BRINKS CO
Form 10-K
March 02, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)
x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2008

OR

o 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 1-9148

THE BRINK'S COMPANY
(Exact name of registrant as specified in its charter)

Virginia (State or other jurisdiction of incorporation or organization)	54-1317776 (I.R.S. Employer Identification No.)
P.O. Box 18100, 1801 Bayberry Court Richmond, Virginia (Address of principal executive offices)	23226-8100 (Zip Code)
Registrant's telephone number, including area code	(804) 289-9600

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
The Brink's Company Common Stock, Par Value $1	New York Stock Exchange

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 x No o

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 o No x

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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes x No o

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 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. o

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 definition of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer x Accelerated filer o Non-accelerated filer o Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes o No x

As of February 23, 2009, there were issued and outstanding 45,467,782 shares of common stock. The aggregate market value of shares of common stock held by non-affiliates as of June 30, 2008, was $2,909,041,476.

Documents incorporated by reference: Part III incorporates information by reference from portions of the Registrant's definitive 2009 Proxy Statement to be filed pursuant to Regulation 14A.

THE BRINK’S COMPANY

FORM 10-K
FOR THE YEAR ENDED DECEMBER 31, 2008

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PART I

PART I

ITEM 1. BUSINESS

The Brink's Company (along with its subsidiaries, "we," "our," "Brink's" or the "Company"), based in Richmond, Virginia, is leading provider of secure transportation, cash logistics and other security-related services to banks and financial institutions, retailers, government agencies, mints, jewelers and other commercial operations around the world. Brink's is the oldest and largest secure transportation and cash logistics company in the U.S., and a market leader in many other countries. Our international network serves customers in more than 50 countries and employs approximately 56,900 people. Our operations include approximately 800 facilities and 9,400 vehicles. Our brand, global infrastructure and expertise in security and logistics are important competitive advantages. About 70% of our $3.2 billion in revenues are from outside North America. Over the past several years, we have changed from a conglomerate (with operations in the heavy-weight freight transportation, coal and other natural resource industries) into a company focused solely on the security industry. We completed the spin-off of our home security business in the fourth quarter of 2008 to sharpen the focus on our core business.

Management allocates resources to and makes operating decisions for our operations on a geographic basis. As a result, we changed our reportable segments in the fourth quarter of 2008 to International and North America. Our International segment is comprised of three distinct regions: Europe, Middle East and Africa ("EMEA"); Latin America; and Asia Pacific. Our North America segment includes operations in the U.S. and Canada.

Financial information related to The Brink's Company, our two operating segments (International and North America), and former operations is included in the consolidated financial statements on pages 57-104.

A significant portion of our business is conducted outside of the United States. Financial results are reported in U.S. dollars and are affected by fluctuations in the relative value of foreign currencies. Our business is also subject to other risks customarily associated with operating in foreign countries including changing labor and economic conditions, political instability, restrictions on repatriation of earnings and capital, as well as nationalization, expropriation and other forms of restrictive government actions. The future effects of these risks cannot be predicted. Additional information about risks associated with our foreign operations is provided on pages 10, 36 and 56.

We have significant liabilities associated with our retirement plans, a portion of which has been funded. These liabilities increased $465 million in 2008 primarily as a result of a significant decline in the value of the investments of these plans. See pages 26, 43 and 47 – 51 for more information on these liabilities. Additional risk factors are described on pages 9 – 12.

Available Information and Corporate Governance Documents

The following items are available free of charge on our website (www.brinkscompany.com) as soon as reasonably possible after filing or furnishing them with the Securities and Exchange Commission:

- Annual reports on Form 10-K
- Quarterly reports on Form 10-Q
- Current reports on Form 8-K, and amendments to those reports

In addition, the following documents are also available free of charge on our website:

- Corporate governance policies
- Business Code of Ethics
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The charters of the following Board Committees: Audit and Ethics, Compensation and Benefits, and Corporate Governance and Nominating.

Printed versions of these items will be mailed free of charge to shareholders upon request. Such requests can be made by contacting the Corporate Secretary at 1801 Bayberry Court, P. O. Box 18100, Richmond, Virginia 23226-8100.

General

Our 2008 segment operating profit was $272 million on revenues of $3.2 billion, resulting in a segment operating profit margin of 8.6%. Our revenues and segment operating profit have grown over the last several years.

Our operations are located around the world and most of our revenues (70%) and segment operating profit (79%) are earned outside of North America.

International operations has three regions: Europe, Middle East, and Africa ("EMEA"); Latin America and Asia Pacific. On a combined basis, international operations generated 2008 revenues of $2.2 billion (70% of total) and segment operating profit of $215 million (79% of total). Over the past three years, we have acquired security operations in numerous countries in EMEA and Latin America.

Brink's EMEA, which generated $1.4 billion or 43% of total 2008 revenues, operates 264 branches in 20 countries. Its largest operations are in France, the Netherlands and Germany. In 2008, France accounted for $698 million or 51% of EMEA revenues (22% of total).

Brink's Latin America, which generated $801 million or 25% of total 2008 revenues, operates 211 branches in eight countries. Its largest operations are in Venezuela, Brazil and Colombia. In 2008, Venezuela accounted for $351 million or 44% of Latin American revenues (11% of total).

Brink's Asia-Pacific operates 32 branches in eight countries, and accounted for $72 million or 2% of total 2008 revenues.

North American operations include 184 branches in the U.S. and 52 branches in Canada. North American operations generated 2008 revenues of $932 million (30% of total) and segment operating profit of $57 million (21% of total).

The largest seven Brink's operations (U.S., France, Venezuela, Brazil, the Netherlands, Colombia and Germany) accounted for $2,345 million or 74% of total 2008 revenues.

(In millions)	2008	% total	% change	2007	% total	% change	2006	% total	% change
Revenues by region:									
EMEA:									
France	$ 697.7	22	11	$ 628.8	23	15	$ 546.5	23	8
Other	661.2	21	18	562.7	21	23	456.6	20	14
Total	1,358.9	43	14	1,191.5	44	19	1,003.1	43	10
Latin America:									
Venezuela	350.9	11	56	224.9	8	31	171.7	7	33
Other	449.7	14	22	369.3	14	31	282.5	12	25
Total	800.6	25	35	594.2	22	31	454.2	19	28
Asia Pacific	71.8	2	15	62.6	2	(7)	67.0	3	(6)
Total International	2,231.3	70	21	1,848.3	68	21	1,524.3	65	14
North America	932.2	30	5	886.3	32	7	830.0	35	7
Total Revenues	$ 3,163.5	100	16	$ 2,734.6	100	16	$ 2,354.3	100	11

Geographic financial information related to long-lived assets is included in the consolidated financial statements on page 75.

Brink's ownership interests in subsidiaries and affiliated companies ranged from 36% to 100% at December 31, 2008. In some instances, local laws limit the extent of Brink's ownership interest.

Growth Strategy

Over the past several years, we have expanded largely through internal growth supplemented by acquisitions. Sources of revenue growth over the last three years from existing operations are shown in the following table:

Annual Revenue growth

(In percentages)	2008	2007	2006
Organic (a)	11%	9%	8%
Acquisitions	1%	1%	2%
Changes in currency exchange rates	4%	6%	1%

(a) Organic revenue growth represents revenue growth from existing operations, excluding the effects of changes in currency exchange rates.

We intend to continue to pursue growth through acquisitions as long as we are able to acquire businesses that meet internal metrics for projected growth, profitability and return on investment. We are interested in both new and existing markets for our core business and other security-related businesses. Although there are risks and start-up expenses when entering new markets, we believe that growth through a combination of organic and acquisition is the best long-term strategy.

Services

Our primary services include:

- Cash-in-transit ("CIT") armored car transportation
- Automated teller machine ("ATM") replenishment and servicing
- Global Services – arranging secure long-distance transportation of valuables
- Cash Logistics – supply chain management of cash
- Guarding services, including airport security

Brink's typically provides customized services under separate contracts designed to meet the distinct needs of customers. Contracts usually cover an initial term of at least one year and in many cases one to three years, and generally remain in effect thereafter until canceled by either party.

Core Services (53% of total revenue in 2008)

CIT and ATM Services are core services we provide to customers throughout the world. Core services generated approximately $1.7 billion of revenues in 2008.

CIT We have been serving customers since 1859. Our success in CIT is driven by a combination of rigorous security practices, high quality customer service, risk management expertise and logistics expertise. CIT services generally include the secure transportation of:

- cash between businesses and banks
- cash, securities and other valuables between commercial banks, central banks, and investment banking and brokerage firms
- new currency, coins and precious metals for central banks

ATM Services We manage nearly 81,000 ATM units worldwide for banks and other cash dispensing operators. We provide cash replenishment, monitoring and forecasting capabilities, deposit pick-up and processing services. Advanced online tools deliver consolidated electronic reports for simplified reconciliation.

Value-Added Services (35% of total revenue in 2008)
Our core services, combined with our brand and global infrastructure, provide a substantial platform from which we offer additional value-added services. Value-added services generated approximately $1.1 billion of revenues in 2008.

Global Services With operations spanning approximately 50 countries, Brink's is a leading global provider of secure long-distance logistics for valuables including diamonds, jewelry, precious metals, securities, currency, high-tech devices, electronics and pharmaceuticals. We typically employ a combination of armored car and secure air transportation to leverage our extensive global network. Our specialized diamond and jewelry operation has offices in the major diamond and jewelry centers of the world.

Cash Logistics Brink's offers a fully integrated approach to managing the supply chain of cash, from point-of-sale through transport, vaulting, bank deposit and related credit. Cash Logistics services include:

- money processing and cash management services
- deploying and servicing "intelligent" safes and safe control devices, including our patented CompuSafe® service
- integrated check and cash processing services ("Virtual Vault")
- check imaging services

Money processing services generally include counting, sorting and wrapping currency. Other currency management services include cashier balancing, counterfeit detection, account consolidation and electronic reporting. Retail and bank customers use Brink's to count and reconcile coins and currency, prepare bank deposit information, and replenish coins and currency in specific denominations.

Brink's offers a variety of advanced technology applications including online cash tracking, cash inventory management, check imaging for real-time deposit processing, and a variety of other web-based information tools that enable banks and other customers to reduce costs while improving service to their customers.

CompuSafe® service offers customers an integrated, closed-loop system for preventing theft and managing cash. We market CompuSafe services to a variety of cash-intensive customers such as convenience stores, gas stations, restaurants, retail chains and entertainment venues. Our service includes the installation of a specialized safe in the customer's facility. The customer's employees deposit currency into the safe's cassettes, which can only be removed by Brink's personnel. Upon removal, the cassettes are transported to a secure location where contents are verified and transferred for deposit. Our CompuSafe service system features currency recognition counterfeit detection technology, multi-language touch screens and electronic interface between point-of-sale, back-office systems and external banks. Our electronic reporting interface with external banks enables our CompuSafe service customers to receive same-day credit on their cash balances, even if the cash remains on the customer's premises.

Virtual Vault services combine CIT, Cash Logistics, vaulting and electronic reporting technologies to help banks expand into new markets while minimizing investment in vaults and branch facilities. In addition to secure storage, we process deposits, provide check imaging and reconciliation services, and electronically transmit debits and credits.

We believe the quality and scope of our cash processing and information systems differentiate our Cash Logistics services from competitive offerings.

Other Security Services (12% of total revenue in 2008)

Security and Guarding We protect airports, offices, warehouses, stores, and public venues with electronic surveillance, access control, fire prevention and highly trained patrolling personnel. Other security services generated approximately $0.4 billion of revenues in 2008.

Our guarding services are generally offered in European markets including France, Germany, Luxembourg and Greece. A significant portion of this business involves long-term contracts related primarily to guarding services at airports. Generally, other guarding contracts are for a one-year period, the majority of which are extended. Our security officers are typically stationed at customer sites, and responsibilities include detecting and deterring specific security threats.

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Industry and Competition

Brink's competes with large multinational, regional and smaller companies throughout the world. Our largest multinational competitors are Group 4 Securicor plc (headquartered in the U.K.), Loomis AB, formerly a division of Securitas AB (Sweden), Prosegur, Compania de Seguridad, S.A. (Spain) and Garda World Security Corporation (Canada).

We believe the primary factors in attracting and retaining customers are security expertise, service quality and price. Our competitive advantages include:

- brand name recognition
- reputation for a high level of service and security
- risk management and logistics expertise
- global infrastructure and customer base
- proprietary cash processing and information systems
- high-quality insurance coverage and general financial strength

We believe our cost structure is generally competitive, although certain competitors may have lower costs due to a variety of factors including lower wages, less costly employee benefits, or less stringent security and service standards.

Although Brink's faces competitive pricing pressure in many markets, we resist competing on price alone. We believe our high levels of service and security differentiate us from competitors.

The availability of high-quality and reliable insurance coverage is an important factor in our ability to attract and retain customers and manage the risks inherent in our business. Brink's is self-insured for much of the liability related to potential losses of cash or valuables while such items are in our possession. However, we purchase insurance coverage for losses in excess of what we consider to be prudent levels of self-insurance. Our insurance policies cover losses from most causes, with the exception of war, nuclear risk and certain other exclusions typical in such policies.

Insurance for security is provided by different groups of underwriters at negotiated rates and terms. Premiums may fluctuate depending on market conditions. The security loss experience of Brink's and, to a limited extent, other armored carriers affects our premium rates.

Revenues are generated from charges per service performed or based on the value of goods transported. As a result, revenues are affected by the level of economic activity in our various markets as well as the volume of business for specific customers. CIT contracts generally run for a period of one year. Contracts for Cash Logistics are typically longer. Costs are incurred when preparing to serve a new customer or to transition away from an existing customer. Operating profit is generally stronger in the second half of the year, particularly in the fourth quarter, as economic activity is stronger during this period.

As part of the spin-off of BHS, we also agreed not to compete with BHS in the United States, Canada and Puerto Rico with respect to certain activities related to BHS's security system monitoring and surveillance business until October 31, 2013.

Service Mark and Patents

BRINKS is a registered service mark in the U.S. and certain foreign countries. The BRINKS mark, name and related marks are of material significance to our business. We own patents expiring in 2009 for certain coin sorting and counting machines. We also own patents for safes, including our integrated CompuSafe® services which expire between 2015 and 2022. These patents provide important advantages to Brink's. However, Brink's operations are not dependent on the existence of these patents.

We have agreed to license the Brink's name. Examples include licenses to a distributor of security products (padlocks, door hardware, etc.) offered for sale to consumers through major retail chains.

We entered into a Brand Licensing Agreement in connection with the spin-off of Brink's Home Securtiy Holdings, Inc. ("BHS"). Under the agreement, BHS licenses the rights to use certain trademarks, including trademarks that contain the word "Brink's" in the United States, Canada and Puerto Rico. In exchange for these rights, BHS has agreed to pay a licensing fee equal to 1.25% of its net revenues during the period after the spin-off until the expiration date of the agreement. The license will expire on October 31, 2011, subject to earlier termination upon the occurrence of certain events.

Government Regulation
Our U.S. operations are subject to regulation by the U.S. Department of Transportation with respect to safety of operations, equipment and financial responsibility. Intrastate operations in the U.S. are subject to state regulation. Interprovincial operations in Canada are subject to federal and provincial regulations. Our International operations are regulated to varying degrees by the countries in which we operate.

Employee Relations
At December 31, 2008, our company had approximately 56,900 employees, including approximately 12,100 employees in North America (of whom approximately 1,800 were classified as part-time employees) and approximately 44,800 employees outside North America. At December 31, 2008, Brink's was a party to 11 collective bargaining agreements in North America with various local unions covering approximately 1,800 employees, almost all of whom are employees in Canada and members of unions affiliated with the International Brotherhood of Teamsters. The agreements have various expiration dates beginning in 2009 and extending through 2012. Outside of North America, approximately 62% of branch employees are members of labor or employee organizations. We believe our employee relations are satisfactory.

