	$ 78,676	(8)%

Research and development expenses decreased $2.9 million and $6.6 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year. Salary and employee benefits expenses, which include stock-based compensation expenses, decreased $1.5 million and increased $1.9 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year, primarily due to a decrease in headcount related to the 2008 restructuring plan to divest or wind down our non-core businesses, partially offset by increases in compensation and bonuses to employees in our core businesses. Contract and professional services expenses decreased $1.5 million and $8.6 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year, primarily driven by decreased deployment of external consultants resulting from the 2008 restructuring plan initiatives during the first nine months of fiscal 2008. Allocated overhead expenses decreased $1.1 million and $3.3 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year, primarily due to a reduction in headcount and general corporate overhead expenses. Depreciation expenses increased $1.3 million and $2.8 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year, primarily due to an increase in capitalized projects placed into service during the latter half of 2007.

General and administrative

General and administrative expenses consist primarily of salaries and other personnel-related expenses for our executive, administrative, legal, finance, information technology and human resources personnel, facilities, computer and communications equipment, management information systems, support services, professional services fees, certain tax and license fees and bad debt expense.

A comparison of general and administrative expenses is presented below:

	Three Months Ended September 30,		% Change	Nine Months Ended September 30,		% Change
	2008	2007		2008	2007	
	(Dollars in thousands)			(Dollars in thousands)		
General and administrative	$49,896	$ 59,268	(16)%	$154,369	$178,663	(14)%

General and administrative expenses decreased $9.4 million and $24.3 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year. Salary and employee benefits expenses, which include stock-based compensation expenses, decreased $9.6 million and $21.1 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year. The decrease was primarily due to $4.0 million in additional penalties recorded in the third quarter of 2007 that resulted from late payments of federal and state payroll taxes, a reduction in compensation and bonus expenses as a result of a reduction in headcount relating to the 2008 restructuring plan to divest or wind down our non-core businesses and compensation and severance charges related to a former chief executive officer recorded in the second quarter of 2007. The decrease was partially offset by $4.9 million of stock-based compensation expenses related to the acceleration of vesting of stock-based awards for a former chief executive officer in the second quarter of 2008. Contract and professional services expenses decreased $2.4 million and $5.6 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year, primarily due to cost savings initiatives and reduction in external services as a result of our plan to divest or wind-down our non-core businesses. Legal expenses increased $1.6 million and decreased $6.0 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year. The increase in legal expenses during the three months ended September 30, 2008, as compared to the same period last year, was primarily due to an increase in litigation expenses and legal consulting fees related to our plan to divest or wind down our non-core businesses. The decrease in legal expenses during the nine months ended September 30, 2008, as compared to the same period last year, was primarily due to the reversal of certain previously accrued litigation expenses.

Restructuring, impairments and other charges (reversals), net

A comparison of restructuring, impairments and other charges (reversals), net, is presented below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	(In thousands)			
2008 restructuring plan charges	$ 5,959	$ —	$ 27,854	$ —
2007 restructuring plan (reversals) charges	—	(1,329)	369	20,573
2003 and 2002 restructuring plan (reversals) charges	—	(51)	60	91
Total restructuring charges (reversals) for continuing operations	5,959	(1,380)	28,283	20,664
Impairments and other charges for continuing operations	14	350	79,083	12,937
Total restructuring, impairments and other charges (reversals), net, for continuing operations	5,973	(1,030)	107,366	33,601
Total restructuring, impairments and other charges, net, for discontinued operations	244,346	3,036	384,908	10,596
Total restructuring, impairments and other charges, net	$ 250,319	$ 2,006	$ 492,274	$ 44,197

2008 Restructuring Plan: In late 2007, we announced a restructuring plan to change our business strategy to be more aligned with our core competencies, which are to provide highly scaleable, reliable and secure Internet infrastructure and identity services to customers around the world. The restructuring plan includes workforce reductions, abandonment of excess facilities and other exit costs. As of September 30, 2008, we recorded $58.2 million in restructuring charges, inclusive of amounts for discontinued operations, under our 2008 restructuring plan. See Note 5, “Restructuring, Impairments and Other Charges (Reversals), Net,” of the Notes to Condensed Consolidated Financial Statements for further information on our restructuring plans.

Under our 2008 restructuring plan, through the third quarter of fiscal 2008, we notified certain employees of their termination and recognized total consolidated expense relating to severance and benefits costs of $55.9 million, inclusive of amounts for discontinued operations. As part of the 2008 restructuring plan, we anticipate recording additional charges related to our workforce reduction, excess facilities and other exit costs over the next several quarters, the timing of which will primarily depend upon the timing of notification of the employees leaving VeriSign as determined by local employment laws and as we exit facilities. In addition, we anticipate incurring additional charges associated with productivity improvement initiatives and expense reduction measures. While the estimate of these charges is not yet finalized, the total amount and timing of these charges will depend upon the nature, timing, and extent of these future actions.

2007 Restructuring Plan: In January 2007, we initiated a restructuring plan to execute a company-wide reorganization replacing our previous business unit structure with a new combined worldwide sales and services team, and an integrated development and products organization. The restructuring plan included workforce reductions, abandonment of excess facilities and other exit costs.

2003 and 2002 Restructuring Plans: In November 2003, we initiated a restructuring plan related to the sale of our Network Solutions business and the realignment of other business units. In April 2002, we initiated a plan to restructure our operations to rationalize, integrate and align resources.

Estimated losses on assets held for sale

During the three and nine months ended September 30, 2008, we recorded a charge of $237.4 million and $308.8 million, respectively, for estimated losses on assets held for sale, all of which is classified as discontinued operations.

Impairment of goodwill and other intangible assets

During the nine months ended September 30, 2008, we recorded a charge of $45.8 million for an impairment of goodwill related to our Post-pay business, which is classified as discontinued operations. See Note 6, “Goodwill and Other Intangible Assets,” for further information regarding the impairment of goodwill related to the Post-pay business. During the nine months ended September 30, 2007, we wrote-off approximately $4.8 million of other intangible assets specifically related to a significant change in the operations of an asset group, all of which relates to continuing operations.

Other charges

During the nine months ended September 30, 2008, we recorded a loss of $79.1 million in continuing operations as a result of the sale of certain Mountain View facilities. The sale of the Mountain View facilities was consummated during the second quarter of 2008 as a result of our 2008 restructuring plan to divest or wind down our non-core businesses. During the three and nine months ended September 30, 2007, we recorded a charge of $0.5 million and $8.9 million, respectively, for excess and obsolete property and equipment. Of the total consolidated other charges, $0.1 million and $0.9 relates to discontinued operations for the three and nine months ended September 30, 2007, respectively.

Table of Contents

Amortization of other intangible assets

A comparison of amortization of other intangible assets is presented below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	(In thousands)			
Amortization of other intangible assets	$ 2,865	$ 4,478	$ 8,623	$14,641

Amortization of other intangible assets decreased approximately $1.6 million and $6.0 million during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year, primarily due to certain other intangible assets becoming fully amortized during the latter half of 2007.

Other (loss) income, net

Other (loss) income, net, consists primarily of interest earned on our cash, cash equivalents, and investments, interest expense related to our borrowings, net gains or losses on the sale and impairment of investments, net gains or losses on the divestiture of businesses, realized and unrealized gains and losses on the contingent interest derivative on Convertible Debentures, income from transition services agreements, and the net effect of foreign currency gains and losses.

A comparison of other (loss) income, net, is presented below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	(In thousands)			
Interest income	$ 3,981	$ 11,308	$ 15,004	$ 28,039
Interest expense	(10,278)	(5,061)	(30,578)	(7,644)
Net loss on sale and impairment of investments	(6,829)	(4,314)	(6,571)	(3,429)
Net gain on divestiture of businesses	—	—	1,611	74,999
Unrealized gain on joint venture call options	—	3,992	—	7,747
Unrealized (loss) gain on contingent interest derivative on convertible debentures	(420)	(12,589)	1,664	(12,589)
Income from transition services agreements	1,224	—	2,590	—
Other, net	(366)	256	(3,827)	(1,014)
Total other (loss) income, net	$(12,688)	$ (6,408)	$(20,107)	$ 86,109

Other loss, net, was $12.7 million and $20.1 million during the three and nine months ended September 30, 2008, respectively, as compared to other loss, net, of $6.4 million and other income, net, of $86.1 million during the three and nine months ended September 30, 2007, respectively. Interest income during the three and nine months ended September 30, 2008, as compared to the same periods last year, decreased due to lower average invested balances, primarily resulting from stock repurchase activity during the three and nine months ended September 30, 2008, and lower average interest rates compared to the same periods last year. Interest expense increased during the three and nine months ended September 30, 2008, as compared to the same periods last year, primarily due to the additional interest expense recorded in 2008 related to our Convertible Debentures issued during the third quarter of 2007. During the third quarter of 2008, we recorded a charge of $8.2 million for an other-than-temporary impairment of certain short-term investments as a result of management's assessment of our investment portfolio with consideration to the current economic market conditions. We have entered into certain transition services agreements with the purchasers of certain divested businesses. The income received from such agreements was $1.2 million and $2.6 million during the three and nine months ended September 30, 2008. We recorded an unrealized loss of $0.4 million and an unrealized gain of $1.7 million during the three and nine months ended September 30, 2008, respectively, on the contingent interest derivative on our Convertible Debentures. Since we are required to mark-to-market the fair value of the contingent interest derivative on our Convertible Debentures at each reporting period, such revaluations could result in further gains or losses.

Income taxes

For the three and nine months ended September 30, 2008, we recorded income tax expense for continuing operations of $8.1 million and $6.6 million, respectively. For the three and nine months ended September 30, 2007, we recorded income tax benefit for continuing operations of $8.0 million and income tax expense of $5.2 million, respectively. The increase in income tax expense for continuing operations was primarily attributable to the increase in income from continuing operations before income taxes.

(Loss) earnings from unconsolidated entities, net of tax

(Loss) earnings from unconsolidated entities, net of tax, represent the net (loss) income recognized from the joint ventures entered into with Fox.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	(In thousands)			
(Loss) earnings from unconsolidated entities, net of tax	$(2,509)	$ 216	$(3,099)	$2,412

Earnings from unconsolidated entities, net of tax, decreased during the three and nine months ended September 30, 2008, respectively, as compared to the same periods last year primarily due to a decrease in revenues and an increase in operating expenses in the joint ventures.

Minority interest, net of tax

Minority interest, net of tax, represents the portion of net income belonging to minority shareholders of our consolidated subsidiary, VeriSign Japan.

A comparison of minority interest is presented below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	(In thousands)			
Minority interest, net of tax	$ (815)	$ (2,054)	$(2,710)	$(2,541)

Minority interest, net of tax, decreased during the three months ended September 30, 2008, as compared to the same period last year, primarily due to an income tax benefit associated with our Japan subsidiary during the third quarter of 2007. Minority interest, net of tax, increased, during the nine months ended September 30, 2008, as compared to the same period last year, due to an increase in net income from our Japan subsidiary primarily due to an increase in SSL Certificate Services revenues.

Discontinued operations, net of tax

Classification of our disposal groups as held for sale occurs when sufficient authority to sell the disposal group has been obtained, the disposal group is available for immediate sale, an active program to sell the disposal group has been initiated and its sale is probable within one year. The results of operations of disposal groups held for sale or disposed of are presented as discontinued operations when the underlying operations and cash flows of the disposal group will be or have been eliminated from our continuing operations and we no longer have the ability to influence the operating and/or financial policies of the disposal group.

As of September 30, 2008, businesses classified as held for sale and presented as discontinued operations included the following: Messaging, Post-pay, Communications Services, Communications Consulting, and International Clearing (all previously part of our former CSG segment), and ESS (previously part of our former ISG segment). Businesses that have been divested in 2008, and whose results of operations are reflected as discontinued operations include the DBMS business (previously part of our former ISG segment) and the SC&A business (previously part of our former CSG segment). We also sold our CDN business (previously part of our former CSG segment) during the second quarter of 2008. We retained an equity ownership in the CDN business and accounted for the investment on an equity method basis. As a result of our continuing involvement in the CDN business, the historical results of operations of the CDN business have not been classified as discontinued operations.

The following table presents the revenues and the components of discontinued operations, net of tax:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	(In thousands)			
Revenues	$ 143,075	$160,908	$ 451,885	$485,265
Income (loss) before income taxes	$ 11,862	$ 14,314	$ (37,526)	$ 46,483
Income tax expense	(18,097)	(12,270)	(10,999)	(20,904)
(Loss) income from discontinued operations	(6,235)	2,044	(48,525)	25,579
(Loss) gain on sale of discontinued operations and assets held for sale, before income taxes	(237,519)	1,357	(276,539)	1,357
Income tax benefit	—	—	2,964	—
(Loss) gain on sale of discontinued operations and assets held for sale	(237,519)	1,357	(273,575)	1,357
Total discontinued operations, net of tax	$(243,754)	$ 3,401	$(322,100)	$ 26,936

We incurred losses from discontinued operations for the three and nine months ended September 30, 2008, primarily due to estimated losses on the assets held for sale. See Note 4, "Assets Held for Sale and Discontinued Operations," of the Notes to Condensed Consolidated Financial Statements for further information on our discontinued operations.

The continued execution of our divestiture plan is subject to the availability of financing, identification of buyers, and general market conditions, including further developments in the current economic crisis and potential continued deterioration of the credit markets.

Table of Contents

Liquidity and Capital Resources

	September 30, 2008	December 31, 2007
	(In thousands)	
Cash and cash equivalents	$ 403,525	$ 1,376,722
Short-term investments	248,794	1,011
Subtotal	652,319	1,377,733
Restricted cash	2,113	46,936
Total	$ 654,432	$ 1,424,669

As of September 30, 2008, our principal source of liquidity was $403.5 million of cash and cash equivalents and $248.8 million of short-term investments, principally consisting of money market funds.

In September 2008, there was a major disruption in the global credit markets due to the rising concerns about possible financial institution defaults, the bankruptcy filing of Lehman Brothers Holdings Inc. and the potential for a deep economic recession. Following these disruptions, certain money market funds managed by The Reserve made various announcements that their underlying portfolios had experienced a loss of principal, the redemption rights of all holders were suspended indefinitely and the funds would be liquidated. As of September 30, 2008, we had $256.6 million invested in the Primary Fund and the International Fund which we had previously classified as Cash and cash equivalents and have now classified as Short-term investments. Due to the lack of an active market for most corporate and bank debt securities, we assessed the fair value of the underlying securities within the Primary Fund and the International Fund based on a review of investment ratings of the underlying securities within the money-market funds coupled with an evaluation of the expected maturity value and the current performance of the securities within the funds in meeting scheduled payments of principal and interest. We based our estimates on historical experience and various other assumptions that we believe to be reasonable, the results of which form the basis for making judgments about the carrying values of our investments in the Primary Fund and the International Fund. We believe our investments in the Primary Fund and the International Fund have experienced a decline in fair value that is other-than-temporary and have, therefore, recognized an impairment loss of $8.2 million in Other (loss) income, net. This impairment is primarily related to the underlying securities of Lehman Brothers Holdings Inc. held in the Primary Fund and the International Fund. On October 31, 2008, we received a distribution of approximately $63 million from the Primary Fund. This represents approximately 50% of our total investment in the Primary Fund. As of November 7, 2008, we have not received any distribution from the International Fund. The timing of additional distributions from these money market funds are currently subject to the discretion of the funds' boards of directors, possible oversight by the SEC and resolution of certain pending and possible future lawsuits against The Reserve.

The credit and capital markets deteriorated significantly in September and October 2008, and may continue to deteriorate into 2009. If these markets deteriorate further, we may incur additional impairments to our investment portfolio, which could negatively affect our financial condition, cash flows and results of operations.

In September 2008, the trust established during 2004 for our director and officer liability self-insurance coverage was terminated, and as a result $45.0 million was released from the trust. As of September 30, 2008, the amount is recorded as Cash and cash equivalents as our ability to use it is no longer restricted.

In August 2008, our Board of Directors authorized additional stock repurchases date under our 2008 Stock Repurchase Program having an aggregate purchase price of up to $680.0 million of the our common stock, increasing the original authorization for stock repurchases under the 2008 Stock Repurchase Program of $600.0 million. In the first quarter of 2008, we entered into an ASR agreement to repurchase $600.0 million of our common stock under the 2008 Stock Repurchase Program and we paid $600.0 million to a financial institution in exchange for an initial purchase of 15.1 million shares. The ASR agreement was completed on July 10, 2008, when we received an additional 1.4 million shares for an aggregate of 16.5 million shares under the terms of the ASR agreement. The average price per share paid on the ASR agreement was $36.33. We currently have $680.0 million remaining for further repurchases under the 2008 Stock Repurchase Program.

In July 2008, we also repurchased approximately 3.5 million shares of our common stock at an average stock price of $34.38 per share for an aggregate of $120.0 million pursuant to a stock repurchase agreement with a financial institution under the 2006 Stock Repurchase Program. As of September 30, 2008, approximately $320.0 million is available for further repurchases under the 2006 Stock Repurchase Program.

In aggregate, as of November 7, 2008, $1.0 billion is available for repurchase of the Company's common stock under the Company's stock repurchase programs.

In July 2008, the Company invested an additional amount of $15.7 million pursuant to capital calls approved by the board of managers of the joint ventures with Fox, and recorded the amount as investments in unconsolidated entities. The purpose of the capital calls was to fund the ongoing business and working capital needs of the joint ventures. On October 6, 2008, we sold our aggregate remaining 49% interest in the joint ventures to Fox for approximately $200 million. Pursuant to the sale agreement, certain outstanding debts and accrued but unpaid interest owed among us and the joint ventures have been repaid, and we have agreed to the settlement and discharge of all other payments among us and the joint ventures as of the date of the agreement.

During the second quarter of 2008, we sold certain property and equipment in our Mountain View, California location for a cash consideration of $47.6 million, net of transaction costs and recorded a loss of $79.1 million in continuing operations as a result of the sale of our Mountain View facilities, as described in Note 7, "Other Balance Sheet Items," of the Notes to Condensed Consolidated Financial Statements.

In June 2008, we entered into a lease agreement with the purchaser of our Mountain View property. Under the terms of the lease agreement, we will lease the property for an initial term of 30 months, which will expire on December 31, 2010, with an option to extend the lease for five years from the date of initial term expiration. Our lease obligations under the initial term will be approximately $3.1 million, $5.6 million and $5.4 million in 2008, 2009 and 2010, respectively.

In the first quarter of 2008, we received $200.0 million from draw-down of our credit facility and repaid $60.0 million of the borrowed amount. In the second quarter of 2008, we repaid the entire outstanding balance of $140.0 million under the credit facility.

In summary, our cash flows were as follows:

	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007
	(In thousands)	
Net cash provided by operating activities	$ 359,066	$267,205
Net cash (used in) provided by investing activities	(186,620)	199,215
Net cash (used in) provided by financing activities	(1,149,727)	90,395
Effect of exchange rate changes on cash and cash equivalents	4,084	2,713
Net (decrease) increase in cash and cash equivalents	$ (973,197)	$559,528

Cash flows from operating activities

Our largest source of operating cash flows is cash collections from our customers. Our primary uses of cash from operating activities are for personnel related expenditures, and other general operating expenses, as well as payments related to taxes and facilities.

Net cash provided by operating activities increased for the nine months ended September 30, 2008, as compared to the same period last year, primarily due to non-cash items and changes in operating assets and liabilities offset by the decrease in net income. The non-cash items contributing to the increase primarily include impairment charges for other intangible assets and estimated losses on assets held for sale, loss on sale of certain Mountain View property and equipment, decrease in gain on divestiture of businesses, and unrealized gain on the joint venture call options in 2007. The non-cash items partially offsetting the increase include a decrease in amortization of other intangible assets, and a decrease in unrealized loss on contingent interest derivative on Convertible Debentures in 2007. The changes in operating assets and liabilities was due to changes in accounts receivable, prepaid expenses and other current assets, accounts payable and accrued liabilities, accrued restructuring costs and deferred revenues primarily due to the timing of shipments, receipts, purchases and payments.

Cash flows from investing activities

The changes in cash flows from investing activities primarily relate to the divestiture of businesses, timing of purchases, maturities and sales of investments, and purchases of property and equipment.

Net cash provided by investing activities decreased for the nine months ended September 30, 2008, as compared to the same period last year primarily due to the reclassification of certain cash and cash equivalents to short-term investments, partially offset by cash received from the trust established for our director's and officer's liability self-insurance coverage that was terminated during the three months ended September 30, 2008. The decrease was also due to a decrease in proceeds received from maturity and sales of investments for the nine months ended September 30, 2008, and a decrease in proceeds received from divestiture of businesses, net of cash contributed, for the nine months ended September 30, 2008, partially offset by proceeds received from the sale of certain Mountain View property and equipment in the second quarter of 2008.

Cash flows from financing activities

The changes in cash flows from financing activities primarily relate to borrowings and payments under debt obligations as well as stock repurchase and stock option exercise activities.

Net cash used in financing activities increased for the nine months ended September 30, 2008, as compared to the same period last year. In 2007, we received proceeds from the issuance of Convertible Debentures. The remaining increase in net cash used in financing activities is primarily due to an increase in cash used for stock repurchases and a decrease in proceeds received from issuance of common stock from stock option exercises and employee stock purchase plans.

Other Liquidity and Capital Resources Information

The credit facility is available for cash borrowings up to a maximum of $500.0 million and for the issuance of letters of credit up to a maximum limit of $50.0 million. As of September 30, 2008, we had no outstanding borrowings under the credit facility and we had utilized $1.4 million for outstanding letters of credit.

Future operating lease payments include payments related to leases on excess facilities included in our restructuring plans. If sublease rates decrease in these markets, or if it takes longer than expected to sublease these facilities, the actual lease expense relating to our excess facilities under the 2008 restructuring plans could exceed this estimate by an additional $4.4 million over the next eight years. Cash payments totaling approximately $7.4 million related to the abandonment of excess facilities under the 2008 restructuring plan will be paid over the next eight years. See Note 5, “Restructuring, Impairments and Other Charges (Reversals), Net,” of the Notes to Condensed Consolidated Financial Statements.

We believe existing cash and cash equivalents, together with funds generated from operations should be sufficient to meet our working capital, capital expenditure requirements and to service our debt for the next 12 months. We regularly assess our cash management approach and activities in view of our current and potential future needs.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In September 2008, there was a major disruption in the global credit markets due to the rising concerns about possible financial institution defaults, the bankruptcy filing of Lehman Brothers Holdings Inc. and the potential for a deep economic recession. Following these disruptions, certain money market funds managed by The Reserve made various announcements that their underlying portfolios had experienced a loss of principal, the redemption rights of all holders were suspended indefinitely and the funds would be liquidated. The loss of principal was primarily related to the underlying securities of Lehman Brothers Holdings Inc. in the funds. As of September 30, 2008, we had $256.6 million invested in the Primary Fund and the International Fund which we had previously classified as Cash and cash equivalents and have now classified as Short-term investments. Due to the lack of an active market for most corporate and bank debt securities, we assessed the fair value of the underlying securities within the Primary Fund and the International Fund based on a review of investment ratings of the underlying securities within the money-market funds coupled with an evaluation of the expected maturity value and the current performance of the securities within the funds in meeting scheduled payments of principal and interest. We based our estimates on historical experience and various other assumptions that we believe to be reasonable, the results of which form the basis for making judgments about the carrying values of our investments in the Primary Fund and the International Fund. We believe our investments in the Primary Fund and the International Fund have experienced a decline in fair value that is other-than-temporary and have, therefore, recognized an impairment loss of $8.2 million. This impairment is primarily related to the underlying securities of Lehman Brothers Holdings Inc. held in the Primary Fund and the International Fund. On October 31, 2008, we received a distribution of approximately $63 million from the Primary Fund. This represents approximately 50% of our total investment in the Primary Fund. As of November 7, 2008, we have not received any distribution from the International Fund. The timing of additional distributions from these money market funds are currently subject to the discretion of the funds’ boards of directors, possible oversight by the SEC and resolution of certain pending and possible future lawsuits against The Reserve.

The credit and capital markets deteriorated significantly in September and October 2008 and may continue to deteriorate into 2009. If these markets deteriorate further, we may incur additional impairments to our investment portfolio, which could negatively affect our financial condition, cash flows and results of operations.

Interest rate sensitivity

We invest our cash primarily in money market funds. In general, money market funds are not considered to be subject to interest rate risk because the interest paid on such funds fluctuates with the prevailing interest rate. As of September 30, 2008, our cash and cash equivalents consisted primarily of money market funds and we classified our holdings in The Reserve money market funds as short-term investments.

Foreign exchange risk management

We conduct business throughout the world and transact in multiple foreign currencies. As we continue to expand our international operations we are increasingly exposed to currency exchange rate risks. In the fourth quarter of 2003, we initiated a foreign currency risk management program designed to mitigate foreign exchange risks associated with the monetary assets and liabilities of our operations that are denominated in non-functional currencies. The primary objective of this program is to minimize the gains and losses resulting from fluctuations in exchange rates. We do not enter into foreign currency transactions for trading or speculative purposes, nor do we hedge foreign currency exposures in a manner that entirely offsets the effects of changes in exchange rates. The program may entail the use of forward or option contracts and in each case these contracts are limited to a duration of less than 12 months. As of September 30, 2008, our exposure to foreign currency fluctuations is not significant.

At September 30, 2008, we held forward contracts in notional amounts totaling approximately $70.2 million to mitigate the impact of exchange rate fluctuations associated with certain foreign currencies. All forward contracts are recorded at fair market value. We attempt to limit our exposure to credit risk by executing foreign exchange contracts with high-quality financial institutions.

Market risk management

The fair market value of the Convertible Debentures issued by the Company and due August 2037, is subject to interest rate risk and market risk due to the convertible feature of the Convertible Debentures. Generally, the fair market value of fixed interest rate debt will increase as interest rates fall and decrease as interest rates rise. The fair market value of the Convertible Debentures will also increase as the market price of our stock increases and decrease as the market price falls. The interest and market value changes affect the fair market value of the Convertible Debentures but do not impact our financial position, cash flows or results of operations. As of September 30, 2008, the fair value of the Convertible Debentures was approximately $1.1 billion, based on quoted market prices.

ITEM 4. CONTROLS AND PROCEDURES

Our management, with the participation of our President and Chief Executive Officer, on an interim basis, and Acting Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("Exchange Act")) as of September 30, 2008. We determined that our disclosure controls and procedures were not effective to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC because of the material weakness in our internal control over financial reporting as disclosed in Item 9A, Controls and Procedures, of our 2007 Form 10-K. In light of the material weakness, we implemented additional analyses and procedures to ensure that the financial statements we issue are prepared in accordance with GAAP and are fairly presented in all material respects. The Company has performed the additional analyses and procedures with respect to this Quarterly Report on Form 10-Q. Accordingly, we believe that the condensed consolidated financial statements (unaudited) included in this Quarterly Report on Form 10-Q fairly present, in all material respects, the Company's financial position, results of operations and cash flows for the periods presented.

Changes in Internal Control over Financial Reporting

During our last fiscal quarter, there has not occurred any change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations of Disclosure Controls and Internal Control Over Financial Reporting

Because of its inherent limitations, our internal control over financial reporting may not prevent material errors or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. The continued effectiveness of our internal control over financial reporting is subject to risks, including that the controls may become inadequate because of changes in conditions or that the degree of compliance with our policies or procedures may deteriorate.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The information set forth under the "Legal Proceedings in Note 16, "Commitments and Contingencies," of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1, of this Quarterly Report on Form 10-Q is incorporated herein by reference.

ITEM 1A. RISK FACTORS

In addition to other information in this Quarterly Report on Form 10-Q, the following risk factors should be carefully considered in evaluating us and our business because these factors currently have a significant impact or may have a significant impact on our business, operating results or financial condition. Actual results could differ materially from those projected in the forward-looking statements contained in this Quarterly Report on Form 10-Q as a result of the risk factors discussed below and elsewhere in this Quarterly Report on Form 10- Q and in other filings we make with the SEC.

Risks relating to our business

Our operating results may fluctuate and our future revenues and profitability are uncertain.

Our operating results have varied in the past and may fluctuate significantly in the future as a result of a variety of factors, many of which are outside our control. These factors include the following:

- the uncertainties, costs and risks related to our proposed divestiture plan, including any income statement charges we incur in connection therewith and any delays we may encounter;
- the long sales and implementation cycles for, and potentially large order sizes of, some of our security services and the timing and execution of individual customer contracts;
- volume of new domain name registrations and customer renewals in our Naming Services business;
- changes in the payment structures of on-line advertising network providers and compensation levels, as well as policies proposed and implemented by ICANN, which could impact the number of domain name registrations;
- the mix of all our services sold during a period;
- our success in marketing and market acceptance of our services by our existing customers and by new customers;
- changes in marketing expenses related to promoting and distributing our services;
- customer renewal rates and turnover of customers of our services;
- continued development of our direct and indirect distribution channels for our information and security services, both in the U.S. and abroad;
- changes in the level of spending for information technology-related products and services by enterprise customers;
- the impact of price changes in our communications services and information and security services or our competitors' products and services;
- general economic and market conditions as well as economic and market conditions specific to e-commerce, financial services, and the telecommunications and Internet industries; and
- the impact of decisions by channel partners and resellers to offer competing products or modify their marketing practices.

Our operating expenses may increase. If an increase in our expenses is not accompanied by a corresponding increase in our revenues, our operating results will suffer, particularly as revenues from some of our services are recognized ratably over the term of the service, rather than immediately when the customer pays for them, unlike our sales and marketing expenditures, which are expensed in full when incurred.

Due to all of the above factors, our revenues and operating results are difficult to forecast. Therefore, we believe that period-to-period comparisons of our operating results will not necessarily be meaningful, and you should not rely upon them as an indication of future performance. Also, operating results may fall below our expectations and the expectations of securities analysts or investors in one or more future periods. If this were to occur, the market price of our common stock would likely decline.

Our operating results may be adversely affected by the current economic downturn, unfavorable market and economic conditions.

The current economic downturn in the U.S. may have a significant negative impact on demand for our services and our ability to conduct our business. As the consequences of the economic downturn continue to spread overseas, these conditions may also negatively impact our foreign operations. The economic downturn may negatively impact, among other things:

- current and future demand for our services, including decreases as a result of reduced spending on information technology and communications by our customers;
- our liquidity;
- our ability to service our debt, to obtain financing or assume new debt obligations;
- our ability to execute on any stock repurchase plans;
- the price of our common stock;
- the ability of our suppliers to continue to fill our orders;
- our customers' continued growth and development of their businesses;
- our ability to obtain payment for outstanding debts owed to us by our customers or other parties with whom we do business; and
- price competition for our products and services.

In addition, to the extent that the economic downturn impacts specific industry sectors in which many of our customers are concentrated, that may further negatively impact our business. If the economic and market conditions in the U.S. and globally do not improve, or if they further deteriorate, we may experience material adverse impacts on our business, operating results and financial condition as a consequence of the above factors or otherwise.

Our diversified business structure may result in significant fluctuations of our financial results.

Many of the companies we have acquired during the past seven years operated in different businesses from our then-current business. Although we plan on divesting many of these businesses, until our divestiture plan is complete, our success will depend on many factors, many of which are not entirely under our control, including, but not limited to, the following:

- the use of the Internet and other IP networks for e-commerce and communications;
- the extent to which digital certificates and domain names are used for e-commerce or communications;
- growth in demand for our services;
- the competition for any of our services;
- the perceived security of e-commerce and communications over the Internet and other IP networks;

- the perceived security of our services, technology, infrastructure and practices;
- the success in marketing and overall demand for our content services to consumers and businesses;
- the loss of customers through industry consolidation or customer decisions to deploy in-house or competitor technology and services;
- our continued ability to maintain our current, and enter into additional, strategic relationships;
- our ability to successfully market our services to new and existing customers;
- our success in attracting, integrating, training, retaining and motivating qualified personnel;
- our response to competitive developments;
- the successful introduction of new products and services; and
- the successful introduction of enhancements to our services to address new technologies and standards and changing market conditions.

Our international operations subject our business to additional economic risks that could have an adverse impact on our revenues and business.

As of September 30, 2008, we had approximately 1,100 employees outside the U.S., located principally in Europe, Asia, Australia, and the Americas. Expansion into international markets has required and will continue to require significant management attention and resources. We may also need to tailor some of our other services for a particular market and to enter into international distribution and operating relationships. We have limited experience in localizing our services and in developing international distribution or operating relationships. We may not succeed in expanding our services into international markets. Failure to do so could harm our business. Moreover, local laws and customs in many countries differ significantly from those in the U.S.. In many foreign countries, particularly in those with developing economies, it is common for others to engage in business practices that are prohibited by our internal policies and procedures or U.S. regulations applicable to us. There can be no assurance that all of our employees, contractors and agents will not take actions in violation of them. Violations of laws or key control policies by our employees, contractors or agents could result in financial reporting problems, fines, penalties, or prohibition on the importation or exportation of our products and could have a material adverse effect on our business. In addition, we face risks inherent in doing business on an international basis, including, among others:

- competition with foreign companies or other domestic companies entering the foreign markets in which we operate;
- differing and uncertain regulatory requirements;
- legal uncertainty regarding liability, enforcing our contracts and compliance with foreign laws;
- export and import restrictions on cryptographic technology and products incorporating that technology;
- tariffs and other trade barriers and restrictions;
- difficulties in staffing and managing foreign operations;
- longer sales and payment cycles;
- problems in collecting accounts receivable;
- currency fluctuations, as our international revenues are not always denominated in U.S. dollars;
- difficulty in repatriating profits to the U.S.;
- potential problems associated with adapting our services to technical conditions existing in different countries;

- the necessity of developing foreign language portals and products for our services;
- difficulty of authenticating customer information for digital certificates and other purposes;
- political instability;
- failure of foreign laws to protect our U.S. proprietary rights adequately;
- more stringent privacy policies in foreign countries;
- additional vulnerability from terrorist groups targeting U.S. interests abroad;
- seasonal reductions in business activity; and
- potentially adverse tax consequences.

Governmental regulation and the application of existing laws may slow business growth, increase our costs of doing business and create potential liability.

Application of new and existing laws and regulations to the Internet and wireless communications industry can be unclear. The costs of complying or failing to comply with these laws and regulations could limit our ability to operate in our markets, expose us to compliance costs and substantial liability and result in costly and time-consuming litigation.

Foreign, federal or state laws could have an adverse impact on our business. For example, recent laws include those designed to restrict the on-line distribution of certain materials deemed harmful to children and impose additional restrictions or obligations for on-line services when dealing with minors. Such legislation may impose significant additional costs on our business or subject us to additional liabilities.

Due to the nature of the Internet, it is possible that the governments of other states and foreign countries might attempt to regulate Internet transmissions or prosecute us for violations of their laws. We might unintentionally violate such laws, such laws may be modified and new laws may be enacted in the future. Any such developments could increase the costs of regulatory compliance for us, force us to change our business practices or otherwise materially harm our business.

We have identified a material weakness in our internal controls over financial reporting that could cause investors to lose confidence in the reliability of our financial statements and result in a decrease in the value of our securities.

Our management has identified a material weakness in our internal control over financial reporting as of December 31, 2007, arising from internal control deficiencies in our stock administration policies and practices, as discussed in Part II, Item 9A, “Controls and Procedures” of our Annual Report on Form 10-K for the year ended December 31, 2007. In addition, due to the identification of a material weakness in internal control over financial reporting, our President and Chief Executive Officer, on an interim basis, and Acting Chief Financial Officer concluded that, as of September 30, 2008, our disclosure controls and procedures were not effective as discussed in Part I, Item 4, “Controls and Procedures” of this report. We expect remediation of this material weakness to be completed by the end of the fourth quarter of 2008, and we expect that the cost of remediation will be immaterial.

We will continue to evaluate, upgrade and enhance our internal controls. Because of inherent limitations, our internal control over financial reporting may not prevent or detect misstatements, errors or omissions, and any projections of any evaluation of effectiveness of internal controls to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with our policies or procedures may deteriorate. We cannot be certain in future periods that other control deficiencies that may constitute one or more "significant deficiencies" (as defined by the relevant auditing standards) or material weaknesses in our internal control over financial reporting will not be identified. If we fail to maintain the adequacy of our internal controls, including any failure to implement or difficulty in implementing required new or improved controls, our business and results of operations could be harmed, the results of operations we report could be subject to adjustments, we could fail to be able to provide reasonable assurance as to our financial results or the effectiveness of our internal controls or meet our reporting obligations and there could be a material adverse effect on our business.

We have expended significant resources in connection with our efforts to comply with the requirements of the Sarbanes-Oxley Act. In future periods, we will likely continue to expend substantial amounts in connection with these compliance efforts and with ongoing evaluation of, and improvements and enhancements to, our internal control over financial reporting. These expenditures may make it difficult for us to control or reduce the growth of our general and administrative and other expenses, which could adversely affect our results of operations.

Issues arising from our agreements with ICANN and the DOC could harm our registry business.

The U.S. Department of Commerce ("DOC") has adopted a plan for the phased transition of the DOC's responsibilities for the domain name system to Internet Corporation for Assigned Names and Numbers ("ICANN"). As part of this transition, as the exclusive registry of domain names within the *.com* and *.net* generic top-level domains ("gTLDs"), we have entered into agreements with ICANN and with the DOC.

We face risks arising from our agreements with ICANN and the DOC and from the planned transition of the DOC's responsibilities for the domain name system to ICANN, including the following:

- ICANN could adopt or promote policies, procedures or programs that are unfavorable to us as the registry operator of the *.com* and *.net* gTLDs, that are inconsistent with our current or future plans, or that affect our competitive position;
- the DOC or ICANN could terminate our agreements to be the registry for the *.com* or *.net* gTLDs under certain circumstances, in which case it could have a material adverse impact on our business;
- the *.net* or *.com* Registry Agreements may not renew when they expire in 2011 and 2012 respectively, in which case it could have a material adverse effect on our business;
- the DOC's or ICANN's interpretation of provisions of our agreements with either of them could differ from ours;
- the DOC could revoke its recognition of ICANN, as a result of which the DOC could take the place of ICANN for purposes of our agreements with ICANN, and could take actions that are harmful to us and could disrupt current or future business plans;
- the DOC could not renew its agreement with ICANN, in which case there would no longer be DOC oversight;
- ICANN's relationship with the DOC could terminate and another entity could exercise oversight of ICANN;
- the U.S. Government could refuse to transfer certain responsibilities for domain name system administration to ICANN due to security, stability or other reasons, resulting in fragmentation or other instability in domain name system administration; and
- our registry business could face legal or other challenges resulting from our activities or the activities of registrars and registrants.

Challenges to ongoing privatization of Internet administration could harm our Naming Services business.

Risks we face from challenges by third parties, including governmental authorities in the U.S. and other countries, to our role in the ongoing privatization of the Internet include:

- legal, regulatory or other challenges could be brought, including challenges to the agreements governing our relationship with the DOC or ICANN, or to the legal authority underlying the roles and actions of the DOC, ICANN or us;
- the U.S. Congress could take action that is unfavorable to us;
- ICANN could fail to maintain its role, potentially resulting in instability in domain name system administration; and
- some governments and governmental authorities outside the U.S. have in the past disagreed, and may in the future disagree, with the actions, policies or programs of ICANN, the U.S. Government and us relating to the domain name system. These foreign governments or governmental authorities may take actions or adopt policies or programs that are harmful to our business.

As a result of these and other risks, it may be difficult for us to introduce new services in our domain name registry business and we could also be subject to additional restrictions on how this business is conducted.

We may encounter problems renewing irrevocable letters of credit provided by customers of our Naming Services business as security for payment of registration fees if we are forced to draw down on such letters of credit to collect payment.

With respect to our Naming Services business, some registrars who register domain names on behalf of their customers utilize irrevocable letters of credit to secure payment for the registration of domain names. In the event that we are unable to obtain payment for the registration of these domain names, we may draw down on the letter of credit. In some cases, withdrawals may be made until we utilize the full amount of the letter of credit, at which point the registrar's ability to process new billable transactions and their agreement may be terminated. Registrars may be unwilling or unable to provide new letters of credit once we have drawn down the full amount of these letters of credit, which could negatively impact future revenues.

We rely on third parties who maintain and control root zone servers and route Internet communications.

We currently administer and operate only two of the thirteen root zone servers. The others are administered and operated by independent operators on a non-regulated basis. Root zone servers are name servers that contain authoritative data for the very top of the Domain Name System ("DNS") hierarchy. These servers have the software and data needed to locate name servers that contain authoritative data for the top-level domains. Because of the importance to the functioning of the Internet of these root zone servers, our Naming Services business could be harmed if these independent operators fail to maintain these servers properly or abandon these servers, which would place additional capacity demands on the two root zone servers we operate.

Further, our Naming Services business could be harmed if any of these volunteer operators fails to include or provide accessibility to the data that it maintains in the root zone servers that it controls. In the event and to the extent that ICANN is authorized to set policy with regard to an authoritative root zone server system, as provided in our registry agreement with ICANN, it is required to ensure that the authoritative root will point to the top-level domain zone servers designated by us. If ICANN does not do this, our business could be harmed.

Changes in customer behavior, either as a result of evolving technologies or user practices, may impact the demand for domain names.

Currently, Internet users navigate to a website either by directly typing in its domain name or through the use of a search engine. If browser or search technologies were to change significantly or if user behavior were to shift away from direct navigation, the demand for domain names could decrease.

Changes in the level of spending on on-line advertising and/or the way that on-line and pay per click advertisers compensate owners of websites could impact the demand for domain names.

