
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): February 18, 2010

VASCO Data Security International, Inc.

(Exact name of registrant as specified in charter)

Delaware
(State or other jurisdiction
of incorporation)

000-24389
(Commission File Number)

36-4169320
(IRS Employer
Identification No.)

**1901 South Meyers Road, Suite 210
Oakbrook Terrace, Illinois 60181**
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (630) 932-8844

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 7.01 Regulation FD Disclosure

The information contained in this Form 8-K shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

On February 18, 2010, VASCO Data Security International, inc. ("VASCO") will present a PowerPoint presentation at the VASCO 2010 Analyst and Investor Summit. The PowerPoint presentation is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

ITEM 9.01 Financial Statements and Exhibits

(d) Exhibits. The following Exhibits are furnished herewith:

<u>Exhibit Number</u>	<u>Description</u>
99.1	PowerPoint presentation to be presented on February 18, 2010.

* * * * *

Forward Looking Statements

Statements made in this Current Report on Form 8-K that relate to future plans, events or performances are forward-looking statements. Any statement containing words such as "believes," "anticipates," "plans," "expects," "intend," "mean," and similar words, is forward-looking, and these statements involve risks and uncertainties and are based on current expectations. Consequently, actual results could differ materially from the expectations expressed in these forward-looking statements. Reference is made to the VASCO's public filings with the U.S. Securities and Exchange Commission for further information regarding VASCO and its operations and such risks and uncertainties.

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: February 18, 2010

VASCO Data Security International, Inc.

/s/ CLIFFORD K. BOWN

Clifford K. Bown
Chief Financial Officer

EXHIBIT INDEX

The following Exhibits are furnished herewith:

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Investor Summit 2010

T. Kendall Hunt, Chairman & CEO
Jan Valcke, President & COO
Clifford Bown, EVP & CFO

New York, February 18, 2010

Statements made in this presentation that relate to future plans, events or performances are forward-looking statements within the meaning of Section 21e of the Securities and Exchange Act of 1934 and section 27a of the Securities Act of 1933. These forward-looking statements (1) are identified by use of terms and phrases such as “expect”, “believe”, “will”, “anticipate”, “emerging”, “intend”, “plan”, “could”, “may”, “estimate”, “should”, “objective” and “goal” and similar words and expressions, but such words and phrases are not the exclusive means of identifying them, and (2) are subject to risks and uncertainties and represent our present expectations or beliefs concerning future events.

VASCO cautions that the forward-looking statements are qualified by important factors that could cause actual results to differ materially from those in the forward-looking statements. I direct your attention to the company’s filings with the securities and exchange commission for a discussion of such risks and uncertainties in this regard.

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- VASCO Corporate Info
 - Results 2009: recap
 - Guidance 2010
 - Strategy:
 - Organic growth (end-to-end)
 - The next step
 - Q&A



VASCO Corporate Info

- Global company with HQ in US and Europe and Operational HQ in Europe
- Listed on Nasdaq: VDSI
- A leading software company, specializing in Internet security
- Almost 9,500 customers in 100+ countries, including approximately 1,400 banks
- Fast growing market share in 2004, 2005, 2006, 2007 and 2008
- Profitable throughout the crisis year 2009
- 28 consecutive profitable quarters allowing VASCO to finance its organic growth and acquisitions
- A global leader in authentication, electronic & digital signatures



- VASCO Offices
- VASCO sales presence




Results 2009: recap

- Revenue: \$ 31.9 million (+10 %)*
- Operating Income: \$ 5.4 million (+ 197 %)*
- Net income: \$ 5.6 million (+100 %)*
- Gross Margin: 70%
- Earnings Per Share: \$ 0.15 per fully diluted share (+100%) *

