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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 26, 2012

VERISIGN, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

000-23593
(Commission
File Number)

94-3221585
(IRS Employer
Identification No.)

12061 Bluemont Way, Reston, VA
(Address of Principal Executive Offices)

20190
(Zip Code)

(703) 948-3200
(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On July 26, 2012, VeriSign, Inc. (“VeriSign” or the “Company”) announced its financial results for the fiscal quarter ended June 30, 2012 and certain other information. A copy of this press release is attached hereto as Exhibit 99.1.

The information in this Item 2.02 of Form 8-K and the Exhibit attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Use of Non-GAAP Financial Information

VeriSign provides quarterly and annual financial statements that are prepared in accordance with generally accepted accounting principles (GAAP). Along with this information, we typically disclose and discuss certain non-GAAP financial information in our quarterly earnings releases, on investor conference calls and during investor conferences and related events. This non-GAAP financial information does not include the following types of financial measures that are included in GAAP: discontinued operations, stock-based compensation, amortization of other intangible assets, impairments of goodwill and other intangible assets, restructuring charges, contingent interest payments to holders of our Convertible Debentures, unrealized gain/loss on contingent interest derivative on Convertible Debentures, and non-cash interest expense. Non-GAAP financial information is also adjusted for a 30% tax rate which differs from the GAAP tax rate. All non-GAAP figures for each period presented in Exhibit 99.1 have been conformed to exclude the foregoing items under GAAP.

Management believes that this non-GAAP financial data supplements our GAAP financial data by providing investors with additional information that allows them to have a clearer picture of the Company's operations. The presentation of this additional information is not meant to be considered in isolation nor as a substitute for results prepared in accordance with GAAP. We believe that the non-GAAP information enhances the investors' overall understanding of our financial performance and the comparability of the Company's operating results from period to period. In the press release attached hereto as Exhibit 99.1, we have provided a reconciliation of the non-GAAP financial information that we provide each quarter with the comparable financial information reported in accordance with GAAP for the given period.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits*

| <u>Exhibit Number</u> | <u>Description</u> |
|-----------------------|--|
| 99.1 | Text of press release of VeriSign, Inc. issued on July 26, 2012. |

SIGNATURES

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

VERISIGN, INC.

Date: July 26, 2012

By: /s/ Richard H. Goshorn

Richard H. Goshorn

Senior Vice President, General Counsel and Secretary

Exhibit Index

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| Exhibit 99.1 | Text of press release of VeriSign, Inc. issued on July 26, 2012. |



Verisign Reports 13 Percent Year-Over-Year Revenue Growth in Second Quarter 2012

RESTON, VA - July 26, 2012 - VeriSign, Inc. (NASDAQ: VRSN), the trusted provider of Internet infrastructure services for the networked world, today reported financial results for the second quarter ended June 30, 2012.

Second Quarter GAAP Financial Results

VeriSign, Inc. and subsidiaries ("Verisign") reported revenue of \$214 million for the second quarter of 2012, up 13 percent from the same quarter in 2011. Verisign reported net income of \$68 million and diluted earnings per share (EPS) of \$0.42 for the second quarter of 2012, compared to a net loss of \$(11) million and diluted net loss per share of \$(0.06) in the same quarter in 2011. The operating margin was 50.0 percent for the second quarter of 2012 compared to 43.2 percent for the same quarter in 2011.

Second Quarter Non-GAAP Financial Results

Verisign reported, on a non-GAAP basis, net income of \$74 million and diluted EPS of \$0.45 for the second quarter of 2012, compared to net income of \$65 million and diluted EPS of \$0.38 for the same quarter in 2011. The non-GAAP operating margin was 54.0 percent for the second quarter of 2012 compared to 51.7 percent for the same quarter in 2011. A table reconciling the GAAP to the non-GAAP results (which excludes items described below) is appended to this release.

"The second quarter results demonstrate our continued strong operating performance and financial discipline," commented Jim Bidzos, executive chairman, president and chief executive officer of Verisign. "Our share repurchases in the quarter, of \$76 million, underscore our commitment to creating and delivering shareholder value."

