

VERISIGN INC/CA
Form 10-K
February 24, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2010

OR

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

For the transition period from _____ to _____

Commission File Number: 000-23593

VERISIGN, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)
21355 Ridgetop Circle, Dulles, Virginia
(Address of principal executive offices)

94-3221585
(I.R.S. Employer
Identification No.)
20166
(Zip Code)

Registrant's telephone number, including area code: (703) 948-3200

Securities registered pursuant to Section 12(b) of the Act: Common Stock \$0.001 Par Value Per Share, and the Associated Stock Purchase Rights

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES NO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES NO

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

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Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company

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

The aggregate market value of the voting and non-voting common equity stock held by non-affiliates of the Registrant as of June 30, 2010, was \$2,774,709,330 based upon the last sale price reported for such date on the NASDAQ Global Select Market. For purposes of this disclosure, shares of Common Stock held by persons known to the Registrant (based on information provided by such persons and/or the most recent schedule 13Gs filed by such persons) to beneficially own more than 5% of the Registrant's Common Stock and shares held by officers and directors of the Registrant have been excluded because such persons may be deemed to be affiliates. This determination is not necessarily a conclusive determination for other purposes.

Number of shares of Common Stock, \$0.001 par value, outstanding as of the close of business on February 18, 2011: 173,450,710 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive Proxy Statement to be delivered to stockholders in connection with the 2011 Annual Meeting of Stockholders are incorporated by reference into Part III.

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For purposes of this Annual Report, the terms *Verisign*, *the Company*, *we*, *us* and *our* refer to VeriSign, Inc. and its consolidated subsidiaries.

PART I

ITEM 1. BUSINESS

Overview

We are a provider of Internet infrastructure services. By leveraging our global infrastructure, we provide network confidence and availability for mission-critical Internet services, such as domain name registry services and infrastructure assurance services. Our service capabilities enable domain name registration through our registrar partners and provide network availability for registrars and Internet users alike.

On August 9, 2010, we sold our Authentication Services business, including outstanding shares of capital stock of VeriSign Japan K.K. (VeriSign Japan) and trademarks and certain intellectual property used in the Authentication Services business (including our checkmark logo and the Geotrust and thawte brand names), to Symantec Corporation (Symantec) for cash consideration of approximately \$1.14 billion, net of cash held by transferred subsidiaries of \$127.5 million and transaction costs of \$10.8 million. Current and historical results of operations of the Authentication Services business have been classified as discontinued operations.

In November 2010, we ceased the operations of our Content Portal Services (CPS) business. Current and historical results of operations of the CPS business have been classified as discontinued operations. We have now completed all of our divestitures and the winding-down of our non-core businesses, which commenced in late 2007.

As a result of the sale of the Authentication Services business, included in the former Internet, Infrastructure and Identity Services segment, ceasing operations of the CPS business and the divestiture of legacy products and services, comprising the former Other Services segment, our only reportable segment is now Naming Services, which consists of Registry Services and Network Intelligence and Availability (NIA) Services. We have operations inside as well as outside the United States (U.S.). For a geographic breakdown of revenues and changes in revenues, see Note 10, Segment Information, *Geographic Revenues*, of our Notes to Consolidated Financial Statements in Item 15 of this Form 10-K.

Registry Services operates the authoritative directory of all .com, .net, .cc, .tv, and .name domain names and the back-end systems for all .jobs and .edu domain names. NIA Services provides infrastructure assurance to organizations and is comprised of Verisign iDefense Security Intelligence Services (iDefense), Managed Domain Name System Services (Managed DNS), and Distributed Denial of Service (DDoS) mitigation.

We were incorporated in Delaware on April 12, 1995. Our principal executive offices are located at 21355 Ridgetop Circle, Dulles, Virginia 20166. Our telephone number at that address is (703) 948-3200. Our common stock is traded on the NASDAQ Global Select Market under the ticker symbol VRSN. The information on our website is not a part of this Form 10-K. VERISIGN, the VERISIGN logo, and certain other product or service names are our registered or unregistered trademarks in the U.S. and other countries. Other names used in this Form 10-K may be trademarks of their respective owners. Our primary website is www.verisigninc.com.

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Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), are available, free of charge, on the Investor Relations section of our website as soon as is reasonably practicable after filing such reports with the Securities and Exchange Commission (the SEC).

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Naming Services

Registry Services

Registry Services operates the authoritative directory of all *.com*, *.net*, *.cc*, *.tv*, and *.name* domain names and the back-end systems for all *.jobs* and *.edu* domain names. Registry Services allows individuals and organizations to establish their online identities, while providing the secure, always-on access they need to communicate and transact reliably with large-scale online audiences.

We are the exclusive registry of domain names within the *.com*, *.net* and *.name* generic top-level domains (gTLDs) under agreements with the Internet Corporation for Assigned Names and Numbers (ICANN) and the U.S. Department of Commerce (DOC). As a registry, we maintain the master directory of all second-level domain names in these top-level domains (e.g., johndoe.com and janedoe.net). These top-level domains are supported by our global constellation of domain name servers. In addition, we own and maintain the shared registration system that allows all registrars to enter new second-level domain names into the master directory and to submit modifications, transfers, re-registrations and deletions for existing second-level domain names (Shared Registration System).

Separate from our agreements with ICANN, we have agreements with others to be the exclusive registry for the *.tv* and *.cc* country code top-level domains (ccTLDs) and we operate the back-end registry systems for the *.jobs* and *.edu* gTLDs. These top-level domains are also supported by our global constellation of domain name servers and Shared Registration System.

With our existing gTLDs and ccTLDs, we also provide internationalized domain name (IDN) services that enable Internet users to access websites in characters representing their local language. Currently, IDNs may be registered in as many as 350 different native languages and scripts. We also support the Domain Name Systems (DNS) by locating and translating certain Internet Protocol (IP) addresses into Internet domain names.

Domain names can be registered for between one and ten years, and the fees charged for *.com* and *.net* may only be increased according to adjustments prescribed in our agreements with ICANN over the applicable term. Revenues for registrations of *.name* are not subject to the same pricing restrictions as those applicable to *.com* and *.net*, however fees charged are subject to our agreement with ICANN over the applicable term. Revenues for *.cc* and *.tv* domain names are based on a similar fee system and registration system, though the fees charged are not subject to the same pricing restrictions as those imposed by ICANN. The fees received from operating the *.jobs* registry infrastructure are based on the terms of Verisign's agreement with the registry operator of *.jobs*. No fees are received from operating the *.edu* registry infrastructure.

Network Intelligence and Availability Services

NIA Services provides infrastructure assurance to organizations and is comprised of iDefense, Managed DNS and DDoS mitigation.

iDefense provides information security executives 24 hours a day, every day of the year, access to cyber intelligence related to vulnerabilities, malicious code, and global threats. Our teams enable companies to improve vulnerability management, incident response, fraud mitigation, and

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proactive mitigation of the particular threats targeting their industry or global operations. Customers include financial institutions, large corporations, and governmental and quasi-governmental organizations. Customers pay an annual fee for iDefense.

Managed DNS is a hosting service that delivers DNS resolution, improving the availability of web-based systems. Managed DNS provides DNS availability through a globally distributed, securely managed, cloud-based DNS infrastructure, allowing enterprises to save on capital expenses associated with DNS infrastructure deployment and reduce operational costs and complexity associated with DNS management. Customers include financial institutions and e-commerce providers. Customers pay a monthly subscription fee that varies depending on the customer's network requirements.

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DDoS mitigation supports online business continuity by providing the monitoring and mitigation services against DDoS attacks. We help companies stay online without needing to make significant investments in infrastructure or establish internal DDoS expertise. As a cloud-based service, it can be deployed quickly and easily, with no customer premise equipment required. This saves time and money through operational efficiencies, support cost, and economies of scale to provide detection and protection against the largest of DDoS attacks. Customers include financial institutions and e-commerce providers. Customers pay a monthly subscription fee that varies depending on the customer's network requirements.

Divestiture Transactions and Presentation of Results of Operations

Current and historical results of operations of our divested and wound-down businesses have been classified as discontinued operations, unless otherwise noted.

During 2010, we completed the divestiture or winding-down of the following businesses:

The Authentication Services business which included Business Authentication Services, User Authentication Services and our investment in VeriSign Japan. Business Authentication Services enabled enterprises and Internet merchants to implement and operate secure networks and websites that utilized Secure Sockets Layer, or SSL, protocol. User Authentication Services included identity protection services, fraud detection services, and managed public key infrastructure, or PKI, services. Also included with the sale of the Authentication Services business were real and personal property owned by us at our Mountain View, California facility and other locations.

The CPS business which offered Web and wireless application protocol services that enabled media companies to sell digital content through mobile devices or on the Web.

During 2009, we completed the divestiture or winding-down of the following businesses:

The Mobile Delivery Gateway (MDG) Services which offered solutions to manage the complex operator interfaces, relationships, distribution, reporting, and customer service for the delivery of premium mobile content to customers.

The Pre-pay Services business which licensed and managed solutions for prepaid billing customers to deliver rating and billing services.

Messaging and Mobile Media (MMM) Services which consisted of the InterCarrier Messaging, PictureMail, Premium Messaging Gateway, and Mobile Enterprise Service offerings. The MMM Services business was an industry-leading global provider of short-messaging, multimedia messaging, and mobile content application services.

The Global Security Consulting (GSC) business which helped companies understand corporate security requirements, comply with all applicable regulations, identify security vulnerabilities, reduce risk, and meet the security compliance requirements applicable to the particular business and industry.

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The Managed Security Services (MSS) business which enabled enterprises to effectively monitor and manage their network security infrastructure 24 hours per day, every day of the year, while reducing the associated time, expense, and personnel commitments by relying on the MSS business security platform and experienced security staff.

The Real-Time Publisher (RTP) Services business which allowed organizations to obtain access to and organize large amounts of constantly updated content, and distribute it, in real time, to enterprises, Web-portal developers, application developers and consumers.

The Communications Services business which provided Billing and Commerce Services, Connectivity and Interoperability Services, and Intelligent Database Services.

The International Clearing business which enabled financial settlement and call data settlement for wireless and wireline carriers.

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During 2008, we completed the divestiture of the following businesses:

The EMEA Mobile Media (EMM) business which offered mobile application services that included interactive messaging applications, content portal services, and messaging gateway services.

The Post-pay business which enabled advanced billing and customer care services to wireless telecommunications carriers.

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

The Digital Brand Management Services (DBMS) business which offered a range of corporate domain name and brand protection services that help enterprises, legal professionals, information technology professionals and brand marketers monitor, protect and build digital brand equity.

