

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

AMENDMENT NO. 1
to
SCHEDULE TO
(Rule 13e-4)

TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934

VERISIGN, INC.

(Name of Subject Company (Issuer) and Filing Person (Offeror))

Options to Purchase Shares of Common Stock, Par Value \$0.001 Per Share
(Title of Class of Securities)

92343E102
(CUSIP Number of Class of Securities)
(Underlying Common Stock)

William A. Roper, Jr.
President and Chief Executive Officer
VeriSign, Inc.
487 East Middlefield Road
Mountain View, California 94043
(650) 961-7500

(Name, address and telephone number of person authorized to receive notices and communications on behalf of filing person)

Copies to:

Richard H. Goshorn
Senior Vice President, General Counsel
VeriSign, Inc.
487 East Middlefield Road
Mountain View, California 94043
(650) 961-7500

Jeffrey R. Vetter, Esq.
Fenwick & West LLP
801 California Street
Mountain View, California 94041
(650) 335-7160

CALCULATION OF FILING FEE

Transaction valuation*
\$29,763,814.36

Amount of filing fee**
\$913.75***

* Calculated solely for purposes of determining the filing fee. The "transaction valuation" set forth above is based on the Black-Scholes option valuation model, and assumes that all outstanding options eligible for tender covering an aggregate of 2,134,881 shares of common stock of VeriSign, Inc. will be amended pursuant to this offer, which may not occur.

** The amount of the filing fee, calculated in accordance with Rule 0-11 under the Securities Exchange Act of 1934, as amended, as modified by Fee Advisory No. 6 for fiscal year 2007, equals \$30.70 per \$1,000,000 of transaction valuation. The transaction valuation set forth above was calculated for the sole purpose of determining the filing fee, and should not be used or relied upon for any other purpose.

*** Previously paid.

Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid:
Form or Registration No.:
Filing party:
Date filed:

Not applicable.
Not applicable.
Not applicable.
Not applicable.

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third party tender offer subject to Rule 14d-1.
 issuer tender offer subject to Rule 13e-4.
 going-private transaction subject to Rule 13e-3.

amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

This Amendment No. 1 (this “**Amendment**”) amends and supplements the Tender Offer Statement on Schedule TO filed with the Securities and Exchange Commission on July 27, 2007 (the “**Schedule TO**”), relating to our offer to amend or replace certain options defined as “Eligible Options” in the Offer to Amend or Replace Eligible Options attached to the Schedule TO as Exhibit 99.(a)(1)(A) (the “**Offer to Amend or Replace**”) held by current employees of VeriSign, Inc. so that such options will not be subject to adverse tax consequences under Section 409A of the Internal Revenue Code. Except as amended and supplemented hereby, all terms of and disclosures set forth in the Schedule TO and the Offer to Amend or Replace remain unchanged and are incorporated herein by reference to this Amendment.

This Amendment is filed in satisfaction of the reporting requirements of Rule 13e-4(c)(3) promulgated under the Securities Exchange Act of 1934, as amended.

Subsection (v) set forth on the first introductory page preceding the “Summary Term Sheet” in the Offer to Amend or Replace is amended to read as follows: “The option is held by an individual who is, on the expiration of this Offer, a current employee of VeriSign and subject to income taxation in the United States with respect to that option.”

The introductory paragraph in the “Summary Term Sheet” in the Offer to Amend or Replace is amended to read as follows: “The following are answers to some of the questions that you may have about the Offer. We urge you to read carefully the remainder of this document and the accompanying Election Form and Stock Option Amendment and Bonus Agreement (which when taken together, as they may each be amended or supplemented from time to time, constitute the “**Offer**”), and we have included page references to the relevant sections of this document.”

The definition of “Eligible Optionee” on page 3 in the “Summary Term Sheet” in the Offer to Amend or Replace is amended to read as follows: “**Eligible Optionee**” is each person who is, on the expiration date of the Offer, a current employee of VeriSign and subject to income taxation in the United States with respect to his or her tendered Eligible Options.”

Subsection (v) set forth on page 1 of the “The Offer” in the Offer to Amend or Replace is amended to read as follows: “The option is held by an individual who is, on the expiration of this Offer, a current employee of VeriSign and subject to income taxation in the United States with respect to that option (an “**Eligible Optionee**”).”

The paragraph under the subparagraph titled “Eligible Optionees” on page 4 of “The Offer” in the Offer to Amend or Replace is amended to read as follows: “Individuals to whom Eligible Options have been granted by VeriSign will be “**Eligible Optionees**” for purposes of this Offer if they are, on the expiration date of this Offer, a current employee of VeriSign and subject to income taxation in the United States with respect to those options.”

ITEM 12. EXHIBITS.

Item 12 of the Schedule TO is amended and restated as follows:

<u>EXHIBIT NUMBER</u>	<u>DESCRIPTION</u>
99.(a)(1)(A)	Offer to Amend or Replace, dated July 27, 2007 and amended as of August 10, 2007.
99.(a)(1)(B)*	Email Announcement of Offer to Amend or Replace, dated July 27, 2007.
99.(a)(1)(C)*	Screenshot of Login Page to Offer website at https://vrsn.equitybenefits.com .
99.(a)(1)(D)*	Screenshots of Welcome Page to Offer website at https://vrsn.equitybenefits.com .
99.(a)(1)(E)*	Screenshots of Electronic Election Form.
99.(a)(1)(F)*	Screenshot of Election Amendment Review.
99.(a)(1)(G)*	Screenshots of Agreement to Terms of Election.

<u>EXHIBIT NUMBER</u>	<u>DESCRIPTION</u>
99.(a)(1)(H)*	Screenshots of Print Confirmation.
99.(a)(1)(I)*	E-mail of Election Confirmation Statement.
99.(a)(1)(J)	[Reserved.]
99.(a)(1)(K)*	Instructions to Electronic Election Form.
99.(a)(1)(L)*	Form of Stock Option Amendment and Bonus Agreement.
99.(a)(1)(M)*	Form of Acknowledgement of Receipt of Withdrawal Form.
99.(a)(1)(N)*	Form of Withdrawal Form (to withdraw via facsimile or mail).
99.(a)(1)(O)*	Form of E-mail Reminder of Expiration Date.
99.(a)(1)(P)*	Form of Election Form (to submit via facsimile).
99.(a)(1)(Q)*	Form of Notice of Expiration of Offer, Amendment of Eligible Option and Commitment to Pay Cash Bonus.
99.(a)(1)(R)*	Form of E-mail to Individuals Choosing not to Tender Eligible Options.
99.(a)(1)(S)*	Material Income Tax Consequences for Eligible Optionees Resident Outside the United States.
99.(a)(1)(T)	VeriSign, Inc. Annual Report on Form 10-K for the year ended December 31, 2006, filed with the Securities and Exchange Commission (the " SEC ") on July 12, 2007 is incorporated herein by reference.
99.(a)(1)(U)	VeriSign, Inc. Quarterly Report on Form 10-Q for its fiscal quarter ended March 31, 2007, filed with the SEC on July 16, 2007, is incorporated herein by reference.
99.(a)(1)(V)*	PowerPoint Employee Presentation Materials, dated July 27, 2007.
99.(b)	Not applicable.
99.(d)(1)(A)	VeriSign, Inc. 1998 Equity Incentive Plan is incorporated herein by reference from Exhibit 10.04 to Form 10-K, filed with the SEC on March 16, 2005.
99.(d)(1)(B)	VeriSign, Inc. 1998 Equity Incentive Plan Form of Stock Option Agreement is incorporated herein by reference from Exhibit 10.09 to Form S-1/A, filed with the SEC on January 1, 1998.
99.(d)(1)(C)	VeriSign, Inc. 2001 Stock Incentive Plan, is incorporated herein by reference from Exhibit 10.08 to Form 10-K, filed with the SEC on March 31, 2003.
99.(d)(1)(D)	VeriSign, Inc. 2001 Stock Incentive Plan Form of Stock Option Agreement is incorporated herein by reference from Exhibit 4.05 to Form S-8, filed with the SEC on September 21, 2001.
99.(g)	Not applicable.
99.(h)	Not applicable.

* Previously Filed

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Amendment No. 1 to Schedule TO is true, complete and correct.

VeriSign, Inc.

By: /s/ Richard H. Goshorn

Richard H. Goshorn
Senior Vice President, General Counsel

Date: August 10, 2007

INDEX OF EXHIBITS

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99.(g)	Not applicable.
99.(h)	Not applicable.

* Previously Filed



VERISIGN, INC.

OFFER TO AMEND OR REPLACE ELIGIBLE OPTIONS

July 27, 2007 and as amended on August 10, 2007

**THE OFFER AND WITHDRAWAL RIGHTS EXPIRE
AT 11:59 P.M., PACIFIC TIME, ON AUGUST 23, 2007, UNLESS THE OFFER IS EXTENDED**

VeriSign, Inc. (“*VeriSign*”, “*us*” or “*we*”) is making an offer set forth in this document and the related Election Form and Stock Option Amendment and Bonus Agreement (collectively, as they may each be amended or supplemented from time to time, constitute the “*Offer*”) to certain individuals to amend or replace certain outstanding options to purchase VeriSign common stock previously granted to them under the following equity plans (collectively, the “*Plans*”):

- 1998 Equity Incentive Plan, and
- 2001 Stock Incentive Plan.

An option will be subject to this Offer only to the extent that option meets each of the following conditions:

- (i) The option was granted under one of the Plans.
- (ii) The option was retroactively priced in that the exercise price per share currently in effect for that option is based on the closing selling price (the “*Fair Market Value*”) per share of VeriSign common stock on a date earlier than the date on which the option was actually granted.
- (iii) The Fair Market Value per share of VeriSign common stock on the date the option was actually granted is higher than the exercise price per share currently in effect for the option.
- (iv) The option was unvested as of December 31, 2004.
- (v) The option is held by an individual who is, on the expiration of this Offer, a current employee of VeriSign and subject to income taxation in the United States with respect to that option.
- (vi) The option is outstanding on the expiration date of this Offer.

An option that satisfies each of the foregoing six conditions is designated an “*Eligible Option*,” and a holder of an Eligible Option is designated an “*Eligible Optionee*,” for purposes of this Offer. If only a portion of the option meets the conditions set forth above, then only that portion will be an Eligible Option, and the balance of that option will not be eligible for amendment or replacement pursuant to this Offer. That portion of the option that does not meet the conditions set forth above will retain its current exercise price and we believe will not be subject to adverse tax consequences under Section 409A of the Internal Revenue Code of 1986, as amended (“*Section 409A*”).

An option with a current exercise price that is greater than or equal to the Fair Market Value per share of VeriSign common stock on the date on which the option was actually granted is not included in this Offer because the holder of such option will not be subject to adverse tax consequences under Section 409A and there is no requirement to evidence the remedial action under Section 409A with respect to such option.

Unless remedial action is taken to adjust the exercise price of an Eligible Option, that option may be subject to adverse tax consequences under Section 409A. Accordingly, VeriSign is making this Offer so that each Eligible Optionee holding one or more Eligible Options will have the opportunity to amend or replace his or her Eligible Options to the extent necessary to avoid such adverse taxation. The amendment will increase the exercise price per share currently in effect for the Eligible Option to the lower of (i) the Fair Market Value per share of VeriSign

common stock on the actual grant date of that option or (ii) the closing selling price per share of VeriSign common stock on the date on which the option is amended. The new exercise price per share will be designated the "**Adjusted Exercise Price**" and will become effective on the first business day following the expiration of the offer (the "**Amendment Date**"). The option with the Adjusted Exercise Price will be designated an "**Amended Option**."

However, if the closing selling price per share of VeriSign common stock on the date on which the Eligible Option is amended is (i) lower than the Fair Market Value per share of VeriSign common stock on the actual grant date of the Eligible Option and (ii) the same or lower than the exercise price per share currently in effect for the Eligible Option, then that Eligible Option will, on the Amendment Date, be canceled and immediately replaced with a new option under VeriSign's 2006 Equity Incentive Plan that is exactly the same as the canceled option, including the same exercise price per share and no loss of vesting or change to the expiration date of the option term, but with a new grant date. That replacement option will be designated a "**New Option**." Such cancellation and re-grant is necessary to evidence the remedial action required under Section 409A with respect to an Eligible Option whose current exercise price is not increased.

Each Eligible Optionee whose Eligible Option is amended to increase the exercise price pursuant to this Offer will become entitled to a special cash bonus (the "**Cash Bonus**") with respect to that Eligible Option. The amount of the Cash Bonus payable with respect to each Eligible Option that is amended to increase the exercise price to the Adjusted Exercise Price will be determined by multiplying:

$$\begin{array}{l} \text{The amount by which the Adjusted} \\ \text{Exercise Price exceeds the exercise} \\ \text{price per share currently in effect} \\ \text{for that Eligible Option} \end{array} \quad \times \quad \begin{array}{l} \text{The number of shares of} \\ \text{VeriSign common stock} \\ \text{purchasable under that option} \\ \text{at the Adjusted Exercise Price} \end{array} \quad = \quad \text{Cash Bonus}$$

The Cash Bonus will be paid on the Company's first regularly scheduled payroll date after January 1, 2008, which is scheduled to be January 4, 2008. Such a delayed payment is required by applicable U.S. Treasury Department ("**Treasury Department**") regulations. The payment when made will be subject to VeriSign's applicable withholding taxes and other amounts required to be withheld by VeriSign. The Cash Bonus will also be paid whether or not you continue in VeriSign's employ through the payment date.

If you are not in the employ of VeriSign or any affiliated entity on the expiration date of this Offer, then none of your tendered Eligible Options will be amended or replaced, and you will not become entitled to any Cash Bonus with respect to those options. The tendered options will be returned to you and will remain exercisable in accordance with the terms in effect for them at the time of tender, including the current exercise price per share. You will receive a separate communication from VeriSign regarding your tax situation and any financial assistance or other financial or other arrangements VeriSign may provide with respect to the Section 409A tax penalties you may subsequently incur in connection with the exercise of those options.

This Offer will expire on the expiration date, currently set for August 23, 2007, unless extended (the "**Expiration Date**").

If you are an Eligible Optionee, then you will receive on the commencement of the Offer an e-mail announcing the Offer and containing a hyperlink to the "Offer Website." Once you have logged onto the Offer Website and clicked on the "MAKE AN ELECTION" button, you will be directed to your Election Form that contains personalized information with respect to each Eligible Option you hold:

- the grant date indicated for that Eligible Option on the applicable option agreement or grant notice,
- the current exercise price per share in effect for that Eligible Option,
- the number of shares of VeriSign common stock purchasable under that Eligible Option,
- the actual grant date of that Eligible Option, and
- the Fair Market Value per share of VeriSign common stock on the actual grant date.

The exercise price per share for the tendered Eligible Option may be increased to the Adjusted Exercise Price on the Amendment Date. Subject to satisfaction of the conditions to the Offer, we currently intend to accept on the Expiration Date all Eligible Options tendered by Eligible Optionees who accept the Offer. An amendment

will result in a new exercise price per share equal to the Adjusted Exercise Price. No other changes will be made to the terms of the Amended Options. Accordingly, each Amended Option will continue to be subject to the same vesting schedule, exercise period, option term and other terms and conditions as in effect for that option immediately before the amendment. However, if the closing selling price per share of VeriSign common stock on the date on which the Eligible Option is amended is (i) lower than the Fair Market Value per share of VeriSign common stock on the actual grant date of the Eligible Option and (ii) the same or lower than the exercise price per share currently in effect for the Eligible Option, then that Eligible Option will, on the Amendment Date, be canceled and immediately replaced with a New Option under VeriSign's 2006 Equity Incentive Plan that is exactly the same as the canceled option, including the same exercise price per share and with no loss of vesting or change to the expiration date of the option term, but the option will have a new grant date. Such cancellation and regrant is necessary to evidence the remedial action required under Section 409A with respect to an Eligible Option whose current exercise price is not increased.

We are making this Offer upon the terms and subject to the conditions set forth in this Offer, including the conditions described in Section 7 set forth below. You are not required to accept the Offer. The Offer is not conditioned upon the acceptance of the Offer with respect to a minimum number of Eligible Options.

ALTHOUGH OUR BOARD OF DIRECTORS HAS APPROVED THIS OFFER, NEITHER WE NOR OUR BOARD OF DIRECTORS WILL MAKE ANY RECOMMENDATION AS TO WHETHER YOU SHOULD TENDER YOUR ELIGIBLE OPTIONS FOR AMENDMENT OR REPLACEMENT. YOU MUST MAKE YOUR OWN DECISION WHETHER TO TENDER YOUR ELIGIBLE OPTIONS AFTER TAKING INTO ACCOUNT YOUR OWN PERSONAL CIRCUMSTANCES AND PREFERENCES. YOU SHOULD BE AWARE THAT ADVERSE TAX CONSEQUENCES UNDER SECTION 409A MAY APPLY TO YOUR ELIGIBLE OPTIONS IF THEY ARE NOT AMENDED OR REPLACED PURSUANT TO THIS OFFER, AND YOU WILL BE SOLELY RESPONSIBLE FOR ANY TAXES, INTEREST OR PENALTIES YOU MAY INCUR UNDER SECTION 409A. FOR THAT REASON, WE RECOMMEND THAT YOU CONSULT WITH YOUR PERSONAL TAX ADVISOR TO DETERMINE THE CONSEQUENCES OF ACCEPTING OR DECLINING THE OFFER.

Shares of our common stock are quoted on the Nasdaq Global Select Market under the symbol "VRSN." On July 26, 2007, the last reported sale price of our common stock on the Nasdaq Global Select Market was \$30.79 per share. The Adjusted Exercise Price to be in effect for each Eligible Option amended pursuant to the Offer will represent the lower of (i) the Fair Market Value of VeriSign common stock on the actual date on which that option was granted and (ii) the closing selling price of VeriSign common stock on the Amendment Date. If the closing selling price per share of VeriSign common stock on the date on which the option is amended would otherwise be the same or lower than the exercise price per share currently in effect for a tendered Eligible Option, then that Eligible Option will be replaced with a New Option under VeriSign's 2006 Equity Incentive Plan. Neither the exercise price currently in effect for each Eligible Option nor the Adjusted Exercise Price for each such option is meant to reflect our view of what the trading price of our common stock will be in the short, medium or long-term.