Compared to Q4 2008



Results Full Year 2009

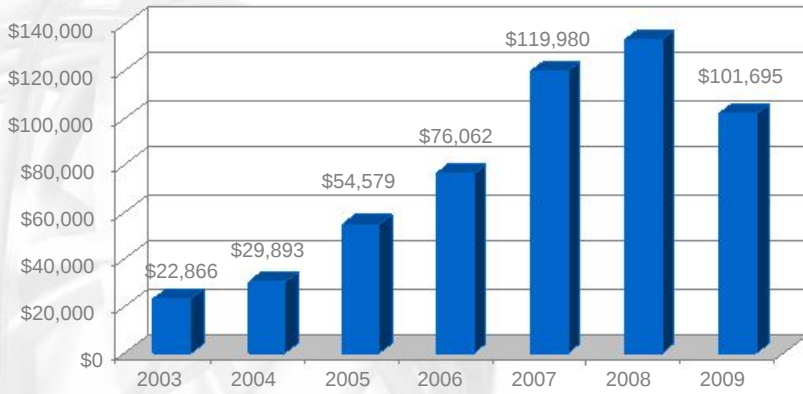
- 
- Revenue: \$ 101.7 million (-24 %)*
 - Operating Income: \$ 13.4 million (-52 %)*
 - Net income: \$ 12.6 million (-48 %)*
 - Gross Margin: 70%
 - Earnings Per Share : \$ 0.33 per fully diluted share (-48%)*

Compared to Full Year 2008

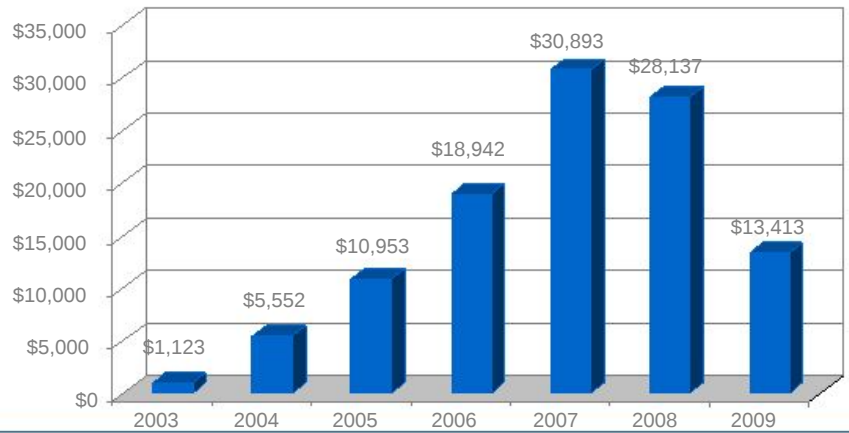
VASCO's SUCCESS STORY 2003-2009

Sales (000's)