A number of domain name registrars and registrants seek to generate revenue through advertising on their websites; changes in the way these registrars and registrants are compensated (including changes in methodologies and metrics) by advertisers and advertisement placement networks, such as Google and Yahoo, could adversely affect the market for those domain names favored by such registrars and registrants resulting in a decrease in demand and/or the renewal rate for those domain names. In the event of a general economic downturn, spending on on-line advertising and marketing may not increase or may be reduced which in turn may result in a decline in the demand for those domain names.

Services offered by our 3IS segment rely on the continued integrity of public key cryptography technology that may be compromised or proven obsolete over time.

Services offered by our 3IS segment depend on public key cryptography technology. With public key cryptography technology, a user is given a public key and a private key, both of which are required to perform encryption and decryption operations. The security afforded by this technology depends on the integrity of a user's private key and ensuring that it is not lost, stolen or otherwise compromised. The integrity of private keys also depends in part on the application of specific mathematical principles known as "factoring." This integrity is predicated on the assumption that the factoring of large numbers into their prime number components is difficult. Should an easy factoring method or other method be developed, the security of encryption products utilizing public key cryptography technology may require significant modifications or would be reduced or eliminated. Furthermore, any significant advance in techniques for attacking cryptographic systems could also render some or all of our existing PKI services obsolete or unmarketable. If improved techniques for attacking cryptographic systems were ever developed, we would likely have to reissue digital certificates to some or all of our customers, which could damage our reputation and brand or otherwise harm our business. In the past there have been public announcements of the successful attack upon cryptographic keys of certain kinds and lengths and of the potential misappropriation of private keys and other activation data. This type of publicity could also hurt the public perception as to the safety of the public key cryptography technology included in our digital certificates. This negative public perception could harm our business.

Undetected or unknown defects in our services could harm our business and future operating results.

Services as complex as those we offer or develop frequently contain undetected defects or errors. Despite testing, defects or errors may occur in our existing or new services, which could result in loss of or delay in revenues, loss of market share, failure to achieve market acceptance, diversion of development resources, injury to our reputation, tort or warranty claims, increased insurance costs or increased service and warranty costs, any of which could harm our business. The performance of our services could have unforeseen or unknown adverse effects on the networks over which they are delivered as well as on third-party applications and services that utilize our services, which could result in legal claims against us, harming our business. Furthermore, we often provide implementation, customization, consulting and other technical services in connection with the implementation and ongoing maintenance of our services, which typically involves working with sophisticated software, computing and communications systems. Our failure or inability to meet customer expectations in a timely manner could also result in loss of or delay in revenues, loss of market share, failure to achieve market acceptance, injury to our reputation and increased costs.

If we encounter system interruptions, we could be exposed to liability and our reputation and business could suffer.

We depend on the uninterrupted operation of our various systems, secure data centers and other computer and communication networks. Our systems and operations are vulnerable to damage or interruption from:

- power loss, transmission cable cuts and other telecommunications failures;
- damage or interruption caused by fire, earthquake, and other natural disasters;
- attack by hackers;
- computer viruses or software defects; and
- physical or electronic break-ins, sabotage, intentional acts of vandalism, terrorist attacks and other events beyond our control.

Most of our systems are located at, and most of our customer information is stored in, our facilities in Mountain View, California and Kawasaki, Japan, both of which are susceptible to earthquakes; Providence, Rhode Island; Dulles, Virginia; Lacey, Washington; Overland Park, Kansas; Melbourne, Australia; and Berlin, Hamburg and Verl, Germany. Any damage or failure that causes interruptions in any of these facilities or our other computer and communications systems could materially harm our business. Although we carry insurance for property damage and business interruption, we do not carry insurance or financial reserves for interruptions or potential losses arising from earthquakes or terrorism.

In addition, our ability to issue SSL certificates, our domain name registry services and other of our services depend on the efficient operation of the Internet connections from customers to our secure data centers and from our customers to the shared registration system. These connections depend upon the efficient operation of Internet service providers and Internet backbone service providers, all of which have had periodic operational problems or experienced outages in the past.

A failure in the operation of our domain name zone servers, the domain name root zone servers, or other events could result in the deletion of one or more domain names from the Internet for a period of time. A failure in the operation of our shared registration system could result in the inability of one or more other registrars to register and maintain domain names for a period of time. A failure in the operation or update of the master database that we maintain could result in the deletion of one or more top-level domains from the Internet and the discontinuation of second-level domain names in those top-level domains for a period of time. Any of these problems or outages could decrease customer satisfaction, which could harm our business.

If we experience security breaches, we could be exposed to liability and our reputation and business could suffer.

We retain certain confidential customer information in our secure data centers and various registration systems. It is critical to our business strategy that our facilities and infrastructure remain secure and are perceived by the marketplace to be secure. Our domain name registry operations also depend on our ability to maintain our computer and telecommunications equipment in effective working order and to reasonably protect our systems against interruption, and potentially depend on protection by other registrars in the shared registration system. The root zone servers and top-level domain name zone servers that we operate are critical hardware to our registry services operations. Therefore, we may have to expend significant time and money to maintain or increase the security of our facilities and infrastructure.

Despite our security measures, our infrastructure may be vulnerable to physical break-ins, computer viruses, attacks by hackers or similar disruptive problems. It is possible that we may have to expend additional financial and other resources to address such problems. Any physical or electronic break-in or other security breach or compromise of the information stored at our secure data centers and domain name registration systems may jeopardize the security of information stored on our premises or in the computer systems and networks of our customers. In such an event, we could face significant liability, customers could be reluctant to use our services and we could be at risk for loss of various security and standards based compliance certifications needed for certain of our businesses. Such an occurrence could also result in adverse publicity and therefore adversely affect the market's perception of the security of e-commerce and communications over IP networks as well as of the security or reliability of our services.

The reliance of our network connectivity and interoperability services and content services on third-party communications infrastructure, hardware and software exposes us to a variety of risks we cannot control.

The success of our network connectivity and interoperability services and content services depends on our network infrastructure, including the capacity leased from telecommunications suppliers. In particular, we rely on AT&T, Sprint Nextel Corporation and other telecommunications providers for leased long-haul and local loop transmission capacity. These companies provide the dedicated links that connect our network components to each other and to our customers. Our business also depends upon the capacity, reliability and security of the infrastructure owned by third parties that is used to connect telephone calls. Specifically, we currently lease capacity from regional providers on four of the fourteen mated pairs of SS7 signal transfer points that comprise our network. SS7 is a network control system comprised of protocols for the interpretation and use of network control and operation signals and the associated hardware and software needed for transmission, reception and interpretation of the signals.

We have no control over the operation, quality or maintenance of a significant portion of that infrastructure or whether or not those third parties will upgrade or improve their equipment. We depend on these companies to maintain the operational integrity of our connections. If one or more of these companies is unable or unwilling to supply or expand its levels of service to us in the future, our operations could be severely interrupted. In addition, rapid changes in the telecommunications industry have led to the merging of many companies. These mergers may cause the availability, pricing and quality of the services we use to vary and could cause the length of time it takes to deliver the services that we use to increase significantly.

Our signaling and SS7 services rely on links, equipment and software provided to us from our vendors, the most important of which are gateway equipment and software from Tekelec and Agilent Technologies, Inc. We cannot assure you that we will be able to continue to purchase equipment from these vendors on acceptable terms, if at all. If we are unable to maintain current purchasing terms or ensure product availability with these vendors, we may lose customers and experience an increase in costs in seeking alternative suppliers of products and services.

We rely on our intellectual property, and any failure by us to protect, or any misappropriation of, our intellectual property could harm our business.

Our success depends on our internally developed technologies, patents and other intellectual property. Despite our precautions, it may be possible for a third party to copy or otherwise obtain and use our trade secrets or other forms of our intellectual property without authorization. Furthermore, the laws of foreign countries may not protect our proprietary rights in those countries to the same extent U.S. law protects these rights in the U.S.. In addition, it is possible that others may independently develop substantially equivalent intellectual property. If we do not effectively protect our intellectual property, our business could suffer. Additionally, we have filed patent applications with respect to certain of our technology in the U.S. Patent and Trademark Office and patent offices outside the U.S.. Patents may not be awarded with respect to these applications and even if such patents are awarded, such patents may not provide us with sufficient protection of our intellectual property. In the future, we may have to resort to litigation to enforce our intellectual property rights, to protect our trade secrets or to determine the validity and scope of the proprietary rights of others. This type of litigation, regardless of its outcome, could result in substantial costs and diversion of management and technical resources.

We also license third-party technology that is used in our products and services to perform key functions. These third-party technology licenses may not continue to be available to us on commercially reasonable terms or at all. Our business could suffer if we lost the rights to use these technologies. Additionally, another party could claim that the licensed software infringes a patent or other proprietary right. Litigation between the licensor and a third-party or between us and a third-party could lead to royalty obligations for which we are not indemnified or for which indemnification is insufficient, or we may not be able to obtain any additional license on commercially reasonable terms or at all. The loss of, or our inability to obtain or maintain, any of these technology licenses could delay the introduction of our Internet infrastructure services until equivalent technology, if available, is identified, licensed and integrated. This could harm our business.

We rely on the strength of our VeriSign brand to differentiate ourselves in the marketing of our products, particularly with respect to our SSL certificates. Dilution of our brand could harm our business.

We could become subject to claims of infringement of intellectual property of others, which could be costly to defend and which could harm our business.

Claims relating to infringement of intellectual property of others or other similar claims have been made against us in the past and could be made against us in the future. In addition, we provide links to news content as part of our real-time publishing service. It is possible that we could become subject to additional claims for infringement of the intellectual property of third parties. Any claims, with or without merit, could be time consuming, result in costly litigation and diversion of technical and management personnel, cause delays or require us to develop non-infringing technology or enter into royalty or licensing agreements. Royalty or licensing agreements, if required, may not be available on acceptable terms or at all. If a successful claim of infringement were made against us, we could be required to pay damages or have portions of our business enjoined. If we could not develop non-infringing technology or license the infringed or similar technology on a timely and cost-effective basis, our business could be harmed.

In addition, legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights in Internet-related businesses are uncertain and still evolving. Because of the growth of the Internet and Internet-related businesses, patent applications are continuously and simultaneously being filed in connection with Internet-related technology. There is a significant number of U.S. and foreign patents and patent applications in our areas of interest, and we believe that there has been, and is likely to continue to be, significant litigation in the industry regarding patent and other intellectual property rights.

We must establish and maintain strategic, channel and other relationships.

One of our significant business strategies has been to enter into strategic or other similar collaborative relationships in order to reach a larger customer base than we could reach through our direct sales and marketing efforts. We may need to enter into additional relationships to execute our business plan. We may not be able to enter into additional, or maintain our existing, strategic relationships on commercially reasonable terms, and, in addition, our ability to enter into or maintain strategic relationships may be impacted by our divestiture plan. If we fail to enter into additional relationships, we would have to devote substantially more resources to the distribution, sale and marketing of our information and security services than we would otherwise.

Our success in obtaining results from these relationships will depend both on the ultimate success of the other parties to these relationships and on the ability of these parties to market our services successfully.

Furthermore, our ability to achieve future growth also depends on our ability to continue to establish direct seller channels and to develop multiple distribution channels. In addition, any changes by our channel partners to their existing marketing strategies could have a material adverse effect on our business. Failure of one or more of our strategic or channel relationships to result in the development and maintenance of a market for our services could harm our business. If we are unable to maintain our relationships or to enter into additional relationships, this could harm our business.

Failure of VeriSign Affiliates to follow our security and trust practices or to maintain the privacy or security of confidential customer information could have an adverse impact on our revenues and business.

We have licensed to VeriSign Affiliates our Processing Center platform, which is designed to replicate our own secure data centers and allows the VeriSign Affiliate to offer back-end processing of PKI services for enterprises. The VeriSign Processing Center platform provides a VeriSign Affiliate with the knowledge and technology to offer PKI services similar to those offered by us. It is critical to our business strategy that the facilities and infrastructure used in issuing and marketing digital certificates remain secure and we are perceived by the marketplace to be secure. Although we provide the VeriSign Affiliate with training in security and trust practices, network management and customer service and support, these practices are performed by the VeriSign Affiliate and are outside of our control. Any failure of a VeriSign Affiliate to maintain the privacy or security of confidential customer information could result in negative publicity and therefore adversely affect the market's perception of the security of our services as well as the security of e-commerce and communication over IP networks generally.

Our VeriSign Identity Protection service depends in part on the acceptance of our services.

The future growth of our VeriSign Identity Protection services which forms a part of our IAS business depends, in part, on the commercial success and acceptance, and reliability of our VeriSign Identity Protection services. Our VeriSign Identity Protection services will suffer if our target customers do not use our VeriSign Identity Protection services. Our future financial performance will also depend on the successful development, introduction and customer acceptance of new and enhanced VeriSign Identity Protection services. We are not certain that our target customers will choose our VeriSign Identity Protection services or continue to use our VeriSign Identity Protection services.

Many of our target markets are evolving, and if these markets fail to develop or if our products and services are not widely accepted in these markets, our business could suffer.

We target our 3IS at the market for trusted and secure e-commerce and communications over IP and other networks. Our Naming Services business is developing managed services in emerging markets that involve naming and directory services other than registry and related infrastructure services. These emerging markets are rapidly evolving, may never gain wide acceptance and may not grow. Even if these markets grow, our services may not be widely accepted. Accordingly, the demand for our services in these markets is very uncertain. The factors that may affect market acceptance of our services in these markets include the following:

- market acceptance of products and services based upon technologies other than those we use;
- public perception of the security of our technologies and of IP and other networks;
- the introduction and consumer acceptance of new generations of mobile handsets;
- demand for supply chain information services, including acceptance of the EPCglobal Network;
- the ability of the Internet infrastructure to accommodate increased levels of usage; and
- government regulations affecting e-commerce and communications over IP networks.

If the market for e-commerce and communications over IP and other networks does not grow or these services are not widely accepted in the market, our business would be materially harmed.

We depend on key personnel to manage our business effectively and may not be successful in attracting and retaining such personnel.

We depend on the performance of our senior management team and other key employees. Our success also depends on our ability to attract, integrate, train, retain and motivate these individuals and additional highly skilled technical and sales and marketing personnel, both in the U.S. and abroad.

All of the members of our senior management team and other key employees are at-will employees and we do not maintain key person life insurance for any of our senior management team members or key employees. The loss of the services of any of our senior management team or other key employees or failure to attract, integrate, train, retain and motivate additional key employees could harm our business.

We recently experienced changes in our senior management team, and we may face difficulty in attracting and retaining permanent, qualified leadership personnel.

During the second quarter of 2008, we appointed D. James Bidzos, our Chairman of the Board, as President, Chief Executive Officer and Executive Chairman, on an interim basis, and Brian G. Robins, our Senior Vice President, Finance, to Acting Chief Financial Officer. The search for permanent replacements to fill any of these positions may be a distraction to our interim executives, senior management, business partners, and customers, and, although we believe we have taken appropriate measures to address the impact of these changes, there is a risk that such changes may impair our ability to meet our business objectives. During this period of transition, there may be operational inefficiencies as our new management team becomes familiar with our business and operations. We cannot provide you with any assurance that the search for any permanent replacements will be successful, and if we cannot recruit qualified permanent replacements for any such positions, our business may suffer.

Compliance with rules and regulations concerning corporate governance is costly and could harm our business.

Ongoing compliance with the corporate governance requirements of the Sarbanes-Oxley Act and the NASDAQ Stock Market has increased the scope, complexity and cost of our corporate governance, reporting and disclosure practices, and our compliance efforts have required significant management attention. It is more difficult and more expensive for us to obtain director and officer liability insurance, and we have been required to accept reduced coverage and incur substantially higher costs to obtain the reduced level of coverage. Further, our board members, chief executive officer and chief financial officer face an increased risk of personal liability in connection with the performance of their duties. As a result, we may have difficulty attracting and retaining qualified board members and executive officers, which could harm our business.

We have anti-takeover protections that may discourage, delay or prevent a change in control that could benefit our stockholders.

Our amended and restated Certificate of Incorporation and Bylaws contain provisions that could make it more difficult for a third party to acquire us without the consent of our Board of Directors. These provisions include:

- our stockholders may take action only at a duly called meeting and not by written consent;
- special meetings of our stockholders may be called only by the chief executive officer, the president or our Board of Directors, and cannot be called by our stockholders;
- our board must be given advance notice regarding stockholder-sponsored proposals for consideration at annual meetings and for stockholder nominations for the election of directors;
- vacancies on our Board of Directors can be filled until the next annual meeting of stockholders by majority vote of the members of the Corporate Governance and Nominating Committee or a majority of directors then in office if no such committee exists or a sole remaining director; and
- our Board of Directors has the ability to designate the terms of and issue new series of preferred stock without stockholder approval.

VeriSign has also adopted a stockholder rights plan that may discourage, delay or prevent a change of control or the acquisition of a substantial bloc of our common stock and may make any future unsolicited acquisition attempt more difficult. Under the rights plan:

- The rights will generally become exercisable if a person or group acquires 20% or more of VeriSign’s outstanding common stock (unless such transaction is approved by our Board of Directors) and thus becomes an “acquiring person.”
- Each right, when exercisable, will entitle the holder, other than the “acquiring person,” to acquire shares of VeriSign’s common stock at a 50% discount to the then-prevailing market price.
- As a result, the rights plan will cause substantial dilution to a person or group that becomes an “acquiring person” on terms that our Board of Directors does not believe are in our best interests and those of our stockholders and may discourage, delay or prevent a merger or acquisition that stockholders may consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares.

In addition, Section 203 of the General Corporation Law of Delaware prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder, generally a person which together with its affiliates owns or within the last three years has owned 15% or more of our voting stock, for a period of three years after the date of the transaction in which the person became an interested stockholder, unless in the same transaction the interested stockholder acquired 85% ownership of our voting stock (excluding certain shares) or the business combination is approved in a prescribed manner. Section 203 therefore may impact the ability of an acquirer to complete an acquisition of us after a successful tender offer and accordingly could discourage, delay or prevent an acquirer from making an unsolicited offer without the approval of our Board of Directors.

Changes in, or interpretations of, tax rules and regulations may adversely affect our effective tax rates.

We are subject to income taxes in both the U.S. and numerous foreign jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. We are subject to audit by various tax authorities. Although we believe our tax estimates are reasonable, the final determination of tax audits and any related litigation could be materially different than that which is reflected in historical income tax provisions and accruals. Should additional taxes be assessed as a result of an audit or litigation, an adverse effect on our income tax provision and net income in the period or periods for which that determination is made could result.

Risks relating to the competitive environment in which we operate

The business environment is highly competitive and, if we do not compete effectively, we may suffer price reductions, reduced gross margins and loss of market share.

Competition in Naming Services. We face competition in the domain name registry space from other gTLD and country code top-level domain ("ccTLD") registries that are competing for the business of entities and individuals that are seeking to establish a web presence, including registries offering services related to the *.info, .org, .mobi, .biz, .pro, .aero, .museum* and *.coop* gTLDs and registries offering services related to ccTLDs. ICANN currently has registry agreements with 15 registries for the operation of 16 gTLDs. In addition, there are over 240 ccTLD registries.

We also face competition from service providers that offer outsourced domain name registration, resolutions and other DNS services to organizations that require a reliable and scalable infrastructure. Among the competitors are UltraDNS, NeuLevel and Afilias.

Additional competition to our business may arise from the upcoming introduction of new Internationalized Domain Name TLDs ("IDN TLDs") and new gTLDs by ICANN. These new domain extensions could become available by the third quarter of 2009 in the form of translations or transliterated versions of the .com and .net TLD and by the last quarter of 2009 in the form of new gTLDs. We do not yet know the impact, if any, these new domain extensions may have on our business, but the increase of name availability in the marketplace could introduce new choices for end-users as well as create end-user confusion around brand preference, which could have a material adverse effect on our business. While we may apply for one or more of these new domain extensions, there is no certainty that we will ultimately be successful and even if we are successful in obtaining one or more of these new domain extensions, there is no guarantee that such extensions will be any more successful than the domain name extensions obtained by our competitors.

Competition in SSL Certificate Services and IAS. Our SSL Certificate Services and IAS are targeted at the rapidly evolving market for Internet security services, including network security, authentication and validation, which enable secure e-commerce and communications over wireline and wireless IP networks. The market for SSL Certificate Services and IAS is intensely competitive, subject to rapid change and significantly affected by new product and service introductions and other market activities of industry participants.

Principal competitors generally fall within one of the following categories: (1) companies such as RSA, the security division of EMC, and Entrust Technologies, which offer software applications and related digital certificate products that customers operate themselves; (2) companies such as Digital Signature Trust Company (a subsidiary of Identrus) that primarily offer digital certificate and certification authority-related services; (3) companies focused on providing a bundled offering of products and services; and (4) companies offering competing SSL certificate and other security services, including domain name registrars. We also experience competition from a number of smaller companies, and we believe that our primary long-term competitors may not yet have entered the market. Furthermore, AOL and Microsoft have introduced software products that enable the issuance and management of digital certificates, and we believe that other companies could introduce similar products.

In addition, browser companies that embed our interface technologies or otherwise feature them as a provider of digital certificate products and services in their web browsers or on their websites could also promote our competitors or charge us substantial fees for promotions in the future.

Competition in Managed Security Services. Security services and product firms, telecommunications companies, and consulting companies or professional services groups of other companies with Internet expertise are current or potential competitors to our managed security services. These companies include large systems integrators and consulting firms, such as Accenture and IBM Global Services, security product companies, such as Symantec, and telecommunications providers, such as Verizon Business and BT Counterpane.

Competition in Communications Services. The market for communications services is extremely competitive and subject to significant pricing pressure. Competition in this area arises from two primary sources. Incumbent carriers provide competing in-house services in their respective regions. In addition, we face direct competition from national, unregulated companies, including Syniverse Technologies, Telcordia, NeuStar and other carriers such as Southern New England Telephone Diversified Group, a unit of AT&T. Furthermore, customers are increasingly likely to deploy internally developed communications technologies and services which may reduce the demand for technologies and services from third party providers, such as VeriSign, and further increase competitive pricing pressures.

Competition in Commerce Services. Our wireless billing and payment services are also subject to competition from providers such as Comverse, Amdocs, Convergys Corporation and Boston Communications Group. We are also aware of major Internet service providers, software developers and smaller entrepreneurial companies that are or may in the future be focusing significant resources on developing and marketing products and services that may compete directly with ours. Furthermore, customers are increasingly likely to deploy internally developed communications technologies and services which may reduce the demand for technologies and services from third-party providers such as VeriSign and further increase competitive pricing pressures.

Competition in Content Services. The market for content services is extremely competitive. Competitors include developers of content and entertainment products and services in a variety of domestic and international markets, such as Infospace, Itouch, Arvato mobile, Monstermob, and Motricity. This business also faces competition from mobile network operators such as Cingular, Verizon Wireless, Sprint Nextel Corporation, T-Mobile, Vodafone, O2, Orange, E-Plus and Telefónica, as well as Internet portal operators such as Yahoo!, AOL, T-Online and Google. Additional competitors are handset manufacturers such as Nokia and software providers such as Microsoft and Apple. As the market for wireless data, including information and entertainment data, matures, new categories of competitors, such as mobile phone companies, broadcasters, music publishers, other content providers or others have begun to develop competing products or services.

Competition in Real-Time Publishing Services. We face competition from various smaller companies providing similar services.

General. Several of our current and potential competitors have longer operating histories and significantly greater financial, technical, marketing and other resources than we do and therefore may be able to respond more quickly than we can to new or changing opportunities, technologies, standards and customer requirements. Many of these competitors also have broader and more established distribution channels that may be used to deliver competing products or services directly to customers through bundling or other means. If such competitors were to bundle competing products or services for their customers, the demand for our products and services might be substantially reduced and the ability to distribute our products successfully and the utilization of our services would be substantially diminished.

New technologies and the expansion of existing technologies may increase the competitive pressure. New technologies and the expansion of existing technologies may increase competitive pressure. We cannot assure you that competing technologies developed by others or the emergence of new industry standards will not adversely affect our competitive position or render our security services or technologies noncompetitive or obsolete. In addition, our markets are characterized by announcements of collaborative relationships involving our competitors. The existence or announcement of any such relationships could adversely affect our ability to attract and retain customers. As a result of the foregoing and other factors, we may not be able to compete effectively with current or future competitors, and competitive pressures that we face could materially harm our business.

Our inability to react to changes in our industry and successfully introduce new products and services could harm our business.

The Internet and communications network services industries are characterized by rapid technological change and frequent new product and service announcements which require us continually to improve the performance, features and reliability of our services, particularly in response to competitive offerings. In order to remain competitive and retain our market share, we must continually improve our access technology and software, support the latest transmission technologies, and adapt our products and services to changing market conditions and customer preferences. We cannot assure you that we will be able to adapt to these challenges or respond successfully or in a cost effective way to adequately meet them. Our failure to do so would adversely affect our ability to compete and retain customers or market share.

Risks related to our divestiture plan

We may face difficulties and incur costs associated with our divestiture plan and our financial condition, results of operations or cash flows could be adversely affected.

Until the divestitures are complete, we will experience additional risks, including, but not limited to the disruption of our business and the potential loss of key employees; difficulties separating operations, services, products and personnel; and the potential damage to relationships with our existing customers.

For example, our divestiture plan will require a substantial amount of management, administrative and operational resources. These demands may distract our employees from the day-to-day operation of VeriSign’s core businesses.

There is also risk that we may incur additional charges associated with an impairment of a portion of goodwill and other intangible assets due to changes in market conditions for acquisitions and dispositions. Under generally accepted accounting principles, we are required to evaluate goodwill for impairment on an annual basis, and to re-evaluate goodwill and to evaluate other intangible assets as events or circumstances indicate that such assets may be impaired. Further, we are likely to incur income statement charges to complete the divestiture plan, which could be material.

If we are unable to successfully address any of these risks for future dispositions, our financial condition, results of operations or cash flows could be adversely affected.

We may be unable to achieve some or all of the benefits we expect from the divestiture plan and such benefits may be delayed or not occur at all.

We may not be able to achieve the full strategic and financial benefits we expect from the divestiture of VeriSign's non-core businesses. For example, we may encounter difficulties identifying buyers for certain businesses or be unable to sell businesses identified for divestiture, and there can be no assurance that analysts and investors will place greater value on VeriSign following the divestiture plan than the value placed on us pre-divestiture.

In addition, there is no guarantee that the planned divestitures will occur or will not be further delayed. Completion of the divestiture plan is subject to a number of factors, including:

- business, political and economic conditions in the U.S. and in other countries in which the Company currently operates;
- governmental regulations and policies, actions and approvals of regulatory bodies;
- the operating performance of the Company or the businesses or assets offered for sale;
- identification of buyers and negotiation of sale agreements;
- the willingness of buyers to assume certain liabilities associated with the businesses or assets offered for sale;
- our ability to identify and separate the assets associated with the businesses offered for sale from the core businesses we choose to retain; and
- the availability of financing or other sources of funding to buyers under reasonable terms and conditions.

Subsequent to the end of the second quarter of 2008, management determined that due in large part to the downturn in the economy, the divestiture plan would take longer and would be more complicated than originally expected. Buyers have become more conservative, which is making it more difficult to consummate dispositions and has required some modifications to our original approach to individual dispositions. For example, some potential buyers have asked for more detailed financial information than we originally anticipated, which has increased the time required to conduct the sale process. In addition, the credit crisis has limited sources of financing for potential purchasers, which has affected the number of proposals we have received and prospective buyers' ability to borrow the funds necessary to complete the purchase of our non-core businesses. These developments are having an adverse effect on the timing and our chances of completing the divesture plan.

We may be adversely affected under certain covenants in our Facility.

Our Credit Agreement contains a negative covenant that limits our ability to sell assets and freely deploy the proceeds we receive from such sales, subject to exceptions based on the size and timing of the sales. Therefore, depending on the size and timing of any dispositions that we decide to pursue as part of our divestiture plan, we may find it necessary to seek an amendment to our Credit Agreement or to structure the sales in a manner that complies with the covenant but that is potentially less favorable to the Company than would otherwise be the case. There can be no guarantee that we will be successful in obtaining any such amendment on acceptable terms or at all or be able to structure potential dispositions accordingly.

We continue to be responsible for a portion of our contingent and other corporate liabilities following the divestiture of certain businesses.

Under the agreements reached with buyers for certain businesses divested under the divestiture plan, we remain liable for certain contingent and corporate liabilities. In addition, it is possible that we may enter into agreements with similar contingent and corporate liabilities in connection with future businesses we may divest.

There is a possibility that we will incur costs and expenses associated with the management of these contingent and other corporate liabilities. These contingent and other corporate liabilities could potentially relate to consolidated securities litigation, as well as actions brought by third parties as a result of the divestiture plan. Where responsibility for such liabilities is to be shared with the buyer, it is possible that the buyer or another party may be in default for payments for which they are responsible, obligating us to pay amounts in excess of our agreed-upon share of the assumed obligations.

Following the divestiture of certain businesses, our ability to compete in certain market sectors is restricted.

Under the agreements reached with buyers for certain businesses divested under the divestiture plan, we will be restricted from competing, either directly or indirectly, with those businesses or from entering certain market sectors for a defined period of time pursuant to negotiated non-compete arrangements.

Risks related to our securities

We have a considerable number of common shares subject to future issuance.

As of September 30, 2008, we had one billion authorized common shares, of which approximately 193.9 million shares were outstanding. In addition approximately, 37.0 million common shares were reserved for issuance pursuant to employee stock option and employee stock purchase plans (“Equity Plans”), and approximately 36.4 million shares were reserved for issuance upon conversion of the debentures. The availability of substantial amounts of our common stock resulting from the exercise or settlement of equity awards outstanding under our Equity Plans or the conversion of debentures using common stock, which would be dilutive to existing security holders, could adversely affect the prevailing market price of our common stock and could impair our ability to raise additional capital through the sale of equity securities.

Our financial condition and results of operations could be adversely affected if we do not effectively manage our liabilities.

As a result of the sale of the debentures, we have a substantial amount of long term debt outstanding. In addition to the debentures, we have a Facility with a borrowing capacity of $500.0 million. As of September 30, 2008, we had no outstanding borrowings under the Facility and we had utilized $1.4 million of the $50.0 million limit for outstanding letters of credit. The availability of borrowing capacity under the Facility allows us immediate access to working capital if we identify opportunities for the use of this cash. Our maintenance of substantial levels of debt could adversely affect our flexibility to take advantage of corporate opportunities and could adversely affect our financial condition and results of operations.

We may not have the ability to repurchase the debentures in cash upon the occurrence of a fundamental change, or to pay cash upon the conversion of debentures, as required by the indenture governing the Convertible Debentures.

Holders of our outstanding Convertible Debentures will have the right to require us to repurchase the debentures upon the occurrence of a fundamental change as defined in the Indenture dated as of August 20, 2007 (the “Indenture”) between the Company and U.S. Bank National Association, as Trustee. Although we currently intend to settle the principal amount of the Convertible Debentures in cash as required under the Indenture, we may not have sufficient funds to repurchase the Convertible Debentures in cash or have the ability to arrange necessary financing on acceptable terms or at all. In addition, upon conversion of the Convertible Debentures, we will be required to make cash payments to the holders of the Convertible Debentures equal to the lesser of the principal amount of the Convertible Debentures being converted and the conversion value (as defined in the Indenture) of those debentures. Such payments could be significant, and we may not have sufficient funds to make them at such time.

A fundamental change may also constitute an event of default or prepayment under, or result in the acceleration of the maturity of, our then-existing indebtedness. Our ability to repurchase the debentures in cash or make any other required payments may be limited by law or the terms of other agreements relating to our indebtedness outstanding at the time. Our failure to repurchase the Convertible Debentures or pay cash in respect of conversions when required would result in an event of default with respect to the Convertible Debentures.

While we currently have the intent and ability to settle the principal in cash, if we conclude that we no longer have the ability, in the future, we will be required to change our accounting policy for earnings per share from the treasury stock method to the if-converted method.

There may be potential new accounting pronouncements or regulatory rulings which may have an impact on our future financial condition and results of operations.

For example, in May 2008, the FASB issued FSP APB 14-1, "*Accounting for Convertible Debt Instruments that May be Settled in Cash upon Conversion (Including Partial Cash Settlement),*" that will significantly affect the accounting for convertible debt, including our Convertible Debentures. The FSP specifies that issuers of convertible debt instruments should separately account for the liability (debt) and equity (conversion option) components of such instruments in a manner that reflects the issuer's non-convertible debt borrowing rate. In applying this FSP, the FASB emphasized that the FSP will be applied to the terms of the instruments as they existed for the time periods they existed, therefore, the application of the FSP will be applied retrospectively to all periods presented. The FSP is effective for fiscal years beginning after December 15, 2008, and will be adopted by us in the first quarter of fiscal 2009. Although FSP APB 14-1 will have no impact on our actual past or future cash flows, it will require us to record a significant amount of non-cash interest expense for fiscal 2007 through fiscal 2037 as the debt discount is amortized, assuming the debentures will be settled upon maturity in 2037, associated with a significant reduction in our debentures balance along with a corresponding increase in our stockholders' equity as of December 31, 2007 and 2008. In addition, if our debentures are redeemed or converted prior to maturity, any unamortized debt discount would result in a loss on extinguishment. As a result, there could be a material adverse impact on our results of operations and earnings per share. These impacts could adversely affect the trading price of our common stock and in turn negatively impact the trading price of the Convertible Debentures.

Certain other risks

The following risks are primarily related to businesses we expect to divest as part of our divestiture plan. Until our divestiture plan is complete, any one or more of these risks could have a significant impact on our financial condition, results of operations or cash flows. In addition, the materialization of any one or more of these risks could affect the timing of future dispositions, the price at which we dispose our businesses or whether we are able to dispose our businesses at all.

Our communications services business depends in part on the acceptance of our SS7 network and the telecommunications industry's continuing use of SS7 technology.

Our future growth in our communications services business depends, in part, on the commercial success and reliability of our SS7 network. Our communications services business will suffer if our target customers do not use our SS7 network. Our future financial performance will also depend on the successful development, introduction and customer acceptance of new and enhanced SS7-based services. We are not certain that our target customers will choose our particular SS7 network solution or continue to use our SS7 network.

The inability of our customers to successfully implement our signaling and network services with their existing systems could adversely affect our business.

Significant technical challenges exist in our signaling and network services business because many of our customers:

- purchase and implement SS7 network services in phases;
- deploy SS7 connectivity across a variety of telecommunication switches and routes; and
- integrate our SS7 network with a number of legacy systems, third-party software applications and engineering tools.

Customer implementation currently requires participation by our order management and our engineering and operations groups, each of which has limited resources. Some customers may also require us to develop costly customized features or capabilities, which increases our costs and consumes a disproportionate share of our limited customer service and support resources. Also, we typically charge one-time fees for initially connecting a customer to our SS7 network and a monthly recurring flat rate fee after the connection is established. If new or existing customers have difficulty deploying our products or require significant amounts of our engineering service support, we may experience reduced operating margins. Our customers' ability to deploy our network services to their own customers and integrate them successfully within their systems depends on our customers' capabilities and the complexity involved. Difficulty in deploying those services could reduce our operating margins due to increased customer support and could cause potential delays in recognizing revenues until the services are implemented.

Our failure to achieve or sustain market acceptance of our communications services at desired pricing levels and industry consolidation could adversely impact our revenues and cash flow.

The telecommunications industry is characterized by significant price competition. Competition and industry consolidation in our communications services could result in significant pricing pressure and an erosion of our market share. Pricing pressure from competition could cause large reductions in the selling price of our services. For example, our competitors may provide customers with reduced communications costs for Internet access or private network services, reducing the overall cost of services and significantly increasing pricing pressures on us. We would need to offset the effects of any price reductions by increasing the number of our customers, generating higher revenues from enhanced services or reducing our costs, and we may not be able to do so successfully. We believe that the business of providing network connectivity and related network services will see increased consolidation in the future. Consolidation could decrease selling prices and increase competition in these industries, which could erode our market share, revenues and operating margins in our communications services business. Furthermore, customers may choose to deploy internally developed communications technologies and services thereby reducing the demand for technologies and services we offer which could harm our business.

Our content services business depends on agreements with many different third parties, including wireless carriers and content providers. If these agreements are terminated or not renewed, or are amended to require us to change the way our content services are offered to customers, our business could be harmed.

Our content services business depends on our ability to enter into and maintain agreements with many different third parties including wireless carriers and other mobile phone service providers, upon which this business is highly dependent for billing its customers.

These agreements are typically for a short term, or are otherwise terminable upon short notice, and in the case of agreements with carriers, other mobile phone service providers and content developers, are nonexclusive. If these third parties reduce their commitment to us, terminate their agreements with us or enter into similar agreements with our competitors, our content services business could be materially harmed.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table presents the share repurchases during the three months ended September 30, 2008.

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (2)
July 1 - 31, 2008	4,854,141	$ 34.38	4,854,141	$ 320.0 million
August 1 - 31, 2008	—	—	—	$ 1,000.0 million
September 1 - 30, 2008	—	—	—	$ 1,000.0 million
	4,854,141		4,854,141	

(1) In 2006, the Board of Directors authorized the 2006 Stock Repurchase Program with no expiration date to repurchase up to $1.0 billion of our common stock. In July 2008, we repurchased 3,490,700 shares of our common stock at an average stock price of $34.38 per share for an aggregate of $120.0 million under the 2006 Stock Repurchase Program. As of September 30, 2008, approximately $320.0 million remained available for further repurchases under the 2006 Stock Repurchase Program. In January 2008, the Board of Directors authorized the 2008 Stock Repurchase Program having an aggregate purchase price of up to $600.0 million of its common stock. On February 8, 2008, we entered into an Accelerated Share Repurchase (“ASR”) agreement to repurchase $600.0 million of our common stock under the 2008 Stock Repurchase Program. The ASR agreement was completed on July 10, 2008, when we received an additional 1,363,441 million shares under the terms of the agreement.

(2) On August 5, 2008, our Board of Directors authorized additional stock repurchases with no expiration date under our 2008 Stock Repurchase Program having an aggregate purchase price of up to $680.0 million of our common stock. As of September 30, 2008, $680.0 million remained available for further repurchase under the 2008 Stock Repurchase Program.

Table of Contents

ITEM 6. EXHIBITS

(a) Index to Exhibits

Exhibit Number	Exhibit Description
10.01	Executive Employment Agreement between VeriSign, Inc. and D. James Bidzos, dated as of August 20, 2008.
10.02	VeriSign, Inc. 2006 Equity Incentive Plan Amended and Restated Employee Restricted Stock Unit Agreement between VeriSign, Inc. and D. James Bidzos.
10.03	Assignment of Invention, Nondisclosure and Nonsolicitation Agreement between VeriSign, Inc. and D. James Bidzos, dated August 20, 2008.
10.04	Consulting Agreement between VeriSign, Inc. and Roger Moore, dated October 3, 2008†.
10.05	Assignment of Invention, Nondisclosure and Nonsolicitation Agreement between VeriSign, Inc. and Roger Moore, dated October 1, 2008.
10.06	Purchase and Termination Agreement dated as of October 6, 2008, by and among Fox Entertainment Group, Inc., Fox US Mobile Holdings, Inc., US Mobile Holdings, LLC,. Fox Dutch Mobile B.V., Jamba Netherlands Mobile Holdings GP B.V., Netherlands Mobile Holdings C.V., VeriSign, Inc., VeriSign US Holdings, Inc., VeriSign Netherlands Mobile Holdings B.V., and VeriSign Switzerland S.A.
10.07	VeriSign, Inc. 2006 Equity Incentive Plan, adopted May 26, 2006, as amended August 5, 2008.
10.08	Form of VeriSign, Inc. 2006 Equity Incentive Plan Stock Option Agreement.
10.09	Form of VeriSign, Inc. 2006 Equity Incentive Plan Employee Restricted Stock Unit Agreement.
10.10	Form of VeriSign, Inc. 2006 Equity Incentive Plan Performance Based Restricted Stock Unit Agreement.
31.01	Certification of Principal Executive Officer pursuant to Exchange Act Rule 13a-14(a).
31.02	Certification of Principal Financial Officer pursuant to Exchange Act Rule 13a-14(a).
32.01	Certification of Principal Executive Officer pursuant to Exchange Act Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the U.S. Code (18 U.S.C. 1350). *
32.02	Certification of Principal Financial Officer pursuant to Exchange Act Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the U.S. Code (18 U.S.C. 1350). *

† Certain portions of this exhibit have been omitted and have been filed separately with the SEC pursuant to a request for confidential treatment under Rule 24b-2 as promulgated under the Securities Exchange Act of 1934.

* As contemplated by SEC Release No. 33-8212, these exhibits are furnished with this Quarterly Report on Form 10-Q and are not deemed filed with the Securities and Exchange Commission and are not incorporated by reference in any filing of VeriSign, Inc. under the Securities Act of 1933 or the Securities Act of 1934, whether made before or after the date hereof and irrespective of any general incorporation language in such filings.

[Table of Contents](#)

SIGNATURES

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.