You should direct questions about this Offer or requests for assistance or for additional copies of this document, the related Tender Offer Statement on Schedule TO or the Election Form and accompanying Stock Option Amendment and Bonus Agreement to the PricewaterhouseCoopers LLP hotline at (408) 817-1207 if calling from California or 1-800-424-2234 if calling outside of California, or via e-mail at 409A-admin@verisign.com.

We have not authorized anyone to give you any information or to make any representation in connection with this Offer other than the information and representations contained in this document, the related Tender Offer Statement on Schedule TO or in the related Election Form and Stock Option Amendment and Bonus Agreement. If anyone makes any representation or gives you any information that is different from the representations and information contained in this Offer, the related Tender Offer Statement on Schedule TO or in the related Election Form and Stock Option Amendment and Bonus Agreement, you must not rely upon that representation or information as having been authorized by us. We have not authorized any person to make any recommendation on our behalf as to whether you should tender or refrain from tendering your Eligible Options pursuant to this Offer. If anyone makes any recommendation to you, you must not rely upon that recommendation as having been authorized by us. You should rely only on the representations and information contained in this document, the related Tender Offer Statement on Schedule TO and in the related Election Form and Stock Option Amendment and Bonus Agreement or to which we have referred you.

THE OFFER HAS NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY STATE OR FOREIGN SECURITIES COMMISSION NOR HAS THE SEC OR ANY STATE OR FOREIGN SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS OFFER. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. WE RECOMMEND THAT YOU CONSULT WITH YOUR TAX ADVISOR TO DETERMINE THE TAX CONSEQUENCES OF ELECTING OR NOT ELECTING TO PARTICIPATE IN THE OFFER.

IMPORTANT INFORMATION

If you wish to tender one or more of your Eligible Options for amendment or replacement, you must properly complete and sign the Election Form in accordance with the applicable instructions for that form. You can complete this process by accessing the Offer Website at <https://vrsn.equitybenefits.com>.

As soon as administratively practicable following the Amendment Date, we will return to you a final and complete Stock Option Amendment and Bonus Agreement in which the Adjusted Exercise Price for each of your Amended Options and the related Cash Bonus will be set forth in Schedule I to that agreement. Alternatively, you will receive at that time a stock option agreement for any New Option granted to you in replacement of the tendered Eligible Option with an exercise price per share that is the same as the current exercise price per share for the Eligible Option. The stock option agreement will have the same terms as the option agreement for the Eligible Option that is canceled, including the same exercise price per share, vesting schedule and expiration date, but will have a new grant date.

The key dates to remember in connection with the Offer are as follows:

- (i) The commencement date of the Offer is **July 27, 2007**.
- (ii) The Offer will expire at 11:59 pm Pacific Time on **August 23, 2007** (unless we extend it).
- (iii) The Eligible Options will be amended or replaced on **August 24, 2007** (unless we extend the Offer). Please be aware that your option account with E-Trade may not accurately reflect the amendment or replacement for one to two business days following the Amendment Date.
- (iv) The Cash Bonus, if applicable, will be paid on VeriSign's first regularly scheduled payroll date after January 1, 2008, which is scheduled to be January 4, 2008.

We are not making the Offer to, nor will we accept any tender of Eligible Options on behalf of, option holders in any jurisdiction in which the Offer or the acceptance of any option tender would not be in compliance with the laws of such jurisdiction. However, we may, at our discretion, take any actions necessary for us to legally make the Offer to option holders in any such jurisdiction.

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SUMMARY TERM SHEET

The following are answers to some of the questions that you may have about the Offer. We urge you to read carefully the remainder of this document and the accompanying Election Form and Stock Option Amendment and Bonus Agreement (which when taken together, as they may each be amended or supplemented from time to time, constitute the “*Offer*”), and we have included page references to the relevant sections of this document.

1. WHAT OPTIONS ARE ELIGIBLE FOR AMENDMENT OR REPLACEMENT PURSUANT TO THE OFFER?

Section 409A of the Internal Revenue Code of 1986, as amended (“*Section 409A*”), provides that an option granted with a below-market exercise price, to the extent it was not vested as of December 31, 2004, will be subject to adverse income taxation (as described below), unless that option is brought into compliance with Section 409A before exercise. VeriSign has decided to offer eligible persons holding such options the opportunity to amend or replace each such option to avoid adverse taxation under Section 409A.

An outstanding option to purchase shares of VeriSign common stock will be eligible for amendment or replacement pursuant to the Offer if that option meets each of the following conditions:

- (i) The option was granted under one of the following equity plans of VeriSign (the “*Plans*”):
 - 1998 Equity Incentive Plan, and
 - 2001 Stock Incentive Plan.
- (ii) The option was retroactively priced in that the exercise price per share currently in effect for that option is based on the closing selling price (“*Fair Market Value*”) per share of VeriSign common stock on a date earlier than the date on which the option was actually granted.
- (iii) The Fair Market Value per share of VeriSign common stock on the date the option was actually granted is higher than the exercise price per share currently in effect for the option.
- (iv) The option was unvested as of December 31, 2004.
- (v) The option is held by an individual who is, on the expiration of this Offer, an Eligible Optionee (as defined below).
- (vi) The option is outstanding on the expiration date of this Offer.

An option that meets each of the six foregoing conditions will constitute an “*Eligible Option*” for purposes of the Offer. If only a portion of the option meets those conditions, then only that portion will be an Eligible Option, and the balance of that option will not be eligible for amendment pursuant to this Offer. (See page *Offer-1*.)

2. WHAT OTHER DEFINED TERMS ARE IMPORTANT TO UNDERSTAND THE OFFER?

For purposes of this Offer, you also should be familiar with the following additional definitions.

“*Adjusted Exercise Price*” is the new exercise price per share that will be in effect for any tendered Eligible Option that is increased pursuant to the Offer and will be equal to the lower of (i) the Fair Market Value per share of VeriSign common stock on the actual date on which that option was granted and (ii) the closing selling price per share of such common stock on the date on which the option is amended.

However, if the closing selling price per share of VeriSign common stock on the date on which the Eligible Option is amended is (i) lower than the Fair Market Value per share of VeriSign common stock on the actual grant date of the Eligible Option and (ii) the same or lower than the exercise price per share currently in effect for the

Eligible Option, then that Eligible Option will, on the Amendment Date, be canceled and immediately replaced with a new option under VeriSign’s 2006 Equity Incentive Plan that is exactly the same as the canceled option, including the same exercise price per share and no loss of vesting or change to the expiration date of the option term, but with a new grant date.

Accordingly, the exercise price for a tendered Eligible Option that we amend or replace pursuant to the Offer will be determined by the following:

1. Which is lower :			
(1) the Fair Market Value per share of VeriSign common stock on the actual date on which that option was granted; or			
(2) the closing selling price per share of VeriSign common stock on the date on which the option is amended?			
If #1 applies, then:		If #2 applies, then:	
2. Is the Fair Market Value per share of VeriSign common stock on the actual date on which the Eligible Option was granted higher or lower than or equal to the current exercise price of the Eligible Option?		2. Is the closing selling price per share of VeriSign common stock on the date on which the Eligible Option is amended higher or lower than or equal to the current exercise price of the Eligible Option?	
If higher, then:	If lower or equal to, then:	If higher, then:	If lower or equal to, then:
3. The current exercise price of the Eligible Option will be changed to the Fair Market Value per share of VeriSign common stock on the actual date on which that Eligible Option was granted.	3. The option is not an Eligible Option and is not subject to this Offer.	3. The exercise price of the Eligible Option will be changed to the closing selling price per share of VeriSign common stock on the date on which the Eligible Option is amended.	3. The exercise price of the Eligible Option will remain as-is .
If the current exercise price of Eligible Option is changed, then:	—	If the current exercise price of Eligible Option is changed, then:	If current exercise price of Eligible Option remains as-is, then: —
4. Eligible Optionee will become entitled to receive a special cash bonus.	4. Not applicable.	4. Eligible Optionee will become entitled to receive a special cash bonus.	4. Eligible Optionee will not be entitled to receive a special cash bonus. Instead, the Eligible Option will be cancelled and replaced on the Amendment Date with a new option with same terms, but with a new grant date.

“**Amended Option**” will mean an Eligible Option that has been amended pursuant to the Offer to increase the exercise price per share for the VeriSign common stock purchasable under that option to the Adjusted Exercise Price determined for such Eligible Option.

“**Amendment Agreement**” will mean the Stock Option Amendment and Bonus Agreement that will document the Adjusted Exercise Price for each of your Amended Options and set forth the terms of the Cash Bonus payable with respect to those Amended Options.

“**Amendment Date**” will mean the date on which each Eligible Option is amended to increase the exercise price of that option to the Adjusted Exercise Price and will be August 24, 2007 or, if the Offer is extended, the first business day following the extended expiration date of the Offer.

“**Cash Bonus**” is the special cash bonus to which each Eligible Optionee will become entitled to if the current exercise price of one or more of his or her Eligible Options is increased pursuant to the Offer.

“**Election Form**” is the form that the Eligible Optionee must use to notify VeriSign as to the particular Eligible Options he or she has elected to tender for amendment or replacement pursuant to the terms of the Offer.

“**Eligible Optionee**” is each person who is, on the expiration date of the Offer, a current employee of VeriSign and subject to income taxation in the United States with respect to his or her tendered Eligible Options. None of VeriSign’s current or former executive officers and non-employee members of VeriSign’s Board of Directors are eligible to participate in this Offer.

“**Fair Market Value**” per share of VeriSign common stock on any relevant date will be deemed to be equal to the closing selling price per share of such stock on that date on the Nasdaq Global Select Market.

“**New Option**” will mean the option granted on the Amendment Date in replacement of a tendered Eligible Option with a current exercise price per share at or above the closing selling price per share of our common stock on the Amendment Date. The New Option will be exactly the same as the canceled option, including the same exercise price per share and no loss of vesting or change to the expiration date of the option term, but will have a new grant date. The New Option will be evidenced by a new option agreement that replaces the option agreement in effect for the canceled option.

3. WHY IS VERISIGN MAKING THE OFFER?

We are making this Offer to amend or replace the Eligible Options because of potential adverse tax consequences that may apply to those options. As a result of a thorough investigation of VeriSign’s past option grant practices, VeriSign has determined that each Eligible Option was retroactively priced in that the exercise price per share currently in effect for that option was based on the Fair Market Value per share of VeriSign common stock on a date earlier than the date on which that option was actually granted.

Section 409A provides that an option granted with a below-market exercise price, to the extent unvested as of December 31, 2004, will be subject to adverse income taxation unless that option is brought into compliance pursuant to Section 409A. VeriSign has decided to provide an opportunity to bring the Eligible Options into compliance either by (i) amending the exercise price per share to the Adjusted Exercise Price determined for each such option or (ii) replacing that option with a New Option. By taking such remedial action, Eligible Optionees can avoid the adverse tax consequences summarized in Section 2 of the Offer. (See Page Offer-7.)

Your individualized Eligible Option chart in the Election Form that accompanies the Offer will also set forth the actual grant date for each Eligible Option you hold, the Fair Market Value per share of our common stock on that date and the number of shares of common stock subject to each Eligible Option. The following chart provides information concerning the grant date indicated for each Eligible Option and the exercise price per share currently in effect for that option.

<u>Indicated Grant Date</u>	<u>Current Exercise Price Per Share</u>
3/15/01	\$ 34.44
9/6/01	\$ 34.16
10/31/01	\$ 38.71
2/21/02	\$ 22.71
2/28/02	\$ 22.73
3/20/02	\$ 26.42
4/30/02	\$ 9.25
7/31/02	\$ 6.40
8/15/02	\$ 6.06
9/16/02	\$ 7.22
9/30/02	\$ 5.05
9/26/03	\$ 12.88
10/01/03	\$ 13.57
8/31/04	\$ 17.36

4. ARE VERISIGN EXECUTIVE OFFICERS AND NON-EMPLOYEE DIRECTORS ELIGIBLE TO PARTICIPATE IN THE OFFER?

No. VeriSign's executive officers and non-employee members of our Board of Directors are not eligible to participate in the Offer.

5. ARE OPTIONEES WHO ARE RESIDENTS OUTSIDE THE UNITED STATES ELIGIBLE TO PARTICIPATE IN THE OFFER?

Yes. If you are a current employee of VeriSign or an affiliated entity holding an Eligible Option and subject to taxation in the United States with respect to that option, then you are eligible to participate in the Offer even if you are not currently residing in the United States. (See Page *Offer-4*.)

6. WHAT ARE THE COMPONENTS OF THE OFFER?

If an Eligible Option is amended pursuant to the Offer, then the exercise price of that option will be increased to the lower of:

- (i) the Fair Market Value per share on the date on which that option was actually granted; and
- (ii) the closing selling price per share of VeriSign common stock on the Amendment Date.

The new exercise price in effect for each tendered Eligible Option will be designated the "**Adjusted Exercise Price**."

In addition, if the exercise price of the Eligible Option is increased, the Eligible Optionee will become entitled to a special cash bonus from VeriSign (the "**Cash Bonus**"). The amount of the Cash Bonus payable with respect to each Amended Option will be determined by multiplying (i) the amount by which the Adjusted Exercise Price exceeds the exercise price per share currently in effect for that Eligible Option by (ii) the number of shares of VeriSign common stock purchasable under that option at the Adjusted Exercise Price. The Cash Bonus will be paid on VeriSign's first regularly scheduled payroll date after January 1, 2008, which is scheduled to be January 4, 2008. Such a delayed payment is required by applicable Treasury Department regulations. The payment when made will be subject to the VeriSign's collection of all applicable withholding taxes and other payments required to be withheld by VeriSign. Such Cash Bonus will be paid whether or not you continue in VeriSign's employ through the payment date. (See Page *Offer-13*.)

However, if the closing selling price per share of VeriSign common stock on the date on which the option is amended for any tendered Eligible Option (i) is lower than the Fair Market Value per share of VeriSign common stock on the actual grant date of that Eligible Option and (ii) is the same or lower than the exercise price per share currently in effect for that Eligible Option, then that Eligible Option will, on the Amendment Date, be canceled and immediately replaced with a New Option under VeriSign's 2006 Equity Incentive Plan that is exactly the same as the canceled option, including the same exercise price per share, vesting and expiration date of the option term, but with a new grant date. Such cancellation and re-grant is necessary to evidence the remedial action required under Section 409A with respect to an Eligible Option whose current exercise price is not increased. (See Page *Offer-8*.)

7. WHAT HAPPENS IF I AM NOT A CURRENT EMPLOYEE ON THE EXPIRATION DATE?

If you are not in the employ of VeriSign or any affiliated entity on the Expiration Date, then none of your tendered Eligible Options will be amended or replaced, and you will not be entitled to any Cash Bonus with respect to those options. The tendered options will be returned to you and will remain exercisable in accordance with the terms in effect for them at the time of tender, including the current exercise price per share. You will receive a separate communication from VeriSign regarding your tax situation and any financial assistance or other financial or other arrangements VeriSign may provide with respect to the Section 409A tax penalties you may subsequently incur in connection with the exercise of those options. (See Page *Offer-6*.)

8. WHAT ARE THE TAX CONSEQUENCES OF AN OPTION SUBJECT TO SECTION 409A?

Section 409A was added to the Internal Revenue Code of 1986, as amended, by the American Jobs Creation Act of 2004. The Treasury Department and IRS have to date provided guidance and issued final regulations with respect to certain items of compensation under Section 409A. That guidance and the final regulations indicate that a stock option granted with an exercise price per share below the Fair Market Value of the underlying shares on the grant date will, to the extent that option was not vested as of December 31, 2004, be subject to the adverse tax consequences of Section 409A. Unless remedial action is taken to bring that option into compliance before exercise, we believe, on the basis of our understanding and interpretation of the applicable guidance and final regulations, that the option will trigger adverse U.S. federal tax consequences under Section 409A as indicated below, although it is not entirely clear at present how that option will actually be taxed under Section 409A.

Taxation in Year of Vesting. To the extent a Section 409A-covered option vested as to one or more shares during the 2005 calendar year, the optionee would normally recognize taxable income for that year in an amount equal to the Fair Market Value of those shares on December 31, 2005 less the exercise price payable for those shares. The optionee would have to report that income in an amended tax return filed for the 2005 taxable year. To the extent the options vested as to one or more shares during 2006 and future years, the optionee would recognize additional taxable income. For 2006, the taxable income is equal to the Fair Market Value of shares vesting in 2006 on December 31, 2006 less the aggregate exercise price payable for the shares, and VeriSign would have to collect the applicable withholding taxes on that income. Taxation would occur in this manner even though the options remain unexercised.

Note: The IRS has recently extended the effective date of these rules until 2008 for unexercised options subject to Section 409A.

Tax Penalty. In addition to normal income taxes payable on the spread in effect under each of your options on the applicable tax measurement date, the optionee would also be subject to an additional tax penalty equal to 20% of that spread.

Note: Certain states, including California, have adopted provisions similar to Section 409A under their tax laws, and for optionees subject to income taxation in such states, the total penalty tax could be up to 40% (a 20% federal penalty tax and up to a 20% state penalty tax).

Continued Taxation. It is likely, but not certain, that the optionee would be subject to additional income taxation, penalty taxes and withholding taxes on any subsequent increases to the year-end value of the vested option shares. Such taxation will continue until the options are exercised. For the option shares that vested in the 2005 calendar year and remained unexercised at the end of the 2006 or 2007 calendar years, the additional income subject to such taxation would be based on the amount by which the Fair Market Value per share of VeriSign common stock on a subsequent tax measurement date exceeds the Fair Market Value on a prior tax measurement date.