Financial Highlights

- Verisign ended the second quarter with Cash, Cash Equivalents, Marketable Securities and Restricted Cash of \$1.44 billion, an increase of \$92 million from year end 2011.
- Cash flow from operations was \$135 million for the second quarter compared with \$13 million for the same quarter in 2011, which was reduced by a \$100 million payment of contingent interest to holders of convertible debentures in the second quarter of 2011.
- Deferred revenues ended the second quarter of 2012 totaling \$804 million, an increase of \$75 million from year end 2011.
- Capital expenditures were \$13 million in the second quarter of 2012.
- During the second quarter, Verisign repurchased approximately 1.9 million shares of its common stock for a cost of \$76 million. At June 30, 2012, approximately \$687 million remained available and authorized under the current share repurchase program.
- For purposes of calculating diluted EPS, the second quarter diluted share count included 5.6 million shares related to the convertible debentures, compared with 1.2 million shares in the same quarter in 2011 for the non-GAAP diluted EPS calculation. These represent dilutive shares and not shares that have been issued.

Business Highlights

- On June 23, 2012, the board of directors of Internet Corporation of Assigned Names and Numbers ("ICANN") approved the renewal of Verisign's agreement to serve as the authoritative registry operator for the .com registry for the term commencing on Dec. 1, 2012, through Nov. 30, 2018. The board of directors of Verisign approved the renewal of the .com registry agreement on June 16, 2012. The U.S. Department of Commerce (the Department) is now reviewing the renewal of the .com registry agreement under the terms of the Cooperative Agreement between the Department and Verisign.
- Verisign Registry Services added 1.81 million net new names and ended the second quarter with approximately 118.5 million active domain names in the zone for .com and .net, representing a 7.8 percent increase year-over-year.
- In the second quarter, Verisign processed a second quarter record 8.4 million new domain name registrations, representing an increase of 4.2 percent year-over-year.

Non-GAAP Items

Non-GAAP financial results exclude the following items that are included under GAAP: discontinued operations, stock-based compensation, amortization of other intangible assets, impairments of goodwill and other intangible assets, restructuring charges, contingent interest payments to holders of our Convertible Debentures, unrealized gain/loss on contingent interest derivative on Convertible Debentures, and non-cash interest expense. Non-GAAP financial information is also adjusted for a 30 percent tax rate which differs from the GAAP tax rate. A table reconciling the GAAP to non-GAAP operating income and net income attributable to Verisign stockholders is appended to this release. All non-GAAP figures for each period presented herein have been conformed to exclude the foregoing items under GAAP.

Today's Conference Call

Verisign will host a live conference call today at 4:30 p.m. (EDT) to review the second quarter 2012 results. The call will be accessible by direct dial at (888) 676-VRSN (U.S.) or (913) 312-0402 (international). A listen-only live webcast and accompanying slide presentation of the second quarter 2012 earnings conference call will also be available at <http://investor.verisign.com>. A replay of this call will be available at (888) 203-1112 or (719) 457-0820 (pass code: 6410522) beginning at 8:00 p.m. (EDT) on July 26, 2012, and will run through Aug. 2, 2012, at 7:00 p.m. (EDT). An audio archive of the call will be available at <https://investor.verisign.com/events.cfm>. This press release and the financial information discussed on today's conference call are available at <http://investor.verisign.com>.

About Verisign

VeriSign, Inc. (NASDAQ: VRSN) is the trusted provider of Internet infrastructure services for the networked world. Billions of times each day, Verisign helps companies and consumers all over the world connect between the dots. Additional news and information about the company is available at www.VerisignInc.com.

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Statements in this announcement other than historical data and information constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 as amended and Section 21E of the Securities Exchange Act of 1934 as amended. These 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 uncertainty of future revenue and profitability and potential fluctuations in quarterly operating results due to such factors as increasing competition, pricing pressure from competing services offered at prices below our prices and changes in marketing practices including those of third-party registrars; challenging global economic conditions; challenges to ongoing privatization of Internet administration; the outcome of legal or other challenges resulting from our activities or the activities of registrars or registrants, or litigation generally; new or existing governmental laws and regulations; changes in customer behavior, Internet platforms and web-browsing patterns; the uncertainty of whether Verisign will successfully develop and market new services; the uncertainty of whether our new services will achieve market acceptance or result in any revenues; system interruptions; security breaches; attacks on the Internet by hackers, viruses, or intentional acts of vandalism; the uncertainty of the expense and duration of transition services and requests for indemnification relating to completed divestitures; the uncertainty of whether Project Apollo will achieve its stated objectives; the impact of the introduction of new gTLDs and whether our gTLD applications or the applicants' gTLD applications for which we have contracted to provide back-end registry services will be successful; and the uncertainty of whether the .com Registry Agreement renewal will occur on or before November 30, 2012, if at all. More information about potential factors that could affect the Company's business and financial results is included in Verisign's filings with the Securities and Exchange Commission, including in the Company's Annual Report on Form 10-K for the year ended December 31, 2011, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Verisign undertakes no obligation to update any of the forward-looking statements after the date of this announcement.