DISCONTINUED OPERATIONS

Brink's Home Security Holdings, Inc.
BHS offered monitored security services in North America primarily for owner-occupied, single-family residences. To a lesser extent, BHS offered security services for commercial and multi-family properties. BHS typically installed and owned the on-site security systems and charged fees to monitor and service the systems.

On October 31, 2008, we completed the 100% spin-off of BHS. The spin-off of BHS was in the form of a tax-free stock distribution to our shareholders of record as of the close of business on October 21, 2008. We distributed one share of BHS common stock for every share of our common stock outstanding. BHS filed a Registration Statement on Form 10 with the Securities and Exchange Commission (the "SEC") which provided information about BHS and the spin-off, including historical and pro forma financial information. BHS is publicly traded on the New York Stock Exchange ("NYSE") under the ticker symbol "CFL." We remain a public company traded on the NYSE and continue to use the ticker symbol "BCO." We continue to operate our secure transportation and cash management unit.

After the spin-off, we reclassified BHS' results of operations, including previously reported results and corporate expenses directly related to the spin-off, within discontinued operations.

In connection with the spin-off, we entered into certain agreements with BHS to define responsibility for obligations arising before and after the spin-off, including obligations relating to liabilities of the businesses, employees, taxes and intellectual property. We entered into a Brand Licensing Agreement with BHS. Under the agreement, BHS licenses the rights to use certain trademarks, including trademarks that contain the word "Brink's" in the United States, Canada and Puerto Rico. In exchange for these rights, BHS has agreed to pay a licensing fee equal to 1.25% of its net revenues during the period after the spin-off until the expiration date of the agreement. The license will expire on October 31, 2011, subject to earlier termination upon the occurrence of certain events.

We also entered into a Non-Compete Agreement with BHS, which will expire on October 31, 2013, pursuant to which we agreed not to compete with BHS in the United States, Canada and Puerto Rico with respect to certain restricted activities specified in the Non-Compete Agreement in which BHS currently is, or is currently planning to be, engaged.

We contributed $50 million in cash to BHS at the time of the spin-off and forgave all the existing intercompany debt owed by BHS to us and our subsidiaries as of the distribution date.

Former Coal Business

We have significant liabilities related to retirement medical plans of our former coal operations, a portion of which have been funded with contributions to a Voluntary Employees' Beneficiary Association trust ("VEBA"). Some of the obligations have not been funded. We expect to have ongoing expense and cash outflow for these liabilities. See notes 3, 16 and 20 to the consolidated financial statements for more information.

ITEM 1A. RISK FACTORS

We are exposed to risk in the operation of our businesses. Some of these risks are common to all companies doing business in the industries in which we operate and some are unique to our business. In addition, there are risks associated with investing in our common stock. These risk factors should be considered carefully when evaluating the company and its businesses.

The weak economy is expected to have a negative impact on demand for our services. Global economic conditions have deteriorated significantly, and demand for our services is expected to be negatively impacted in regions where we provide our services. For example, demand for our services is significantly affected by the amount of discretionary consumer and business spending which historically has displayed significant cyclicality. Further deterioration in general global economic conditions would have a negative impact on our financial condition, results of operations and cash flows, although it is difficult to predict the extent and the length of time the economic downturn will affect our business.

The inability to access capital or significant increases in the cost of capital could adversely affect our business. Our ability to obtain adequate and cost effective financing depends on our credit ratings as well as the liquidity of financial markets. A negative change in our ratings outlook or any downgrade in our current investment-grade credit ratings by our rating agencies could adversely affect our cost and/or access to sources of liquidity and capital. Additionally, such a downgrade could increase the costs of borrowing under available credit lines. Disruptions in the capital and credit markets could adversely affect our ability to access short-term and long-term capital. Our access to funds under short-term credit facilities is dependent on the ability of the participating banks to meet their funding commitments. Those banks may not be able to meet their funding commitments if they experience shortages of capital and liquidity. Longer disruptions in the capital and credit markets as a result of uncertainty, changing or increased regulation, reduced alternatives or failures of significant financial institutions could adversely affect our access to capital needed for our business.

We have significant retirement obligations. Poor investment performance of retirement plan holdings could unfavorably affect our liquidity and results of operations. We have substantial pension and retiree medical obligations, a portion of which have been funded. The amount of these obligations is significantly affected by factors that are not in our control, including interest rates used to determine the present value of future payment streams, investment returns, medical inflation rates, participation rates and changes in laws and regulations. Our liabilities for these plans increased by $465 million in 2008 primarily as a result of significant decline in value of plan investments. The funded status of our primary U.S. pension plan was 59% at the end of 2008. As a result, we expect that we will be required to contribute a significant amount of cash to our primary U.S. pension plan in the next several years. This could adversely affect our liquidity and our ability to use our resources to make acquisitions and to otherwise grow our business. We also expect our future net periodic costs of our retirement plans will be adversely affected by the investment losses sustained in 2008. If these investments have additional losses, our future cash requirements and costs for these plans will be further adversely affected.

We have significant operations outside the United States. We currently operate in approximately 50 countries. Revenue outside the U.S. was approximately 70% of total revenue in 2008. We expect revenue outside the U.S. to continue to represent a significant portion of total revenue. Business operations outside the U.S. are subject to political, economic and other risks inherent in operating in foreign countries, such as

- the difficulty of enforcing agreements, collecting receivables and protecting assets through foreign legal systems
- trade protection measures and import or export licensing requirements
- difficulty in staffing and managing widespread operations
- required compliance with a variety of foreign laws and regulations
- changes in the general political and economic conditions in the countries where we operate, particularly in emerging markets
- threat of nationalization and expropriation
- higher costs and risks of doing business in a number of foreign jurisdictions
- limitations on the repatriation of earnings
- fluctuations in equity, revenues and profits due to changes in foreign currency exchange rates, including measures taken by governments to devalue official currency exchange rates
- inflation levels exceeding that of the U.S.

We are exposed to certain risks when we operate in countries that have high levels of inflation, including the risk that

- the rate of price increases for services will not keep pace with cost inflation
- adverse economic conditions may discourage business growth which could affect demand for our services
- the devaluation of the currency may exceed the rate of inflation and reported U.S. dollar revenues and profits may decline.

We try to manage these risks by monitoring current and anticipated political and economic developments and adjusting operations as appropriate. Changes in the political or economic environments of the countries in which we operate could have a material adverse effect on our business, financial condition and results of operations.

We operate in highly competitive industries. We compete in industries that are subject to significant competition and pricing pressures. We face significant pricing pressures from competitors in most markets. Because we believe we have competitive advantages such as brand name recognition and a reputation for a high level of service and security, we resist competing on price alone. However, continued pricing pressure could impact our customer base or pricing structure and have an adverse effect on results of operations.

Our earnings and cash flow could be materially affected by increased losses of customer valuables. We purchase insurance coverage for losses of customer valuables for amounts in excess of what we consider prudent deductibles and/or retentions. Insurance is provided by different groups of underwriters at negotiated rates and terms. Coverage is available to us in major insurance markets, although premiums charged are subject to fluctuations depending on market conditions. Our loss experience and that of other armored carriers affects premium rates charged to us. We are self-insured for losses below our coverage limits and recognize expense up to these limits for actual losses. Our insurance policies cover losses from most causes, with the exception of war, nuclear risk and various other exclusions typical for such policies. The availability of high-quality and reliable insurance coverage is an important factor in order for us to obtain and retain customers and to manage the risks of our business. If our losses increase, or if we are unable to obtain adequate insurance coverage at reasonable rates, our financial condition and results of operations could be materially and adversely affected.

Restructuring charges may be required in the future. There is a possibility we will take restructuring actions in one of our markets in the future to reduce expenses if a major customer is lost or if recurring operating losses continue. These actions could result in significant restructuring charges at these subsidiaries, including recognizing impairment charges to write down assets, and recording accruals for employee severance and operating leases. These charges, if required, could significantly affect results of operations and cash flows.

We depend heavily on the availability of fuel and the ability to pass higher fuel costs to customers. Fuel prices have fluctuated significantly in recent years. In some periods, our operating profit has been adversely affected because we are not able to immediately offset the full impact of higher fuel prices through increased prices or fuel surcharges. We do not have any long-term fuel purchase contracts, and have not entered into any other hedging arrangements that protect against fuel price increases. A significant increase in fuel costs and an inability to pass increases on to customers or a shortage of fuel could adversely affect our results of operations.

We have certain environmental and other exposures related to our former coal operations. We may incur future environmental and other liabilities that are presently unknown in connection with our former coal operations.

We operate in regulated industries. Our U.S. operations are subject to regulation by the U.S. Department of Transportation with respect to safety of operations and equipment and financial responsibility. Intrastate operations in the U.S. are subject to regulation by state regulatory authorities and interprovincial operations in Canada are subject to regulation by Canadian and provincial regulatory authorities. Our International operations are regulated to varying degrees by the countries in which we operate.

Changes in laws or regulations could require a change in the way we operate, which could increase costs or otherwise disrupt operations. In addition, failure to comply with any applicable laws or regulations could result in substantial fines or revocation of our operating permits and licenses. If laws and regulations were to change or we failed to comply, our business, financial condition and results of operations could be materially and adversely affected.

We could be materially affected by an unfavorable outcome related to non-payment of value-added taxes and custom duties. During 2004, we determined that one of our non-U.S. business units had not paid foreign customs duties and value-added taxes with respect to the importation of various goods and services. We have been advised that there could be civil and criminal penalties asserted for the non-payment of these customs duties and value-added taxes. To date no penalties have been asserted. We believe that the range of reasonably possible losses related to customs duties penalties is between $0 and approximately $35 million. These penalties could be asserted at any time. The business unit has discussed this matter with the appropriate government authorities, provided an accounting of unpaid customs duties and taxes and made payments covering its calculated unpaid value added taxes. An adverse outcome in this matter could materially affect our financial condition, results of operations and cash flows.

We have retained obligations from the sale of BAX Global. In January 2006 we sold BAX Global. We retained some of the obligations related to these operations, primarily for taxes owed prior to the date of sale and for any amounts paid related to one pending litigation matter for which losses could be between $0 and $14 million at the date of sale. In addition, we provided indemnification customary for these sorts of transactions. Future unfavorable developments related to these matters could require us to record additional expenses or make cash payments in excess of recorded liabilities. The occurrence of these events could have a material adverse affect on our financial condition, results of operations and cash flows.

We are subject to covenants for credit facilities. We have credit facilities with financial covenants, including a limit on the ratio of debt to earnings before interest, taxes, depreciation, and amortization, limits on the ability to pledge assets, limits on the use of proceeds of asset sales and minimum coverage of interest costs. Although we believe none of these covenants are presently restrictive to operations, the ability to meet the financial covenants can be affected by changes in our results of operations or financial condition. We cannot provide assurance that we will meet these covenants. A breach of any of these covenants could result in a default under existing credit facilities. Upon the occurrence of an event of default under any of our credit facilities, the lenders could cause amounts outstanding to be immediately payable and terminate all commitments to extend further credit. The occurrence of these events would have a significant impact on our liquidity and cash flows.

Acquisitions. One element of our growth strategy is to strengthen our brand portfolio and/or expand our geographic reach through active programs of selective acquisitions. Acquisition opportunities are limited, and acquisitions present risks of failing to achieve efficient and effective integration, strategic objectives and anticipated revenue improvements and cost savings. There can be no assurance that we will be able to acquire attractive businesses on favorable terms, that all future acquisitions will be quickly accretive to earnings or that future acquisitions will be rapidly integrated into existing operations.

Our effective income tax rate could change. We operate in approximately 50 countries, all of which have different income tax laws and associated income tax rates. Our effective income tax rate can be significantly affected by changes in the mix of pretax earnings by country and the related income tax rates in those countries. In addition, our effective income tax rate is significantly affected by the ability to realize deferred tax assets, including those associated with net operating losses. Changes in income tax laws, income apportionment, or estimates of the ability to realize deferred tax assets, could significantly affect our effective income tax rate, financial position and results of operations.

Our performance could be negatively impacted by the spin-off of BHS, which was completed in 2008. In connection with the BHS spin-off, we received both a private letter ruling from the Internal Revenue Service (the “IRS”) and a favorable opinion from Cravath, Swaine & Moore LLP that the spin-off qualifies for tax-free treatment under Section 355 of the Internal Revenue Code of 1986, as amended. However, the IRS could subsequently determine that the spin-off should be treated as a taxable transaction. If the spin-off fails to qualify for tax-free treatment, it could have a material adverse tax impact on us as well as on our shareholders. We also entered into certain agreements with BHS that could potentially affect our ability to conduct our operations in the manner most advantageous to us until the expiration of such agreements. We have agreed to license certain trademarks that contain the word “Brink’s” to BHS until October 31, 2011, subject to earlier termination. We also have agreed not to compete with BHS in the United States, Canada and Puerto Rico with respect to certain activities related to BHS’s security system monitoring and surveillance business until October 31, 2013.

Forward-Looking Statements

This document contains both historical and forward-looking information. Words such as “anticipates,” “estimates,” “expects,” “projects,” “intends,” “plans,” “believes,” “may,” “should” and similar expressions may identify forward-looking information. Forward-looking information in this document includes, but is not limited to, statements regarding expected revenue growth and earnings for The Brink’s Company, including organic revenue growth and operating profit margin in 2009 and long-term organic revenue growth and operating profit margin, the pursuit of growth through acquisitions in new and existing markets, the differentiation of Brink’s Cash Logistics services, Brink’s cost structure, the seasonality of Brink’s operating profit, employee relations, significant liabilities and ongoing expenses and cash outflows related to retirement medical plans of former coal operations, customer demand for Brink’s services, the impact of the global economic slowdown, anticipated expenses related to retirement plans, Brink’s improving position in North America, expected corporate expenses, net, potential changes in foreign currency exchange rates, customer outsourcing efforts, the anticipated effective tax rate for 2009 and the Company’s future tax position, operating profit pressures in Europe, expenses related to former operations, expected trademark royalties from BHS, future interest expense, anticipated dividends from a real estate investment, the impact of exchange rates, the possibility that Venezuela may be considered highly inflationary again, the possibility that Brink’s Venezuela may be subject to less favorable exchange rates or that the bolivar fuerte may be devalued, projected contributions and expense for the primary U.S. pension plan and its expected long-term rate of return, capital expenditures in 2009, future depreciation and amortization, the ability to meet liquidity needs, estimated contractual obligations for the next five years and beyond, future contributions to and use of the VEBA and expected investment returns on funds held by the VEBA, the Company’s borrowing capacity under the Letter of Credit Facility and the Revolving Facility, contractual indemnities associated with the sale of BAX Global and the spin-off of BHS, surety bond renewals and premium levels, the outcome of the issue relating to the non-payment of customs duties and value-added tax by a non-U.S. subsidiary of Brink’s, Incorporated, the outcome of pending litigation and the anticipated financial impact of the disposition of these matters, future realization of deferred tax assets, the carrying value of goodwill, estimated discount rates, the assumed inflation rate for a number of the Company’s benefit plans, the impact of recent and future accounting rule changes, the likelihood of losses due to non-performance by parties to hedging instruments, the use of earnings from foreign subsidiaries and equity affiliates, future recognition of unrecognized tax benefits and uncertain tax positions, and expected future cash payments and expense levels for black lung obligations. Forward-looking information in this document is subject to known and unknown risks, uncertainties, and contingencies, which could cause actual results, performance or achievements to differ materially from those that are anticipated.