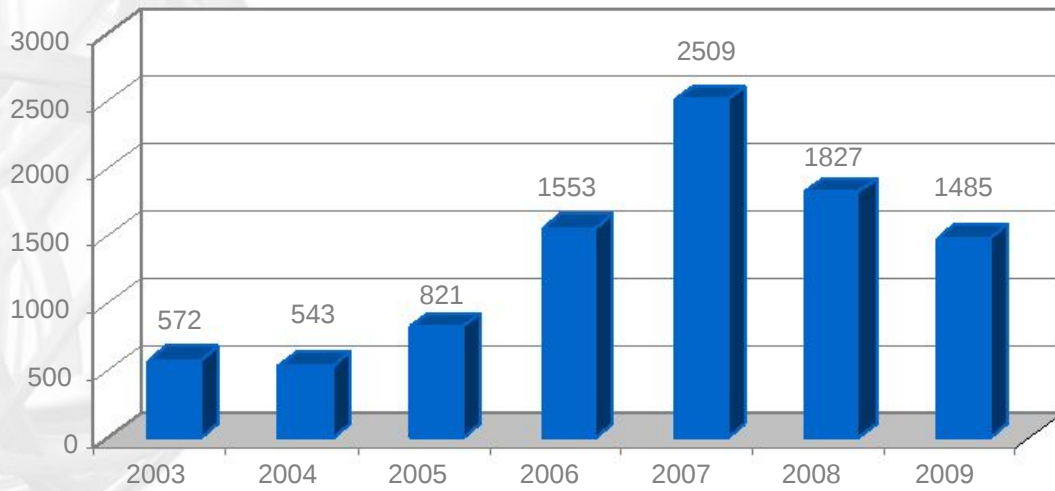
\$132,977



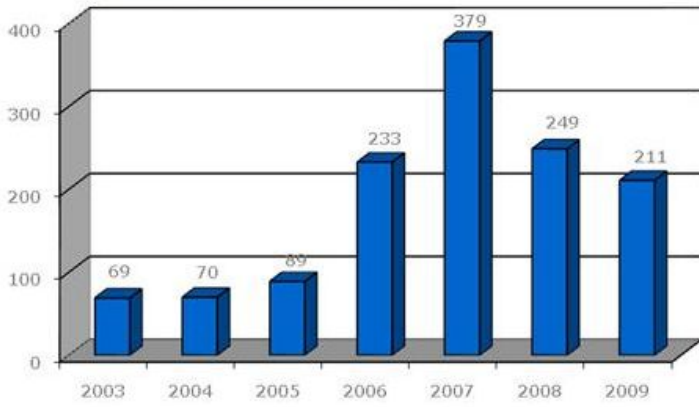
Operating Income (000's)