Interest Penalty. The optionee will also be subject to interest penalties for failure to pay on a timely basis the taxes attributable to the vesting of the options in the 2005 and 2006 calendar years. The optionee may incur additional interest penalties if he or she does not pay on a timely basis the taxes attributable to the Section 409A income for the 2007 calendar year.

If you exercise an Eligible Option in the 2007 calendar year without first bringing that option into compliance with Section 409A, then it is possible that the 20% penalty tax under Section 409A may be based solely on the amount by which the Fair Market Value of the purchased shares at the time of exercise exceeds the current exercise price, and the interest penalties may be based on the spread (the excess of the Fair Market Value per share over the exercise price) which existed on the vested option shares at the close of the 2005 and 2006 calendar years. However, the applicable IRS guidance to date is not entirely clear on this point.

9. WHAT ARE THE TAX CONSEQUENCES IF I ACCEPT THE OFFER?

If you tender your Eligible Options, you will not recognize any taxable income for U.S. federal income tax purposes at the time of the tender or at the time your Eligible Options are amended to adjust the exercise price or replaced with a New Option.

By amending the exercise prices of your Eligible Options to the applicable Adjusted Exercise Prices or replacing those options with New Options, you will also avoid the adverse taxation of those options under Section 409A. Accordingly, as your Amended Options or New Options vest in one or more installments, you will not recognize taxable income with respect to the option shares that vest each year, and you will not be subject to any 20% penalty tax or any interest penalty under Section 409A. You will only be taxed with respect to your Amended Options or New Options when you exercise those options. You will also recognize taxable income when you receive the Cash Bonus paid with respect to your Amended Options. (See Page *Offer-8*.)

If you are subject to the tax laws of other jurisdictions in addition to the United States, there may be additional consequences of participation in the Offer. We will distribute short summaries of some of those consequences with respect to some of the countries where Eligible Optionees are located. If you are subject to the tax laws of jurisdictions outside of the United States, you should also review the summary applicable to such foreign jurisdiction.

All Eligible Optionees, including those who are subject to taxation in foreign jurisdictions, should consult with their own personal tax advisor as to the tax consequences of accepting the Offer.

10. HOW WILL MY CASH BONUS BE TAXED?

You will be taxed upon your receipt of the Cash Bonus. The payment will constitute wages for tax withholding purposes. Accordingly, VeriSign must withhold all applicable U.S. federal, state and local income and employment withholding taxes as well as all applicable foreign taxes and payments required to be withheld with respect to such payment. You will receive only the portion of the payment remaining after all those taxes and payments have been withheld. (See Page *Offer-22*.)

If your Eligible Options are not amended pursuant to the Offer, you will not receive any Cash Bonus with respect to those options. No Cash Bonus will be paid with respect to a New Option because the exercise price for that option will be the same as the exercise price in effect for the tendered Eligible Option it replaces. (See Page *Offer-11*.)

11. WHAT ARE THE TAX CONSEQUENCES IF I DO NOT ACCEPT THE OFFER?

If you choose not to tender your Eligible Options and take no other action to bring those options into compliance with Section 409A, then you may be subject to the adverse taxation under Section 409A in the manner discussed above. You will be solely responsible for any taxes, penalties or interest you may incur under Section 409A. An example illustrating the applicable tax consequences may be found on Page *Offer-10*.

12. WHAT SECURITIES ARE SUBJECT TO THE OFFER?

The Offer covers only Eligible Options. Your Election Form accessible on the Offer Website at <https://vrsn.equitybenefits.com> will contain a personal summary of the Eligible Options that you currently hold, including information relating to the number of shares subject to each Eligible Option, the current exercise price per share in effect for that option, the actual grant date for each Eligible Option and the Fair Market Value per share of VeriSign common stock on that date. (See Page *Offer-10*.)

13. AM I REQUIRED TO PARTICIPATE IN THE OFFER?

No. Participation in the Offer is voluntary. You may choose either to tender your Eligible Options for amendment or replacement pursuant to the Offer or to retain those options. If you decide to accept the Offer, you must submit a properly completed Election Form for your tendered Eligible Options. (See Page *Offer-12*.)

If you choose not to tender your Eligible Options, then you will be subject to the adverse taxation under Section 409A. You will be solely responsible for any taxes, penalties or interest payable under Section 409A. (See Pages *Offer-5, 9, 10*)

14. DO I HAVE TO ACCEPT THE OFFER WITH RESPECT TO ALL OF MY ELIGIBLE OPTIONS OR MAY I DECIDE TO ACCEPT THE OFFER WITH RESPECT TO ONLY A PORTION OF THE ELIGIBLE OPTIONS?

If you wish to accept this Offer with respect to a particular Eligible Option, you must tender all of that option for amendment or replacement.

If you hold more than one Eligible Option, then you may elect to tender one or more of those options and retain the balance.

Please remember that not all of a particular outstanding option grant may be an Eligible Option. Only the portion of that grant that was not vested as of December 31, 2004 may constitute an Eligible Option. (See Page *Offer-1*.)

15. WILL THE TERMS AND CONDITIONS OF MY AMENDED OPTIONS OR NEW OPTIONS BE THE SAME AS THOSE CURRENTLY IN EFFECT FOR MY ELIGIBLE OPTIONS?

Except for the adjustment to the exercise price per share, each Eligible Option that is amended pursuant to this Offer will continue to remain subject to the same terms and conditions as in effect for such option immediately before the amendment. Accordingly, each Amended Option will vest in accordance with the same vesting schedule measured from the same vesting commencement date and will have the same exercise period, option term and other conditions currently in effect for that option. No change to the vesting schedule or other terms will occur by reason of the amendment. (See Pages *Offer-4, 17*.)

Each New Option granted pursuant to this Offer will be exactly the same as the tendered Eligible Option it replaces, including the same exercise price per share, vesting and expiration date of the option term, but with a new grant date. (See Pages *Offer-4, 17*.)

16. WHEN WILL MY ELIGIBLE OPTIONS BE AMENDED OR REPLACED?

The exercise price for each Eligible Option tendered pursuant to this Offer will be amended to the applicable Adjusted Exercise Price on August 24, 2007, or if the Offer is extended, the first business day following the extended expiration date.

The date the exercise price for an Eligible Option is increased to the applicable Adjusted Exercise Price will constitute the Amendment Date, and each Eligible Option that is so amended will be designated an "**Amended Option**." However, tendered Eligible Options canceled on the Amendment Date and immediately replaced with a new option that is exactly the same as the canceled option, including the same exercise price per share, vesting and expiration date of the option term, but with a new grant; will be designated a "**New Option**."

As soon as administratively practicable after the Amendment Date, we will deliver to you a final and complete Amendment Agreement that will reflect the increase to the exercise price of each of your Amended Options and VeriSign's unconditional obligation to pay you on its first regularly scheduled payroll date after January 1, 2008, the Cash Bonus calculated for each Amended Option. Alternatively, you will also receive a new

stock option agreement for any New Option granted in replacement of a tendered Eligible Option with an exercise price per share that is the same as the exercise price of the tendered Eligible Option. (See Page *Offer-12*.)

17. WHAT HAPPENS IF THE CLOSING SELLING PRICE PER SHARE OF THE VERISIGN COMMON STOCK ON THE AMENDMENT DATE IS LOWER THAN THE FAIR MARKET VALUE PER SHARE OF SUCH COMMON STOCK ON THE ACTUAL GRANT DATE OF THE ELIGIBLE OPTION?

If the closing selling price per share of VeriSign common stock on the Amendment Date is (i) lower than the Fair Market Value of such common stock on the actual grant date for the Eligible Option and (ii) higher than the current exercise price of the Eligible Option, then the Adjusted Exercise Price for that option will be increased to the closing selling price per share of VeriSign common stock on the Amendment Date. However, if the closing selling price per share of VeriSign common stock on the Amendment Date is (i) lower than the Fair Market Value of such common stock on the actual grant date for the Eligible Option and (ii) lower than or equal to the current exercise price of the Eligible Option, then that option will, on the Amendment Date, be canceled and immediately replaced with a New Option with the same exercise price as the canceled option. (See Page *Offer-2*.)

18. WHEN CAN I EXERCISE MY AMENDED OPTIONS OR NEW OPTIONS?

You may exercise an Amended Option for vested option shares at any time following its amendment to the Adjusted Exercise Price and before its termination. You may exercise a New Option for vested option shares at any time after grant and before termination. Neither an Amended Option nor a New Option may be exercised for more than the number of vested shares for which it is at the time exercisable.

19. CAN I EXERCISE MY ELIGIBLE OPTIONS AFTER I ACCEPT THE OFFER BUT BEFORE AMENDMENT OR REPLACEMENT?

You cannot exercise your Eligible Options before the Amendment Date without voiding your acceptance of the Offer. You may exercise your Eligible Options before the Amendment Date, provided such exercise complies with the existing terms of your Eligible Options, VeriSign's insider trading policy and any interim blackout periods during which cashless exercises and sales to cover are prohibited. However, if you exercise your Eligible Options before the Amendment Date, any election you have made to accept the Offer as to the exercised options will be null and void. Consequently, you may personally incur adverse tax consequences under Section 409A with respect to any Eligible Options you exercise before the Amendment Date on which they are amended or replaced pursuant to the Offer. You will be solely responsible for any taxes, penalties or interest payable under Section 409A.

20. WILL MY AMENDED OPTIONS OR NEW OPTIONS BE INCENTIVE STOCK OPTIONS OR NON-STATUTORY OPTIONS?

Because your Eligible Options were granted with exercise prices below the Fair Market Value of the option shares on the actual dates on which those options were granted, the options are non-statutory options under the U.S. federal income tax laws, and they will remain non-statutory options after the amendment to the applicable Adjusted Exercise Prices. Therefore, when you subsequently exercise your Amended Options, you will recognize immediate taxable income equal to the excess of (i) the Fair Market Value of the purchased shares at the time of exercise over (ii) the Adjusted Exercise Price paid for those shares, and VeriSign must collect the applicable withholding taxes with respect to such income. All New Options will also be taxable as non-statutory options. (See Pages *Offer-17, 22*.)

If you are subject to the tax laws of other jurisdictions in addition to the United States, there may be additional or different consequences in that jurisdiction of exercising your options. We will distribute short summaries of some of those consequences with respect to some of the countries where Eligible Optionees are located. If you are subject to the tax laws of jurisdictions outside of the United States, you should also review the summary applicable to such foreign jurisdictions.

21. WHEN MAY I EXERCISE THE PORTION OF MY OPTIONS THAT WAS VESTED AS OF DECEMBER 31, 2004?

You may exercise the portion of each of your options that was vested as of December 31, 2004 at any time before the termination or expiration of that option. Such portion is not subject to the Offer and will not be subject to adverse taxation under Section 409A.

22. WHAT ARE THE CONDITIONS TO THE OFFER?

The Offer is subject to a number of conditions, including the conditions described in Section 7 of the Offer. The Offer is not conditioned upon the tender of a minimum number of Eligible Options for amendment. (See Page *Offer-1*.)

23. WHEN DOES THE OFFER EXPIRE? CAN THE OFFER BE EXTENDED, AND IF SO, HOW WILL I BE NOTIFIED IF IT IS EXTENDED?

The Offer will expire on August 23, 2007, at 11:59 p.m. Pacific Time, unless we extend the Offer.

Although we do not currently intend to do so, we may, in our discretion, extend the Offer at any time. If the Offer is extended, we will send you an e-mail or other communication informing you of the extension no later than 9:00 a.m. Pacific Time on the next business day following the previously scheduled expiration of the Offer period. (See Pages *Offer-6, 23*.)

24. HOW AND WHEN DO I TENDER MY ELIGIBLE OPTIONS?

In order to tender one or more of your Eligible Options for amendment or replacement pursuant to the Offer, you must log on to the Offer Website at <https://vrsn.equitybenefits.com> and click on the MAKE AN ELECTION button to proceed with your election where you will be redirected to the first webpage of the Election Form or send via facsimile a completed Election Form.

In the Offer Website, you will need to check the appropriate boxes next to each of your Eligible Options to indicate whether you elect to tender your Eligible Options in accordance with the terms of the Offer. After completing the Election Form, you will be allowed to review your elections you have made with respect to your Eligible Options. If you are satisfied with your elections, you will proceed to the Agreement to Terms of Election webpage. Only after you agree to the Agreement to the Terms of Election will you be directed to the confirmation webpage. Please print and keep a copy of your confirmation for your records. You will then be deemed to have completed the election process for tendering your Eligible Options.

If you are not able to submit your election electronically via the Offer Website as a result of technical failures inherent to the website, such as the website being unavailable or the website not accepting your election, or if you do not otherwise have access to the Offer Website for any reason (including lack of internet services), you must complete a paper Election Form and return it to VeriSign via facsimile to Jeffrey K. Bergmann at (650) 426-3403. To obtain a paper Election Form, please call the PricewaterhouseCoopers LLP hotline at (408) 817-1207 if calling in California or (800) 434-2234 if calling outside California or email to 409A-admin@verisign.com.

You must complete the tender and election process in the foregoing manner by 11:59 p.m. Pacific Time on August 23, 2007. If we extend the Offer beyond August 23, 2007, you must complete the process before the extended expiration date of the Offer.

WE WILL NOT ACCEPT DELIVERY OF ANY ELECTION FORM AFTER EXPIRATION OF THE OFFER. IF WE DO NOT RECEIVE A PROPERLY COMPLETED AND DULY EXECUTED ELECTION FORM FROM YOU BEFORE THE EXPIRATION OF THE OFFER, WE WILL NOT ACCEPT YOUR ELIGIBLE OPTIONS FOR AMENDMENT OR REPLACEMENT. THOSE OPTIONS WILL NOT BE AMENDED OR REPLACED PURSUANT TO THIS OFFER, AND NO CASH BONUS, IF APPLICABLE WILL BE PAID WITH RESPECT TO THOSE OPTIONS.

We reserve the right to reject any or all tenders of Eligible Options that we determine are not in appropriate form or that we determine are unlawful to accept. Otherwise, we intend to accept all properly and timely tendered Eligible Options that are not validly withdrawn. Subject to our rights to extend, terminate or amend the Offer, we currently expect that we will accept all properly tendered Eligible Options upon the expiration of the Offer, and we will amend or replace those options on the next business day thereafter. (See Page *Offer-12*.)

25. DURING WHAT PERIOD OF TIME MAY I CHANGE MY ELECTION WITH RESPECT TO MY ELIGIBLE OPTIONS?

You may change your previously submitted election at any time before 11:59 p.m. Pacific Time on August 23, 2007 (or any extended expiration date of the Offer). If you would like to change your election, you must log on to the Offer Website at <https://vrsn.equitybenefits.com> and complete and submit a new Election Form. You should print a copy of your revised Election Form and updated confirmation and keep those documents with your other records for this Offer. Alternatively, you may change your existing election by completing a new paper Election Form and returning it to VeriSign via facsimile to Jeffrey K. Bergmann at (650) 426-3403. To obtain a paper Election Form, please call the PricewaterhouseCoopers LLP hotline at (408) 817-1207 if calling in California or (800) 434-2234 if calling outside of California or email 409A-admin@verisign.com. You may change your previously submitted elections as many times as you would like before the expiration of the Offer. (See Page *Offer-12*.)

26. WHAT DOES VERISIGN THINK OF THE OFFER?

Although our Board of Directors has approved the Offer, neither we nor our Board of Directors make any recommendation as to whether you should tender or refrain from tendering your Eligible Options for amendment or replacement. You must make your own decision whether to tender your Eligible Options, after taking into account your own personal circumstances and preferences. VeriSign recommends that you consult with your personal tax advisor when deciding whether or not you should tender your Eligible Options.

27. WHAT ARE SOME OF THE KEY DATES TO REMEMBER?

The commencement date of the Offer is July 27, 2007.

The Offer will expire at 11:59 pm Pacific Time on August 23, 2007 (unless we extend it).

The Eligible Options will be amended or replaced on August 24, 2007 (unless we extend the Offer). Please be aware that your option account at your broker may not accurately reflect the amendment or replacement for one to two business days following the Amendment Date.

The Cash Bonus will be paid on VeriSign's first regularly scheduled payroll date after January 1, 2008, which is currently scheduled to be January 4, 2008.

28. TO WHOM CAN I TALK IF I HAVE QUESTIONS ABOUT THE OFFER?

For additional information or assistance, you should contact the PricewaterhouseCoopers LLP hotline at (408) 817-1207 if you calling from California, or 1-800-424-2234 if calling outside of California or 409A-admin@verisign.com.

CERTAIN RISKS OF PARTICIPATING IN THE OFFER

Participating in the Offer involves risks discussed in this Offer and described below. In addition, information concerning risk factors included in our Annual Report on Form 10-K for the year ended December 31, 2006 is incorporated by reference herein and may be inspected at, and copies may be obtained from, the places and in the manner described in the section titled "*Additional Information*" thereto.

YOU SHOULD CAREFULLY CONSIDER THESE RISKS AND ARE ENCOURAGED TO CONSULT YOUR INVESTMENT, TAX AND LEGAL ADVISOR BEFORE DECIDING TO PARTICIPATE IN THE OFFER.

Tax-Related Risks

Expected Section 409A Tax Consequences. As described above and in Section 2 below, based on the current guidance and final regulations with respect to certain items of compensation under Section 409A, your Eligible Options may be subject to adverse tax consequences under Section 409A, unless they are brought into compliance with Section 409A before December 31, 2007 or any earlier exercise of those options. We believe that we have complied in good faith with the current guidance and final regulations with respect to certain items of compensation under Section 409A in structuring the Offer in a manner which you will provide you with the opportunity to avoid the taxation of your Eligible Options under Section 409A.