These risks, uncertainties and contingencies, many of which are beyond the control of The Brink’s Company and its subsidiaries, include, but are not limited to the impact of a potential global economic slowdown on the Company’s business opportunities, access to the credit markets and funding requirements for pension plans and other employee benefits, the recent market volatility and its impact on the demand for the services of Brink’s, the implementation of investments in technology and value-added services and cost reduction efforts and their impact on revenue and profit growth, the ability to identify and execute further cost and operational improvements and efficiencies in the core business, the ability to cost effectively match customer demand with appropriate resources, the willingness of Brink’s customers to absorb fuel surcharges and other future price increases, the actions of competitors, the Company’s ability to identify strategic opportunities and integrate them successfully, acquisitions and dispositions made in the future, Brink’s ability to integrate recent acquisitions, decisions by the Company’s Board of Directors, regulatory and labor issues and higher security threats, the impact of turnaround actions responding to current conditions in Europe, the return to profitability of operations in jurisdictions where Brink’s has recorded valuation adjustments, the input of governmental authorities regarding the non-payment of customs duties and value-added tax, the stability of the Venezuelan economy and changes in Venezuelan policy regarding exchange rates, the potential for a devaluation of the bolivar fuerte, the absence of the currency conversion project in Venezuela, variations in costs or expenses and performance delays of any public or private sector supplier, service provider or customer, the ability of the Company and its subsidiaries to obtain appropriate insurance coverage, positions taken by insurers with respect to claims made and the financial condition of insurers, safety and security performance, Brink's loss experience, changes in insurance costs, risks customarily associated with operating in foreign countries including changing labor and economic conditions, currency devaluations, safety and security issues, political instability, restrictions on repatriation of earnings and capital, nationalization, expropriation and other forms of restrictive government actions, costs associated with information technology and other ongoing contractual obligations, costs associated with the purchase and implementation of cash processing and security equipment, changes in the scope or method of remediation or monitoring of the Company's former coal operations, the timing of the pass-through of certain costs to third parties and the timing of approvals by governmental authorities relating to the disposal of the coal assets, changes to estimated liabilities and assets in actuarial assumptions due to payments made, investment returns, annual actuarial revaluations, and periodic revaluations of reclamation liabilities, the funding levels, accounting treatment, investment performance and costs of the Company's pension plans and the VEBA, whether the Company's assets or the VEBA's assets are used to pay benefits, projections regarding the number of participants in and beneficiaries of the Company's employee and retiree benefit plans, black lung claims incidence, the number of dependents of mine workers for whom benefits are provided, actual retirement experience of the former coal operation's employees, actual medical and legal expenses relating to benefits, changes in inflation rates (including medical inflation) and interest rates, changes in mortality and morbidity assumptions, mandatory or voluntary pension plan contributions, discovery of new facts relating to civil suits, the addition of claims or changes in relief sought by adverse parties, the cash, debt and tax position and growth needs of the Company, the demand for capital by the Company and the availability and cost of such capital, the nature of the Company's hedging relationships, the financial performance of the Company, utilization of third-party advisors and the ability of the Company to hire and retain corporate staff, changes in employee obligations, overall domestic and international economic, political, social and business conditions, capital markets performance, the strength of the U.S. dollar relative to foreign currencies, foreign currency exchange rates, changes in estimates and assumptions underlying the Company's critical accounting policies, as more fully described in the section "Application of Critical Accounting Policies" but including the likelihood that net deferred tax assets will be realized, discount rates, expectations of future performance, the timing of deductibility of expenses, inflation, the promulgation and adoption of new accounting standards and interpretations, including SFAS 141(R), SFAS 160, SFAS 16-1, SFAS 162, FSP EITF 03-6-1, and FSP 132(R)-1, anticipated return on assets, inflation, seasonality, pricing and other competitive industry factors, labor relations, fuel prices, new government regulations and interpretations of existing regulations, legislative initiatives, judicial decisions, issuances of permits, variations in costs or expenses and the ability of counterparties to perform. The information included in this document is representative only as of the date of this document, and The Brink's Company undertakes no obligation to update any information contained in this document.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

We have property and equipment in locations throughout the world. Branch facilities generally have office space to support operations, a vault to securely process and store valuables and a garage to house armored vehicles and serve as a vehicle terminal. Many branches have additional space to repair and maintain vehicles.

We own or lease armored vehicles, panel trucks and other vehicles that are primarily service vehicles. Our armored vehicles are of bullet-resistant construction and are specially designed and equipped to provide security for the crew and cargo.

The following table discloses leased and owned facilities and vehicles for Brink's most significant operations as of December 31, 2008.

		Facilities			Vehicles	
Region	Leased	Owned	Total	Leased	Owned	Total
U. S.	176	25	201	2,075	329	2,404
Canada	41	12	53	450	53	503
EMEA	245	37	282	866	2,580	3,446
Latin America	184	50	234	260	2,625	2,885
Asia Pacific	35	-	35	2	131	133
Total	681	124	805	3,653	5,718	9,371

As of December 31, 2008, we had approximately 7,500 Brink's-owned CompuSafe® devices located on customers' premises, most of which are in North America.

ITEM 3. LEGAL PROCEEDINGS

We are involved in various lawsuits and claims in the ordinary course of business. We are not able to estimate the range of losses for some of these matters. We have recorded accruals for losses that are considered probable and reasonably estimable. We do not believe that the ultimate disposition of any of these matters will have a material adverse effect on our liquidity, financial position or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

Executive Officers of the Registrant

The following is a list as of February 15, 2009, of the names and ages of the executive and other officers of The Brink's Company indicating the principal positions and offices held by each. There are no family relationships among any of the officers named.

Name	Age	Positions and Offices Held	Held Since
Executive Officers:			
Michael J. Cazer	41	Vice President and Chief Financial Officer	2008
Michael T. Dan	58	President, Chief Executive Officer and Chairman of the Board	1998
Frank T. Lennon	67	Vice President and Chief Administrative Officer	2005
McAlister C. Marshall, II	39	Vice President, General Counsel and Secretary	2008
Matthew A. P. Schumacher	50	Controller	2001
Other Officers:			
Jonathan A. Leon	42	Treasurer	2008
Arthur E. Wheatley	66	Vice President – Risk Management and Insurance	1988

Executive and other officers of The Brink's Company are elected annually and serve at the pleasure of its board of directors.

Mr. Cazer is the Vice President and Chief Financial Officer of The Brink's Company. Mr. Cazer was hired on April 7, 2008. He most recently served as Chief Financial Officer of GE Security, a General Electric subsidiary focused on global communication and information technologies for security and life safety products, from April 2005 to April 2008, having previously served as Chief Financial Officer of GE Consumer and Industrial Europe, a General Electric subsidiary engaged in the design, manufacturing and sales of electrical distribution equipment, lighting products and household appliances in Europe, from April 2004 to April 2005, and as Chief Financial Officer of GE Fanuc, a joint venture between General Electric and FANUC of Japan focused on automation and embedded computing, from December 2001 to April 2004.

Mr. Dan was elected President, Chief Executive Officer and Director of The Brink's Company in February 1998 and was elected Chairman of the Board effective January 1, 1999. He also serves as Chief Executive Officer of Brink's, Incorporated, a position he has held since July 1993. From August 1992 to July 1993 he served as President of North American operations of Brink's, Incorporated and as Executive Vice President of Brink's, Incorporated from 1985 to 1992.

Mr. Lennon was appointed Vice President and Chief Administrative Officer in 2005. Prior to this position, he was the Vice President, Human Resources and Administration from 1990 through 2005.

Mr. Marshall was appointed Vice President, General Counsel and Secretary of The Brink's Company on September 15, 2008. Prior to joining The Brink's Company, Mr. Marshall was the Vice President, General Counsel and Secretary at

Tredegar Corporation from October 2006 to September 2008. Prior to this position, Mr. Marshall was the Assistant General Counsel and Secretary for The Brink's Company from July 2006 to September 2006. Prior to this position, Mr. Marshall was the Assistant General Counsel and Director-Corporate Governance and Compliance for The Brink's Company from July 2004 to July 2006. Prior to this position, Mr. Marshall was the Assistant General Counsel for The Brink's Company from July 2000 to July 2004.

Messrs. Schumacher and Wheatley have served in their present positions for more than the past five years.

Mr. Leon is the Treasurer of The Brink's Company. Mr. Leon was hired June 12, 2008. Before joining The Brink's Company, Mr. Leon was the Assistant Treasurer for Universal Corporation from January 2007 to June 2008. Prior to this position, Mr. Leon was the Assistant Treasurer for The Brink's Company from July 2005 to January 2007. Prior to this position, Mr. Leon had held various financial management positions with The Brink's Company from February 1998 to July 2005.

PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock trades on the New York Stock Exchange under the symbol “BCO.” As of February 24, 2009, there were approximately 2,900 shareholders of record of common stock.

The dividends declared and the high and low prices of our common stock for each full quarterly period within the last two years are as follows:

	2008 Quarters				2007 Quarters			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th
Dividends declared per common share	$ 0.1000	0.1000	0.1000	0.1000	$ 0.0625	0.1000	0.1000	0.1000
Stock prices:								
High	$ 70.11	74.61	71.48	61.32	$ 65.50	68.47	67.65	64.83
Low	49.04	65.23	57.68	18.19	57.77	61.44	52.42	55.69

We completed the spin-off of BHS on October 31, 2008. See note 15 to the consolidated financial statements for a description of limitations of our ability to pay dividends in the future.

The following table provides information about our common stock repurchases during the quarter ended December 31, 2008.

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet be Purchased Under the Plans or Programs
October 1 through October 31, 2008	-	$ -	-	$ 43,730,344(1)
November 1 through November 30, 2008	-	-	-	43,730,344(1)
December 1 through December 31, 2008	160,500	$ 24.03	160,500	$ 39,873,744(1)

(1)

On September 14, 2007, the board of directors authorized the repurchase of up to $100 million of common stock from time to time as market conditions warrant and as covenants under existing agreements permit. The program does not require the acquisition of a specific number of shares and may be modified or discontinued at any time.

The following graph compares the cumulative 5-year total return provided to shareholders on The Brink's Company's common stock relative to the cumulative total returns of the S&P Midcap 400 index and the S&P Midcap 400 Commercial Services & Supplies Index. The graph tracks the performance of a $100 investment in our common stock and in each index (with the reinvestment of all dividends) from December 31, 2003, through December 31, 2008. The Company previously used the S&P Midcap Diversified Commercial & Professional Services Index, but this index has been discontinued, so the Company has instead used the S&P Midcap 400 Commercial Services & Supplies Index.

Source – Research Data Group, Inc.

Comparison of Five-Year Cumulative Total Return Among
Brink's Common Stock, the S&P MidCap 400 Index and
the S&P Midcap 400 Commercial Services & Supplies Index (1)

	Years Ended December 31,					
	2003	2004	2005	2006	2007	2008
The Brink's Company	$ 100.00	175.12	212.61	284.27	266.51	206.80
S&P Midcap 400 Index	100.00	116.48	131.11	144.64	156.18	99.59
S&P Midcap 400 Commercial Services & Supplies Index	$ 100.00	125.07	131.26	156.87	159.80	106.37

(1) For the line designated as "The Brink's Company" the graph depicts the cumulative return on $100 invested in The Brink's Company's common stock. For the S&P Midcap 400 Index and the S&P Midcap 400 Commercial Services & Supplies Index, cumulative returns are measured on an annual basis for the periods from December 31, 2003, through December 31, 2008, with the value of each index set to $100 on December 31, 2003. Total return assumes reinvestment of dividends and the reinvestment of proceeds from the sale of the shares received related to the spin-off of our former monitored security business on October 31, 2008. We chose the S&P Midcap 400 Index and the S&P Midcap 400 Commercial Services & Supplies Index because we are included in these indices, which broadly measure the performance of mid-size companies in the United States market.

ITEM 6. SELECTED FINANCIAL DATA

Five Years in Review

(In millions, except per share amounts)		2008	2007	2006	2005	2004
Revenues and Income						
Revenues	$	3,163.5	2,734.6	2,354.3	2,113.3	1,897.9
Segment operating profit		271.9	223.3	184.1	119.5	149.0
Corporate and former operations expense, net		(43.4)	(62.3)	(73.4)	(82.0)	(86.7)
Operating profit		228.5	161.0	110.7	37.5	62.3
Income (loss) from continuing operations		131.8	78.4	53.1	(3.3)	25.3
Income from discontinued operations (a)		51.5	58.9	534.1	151.1	96.2
Cumulative effect of change in accounting principle (b)		-	-	-	(5.4)	-
Net income	$	183.3	137.3	587.2	142.4	121.5
Financial Position						
Property and equipment, net	$	534.0	1,118.4	981.9	867.4	914.0
Total assets		1,815.8	2,394.3	2,188.0	3,036.9	2,692.7
Long-term debt, less current maturities		173.0	89.2	126.3	251.9	181.6
Shareholders' equity		214.0	1,046.3	753.8	837.5	688.5
Supplemental Information						
Depreciation and amortization	$	122.3	110.0	93.0	88.0	78.8
Capital expenditures		165.3	141.8	113.8	107.8	76.1
Per Common Share						
Basic, net income (loss):						
Continuing operations	$	2.85	1.68	1.06	(0.06)	0.46
Discontinued operations (a)		1.11	1.27	10.69	2.69	1.76
Cumulative effect of change in accounting principle (b)		-	-	-	(0.10)	-
Net income	$	3.96	2.95	11.75	2.53	2.23
Diluted, net income (loss):						
Continuing operations	$	2.82	1.67	1.05	(0.06)	0.46
Discontinued operations (a)		1.10	1.25	10.58	2.69	1.74
Cumulative effect of change in accounting principle (b)		-	-	-	(0.10)	-
Net income	$	3.93	2.92	11.64	2.53	2.20
Cash dividends	$	0.4000	0.3625	0.2125	0.1000	0.1000

Weighted Average Shares					
Basic	46.3	46.5	50.0	56.3	54.6
Diluted	46.7	47.0	50.5	56.3	55.3

(a) Income from discontinued operations reflects the operations and gains and losses, if any, on disposal of our former home security, coal, natural gas, timber, gold, and air freight businesses, as well as the domestic cash handling operations in the United Kingdom. Expenses related to postretirement obligations are recorded as a component of continuing operations after the respective disposal dates. Adjustments to contingent liabilities are recorded within discontinued operations.

(b) Our 2005 results of operations include a noncash after-tax charge of $5.4 million or $0.10 per diluted share to reflect the cumulative effect of a change in accounting principle pursuant to the adoption of FIN 47, Accounting for Conditional Asset Retirement Obligations.

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

THE BRINK'S COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2008

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OPERATIONS

The Brink’s Company

Overview

The Brink’s Company offers transportation and logistics management services for cash and valuables throughout the world. These services include armored car transportation, automated teller machine (“ATM”) replenishment and servicing, currency deposit processing and cash management services. Cash management services include cash logistics services (“Cash Logistics”), deploying and servicing safes and safe control devices (e.g. our patented CompuSafe® service), coin sorting and wrapping, integrated check and cash processing services (“Virtual Vault Services”), arranging secure transportation of valuables over long distances and around the world (“Global Services”), and guarding services, including airport security.

Management allocates resources to and makes operating decisions on a geographic basis. As a result, we changed our reportable segments in the fourth quarter of 2008 to International and North America. In 2007, our reportable segments were Brink’s and BHS. Our International segment includes three distinct regions: EMEA, Latin America and Asia Pacific. Our North America segment includes operations in the U.S. and Canada.

We believe that Brink’s has significant competitive advantages including:

- brand name recognition
- reputation for a high level of service and security
- risk management and logistics expertise
- global infrastructure and customer base
- proprietary cash processing and information systems
- high-quality insurance coverage and general financial strength.

We focus our time and resources on service quality, protecting and strengthening our brand, and addressing our risks. We are a premium provider of services in most of the markets we serve. Our marketing and sales efforts are enhanced by the “Brink’s” brand, so we seek to protect and build its value. Since our services focus on handling, transporting, protecting, and managing valuables, we strive to understand and manage risk. Overlaying our approach is an understanding that we must be disciplined and patient enough to charge prices that reflect the value provided, the risk assumed and the need for an adequate return for our investors.

Business environments around the world change constantly. We must adapt to changes in competitive landscapes, regional economies and each customer’s level of business. We balance underlying business risk and the effects of changing demand on the utilization of our resources. As a result, we operate largely on a decentralized basis so local management can react quickly to changes in the business environment.

We measure financial performance on a long-term basis. The key financial factors on which we focus are:

- Return on capital
- Revenue and earnings growth
- Cash flow generation

These and similar measures are critical components of our incentive compensation plans and performance evaluations.