Contacts

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Media Relations: Deana Alvy, dalvy@verisign.com, 703-948-4179

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VERISIGN, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except par value)
(Unaudited)

| | June 30, 2012 | December 31, 2011 |
|--|------------------|----------------------|
| <u>ASSETS</u> | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 315,621 | \$ 1,313,349 |
| Marketable securities | 1,122,397 | 32,860 |
| Accounts receivable, net | 12,653 | 14,974 |
| Deferred tax assets and other current assets | 79,940 | 86,598 |
| Total current assets | 1,530,611 | 1,447,781 |
| Property and equipment, net | 329,328 | 327,136 |
| Goodwill and other intangible assets, net | 53,202 | 53,848 |
| Other assets | 28,883 | 27,414 |
| Total long-term assets | 411,413 | 408,398 |
| Total assets | \$ 1,942,024 | \$ 1,856,179 |
| <u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u> | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 112,508 | \$ 156,385 |
| Deferred revenues | 560,127 | 502,538 |
| Total current liabilities | 672,635 | 658,923 |
| Long-term deferred revenues | 243,622 | 226,033 |
| Convertible debentures, including contingent interest derivative | 597,935 | 590,086 |
| Long-term debt | 100,000 | 100,000 |
| Long-term deferred tax liabilities | 341,733 | 325,527 |
| Other long-term liabilities | 45,294 | 43,717 |
| Total long-term liabilities | 1,328,584 | 1,285,363 |
| Total liabilities | 2,001,219 | 1,944,286 |
| Commitments and contingencies | | |
| Stockholders' deficit: | | |
| Preferred stock—par value \$.001 per share; Authorized shares: 5,000; Issued and outstanding shares: none | — | — |
| Common stock—par value \$.001 per share; Authorized shares: 1,000,000; Issued shares: 317,982 at June 30, 2012 and 316,781 at December 31, 2011; Outstanding shares: 156,667 at June 30, 2012 and 159,422 at December 31, 2011 | 318 | 317 |
| Additional paid-in capital | 20,027,665 | 20,135,237 |
| Accumulated deficit | (20,084,096) | (20,220,577) |
| Accumulated other comprehensive loss | (3,082) | (3,084) |
| Total stockholders' deficit | (59,195) | (88,107) |
| Total liabilities and stockholders' deficit | \$ 1,942,024 | \$ 1,856,179 |

VERISIGN, INC.

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|-----------------------------|-------------|---------------------------|------------|
| | 2012 | 2011 | 2012 | 2011 |
| Revenues | \$ 214,142 | \$ 189,844 | \$ 419,868 | \$ 371,367 |
| Costs and expenses: | | | | |
| Cost of revenues | 42,844 | 40,667 | 84,100 | 81,536 |
| Sales and marketing | 26,313 | 22,179 | 54,128 | 44,570 |
| Research and development | 15,461 | 13,074 | 30,226 | 26,668 |
| General and administrative | 22,726 | 28,206 | 46,234 | 61,835 |
| Restructuring charges | (182) | 3,659 | (730) | 9,189 |
| Total costs and expenses | 107,162 | 107,785 | 213,958 | 223,798 |
| Operating income | 106,980 | 82,059 | 205,910 | 147,569 |
| Interest expense | (12,580) | (111,856) | (24,920) | (123,676) |
| Non-operating (loss) income, net | (2,097) | 6,149 | (1,290) | 11,627 |
| Income (loss) from continuing operations before income taxes | 92,303 | (23,648) | 179,700 | 35,520 |
| Income tax (expense) benefit | (23,831) | 15,967 | (45,123) | (908) |
| Income (loss) from continuing operations, net of tax | 68,472 | (7,681) | 134,577 | 34,612 |
| (Loss) income from discontinued operations, net of tax | — | (2,929) | 1,904 | (4,451) |
| Net income (loss) | 68,472 | (10,610) | 136,481 | 30,161 |
| Foreign currency translation adjustments | — | 48 | — | 76 |
| Change in unrealized gain on investments, net of tax | 42 | 1,077 | 37 | 609 |
| Realized gain on investments, net of tax, included in net income (loss) | (30) | (1,398) | (35) | (1,415) |
| Other comprehensive income (loss) | 12 | (273) | 2 | (730) |
| Comprehensive income (loss) | \$ 68,484 | \$ (10,883) | \$ 136,483 | \$ 29,431 |
| Basic income (loss) per share: | | | | |
| Continuing operations | \$ 0.43 | \$ (0.05) | \$ 0.85 | \$ 0.20 |
| Discontinued operations | — | (0.01) | 0.01 | (0.02) |
| Net income (loss) | \$ 0.43 | \$ (0.06) | \$ 0.86 | \$ 0.18 |
| Diluted income (loss) per share: | | | | |
| Continuing operations | \$ 0.42 | \$ (0.05) | \$ 0.82 | \$ 0.20 |
| Discontinued operations | — | (0.01) | 0.01 | (0.02) |
| Net income (loss) | \$ 0.42 | \$ (0.06) | \$ 0.83 | \$ 0.18 |
| Shares used to compute net income per share | | | | |
| Basic | 157,599 | 167,471 | 158,471 | 169,751 |
| Diluted | 164,178 | 167,471 | 163,530 | 171,850 |