Tax-related Risks for Residents of Multiple Countries. If you are subject to the tax laws in more than one jurisdiction, you should be aware that tax consequences of more than one country may apply to you as a result of your participation in the Offer. You should be certain to consult your personal tax advisor to discuss these consequences. We will distribute short summaries of some of those consequences with respect to some of the countries where Eligible Optionees are located. If you are subject to the tax laws of jurisdictions outside of the United States, you should also review the summary applicable to such foreign jurisdiction.

State and Local Taxes. The discussion in Section 2 and Section 15 of the Offer describes the material U.S. federal income tax consequences if you participate in the Offer or if you elect not to participate. State and local laws may provide different tax treatment. In addition, certain states, including California, have adopted provisions similar to Section 409A. If you are subject to income taxation in those states, you may incur additional taxes, interest and penalties under such provisions if you do not bring your Eligible Options into compliance.

ELIGIBLE OPTIONEES SHOULD CONSULT WITH THEIR OWN PERSONAL TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THEIR PARTICIPATION IN THE OFFER.

Procedural Risks

You are responsible for making sure that your initial Election Form and any subsequent changes to your Election Form pursuant to which you withdraw or re-tender your Eligible Options are received by us before the Expiration Date. We intend to confirm the receipt of your initial Election Form and any subsequent changes to your Election Form by e-mailing an Election Confirmation Statement to your VeriSign e-mail address within one business day after receipt. If you have not received an Election Confirmation Statement in the timeframe prescribed, it is your responsibility to confirm that we have received your complete submission by sending via facsimile a copy of the Election Form and confirmation statement that you will have printed from the Offer Website at the time you submit your Election Form online.

Business-Related Risks

In addition to those risks discussed above, you are encouraged to read the risk factors outlined in our periodic and other reports filed with the SEC, including those in our Annual Report on Form 10-K for the year ended December 31, 2006 filed with the SEC on July 12, 2007, which is incorporated herein by reference. Copies of these reports may be obtained from the places and in the manner described in Section 18 of the Offer set forth below. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may

impair our business operations. If any of the risks actually occur, our business could be harmed. In that event, the trading price of our common stock could decline.

Certain Risks of Participating in the Offer - 2

THE OFFER

1. ELIGIBLE OPTIONEES; ELIGIBLE OPTIONS; AMENDMENT OF ELIGIBLE OPTIONS AND CASH BONUS; NEW OPTIONS; EXPIRATION DATE; ADDITIONAL CONSIDERATIONS.

Section 409A to the Internal Revenue Code of 1986, as amended (“**Section 409A**”), provides that an option granted with a below-market exercise price, to the extent it was not vested as of December 31, 2004, will be subject to adverse income taxation (as described below), unless that option is brought into compliance with Section 409A before exercise. VeriSign, Inc. (“**VeriSign**,” the “**Company**,” “**we**” or “**us**”) has decided to offer Eligible Optionees (as defined below) holding Eligible Options (as defined below) the opportunity to amend or replace such option and thereby avoid Section 409A taxation (this “**Offer**”).

Eligible Options

An outstanding option to purchase shares of VeriSign common stock will be eligible for amendment or replacement pursuant to this Offer if that option meets each of the following conditions:

- (i) The option was granted under one of the following equity plans of VeriSign (collectively, the “**Plans**”):
 - 1998 Equity Incentive Plan, and
 - 2001 Stock Incentive Plan.
- (ii) The option was retroactively priced in that the exercise price per share currently in effect for that option is based on the closing selling price (the “**Fair Market Value**”) per share of VeriSign common stock on a date earlier than the date on which the option was actually granted.
- (iii) The Fair Market Value per share of VeriSign common stock on the date on which the option was actually granted is higher than the exercise price per share currently in effect for the option.
- (iv) The option was unvested as of December 31, 2004.
- (v) The option is held by an individual who is, on the expiration of this Offer, a current employee of VeriSign and subject to income taxation in the United States with respect to that option (an “**Eligible Optionee**”).
- (vi) The option is outstanding on the Expiration Date (as defined below) of this Offer.

An option that meets each of the six foregoing conditions will constitute an “**Eligible Option**” for purposes of this Offer. If only a portion of the option meets those conditions, then only that portion will be an Eligible Option, and the balance of that option will not be eligible for amendment pursuant to this Offer. None of our current or former executive officers and non-employee members of our Board of Directors are eligible to participate in this Offer.

An option with a current exercise price that is greater than or equal to the Fair Market Value per share of VeriSign common stock on the date on which the option was actually granted is not included in this Offer because the holder of such option will not be subject to adverse tax consequences under Section 409A and there is no requirement to evidence the remedial action under Section 409A with respect to such option.

Your individualized Eligible Option chart in the Election Form that accompanies this Offer will also set forth the actual grant date for each Eligible Option you hold, the Fair Market Value per share of our common stock on that date and the number of shares of common stock subject to each Eligible Option. The following chart provides information concerning the grant date indicated for each Eligible Option and the exercise price per share currently in effect for that option.

Indicated Grant Date	Current Exercise Price Per Share
3/15/01	\$ 34.44
9/6/01	\$ 34.16
10/31/01	\$ 38.71
2/21/02	\$ 22.71
2/28/02	\$ 22.73
3/20/02	\$ 26.42
4/30/02	\$ 9.25
7/31/02	\$ 6.40
8/15/02	\$ 6.06
9/16/02	\$ 7.22
9/30/02	\$ 5.05
9/26/03	\$ 12.88
10/01/03	\$ 13.57
8/31/04	\$ 17.36

Additional Definitions

You should also be familiar with the following additional definitions that are important to the understanding of the terms of this Offer.

“**Adjusted Exercise Price**” is the new exercise price per share that will be in effect for any tendered Eligible Option that is increased pursuant to this Offer and will be equal to the lower of: (i) the Fair Market Value per share of VeriSign common stock on the actual date on which that option was granted and (ii) the closing selling price per share of such common stock on the date on which the option is amended. However, if the closing selling price per share of VeriSign common stock on the date on which the option is amended would be the same or lower than the exercise price per share currently in effect for the Eligible Option, then that option will, on the Amendment Date (as defined below), be canceled and immediately replaced with a new option under VeriSign’s 2006 Equity Incentive Plan that is exactly the same as the canceled option including the same exercise price per share and with no loss of vesting or change to the expiration date of the option term, but with a new grant date.

Accordingly, the exercise price for a tendered Eligible Option that we amend or replace pursuant to this Offer will be determined by the following:

1. Which is lower: (1) the Fair Market Value per share of VeriSign common stock on the actual date on which that option was granted; or (2) the closing selling price per share of VeriSign common stock on the date on which the option is amended?			
If #1 applies, then: _		If #2 applies, then: _	
2. Is the Fair Market Value per share of VeriSign common stock on the actual date on which the Eligible Option was granted higher or lower than or equal to the current exercise price of the Eligible Option?		2. Is the closing selling price per share of VeriSign common stock on the date on which the Eligible Option is amended higher or lower than or equal to the current exercise price of the Eligible Option?	
If higher, then: _	If lower or equal to, then: _	If higher, then: _	If lower or equal to, then: _
3. The current exercise price of the Eligible Option will be changed to the Fair Market Value per share of VeriSign common stock on the actual date on which that Eligible Option was granted.	3. The option is not an Eligible Option and is not subject to this Offer.	3. The exercise price of the Eligible Option will be changed to the closing selling price per share of VeriSign common stock on the date on which the Eligible Option is amended.	3. The exercise price of the Eligible Option will remain as-is .
If the current exercise price of Eligible Option is changed, then: _	-	If the current exercise price of Eligible Option is changed, then: _	If current exercise price of Eligible Option remains as-is, then: _
4. Eligible Optionee will become entitled to receive a special cash bonus.	4. Not applicable.	4. Eligible Optionee will become entitled to receive a special cash bonus.	4. Eligible Optionee will not be entitled to receive a special cash bonus. Instead, the Eligible Option will be cancelled and replaced on the Amendment Date with a new option with same terms, but with a new grant date.

For example, if the current exercise price of a tendered Eligible Option is \$25.00 per share, the Fair Market Value per share of VeriSign common stock on the actual grant date of that option was \$32.00 per share and the closing selling price per share of VeriSign common stock on the Amendment Date is \$34.00, then the Adjusted Exercise Price for that option would be fully increased to \$32.00. However, if the current exercise price of a tendered Eligible Option is \$25.00 per share, the Fair Market Value per share of VeriSign common stock on the actual grant date of that option was \$32.00 per share and the closing selling price per share of VeriSign common stock on the Amendment Date is \$30.00, then the Adjusted Exercise Price would be increased to \$30.00. If the current exercise price of a tendered Eligible Option is \$25.00 per share, the Fair Market Value per share of VeriSign common stock on the actual grant date of that option was \$26.00 and the closing selling price per share of VeriSign common stock on the Amendment Date is \$22.00, then that Eligible Option would be canceled on the Amendment Date and the New Option would be immediately granted with the same terms as the canceled option, including the current \$25.00 exercise price, but with the Amendment Date as the new grant date.

“Amended Option” will mean an Eligible Option that has been amended pursuant to this Offer to increase the exercise price per share for the VeriSign common stock purchasable under that option to the Adjusted Exercise Price determined for such option.

“Amendment Agreement” will mean the Stock Option Amendment and Bonus Agreement that will evidence the Adjusted Exercise Price for each Amended Option and will set forth the terms of the Cash Bonus payable with respect to the Amended Options. A form of the Amendment Agreement is filed as an exhibit to this Offer and is available for review on the Offer Website.

“Amendment Date” will mean the date on which the Eligible Options is amended to increase the exercise price of that option to the Adjusted Exercise Price and will be August 24, 2007 or, if this Offer is extended, the first business day following the extended expiration date of this Offer.

“Cash Bonus” is the special cash bonus to which each Eligible Optionee will become entitled if the current exercise price of one or more of his or her Eligible Options is increased pursuant to this Offer.

“Election Form” is the form that the Eligible Optionee must use to notify VeriSign as to the particular Eligible Options he or she has elected to tender for amendment or replacement pursuant to the terms of this Offer.

“Fair Market Value” per share of VeriSign common stock on any relevant date will be deemed to be equal to the closing selling price per share of such stock on that date on the Nasdaq Global Select Market.

“New Option” will mean the option granted on the Amendment Date in replacement of a tendered Eligible Option with a current exercise price per share at or above the closing selling price per share of our common stock on the Amendment Date. The New Option will be exactly the same as the canceled option, including the same exercise price per share and no loss of vesting or change to the expiration date of the option term, but will have a new grant date. The New Option will be evidenced by a new option agreement that replaces the option documentation in effect for the canceled option.

Upon the terms and subject to the conditions of this Offer, we will amend or replace all Eligible Options tendered by Eligible Optionees in accordance with Section 4 below that are not otherwise validly withdrawn in accordance with Section 5 below before the Expiration Date. For each Amended Option, the exercise price per share will be increased to the applicable Adjusted Exercise Price (as defined below), and that Eligible Option will thereby avoid taxation under Section 409A. If the tendered Eligible Option is canceled and replaced with a New Option, the New Option will not be not subject to taxation under Section 409A.

Eligible Optionees

Individuals to whom Eligible Options have been granted by VeriSign will be “**Eligible Optionees**” for purposes of this Offer if they are, on the expiration date of this Offer, a current employee of VeriSign and subject to income taxation in the United States with respect to those options.

None of VeriSign’s current or former executive officers and non-employee members of VeriSign’s Board of Directors are eligible to participate in this Offer.

Amendment of Eligible Options and Cash Bonus

Upon the terms and subject to the conditions of this Offer, we will amend or replace each Eligible Option that is properly tendered by an Eligible Optionee in accordance with Section 4 below, and not validly withdrawn in accordance with Section 5 below, before the Expiration Date (as defined below).

The exercise price of each Eligible Option that is amended pursuant to this Offer will be increased to the Adjusted Exercise Price determined for that option. The Adjusted Exercise Price would not be in effect for the portion of a retroactively-priced option that vested as of December 31, 2004. The Adjusted Exercise Price will apply only to the portion of a retroactively-priced option that was not vested as of December 31, 2004, and that portion thereby qualifies as an Eligible Option.

Each Amended Option will continue to vest in accordance with the same vesting schedule measured from the same vesting commencement date currently in effect for that option. No change to the vesting schedule will occur by reason of the amendment. In addition, except for the Adjusted Exercise Price, the other terms and provisions of each Amended Option will be identical to the terms and provisions in effect for each such Eligible Option immediately before the amendment to the exercise price.

Each Eligible Optionee whose Eligible Options are amended pursuant to this Offer will become entitled to a special Cash Bonus from VeriSign. (No Cash Bonus will be paid with respect to a New Option because the exercise price for that option will be the same as the exercise price in effect for the tendered Eligible Option it replaces.) The amount of the Cash Bonus payable with respect to each Amended Option will be determined by multiplying:

The amount by which the Adjusted Exercise Price exceeds the exercise price per share currently in effect for that Eligible Option	X	The number of shares of VeriSign common stock purchasable under that option at the Adjusted Exercise Price	=	Cash Bonus
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The Cash Bonus will be paid on VeriSign’s regularly scheduled payroll date after January 1, 2008, which is scheduled to be January 4, 2008, and will be subject to VeriSign’s collection of all applicable withholding taxes. Such a delayed payment is required by applicable Internal Revenue Service (“**IRS**”) regulations. The Cash Bonus will be paid whether or not the Eligible Optionee continues in VeriSign’s employ through the payment date.

Example 1: Assume that (i) you were granted an option to purchase 2,000 shares that had a recorded grant date of September 26, 2003 and an exercise price per share of \$12.88, (ii) that option vests 25% after the first year and then 6.25% each quarter thereafter for three years measured from September 26, 2003, so there were 1,375 shares unvested as of December 30,

2004, and (iii) it was determined that the actual grant date of that option was October 22, 2003 when the fair market value per share was \$14.93. Further assume that the fair market value of VeriSign common stock on the Amendment Date is \$30.00 per share.

Example 2: Assume that (i) you were also granted an option to purchase 3,000 shares that had a recorded grant date of August 31, 2004 and an exercise price per share of \$17.36, (ii) that option vests 25% after the first year and 6.25% each quarter thereafter for three years measured from August 31, 2004, so there were all 3,000 shares unvested as of December 30, 2004, and (iii) it was determined that the actual grant date of that option was September 29, 2004 when the fair market value per share was \$19.82. Further assume that the fair market value of VeriSign common stock on the Amendment Date is \$30.00 per share.

The portions of your September 26, 2003 and August 31, 2004 grants that were unvested as of December 31, 2004 constitute Eligible Options for purposes of this Offer. No other portions of those options may be tendered pursuant to this Offer. If you tender the portions constituting your Eligible Options, then those Eligible Options will be amended to increase the exercise prices to \$14.93 per share for the 1,375 shares eligible under the September 26, 2003 grant and to \$19.82 per share for the 3,000 shares eligible under the August 31, 2004 grant. No other changes will be made to your September 26, 2003 and August 31, 2004 options. In addition, you will be eligible to receive a Cash Bonus in an amount of \$10,198.75 determined as follows:

- multiplying (i) the 1,375 shares eligible under the September 26, 2003 option by (ii) \$2.05 (the amount by which the \$14.93 Adjusted Exercise Price for that option exceeds the \$12.88 per share exercise price previously in effect for that option), yielding \$2,818.75; and
- multiplying (i) the 3,000 shares eligible under the August 31, 2004 option by (ii) \$2.46 (the amount by which the \$19.82 Adjusted Exercise Price for that option exceeds the \$17.36 per share exercise price previously in effect for that option), yielding \$7,380.00.

Cancellation of Eligible Options and Grant of New Options

If the closing selling price per share of VeriSign common stock on the date on which the option is amended for any tendered Eligible Option is (i) lower than the Fair Market Value per share of VeriSign common stock on the actual grant date of the Eligible Option and (ii) the same or lower than the exercise price per share currently in effect for the Eligible Option, then that Eligible Option will, on the Amendment Date, be canceled and immediately replaced with a new option under VeriSign's 2006 Equity Incentive Plan that is exactly the same as the canceled option, including the same exercise price per share and no loss of vesting or change to the expiration date of the option term, but with a new grant date. Such cancellation and re-grant is necessary to evidence the remedial action required under Section 409A with respect to an Eligible Option whose current exercise price is not increased. No Cash Bonus will be paid with respect to a New Option because there will be no change to the exercise price.

Example 1: Assume that (i) you were granted an option to purchase 1,000 shares that had an indicated grant date of March 15, 2001 and an exercise price per share of \$34.44, (ii) that option vests 25% after year one and 6.25% each quarter thereafter for three years measured from March 15, 2001, so there were 62 shares unvested as of December 30, 2004, and (iii) it was determined that the actual grant date of that option was March 30, 2001 when the fair market value per share was \$35.44. Further assume that the fair market value of VeriSign common stock on the Amendment Date is \$30.00 per share.

Example 2: Assume that (i) you were also granted an option to purchase 2,000 shares that had an indicated grant date of September 6, 2001 and an exercise price per share of \$34.16, (ii) that option vests 25% after the first year and 6.25% each quarter thereafter for three years measured from September 6, 2001, so there were 125 shares unvested as of December 30, 2004, and (iii) it was determined that the actual grant date of that option was September 21, 2001 when the fair

market value per share was \$38.30. Further assume that the fair market value of VeriSign common stock on the Amendment Date is \$30.00 per share.

The portions of your March 15, 2001 and September 6, 2001 grants that were unvested as of December 31, 2004 constitute Eligible Options for purposes of this Offer. No other portions of those options may be tendered pursuant to this Offer. If you tender the portions constituting your Eligible Options then your tendered Eligible Options will be canceled on the Amendment Date, and you will be immediately issued two New Options: one New Option with an exercise price of \$34.44 per share for the 62 shares eligible under the March 15, 2001 grant; and a second New Option with an exercise price of \$34.16 per share for the 250 shares eligible under the September 6, 2001 grant. Except for the new grant date, each of the New Options will be the same as the canceled Eligible Option it replaces, with no loss of vesting or change to the expiration date of the option term. Since the exercise prices under the New Options will be the same as under the canceled options, no Cash Bonus will be payable to you with respect to your New Options.