Because of our emphasis on managing risks while providing a high level of service, we believe Brink’s spends more than its competitors on training and retaining employees, as well as on facilities. As a result, we focus our marketing and selling efforts on customers who appreciate the value and breadth of our services, information capabilities, risk management and financial strength.

In order to earn an adequate return on capital, we focus on the effective and efficient use of resources as well as appropriate pricing levels. We attempt to maximize the amount of business that flows through our branches, vehicles and systems in order to obtain the lowest costs possible without compromising safety, security or service. Due to our higher investment in people and processes, we generally charge higher prices than competitors that do not provide the same level of service and risk management.

Despite an extremely challenging business environment in 2008 we achieved an increase in segment operating profit of 40 basis points. We expect 2009 organic revenue growth in the mid to high single-digit range, with a segment operating profit margin close to 8%. We define organic revenue growth as revenue growth excluding changes in revenue earned from newly acquired businesses and changes in revenue due to changes in currency exchange rates. We are targeting long-term organic revenue growth in the high single-digit percentage range and segment operating margin improvement of 50 basis points per year, but these long-term goals depend on an economic recovery. Our goal is to eventually achieve a 10% segment operating margin when economic conditions improve.

The industries we serve have been consolidating. As a result, the demands and expectations of customers in these industries have grown. Customers are increasingly seeking suppliers, such as Brink's, with broad geographic solutions, sophisticated outsourcing capabilities and financial strength.

Our operating results may vary from period to period. Since revenues are generated from charges per service performed or based on the value of goods transported, they can be affected by both the level of economic activity and the volume of business for specific customers. As contracts generally run for one or more years, costs are incurred to prepare to serve, or to transition away, from a customer. We also periodically incur costs to reduce operations when volumes decline, including costs to reduce the number of employees and close or consolidate branch and administrative facilities. In addition, safety and security costs can vary depending on performance, cost of insurance coverage, and changes in crime rates (i.e. attacks and robberies).

Cash Logistics is a fully integrated solution that proactively manages the supply chain of cash from point-of-sale through bank deposit. The process includes cashier balancing and reporting, deposit processing and consolidation, and electronic information exchange (including "same-day" credit capabilities). Retail customers use Brink's Cash Logistics services to count and reconcile coins and currency in a secure environment, to prepare bank deposit information, and to replenish customer coins and currency in proper denominations.

Because Cash Logistics involves a higher level of service and more complex activities, customers are charged higher prices, which result in higher margins. The ability to offer Cash Logistics to customers differentiates Brink's from many of its competitors. As a result, management is focused on continuing to grow Cash Logistics revenue.

Brink's revenues and related operating profit are generally higher in the second half of the year, particularly in the fourth quarter, because of generally increased economic activity associated with the holiday season. Conversely, margins are typically lower in the first half of the year.

On October 31, 2008, we completed the tax-free spin-off of Brink's Home Security Holdings, Inc. ("BHS"), our former monitored security business in North America. On August 5, 2007, we sold our domestic cash handling operations in the United Kingdom. On January 31, 2006, we sold BAX Global Inc. ("BAX Global"), a wholly owned freight transportation subsidiary, for approximately $1 billion in cash and recorded a pretax gain of approximately $587 million. See "Discontinued Operations" for a description of the transactions and see "Liquidity and Capital Resources" for a description of the effect of these dispositions on our cash flow and financial position. We have reported the earnings and cash flows of these operations within discontinued operations for all periods presented.

We have significant liabilities associated with our former operations, primarily related to retirement plans, which are partially funded by plan trusts. These trusts sustained market losses during the second half of 2008. As a result, our net liabilities at December 31, 2008, increased substantially compared to the prior year. We expect expenses related to these plans will increase in 2009 as a result of these market losses.

Information about our liabilities related to former operations is contained in the following sections of this report:

- Results of Operations – Higher Projected Expenses Related to U.S. Retirement Plans on page 26
- Liquidity and Capital Resources – Contractual Obligations on page 43
- Application of Critical Accounting Policies on pages 45-52
- Notes 3, 16 and 20 to the consolidated financial statements, which begin on page 76

RESULTS OF OPERATIONS

Overview of Results

		Years Ended December 31,			% change	
(In millions)		2008	2007	2006	2008	2007
Income from:						
Continuing operations	$	131.8	78.4	53.1	68	48
Discontinued operations		51.5	58.9	534.1	(13)	(89)
Net income	$	183.3	137.3	587.2	34	(77)

The income items in the above table are reported after tax.

Continuing Operations

2008

Income from continuing operations was higher in 2008 compared to 2007 primarily due to a $48.6 million improvement in segment operating profit driven by strong organic profit growth in our international operations. We also benefited from a $12.4 million gain on the sale of certain assets of our former coal operations, lower expense related to retirement plans, and a lower effective income tax rate. These improvements were partially offset by lower profits in North America, higher corporate expense, increased minority expenses, and an other-than-temporary impairment of our marketable securities.

Compared to 2008, our income from continuing operations in 2009 is expected to be adversely affected by several factors including the continuing global economic slowdown, the absence of profitable work performed in 2008 related to the completed currency conversion project, and higher expenses related to our retirement plans. Offsetting factors include an improving competitive landscape in North America and customer outsourcing initiatives, and lower expected corporate expenses.

2007

Income from continuing operations was higher in 2007 compared to 2006 primarily due to a $39.2 million improvement in segment operating profit driven by our international operations and lower expenses related to former operations. International segment operating profit increased primarily due to growth in Latin America, improved performance in Europe and lower safety and security costs worldwide. Interest expense decreased in 2007 as a result of reduced debt levels. The effective tax rate for 2007 was approximately 1.2 percentage points lower than 2006 largely because of a change in the mix of earnings by jurisdiction.

Discontinued Operations

Income from discontinued operations includes the results of businesses that we have spun off or sold.

Consolidated Review

(In millions)		Years Ended December 31, 2008	2007	2006	% change 2008	2007
Revenues:						
International	$	2,231.3	1,848.3	1,524.3	21	21
North America		932.2	886.3	830.0	5	7
Revenues		3,163.5	2,734.6	2,354.3	16	16
Operating profit:						
International		215.0	152.9	114.2	41	34
North America		56.9	70.4	69.9	(19)	1
Segment operating profit		271.9	223.3	184.1	22	21
Corporate expense, net		(55.3)	(48.4)	(46.9)	14	3
Former operations		11.9	(13.9)	(26.5)	NM	(48)
Operating profit		228.5	161.0	110.7	42	45
Interest expense		(12.0)	(10.8)	(12.0)	11	(10)
Interest and other income, net		8.1	10.5	16.9	(23)	(38)
Income from continuing operations before income taxes and minority interest		224.6	160.7	115.6	40	39
Provision for income taxes		53.0	59.5	44.2	(11)	35
Minority interest		39.8	22.8	18.3	75	25
Income from continuing operations		131.8	78.4	53.1	68	48
Income from discontinued operations, net of tax		51.5	58.9	534.1	(13)	(89)
Net income	$	183.3	137.3	587.2	34	(77)

Segment revenue and operating profit

Revenues in 2008 were higher compared to 2007 as a result of a combination of the effects of organic revenue growth and favorable changes in currency exchange rates. Organic revenue growth includes revenues from the "conversion project" (discussed below). Segment operating profit was higher due to improved performance from our International segment including significant operating profit from the conversion project in the first half of 2008, partially offset by lower results from our North America segment.

Compared to 2008, income from continuing operations in 2009 is expected to be adversely affected by several factors, including:

- the effects of the current global economic slowdown,
- the completion in 2008 of the currency conversion project in Venezuela, which generated $51 million in revenues,
- higher expenses related to retirement plans (see page 26 for more information),
- a higher tax rate as a result of valuation allowance reversals that occurred in 2008, which are not anticipated in 2009, and
-

potential unfavorable changes in foreign currency exchange rates, including measures taken by governments to devalue official currency exchange rates.

Offsetting these factors, our income from continuing operations in 2009 may be positively affected compared to 2008 by several factors, including:

- increased opportunities in North America given an improving competitive landscape
- an acceleration of outsourcing and cost reduction efforts by customers due to the weak economy, which may improve demand for our value-added cash logistics services.

Revenues in 2007 increased from 2006 primarily due to growth in existing operations with particularly strong growth in our International segment. Exchange rate fluctuations affected reported revenues favorably in 2007 compared to 2006. Operating profit was higher in 2007 compared to 2006, largely due to stronger performance in our International segment and lower safety and security costs. In addition, operating profit benefited from the weaker U.S. dollar.

Corporate expense, net
Corporate expense, net, was higher in 2008 compared to 2007 as a result of costs incurred to consider various strategic alternatives, which ultimately resulted in the decision to spin off BHS. Corporate expense, net, also increased due to foreign currency transaction losses related primarily to the remeasurement of foreign currency-denominated intercompany dividends. The increase in expense was partially offset by higher royalty income from BHS after the spin-off. Corporate expense, net, in 2009 is expected to decrease more than one-third from 2008.

Corporate expense, net, in 2007 was higher than 2006 as a result of professional, legal and advisory fees incurred related to initiatives by certain of our shareholders and a proxy contest initiated by MMI Investments, L.P., one of our shareholders, over board of director candidates that were elected at the 2008 annual meeting.

Former Operations
Results of our former operations in 2008 improved compared to 2007 primarily due to a $12.4 million gain on the sale of certain assets of our former coal operations as well as lower expenses related to retirement plans.

Expenses related to former operations in 2007 were $12.6 million lower than 2006 due to lower expenses related to retirement plans.

Income Taxes
Our effective tax rate on income from continuing operations was 23.6% in 2008, 37.0% in 2007 and 38.2% in 2006. The effective tax rate varied from statutory rates in these periods primarily due to the geographical mix of earnings, changes in valuation allowances for deferred tax assets and state income taxes.

We currently estimate our 2009 effective tax rate will be between 30% and 33%, although the actual 2009 effective tax rate could be materially different from this estimate.

Discontinued Operations
On October 31, 2008, we completed the tax-free spin-off of BHS. On August 5, 2007, we sold our United Kingdom domestic cash handling operations. On January 31, 2006, we sold BAX Global for approximately $1 billion in cash resulting in a pretax gain of approximately $587 million. All three of these operations have been reported within discontinued operations for all periods presented.

Revisions to estimated amounts related to contingent liabilities of our former operations, including those related to obligations under the Coal Industry Retiree Health Benefit Act of 1992 (the “Health Benefit Act”), are recorded in discontinued operations.

In 2006, we recognized:
- a $148.3 million pretax benefit primarily as a result of a 2006 federal law amending the Health Benefit Act that reduced our obligation for healthcare and death benefits for former coal miners, and
- a $9.9 million pretax benefit on the settlement of liabilities related to two coal industry multi-employer pension plans.

Higher Projected Expenses Related to U.S. Retirement Plans

Our most significant retirement plans include our primary U.S. pension plan and the retiree medical plans of our former coal business that were collectively bargained with the United Mine Workers of America (the "UMWA"). The market value of the investments used to pay benefits for these retirement plans significantly declined in 2008. As a result of this, our 2009 expense related to our U.S. retirement plans is expected to increase by approximately $36.5 million from 2008 levels (see tables below).

The projected expenses in the following tables are based on a variety of estimates, including actuarial assumptions as of December 31, 2008, as described in the Application of Critical Accounting Policies and in the notes to the consolidated financial statements. These estimated amounts will change in the future to reflect payments made, investment returns, actuarial revaluations, and other changes in estimates. Actual amounts could differ materially from the estimated amounts. See the Application of Critical Accounting Policies on pages 47 to 51 for a sensitivity analysis of how our results could have been different had we selected different assumptions or accounting policies. See the Contractual Obligations table on page 43 for future contributions and cash outflows.

Actual and Projected Expenses (Income) related to U.S. Retirement Plans

(In millions)		Actual Expense (Income)			Projected Expense (Income)				
Years Ending December 31,		2006	2007	2008	2009	2010	2011	2012	2013
Primary U.S. pension plan	$	6.9	2.5	(12.8)	(2.0)	9.5	15.9	21.1	23.6
UMWA Plans		12.7	4.0	0.6	26.3	26.2	26.3	26.5	26.9
Total	$	19.6	6.5	(12.2)	24.3	35.7	42.2	47.6	50.5
Included in:									
Segment operating profit - North America	$	2.6	1.0	(4.9)	(0.7)	3.7	6.2	8.1	9.1
Corporate expenses, net		0.2	0.1	(0.3)	(0.1)	0.2	0.3	0.4	0.5
Former operations, net (a)		16.5	5.3	(6.4)	25.1	31.8	35.7	39.1	40.9
Discontinued operations (a)		0.3	0.1	(0.6)	-	-	-	-	-
Total	$	19.6	6.5	(12.2)	24.3	35.7	42.2	47.6	50.5

(a)Discontinued operations in 2006, 2007 and 2008 include pension expense allocated to BHS. In future years, these will be recorded in continuingoperations within former operations, net.

Segment Operating Results

2008
Overview
Revenues were 16% higher (12% on a constant-currency basis) compared to 2007 primarily as a result of organic revenue growth in Latin America, including revenues from the conversion project. Segment operating profit in 2008 was higher than in 2007 primarily as a result of strong performance in Latin America, including conversion project activities, partially offset by lower results in North America.

	Years Ended December 31,					Percentage Change	
(In millions)	2007	Constant-Currency Change	Currency Change	2008		As Reported	Constant-Currency
Revenues:							
International	$	1,848.3	285.5	97.5	2,231.3	21	15
North America		886.3	45.1	0.8	932.2	5	5
Revenues	$	2,734.6	330.6	98.3	3,163.5	16	12
Operating profit:							
International	$	152.9	58.0	4.1	215.0	41	38
North America		70.4	(13.6)	0.1	56.9	(19)	(19)
Segment operating profit	$	223.3	44.4	4.2	271.9	22	20

International
Revenues increased in 2008 over 2007 in all regions. Revenue increases in EMEA and Latin America were primarily the result of organic revenue growth (including the conversion project) and favorable changes in currency exchange rates. Operating profit in 2008 was higher than 2007 primarily due to the effects of strong volumes in Latin America, including the conversion project. Operating profit in EMEA was higher than 2007 primarily due to favorable changes in currency exchange rates and improved operating results in some countries.

International operating profit in 2009 will be negatively affected by the absence of the highly profitable conversion project.

EMEA. Revenues increased 14% (8% on a constant-currency basis) to $1,358.9 million in 2008 from $1,191.5 million in 2007. Revenues increased as a result of both organic revenue growth and favorable changes in currency exchange rates. Operating profit increased compared to the prior-year period due to favorable changes in currency exchange rates and improved operating results in some countries despite higher labor costs and the overall economic slowdown caused by the global financial crisis, which resulted in decreased volumes as well as recessionary and competitive pricing pressures. The improvement in operating profit also reflects the strong performance of Global Services and lower security costs. We expect pressure on our European operating profit in 2009 as a result of the difficult economic situation and the competitive environment.

Latin America. Revenues increased 35% (32% on a constant-currency basis) to $800.6 million in 2008 from $594.2 million in 2007. Revenues increased primarily due to higher volumes across the region (including significant volumes from the conversion project), normal inflationary price increases and favorable changes in currency exchange rates. Operating profit in 2008 was significantly higher than in 2007 as a result of the effects of the conversion project and solid improvement in Brazil and Argentina.

The Conversion Project

Venezuela changed its national currency from the bolivar to the bolivar fuerte on January 1, 2008, and Brink's performed additional cash handling services to assist in the conversion. We recognized approximately $51 million in incremental revenues during 2008 associated with the conversion project. The conversion project activities utilized existing assets, personnel and other resources which also serviced normal operations.

Asia-Pacific. Revenues increased 15% (13% on a constant-currency basis) to $71.8 million in 2008 from $62.6 million in 2007. Operating profit in 2008 was higher than in 2007, reflecting improvements in our Global Services operations.