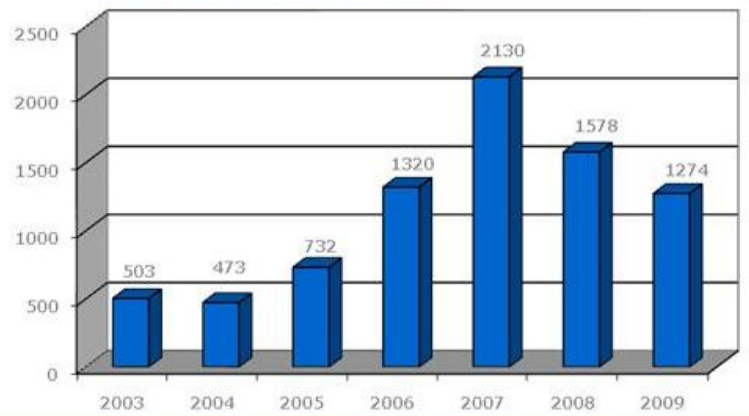
Total New Customers



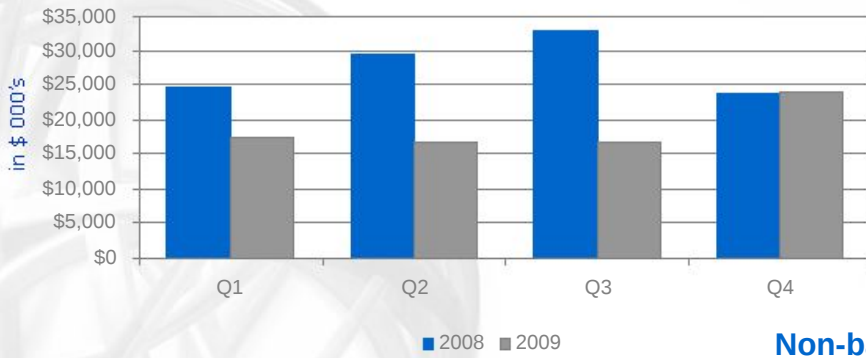
New banking customers



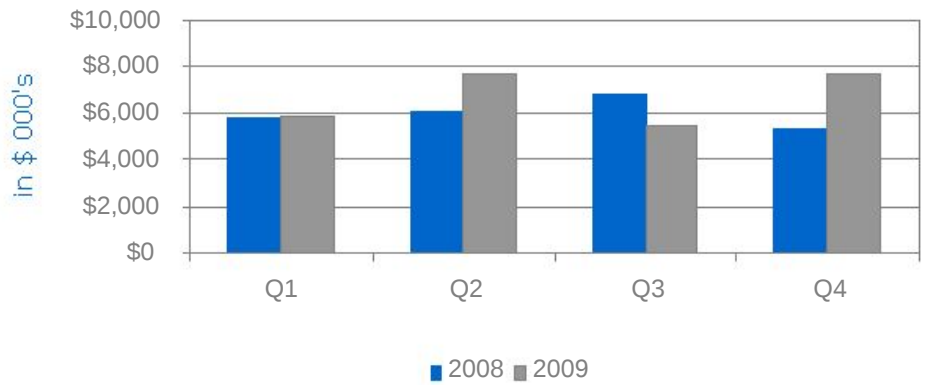
New non-banking customers



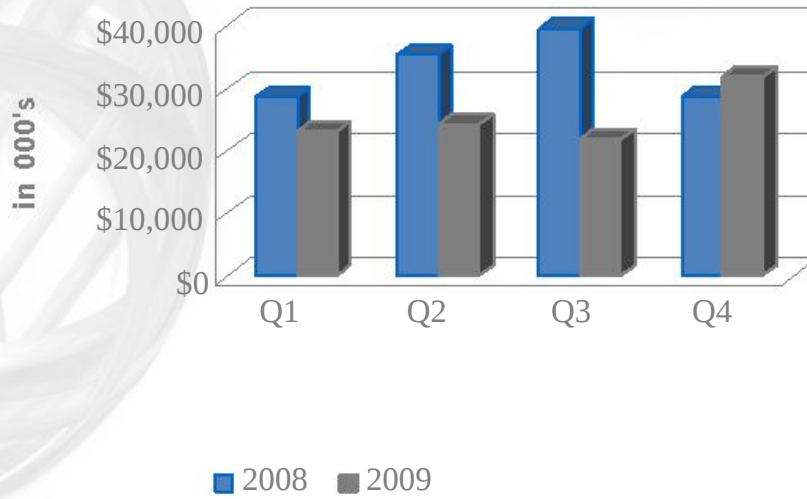
Banking Revenue 2008-2009



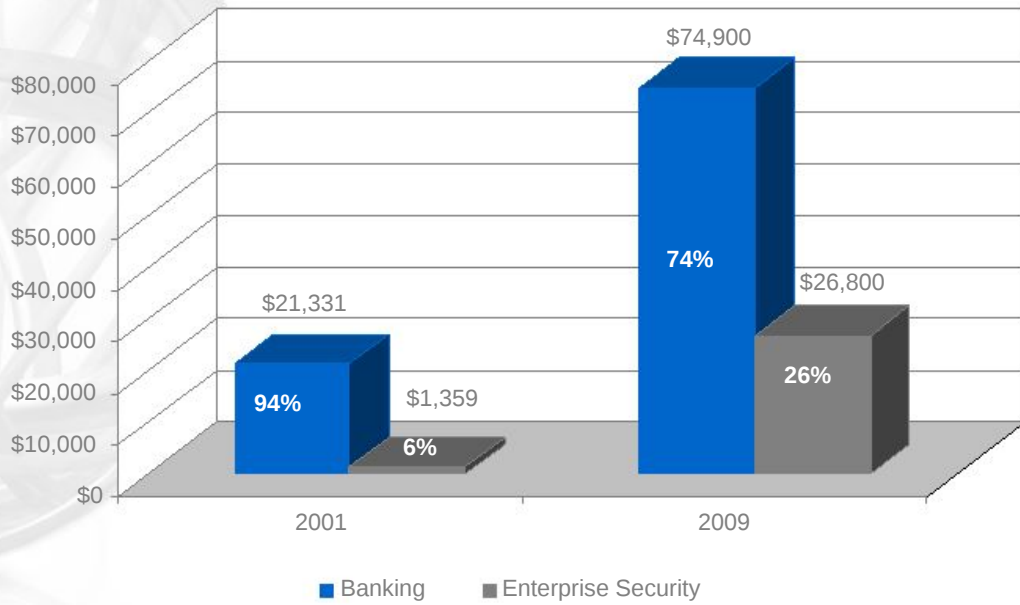
Non-banking revenue 2008-2009



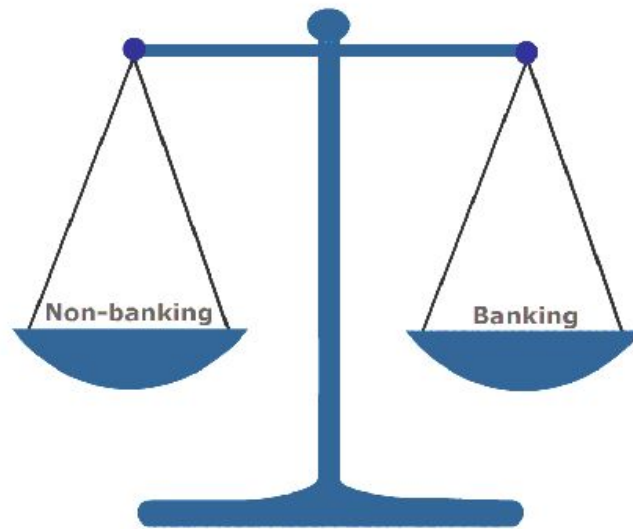
Total Revenue 2008-2009



Evolution Sales 2001-2009: Banking vs. ES



Small volume
High margin



High volume
Lower margin

Success in times of recession
and beyond

1. VASCO's defensive strengths:

- profitable
- strong worldwide business
- large installed customer base
- excellent business mix (GM 70%)