Former Employees

If you are not in the employ of VeriSign or any affiliated entity on the Expiration Date (as defined below), then none of your tendered Eligible Options will be amended or replaced pursuant to this Offer, and you will not be entitled to any Cash Bonus with respect to those options. The tendered options will be returned to you and will remain exercisable in accordance with the terms in effect for them at the time of tender, including the current exercise price per share. You will receive a separate communication from VeriSign regarding your tax situation and any financial assistance or other financial or other arrangements VeriSign may provide with respect to the Section 409A tax penalties you may subsequently incur in connection with the exercise of those options.

Expiration Date

The term “**Expiration Date**” means 11:59 p.m. Pacific Time on August 23, 2007, unless we decide to extend the period of time during which this Offer will remain open, in which event the term Expiration Date will refer to the latest time and date at which this Offer, as so extended, expires. See Section 16 below for a description of our rights to extend, delay, terminate and amend this Offer, and Section 7 below for a description of conditions to this Offer.

Additional Considerations

In deciding whether to tender one or more Eligible Options pursuant to this Offer, you should know that VeriSign continually evaluates and explores strategic opportunities as they arise, including business combination transactions, strategic partnerships, capital infusions and the purchase or sale of assets. At any given time, we may be engaged in discussions or negotiations with respect to various corporate transactions. We also grant options, restricted stock units and other equity awards in the ordinary course of business to our current and new employees, including our executive officers. Our employees, including our executive officers, from time to time acquire or dispose of our securities. Subject to the foregoing, and except as otherwise disclosed in this Offer or in our filings with the Securities and Exchange Commission (the “**SEC**”), we presently have no plans or proposals that relate to or would result in:

- (a) any extraordinary corporate transaction, such as a material merger, reorganization or liquidation, involving us or any of our subsidiaries;
- (b) any purchase, sale or transfer of a material amount of our assets or the assets of any of our subsidiaries;
- (c) any material change in our present dividend policy or our indebtedness or capitalization;
- (d) any change in our present Board of Directors or executive management team, including any plans to

change the number or term of our directors or to fill any existing board vacancies or to change the material terms of any executive officer's employment, other than the election of John Roach to the Board of Directors, effective July 19, 2007;

- (e) any other material change in our corporate structure or business;
- (f) our common stock not being authorized for quotation in an automated quotation system operated by a national securities association;
- (g) our common stock becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act;
- (h) the suspension of our obligation to file reports pursuant to Section 15(d) of the Securities Exchange Act;
- (i) the acquisition by any person of any of our securities or the disposition of any of our securities, other than in the ordinary course or pursuant to existing options or other rights; or
- (j) any change in our certificate of incorporation or bylaws, other than the proposed amendment and restatement to our certificate of incorporation to provide for the declassification of the Board of Directors, which is conditional upon the approval of VeriSign's stockholders at the 2007 Annual Meeting of Stockholders, or any actions that may impede the acquisition of control of us by any person.

2. PURPOSE OF THIS OFFER.

We are making this Offer to amend or replace the Eligible Options because of potential adverse tax consequences that may apply. As a result of a thorough investigation of VeriSign's past option grant practices, we have determined that each Eligible Option was retroactively priced in that the exercise price per share currently in effect for that option was based on the Fair Market Value per share of our common stock on a date earlier than the date on which that option was actually granted.

Section 409A was added to the Internal Revenue Code of 1986, as amended, by the American Jobs Creation Act of 2004. The Treasury Department and IRS provided guidance and issued final regulations with respect to certain items of compensation under Section 409A. Section 409A provides that an option unvested as of December 31, 2004 and granted with a below-market exercise price will be subject to adverse income taxation unless that option is brought into compliance with Section 409A. Unless remedial action is taken to bring that option into compliance, we believe, on the basis of our understanding and interpretation of the applicable guidance and final regulations, that the option will trigger adverse U.S. federal tax consequences under Section 409A as indicated below, although it is not entirely clear at present how that option will actually be taxed under Section 409A. As a result, VeriSign has decided to provide Eligible Optionees with the opportunity to bring the Eligible Options into compliance either by amending the exercise price per share to the Adjusted Exercise Price determined for each such option or by replacing that option with a New Option.

Taxation in Year of Vesting

To the extent the a Section 409A-covered option vested as to one or more shares during the 2005 calendar year, the optionee would recognize taxable income for that year in an amount equal to the Fair Market Value of those shares on December 31, 2005 less the aggregate exercise price payable for those shares. The optionee would have to report that income in an amended tax return filed for the 2005 taxable year. To the extent the options vested as to one or more shares during 2006 and future years, the optionee would recognize taxable income. For 2006, this taxable income is equal to the Fair Market Value of shares vesting in 2006 on December 31, 2006 less the aggregate exercise price payable for the shares, and VeriSign would have to collect the applicable withholding taxes on that income. Taxation would occur in this manner even though the options remain unexercised.

Note: The Treasury Department has not yet provided any guidance as to how the additional taxable income is to be measured over the period the options remain outstanding after the 2006 calendar year.

Tax Penalty

In addition to normal income taxes payable on the spread in effect under each of your options on the applicable tax measurement date, the optionee would also be subject to an additional tax penalty equal to 20% of that spread.

Note: Certain states, including California, have adopted provisions similar to Section 409A under their tax laws, and for optionees subject to income taxation in such states, the total penalty tax could be up to 40% (a 20% federal penalty tax and up to a 20% state penalty tax).

Continued Taxation

It is likely, but not certain that the optionee would be subject to additional income taxation, penalty taxes and withholding taxes on any subsequent increases to the year-end value of the vested option shares. Such taxation will continue until the options are exercised. For the option shares that vested in the 2005 calendar year and remain unexercised at the end of the 2006 or 2007 calendar years, the additional income subject to such taxation would be based on the amount by which the Fair Market Value per share of VeriSign common stock on a subsequent tax measurement date exceeds the Fair Market Value.

Interest Penalty

The optionee will also be subject to interest penalties for failure to pay on a timely basis the taxes attributable to the vesting of the options in the 2005 or 2006 calendar years. The optionee may incur additional interest penalties if he or she does not pay on a timely basis the taxes attributable to the Section 409A income for the 2007 calendar year.

The following is an example of the adverse U.S. federal income taxes that may occur under Section 409A if remedial action is not taken to bring the below-market options into compliance with Section 409A:

Example 1: Assume that (i) an optionee was granted an option to purchase 2,000 shares that had a recorded grant date of August 15, 2002 with an exercise price per share of \$6.06, (ii) that option vests 25% after the first year and 6.25% each quarter thereafter for three years measured from August 15, 2002, and (iii) it was determined that the actual grant date of that option was September 20, 2002 when the fair market value per share was \$6.37. Unless remedial action under Section 409A is taken before December 31, 2007 (or before any earlier exercise of the option for the shares vesting after December 31, 2004), the option shares vesting after December 31, 2004 would be taxed as follows under Section 409A:

Taxation in Year of Vesting for the Shares Vesting in 2005: For the 500 shares that vested during the 2005 calendar year, the optionee would recognize taxable income in that year equal to the amount by which the fair market value of those shares on December 31, 2005 (\$21.90 per share) exceeded the exercise price payable for those shares \$6.06. Therefore, the optionee would have recognized \$7,920 of taxable wages [500 x (\$21.90 — \$6.06)] in 2005. In addition to ordinary income taxes on this amount, the optionee would have incurred a 20% penalty tax in the amount of \$1,584 for federal tax purposes. There would also be an interest charge assessed for late payment of those 2005 taxes.

Taxation in Year of Vesting for the Shares Vesting in 2006: For the 375 shares that vested during the 2006 calendar year, the optionee would recognize taxable income in that year equal to the amount by which the fair market value of those shares on December 31, 2006 (\$24.05 per share) exceeded the exercise price payable for those shares (\$6.06). Therefore, the optionee would have recognized \$6,746.25 of taxable wages [375 x (\$24.05 — \$6.06)] in 2006. In addition to

ordinary income taxes on this amount, the optionee would have incurred a 20% penalty tax in the amount of \$1,349.25 for federal tax purposes. If these taxes are not paid on a timely basis in connection with the optionee's 2006 tax return, there also would be an interest charge for late payment of those taxes.

The optionee may also be subject to tax penalties under the tax laws of the State in which he or she resides. For example, if the optionee resides in California, there would be additional tax penalties for both the 2005 and 2006 calendar years equal to the federal tax penalties imposed for those years under Section 409A.

Continued Taxation of Shares Vested in 2005: If the option continues to remain outstanding, then there will be additional taxation in the manner explained above (normal taxable income, the 20% penalty tax and potential interest penalties) on any appreciation in value of the vested shares over their previous year-end value. For the 500 shares that vested in 2005, the additional income subject to such taxation in the 2006 taxable year would be in the amount of \$1,075.00 [500 x (\$24.05—\$21.90)]. No guidance has yet been issued as to when or how often in each taxable year after 2006 the appreciation is to be measured and what impact a decline in value of the shares will have upon the taxation of those shares.

Continued Taxation of Shares Vested in 2005 and 2006: Current IRS guidance would defer the reporting and payment of 409A taxes related to unexercised 409A affected options until 2008.

If you elect not to amend your Eligible Options pursuant to this Offer, then you will be solely responsible for any taxes, penalties or interest payable under Section 409A and comparable state tax laws. If you exercise an Eligible Option in the 2007 calendar year without first bringing that option into compliance with Section 409A, then it is possible that the 20% penalty tax under Section 409A with respect to that exercised option may be based solely on the amount by which the Fair Market Value of the purchased shares at the time of exercise exceeds the current exercise price, and the interest penalties may be based on the spread (the excess of the Fair Market Value per share over the exercise price) which existed on the vested option shares at the close of the 2005 and 2006 calendar years. However, the applicable Treasury Department guidance to date is not entirely clear on this point.

Section 409A applies only to below-market options that were not vested as of December 31, 2004. The portion of any below-market option granted before October 4, 2004 that was vested as of December 31, 2004 is grandfathered and is therefore not subject to Section 409A.

Pursuant to the transitional relief that the Treasury Department provided under Section 409A, if you exercised the portion of your stock options that vested in the 2005 calendar year before the end of that year, you would have avoided any 20% penalty tax (and likely California 20% penalty tax) under Section 409A with respect to that portion. To avoid any adverse tax consequences under Section 409A with respect to the portion of your stock options that vested after December 31, 2004 (but were not exercised in 2005), you must take remedial action to bring that portion of your options (the "**409A Portion**") into compliance with the requirements of Section 409A. VeriSign is now offering you the opportunity to bring the 409A Portion of your stock options into compliance with Section 409A as follows:

The 409A Portion of each of your stock options would be amended to increase the exercise price to the Adjusted Exercise Price determined for that portion. Such an amendment to the exercise price would bring the 409A Portion of each option into compliance with Section 409A, and you could exercise that 409A-compliant portion as you choose, subject only to the existing exercise provisions and option term in effect for each such option. A New Option granted in replacement of the 409A Portion of an option with a current exercise price at or above the closing selling price per share of our common stock on the Amendment Date of the underlying shares on the new grant date will also avoid taxation under Section 409A.

Accordingly, pursuant to this Offer, you may tender each of your Eligible Options to VeriSign for amendment or replacement. The exercise price per share for each Amended Option will be increased to the Adjusted Exercise Price determined for that option, and that Amended Option would not be subject to adverse tax

consequences under Section 409A described above. Each New Option granted in replacement of a tendered Eligible Option with a current exercise price at or above the closing selling price per share of our common stock on the Amendment Date will also avoid taxation under Section 409A.

If you are subject to the tax laws in more than one jurisdiction, you should be aware that tax consequences of more than one country may apply to you as a result of your participation in this Offer. You should be certain to consult your personal tax advisor to discuss these consequences. We will distribute short summaries of some of those consequences with respect to some of the countries where Eligible Optionees are located. If you are subject to the tax laws of jurisdictions outside of the United States, you should also review the summary applicable to such foreign jurisdiction.

NEITHER WE NOR OUR BOARD OF DIRECTORS WILL MAKE ANY RECOMMENDATION AS TO WHETHER YOU SHOULD TENDER YOUR ELIGIBLE OPTIONS FOR AMENDMENT OR REPLACEMENT, NOR HAVE WE AUTHORIZED ANY PERSON TO MAKE ANY SUCH RECOMMENDATION. YOU MUST MAKE YOUR OWN DECISION WHETHER TO TENDER YOUR ELIGIBLE OPTIONS, AFTER TAKING INTO ACCOUNT YOUR OWN PERSONAL CIRCUMSTANCES AND PREFERENCES. YOU SHOULD BE AWARE THAT ADVERSE TAX CONSEQUENCES UNDER SECTION 409A MAY APPLY TO YOUR ELIGIBLE OPTIONS IF THEY ARE NOT AMENDED OR REPLACED PURSUANT TO THIS OFFER, AND YOU WILL BE SOLELY RESPONSIBLE FOR ANY TAXES, INTEREST OR PENALTIES YOU MAY INCUR UNDER SECTION 409A. YOU ARE URGED TO EVALUATE CAREFULLY ALL OF THE INFORMATION IN THIS OFFER, AND WE RECOMMEND THAT YOU CONSULT YOUR OWN TAX ADVISOR.

3. STATUS OF ELIGIBLE OPTIONS NOT AMENDED OR REPLACED.

If you choose not to tender your Eligible Options for amendment or replacement, those options will continue to remain outstanding in accordance with their existing terms, including the below-market exercise price component that violates Section 409A. Accordingly, if you take no other action to bring those options into compliance with Section 409A, you may be subject to the adverse U.S. federal tax consequences described in Section 2 above. You will be solely responsible for any taxes, penalties or interest you may incur under Section 409A.

4. PROCEDURES FOR TENDERING ELIGIBLE OPTIONS.

If you are an Eligible Optionee, you will receive on the commencement of this Offer an e-mail announcing this Offer with a hyperlink to the Offer Website. Once you have logged onto the Offer Website and clicked on the MAKE AN ELECTION button, you will be directed to your Election Form that contains the following personalized information with respect to each Eligible Option you hold:

- the grant date indicated for that Eligible Option on the applicable option agreement or grant notice,
- the current exercise price per share in effect for that Eligible Option,
- the number of shares of VeriSign common stock purchasable under that Eligible Option,
- the actual grant date of that Eligible Option, and
- the Fair Market Value per share of VeriSign common stock on the actual grant date.

You will need to check the appropriate box next to each of your Eligible Options to indicate whether you elect to tender that option for amendment or replacement in accordance with the terms of this Offer. After completing the Election Form, you will be allowed to review the elections you have made with respect to your Eligible Options. If you are satisfied with your elections you will proceed to the Agreement to Terms of Election webpage. Only after you agree to the Agreement to the Terms of Election will you be directed to the confirmation webpage. Please print and keep a copy of your confirmation for your records. You will then be deemed to have completed the election process.

If you are not able to submit your election electronically via the Offer Website as a result of technical failures inherent to the website, such as the website being unavailable or the website not accepting your election, or

if you do not otherwise have access to the Offer Website for any reason (including lack of internet services), you must complete a paper Election Form and return it to VeriSign via facsimile to Jeffrey K. Bergmann at (650) 426-3403. To obtain a paper Election Form, please call the PricewaterhouseCoopers LLP hotline at (408) 817-1207 if calling in California or (800) 434-2234 if calling outside of California or email to 409A-admin@verisign.com.

If you decide to accept this Offer with respect to your Eligible Options, you must properly complete and submit the Election Form by logging onto the Offer Website at <https://vrsn.equitybenefits.com> by **11:59 p.m. Pacific Time on August 23, 2007**. If we extend this Offer beyond August 23, 2007, you must deliver those documents before the extended expiration date of this Offer.

WE WILL NOT ACCEPT ANY ELECTION FORM AFTER THE EXPIRATION OF THIS OFFER.

If you do not complete and submit the Election Form on the Offer Website or via facsimile before the expiration of this Offer, your Eligible Options will not be amended or replaced pursuant to this Offer, and you will not be eligible for any Cash Bonus.

You cannot tender only a portion of an Eligible Option, and we will not accept such a partial tender for amendment or replacement. If you hold more than one Eligible Option, then you may elect to tender one or more of those options and retain the remaining options. Please remember that not all of a particular option grant may be an Eligible Option. Only the portion of that grant that was not vested as of December 31, 2004 may constitute an Eligible Option.

IF YOUR ELECTION FORM INCLUDES ANY OPTION THAT IS NOT AN ELIGIBLE OPTION OR INCLUDES ONLY A PORTION OF YOUR OUTSTANDING ELIGIBLE OPTION, THEN WE WILL NOT ACCEPT THE TENDERED OPTION OR PORTION FOR AMENDMENT OR REPLACEMENT, BUT WE DO INTEND TO ACCEPT FOR AMENDMENT OR REPLACEMENT EACH ELIGIBLE OPTION PROPERLY DESIGNATED FOR TENDER IN THE ELECTION FORM.