The Content Delivery Network (CDN) business which offered broadband content services that enable the delivery of high-quality video and other rich media securely and efficiently at a very large scale. We retained an equity ownership in the CDN business and have accounted for our investment in the CDN business as an equity method investment with a carrying value of zero. As a result of our continuing involvement in the CDN business, the historical results of operations of the CDN business have not been classified as discontinued operations.

The Self-Care and Analytics (SC&A) business which provided on-line analysis applications for mobile communications customers and on-line customer self-service with a single view of billing across multiple systems.

The remaining 49% ownership interest in the two joint venture agreements with Fox Entertainment (Jamba joint ventures). The historical results of operations of the Jamba joint ventures are classified as continuing operations for all periods presented.

Operations Infrastructure

Our operations infrastructure consists of secure data centers in Dulles, Virginia; New Castle, Delaware; and Fribourg, Switzerland. Most of these secure data centers operate on a 24-hour a day, every day basis, supporting our business units and services. The performance and scale of our infrastructure are critical for our Naming Services businesses, and give us the platform to maintain our leadership position. Key features of our operations infrastructure include:

Distributed Servers: We deploy a large number of high-speed servers to support capacity and availability demands that, in conjunction with our proprietary software, offer automatic failover, global and local load balancing and threshold monitoring on critical servers.

Advanced Telecommunications: We deploy and maintain redundant telecommunications and routing hardware and maintain high-speed connections to multiple Internet service providers (ISPs) to ensure that our critical services are readily accessible to customers at all times.

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Network Security: We incorporate architectural concepts such as protected domains, restricted nodes and distributed access control in our system architecture. We have also developed proprietary communications protocols within and between software modules that are designed to prevent most known forms of electronic attacks. In addition, we employ firewalls and intrusion detection software, and contract with security consultants who perform periodic probes to test our systems and security risk assessments.

As part of our operations infrastructure for our Registry Services business, we operate all authoritative domain name servers that answer domain name lookups for the *.com* and *.net* zones, as well as for the other top-level domains for which we are the registry. We also operate two of the thirteen externally visible root zone

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server addresses, including the A root, which is considered to be the authoritative root zone server of the Internet's DNS. The domain name servers provide the associated name server and IP address for every .com and .net domain name on the Internet and a large number of other top-level domain queries, resulting in an annual average of over 60 billion responses per day. These name servers are located around the world, providing local domain name service throughout North America, South America, Europe, and Asia. Each server facility is a controlled and monitored environment, incorporating security and system maintenance features. This network of name servers is one of the cornerstones of the Internet's DNS infrastructure. During the fourth quarter of 2010, we deployed Domain Name System Security Extensions in .net, allowing DNS data in the .net domain to provide origin authentication of DNS data, authenticated denial of existence, and data integrity.

In 2010, we announced an approximately \$300 million new initiative called Project Apollo to meet infrastructure challenges expected over the next decade. We expect that this initiative will strengthen, scale and in some cases revamp the .com infrastructure to repel significant DDoS attacks and provide enhanced monitoring and logging capabilities. We expect to grow capacity 1,000 times today's level of 4 trillion queries to manage 4 quadrillion queries per day to support normal and peak attack volumes based on what we have experienced as well as Internet attack trends. In 2009, we completed the prior infrastructure initiative called Project Titan, a three-year large-scale infrastructure upgrade that included the deployment of a new operations center as well as regional resolution sites, of which we now have more than 50 globally.

Call Centers and Help Desk: We provide customer support services through our phone-based call centers, email help desks and Web-based self-help systems. Our Virginia call center is staffed 24 hours a day, every day of the year to support our Naming Services businesses. All call centers have a staff of trained customer support agents and provide Web-based support services utilizing customized automatic response systems to provide self-help recommendations.

Operations Support and Monitoring: Through our network operations centers, we have an extensive monitoring capability that enables us to track the status and performance of our critical database systems and our global resolution systems. Our distributed network operations centers are staffed 24 hours a day, every day of the year.

Disaster Recovery Plans: We have disaster recovery and business continuity capabilities that are designed to deal with the loss of entire data centers and other facilities. Our Registry Services business maintains dual mirrored data centers that allow rapid failover with no data loss and no loss of function or capacity. Our critical data services (including domain name registration and global resolution) use advanced storage systems that provide data protection through techniques such as mirroring and remote replication.

Marketing, Sales and Distribution

We market our Registry Services worldwide through registrars. We market our NIA Services worldwide through multiple distribution channels, including direct sales and indirect channels. Our direct sales and marketing organization as of December 31, 2010, consisted of 133 employees. We have marketing and sales offices throughout the world.

Research and Development

As of December 31, 2010, we had 272 employees dedicated to research and development. We believe that timely development of new and enhanced Internet security, e-commerce, information, and technologies is necessary to remain competitive in the marketplace. During 2010, 2009 and 2008 our research and development expenses were \$53.7 million, \$52.4 million and \$61.8 million, respectively.

Our future success will depend in large part on our ability to continue to maintain and enhance our current technologies and services. In the past, we developed our services both independently and through efforts with leading application developers and major customers. We have also, in certain circumstances, acquired or licensed

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technology from third parties. Although we will continue to work closely with developers and major customers in our development efforts, we expect that most of the future enhancements to existing services and new services will be developed internally or acquired through business acquisitions.

The markets for our services are dynamic, characterized by rapid technological developments, frequent new product introductions and evolving industry standards. The constantly changing nature of these markets and their rapid evolution will require us to continually improve the performance, features and reliability of our services, particularly in response to competitive offerings, and to introduce both new and enhanced services as quickly as possible and prior to our competitors.

Competition

We compete with numerous companies in each of the Registry Services and NIA Services businesses. The overall number of our competitors may increase and the identity and composition of competitors may change over time.

Competition in Registry Services:

We face competition in the domain name registry space from other gTLD and ccTLD registries that are competing for the business of entities and individuals that are seeking to establish a Web presence, including registries offering services related to the *.info*, *.org*, *.mobi*, *.biz*, *.pro*, *.aero*, *.museum* and *.coop* gTLDs and registries offering services related to ccTLDs. ICANN currently has registry agreements with 15 registries for the operation of 17 gTLDs. In addition, there are over 240 Latin script ccTLD registries and 16 internationalized domain name country code top-level domain (IDN ccTLD) registries. Furthermore, under our agreements with ICANN, we are subject to certain restrictions in the operation of *.com*, *.net* and *.name* on pricing, bundling and use of registrars that do not apply to ccTLDs and therefore may create a competitive disadvantage.

We also face competition from service providers that offer outsourced domain name registration, resolution and other DNS services to organizations that require a reliable and scalable infrastructure. Among the competitors are Neustar Inc., Afilias Limited and Nominet UK, Inc. In addition, to the extent end-users navigate using search engines as opposed to direct navigation, we may face competition from search engine operators such as Google Inc., Microsoft Corporation, and Yahoo! Inc. Furthermore, to the extent end-users increase the use of web and phone applications to locate and access content, we may face competition from providers of such web and phone applications.

Additional competition to our business may arise from the introduction of new TLDs by ICANN. These include internationalized domain name top-level domains (IDN TLDs) and the upcoming introduction of new gTLDs by ICANN. On October 30, 2009, ICANN approved a fast track process for the awarding of new IDN ccTLDs and such new IDN ccTLDs have started to be introduced into the root. Other new domain extensions (including ones for which we could apply) could become available by the end of 2012. We do not yet know the impact, if any, that these new domain extensions may have on our business. Applicants for such new TLDs may have greater financial, technical, marketing and other resources than we do. Furthermore, ICANN has proposed allowing the operators of new gTLDs to also own, be owned 100% by, or otherwise affiliated with, a registrar, whereas Verisign is currently prohibited by its agreements with ICANN and the Department of Commerce from owning more than 15% of a registrar. As a result, operators of new gTLDs may be able to obtain competitive advantages through such vertical integration. While we may apply for one or more of these new domain extensions, there is no certainty that we will ultimately be successful, and even if we are successful in obtaining one or more of these new domain extensions, there is no guarantee that such extensions will be any more successful than the domain name extensions obtained by our competitors.

Competition in Network Intelligence and Availability Services:

Several of our current and potential competitors have longer operating histories and/or significantly greater financial, technical, marketing and other resources than we do and therefore may be able to respond more quickly

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than we can to new or changing opportunities, technologies, standards and customer requirements. Many of these competitors also have broader and more established distribution channels that may be used to deliver competing products or services directly to customers through bundling or other means. If such competitors were to bundle competing products or services for their customers, we may experience difficulty establishing or increasing demand for our products and services or distributing our products successfully.

We face competition in the NIA Services industry from companies such as iSight Partners, Security Services X-Force Threat Analysis Service, Secunia ApS, SecureWorks, Inc., McAfee, Inc., Prolexic Technologies, Inc., AT&T Inc., Verizon Communications, Inc., Dyn, Inc.'s Dynect Platform, NeuStar Ultra Services, OpenDNS, BlueCat Networks, Inc., Infoblox Inc., Nominum, Inc. and Afilias Limited.

Industry Regulation

Registry Services: Within the U.S. Government, oversight of Internet administration is provided by the DOC. Effective October 1, 2009, the DOC and ICANN entered into a new agreement, known as the Affirmation of Commitments which replaced a prior agreement known as the Joint Project Agreement. Under the Affirmation of Commitments, the DOC became one of several parties working together with other representative constituency members in providing an on-going review of ICANN's performance and accountability. The Affirmation of Commitments provides for more defined international participation in this review. The agreement sets forth periodic reviews by committees. These review panels are charged with reviewing and making recommendations regarding: (i) the accountability and transparency of ICANN; (ii) the security, stability and resiliency of the DNS; (iii) the impact of new gTLDs on competition, consumer trust, and consumer choice; and (iv) the effectiveness of ICANN's policies with respect to registrant data in meeting the legitimate needs of law enforcement and promoting consumer trust. Under the Affirmation of Commitments, the Assistant Secretary of Communications and Information of the DOC will be a member of the Accountability and Transparency review panel. The reviews generally are to occur no less than every three to four years.

As the exclusive registry of domain names within the .com, .net and .name gTLDs, we have entered into certain agreements with ICANN and the DOC:

.com Registry Agreement: On November 29, 2006, the DOC approved the Registry Agreement between ICANN and Verisign for the .com gTLD (the .com Registry Agreement). The .com Registry Agreement provides that we will continue to be the sole registry operator for domain names in the .com top-level domain through November 30, 2012. The .com Registry Agreement provides that it shall be renewed for successive terms unless it has been determined that Verisign has been in fundamental and material breach of certain provisions of the .com Registry Agreement and has failed to cure such breach. The DOC shall approve such renewal if it concludes that approval will serve the public interest in (a) the continued security and stability of the Internet DNS and the operation of the .com registry including, in addition to other relevant factors, consideration of Verisign's compliance with Consensus policies and technical specifications, its service level agreements as set forth in the .com Registry Agreement, and the investment associated with improving the security and stability of the DNS, and (b) the provision of registry services as defined in the .com Registry Agreement at reasonable prices, terms and conditions. The parties have an expectancy of renewal of the .com Registry Agreement so long as the foregoing public interest standard is met and Verisign is not in breach of the .com Registry Agreement.

