

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A
AMENDMENT NO. 1

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 4, 2005

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

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

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))

SECTION 2 - FINANCIAL INFORMATION

ITEM 2.01. COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS

On February 4, 2005, pursuant to a Share Sale and Purchase Agreement by and among VASCO Data Security International, Inc., A.O.S. Holding B.V., Filipan Beheer B.V., Mr. Mladen Filipan and Pijnenburg Beheer N.V, VASCO completed its acquisition of 100% of the issued share capital of A.O.S.- Hagenuk B.V., a private limited liability company organized and existing under the laws of the Netherlands.

On February 8, 2005, VASCO filed a Current Report on Form 8-K reporting that it had completed the acquisition and that the financial statements and information required under Item 9 would be filed not later than seventy one (71) calendar days after the date that current report. This Amendment No. 1 to the Current Report on Form 8-K contains the required financial statements and pro forma financial information.

SECTION 9 - FINANCIAL STATEMENTS AND EXHIBITS

ITEM 9.01 - FINANCIAL STATEMENTS AND EXHIBITS

- (a) Audited financial statements of A.O.S.-Hagenuk B.V. at December 31, 2004, 2003 and 2002, and for each of the three years in the period ended December 31, 2004, are attached as Exhibit 99.3 hereto.
- (b) Unaudited consolidated pro forma balance sheet as of December 31, 2004 and the unaudited consolidated pro forma statement of operations for the year then ended, including notes thereto, are attached as Exhibit 99.4 hereto.

(c) Exhibits

Exhibit Number -----	Description -----
2.1	Share Sale and Purchase Agreement by and among Vasco Data Security International, Inc., A.O.S. Holding B.V., Filipan Beheer NV/Mr. Mladen Filipan, and Pijnenburg Beheer NV, dated February 4, 2005. *
2.2	Consent of Berk Accountants en Belastingadviseurs
99.1	Press Release announcing the acquisition of A.O.S.-Hagenuk dated February 8, 2005 *
99.2	Registration Rights Agreement by and among A.O.S. Holding B.V., Filipan Beheer B.V., Mr. Mladen Filipan, and Pijnenburg Beheer N.V., and VASCO Data Security International, Inc., dated February 4, 2005. *
99.3	Financial Statements
99.4	Unaudited Pro Forma Financial Information
*	Filed Previously.

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: April 20, 2005

VASCO Data Security International, Inc.

(Registrant)

By: /s/Clifford K. Bown

Clifford K. Bown
Chief Financial Officer

EXHIBIT INDEX

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*	Filed Previously.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
VASCO Data Security International, Inc.:

We consent to the incorporation by reference in the registration statements (No. 333-62829 on Form S-8 and No. 333-46256 on Form S-3) of our report dated January 31, 2005 relating to the Balance Sheets of AOS-Hagenuk B.V. as of December 31, 2004, 2003 and 2002 and the related Statements of Operations, Cash Flows and Stockholders' Equity for each of the years in the three-year period ended December 31, 2004, which report appears in the April 20, 2005 current report on Form 8-K/A of VASCO Data Security International, Inc.

/s/ BERK Accountants en Belastingadviseurs

BERK Accountants en Belastingadviseurs
's-Hertogenbosch
The Netherlands
April 20, 2005

AOS-HAGENUK B.V.
BALANCE SHEET
(IN EURO'S)

