
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): April 30, 2008

VERISIGN, INC.

(Exact name of registrant as specified in its charter)

000-23593
(Commission
File Number)

Delaware
(State or Other Jurisdiction of
Incorporation)

94-3221585
(IRS Employer
Identification No.)

487 East Middlefield Road, Mountain View, CA
(Address of Principal Executive Offices)

94043
(Zip Code)

(650) 961-7500
(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 2.01 Completion of Acquisition or Disposition of Assets

VeriSign, Inc. (the “Company”) entered into an acquisition agreement (the “Agreement”), effective as of April 30, 2008, to sell its broadband content distribution business, Kontiki, to a new entity, Kontiki, Inc. (the “Purchaser”), a Delaware corporation and majority-owned subsidiary of MK Capital SBIC, LP and MK Capital, LP. Pursuant to the terms of the Agreement, the Purchaser received specified assets associated with the Kontiki broadband content service business, including delivery, management, reporting and professional services centered around Kontiki’s media delivery management system platform and digital content utility. In exchange, the Company received total consideration of \$1 million and 3,980,000 shares of the Purchaser’s Series A Preferred Stock. This transaction closed on April 30, 2008.

Item 9.01. Financial Statements and Exhibits.

(b)(1) *Pro forma financial information*

The pro forma financial information required by this item is attached as Exhibit 99.1 to this report.

(d) *Exhibits*

<u>Exhibit Number</u>	<u>Description</u>
99.1	Pro forma financial information

SIGNATURE

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

VERISIGN, INC.

Date: May 6, 2008

By: /s/ Richard H. Goshorn

Name: Richard H. Goshorn

Title: Senior Vice President, General Counsel and Secretary

VeriSign, Inc. and Subsidiaries
Pro Forma Financial Statement Information
(Unaudited)

On April 30, 2008, VeriSign, Inc. (the "Company") agreed to sell its broadband content distribution business, Kontiki, to a new entity, Kontiki, Inc., a Delaware corporation and majority-owned subsidiary of MK Capital SBIC, LP and MK Capital, LP for cash proceeds of approximately \$1.0 million and 3,980,000 shares of Kontiki, Inc. Series A Preferred Stock. The sale was completed on April 30, 2008. The Company will account for its equity interest using the equity method of accounting.

The unaudited Pro Forma Condensed Consolidated Balance Sheet Information as of December 31, 2007 set forth below has been presented after giving effect to the Kontiki divestiture as if it had occurred on December 31, 2007. The unaudited Pro Forma Condensed Consolidated Statement of Operations Information for the years ending December 31, 2007 and 2006 set forth below has been presented after giving effect to the divestiture as if it had occurred on March 14, 2006, the date Kontiki was acquired by the Company, and does not assume any interest income on cash proceeds. The Company has not presented unaudited Pro Forma Condensed Consolidated Statements of Operations Information for any periods prior to December 31, 2006, as the Company's results of operations would have been unchanged.

The unaudited pro forma financial statement information has been derived primarily from the historical audited consolidated financial statements of the Company included in its Annual Reports on Form 10-K for the years ended December 31, 2007 and 2006. The unaudited pro forma financial statement information is based upon available information and assumptions that the Company believes are reasonable under the circumstances and were prepared to illustrate the estimated effects of the divestiture.

The unaudited pro forma financial statement information has been provided for informational purposes and should not be considered indicative of the financial condition or results of operations that would have been achieved had the divestiture occurred as of the periods presented. In addition, the unaudited pro forma financial statement information does not purport to indicate balance sheet data or results of operations as of any future date or for any future period. The unaudited pro forma financial statement information, including the notes thereto, should be read in conjunction with the historical financial statements of the Company included in its Annual Reports on Form 10-K for the years ended December 31, 2007 and 2006.

VERISIGN, INC. AND SUBSIDIARIES
Pro Forma Condensed Consolidated Statement of Operations Information
For the Year Ended December 31, 2007
(In thousands, except per share amounts)
(Unaudited)

	<u>As Reported (a)</u>	<u>Kontiki (b)</u>	<u>Pro Forma Adjustments (c)</u>	<u>Pro Forma</u>
Revenues	\$ 1,496,289	\$ 6,184		\$1,490,105
Costs and expenses				
Cost of revenues	596,517	2,961		593,556
Sales and marketing	276,632	3,616		273,016
Research and development	160,186	2,487		157,699
General and administrative	276,130	1		276,129
Restructuring, impairments and other charges (reversals), net	110,110	20,509		89,601
Impairment of goodwill	182,151	—		182,151
Amortization of other intangible assets	116,064	4,138		111,926
Acquired in-process research and development	—	—		—
Total costs and expenses	<u>1,717,790</u>	<u>33,712</u>	<u>—</u>	<u>1,684,078</u>
Operating loss	(221,501)	(27,528)		(193,973)
Other income, net	93,759	—	—	93,759
Loss from continuing operations before income taxes, loss from unconsolidated entities and minority interest	<u>(127,742)</u>	<u>(27,528)</u>	<u>—</u>	<u>(100,214)</u>
Income tax (expense) benefit	(11,080)	2,253		(13,333)
Loss from unconsolidated entities, net of tax	(2,018)		\$ (6,879)	(8,897)
Minority interest, net of tax	(3,840)	—		(3,840)
Loss from continuing operations	<u>\$ (144,680)</u>	<u>\$ (25,275)</u>	<u>\$ (6,879)</u>	<u>\$ (126,284)</u>
Loss per share from continuing operations:				
Basic	\$ (0.61)			\$ (0.53)
Diluted	\$ (0.61)			\$ (0.53)
Shares used in per share computation:				
Basic	<u>237,707</u>			<u>237,707</u>
Diluted	<u>237,707</u>			<u>237,707</u>

