

VASCO DATA SECURITY INTERNATIONAL INC
Form 8-K
July 23, 2004

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): July 22, 2004

VASCO Data Security International, Inc.

(Exact name of registrant as specified in charter)

Delaware	000-24389	36-4169320
_____ (State or other jurisdiction of incorporation)	_____ (Commission File Number)	_____ (IRS Employer Identification No.)
1901 South Meyers Road, Suite 210 Oakbrook Terrace, Illinois		60181
_____ (Address of principal executive offices) Registrant's telephone number, including area code:	N/A	_____ (Zip Code) (630) 932-8844
	(Former name or former address, if changed since last report)	

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits

Exhibit Number	Description
99.1	Press release, dated July 22, 2004, providing financial update of VASCO Data Security International, Inc. for the second quarter ended June 30, 2004.
99.2	Text of script for July 22, 2004 Earnings Conference Call.

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On July 22, 2004, VASCO Data Security International, Inc. (VASCO) issued a press release providing a financial update for the second quarter ended June 30, 2004. The full text of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

On July 22, 2004, VASCO held a conference call with investors to discuss VASCO's second quarter earnings and results of operations for the first six months of 2004. A script read by officers of VASCO during the conference call is furnished as Exhibit 99.2 to this Current Report on Form 8-K.

The press release and the comments by VASCO during the conference call contained a non-GAAP financial measure within the meaning of the Securities and Exchange Commission's Regulation G. For purposes of Regulation G, a non-GAAP financial measure is a numerical measure of a registrant's historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows (or equivalent statements) of the issuer; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented.

The press release contained a reference to EBITDA from continuing operations and provided a reconciliation of EBITDA from continuing operations to net income (loss) from continuing operations on the face of the Consolidated Statement of Operations. EBITDA is used by VASCO for comparisons to other companies within its industry as an alternative to GAAP measures and is used by investors and analysts in evaluating performance. EBITDA, which is earnings before interest, taxes, depreciation and amortization, is computed by adding back net interest expense, income tax expense, depreciation expense, and amortization expense to net income as reported. EBITDA should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with accounting principles generally accepted in the United States. EBITDA, as defined above, may not be comparable to similarly titled measures reported by other companies.

The information in this report shall not be treated as filed for purposes of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

SIGNATURE

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

Date: July 22, 2004

VASCO Data Security International, Inc.

(Registrant)

By: /s/Clifford K. Bown

Clifford K. Bown
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release, dated July 22, 2004, announcing financial update of VASCO Data Security International, Inc. for the second quarter ended June 30, 2004.
99.2	Text of script for July 22, 2004 Earnings Conference Call.