	December 31, 2004	December 31, 2003	December 31, 2002
	-----	-----	-----
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	(euro) 690,066	(euro) 1,333,739	(euro) -
Trade accounts receivable	137,418	575,818	337,703
Related party receivables	450,075	-	662,705
Inventory	58,505	27,269	55,636
Taxes and social security premiums	3,446	4,960	28,722
Prepaid expenses and other current assets	149,678	65,323	188,579
	-----	-----	-----
Total current assets	1,489,188	2,007,109	1,273,345
	-----	-----	-----
PROPERTY, PLANTS AND EQUIPMENT, AT COST			
Equipment	138,525	196,017	-
	-----	-----	-----
Total property, plants and equipment	138,525	196,017	-
	-----	-----	-----
OTHER ASSETS			
Development expenses, net of accumulated amortization	539,020	544,128	544,536
	-----	-----	-----
TOTAL ASSETS	(euro) 2,166,733	(euro) 2,747,254	(euro) 1,817,881
	=====	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Banks	(euro) -	(euro) 38,186	(euro) 741,842
Advance payments on orders	1,416,932	1,577,331	74,752
Trade accounts payable	32,950	74,562	451,432
Related party payables	21,497	275,062	209,122
Other accrued liabilities	102,994	171,055	31,799
Taxes payable	22,644	145,207	280,306
	-----	-----	-----
Total current liabilities	1,597,017	2,281,403	1,789,253
	-----	-----	-----
SHAREHOLDERS' EQUITY			
Share capital, shares of common stock, par value (euro) 100			
Authorized 900 shares, issued and outstanding 180	18,000	18,000	18,000
Additional paid-in capital	500,000	500,000	-
Retained earnings	51,716	(52,149)	10,628
	-----	-----	-----
Total shareholders' equity	569,716	465,851	28,628
	-----	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	(euro) 2,166,733	(euro) 2,747,254	(euro) 1,817,881
	=====	=====	=====

See accompanying notes to the financial statements.

AOS-HAGENUK B.V.
STATEMENT OF OPERATIONS
(IN EURO'S)

	For the Years Ended December 31,		
	2004	2003	2002
REVENUE	(euro) 4,385,101	(euro) 2,374,537	(euro) 3,747,817
Cost of revenues	2,585,276	1,174,268	2,685,601
Gross profit	1,799,825	1,200,269	1,062,216
Other operating income	-	172,385	116,881
	1,799,825	1,372,654	1,179,097
OPERATING EXPENSES			
Selling	814,931	486,935	411,397
Research & Development	679,544	479,533	420,118
Administrative and general expenses	175,510	392,494	302,649
Operating expenses	1,669,985	1,358,962	1,134,164
Operating income	129,840	13,692	44,933
OTHER INCOME (EXPENSE)			
Interest income	13,053	-	18
Interest expense	(14,978)	(80,865)	(29,927)
Income before provisions for corporate tax	127,915	(67,173)	15,024
Provision for corporate tax	24,050	(4,396)	4,396
Net income	(euro) 103,865	(euro) (62,777)	(euro) 10,628

See accompanying notes to the financial statements.

AOS-HAGENUK B.V.
STATEMENT OF SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2004, 2003 AND 2002
(IN EURO'S)

	Paid-In Capital	Additional Paid-In Capital	Retained earnings	Total
BALANCE, January 1, 2002	(euro) -	(euro) -	(euro) -	(euro) -
Share issue	18,000	-	-	18,000
Net income	-	-	10,628	10,628
BALANCE, December 31, 2002	18,000	-	10,628	28,628
Share issue	-	500,000	-	500,000
Net income	-	-	(62,777)	(62,777)
BALANCE, December 31, 2003	18,000	500,000	(52,149)	465,851
Net income	-	-	103,865	103,865
BALANCE, December 31, 2004	(euro) 18,000	(euro) 500,000	(euro) 51,716	(euro) 569,716

See accompanying notes to the financial statements.

AOS-HAGENUK B.V.
STATEMENT OF CASH FLOWS
(IN EURO'S)

	FOR THE YEARS ENDED DECEMBER 31,		
	2004	2003	2002
	-----	-----	-----
OPERATING ACTIVITIES			
Net income	(euro) 103,865	(euro) (62,777)	(euro) 10,628
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	73,312	83,492	-
Changes in assets and liabilities:			
Inventory	(31,236)	28,367	(55,636)
Trade accounts receivable and unbilled revenues	(94,516)	571,608	(1,217,709)
Short term liabilities	(684,386)	492,150	1,789,253
	-----	-----	-----
Net cash provided by (used in) operating activities	(632,961)	1,112,840	526,536
INVESTING ACTIVITIES			
Purchase of development expenses	-	-	(544,536)
Purchase of property, plant and equipment	(10,712)	(279,101)	-
FINANCING ACTIVITIES			
Share issue	-	500,000	18,000
	-----	-----	-----
NET DECREASE/INCREASE IN CASH	(643,673)	1,333,739	-
	=====	=====	=====
MOVEMENTS IN CASH:			
Balance as at January 1	1,333,739	-	-
Mutation bookyear	(643,673)	1,333,739	-
	-----	-----	-----
Balance as at December 31	(euro) 690,066	(euro)1,333,739	(euro) -
	=====	=====	=====

See accompanying notes to the financial statements.