We are required to comply with and implement temporary specifications or policies and consensus policies, as well as other provisions pursuant to the .com Registry Agreement relating to handling of data and other registry operations. The .com Registry Agreement also provides a procedure for Verisign to propose, and ICANN to review and approve, additional registry services.

Cooperative Agreement: In connection with the DOC's approval of the .com Registry Agreement, Verisign and the DOC entered into Amendment No. Thirty (30) to their Cooperative Agreement Special Awards Conditions NCR-92-18742 (the Amendment), regarding operation

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of the .com registry, which extends the term of Cooperative Agreement through November 30, 2012, and provides that any renewal or extension of the .com

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Registry Agreement is subject to prior written approval by the DOC. As described above, the Amendment provides that the DOC shall approve such renewal if it concludes that it is in the public interest and in the continued security and stability of the DNS and that the provision of *.com* registry services is offered on reasonable terms.

The descriptions of the *.com* Registry Agreement and the Amendment are qualified in their entirety by the text of the complete agreements that are incorporated by reference as exhibits in this Form 10-K.

.net Registry Agreement: On July 1, 2005, we entered into a Registry Agreement with ICANN for the *.net* gTLD (the *.net* Registry Agreement). The *.net* Registry Agreement provides that we will continue to be the sole registry operator for domain names in the *.net* top-level domain through June 30, 2011. The *.net* Registry Agreement provides that it shall be renewed unless it has been determined that Verisign has been in fundamental and material breach of certain provisions of the *.net* Registry Agreement and has failed to cure such breach.

.name Registry Agreement: On October 1, 2008, we acquired The Global Name Registry Ltd. (GNR), the holder of the *.name* Registry Agreement which provides that GNR will continue to be the sole registry operator for domain names in the *.name* top-level domain through August 15, 2012. The renewal provisions are the same as for the *.net* Registry Agreement.

Some of the services we provide to customers globally may require approval under applicable U.S. export law. As the list of products and countries for which export approval is expanded or changes, government restrictions on the export of software and hardware products utilizing encryption technology may grow and become an impediment to our growth in international markets. If we do not obtain required approvals or we violate applicable laws, we may not be able to provide some of our services in international markets and may be subject to fines and other penalties.

Intellectual Property

We rely primarily on a combination of copyrights, trademarks, service marks, patents, restrictions on disclosure and other methods to protect our intellectual property. We also enter into confidentiality and/or invention assignment agreements with our employees, consultants and current and potential affiliates, customers and business partners. We also generally control access to and distribution of proprietary documentation and other confidential information.

We have been issued numerous patents in the U.S. and abroad, covering a wide range of our technology. Additionally, we have filed numerous patent applications with respect to certain of our technology in the U.S. Patent and Trademark Office and patent offices outside the U.S. Patents may not be awarded with respect to these applications and even if such patents are awarded, such patents may not provide us with sufficient protection of our intellectual property.

We have obtained trademark registrations for the VERISIGN mark in the U.S. and other countries, and have filed new trademark applications for the new VERISIGN logo in the same countries. We have common law rights in many other proprietary names. We take steps to enforce and police Verisign's trademarks. We rely on the strength of our Verisign brand to differentiate ourselves in the marketing of our products and services.

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With regard to our Naming Services businesses, our principal intellectual property consists of, and our success is dependent upon, proprietary software used in our Naming Services businesses and certain methodologies and technical expertise we use in both the design and implementation of our current and future registry services and Internet-based products and services businesses, including the conversion of IDNs. We own our proprietary Shared Registration System through which competing registrars submit second-level domain name registrations for each of the registries we operate, as well as the ATLAS distributed lookup system which processes billions of queries per day. Some of the software and protocols used in our registry services are in the public domain or are otherwise available to our competitors.

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Under the agreement reached with Symantec for the sale of our Authentication Services, business, which closed on August 9, 2010 (the Closing Date), Symantec acquired all trademarks primarily used in our Authentication Services business, including our checkmark logo and the Geotrust and thawte brand names, and we granted Symantec a five-year license in connection with the VeriSign.com website. The VeriSign.com website will be operated by Symantec for a period of five years following the Closing Date, subject to certain rights of Verisign (including the right to include links to sub-domains operated us).

Employees

The following table shows a comparison of our consolidated employee headcount, by function, including historical headcount associated with the divested and wound-down businesses:

	As of December 31,		
	2010	2009	2008
Employee headcount by function:			
Cost of revenues	256	658	1,164
Sales and marketing	133	488	607
Research and development	272	571	769
General and administrative	387	611	757
Total	1,048	2,328	3,297

We have never had a work stoppage, and no U.S.-based employees are represented under collective bargaining agreements. Our ability to achieve our financial and operational objectives depends in large part upon our continued ability to attract, integrate, train, retain and motivate highly qualified sales, technical and managerial personnel, and upon the continued service of our senior management and key sales and technical personnel. Competition for qualified personnel in our industry and in some of our geographical locations is intense, particularly for software development personnel.

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ITEM 1A. RISK FACTORS

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

Risks relating to our business

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

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

the current global economic environment as well as its impact on e-commerce, financial services, and the communications and Internet industries;

volume of new domain name registrations and customer renewals in our Naming Services businesses;

the long sales and implementation cycles for, and potentially large order sizes of, some of our services and the timing and execution of individual customer contracts;

our success in direct marketing, and, in the case of our Registry Services business, the scope and success of marketing efforts by third-party registrars, and market acceptance of our services by our existing customers and by new customers;

customer renewal rates and turnover of customers of our services, and in the case of our Registry Services business, the customers of the distributors of our services;

continued development of our distribution channels for our products and services, both in the U.S. and abroad;

the impact of price changes in our products and services or our competitors' products and services;

the impact of decisions by distributors to offer competing products or modify or cease their marketing practices;

seasonal fluctuations in business activity;

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changes in marketing expenses related to promoting and distributing our services or changes in marketing expenses related to promoting and distributing services provided by third-party registrars or their resellers;

potential attacks by nefarious actors, which could threaten the perceived reliability of our products and services;

potential attacks on the service offerings of our distributors, such as DDoS attacks, which could limit the availability of their service offerings and their ability to offer our products and services;

changes in the level of spending for information technology-related products and services by our customers; and

the uncertainties, costs and risks as a result of the sale of our Authentication Services business, including any income statement charges we incur in connection therewith and costs related to our transition services agreements and any retained liability related to existing and future claims or retained litigation.

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

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

Our operating results may continue to be adversely affected as a result of the sluggish economic recovery, unfavorable market and economic, social and political conditions.

An unstable global economic, social and political environment may have a negative impact on demand for our services, our business and our foreign operations. The economic, social and political environment has or may negatively impact, among other things:

our customers' continued growth and development of their businesses and our customers' ability to continue as going concerns or maintain their businesses, which could affect demand for our products and services;

current and future demand for our services, including decreases as a result of reduced spending on information technology and communications by our customers;

price competition for our products and services;

the price of our common stock;

our liquidity;

our ability to service our debt, to obtain financing or assume new debt obligations;

our ability to obtain payment for outstanding debts owed to us by our customers or other parties with whom we do business; and

our ability to execute on any stock repurchase plans.

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

We may experience significant fluctuations in our financial results.

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The successful operation of our business depends on numerous factors, many of which are not entirely under our control, including, but not limited to, the following:

the use of the Internet and other IP networks, and the extent to which domain names are used for e-commerce and communications;

changes in customer behavior, Internet platforms and web-browsing patterns;

growth in demand for our services;

the competition for any of our services;

the perceived security of e-commerce and communications over the Internet and other IP networks;

the perceived security of our services, technology, infrastructure and practices;

the loss of customers through industry consolidation or customer decisions to deploy in-house or competitor technology and services;

our continued ability to maintain our current, and enter into additional, strategic relationships;

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our ability to successfully market our services to new and existing distributors and customers;

our success in attracting, integrating, training, retaining and motivating qualified personnel;

our response to competitive developments;

the successful introduction, and acceptance by our customers, of new products and services, including our NIA Services;

seasonal fluctuations in business activity; and

the successful introduction of enhancements to our services to address new technologies and standards and changing market conditions.

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

We are parties to agreements (i) with the DOC with respect to certain aspects of the DNS, (ii) with ICANN and the DOC as the exclusive registry of domain names within the *.com* gTLD and (iii) with ICANN with respect to being the exclusive registry for the *.net* and *.name* gTLDs.

We face risks arising from our agreements with ICANN and the DOC, including the following:

ICANN could adopt or promote policies, procedures or programs that are unfavorable to us as the registry operator of the *.com*, *.net* and *.name* gTLDs, that are inconsistent with our current or future plans, or that affect our competitive position;

one or both of the *.com* or *.net* Registry Agreements may not renew when they expire in 2011 (*.net*) and 2012 (*.com*), which could have a material adverse effect on our business;

under certain circumstances, ICANN could terminate one or more of our agreements to be the registry for the *.com*, *.net* or *.name* gTLDs and the DOC could refuse to grant its approval to the renewal of the *.com* Registry Agreement, which, in the case of the *.com* and *.net* Registry Agreements, could have a material adverse impact on our business;

the DOC's or ICANN's interpretation of provisions of our Registry Agreements with either of them could differ from ours; and

our Registry Services business faces, and could continue to face legal or other challenges resulting from our activities or the activities of registrars and registrants, and any adverse outcome from such matters could have a material adverse effect on our business.

In addition, under the *.com*, *.net* and *.name* Registry Agreements, we are prohibited from holding a greater than 15% ownership interest in any ICANN accredited registrar. This prohibition on cross-ownership currently applies to all seventeen ICANN gTLDs, but does not apply to ccTLDs. ICANN has proposed allowing the operators of new gTLDs to also own, be owned 100% by, or otherwise be affiliated with, a registrar. If this proposal is adopted, the impact to the distribution channel is uncertain but could have a material adverse effect on our business.

Challenges to Internet administration could harm our Registry Services business.