North America
Revenues increased 5% to $932.2 million in 2008 compared to $886.3 million in 2007. Revenues increased primarily in CIT services, driven mainly by higher volumes rather than higher prices. Operating profit in 2008 decreased $13.5 million compared to 2007 due largely to higher spending on labor, fuel, selling, general and administrative expenses and employment-related legal settlement expenses, partially offset by lower expense related to U.S. retirement plans and the benefit of reductions in postretirement benefit obligations in Canada. Expenses allocated to North America related to the primary U.S. pension plan are expected to increase by $4.2 million in 2009.

2007
Overview
Revenues at Brink's were 16% higher in 2007 compared to 2006 primarily as a result of a combination of the effects of organic revenue growth, and favorable changes in currency exchange rates. Operating profit in 2007 was higher than 2006 largely as a result of strong performance in Latin America, particularly in Venezuela, Brazil and Colombia, improved performance in Europe and lower safety and security costs.

		Years Ended December 31,				Percentage Change	
(In millions)		2006	Constant-Currency Change	Currency Change	2007	As Reported	Constant-Currency
Revenues:							
International	$	1,524.3	190.6	133.4	1,848.3	21	13
North America		830.0	47.1	9.2	886.3	7	6
Revenues	$	2,354.3	237.7	142.6	2,734.6	16	10
Operating profit:							
International	$	114.2	30.7	8.0	152.9	34	27
North America		69.9	-	0.5	70.4	1	-
Segment operating profit	$	184.1	30.7	8.5	223.3	21	17

International
Revenues increased in 2007 over 2006 in all regions except for Asia-Pacific. Increased revenues in EMEA and Latin America were primarily the result of organic revenue growth and favorable changes in currency exchange rates. Revenue decreased in Asia-Pacific primarily due to the loss of a major customer in Australia during the second quarter of 2006. International operating profit in 2007 was higher due to the effects of strong volumes in Latin America.

EMEA. Revenues increased to $1,191.5 million in 2007 from $1,003.1 million in 2006, an increase of $188.4 million or 19% (9% on a constant-currency basis) largely as a result of organic revenue growth and favorable changes in currency exchange rates.

Operating profit increased 24% in 2007 compared to 2006 due to improved results in several countries, partially offset by $2.1 million of impairment charges recorded on long-lived assets and $2.4 million of restructuring charges.

Latin America. Revenues increased to $594.2 million in 2007 from $454.2 million in 2006, an increase of 31% (24% on a constant-currency basis). This increase was due primarily to price increases in economies with relatively higher levels of inflation and higher volumes. Increases in volume were a reflection of the overall improvement in Latin American economies. Operating profit in 2007 was 38% higher than in 2006 due to the above-mentioned price and volume increases, and cost reduction and productivity improvements across the region.

Asia-Pacific. Revenues decreased to $62.6 million in 2007 from $67.0 million in 2006, a decrease of 7% (9% on a constant-currency basis). This decrease was primarily due to the loss of Australia's largest customer during the second quarter of 2006, partially offset by stronger performance in Hong Kong, Taiwan and Japan.

We restructured our Australian operation in 2006 after the loss of the customer and recorded charges of $4.6 million. The charges principally related to employee severance payments and lease obligations for closed branches. Operating profit in 2007 was slightly lower than 2006, excluding the restructuring charges.

North America
Revenues increased in 2007 compared to 2006 primarily as the result of improvements in all service lines, except U.S. Global Services. Operating profit in 2007 was higher than 2006 as increased operating profit in Canada on higher revenues was partially offset by lower operating profit in the U.S. as a result of increased expenses for sales and marketing, and a lower operating profit contribution from U.S. Global Services operations. Operating profit in 2007 included $1.0 million of other operating income in the U.S. for final settlement of business interruption claims related to Hurricane Katrina.

Supplemental Revenue Analysis – Organic Revenue Growth

(In millions)	Year Ended December 31,	% change
2006 Revenues	$ 2,354.3	11
Effects on revenue of:		
Organic revenue growth	212.9	9
Acquisitions and dispositions, net	24.8	1
Changes in currency exchange rates	142.6	6
2007 Revenues	2,734.6	16
Effects on revenue of:		
Organic revenue growth (a)	313.3	11
Acquisitions and dispositions, net	17.3	1
Changes in currency exchange rates	98.3	4
2008 Revenues	$ 3,163.5	16

(a) Excluding $51 million of revenue from the completed currency conversion project in Venezuela, organic revenue growth for the year ended December 31, 2008, was 10%.

Corporate Expense, Net

		Years Ended December 31,			% change	
(In millions)		2008	2007	2006	2008	2007
General and administrative	$	44.5	45.3	47.2	(2)	(4)
Currency exchange transaction (gains) losses, net		8.4	(0.5)	-	NM	NM
Strategic reviews and proxy matters		4.8	3.6	-	33	NM
Pension and other postretirement costs		0.4	1.3	1.4	(69)	(7)
Royalty Income:						
Brand Licensing to BHS		(1.1)	-	-	NM	-
Other		(1.7)	(1.3)	(1.7)	31	(24)
Corporate expense, net	$	55.3	48.4	46.9	14	3

Corporate expense, net, in 2008 was higher than 2007 as a result of foreign currency transaction losses, primarily related to the remeasurement of foreign currency-denominated intercompany dividends, and costs incurred to consider various strategic alternatives, which ultimately resulted in the decision to spin-off our monitored security business. These factors were partially offset by higher royalty income. For the use of our brand, we earn a licensing fee from BHS equal to 1.25% of BHS' net revenues during the three years ending October 31, 2011, unless the licensing agreement is terminated before the three-year period elapses. Assuming the agreement is not terminated early, we expect that the royalties could range from $6 million to $7 million in each of 2009 and 2010, and $5 million to $6 million in 2011.

In 2009, corporate expense, net, is expected to decrease by more than one-third from 2008. The expected decline is primarily due to the non-recurrence of costs related to strategic reviews and proxy matters, reduced currency exchange transaction losses, a full year of royalty income from the licensing agreement with BHS and cost control actions. The cost control actions include reduction of discretionary expenditures, elimination of certain positions in our headquarters, freezing the salaries of our top executives and reducing fees paid to vendors.

Corporate expense, net, in 2007 was higher than 2006 as a result of professional, legal and advisory fees incurred related to initiatives by certain of our shareholders and a proxy contest initiated by MMI Investments, L.P., one of our shareholders, over board of director candidates that were elected at the 2008 annual meeting.

Former Operations, Net

(In millions)	Years Ended December 31, 2008	2007	2006	% change 2008	2007
Gain on sale of coal assets	$ (13.1)	(0.4)	0.7	200+	NM
Retirement plans:					
Primary U.S. pension plan	(7.0)	1.3	3.8	NM	(66)
UMWA plans	0.6	4.0	12.7	(85)	(69)
Black lung and other plans	3.4	4.4	4.3	(23)	2
Administrative, legal and other, net	4.2	4.6	5.0	(9)	(8)
Former operations expense (income), net (a)	$ (11.9)	13.9	26.5	NM	(48)

(a) included in continuing operations.

Results of our former operations in 2008 were significantly better than last year primarily due to a $12.4 million gain on the sale of certain assets of our former coal operations. Additionally, expenses were less due to lower costs related to pension and retirement medical plans. Expenses in 2009 related to these obligations are expected to increase significantly primarily due to the decline in the market value of plan assets in 2008 (see page 26 for more information). Information about cash funding requirements of the plan is available in the Contractual Obligations table on page 43.

Expenses from former operations decreased in 2007 due to lower expenses related to pension and retirement medical plans.

Other Operating Income, Net

Other operating income, net, is a component of segment operating profit, corporate expense, net, and former operations, net.

(In millions)	Years Ended December 31, 2008	2007	2006	% change 2008	2007
Foreign currency transaction losses, net	$ (18.1)	(9.5)	(0.9)	91	200+
Gains on sale of operating assets and mineral rights, net	13.1	4.6	0.4	185	200+
Share in earnings of equity affiliates	5.0	3.3	3.3	52	-
Royalty income	2.8	1.3	1.7	115	(24)
Impairment losses	(1.9)	(2.5)	(1.5)	(24)	67
Other	3.7	3.9	3.2	(5)	22
Other operating income, net	$ 4.6	1.1	6.2	200+	(82)

Other operating income, net, included $8.6 million of higher foreign currency transaction losses in 2008. The increase was primarily related to the remeasurement of foreign currency-denominated intercompany dividends.

On November 14, 2008, we completed the sale of certain coal assets to Massey Energy Company (“Massey”) for $10.2 million in cash and the buyer’s assumption of related leasehold and reclamation liabilities. We recognized a gain of

$12.4 million on this transaction in 2008, and we deferred $4 million in gains pending the formal transfer of liabilities. Massey has also agreed to purchase other assets and related leasehold rights, pending satisfaction of certain conditions.

As described in the analysis of corporate expense, net, above, we recognized $1 million of royalty income from BHS in 2008 and expect to receive additional royalties in the next three years unless the agreement is terminated before it expires.

Nonoperating Income and Expense

Interest Expense

	Years Ended December 31,			% change	
(In millions)	2008	2007	2006	2008	2007
Interest expense	$ 12.0	10.8	12.0	11	(10)

Interest expense in 2008 was higher than in 2007 due to higher average debt levels. Interest expense in 2007 was lower than in 2006 due to lower average debt levels. We expect that interest expense will be higher in 2009 due to anticipated higher average debt levels.

Interest and Other Income, Net

	Years Ended December 31,			% change	
(In millions)	2008	2007	2006	2008	2007
Interest income	$ 15.0	8.7	13.9	72	(37)
Other-than-temporary impairment of marketable securities	(7.1)	-	-	NM	-
Dividend income from real estate investment	-	0.5	5.1	(100)	(90)
Senior Notes prepayment make-whole amount	-	-	(1.6)	-	(100)
Other, net	0.2	1.3	(0.5)	(85)	NM
Total	$ 8.1	10.5	16.9	(23)	(38)

Interest income was higher in 2008 than in 2007 primarily due to higher average levels of cash and cash equivalents, and interest income was lower in 2007 than in 2006 due to lower average levels of marketable securities. Average levels of marketable securities were higher in 2006 as a result of the sale of BAX Global.

In 2008, we recognized a $7.1 million other-than-temporary impairment loss on marketable securities. We concluded the impairment of the securities was not temporary based on the length of time and the degree to which the fair value had been below the securities' $26.3 million cost basis.

Dividend income from a real estate investment was higher in 2006 due to higher real estate activity. We do not expect to receive significant dividends on our real estate investment in 2009.

We made a $1.6 million make-whole payment associated with the prepayment of the Senior Notes in 2006.

Income Taxes

	Provision for income taxes			Effective tax rate		
Years Ended December 31,	2008	2007	2006	2008	2007	2006
	(In millions)			(In percentages)		
Continuing operations	$ 53.0	59.5	44.2	23.6	37.0	38.2
Discontinued operations	45.8	41.5	305.9	47.1	41.3	36.4

Overview

Our effective tax rate has varied in the past three years from the statutory U.S. federal rate due to various factors, including:

- changes in judgment about the need for valuation allowances
- changes in the geographical mix of earnings
- timing of benefit recognition for uncertain tax positions
- state income taxes

We establish or reverse valuation allowances for deferred tax assets depending on all available information including historical and expected future operating performance of our subsidiaries. Changes in judgment about the future realization of deferred tax assets can result in significant adjustments to the valuation allowances. Based on our historical and future expected taxable earnings, we believe it is more likely than not that we will realize the benefit of the deferred tax assets, net of valuation allowances.

We currently believe the effective income tax rate in 2009 will be approximately 30% to 33%. The actual 2009 effective tax rate could be materially different from this estimate.

Continuing Operations

2008

The effective income tax rate on continuing operations in 2008 was lower than the 35% U.S. statutory tax rate due to a net $13.6 million decrease in our valuation allowance position in U.S. and non-U.S. jurisdictions as a result of our assessment of historical and future taxable income in these jurisdictions. In addition, there was a $13.0 million decrease in the non-U.S. tax provision, primarily due to the geographical mix of earnings in the foreign jurisdictions.

2007

The effective income tax rate on continuing operations in 2007 was higher than the 35% U.S. statutory tax rate primarily due to a $6.5 million increase related to a net increase in the valuation allowance for non-U.S. deferred tax assets partly offset by a $2.3 million decrease in the foreign tax provision primarily due to the geographical mix of earnings in the foreign jurisdictions.

2006

The effective income tax rate on continuing operations in 2006 was higher than the 35% U.S. statutory tax rate primarily due to a $4.9 million net increase in the valuation allowance for non-U.S. deferred tax assets, primarily related to European operations and $3.4 million of state income tax expense. This was partly offset by a $2.6 million decrease in the foreign tax provision primarily due to the geographical mix of earnings in the foreign jurisdictions and $2.1 million of favorable permanent tax benefits related to tax-exempt income.

Discontinued Operations

Discontinued operations include the tax provision or benefit associated with former businesses, including the resolution of contingent tax matters.

2008

The effective tax rate in 2008 was higher than the 35% U.S. statutory tax rate primarily due to $3 million of state tax expense related to BHS' operations and $4.3 million for professional fees related to the BHS spin-off that are not deductible for tax.

2007

The effective tax rate in 2007 was higher than the 35% U.S. statutory tax rate due to $3.4 million of tax benefits not recognized related to losses at Brink's United Kingdom domestic cash handling operations and $2.2 million of state taxes related to the BHS' operations.

2006

The effective tax rate in 2006 was higher than the 35% U.S. statutory tax rate due to $8.6 million of state taxes and $3.5 million of tax benefits not recognized related to losses at Brink's United Kingdom domestic cash handling operations.

Other

As of December 31, 2008, we have not recorded U.S. federal deferred income taxes on the majority of our undistributed earnings of foreign subsidiaries in accordance with Accounting Principles Board Opinion 23, Accounting for Income Taxes – Special Areas, as amended. We expect that these earnings will be permanently reinvested in operations outside the U.S. It is not practical to compute the estimated deferred tax liability on these earnings.

Minority Interest

	Years Ended December 31,			% change	
(In millions)	2008	2007	2006	2008	2007
Minority interest	$ 39.8	22.8	18.3	75	25

The increase in minority interest in the last two years is primarily due to increases in the earnings of our Venezuelan subsidiaries, which are not wholly owned.

Discontinued Operations

(In millions)		Years Ended December 31, 2008	2007	2006
BHS:				
Results from operations (a)	$	105.4	112.9	98.7
Expense associated with the spin-off		(13.0)	-	-
United Kingdom domestic cash handling operations:				
Gain on sale		-	1.5	-
Results from operations (b)		-	(13.9)	(10.0)
BAX Global:				
Gain on sale		-	-	586.7
Results from operations (c)		-	-	7.0
Adjustments to contingent liabilities and assets of former operations:				
Health Benefit Act liabilities		0.2	1.7	148.3
Withdrawal liabilities		-	-	9.9
Other		4.7	(1.8)	(0.6)
Income from discontinued operations before income taxes		97.3	100.4	840.0
Provision for income taxes		45.8	41.5	305.9
Income from discontinued operations	$	51.5	58.9	534.1

(a) Revenues of BHS were $442.4 million in 2008 (partial year), $484.4 million in 2007 and $439.0 million in 2006.

(b) Revenues of the United Kingdom domestic cash handling operations were $28.9 million in 2007 (partial year) and $44.3 million in 2006.

(c) Revenues of BAX Global were $230.0 million in 2006 (partial year). In accordance with SFAS 144, Accounting for the Impairment or Disposal of Long-Lived Assets, BAX Global ceased depreciating and amortizing long-lived assets after November 2005, the date that BAX Global was classified as held for sale. Had BAX Global not ceased depreciation and amortization, its pretax income would have been $3.3 million lower in 2006.

BHS Spin-off

On October 31, 2008, we completed the 100% spin-off of BHS, our former monitored security business in North America. The spin-off of BHS was in the form of a tax-free stock distribution to our shareholders of record as of the close of business on October 21, 2008. We distributed one share of BHS common stock for every share of our common stock outstanding.