	VERISIGN, INC.
Date: November 7, 2008	By: /s/ D. JAMES BIDZOS **D. James Bidzos** **Interim President and Chief Executive Officer** **(Principal Executive Officer)**
Date: November 7, 2008	By: /s/ BRIAN G. ROBINS **Brian G. Robins** **Acting Chief Financial Officer** **(Principal Accounting Officer)**

EXHIBITS

As required under Item 6—Exhibits, the exhibits filed as part of this report are provided in this separate section. The exhibits included in this section are as follows:

Exhibit Number	Exhibit Description
10.01	Executive Employment Agreement between VeriSign, Inc. and D. James Bidzos, dated as of August 20, 2008.
10.02	VeriSign, Inc. 2006 Equity Incentive Plan Amended and Restated Employee Restricted Stock Unit Agreement between VeriSign, Inc. and D. James Bidzos.
10.03	Assignment of Invention, Nondisclosure and Nonsolicitation Agreement between VeriSign, Inc. and D. James Bidzos, dated August 20, 2008.
10.04	Consulting Agreement between VeriSign, Inc. and Roger Moore, dated October 3, 2008[†].
10.05	Assignment of Invention, Nondisclosure and Nonsolicitation Agreement between VeriSign, Inc. and Roger Moore, dated October 1, 2008.
10.06	Purchase and Termination Agreement dated as of October 6, 2008, by and among Fox Entertainment Group, Inc., Fox US Mobile Holdings, Inc., US Mobile Holdings, LLC,. Fox Dutch Mobile B.V., Jamba Netherlands Mobile Holdings GP B.V., Netherlands Mobile Holdings C.V., VeriSign, Inc., VeriSign US Holdings, Inc., VeriSign Netherlands Mobile Holdings B.V., and VeriSign Switzerland S.A.
10.07	VeriSign, Inc. 2006 Equity Incentive Plan, adopted May 26, 2006, as amended August 5, 2008.
10.08	Form of VeriSign, Inc. 2006 Equity Incentive Plan Stock Option Agreement.
10.09	Form of VeriSign, Inc. 2006 Equity Incentive Plan Employee Restricted Stock Unit Agreement.
10.10	Form of VeriSign, Inc. 2006 Equity Incentive Plan Performance Based Restricted Stock Unit Agreement.
31.01	Certification of Principal Executive Officer pursuant to Exchange Act Rule 13a-14(a).
31.02	Certification of Principal Financial Officer pursuant to Exchange Act Rule 13a-14(a).
32.01	Certification of Principal Executive Officer pursuant to Exchange Act Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the U.S. Code (18 U.S.C. 1350). *
32.02	Certification of Principal Financial Officer pursuant to Exchange Act Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the U.S. Code (18 U.S.C. 1350). *

† Certain portions of this exhibit have been omitted and have been filed separately with the SEC pursuant to a request for confidential treatment under Rule 24b-2 as promulgated under the Securities Exchange Act of 1934.

* As contemplated by SEC Release No. 33-8212, these exhibits are furnished with this Quarterly Report on Form 10-Q and are not deemed filed with the Securities and Exchange Commission and are not incorporated by reference in any filing of VeriSign, Inc. under the Securities Act of 1933 or the Securities Act of 1934, whether made before or after the date hereof and irrespective of any general incorporation language in such filings.

August 14, 2008

D. James Bidzos
361 Ridgewood Avenue
Mill Valley, CA 94941

Executive Employment Agreement

Dear Jim:

On behalf of VeriSign, Inc. ("***VeriSign***" or the "***Company***"), we are pleased to offer you this Executive Employment Agreement effective June 30, 2008 (the "***Effective Date***" or "***Hire Date***") on the terms set forth below (this "***Employment Agreement***").

1. **Position**. As of the Effective Date, you will serve as Executive Chairman, President, and Chief Executive Officer on an interim basis. You will have overall responsibility for the management of VeriSign and report directly to the Board. You will be expected to devote your full working time and attention to the business of VeriSign, and you will not render services to any other business without the prior approval of the Board or, directly or indirectly, engage or participate in any business that is competitive in any manner with the business of VeriSign.

2. **Cash Salary**. Your annual cash salary will be **$900,000** (less such payroll deductions and withholdings as are required by law); payable in bi-weekly installments in accordance with VeriSign's normal payroll practices (your "***Cash Salary***"). This annual Cash Salary shall be prorated for 2008 based on your Hire Date and is guaranteed for a six-month period. This annual Cash Salary will cease upon the appointment of a new Chief Executive Officer, but in no event before the expiration of the six-month period.

3. **Equity Compensation: Restricted Stock Unit (RSU) Award**. In connection with the commencement of your employment, the Compensation Committee of the Board granted to you restricted stock units to acquire **123,915** shares of VeriSign's common stock (the "***RSU Award***"). The RSU Award was granted to you on August 4, 2008. The RSU Award shall vest in equal installments on each quarterly anniversary of the date of grant of the RSU Award over a one-year period from the date of grant, regardless of whether your service as interim President and Chief Executive Officer continues for the full extent of the one-year vesting period. Your RSU Award and the issuance of the underlying VeriSign common stock will be subject to the terms and conditions of the VeriSign 2006 Plan and your RSU Award Agreement attached hereto as **Exhibit A**. VeriSign shall distribute the shares underlying the RSU Award (less applicable deductions and withholdings) to you within 30 days following the date on which such RSU Award vests.

4. **Other Benefits**. You will be eligible to receive all benefits that are offered to VeriSign senior executives, such as medical, dental and vision insurance coverage, subject, of course, to any eligibility requirements imposed by any third-party insurance provider. You will be eligible for Paid Time Off ("PTO") subject to VeriSign's PTO policy. New employees currently receive 18 days of paid time off per year in addition to 11 paid holidays per year. VeriSign's benefits offerings and PTO policy are subject to change.

5. **Confidentiality & Assignment of Inventions**. You and the Company shall enter into the standard form of Assignment of Inventions, Non-Disclosure & Nonsolicitation Agreement attached hereto as **Exhibit B**.

6. **Company Policies**. You agree to comply with and be bound by the Company's operating policies, procedures and practices that are from time to time in effect during the term of your employment, including, but not limited to, the VeriSign Code of Ethics & Business Conduct and the VeriSign Securities Trading Policy.

7. **Miscellaneous**.

a. **Absence of Conflicts**. You represent that as of the Effective Date your performance of your duties under this Employment Agreement will not breach any other agreement as to which you are a party.

b. **Successors**. This Employment Agreement is binding on and may be enforced by VeriSign and its successors and assigns and is binding on and may be enforced by you and your heirs and legal representatives. Any successor to VeriSign of substantially all of its business (whether by purchase, merger, consolidation or otherwise) will in advance assume in writing and be bound by all of VeriSign's obligations under this Employment Agreement.

c. **Amendment; Waiver**. No provision of this Employment Agreement will be modified or waived except in writing signed by you and an officer of VeriSign duly authorized by its Board. No waiver by either party of any breach of this Employment Agreement by the other party will be considered a waiver of any other breach of this Employment Agreement.

d. **Entire Agreement**. This Employment Agreement represents the entire agreement between us concerning the subject matter of your employment by VeriSign.

e. **Governing Law**. This Employment Agreement will be governed by the laws of the State of California without reference to conflict of laws provisions. Any claim, dispute or controversy arising out of this Employment Agreement, the interpretation, validity or enforceability of this Employment Agreement or the alleged breach thereof shall be subject to the exclusive jurisdiction of the state and federal courts in Santa Clara County California.

f. **Withholding Taxes; Section 409A**. All payments made under this Employment Agreement shall be subject to reduction to reflect all federal, state, local and other taxes required to be withheld by applicable law. Notwithstanding any provision to the contrary, to the extent (i) any payments to which you become entitled under this Employment Agreement, or any agreement or plan referenced herein, in connection with your termination of employment with the Company constitute deferred compensation subject to Section 409A of the Code, and (ii) you are deemed at the time of such termination of employment to be a "specified" employee under Section 409A of the Code, then such payment shall not be made or commence until the earliest of (i) the expiration of the six (6)-month period measured from the date of your "separation from service" (as such term is at the time defined in Treasury Regulations under Section 409A of the Code) with the Company; (ii) the date of your disability (as defined in the Code); or (iii) the date of your death following such separation from service; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to you, including (without limitation) the additional twenty percent (20%) tax for which you would otherwise be liable under Section 409A(a)(1)(B) of the Code in the absence of such deferral. Upon the expiration of the applicable deferral period, any payments which would have otherwise been made during that period (whether in a single sum or in installments) in the absence of this paragraph shall be paid to you or your beneficiary in one lump sum.

This offer is contingent upon your signing the Company's Confidentiality Agreements included with this offer and upon successful clearance of your background check. To the extent permitted by applicable law, such background checks may include, among other things, an investigation of your educational background, previous employment, previous addresses, department of motor vehicle records, a criminal records check, a check of sex-offender watch lists, a credit check, a social security check, drug testing, finger printing, and an investigation to determine whether you have been "statutorily disqualified," as such term is defined in section 3(a)(39) of the Securities Exchange Act of 1934 (as amended). From time to time, you may be required to redo the background check, such as if required by a customer for legitimate business reasons. This offer is also contingent upon your providing evidence of your legal right to work in the United States as required by the Immigration and Naturalization Service. This offer is for employment on an at-will basis, which means that this relationship can be terminated at any time by either party either with or without cause and with or without notice.

Jim, we are very pleased to extend this Employment Agreement to you. Please indicate your acceptance of the terms of this Employment Agreement by signing in the place indicated below.

Very truly yours,

/s/ Anne Marie Law

Anne Marie Law
Senior Vice President, Global Human Resources

Accepted and Agreed:

/s/ D. James Bidzos

D. James Bidzos

Date: August 20, 2008

No. U1007353

VERISIGN, INC.

2006 EQUITY INCENTIVE PLAN

EMPLOYEE RESTRICTED STOCK UNIT AGREEMENT

The Board of Directors of VeriSign, Inc. has approved a grant to you (the "***Participant***" named below) Restricted Stock Units ("***RSUs***") pursuant to the VeriSign, Inc. 2006 Equity Incentive Plan (the "***Plan***"), as described below. Capitalized terms not defined herein shall have the meaning ascribed to them in the Plan.

Participant:	D. James Bidzos
Number of RSUs:	123,915
Date of Grant:	August 4, 2008
Expiration Date:	The date on which settlement of all RSUs granted hereunder occurs, with earlier expiration upon the Termination Date.
Vesting Schedule:	The RSUs will vest as follows:

(a). 25% on the later to occur of (i) the first quarterly anniversary of the Date of Grant; (ii) the date next following the Date of Grant on which such Shares may be issued from the Plan in compliance with the requirements for use of the Form S-8 Registration Statement pursuant to which the Plan and such Shares have been registered with the SEC; and (iii) the date next following the Date of Grant on which the Company's common stock is listed on a "national securities exchange" (as defined in Sec. 6 of the Exchange Act); and (iv) if applicable, the date of certification of achievement of the applicable Performance Factors by the Committee.

(b). 25% on the later to occur of (i) the second quarterly anniversary of the Date of Grant; (ii) the date next following the Date of Grant on which such Shares may be issued from the Plan in compliance with the requirements for use of the Form S-8 Registration Statement pursuant to which the Plan and such Shares have been registered with the SEC; and (iii) the date next following the Date of Grant on which the Company's common stock is listed on a "national securities exchange" (as defined in Sec. 6 of the Exchange Act); and (iv) if applicable, the date of certification of achievement of the applicable Performance Factors by the Committee.

(c). 25% on the later to occur of (i) the third quarterly anniversary of the Date of Grant; (ii) the date next following the Date of Grant on which such Shares may be issued from the Plan in compliance with the requirements for use of the Form S-8 Registration Statement pursuant to which the Plan and such Shares have been registered with the SEC; and (iii) the date next following the Date of Grant on which the Company's common stock is listed on a "national securities exchange" (as defined in Sec. 6 of the Exchange Act); and (iv) if applicable, the date of certification of achievement of the applicable Performance Factors by the Committee.

(d). 25% on the later to occur of (i) the first anniversary of the Date of Grant; (ii) the date next following the Date of Grant on which such Shares may be issued from the Plan in compliance with the requirements for use of the Form S-8 Registration Statement pursuant to which the Plan and such Shares have been registered with the SEC; and (iii) the date next following the Date of Grant on which the Company's common stock is listed on a "national securities exchange" (as defined in Sec. 6 of the Exchange Act); and (iv) if applicable, the date of certification of achievement of the applicable Performance Factors by the Committee.

1. Settlement. Settlement of vested RSUs shall be made within 30 days following the applicable date of vesting under the above vesting schedule (provided that if at the time of settlement Participant is a "specified employee" of the Company under Section 409A, and settlement would be treated as a payment made on separation of service, then if required to avoid the taxes imposed by Section 409A settlement shall be delayed by six (6) months or such other period of time as is then required to avoid such taxes). Settlement of vested RSUs shall be in Shares; provided, that, pursuant to Section 7, if Shares may not be withheld as a result of foreign tax law, an appropriate number of RSUs may or may not be automatically settled in cash, depending upon the taxable jurisdiction. In addition, if determined by the Committee in its discretion at the time of payment, RSUs may also be settled in cash or some combination of cash and Shares. The Participant shall pay to the Company the aggregate par value of the Shares issued prior to their issuance (par value being $0.001 per Share) with such payment deemed to have been made for each Share, by Participant's services from the Date of Grant to the first applicable vesting date. Participant agrees that, if necessary due to applicable law, Participant shall pay to the Company each affected Share's par value by making appropriate payroll deductions from funds due the Participant.

2. No Stockholder Rights. Unless and until such time as Shares are issued in settlement of vested RSUs, the Participant shall have no ownership of the Shares allocated to the RSUs and shall have no right to vote such Shares, subject to the terms, conditions and restrictions described in the Plan and herein.

3. Dividend Equivalents. Any dividends paid in cash on Shares of the Company shall be credited to the Participant as additional RSUs as if the RSUs previously held by the Participant were outstanding Shares (in such number as determined by the Committee), as follows: such credit shall be made in whole and/or fractional RSUs and shall be based on the Fair Market Value of the Shares on the date of payment of such dividend. All such additional RSUs shall be subject to the same vesting requirements applicable to the RSUs in respect of which they were credited and shall be settled in accordance with, and at the time of, settlement of the vested RSUs to which they are related.

4. No Transfer. The RSUs and any interest therein: (i) shall not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of, and (ii) shall, if the Participant's continuous employment with the Company or any of its affiliates shall terminate for any reason (except as otherwise provided in the Plan or herein), be forfeited to the Company forthwith, and all the rights of the Participant to such RSUs shall immediately terminate.

5. <u>Termination</u>. In the event of Termination by the Company or the Participant, the Committee shall settle, in Shares, the value of any vested RSUs (based on the then Fair Market Value of Shares deemed allocated to such vested RSUs on the date of such Termination) as soon as practicable thereafter. In case of any dispute as to whether Termination has occurred, the Committee shall have sole discretion to determine whether such Termination has occurred and the effective date of such Termination.

6. <u>Acknowledgement</u>. The Company and the Participant agree that the RSUs are granted under and governed by this Restricted Stock Unit Agreement and by the provisions of the Plan (incorporated herein by reference). The Participant: (i) acknowledges receipt of a copy of the Plan and the Plan prospectus, (ii) represents that the Participant has carefully read and is familiar with their provisions, and (iii) hereby accepts the RSUs subject to all of the terms and conditions set forth herein and those set forth in the Plan. In the event that upon the 30th day after the Date of Grant, the Participant has not refused the RSUs by notice to the Company pursuant to Section 11 hereof, the Participant shall be deemed to have accepted the RSUs subject to all of the terms and conditions set forth herein and those set forth in the Plan.

7. <u>Tax Consequences</u>. The Participant acknowledges that there may be adverse tax consequences upon settlement of the RSUs or disposition of the Shares, if any, received in connection therewith and that the Company recommends that Participant should consult a tax adviser prior to such settlement or disposition. In particular, Participant must make arrangements, satisfactory to the Company, for satisfaction of any applicable foreign, federal, state or local income tax withholding requirements or social security requirements related to the grant of the RSUs or Participant's receipt of Shares in settlement thereof, including, in either case, any dividend paid in respect thereof. In the event settlement of the RSUs is made in Shares, the Company will satisfy the minimum statutory withholding tax obligation by withholding a certain number of Shares otherwise deliverable from the total number of Shares deliverable to the Participant upon settlement unless Shares may not be withheld as a result of foreign tax law (in which case an appropriate number of RSUs may or may not be automatically settled in cash, depending upon the taxable jurisdiction). In the event that any RSUs are settled in cash, or Shares may not be withheld as a result of foreign tax law, the Participant hereby authorizes the Company to withhold the required minimum amount from Participant's other sources of compensation from the Company or any Parent or Subsidiary.

8. <u>Compliance with Laws and Regulations</u>. The issuance of Shares will be subject to and conditioned upon compliance by the Company and Participant with all applicable state and federal laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's Common Stock may be listed or quoted at the time of such issuance or transfer.

9. <u>Successors and Assigns</u>. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement will be binding upon Participant and Participant's heirs, executors, administrators, legal representatives, successors and assigns.

10. <u>Governing Law; Severability</u>. This Agreement shall be governed by and construed in accordance with the internal laws of the State of California as such laws are applied to agreements between California residents entered into and to be performed entirely within California, excluding that body of laws pertaining to conflict of laws. If any provision of this Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

11. Notices. Any notice required to be given or delivered to the Company shall be in writing and addressed to the Corporate Secretary of the Company at its principal corporate offices. Any notice required to be given or delivered to Participant shall be in writing (including email) and addressed to Participant at the participant's Company email address, the address of record or to such other address as Participant may designate in writing from time to time to the Company or may be posted on the Participant's E*Trade VeriSign employee stock plan account at *www.etrade.com*. All notices shall be deemed effectively given upon personal delivery, (i) three (3) days after deposit in the United States mail by certified or registered mail (return receipt requested), (ii) one (1) business day after its deposit with any return receipt express courier (prepaid), (iii) one (1) business day after transmission by fax or telecopier, (iv) upon receipt if sent by the Company to the Participant's email address at the Company, or (v) upon posting on the Participant's E*Trade VeriSign employee stock plan account at *www.etrade.com*.

12. Further Instruments. The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Agreement.

13. Headings. The captions and headings of this Agreement are included for ease of reference only and are to be disregarded in interpreting or construing this Agreement.

14. Entire Agreement. The Plan and this Restricted Stock Unit Agreement for these RSUs constitute the entire agreement and understanding of the parties with respect to the subject matter herein and supersede all prior understandings and agreements, whether oral or written, between the parties hereto with respect to the specific subject matter hereof.

Please sign your name in the space provided below on this Restricted Stock Unit Agreement and return an executed copy to: Stock Administration, Attn: Linda Hart, VeriSign, Inc., 487 East Middlefield Road, Mountain View, CA 94043.

VERISIGN, INC.	**PARTICIPANT**
By:______________________________	______________________________
	Signature
Its:	

EXHIBIT B

**ASSIGNMENT OF INVENTION,
NONDISCLOSURE AND NONSOLICITATION AGREEMENT**

IN CONSIDERATION OF the value of my employment and/or continued employment with VeriSign, Inc. (hereinafter referred to collectively with its subsidiaries and affiliated entities as "VERISIGN"), the unique training and experience afforded to me at VERISIGN's expense, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, VERISIGN and I agree to this ASSIGNMENT OF INVENTION, NONDISCLOSURE AND NONSOLICITATION AGREEMENT ("Agreement") as follows:

1. <u>PROPRIETARY INFORMATION OF VERISIGN IS NOT TO BE DISCLOSED</u>.

(a) I agree that all information, whether or not in writing, of a private, secret or confidential nature concerning VERISIGN's business, business relationships or financial affairs (collectively, "Proprietary Information") is and shall be the exclusive property of VERISIGN. By way of illustration, but not limitation, Proprietary Information may include inventions, products, processes, methods, algorithms, devices, techniques, formulas, compositions, compounds, projects, developments, plans, research data, clinical data, financial data, personnel data, computer programs, customer and supplier lists, and contacts at or knowledge of customers or prospective customers of VERISIGN.

(b) I agree that all files, letters, memoranda, reports, records, data, sketches, drawings, laboratory notebooks, program listings, or other written, photographic, or other tangible material containing Proprietary Information, whether created by me or others, which shall come into my custody or possession, shall be and are the exclusive property of VERISIGN to be used by me only in the performance of my duties for VERISIGN and shall not be removed from VERISIGN's premises under any circumstances without prior written authorization. All such materials or copies thereof and all tangible property of VERISIGN in my custody or possession shall be delivered to VERISIGN, upon the earlier of (i) a request by VERISIGN or (ii) termination of my employment. After such delivery, I shall not retain any such materials or copies thereof or any such tangible property.

(c) I recognize, acknowledge and agree that during my employment and following the termination of that employment, whether voluntary or involuntary, whether with or without cause, and whether with or without notice, I will not, on my own behalf or as a partner, officer, director, employee, agent, administrator, teacher, trainer, advisor or consultant of any other person or entity, directly or indirectly, disclose Proprietary Information to any person or entity other than agents of VERISIGN, and I will not use or aid others in obtaining or using any such Proprietary Information without the express written permission of the Chief Executive Officer of VERISIGN or his/her designee. I agree that my obligation not to disclose or to use information and materials of the types set forth in paragraphs (a) and (b) above, and my obligation to return all materials and tangible property, set forth in paragraph (b) above, also extends to such types of information, materials and tangible property of customers of VERISIGN or suppliers to VERISIGN or other third parties who may have disclosed or entrusted the same to VERISIGN or to me.

(d) The obligations of this Section 1 will survive the termination of my employment unless and until such Proprietary Information becomes public knowledge and becomes matter in the public domain through no act or omission by me.

2. <u>INVENTIONS AND DEVELOPMENTS ARE PROPERTY OF VERISIGN</u>.

(a) If I shall (either alone or with others) make, conceive, create, discover, invent or reduce to practice any invention, modification, discovery, design, development, improvement, method, process, software program, work of authorship, documentation, formula, algorithm, data, technique, know-how, trade secret or intellectual property right whatsoever or any interest therein (whether or not patentable or registrable under copyright, trademark or similar statutes or subject to analogous protection) (herein called "Developments") at any time or times during my employment (whether during or after business hours and whether on or off VERISIGN's premises) or thereafter, which Developments are developed or made from knowledge gained from such employment that (i) relates to the business of VERISIGN or any customer of or supplier to VERISIGN in connection with such customer's or supplier's activities with VERISIGN or any of the products or services being developed, manufactured or sold by VERISIGN or which may be used in relation therewith, (ii) results from tasks assigned to me by VERISIGN or (iii) results from the use of premises or personal property (whether tangible or intangible) owned, leased or contracted for by VERISIGN, such Developments and the benefits thereof are and shall immediately become the sole and absolute property of VERISIGN and its assigns, as works made for hire to the extent permitted by law, or otherwise, and I shall promptly disclose to VERISIGN (or any persons designated by it) each such Development and, as may be necessary to ensure VERISIGN's ownership of such Developments, I hereby assign any and all rights, title and interest (including, but not limited to, any copyrights and trademarks) in and to the Developments and benefits and/or rights resulting therefrom to VERISIGN and its assigns without further compensation and shall communicate, without cost or delay, and without disclosing to others the same, all available information relating thereto (with all necessary plans and models) to VERISIGN. I hereby waive and agree to waive any and all moral rights or similar that I may have in any Developments.

(b) I shall keep complete notes, data and records of Developments in the manner and form requested by VERISIGN. I will, during my employment and at any time thereafter, at the request and cost of VERISIGN, promptly sign, execute, make and do all such deeds, documents, acts and things as VERISIGN and its duly authorized agents may reasonably require: (i) to apply for, obtain, register and vest in the name of VERISIGN alone (unless VERISIGN otherwise directs) letters patent, copyright, trademark or other analogous protection in any country throughout the world and when so obtained or vested to renew, maintain or restore the same; and (ii) to defend in any judicial, opposition, interference, or other proceedings in respect of such applications and any judicial, opposition, interference or other proceedings or petitions or applications for revocation of such letters patent, copyright, trademark or other analogous protection; and (iii) to waive any and all moral rights or similar that I may have in any Developments. VERISIGN is under no obligation to procure or protect Developments.

(c) To the extent I may have incorporated any of my pre-existing materials in the Developments, I hereby grant to VERISIGN the irrevocable, perpetual, non-exclusive, worldwide, royalty-free license to use, execute, reproduce, display, perform, distribute copies of, and prepare derivative works based upon, such pre-existing materials, and to authorize others to do any or all of the foregoing.

(d) Listed below are titles and identifications of reserved works, if any, that I have previously made, conceived, created, discovered, invented or reduced to practice, and that are expressly excluded from Developments.

3. I AM NOT BOUND BY OTHER AGREEMENTS.

I hereby represent and warrant that, (i) except as I have disclosed in writing to VERISIGN, I am not bound by the terms of any agreement with any previous employer or other party to refrain from competing, directly or indirectly, with the business of such previous employer or any other party; (ii) to the best of my knowledge, my performance of all the terms of this Agreement and as an employee of VERISIGN does not and will not breach any agreement to keep in confidence proprietary information, knowledge or data acquired by me in confidence or in trust prior to my employment with VERISIGN, and I will not knowingly disclose to VERISIGN or induce VERISIGN to use any confidential or proprietary information or material belonging to any previous employer or others; (iii) I have the full right and authority to perform my obligations and grant the rights and licenses granted herein, and I have neither assigned nor otherwise entered into an agreement that would conflict with my obligations under this Agreement. I covenant and agree that I shall not enter into any such agreement.

4. I WILL ADHERE TO GOVERNMENT OR OTHER THIRD PARTY OBLIGATIONS.

I acknowledge that VERISIGN from time to time may have agreements with other persons or entities or with the United States Government, or agencies thereof, which impose obligations or restrictions on VERISIGN regarding inventions made during the course of work under such agreements or regarding the sensitive nature of such work. I agree to be bound by all such obligations and restrictions which are made known to me and to take all action necessary to discharge the obligations of VERISIGN under such agreements.

5. I AM AN EMPLOYEE AT-WILL.

I understand and agree that my employment with VERISIGN is not for any definite period of time and that nothing provided for in this Agreement in any way creates an express or implied contract of employment or warranty of any benefits. I further understand that any and all of the rules, policies, wages and benefits referred to in any employee handbook or manual may be unilaterally amended, modified, reduced or discontinued at any time by VERISIGN, in its judgment and discretion. I also agree that either VERISIGN or I can terminate my employment at any time, with or without cause and with or without notice. I understand and agree that no agreement for employment for any specified period of time or contrary in any way to the foregoing is valid unless made in writing and signed by the Chief Executive Officer of VERISIGN or his/her designee.

6. I WILL NOT SOLICIT VERISIGN'S EMPLOYEES.

During the period of my employment, and for a period of one (1) year after the termination or expiration thereof, and without limiting the applicability of any other provisions of this Agreement that are intended to operate after such termination or expiration, I recognize, acknowledge and agree that I will not, directly or indirectly (other than as the holder of not more than one percent (1%) of the total outstanding stock of a publicly held company), either on my own behalf or as an owner, shareholder, partner, member, participant, officer, director, employee, agent, representative, advisor or consultant of any other individual, entity or enterprise, do or attempt to do any of the following:

(a) solicit, encourage or induce any current or prospective clients, customers, suppliers, vendors or contractors of VERISIGN to terminate or adversely modify any business relationship with VERISIGN or not to proceed with, enter into, renew or continue any business relationship with VERISIGN, or otherwise interfere with any business relationship between VERISIGN and any such person; or

(b) solicit, encourage or induce any officer, director, employee, agent, partner, consultant or independent contractor of VERISIGN to terminate any employment or relationship with VERISIGN, employ or engage any such person, or otherwise interfere with or disrupt VERISIGN's relationship with any such person.

7. I WILL NOT ENGAGE IN CONFLICTS OF INTEREST.

I recognize, acknowledge and agree to comply with all rules and policies of VERISIGN, including but not limited to those relating to conflicts of interest, and without limiting the generality of the foregoing:

(a) I will promptly notify VERISIGN of any conflicts of interest or gifts or offers of gifts or remuneration from clients, consultants, customers, suppliers, partners, officers, agents, directors, employees, vendors, contractors or others doing or seeking to do business with VERISIGN, and will not accept such gifts or remuneration; and

(b) I will promptly inform VERISIGN of any business opportunities coming to my attention that relate to the existing or prospective business of VERISIGN and will not participate in any such opportunities without the prior written consent of VERISIGN.

8. MISCELLANEOUS.

(a) This Agreement shall be enforceable to the fullest extent allowed by law. In the event that a court holds any provision of this Agreement to be excessively broad as to scope, activity, geography, time-period, subject, or otherwise so as to be invalid or unenforceable, I agree that, if allowed by law, that provision shall be reduced, modified or otherwise conformed to the relevant law, judgment or determination to the maximum degree necessary to render it valid and enforceable without affecting the rest of this Agreement, and, if such reduction or modification is not allowed by law, the parties shall promptly agree in writing to a provision to be substituted therefore which will have an effect as close as possible to the invalid or unenforceable provision that is consistent with applicable law. The invalidity or unenforceability of any provision of this Agreement shall not affect or limit the validity and enforceability of the other provisions hereof.

(b) The failure of VERISIGN to enforce any term of this Agreement shall not constitute a waiver of any rights or deprive VERISIGN of the right to insist thereafter upon strict adherence to that or any other term of this Agreement, nor shall a waiver of any breach of this Agreement constitute a waiver of any preceding or succeeding breach. No waiver of a right under any provision of this Agreement shall be binding on VERISIGN unless made in writing and signed by the Chief Executive Officer of VERISIGN or his/her designee.

(c) The restrictions contained in this Agreement are necessary for the protection of the business and goodwill of VERISIGN and are considered by me to be reasonable for such purpose. I recognize, acknowledge and agree that any breach by me of any of the provisions contained in this Agreement will cause VERISIGN immediate, material and irreparable injury and damage, and there is no adequate remedy at law for such breach. Accordingly, in the event of a breach of any of the provisions of this Agreement by me, in addition to any other remedies it may have at law or in equity, VERISIGN shall be entitled immediately to seek enforcement of this Agreement in a court of competent jurisdiction by means of a decree of specific performance, an injunction without the posting of a bond or the requirement of any other guarantee, and any other form of equitable relief, and VERISIGN is entitled to recover from me the costs and attorneys' fees it incurs to recover under this Agreement. This provision is not a waiver of any other rights which VERISIGN may have under this Agreement, including the right to recover money damages.

(d) This Agreement shall be binding upon me and my heirs, successors, assigns, and personal representatives, and will inure to the benefit of VERISIGN, its affiliates, successors and its assigns, that this Agreement is personal to me, and that I may not assign any rights or duties under this Agreement.

(e) This Agreement contains the entire agreement between me and VERISIGN with respect to the subject matter herein and supersedes all prior agreements, written or oral, between me and VERISIGN relating to the subject matter of this Agreement. All previous discussions, promises, representations, and understandings relating to the topics herein discussed are hereby merged into this Agreement. This Agreement may not be modified, changed or discharged in whole or in part, except by an agreement in writing signed by me and the Chief Executive Officer of VERISIGN or his/her designee. No person has any authority to make any representation or promise on behalf of any of the parties not set forth herein, and this Agreement has not been executed in reliance upon any representation or promise except those recited herein. I agree that any change or changes in my duties, salary or compensation after the signing of this Agreement shall not affect the validity or scope of this Agreement.

(f) I expressly consent to be bound by the provisions of this Agreement for the benefit of VERISIGN or any subsidiary or affiliate thereof to whose employ I may be transferred without the necessity that this Agreement be re-signed at the time of such transfer.

(g) This Agreement is governed by and will be construed as a sealed instrument under and in accordance with the laws of the Commonwealth of Virginia, except for provision 8(h). The headings herein are for convenience only and do not limit or restrict the meaning or interpretation of the text of this Agreement.

(h) Notice to California Employees. Section 2870, subsection (a), of the California Labor Code provides:

"(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either (1) relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or (2) result from any work performed by the employee for the employer."

I ACKNOWLEDGE THAT I HAVE CAREFULLY READ THIS AGREEMENT IN ITS ENTIRETY AND UNDERSTAND ALL OF ITS TERMS AND CONDITIONS, THAT I HAVE HAD THE OPPORTUNITY TO CONSULT WITH ANYONE OF MY CHOICE REGARDING THIS AGREEMENT, THAT I AM ENTERING INTO THIS AGREEMENT OF MY OWN FREE WILL, WITHOUT COERCION FROM ANY SOURCE, AND THAT I AGREE TO ABIDE BY ALL OF THE TERMS AND CONDITIONS HEREIN CONTAINED.

____
D. James Bidzos

Date:

RESERVED INVENTIONS OR WORKS AUTHORED PRIOR TO EMPLOYMENT

Title	Description

EXHIBIT 10.02

No. U1007353

VERISIGN, INC.

2006 EQUITY INCENTIVE PLAN

AMENDED AND RESTATED EMPLOYEE RESTRICTED STOCK UNIT AGREEMENT

The Board of Directors of VeriSign, Inc. granted to you (the "***Participant***" named below) Restricted Stock Units ("***RSUs***") pursuant to the VeriSign, Inc. 2006 Equity Incentive Plan (the "***Plan***"), on August 4, 2008. On October 14, 2008, the Board and you have determined to amend such Award and amend and restate the related Award Agreement to provide for an additional vesting event by execution of this Amended and Restated Employee Restricted Stock Unit Agreement (this ***"Agreement"***). Capitalized terms not defined herein shall have the meaning ascribed to them in the Plan.

Participant:
D. James Bidzos

Number of RSUs:
123,915

Date of Grant:
August 4, 2008

Expiration Date: The date on which settlement of all RSUs granted hereunder occurs, with earlier expiration upon the Termination Date.

Vesting Schedule:
The RSUs will vest as follows:

(a). 25% on the later to occur of (i) the first quarterly anniversary of the Date of Grant; (ii) the date next following the Date of Grant on which such Shares may be issued from the Plan in compliance with the requirements for use of the Form S-8 Registration Statement pursuant to which the Plan and such Shares have been registered with the SEC; and (iii) the date next following the Date of Grant on which the Company's common stock is listed on a "national securities exchange" (as defined in Sec. 6 of the Exchange Act); and (iv) if applicable, the date of certification of achievement of the applicable Performance Factors by the Committee.

(b). 25% on the later to occur of (i) the second quarterly anniversary of the Date of Grant; (ii) the date next following the Date of Grant on which such Shares may be issued from the Plan in compliance with the requirements for use of the Form S-8 Registration Statement pursuant to which the Plan and such Shares have been registered with the SEC; and (iii) the date next following the Date of Grant on which the Company's common stock is listed on a "national securities exchange" (as defined in Sec. 6 of the Exchange Act); and (iv) if applicable, the date of certification of achievement of the applicable Performance Factors by the Committee.

(c). 25% on the later to occur of (i) the third quarterly anniversary of the Date of Grant; (ii) the date next following the Date of Grant on which such Shares may be issued from the Plan in compliance with the requirements for use of the Form S-8 Registration Statement pursuant to which the Plan and such Shares have been registered with the SEC; and (iii) the date next following the Date of Grant on which the Company's common stock is listed on a "national securities exchange" (as defined in Sec. 6 of the Exchange Act); and (iv) if applicable, the date of certification of achievement of the applicable Performance Factors by the Committee.

(d). 25% on the later to occur of (i) the first anniversary of the Date of Grant; (ii) the date next following the Date of Grant on which such Shares may be issued from the Plan in compliance with the requirements for use of the Form S-8 Registration Statement pursuant to which the Plan and such Shares have been registered with the SEC; and (iii) the date next following the Date of Grant on which the Company's common stock is listed on a "national securities exchange" (as defined in Sec. 6 of the Exchange Act); and (iv) if applicable, the date of certification of achievement of the applicable Performance Factors by the Committee.

(e). Notwithstanding the foregoing, all then unvested and outstanding RSUs granted under this Agreement shall have their vesting accelerated in full immediately prior to the occurrence of a Change-in-Control (as defined below) and be settled in accordance with Section 1 below.

For purposes of this Agreement, "Change-in-Control" means:

(i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than a trustee or other fiduciary holding securities of the Company under an employee benefit plan of the Company or its subsidiaries, becomes the "beneficial owner" (as defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly (excluding, for purposes of this provision, securities acquired directly from the Company), of securities of the Company representing at least thirty percent (30%) of (A) the then-outstanding shares of common stock of the Company or (B) the combined voting power of the Company's then-outstanding securities;

(ii) the consummation of a merger or consolidation, or series of related transactions, which results in the voting securities of the Company outstanding immediately prior thereto failing to continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity), directly or indirectly, at least fifty (50%) percent of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation;

(iii) a change in the composition of the Board occurring within a 24-month period, as a result of which fewer than a majority of the Directors are Incumbent Directors (as defined below);

(iv) the sale or disposition of all or substantially all of the Company's assets (or consummation of any transaction, or series of related transactions, having similar effect); or

(v) stockholder approval of the dissolution or liquidation of the Company.

For purposes of this Restricted Stock Unit Agreement, "Incumbent Directors" shall mean directors who either (i) are directors as of the date hereof, or (ii) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors to the Company).

1. Settlement. Settlement of vested RSUs shall be made within 30 days following the applicable date of vesting under the above vesting schedule (provided that if at the time of settlement Participant is a "specified employee" of the Company under Section 409A, and settlement would be treated as a payment made on separation of service, then if required to avoid the taxes imposed by Section 409A settlement shall be delayed by six (6) months or such other period of time as is then required to avoid such taxes). Settlement of vested RSUs shall be in Shares; provided, that, pursuant to Section 7, if Shares may not be withheld as a result of foreign tax law, an appropriate number of RSUs may or may not be automatically settled in cash, depending upon the taxable jurisdiction. In addition, if determined by the Committee in its discretion at the time of payment, RSUs may also be settled in cash or some combination of cash and Shares. The Participant shall pay to the Company the aggregate par value of the Shares issued prior to their issuance (par value being $0.001 per Share) with such payment deemed to have been made for each Share, by Participant's services from the Date of Grant to the first applicable vesting date. Participant agrees that, if necessary due to applicable law, Participant shall pay to the Company each affected Share's par value by making appropriate payroll deductions from funds due the Participant.

2. No Stockholder Rights. Unless and until such time as Shares are issued in settlement of vested RSUs, the Participant shall have no ownership of the Shares allocated to the RSUs and shall have no right to vote such Shares, subject to the terms, conditions and restrictions described in the Plan and herein.

3. Dividend Equivalents. Any dividends paid in cash on Shares of the Company shall be credited to the Participant as additional RSUs as if the RSUs previously held by the Participant were outstanding Shares (in such number as determined by the Committee), as follows: such credit shall be made in whole and/or fractional RSUs and shall be based on the Fair Market Value of the Shares on the date of payment of such dividend. All such additional RSUs shall be subject to the same vesting requirements applicable to the RSUs in respect of which they were credited and shall be settled in accordance with, and at the time of, settlement of the vested RSUs to which they are related.

4. No Transfer. The RSUs and any interest therein: (i) shall not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of, and (ii) shall, if the Participant's continuous employment with the Company or any of its affiliates shall terminate for any reason (except as otherwise provided in the Plan or herein), be forfeited to the Company forthwith, and all the rights of the Participant to such RSUs shall immediately terminate.

5. Termination. In the event of Termination by the Company or the Participant, the Committee shall settle, in Shares, the value of any vested RSUs (based on the then Fair Market Value of Shares deemed allocated to such vested RSUs on the date of such Termination) as soon as practicable thereafter. In case of any dispute as to whether Termination has occurred, the Committee shall have sole discretion to determine whether such Termination has occurred and the effective date of such Termination.

6. Acknowledgement. The Company and the Participant agree that the RSUs are granted under and governed by this Restricted Stock Unit Agreement and by the provisions of the Plan (incorporated herein by reference). The Participant: (i) acknowledges receipt of a copy of the Plan and the Plan prospectus, (ii) represents that the Participant has carefully read and is familiar with their provisions, and (iii) hereby accepts the RSUs subject to all of the terms and conditions set forth herein and those set forth in the Plan. In the event that upon the 30th day after the Date of Grant, the Participant has not refused the RSUs by notice to the Company pursuant to Section 11 hereof, the Participant shall be deemed to have accepted the RSUs subject to all of the terms and conditions set forth herein and those set forth in the Plan.

7. Tax Consequences. The Participant acknowledges that there may be adverse tax consequences upon settlement of the RSUs or disposition of the Shares, if any, received in connection therewith and that the Company recommends that Participant should consult a tax adviser prior to such settlement or disposition. In particular, Participant must make arrangements, satisfactory to the Company, for satisfaction of any applicable foreign, federal, state or local income tax withholding requirements or social security requirements related to the grant of the RSUs or Participant's receipt of Shares in settlement thereof, including, in either case, any dividend paid in respect thereof. In the event settlement of the RSUs is made in Shares, the Company will satisfy the minimum statutory withholding tax obligation by withholding a certain number of Shares otherwise deliverable from the total number of Shares deliverable to the Participant upon settlement unless Shares may not be withheld as a result of foreign tax law (in which case an appropriate number of RSUs may or may not be automatically settled in cash, depending upon the taxable jurisdiction). In the event that any RSUs are settled in cash, or Shares may not be withheld as a result of foreign tax law, the Participant hereby authorizes the Company to withhold the required minimum amount from Participant's other sources of compensation from the Company or any Parent or Subsidiary.

8. Compliance with Laws and Regulations. The issuance of Shares will be subject to and conditioned upon compliance by the Company and Participant with all applicable state and federal laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's Common Stock may be listed or quoted at the time of such issuance or transfer.

9. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement will be binding upon Participant and Participant's heirs, executors, administrators, legal representatives, successors and assigns.

10. Governing Law; Severability. This Agreement shall be governed by and construed in accordance with the internal laws of the State of California as such laws are applied to agreements between California residents entered into and to be performed entirely within California, excluding that body of laws pertaining to conflict of laws. If any provision of this Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

11. <u>Notices</u>. Any notice required to be given or delivered to the Company shall be in writing and addressed to the Corporate Secretary of the Company at its principal corporate offices. Any notice required to be given or delivered to Participant shall be in writing (including email) and addressed to Participant at the participant's Company email address, the address of record or to such other address as Participant may designate in writing from time to time to the Company or may be posted on the Participant's E*Trade VeriSign employee stock plan account at *<u>www.etrade.com</u>*. All notices shall be deemed effectively given upon personal delivery, (i) three (3) days after deposit in the United States mail by certified or registered mail (return receipt requested), (ii) one (1) business day after its deposit with any return receipt express courier (prepaid), (iii) one (1) business day after transmission by fax or telecopier, (iv) upon receipt if sent by the Company to the Participant's email address at the Company, or (v) upon posting on the Participant's E*Trade VeriSign employee stock plan account at *<u>www.etrade.com</u>*.