AOS - HAGENUK B.V.
NOTES TO THE FINANCIAL STATEMENTS
(IN EUROS)

1. NATURE OF OPERATIONS

The activities of the AOS-Hagenuk B.V. consist mainly of the development and production of smart card products.

2. BASIS OF PRESENTATION

The valuation of assets and liabilities and the determination of the result take place on the basis of historical costs. Assets and liabilities are valued at nominal value unless otherwise stated in the notes below.

Balance sheet items relating to assets and liabilities in foreign currency are converted at the rates that apply at the end of the financial year, unless the exchange rate risk has been hedged. The exchange rate differences that arise during conversion are credited or charged to the profit and loss account.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

TRADE ACCOUNTS RECEIVABLE

The trade accounts receivable are valued at nominal value, where necessary less a bad debt provision. The provision is determined on the basis of an individual assessment of outstanding debts.

INVENTORY

The stocks are stated at the lower of cost or market value. The inventory costing method is FIFO.

PROPERTY, PLANT AND EQUIPMENT

The equipment is valued at the purchase cost, less straight-line depreciation based on their anticipated useful economic life.

DEVELOPMENT EXPENSES

The development expenses are valued at the purchase price, less depreciation based upon the expected sales of end products.

Internal hours have not been activated.

OTHER ASSETS AND LIABILITIES

The other assets and liabilities are valued at nominal value.

AOS - HAGENUK B.V.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
(IN EUROS)

NET TURNOVER

The net turnover is the revenue obtained from goods and services supplied to third parties, less any discounts issued and the tax levied on the turnover.

OTHER OPERATING INCOME

Other operating income relates to grants received, which is accounted for in the year to which it relates.

COST OF SALES

These costs are determined on the basis of the acquisition price. Also included are the value adjustment of stocks to a lower net realizable value and the addition to or release of the provision made for obsolete stocks.

DEPRECIATION

The depreciation of development expenses is based upon the expected sales of end products.

The depreciation of equipment is based on the following percentages of the acquisition cost:

Furniture and fixtures:	20%;
Computer equipment:	33,33%;
Software:	33,33%.

TAX

Corporation tax is calculated on the commercial result before tax on the basis of the applicable tax rate, taking into account tax-exempt profit constituents, restricted costs and tax facilities.

CASH FLOW STATEMENT

The cash flow statement is based on the indirect method.

4. REVENUE RECOGNITION

Income and expenditure are ascribed to the year to which they relate. Profits are only recognized if they have been realized on the balance sheet date. Items are recorded as revenue upon customer acceptance. Losses and risks that originate before the end of the financial year are considered if they have become known before the annual accounts are drawn up.

AOS - HAGENUK B.V.
 NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
 (IN EUROS)

5. COMMITMENTS AND CONTINGENCIES

CREDIT FACILITY

The company has a credit-facility with ABN-AMRO bank for the amount of EUR 500.000. which is secured by pledging receivables. The facility has no expiration date.

FISCAL UNIT

This company has a fiscal unit for corporate tax with AOS Holding B.V.

LEASE OBLIGATIONS AND RENT COMMITMENTS

RENT OFFICE:

The company has a contract to rent the office from January 1, 2004 until December 31, 2005. The total obligation as per December 31, 2004 is EUR 68,728. LEASE VEHICLES:

The company has lease obligations at the end of 2004 of EUR 174,510, of which will be released in 2005 EUR 61,260.

Future minimum lease payments are as follows:

	Rent office	vehicles
	-----	-----
2005	(euro) 68,728	(euro) 61,260
2006	-	51,150
2007	-	43,019
2008	-	19,081
2009	-	-
	-----	-----
Total	(euro) 68,728	(euro) 174,510
	=====	=====

6. SUBSEQUENT EVENTS

On February 4, 2005 Vasco Data Security International, Inc. purchased 100% of the shares of A.O.S. Hagenuk B.V.