We contributed $50 million in cash to BHS at the time of the spin-off. We also forgave all the existing intercompany debt owed by BHS to us as of the distribution date.

After the spin-off, we reclassified BHS' results of operations, including previously reported results and corporate expenses directly related to the spin-off, within discontinued operations.

United Kingdom Domestic Cash Handling Operations

During 2007, we sold Brink's United Kingdom domestic cash handling operations for $2.2 million in cash and recognized a $1.5 million gain on the sale. These operations recorded a $7.5 million impairment charge in 2007, primarily related to writing down leasehold improvements and vehicles to estimated fair value due to the loss of customers. These operations have been reported as discontinued operations for all periods presented.

BAX Global

On January 31, 2006, we sold BAX Global, a wholly owned freight transportation subsidiary, for approximately $1 billion in cash, resulting in a pretax gain of approximately $587 million ($375 million after tax). The operating results of BAX Global's operations through the date of sale have been classified as discontinued operations.

Interest Expense
Interest expense included in discontinued operations was $0.3 million in 2008, $0.6 million in 2007 and $1.3 million in 2006. Interest expense recorded in discontinued operations includes only interest on third-party borrowings made directly by BHS, BAX Global and Brink's United Kingdom domestic cash handling operations.

Adjustments to Contingent Assets and Liabilities of Former Operations
Adjustments to contingent assets and liabilities related to former operations, including those related to reclamation matters, worker's compensation claims, multi-employer pension plan withdrawal liabilities, the Health Benefit Act liabilities and remaining legal contingencies are reported within discontinued operations.

Health Benefit Act Liabilities. We are obligated to pay premiums to the United Mine Workers of America Combined Benefit Fund pursuant to rules established by the Coal Industry Retiree Health Benefit Act of 1992, as amended (the "Health Benefit Act"). The Tax Relief and Health Care Act of 2006 (the "2006 Act") substantially reduced our Health Benefit Act obligations and provided elective mechanisms to reduce the impact of joint and several liability on us and our assets. We recorded a $148.3 million pretax gain within discontinued operations during 2006 primarily due to the effects of the 2006 Act.

Withdrawal Liabilities. In 2006, we settled our multi-employer pension withdrawal liabilities related to our former coal operations and made final payments to the plans of $20.4 million, resulting in a $9.9 million pretax gain recognized in discontinued operations.

Foreign Operations

We operate in approximately 50 countries outside the U.S., each with a local currency other than the U.S. dollar. Because our financial results are reported in U.S. dollars, they are affected by changes in the value of various foreign currencies in relation to the U.S. dollar. Changes in exchange rates may also affect transactions which are denominated in currencies other than the functional currency. From time to time, we use foreign currency forward contracts to hedge transactional risks associated with foreign currencies, as discussed in Item 7A below. At December 31, 2008, no foreign currency forward contracts were outstanding.

Brink's Venezuela is subject to local laws and regulatory interpretations that determine the exchange rate at which repatriating dividends may be converted. See Critical Accounting Policies—Foreign Currency Translation on page 52 for a description of our accounting methods and assumptions used to include our Venezuelan operation in our consolidated financial statements, and a description of the accounting for countries that are considered highly inflationary.

We are also subject to other risks customarily associated with doing business in foreign countries, including labor and economic conditions, political instability, controls on repatriation of earnings and capital, nationalization, expropriation and other forms of restrictive action by local governments. Changes in the political or economic environments in the countries in which we operate could have a material adverse effect on our business, financial condition and results of operations. The future effects, if any, of these risks cannot be predicted.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Over the last three years, we have used cash generated from our operations and the divestiture of BAX Global and other noncore businesses to repurchase shares and strengthen our balance sheet by reducing debt and making contributions to the Voluntary Employees' Beneficiary Association trust ("VEBA"). Equity decreased in 2008 primarily as a result of the spin-off of BHS and other comprehensive losses associated with the declining value of assets held by retirement plans, partially offset by the generation of $132 million in income from continuing operations.

The sale of BAX Global in January 2006 provided cash of approximately $1 billion. In 2006, with the proceeds, we:

- repurchased approximately 12.2 million shares of common stock for approximately $631 million
- contributed $225 million to the VEBA designated to pay retiree medical obligations to former coal operations employees
- paid $60 million to settle outstanding Senior Notes
- significantly reduced other debt
- paid $67 million of U.S. income tax liability
- paid $20.4 million to settle obligations related to the withdrawal from two multi-employer pension plans of the former coal operations

Summary Cash Flow Information

(In millions)	Years Ended December 31, 2008	2007	2006	$ change 2008	2007
Cash flows from operating activities					
Continuing operations:					
Before contributions to VEBA and primary U.S. pension plan	$ 254.4	275.0	86.8	$ (20.6)	188.2
Contributions to VEBA and primary U.S. pension plan	-	(13.0)	(225.0)	13.0	212.0
Subtotal	254.4	262.0	(138.2)	(7.6)	400.2
Discontinued operations:					
BHS	172.7	195.5	175.9	(22.8)	19.6
Brink's United Kingdom domestic cash handling operations	-	(3.5)	(5.5)	3.5	2.0
BAX Global	-	-	5.8	-	(5.8)
Other	-	(0.3)	(5.7)	0.3	5.4
Operating activities	427.1	453.7	32.3	(26.6)	421.4
Cash flows from investing activities					
Continuing operations:					
Capital expenditures	(165.3)	(141.8)	(113.8)	(23.5)	(28.0)
Net proceeds from disposal of:					
Brink's United Kingdom domestic cash handling operations	-	2.2	-	(2.2)	2.2

BAX Global (a)	-	-	1,010.5	-	(1,010.5)
Acquisitions	(11.7)	(13.4)	(14.4)	1.7	1.0
Cash held by BHS at the spin-off date	(50.0)	-	-	(50.0)	-
Purchases of marketable securities, net	(1.0)	(0.5)	(9.6)	(0.5)	9.1
Other	18.9	11.5	5.6	7.4	5.9
Subtotal	(209.1)	(142.0)	878.3	(67.1)	(1,020.3)
Discontinued operations:					
BHS	(150.8)	(175.8)	(163.9)	25.0	(11.9)
Brink's United Kingdom domestic cash handling operations	-	0.3	(1.5)	(0.3)	1.8
BAX Global	-	-	(5.2)	-	5.2
Investing activities	(359.9)	(317.5)	707.7	(42.4)	(1,025.2)
Cash flows before financing activities	$ 67.2	136.2	740.0	$ (69.0)	(603.8)

(a) Net of $90.3 million of cash held by BAX Global at the date of sale.

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Operating Activities

Our operating cash flows decreased by $26.6 million in 2008 compared to 2007, primarily as a result of $22.8 million less cash provided by our discontinued BHS operation, which only had ten months of operations in 2008, as well as expenses for professional and legal fees to spin off the operation. In addition, our continuing operations (before voluntary contributions to our U.S. retirement plans) provided $20.6 million less cash from operations than the prior year. The decrease was primarily due to higher professional, legal and advisory fees for shareholder initiatives, and higher cash usage for working capital needs, partially offset by higher segment operating profit.

We voluntarily contributed $13 million to our primary U.S. pension plan in 2007, but we have not otherwise contributed cash to the plan since 2004. Recent market conditions reduced the amount of assets in the trust used to pay plan benefits, and as a result, the plan was 59% funded at the end of 2008, compared to 99% funded at the end of 2007. We are not required to make a contribution in 2009 under the minimum funding requirements of the Pension Protection Act of 2006 ("PPA"). However, because of the lower funded status and based on actuarial assumptions at the end of 2008, we expect to contribute $42 million in 2010 and approximately $70 million annually from 2011 through 2014 to comply with the PPA. We have included the projected cash flows in our Contractual Obligation table on page 43. The amount of these required contributions may vary as they are subject to potential changes in asset values, discount rates on future obligations, assumed rates of return, and potential legislative action. We may elect to make a discretionary contribution in 2009, thereby reducing future expected contributions.

Our operating cash flow from continuing operations increased by $400.2 million in 2007 compared to 2006 primarily due to the $225 million contribution to the VEBA in 2006, partially offset by a $13 million contribution in 2007 to the primary U.S. pension plan. In addition to this $212 million decrease in cash outflow for 2007, we had higher operating profit, lower working capital usage and lower cash used to pay income taxes. Also, beginning in 2007, we did not use cash to pay for coal-related retiree benefits. These amounts were instead paid by the VEBA. This improved cash flows from operations in 2007 compared to 2006 because 2006 included $38 million of direct benefit payments to retirees. In addition, U.S. federal tax payments were $60 million lower in 2007 compared to 2006 primarily because we paid $67 million in 2006, principally as a result of the large gain on the sale of BAX Global.

Investing Activities

Our investing cash flows decreased in 2008 compared to 2007 primarily as a result of $50 million we contributed to BHS when it was spun off in October 2008.

We had $23.5 million higher capital expenditures in 2008 primarily for new facilities, cash processing and security equipment, armored vehicles, and information technology. We expect our capital expenditures in 2009 to range from $165 million to $175 million, reflecting higher spending on branches, vehicles and safes. We expect our depreciation and amortization to be approximately $135 million in 2009.

Proceeds from the disposition of assets in 2008 included the sale of certain coal assets for $10 million, and the total proceeds in 2008 were approximately the same as 2007. Cash flows for acquisitions in 2008 were also approximately the same as 2007. In early 2009, we purchased armored transportation and cash logistics operations in Brazil for $50 million.

Our investing cash flows decreased by $1.0 billion in 2007 compared to 2006 primarily as the result of the receipt of approximately $1 billion from the sale of BAX Global in 2006. Our 2007 investing cash flows included $28.0 million of higher capital expenditures compared to 2006 and $2.2 million of cash proceeds related to the disposition of our domestic cash handling operations in the United Kingdom.

Cash used for investing activities for discontinued operations decreased by $24.7 million in 2008 from 2007 primarily as a result of lower capital expenditures at BHS due to only ten months of activity in 2008 versus a full year in 2007. Cash used for investing activities for discontinued operations increased by $4.9 million in 2007 from 2006 primarily due to higher capital expenditures by BHS in 2007, partially offset by a decrease resulting from the sale of BAX Global in 2006.

Financing Activities

Summary of Financing Activities

		Years Ended December 31,	
(In millions)	2008	2007	2006
Net borrowings (repayments) of debt:			
Short-term debt	$ (4.4)	(23.2)	5.6
Revolving Facility	93.5	(33.5)	(68.3)
Senior Notes	-	-	(76.7)
Other	(12.6)	(5.2)	(9.4)
Net borrowings (repayments) of debt	76.5	(61.9)	(148.8)
Repurchase of common stock	(56.6)	(2.7)	(630.9)
Dividends to:			
Shareholders	(18.2)	(16.5)	(10.1)
Minority interests in subsidiaries	(12.4)	(7.2)	(9.0)
Proceeds from exercise of stock options and other	11.1	18.0	21.0
Discontinued operations, net	-	(14.8)	(5.2)
Cash flows from financing activities	$ 0.4	(85.1)	(783.0)

During 2008, we purchased 983,800 shares of our common stock at an average cost of $57.41 per share. The 2008 purchases were settled in 2008 ($55.7 million) and in January 2009 ($0.8 million). During 2007, we purchased 60,500 shares of common stock at an average cost of $60.30 per share. The 2007 purchases were settled in 2007 ($2.7 million) and in January 2008 ($0.9 million). During 2006, we used $630.9 million to purchase 12.2 million shares of our common stock, at an average cost of $51.80 per share. These shares include 10.4 million shares purchased at $51.20 per share in a $530.2 million Dutch auction self-tender offer on April 11, 2006. We incurred $0.7 million in costs associated with this purchase. The Company also withheld a portion of the shares that were due to employees under deferred compensation distributions and stock option exercises. The shares were withheld to meet the withholding requirements of $17.6 million.

We made a scheduled payment of $18.3 million in early 2006 related to our Senior Notes. On March 31, 2006, we prepaid the outstanding $58.4 million balance of the Senior Notes and made a make-whole payment of $1.6 million. The Senior Notes were terminated upon prepayment. In addition, we significantly reduced other debt during 2006.

Our operating liquidity needs are typically financed by short-term debt and the Revolving Facility, described below.

Dividends

Quarterly Dividends Paid		Quarter			
(In cents per share)	1st	2nd	3rd	4th	Total
2006	2.50	6.25(a)	6.25	6.25	21.25
2007	6.25	10.00(b)	10.00	10.00	36.25
2008	10.00	10.00	10.00	10.00	40.00

(a) The dividend was increased to an annual rate of 25 cents per share beginning with the dividend paid in the second quarter of 2006. The annual dividend rate was 10 cents per share prior to the change.

(b) The dividend was increased to an annual rate of 40 cents per share beginning with the dividend paid in the second quarter of 2007.

On January 22, 2009, the board declared a regular quarterly dividend of 10 cents per share payable on March 2, 2009. Future dividends are dependent on our earnings, financial condition, shareholder equity levels, cash flow and business requirements, as determined by the board of directors.

Capitalization

We use a combination of debt, leases and equity to capitalize our operations. As of December 31, 2008, debt as a percentage of capitalization (defined as total debt and shareholders' equity) was 47% compared to 10% at December 31, 2007. The increase resulted from a lower level of shareholders' equity and the increase in debt of $76 million. Equity decreased in 2008 primarily as a result of the spin-off of BHS and other comprehensive losses associated with the declining value of assets held by retirement plans, partially offset by the generation of $132 million in income from continuing operations.

Summary of Debt, Equity and Other Liquidity Information

(In millions)	Amount available under credit facilities December 31, 2008	Outstanding Balance December 31, 2008	Outstanding Balance December 31, 2007	$ change (a)
Debt:				
Multi-currency revolving facilities	$ 28	$ 5.3	4.6	$ 0.7
Revolving Facility	293	106.8	19.0	87.8
Letter of Credit Facility	4	-	-	-
Dominion Terminal Associates bonds	-	43.2	43.2	-
Other	-	33.3	45.8	(12.5)
Debt	$ 325	$ 188.6	112.6	$ 76.0
Shareholders' equity		$ 214.0	1,046.3	$ (832.3)

(a) In addition to cash borrowings and repayments, the change in the debt balance also includes changes in currency exchange rates and new capital lease agreements.

Net Debt (Cash) and Reconciliation to GAAP Measures

(In millions)	December 31, 2008	December 31, 2007	$ change
Short-term debt	$ 7.2	12.4	(5.2)
Long-term debt	181.4	100.2	81.2
Debt	188.6	112.6	76.0
Less cash and cash equivalents	(250.9)	(196.4)	(54.5)
Net Debt (Cash) (a)	$ (62.3)	(83.8)	21.5

(a) Net Debt (Cash) is a non-GAAP measure. Net Debt (Cash) is equal to short-term debt plus the current and noncurrent portion of long-term debt ("Debt" in the tables), less cash and cash equivalents.

The supplemental Net Debt (Cash) information is non-GAAP financial information that we believe is an important measure to evaluate our financial leverage. This supplemental non-GAAP information should be reviewed in conjunction with our consolidated balance sheets. Our Net Debt (Cash) position at December 31, 2008, as compared to December 31, 2007, decreased primarily due to $56 million used for purchases of shares of our common stock, the $50 million contributed to BHS prior to the spin-off, partially offset by cash generated from operating activities, net of investing activities.

Debt

We have an unsecured $400 million revolving bank credit facility (the “Revolving Facility”) with a syndicate of banks. The Revolving Facility's interest rate is based on LIBOR plus a margin, prime rate, or competitive bid. The Revolving Facility allows us to borrow (or otherwise satisfy credit needs) on a revolving basis over a five-year term ending in August 2011. As of December 31, 2008, $293.2 million was available under the Revolving Facility. Amounts outstanding under the Revolving Facility were denominated primarily in U.S. dollars and lesser amounts in Canadian dollars as of December 31, 2008.