12. <u>Further Instruments</u>. The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Agreement.

13. <u>Headings</u>. The captions and headings of this Agreement are included for ease of reference only and are to be disregarded in interpreting or construing this Agreement.

14. <u>Entire Agreement</u>. The Plan and this Restricted Stock Unit Agreement for these RSUs constitute the entire agreement and understanding of the parties with respect to the subject matter herein and supersede all prior understandings and agreements, whether oral or written, between the parties hereto with respect to the specific subject matter hereof.

Please sign your name in the space provided below on this Restricted Stock Unit Agreement and return an executed copy to: Stock Administration, Attn: Linda Hart, VeriSign, Inc., 487 East Middlefield Road, Mountain View, CA 94043.

VERISIGN, INC.	**PARTICIPANT**
By: /s/ Richard H. Goshorn	/s/ D. James Bidzos
	Signature
Its: Senior Vice President, General Counsel and Secretary	

ASSIGNMENT OF INVENTION,
NONDISCLOSURE AND NONSOLICITATION AGREEMENT

IN CONSIDERATION OF the value of my employment and/or continued employment with VeriSign, Inc. (hereinafter referred to collectively with its subsidiaries and affiliated entities as "VERISIGN"), the unique training and experience afforded to me at VERISIGN's expense, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, VERISIGN and I agree to this ASSIGNMENT OF INVENTION, NONDISCLOSURE AND NONSOLICITATION AGREEMENT ("Agreement") as follows:

1. PROPRIETARY INFORMATION OF VERISIGN IS NOT TO BE DISCLOSED.

(a) I agree that all information, whether or not in writing, of a private, secret or confidential nature concerning VERISIGN's business, business relationships or financial affairs (collectively, "Proprietary Information") is and shall be the exclusive property of VERISIGN. By way of illustration, but not limitation, Proprietary Information may include inventions, products, processes, methods, algorithms, devices, techniques, formulas, compositions, compounds, projects, developments, plans, research data, clinical data, financial data, personnel data, computer programs, customer and supplier lists, and contacts at or knowledge of customers or prospective customers of VERISIGN.

(b) I agree that all files, letters, memoranda, reports, records, data, sketches, drawings, laboratory notebooks, program listings, or other written, photographic, or other tangible material containing Proprietary Information, whether created by me or others, which shall come into my custody or possession, shall be and are the exclusive property of VERISIGN to be used by me only in the performance of my duties for VERISIGN and shall not be removed from VERISIGN's premises under any circumstances without prior written authorization. All such materials or copies thereof and all tangible property of VERISIGN in my custody or possession shall be delivered to VERISIGN, upon the earlier of (i) a request by VERISIGN or (ii) termination of my employment. After such delivery, I shall not retain any such materials or copies thereof or any such tangible property.

(c) I recognize, acknowledge and agree that during my employment and following the termination of that employment, whether voluntary or involuntary, whether with or without cause, and whether with or without notice, I will not, on my own behalf or as a partner, officer, director, employee, agent, administrator, teacher, trainer, advisor or consultant of any other person or entity, directly or indirectly, disclose Proprietary Information to any person or entity other than agents of VERISIGN, and I will not use or aid others in obtaining or using any such Proprietary Information without the express written permission of the Chief Executive Officer of VERISIGN or his/her designee. I agree that my obligation not to disclose or to use information and materials of the types set forth in paragraphs (a) and (b) above, and my obligation to return all materials and tangible property, set forth in paragraph (b) above, also extends to such types of information, materials and tangible property of customers of VERISIGN or suppliers to VERISIGN or other third parties who may have disclosed or entrusted the same to VERISIGN or to me.

(d) The obligations of this Section 1 will survive the termination of my employment unless and until such Proprietary Information becomes public knowledge and becomes matter in the public domain through no act or omission by me.

2. <u>INVENTIONS AND DEVELOPMENTS ARE PROPERTY OF VERISIGN</u>.

(a) If I shall (either alone or with others) make, conceive, create, discover, invent or reduce to practice any invention, modification, discovery, design, development, improvement, method, process, software program, work of authorship, documentation, formula, algorithm, data, technique, know-how, trade secret or intellectual property right whatsoever or any interest therein (whether or not patentable or registrable under copyright, trademark or similar statutes or subject to analogous protection) (herein called "Developments") at any time or times during my employment (whether during or after business hours and whether on or off VERISIGN's premises) or thereafter, which Developments are developed or made from knowledge gained from such employment that (i) relates to the business of VERISIGN or any customer of or supplier to VERISIGN in connection with such customer's or supplier's activities with VERISIGN or any of the products or services being developed, manufactured or sold by VERISIGN or which may be used in relation therewith, (ii) results from tasks assigned to me by VERISIGN or (iii) results from the use of premises or personal property (whether tangible or intangible) owned, leased or contracted for by VERISIGN, such Developments and the benefits thereof are and shall immediately become the sole and absolute property of VERISIGN and its assigns, as works made for hire to the extent permitted by law, or otherwise, and I shall promptly disclose to VERISIGN (or any persons designated by it) each such Development and, as may be necessary to ensure VERISIGN's ownership of such Developments, I hereby assign any and all rights, title and interest (including, but not limited to, any copyrights and trademarks) in and to the Developments and benefits and/or rights resulting therefrom to VERISIGN and its assigns without further compensation and shall communicate, without cost or delay, and without disclosing to others the same, all available information relating thereto (with all necessary plans and models) to VERISIGN. I hereby waive and agree to waive any and all moral rights or similar that I may have in any Developments.

(b) I shall keep complete notes, data and records of Developments in the manner and form requested by VERISIGN. I will, during my employment and at any time thereafter, at the request and cost of VERISIGN, promptly sign, execute, make and do all such deeds, documents, acts and things as VERISIGN and its duly authorized agents may reasonably require: (i) to apply for, obtain, register and vest in the name of VERISIGN alone (unless VERISIGN otherwise directs) letters patent, copyright, trademark or other analogous protection in any country throughout the world and when so obtained or vested to renew, maintain or restore the same; and (ii) to defend in any judicial, opposition, interference, or other proceedings in respect of such applications and any judicial, opposition, interference or other proceedings or petitions or applications for revocation of such letters patent, copyright, trademark or other analogous protection; and (iii) to waive any and all moral rights or similar that I may have in any Developments. VERISIGN is under no obligation to procure or protect Developments.

(c) To the extent I may have incorporated any of my pre-existing materials in the Developments, I hereby grant to VERISIGN the irrevocable, perpetual, non-exclusive, worldwide, royalty-free license to use, execute, reproduce, display, perform, distribute copies of, and prepare derivative works based upon, such pre-existing materials, and to authorize others to do any or all of the foregoing.

(d) Listed below are titles and identifications of reserved works, if any, that I have previously made, conceived, created, discovered, invented or reduced to practice, and that are expressly excluded from Developments.

3. I AM NOT BOUND BY OTHER AGREEMENTS.

I hereby represent and warrant that, (i) except as I have disclosed in writing to VERISIGN, I am not bound by the terms of any agreement with any previous employer or other party to refrain from competing, directly or indirectly, with the business of such previous employer or any other party; (ii) to the best of my knowledge, my performance of all the terms of this Agreement and as an employee of VERISIGN does not and will not breach any agreement to keep in confidence proprietary information, knowledge or data acquired by me in confidence or in trust prior to my employment with VERISIGN, and I will not knowingly disclose to VERISIGN or induce VERISIGN to use any confidential or proprietary information or material belonging to any previous employer or others; (iii) I have the full right and authority to perform my obligations and grant the rights and licenses granted herein, and I have neither assigned nor otherwise entered into an agreement that would conflict with my obligations under this Agreement. I covenant and agree that I shall not enter into any such agreement.

4. I WILL ADHERE TO GOVERNMENT OR OTHER THIRD PARTY OBLIGATIONS.

I acknowledge that VERISIGN from time to time may have agreements with other persons or entities or with the United States Government, or agencies thereof, which impose obligations or restrictions on VERISIGN regarding inventions made during the course of work under such agreements or regarding the sensitive nature of such work. I agree to be bound by all such obligations and restrictions which are made known to me and to take all action necessary to discharge the obligations of VERISIGN under such agreements.

5. I AM AN EMPLOYEE AT-WILL.

I understand and agree that my employment with VERISIGN is not for any definite period of time and that nothing provided for in this Agreement in any way creates an express or implied contract of employment or warranty of any benefits. I further understand that any and all of the rules, policies, wages and benefits referred to in any employee handbook or manual may be unilaterally amended, modified, reduced or discontinued at any time by VERISIGN, in its judgment and discretion. I also agree that either VERISIGN or I can terminate my employment at any time, with or without cause and with or without notice. I understand and agree that no agreement for employment for any specified period of time or contrary in any way to the foregoing is valid unless made in writing and signed by the Chief Executive Officer of VERISIGN or his/her designee.

6. I WILL NOT SOLICIT VERISIGN'S EMPLOYEES.

During the period of my employment, and for a period of one (1) year after the termination or expiration thereof, and without limiting the applicability of any other provisions of this Agreement that are intended to operate after such termination or expiration, I recognize, acknowledge and agree that I will not, directly or indirectly (other than as the holder of not more than one percent (1%) of the total outstanding stock of a publicly held company), either on my own behalf or as an owner, shareholder, partner, member, participant, officer, director, employee, agent, representative, advisor or consultant of any other individual, entity or enterprise, do or attempt to do any of the following:

(a) solicit, encourage or induce any current or prospective clients, customers, suppliers, vendors or contractors of VERISIGN to terminate or adversely modify any business relationship with VERISIGN or not to proceed with, enter into, renew or continue any business relationship with VERISIGN, or otherwise interfere with any business relationship between VERISIGN and any such person; or

(b) solicit, encourage or induce any officer, director, employee, agent, partner, consultant or independent contractor of VERISIGN to terminate any employment or relationship with VERISIGN, employ or engage any such person, or otherwise interfere with or disrupt VERISIGN's relationship with any such person.

7. I WILL NOT ENGAGE IN CONFLICTS OF INTEREST.

I recognize, acknowledge and agree to comply with all rules and policies of VERISIGN, including but not limited to those relating to conflicts of interest, and without limiting the generality of the foregoing:

(a) I will promptly notify VERISIGN of any conflicts of interest or gifts or offers of gifts or remuneration from clients, consultants, customers, suppliers, partners, officers, agents, directors, employees, vendors, contractors or others doing or seeking to do business with VERISIGN, and will not accept such gifts or remuneration; and

(b) I will promptly inform VERISIGN of any business opportunities coming to my attention that relate to the existing or prospective business of VERISIGN and will not participate in any such opportunities without the prior written consent of VERISIGN.

8. MISCELLANEOUS.

(a) This Agreement shall be enforceable to the fullest extent allowed by law. In the event that a court holds any provision of this Agreement to be excessively broad as to scope, activity, geography, time-period, subject, or otherwise so as to be invalid or unenforceable, I agree that, if allowed by law, that provision shall be reduced, modified or otherwise conformed to the relevant law, judgment or determination to the maximum degree necessary to render it valid and enforceable without affecting the rest of this Agreement, and, if such reduction or modification is not allowed by law, the parties shall promptly agree in writing to a provision to be substituted therefore which will have an effect as close as possible to the invalid or unenforceable provision that is consistent with applicable law. The invalidity or unenforceability of any provision of this Agreement shall not affect or limit the validity and enforceability of the other provisions hereof.

(b) The failure of VERISIGN to enforce any term of this Agreement shall not constitute a waiver of any rights or deprive VERISIGN of the right to insist thereafter upon strict adherence to that or any other term of this Agreement, nor shall a waiver of any breach of this Agreement constitute a waiver of any preceding or succeeding breach. No waiver of a right under any provision of this Agreement shall be binding on VERISIGN unless made in writing and signed by the Chief Executive Officer of VERISIGN or his/her designee.

(c) The restrictions contained in this Agreement are necessary for the protection of the business and goodwill of VERISIGN and are considered by me to be reasonable for such purpose. I recognize, acknowledge and agree that any breach by me of any of the provisions contained in this Agreement will cause VERISIGN immediate, material and irreparable injury and damage, and there is no adequate remedy at law for such breach. Accordingly, in the event of a breach of any of the provisions of this Agreement by me, in addition to any other remedies it may have at law or in equity, VERISIGN shall be entitled immediately to seek enforcement of this Agreement in a court of competent jurisdiction by means of a decree of specific performance, an injunction without the posting of a bond or the requirement of any other guarantee, and any other form of equitable relief, and VERISIGN is entitled to recover from me the costs and attorneys’ fees it incurs to recover under this Agreement. This provision is not a waiver of any other rights which VERISIGN may have under this Agreement, including the right to recover money damages.

(d) This Agreement shall be binding upon me and my heirs, successors, assigns, and personal representatives, and will inure to the benefit of VERISIGN, its affiliates, successors and its assigns, that this Agreement is personal to me, and that I may not assign any rights or duties under this Agreement.

(e) This Agreement contains the entire agreement between me and VERISIGN with respect to the subject matter herein and supersedes all prior agreements, written or oral, between me and VERISIGN relating to the subject matter of this Agreement. All previous discussions, promises, representations, and understandings relating to the topics herein discussed are hereby merged into this Agreement. This Agreement may not be modified, changed or discharged in whole or in part, except by an agreement in writing signed by me and the Chief Executive Officer of VERISIGN or his/her designee. No person has any authority to make any representation or promise on behalf of any of the parties not set forth herein, and this Agreement has not been executed in reliance upon any representation or promise except those recited herein. I agree that any change or changes in my duties, salary or compensation after the signing of this Agreement shall not affect the validity or scope of this Agreement.

(f) I expressly consent to be bound by the provisions of this Agreement for the benefit of VERISIGN or any subsidiary or affiliate thereof to whose employ I may be transferred without the necessity that this Agreement be re-signed at the time of such transfer.

(g) This Agreement is governed by and will be construed as a sealed instrument under and in accordance with the laws of the Commonwealth of Virginia, except for provision 8(h). The headings herein are for convenience only and do not limit or restrict the meaning or interpretation of the text of this Agreement.

(h) Notice to California Employees. Section 2870, subsection (a), of the California Labor Code provides:

"(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either (1) relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or (2) result from any work performed by the employee for the employer."

I ACKNOWLEDGE THAT I HAVE CAREFULLY READ THIS AGREEMENT IN ITS ENTIRETY AND UNDERSTAND ALL OF ITS TERMS AND CONDITIONS, THAT I HAVE HAD THE OPPORTUNITY TO CONSULT WITH ANYONE OF MY CHOICE REGARDING THIS AGREEMENT, THAT I AM ENTERING INTO THIS AGREEMENT OF MY OWN FREE WILL, WITHOUT COERCION FROM ANY SOURCE, AND THAT I AGREE TO ABIDE BY ALL OF THE TERMS AND CONDITIONS HEREIN CONTAINED.

/s/ D. James Bidzos
D. James Bidzos

Date: August 20, 2008

RESERVED INVENTIONS OR WORKS AUTHORED PRIOR TO EMPLOYMENT

Title	Description

CONFIDENTIAL TREATMENT REQUESTED

CONSULTING AGREEMENT

This Consulting Agreement ("Agreement") is made by and between **VeriSign, Inc.**, a Delaware corporation with offices at 487 E. Middlefield Road, Mountain View, California 94043 ("VeriSign"), and **Roger Moore**, a United States citizen, with his principal residence at [***] ("Consultant").

RECITALS

WHEREAS, VeriSign and Consultant desire to enter into this Agreement in connection with the sale of certain VeriSign businesses ("Communications Business Bundle") as set forth on Exhibit A hereto;

WHEREAS, Consultant desires to perform, and VeriSign desires to have Consultant perform certain consulting services ("Services") as set forth on Exhibit B hereto in connection with the Sale of the Communications Business Bundle in accordance with the terms and conditions of this Agreement;

WHEREAS, the Board of Directors of VeriSign (the "Board"), the Audit Committee of the Board and the Compensation Committee of the Board have each considered and approved the provision of the Services by Consultant to VeriSign on the material terms contained in this Agreement at meetings held on December 12, 2007 (for the Board) and December 11, 2007 (for both the Audit and the Compensation Committees of the Board);

WHEREAS, Consultant resigned from the Audit Committee of the Board on December 20, 2007 and is not a member of any other Committee of the Board;

WHEREAS, the Audit Committee of the Board approved the form of this Agreement by Unanimous Written Consent on September 26, 2008;

WHEREAS, the Compensation Committee of the Board approved the form of this Agreement by Unanimous Written Consent on September 26, 2008; and

WHEREAS, VeriSign and Consultant desire to set out in this Agreement the terms and conditions for the provision of the Services by Consultant to VeriSign.

*** Note: Confidential treatment has been requested with respect to the information contained with in the [***] marking. Such portions have been omitted from this filing and have been filed separately with the Securities and Exchange Commission.

NOW THEREFORE, in consideration of the mutual promises made herein, VeriSign and Consultant hereby agree as follows:

1. Definitions.

"**Sale**" means the merger, asset purchase or other disposition of the entire Communications Business Bundle. VeriSign shall retain at all times the right to conclude and consummate any such Sale.

"**Closing Date**" means the effective date upon which the closing of the Sale of Communications Business Bundle occurs as defined in the Definitive Agreement.

"**Definitive Agreement**" means the agreement memorializing the merger, asset purchase or other disposition of the Communications Business Bundle with Purchaser.

"**Purchaser**" means the entity or entities to whom the Sale of the Communications Business Bundle is made.

2. Services, Payments and Start Date.

(a) Performance by Consultant and Start Date. Consultant will perform the Services until the Agreement is terminated as set forth in Section 5. The Consultant will provide the Services under this Agreement commencing on December 17, 2007 ("Start Date"). In this endeavor, Consultant shall use his independent judgment consistent with his training, skill, and experience and his services shall be performed in a thorough, efficient and workmanlike manner, promptly and with due diligence and care, and in accordance with that standard of care and skill ordinarily exercised by members of the profession doing similar services. Consultant assumes all personal risk and responsibility for his services under this Agreement.

(b) Payments to Consultant. VeriSign shall pay Consultant the following fees for performance of the Services as set forth in (i)-(iv) below.

(i) Retainer Fee. VeriSign shall pay Consultant a consulting retainer fee in the amount of Thirty Thousand Dollars ($30,000) per month (the "Retainer") for each full calendar month Consultant provides the Services until termination of this Agreement. For any less than full calendar month in which Consultant performs Consultant Services, such as at the start of this Agreement or at the termination of this Agreement, VeriSign shall pay Consultant a proportionate share of the monthly Retainer fee for that portion of the calendar month. Consultant shall be responsible for the submittal of invoices. Invoices shall be paid within 30 days.

(ii) First Transaction Success Fee. In addition to the Retainer, VeriSign shall pay Consultant Three Hundred Thousand Dollars ($300,000.00) if the Closing Date for Sale of the Communications Business Bundle is on or before December 31, 2008 ("First Transaction Success Fee"). If the Closing Date for Sale of the Communications Business Bundle is after December 31, 2008, or if there is no Closing Date, Consultant shall not be entitled to any First Transaction Success Fee. If this Agreement is terminated, whether for or without cause by VeriSign or Consultant, prior to a Closing Date, Consultant shall not be entitled to any First Transaction Success Fee. The First Transaction Success Fee, if earned, is payable to Consultant either: (i) within fifteen (15) days after the Closing Date if the Purchaser has not offered Consultant an acceptable employment position; or (ii) upon the earlier of (A) the six month anniversary of the Closing Date or (B) March 15, 2009, if the Purchaser has offered Consultant an acceptable employment position on or before the Closing date. For the purpose of this section and section (iii) below, the Consultant, in his sole discretion, shall determine whether an employment position is acceptable and shall so notify VeriSign within five (5) days after the Closing Date.

*** Note: Confidential treatment has been requested with respect to the information contained within the [***] marking. Such portions have been omitted from this filing and have been filed separately with the Securities and Exchange Commission.

(iii) Second Transaction Success Fee. In addition to the Retainer and First Transaction Success Fee, Consultant will also be eligible to receive up to a maximum of Six Hundred Thousand Dollars ($600,000.00) subject to the valuation requirements set forth in (A) and (B) below ("Second Transaction Success Fee"). The Second Transaction Success Fee, if earned as described below, is payable to Consultant either: (i) within fifteen (15) days after the Closing Date if the Purchaser has not offered Consultant an acceptable employment position, or (ii) upon the earlier of (A) the six month anniversary of the Closing Date, or (B) March 15 of the year after the year in which the Closing Date occurs, if the Purchaser has offered Consultant an acceptable employment position on or before the Closing Date. If this Agreement is terminated, whether for or without cause by VeriSign or Consultant, prior to a Closing Date, Consultant shall not be entitled to any Second Transaction Success Fee.

(A) Valuation. The amount of the Second Transaction Success Fee that Consultant will be eligible to receive is based upon the high and low third-party valuation of the purchase price payable in connection with the Sale of the Communication Business Bundle (the "High Valuation" and "Low Valuation," respectively, and together, the "Valuation"). The Low Valuation is $[***] and the High Valuation is $[***]. The High and Low Valuation are binding and conclusive for all purposes of determining the amount (if any) of Consultant's Second Transaction Success Fee (as defined below). The difference between the High Valuation and the Low Valuation shall be referred to herein as the "Valuation Spread."

(B) Amount of Second Transaction Success Fee. In the event that the total purchase price paid by the Purchaser (the "Total Purchase Price") exceeds the Low Valuation (the "Surplus"), the Consultant will be eligible to receive a payment equal to the percentage of the Surplus relative to the Valuation Spread, up to a maximum of 100% (the "Second Transaction Success Fee Percentage") multiplied by $600,000.00 (such amount, the "Second Transaction Success Fee"). In the event that the Total Purchase Price is equal to or less than the Low Valuation, the Consultant will not be eligible to receive a Second Transaction Success Fee. In no event will the Consultant be eligible for a Second Transaction Success Fee greater than $600,000.00. The formula for the Second Transaction Success Fee can be depicted as follows:

Second Transaction Success Fee = $600,000 X ((Total Purchase Price – Low Valuation) divided by (High Valuation – Low Valuation))

Or

Second Transaction Success Fee = $600,000 X (Surplus divided by Valuation Spread)

Example: Assumptions. (a) the Low Valuation equals $[***]; (b) the High Valuation equals $[***]; (c) the Valuation Spread equals $[***]; (d) the Total Purchase Price equals $[***]; (e) the Surplus equals $[***] (i.e., the Total Purchase Price less the Low Valuation).

*** Note: Confidential treatment has been requested with respect to the information contained within the [***] marking. Such portions have been omitted from this filing and have been filed separately with the Securities and Exchange Commission.

Example: Determine the Second Transaction Success Fee Percentage. First, divide the Surplus $[***] by the Valuation Spread $[***], resulting in [***]%. Second, multiply [***]% by $600,000.00. The Second Transaction Success Fee is $[***].

(iv) Payment in the Event of Partial Disposition. In the event of a Sale of less than the entire Communications Business Bundle (in which case no First Transaction Success Fee and no Second Transaction Success Fee shall be payable), the parties agree to negotiate in good faith a success fee amount the parties deem fair and reasonable for the Services rendered by Consultant in connection with the Sale of less than the entire Communications Business Bundle. If this Agreement is terminated, whether for or without cause by VeriSign or Consultant, prior to a Closing Date, Consultant shall not be entitled to any payment under this section 2(b)(iv).

3. Relationship of Parties.

(a) Independent Contractor. Consultant is an independent contractor and is neither an agent nor employee of, and has no authority to bind, VeriSign by contract or otherwise. Consultant will perform the Services under the general direction of VeriSign, but Consultant will determine, in Consultant's sole discretion, the manner and means by which the Services are accomplished, subject to the requirement that Consultant shall at all times comply with applicable law.

(b) Employment Taxes and Benefits. Consultant will report as self-employment income all compensation received by Consultant pursuant to this Agreement. Consultant will indemnify VeriSign and hold it harmless from and against all claims, damages, losses and expenses, including reasonable fees and expenses of attorneys and other professionals, relating to any obligation imposed by law on VeriSign to pay any withholding taxes, social security, unemployment or disability insurance, or similar items in connection with compensation received by Consultant pursuant to this Agreement. Consultant will not be entitled to any vacation or illness payments, or to participate in any plans, arrangements, or distributions by VeriSign pertaining to any bonus, stock option, employee stock purchase plan, profit sharing, insurance or similar benefits for VeriSign's employees as a result of providing the Services to VeriSign as a Consultant.

(c) Liability Insurance. Consultant will maintain adequate insurance to protect Consultant from the following: (i) claims under worker's compensation and state disability acts; (ii) claims for damages because of bodily injury, sickness, disease or death which arise out of any negligent act or omission of Consultant; and (iii) claims for damages because of injury to or destruction of tangible or intangible property, including loss of use resulting therefrom, which arise out of any negligent act or omission of Consultant.

4. Confidential Information. Consultant agrees to sign and comply with VeriSign's attached form of Assignment of Invention Nondisclosure and Nonsolicitation Agreement (the "Confidentiality Agreement") used for contractors, a copy of which is attached hereto as Exhibit C. Nothing in this Agreement alters the terms and conditions of the Confidentiality Agreement.

*** Note: Confidential treatment has been requested with respect to the information contained within the [***] marking. Such portions have been omitted from this filing and have been filed separately with the Securities and Exchange Commission.

5. Term and Termination.

(a) Term. Consultant shall serve as a consultant to VeriSign under the terms and conditions of this Agreement commencing on the Start Date and continuing until this Agreement is terminated by either party as set forth in 5(b) below.

(b) Termination of Agreement. VeriSign may terminate this Agreement effective immediately at any time for Cause (as defined below). Either party may terminate this Agreement without Cause, for any reason or no reason, by providing thirty (30) calendar days' advance written notice of termination to the other party. In the event the Agreement is terminated by VeriSign or Consultant, VeriSign will pay to Consultant all unpaid Retainer Fees accrued as of such termination date. For purposes of this Agreement, "Cause" means any of the following: (i) Consultant's continued or repeated failure to perform one or more of the duties listed in Exhibit B; (ii) Consultant's commission of any act of fraud, gross misconduct or dishonesty with respect to VeriSign, any of its subsidiaries or their employees or directors; (iii) conviction of Consultant, or Consultant's plea of guilty or "no contest" to, a felony or a crime involving moral turpitude; or (iv) Consultant's material breach of this Agreement and/or the Confidentiality Agreement. In addition, this Agreement shall terminate upon the death or disability of Consultant.

6. Effect of Termination. Upon the termination of this Agreement for any reason each party will be released from all obligations to the other arising after the date of termination, except that termination of this Agreement will not relieve Consultant of his obligations or VeriSign of its rights under Section 4 and Consultant will promptly notify VeriSign of all VeriSign property in Consultant's possession and, in accordance with VeriSign's instructions, will promptly deliver to VeriSign all such VeriSign property. Regardless of the efforts of Consultant prior to termination, no payments under Sections 2(b) (ii), (iii) or (iv) shall be payable to Consultant after termination unless any and all conditions for the earning of such payments have been completely satisfied prior to the date of termination of this Agreement.

7. Limitation of Liability. EXCEPT FOR DAMAGES RESULTING FROM THE VIOLATION OF ANY CONFIDENTIALITY OBLIGATIONS ARISING UNDER THIS AGREEMENT, IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES OF ANY KIND IN CONNECTION WITH THIS AGREEMENT, EVEN IF INFORMED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES. VERISIGN'S LIABILITY IN ANY AND ALL EVENTS IS FURTHER LIMITED TO THE AMOUNT PAYABLE TO CONSULTANT UNDER SECTION 2(b) IN THIS AGREEMENT.

8. General.

(a) Assignment. Consultant may not assign Consultant's rights or delegate Consultant's duties under this Agreement either in whole or in part without the prior written consent of VeriSign. Any attempted assignment or delegation without such consent will be void.

*** Note: Confidential treatment has been requested with respect to the information contained within the [***] marking. Such portions have been omitted from this filing and have been filed separately with the Securities and Exchange Commission.

(b) Equitable Remedies. Because the Services are personal and unique and because Consultant will have access to confidential information of VeriSign, VeriSign may enforce this Agreement and any of its provisions by injunction, specific performance or other equitable relief without prejudice to any other rights and remedies that VeriSign may have for a breach of this Agreement.

(c) Governing Law; Jurisdiction. This Agreement shall be governed by, construed and enforced in accordance with the laws of Virginia, without regard to its conflict of law principles. Any action to enforce or interpret this Agreement shall be commenced and maintained in federal or state courts in Fairfax County, Virginia. The parties to this Agreement submit to the exclusive jurisdiction of the federal and state courts of Fairfax County, Virginia. Should any provision of this Agreement be declared or determined by a court of competent jurisdiction to be invalid or otherwise unenforceable, the remaining parts, terms and provisions shall continue to be valid, legal and enforceable, and will be performed and enforced to the fullest extent permitted by law.

(d) Notices. All notices, consents and other communications required or permitted under this Agreement will be in writing and delivered by confirmed facsimile transmission, by courier or overnight delivery service with written verification of receipt, or by registered or certified mail, return receipt requested, postage prepaid, and in each instance will be deemed given when sent. All such notices, consents and other communications will be sent to the addresses set forth above or to such other address as may be specified by either party to the other in accordance with this Section.

(e) Waiver. The failure by either party to enforce any provision of this Agreement will not constitute a waiver of future enforcement of that or any other provision.

(f) Severability. If any provision of this Agreement is for any reason found to be unenforceable, the remainder of this Agreement will continue in full force and effect.

(g) Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but both of which together will constitute one and the same instrument. This Agreement may be executed via facsimile.

(h) Complete Understanding; Modification. This Agreement, together with the exhibits hereto, constitutes the complete and exclusive understanding and agreement of the parties regarding its subject matter and supersedes all prior understandings and agreements, whether written or oral, with respect to the subject matter hereof. Notwithstanding anything herein, any agreement between Consultant and VeriSign pertaining to the protection of VeriSign's confidential and/or proprietary information remains enforceable and binding. Any waiver, modification or amendment of any provision of this Agreement will be effective only if in writing and signed by duly authorized representatives of the parties.

*** Note: Confidential treatment has been requested with respect to the information contained within the [***] marking. Such portions have been omitted from this filing and have been filed separately with the Securities and Exchange Commission.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the dates set out below.

VERISIGN, Inc.		**CONSULTANT**
By:	/s/ Richard H. Goshorn	/s/ Roger Moore
Name:	Richard H. Goshorn	Roger Moore
Title:	Senior Vice President, General Counsel and Secretary	
Date:	October 3, 2008	Date: October 1, 2008

*** Note: Confidential treatment has been requested with respect to the information contained within the [***] marking. Such portions have been omitted from this filing and have been filed separately with the Securities and Exchange Commission.

EXHIBIT A

Communications Business Bundle. The Communications Business Bundle shall include all of the following Product Lines and Product Names.

Products Line Description	Product Name	Product Level
Intelligent Network Services	800 Database Services	0422
	CNAM	0421
	IN Database Services	0420
	LIDB	0424
LNP AND Numbering Services	LNP Data Access (SS7)	0423
	LNP SOA	0428
	SIP 7	0426
Network Solutions & Services	Access & Switching	0410
	Cellular Switch & Transport	0435
	Communications – General	0405
	Connectivity	0412
	Do Not Call	0427
	Trunk Signaling	0411
Roaming Services	International Wireless Roaming	0551
	Roamerview	0553
	Roaming Services – General	0557
	Wireless Data Roaming	0559
Clearing	Wireless Clearing	0554

The following products may, in VeriSign's sole discretion, be included in the Communications Business Bundle.

IP PBX		
LNP and Numbering Services	VOIP	0465
	LNP Data Access (NRD-Based)	

*** Note: Confidential treatment has been requested with respect to the information contained within the [***] marking. Such portions have been omitted from this filing and have been filed separately with the Securities and Exchange Commission.

EXHIBIT B

1. Services.

For the consideration described in the Agreement, Consultant shall, on behalf of VeriSign and during the Term, discharge all of the following actions in connection with the Sale of the Communications Business Bundle. Consultant shall report directly to the Chief Executive Office or his designee on all matters pertaining to the Services and the Communications Business Bundle:

(a) Function as the senior executive of the Communications Business Bundle business;

(b) Maintain and operate the Communications Business Bundle as going concern to maximize its Sale value;

(c) Prepare the Communications Business Bundle for Sale;

(d) Provide assistance as requested by VeriSign in conjunction with the Sale of the Communications Business Bundle;

(e) Subject to oversight and approval by VeriSign, obtain, facilitate, manage and maintain business relationships with potential Purchasers to promote negotiations with VeriSign for the Sale of the Communications Business Bundle;

(f) Introduce VeriSign to potential Purchasers in order to foster such negotiations with VeriSign;

(g) Adhere to all VeriSign policies and procedures;

(h) Perform all duties reasonably related to the operation and Sale of the Communications Business Bundle as reasonably requested by VeriSign.

2. Reimbursable Expenses: VeriSign shall reimburse Consultant for expenses incurred by Consultant in performing the Services, provided, such expenses are incurred, approved and reimbursed in accordance with VeriSign's expense reimbursement policies. . Such reimbursement of expenses will be subject to the following conditions: (1) the expenses eligible for reimbursement in one taxable year shall not affect the expenses eligible for reimbursement in any other taxable year; (2) the reimbursement of an eligible expense shall be made no later than the end of the year after the year in which such expense was incurred; and (3) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

Consultant's Federal Taxpayer ID No. / Social Security Number:

*** Note: Confidential treatment has been requested with respect to the information contained within the [***] marking. Such portions have been omitted from this filing and have been filed separately with the Securities and Exchange Commission.

EXHIBIT C

ASSIGNMENT OF INVENTION,
NONDISCLOSURE AND NONSOLICITATION AGREEMENT

In consideration of the value of my engagement as an independent contractor with VeriSign, Inc. (hereinafter referred to collectively with its subsidiaries and affiliated entities as "VERISIGN"), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, VERISIGN and I agree to this Assignment of Invention, Nondisclosure and Nonsolicitation Agreement ("Agreement") as follows:

1. PROPRIETARY INFORMATION OF VERISIGN IS NOT TO BE DISCLOSED.

(a) I agree that all information, whether or not in writing, of a private, secret or confidential nature concerning VERISIGN's business, business relationships or financial affairs (collectively, "Proprietary Information") is and shall be the exclusive property of VERISIGN. By way of illustration, but not limitation, Proprietary Information may include inventions, products, processes, methods, algorithms, devices, techniques, formulas, compositions, compounds, projects, developments, plans, research data, clinical data, financial data, personnel data, computer programs, customer and supplier lists, and contacts at or knowledge of customers or prospective customers of VERISIGN.

(b) I agree that all files, letters, memoranda, reports, records, data, sketches, drawings, laboratory notebooks, program listings, or other written, photographic, or other tangible material containing Proprietary Information, whether created by me or others, which shall come into my custody or possession, shall be and are the exclusive property of VERISIGN to be used by me only in the performance of my duties for VERISIGN. All such materials or copies thereof and all tangible property of VERISIGN in my custody or possession shall be delivered to VERISIGN, upon the earlier of (i) a request by VERISIGN or (ii) termination of my contracting engagement. After such delivery, I shall not retain any such materials or copies thereof or any such tangible property.

(c) I recognize, acknowledge and agree that during my engagement and following the termination of that engagement, whether voluntary or involuntary, whether with or without cause, and whether with or without notice, I will not, on my own behalf or as a partner, officer, director, employee, agent, administrator, teacher, trainer, advisor or consultant of any other person or entity, directly or indirectly, disclose Proprietary Information to any person or entity other than agents of VERISIGN, and I will not use or aid others in obtaining or using any such Proprietary Information without the express written permission of the Chief Executive Officer of VERISIGN or his/her designee. I

*** Note: Confidential treatment has been requested with respect to the information contained within the [***] marking. Such portions have been omitted from this filing and have been filed separately with the Securities and Exchange Commission.

agree that my obligation not to disclose or to use information and materials of the types set forth in paragraphs (a) and (b) above, and my obligation to return all materials and tangible property, set forth in paragraph (b) above, also extends to such types of information, materials and tangible property of customers of VERISIGN or suppliers to VERISIGN or other third parties who may have disclosed or entrusted the same to VERISIGN or to me.

(d) The obligations of this Section 1 will survive the termination of my engagement unless and until such Proprietary Information becomes public knowledge and becomes matter in the public domain through no act or omission by me.

2. INVENTIONS AND DEVELOPMENTS ARE PROPERTY OF VERISIGN.

(a) If I shall (either alone or with others) make, conceive, create, discover, invent or reduce to practice any invention, modification, discovery, design, development, improvement, method, process, software program, work of authorship, documentation, formula, algorithm, data, technique, know-how, trade secret or intellectual property right whatsoever or any interest therein (whether or not patentable or registrable under copyright, trademark or similar statutes or subject to analogous protection) (herein called "Developments") at any time or times during my engagement with VERISIGN (whether during or after business hours and whether on or off VERISIGN's premises), or thereafter, which Developments are developed or made from knowledge gained from such engagement, that (i) relates to the business of VERISIGN or any customer of or supplier to VERISIGN in connection with such customer's or supplier's activities with VERISIGN or any of the products or services being developed, manufactured or sold by VERISIGN or which may be used in relation therewith, (ii) results from tasks assigned to me by VERISIGN or (iii) results from the use of premises or personal property (whether tangible or intangible) owned, leased or contracted for by VERISIGN, such Developments and the benefits thereof are and shall immediately become the sole and absolute property of VERISIGN and its assigns, as works made for hire to the extent permitted by law, or otherwise, and I shall promptly disclose to VERISIGN (or any persons designated by it) each such Development and, as may be necessary to ensure VERISIGN's ownership of such Developments, I hereby assign any and all rights, title and interest (including, but not limited to, any copyrights and trademarks) in and to the Developments and benefits and/or rights resulting therefrom to VERISIGN and its assigns without further compensation and shall communicate, without cost or delay, and without disclosing to others the same, all available information relating thereto (with all necessary plans and models) to VERISIGN. I hereby waive and agree to waive any and all moral rights that I may have in any Developments.

(b) I shall keep complete notes, data and records of Developments in the manner and form requested by VERISIGN. I will, during my engagement with VERISIGN and at any time thereafter, at the request and cost of VERISIGN, promptly sign, execute, make and do all such deeds, documents, acts and things as VERISIGN and its duly authorized agents may reasonably require: (i) to apply for, obtain, register and vest in the name of VERISIGN alone (unless VERISIGN otherwise directs) letters patent, copyright, trademark or other

---

*** Note: Confidential treatment has been requested with respect to the information contained within the [***] marking. Such portions have been omitted from this filing and have been filed separately with the Securities and Exchange Commission.

analogous protection in any country throughout the world and when so obtained or vested to renew, maintain or restore the same; and (ii) to defend in any judicial, opposition, interference, or other proceedings in respect of such applications and any judicial, opposition, interference or other proceedings or petitions or applications for revocation of such letters patent, copyright, trademark or other analogous protection; and (iii) to waive any and all moral rights or similar that I may have in any Developments. VERISIGN is under no obligation to procure or protect Developments.

(c) To the extent I may have incorporated any of my pre-existing materials in the Developments, I hereby grant to VERISIGN the irrevocable, perpetual, non-exclusive, worldwide, royalty-free license to use, execute, reproduce, display, perform, distribute copies of, and prepare derivative works based upon, such pre-existing materials, and to authorize others to do any or all of the foregoing.

(d) Listed below are titles and identifications of reserved works, if any, that I have previously made, conceived, created, discovered, invented or reduced to practice, and that are expressly excluded from Developments.

3. I AM NOT BOUND BY OTHER AGREEMENTS.

I hereby represent and warrant that, (i) except as I have disclosed in writing to VERISIGN, I am not bound by the terms of any agreement with any other party to refrain from competing, directly or indirectly, with the business of such previous employer or any other party; (ii) to the best of my knowledge, my performance of all the terms of this Agreement and as an independent contractor of VERISIGN does not and will not breach any agreement to keep in confidence proprietary information, knowledge or data acquired by me in confidence or in trust prior to my engagement with VERISIGN, and I will not knowingly disclose to VERISIGN or induce VERISIGN to use any confidential or proprietary information or material belonging to others; (iii) I have the full right and authority to perform my obligations and grant the rights and licenses granted herein, and I have neither assigned nor otherwise entered into an agreement that would conflict with my obligations under this Agreement. I covenant and agree that I shall not enter into any such agreement.

4. I WILL ADHERE TO GOVERNMENT OR OTHER THIRD PARTY OBLIGATIONS.

I acknowledge that VERISIGN from time to time may have agreements with other persons or entities or with the United States Government, or agencies thereof, which impose obligations or restrictions on VERISIGN regarding inventions made during the course of work under such agreements or regarding the sensitive nature of such work. I agree to be bound by all such obligations and restrictions which are made known to me and to take all action necessary to discharge the obligations of VERISIGN under such agreements.

*** Note: Confidential treatment has been requested with respect to the information contained within the [***] marking. Such portions have been omitted from this filing and have been filed separately with the Securities and Exchange Commission.

5. <u>I AM AN INDEPENDENT CONTRACTOR</u>.