Determination of Validity; Rejection of Option Shares; Waiver of Defects; No Obligation to Give Notice of Defects

We will determine, in our discretion, all questions as to form of documents and the validity, form, eligibility (including time of receipt), and acceptance of any option tender, and we will decide, in our sole discretion, all questions as to (i) the portion of each outstanding option that comprises an Eligible Option for purposes of this Offer; (ii) the Adjusted Exercise Price to be in effect under each Amended Option, (iii) the number of shares of our common stock purchasable under the Amended Option at the Adjusted Exercise Price, (iv) the amount of the Cash Bonus payable with respect to each Amended Option, and (v) the cancellation of tendered Eligible Options with exercise prices at or above the closing selling price per share of our common stock on the Amendment Date of our common stock on the Amendment Date and the replacement of those canceled options with New Options. Our determination as to those matters will be final and binding on all parties. We reserve the right to reject any or all option tenders that we determine do not comply with the conditions of this Offer, that we determine are not in appropriate form or that we determine are unlawful to accept. Otherwise, we intend to accept for amendment or replacement each properly and timely tendered Eligible Option that is not validly withdrawn. We also reserve the right to waive any of the conditions of this Offer or any defect or irregularity in any tender with respect to any particular Eligible Option or any particular Eligible Optionee. No tender of an Eligible Option will be deemed to have been properly made until all defects or irregularities have been cured by the tendering Eligible Optionee or waived by us. Neither we nor any other person is obligated to give notice of any defects or irregularities in tenders, nor will anyone incur any liability for failure to give any such notice.

Our Acceptance Constitutes an Agreement

Your tender of an Eligible Option pursuant to the procedures described above constitutes your acceptance of the terms and conditions of this Offer. Subject to our rights to extend, terminate or amend this Offer, we currently expect that we will, promptly upon the expiration of this Offer, accept for amendment all properly tendered Eligible Options that have not been validly withdrawn, and on the next business day we will increase the exercise price per share to the Adjusted Exercise Price determined for that option.

However, if the closing selling price per share of VeriSign common stock on the date on which the Eligible Option is amended is (i) lower than the Fair Market Value per share of VeriSign common stock on the actual grant date of the Eligible Option and (ii) the same or lower than the exercise price per share currently in effect for the Eligible Option, then that Eligible Option will, on the Amendment Date, be canceled and immediately replaced with a New Option under VeriSign's 2006 Equity Incentive Plan that is exactly the same as the canceled option, including the same exercise price per share and with no loss of vesting or change to the expiration date of the option term, but the option will have a new grant date.

Our acceptance of your tendered Eligible Options for amendment or replacement pursuant to this Offer will constitute a binding agreement between us and you upon the terms and subject to the conditions of this Offer. Accordingly, as soon as administratively practicable after the Amendment Date, we will deliver to you a final and complete Amendment Agreement, a form of which is filed as an exhibit to this Offer and is available for review on the Offer Website. Schedule I to that agreement will indicate the Adjusted Exercise Price in effect for each of your Amended Options and VeriSign's unconditional obligation to pay you on its first regularly scheduled payroll date after January 1, 2008 the Cash Bonus calculated for each Amended Option. Alternatively, you will also receive at that time a new stock option agreement for any New Option granted in replacement of a tendered Eligible Option with a current exercise price per share at or above the closing selling price per share of our common stock on the Amendment Date per share of our common stock on the Amendment Date.

5. WITHDRAWAL RIGHTS.

You may only withdraw your tendered Eligible Options in accordance with the provisions of this Section 5.

- (i) You may withdraw your tendered Eligible Options at any time before 11:59 p.m., Pacific Time, on the Expiration Date of this Offer. In addition, unless we accept and amend or replace your Eligible Options before 12:00 midnight, Pacific Time, on September 24, 2007 (the 40th business day after the July 27, 2007 commencement date of this Offer), you may withdraw your tendered options at any time thereafter.
- (ii) To validly withdraw your tendered Eligible Options, you must use the Offer Website at <https://vrsn.equitybenefits.com> to revise your Election Form to indicate the Eligible Options that you no longer wish to tender for amendment or replacement. Alternatively, you may change your existing election by completing a new paper Election Form and returning it to VeriSign via facsimile to Jeffrey K. Bergmann at (650) 426-3403. To obtain a paper Election Form, please call the PricewaterhouseCoopers LLP hotline at (408) 817-1207 if calling in California or (800) 434-2234 if calling outside of California or email to 409A-admin@verisign.com.

You may only revise your Election Form to withdraw your Eligible Options from this Offer while you still have the right to withdraw the tendered options in accordance with the subparagraph (i) above.

YOU MAY NOT WITHDRAW ONLY A PORTION OF A TENDERED ELIGIBLE OPTION. IF YOU CHOOSE TO WITHDRAW A TENDERED ELIGIBLE OPTION, YOU MUST WITHDRAW THE ENTIRE OPTION.

Any Eligible Option you withdraw will no longer be deemed tendered for amendment or replacement pursuant to this Offer, unless you properly re-tender that option before the Expiration Date by following the election and tender procedures described in Section 4 above.

Neither VeriSign nor any other person is obligated to give notice of any defects or irregularities in any revised Election Form submitted to us for purposes of withdrawing tendered Eligible Options from this Offer, nor will anyone incur any liability for failure to give any such notice. We will determine, in our sole discretion, all questions as to the form and validity, including time of receipt, of revised Election Forms purporting to withdraw tendered Eligible Options from this Offer. Our determination of these matters will be final and binding.

6. ACCEPTANCE OF ELIGIBLE OPTIONS FOR AMENDMENT OR REPLACEMENT AND COMMITMENT TO PAY CASH BONUS WITH RESPECT TO AMENDED OPTIONS.

Upon the terms and subject to the conditions of this Offer, we will on the Expiration Date accept for amendment or replacement all Eligible Options that have been properly tendered and not validly withdrawn before the Expiration Date. For each Amended Option, we will increase the exercise price per share to the applicable Adjusted Exercise Price on the next business day, currently scheduled to be August 24, 2007. For each tendered Eligible Option that is canceled pursuant to this Offer, we will grant a New Option in replacement on August 24, 2007. If we extend the Expiration Date, then the accepted Eligible Option will be amended or replaced as soon as practicable after the extended Expiration Date.

We will provide written or electronic notice of our acceptance to each Eligible Optionee whose tendered Eligible Options we have accepted for amendment or replacement. Such notice may be by e-mail, press release or other means. In addition, we will, as soon as administratively practicable after the Amendment Date, deliver electronically a final and complete Amendment Agreement to each Eligible Optionee whose Eligible Options have been amended pursuant to this Offer. Schedule I to that agreement will reflect the increases to the exercise prices of the Amended Options and VeriSign's unconditional obligation to pay such Eligible Optionee the applicable Cash Bonus for each the Amended Options on its first regularly scheduled payroll date after January 1, 2008, which is scheduled to be January 4, 2008. Such Cash Bonus will be paid whether or not an Eligible Optionee continues in VeriSign's employ through the payment date. For each New Option to which a tendering Eligible Optionee becomes entitled, we will deliver a new stock option agreement to that person as soon as administratively practicable after the grant date.

However, if you are not in the employ of VeriSign or any affiliated entity on the Expiration Date, then none of your tendered Eligible Options will be amended or replaced, and you will not be entitled to any Cash Bonus with respect to those options. The tendered options will be returned to you and will remain exercisable in accordance with the terms in effect for them at the time of tender, including the current exercise price per share. You will receive a separate communication from VeriSign regarding your tax situation and any financial assistance or other financial arrangement VeriSign may provide with respect to the Section 409A tax penalties you may subsequently incur in connection with the exercise of those options.

7. CONDITIONS OF THIS OFFER.

We will not accept any Eligible Options tendered to us for amendment or replacement, and we may terminate or amend this Offer or postpone our acceptance of any Eligible Options tendered to us for amendment or replacement, in each case, subject to Rule 13e-4(f)(5) under the Securities Exchange Act of 1934, as amended (the "**1934 Act**"), if at any time on or after July 27, 2007, and before the Expiration Date, any of the following events has occurred, or has been reasonably determined by us to have occurred and, in our reasonable judgment in any such case and regardless of the circumstances giving rise thereto (including any action or omission by us), the occurrence of such event or events makes it inadvisable for us to proceed with this Offer or with our acceptance of the Eligible Options tendered to us for amendment or replacement:

- (a) there shall have been threatened or instituted or be pending any action or proceeding by any government or governmental, regulatory or administrative agency, authority or tribunal or by any other person, domestic or foreign, before any court, authority, agency or tribunal that directly or indirectly challenges the making of this Offer, the amendment of the existing exercise price in effect for some or all of the tendered Eligible Options pursuant to this Offer, the payment of the applicable Cash Bonuses, the cancellation of tendered options and the grant of New Options in replacement or otherwise relates in any manner to this Offer or that, in our judgment, could materially and adversely affect our business, condition (financial or other), operating results, operations or prospects, or otherwise materially impair in any way the contemplated future conduct of VeriSign's business or the business of any of its subsidiaries or materially impair the contemplated benefits of this Offer to VeriSign;
- (b) we shall have been unable to obtain exemptive relief from the prompt payment provisions of Rules 13e-4(f)(5) and 14e-1(c) under the 1934 Act, as they may apply to the scheduled payment of the Cash Bonuses on VeriSign's first regularly scheduled payroll date following January 1, 2008;

- (c) there shall have been any action threatened, pending or taken, or approval withheld, or any statute, rule, regulation, judgment, order or injunction threatened, proposed, sought, promulgated, enacted, entered, amended, enforced or deemed to be applicable to this Offer or VeriSign or any of its subsidiaries or other affiliated entities, by any court or any authority, agency or tribunal that, in our reasonable judgment, would or might directly or indirectly:
- make the amendment of the tendered Eligible Options or payment of the Cash Bonuses or the
 - cancellation of tendered options and the grant of New Options in replacement thereof illegal or otherwise restrict or prohibit consummation of this Offer or otherwise relates in any manner to this Offer;
 - delay or restrict our ability, or render us unable, to accept for amendment or replacement some or all of the tendered Eligible Options;
 - materially impair the benefits we hope to convey as a result of this Offer, that we believe would
 - occur only as a result of further changes to Section 409A, the regulations thereunder or other tax laws that would affect this Offer or the Eligible Options; or
 - materially and adversely affect our business, condition (financial or other), operating results, operations or prospects or otherwise materially impair in any way the contemplated future conduct of our business or the business of any of our subsidiaries;
- (d) there shall have occurred:
- any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market;
 - any significant change in the market price of the shares of our common stock or any change in the general political, market, economic or financial conditions in the United States or abroad that could, in our reasonable judgment, have a material adverse effect on our business, condition (financial or other), operating results, operations or prospects or on the trading in our common stock, or that, in our reasonable judgment, makes it inadvisable to proceed with this Offer;
 - in the case of any of the foregoing existing at the time of the commencement of this Offer, a material acceleration or worsening thereof; or
 - any decline in either the Dow Jones Industrial Average, the Nasdaq Global Select Market or the Standard and Poor's Index of 500 Companies by an amount in excess of 10% measured during any time period after the close of business on July 27, 2007;
- (e) there shall have occurred any change in generally accepted accounting standards or the application or interpretation thereof that could or would require us for financial reporting purposes to record compensation expenses against our operating results in connection with this Offer that would be in excess of any compensation expenses that we would be required to record under generally accepted accounting standards in effect at the time we commence this Offer;
- (f) a tender or exchange offer with respect to some or all of our outstanding common stock, or a merger or acquisition proposal for us, shall have been proposed, announced or made by another person or entity or shall have been publicly disclosed, or we shall have learned that:
- any person, entity or "group," within the meaning of Section 13(d)(3) of the 1934 Act, shall have acquired or proposed to acquire beneficial ownership of more than 5% of the outstanding shares of VeriSign common stock, or any new group shall have been formed that beneficially owns more than 5% of the outstanding shares of VeriSign common stock, other than any such person, entity or group that has filed a Schedule 13D or Schedule 13G with the SEC before July 27, 2007;
 - any such person, entity or group that has filed a Schedule 13D or Schedule 13G with the SEC

before July 27, 2007 shall have acquired or proposed to acquire beneficial ownership of an additional 2% or more of the outstanding shares of VeriSign common stock; or

- any person, entity or group shall have filed a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 or made a public announcement reflecting an intent to acquire us or any of our subsidiaries or any of the assets or securities of us or any of our subsidiaries;
- (g) any change or changes shall have occurred in our business, condition (financial or other), assets, operating results, operations, prospects or stock ownership or that of our subsidiaries that, in our judgment, is or may be material to us or our subsidiaries or other affiliated entities or otherwise makes it inadvisable for us to proceed with this Offer; or
- (h) any rules, regulations or actions by any governmental authority, the Nasdaq Global Select Market, or other regulatory or administrative authority of any national securities exchange have been enacted, enforced or deemed applicable to VeriSign that makes it inadvisable for us to proceed with this Offer.

The conditions to this Offer are for our benefit. We may assert them in our discretion regardless of the circumstances giving rise to them before the Expiration Date. We may waive them, in whole or in part, at any time and from time to time before the Expiration Date, in our discretion, whether or not we waive any other condition to this Offer. Our failure at any time to exercise any of these rights will not be deemed a waiver of any such rights. The waiver of any of these rights with respect to particular facts and circumstances will not be deemed a waiver with respect to any other facts and circumstances. Any determination we make concerning the events described in this Section 7 will be final and binding upon all persons.

8. PRICE RANGE OF COMMON STOCK UNDERLYING THE OPTIONS.

There is no established trading market for the Eligible Options or any other options granted under our Plans.

Our common stock is quoted on the Nasdaq Global Select Market under the symbol "VRSN." The following table shows, for the periods indicated, the high and low sales prices per share of our common stock on the Nasdaq Global Select Market.

	<u>HIGH</u>	<u>LOW</u>
Year ended December 31, 2007:		
Third Quarter (through July 26, 2007)	\$34.68	\$30.22
Second Quarter	\$32.12	\$24.83
First Quarter	\$26.78	\$22.92
Year ended December 31, 2006:		
Fourth Quarter	\$26.77	\$19.90
Third Quarter	\$23.27	\$15.95
Second Quarter	\$25.45	\$20.91
First Quarter	\$25.00	\$20.75
Year ended December 31, 2005:		
Fourth Quarter	\$24.48	\$19.01
Third Quarter	\$30.00	\$20.29
Second Quarter	\$33.36	\$24.65
First Quarter	\$33.67	\$24.48

On July 26, 2007 the last reported sale price of our common stock on the Nasdaq Global Select Market was \$30.79 per share.

The price of our common stock has been, and in the future may be, volatile and could decline. The trading price of our common stock has fluctuated in the past and is expected to continue to do so in the future, as a result of a number of factors, many of which are outside our control. In addition, the stock market has experienced extreme price and volume fluctuations that have affected the market prices of many companies, and that have often been unrelated or disproportionate to the operating performance of these companies.

9. SOURCE AND AMOUNT OF CONSIDERATION; TERMS OF AMENDED OPTIONS OR NEW OPTIONS.

Consideration

If we accept the tender of your Eligible Options for amendment, the exercise price per share will be increased to the Adjusted Exercise Price determined for each such option. Except for such Adjusted Exercise Price, all the terms and provisions in effect for the Eligible Option at the time of tender will continue in effect after the amendment. Accordingly, each Amended Option will continue to vest in accordance with the same vesting schedule measured from the same vesting commencement date currently in effect for each such option, and the exercise period and expiration date for each option will also remain unchanged.

However, if the closing selling price per share of VeriSign common stock on the date on which the Eligible Option is amended is lower than the Fair Market Value per share of VeriSign common stock on the actual grant date of the Eligible Option and is the same or lower than the exercise price per share currently in effect for the Eligible Option, then that Eligible Option will, on the Amendment Date, be canceled and immediately replaced with a New Option under VeriSign's 2006 Equity Incentive Plan that is exactly the same as the canceled option, including the same exercise price per share and with no loss of vesting or change to the expiration date of the option term, but the option will have a new grant date.

If you are not in the employ of VeriSign or any affiliated entity on the Amendment Date, then none of your tendered Eligible Options will be accepted for amendment or replacement. The tendered options will be returned to you and will remain exercisable in accordance with the terms in effect for them at the time of tender, including the current exercise price per share. You will receive a separate communication from VeriSign regarding your tax situation and any financial assistance or other financial arrangement VeriSign may provide with respect to the 409A tax penalties you may subsequently incur in connection with the exercise of those options.

Should you accept this Offer, then with respect to each of your Eligible Options that is amended to increase the exercise price per share to the Adjusted Exercise Price determined for that option, you will be eligible to receive the special Cash Bonus. The Cash Bonus will be paid from VeriSign's general assets on its first regularly scheduled payroll date after January 1, 2008, which is scheduled to be January 4, 2008, and you will be a general creditor of VeriSign with respect to the Cash Bonus. The Cash Bonus will also be subject to all applicable federal, state and local income and employment withholding taxes. No Cash Bonuses will be paid with respect to New Options granted in replacement of tendered Eligible Options, because the exercise price will be the same as in effect for the canceled option it replaces.

If all Eligible Options tendered pursuant to this Offer are amended, then the resulting Amended Options and New Options will cover approximately 2.5 million shares of our common stock in the aggregate, which represents approximately 2.5% of the total number of shares of our common stock outstanding as of June 30, 2007. The Cash Bonuses payable pursuant to this Offer will be in the total maximum dollar amount of approximately \$7 million, assuming the exercise price of each tendered Eligible Option is increased to the Fair Market Value per share on the actual grant date of that option.

Terms of Amended Options or New Options

The amendment or replacement of the tendered Eligible Options pursuant to this Offer will not create any contractual or other right of the tendering Eligible Optionees to receive any future grants of stock options, restricted stock units or other stock-based compensation. This Offer does not change the "at-will" nature of an Eligible Optionee's employment with us, and an Eligible Optionee's employment may be terminated by us or by the

optionee at any time, for any reason, with or without cause. The employment of Eligible Optionees outside the United States may be terminated subject to the requirements of local law and the terms of any employment agreement.

The Eligible Options have all been granted pursuant to the Plans. Each Amended Option will continue to remain outstanding under the Plan under which it was originally granted, and each Eligible Option canceled under the 1998 Equity Incentive Plan or 2001 Stock Incentive Plan will be re-granted as New Options under VeriSign's 2006 Equity Incentive Plan.