CURRENT ASSETS

7. TRADE ACCOUNTS RECEIVABLE

	December 31,		
	-----	-----	-----
	2004	2003	2002
	-----	-----	-----
Trade debtors	(euro) 137,418	(euro) 575,818	(euro) 337,703
Provsion for bad debts	-	-	-
	-----	-----	-----
	(euro) 137,418	(euro) 575,818	(euro) 337,703
	=====	=====	=====

AOS - HAGENUK B.V.
 NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
 (IN EUROS)

8. RELATED PARTY RECEIVABLES

	December 31,		
	2004	2003	2002
AOS Holding B.V.	(euro) 450,075	(euro) -	(euro) -
CPS Broadcast Products B.V.	-	-	167,656
B.V. Hagenuk CPS	-	-	495,049
	(euro) 450,075	(euro) -	(euro) 662,705
	=====	=====	=====

Note:
2002

The related party receivables are on behalf of the takeover of activities from CPS Broadcast Products B.V. and B.V. Hagenuk CPS.

2004

AOS-Hagenuk B.V. has financed obligations of AOS Holding B.V. during the year.

9. INVENTORY

	December 31,		
	2004	2003	2002
Raw materials and consumables	(euro) 58,505	(euro) 27,269	(euro) 55,636
Inventory obsolescence reserve	-	-	-
	(euro) 58,505	(euro) 27,269	(euro) 55,636
	=====	=====	=====

10. Taxes and social security premiums

	December 31,		
	2004	2003	2002
Industrial insurance board	(euro) 534	(euro) 564	(euro) 172
Corporate tax	-	4,396	-
Pension contributions	2,912	-	1,766
Wage tax	-	-	26,784
	(euro) 3,446	(euro) 4,960	(euro) 28,722
	=====	=====	=====

AOS - HAGENUK B.V.
NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
(IN EUROS)

PROPERTY, PLANT AND EQUIPMENT

11. EQUIPMENT

	December 31,		
	2004	2003	2002
Situation as at 1 January			
Purchasing cost	(euro) 279,101	(euro) -	(euro) -
Accumulated depreciation	(83,084)	-	-
Book value as at 1 January	196,017	-	-
Mutations during the financial year			
Investments	10,712	279,101	-
Depreciation	(68,204)	(83,084)	-
	(57,492)	196,017	-
Situation as at 31 December			
Purchasing cost	289,813	279,101	-
Accumulated depreciation	(151,288)	(83,084)	-
Book value as at 31 December	(euro) 138,525	(euro) 196,017	(euro) -

OTHER ASSETS

12. DEVELOPMENT EXPENSES

	December 31,		
	2004	2003	2002
Situation as at 1 January			
Purchasing cost	(euro) 544,536	(euro) 544,536	(euro) -
Accumulated depreciation	(408)	-	-
Book value as at 1 January	544,128	544,536	-
Mutations during the financial year			
Investments	-	-	544,536
Depreciation	(5,108)	(408)	-
	(5,108)	(408)	544,536
Situation as at 31 December			
Purchasing cost	544,536	544,536	544,536
Accumulated depreciation	(5,516)	(408)	-
Book value as at 31 December	(euro) 539,020	(euro) 544,128	(euro) 544,536

AOS - HAGENUK B.V.
 NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
 (IN EUROS)

The development expenses consist of a contribution in the joint development expenses of the PCC810 chip. The development expenses are depreciated by EUR 4 per sold final product in which the chip has been processed.

Based on current developments the board expects that there will be sufficient potential for depreciation in the oncoming two years.

CURRENT LIABILITIES

13. RELATED PARTY PAYABLES

	December 31,		
	2004	2003	2002
Pijnenburg Beheer N.V.	(euro) 21,497	(euro) 275,062	(euro) 78,130
Hagenuk CPS USA Inc.	-	-	130,992
	(euro) 21,497	(euro) 275,062	(euro) 209,122

Note:

2002

Debt to Pijnenburg Beheer N.V. due to applied group costs.

Debt to Hagenuk CPS Inc. due to applied marketing costs.

2003

Debt to Pijnenburg Beheer N.V. due to pay off bank debts and profit share.

2004

Debt to Pijnenburg Beheer N.V. due to pay off bank debts and profit share.