VERISIGN, INC.

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

| | Six Months Ended June 30, | |
|--|---------------------------|--------------|
| | 2012 | 2011 |
| Cash flows from operating activities: | | |
| Net income | \$ 136,481 | \$ 30,161 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation of property and equipment and amortization of other intangible assets | 26,273 | 27,642 |
| Stock-based compensation | 16,584 | 29,014 |
| Excess tax benefit associated with stock-based compensation | (11,638) | (854) |
| Other, net | 10,947 | 1,627 |
| Changes in operating assets and liabilities | | |
| Accounts receivable | 2,213 | 354 |
| Deferred tax assets and other assets | 5,855 | (12,786) |
| Accounts payable and accrued liabilities | (16,644) | (22,736) |
| Deferred revenues | 75,178 | 50,814 |
| Net cash provided by operating activities | 245,249 | 103,236 |
| Cash flows from investing activities: | | |
| Proceeds from maturities and sales of marketable securities | 8,101 | 369,586 |
| Purchases of marketable securities | (1,097,669) | (44,038) |
| Purchases of property and equipment | (26,242) | (29,481) |
| Other investing activities | (520) | (1,181) |
| Net cash (used in) provided by investing activities | (1,116,330) | 294,886 |
| Cash flows from financing activities: | | |
| Proceeds from issuance of common stock from option exercises and employee stock purchase plans | 15,348 | 32,445 |
| Repurchases of common stock | (152,725) | (310,671) |
| Payment of dividends to stockholders | — | (463,498) |
| Excess tax benefit associated with stock-based compensation | 11,638 | 854 |
| Other financing activities | 189 | — |
| Net cash used in financing activities | (125,550) | (740,870) |
| Effect of exchange rate changes on cash and cash equivalents | (1,097) | 3,285 |
| Net decrease in cash and cash equivalents | (997,728) | (339,463) |
| Cash and cash equivalents at beginning of period | 1,313,349 | 1,559,628 |
| Cash and cash equivalents at end of period | \$ 315,621 | \$ 1,220,165 |
| Supplemental cash flow disclosures: | | |
| Cash paid for interest, net of capitalized interest | \$ 20,476 | \$ 120,082 |
| Cash paid for income taxes, net of refunds received | \$ 21,193 | \$ 4,737 |

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

| | Three Months Ended | | Three Months Ended | |
|--|--------------------|------------------|--------------------|-------------------|
| | June 30, 2012 | | June 30, 2011 | |
| | Operating Income | Net Income | Operating Income | Net (Loss) Income |
| GAAP as reported | \$ 106,980 | \$ 68,472 | \$ 82,059 | \$ (10,610) |
| Discontinued operations | | — | | 2,929 |
| Adjustments: | | | | |
| Stock-based compensation | 8,454 | 8,454 | 12,075 | 12,075 |
| Amortization of other intangible assets | 325 | 325 | 322 | 322 |
| Restructuring charges | (182) | (182) | 3,659 | 3,659 |
| Contingent interest payment to holders of Convertible Debentures | | — | | 100,020 |
| Unrealized loss (gain) on contingent interest derivative on Convertible Debentures | | 3,147 | | (700) |
| Non-cash interest expense | | 1,871 | | 1,679 |
| Tax adjustment | | (7,944) | | (43,989) |
| Non-GAAP as adjusted | <u>\$ 115,577</u> | <u>\$ 74,143</u> | <u>\$ 98,115</u> | <u>\$ 65,385</u> |
| Revenues | \$ 214,142 | | \$ 189,844 | |
| Non-GAAP operating margin | <u>54.0%</u> | | <u>51.7%</u> | |
| Diluted shares | | 164,178 | | 169,882 |
| Per diluted share, non-GAAP as adjusted | | <u>\$ 0.45</u> | | <u>\$ 0.38</u> |