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

legal, regulatory or other challenges could be brought, including challenges to the agreements governing our relationship with the DOC or ICANN, or to the legal authority underlying the roles and actions of the DOC, ICANN or us;

the U.S. Congress could take action that is unfavorable to us;

ICANN could fail to maintain its role, potentially resulting in instability in DNS administration; and

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some governments and governmental authorities outside the U.S. have in the past disagreed, and may in the future disagree, with the actions, policies or programs of ICANN, the U.S. Government and us relating to the DNS. The Affirmation of Commitments established several multi-party review panels and contemplates a greater involvement by foreign governments and governmental authorities in the oversight and review of ICANN. These periodic review panels may take positions that are unfavorable to Verisign.

As a result of these and other risks, it may be difficult for us to introduce new services in our Registry Services business and we could also be subject to additional restrictions on how this business is conducted, which may not also apply to our competitors.

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

As of December 31, 2010, we had 167, or 16% of our employees outside the U.S. Expansion into international markets has required and will continue to require significant management attention and resources. We may also need to tailor some of our services for a particular market and to enter into international distribution and operating relationships. We have limited experience in localizing our services and in developing international distribution or operating relationships. We may not succeed in expanding our services into new international markets or expand our presence in existing markets. Failure to do so could harm our business. Moreover, local laws and customs in many countries differ significantly from those in the U.S. In many foreign countries, particularly in those with developing economies, it is common for others to engage in business practices that are prohibited by our internal policies and procedures or U.S. law or regulations applicable to us. There can be no assurance that all of our employees, contractors and agents will not take actions in violation of such policies, procedures, laws and/or regulations. Violations of laws, regulations or key control policies by our employees, contractors or agents could result in financial reporting problems, fines, penalties, or prohibition on the importation or exportation of our products and could have a material adverse effect on our business. In addition, we face risks inherent in doing business on an international basis, including, among others:

competition with foreign companies or other domestic companies entering the foreign markets in which we operate;

differing and uncertain regulatory requirements;

legal uncertainty regarding liability, enforcing our contracts and compliance with foreign laws;

tariffs and other trade barriers and restrictions;

difficulties in staffing and managing foreign operations;

longer sales and payment cycles;

problems in collecting accounts receivable;

currency fluctuations, as a small portion of our international revenues are not always denominated in U.S. dollars and some of our costs are denominated in foreign currencies;

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high costs associated with repatriating profits to the U.S.;

potential problems associated with adapting our services to technical conditions existing in different countries;

difficulty of verifying customer information;

political instability;

failure of foreign laws to protect our U.S. proprietary rights adequately;

more stringent privacy policies in some foreign countries;

export and import restrictions on cryptographic technology and products incorporating that technology;

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additional vulnerability from terrorist groups targeting U.S. interests abroad;

seasonal reductions in business activity; and

potentially adverse tax consequences.

We are exposed to risks faced by financial institutions.

We have entered into hedging transactions with counterparties in the financial services industry which have been adversely impacted by the current economic environment. Defaults by, and even rumors or questions about the solvency of, certain financial institutions and the financial services industry generally have led to market-wide liquidity problems and could lead to losses or defaults by other institutions. The hedging transactions we have entered into expose us to credit risk in the event of default by one of our counterparties. Despite the risk control measures we have in place, a default by one of our counterparties, or liquidity problems in the financial services industry in general, could have a material adverse effect on our business, financial condition and results of operations.

Our marketable securities portfolio could experience a decline in market value, which could materially and adversely affect our financial results.

As of December 31, 2010, we had \$2.1 billion in cash, cash equivalents, marketable securities and restricted cash, of which \$501.2 million was invested in marketable securities. The marketable securities consist of debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies, corporate debt securities, and debt securities issued by foreign governments meeting the criteria of our investment policy, which is focused on the preservation of our capital through the investment in investment grade securities. We currently do not use derivative financial instruments to adjust our investment portfolio risk or income profile.

These investments, as well as any cash deposited in bank accounts, are subject to general credit, liquidity, market and interest rate risks, which may be exacerbated by unusual events, such as the Euro-zone crisis, which has affected various sectors of the financial markets and led to global credit and liquidity issues. Over the past several years, the volatility and disruption in the global credit market reached unprecedented levels. If the global credit market does not improve or deteriorates further, our investment portfolio may be impacted and we could determine that some of our investments have experienced an other-than-temporary decline in fair value, requiring an impairment charge which could adversely impact our financial results.

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

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

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Foreign, federal or state laws could have an adverse impact on our business, financial condition, results of operations, and our ability to conduct business in certain foreign countries. For example, laws designed to restrict who can register domain names, the on-line distribution of certain materials deemed harmful to children, on-line gambling, counterfeit goods, and cyber squatting; laws designed to require registrants to provide additional documentation or information in connection with domain name registrations; and laws designed to promote cyber security may impose significant additional costs on our business or subject us to additional liabilities. We have a number of contracts pursuant to which we provide services to the U.S. government and even though these contracts are immaterial, they impose compliance costs, including compliance with the Federal Acquisition Regulation, that could be significant to the Company.

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Due to the nature of the Internet, it is possible that state or foreign governments might attempt to regulate Internet transmissions or prosecute us for violations of their laws. We might unintentionally violate such laws, such laws may be modified and new laws may be enacted in the future. Any such developments could increase the costs of regulatory compliance for us, affect our reputation, force us to change our business practices or otherwise materially harm our business. In addition, any such new laws could impede growth of or result in a decline in domain name registrations, as well as impact the demand for our services.

We may be exposed to potential risks if we were to determine we do not have an effective system of disclosure controls or internal controls over financial reporting.

As a public company, the Company is subject to the rules and regulations of the SEC, including those that require the Company to report on and receive an attestation from its independent registered public accounting firm regarding the Company's internal control over financial reporting.

As a result of the transitioning of key corporate functions to our Dulles, Virginia office and potential voluntary employee attrition, there is an increased risk of our failing to maintain an effective system of disclosure controls or internal controls over financial procedures, including satisfaction of the requirements of the Sarbanes-Oxley Act of 2002. Although we believe that we have adequately planned to address this risk, despite our efforts, if we were to fail to maintain an effective system of disclosure controls or internal control over financial reporting, we may not be able to accurately or timely report on our financial results or adequately identify and reduce fraud. As a result, the financial position of the Company could be harmed and current and potential future stockholders could lose confidence in us and/or our reported financial results, which may cause a negative effect on our stock price; and we could be exposed to litigation or regulatory proceedings, which may be costly or divert management attention.

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

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

Further, our Registry Services business could be harmed if any of the independent operators fails to include or provide accessibility to the data that it maintains in the root zone servers that it controls.

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

Currently, Internet users navigate to a website either by directly typing its domain name into a web browser or through the use of a search engine. If (i) web browser or Internet search technologies were to change significantly; (ii) Internet search engines changed the value of their algorithms on the use of a domain for finding a website; (iii) Internet users were to shift away from direct navigation; (iv) Internet users were to increase the use of web and phone applications to locate and access content or (v) Internet users were to increase the use of second or third level domains or alternate identifiers, such as social networking sites, in each case the demand for domain names could decrease.

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

Some domain name registrars and registrants seek to generate revenue through advertising on their websites; changes in the way these registrars and registrants are compensated (including changes in methodologies and

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metrics) by advertisers and advertisement placement networks, such as Google and Yahoo!, could adversely affect the market for those domain names favored by such registrars and registrants resulting in a decrease in demand and/or the renewal rate for those domain names. As a result of the general economic environment, spending on on-line advertising and marketing may not increase or may be reduced, which in turn, may result in a further decline in the demand for those domain names.

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

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

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

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

power loss, transmission cable cuts and other telecommunications failures;

damage or interruption caused by fire, earthquake, and other natural disasters;

attacks by hackers or nefarious actors;

computer viruses or software defects; and

physical or electronic break-ins, sabotage, intentional acts of vandalism, terrorist attacks and other events beyond our control.

Most of our systems are located at, and most of our customer information is stored in, our facilities in New Castle, Delaware; Dulles, Virginia; and Fribourg, Switzerland. To the extent we are unable to partially or completely switch over to secondary or tertiary sites, any damage or failure that causes interruptions in any of these facilities or our other computer and communications systems could materially harm our business. Although we carry insurance for property damage and business interruption, we do not carry insurance or financial reserves for interruptions or potential losses arising from terrorism.

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In addition, our Registry Services business and certain of our other services depend on the efficient operation of the Internet connections from customers to our secure data centers and from our customers to the Shared Registration System. These connections depend upon the efficient operation of Internet service providers and Internet backbone service providers, all of which have had periodic operational problems or experienced outages in the past.

A failure in the operation of our top-level domain name zone servers, the domain name root zone servers, or other events could result in the deletion of one or more domain names from the Internet for a period of time. In the event that a registrar has not implemented back up services recommended by us in conformance with industry best practices, a failure in the operation of our Shared Registration System could result in the inability of one or more other registrars to register and maintain domain names for a period of time. A failure in the operation or

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update of the master database that we maintain could also result in the deletion of one or more top-level domains from the Internet and the discontinuation of second-level domain names in those top-level domains for a period of time. Any of these problems or outages could decrease customer satisfaction, harming our business or resulting in adverse publicity that could adversely affect the market's perception of the security of e-commerce and communications over IP networks as well as of the security or reliability of our services.

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

We retain certain customer information in our secure data centers and various registration systems. It is critical to our business strategy that our facilities and infrastructure remain secure and are perceived by the marketplace to be secure. The Shared Registration System, the domain name root zone servers and top-level domain name zone servers that we operate are critical hardware and software to our Registry Services operations. Therefore, we may have to expend significant time and money to maintain or increase the security of our facilities and infrastructure. Despite our security measures, our infrastructure may be vulnerable to physical break-ins, computer viruses, attacks by hackers or nefarious actors or similar disruptive problems. It is possible that we may have to expend additional financial and other resources to address such problems. Any physical or electronic break-in or other security breach or compromise of the information stored at our secure data centers and domain name registration systems may jeopardize the security of information stored on our premises or in the computer systems and networks of our customers. In such an event, we could face significant liability, customers could be reluctant to use our services and we could be at risk for loss of various security and standards-based compliance certifications needed for certain of our businesses. Such an occurrence could also result in adverse publicity and therefore adversely affect the market's perception of the security of e-commerce and communications over IP networks as well as of the security or reliability of our services.

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

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

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

We rely on the strength of our Verisign brand to differentiate ourselves in the marketing of our products. Dilution of the strength of our brand could harm our business.

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

Claims relating to infringement of intellectual property of others or other similar claims have been made against us in the past and could be made against us in the future. It is possible that we could become subject to additional claims for infringement of the intellectual property of third parties. The international launch of the new logo for the Company could present additional potential risks for third party claims of infringement. Any claims, with or without merit, could be time consuming, result in costly litigation and diversion of technical and management personnel attention, cause delays in our business activities generally, or require us to develop a non-infringing logo or technology or enter into royalty or licensing agreements. Royalty or licensing agreements, if required, may not be available on acceptable terms or at all. If a successful claim of infringement was made against us, we could be required to pay damages or have portions of our business enjoined. If we could not identify and adopt an alternative non-infringing logo, develop non-infringing technology or license the infringed or similar technology on a timely and cost-effective basis, our business could be harmed.