I understand and agree that I am an independent contractor and not an employee of VERISIGN. VeriSign shall not be responsible for withholding collection of or paying any taxes, including without limitation income taxes, for me. I shall be responsible for payment of all taxes owed by me in connection with any fees I earn in connection with my contracting arrangement with VERISIGN, including income taxes. Under no circumstances shall I look to VERISIGN as my employer. I agree and acknowledge that I am not entitled to participate in any of the benefit plans or programs that VERISIGN now or hereafter maintains for its employees, including, but not limited to, VERISIGN's employee stock purchase plan and stock incentive plan ("**Stock Plans**"), VERISIGN's 401(K) plan or any of VERISIGN's medical or dental plans. In the event that any state or federal court, or any local, state or federal government agency, division or other related government entity, shall determine that I am considered an employee or common law employee of VERISIGN, or if for any reason, I waive any right to participate, either retrospectively or prospectively, in VERISIGN sponsored benefit plans or programs including, but not limited to, the Stock Plans.

6. <u>I WILL NOT SOLICIT VERISIGN'S EMPLOYEE'S</u>.

During the period of my contracting engagement, and for a period of one (1) year after the termination or expiration thereof, and without limiting the applicability of any other provisions of this Agreement that are intended to operate after such termination or expiration, I recognize, acknowledge and agree that I will not, directly or indirectly (other than as the holder of not more than one percent (1%) of the total outstanding stock of a publicly held company), either on my own behalf or as an owner, shareholder, partner, member, participant, officer, director, employee, agent, representative, advisor or consultant of any other individual, entity or enterprise, do or attempt to do any of the following:

(a) solicit, encourage or induce any current or prospective clients, customers, suppliers, vendors or contractors of VERISIGN to terminate or adversely modify any business relationship with VERISIGN or not to proceed with, enter into, renew or continue any business relationship with VERISIGN, or otherwise interfere with any business relationship between VERISIGN and any such person; or

(b) solicit, encourage or induce any officer, director, employee, agent, partner, consultant or independent contractor of VERISIGN to terminate any employment or relationship with VERISIGN, employ or engage any such person, or otherwise interfere with or disrupt VERISIGN's relationship with any such person.

7. <u>I WILL NOT ENGAGE IN CONFLICTS OF INTEREST</u>.

I recognize, acknowledge and agree to comply with all rules and policies of VERISIGN, including but not limited to those relating to conflicts of interest, and without limiting the generality of the foregoing:

(a) I will promptly notify VERISIGN of any conflicts of interest or gifts or offers of gifts or remuneration from clients, consultants, customers, suppliers, partners, officers, agents, directors, employees, vendors, contractors or others doing or seeking to do business with VERISIGN, and will not accept such gifts or remuneration; and

---

*** Note: Confidential treatment has been requested with respect to the information contained within the [***] marking. Such portions have been omitted from this filing and have been filed separately with the Securities and Exchange Commission.

(b) I will promptly inform VERISIGN of any business opportunities coming to my attention that relate to the existing or prospective business of VERISIGN and will not participate in any such opportunities without the prior written consent of VERISIGN.

8. <u>MISCELLANEOUS.</u>

(a) This Agreement shall be enforceable to the fullest extent allowed by law. In the event that a court holds any provision of this Agreement to be excessively broad as to scope, activity, geography, time-period, subject, or otherwise so as to be invalid or unenforceable, I agree that, if allowed by law, that provision shall be reduced, modified or otherwise conformed to the relevant law, judgment or determination to the maximum degree necessary to render it valid and enforceable without affecting the rest of this Agreement, and, if such reduction or modification is not allowed by law, the parties shall promptly agree in writing to a provision to be substituted therefore which will have an effect as close as possible to the invalid or unenforceable provision that is consistent with applicable law. The invalidity or unenforceability of any provision of this Agreement shall not affect or limit the validity and enforceability of the other provisions hereof.

(b) The failure of VERISIGN to enforce any term of this Agreement shall not constitute a waiver of any rights or deprive VERISIGN of the right to insist thereafter upon strict adherence to that or any other term of this Agreement, nor shall a waiver of any breach of this Agreement constitute a waiver of any preceding or succeeding breach. No waiver of a right under any provision of this Agreement shall be binding on VERISIGN unless made in writing and signed by the CEO of VERISIGN or his designee.

(c) The restrictions contained in this Agreement are necessary for the protection of the business and goodwill of VERISIGN and are considered by me to be reasonable for such purpose. I recognize, acknowledge and agree that any breach by me of any of the provisions contained in this Agreement will cause VERISIGN immediate, material and irreparable injury and damage, and there is no adequate remedy at law for such breach. Accordingly, in the event of a breach of any of the provisions of this Agreement by me, in addition to any other remedies it may have at law or in equity, VERISIGN shall be entitled immediately to seek enforcement of this Agreement in a court of competent jurisdiction by means of a decree of specific performance, an injunction without the posting of a bond or the requirement of any other guarantee, and any other form of equitable relief, and VERISIGN is entitled to recover from me the costs and attorneys' fees it incurs to recover under this Agreement. This provision is not a waiver of any other rights which VERISIGN may have under this Agreement, including the right to recover money damages.

(d) This Agreement shall be binding upon me and my heirs, successors, assigns, and personal representatives, and will inure to the benefit of VERISIGN, its affiliates, successors and its assigns, that this Agreement is personal to me, and that I may not assign any rights or duties under this Agreement.

*** Note: Confidential treatment has been requested with respect to the information contained within the [***] marking. Such portions have been omitted from this filing and have been filed separately with the Securities and Exchange Commission.

(e) This Agreement contains the entire agreement between me and VERISIGN with respect to the subject matter herein and supersedes all prior agreements, written or oral, between me and VERISIGN relating to the subject matter of this Agreement. All previous discussions, promises, representations, and understandings relating to the topics herein discussed are hereby merged into this Agreement. This Agreement may not be modified, changed or discharged in whole or in part, except by an agreement in writing signed by me and the Chief Executive Officer of VERISIGN or his/her designee. No person has any authority to make any representation or promise on behalf of any of the parties not set forth herein, and this Agreement has not been executed in reliance upon any representation or promise except those recited herein. I agree that any change or changes in my duties, salary or compensation after the signing of this Agreement shall not affect the validity or scope of this Agreement.

(f) This Agreement is governed by and will be construed as a sealed instrument under and in accordance with the laws of California. The headings herein are for convenience only and do not limit or restrict the meaning or interpretation of the text of this Agreement.

I ACKNOWLEDGE THAT I HAVE CAREFULLY READ THIS AGREEMENT IN ITS ENTIRETY AND UNDERSTAND ALL OF ITS TERMS AND CONDITIONS, THAT I HAVE HAD THE OPPORTUNITY TO CONSULT WITH ANYONE OF MY CHOICE REGARDING THIS AGREEMENT, THAT I AM ENTERING INTO THIS AGREEMENT OF MY OWN FREE WILL, WITHOUT COERCION FROM ANY SOURCE, AND THAT I AGREE TO ABIDE BY ALL OF THE TERMS AND CONDITIONS HEREIN.

____

(signature) Date

*** Note: Confidential treatment has been requested with respect to the information contained within the [***] marking. Such portions have been omitted from this filing and have been filed separately with the Securities and Exchange Commission.

RESERVED INVENTIONS OR WORKS AUTHORED PRIOR TO CONTRACTING ENGAGEMENT

Title	Description

*** Note: Confidential treatment has been requested with respect to the information contained within the [***] marking. Such portions have been omitted from this filing and have been filed separately with the Securities and Exchange Commission.

ASSIGNMENT OF INVENTION,
<u>NONDISCLOSURE AND NONSOLICITATION AGREEMENT</u>

In consideration of the value of my engagement as an independent contractor with VeriSign, Inc. (hereinafter referred to collectively with its subsidiaries and affiliated entities as “VERISIGN”), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, VERISIGN and I agree to this Assignment of Invention, Nondisclosure and Nonsolicitation Agreement (“Agreement”) as follows:

1. <u>PROPRIETARY INFORMATION OF VERISIGN IS NOT TO BE DISCLOSED</u>.

(a) I agree that all information, whether or not in writing, of a private, secret or confidential nature concerning VERISIGN’s business, business relationships or financial affairs (collectively, “Proprietary Information”) is and shall be the exclusive property of VERISIGN. By way of illustration, but not limitation, Proprietary Information may include inventions, products, processes, methods, algorithms, devices, techniques, formulas, compositions, compounds, projects, developments, plans, research data, clinical data, financial data, personnel data, computer programs, customer and supplier lists, and contacts at or knowledge of customers or prospective customers of VERISIGN.

(b) I agree that all files, letters, memoranda, reports, records, data, sketches, drawings, laboratory notebooks, program listings, or other written, photographic, or other tangible material containing Proprietary Information, whether created by me or others, which shall come into my custody or possession, shall be and are the exclusive property of VERISIGN to be used by me only in the performance of my duties for VERISIGN. All such materials or copies thereof and all tangible property of VERISIGN in my custody or possession shall be delivered to VERISIGN, upon the earlier of (i) a request by VERISIGN or (ii) termination of my contracting engagement. After such delivery, I shall not retain any such materials or copies thereof or any such tangible property.

(c) I recognize, acknowledge and agree that during my engagement and following the termination of that engagement, whether voluntary or involuntary, whether with or without cause, and whether with or without notice, I will not, on my own behalf or as a partner, officer, director, employee, agent, administrator, teacher, trainer, advisor or consultant of any other person or entity, directly or indirectly, disclose Proprietary Information to any person or entity other than agents of VERISIGN, and I will not use or aid others in obtaining or using any such Proprietary Information without the express written permission of the Chief Executive Officer of VERISIGN or his/her designee. I agree that my obligation not to disclose or to use information and materials of the types set forth in paragraphs (a) and (b) above, and my obligation to return all materials and tangible property, set forth in paragraph (b) above, also extends to such types of information, materials and tangible property of customers of VERISIGN or suppliers to VERISIGN or other third parties who may have disclosed or entrusted the same to VERISIGN or to me.

(d) The obligations of this Section 1 will survive the termination of my engagement unless and until such Proprietary Information becomes public knowledge and becomes matter in the public domain through no act or omission by me.

2. INVENTIONS AND DEVELOPMENTS ARE PROPERTY OF VERISIGN.

(a) If I shall (either alone or with others) make, conceive, create, discover, invent or reduce to practice any invention, modification, discovery, design, development, improvement, method, process, software program, work of authorship, documentation, formula, algorithm, data, technique, know-how, trade secret or intellectual property right whatsoever or any interest therein (whether or not patentable or registrable under copyright, trademark or similar statutes or subject to analogous protection) (herein called “Developments”) at any time or times during my engagement with VERISIGN (whether during or after business hours and whether on or off VERISIGN’s premises), or thereafter, which Developments are developed or made from knowledge gained from such engagement, that (i) relates to the business of VERISIGN or any customer of or supplier to VERISIGN in connection with such customer’s or supplier’s activities with VERISIGN or any of the products or services being developed, manufactured or sold by VERISIGN or which may be used in relation therewith, (ii) results from tasks assigned to me by VERISIGN or (iii) results from the use of premises or personal property (whether tangible or intangible) owned, leased or contracted for by VERISIGN, such Developments and the benefits thereof are and shall immediately become the sole and absolute property of VERISIGN and its assigns, as works made for hire to the extent permitted by law, or otherwise, and I shall promptly disclose to VERISIGN (or any persons designated by it) each such Development and, as may be necessary to ensure VERISIGN’s ownership of such Developments, I hereby assign any and all rights, title and interest (including, but not limited to, any copyrights and trademarks) in and to the Developments and benefits and/or rights resulting therefrom to VERISIGN and its assigns without further compensation and shall communicate, without cost or delay, and without disclosing to others the same, all available information relating thereto (with all necessary plans and models) to VERISIGN. I hereby waive and agree to waive any and all moral rights that I may have in any Developments.

(b) I shall keep complete notes, data and records of Developments in the manner and form requested by VERISIGN. I will, during my engagement with VERISIGN and at any time thereafter, at the request and cost of VERISIGN, promptly sign, execute, make and do all such deeds, documents, acts and things as VERISIGN and its duly authorized agents may reasonably require: (i) to apply for, obtain, register and vest in the name of VERISIGN alone (unless VERISIGN otherwise directs) letters patent, copyright, trademark or other analogous protection in any country throughout the world and when so obtained or vested to renew, maintain or restore the same; and (ii) to defend in any judicial, opposition, interference, or other proceedings in respect of such applications and any judicial, opposition, interference or other proceedings or petitions or applications for revocation of such letters patent, copyright, trademark or other analogous protection; and (iii) to waive any and all moral rights or similar that I may have in any Developments. VERISIGN is under no obligation to procure or protect Developments.

(c) To the extent I may have incorporated any of my pre-existing materials in the Developments, I hereby grant to VERISIGN the irrevocable, perpetual, non-exclusive, worldwide, royalty-free license to use, execute, reproduce, display, perform, distribute copies of, and prepare derivative works based upon, such pre-existing materials, and to authorize others to do any or all of the foregoing.

(d) Listed below are titles and identifications of reserved works, if any, that I have previously made, conceived, created, discovered, invented or reduced to practice, and that are expressly excluded from Developments.

3. I AM NOT BOUND BY OTHER AGREEMENTS.

I hereby represent and warrant that, (i) except as I have disclosed in writing to VERISIGN, I am not bound by the terms of any agreement with any other party to refrain from competing, directly or indirectly, with the business of such previous employer or any other party; (ii) to the best of my knowledge, my performance of all the terms of this Agreement and as an independent contractor of VERISIGN does not and will not breach any agreement to keep in confidence proprietary information, knowledge or data acquired by me in confidence or in trust prior to my engagement with VERISIGN, and I will not knowingly disclose to VERISIGN or induce VERISIGN to use any confidential or proprietary information or material belonging to others; (iii) I have the full right and authority to perform my obligations and grant the rights and licenses granted herein, and I have neither assigned nor otherwise entered into an agreement that would conflict with my obligations under this Agreement. I covenant and agree that I shall not enter into any such agreement.

4. I WILL ADHERE TO GOVERNMENT OR OTHER THIRD PARTY OBLIGATIONS.

I acknowledge that VERISIGN from time to time may have agreements with other persons or entities or with the United States Government, or agencies thereof, which impose obligations or restrictions on VERISIGN regarding inventions made during the course of work under such agreements or regarding the sensitive nature of such work. I agree to be bound by all such obligations and restrictions which are made known to me and to take all action necessary to discharge the obligations of VERISIGN under such agreements.

5. **<u>I AM AN INDEPENDENT CONTRACTOR</u>.**

I understand and agree that I am an independent contractor and not an employee of VERISIGN. VeriSign shall not be responsible for withholding collection of or paying any taxes, including without limitation income taxes, for me. I shall be responsible for payment of all taxes owed by me in connection with any fees I earn in connection with my contracting arrangement with VERISIGN, including income taxes. Under no circumstances shall I look to VERISIGN as my employer. I agree and acknowledge that I am not entitled to participate in any of the benefit plans or programs that VERISIGN now or hereafter maintains for its employees, including, but not limited to, VERISIGN's employee stock purchase plan and stock incentive plan ("**Stock Plans**"), VERISIGN's 401(K) plan or any of VERISIGN's medical or dental plans. In the event that any state or federal court, or any local, state or federal government agency, division or other related government entity, shall determine that I am considered an employee or common law employee of VERISIGN, or if for any reason, I waive any right to participate, either retrospectively or prospectively, in VERISIGN sponsored benefit plans or programs including, but not limited to, the Stock Plans.

6. **<u>I WILL NOT SOLICIT VERISIGN'S EMPLOYEE'S</u>.**

During the period of my contracting engagement, and for a period of one (1) year after the termination or expiration thereof, and without limiting the applicability of any other provisions of this Agreement that are intended to operate after such termination or expiration, I recognize, acknowledge and agree that I will not, directly or indirectly (other than as the holder of not more than one percent (1%) of the total outstanding stock of a publicly held company), either on my own behalf or as an owner, shareholder, partner, member, participant, officer, director, employee, agent, representative, advisor or consultant of any other individual, entity or enterprise, do or attempt to do any of the following:

(a) solicit, encourage or induce any current or prospective clients, customers, suppliers, vendors or contractors of VERISIGN to terminate or adversely modify any business relationship with VERISIGN or not to proceed with, enter into, renew or continue any business relationship with VERISIGN, or otherwise interfere with any business relationship between VERISIGN and any such person; or

(b) solicit, encourage or induce any officer, director, employee, agent, partner, consultant or independent contractor of VERISIGN to terminate any employment or relationship with VERISIGN, employ or engage any such person, or otherwise interfere with or disrupt VERISIGN's relationship with any such person.

7. **<u>I WILL NOT ENGAGE IN CONFLICTS OF INTEREST</u>.**

I recognize, acknowledge and agree to comply with all rules and policies of VERISIGN, including but not limited to those relating to conflicts of interest, and without limiting the generality of the foregoing:

(a) I will promptly notify VERISIGN of any conflicts of interest or gifts or offers of gifts or remuneration from clients, consultants, customers, suppliers, partners, officers, agents, directors, employees, vendors, contractors or others doing or seeking to do business with VERISIGN, and will not accept such gifts or remuneration; and

(b) I will promptly inform VERISIGN of any business opportunities coming to my attention that relate to the existing or prospective business of VERISIGN and will not participate in any such opportunities without the prior written consent of VERISIGN.

8. <u>MISCELLANEOUS.</u>

(a) This Agreement shall be enforceable to the fullest extent allowed by law. In the event that a court holds any provision of this Agreement to be excessively broad as to scope, activity, geography, time-period, subject, or otherwise so as to be invalid or unenforceable, I agree that, if allowed by law, that provision shall be reduced, modified or otherwise conformed to the relevant law, judgment or determination to the maximum degree necessary to render it valid and enforceable without affecting the rest of this Agreement, and, if such reduction or modification is not allowed by law, the parties shall promptly agree in writing to a provision to be substituted therefore which will have an effect as close as possible to the invalid or unenforceable provision that is consistent with applicable law. The invalidity or unenforceability of any provision of this Agreement shall not affect or limit the validity and enforceability of the other provisions hereof.

(b) The failure of VERISIGN to enforce any term of this Agreement shall not constitute a waiver of any rights or deprive VERISIGN of the right to insist thereafter upon strict adherence to that or any other term of this Agreement, nor shall a waiver of any breach of this Agreement constitute a waiver of any preceding or succeeding breach. No waiver of a right under any provision of this Agreement shall be binding on VERISIGN unless made in writing and signed by the CEO of VERISIGN or his designee.

(c) The restrictions contained in this Agreement are necessary for the protection of the business and goodwill of VERISIGN and are considered by me to be reasonable for such purpose. I recognize, acknowledge and agree that any breach by me of any of the provisions contained in this Agreement will cause VERISIGN immediate, material and irreparable injury and damage, and there is no adequate remedy at law for such breach. Accordingly, in the event of a breach of any of the provisions of this Agreement by me, in addition to any other remedies it may have at law or in equity, VERISIGN shall be entitled immediately to seek enforcement of this Agreement in a court of competent jurisdiction by means of a decree of specific performance, an injunction without the posting of a bond or the requirement of any other guarantee, and any other form of equitable relief, and VERISIGN is entitled to recover from me the costs and attorneys’ fees it incurs to recover under this Agreement. This provision is not a waiver of any other rights which VERISIGN may have under this Agreement, including the right to recover money damages.

(d) This Agreement shall be binding upon me and my heirs, successors, assigns, and personal representatives, and will inure to the benefit of VERISIGN, its affiliates, successors and its assigns, that this Agreement is personal to me, and that I may not assign any rights or duties under this Agreement.

(e) This Agreement contains the entire agreement between me and VERISIGN with respect to the subject matter herein and supersedes all prior agreements, written or oral, between me and VERISIGN relating to the subject matter of this Agreement. All previous discussions, promises, representations, and understandings relating to the topics herein discussed are hereby merged into this Agreement. This Agreement may not be modified, changed or discharged in whole or in part, except by an agreement in writing signed by me and the Chief Executive Officer of VERISIGN or his/her designee. No person has any authority to make any representation or promise on behalf of any of the parties not set forth herein, and this Agreement has not been executed in reliance upon any representation or promise except those recited herein. I agree that any change or changes in my duties, salary or compensation after the signing of this Agreement shall not affect the validity or scope of this Agreement.

(f) This Agreement is governed by and will be construed as a sealed instrument under and in accordance with the laws of California. The headings herein are for convenience only and do not limit or restrict the meaning or interpretation of the text of this Agreement.

I ACKNOWLEDGE THAT I HAVE CAREFULLY READ THIS AGREEMENT IN ITS ENTIRETY AND UNDERSTAND ALL OF ITS TERMS AND CONDITIONS, THAT I HAVE HAD THE OPPORTUNITY TO CONSULT WITH ANYONE OF MY CHOICE REGARDING THIS AGREEMENT, THAT I AM ENTERING INTO THIS AGREEMENT OF MY OWN FREE WILL, WITHOUT COERCION FROM ANY SOURCE, AND THAT I AGREE TO ABIDE BY ALL OF THE TERMS AND CONDITIONS HEREIN.

/s/ Roger Moore	October 1, 2008
(signature)	Date

RESERVED INVENTIONS OR WORKS AUTHORED PRIOR TO CONTRACTING ENGAGEMENT

Title	Description

PURCHASE AND TERMINATION AGREEMENT

BY AND AMONG

FOX ENTERTAINMENT GROUP, INC.,

FOX US MOBILE HOLDINGS, INC.,

US MOBILE HOLDINGS, LLC,

FOX DUTCH MOBILE B.V.,

JAMBA NETHERLANDS MOBILE HOLDINGS GP B.V.,

NETHERLANDS MOBILE HOLDINGS C.V.,

VERISIGN, INC.,

VERISIGN US HOLDINGS, INC.,

VERISIGN NETHERLANDS MOBILE HOLDINGS B.V.

AND

VERISIGN SWITZERLAND S.A.

DATED AS OF OCTOBER 6, 2008

TABLE OF CONTENTS

TABLE OF CONTENTS

Exhibits

Exhibit A	First Amendment to Gateway Services Agreement
Exhibit B-1	Amended and Restated Limited Partnership Agreement of the Netherlands Joint Venture
Exhibit B-2	Amended and Restated Articles of Association of the Netherlands GP
Exhibit B-3	Amended and Restated LLC Agreement of the U.S. Joint Venture
Exhibit C	David Singer Letter
Exhibit D	Larry Friedman Letters

Schedules

Schedule A	Settlement Payment Amount
Schedule B	Current VeriSign Managers
Schedule C	Current Fox Managers

PURCHASE AND TERMINATION AGREEMENT

THIS PURCHASE AND TERMINATION AGREEMENT is entered into as of October 6, 2008 (this "Agreement"), by and among Fox Entertainment Group, Inc., a Delaware corporation ("Fox"), Fox US Mobile Holdings, Inc., a Delaware corporation and a wholly owned subsidiary of Fox ("Fox Mobile Holdings"), Fox Dutch Mobile B.V., a Netherlands B.V. that is a wholly owned subsidiary of Fox Dutch Mobile Holdings C.V. ("Fox Dutch Mobile" and together with Fox Mobile Holdings, the "Fox Purchasing Entities"), VeriSign, Inc., a Delaware corporation ("VeriSign"), VeriSign Switzerland S.A., a Swiss company and a wholly owned subsidiary indirectly owned by VeriSign ("VeriSign Swissco"), VeriSign US Holdings, Inc., a Nevada corporation and a wholly owned subsidiary of VeriSign ("VeriSign Holdings"), VeriSign Netherlands Mobile Holdings B.V., a Netherlands B.V. and a wholly owned subsidiary of VeriSign Swissco ("VeriSign Netherlands Mobile Holdings" and together with VeriSign Swissco and VeriSign Holdings, the "VeriSign Selling Entities"), Jamba Netherlands Mobile Holdings GP B.V., a Netherlands B.V. (the "Netherlands GP"), US Mobile Holdings, LLC, a Delaware limited liability company (the "U.S. Joint Venture") and Netherlands Mobile Holdings C.V., a Netherlands C.V. (the "Netherlands Joint Venture" and together with the U.S. Joint Venture, the "Joint Ventures").

W I T N E S S E T H:

WHEREAS, VeriSign indirectly owns forty nine percent (49%) and Fox indirectly owns fifty one percent (51%) of the equity interests in the Joint Ventures, which Joint Ventures own and operate, among other things, the businesses conducted under the Jamba! (outside the U.S.) and Jamster (within the U.S.) brand names;

WHEREAS, Fox desires to purchase (indirectly) and VeriSign desires to sell (indirectly) all of its equity interests in the Joint Ventures at Closing; and

WHEREAS, the Parties desire to amend and/or terminate certain agreements entered into in connection with the formation of the Joint Ventures and to release each other from certain Liabilities.

NOW, THEREFORE, in consideration of the forgoing and the mutual representations, warranties, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree hereby as follows:

ARTICLE I

PURCHASE OF VERISIGN JOINT VENTURE INTERESTS

1.1 Purchase and Sale. On the terms and subject to the conditions of this Agreement, on the Closing Date, the applicable parties set forth below shall pay to the applicable VeriSign Parties an aggregate amount of $193,274,189 (One Hundred Ninety Three Million Two Hundred Seventy Four Thousand One Hundred Eighty Nine Dollars) (the "Purchase Price"), consisting of the Netherlands JV Purchase Amount, the Netherlands GP Purchase Amount and the U.S. JV Purchase Amount, pursuant to the following transactions (the "Purchase Transactions"), which shall occur in the order stated:

(a) Fox Dutch Mobile shall purchase all of VeriSign Netherlands Mobile Holdings' interest, free and clear of all Liens, in the Netherlands Joint Venture, which represents forty eight and ninety-five one hundredths percent (48.95%) of the interests in the Netherlands Joint Venture (the "VeriSign Netherlands JV Interests") as set forth in Schedule A of the Joint Venture Agreement, and VeriSign Netherlands Mobile Holdings shall sell the same to Fox Dutch Mobile, in exchange for cash in an amount equal to $108,123,104 (One Hundred Eight Million One Hundred Twenty Three Thousand One Hundred Four Dollars) (the "Netherlands JV Purchase Amount");

(b) Fox Dutch Mobile shall purchase all of VeriSign Swissco's interest, free and clear of all Liens, in the Netherlands GP, which represents forty nine percent (49%) of the interests in the Netherlands GP (the "VeriSign Netherlands GP Interests"), and VeriSign Swissco shall sell the same to Fox Dutch Mobile, in exchange for cash in an amount equal to $110,442 (One Hundred Ten Thousand Four Hundred Forty Two Dollars) (the "Netherlands GP Purchase Amount"); and

(c) Fox Mobile Holdings shall purchase all of VeriSign Holdings' interest, free and clear of all Liens, in the U.S. Joint Venture, which represents forty nine percent (49%) of the interests in the U.S. Joint Venture (the "VeriSign U.S. JV Interests"), and VeriSign Holdings shall sell the same to Fox Dutch Mobile Holdings, in exchange for cash in an amount equal to $85,040,643 (Eighty Five Million Forty Thousand Six Hundred Forty Three Dollars) (the "U.S. JV Purchase Amount").

1.2 Settlement Payment. On the terms and subject to the conditions of this Agreement, on the Closing Date the applicable VeriSign Parties, Fox Parties and/or the Joint Ventures and/or their applicable Subsidiaries shall make the payments set forth on Schedule A (the "Settlement Payment Amount") , which includes payment in full of all principal, interest and any other amounts owing under the Jamba Mobile Holdings Note, in settlement and discharge of the payments and other Liabilities reflected thereon that may be owning between the parties as of the date hereof or, with respect to payments and other Liabilities arising under the Gateway Services Agreement, as of August 31, 2008. Upon payment of the Purchase Price and, subject to Section 1.3, the Settlement Payment Amount, the VeriSign Parties, the Fox Parties and the Joint Ventures shall have no further Liability to each other in respect of the matters subject to the Settlement Payment Amount and shall be released and discharged therefrom and from any other VeriSign Released Matters and the Fox Released Matters, as applicable, in accordance with and subject to the provisions of Section 5.6 and Section 5.7 hereof; provided that the foregoing shall not limit the obligation of the Joint Ventures to make payment to the VeriSign Parties of fees and other amounts due in respect of services performed by the VeriSign Parties (i) from September 1, 2008 to the date hereof under and in accordance with the terms of the Gateway Services Agreement and (ii) following the date hereof under and in accordance with the terms of the Gateway Services Agreement as amended by the First Amendment to Gateway Services Agreement.

1.3 Adjustment of Settlement Payment Amount. The Parties acknowledge and agree that the amounts indicated as due with respect (only) to the four (4) items marked with an "*" in Schedule A (the "Provisional Items") represent estimates of the amounts actually due in respect of the Provisional Items as of August 31, 2008 under the Gateway Services Agreement (as in effect as of the date hereof). As soon as practicable after the Closing Date, the relevant VeriSign Parties and/or Fox Parties will calculate and determine the final amounts due by the relevant Fox Parties and/or VeriSign Parties, as applicable, as of August 31, 2008, under the Gateway Services Agreement (as in effect as of the date hereof) in respect of the Provisional Items. In the event of a disagreement between the VeriSign Parties and the Fox Parties on the determination of such final amounts, the parties shall discuss in good faith in order to promptly resolve such disagreement. If no agreement is reached between the parties within ninety (90) days following the Closing Date, the dispute will be escalated to the Chief Financial Officers of VeriSign and Fox for final resolution. Once the VeriSign Parties and the Fox Parties, in accordance with the preceding sentences, have agreed on the final amounts due in respect of the Provisional Items, the relevant Fox Parties or the relevant VeriSign Parties, as the case may be, shall promptly pay to the relevant VeriSign Parties or the relevant Fox Parties, as applicable, any difference between (i) the estimated amounts indicated in Schedule A as due in respect of the relevant Provisional Items and (ii) the final amounts due in respect of such Provisional Items as determined and agreed between the parties in accordance with the above provisions.

1.4 Ownership Following Purchase Transactions. After giving effect to the Purchase Transactions, the ownership interests, expressed as a percentage, in each of the Netherlands Joint Venture and the U.S. Joint Venture, respectively, shall be designated as set forth below:

Party	Interest in Netherlands Joint Venture
Fox Dutch Mobile	99.9%
Netherlands GP (100% owned by Fox Dutch Mobile following the Purchase Transactions)	0.1%
VeriSign Parties	0%

Party	Interest in the U.S. Joint Venture
Fox Mobile Holdings	100%
VeriSign Parties	0%

ARTICLE II

CLOSING

2.1 Closing. Subject to the terms and conditions of this Agreement, the closing of the Transactions (the "Closing") shall take place at 10:00 a.m., New York time, at the offices of Hogan & Hartson LLP, 875 Third Avenue, New York, New York 10022, on the date of this Agreement, or on such other date, place and time as the parties may agree in writing (the "Closing Date").

2.2 Deliveries by the VeriSign Parties at Closing. At Closing, the VeriSign Parties shall deliver, or cause to be delivered, to the Fox Parties, the Joint Ventures, or the Netherlands GP, as applicable, the following:

(a) To Fox Dutch Mobile and the Netherlands GP, such instruments or documents (including private deeds and appropriate powers of attorney) as may be necessary or appropriate to properly transfer to Fox Dutch Mobile title to all of the VeriSign Netherlands JV Interests pursuant to Section 1.1(a), free and clear of all Liens;

(b) To Fox Dutch Mobile and the Netherlands GP, such instruments or documents (including notarial deeds executed by a Dutch civil notary and appropriate powers of attorney) as may be necessary or appropriate to properly transfer to Fox Dutch Mobile title to all of the VeriSign Netherlands GP Interests pursuant to Section 1.1(b), free and clear of all Liens;

(c) To Jamba Mobile Holdings, the Jamba Mobile Holdings Note, fully cancelled pursuant to Section 1.2, together with such instruments or documents as may be necessary or appropriate to properly terminate such obligation of Jamba Mobile Holdings;

(d) To the Joint Ventures, the First Amendment to Gateway Services Agreement, attached hereto as Exhibit A, executed by a duly authorized officer of each VeriSign Party that is a party thereto;

(e) To the Netherlands Joint Venture, written consent of (i) all of the current VeriSign Managers of the board of managers of the Netherlands GP, in turn representing the Netherlands Joint Venture, effective as of immediately prior to the Closing Date, approving the transactions contemplated hereby, including the termination of the Joint Venture Agreement and the replacement thereof with the Amended and Restated Limited Partnership Agreement of the Netherlands Joint Venture attached hereto as Exhibit B-1 and (ii) each of VeriSign and VeriSign Netherlands Mobile Holdings, effective as of immediately prior to the Closing Date, approving (A) the termination of the Joint Venture Agreement and the replacement thereof with the Amended and Restated Limited Partnership Agreement of the Netherlands Joint Venture attached hereto as Exhibit B-1 and (B) the replacement of VeriSign Netherlands Mobile Holdings as a limited partner of the Netherlands Joint Venture with Fox Dutch Mobile as the sole limited partner of the Netherlands Joint Venture;

(f) To the Netherlands GP, written consent of all of the current VeriSign Managers of the board of managers of the Netherlands GP effective as of immediately prior to the Closing Date approving the transactions contemplated hereby, including the Amended and Restated Articles of Association of the Netherlands GP attached hereto as Exhibit B-2; and

(g) To the U.S. Joint Venture, written consent of (i) all of the current VeriSign Managers of the board of managers of the U.S. Joint Venture, effective as of immediately prior to the Closing Date, approving the transactions contemplated hereby, including the Amended and Restated LLC Agreement of the U.S. Joint Venture attached hereto as Exhibit B-3 and (ii) VeriSign Holdings, effective as of immediately prior to the Closing Date, approving the Amended and Restated LLC Agreement of the U.S. Joint Venture attached hereto as Exhibit B-3;

(h) To the Netherlands GP, written resignations of all of the current VeriSign Managers of the board of managers of the Netherlands GP effective as of immediately prior to the Closing Date and waiving any claims against the Netherlands GP;

(i) To the U.S. Joint Venture, written resignations of all of the current VeriSign Managers of the board of managers of the U.S. Joint Venture effective as of immediately prior to the Closing Date and waiving all claims against the U.S. Joint Venture; and

(j) To the Joint Ventures and/or their applicable Subsidiaries, the portion of the Settlement Payment Amount to be paid to them as set forth on Schedule A.

2.3 Deliveries by the Fox Parties at the Closing. At Closing, the Fox Parties shall deliver, or cause to be delivered, to the VeriSign Parties, the Joint Ventures or the Netherlands GP, as applicable, the following:

(a) To VeriSign Netherlands Mobile Holdings, the Netherlands JV Purchase Amount in cash paid by wire transfer of immediately available funds to an account or accounts designated in writing by VeriSign Netherlands Mobile Holdings;

(b) To VeriSign Swissco, the Netherlands GP Purchase Amount in cash paid by wire transfer of immediately available funds to an account or accounts designated in writing by VeriSign Swissco;

(c) To VeriSign Holdings, the U.S. JV Purchase Amount in cash paid by wire transfer of immediately available funds to an account or accounts designated in writing by VeriSign Holdings;

(d) To the Netherlands GP, the Amended and Restated Limited Partnership Agreement of the Netherlands Joint Venture, attached hereto as Exhibit B-1, executed by a duly authorized officer of Fox Dutch Mobile;

(e) To the Netherlands GP, written consent of all of the current Fox Managers of the board of managers of the Netherlands GP effective as of immediately prior to the Closing Date approving the transactions contemplated hereby, including the Amended and Restated Articles of Association of the Netherlands GP attached hereto as Exhibit B-2; and

(f) To the Netherlands Joint Venture, written consent of (i) all of the current Fox Managers of the board of managers of the Netherlands GP, in turn representing the Netherlands Joint Venture, effective as of immediately prior to the Closing Date, approving the transactions contemplated hereby, including the termination of the Joint Venture Agreement and the replacement thereof with the Amended and Restated Limited Partnership Agreement of the Netherlands Joint Venture attached hereto as Exhibit B-1 and (ii) each of News Corporation and Fox Dutch Mobile, effective as of immediately prior to the Closing Date, approving (A) the termination of the Joint Venture Agreement and the replacement thereof with the Amended and Restated Limited Partnership Agreement of the Netherlands Joint Venture attached hereto as Exhibit B-1, executed by a duly authorized officer of each Fox Party that is a party thereto and (B) the replacement of VeriSign Netherlands Mobile Holdings as a limited partner of the Netherlands Joint Venture with Fox Dutch Mobile as the sole limited partner of the Netherlands Joint Venture;

(g) To the U.S. Joint Venture, the Amended and Restated LLC Agreement of the U.S. Joint Venture, attached hereto as Exhibit B-3, executed by a duly authorized officer of each Fox Party that is a party thereto;

(h) To the U.S. Joint Venture, written consent of (i) all of the current Fox Managers of the board of managers of the U.S. Joint Venture, effective as of immediately prior to the Closing Date, approving the transactions contemplated hereby, including the Amended and Restated LLC Agreement of the U.S. Joint Venture attached hereto as Exhibit B-3 and (ii) Fox Mobile Holdings, effective as of immediately prior to the Closing Date, approving the Amended and Restated LLC Agreement of the U.S. Joint Venture attached hereto as Exhibit B-3;

(i) To VeriSign Netherlands Mobile Holdings and the Netherlands GP, such instruments or documents (including private deeds and appropriate powers of attorney) as may be necessary or appropriate to properly transfer to Fox Dutch Mobile title to all of the VeriSign Netherlands JV Interests pursuant to Section 1.1(a), free and clear of all Liens; and

(j) To VeriSign Swissco and the Netherlands GP, such instruments or documents (including notarial deeds executed by a Dutch civil notary and appropriate powers of attorney) as may be necessary or appropriate to properly transfer to Fox Dutch Mobile title to all of the VeriSign Netherlands GP Interests pursuant to Section 1.1(b), free and clear of all Liens.

2.4 Deliveries of the Joint Ventures at Closing. At Closing, the applicable Joint Venture(s) shall deliver, or cause to be delivered, to VeriSign and/or Fox, as applicable, the following:

(a) To VeriSign, the First Amendment to Gateway Services Agreement, attached hereto as Exhibit A, executed by a duly authorized officer of each Joint Venture that is a party thereto;

(b) To the Fox Parties, the Amended and Restated LLC Agreement of the U.S. Joint Venture, attached hereto as Exhibit B-3, executed by a duly authorized officer of the U.S. Joint Venture; and

(c) To VeriSign and/or its applicable Subsidiaries, the portion of the Settlement Payment Amount to be paid to them as set forth on Schedule A.

2.5 Deliveries of the Netherlands GP at Closing. At Closing, the Netherlands GP shall deliver or cause to be delivered, to the Netherlands Joint Venture, the VeriSign parties and/or the Fox Parties, as applicable, the following:

(a) To Fox Dutch Mobile and VeriSign Netherlands Mobile Holdings, such instruments or documents (including private deeds and appropriate powers of attorney) as may be necessary or appropriate to properly transfer to Fox Dutch Mobile title to all of the VeriSign Netherlands JV Interests pursuant to Section 1.1(a), free and clear of all Liens;

(b) To Fox Dutch Mobile and VeriSign Swissco, such instruments or documents (including notarial deeds executed by a Dutch civil notary and appropriate powers of attorney) as may be necessary or appropriate to properly transfer to Fox Dutch Mobile title to all of the VeriSign Netherlands GP Interests pursuant to Section 1.1(b), free and clear of all Liens;

(c) To the Fox Parties, the Amended and Restated Limited Partnership Agreement of the Netherlands Joint Venture, attached hereto as Exhibit B-1, executed by a duly authorized officer of the Netherlands GP; and

(d) To the Netherlands Joint Venture, written consent of Netherlands GP effective as of immediately prior to the Closing Date approving the termination of the Joint Venture Agreement and the replacement thereof with the Amended and Restated Limited Partnership Agreement of the Netherlands Joint Venture attached hereto as Exhibit B-1.

2.6 Additional Closing Deliveries. From time to time on and after Closing, the parties hereto agree to execute and deliver such other instruments of conveyance, assignment, assumption, transfer and delivery, and will cause their Affiliates and Subsidiaries to take such actions, as may be reasonably required to more effectively effect the Purchase Transactions.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE VERISIGN PARTIES

The VeriSign Parties hereby jointly and severally represent and warrant as follows:

3.1 Corporate Organization. Each VeriSign Party is a duly organized and validly existing corporation or other entity in good standing (or its equivalent under applicable law) under the laws of the jurisdiction of its incorporation or organization and is duly qualified or authorized to do business as a foreign corporation or entity and is in good standing under the laws of each jurisdiction in which the conduct of its business or the ownership of its properties and assets requires such qualification or authorization, except where the failure to be so qualified, authorized or in good standing as a foreign corporation would not, individually or in the aggregate, reasonably be expected to prevent or materially delay or materially impair the ability of the VeriSign Parties to consummate the Purchase Transactions. Each of the VeriSign Parties has the corporate power and authority to own or lease all of its properties and assets and to carry on its business as it is now being conducted and as it is currently contemplated to be conducted.