14. Taxes and social security premiums

	December 31,		
	2004	2003	2002
V.A.T.	(euro) 2,386	(euro) 108,195	(euro) 275,910
Corporate tax	-	-	4,396
Wage tax	17,093	8,998	-
Pension contributions	3,165	28,014	-
	(euro) 22,644	(euro) 145,207	(euro) 280,306

STATEMENT OF OPERATIONS

15. RENT EXPENSES

	For the Years Ended December 31,		
	2004	2003	2002
Rent office	(euro) 70,941	(euro) 92,040	(euro) 6,275
Rent vehicles	94,241	39,877	-
Total rent expenses	(euro) 165,182	(euro) 131,917	(euro) 6,275

AOS - HAGENUK B.V.
 NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
 (IN EUROS)

16. OTHER OPERATING INCOME

The other operating income consists of grants for a joint European development project. The project was ended in 2003.

17. Exchange gains and losses

There are no material exchange gains and losses.

18. Corporate tax

	For the Years Ended December 31,		
	2004	2003	2002
Corporate tax in fiscal year	(euro) 24,050	(euro) (4,396)	(euro) 4,396
Statutory tax rate	29-34,5%	29%	29%
Differences:			
- Deduction for investments	-2.0%	-1.6%	
- Costs not deductible		2.7%	0.2%
- Carry back		-23.6%	
- Carry forward	-12.0%		
Effective tax rate	18.8%	6.5%	29.2%

Note: There are no deferred taxes

19. COSTS AND SERVICES PROVIDED BY RELATED PARTIES

	For the Years Ended December 31,		
	2004	2003	2002
Management fee	1. (euro) 120,000	(euro) 16,250	(euro) -
Rent office	2. 70,783	5,790	-
Share in holding costs	3. 26,213	248,108	230,148
Profit share	4. -	171,966	135,216
Development	5. -	-	147,204
Marketing	6. -	-	133,255
Interest	(9,300)	-	14,654
	(euro) 207,696	(euro) 442,114	(euro) 660,477

AOS - HAGENUK B.V.
 NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
 (IN EUROS)

1. CEO mr. Filipan
2. Art of Security B.V.
3. en 4. Pijnenburg Beheer N.V.
5. CPS Broadcast B.V.
6. CPS Hagenuk USA Inc.

20. INTEREST INCOME AND EXPENSE

	For the Years Ended December 31,		
	2004	2003	2002
<u>INTEREST INCOME</u>			
Interest bank deposits	(euro) 3,753	(euro) -	(euro) 18
Interest AOS Holding B.V.	9,300	-	-
	<u>(euro) 13,053</u>	<u>(euro) -</u>	<u>(euro) 18</u>
<u>INTEREST EXPENSE</u>			
Interest and costs bank accounts	(euro) 14,978	(euro) 80,865	(euro) 29,927
	<u>(euro) 14,978</u>	<u>(euro) 80,865</u>	<u>(euro) 29,927</u>

21. NET INCOME AOS-HAGENUK B.V. AND HER PREDECESSOR CORPORATIONS

	For the Years Ended December 31,		
	2004	2003	2002
AOS-Hagenuk B.V.	(euro) 103,865	(euro) (62,777)	(euro) 10,628
	<u>(euro) 103,865</u>	<u>(euro) (62,777)</u>	<u>(euro) 10,628</u>

Note:

Hagenuk Smart Card Solutions B.V. is founded at May 17, 2002. As of January 1, 2002 the company took over the smart car activities from her associated companies, B.V. Hagenuk CPS. As at June 25, 2004 Hagenuk Smart Card Solutions B.V. changed her statutory name in AOS-Hagenuk B.V.

VASCO DATA SECURITY INTERNATIONAL, INC.
UNAUDITED CONSOLIDATED PRO FORMA
FINANCIAL STATEMENTS
(Amounts in thousands, except per share amounts)

The Unaudited Consolidated Pro Forma Statement of Operations combines the historical consolidated statements of operations of VASCO Data Security International, Inc. ("VASCO") and AOS-Hagenuk B.V. ("A.O.S.") as if the merger had occurred on January 1, 2004. The Unaudited Consolidated Pro Forma Balance Sheet combines the historical consolidated balance sheet of VASCO and the historical consolidated balance sheet of A.O.S., giving effect to the merger as if it had occurred on December 31, 2004. VASCO has adjusted the historical consolidated financial information to account for pro forma events that are (1) directly attributable to the merger, (2) factually supportable, and (3) with respect to the statements of operations, expected to have a continuing impact on the combined results.