Information about the Plans, which are filed as exhibits to the Schedule TO, are available at www.sec.gov and are incorporated herein by reference, and in the S-8 Registration Statements and the related Prospectuses prepared in connection with each Plan. Please call the PricewaterhouseCoopers LLP hotline at (408) 817-1207 if calling in California or (800) 434-2234 if calling outside of California or email to 409A-admin@verisign.com to request copies of the Plans and the related Prospectuses. Copies will be provided promptly and at our expense. You should carefully read the current terms of your Eligible Options, as well as the applicable Plans.

Taxation of Non-Statutory Stock Options

An optionee will not recognize taxable income for U.S. federal income tax purposes upon the grant of a non-statutory option. In general, an optionee will recognize ordinary income, in the year in which the option is exercised, equal to the excess of the Fair Market Value of the purchased shares on the exercise date over the exercise price paid for the shares, and the optionee will be required to satisfy the tax withholding requirements applicable to such income.

We will be entitled to an income tax deduction equal to the amount of ordinary income recognized by the optionee with respect to the exercised non-statutory option. The deduction will in general be allowed for our taxable year in which ends the calendar year in which such ordinary income is recognized by the optionee.

If you are subject to the tax laws in more than one jurisdiction, you should be aware that consequences of more than one country may apply to you as a result of your receipt, vesting or exercise of a VeriSign option grant. You should be certain to consult your personal tax advisor to discuss these consequences. We will distribute short summaries of some of those consequences with respect to some of the countries where Eligible Optionees are located. If you are subject to the tax laws of jurisdictions outside of the United States, you should also review the summary applicable to such foreign jurisdiction.

Accounting Treatment

In accordance with the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 123R (revised 2004) ("**FAS 123R**"), effective with our January 1, 2007 fiscal year, the stock options that we grant to our employees under the Plans must be valued, under an appropriate valuation formula, at their fair value as of the grant date, and that fair value must then be charged as a direct compensation expense against our reported earnings over the designated vesting period of the award. Similar option expensing will be required for any unvested options that were outstanding on the July 1, 2006 effective date of FAS 123R, with the grant date fair value of those unvested options to be expensed against our earnings over the remaining vesting period.

Please see Section 13 below for a discussion of the accounting treatment of this Offer.

10. AMENDED OPTIONS AND NEW OPTIONS WILL NOT DIFFER FROM ELIGIBLE OPTIONS.

Except for the Adjusted Exercise Price, all the terms and provisions in effect for the Eligible Option at the time of tender will continue in effect if that option is amended pursuant to this Offer. Accordingly, each Amended Option will continue to vest in accordance with the vesting schedule currently in effect for that option at the time of the amendment, and the exercise period and option term for that Amended Option will also remain unchanged.

Each New Option will be exactly the same as the canceled Eligible Option it replaces, including the current exercise price for the canceled option and no loss of vesting or change to the expiration date of the option term, but it will have a new grant date.

11. INFORMATION CONCERNING VERISIGN.

We operate intelligent infrastructure services that enable and protect billions of interactions every day across the world's voice and data networks. We offer a variety of Internet and communications-related services which are marketed through Web site sales, direct field sales, channel sales, telesales, and member organizations in our global affiliate network.

In 2006, we were organized into two service-based lines of business: the Internet Services Group and the Communications Services Group. The Internet Services Group consisted of the Security Services business and the Information Services business. The Security Services business provides products and services that protect online and network interactions, enabling companies to manage reputational, operational and compliance risks. The Information Services business is the authoritative directory provider of all *.com*, *.net*, *.cc* and *.tv* domain names, and also provided other value added services, including intelligent supply chain services, real-time publisher services and digital brand management services. The Communications Services Group provides communications services, such as connectivity and interoperability services and intelligent database services; commerce services, such as billing and operational support system services, mobile commerce, self care and analytics services; and content services, such as digital content and messaging services.

In January 2007, we announced a new functional business structure that reorganizes the Internet Services Group and the Communications Services Group to deliver an integrated portfolio of products and services through a unified sales and services team across multiple industries. Our two main functional units are Sales and Consulting Services and Products and Marketing. The Sales and Consulting Services group combined our multiple sales and consulting functions into one organization, focusing on global accounts, strategic partnerships and worldwide channel relationships. This group is aligned by vertical industry to focus on specialized customer needs and solutions delivery, and includes our in-market consulting services, business development and global channels teams. The Products and Marketing group is responsible for the development, marketing, delivery and support of all our products and solutions to businesses of all sizes. This group includes all facets of product management, product development, marketing and customer support, as well as a new innovation team chartered with looking at longer term product line synergies and emerging market trends.

We were incorporated in Delaware on April 12, 1995. Our principal executive offices are located at 487 E. Middlefield, Mountain View, California 94043, and our telephone number at that address is (650) 961-7500. Our website can be found at www.verisign.com.

Information about us and our business should be read in conjunction with our Annual Report on Form 10-K for the fiscal year ended December 31, 2006 filed with the SEC on July 12, 2007 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2007 filed with the SEC on July 16, 2007.

Financial Information

The following selected financial data for VeriSign is derived from our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2006 that have been audited by KPMG LLP, our independent registered public accounting firm, and our Quarterly Report on Form 10-Q for the period ended March 31, 2007. The selected financial data should be read in conjunction with the consolidated financial statements and notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2006 filed with the SEC on July 12, 2007. All amounts are in thousands, except per share data.

	Year Ended December 31,		Three Months Ended	
	2006	2005	March 31,	2007
	As Restated (1)		(unaudited)	
(in thousands, except share data)				
Consolidated Balance Sheet Data:				
Cash and cash equivalents	\$ 501,184	\$ 476,826	\$ 533,024	
Goodwill	1,449,493	1,068,963	1,262,351	
Total assets	3,974,253	3,180,721	3,625,422	
Total liabilities	1,549,677	1,115,794	1,077,255	
Accumulated deficit	(20,929,497)	(21,308,512)	(20,829,745)	
Total stockholders' equity	2,376,860	2,023,442	2,499,017	

	Year Ended December 31,		Three Months Ended	
	2006	2005	2007	2006
	As Restated (1)		As Restated (1)	
(in thousands, except share data)				
(unaudited)				
Consolidated Statement of Income Data:				
Revenues	1,575,249	1,612,574	373,049	370,109
Net income	379,015	428,978	61,753	16,486
Basic net income per share from:				
Continuing operations	\$ 1.55	\$ 0.63	\$ 0.24	\$ 0.06
Discontinued operations	—	1.04	0.01	0.01
Net income	\$ 1.55	\$ 1.67	0.25	0.07
Diluted net income per share from:				
Continuing operations	\$ 1.53	\$ 0.62	\$ 0.24	\$ 0.06
Discontinued operations	—	1.01	0.01	0.01
Net income	\$ 1.53	\$ 1.63	0.25	0.07
Shares used in per share computation:				
Basic	244,421	257,368	243,852	245,603
Diluted	247,073	263,689	248,357	248,083

Consolidated Statement of Income Data:

Revenues	1,575,249	1,612,574	373,049	370,109
Net income	379,015	428,978	61,753	16,486
Basic net income per share from:				
Continuing operations	\$ 1.55	\$ 0.63	\$ 0.24	\$ 0.06
Discontinued operations	—	1.04	0.01	0.01
Net income	\$ 1.55	\$ 1.67	0.25	0.07
Diluted net income per share from:				
Continuing operations	\$ 1.53	\$ 0.62	\$ 0.24	\$ 0.06
Discontinued operations	—	1.01	0.01	0.01
Net income	\$ 1.53	\$ 1.63	0.25	0.07
Shares used in per share computation:				
Basic	244,421	257,368	243,852	245,603
Diluted	247,073	263,689	248,357	248,083

(1) See Note 2, "Restatement of Consolidated Financial Statements" of the Notes to Consolidated Financial Statements in VeriSign's Annual Report on Form 10-K for the fiscal year ended December 31, 2006.

See Section 18 below for instructions on how you can obtain copies of our SEC reports that contain the audited financial statements we have summarized above.

12. INTERESTS OF DIRECTORS AND OFFICERS; TRANSACTIONS AND ARRANGEMENTS CONCERNING THE OPTIONS; AND MATERIAL AGREEMENTS WITH DIRECTORS AND OFFICERS.

A list of the current members of our Board of Directors and executive officers is attached as Schedule I to this document. As of June 30, 2007 our current executive officers and directors as a group beneficially owned outstanding options under our various stock option plans to purchase a total of 2,705,677 shares of our common stock and restricted stock units under those plans covering an additional 161,495 shares of our common stock in the aggregate. That number represented approximately 8.4% of the shares of our common stock subject to all options and restricted stock units outstanding under our various stock option plans as of that date.

None of VeriSign's current and former executive officers and non-employee directors of VeriSign's Board of Directors are eligible to participate in this Offer.

Two current executive officers, two former executive officers and one current director hold certain stock options that would have been Eligible Options but for the fact that the exercise prices for those options were amended on December 31, 2006 to increase the exercise price to the Fair Market Value of VeriSign common stock on the date of grant. Treasury Department regulations required those particular options to be so amended before January 1, 2007 because they were granted to an individual who was an executive officer at the time of grant and the remedial period for those options ended on December 31, 2006. The Company has not made a determination whether compensation will be paid to any of these individuals in connection with this election. The following chart sets forth the options that were so amended:

Name	Grant Date	Number of Affected Option Shares	Prior Exercise Price	Increased Exercise Price	Total Increase in Exercise Price
D. James Bidzos	7/25/02	3,125	\$ 5.25	\$ 6.70	\$ 4,531.25
	7/25/03	6,250	\$ 12.46	\$ 12.88	\$ 2,625.00
	7/25/05	12,500	\$ 25.79	\$ 25.99	\$ 2,500.00
Robert Korzeniewski	3/15/01	1,458	\$ 34.44	\$ 42.26	\$ 11,401.56
	9/6/01	11,250	\$ 34.16	\$ 38.30	\$ 46,575.00
	4/10/02	31,250	\$ 22.71	\$ 23.74	\$ 32,187.50
Mark McLaughlin	9/26/03	28,187	\$ 12.88	\$ 14.93	\$ 57,783.35
	8/31/04	67,499	\$ 17.36	\$ 19.82	\$ 166,047.54
Dana Evan (former Executive Vice President, Finance and Administration and Chief Financial Officer)	3/15/01	1,667	\$ 34.44	\$ 42.26	\$ 13,035.94
	9/6/01	11,250	\$ 34.16	\$ 38.30	\$ 46,575.00
	2/21/02	31,250	\$ 22.71	\$ 23.74	\$ 32,187.50
Judy Lin (former Executive Vice President and General Manager, Security Services)	9/30/03	37,812	\$ 13.46	\$ 14.93	\$ 55,583.64

Schedule II attached to this document sets forth a table indicating the beneficial ownership of our common stock by our executive officers and non-employee members of our Board of Directors as of June 30, 2006.

During the 60-day period ended July 26, 2007:

- we granted options under all of our various stock plans to purchase 188,983 shares of our common stock, of which options to purchase 110,000 shares were granted to our directors and executive officers;
- individuals exercised options to acquire 4,036,771 shares of our common stock with exercise prices per share ranging from \$0.0935 to \$30.08, of which none of the shares were acquired by our directors and executive officers;
- options to purchase an aggregate of 995,083 shares of common stock under all of our various stock plans were canceled, of which none of the options were held by our directors and executive officers; and
- our directors and executive officers sold none of the shares of our common stock.

The following non-employee Board members and executive officers were parties to the foregoing transactions involving VeriSign common stock conducted during the 60-day period ended July 26, 2007:

- On June 15, 2007, Richard H. Goshorn, our Senior Vice President, General Counsel, was granted options to purchase 110,000 shares of our common stock at an exercise price of \$29.32 per share.

There are no other persons controlling VeriSign.

Except as otherwise described above and other than stock option grants, restricted stock unit awards and other stock-based awards in the ordinary course to employees who are not executive officers, there have been no transactions in any outstanding options to purchase our common stock or in our common stock that were effected during the 60-day period ended July 26, 2007 by VeriSign or by any current executive officer, director, affiliate or subsidiary of VeriSign.

13. STATUS OF OPTIONS ACCEPTED BY VERISIGN IN THIS OFFER; ACCOUNTING CONSEQUENCES OF THIS OFFER.

The terms and provisions of each Amended Option will not differ from the terms and provisions in effect for that option at the time of tender, except that the Amended Option will have an exercise price equal to the Adjusted Exercise Price determined for that option. Accordingly, each Amended Option will continue to remain an outstanding option under the particular Plan under which it was originally granted. Each New Option will be exactly the same as the canceled Eligible Option it replaces, including the current exercise price for the canceled option and no loss of vesting or change to the expiration date of the option term, but will have a new grant date.

Pursuant to the accounting standards in effect under FAS 123R, we will not recognize a compensation expense for financial reporting purposes with respect to the amendment of the Eligible Options to increase the exercise price per share to the applicable Adjusted Exercise Prices. We will recognize a compensation expense for financial reporting purposes in the amount of the Cash Bonuses that become payable pursuant to the terms of this Offer. That expense will be accrued for the fiscal quarter in which we accept the tendered Eligible Options for amendment. We will not recognize any additional compensation expense for financial reporting purposes with respect to the cancellation of tendered Eligible Options and the grant of New Options in replacement.

14. LEGAL MATTERS; REGULATORY APPROVALS.

Except as noted in the paragraph below, we are not aware of any license or regulatory permit that appears to be material to our business that might be adversely affected by our increasing the exercise prices of the Eligible Options to the applicable Adjusted Exercise Prices, paying the applicable Cash Bonuses or canceling tendered options and granting New Options in replacement, or of any approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, that would be required for such amendment to those options, the payment of the Cash Bonuses or the cancellation of tendered options and grant of New Options as contemplated herein. Should any such approval or other action be required, we presently

contemplate that we will seek such approval or take such other action. We are unable to predict whether we may determine that we are required to delay the acceptance of the tendered Eligible Options for amendment or replacement or the payment of the applicable Cash Bonuses pending the outcome of any such matter. We cannot assure you that any such approval or other action, if needed, would be obtained or would be obtained without substantial conditions or that the failure to obtain any such approval or other action might not result in adverse consequences to our business. Our obligation to amend or replace Eligible Options is subject to certain conditions, including the conditions described in Section 7 above.

15. MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES.

The following is a general summary of the material U.S. federal income tax consequences applicable to the amendment of the Eligible Options and the payment of the Cash Bonuses or the cancellation of tendered options and the grant of New Options in replacement. Foreign, state and local tax consequences are not addressed.

Acceptance of Offer

If you tender your Eligible Options, you will not recognize any taxable income for U.S. federal income tax purposes at the time of your tender.

Amendment of Option

The amendment of your Eligible Option to increase the exercise price per share to the Adjusted Exercise Price determined for that option is not a taxable event for U.S. federal income tax purposes.

Cancellation and Grant of New Options

The cancellation of a tendered Eligible Option and the grant of a New Option in replacement will not be a taxable event for U.S. federal income tax purposes.

Exercise of Amended Option or New Option

Your Amended Option or New Option will be taxable as a non-statutory stock option for U.S. federal income tax purposes. Accordingly, upon each exercise of such option, you will recognize immediate taxable income equal to the excess of (i) the Fair Market Value of the purchased shares at the time of exercise over (ii) the exercise price paid for those shares, and VeriSign must collect the applicable withholding taxes with respect to such income.

Sale of Acquired Shares

The subsequent sale of the shares acquired upon the exercise of your Amended Option or New Option will give rise to a capital gain to the extent the amount realized upon that sale exceeds the sum of the (i) exercise price paid for the shares plus (ii) the taxable income recognized in connection with the exercise of such option for those shares. A capital loss will result to the extent the amount realized upon such sale is less than such sum. The gain or loss will be long-term if the shares are not sold until more than one (1) year after the date the Amended Option or New Option is exercised for those shares.

Cash Bonus

You will be immediately taxed upon receipt of the Cash Bonus. The payment will constitute wages for tax withholding purposes. Accordingly, VeriSign must withhold all applicable federal, state and local income and employment withholding taxes, and you will receive only the portion of the payment remaining after those taxes have been withheld.

Foreign Taxation

If you are subject to the tax laws of jurisdictions in addition to the United States, you should be aware that tax consequences of more than one country may apply to you as a result of your receipt, vesting or exercise of a VeriSign option grant and/or your participation in this Offer. You should consult your personal tax advisor to discuss these consequences. We will distribute short summaries of some of those consequences with respect to some of the countries where Eligible Optionees are located. If you are subject to the tax laws of jurisdictions outside of the United States, you should review the summary applicable to such foreign jurisdiction.

WE RECOMMEND THAT YOU CONSULT YOUR OWN TAX ADVISOR WITH RESPECT TO THE FOREIGN AND U.S. FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF PARTICIPATING IN THIS OFFER.

16. EXTENSION OF THIS OFFER; TERMINATION; AMENDMENT.

We expressly reserve the right, in our discretion, at any time and from time to time, and regardless of whether or not any event set forth in Section 7 above has occurred or is deemed by us to have occurred, to extend the period of time during which this Offer is open and thereby delay the acceptance of any Eligible Options for amendment or replacement by giving notice of such extension to the tendering Eligible Optionees and making a public announcement thereof.

We also expressly reserve the right, in our judgment, at any time before the Expiration Date, to terminate or amend this Offer and to postpone our acceptance of any tendered Eligible Options for amendment or replacement upon the occurrence of any of the conditions specified in Section 7 above, by giving written or electronic notice of such termination or postponement to the tendering Eligible Optionees and making a public announcement thereof. Our reservation of the right to delay our acceptance of the tendered Eligible Options for amendment or replacement is limited by Rule 13e-4(f)(5) promulgated under the 1934 Act, which requires that we must pay the consideration offered or return the tendered Eligible Options promptly after termination or withdrawal of this Offer.