3.2 Authorization of Agreement. Each VeriSign Party has all requisite corporate, limited liability company or other similar power and authority to execute and deliver this Agreement and each Purchase Transaction Agreement and each other agreement, document, instrument or certificate contemplated by this Agreement or the Purchase Transaction Agreements to which it is a party or to be executed by any VeriSign Party in connection with the consummation of the Purchase Transactions (the "VeriSign Documents"), to perform its obligations hereunder and thereunder and to consummate the Purchase Transactions. The execution and delivery of the VeriSign Documents and the consummation of the Purchase Transactions contemplated thereby have been duly authorized by all requisite corporate action on the part of each VeriSign Party. Each of the VeriSign Documents has been duly and validly executed and delivered by each VeriSign Party that is a party thereto and (assuming the due authorization, execution and delivery by the other parties thereto) each of the VeriSign Documents, when so executed and delivered, will constitute, the legal, valid and binding obligations of such VeriSign Party, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

3.3 Conflicts; Consents of Third Parties.

(a) None of the execution and delivery by the VeriSign Parties of this Agreement or the other VeriSign Documents, the consummation of the Purchase Transactions, or compliance by the VeriSign Parties with any of the provisions hereof or thereof, conflicts with or will conflict with, or result in any violation of or constitute a breach of or a default (with or without notice or lapse of time, or both) under, or result in the loss of any benefit under, or permit the acceleration of any obligation under, or give rise to a right of termination, modification or cancellation under or result in the creation of any Lien upon any of the properties or assets of any VeriSign Party or any of their respective Subsidiaries under, any provision of (i) the certificate of incorporation or bylaws, or other comparable organizational documents, of any VeriSign Party or any of their respective Subsidiaries; (ii) any Contract or Permit to which any VeriSign Party or any of their respective Subsidiaries is a party or by which any of the properties or assets of any VeriSign Party or any of their respective Subsidiaries are bound; (iii) any Order of any Governmental Authority applicable to any VeriSign Party or any of their respective Subsidiaries or by which any of the properties or assets of any VeriSign Party or any of their respective Subsidiaries are bound; or (iv) any applicable Law, except in the case of clauses (ii), (iii) and (iv), where such conflict, violation or default would not, individually or in the aggregate, reasonably be expected to prevent or materially delay or materially impair the ability of the VeriSign Parties to consummate the Purchase Transactions.

(b) No consent, waiver, approval, Order, Permit or authorization of, or declaration or filing with, or notification to, any Governmental Authority (a "Governmental Approval") is required on the part of any VeriSign Party or any of their respective Subsidiaries in connection with the execution, delivery or performance of this Agreement or the other VeriSign Documents or the compliance by such VeriSign Party with any of the provisions hereof or thereof, or the consummation of the Purchase Transactions.

3.4 Title to VeriSign Interests. Each VeriSign Selling Entity has good and valid title to its corresponding VeriSign Interest as indicated in Section 1.1, free and clear of any Liens and is (a) the record and beneficial owner thereof and (b) has full and unrestricted ownership thereof. Assuming the applicable Fox Purchasing Entity has the requisite power and authority to be the lawful owner of such VeriSign Interest, upon (i) delivery to the applicable Fox Purchasing Entity at the Closing of certificates, if any, representing the corresponding VeriSign Interests, duly endorsed by the applicable VeriSign Selling Entity for transfer to the applicable Fox Purchasing Entity, or other appropriate instruments sufficient to evidence the transfer of the VeriSign Interests under the applicable laws of the relevant jurisdiction as set forth herein, and (ii) receipt of the Netherlands JV Purchase Amount, the Netherlands GP Purchase Amount and the U.S. JV Purchase Amount pursuant to Sections 1.1(b), (c) and (d), respectively, good and valid title to the corresponding VeriSign Interests will pass to the applicable Fox Purchasing Entities, free and clear of any Liens, other than those arising from acts of the Fox Parties. Except for those arising under this Agreement, the Formation Agreement, the Joint Venture Agreement, the LLC Agreement, the articles of association of the Netherlands GP and/or any corporate and partnership Laws applicable to the Netherlands Joint Venture, the U.S. Joint Venture and the Netherlands GP, the VeriSign Interests are not subject to any options, warrants, calls, rights, commitments, or agreements of any character, including any agreement restricting or otherwise relating to the voting, dividend rights or disposition of the VeriSign Interests.

3.5 Legal Proceedings. None of the VeriSign Parties is party to any, and there are no pending or, to the Knowledge of the VeriSign Parties, threatened, Legal Proceeding, of any nature against VeriSign or any of its Subsidiaries that would reasonably be expected to prevent or materially delay or materially impair the ability of the VeriSign Parties to consummate the Purchase Transactions.

3.6 Knowledge of Liabilities. Except as expressly mentioned in this Agreement, as of the date hereof the VeriSign Parties have no Knowledge of any event, action, matter or circumstance that would reasonably be expected to give rise to a material Liability of any Fox Indemnified Party to any of the VeriSign Parties under or in respect of any Transactions (as defined in the Formation Agreement) or any of the Transaction Agreements (as defined in the Formation Agreement).

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE FOX PARTIES

Fox hereby represents and warrants as follows:

4.1 Corporate Organization. Each Fox Party is a duly organized and validly existing corporation or other entity in good standing (or its equivalent under applicable law) under the laws of the jurisdiction of its incorporation or organization and is duly qualified or authorized to do business as a foreign corporation or entity and is in good standing under the laws of each jurisdiction in which the conduct of its business or the ownership of its properties and assets requires such qualification or authorization, except where the failure to be so qualified, authorized or in good standing as a foreign corporation would not, individually or in the aggregate, reasonably be expected to prevent or materially delay or materially impair the ability of the Fox Parties to consummate the Purchase Transactions. Each of the Fox Parties has the corporate power and authority to own or lease all of its properties and assets and to carry on its business as it is now being conducted and as it is currently contemplated to be conducted.

4.2 Authorization of Agreement. Each Fox Party has all requisite corporate, limited liability company or other similar power and authority to execute and deliver this Agreement and each Purchase Transaction Agreement and each other agreement, document, or instrument or certificate contemplated by this Agreement or the Purchase Transaction Agreements to which it is a party or to be executed by any Fox Party in connection with the consummation of the Purchase Transactions (the "Fox Documents"), to perform its obligations hereunder and thereunder and to consummate the Purchase Transactions. The execution and delivery of the Fox Documents and the consummation of the Purchase Transactions contemplated thereby have been duly authorized by all requisite corporate action on the part of each Fox Party. Each of the Fox Documents has been duly and validly executed and delivered by each Fox Party that is a party thereto and (assuming the due authorization, execution and delivery by the other parties thereto) each of the Fox Documents, when so executed and delivered, will constitute, the legal, valid and binding obligations of such Fox Party, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

4.3 Conflicts; Consents of Third Parties.

(a) None of the execution and delivery by the Fox Parties of this Agreement or the other Fox Documents, the consummation of the Purchase Transactions, or compliance by the Fox Parties with any of the provisions hereof or thereof conflicts with or will conflict with, or result in any violation of or constitute a breach of or a default (with or without notice or lapse of time, or both) under, or result in the loss of any benefit under, or permit the acceleration of any obligation under, or give rise to a right of termination, modification or cancellation under or result in the creation of any Lien upon any of the properties or assets of any Fox Party or any of their respective Subsidiaries under, any provision of (i) the certificate of incorporation or bylaws or other comparable organizational documents, of any Fox Party or any of their respective Subsidiaries; (ii) any Contract or Permit to which any Fox Party or any of their respective Subsidiaries is a party or by which any of the properties or assets of any Fox Party or any of their respective Subsidiaries are bound; (iii) any Order of any Governmental Authority applicable to any Fox Party or any of their respective Subsidiaries or by which any of the properties or assets of any Fox Party or any of their respective Subsidiaries are bound; or (iv) any applicable Law, except in the case of clauses (ii), (iii) and (iv), where such conflict, violation or default would not, individually or in the aggregate, reasonably be expected to prevent or materially delay or materially impair the ability of the Fox Parties to consummate the Purchase Transactions.

(b) No Governmental Approval is required on the part of any Fox Party or any of their respective Subsidiaries in connection with the execution, delivery or performance of this Agreement or the other Fox Documents or the compliance by such Fox Party with any of the provisions hereof or thereof, or the consummation of the Purchase Transactions.

4.4 Legal Proceedings. None of the Fox Parties is party to any, and there are no pending or, to the Knowledge of the Fox Parties, threatened, Legal Proceeding, of any nature against Fox or any of its Subsidiaries that would reasonably be expected to prevent or materially delay or materially impair the ability of the Fox Parties to consummate the Purchase Transactions.

4.5 Knowledge of Liabilities. Except as expressly mentioned in this Agreement, as of the date hereof the Fox Parties have no Knowledge of any event, action, matter or circumstance that would reasonably be expected to give rise to a material Liability of any VeriSign Indemnified Party to any of the Fox Parties under or in respect of any Transactions (as defined in the Formation Agreement) or any of the Transaction Agreements (as defined in the Formation Agreement).

ARTICLE V

COVENANTS

5.1 Further Assurances. In case at any time after the date of this Agreement and from time to time any further action is necessary to carry out the purposes of this Agreement and to vest the applicable Fox Purchasing Entity with valid and legal title to the applicable VeriSign Interests, free and clear of all Liens, the parties hereto agree to take or cause to be taken all such necessary or appropriate action in accordance with and subject to the terms of this Agreement, and the cost of such action will be borne by the party receiving the benefit of such action.

5.2 Confidentiality. Each of the Fox Parties and the VeriSign Parties acknowledge and agree that the information provided to it in connection with this Agreement and the Purchase Transactions is subject to the terms of the Mutual Non-Disclosure Agreement dated July 17, 2006 between Fox and VeriSign, the terms of which are incorporated herein by reference.

5.3 Publicity. None of the Fox Parties, the VeriSign Parties, or their Affiliates shall issue any press release or public announcement concerning this Agreement, the other Purchase Transaction Agreements or the Purchase Transactions or make any other public disclosure containing the terms of this Agreement without obtaining the prior written approval of the other party hereto, which approval will not be unreasonably withheld or delayed, unless (i) in the judgment of Fox or VeriSign, as applicable, disclosure is otherwise required by applicable Law or by the applicable rules of any stock exchange on which Fox or VeriSign lists securities, provided that, to the extent any disclosure is required by applicable Law or stock exchange rule, the party intending to make such disclosure shall use its commercially reasonable efforts consistent with applicable Law or stock exchange rule to consult with the other party with respect to the text thereof, or (ii) the press release or public announcement that a party intends to make contains information that had already been disclosed and/or approved by the other party in accordance with this Section 5.3.

5.4 Non-Compete.

(a) Each of the Fox Parties and the VeriSign Parties acknowledge and agree that the primary intent of VeriSign's B-to-B Business (as defined in the LLC Agreement in effect as of immediately prior to the date hereof) offering for mobile content is to provide third parties that are not Affiliates of VeriSign with technology and services to enable mobile media enablement and distribution. Although not the primary intent of VeriSign's B-to-B Business mobile content services, the parties hereto agree that VeriSign may also engage in provisioning mobile services for third parties that include advising and supporting third parties with respect to their retail operations (including supporting and servicing any marketing and development initiatives of such third parties) so long as such retail operations (x) are not predominately controlled by VeriSign or its Affiliates (other than entities affiliated with directors and officers of VeriSign which are not also otherwise Affiliates of VeriSign but for the fact that the director or officer of VeriSign is affiliated with such entity) and (y) in no event use any brand owned or controlled by VeriSign or its Affiliates (other than entities affiliated with directors and officers of VeriSign which are not also otherwise Affiliates of VeriSign but for the fact that the director or officer of VeriSign is affiliated with such entity) except for ingredient branding purposes (i.e. "Powered by VeriSign") and branding for other VeriSign services not related to providing mobile content (i.e., VeriSign's "VeriSign Secured" seal) (any activities permitted by this sentence being herein referred to as "Secondary B-to-B Business Services"). Notwithstanding the foregoing, for a period of two (2) years commencing on the date hereof (the "Prohibited Period"), VeriSign shall not, and shall cause its Affiliates (other than entities affiliated with directors and officers of VeriSign which are not also Affiliates of VeriSign) not to, for their own benefit or for the benefit of any other Person, in any manner, directly or indirectly, operate or engage in (alone or with others), be financially interested in, or have an equity or other ownership interest in any Person engaged in, or form a joint venture with any Person to conduct, any direct-to-consumer mobile business that is substantially similar to the businesses conducted by Jamba! or Mobizzo (each, as defined in the Formation Agreement) prior to the date of the Formation Agreement (a "Competing Business"); provided, however, that the covenant contained in this Section 5.4(a) shall not prohibit VeriSign from (i) engaging in or conducting any B-to-B Business or providing any Secondary B-to- B Business Services; (ii) engaging in activities with any international mobile carrier to the extent any such activities would otherwise qualify as B-to-B Business; or (iii) owning as an investment less than one percent (1%) of the outstanding capital stock of a Competing Business whose stock is traded on a national securities exchange or market, or over-the-counter.

(b) If a judicial or arbitral determination is made that any provision of Section 5.4(a) constitutes an unreasonable or otherwise unenforceable restriction against VeriSign or any of its Affiliates (other than directors and officers of VeriSign), then the provisions of Section 5.4(a) shall be rendered void only to the extent such judicial or arbitral determination finds such provisions to be unenforceable. In that regard, any judicial or arbitral authority construing Section 5.4(a) shall be empowered to sever any prohibited business activity, time period or geographical area from the coverage of Section 5.4(a) and to apply the remaining provisions of Section 5.4(a) to the remaining business activities, time periods and/or geographical areas not so severed.

(c) Available Remedies. Each VeriSign Party acknowledges that it would be difficult to fully compensate Fox or any of its Affiliates for damages resulting from any breach by them of the provisions of Section 5.4(a). Accordingly, in the event of any actual or threatened breach of such provisions, Fox and its Affiliates shall (in addition to any other remedies which it may have) be entitled to temporary and/or permanent injunctive relief to enforce such provisions and recover attorneys' fees and costs for same, and such relief may be granted without the necessity of proving actual damages or the inadequacy of money damages, or posting bond. Moreover, in the event that any provision, or the application thereof, of Section 5.4(a) is determined not to be specifically enforceable, Fox and its Affiliates shall nevertheless be entitled to seek to recover monetary damages as a result of the breach of Section 5.4(a) by VeriSign or any of its Affiliates (other than entities affiliated with directors and officers of VeriSign which are not also otherwise Affiliates of VeriSign but for the fact that the director or officer of VeriSign is affiliated with such entity).

5.5 Non-Solicitation. For a period of three (3) years commencing on the Closing Date, each VeriSign Party shall not, and shall cause its Affiliates not to, directly or indirectly, solicit for employment any employees of the Netherlands Joint Venture or the U.S. Joint Venture other than (i) any employee who has been terminated by such Joint Venture prior to the commencement of employment discussions with such VeriSign Party or its Affiliate and who contacts such VeriSign Party or its Affiliate on his own initiative without prompting from such VeriSign Party or its Affiliate other than as permitted in clause (ii), or (ii) any employee who responds to a solicitation which constitutes a good faith general solicitation, mass advertisement or similar type of broad based publicly disseminated solicitation through advertisement or search firms not specifically directed toward employees of the Netherlands Joint Venture and / or the U.S. Joint Venture.

5.6 Release by Fox Parties.

(a) As of the date hereof, each of the Joint Ventures and Fox does for itself and its respective Affiliates, beneficiaries, successors and assigns, if any, irrevocably and unconditionally release and forever discharge VeriSign and its Subsidiaries from the demand for indemnification under Sections 9.2 and 9.4(d) of the Formation Agreement, pursuant to the letter dated January 11, 2008, from Richard L. Stone to Richard H. Goshorn, General Counsel of VeriSign (the "January 2008 Claim"). It is the intention of Fox and the Joint Ventures in executing this release, and in giving and receiving the consideration called for in this Agreement, that the release contained in this Section 5.6 shall be effective as a full and final accord and satisfaction and general release of and from and the final resolution of the January 2008 Claim.

(b) As of the date hereof, each of the Joint Ventures and each Fox Party and its Affiliates does for itself and for its respective beneficiaries, successors and assigns, if any, irrevocably and unconditionally release and forever discharge the VeriSign Parties, and their respective Affiliates, and each of their respective past, present and future officers, directors, employees, representatives, Affiliates, stockholders, members, controlling Persons, successors and assigns and the VeriSign Managers (individually, a "VeriSign Released Party" and collectively, the "VeriSign Released Parties") from and against all VeriSign Released Matters and, accordingly, any indemnification or similar provisions contained in any Transaction Agreements (as defined in the Formation Agreement) shall be deemed terminated solely to the extent relating to any VeriSign Released Matters. "VeriSign Released Matters" means any and all claims, demands, proceedings, causes of action, Orders, obligations, and Liabilities whatsoever, whether known or unknown, suspected or unsuspected, both at law and in equity, which each Fox Party, each of the Joint Ventures and each of their respective Affiliates now has, has ever had or may hereafter have against the VeriSign Released Parties arising out of the Transactions (as defined in the Formation Agreement) or any of the Transaction Agreements (as defined in the Formation Agreement), whether contemporaneously with, prior to or following the Closing; provided, however, that nothing contained herein shall operate to release (and the following shall therefore not constitute VeriSign Released Matters) any claims, demands, proceedings, causes of action, Orders, obligations, and Liabilities of the VeriSign Released Parties (i) which, subject to Section 5.6(a), remain subject to indemnification pursuant to Article IX of the Formation Agreement, (ii) arising under this Agreement, the other Purchase Transaction Agreements and the documents executed in conjunction herewith and therewith (but excluding the Amended and Restated Joint Venture Agreement of the Netherlands Joint Venture, the Amended and Restated LLC Agreement of the U.S. Joint Venture and the Amended and Restated Articles of Association of the Netherlands GP), (iii) arising after the date of this Agreement in respect of acts or omissions occurring after the date hereof under the Gateway Services Agreement as amended by the First Amendment to the Gateway Services Agreement, (iv) in respect of payments owed by the Joint Ventures or VeriSign to the other party under the Gateway Services Agreement in relation to Services (as defined in the Gateway Services Agreement) provided by VeriSign thereunder since September 1, 2008, or (v) in relation to the two purported class action complaints filed against VeriSign and other parties on March 27, 2008, in the United States District Court for the Southern District of California, and referred to in the Larry Friedman Letters and the David Singer Letter. It is the intention of the Joint Ventures and the Fox Parties in executing this release, and in giving and receiving the consideration called for in this Agreement, that the release contained in this Section 5.6 shall be effective as a full and final accord and satisfaction and general release of and from all VeriSign Released Matters and the final resolution by the Joint Ventures and each Fox Party and the VeriSign Released Parties of all VeriSign Released Matters. Each of the Joint Ventures and each Fox Party and each of their respective Affiliates hereby irrevocably covenants to refrain from, directly or indirectly, asserting any claim or demand, or commencing, instituting or causing to be commenced, any proceeding of any kind against any VeriSign Released Party, based upon any matter purported to be released hereby. The invalidity or unenforceability of any part of this Section 5.6 shall not affect the validity or enforceability of the remainder of this Section 5.6, which shall remain in full force and effect.

5.7 Release by VeriSign Parties. As of the date hereof, each VeriSign Party and its Affiliates does for itself and for its respective beneficiaries, successors and assigns, if any, irrevocably and unconditionally release and forever discharge the Joint Ventures, the Netherlands GP, the Fox Parties, and their respective Affiliates, and each of their respective past, present and future officers, directors, employees, representatives, Affiliates, stockholders, members, controlling Persons, successors and assigns and the Fox Managers (individually, a "Fox Released Party" and collectively, the "Fox Released Parties") from and against all Fox Released Matters and, accordingly, any indemnification or similar provisions contained in any Transaction Agreements (as defined in the Formation Agreement) shall be deemed terminated solely to the extent relating to any Fox Released Matters. "Fox Released Matters" means any and all claims, demands, proceedings, causes of action, Orders, obligations, and Liabilities whatsoever, whether known or unknown, suspected or unsuspected, both at law and in equity, which each VeriSign Party and its Affiliates now has, has ever had or may hereafter have against the Fox Released Parties arising out of the Transactions (as defined in the Formation Agreement) or any of the Transaction Agreements (as defined in the Formation Agreement), whether contemporaneously with, prior or following the Closing; provided, however, that nothing contained herein shall operate to release (and the following shall therefore not constitute Fox Released Matters) any claims, demands, proceedings, causes of action, Orders, obligations, and Liabilities of the Fox Released Parties (i) which remain subject to indemnification pursuant to Article IX of the Formation Agreement, (ii) arising under this Agreement (including Section 5.9 below), the other Purchase Transaction Agreements and the documents executed in conjunction herewith and therewith, (iii) in respect of payments owed by the Joint Ventures or VeriSign to the other party under the Gateway Services Agreement in relation to Services (as defined in the Gateway Services Agreement) provided by VeriSign thereunder since September 1, 2008, (iv) arising after the date of this Agreement in respect of acts or omissions occurring after the date hereof under the Gateway Services Agreement as amended by the First Amendment to Gateway Services Agreement, or (v) in relation to the two purported class action complaints filed against VeriSign and other parties on March 27, 2008, in the United States District Court for the Southern District of California, and referred to in the Larry Friedman Letters and the David Singer Letter. It is the intention of the VeriSign Parties in executing this release, and in giving and receiving the consideration called for in this Agreement, that the release contained in this Section 5.7 shall be effective as a full and final accord and satisfaction and general release of and from all Fox Released Matters and the final resolution by each VeriSign Party and the Fox Released Parties of all Fox Released Matters. Each VeriSign Party and its Affiliates hereby irrevocably covenants to refrain from, directly or indirectly, asserting any claim or demand, or commencing, instituting or causing to be commenced, any proceeding of any kind against any Fox Released Party, based upon any matter purported to be released hereby. The invalidity or unenforceability of any part of this Section 5.7 shall not affect the validity or enforceability of the remainder of this Section 5.7, which shall remain in full force and effect.

5.8 Releases Generally. Without limiting the generality of the foregoing Section 5.6 and Section 5.7, each of the Joint Ventures, the Fox Parties, the VeriSign Parties and their respective Affiliates waives all rights under California Civil Code Section 1542 and under any other state or federal statute, or common law principle of similar effect relating to the matters released herein. Section 1542 provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH, IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

5.9 Indemnification by Fox and the Joint Ventures; Cooperation On Claims.

(a) Each of the Joint Ventures and Fox shall reimburse, defend, indemnify, and hold harmless any VeriSign Released Party from and against any and all damages, losses, claims, Liabilities, demands, charges, suits, penalties, costs and Expenses (individually, a "Loss" and collectively the "Losses") incurred by or asserted against any VeriSign Released Party resulting or arising from, or relating to, the ownership, operation, holding and/or assumption by the Joint

Ventures and/or their Subsidiaries (and their respective beneficiaries, successors and assigns, if any), on or after the Closing Date, of the assets, contracts, businesses, rights, obligations and/or Liabilities contributed, transferred or assigned by VeriSign and/or its Affiliates to the Joint Ventures and their Affiliates pursuant to the Formation Agreement, any other Transaction Agreement (as defined in the Formation Agreement) and/or any of the Transactions (as defined in the Formation Agreement). The indemnification provisions set forth in Section 9.4 of the Formation Agreement shall govern also the indemnification claims brought under this Section 5.9(a), to the extent applicable.

(b) Each of the Joint Ventures and Fox shall reimburse, defend, indemnify, and hold harmless any VeriSign Manager from and against any and all Losses incurred by or asserted against any VeriSign Manager as a result of actions or omissions by the Netherlands GP, the Joint Ventures and/or any of their respective Subsidiaries, or any of their Affiliates, based on any act or omission by any of the VeriSign Managers in their capacity as such prior to the Closing Date, except for cases of willful misconduct or gross negligence of such VeriSign Manager.

(c) In the event that Legal Proceedings shall be instituted, or asserted, by any Person not party to this Agreement against any of the VeriSign Released Parties or the Fox Released Parties in connection with the operation of the business of the Joint Ventures between January 31, 2007 and the Closing Date (each, a "Third Party Claim"), at the request of VeriSign (in respect of Third Party Claims against any of the VeriSign Released Parties) the Joint Ventures shall, and at the request of the Joint Ventures (in respect of Third Party Claims against any of the Fox Released Parties) VeriSign shall discuss in good faith with the party making such request how the defense of such Third Party Claim should be handled, including without limitation by joint defense, in the manner set forth in the Larry Friedman Letters and the David Singer Letter or separately, with the obligation to engage in such discussions (and the content thereof) subject in all cases to conflicts of interest, potential conflicts of interest and preservation of privilege.

5.10 Termination and Amendment of Certain Agreements.

(a) Each of the Fox Parties and the VeriSign Parties agree that at the Closing, the VeriSign Personnel Services Agreement shall terminate and have no further force and effect.

(b) Each of the VeriSign Parties acknowledge and agree that immediately following the Closing the applicable Fox Parties, as the sole holders of equity interests in the U.S. Joint Venture, the Netherlands Joint Venture and the Netherlands GP, may cause to be entered into or adopted the Amended and Restated Limited Partnership Agreement of the Netherlands Joint Venture, the Amended and Restated Articles of Association of the Netherlands GP and the Amended and Restated LLC Agreement of the U.S. Joint Venture in the forms attached as Exhibits B-1, B-2 and B-3 and, thereafter, that the applicable Fox Parties may cause to be further amended each such document in their sole discretion, provided that, the Fox Parties shall keep each VeriSign Released Party harmless and indemnified against Losses, if any, resulting or arising from, or relating to, any of the above mentioned agreements and documents.

5.11 Access.

(a) Reports. For a period of one (1) year following the Closing, each of the U.S. Joint Venture, the Netherlands Joint Venture and the Netherlands GP shall provide in a timely manner and free of charge such financial reports and other operational information as are reasonably necessary for VeriSign to prepare financial statements required by the rules and regulations of the SEC. None of the U.S. Joint Venture, the Netherlands Joint Venture nor the Netherlands GP shall be required by this Section 5.11(a) to take any action that would unreasonably interfere with the conduct of its business or unreasonably disrupt its or its Subsidiaries' normal operations.

(b) Tax Information and Cooperation. Within ninety (90) days after the end of the current fiscal year of each of the U.S. Joint Venture and the Netherlands Joint Venture, each such Joint Venture shall send to VeriSign free of charge such tax information, including, without limitation, Federal Tax Schedule K-1, as shall be reasonably necessary for the VeriSign Parties to prepare and file their Tax Returns (as defined in the Formation Agreement); provided, however, that this period shall be automatically extended by the period of any delay beyond the control of such Joint Venture, such as a delay resulting from the failure of a third party to provide required tax information to such Joint Venture in a timely manner. In addition, for a period of six (6) years from the Closing Date, the Joint Ventures shall cooperate with VeriSign and its Subsidiaries, upon reasonable request, in connection with the filing of Tax Returns (as defined in the Formation Agreement) and any tax audit, litigation or proceeding related to the participation by VeriSign and its Subsidiaries in the Joint Ventures and the businesses of the Joint Ventures and their respective Subsidiaries. The cooperation envisaged in this Section 5.11(b) shall include the retention and (upon request) the provision of records and information that are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder, provided such cooperation would not reasonably be expected to result in a waiver of any attorney-client, work-product or other privilege.

5.12 Records. For six (6) years following the Closing Date, each VeriSign Party shall make available to Fox all agreements, documents, books, records and files, including records and files stored on computer disks or tapes or any other storage medium (collectively, "Records"), if any, relating to the business and operations of the Netherlands GP, the U.S. Joint Venture and the Netherlands Joint Venture and their respective Subsidiaries to the extent reasonably requested by Fox and not then in the possession of such Joint Venture or one of its Subsidiaries. Access to any such Records shall be conducted during regular business hours and under reasonable circumstances and shall be in accordance with applicable Law. Fox and VeriSign shall, and shall cause their respective officers, employees and representatives (including, without limitation, legal advisors and accountants) to cooperate with any such access and Fox shall, and shall cause its officers, employees and representatives, to use their reasonable best efforts to minimize any disruption to each VeriSign Party's business.

ARTICLE VI

MISCELLANEOUS

6.1 Survival. The representations and warranties of the parties contained in this Agreement shall survive until the eighteen (18) month anniversary of the Closing Date except that the representations and warranties set forth in Sections 3.2 (Authorization of Agreement), 3.4 (Title to VeriSign Interests) and 4.2 (Authorization of Agreement) shall survive indefinitely. Unless otherwise expressly provided in this Agreement, all of the covenants and obligations of the parties contained in this Agreement shall survive the Closing indefinitely, unless such covenant or obligation has an express termination date. Notwithstanding the foregoing, if a written claim or written notice of a claim is given with respect to any representation or warranty prior to the expiration of the applicable survival period, the claim with respect to such representation or warranty shall continue indefinitely until such claim is finally resolved.

6.2 Expenses. Except as otherwise provided in this Agreement or the Purchase Transaction Agreements, each of the parties hereto shall bear its own Expenses incurred in connection with the negotiation and execution of this Agreement and the Purchase Transaction Agreements and each other agreement, document and instrument contemplated hereby or thereby and the consummation of the Purchase Transactions, provided, however, that any transfer, stamp, sales, use, registration, recording, conveyancing, notarial and other such taxes, duties, fees, costs and expenses (including any penalties and interest) incurred in connection this Agreement and the Purchase Transaction Agreements and each other agreement, document and instrument contemplated hereby or thereby and the consummation of the Purchase Transactions shall be borne equally by the Fox Parties and the VeriSign Parties.

6.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and performed in such State.

6.4 Submission to Jurisdiction; Consent to Service of Process.

(a) The parties hereto hereby irrevocably submit to the exclusive jurisdiction of any federal or state court located within the State of Delaware over any dispute arising out of or relating to this Agreement or any of the Purchase Transactions and each party hereby irrevocably agrees that all claims in respect of such dispute or any suit, action or proceeding related thereto may be heard and determined in such courts. The parties hereby irrevocably waive, to the fullest extent permitted by applicable Law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

(b) Each of the parties hereto hereby consents to process being served by any party to this Agreement in any suit, action or proceeding by delivery of a copy thereof in accordance with the provisions of Section 6.6.

6.5 Entire Agreement; Amendments and Waivers. This Agreement (including the Schedules and Exhibits hereto) represents the entire understanding and agreement between the parties hereto with respect to the subject matter hereof. This Agreement can be amended, supplemented or changed, and any provision hereof can be waived, only by written instrument making specific reference to this Agreement signed by the party against whom enforcement of any such amendment, supplement, modification or waiver is sought. No action taken pursuant to this Agreement, including without limitation, any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representation, warranty, covenant or agreement contained herein. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

6.6 Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given (a) when delivered personally by hand (with written confirmation of receipt), (b) when sent by facsimile (with written confirmation of transmission) or (c) one (1) Business Day following the day sent by overnight courier (with written confirmation of receipt), in each case at the following addresses and facsimile numbers (or to such other address or facsimile number as a party may have specified by notice given to the other party pursuant to this provision). The parties understand and agree that any notice under this Agreement to the Joint Ventures must be provided to the Netherlands Joint Venture and the U.S. Joint Venture concurrently.

If to any of the Fox Parties, the Joint Ventures or the Netherlands GP, to:

Fox Entertainment Group, Inc.
c/o News Corporation
1211 Avenue of the Americas
New York, New York 10036
Attention: General Counsel
Facsimile: (212) 852-7214

With a copy (which shall not constitute notice) to:

Hogan & Hartson LLP
875 Third Avenue
New York, New York 10022
Attention: Ira S. Sheinfeld and
Alexander B. Johnson
Facsimile: (212) 918-3100

If to any of the VeriSign Parties, to:

VeriSign, Inc.
487 E. Middlefield Road
M/S MV2-2-1
Mountain View, California 94043
Attention: General Counsel
Facsimile: (650) 426-5113

With a copy (which shall not constitute notice) to:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, New York 10006
Attention: Christopher E. Austin
Facsimile: (202) 225-3999

6.7 Severability. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any law or public policy, all other terms or provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Purchase Transactions is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the Purchase Transactions are consummated as originally contemplated to the greatest extent possible. Except as otherwise expressly provided for in this Agreement, nothing contained in any representation or warranty, or the fact that any representation or warranty may or may not be more specific than any other representation or warranty, shall in any way limit or restrict the scope, applicability or meaning of any other representation or warranty contained in this Agreement.

6.8 Specific Performance. Each of the Fox Parties and the VeriSign Parties acknowledges and agrees that any breach of this Agreement would give rise to irreparable harm for which monetary damages would not be an adequate remedy. Each party accordingly agrees that, in addition to any other remedies available under applicable Law or this Agreement, each of the Fox Parties and the VeriSign Parties shall be entitled to enforce the terms of this Agreement by decree of specific performance without the necessity of proving the inadequacy of monetary damages as a remedy and to obtain injunctive relief against any breach or threatened breach of this Agreement.

6.9 Binding Effect; No Third-Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Nothing in this Agreement shall create or be deemed to create any third party beneficiary rights in any person or entity not a party to this Agreement.

6.10 Assignment. No party hereto may assign or transfer this Agreement or any obligation hereunder, directly or indirectly (by operation of Law or otherwise), without the prior written approval of the other parties hereto (which consent will not be unreasonably withheld or delayed by either party), except that, upon written notice to the other, a party hereto may assign or transfer its rights, interests, and obligations hereunder to (a) an entity acquiring all or substantially all of the assets of that party, whether by acquisition of assets or shares, or by merger or consolidation or (b) any of its Affiliates; provided, further, that no assignment of any obligations hereunder shall relieve the Parties hereto of any such obligations. Any assignment in violation of this Section 6.10 shall be void. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties.

6.11 Counterparts. This Agreement may be executed in one or more counterparts, including facsimile counterparts, each of which shall be deemed to be an original copy of this Agreement and all of which, when taken together, shall be deemed to constitute one and the same agreement.

6.12 Joint Preparation. The parties hereto have participated jointly in the negotiation and drafting of this Agreement and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

6.13 Certain Definitions.

(a) For purposes of this Agreement, the following terms shall have the meanings specified in this Section 6.13:

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, such Person, and the term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

"Amended and Restated Articles of Association of the Netherlands GP" means the Deed of Amendment to the Articles of Association of the Netherlands GP in form attached hereto as Exhibit B-2.

"Amended and Restated Limited Partnership Agreement of the Netherlands Joint Venture" means the Amended and Restated Limited Partnership Agreement of the Netherlands Joint Venture in the form attached hereto as Exhibit B-1.

"Amended and Restated LLC Agreement of the U.S. Joint Venture" means the Amended and Restated Limited Liability Company Agreement of the U.S. Joint Venture in the form attached hereto as Exhibit B-3.

"Business Day" means any day of the year on which national banking institutions in both New York and Berlin are open to the public for conducting business and are not required or authorized to close.

"Contract" means any written or oral agreement, contract, indenture, note, mortgage, guarantee, bond, lease, commitment, easement or right of way that is legally binding.

"David Singer Letter" means the letter, dated May 30, 2008, from David R. Singer to Lawrence B. Friedman attached as Exhibit C.

"Expenses" means any and all expenses, costs, claims, demands, assessments, judgments, penalties and fees (including reasonable attorneys' and other professionals' fees and disbursements).

"European Institution" means (i) the European Union Parliament, (ii) the Council of the European Union, (iii) the European Commission, (iv) the European Court of Justice and (v) the European Court of Auditors.

"First Amendment to Gateway Services Agreement" means the First Amendment to VeriSign Gateway Services Agreement in the form attached hereto as Exhibit A.

"Formation Agreement" means the Formation Agreement, dated as of January 29, 2007, by and among Fox, Fox Mobile Holdings, the U.S. Joint Venture, the Netherlands Joint Venture, VeriSign and VeriSign Swissco.

"Fox Managers" means the current or former members of the board of managers of the Netherlands Joint Venture, the U.S. Joint Venture and the Netherlands GP, as applicable, appointed by the Fox Parties, pursuant to the Joint Venture Agreement, the LLC Agreement and the articles of association of the Netherlands GP, respectively. A list of the Fox Managers holding office as of the date of this Agreement is set forth on Schedule C.

"Fox Parties" means Fox and any of its Affiliates party to any Purchase Transaction Agreement.

"Gateway Services Agreement" means the VeriSign Gateway Services Agreement dated as of January 31, 2007, between VeriSign, the Netherlands Joint Venture and the U.S. Joint Venture.

"Governmental Authority" means (a) any nation or government or governmental or regulatory body thereof, or political subdivision thereof, whether federal, state, local or foreign, or any agency, instrumentality or authority thereof, or any court or arbitrator (public or private) or any other entity exercising executive, judicial, legislative, regulatory or administrative functions of or pertaining to regulation or to government; and (b) any European Institution.

"Jamba Mobile Holdings" means Jamba Mobile Holdings GmbH Co KG, a German limited liability partnership, a wholly-owned indirect subsidiary of the Netherlands Joint Venture.

"Jamba Mobile Holdings Note" means the promissory note of Jamba Mobile Holdings payable to VeriSign Swissco.

"Joint Venture Agreement" means the Joint Venture Agreement of Netherlands Mobile Holdings C.V., dated January 31, 2007, between News Corporation, VeriSign, Fox Dutch Mobile, VeriSign Netherlands Mobile Holdings and the Netherlands GP.

"Knowledge" means (a) with respect to the VeriSign Parties, the actual knowledge of Charles Meyers, Chris O' Sullivan and Thomas Indelicarto, and (b) with respect to any of the Fox Parties, the actual knowledge of Mark Anderson, Jamie Samson and Brian Wynne.

"Larry Friedman Letters" means the letter, dated April 16, 2008, from Larry B. Friedman, counsel to VeriSign, to the Chief Executive Officer of the Netherlands Joint Venture and the following letter, dated May 20, 2008, from Larry B. Friedman to the Chief Executive Officer of the Netherlands Joint Venture and the Chief Executive Officer of the U.S. Joint Venture attached as Exhibit D.

"Law" means all foreign, federal, state and local laws, statutes, codes, ordinances, rules, regulations, resolutions and Orders.

"Legal Proceeding" means any judicial, administrative or arbitral actions, suits or proceedings (public or private) by or before a Governmental Authority or arbiter.

"Liability" means any debt, liability or obligation (whether direct or indirect, absolute or contingent, accrued or unaccrued, known or unknown, liquidated or unliquidated, or due or to become due) and including all costs and Expenses relating thereto.

"Lien" means any lien, encumbrance, pledge, mortgage, deed of trust, security interest, lease, charge, option, right of first refusal, easement, servitude, transfer restriction, encroachment, reservation, municipal bond, or other restriction of any kind, including, but not limited to, liens (*Pfandrechte*), life interest (*Niessbrauch*), trust agreements (*Treuhandverhältnisse*), silent partnerships (*stille Beteligungen*) or sub-participations (*Unterbeteiligungen*), but excluding any such lien, encumbrance, option, right of first refusal, transfer restriction or other restriction of any kind arising under the Formation Agreement, the Joint Venture Agreement, the LLC Agreement and/or the articles of association of the Netherlands GP and/or created by corporate and partnership Laws applicable to the Netherlands Joint Venture, the U.S. Joint Venture and the Netherlands GP.

"LLC Agreement" means the Limited Liability Company Agreement of US Mobile Holdings, LLC, dated as of January 31, 2007, by and among Fox Mobile Holdings, News Corporation, VeriSign Holdings, VeriSign, and the U.S. Joint Venture.

"Order" means any order, injunction, judgment, decree, determination, ruling, writ, assessment or arbitration or other award of a Governmental Authority.

"Permits" means any approvals, authorizations, consents, licenses, permits or certificates of a Governmental Authority.

“Person” means any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Authority or other entity.

“Purchase Transaction Agreements” means this Agreement, First Amendment to Gateway Services Agreement, the Amended and Restated Limited Partnership Agreement of the Netherlands Joint Venture, the Amended and Restated LLC Agreement of the U.S. Joint Venture and the Amended and Restated Articles of Association of the Netherlands GP.

“Schedules” means the schedules to this Agreement.

“SEC” means the U.S. Securities and Exchange Commission.

“Subsidiary” means, with respect to any Person, (a) a corporation a majority of whose capital stock with the general voting power under ordinary circumstances to vote in the election of directors of such corporation (irrespective of whether or not, at the time, any other class or classes of securities shall have, or might have, voting power by reason of the happening of any contingency) is, at the date of determination thereof, beneficially owned by such Person, by one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries thereof or (b) any other Person (other than a corporation), including a joint venture, a general or limited partnership or a limited liability company, in which such Person, one or more Subsidiaries thereof or such Person and one or more Subsidiaries thereof, directly or indirectly, at the date of determination thereof, beneficially own at least a majority of the ownership interests entitled to vote in the election of directors, managers or trustees thereof (or other Persons performing such functions) or act as the general partner or managing member of such other Person.

“VeriSign Interests” means the VeriSign Netherlands JV Interests, the VeriSign Netherlands GP Interests and the VeriSign U.S. JV Interests.

“VeriSign Managers” means the current or former members of the board of managers of the Netherlands Joint Venture, the U.S. Joint Venture and the Netherlands GP, as applicable, appointed by the VeriSign Parties, pursuant to the Joint Venture Agreement, the LLC Agreement and the articles of association of the Netherlands GP, respectively. A list of the VeriSign Managers holding office as of the date of this Agreement is set forth on Schedule B.

“VeriSign Parties” means VeriSign and any of its Affiliates party to any Purchase Transaction Agreement.

“VeriSign Personnel Services Agreement” means the Personnel Services Agreement effective as of January 31, 2007, by and between VeriSign, the U.S. Joint Venture and the Netherlands Joint Venture.