VERISIGN, INC. AND SUBSIDIARIES
Pro Forma Condensed Consolidated Statement of Operations Information
For the Year Ended December 31, 2006
(In thousands, except per share amounts)
(Unaudited)

	<u>As Reported (a)</u>	<u>Kontiki (b)</u>	<u>Pro Forma Adjustments (c)</u>	<u>Pro Forma</u>
Revenues	\$ 1,562,998	\$ 9,991		\$1,553,007
Costs and expenses				
Cost of revenues	574,762	4,929		569,833
Sales and marketing	376,508	4,246		372,262
Research and development	129,256	2,746		126,510
General and administrative	256,592	1,112		255,480
Restructuring, impairments and other charges (reversals), net	(4,471)	—		(4,471)
Impairment of goodwill	—	—		—
Amortization of other intangible assets	122,767	3,726		119,041
Acquired in-process research and development	16,700	10,000		6,700
Total costs and expenses	<u>1,472,114</u>	<u>26,759</u>	<u>—</u>	<u>1,445,355</u>
Operating income (loss)	90,884	(16,768)		107,652
Other income, net	42,643	—	—	42,643
Income (loss) from continuing operations before income taxes, loss from unconsolidated entities and minority interest	133,527	(16,768)	—	150,295
Income tax benefit	243,648	2,758		240,890
Loss from unconsolidated entities, net of tax	—		\$ (4,190)	(4,190)
Minority interest, net of tax	(2,875)	—		(2,875)
Income (loss) from continuing operations	<u>\$ 374,300</u>	<u>\$(14,010)</u>	<u>\$ (4,190)</u>	<u>\$ 384,120</u>
Income per share from continuing operations:				
Basic	\$ 1.53			\$ 1.57
Diluted	\$ 1.51			\$ 1.55
Shares used in per share computation:				
Basic	<u>244,421</u>			<u>244,421</u>
Diluted	<u>247,073</u>			<u>247,073</u>

VERISIGN, INC. AND SUBSIDIARIES
Pro Forma Condensed Consolidated Balance Sheet Information
At December 31, 2007
(In thousands, except per share amounts)
(Unaudited)

	<u>As Reported (d)</u>	<u>Kontiki</u>	<u>Pro Forma</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,376,722	\$ 881 (e)	\$1,377,603
Short-term investments	1,011		1,011
Accounts receivable, net of allowance for doubtful accounts	208,799	(4,510)	204,289
Prepaid expenses and other current assets	163,041	(211)	162,830
Total current assets	<u>1,749,573</u>	<u>(3,840)</u>	<u>1,745,733</u>
Property and equipment, net	621,917		621,917
Goodwill	1,082,420		1,082,420
Other intangible assets, net	121,792		121,792
Restricted cash and investments	46,936		46,936
Other assets	400,475	(141)	400,334
Total long-term assets	<u>2,273,540</u>	<u>(141)</u>	<u>2,273,399</u>
Total assets	<u>\$ 4,023,113</u>	<u>\$(3,980)</u>	<u>\$4,019,133</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 388,562	\$(2,752)	\$ 385,810
Deferred revenues	552,070	(3,427)	548,643
Short-term debt	—		—
Other current liabilities	5,510		5,510
Total current liabilities	<u>946,142</u>	<u>(6,179)</u>	<u>939,963</u>
Long-term deferred revenues	186,719		186,719
Convertible debentures	1,265,296		1,265,296
Other long-term liabilities	42,606		42,606
Total long-term liabilities	<u>1,494,621</u>	<u>—</u>	<u>1,494,621</u>
Total liabilities	<u>2,440,763</u>	<u>(6,179)</u>	<u>2,434,584</u>
Minority interest in subsidiaries	54,485		54,485
Total stockholders' equity	1,527,865	2,198	1,530,063
Total liabilities and stockholders' equity	<u>\$ 4,023,113</u>	<u>\$(3,980)</u>	<u>\$4,019,133</u>

VERISIGN, INC. AND SUBSIDIARIES
Notes to the Pro Forma Condensed Consolidated
Statements of Operations and Balance Sheet Information
(Unaudited)

- (a) Represents Condensed Consolidated Statements of Operations information included in the Company's 2007 Annual Report on Form 10-K for the respective periods presented.
- (b) Represents the operations of Kontiki while wholly owned by the Company. Tax effects have been determined based on the statutory rates in effect during each respective period.
- (c) Represents loss from our retained equity interest in Kontiki, Inc. under the equity method of accounting.
- (d) Represents Condensed Consolidated Balance Sheet information included in the Company's 2007 Annual Report on Form 10-K for the respective period presented.
- (e) Represents cash proceeds received, less transaction costs connected with the divestiture.