On February 4, 2005, pursuant to a Share Sale and Purchase Agreement (the "Purchase Agreement") by and among VASCO, A.O.S. Holding B.V. ("Seller"), Filipan Beheer B.V. ("Guarantor"), Mr. Mladen Filipan ("Surety") and Pijnenburg Beheer N.V. ("Guarantor"), VASCO completed its acquisition of 100% of the issued share capital of A.O.S., a private limited liability company organized and existing under the laws of the Netherlands.

The base purchase price paid to the Seller for the acquisition was EUR 5,000, of which EUR 3,750 was paid in cash ("Consideration Cash") and the remainder of which was paid in VASCO common stock ("Consideration Shares"). The Consideration Shares will be held in escrow for the benefit of the Seller for a period of twelve (12) months, pursuant to the terms of an Escrow Agreement. Twelve (12) months after the Closing Date and five days prior to the expiration of the Escrow Agreement (the "Re-measurement Date") the value of the Consideration Shares will be re-measured as of the Re-measurement Date by reference to the average closing price of VASCO's common stock during a period of thirty (30) trading days prior to the Re-measurement Date less five percent (5%) (the "Final Value"). If: (a) the Final Value is 90% or greater, then there shall be no adjustment of the amount of Closing Consideration Shares; (b) the Final Value is 80% or greater but less than 90% of the initial value then the amount of Consideration Shares shall be increased to the number of Consideration Shares multiplied by a fraction consisting of the initial value divided by the Final Value; (c) the Final Value is less than 80% of the initial value then the amount of Consideration Shares shall be increased to the number of Closing Shares multiplied by 1.25. Six (6) months after closing, the Seller shall have the right to pay EUR 1,250 into the escrow account against release of the Consideration Shares, pursuant to the terms set forth in the Purchase Agreement. In addition to the base purchase price, a variable amount related to the gross profits collected on the sales of certain equipment will be paid to the Seller over a period of two (2) years following the closing, pursuant to the terms of the Purchase Agreement.

The following Unaudited Consolidated Pro Forma financial information gives effect to VASCO's acquisition of A.O.S. as if the transaction had occurred on December 31, 2004 for purposes of the Unaudited Consolidated Pro Forma Balance Sheet, and as of January 1, 2004 for purposes of the Unaudited Consolidated Pro Forma Statement of Operations. The acquisition of A.O.S. will be recorded using the purchase method of accounting. The following unaudited consolidated pro forma financial statements are based on the historical statements of VASCO and A.O.S. during the periods presented, adjusted to give effect to the acquisition. The total purchase price of A.O.S. has been allocated on a preliminary basis to identifiable assets acquired and liabilities assumed based on valuation procedures performed to date. This allocation is subject to change pending a final analysis of the total purchase price paid, including direct costs of the acquisition, and the estimated fair value of the assets acquired and liabilities assumed. However, the Company does not believe the impact of these changes will be material.

The pro forma adjustments are described in the accompanying notes and are based upon available information and various assumptions that management believes are reasonable. These adjustments give effect to events directly attributable to the transaction and do not reflect any restructuring or integration costs, or any potential cost savings or other synergies that management expects to realize as a result of the transaction. The accompanying unaudited pro forma consolidated financial information should be read in conjunction with the historical financial statements and the related notes thereto of VASCO, included in its Annual Report on Form 10-K, and the historical financial statements and the related notes thereto of A.O.S., included elsewhere in this Current Report on Form 8-K/A.

The unaudited pro forma combined financial information is not necessarily indicative of the operating results or financial position that would have occurred if the transaction had been consummated on the dates indicated, nor is it necessarily indicative of the future financial position and the results of operations of VASCO.