- a solid balance sheet
- no long-term debt
- healthy cash position

2. Evolution non-banking markets:

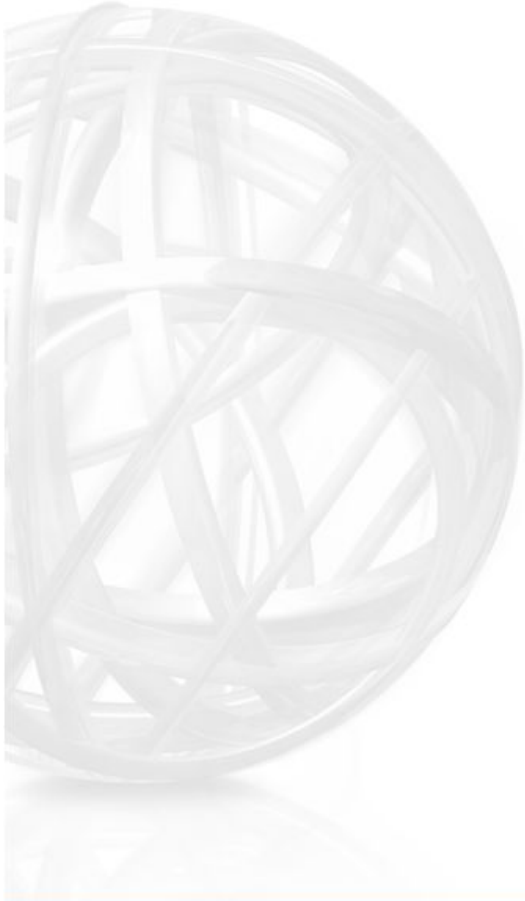
- VASCO grew 11% in non-banking segment despite a decline of 24% in total revenue
- important increase in sales per customer
- some vertical markets are growing very fast (e.g. gaming)

3. Evolution banking market:

- We believe the decline in banking business is over
- Time to grow again

4. VASCO is a stronger company after the crisis than it was before





Guidance 2010

We are offering guidance that

- Full-year 2010 revenue will grow from 15% to 20% over full-year 2009.
- Full-year 2010 operating income will range between 5% to 10% of revenue.