The margin on LIBOR borrowings under the Revolving Facility which can range from 0.140% to 0.575%, depending on our credit rating, was 0.350% at December 31, 2008. When borrowings and letters of credit under the Revolving Facility are in excess of $200 million, the applicable interest rate is increased by 0.100% or 0.125%. We also pay an annual facility fee on the Revolving Facility based on the our credit rating. The facility fee, which can range from 0.060% to 0.175%, was 0.100% at the end of 2008.

On July 23, 2008, we entered into a definitive agreement for a new unsecured $135 million letter of credit facility with a bank (the “Letter of Credit Facility”) that became effective in the third quarter of 2008. This replaced a previous $150 million letter of credit facility that was terminated in the third quarter of 2008. The Letter of Credit Facility expires in July 2011. As of December 31, 2008, $3.6 million was available under the Letter of Credit Facility. The Revolving Facility and the multi-currency revolving credit facilities (described below) are also used for the issuance of letters of credit and bank guarantees.

We have two unsecured multi-currency revolving bank credit facilities with a total of $50.0 million in available credit, of which approximately $27.7 million was available at December 31, 2008. Interest on these facilities is based on LIBOR plus a margin. The margin ranges from 0.140% to 0.675%. A $10 million facility expires in December 2009 and a $40 million facility expires in December 2011. We also have the ability to borrow from other banks under short-term uncommitted agreements. Various foreign subsidiaries maintain other lines of credit and overdraft facilities with a number of banks.

The Revolving Facility, the Letter of Credit Facility and the two unsecured multi-currency revolving bank credit facilities contain subsidiary guarantees. The Revolving Facility, the Letter of Credit Facility and the multi-currency revolving bank credit facilities also contain various financial and other covenants. The financial covenants, among other things, limit our total indebtedness, limit asset sales, limit the use of proceeds from asset sales and provide for minimum coverage of interest costs. The credit agreements do not provide for the acceleration of payments should our credit rating be reduced. If we were not to comply with the terms of our various loan agreements, the repayment terms could be accelerated and the commitments could be withdrawn. An acceleration of the repayment terms under one agreement could trigger the acceleration of the repayment terms under the other loan agreements. We were in compliance with all financial covenants at December 31, 2008.

We have guaranteed $43.2 million of bonds issued by the Peninsula Ports Authority of Virginia. The guarantee originated as part of a former interest in Dominion Terminal Associates, a deep water coal terminal. We continue to pay interest on and guarantee payment of the $43.2 million principal amount and ultimately we will have to pay for the retirement of the bonds in accordance with the terms of the guarantee. The bonds bear a fixed interest rate of 6.0% and mature in 2033. The bonds may mature prior to 2033 upon the occurrence of specified events such as the determination that the bonds are taxable or if we fail to abide by the terms of its guarantee.

Based on our current cash on hand, amounts available under our credit facilities and current projections of cash flows from operations, we believe that we will be able to meet our liquidity needs for more than the next 12 months.

Equity

At December 31, 2008, we had 100 million shares of common stock authorized and 45.7 million shares issued and outstanding.

Share Purchases

2007 Program. On September 14, 2007, our board of directors authorized the purchase of up to $100 million of our outstanding common shares. The repurchase authorization does not have an expiration date. Under the program, we used $56.3 million to purchase 883,800 shares of common stock between December 5, 2007, and May 2, 2008, at an average price of $63.67 per share. We used an additional $3.9 million to purchase 160,500 shares of common stock in the fourth quarter of 2008, at an average price of $24.03 per share. Through February 4, 2009, we used an additional $6.1 million to purchase 234,456 shares of common stock at an average price of $26.20 per share. As of February 4, 2009, we had $33.7 million under this program available to purchase shares.

2006 Program. Following the self-tender offer, the board authorized additional Company common stock purchases of up to $100 million from time to time as market conditions warranted and as covenants under existing agreements permitted. The program did not require any specific number of shares be purchased. Under the program, we used $100 million to purchase 1,823,118 shares of common stock between May 22 and October 5, 2006, at an average price of $54.85 per share. We have no remaining authority under this program.

Dutch Auction
On March 8, 2006, our board of directors authorized a “Dutch auction” self-tender offer to purchase up to 10 million shares of our common stock. Under certain circumstances up to an additional 2% of the outstanding common stock was authorized to be purchased in the tender offer. The tender offer began on March 9, 2006, and expired on April 6, 2006, and was subject to the terms and conditions described in the offering materials mailed to our shareholders and filed with the Securities and Exchange Commission. On April 11, 2006, we purchased 10,355,263 shares in the tender offer at $51.20 per share for a total of approximately $530.2 million in cash. We incurred $0.7 million in costs associated with the purchase.

Dividends
We paid regular quarterly dividends on our Common Stock during the last three years. On January 22, 2009, the board declared a regular quarterly dividend of 10 cents per share payable on March 2, 2009. Future dividends are dependent on the earnings, financial condition, shareholder equity levels, cash flow and business requirements of the Company, as determined by the board of directors.

Employee Benefits Trust
In September 2008, we terminated The Brink’s Company Employee Benefits Trust (the “Employee Benefits Trust”). Immediately prior to termination, the shares held by the trust were distributed to us and the shares were retired. The purpose of the Employee Benefits Trust (prior to termination) was to hold shares of our common stock to fund obligations under compensation and employee benefit programs that provided for the issuance of stock. After the termination of the trust, newly issued shares are used to satisfy these programs.

Through 2007, shares of common stock were voted by the trustee in the same proportion as the shares of common stock voted by our employees participating in the Company’s 401(k) plan. Our 401(k) plan divested all shares of our common stock in January 2008. After the 401(k) plan divested all shares of Company common stock, shares of the trust were not voted in matters voted on by shareholders.

Preferred Stock
At December 31, 2008, we have the authority to issue up to 2.0 million shares of preferred stock, par value $10 per share.

Series A Preferred Stock Rights Agreement
On September 25, 2007, the “Expiration Date” occurred under the Amended and Restated Rights Agreement, dated as of September 1, 2003, between us and American Stock Transfer & Trust Company (successor to Equiserve Trust Company, N.A.), as amended by Amendment No. 1 thereto, dated September 25, 2006, between us and American Stock Transfer & Trust Company (the “Rights Agreement”). As a result, the Rights Agreement and the rights issued thereunder expired by their own terms and each share of common stock, par value $1.00 per share, of the Company no longer is accompanied by a right to purchase, under certain circumstances, one one-thousandth of a share of Series A Participating Cumulative Preferred Stock of the Company. Prior to expiration, the Rights Agreement gave holders of common stock the right to purchase Series A Participating Cumulative Preferred Stock if, among other things, a third-party accumulated more than 15% of the voting rights of all outstanding common stock.

Off Balance Sheet Arrangements

We have operating leases that are described in the notes to the consolidated financial statements. See note 13 for operating leases that have residual value guarantees or other terms that cause the agreement to be considered a variable interest. We use operating leases to lower our cost of financings. We believe that operating leases are an important component of our capital structure.

Contractual Obligations

The following table reflects our contractual obligations as of December 31, 2008.

	Estimated Payments Due by Period							
(In millions)		2009	2010	2011	2012	2013	Later Years	Total
Contractual obligations:								
Long-term debt obligations	$	0.7	0.7	112.7	0.6	0.3	48.3	163.3
Capital lease obligations		7.7	5.7	2.4	0.8	0.4	1.1	18.1
Operating lease obligations		77.2	63.4	50.3	37.2	29.8	65.3	323.2
Purchase obligations:								
Service contracts		8.0	5.5	5.3	0.4	-	-	19.2
Other		2.3	0.1	0.1	-	-	-	2.5
Other long-term liabilities reflected on the Company's balance sheet under GAAP:								
Workers compensation and other claims		23.2	11.2	6.1	4.5	3.8	23.4	72.2
Primary U.S. pension plan		-	42.3	67.7	73.9	77.1	54.0	315.0
Other retirement obligations:								
UMWA plans		-	-	-	-	-	637.5	637.5
Black lung and other plans		6.2	4.9	4.7	4.5	4.4	19.2	43.9
Uncertain tax positions		8.3	-	-	-	-	-	8.3
Other		3.1	1.6	0.9	0.9	0.9	11.5	18.9
Total	$	136.7	135.4	250.2	122.8	116.7	860.3	1,622.1

Pension Obligations

Recent market losses reduced the amount of plan assets used to pay benefits of our primary U.S. pension plan. The Contractual Obligation table above includes the required contributions to comply with the minimum funding requirements of the Pension Protection Act of 2006 based on actuarial assumptions at the end of 2008. The amount of these required contributions may vary as they are subject to potential changes in asset values, discount rates on future obligations, assumed rates of return, and potential legislative action. We may elect to make voluntary accelerate contributions to achieve certain threshold funding levels.

Other Retirement Obligations

UMWA plans. In 2007, we began using the assets of the VEBA to fund the majority of the benefit payments required under our United Mine Workers of America retirement medical plans. The VEBA plan assets sustained market losses during 2008, and the market value of these assets was $276 million at the end of 2008. Based on our funding assumptions as of December 31, 2008, we project that the VEBA will be able to pay benefits of the plans for the next eleven years. As a result, we have excluded payments from the Contractual Obligations table during that period. Payments made by the VEBA are expected to range from $41 million to $44 million in each of these years. We have included projected payments from corporate funds in the table for these plans after the next eleven years. There are currently no plans to make voluntary contributions to the VEBA.

The Company and certain current and former subsidiaries are jointly and severally liable for approximately $260 million of retirement obligations. This amount is a portion of the amount that we have included in our financial statements, and is not reduced for amounts that have been contributed to the VEBA. The Company has indemnified BHS and the purchasers of BAX Global and natural resources assets for their contingent obligation.

Black lung and other plans. The Contractual Obligations table includes payments projected to be paid with our corporate funds, including payments for black lung benefits of former employees and health benefits of former salaried employees. These benefits cannot be paid with funds from the VEBA.

Uncertain Tax Positions

At December 31, 2008, we have unrecognized tax benefits of $19.3 million for uncertain tax positions, pursuant to FASB Interpretation 48, Accounting for Uncertainty in Income Taxes – an interpretation of SFAS 109. Approximately $8.3 million of the total amount is reasonably possible to be settled within one year. We are not able to reasonably estimate the timing of other amounts.

Surety Bonds and Letters of Credit

We are required by various state and federal laws to provide security with regard to our obligations to pay workers' compensation benefits, reclaim lands used for mining by our former coal operations and satisfy other obligations. As of December 31, 2008, we had outstanding surety bonds with third parties totaling approximately $38.6 million that we have arranged in order to satisfy various security requirements. Most of these bonds provide financial security for obligations which have already been recorded as liabilities. Surety bonds are typically renewable on a yearly basis; however, there can be no assurance the bonds will be renewed or that premiums in the future will not increase.

We believe that we have adequate available borrowing capacity under our Letter of Credit Facility and our Revolving Facility to provide letters of credit or other collateral to secure our obligations if the remaining surety bonds are not renewed.

We have issued letters of credit totaling $131.4 million under our Letter of Credit Facility, described in "Debt" above. At December 31, 2008, all of these issued letters of credit were being used to secure various obligations.

Contingent Matters

Income Tax

We are subject to tax examinations in various U.S. and foreign jurisdictions. We have approximately $19.3 million of unrecognized tax benefits at December 31, 2008. The amount of the unrecognized tax benefits has been measured in accordance with FASB Interpretation 48, Accounting for Uncertainty in Income Taxes – an interpretation of SFAS 109 ("FIN 48"). The amount of tax benefits ultimately recognized for open tax periods at December 31, 2008, will depend on the final outcome of the various issues that may arise during an examination, and the tax benefit recognized may be materially different from that amount as measured under FIN 48.

Former Operations

BAX Global, a former business unit, is defending a claim related to the apparent diversion by a third party of goods being transported for a customer. Although BAX Global is defending this claim vigorously and believes that its defenses have merit, it is possible that this claim ultimately may be decided in favor of the claimant. If so, we expect that the ultimate amount of reasonably possible unaccrued losses could range from $0 to $14 million. We have contractually indemnified the purchaser of BAX Global for this contingency.

Value-added taxes ("VAT") and customs duties

During 2004, we determined that one of our non-U.S. Brink's business units had not paid customs duties and VAT with respect to the importation of certain goods and services. We were advised that civil and criminal penalties could be asserted for the non-payment of these customs duties and VAT. Although no penalties have been asserted to date, they could be asserted at any time. The business unit has provided the appropriate government authorities with an accounting of unpaid customs duties and VAT and has made payments covering its calculated unpaid VAT. We believe that the range of reasonably possible losses is between $0.4 million and $3.0 million for potential penalties on unpaid VAT and have accrued $0.4 million. We believe that the range of possible losses for unpaid customs duties and associated penalties, none of which has been accrued, is between $0 and $35 million. We believe that the assertion of the penalties on unpaid customs duties would be excessive and would vigorously defend against any such assertion. We do not expect to be assessed interest charges in connection with any penalties that may be asserted. We continue to diligently pursue the timely resolution of this matter and, accordingly, we estimate of the potential losses could change materially in future periods. The assertion of potential penalties may be material to our financial position and results of operations.

Other

We are involved in various lawsuits and claims in the ordinary course of business. We are not able to estimate the range of losses for some of these matters. We have recorded accruals for losses that are considered probable and reasonably estimable. We do not believe that the ultimate disposition of any of these matters will have a material adverse effect on our liquidity, financial position or results of operations.

APPLICATION OF CRITICAL ACCOUNTING POLICIES

The application of accounting principles requires the use of assumptions, estimates and judgments. We make assumptions, estimates and judgments based on, among other things, knowledge of operations, markets, historical trends and likely future changes, similarly situated businesses and, when appropriate, the opinions of advisors with relevant knowledge and experience. Reported results could have been materially different had management used a different set of assumptions, estimates and judgments.

Deferred Tax Asset Valuation Allowance

Deferred tax assets result primarily from net operating losses and the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial statement and income tax purposes, as determined under enacted tax laws and rates.

Accounting Policies
We establish valuation allowances in accordance with SFAS 109, Accounting for Income Taxes, when we estimate it is not more likely than not that a deferred tax asset will be realized. We decide to record valuation allowances primarily based on an assessment of historical earnings and future taxable income that incorporates prudent, feasible tax-planning strategies. We assess deferred tax assets on an individual jurisdiction basis. Changes in tax statutes, the timing of deductibility of expenses or expectations for future performance could result in material adjustments to our valuation allowances, which would increase or decrease tax expense. Our valuation allowances are as follows.

Valuation Allowances

		December 31,	
(In millions)		2008	2007
U.S.			
Federal	$	128.4	-
State		22.6	-
Non-U.S.		32.6	56.0
Total (a)	$	183.6	56.0

(a) Includes $1.1 million of valuation allowances in 2007 related to BHS.

Application of Accounting Policies
U.S. Deferred Tax Assets
Our deferred tax assets before valuation allowances increased significantly in 2008 primarily as a result of higher U.S. retirement obligations. We expect that future taxable income of our U.S. operations will not be sufficient to realize the entire benefit from the future tax deductions associated with these obligations. We therefore have concluded that approximately $145.5 million of U.S. federal and state net deferred tax assets will not be realized and we have provided a valuation allowance for these assets in other comprehensive income (loss), in accordance with SFAS 109. Also, we concluded that it is uncertain whether we will be able to realize certain deferred tax assets that we had recognized at the beginning of 2008 due to current and future expected losses at the state level. As a result, we established additional valuation allowances of approximately $5.6 million in 2008 through continuing operations.

Non-U.S. Deferred Tax Assets

Due to recent improvements in operating results in certain non-U.S. jurisdictions and our favorable outlook that future operating performance will be sufficiently profitable to realize the deferred tax assets, we reversed approximately $16.6 million of valuation allowances in 2008 through continuing operations.

Goodwill, Other Intangible Assets and Property and Equipment Valuations

Accounting Policies
At December 31, 2008, we had property and equipment of $534.0 million, goodwill of $139.6 million and other intangible assets of $21.1 million, net of accumulated depreciation and amortization. We review these assets for possible impairment using the guidance in SFAS 142, Goodwill and Other Intangible Assets, for goodwill and SFAS 144, Accounting for the Impairment or Disposal of Long-lived Assets, for other intangible assets and property and equipment. Our review for impairment requires the use of significant judgments about the future performance of our operating subsidiaries. Due to the many variables inherent in the estimates of the fair value of these assets, differences in assumptions could have a material effect on the impairment analyses.