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

We are involved in a number of claims, lawsuits and investigations against us that may result in adverse outcomes.

In addition to possible intellectual property litigation and infringement claims, we are involved in a number of claims, lawsuits and investigations which we currently believe are immaterial but could prove material. Litigation is inherently unpredictable, and excessive verdicts do occur. In addition, certain parties to litigation to which we are a party may be entitled to indemnification by us. Adverse outcomes in some or all of these claims, lawsuits and investigations may result in significant monetary damages, including indemnification payments, or injunctive relief that could adversely affect our ability to conduct our business and may have a material adverse effect on our financial condition and results of operations. Additionally, these investigations, claims and lawsuits may involve significant expense and diversion of management's attention and resources from other matters.

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

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

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

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Furthermore, any changes by our distributors to their existing marketing strategies could have a material adverse effect on our business. Similarly, if one or more of our distributors were to encounter financial difficulties, or if there were a significant reduction in marketing expenditures by our distributors (including registrars), as a result of industry consolidation or otherwise, it could have a material adverse effect on our business, including a decrease in domain name registrations and renewals. Failure of one or more of our strategic, channel or other relationships to result in the development and maintenance of a market for our services could harm our business. If we are unable to maintain our existing relationships or to enter into additional relationships, this could harm our business.

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The success of our NIA Services depend in part on the acceptance of our services.

We are investing in our NIA Services, and the future growth of these services depends, in part, on the commercial success, acceptance, and reliability of our NIA Services. These services will suffer if our target customers do not adopt or use these services. We are not certain that our target customers will choose our NIA Services or continue to use these services even after adoption.

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

Our Registry Services and NIA Services businesses are developing services in emerging markets, including services that involve naming and directory services other than registry and related infrastructure services. These emerging markets are rapidly evolving, may never gain wide acceptance and may not grow. Even if these markets grow, our services may not be widely accepted. Accordingly, the demand for our services in these markets is very uncertain. The factors that may affect market acceptance of our services in these markets include the following:

market acceptance of products and services based upon technologies other than those we use;

public perception of the security of our technologies and of IP and other networks;

the introduction and consumer acceptance of new generations of mobile devices;

the ability of the Internet infrastructure to accommodate increased levels of usage; and

government regulations affecting Internet access and availability, e-commerce and telecommunications over IP networks.

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

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

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

All of the members of our senior management team and other U.S. key employees are at-will employees and we do not maintain key person life insurance for any of our senior management team members or key employees. The loss of the services of any of our senior management team or

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other key employees, or failure to attract, integrate, train, retain and motivate additional key employees could harm our business.

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

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

our stockholders may take action only at a duly called meeting and not by written consent;

special meetings of our stockholders may be called only by the chief executive officer, the president or our Board, and cannot be called by our stockholders;

our Board must be given advance notice regarding stockholder-sponsored proposals for consideration at annual meetings and for stockholder nominations for the election of directors;

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vacancies on our Board can be filled until the next annual meeting of stockholders by majority vote of the members of the Corporate Governance and Nominating Committee, or a majority of directors then in office if no such committee exists, or a sole remaining director; and

our Board has the ability to designate the terms of and issue new series of preferred stock without stockholder approval.

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

The rights will generally become exercisable if a person or group acquires 20% or more of Verisign's outstanding common stock (unless such transaction is approved by our Board) and thus becomes an acquiring person.

Each right, when exercisable, will entitle the holder, other than the acquiring person, to acquire shares of Verisign's common stock at a 50% discount to the then-prevailing market price.

As a result, the rights plan will cause substantial dilution to a person or group that becomes an acquiring person on terms that our Board does not believe are in our best interests and those of our stockholders and may discourage, delay or prevent a merger or acquisition that stockholders may consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares.

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

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

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

Our inability to indefinitely reinvest our foreign earnings could materially adversely affect our results of operations.

Deferred income taxes have not been provided on the undistributed earnings of foreign subsidiaries because these earnings have been indefinitely reinvested and we do not plan to initiate any action that would precipitate the payment of income taxes thereon. We consider the following matters, among others, in evaluating our plans for indefinite reinvestment: the forecasts, budgets and financial requirements of the

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parent and subsidiaries for both the long and short term; the tax consequences of a decision to reinvest; and any U.S. and foreign government programs designed to influence remittances. If factors change and as a result we are unable to indefinitely reinvest the foreign earnings, the income tax expense and payments may differ significantly from the current period and could materially adversely affect our results of operations.

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Risks relating to the competitive environment in which we operate

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

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

Competition in Registry Services: We face competition in the domain name registry space from other gTLD and ccTLD registries that are competing for the business of entities and individuals that are seeking to establish a Web presence, including registries offering services related to the .info, .org, .mobi, .biz, .pro, .aero, .museum and .coop gTLDs and registries offering services related to ccTLDs. ICANN currently has registry agreements with 15 registries for the operation of 17 gTLDs. In addition, there are over 240 Latin script ccTLD registries and 16 IDN ccTLD registries. Furthermore, under our agreements with ICANN, we are subject to certain restrictions in the operation of .com, .net and .name on pricing, bundling and use of registrars that do not apply to ccTLDs and therefore may create a competitive disadvantage.

We also face competition from service providers that offer outsourced domain name registration, resolution and other DNS services to organizations that require a reliable and scalable infrastructure. Among the competitors are Neustar Inc., Afilias Limited and Nominet UK, Inc. In addition, to the extent end-users navigate using search engines as opposed to direct navigation, we may face competition from search engine operators such as Google Inc., Microsoft Corporation, and Yahoo! Inc. Furthermore, to the extent end-users increase the use of web and phone applications to locate and access content, we may face competition from providers of such web and phone applications.

Additional competition to our business may arise from the introduction of new TLDs by ICANN. These include IDN TLDs and the upcoming introduction of new gTLDs by ICANN. On October 30, 2009, ICANN approved a fast track process for the awarding of new IDN ccTLDs and such new IDN ccTLDs have started to be introduced into the root. Other new domain extensions (including ones for which we could apply) could become available by the end of 2012. We do not yet know the impact, if any, that these new domain extensions may have on our business. Applicants for such new TLDs may have greater financial, technical, marketing and other resources than we do. Furthermore, ICANN has proposed allowing the operators of new gTLDs to also own, be owned 100% by or otherwise affiliated with a registrar, whereas Verisign is currently prohibited by its agreements with ICANN and the Department of Commerce from owning more than 15% of a registrar. As a result, operators of new gTLDs may be able to obtain competitive advantages through such vertical integration. While we may apply for one or more of these new domain extensions, there is no certainty that we will ultimately be successful, and even if we are successful in obtaining one or more of these new domain extensions, there is no guarantee that such extensions will be any more successful than the domain name extensions obtained by our competitors.

Competition in Network Intelligence and Availability Services: Several of our current and potential competitors have longer operating histories and/or significantly greater financial, technical, marketing and other resources than we do and therefore may be able to respond more quickly than we can to new or changing opportunities, technologies, standards and customer requirements. Many of these competitors also have broader and more established distribution channels that may be used to deliver competing products or services directly to customers through bundling or other means. If such competitors were to bundle competing products or services for their customers, we may experience difficulty establishing or increasing demand for our products and services or distributing our products successfully.

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We face competition in the network intelligence and availability services industry from companies such as iSight Partners, Security Services X-Force Threat Analysis Service, Secunia ApS, SecureWorks, Inc., McAfee, Inc., Prolexic Technologies, Inc., AT&T Inc., Verizon Communications, Inc., Dyn, Inc.'s Dynect Platform, NeuStar Ultra Services, OpenDNS, BlueCat Networks, Inc., Infoblox Inc., Nominum, Inc. and Afilias Limited.

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

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

Risks related to the sale of our Authentication Services business and the completion of our divestiture plan

Our suite of products and services is less diverse following the sale of our Authentication Services business.

We may not be able to achieve the full strategic and financial benefits we expected from the sale of our Authentication Services business. Following the sale of the Authentication Services business, our Registry Services business, which derives most of its revenues from registration fees for domain names, generates substantially all of our revenue. If there is a disruption in the Registry Services business, including any disruption from changes in the domain name industry, changes in or challenges to our agreements with ICANN, including any changes resulting from legal challenges to these agreements, from the Coalition for ICANN Transparency, Inc. (CFIT) or otherwise, changes in customer preferences, a downturn in the economy or changes in technology related to the use of domain names, there may be a material adverse effect on our business and results of operations. In addition, a failure of either or both of the .com or .net Registry Agreements to renew on the same or similar terms when they expire in 2011 (.net) and 2012 (.com) could have a material adverse effect on our business.

We face risks related to the terms of the sale of the Authentication Services business.

Under the agreement reached with Symantec for the sale of our Authentication Services business (the Symantec Agreement), we agreed to several terms that may pose risks to us, including the potential for confusion by the public with respect to Symantec's right to use certain of our trademarks, brand and website, as well as the risk that current or potential investors in the Company or customers may incorrectly attribute to Verisign problems with Symantec products or services that are currently operated under the Verisign brand pursuant to licensing agreements with Symantec. This may have a negative impact on our reputation, our brand and the market for our products and services. We are at risk that we will be unable to register, build equity in, or enforce the new logo for the Company. In addition, we may determine that certain assets transferred to Symantec could have been useful in our Naming Services businesses or in other future endeavors, requiring us to forego future opportunities or design or purchase alternatives which could be costly and less effective than the transferred assets.

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Under the terms of the Symantec Agreement, we have licensed rights to certain of our websites and domain name registrations to Symantec. We are at risk that our customers will go to the licensed websites and be unable to locate our NIA Services. In addition, we will continue to maintain the registration rights for the domain names licensed to Symantec for which Symantec has sole control over the content, and we may be subject to claims of infringement if Symantec posts content that is alleged to infringe the rights of a third party. We may also face expenditures to procure registration rights to other domain names for our Naming Services, many of which may be owned by third parties.

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We are at risk of increased levels of employee attrition following the sale of our Authentication Services business.

Although we believe that we have retained sufficient senior management and other employees to perform various functions at the Company, we are at risk of experiencing increased levels of employee attrition from employees scheduled to be transitioned out of the Company now that the sale of the Authentication Services business has closed, and we may encounter difficulty recruiting and hiring competent personnel to replace any key personnel who voluntarily terminate their employment with us. If we are unable to replace employees quickly, we may be forced to hire temporary labor for assistance in the short term at higher rates than the salaried employees. In addition, it may take new personnel a significant period of time to understand and become familiar with Company processes. The failure to replace our departing personnel, if any, in a timely manner could result in our inability to perform various important functions, including completing our SEC filings, and could impair our ability to execute our business strategy, which could have a material adverse effect on our business.