Questions & Answers



- 
- Up to 2005: VASCO sells DIGIPASS (hardware) tokens to banks
 - Due to success: margins under pressure
 - Challenge: How to grow gross margin?
 - Solution: diversification in products, markets, business mix

- Beginning in 2006 – now
 - VASCO announces “Full option, all-terrain authentication”
 - VASCO becomes a Software Company → higher margins
 - VASCO sells outside of the banking market → more sales and higher margins
- End-to-End authentication
 - With VACMAN Controller, IDENTIKEY and aXsGUARD Identifier
 - DIGIPASS is now e-signature software and firmware on a multitude of platforms (tokens, readers, smart cards, PKI, PDA's, PC's...) with over 50 different form factors
- Results:
 - Gross margin around 70%
 - Growing business beyond banking
 - Increased non-hardware business

- 
- End-to-End Authentication
 - Direct sales
 - Indirect Sales



VASCO's success in the banking market showed that we need to work with competence centers for other vertical markets

A competence center coordinates all marketing (lead generation) activities and other support for sales for worldwide applications that have a potential of more than 5 million users.

Development of Competence Centers

Applications:

- Financial institutions (e-banking, brokerage, insurance)
- Gaming & Gambling
- E-Government
- SaaS & ASP

Marketing:

- Summits, events where customers talk to prospects (immature markets)
- VASCO TRUSTED CLUB: customer events in mature markets

Sales:

- Covered by local sales people

Investments in 2010

- Banking: higher presence in key geographic markets
- Higher investment in new non-banking competence centers
- Recruitment of additional sales staff
- Creation of an Advanced Development Team

- REMOTE ACCESS SECURITY is VASCO's first entry point
 - Employee security: remote users. Bundling strategy.



- ENTERPRISE SECURITY (large corporations)
 - Employee security for all employees. Internet and network applications (7 to 1).
 - Authentication end-to-end



- APPLICATION SECURITY
 - B-to-B applications. Entire product range.



- **Remote Access Security**
 - All distributors & resellers
 - Indirect sales
 - Managed by Distribution Managers

- **Enterprise Security prospects (large corporations)**
 - Selected resellers, integrators and solution partners
 - Indirect sales with direct touch
 - Managed by Channel Managers

- **Application Security prospects**
 - Selected resellers, integrators and solution partners
 - Direct touch with indirect sales
 - Managed by Channel Managers

Investments in 2010

- Extra hires in Sales, Engineering and Business Development to support the growth in ES & B2B
- Extra Marketing budget for ES & B2B compared to 2009



Conclusions

- More sales per customer
- Very good recurrent business
- Strong product portfolio
- Competition focuses less on authentication market
- Excellent execution strategy
- 2010: substantial increase in investments



***How to tackle online applications
previously out of our reach?***



DIGIPASS as a Service (DaaS)[™]

On Demand Identity and Transaction Security

Digital Identity Mapping


Expression <i>What I say</i> 	Publication <i>What I share</i> 	Profession <i>Where I work</i>
Opinion <i>What I like</i> 	Details <i>How and where to join me</i> 	Reputation <i>What is being said about me</i>
Hobby <i>What passionates me</i> 	Certificates <i>Who can certify my identity</i> 	Purchase <i>What I buy</i>
Knowledge <i>What I know</i> 	Avatars <i>What represents me</i> 	Audience <i>Who I know</i>

FredCavazza.net



3 Potential revenue streams :

1. Activation Code: one-time membership fee
2. Monthly Service Fee:
 - Access to the DaaS platform
 - basic version of anti-virus, firewalls... is for free
 - advanced versions need to be paid
 - aXsGUARD Gatekeeper product suite
3. ID Security Fee: to be paid per year per application
 - Social networks
 - E-commerce
 - E-gaming
 - ...


- 
- For employee security:
 - Employer, corporation pays Activation Code, Monthly Service Fee & ID Security Fee
 - For consumer security:
 - Consumer pays Activation Code, Monthly Service Fee & ID Security Fee
 - For some applications, application owner will pay Activation Code, Monthly Service Fee & ID Security Fee
 - e.g. online newspaper

- **DIGIPASS Embedded Security Solution (DESS) strategy for client platforms:**

Integrating DIGIPASS on hardware devices & software platforms

- **Solution Partners for applications:**

Solution Partners integrate VACMAN Controller in existing Applications. Over 100 partners currently.



DIGIPASS as a Service (DaaS)[™] *On Demand Identity and Transaction Security*



Questions & Answers