VASCO DATA SECURITY INTERNATIONAL, INC.
 UNAUDITED CONSOLIDATED PRO FORMA BALANCE SHEET
 AS OF DECEMBER 31, 2004
 (IN THOUSANDS)

	VASCO Data Security International, Inc.	AOS- Hagenuk B.V.	Pro Forma Adjustments	Notes	Pro Forma Consolidated
	-----	-----	-----	-----	-----
ASSETS					
Current assets:					
Cash	\$ 8,138	\$ 9418	(4,374)	1	\$ 4,705
Restricted cash	82	--			82
Accounts receivable, net	5,965	187			6,152
Inventories, net	1,346	80			1,426
Prepaid expenses	791	204			995
Deferred income taxes	23	--			23
Foreign sales tax receivable	313	--			313
Other current assets	464	619	(616)	1	467
	-----	-----			-----
Total current assets	17,122	2,031			14,163
Property and equipment					
Furniture and fixtures	1,683	--			1,683
Office equipment	2,008	395	(395)	3	2,196
	-----	-----	188	3	-----
Accumulated depreciation	3,691 (2,853)	395 (206)	206	3	3,879 (2,853)
	-----	-----			-----
Net property and equipment	838	188			1,025
Intangible assets, net					
	1,134	735	(735)	2	1,134
			367	2	367
Goodwill, net	250	--	5,997	5	6,247
Note receivable and investment in SSI	760	--			760
Other assets	146	--			146
	-----	-----			-----
TOTAL ASSETS	\$ 20,250	\$ 2,955			\$ 23,843
	=====	=====			=====
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	\$ 3,065	45			\$ 3,110
Deferred revenue	620	1,933	(862)	4	1,691
Accrued wages and payroll taxes	1,602	--			1,602
Income taxes payable	435	31			466
Other accrued expenses	1,345	170	150	1	1,665
	-----	-----			-----
Total current liabilities	7,067	2,178			8,533
Deferred warranty revenues					
	152	--			152
Stockholders' equity :					
Series D Convertible Preferred Stock	1,504	--			1,504
Common stock	34	25	(25)	6	34
Additional paid-in capital	51,825	682	(682)	6	53,953
			2,128	1	
Retained earnings (accumulated deficit)	(40,672)	71	(71)	6	(40,672)
Accumulated other comprehensive income - cumulative translation adjustment	340	--			340
	-----	-----			-----
Total stockholders' equity	13,031	777			15,158
	-----	-----			-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 20,250	\$ 2,955			\$ 23,843
	=====	=====			=====

See accompanying notes to the unaudited consolidated
 pro forma financial statements.

VASCO DATA SECURITY INTERNATIONAL, INC.
 UNAUDITED CONSOLIDATED PRO FORMA STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2004
 (IN THOUSANDS EXCEPT PER SHARE DATA)

	VASCO Data Security International Inc.	AOS-Hagenuk B.V.	Pro Forma Adjustments	Notes	Pro Forma Consolidated
	-----	-----	-----	-----	-----
Net revenues	\$ 29,893	\$ 5,418	\$ (862)	7	\$ 34,449
Cost of goods sold	9,184	3,194			12,378
	-----	-----	-----		-----
Gross profit	20,709	2,224	(862)		22,071
	-----	-----	-----		-----
Operating costs:					
Sales and marketing	9,160	1,007			10,167
Research and development	2,835	840			3,675
General and administrative	3,194	217	367	8	3,778
Restructuring expenses	(32)	-			(32)
	-----	-----	-----		-----
Total operating costs	15,157	2,063	367		17,587
	-----	-----	-----		-----
Operating income from continuing operations	5,552	160	(1,229)		4,483
Interest income (expense), net	120	(2)	(87)	9	31
Other income (expense), net	(539)	-			(539)
	-----	-----	-----		-----
Income before income taxes	5,133	158	(1,316)		3,975
Provision for income taxes	1,880	30	(30)	10	1,880
	-----	-----	-----		-----
Net income from continuing operations	3,253	128	(1,286)		2,095
Preferred stock accretion and dividends	(232)	-			(232)
	-----	-----	-----		-----
Net income available to common shareholders	\$ 3,021	\$ 128	\$ (1,286)		\$ 1,863
	=====	=====	=====		=====
Basic net income per common share:	\$ 0.09				\$ 0.06
	=====				=====
Diluted net income per common share:	\$ 0.09				\$ 0.06
	=====				=====
Weighted average common shares outstanding:					
Basic	32,216		263		32,479
	=====		=====		=====
Dilutive	33,128		263		33,391
	=====		=====		=====

See accompanying notes to the unaudited consolidated pro forma financial statements.