(b) Terms Defined Elsewhere in this Agreement. For purposes of this Agreement, the following terms have the meanings set forth in the sections indicated:

Agreement	Preamble
Closing	2.1
Closing Date	2.1
Competing Business	5.4(a)
Fox	Preamble
Fox Documents	4.2
Fox Dutch Mobile	Preamble
Fox Mobile Holdings	Preamble
Fox Purchasing Entities	Preamble
Fox Released Matters	5.7(b)
Fox Released Parties	5.7(b)
Fox Released Party	5.7(b)
Governmental Approval	3.3(b)
January 2008 Claim	5.6(a)
Joint Ventures	Preamble
Loss	5.9(a)
Netherlands GP	Preamble
Netherlands GP Purchase Amount	1.1(b)
Netherlands Joint Venture	Preamble
Netherlands JV Purchase Amount	1.1(a)
Prohibited Period	5.4(a)
Provisional Items	1.3
Purchase Price	1.1
Purchase Transactions	1.1
Records	5.12
Secondary B-to-B Business Services	5.4(a)
Settlement Payment Amount	1.2
Third Party Claim	5.9(c)
U.S. Joint Venture	Preamble
U.S. JV Purchase Amount	1.1(c)
VeriSign	Preamble
VeriSign Documents	3.2
VeriSign Holdings	Preamble
VeriSign Netherlands GP Interests	1.1(b)
VeriSign Netherlands JV Interests	1.1(a)
VeriSign Netherlands Mobile Holdings	Preamble
VeriSign Released Matters	5.6(b)
VeriSign Released Parties	5.6(b)
VeriSign Released Party	5.6(b)
VeriSign Selling Entities	Preamble
VeriSign Swissco	Preamble
VeriSign U.S. JV Interests	1.1(c)

(c) Other Definitional and Interpretive Matters. Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply:

Calculation of Time Periods. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next succeeding Business Day.

Exhibits/Schedules. The Exhibits and Schedules to this Agreement are an integral part of this Agreement and are hereby incorporated herein and made a part hereof as if set forth herein. Any capitalized terms used in any Schedule or Exhibit but not otherwise defined therein shall be defined as set forth in this Agreement. The specific disclosures set forth in the Schedules shall be organized to correspond to a specific section reference in this Agreement to which the qualifying and correspondingly numbered disclosure relates, together with appropriate cross references when disclosure is applicable to other sections of this Agreement, and any disclosure set forth in one section of the Schedules shall apply to (A) the representations and warranties contained in the Section of this Agreement to which it corresponds in number, (B) the representation and warranties to which it is referred by cross reference and (C) any other representation or warranty to the extent it is reasonably apparent from the wording of such disclosure that such disclosure is intended to qualify such representation or warranty.

Dollars. Any reference in this Agreement to "$" or dollars shall mean U.S. dollars.

Gender and Number. Any reference in this Agreement to gender shall include all genders, and words imparting the singular number only shall include the plural and vice versa.

Headings. The provision of the Table of Contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in construing or interpreting this Agreement. All references in this Agreement to any "Article", "Section" or other subdivision or any "Schedule" are to the corresponding Article, Section or other subdivision of, or Schedule to, this Agreement unless otherwise specified.

Herein. The words such as "herein," "hereinafter," "hereof," "hereunder" and "hereto" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires.

Including. The word "including" or any variation thereof means "including, without limitation" and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

**** REMAINDER OF PAGE INTENTIONALLY LEFT BLANK ****

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first written above.

FOX ENTERTAINMENT GROUP, INC.

By: /s/ Michael Bunder
Name: Michael Bunder
Title: Senior Vice President

FOX US MOBILE HOLDINGS, INC.

By: /s/ Jamie Samson
Name: Jamie Samson
Title: Executive Vice President

US MOBILE HOLDINGS, LLC

By: /s/ Jamie Samson
Name: Jamie Samson
Title: Executive Vice President

FOX DUTCH MOBILE B.V.

By: /s/ A.E.M. van der Zagt
Name: A.E.M. van der Zagt
Title: Managing Director

JAMBA NETHERLANDS MOBILE HOLDINGS GP B.V.

By: /s/ Mauro Montanaro
Name: Mauro Montanaro
Title: Chief Executive Officer

[SIGNATURE PAGE TO PURCHASE AND TERMINATION AGREEMENT]

NETHERLANDS MOBILE HOLDINGS C.V.

By: JAMBA NETHERLANDS MOBILE HOLDINGS GP B.V.
Its: General Partner

By: /s/ Mauro Montanaro
Name: Mauro Montanaro
Title: Chief Executive Officer

VERISIGN, INC.

By: /s/ D. James Bidzos
Name: D. James Bidzos
Title: Chief Executive Officer

VERISIGN US HOLDINGS, INC.

By: /s/ Richard H. Goshorn
Name: Richard H. Goshorn
Title: Secretary

VERISIGN NETHERLANDS MOBILE HOLDINGS B.V.

By: /s/ Alf Tuvesson
Name: Alf Tuvesson
Title: Managing Director

VERISIGN SWITZERLAND S.A.

By: /s/ Alf Tuvesson
Name: Alf Tuvesson
Title: Managing Director

[SIGNATURE PAGE TO PURCHASE AND TERMINATION AGREEMENT]

VeriSign, Inc.
2006 Equity Incentive Plan

(adopted May 26, 2006, as amended August 5, 2008)

1. PURPOSE. The purpose of this Plan is to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company, its Parent and Subsidiaries, by offering them an opportunity to participate in the Company's future performance through the grant of Awards. Capitalized terms not defined in the text are defined in Section 27.

2. SHARES SUBJECT TO THE PLAN.

2.1 *Number of Shares Available*. Subject to Sections 2.2 and 21.2, the total number of Shares reserved and available for grant and issuance pursuant to this Plan as of May 26, 2006, is 27,000,000 Shares. Subject to Sections 2.2 and 21.2 hereof, Shares subject to Awards, and Shares issued upon exercise of Awards, will again be available for grant and issuance in connection with subsequent Awards under this Plan to the extent such Shares: (i) are subject to issuance upon exercise of an Option or SAR granted under this Plan but which cease to be subject to the Option or SAR for any reason other than exercise of the Option or SAR; (ii) are subject to Awards granted under this Plan that are forfeited or are repurchased by the Company at the original issue price; or (iii) are subject to Awards granted under this Plan that otherwise terminate without such Shares being issued. The aggregate number of Shares granted pursuant to Awards, other than with respect to Options and Stock Appreciation Rights, shall not exceed forty percent (40%) of the total number of Shares reserved and available for grant and issuance pursuant to this Plan. SARs to be settled in shares of the Company's Common Stock shall be counted in full against the number of Shares available for award under this Plan, regardless of the number of Shares issued upon settlement of the SAR. At all times the Company shall reserve and keep available a sufficient number of Shares as shall be required to satisfy the requirements of all outstanding Options granted under this Plan and all other outstanding but unvested Options granted under this Plan.

2.2 *Adjustment of Shares*. In the event that the number or type of outstanding shares of the Company's Common Stock is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of the Company without consideration, then (a) the number and class of Shares reserved for issuance under this Plan, (b) the Exercise Prices of outstanding Options and SARs, (c) the number of Shares subject to outstanding Options and SARs, and (d) the maximum number of Shares that may be granted pursuant to Section 3 may, upon approval of the Board in its discretion, be proportionately adjusted in compliance with applicable securities laws; *provided*, *however*, that fractions of a Share will not be issued.

3. ELIGIBILITY. ISOs (as defined in Section 5 below) may be granted only to employees (including officers and directors who are also employees) of the Company or of a Parent or Subsidiary of the Company. All other Awards may be granted to employees, officers, directors, consultants, independent contractors and advisors of the Company or any Parent or Subsidiary of the Company; *provided* such consultants, independent contractors and advisors render bona fide services not in connection with the offer and sale of securities in a capital-raising transaction. No person will be eligible to receive more than one million five hundred thousand (1,500,000) Shares in any calendar year under this Plan pursuant to the grant of Awards hereunder, other than new employees of the Company or of a Parent or Subsidiary of the Company (including new employees who are also officers and directors of the Company or any Parent or Subsidiary of the Company), who are eligible to receive up to a maximum of three million (3,000,000) Shares in the calendar year in which they commence their employment. A person may be granted more than one Award under this Plan.

4. ADMINISTRATION.

4.1 *Committee Authority*. This Plan will be administered by the Committee or by the Board acting as the Committee. Subject to the general purposes, terms and conditions of this Plan, and to the direction of the Board, the Committee will have full power to implement and carry out this Plan. The Committee will have the authority to:

(a) construe and interpret this Plan, any Award Agreement and any other agreement or document executed pursuant to this Plan;

(b) prescribe, amend and rescind rules and regulations relating to this Plan or any Award;

(c) select persons to receive Awards;

(d) determine the form and terms of Awards;

(e) determine the number of Shares or other consideration subject to Awards;

(f) determine whether Awards will be granted singly, in combination with, in tandem with, in replacement of, or as alternatives to, other Awards under this Plan or any other incentive or compensation plan of the Company or any Parent or Subsidiary of the Company;

(g) grant waivers of Plan or Award conditions;

(h) determine the vesting, exercisability and payment of Awards;

(i) correct any defect, supply any omission or reconcile any inconsistency in this Plan, any Award or any Award Agreement;

(j) determine whether an award has been earned; and

(k) make all other determinations necessary or advisable for the administration of this Plan.

4.2 *Committee Discretion*. Any determination made by the Committee with respect to any Award will be made in its sole discretion at the time of grant of the Award or, unless in contravention of any express term of this Plan or the Award, at any later time, and such determination will be final and binding on the Company and on all persons having an interest in any Award under this Plan. The Committee may delegate to one (1) or more officers or directors of the Company the authority to grant an Award under this Plan to Participants who are not Insiders of the Company. Notwithstanding any provision of the Plan to the contrary, administration of the Plan shall at all times be limited by the requirement that any administrative action or exercise of discretion shall be void (or suitably modified when possible) if necessary to avoid the application to any Participant of taxation under Section 409A of the Code.

5. OPTIONS. The Committee may grant Options to eligible persons and will determine whether such Options will be Incentive Stock Options within the meaning of the Code ("***ISOs***") or Nonqualified Stock Options ("***NQSOs***"), the number of Shares subject to the Option, the Exercise Price of the Option, the period during which the Option may be exercised, and all other terms and conditions of the Option, subject to the following:

5.1 *Form of Option Grant*. Each Option granted under this Plan will be evidenced by an Option Agreement or other evidence of grant which will expressly identify the Option as an ISO or an NQSO ("***Stock Option Agreement***"), and will be in such form and contain such provisions (which need not be the same for each Participant) as the Committee may from time to time approve, and which will comply with and be subject to the terms and conditions of this Plan.

5.2 *Date of Grant*. The date of grant of an Option will be the date on which the Committee makes the determination to grant such Option, unless otherwise specified by the Committee. The Stock Option Agreement and a copy of this Plan will be delivered or otherwise made available to the Participant within a reasonable time after the granting of the Option. The Stock Option Agreement, Plan and other documents may be delivered in any manner (including electronic distribution or posting) that meets applicable legal requirements.

5.3 *Exercise Period*. Options may be exercisable within the times or upon the conditions or events determined by the Committee as set forth in the Stock Option Agreement governing such Option (including, without limitation, upon the attainment during a Performance Period of performance goals based on Performance Factors); *provided*, *however*, that no Option will be exercisable after the expiration of ten (10) years from the date the Option is granted. The Committee also may provide for Options to become exercisable at one time or from time to time, periodically or otherwise, in such number of Shares or percentage of Shares as the Committee determines.

5.4 *Exercise Price*. The Exercise Price of an Option will be determined by the Committee when the Option is granted; provided that: (i) the Exercise Price of an ISO will be not less than 100% of the Fair Market Value of the Shares on the date of grant; (ii) the Exercise Price of any ISO granted to a Ten Percent Shareholder will not be less than 110% of the Fair Market Value of the Shares on the date of grant; and (iii) the Exercise Price of an NQSO will not be less than 100% of the Fair Market Value of the Shares on the date of grant. Payment for the Shares purchased may be made in accordance with Section 12.

5.5 *Method of Exercise*. Options may be exercised only by delivery to the Company of a stock option exercise notice or agreement (the "***Exercise Agreement***") in a form approved by the Committee (which need not be the same for each Participant), stating the number of Shares being purchased, the restrictions imposed on the Shares purchased under such Exercise Agreement, if any, and such representations and agreements regarding the Participant's investment intent and access to information and other matters, if any, as may be required by or desirable to the Company to comply with applicable securities laws, together with payment in full of the Exercise Price for the number of Shares being purchased. The Exercise Agreement may be delivered in any manner (including electronic distribution or posting) that meets applicable legal requirements.

5.6 *Termination*. Notwithstanding the exercise periods set forth in the Stock Option Agreement, the exercise of an Option will always be subject to the following:

(a) If the Participant is Terminated for any reason except the Participant's death or Disability, then the Participant may exercise such Participant's Options only to the extent that such Options would have been exercisable by the Participant on the Termination Date no later than three (3) months after the Termination Date (or such shorter time period not less than thirty (30) days or longer time period not exceeding five (5) years as may be determined by the Committee, with any exercise beyond three (3) months after the Termination Date deemed to be an NQSO), but in any event no later than the expiration date of the Options.

(b) If the Participant is Terminated because of Participant's death (or the Participant dies within three (3) months after a Termination other than for Cause or because of the Participant's Disability), then the Participant's Options may be exercised only to the extent that such Options would have been exercisable by the Participant on the Termination Date and must be exercised by the Participant's legal representative or authorized assignee no later than twelve (12) months after the Termination Date (or such shorter time period not less than six (6) months or longer time period not exceeding five (5) years as may be determined by the Committee, with any exercise beyond (a) three (3) months after the Termination Date when the Termination is for any reason other than the Participant's death, or (b) twelve (12) months after the Termination Date when the Termination is for the Participant's death, deemed to be an NQSO), but in any event no later than the expiration date of the Options.

(c) If the Participant is Terminated because of Participant's Disability, then the Participant's Options may be exercised only to the extent that such Options would have been exercisable by the Participant on the Termination Date and must be exercised by the Participant (or the Participant's legal representative or authorized assignee) no later than twelve (12) months after the Termination Date, with any exercise beyond (a) three (3) months after the Termination Date when the Termination is for any reason other than the Participant's Disability, or (b) twelve (12) months after the Termination Date when the Termination is for the Participant's Disability, deemed to be an NQSO), but in any event no later than the expiration date of the Options.

(d) If the Participant is terminated for Cause (as determined by the Committee or the Company, in its sole discretion), then Participant's Options shall expire on such Participant's Termination Date, or at such later time and on such conditions as are determined by the Committee.

5.7 *Limitations on Exercise*. The Committee may specify a reasonable minimum number of Shares that may be purchased on any exercise of an Option, provided that such minimum number will not prevent any Participant from exercising the Option for the full number of Shares for which it is then exercisable.

5.8 *Limitations on ISOs*. The aggregate Fair Market Value (determined as of the date of grant) of Shares with respect to which ISOs are exercisable for the first time by a Participant during any calendar year (under this Plan or under any other incentive stock option plan of the Company or any Parent or

Subsidiary of the Company) will not exceed $100,000. If the Fair Market Value of Shares on the date of grant with respect to which ISOs are exercisable for the first time by a Participant during any calendar year exceeds $100,000, then the Options for the first $100,000 worth of Shares to become exercisable in such calendar year will be ISOs and the Options for the amount in excess of $100,000 that become exercisable in such calendar year will be NQSOs. In the event that the Code or the regulations promulgated thereunder are amended after the Effective Date to provide for a different limit on the Fair Market Value of Shares permitted to be subject to ISOs, such different limit will be automatically incorporated herein and will apply to any Options granted after the effective date of such amendment.

5.9 *Modification, Extension or Renewal*. Subject to Section 18, the Committee may modify, extend or renew outstanding Options, or authorize the grant of new Options in substitution therefor, provided that any such action may not, without the written consent of a Participant, impair any of such Participant's rights under any Option previously granted. Any outstanding ISO that is modified, extended, renewed or otherwise altered will be treated in accordance with Section 424(h) of the Code. Subject to Section 18 of this Plan, by written notice to affected Participants the Committee may reduce the Exercise Price of outstanding Options without the consent of such Participants; *provided*, *however*, that the Exercise Price may not be reduced below the minimum Exercise Price that would be permitted under Section 5.4 for Options granted on the date the action is taken to reduce the Exercise Price.

5.10 *No Disqualification*. Notwithstanding any other provision in this Plan, no term of this Plan relating to ISOs will be interpreted, amended or altered, nor will any discretion or authority granted under this Plan be exercised, so as to disqualify this Plan under Section 422 of the Code or, without the consent of the Participant affected, to disqualify any ISO under Section 422 of the Code.

6. GRANTS TO OUTSIDE DIRECTORS.

6.1 *Types of Awards*. Outside Directors are eligible to receive any type of Award, except ISOs, offered under this Plan and subject to this Section 6.

6.2 *Eligibility*. Awards subject to this Section 6 shall be granted only to Outside Directors. An Outside Director who is elected or reelected as a member of the Board will be eligible to receive an Award under this Section 6.

6.3 *Discretionary Grant*. The Board may make discretionary grants to any Outside Director (a "***Discretionary Grant***").

6.4 *Vesting and Exercisability*. Except as set forth in Section 21.4, Discretionary Grants shall vest and be exercisable as determined by the Board.

6.5 *Exercise Price*. The exercise price of an Option or a SAR granted to an Outside Director shall be the Fair Market Value of the Shares at the time that the Option or SAR is granted.

7. RESTRICTED STOCK AWARDS.

7.1 *Awards of Restricted Stock*. A Restricted Stock Award is an offer by the Company to sell to a Participant Shares that are subject to restrictions ("*Restricted Stock*"). The Committee will determine to whom an offer will be made, the number of Shares the person may purchase, the Purchase Price, the restrictions under which the Shares will be subject and all other terms and conditions of the Restricted Stock Award, subject to the Plan.

7.2 *Restricted Stock Purchase Agreement*. All purchases under a Restricted Stock Award will be evidenced by a Restricted Stock Purchase Agreement, which will be in substantially a form (which need not be the same for each Participant) that the Committee has from time to time approved, and will comply with and be subject to the terms and conditions of the Plan. A Participant accepts a Restricted Stock Award by signing and delivering to the Company a Restricted Stock Purchase Agreement with full payment of the Purchase Price, within thirty (30) days from the date the Restricted Stock Purchase Agreement was delivered to the Participant. If the Participant does not accept the Restricted Stock Award within thirty (30) days, then the offer of the Restricted Stock Award will terminate, unless the Committee determines otherwise. The Restricted Stock Award, Plan and other documents may be delivered in any manner (including electronic distribution or posting) that meets applicable legal requirements.

7.3 *Purchase Price*. The Purchase Price for a Restricted Stock Award will be determined by the Committee and, may be less than Fair Market Value (but not less than the par value of the Shares when required by law) on the date the Restricted Stock Award is granted. Payment of the Purchase Price must be made in accordance with Section 12 of the Plan and the Restricted Stock Purchase Agreement, and in accordance with any procedures established by the Company, as communicated and made available to Participants.

7.4 *Terms of Restricted Stock Awards*. Restricted Stock Awards will be subject to such restrictions as the Committee may impose or are required by law. These restrictions may be based on completion of a specified number of years of service with the Company or upon completion of the performance goals based on Performance Factors during any Performance Period as set out in advance in the Participant’s Restricted Stock Purchase Agreement. Prior to the grant of a Restricted Stock Award, the Committee shall: (a) determine the nature, length and starting date of any Performance Period for the Restricted Stock Award; (b) select from among the Performance Factors to be used to measure performance goals, if any; and (c) determine the number of Shares that may be awarded to the Participant. Prior to the payment for Shares to be purchased under any Restricted Stock Award, the Committee shall determine the extent to which such Restricted Stock Award has been earned. Performance Periods may overlap and a Participant may participate simultaneously with respect to Restricted Stock Awards that are subject to different Performance Periods and having different performance goals and other criteria.

7.5 *Termination During Performance Period*. Except as may be set forth in the Participant’s Restricted Stock Purchase Agreement, vesting ceases on such Participant’s Termination Date.

8. STOCK BONUS AWARDS.

8.1 *Awards of Stock Bonuses*. A Stock Bonus Award is an award to an eligible person of Shares (which may consist of Restricted Stock or Restricted Stock Units) for services to be rendered or for past services already rendered to the Company or any Parent or Subsidiary. All Stock Bonus Awards shall be made pursuant to a Stock Bonus Agreement, which shall be in substantially a form (which need not be the same for each Participant) that the Committee has from time to time approved, and will comply with and be subject to the terms and conditions of the Plan. No payment will be required for Shares awarded pursuant to a Stock Bonus Award.

8.2 *Terms of Stock Bonus Awards*. The Committee will determine the number of Shares to be awarded to the Participant under a Stock Bonus Award and any restrictions thereon. These restrictions may be based upon completion of a specified number of years of service with the Company or upon satisfaction of performance goals based on Performance Factors during any Performance Period as set out in advance in the Participant’s Stock Bonus Agreement. If the Stock Bonus Award is to be earned upon the satisfaction of performance goals, the Committee shall: (a) determine the nature, length and starting date of any Performance Period for the Stock Bonus Award; (b) select from among the Performance Factors to be used to measure performance goals; and (c) determine the number of Shares that may be awarded to the Participant. Prior to the issuance of any Shares or other payment to a Participant pursuant to a Stock Bonus Award, the Committee will determine the extent to which the Stock Bonus Award has been earned. Performance Periods may overlap and a Participant may participate simultaneously with respect to Stock Bonus Awards that are subject to different Performance Periods and different performance goals and other criteria. The number of Shares may be fixed or may vary in accordance with such performance goals and criteria as may be determined by the Committee. The Committee may adjust the performance goals applicable to a Stock Bonus Award to take into account changes in law and accounting or tax rules and to make such adjustments as the Committee deems necessary or appropriate to reflect the impact of extraordinary or unusual items, events or circumstances to avoid windfalls or hardships.

8.3 *Form of Payment to Participant*. The Stock Bonus Award will be paid to the Participant currently. Payment may be made in the form of cash, whole Shares, or a combination thereof, based on the Fair Market Value of the Shares earned under a Stock Bonus Award on the date of payment.

8.4 *Termination of Participant*. In the event of a Participant's Termination during a Performance Period or vesting period, for any reason, then such Participant will be entitled to payment (whether in Shares, cash or otherwise) with respect to the Stock Bonus Award only to the extent earned as of the date of Termination in accordance with the Stock Bonus Agreement, unless the Committee determines otherwise.

9. STOCK APPRECIATION RIGHTS.

9.1 *Awards of SARs*. A Stock Appreciation Right ("*SAR*") is an award to an eligible person that may be settled in cash, or Shares (which may consist of Restricted Stock), having a value equal to the value determined by multiplying the difference between the Fair Market Value on the date of exercise over the Exercise Price and the number of Shares with respect to which the SAR is being settled (subject to any maximum number of Shares that may be issuable as specified in a SAR Agreement). The SAR may be granted for services to be rendered or for past services already rendered to the Company, or any Parent or Subsidiary. All SARs shall be made pursuant to a SAR Agreement, which shall be in substantially a form (which need not be the same for each Participant) that the Committee has from time to time approved, and will comply with and be subject to the terms and conditions of this Plan.

9.2 *Terms of SARs*. The Committee will determine the terms of each SAR including, without limitation: (a) the number of Shares deemed subject to the SAR; (b) the Exercise Price and the time or times during which the SAR may be settled; (c) the consideration to be distributed on settlement of the SAR; and (d) the treatment of each SAR in the event of the Participant's Termination. The Exercise Price of the SAR will be determined by the Committee when the SAR is granted and, will not be less than 100% of the Fair Market Value of the Shares on the date of grant. A SAR may be awarded upon satisfaction of such performance goals based on Performance Factors during any Performance Period as are set out in advance in the Participant's individual SAR Agreement. If the SAR is being earned upon the satisfaction of performance goals, then the Committee will: (x) determine the nature, length and starting date of any Performance Period for each SAR; and (y) select from among the Performance Factors to be used to measure the performance, if any. Prior to settlement of any SAR earned upon the satisfaction of performance goals pursuant to a SAR Agreement, the Committee shall determine the extent to which such SAR has been earned. Performance Periods may overlap and Participants may participate simultaneously with respect to SARs that are subject to different performance goals and other criteria.

9.3 *Exercise Period and Expiration Date*. A SAR will be exercisable within the times or upon the occurrence of events determined by the Committee and set forth in the SAR Agreement governing such SAR. The SAR Agreement shall set forth the expiration date; provided that no SAR will be exercisable after the expiration of seven years from the date the SAR is granted. The Committee may also provide for SARs to become exercisable at one time or from time to time, periodically or otherwise (including, without limitation, upon the attainment during a Performance Period of performance goals based on Performance Factors), in such number of Shares or percentage of the Shares subject to the SAR as the Committee determines.

9.4 *Form and Timing of Settlement*. The portion of a SAR being settled may be paid currently or on a deferred basis with such interest or dividend equivalent, if any, as the Committee determines, provided that the terms of the SAR and any deferral satisfy the requirements of Section 409A of the Code.

10. RESTRICTED STOCK UNITS.

10.1 *Awards of Restricted Stock Units*. A Restricted Stock Unit ("*RSU*") is an award to an eligible person covering a number of Shares that may be settled in cash, or by issuance of those Shares (which may consist of Restricted Stock) for services to be rendered or for past services already rendered to the Company or any Parent or Subsidiary. All RSUs shall be made pursuant to a RSU Agreement, which shall be in substantially a form (which need not be the same for each Participant) that the Committee has from time to time approved, and will comply with and be subject to the terms and conditions of the Plan.

10.2 *Terms of RSUs*. The Committee will determine the terms of a RSU including, without limitation: (a) the number of Shares deemed subject to the RSU; (b) the time or times during which the RSU may be exercised; (c) the consideration to be distributed on settlement, and the treatment of each RSU in the event of the Participant's Termination. A RSU may be awarded upon satisfaction of such performance goals based on Performance Factors during any Performance Period as are set out in advance in the Participant's individual RSU Agreement. If the RSU is being earned upon satisfaction of performance goals, then the Committee will: (x) determine the nature, length and starting date of any Performance Period for the RSU; (y) select from among the Performance Factors to be used to measure the performance, if any; and (z) determine the number of Shares deemed subject to the RSU. Prior to settlement of any RSU earned upon the satisfaction of performance goals pursuant to a RSU Agreement, the Committee shall determine the extent to which such SAR has been earned. Performance Periods may overlap and participants may participate simultaneously with respect to RSUs that are subject to different Performance Periods and different performance goals and other criteria. The number of Shares may be fixed or may vary in accordance with such performance goals and criteria as may be determined by the Committee. The Committee may adjust the performance goals applicable to the RSUs to take into account changes in law and accounting and to make such adjustments as the Committee deems necessary or appropriate to reflect the impact of extraordinary or unusual items, events or circumstances to avoid windfalls or hardships.

10.3 *Form and Timing of Settlement*. The portion of a RSU being settled shall be paid currently. To the extent permissible under law, the Committee may also permit a Participant to defer payment under a RSU to a date or dates after the RSU is earned provided that the terms of the RSU and any deferral satisfy the requirements of Section 409A of the Code.

11. PERFORMANCE SHARES.

11.1 *Awards of Performance Shares*. A Performance Share Award is an award to an eligible person denominated in Shares that may be settled in cash, or by issuance of those Shares (which may consist of Restricted Stock). Grants of Performance Shares shall be made pursuant to a Performance Share Agreement, which shall be in substantially a form (which need not be the same for each Participant) that the Committee has from time to time approved, and will comply with and be subject to the terms and conditions of the Plan.

11.2 *Terms of Performance Shares*. The Committee will determine, and each Performance Share Agreement shall set forth, the terms of each award of Performance Shares including, without limitation: (a) the number of Shares deemed subject to such Award; (b) the Performance Factors, if any, and Performance Period, if any, that shall determine the time and extent to which each award of Performance Shares shall be settled; (c) the consideration to be distributed on settlement, and the treatment of each award of Performance Shares in the event of the Participant’s Termination. If applicable, in establishing Performance Factors and the Performance Period the Committee will: (x) determine the nature, length and starting date of any Performance Period; (y) select from among the Performance Factors to be used; and (z) determine the number of Shares deemed subject to the award of Performance Shares. Prior to settlement the Committee shall determine the extent to which Performance Shares have been earned. Performance Periods may overlap and Participants may participate simultaneously with respect to Performance Shares that are subject to different Performance Periods and different performance goals and other criteria. The number of Shares may be fixed or may vary in accordance with such performance goals and criteria as may be determined by the Committee. The Committee may adjust the applicable performance goals to take into account changes in law and accounting and to make such adjustments as the Committee deems necessary or appropriate to reflect the impact of extraordinary or unusual items, events or circumstances to avoid windfalls or hardships.

11.3 *Form and Timing of Settlement*. The portion of an award of Performance Shares being settled shall be paid currently.

12. PAYMENT FOR SHARE PURCHASES.

12.1 *Payment*. Payment for Shares purchased pursuant to this Plan may be made in cash (by check) or, where expressly approved for the Participant by the Committee and where permitted by law:

(a) by cancellation of indebtedness of the Company to the Participant;

(b) by surrender of shares that either: (1) have been owned by the Participant for more than six (6) months and have been paid for within the meaning of SEC Rule 144 (and, if such shares were purchased from the Company by use of a promissory note, such note has been fully paid with respect to such shares); or (2) were obtained by the Participant in the public market;

(c) by waiver of compensation due or accrued to the Participant for services rendered to the Company or a Parent or Subsidiary of the Company;

(d) with respect only to purchases upon exercise of an Option, and provided that a public market for the Company's Common Stock exists:

(i) through a "same day sale" commitment from the Participant and a broker-dealer that is a member of the National Association of Securities Dealers (an "NASD Dealer") whereby the Participant irrevocably elects to exercise the Option and to sell a portion of the Shares so purchased to pay for the Exercise Price, and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the Exercise Price directly to the Company; or

(ii) through a "margin" commitment from the Participant and an NASD Dealer whereby the Participant irrevocably elects to exercise the Option and to pledge the Shares so purchased to the NASD Dealer in a margin account as security for a loan from the NASD Dealer in the amount of the Exercise Price, and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the Exercise Price directly to the Company;

(e) by any combination of the foregoing; or

(f) by any other method approved by the Board.

13. WITHHOLDING TAXES.

13.1 *Withholding Generally*. Whenever Shares are to be issued in satisfaction of Awards granted under this Plan, the Company may require the Participant to remit to the Company an amount sufficient to satisfy federal, state and local withholding tax requirements prior to the delivery of any certificate or certificates for such Shares. Whenever, under this Plan, payments in satisfaction of Awards are to be made in cash, such payment will be net of an amount sufficient to satisfy federal, state, and local withholding tax requirements.

13.2 *Stock Withholding*. When, under applicable tax laws, a Participant incurs tax liability in connection with the exercise or vesting of any Award that is subject to tax withholding and the Participant is obligated to pay the Company the amount required to be withheld, the Committee may in its sole discretion allow the Participant to satisfy the minimum withholding tax obligation by electing to have the Company withhold from the Shares to be issued that number of Shares having a Fair Market Value equal to the minimum amount required to be withheld, determined on the date that the amount of tax to be withheld is to be determined. All elections by a Participant to have Shares withheld for this purpose will be made in accordance with the requirements established by the Committee and be in writing in a form acceptable to the Committee. The Committee may in its sole discretion also allow the Company to satisfy the minimum withholding tax obligation by withholding from the Shares to be issued that number of Shares having a Fair Market Value equal to the minimum amount required to be withheld, determined on the date that the amount of tax to be withheld is to be determined, without any election by the Participant.

14. TRANSFERABILITY.

14.1 *General Rule*. Except as otherwise provided in this Section 14, no Award and no interest therein, shall be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent and distribution, and no Award may be made subject to execution, attachment or similar process.

14.2 *All Awards other than NQSOs*. All Awards other than NQSOs shall be exercisable: (i) during the Participant's lifetime only by (A) the Participant, or (B) the Participant's guardian or legal representative; and (ii) after the Participant's death, by the legal representative of the Participant's heirs or legatees.

14.3 *NQSOs*. Unless otherwise restricted by the Committee, an NQSO shall be exercisable: (i) during the Participant's lifetime only by (A) the Participant, (B) the Participant's guardian or legal representative, (C) a Family Member of the Participant who has acquired the NQSO by "permitted transfer;" and (ii) after the Participant's death, by the legal representative of the Participant's heirs or legatees. "***Permitted transfer***" means, as authorized by this Plan and the Committee with respect to an NQSO, any transfer effected by the Participant during the Participant's lifetime of an interest in such NQSO but only such transfers which are made pursuant to a binding domestic relations order.

15. PRIVILEGES OF STOCK OWNERSHIP; RESTRICTIONS ON SHARES.

15.1 *Voting and Dividends*. No Participant will have any of the rights of a shareholder with respect to any Shares until the Shares are issued to the Participant. After Shares are issued to the Participant, the Participant will be a shareholder and have all the rights of a shareholder with respect to such Shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such Shares; *provided*, that if such Shares are restricted stock, then any new, additional or different securities the Participant may become entitled to receive with respect to such Shares by virtue of a stock dividend, stock split or any other change in the corporate or capital structure of the Company will be subject to the same restrictions as the restricted stock; *provided*, *further*, that the Participant will have no right to retain such stock dividends or stock distributions with respect to Shares that are repurchased at the Participant's Exercise Price pursuant to Section 15.2.

15.2 *Restrictions on Shares*. At the discretion of the Committee, the Company may reserve to itself and/or its assignee(s) a right to repurchase (a "***Right of Repurchase***") a portion of or all Unvested Shares held by a Participant following such Participant's Termination at any time within one hundred and eighty (180) days after the later of the Participant's Termination Date and the date the Participant purchases Shares under this Plan, for cash and/or cancellation of purchase money indebtedness, at the Participant's Exercise Price, as the case may be.

16. CERTIFICATES. All certificates for Shares or other securities delivered under this Plan will be subject to such stock transfer orders, legends and other restrictions as the Committee may deem necessary or advisable, including restrictions under any applicable federal, state or foreign securities law, or any rules, regulations and other requirements of the SEC or any stock exchange or automated quotation system upon which the Shares may be listed or quoted.

17. ESCROW. To enforce any restrictions on a Participant's Shares, the Committee may require the Participant to deposit all certificates representing Shares, together with stock powers or other instruments of transfer approved by the Committee, appropriately endorsed in blank, with the Company or an agent designated by the Company to hold in escrow until such restrictions have lapsed or terminated, and the Committee may cause a legend or legends referencing such restrictions to be placed on the certificates.

18. EXCHANGE AND BUYOUT OF AWARDS. The Committee may not, without prior stockholder approval, reduce the Exercise Price of any outstanding Option or SAR or cancel outstanding Options or SARs in exchange for the re-grant of new Options or SARs having exercise prices lower than the cancelled Options or SARs. The Committee may, at any time or from time to time authorize the Company, in the case of an Option or SAR exchange with stockholder approval, and with the consent of the respective Participants (unless not required pursuant to Section 5.9 of the Plan), to pay cash or issue new Awards in exchange for the surrender and cancellation of any, or all, outstanding Awards.

19. SECURITIES LAW AND OTHER REGULATORY COMPLIANCE. An Award will not be effective unless such Award is in compliance with all applicable federal and state securities laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system upon which the Shares may then be listed or quoted, as they are in effect on the date of grant of the Award and also on the date of exercise or other issuance. Notwithstanding any other provision in this Plan, the Company will have no obligation to issue or deliver certificates for Shares under this Plan prior to: (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and/or (b) completion of any registration or other qualification of such Shares under any state or federal law or ruling of any governmental body that the Company determines to be necessary or advisable. The Company will be under no obligation to register the Shares with the SEC or to effect compliance with the registration, qualification or listing requirements of any state securities laws, stock exchange or automated quotation system, and the Company will have no liability for any inability or failure to do so.

20. NO OBLIGATION TO EMPLOY. Nothing in this Plan or any Award granted under this Plan will confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Parent or Subsidiary of the Company or limit in any way the right of the Company or any Parent or Subsidiary of the Company to terminate Participant's employment or other relationship at any time, with or without cause.

21. CORPORATE TRANSACTIONS.

21.1 *Assumption or Replacement of Awards by Successor*. In the event of (a) a dissolution or liquidation of the Company, (b) a merger or consolidation in which the Company is not the surviving corporation (other than a merger or consolidation with a wholly-owned subsidiary, a reincorporation of the Company in a different jurisdiction, or other transaction in which there is no substantial change in the stockholders of the Company or their relative stock holdings and the Awards granted under this Plan are assumed, converted or replaced by the successor corporation, which assumption will be binding on all Participants), (c) a merger in which the Company is the surviving corporation but after which the stockholders of the Company immediately prior to such merger (other than any stockholder that merges, or which owns or controls another corporation that merges, with the Company in such merger) cease to own their shares or other equity interest in the Company, (d) the sale of substantially all of the assets of the Company, or (e) the acquisition, sale, or transfer of more than 50% of the outstanding shares of the Company by tender offer or similar transaction, any or all outstanding Awards may be assumed, converted or replaced by the successor corporation (if any), which assumption, conversion or replacement will be binding on all Participants. In the alternative, the successor corporation may substitute equivalent Awards or provide substantially similar consideration to Participants as was provided to stockholders (after taking into account the existing provisions of the Awards). The successor corporation may also issue, in place of outstanding Shares of the Company held by the Participant, substantially similar shares or other property subject to repurchase restrictions no less favorable to the Participant. In the event such successor corporation (if any) refuses to assume or substitute Awards, as provided above, pursuant to a transaction described in this Subsection 21.1, or if there is no successor corporation due to a dissolution or liquidation of the Company, such Awards will expire on such transaction at such time and on such conditions as the Committee will determine. Notwithstanding anything in this Section 21.1 to the contrary, the Committee may, in its sole discretion, provide that the vesting of any or all Awards granted pursuant to this Plan will accelerate in the event of the occurrence of any transaction described in this Section 21.1. If the Committee exercises such discretion with respect to Awards, such Awards will become vested and exercisable in full prior to the consummation of such event at such time and on such conditions as the Committee determines, and if such Awards are not exercised prior to the consummation of the corporate transaction, they shall terminate at such time as determined by the Committee.

21.2 *Other Treatment of Awards*. Subject to any greater rights granted to Participants under the foregoing provisions of this Section 21, in the event of the occurrence of any transaction described in Section 21.1, any outstanding Awards will be treated as provided in the applicable agreement or plan of merger, consolidation, dissolution, liquidation, or sale of assets.

21.3 *Assumption of Awards by the Company*. The Company, from time to time, also may substitute or assume outstanding awards granted by another company, whether in connection with an acquisition of such other company or otherwise, by either; (a) granting an Award under this Plan in substitution of such other company's award; or (b) assuming such award as if it had been granted under this Plan if the terms of such assumed award could be applied to an Award granted under this Plan. Such substitution or assumption will be permissible if the holder of the substituted or assumed award would have been eligible to be granted an Award under this Plan if the other company had applied the rules of this Plan to such grant. In the event the Company assumes an award granted by another company, the terms and conditions of such award will remain unchanged (except that the exercise price and the number and nature of Shares issuable upon exercise of any such award will be adjusted appropriately pursuant to Section 424(a) of the Code). In the event the Company elects to grant a new Award rather than assuming an existing award, such new Award may be granted with a similarly adjusted Exercise Price, as applicable.

21.4 *Outside Directors Options*. Notwithstanding any provision to the contrary, in the event of a corporate transaction described in Section 21.1, the vesting of all Awards granted to Outside Directors pursuant to Section 6 of this Plan will accelerate and such Awards will become exercisable in full prior to the consummation of such event at such times and on such conditions as the Committee determines, and must be exercised, if at all, within six (6) months of the consummation of said event. Any Award not exercised within such six-month period shall expire.

22. ADOPTION AND SHAREHOLDER APPROVAL. This Plan shall be submitted for the approval of the Company's shareholders, consistent with applicable laws, within twelve (12) months before or after the date this Plan is adopted by the Board and upon receiving approval of the Company's shareholders shall become effective (the "***Effective Date***").

23. TERM OF PLAN/GOVERNING LAW. Unless earlier terminated as provided herein, this Plan will terminate ten (10) years from the Effective Date. This Plan and all agreements thereunder shall be governed by and construed in accordance with the laws of the State of California.

24. AMENDMENT OR TERMINATION OF PLAN. Except as otherwise provided in this Plan, the Board may at any time terminate or amend this Plan in any respect, including, without limitation, amendment of any form of Award Agreement or instrument to be executed pursuant to this Plan; *provided*, *however*, that the Board will not, without the approval of the shareholders of the Company, amend this Plan in any manner that requires such shareholder approval; provided further, that a Participant's Award shall be governed by the version of this Plan then in effect at the time such Award was granted, except as otherwise agreed to by the Participant and the Company.

25. NONEXCLUSIVITY OF THE PLAN. Neither the adoption of this Plan by the Board, the submission of this Plan to the shareholders of the Company for approval, nor any provision of this Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of stock awards and bonuses otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

26. INSIDER TRADING POLICY. Each Participant who receives an Award shall comply with any policy adopted by the Company from time to time covering transactions in the Company's securities by employees, officers and/or directors of the Company.

27. DEFINITIONS. As used in this Plan, the following terms will have the following meanings:

"***Award***" means any award under the Plan, including any Option, Restricted Stock, Stock Bonus, Stock Appreciation Right, Restricted Stock Unit, award of Performance Shares or other form of award as may be approved by the Board from time to time.

"***Award Agreement***" means, with respect to each Award, the written agreement between the Company and the Participant setting forth the terms and conditions of the Award. The acceptance of an Award and Award Agreement by a Participant may be evidenced by manual execution, electronic acceptance or deemed acceptance (to the extent set forth in the Award Agreement).

"***Board***" means the Board of Directors of the Company.

"***Cause***" means (a) the commission of an act of theft, embezzlement, fraud, dishonesty, (b) a breach of fiduciary duty to the Company or a Parent or Subsidiary of the Company, or (c) a failure to materially perform the customary duties of employee's employment.

"***Code***" means the Internal Revenue Code of 1986, as amended.

"***Committee***" means the Compensation Committee of the Board or those persons to whom administration of the Plan, or part of the Plan, has been delegated as permitted by law.

"***Company***" means VeriSign, Inc. or any successor corporation.

"***Disability***" means a disability, whether temporary or permanent, partial or total, as determined by the Committee.