Verisign provides quarterly and annual financial statements that are prepared in accordance with generally accepted accounting principles (GAAP). Along with this information, we typically disclose and discuss certain non-GAAP financial information in our quarterly earnings release, on investor conference calls and during investor conferences and related events. This non-GAAP financial information does not include the following types of financial measures that are included in GAAP: discontinued operations, stock-based compensation, amortization of other intangible assets, impairments of goodwill and other intangible assets, restructuring charges, contingent interest payments to holders of our Convertible Debentures, unrealized gain/loss on contingent interest derivative on Convertible Debentures, and non-cash interest expense. Non-GAAP financial information is also adjusted for a 30% tax rate which differs from the GAAP tax rate. All non-GAAP figures for each period presented above have been conformed to exclude the foregoing items under GAAP.

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SUPPLEMENTAL FINANCIAL INFORMATION

The following table presents the classification of stock-based compensation:

| | Three Months Ended June 30, | |
|--|-----------------------------|------------------|
| | 2012 | 2011 |
| Cost of revenues | \$ 1,451 | \$ 1,846 |
| Sales and marketing | 1,833 | 1,697 |
| Research and development | 1,327 | 1,353 |
| General and administrative | 3,843 | 7,179 |
| Restructuring charges | — | 1,989 |
| Total stock-based compensation expense | <u>\$ 8,454</u> | <u>\$ 14,064</u> |

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

| | Six Months Ended | | Six Months Ended | |
|--|-------------------|-------------------|-------------------|-------------------|
| | June 30, 2012 | | June 30, 2011 | |
| | Operating Income | Net Income | Operating Income | Net Income |
| GAAP as reported | \$ 205,910 | \$ 136,481 | \$ 147,569 | \$ 30,161 |
| Discontinued operations | | (1,904) | | 4,451 |
| Adjustments: | | | | |
| Stock-based compensation | 16,584 | 16,584 | 24,036 | 24,036 |
| Amortization of other intangible assets | 648 | 648 | 645 | 645 |
| Restructuring charges | (730) | (730) | 9,189 | 9,189 |
| Contingent interest payment to holders of Convertible Debentures | | — | | 100,020 |
| Unrealized loss (gain) on contingent interest derivative on Convertible Debentures | | 3,960 | | (250) |
| Non-cash interest expense | | 3,491 | | 3,343 |
| Tax adjustment | | (15,972) | | (50,843) |
| Non-GAAP as adjusted | <u>\$ 222,412</u> | <u>\$ 142,558</u> | <u>\$ 181,439</u> | <u>\$ 120,752</u> |
| Revenues | <u>\$ 419,868</u> | | <u>\$ 371,367</u> | |
| Non-GAAP operating margin | <u>53.0%</u> | | <u>48.9%</u> | |
| Diluted shares | | 163,530 | | 171,850 |
| Per diluted share, non-GAAP as adjusted | | <u>\$ 0.87</u> | | <u>\$ 0.70</u> |

Verisign provides quarterly and annual financial statements that are prepared in accordance with generally accepted accounting principles (GAAP). Along with this information, we typically disclose and discuss certain non-GAAP financial information in our quarterly earnings release, on investor conference calls and during investor conferences and related events. This non-GAAP financial information does not include the following types of financial measures that are included in GAAP: discontinued operations, stock-based compensation, amortization of other intangible assets, impairments of goodwill and other intangible assets, restructuring charges, contingent interest payments to holders of our Convertible Debentures, unrealized gain/loss on contingent interest derivative on Convertible Debentures, and non-cash interest expense. Non-GAAP financial information is also adjusted for a 30% tax rate which differs from the GAAP tax rate. All non-GAAP figures for each period presented above have been conformed to exclude the foregoing items under GAAP.

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SUPPLEMENTAL FINANCIAL INFORMATION

The following table presents the classification of stock-based compensation:

| | Six Months Ended June 30, | |
|--|---------------------------|------------------|
| | 2012 | 2011 |
| Cost of revenues | \$ 2,988 | \$ 3,836 |
| Sales and marketing | 3,349 | 3,551 |
| Research and development | 2,569 | 2,871 |
| General and administrative | 7,678 | 13,778 |
| Restructuring charges | — | 4,978 |
| Total stock-based compensation expense | <u>\$ 16,584</u> | <u>\$ 29,014</u> |