VASCO DATA SECURITY INTERNATIONAL, INC.
NOTES TO PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
(IN THOUSANDS)

NOTE 1 ACQUISITION OF AOS-HAGENUK B.V.

In accordance with the Purchase Agreement, on February 4, 2005, VASCO acquired all of the outstanding shares of AOS-Hagenuk B.V. ("AOS"). The aggregate purchase price was \$7,268, consisting primarily of \$4,374 cash, 263 shares of common stock valued at approximately \$2,128, the assumed liability due to AOS of \$616 and estimated direct costs of the acquisition of \$150. As of April 20, 2005, \$105 of the direct costs have been paid. The fair value of the common stock issued was determined based on the average market price of the Company's common stock over the period including five days before and after the terms of the Purchase Agreement was signed and closed.

In accordance with the Statement of Financial Accounting Standards No. 141, "Business Combinations", the Company allocated the consideration given to the assets acquired and the liabilities assumed based on their estimated fair values at date of acquisition. The following table summarizes the estimated fair value of the assets acquired and the liabilities assumed at December 31, 2004:

Cash	\$ 941
Accounts receivable, net	187
Inventory	80
Prepaid expenses	204
Other current assets	619
Property and equipment, net	188
Intangible asset	367
Goodwill	5,997

Total assets acquired	8,583

Accounts payable	45
Deferred revenue	1,071
Income taxes payable	31
Accrued expenses	170

Total liabilities assumed	1,317

Net assets acquired	\$7,266
	=====

The balance sheet of AOS was translated to US dollars using the historical EURO to US Dollar rate on December 31, 2004. The statement of operations of AOS was translated using the average historical EURO to US Dollar rate for the year 2004.

NOTE 2 - INTANGIBLE ASSETS

An intangible asset of \$367 related to customer purchase commitments was recorded at the date of acquisition at its estimated fair value. This intangible asset will be amortized as the goods are shipped and is expected to be fully amortized within a twelve-month period. The intangible asset recorded by AOS of \$735 was estimated to have a fair value of \$0 at the date of acquisition as its future realization was uncertain. The effect was to increase goodwill recorded.

VASCO DATA SECURITY INTERNATIONAL, INC.
NOTES TO PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
(IN THOUSANDS)

NOTE 3 - OFFICE EQUIPMENT

The office equipment was recorded at its net book value at the date of acquisition which approximates the fair value of that equipment. Historical accumulated depreciation was eliminated.

NOTE 4 - DEFERRED REVENUE

The deferred revenue assumed from AOS was recorded at its estimated fair value of \$1,071 at the date of acquisition.

NOTE 5 - GOODWILL

Goodwill represents the amount of consideration paid not specifically allocable to purchased assets or assumed liabilities.

NOTE 6 - EQUITY

The historical value of AOS' common stock, retained earnings and additional paid-in capital were eliminated at the date of acquisition.

NOTE 7 - REVENUE

Adjustment to record a reduction in revenue related to the difference between the deferred revenue liability recorded by AOS and the assumed deferred liability recorded by VASCO in the purchase.

NOTE 8 - AMORTIZATION OF INTANGIBLE ASSET

Adjustment to record the amortization expense of the acquired intangible asset recorded in the purchase.

NOTE 9 - INTEREST INCOME

Adjustment to reduce interest income of \$87 as a result of the cash paid for the purchase of AOS.

NOTE 10 - INCOME TAXES

Adjustment to eliminate the AOS tax provision as a result of the pro forma adjustments.

NOTE 11 - ADJUSTMENT TO THE VALUE OF THE PURCHASE

Twelve (12) months after the Closing Date and five days prior to the expiration of the Escrow Agreement (the "Re-measurement Date") the value of the Consideration Shares, 263, will be subject to a re-measurement, providing the Seller has not paid Euro 1,250 into the escrow account against the release of the Consideration shares. The effect of this potential re-measurement will be to adjust goodwill and additional paid-in capital.

NOTE 12 - EARN OUT CONSIDERATION

In addition to the base purchase price, a variable amount related to the gross profits collected on the sales of certain equipment will be paid to the Seller over a period of two years following the Closing. The Company will record any earn out payments as commission expense in the period earned.