Amendments to this Offer may be made at any time and from time to time by public announcement of the amendment. In the case of an extension, the amendment will be issued no later than 9:00 a.m. Pacific Time on the next business day after the last previously scheduled or announced Expiration Date. Any public announcement made pursuant to this Offer will be disseminated promptly to Eligible Optionees in a manner reasonably designated to inform option holders of such change.

If we materially change the terms of this Offer or the information concerning this Offer, or if we waive a material condition of this Offer, we will extend this Offer to the extent required by Rules 13e-4(d)(2) and 13e-4(e)(3) under the 1934 Act. Those rules require that the minimum period during which an Offer must remain open following material changes in the terms of this Offer or information concerning this Offer, other than a change in price or a change in percentage of securities sought, will depend on the facts and circumstances, including the relative materiality of such terms or information.

If we decide to take any of the following actions, we will give notice of such action and keep this Offer open for at least ten business days after the date of such notification:

- (i) we increase or decrease the amount of consideration offered for the Eligible Options, or
- (ii) we decrease the number of Eligible Options eligible to be tendered in this Offer.

17. FEES AND EXPENSES.

We will not pay any fees or commissions to any broker, dealer or other person for soliciting submissions of Eligible Options for amendment or replacement pursuant to this Offer.

18. ADDITIONAL INFORMATION.

We have filed with the SEC a Tender Offer Statement on Schedule TO, of which this document is a part, with respect to this Offer. This document does not contain all of the information contained in the Schedule TO and the exhibits to the Schedule TO. We recommend that you review the Schedule TO, including its exhibits, and the

following materials that we have filed with the SEC before making a decision on whether to tender your Eligible Options for amendment or replacement:

- (i) our Annual Report on Form 10-K for our fiscal year ended December 31, 2006, filed with the SEC on July 12, 2007;
- (ii) our Quarterly Report on Form 10-Q for our fiscal quarter ended March 31, 2007 filed with the SEC on July 16, 2007;
- (iii) our Registration Statement on Form S-8, filed with the SEC on January 30, 1998;
- (iv) our Registration Statement on Form S-8, filed with the SEC on February 24, 1998;
- (v) our Registration Statement on Form S-8, filed with the SEC on September 21, 2001;
- (vi) all other reports filed pursuant to Section 13(a) or 15(d) of the 1934 Act since the end of the fiscal year covered by its Annual Report referred to in (a) above; and
- (vii) the description of our common stock included in our Registration Statement on Form 8-A filed with the Commission on September 30, 2002, together with Amendment No. 1 on Form 8-A/A filed with the Commission on March 19, 2003, and including any other amendments or reports filed for the purpose of updating such description.

The SEC file number for these above-mentioned filings is 000-23593. These filings, our other annual, quarterly and current reports, our proxy statements and our other SEC filings are available to the public on the SEC's website at www.sec.gov. These filings may also be examined, and copies may be obtained, at the following SEC public reference room:

100 F Street, N.E.
Washington, D.C. 20549

You may obtain information on the operation of the public reference rooms by calling the SEC at 1-800-SEC-0330.

We will also provide without charge to each person to whom a copy of this document is delivered, upon the written or oral request of any such person, a copy of any or all of the documents to which we have referred you, other than exhibits to such documents (unless such exhibits are specifically incorporated by reference into such documents). Requests should be directed to:

VeriSign, Inc.
487 E. Middlefield Road
Mountain View, California 94043
Attn: Jeffrey K. Bergmann

or by calling the PricewaterhouseCoopers LLP hotline at (408) 817-1207 if calling in California or (800) 434-2234 if calling outside of California or email to 409A-admin@verisign.com.

As you read the foregoing documents, you may find some inconsistencies in information from one document to another. If you find inconsistencies between the documents, or between a document and this document, you should rely on the statements made in the most recent document.

The information relating to VeriSign in this document should be read together with the information contained in the documents to which we have referred you.

19. FORWARD-LOOKING STATEMENTS; MISCELLANEOUS.

This document and our SEC reports referred to above contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the 1934 Act. All statements other than statements of historical fact may be forward-looking statements. You can identify these and other forward-looking statements by the use of words such as “*may*,” “*will*,” “*could*,” “*would*,” “*should*,” “*expects*,” “*plans*,” “*anticipates*,” “*relies*,” “*believes*,” “*estimates*,” “*predicts*,” “*intends*,” “*potential*,” “*continue*,” or the negative of such terms, or other comparable terminology. These statements involve risks and uncertainties that could cause VeriSign’s actual results to differ materially from those stated or implied by such forward-looking statements. The potential risks and uncertainties include, among others, the risk that proper accounting of the adjustments to VeriSign’s financial statements as finally determined by the Board, KPMG LLP and/or the SEC may differ from the accounting treatment upon which the assumptions and forward looking statements in this announcement are based; uncertainty regarding the tax treatment of any adjustments to VeriSign’s financial statements; uncertainty that the Nasdaq Listing Qualifications Panel will grant a favorable decision regarding a possible delisting of VeriSign common stock and, if an unfavorable decision is rendered, VeriSign common stock will no longer continue to remain listed on the Nasdaq Global Market; and the fact that expenses arising from the independent review and SEC inquiry, the restatement, related litigation and other associated activities are expected to be significant.

Our actual results may differ significantly from those projected in the forward-looking statements in this document. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in Item 1A, “*Risk Factors*” as well as in Item 1, “*Business*” and Item 7, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” in the Annual Report on Form 10-K for the fiscal year ended December 31, 2006 filed with the SEC on July 12, 2007. You should carefully review these risks and also review the risks described in other documents we file from time to time with the SEC, including the Quarterly Reports on Form 10-Q that we will file in fiscal year 2007, recent Current Reports on Form 8-K and 8-K/A, and other SEC filings. You are cautioned not to place undue reliance on these forward-looking statements, and we expressly assume no obligations to update the forward-looking statements in this document that occur after the date hereof.

We are not aware of any jurisdiction where the making of this Offer is not in compliance with applicable law. If we become aware of any jurisdiction where the making of this Offer is not in compliance with any valid applicable law, we intend to make a good faith effort to comply with such law. If, after such good faith effort, we cannot comply with such law or we determine that further efforts to comply are not advisable, this Offer will not be made to, nor will tenders be accepted from or on behalf of, the holders of Eligible Options residing in such jurisdiction.

WE HAVE NOT AUTHORIZED ANYONE TO GIVE YOU ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THIS OFFER OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DOCUMENT, THE RELATED TENDER OFFER STATEMENT ON SCHEDULE TO OR IN THE RELATED ELECTION FORM AND ACCOMPANYING STOCK OPTION AMENDMENT AND BONUS AGREEMENT. IF ANYONE MAKES ANY REPRESENTATION TO YOU OR GIVES YOU ANY INFORMATION DIFFERENT FROM THE REPRESENTATIONS AND INFORMATION CONTAINED IN THIS DOCUMENT, THE RELATED TENDER OFFER STATEMENT ON SCHEDULE TO OR IN THE RELATED ELECTION FORM AND ACCOMPANYING STOCK OPTION AMENDMENT AND BONUS AGREEMENT, YOU MUST NOT RELY UPON THAT REPRESENTATION OR INFORMATION AS HAVING BEEN AUTHORIZED BY US.

WE HAVE NOT AUTHORIZED ANY PERSON TO MAKE ANY RECOMMENDATION ON OUR BEHALF AS TO WHETHER YOU SHOULD TENDER OR REFRAIN FROM TENDERING YOUR ELIGIBLE OPTIONS PURSUANT TO THIS OFFER. YOU SHOULD RELY ONLY ON THE REPRESENTATIONS AND INFORMATION CONTAINED IN THIS DOCUMENT, THE RELATED TENDER OFFER STATEMENT ON SCHEDULE TO OR IN THE RELATED ELECTION FORM AND ACCOMPANYING STOCK OPTION AMENDMENT AND BONUS AGREEMENT OR TO WHICH WE HAVE REFERRED YOU.

VeriSign, Inc.

July 27, 2007 and as amended as of August 10, 2007

SCHEDULE I

INFORMATION CONCERNING THE DIRECTORS AND EXECUTIVE OFFICERS OF VERISIGN, INC.

The members of the VeriSign Board of Directors and the VeriSign executive officers and their respective positions and offices as of July 27, 2007, are set forth in the following table:

NAME	POSITION AND OFFICES HELD
William A. Roper, Jr.	President, Chief Executive Officer and Director
Aristotle N. Balogh	Chief Technology Officer, Head of Global Product Development
Albert E. Clement	Senior Vice President, Finance and Chief Financial Officer
John M. Donovan	Executive Vice President, Global Sales and Consulting Services
Richard H. Goshorn	Senior Vice President, Secretary and General Counsel
Robert J. Korzeniewski	Executive Vice President, Corporate Development
Mark D. McLaughlin	Executive Vice President, Products, Marketing and Customer Care
D. James Bidzos	Vice Chairman of the Board
William L. Chenevich	Director
Michelle Guthrie	Director
Scott G. Kriens	Director
Roger H. Moore	Director
Edward A. Mueller	Chairman of the Board
John D. Roach	Director
Louis A. Simpson	Director

The address of each board member and executive officer is c/o VeriSign, Inc., 487 E. Middlefield Road, Mountain View, California 94043.

SCHEDULE II

BENEFICIAL OWNERSHIP OF VERISIGN SECURITIES BY VERISIGN DIRECTORS AND EXECUTIVE OFFICERS

The following table shows the holdings of VeriSign common stock as of June 30, 2007 by each director and each executive officer of VeriSign. Shares that become issuable under outstanding restricted stock units upon satisfaction of applicable vesting requirements are not included in the table but are indicated in Footnote 18 to such table:

<u>Name of Beneficial Owner (1)</u>	<u>Amount and Nature of Beneficial Ownership (2)</u>	<u>Percent of Class</u>
William A. Roper, Jr.(3)	55,807	*
Aristotle N. Balogh(4)	242,371	*
Albert E. Clement(5)	238,552	*
John M. Donovan(6)	7,243	*
Dana L. Evan(7)	855,661	*
Richard H. Goshorn(8)	—	*
Robert J. Korzeniewski(9)	628,580	*
Mark D. McLaughlin(10)	350,694	*
D. James Bidzos(11)	141,275	*
William L. Chenevich(12)	101,587	*
Michelle Guthrie(13)	23,150	*
Scott G. Kriens(14)	82,526	*
Roger H. Moore(15)	70,517	*
Edward A. Mueller(16)	46,806	*
Louis A. Simpson(17)	91,900	*
All current directors and executive officers as a group (14 persons)	2,161,028	*

* Does not exceed 1% of the outstanding shares.

- (1) Correspondence to all executive officers and directors of VeriSign may be mailed to VeriSign, Inc., 487 E. Middlefield Road, Mountain View, California 94043.
- (2) The percentages are calculated using 243,838,287 outstanding shares of the Company's common stock on June 30, 2007 as adjusted pursuant to Rule 13d-3(d)(1)(i). Pursuant to Rule 13d-3(d)(1) of the Securities Exchange Act of 1934, as amended, beneficial ownership information also includes shares subject to options exercisable within 60 days of June 30, 2007.
- (3) Includes 10,000 shares held indirectly by the FMT CO Cust IRA Rollover FBO William A. Roper, Jr., of which Mr. Roper has sole beneficial ownership. Also includes 45,807 shares subject to options held directly by Mr. Roper. Mr. Roper is our President and Chief Executive Officer and a member of the Board of Directors. Mr. Roper served as Lead Independent Director from May 2005 until his appointment as CEO and President in May 2007.
- (4) Includes 232,354 shares subject to options held directly by Mr. Balogh. Mr. Balogh is Executive Vice President and Chief Technology Officer.
- (5) Includes 233,113 shares subject to options held directly by Mr. Clement. On July 5, 2007, our Board of Directors appointed Mr. Clement Chief Accounting Officer of the Company.
- (6) Includes 7,243 shares subject to options held directly by Mr. Donovan. Mr. Donovan is Executive Vice President, Worldwide Sales and Services.
- (7) Includes 15,742 shares held indirectly by TDC&R Investments LP under which Dana L. Evan and her spouse are 1% general partners and Ms. Evan's children are limited partners with an ownership interest of 99%. Also includes 57,587

shares held indirectly by the Evan 1991 Living Trust under which Ms. Evan and her spouse are co-trustees. Also includes 775,750 shares subject to options held directly by Ms. Evan. Ms. Evan is our former Executive Vice President, Finance and Administration and Chief Financial Officer and resigned from the Company on July 10, 2007.

- (8) Richard H. Goshorn joined VeriSign on June 4, 2007 as its Senior Vice President, General Counsel and Secretary.
- (9) Includes 550,500 shares subject to options held directly by Mr. Korzeniewski. Mr. Korzeniewski is Executive Vice President, Corporate Development.
- (10) Includes 350,000 shares subject to options held directly by Mr. McLaughlin. Mr. McLaughlin is Executive Vice President, Products and Marketing.
- (11) Includes 87,525 shares subject to options held directly by Mr. Bidzos.
- (12) Includes 96,900 shares subject to options held directly by Mr. Chenevich.
- (13) Includes 23,150 shares subject to options held directly by Ms. Guthrie.
- (14) Includes 80,000 shares held indirectly by the Kriens 1996 Trust U/T/A October 29, 1996, over which Mr. Kriens and his spouse exercise investment and voting control. Also includes 82,526 shares subject to options held directly by Mr. Kriens.
- (15) Includes 70,026 shares subject to options held directly by Mr. Moore.
- (16) Includes 1,000 shares held indirectly by the Fidelity Management Trust Company FBO Edward A. Mueller IRA, of which Mr. Mueller has sole beneficial ownership. Also includes 45,806 shares subject to options held directly by Mr. Mueller. Mr. Mueller is Chairman of the Board of Directors.
- (17) Includes 41,900 shares subject to options held directly by Mr. Simpson.
- (18) The following table sets forth the shares that become issuable under outstanding restricted stock units upon satisfaction of applicable vesting requirements:

<u>Name</u>	<u>Number of Shares Subject to Restricted Stock Units(A)</u>
William A. Roper, Jr.	1,525
Aristotle N. Balogh(B)	5,726
Dana L. Evan	5,421
Robert J. Korzeniewski	4,586
Mark D. McLaughlin(B)	6,226
D. James Bidzos	1,525
William L. Chenevich	1,525
Michelle Guthrie	1,525
Scott G. Kriens	1,525
Roger H. Moore	1,525
Edward A. Mueller	1,525
Louis A. Simpson	1,525

- (A) Includes shares subject to restricted stock units that shall vest within 60 days of June 30, 2007.
- (B) Includes 1,050 unissued shares subject to restricted stock units.

August 10, 2007

VIA EDGAR AND OVERNIGHT COURIER

Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-3628

Attention: Celeste M. Murphy, Special Counsel
Office of Mergers & Acquisitions
Division of Corporate Finance

Re: Verisign, Inc.
Schedule TO-I filed July 27, 2007
File No. 005-54923

Dear Ms. Murphy:

On behalf of VeriSign, Inc. (the "**Company**"), we are transmitting herewith Amendment No. 1 (the "**Amendment**") to the Schedule TO-I (File No. 005-54923) (the "**Schedule TO-I**") originally filed by the Company with the Securities and Exchange Commission (the "**Commission**") on July 27, 2007. In this letter, we respond to comments of the staff of the Commission (the "**Staff**") contained in your letter dated August 1, 2007. The numbered paragraphs below correspond to the numbered comments in that letter; the Staff's comments are presented in bold italics. We have also enclosed with the copy of this letter that is being transmitted via overnight courier a copy of the Amendment, Exhibit 99.(a)(1)(A) in paper format and Exhibit 99.(a)(1)(A) marked to show changes from Exhibit 99.(a)(1)(A) as initially filed.

General

1. ***We note that your offer to amend or replace outstanding eligible options contains a cash bonus component, which may, under certain circumstances, be paid in January 2008. It appears that you rely upon the global relief granted by the staff of the Division of Corporation Finance pursuant to the Exemptive Order for Issuer Exchange Offers that are Conducted for Compensatory Purposes issued on March 21, 2001 and the Chordiant Software, Inc. (available March 26, 2007) no-action letter. Included in your definition of "Eligible Optionee," however, are affiliated companies (such as a subsidiary or joint venture entity). Please tell us why such an entity is permitted to participate in your offer, which appears to rely on the global exemptive relief described above when such relief is limited to exchange offers for current employees.***

In response to the Staff's comment, the Company has amended its Offer to Amend or Replace Eligible Options that was initially filed as Exhibit 99.(a)(1) (A) with the Schedule TO-I to include only current employees of the Company in the definition of "Eligible Optionee" in the Company's Offer to Amend or Replace Eligible Options.

Summary Term Sheet, page 1

2. ***Please revise your characterization of the information in the summary as "not complete." The summary term sheet must describe the most material terms of the proposed transaction. The summary term sheet must provide security holders with sufficient information to understand the essential features and significance of the proposed transaction. Please see Item 1 of Schedule TO and Item 1000 of Regulation M-A. Such summary may not be characterized as incomplete.***

In response to the Staff's comment, the Company has revised the disclosure in the Summary Term Sheet on page 1.

As requested, please be advised that the Company acknowledges the following:

- The Company is responsible for the adequacy and accuracy of the disclosure in the filing;
- Staff comments or changes to disclosure in response to Staff comments do not foreclose the Commission from taking any action with respect to the filing; and
- The Company may not assert Staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

Should the Staff have additional questions or comments regarding the foregoing, please do not hesitate to contact the undersigned at (650) 335-7631.

Very truly yours,

/s/ Jeffrey R. Vetter
Jeffrey R. Vetter

cc: Richard H. Goshorn, Senior Vice President, General Counsel, VeriSign, Inc.
Paul B. Hudson, Vice President, Associate General Counsel, VeriSign, Inc.