We are transitioning key corporate functions from our California office to our Virginia office.

We may encounter difficulties and face risks as we transition key corporate functions from our Mountain View, California office to our Dulles, Virginia office, including our ability to timely complete our financial reporting, the impact on key corporate support functions, and our ability to attract and retain qualified employees. In addition, the large number of personnel displacements could impair employee morale and create a distraction for employees, which could harm our business.

We continue to be responsible for certain liabilities and transition services following the divestiture of certain businesses.

Under the agreements reached with the buyers of certain divested businesses, including the Authentication Services business, we remain liable for certain liabilities related to the divested businesses. In addition, we have entered into, and may in the future amend or extend, transition services agreements with buyers in connection with the divestiture of certain businesses, including the Authentication Services business. These transition services may be required for a longer period of time than anticipated by management. In addition, we have agreed to perform certain transition services for a fixed price or for fixed hourly rates, but our actual costs to provide such services may exceed the fees buyers are contractually obligated to pay us under the relevant transition services agreements. The scope and magnitude of the transition services we have agreed to provide in connection with the sale of the Authentication Services business are greater than those provided under our divestiture plan, and we may face challenges performing such transition services, including that the focus of employees and resources supporting the transition services may impact their ability to support our existing businesses.

There is a possibility that we will incur unanticipated costs and expenses associated with management of liabilities relating to the businesses we have divested, including requests for indemnification by the buyers of the divested businesses. These liabilities could potentially relate to (i) breaches of contractual representations and warranties we gave to the buyers of the divested businesses, or (ii) certain liabilities relating to the divested businesses which we retained under the agreements reached with the buyers of the divested businesses. Such liabilities could include certain litigation matters, including actions brought by third parties. Where responsibility for such liabilities is to be contractually allocated to the buyer or shared with the buyer or another party, it is possible that the buyer or the other party may be in default for payments for which they are responsible, obligating us to pay amounts in excess of our agreed-upon share of those obligations.

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

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Under the agreements reached with buyers for certain businesses we divested, including the Authentication Services business, we are restricted from competing, either directly or indirectly, with those businesses or from entering certain market sectors for a defined period of time pursuant to negotiated non-compete arrangements.

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Risks related to our securities

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

As of December 31, 2010, we had one billion authorized common shares, of which 172.7 million shares were outstanding. In addition, of our authorized common shares, 23.5 million common shares were reserved for issuance pursuant to outstanding employee stock option and employee stock purchase plans (Equity Plans), and 36.4 million shares were reserved for issuance upon conversion of the 3.25% junior subordinated convertible debentures due 2037 (the Convertible Debentures). As a result, we keep substantial amounts of our common stock available for issuance upon exercise or settlement of equity awards outstanding under our Equity Plans and/or the conversion of Convertible Debentures into our common stock. Issuance of all or a large portion of such shares would be dilutive to existing security holders, could adversely affect the prevailing market price of our common stock and could impair our ability to raise additional capital through the sale of equity securities.

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

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

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

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

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

New accounting pronouncements could, when adopted, require us to implement different accounting methods which could have a material adverse impact on future or past results of operations, which could in turn materially adversely affect the trading price of our common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our corporate headquarters are located in Dulles, Virginia. We have administrative, sales, marketing, research and development and operations facilities located in the U.S., Brazil, Europe, Asia, and Australia. As of

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December 31, 2010, we owned approximately 233,000 square feet of space, which includes facilities in Dulles, Virginia and New Castle, Delaware. As of December 31, 2010, we leased approximately 463,000 square feet of space, primarily in the U.S. and to a lesser extent, in Europe and Asia Pacific. These facilities are under lease agreements that expire at various dates through 2017.

In 2010, we sold our owned space in Mountain View, California as part of the sale of the Authentication Services business. The remaining Corporate and Naming Services groups at the owned space were relocated to a new leased facility in Mountain View, California.

We believe that our existing facilities are well maintained and in good operating condition, and are sufficient for our needs for the foreseeable future. The following table lists our major locations and primary use for continuing operations as of December 31, 2010:

Major Locations	Approximate Square Footage	Use
United States:		
Dulles, Virginia	237,000	Corporate Headquarters; and Naming Services
New Castle, Delaware	105,000	Naming Services
Mountain View, California	47,000	Naming Services; and Corporate Services
Europe/Middle East/Africa:		
Geneva, Switzerland	17,000	Corporate Services
Fribourg, Switzerland	8,000	Naming Services; and Corporate Services
Asia Pacific:		
Bangalore, India	31,000	Naming Services; and Corporate Services

As of December 31, 2010, on a worldwide basis, we had an aggregate of approximately 108,000 square feet that was vacant and in restructuring, which is not included in the table above. In addition, as of December 31, 2010, approximately 115,000 square feet is being subleased to third parties, which is not included in the table above.

Further, in September 2010, we entered into a lease agreement for an office building containing approximately 221,000 square feet, in Reston, Virginia, to be used as our Corporate Headquarters. The lease is expected to commence in July 2011 commensurate with taking control of the premises and will expire in 2026. We entered into this lease with the intent to exercise an early termination option to exit our existing leased facilities in Dulles, Virginia.

ITEM 3. LEGAL PROCEEDINGS

On May 31, 2007, plaintiffs Karen Herbert, et al., on behalf of themselves and a nationwide class of consumers (*Herbert*), filed a complaint against Verisign, m-Qube, Inc., and other defendants alleging that defendants collectively operated an illegal lottery under the laws of multiple states by allowing viewers of the NBC television show *Deal or No Deal* to incur premium text message charges in order to participate in an interactive television promotion called *Lucky Case Game*. The lawsuit is pending in the U.S. District Court for the Central District of California, Western Division. On June 5, 2007, plaintiffs Cheryl Bentley, et al., on behalf of themselves and a nationwide class of consumers (*Bentley*), filed a complaint against Verisign, m-Qube, Inc., and other defendants alleging that defendants collectively operated an illegal lottery under the laws of multiple states by allowing viewers of the NBC television show *The Apprentice* to incur premium text message charges in order to participate in an interactive television promotion called *Get Rich With Trump*. The defendants' motion to dismiss the *Herbert* matter was denied by the district court on December 3, 2007 and that ruling was appealed. On July 8, 2010, the Court of Appeals for the Ninth Circuit dismissed the appeal for lack of jurisdiction and remanded the case to the district court. The *Bentley* and *Herbert* cases, although not consolidated, are proceeding on a coordinated basis before the same judge in the District Court. Certain defendants have asserted indemnity claims against

Verisign in connection with these matters.

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Verisign has been named as a defendant in litigation brought by the plaintiff CFIT asserting claims, among others, under Sections 1 and 2 of the Sherman Antitrust Act (the Sherman Act) in connection with the .com and .net Registry Agreements. Following the dismissal with prejudice of CFIT's second amended complaint by the United States District Court for the Northern District of California on May 14, 2007, and CFIT's appeal to the U.S. Court of Appeals for the Ninth Circuit, the case was remanded to the U.S. District Court for the Northern District of California by an Order and Amended Opinion issued on July 9, 2010. Upon remand, the District Court scheduled a trial to begin December 5, 2011, a summary judgment hearing on threshold issues, including standing, the role of the U.S. government and ICANN, immunity, as well as CFIT's right to a jury trial, for March 2011 and a final summary judgment hearing for October 2011. On December 16, 2010, the District Court granted CFIT's unopposed motion for leave to file a third amended complaint. The third amended complaint contained new allegations regarding the .net Registry Agreement, sought disgorgement of profits, eliminated all claims for damages and removed all claims regarding the alleged expiring names registration services market. Verisign filed a motion to dismiss CFIT's third amended complaint on December 30, 2010. A hearing on Verisign's motion to dismiss was held on February 4, 2011, whereupon the District Court took the matter under advisement. On February 11, 2011, the District Court issued an order granting Verisign's motion to dismiss CFIT's third amended complaint (the Order). The Order dismisses the complaint in its entirety, with leave, in part, to amend the complaint again. First, the Order dismisses the complaint in its entirety on the grounds that the third amended complaint failed to identify members of CFIT or their continuous standing to assert the claims in the complaint against Verisign. The Order grants CFIT leave to amend the complaint to the extent CFIT can sufficiently allege standing from the commencement of the action. Second, the Order dismisses the claims concerning the .net Registry Agreement on the grounds that CFIT's allegations are too conclusory to plausibly state a claim for relief. The Order grants CFIT leave to amend its claims concerning the .net Registry Agreement to the extent it can allege specific facts sufficient to state a claim for relief. Third, the Order dismisses without leave to amend CFIT's claim for disgorgement of domain name registration fees CFIT alleges were improperly collected. Finally, the Order denies CFIT's request for a jury trial. Thus, any claims in the case should be tried to the District Court rather than a jury.

Indemnifications

In connection with the sale of the Authentication Services business to Symantec, the Company has agreed to indemnify Symantec for certain potential legal claims arising from the operation of the Authentication Services business for a period of sixty months after the closing of the sale transaction. The Company's indemnification obligations in this regard are triggered only when indemnifiable claims exceed in the aggregate \$4 million. Thereafter, the Company is obligated to indemnify Symantec for 50% of all indemnifiable claims. The Company's maximum indemnification obligation with respect to these claims is capped at \$125 million.

While certain matters to which the Company is a party specify the damages claimed, such claims may not represent reasonably possible losses. Given the inherent uncertainties of the litigation, the ultimate outcome of these matters cannot be predicted at this time, nor can the amount of possible loss or range of loss, if any, be reasonably estimated, except in circumstances where an aggregate litigation accrual has been recorded for probable and reasonably estimable loss contingencies. A determination of the amount of accrual required, if any, for these contingencies is made after careful analysis of each matter. The required accrual may change in the future due to new developments in each matter or changes in approach such as a change in settlement strategy in dealing with these matters. The Company does not believe that any such matter currently being reviewed will have a material adverse effect on its financial condition or results of operations.