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

"***Exercise Price***" means the price at which a holder of an Option may purchase the Shares issuable upon exercise of the Option.

"***Fair Market Value***" means, as of any date, the value of a share of the Company's Common Stock determined as follows:

(a) if such Common Stock is then quoted on the NASDAQ Global Select Market, its closing price on the NASDAQ Global Select Market on the date of determination (or if there are no sales for such date, then the last preceding business day on which there were sales) as reported in *The Wall Street Journal*;

(b) if such Common Stock is publicly traded and is then listed on a national securities exchange, its closing price on the date of determination on the principal national securities exchange on which the Common Stock is listed or admitted to trading as reported in *The Wall Street Journal*;

(c) if such Common Stock is publicly traded but is not quoted on the NASDAQ Global Select Market nor listed or admitted to trading on a national securities exchange, the average of the closing bid and asked prices on the date of determination as reported in *The Wall Street Journal*;

(d) in the case of an Option made on the Effective Date, the price per share at which shares of the Company's Common Stock are initially offered for sale to the public by the Company's underwriters in the initial public offering of the Company's Common Stock pursuant to a registration statement filed with the SEC under the Securities Act; or

(e) if none of the foregoing is applicable, by the Committee in good faith.

"***Family Member***" includes any of the following:

(a) child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the Participant, including any such person with such relationship to the Participant by adoption;

(b) any person (other than a tenant or employee) sharing the Participant's household;

(c) a trust in which the persons in (a) and (b) have more than fifty percent of the beneficial interest;

(d) a foundation in which the persons in (a) and (b) or the Participant control the management of assets; or

(e) any other entity in which the persons in (a) and (b) or the Participant own more than fifty percent of the voting interest.

"***Insider***" means an executive officer or director of the Company or any other person whose transactions in the Company's Common Stock are subject to Section 16 of the Exchange Act.

"***Option***" means an award of an option to purchase Shares pursuant to Section 5.

"***Option Agreement***" means, with respect to each Option, the signed written agreement between the Company and the Participant setting forth the terms and conditions of the Option.

"***Outside Director***" means a member of the Board who is not an employee of the Company or any Parent or Subsidiary.

"***Parent***" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of such corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

"***Participant***" means a person who receives an Award under this Plan.

“***Performance Factors***” means the factors selected by the Committee from among the following measures (whether or not in comparison to other peer companies) to determine whether the performance goals established by the Committee and applicable to Awards have been satisfied:

- Net revenue and/or net revenue growth;
- Earnings per share and/or earnings per share growth;
- Earnings before income taxes and amortization and/or earnings before income taxes and amortization growth;
- Operating income and/or operating income growth;
- Net income and/or net income growth;
- Total stockholder return and/or total stockholder return growth;
- Return on equity;
- Operating cash flow return on income;
- Adjusted operating cash flow return on income;
- Economic value added;
- Individual business objectives; and
- Company specific operational metrics.

“***Performance Period***” means the period of service determined by the Committee, not to exceed five years, during which years of service or performance is to be measured for the Award.

“***Performance Share***” means an Award granted pursuant to Section 11 of the Plan.

“***Performance Share Agreement***” means an agreement evidencing a Performance Share Award granted pursuant to Section 11 of the Plan.

“***Plan***” means this VeriSign, Inc. 2006 Equity Incentive Plan.

“***Purchase Price***” means the price to be paid for Shares acquired under the Plan, other than Shares acquired upon exercise of an Option.

“***Restricted Stock Award***” means an award of Shares pursuant to Section 7 of the Plan.

“***Restricted Stock Purchase Agreement***” means an agreement evidencing a Restricted Stock Award granted pursuant to Section 7 of the Plan.

“***Restricted Stock Unit***” means an Award granted pursuant to Section 10 of the Plan.

“***RSU Agreement***” means an agreement evidencing a Restricted Stock Unit Award granted pursuant to Section 10 of the Plan.

“***SAR Agreement***” means an agreement evidencing a Stock Appreciation Right granted pursuant to Section 9 of the Plan.

“***SEC***” means the Securities and Exchange Commission.

“***Securities Act***” means the Securities Act of 1933, as amended.

“***Shares***” means shares of the Company’s Common Stock reserved for issuance under this Plan, as adjusted pursuant to Sections 2 and 21, and any successor security.

“***Stock Appreciation Right***” means an Award granted pursuant to Section 9 of the Plan.

"***Stock Bonus***" means an Award granted pursuant to Section 8 of the Plan.

"***Stock Bonus Agreement***" means an agreement evidencing a Stock Bonus Award granted pursuant to Section 8 of the Plan.

"***Subsidiary***" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

"***Termination***" or "***Terminated***" means, for purposes of this Plan with respect to a Participant, that the Participant has for any reason ceased to provide services as an employee, officer, director, consultant, independent contractor or advisor to the Company or a Parent or Subsidiary of the Company. An employee will not be deemed to have ceased to provide services in the case of (i) sick leave, (ii) military leave, or (iii) any other leave of absence approved by the Committee; *provided*, that such leave is for a period of not more than 90 days, unless reemployment upon the expiration of such leave is guaranteed by contract or statute or unless provided otherwise pursuant to formal policy adopted from time to time by the Company and issued and promulgated to employees in writing. In the case of any employee on an approved leave of absence, the Committee may make such provisions respecting suspension of vesting of the Award while on leave from the employ of the Company or a Parent or Subsidiary of the Company as it may deem appropriate, except that in no event may an Award be exercised after the expiration of the term set forth in the applicable Award Agreement. The Committee will have sole discretion to determine whether a Participant has ceased to provide services and the effective date on which the Participant ceased to provide services (the "***Termination Date***").

"***Unvested Shares***" means "Unvested Shares" as defined in the Award Agreement.

EXHIBIT 10.08

VERISIGN, INC.

2006 EQUITY INCENTIVE PLAN

STOCK OPTION AGREEMENT

This Stock Option Agreement (this "***Agreement***") is made and entered into as of the Date of Grant set forth below (the "***Date of Grant***") by and between VeriSign, Inc., a Delaware corporation (the "***Company***"), and the Optionee named below ("***Optionee***"). Capitalized terms not defined herein shall have the meaning ascribed to them in the Company's 2006 Equity Incentive Plan (the "***Plan***").

Optionee:	______________________
Total Option Shares:	______________________
Exercise Price per Share:	______________________
Date of Grant:	______________________
First Vesting Date:	First anniversary of the Date of Grant
Expiration Date:	______________________ (unless earlier terminated under Section 3 hereof)
Type of Stock Option:	Nonqualified Stock Option (***"NQSO"***)

1. Grant of Option. The Company hereby grants to Optionee a nonqualified stock option (this "***Option***") to purchase up to the total number of shares of Common Stock of the Company set forth above as Total Option Shares (collectively, the "***Shares***") at the Exercise Price Per Share set forth above (the "***Exercise Price***"), subject to all of the terms and conditions of this Agreement and the Plan.

2. Vesting; Exercise Period.

2.1 Vesting of Shares. This Option shall be exercisable as it vests. Subject to the terms and conditions of the Plan and this Agreement, this Option shall vest and become exercisable as to portions of the Shares as follows: (a) this Option shall not be exercisable with respect to any of the Shares until the First Vesting Date set forth above; (b) if Optionee has continuously provided services to the Company, or any Parent or Subsidiary of the Company, then on the First Vesting Date, this Option shall become exercisable as to 25% of the Shares; and (c) thereafter this Option shall become exercisable as to an additional 6.25% of the Shares on each quarterly anniversary of the First Vesting Date, provided that Optionee has continuously provided services to the Company, or any Parent or Subsidiary of the Company, at all times during the relevant quarter. This Option shall cease to vest upon Optionee's Termination and Optionee shall in no event be entitled under this Option to purchase a number of shares of the Company's Common Stock greater than the "Total Option Shares."

2.2 Vesting of Options. Shares that are vested pursuant to the schedule set forth in Section 2.1 hereof are "Vested Shares." Shares that are not vested pursuant to the schedule set forth in Section 2.1 hereof are "Unvested Shares."

2.3 Expiration. This Option shall expire on the Expiration Date set forth above and must be exercised, if at all, on or before the earlier of the Expiration Date or the date on which this Option is earlier terminated in accordance with the provisions of Section 3 hereof.

3. Termination.

3.1 Termination for Any Reason Except Death, Disability or Cause. If Optionee is Terminated for any reason except Optionee's death, Disability or Cause, then this Option, to the extent (and only to the extent) that it is vested in accordance with the schedule set forth in Section 2.1 hereof on the Termination Date, may be exercised by Optionee no later than three (3) months after the Termination Date, but in any event no later than the Expiration Date.

3.2 Termination Because of Death or Disability. If Optionee is Terminated because of death or Disability of Optionee (or the Optionee dies within three (3) months after Termination other than for Cause or because of Disability), then this Option, to the extent that it is vested in accordance with the schedule set forth in Section 2.1 hereof on the Termination Date, may be exercised by Optionee (or Optionee's legal representative or authorized assignee) no later than twelve (12) months after the Termination Date, but in any event no later than the Expiration Date. Any exercise after three (3) months after the Termination Date when the Termination is for any reason other than Optionee's death or disability, within the meaning of Code Section 22(e)(3), shall be deemed to be the exercise of a nonqualified stock option.

3.3 Termination for Cause. If Optionee is Terminated for Cause, this Option will expire on the Optionee's date of Termination.

3.4 No Obligation to Employ. Nothing in the Plan or this Agreement shall confer on Optionee any right to continue in the employ of, or other relationship with, the Company or any Parent or Subsidiary of the Company, or limit in any way the right of the Company or any Parent or Subsidiary of the Company to terminate Optionee's employment or other relationship at any time, with or without Cause.

4. Manner of Exercise.

4.1 Stock Option Exercise. To exercise this Option, Optionee (or in the case of exercise after Optionee's death, Optionee's executor, administrator, heir or legatee, as the case may be) must activate her/his E*Trade VeriSign Employee Stock Plan account (***"E*Trade"***) at https://us.etrade.com/e/t/user/login_sp . Once the E*Trade VeriSign Employee Stock Plan account has been activated, the exercise(s) can be executed on-line with E*Trade (the "***Online Exercise Agreement***") or by following such other procedures as may be approved by the Company from time to time. If someone other than Optionee exercises this Option, then such person must submit documentation reasonably acceptable to the Company that such person has the right to exercise this Option.

4.2 Limitations on Exercise. This Option may not be exercised unless such exercise is in compliance with all applicable federal and state securities laws, as they are in effect on the date of exercise.

4.3 Payment. The Online Exercise Agreement (or other forms approved by the Company) shall be accompanied by full payment of the Exercise Price for the Shares being purchased in cash (by check), or where permitted by law:

(a) by cancellation of indebtedness of the Company to the Optionee;

(b) by surrender of shares of the Company's Common Stock that either: (1) have been owned by Optionee for more than six (6) months and have been paid for within the meaning of SEC Rule 144 (and, if such shares were purchased from the Company by use of a promissory note, such note has been fully paid with respect to such shares); or (2) were obtained by Optionee in the open public market; and (3) are clear of all liens, claims, encumbrances or security interests;

(c) by waiver of compensation due or accrued to Optionee for services rendered to the Company;

(d) provided that a public market for the Company's Common Stock exists: (1) through a "same day sale" commitment from Optionee and a broker-dealer that is a member of the National Association of Securities Dealers (an "***NASD Dealer***") whereby Optionee irrevocably elects to exercise this Option and to sell a portion of the

Shares so purchased to pay for the Exercise Price and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the exercise price directly to the Company; or (2) through a "margin" commitment from Optionee and an NASD Dealer whereby Optionee irrevocably elects to exercise this Option and to pledge the Shares so purchased to the NASD Dealer in a margin account as security for a loan from the NASD Dealer in the amount of the Exercise Price, and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the Exercise Price directly to the Company; or

(e) by any combination of the foregoing.

4.4 Tax Withholding. Prior to the issuance of the Shares upon exercise of this Option, Optionee must pay or provide for any applicable federal or state withholding obligations of the Company. If the Committee permits, Optionee may provide for payment of withholding taxes upon exercise of this Option by requesting that the Company retain Shares with a Fair Market Value equal to the minimum amount of taxes required to be withheld. In such case, the Company shall issue the net number of Shares to the Optionee by deducting the Shares retained from the Shares issuable upon exercise.

4.5 Issuance of Shares. Provided that the exercise and payment are in form and substance satisfactory to counsel for the Company, the Company shall issue the Shares to Optionee's E*Trade VeriSign Employee Stock Plan account, Optionee's authorized assignee, or Optionee's legal representative or shall deliver certificates representing the Shares with the appropriate legends affixed thereto.

5. Compliance with Laws and Regulations. The exercise of this Option and the issuance and transfer of Shares shall be subject to compliance by the Company and Optionee with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Company's Common Stock may be listed at the time of such issuance or transfer. Optionee understands that the Company is under no obligation to register or qualify the Shares with the SEC, any state securities commission or any stock exchange to effect such compliance.

6. Nontransferability of Option. This Option may not be transferred in any manner other than under the terms and conditions of the Plan or by will or by the laws of descent and distribution and may be exercised during the lifetime of Optionee only by Optionee. The terms of this Option shall be binding upon the executors, administrators, successors and assigns of Optionee.

7. Tax Consequences. Set forth below is a brief summary as of the date the Board adopted the Plan of some of the federal tax consequences of exercise of this Option and disposition of the Shares. THIS SUMMARY IS NECESSARILY INCOMPLETE, AND THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. OPTIONEE SHOULD CONSULT A TAX ADVISOR BEFORE EXERCISING THIS OPTION OR DISPOSING OF THE SHARES.

7.1 Exercise of Nonqualified Stock Option. There may be a regular federal income tax liability upon the exercise of this Option. Optionee will be treated as having received compensation income (taxable at ordinary income tax rates) equal to the excess, if any, of the fair market value of the Shares on the date of exercise over the Exercise Price. The Company may be required to withhold from Optionee's compensation or collect from Optionee and pay to the applicable taxing authorities an amount equal to a percentage of this compensation income at the time of exercise.

7.2 Disposition of Shares. The sale of any shares received pursuant to the exercise of the NQSO is generally treated as capital gain or loss. If the Shares are held for more than twelve (12) months after the date of the transfer of the Shares pursuant to the exercise of an NQSO, any gain or loss realized on disposition of the Shares will be treated as long-term capital gain or loss.

8. Privileges of Stock Ownership. Optionee shall not have any of the rights of a stockholder with respect to any Shares until the Shares are issued to Optionee.

9. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by Optionee or the Company to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on the Company and Optionee.

10. Entire Agreement. The Plan is incorporated herein by reference. This Agreement and the Plan and the exercise process constitute the entire agreement and understanding of the parties hereto with respect to the subject matter hereof and supersede all prior understandings and agreements with respect to such subject matter.

11. Notices. Any notice required to be given or delivered to the Company shall be in writing and addressed to the Corporate Secretary of the Company at its principal corporate offices. Any notice required to be given or delivered to Participant shall be in writing (including email) and addressed to Participant at the participant's Company email address, the address of record or to such other address as Participant may designate in writing from time to time to the Company or may be posted on the Participant's E*Trade VeriSign employee stock plan account at www.etrade.com. All notices shall be deemed effectively given upon personal delivery, (i) three (3) days after deposit in the United States mail by certified or registered mail (return receipt requested), (ii) one (1) business day after its deposit with any return receipt express courier (prepaid), (iii) one (1) business day after transmission by fax or telecopier, (iv) upon receipt if sent by the Company to the Participant's email address at the Company, or (v) upon posting on the Participant's E*Trade VeriSign employee stock plan account at www.etrade.com.

12. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement shall be binding upon Optionee and Optionee's heirs, executors, administrators, legal representatives, successors and assigns.

13. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of California, without regard to that body of law pertaining to choice of law or conflict of law.

14. Acceptance. Optionee hereby acknowledges receipt of a copy of the Plan and this Agreement. Optionee has read and understands the terms and provisions thereof, and accepts this Option subject to all the terms and conditions of the Plan and this Agreement. Optionee acknowledges that there may be adverse tax consequences upon exercise of this Option or disposition of the Shares and that the Company recommends that Optionee should consult a tax advisor prior to such exercise or disposition. In the event that upon the 30th day after the Date of Grant, Optionee has not refused the Option by notice to the Company pursuant to Section 11 hereof, Optionee shall be deemed to have accepted the Option subject to all the terms and conditions of the Plan and the Agreement.

VERISIGN, INC.

2006 EQUITY INCENTIVE PLAN

EMPLOYEE RESTRICTED STOCK UNIT AGREEMENT

The Board of Directors of VeriSign, Inc. has approved a grant to you (the "***Participant***" named below) Restricted Stock Units ("***RSUs***") pursuant to the VeriSign, Inc. 2006 Equity Incentive Plan (the "***Plan***"), as described below. Capitalized terms not defined herein shall have the meaning ascribed to them in the Plan.

Participant: ______________________________________

Number of RSUs: ______________________________________

Date of Grant: ______________________________________

Expiration Date: The date on which settlement of all RSUs granted hereunder occurs, with earlier expiration upon the Termination Date.

Vesting Schedule:

The RSUs will vest as follows:

(a). 25% on the later to occur of (i) the first anniversary of the Date of Grant; (ii) the date next following the Date of Grant on which such Shares may be issued from the Plan in compliance with the requirements for use of the Form S-8 Registration Statement pursuant to which the Plan and such Shares have been registered with the SEC; and (iii) the date next following the Date of Grant on which the Company's common stock is listed on a "national securities exchange" (as defined in Sec. 6 of the Exchange Act); and (iv) if applicable, the date of certification of achievement of the applicable Performance Factors by the Committee.

(b). 25% on the later to occur of (i) the second anniversary of the Date of Grant; (ii) the date next following the Date of Grant on which such Shares may be issued from the Plan in compliance with the requirements for use of the Form S-8 Registration Statement pursuant to which the Plan and such Shares have been registered with the SEC; and (iii) the date next following the Date of Grant on which the Company's common stock is listed on a "national securities exchange" (as defined in Sec. 6 of the Exchange Act); and (iv) if applicable, the date of certification of achievement of the applicable Performance Factors by the Committee.

(c). 25% on the later to occur of (i) the third first anniversary of the Date of Grant; (ii) the date next following the Date of Grant on which such Shares may be issued from the Plan in compliance with the requirements for use of the Form S-8 Registration Statement pursuant to which the Plan and such Shares have been registered with the SEC; and (iii) the date next following the Date of Grant on which the Company's common stock is listed on a "national securities exchange" (as defined in Sec. 6 of the Exchange Act); and (iv) if applicable, the date of certification of achievement of the applicable Performance Factors by the Committee.

(d). 25% on the later to occur of (i) the fourth anniversary of the Date of Grant; (ii) the date next following the Date of Grant on which such Shares may be issued from the Plan in compliance with the requirements for use of the Form S-8 Registration Statement pursuant to which the Plan and such Shares have been registered with the SEC; and (iii) the date next following the Date of Grant on which the Company's common stock is listed on a "national securities exchange" (as defined in Sec. 6 of the Exchange Act); and (iv) if applicable, the date of certification of achievement of the applicable Performance Factors by the Committee.

1. Settlement. Settlement of vested RSUs shall be made within 30 days following the applicable date of vesting under the above vesting schedule (provided that if at the time of settlement Participant is a "specified employee" of the Company under Section 409A, and settlement would be treated as a payment made on separation of service, then if required to avoid the taxes imposed by Section 409A settlement shall be delayed by six (6) months or such other period of time as is then required to avoid such taxes). Settlement of vested RSUs shall be in Shares; provided, that, pursuant to Section 7, if Shares may not be withheld as a result of foreign tax law, an appropriate number of RSUs may or may not be automatically settled in cash, depending upon the taxable jurisdiction. In addition, if determined by the Committee in its discretion at the time of payment, RSUs may also be settled in cash or some combination of cash and Shares. The Participant shall pay to the Company the aggregate par value of the Shares issued prior to their issuance (par value being $0.001 per Share) with such payment deemed to have been made for each Share, by Participant's services from the Date of Grant to the first applicable vesting date. Participant agrees that, if necessary due to applicable law, Participant shall pay to the Company each affected Share's par value by making appropriate payroll deductions from funds due the Participant.

2. No Stockholder Rights. Unless and until such time as Shares are issued in settlement of vested RSUs, the Participant shall have no ownership of the Shares allocated to the RSUs and shall have no right to vote such Shares, subject to the terms, conditions and restrictions described in the Plan and herein.

3. Dividend Equivalents. Any dividends paid in cash on Shares of the Company shall be credited to the Participant as additional RSUs as if the RSUs previously held by the Participant were outstanding Shares (in such number as determined by the Committee), as follows: such credit shall be made in whole and/or fractional RSUs and shall be based on the Fair Market Value of the Shares on the date of payment of such dividend. All such additional RSUs shall be subject to the same vesting requirements applicable to the RSUs in respect of which they were credited and shall be settled in accordance with, and at the time of, settlement of the vested RSUs to which they are related.

4. No Transfer. The RSUs and any interest therein: (i) shall not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of, and (ii) shall, if the Participant's continuous employment with the Company or any of its affiliates shall terminate for any reason (except as otherwise provided in the Plan or herein), be forfeited to the Company forthwith, and all the rights of the Participant to such RSUs shall immediately terminate.

5. Termination. In the event of Termination by the Company or the Participant, the Committee shall settle, in Shares, the value of any vested RSUs (based on the then Fair Market Value of Shares deemed allocated to such vested RSUs on the date of such Termination) as soon as practicable thereafter. In case of any dispute as to whether Termination has occurred, the Committee shall have sole discretion to determine whether such Termination has occurred and the effective date of such Termination.

6. Acknowledgement. The Company and the Participant agree that the RSUs are granted under and governed by this Restricted Stock Unit Agreement and by the provisions of the Plan (incorporated herein by reference). The Participant: (i) acknowledges receipt of a copy of the Plan and the Plan prospectus, (ii) represents that the Participant has carefully read and is familiar with their provisions, and (iii) hereby accepts the RSUs subject to all of the terms and conditions set forth herein and those set forth in the Plan. In the event that upon the 30th day after the Date of Grant, the Participant has not refused the RSUs by notice to the Company pursuant to Section 11 hereof, the Participant shall be deemed to have accepted the RSUs subject to all of the terms and conditions set forth herein and those set forth in the Plan.

7. Tax Consequences. The Participant acknowledges that there may be adverse tax consequences upon settlement of the RSUs or disposition of the Shares, if any, received in connection therewith and that the Company recommends that Participant should consult a tax adviser prior to such settlement or disposition. In particular, Participant must make arrangements, satisfactory to the Company, for satisfaction of any applicable foreign, federal, state or local income tax withholding requirements or social security requirements related to the grant of the RSUs or Participant's receipt of Shares in settlement thereof, including, in either case, any dividend paid in respect thereof. In the event settlement of the RSUs is made in Shares, the Company will satisfy the minimum statutory withholding tax obligation by withholding a certain number of Shares otherwise deliverable from the total number of Shares deliverable to the Participant upon settlement unless Shares may not be withheld as a result of foreign tax law (in which case an appropriate number of RSUs may or may not be automatically settled in cash, depending upon the taxable jurisdiction). In the event that any RSUs are settled in cash, or Shares may not be withheld as a result of foreign tax law, the Participant hereby authorizes the Company to withhold the required minimum amount from Participant's other sources of compensation from the Company or any Parent or Subsidiary.

8. Compliance with Laws and Regulations. The issuance of Shares will be subject to and conditioned upon compliance by the Company and Participant with all applicable state and federal laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's Common Stock may be listed or quoted at the time of such issuance or transfer.

9. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement will be binding upon Participant and Participant's heirs, executors, administrators, legal representatives, successors and assigns.

10. Governing Law; Severability. This Agreement shall be governed by and construed in accordance with the internal laws of the State of California as such laws are applied to agreements between California residents entered into and to be performed entirely within California, excluding that body of laws pertaining to conflict of laws. If any provision of this Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

11. Notices. Any notice required to be given or delivered to the Company shall be in writing and addressed to the Corporate Secretary of the Company at its principal corporate offices. Any notice required to be given or delivered to Participant shall be in writing (including email) and addressed to Participant at the participant's Company email address, the address of record or to such other address as Participant may designate in writing from time to time to the Company or may be posted on the Participant's E*Trade VeriSign employee stock plan account at *www.etrade.com*. All notices shall be deemed effectively given upon personal delivery, (i) three (3) days after deposit in the United States mail by certified or registered mail (return receipt requested), (ii) one (1) business day after its deposit with any return receipt express courier (prepaid), (iii) one (1) business day after transmission by fax or telecopier, (iv) upon receipt if sent by the Company to the Participant's email address at the Company, or (v) upon posting on the Participant's E*Trade VeriSign employee stock plan account at *www.etrade.com*.

12. Further Instruments. The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Agreement.

13. Headings. The captions and headings of this Agreement are included for ease of reference only and are to be disregarded in interpreting or construing this Agreement.

14. Entire Agreement. The Plan and this Restricted Stock Unit Agreement for these RSUs constitute the entire agreement and understanding of the parties with respect to the subject matter herein and supersede all prior understandings and agreements, whether oral or written, between the parties hereto with respect to the specific subject matter hereof.

Please sign your name in the space provided below on this Restricted Stock Unit Agreement and return an executed copy to: Stock Administration, Attn: Linda Hart, VeriSign, Inc., 487 East Middlefield Road, Mountain View, CA 94043.

VERISIGN, INC.	PARTICIPANT
By: ______________________	______________________
	Signature
Its: ______________________	

VERISIGN, INC.

2006 EQUITY INCENTIVE PLAN

PERFORMANCE BASED RESTRICTED STOCK UNIT AGREEMENT

The Board of Directors of VeriSign, Inc. has approved a grant to you (the "***Participant***" named below) of Restricted Stock Units ("***RSUs***") pursuant to the VeriSign, Inc. 2006 Equity Incentive Plan (the "***Plan***"), as set forth in this RSU Agreement ("***Agreement***"). Capitalized terms not defined herein shall have the meaning ascribed to them in the Plan.

Participant:	______________________________
Number of RSUs:	______________________________
Date of Grant:	______________________________
Expiration Date:	The date on which all RSUs granted hereunder have been either forfeited or settled.

1. **Vesting Schedules**. The RSUs will vest as determined under the following schedules. Except as provided below, the RSUs shall be forfeited upon Participant's Termination Date.

(a) Performance-Based Vesting – One hundred percent (100%) of the RSUs shall vest on the third anniversary of the Date of Grant if all of the following criteria have been satisfied: (i) Participant's Termination Date has not occurred prior to such third anniversary; and (ii) the Stock Price Target (defined below) has been attained at any time during the thirty-six (36) month period beginning on the Date of Grant; and (iii) if required to be deductible under Section 162(m) of the Code, certification of achievement of the Stock Price Target by the Committee. The Stock Price Target will be deemed to have been attained if during any sixty (60) consecutive trading days prior to the third anniversary of the Date of Grant the average closing price of the Company's common stock equals or exceeds the Stock Price Target, as reported by the Nasdaq Global Select Market.

(b) Time-Based Vesting – If on the third anniversary of the Date of Grant the conditions for Performance-Based Vesting have not been satisfied, then fifty percent (50%) of the RSUs shall vest on the fourth anniversary of the Date of Grant if Participant's Termination Date has not occurred prior to such fourth anniversary. The remaining fifty percent (50%) shall be forfeited on the third anniversary of the Date of Grant.

(c) Vesting if Termination is due to Death or Disability – If Participant's Termination Date occurs prior to the third anniversary of the Date of Grant by reason of Participant's death or "disability" (as defined in regulations promulgated under Section 409A of the Code), then: (i) if the Stock Price Target has been attained as of such Termination Date, a pro rata portion of the RSUs (calculated by multiplying the number of RSUs by a fraction, the numerator of which is the number of days from the Date of Grant to the Termination Date and the denominator of which is 1095), shall vest on such Termination Date; or (ii) if the Stock Price Target is attained after such Termination Date, but no later than the third anniversary of the Date of Grant above, then the pro rata portion of the RSUs (calculated consistent with subsection (i) above) shall vest on the date the Stock Price Target is attained.

(d) Vesting For Non-Section 16 Officers Following a Change-in-Control – If at the time of a Change-in-Control Participant is not an officer of the Company who is subject to Section 16 of the Exchange Act (a "***Section 16 Officer***"), and if this Agreement is not assumed by the Successor on terms and conditions identical to that of the original award, with the exception of the Stock Price Target, which will cease to apply, then one hundred percent (100%) (fifty percent (50%) if the Change-in-Control occurs after the third anniversary of the Date of Grant) of the RSUs shall vest immediately prior to consummation of the Change-in-Control.

If at the time of a Change-in-Control Participant is not a Section 16 Officer, then if this Agreement is assumed by the Successor on terms and conditions identical to that of the original award, with the exception of the Stock Price Target which shall cease to apply, then one hundred percent (100%) (fifty percent (50%) if the Change-in-Control occurs after the third anniversary of the Date of Grant) of the RSUs shall vest on the earlier to occur of (A) Participant's Termination Date if Participant's Termination Date falls within the twenty-four (24) months following the Change-in-Control and is due to an Involuntary Termination, or (B) the third anniversary of the Date of Grant (fourth anniversary of the Date of Grant if the Change-in-Control occurs after the third anniversary of the Date of Grant), provided that the Participant is still an employee of the Company on such anniversary date.

(e) [SECTION 16 OFFICERS ONLY] Pro Rata Vesting if Termination is due to an Involuntary Termination of a Section 16 Officer – If on the Date of Grant, Participant is a Section 16 Officer, then if Participant's Termination Date occurs prior to the third anniversary of the Date of Grant and is due to an Involuntary Termination or a resignation for Good Reason, then: (i) if the Stock Price Target has been met as of such Termination Date, a pro rata portion of the RSUs (calculated by multiplying the number of RSUs by a fraction, the numerator of which is the number of days from the Date of Grant to the Termination Date and the denominator of which is 1095) shall vest on such Termination Date; or (ii) if the Stock Price Target is met after such Termination Date, but no later than the third anniversary of the Date of Grant above, then the pro rata portion of the RSUs (calculated consistent with subsection (i) above) shall vest on the date the Stock Price Target is met. One hundred percent (100%) of the RSUs will be forfeited if the Stock Price Target is not met by the third anniversary of the Date of Grant.**]**

2. <u>Definitions</u>.

(a) "***Change-in-Control***" means:

(i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than a trustee or other fiduciary holding securities of the Company under an employee benefit plan of the Company or its subsidiaries, becomes the "beneficial owner" (as defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly (excluding, for purposes hereof, securities acquired directly from the Company), of securities of the Company representing at least thirty percent (30%) of (A) the then-outstanding shares of common stock of the Company or (B) the combined voting power of the Company's then-outstanding securities;

(ii) the consummation of a merger or consolidation, or series of related transactions, which results in the voting securities of the Company outstanding immediately prior thereto failing to continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity), directly or indirectly, at least fifty (50%) percent of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation;

(iii) a change in the composition of the Board occurring within a twenty-four (24) month period, as a result of which fewer than a majority of the members of the Board are Incumbent Directors;

(iv) the sale or disposition of all or substantially all of the Company's assets (or consummation of any transaction, or series of related transactions, having similar effect); or

(v) stockholder approval of the dissolution or liquidation of the Company.

(b) "***Company***" means VeriSign, Inc. or any Successor.

(c) "***Cause***" for purposes of this Agreement shall not have the definition provided in the Plan, but shall instead mean Participant's: (i) willful and continued failure to substantially perform duties after written notice providing Participant ninety (90) days from the date of Participant's receipt of such notice in which to cure; (ii) conviction of (or plea of guilty or no contest to) a felony involving moral turpitude; (iii) willful misconduct or gross negligence resulting in material harm to the Company; or (iv) willful violation of the Company's policies resulting in material harm to the Company.

(d) "***Director***" shall mean a member of the Board.

(e) “***Good Reason***” means the occurrence of any of the following conditions, without Participant’s written consent: (i) a material and adverse change in the Participant’s authority, duties or responsibilities; (ii) a reduction in Participant’s base salary, except for an across-the-board reduction of not more than ten percent (10%) of base salary applicable to all senior executives of the Company; (iii) a reduction in Participant’s bonus opportunity of five percent (5%) or more, except for an across-the- board reduction applicable to all senior executives of the Company; (iv) a failure to provide Participant with long-term incentive opportunities that in the aggregate are at least comparable to the long-term incentives provided to other senior executives of the Company; (v) a reduction of at least five percent (5%) in aggregate benefits Participant is entitled to receive under all employee benefit plans of the Company; or (vi) a requirement that Participant be based at any office location more than forty (40) miles from Participant’s primary office location if such relocation increases the Participant’s commute by more than ten (10) miles.

(f) “***Incumbent Director***” shall mean either (a) a person who is a Director on the Date of Grant, or (b) a Director who is elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of members of the Board).

(g) “***Involuntary Termination***” shall mean Termination initiated by the Company without Cause.

(h) “***Stock Price Target***” means the value obtained by annual compounding (at a rate of ten percent (10%) per annum for a period of three years) of the average closing price of a Share, as reported by the Nasdaq Global Select Market, for the sixty (60) consecutive trading days immediately preceding the Date of Grant. The Stock Price Target for the RSU grant covered by this Agreement is [   ].

(i) *“Successor”* means any successor to the Company or assignee of substantially all of the Company’s business and/or assets whether or not as part of a Change-in-Control.

(j) “***Termination Date***” means the effective date of any termination of Participant’s employment with the Company or a Successor.

3. Settlement. Except as provided above, settlement of vested RSUs shall be made within sixty (60) days following the applicable date of vesting under the above vesting schedule. Notwithstanding any other provision to the contrary, to the extent (i) any payments to which Participant becomes entitled under this Agreement in connection with Participant’s Termination constitute deferred compensation subject to Section 409A of the Code, and (ii) Participant is deemed at the time of such Termination to be a “specified employee” under Section 409A of the Code, then such payment shall not be made or commence until the earliest of (i) the expiration of the six (6)-month period measured from the date of Participant’s “separation from service” (as defined in regulations promulgated under Section 409A of the Code) with the Company; (ii) the date of Participant’s “disability” (as defined in regulations promulgated under Section 409A of the Code); or (iii) the date of Participant’s death following such separation from service; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to Participant, including (without limitation) the additional twenty percent (20%) tax for which Participant would otherwise be liable under Section 409A(a)(1)(B) of the Code in the absence of such deferral. Upon the expiration of the applicable deferral period, any payments which would have otherwise been made during that period (whether in a single sum or in installments) in the absence of this provision shall be paid to Participant or Participant’s beneficiary in one lump sum. Settlement of vested RSUs shall be in Shares; provided, that, pursuant to Section 10, if Shares may not be withheld as a result of foreign tax law, an appropriate number of RSUs may or may not be automatically settled in cash, depending upon the taxable jurisdiction. In addition, if determined by the Committee in its discretion at the time of payment, RSUs may also be settled in cash or some combination of cash and Shares. The Participant shall pay to the Company the aggregate par value of the Shares issued prior to their issuance (par value being $0.001 per Share) with such payment deemed to have been made for each Share, by Participant’s services from the Date of Grant to the applicable vesting date. Participant agrees that, if necessary due to applicable law, Participant shall pay to the Company each affected Share’s par value by making appropriate payroll deductions from funds due the Participant.

4. No Stockholder Rights. Unless and until such time as Shares are issued in settlement of vested RSUs, the Participant shall have no ownership of the Shares allocated to the RSUs and shall have no right to vote such Shares, subject to the terms, conditions and restrictions described in the Plan and herein.

5. **Dividend Equivalents**. Any dividends paid in cash on Shares of the Company shall be credited to the Participant as additional RSUs as if the RSUs previously held by the Participant were outstanding Shares (in such number as determined by the Committee), as follows: such credit shall be made in whole and/or fractional RSUs and shall be based on the Fair Market Value of the Shares on the date of payment of such dividend. All such additional RSUs shall be subject to the same vesting requirements applicable to the RSUs in respect of which they were credited and shall be settled in accordance with, and at the time of, settlement of the vested RSUs to which they are related.

6. **No Transfer**. The RSUs and any interest therein shall not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of.

7. **Forfeiture**. The RSUs and any interest therein shall, if the Participant's continuous employment with the Company (including with any Successor) or any of its subsidiaries shall terminate for any reason, be forfeited to the Company forthwith and all rights of the Participant to such RSUs shall immediately terminate, except as otherwise provided in the Plan or in this Agreement.

8. **Termination**. In the event of Termination by the Company or the Participant, the Committee shall settle, in Shares, the value of any vested RSUs (based on the then Fair Market Value of Shares deemed allocated to such vested RSUs on the date of such Termination) as soon as practicable thereafter. In case of any dispute as to whether Termination has occurred, the Committee shall have sole discretion to determine whether such Termination has occurred and the effective date of such Termination.

9. **Acknowledgement**. The Company and the Participant agree that the RSUs are granted under and governed by this Agreement and by the provisions of the Plan (incorporated herein by reference). The Participant: (i) acknowledges receipt of a copy of the Plan and the Plan prospectus, (ii) represents that the Participant has carefully read and is familiar with their provisions, and (iii) hereby accepts the RSUs subject to all of the terms and conditions set forth herein and those set forth in the Plan. In the event that upon the 30th day after the Date of Grant, the Participant has not refused the RSUs by notice to the Company pursuant to Section 14 hereof, the Participant shall be deemed to have accepted the RSUs subject to all of the terms and conditions set forth herein and those set forth in the Plan. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of this Agreement shall govern.

10. **Tax Consequences**. The Participant acknowledges that there may be adverse tax consequences upon settlement of the RSUs or disposition of the Shares, if any, received in connection therewith and that the Company recommends that Participant should consult a tax adviser prior to such settlement or disposition. In particular, Participant must make arrangements, satisfactory to the Company, for satisfaction of any applicable foreign, federal, state or local income tax withholding requirements or social security requirements related to the grant of the RSUs or Participant's receipt of Shares in settlement thereof, including, in either case, any dividend paid in respect thereof. In the event settlement of the RSUs is made in Shares, the Company will satisfy the minimum statutory withholding tax obligation by withholding a certain number of Shares otherwise deliverable from the total number of Shares deliverable to the Participant upon settlement unless Shares may not be withheld as a result of foreign tax law (in which case an appropriate number of RSUs may or may not be automatically settled in cash, depending upon the taxable jurisdiction). In the event that any RSUs are settled in cash, or Shares may not be withheld as a result of foreign tax law, the Participant hereby authorizes the Company to withhold the required minimum amount from Participant's other sources of compensation from the Company or any Parent or Subsidiary.

11. **Compliance with Laws and Regulations**. The issuance of Shares will be subject to and conditioned upon compliance by the Company and Participant with all applicable state and federal laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's Common Stock may be listed or quoted at the time of such issuance or transfer.

12. **Successors and Assigns**. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement will be binding upon Participant and Participant's heirs, executors, administrators, legal representatives, successors and assigns.

13. **Governing Law; Severability**. This Agreement shall be governed by and construed in accordance with the internal laws of the State of California as such laws are applied to agreements between California residents entered into and to be performed entirely within California, excluding that body of laws pertaining to conflict of laws. If any provision of this Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

14. Notices. Any notice required to be given or delivered to the Company shall be in writing and addressed to the Corporate Secretary of the Company at its principal corporate offices. Any notice required to be given or delivered to Participant shall be in writing (including email) and addressed to Participant at the participant's Company email address, the address of record or to such other address as Participant may designate in writing from time to time to the Company or may be posted on the Participant's E*Trade VeriSign employee stock plan account at *www.etrade.com*. All notices shall be deemed effectively given upon personal delivery, (i) three (3) days after deposit in the United States mail by certified or registered mail (return receipt requested), (ii) one (1) business day after its deposit with any return receipt express courier (prepaid), (iii) one (1) business day after transmission by fax or telecopier, (iv) upon receipt if sent by the Company to the Participant's email address at the Company, or (v) upon posting on the Participant's E*Trade VeriSign employee stock plan account at *www.etrade.com*.

15. Further Instruments. The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Agreement.

16. Headings. The captions and headings of this Agreement are included for ease of reference only and are to be disregarded in interpreting or construing this Agreement.

17. Entire Agreement. The Plan and this Agreement for these RSUs constitute the entire agreement and understanding of the parties with respect to the subject matter herein and supersede all prior understandings and agreements, whether oral or written, between the parties hereto with respect to the specific subject matter hereof.

In Witness Whereof, each of the parties has executed this Agreement, in the case of the Company, by its duly authorized officer, as of , 20___.

Participant

____
[NAME]

Address: ______________________________________

VeriSign, Inc.

By: ______________________________________

Title: ______________________________________

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, D. James Bidzos, certify that:

1. I have reviewed this quarterly report on Form 10-Q of VeriSign, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2008

By: /s/ D. JAMES BIDZOS
D. James Bidzos
Interim President and Chief Executive Officer

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Brian G. Robins, certify that:

1. I have reviewed this quarterly report on Form 10-Q of VeriSign, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2008

By: /s/ BRIAN G. ROBINS

Brian G. Robins
Acting Chief Financial Officer

EXHIBIT 32.01

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, D. James Bidzos, President and Chief Executive Officer, on an interim basis, of VeriSign, Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended September 30, 2008, as filed with the Securities and Exchange Commission (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 7, 2008

/s/ D. JAMES BIDZOS

D. James Bidzos
Interim President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 32.02

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Brian G. Robins, Acting Chief Financial Officer of VeriSign, Inc. (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended September 30, 2008, as filed with the Securities and Exchange Commission (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 7, 2008

/s/ BRIAN G. ROBINS

Brian G. Robins
Acting Chief Financial Officer
(Principal Accounting Officer)