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

Table of Contents**ITEM 4. Removed and Reserved.****EXECUTIVE OFFICERS OF THE REGISTRANT**

The following table sets forth information regarding our executive officers as of February 24, 2011:

Name	Age	Position
D. James Bidzos	55	Executive Chairman
Mark D. McLaughlin	45	President and Chief Executive Officer
Brian G. Robins	41	Executive Vice President and Chief Financial Officer
Richard H. Goshorn	54	Senior Vice President, General Counsel and Secretary
Patrick S. Kane	48	Senior Vice President and General Manager, Naming Services

D. James Bidzos has served as Executive Chairman since August 2009. He served as Executive Chairman and Chief Executive Officer on an interim basis from June 2008 to August 2009 and served as President from June 2008 to January 2009. He served as Chairman of the Board since August 2007 and from April 1995 to December 2001. He served as Vice Chairman of the Board from December 2001 to August 2007. Mr. Bidzos served as a director of VeriSign Japan from March 2008 to August 2010 and served as Representative Director of VeriSign Japan from March 2008 to September 2008. Mr. Bidzos served as Vice Chairman of RSA Security Inc., an Internet identity and access management solution provider, from March 1999 to May 2002, and Executive Vice President from July 1996 to February 1999. Prior thereto, he served as President and Chief Executive Officer of RSA Data Security, Inc. from 1986 to February 1999.

Mark D. McLaughlin has served as President and Chief Executive Officer and as a director since August 2009. He served as President and Chief Operating Officer from January 2009 to August 2009. From November 2008 to January 2009, Mr. McLaughlin provided consulting services to the Company. From January 2007 through November 2007, he served as the Company's Executive Vice President, Products and Marketing. From May 2006 to January 2007, he served as Executive Vice President and General Manager, Information Services. From December 2004 to May 2006, he served as Senior Vice President and General Manager, Information Services and from November 2003 through December 2004, Mr. McLaughlin was Senior Vice President and Deputy General Manager of Information Services. From 2002 to 2003, he served as Vice President, Corporate Business Development, and from 2000 to 2001 he was Vice President, General Manager of Verisign Payment Services. Prior to joining the Company, Mr. McLaughlin was the Vice President, Sales and Business Development, of Signio Inc., an Internet payment company acquired by the Company in February 2000. Mr. McLaughlin holds a B.S. degree from the U.S. Military Academy at West Point and a J.D. degree from Seattle University.

Brian G. Robins has served as Executive Vice President and Chief Financial Officer since August 2009. He served as acting Chief Financial Officer from April 2008 to August 2009 and served as Senior Vice President, Finance, from August 2007 to August 2009. From January 2007 to August 2007, Mr. Robins was Vice President, Finance. Prior to joining Verisign in January 2007, Mr. Robins was employed by NeuStar Inc., a provider of clearinghouse services for communication service providers and enterprises, in a number of capacities since 2001, including as Vice President of Finance and Treasurer. Mr. Robins served as a director of VeriSign Japan from March 2009 to August 2010. Mr. Robins holds a B.A. degree in Finance from Lipscomb University and an M.B.A. degree from Vanderbilt University.

Richard H. Goshorn has served as Senior Vice President, General Counsel and Secretary since June 2007. From October 2004 to May 2007, he served as General Counsel for Akin Gump Strauss Hauer & Feld, LLP, an international law firm. From 2002 to 2003, Mr. Goshorn was Corporate Vice President, General Counsel and Secretary of Acterna Corporation Inc., a public communications test equipment company. From 1991 to 2001 he held a variety of senior executive legal positions with London-based Cable and Wireless PLC, a telecommunications company, including the position of Senior Vice President and General Counsel, Cable &

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Wireless Global. Mr. Goshorn holds a B.A. degree in Economics from the College of Wooster and a J.D. degree from Duke University School of Law.

Patrick S. Kane has served as Senior Vice President and General Manager, Naming Services, since January 2011. From October 2007 to December 2010, he served as Vice President and Assistant General Manager, Naming Services and from November 1999 to October 2007 he served as Director, Senior Product and Program Manager. Prior to joining Verisign, he served in many capacities with American Management Systems and Electronic Data Systems, where he began his career as a Systems Engineer. Mr. Kane holds a B.S. degree in Architectural Engineering from University of Texas at Austin.

Table of Contents**PART II****ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES****Price Range of Common Stock**

Our common stock is traded on the NASDAQ Global Select Market under the symbol VRSN. The following table sets forth, for the periods indicated, the high and low sales prices per share for our common stock as reported by the NASDAQ Global Select Market:

	Price Range	
	High	Low
Year ending December 31, 2011:		
First Quarter (through Feb, 22, 2011)	\$ 37.57	\$ 31.97
Year ended December 31, 2010:		
Fourth Quarter	\$ 37.18	\$ 31.40
Third Quarter	32.17	25.73
Second Quarter	29.79	24.59
First Quarter	\$ 27.18	\$ 21.21
Year ended December 31, 2009:		
Fourth Quarter	\$ 24.99	\$ 21.28
Third Quarter	23.95	17.59
Second Quarter	24.88	17.54
First Quarter	\$ 21.65	\$ 16.89

On February 18, 2011, there were 765 holders of record of our common stock, although we believe there are approximately 89,000 beneficial owners since many brokers and other institutions hold our stock on behalf of stockholders. On February 22, 2011, the reported last sale price of our common stock was \$35.10 per share as reported by the NASDAQ Global Select Market.

The market price of our common stock has been and is likely to continue to be highly volatile and significantly affected by factors such as:

general market and economic conditions and market conditions affecting technology and Internet stocks generally;

announcements of technological innovations, acquisitions or investments by us or our competitors;

developments in Internet governance; and

industry conditions and trends.

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The market price of our common stock also has been and is likely to continue to be significantly affected by expectations of analysts and investors. Reports and statements of analysts do not necessarily reflect our views. To the extent we have met or exceeded analyst or investor expectations in the past does not necessarily mean that we will be able to do so in the future. In the past, securities class action lawsuits have often followed periods of volatility in the market price of a particular company's securities. This type of litigation could result in substantial costs and a diversion of our management's attention and resources.

On December 9, 2010, our Board declared a special cash dividend of \$3.00 per share of our outstanding common stock totaling \$518.2 million that was paid on December 28, 2010 to stockholders of record at the close of business on December 20, 2010. Other than this one-time cash dividend, we have never declared or paid any cash dividends on our common stock or other securities.

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We intend to continue to invest in the future growth of our business, and also continue to evaluate various means to return approximately \$650 million to our common stockholders in 2011 and minimize dilution from stock issuances. Information regarding our equity compensation plans may be found in Part III, Items 11 and 12, of this Form 10-K.

Share Repurchases

On July 27, 2010, the Board authorized the repurchase of up to approximately \$1.1 billion of our common stock, in addition to the \$393.6 million of our common stock remaining available for repurchase under the previous 2008 Share Buyback Program, for a total repurchase of up to \$1.5 billion of our common stock (collectively, the 2010 Share Buyback Program). The 2010 Share Buyback Program has no expiration date. Purchases made under the 2010 Share Buyback Program could be effected through open market transactions, block purchases, accelerated share repurchase agreements or other negotiated transactions.

The following table presents the stock repurchase activity during the three months ended December 31, 2010:

		Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (2)
October 1	31, 2010		\$		\$ 1,380.2 million
November 1	30, 2010	419,134	33.99	419,134	1,365.9 million
December 1	31, 2010		\$		1,365.9 million
		419,134		419,134	

(1) Represents shares repurchased under the 2010 Share Buyback Program.

(2) Represents the remaining amount available for further share repurchases under the 2010 Share Buyback Program as of the end of the relevant month.

Table of Contents**Performance Graph**

The information contained in the Performance Graph shall not be deemed to be soliciting material or filed with the SEC or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act), except to the extent that we specifically incorporate it by reference into a document filed under the Securities Act of 1933, as amended (the Securities Act), or the Exchange Act.

The following graph compares the cumulative total stockholder return on our common stock, the Standard and Poors (S&P) 500 Index, and the S&P 500 Information Technology Index. The graph assumes that \$100 was invested in our common stock, the S&P 500 Index and the S&P 500 Information Technology Index on December 31, 2005, and calculates the return annually through December 31, 2010. The stock price performance on the following graph is not necessarily indicative of future stock price performance.

	12/31/05	12/31/06	12/31/07	12/31/08	12/31/09	12/31/10
VeriSign, Inc	\$ 100	\$ 109	\$ 170	\$ 87	\$ 110	\$ 162
S&P 500 Index	\$ 100	\$ 115	\$ 121	\$ 77	\$ 98	\$ 113
S&P 500 Information Technology Index	\$ 100	\$ 107	\$ 124	\$ 71	\$ 117	\$ 128

Table of Contents**ITEM 6. SELECTED FINANCIAL DATA**

The following table sets forth selected financial data as of and for the last five fiscal years. The information set forth below is not necessarily indicative of results of future operations, and should be read in conjunction with Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, and our Notes to Consolidated Financial Statements in Item 15 of this Form 10-K, to fully understand factors that may affect the comparability of the information presented below.

We have reclassified the selected financial data for all periods presented to reflect our discontinued operations as described in Note 4, Discontinued Operations, of our Notes to Consolidated Financial Statements in Item 15 of this Form 10-K.

Selected Consolidated Statements of Operations Data: (in millions, except per share data)

	Year Ended December 31,				
	2010 (2)	2009 (3)	2008 (4)	2007 (5)	2006 (6)
Continuing Operations:					
Revenues	\$ 681	\$ 616	\$ 559	\$ 494	\$ 654
Operating income (loss)	\$ 232	\$ 160	\$ (26)	\$ (408)	\$ (120)
Income (loss) attributable to Verisign stockholders	\$ 70	\$ 92	\$ 32	\$ (245)	\$ 259
Income (loss) per share attributable to Verisign stockholders:					
Basic	\$ 0.39	\$ 0.48	\$ 0.16	\$ (1.03)	\$ 1.06
Diluted	\$ 0.39	\$ 0.48	\$ 0.16	\$ (1.03)	\$ 1.05
Discontinued Operations:					
Revenues	\$ 249	\$ 640	\$ 997	\$ 1,008	\$ 915
Operating income (loss)	\$ 64	\$ 216	\$ (405)	\$ 180	\$ 209
Income (loss) attributable to Verisign stockholders	\$ 761	\$ 154	\$ (406)	\$ 95	\$ 124
Income (loss) per share attributable to Verisign stockholders:					
Basic	\$ 4.29	\$ 0.80	\$ (2.06)	\$ 0.40	\$ 0.51
Diluted	\$ 4.25	\$ 0.80	\$ (2.03)	\$ 0.40	\$ 0.50
Consolidated Total:					
Net income (loss) attributable to Verisign stockholders	\$ 831	\$ 246	\$ (374)	\$ (150)	\$ 383
Net income (loss) per share attributable to Verisign stockholders:					
Basic	\$ 4.68	\$ 1.28	\$ (1.90)	\$ (0.63)	\$ 1.57
Diluted	\$ 4.64	\$ 1.28	\$ (1.87)	\$ (0.63)	\$ 1.55
Cash dividend declared per share (1)	\$ 3.00	\$	\$	\$	\$

- (1) In December 2010, we declared and paid a special dividend of \$3.00 per share of our common stock totaling \$518.2 million.
- (2) Operating income from continuing operations for 2010 is reduced by \$16.9 million in restructuring charges related to the divestiture of the Authentication Services business. Income from continuing operations attributable to Verisign stockholders for 2010 is reduced by \$109.1 million in contingent interest paid to holders of our Convertible Debentures, as a result of the special dividend to stockholders. Income from discontinued operations attributable to Verisign stockholders for 2010 includes a \$726.2 million gain, net of tax of \$254.3 million, upon the divestiture of our Authentication Services business.
- (3) Operating income from continuing operations for 2009 is reduced by a \$9.7 million impairment charge related to our .name gTLD and \$5.4 million in restructuring charges related to the divestiture of businesses in 2009 and 2008. Income from discontinued operations attributable to Verisign stockholders for 2009 includes \$36.0 million in net gain upon divestiture and wind-down of businesses.
- (4) Operating loss from continuing operations for 2008 includes \$29.4 million in restructuring charges related to the divestiture of businesses in 2008, and a loss of \$79.1 million on the sale of a portion of our Mountain View facilities. Income from continuing operations attributable to Verisign stockholders for 2008 includes gain on sale of \$77.8 million, upon the divestiture of our remaining 49% ownership interest in the Jamba joint ventures. Operating loss from discontinued operations for 2008 includes \$41.0 million in restructuring charges, a goodwill impairment charge of \$77.6 million for our VeriSign Japan reporting unit and a goodwill impairment charge of \$45.8 million related to our Post-pay reporting unit. Loss from discontinued operations attributable to Verisign stockholders for 2008 includes \$433.3 million in held-for-sale impairments and net losses upon divestiture and wind-down of businesses.
- (5) Operating loss from continuing operations for 2007 is reduced by impairment charges of \$197.8 million of goodwill and other intangible assets. Loss from continuing operations attributable to Verisign stockholders for 2007 was offset by a \$68.2 million gain recognized

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upon the divestiture of our majority ownership interest in the Jamba! business. Operating income from discontinued operations for 2007 is reduced by impairment charges of \$51.8 million for other intangible assets.

- (6) Income from continuing operations attributable to Verisign stockholders for 2006 includes \$349.8 million in income tax benefits that resulted from the release of our valuation allowance of \$236.4 million from our deferred tax assets and the recognition of a non-recurring benefit of \$113.4 million due to a favorable ruling received in the second quarter of 2006 relating to a capital loss generated in 2003.

Consolidated Balance Sheet Data: (in millions)

	As of December 31,				
	2010	2009	2008	2007	2006
Cash, cash equivalents and marketable securities (1) (2)	\$ 2,061	\$ 1,477	\$ 789	\$ 1,377	\$ 677
Total assets	\$ 2,444	\$ 2,470	\$ 2,367	\$ 3,795	\$ 3,985
Deferred revenues (1)	\$ 663	\$ 888	\$ 845	\$ 774	\$ 637
Convertible debentures, including contingent interest derivative	\$ 582	\$ 574	\$ 569	\$ 567	\$
Stockholders equity	\$ 676	\$ 599	\$ 518	\$ 1,969	\$ 2,403

(1) Excludes assets and liabilities classified as held for sale as reported at each Balance Sheet date, if applicable.

(2) We did not have any significant marketable securities as of December 31, 2009, 2008 and 2007.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS

This Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). These forward-looking statements involve risks and uncertainties, including, among other things, statements regarding our anticipated costs and expenses and revenue mix. Forward-looking statements include, among others, those statements including the words expects, anticipates, intends, believes and similar language. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in the section titled Risk Factors in Part I, Item 1A of this Form 10-K. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this Form 10-K. We undertake no obligation to publicly release any revisions to the forward-looking statements or reflect events or circumstances after the date of this document.

Overview

We are a provider of Internet infrastructure services. By leveraging our global infrastructure, we provide network confidence and availability for mission-critical Internet services, such as domain name registry services and infrastructure assurance services. Our service capabilities enable domain name registration through our registrar partners and provide network availability for registrars and Internet users alike.

As a result of the sale of the Authentication Services business, included in the former Internet, Infrastructure and Identity Services segment, ceasing operations of the CPS business and the divestiture of legacy products and services, comprising the former Other Services segment, our only reportable segment is now Naming Services, which consists of Registry Services and NIA Services.

Registry Services operates the authoritative directory of all .com, .net, .cc, .tv, and .name domain names and the back-end systems for all .jobs and .edu domain names. As of December 31, 2010, we had approximately 105.2 million domain names registered under the .com and .net registries, our principal registries. The number of domain names registered is largely driven by Internet usage and broadband penetration rates, as well as advertising and marketing activities carried out by us and third-party registrars. Although growth in absolute number of registrations remains greatest in mature markets such as the U.S., growth on an annual percentage basis is expected to be greatest in markets outside of the U.S. over the long-term.

NIA Services provides infrastructure assurance to organizations and is comprised of Verisign iDefense Security Intelligence Services, Managed Domain Name System Services, and Distributed Denial of Service mitigation. Revenues from NIA Services are not significant.

2010 Business Highlights and Trends

We recorded revenues of \$680.6 million, an increase of 10%, as compared to 2009. The increase was primarily due to a 9% year-over-year increase in active domain names ending in .com and .net and fee increases in our .com and .net registry fees in October 2008 and July 2010.

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We recorded operating income of \$232.3 million, an increase of 45% as compared to 2009, primarily due to an increase in revenues.

In December 2010, we declared and paid a special dividend of \$3.00 per share of our common stock totaling \$518.2 million. As a result of the dividend, we also paid \$109.1 million in contingent interest to holders of our Convertible Debentures.

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In November 2010, we ceased the operations of our CPS business as well as completed our non-core business divestiture program commenced in late 2007.

On August 9, 2010, we sold our Authentication Services business to Symantec for cash consideration of approximately \$1.14 billion, net of cash held by transferred subsidiaries of \$127.5 million and transaction costs of \$10.8 million. We recorded a gain on sale of \$726.2 million, net of tax of \$254.3 million.

On July 27, 2010, the Board authorized the repurchase of up to approximately \$1.1 billion of our common stock, in addition to the \$393.6 million of our common stock remaining available for repurchase under the previous 2008 Share Buyback Program, for a total repurchase of up to \$1.5 billion of our common stock (collectively, the 2010 Share Buyback Program). We repurchased 15.7 million shares of our common stock for an aggregate cost of \$437.7 million in 2010.

In 2010, we received \$25.2 million from The Reserve Primary Fund and The Reserve International Liquidity Fund, Ltd (collectively Funds held by The Reserve). We realized a \$4.3 million gain due to distributions received in excess of book value.

In 2010, we purchased marketable securities of \$787.7 million and sold marketable securities of \$284.6 million.

We generated cash flows from operating activities of \$215.2 million, a decrease of 46% as compared to 2009. The decrease was primarily due to the payment of contingent interest related to the Convertible Debentures and higher income taxes payable, primarily upon the gain resulting from the sale of the Authentication Services business, before consideration of carried forward excess tax benefits from exercises of stock options and other employee stock purchases.

Divestiture Transactions

During the fourth quarter of 2007, we announced a change to our business strategy to allow management to focus its attention on our core competencies and to make additional resources available to invest in our core businesses. The strategy called for the divestiture or winding-down of our non-core businesses. The divestiture strategy is now complete with the wind-down of our CPS business.

The following presents a summary of our divested and wound-down businesses during the years ended December 31, 2010, 2009 and 2008. Current and historical results of operations of the divested and wound-down businesses have been classified as discontinued operations, unless otherwise noted.

Completed in 2010

On August 9, 2010, we sold our Authentication Services business, including outstanding shares of capital stock of VeriSign Japan and trademarks and certain intellectual property used in the Authentication Services business (including our checkmark logo and the Geotrust and thawte brand names), to Symantec for cash consideration of approximately \$1.14 billion, net of cash held by transferred subsidiaries of \$127.5 million and transaction costs of \$10.8 million. Also included with the sale of the Authentication Services business were real and personal property owned by us at our Mountain View facility and other locations. We recorded a gain on sale of \$726.2 million, net of tax of \$254.3 million.

In November 2010, we ceased the operations of our CPS business.

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Completed in 2009

During 2009, we completed the divestiture and ceased the operations of the following businesses, for aggregate net cash consideration of \$465.6 million. For these divestitures we recorded an aggregate net gain on sale of \$39.4 million in 2009 and aggregate estimated losses on assets held for sale of \$403.5 million in 2008.

We sold our MDG Services business which offered solutions to manage the complex operator interfaces, relationships, distribution, reporting and customer service for the delivery of premium mobile content to customers for net cash consideration of \$19.4 million.

We ceased the operations of our Pre-pay Services business which licensed and managed solutions for prepay billing customers to deliver rating and billing services.

We sold our MMM Services business which consisted of the InterCarrier Messaging, PictureMail, Premium Messaging Gateway, and Mobile Enterprise Service offerings for net cash consideration of \$171.8 million.

We sold our GSC business which helped companies understand corporate security requirements, comply with all applicable regulations, identify security vulnerabilities, reduce risk, and meet the security compliance requirements applicable to the particular business and industry for net cash consideration of \$4.9 million.

We sold our MSS business which enabled enterprises to effectively monitor and manage their network security infrastructure 24 hours per day, every day of the year, while reducing the associated time, expense, and personnel commitments by relying on the MSS business security platform and experienced security staff for net cash consideration of \$40.0 million.

We sold our RTP Services business which allowed organizations to obtain access to and organize large amounts of constantly updated content, and distribute it, in real time, to enterprises, Web-portal developers, application developers and consumers for net cash consideration of \$1.8 million.

We sold our Communications Services business which provided Billing and Commerce Services, Connectivity and Interoperability Services, and Intelligent Database Services for net cash consideration of \$227.6 million.

We sold our International Clearing business which enabled financial settlement and call data settlement for wireless and wireline carriers for net cash consideration of \$0.1 million.

Completed in 2008

During 2008, we completed the divestiture of the following businesses, for aggregate net cash consideration of \$301.8 million. For these divestitures we recorded an aggregate gain on sale of \$80.5 million in continuing operations and an aggregate net loss on sale of \$21.8 million in discontinued operations in 2008.

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We sold our EMM business, which offered mobile application services that included interactive messaging applications, content portal services, and messaging gateway services for net cash consideration of \$7.8 million.

We sold our Post-pay business, which enabled advanced billing and customer care services to wireless telecommunicatio