Application of Accounting Policies
Goodwill
We review goodwill for impairment annually and whenever events or circumstances make it more likely than not that an impairment may have occurred. Application of the goodwill impairment test requires judgment, including the identification of reporting units, assignment of assets and liabilities to reporting units, assignment of goodwill to reporting units, and determination of the fair value of each reporting unit. We estimate the fair value of each reporting unit using a discounted cash flow methodology. The fair value of each reporting unit is compared to its carrying value to determine if impairment is indicated. Due to a history of profitability and cash flow generation along with expectations for future cash flows, no impairment of goodwill has been identified.

Other Intangible Assets and Property and Equipment
We review long-lived assets besides goodwill for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. To determine whether an impairment has occurred, we compare estimates of the future undiscounted net cash flows of groups of assets to their carrying value.

We recognized a $7.5 million impairment charge in 2007 prior to selling a portion of our United Kingdom operation. We have had no other significant impairments of property and equipment in the last three years.

Retirement Benefit Obligations

We provide benefits through defined benefit pension plans and retiree medical benefit plans and under statutory requirements (e.g., black lung and workers' compensation obligations).

Accounting Policy

We account for retirement benefit obligations under SFAS 87, Employers' Accounting for Pensions, as amended, SFAS 106, Employers' Accounting for Postretirement Benefits Other Than Pensions, as amended, SFAS 158, Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans an amendment of FASB Statements No. 87, 88, 106, and 132(R), and SFAS 112, Employers' Accounting for Postemployment Benefits an amendment of FASB Statements No. 5 and 43.

The primary benefits are accounted for as follows:

- Pension obligations – SFAS 87, as amended by SFAS 158
- Other retiree obligations – SFAS 106, as amended by SFAS 158
- Workers' compensation obligations – SFAS 112

To account for these benefits, we make assumptions of expected return on assets, discount rates, inflation, demographic factors and changes in the laws and regulations covering the benefit obligations. Because of the inherent volatility of these items and because the obligations are significant, changes in the assumptions could have a material effect on our liabilities and expenses related to these benefits.

Our most significant retirement plans include our primary U.S. pension plan and the retiree medical plans of our former coal business that were collectively bargained with the United Mine Workers of America (the "UMWA"). The critical accounting estimates that determine the carrying values of liabilities and the resulting annual expense are discussed below.

Application of Accounting Policy

Discount Rate Assumptions for Plans Accounted under SFAS 87 and SFAS 106
For plans accounted under SFAS 87 and SFAS 106, we discount estimated future payments using discount rates based on market conditions at the end of the year. In general, our liability changes in an inverse relationship to interest rates, i.e. the lower the discount rate, the higher the associated plan obligation.

The discount rate used to measure the present value of our benefit obligations was derived using the cash flow matching method. Under this method, we compare the plans' projected payment obligations by year with the corresponding yields on a hypothetical portfolio of high-quality bonds with similar expected payment streams. Each year's projected cash flows are then discounted back to their present value at the measurement date and an overall discount rate is determined.

We changed our method of estimating our discount rate for our U.S. plans in 2007. In 2007, an average of the discount rates calculated using Mercer Yield Curve and the Citigroup Pension Discount Curve was selected and was rounded to the nearest tenth of a percentage point. In 2008, we simplified our method to use only the Mercer Yield Curve, rounded to the nearest tenth of a percentage point. The discount rate in 2008 determined using our new method would not have changed if we had used our prior method.

Prior to 2007, we selected a discount rate for our plan obligations after reviewing published long-term yield information for a small number of high-quality fixed-income securities (e.g. Moody's Aa bond yields). Our advisors also calculated yields for the broader range of long-term high-quality securities with maturities in line with expected payments.

The discount rates for the U.S. pension plans and retiree medical plans were 6.2% at December 31, 2008, 6.4% at December 31, 2007, and 5.8% at December 31, 2006. The discount rates for the Black Lung obligations were 6.3% at December 31, 2008, 6.1% at December 31, 2007 and 5.8% at December 31, 2006. The average discount rates for plans outside the U.S. were 6.2% at December 31, 2008, 5.5% at December 31, 2007, and 4.8% at December 31, 2006.

Sensitivity Analysis
The discount rate we select at year end affects the valuations of plan obligations at year end and calculations of net periodic expenses for the following year.

The tables below compare hypothetical plan obligation valuations for our largest plans as of December 31, 2008, actual expenses for 2008 and projected expenses for 2009 assuming we had used discount rates that were one percentage point lower or higher.

Plan Obligations at December 31, 2008

(In millions)	Hypothetical 5.2%	Actual 6.2%	Hypothetical 7.2%
Primary U.S. pension plan	$ 853.0	748.0	662.5
UMWA plans	534.3	483.6	441.0

Actual 2008 and Projected 2009 Expense (Income)

(In millions, except percentages)		Hypothetical sensitivity analysis for discount rate assumption			Hypothetical sensitivity analysis for discount rate assumption	
	Actual	1% lower	1% higher	Projected	1% lower	1% higher
Years Ending December 31,	2008	2008	2008	2009	2009	2009
Discount rate assumption	6.40%	5.40%	7.40%	6.20%	5.20%	7.20%
Primary U.S. pension plan (a)	$ (12.8)	(2.4)	(13.2)	$ (2.0)	7.5	(10.4)
UMWA plans	0.6	2.1	(0.7)	26.3	27.6	25.1

(a) Expense includes continuing and discontinued operations.

Expected-Return-on-Assets Assumption for Plans Accounted under SFAS 87 and SFAS 106
Our expected-return-on-assets assumption, which affects our net periodic benefit cost, reflects the long-term average rate of return we expect the plan assets to earn. We select the expected-return-on-assets assumption using advice from our investment advisor and actuary considering each plan's asset allocation targets and expected overall investment manager performance and a review of the most recent long-term historical average compounded rates of return, as applicable. We selected 8.75% as the expected-return-on-assets assumption as of December 31, 2008 and 2007.

Over the last ten years, the annual returns of our primary U.S. pension plan have averaged, on a compounded basis, 0.8%, net of fees, while the 20-year compounded annual return averaged 7.4% and the 25-year compounded annual return averaged 9.1%.

Sensitivity Analysis
Effect of using different expected-rate-of-return assumptions. Our 2008 and projected 2009 expense would have been different if we had used different expected-rate-of-return assumptions. For every hypothetical change of one percentage point in the assumed long-term rate of return on plan assets (and holding other assumptions constant), our 2008 and 2009 expense would be as follows.

(In millions, except percentages)		Hypothetical sensitivity analysis for expected-return-on asset assumption			Hypothetical sensitivity analysis for expected-return-on asset assumption	
	Actual	1% lower	1% higher	Projected	1% lower	1% higher
Years Ending December 31,	2008	2008	2008	2009	2009	2009
Expected-return-on-asset assumption	8.75%	7.75%	9.75%	8.75%	7.75%	9.75%
Primary U.S. pension plan (a)	$ (12.8)	(6.1)	(19.5)	$ (2.0)	4.5	(8.5)
UMWA plans	0.6	5.0	(3.8)	26.3	28.9	23.7

(a) Expense includes continuing and discontinued operations.

Effect of improving or deteriorating actual future market returns. Our funded status at December 31, 2009, and our 2010 expense will be different from currently projected amounts if our projected 2009 returns are better or worse than the 8.75% return we have assumed.

(In millions, except percentages)		Hypothetical sensitivity analysis of 2009 asset return better or worse than expected	
		Better	Worse
Years Ending December 31,	Projected	return	return
Return on investments in 2009	8.75%	17.50%	0%
Funded Status at December 31, 2009			
Primary U.S. pension plan	$ (318)	(282)	(355)
UMWA plans	(214)	(191)	(236)

2010 Expense				
Primary U.S. pension plan (a)	$	9	8	11
UMWA plans		26	23	30

(a) Expense includes continuing and discontinued operations.

Effect of using fair market value of assets to determine expense. For our plans accounted for under SFAS 87, we calculate expected investment returns by applying the expected long-term rate of return to the market-related value of plan assets. In addition, our plan asset actuarial gains and losses that are subject to amortization are based on the market-related value.

The market-related value of the plan assets is different from the actual or fair-market value of the assets. The actual or fair-market value is the value of the assets at a point in time that is available to make payments to pensioners and to cover any transaction costs. The market-related value recognizes changes in fair-value from the expected value on a straight-line basis over five years. This recognition method spreads the effects of year-over-year volatility in the financial markets over several years.

Our expenses related to our primary U.S. pension plan would have been different if our accounting policy were to use the fair market value of plan assets instead of the market-related value to recognize investment gains and losses.

(In millions)	Based on market-related value of assets			Hypothetical (a)		
	Actual	Projected	Projected			
Years Ending December 31,	2008	2009	2010	2008	2009	2010
Expense (Income)						
Primary U.S. pension plan (b)	$(12.8)	(2.0)	9.5	$(15.9)	46.0	40.0

(a) Assumes that our accounting policy was to use the fair market value of assets instead of the market-related value of assets to determine our expense relatedto our primary U.S. pension plan.
(b) Expense includes continuing and discontinued operations.

For our UMWA plans, we calculate expected investment returns by applying the expected long-term rate of return to the fair market value of the assets at the beginning of the year. This method is likely to cause the credit to earnings from the expected return on assets to fluctuate more than the similar credit using the accounting methodology of plans accounted for under SFAS 87.

Medical Inflation Assumption for Plans Accounted for under SFAS 106

We estimate the trend in health care cost inflation to predict future cash flows related to our retiree medical plans. Our assumption is based on recent plan experience and industry trends.

For the UMWA plans, our major plans accounted for under SFAS 106, we have assumed a medical inflation rate of 7.6% for 2009, and we project this rate to decline to 5% by 2013. The average annual increase for medical inflation in the plan for the last five years has been below 8%. If we assumed that health care cost trend rates were one percentage point higher in each future year, the plan obligation for the UMWA retiree medical benefit plan would have been approximately $52.9 million higher at December 31, 2008, and the expense for 2008 would have been $3.3 million higher. If we had assumed that the future health care cost trend rate would be one percentage point lower, the plan obligation would have been approximately $45.2 million lower at December 31, 2008, and the related 2008 expenses would have been $2.8 million lower.

Workers' Compensation

Besides the effects of changes in medical costs, worker's compensation costs are affected by the severity and types of injuries, changes in state and federal regulations and their application and the quality of programs which assist an employee's return to work. Our liability for future payments for workers' compensation claims is evaluated annually with the assistance of an actuary.

Numbers of Participants

The valuations of all of these benefit plans are affected by the life expectancy of the participants. Accordingly, we rely on actuarial information to predict the number and life expectancy of participants. We use the following mortality table for our major plans.

Plan	Mortality table
UMWA plans	RP-2000 Employee, Annuitant Healthy Blue Collar
Black Lung	RP-2000 Blue Collar
Primary U.S. pension	RP-2000 Combined Healthy Blue Collar

The 2008 number of participants by major plan is as follows:

Plan	Number of participants
UMWA plans	4,913
Black Lung	732
Other	1,908
Primary U.S. pension	21,396

Since the Company is no longer operating in the coal industry, it anticipates that the number of participants in the UMWA retirement medical plan and the number of participants receiving benefits under black lung regulations will decline over time due to mortality. Since the U.S. pension plan has been frozen, the number of its participants should also decline over time.

Foreign Currency Translation

The majority of our subsidiaries outside the U.S. conduct business in their local currencies. Our financials report results in U.S. dollars, which include the results of these subsidiaries translated using currency exchange rates.

Accounting Policy

Assets and liabilities of foreign subsidiaries are translated into U.S. dollars using rates of exchange at the balance sheet date. Translation adjustments are recorded in other comprehensive income (loss). Revenues and expenses are translated at rates of exchange in effect during the year. Transaction gains and losses are recorded in net income.

Application of Accounting Policy

Dual Exchange Rates

Most of the countries in which our subsidiaries conduct business have one recognized, market-based currency exchange rate. We use these rates to prepare our financial statements. In Venezuela, however, there are two currency exchange rates which may be used to convert local currency into other currencies: an official currency exchange rate and a market rate. The use of the official currency exchange rate to convert dividends into other currencies requires the approval of the government's currency control organization. The market rate, which has historically been substantially lower than the official rate, may be used to obtain other currencies without the approval of the currency control organization.

For our Venezuelan subsidiaries, we prepare our financial statements using the official currency exchange rate, which was 2.15 bolivar fuerte to the U.S. dollar at December 31, 2008. We use the official currency exchange rate because we expect that we will be able to obtain our dividends from Venezuelan operations at this rate. Reported results would have been adversely affected if revenues, operating profits and net assets of Brink's Venezuela had been reported using the market currency exchange rate. Brink's Venezuela held net assets of $129.6 million at December 31, 2008, including net monetary assets of $114.4 million.

Highly Inflationary Accounting

Although we do not operate in any countries that are considered highly inflationary, which is defined as cumulative inflation rates exceeding 100% in the most recent three-year period, it is reasonably possible this may occur in the future. Venezuela's economy has not been considered to be highly inflationary in the past five years, but it is reasonably possible that Venezuela's economy may be considered highly inflationary again at some time in the future.

Subsidiaries operating in highly inflationary countries use the U.S. dollar as the functional currency, and local currency monetary assets are remeasured into U.S dollars, with remeasurement adjustments and other transaction gains and losses recognized in earnings.

RECENT ACCOUNTING PRONOUNCEMENTS

Adopted Standards

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard ("SFAS") 157, Fair Value Measurements. SFAS 157 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles, and expands disclosure of fair value measurements. SFAS 157 emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and states that a fair value measurement should be determined based on assumptions that market participants would use in pricing the asset or liability. The Company adopted SFAS 157, effective January 1, 2008, for financial assets and financial liabilities. The implementation of SFAS 157, as it relates to the Company's financial assets and financial liabilities did not have a material effect on the Company's results of operations or financial position.

In February 2008, the FASB issued FASB Staff Position 157-2, Partial Deferral of the Effective Date of SFAS 157, which delayed the effective date of SFAS 157 for all nonrecurring fair value measurements of nonfinancial assets and nonfinancial liabilities until January 1, 2009. The Company is currently evaluating the potential impact, if any, on its nonfinancial assets and liabilities.

The Company adopted SFAS 159, The Fair Value Option for Financial Assets and Liabilities – Including an amendment of FASB Statement No. 115, effective January 1, 2008. SFAS 159 permits entities to choose to measure certain financial assets and liabilities at fair value (the “fair-value option”). Unrealized gains and losses, arising subsequent to the election of the fair-value option, are reported in earnings. The Company did not elect the fair-value option for any existing assets or liabilities upon adoption. Therefore, the implementation of SFAS 159 did not have an effect on the Company’s results of operations or financial position.

The Company adopted FASB Interpretation (“FIN”) 48, Accounting for Uncertainty in Income Taxes – an interpretation of SFAS 109, effective January 1, 2007. This interpretation clarifies the accounting for uncertainty in income taxes recognized in an entity’s financial statements in accordance with SFAS 109, Accounting for Income Taxes. It prescribes a recognition threshold and measurement attribute for financial statement disclosure of tax positions taken or expected to be taken on a tax return. The adoption of this interpretation increased retained earnings at January 1, 2007, by $7.0 million.

The Company adopted SFAS 123(R), Share-Based Payment, effective January 1, 2006. Prior to adopting SFAS 123(R), the Company accounted for share-based compensation using the intrinsic-value method under Accounting Principles Board Opinion 25, Accounting for Stock Issued to Employees, as permitted by SFAS 123, Accounting for Stock-Based Compensation, the predecessor to SFAS 123(R). Under the intrinsic-value method no share-based compensation cost was recognized as all options granted had an exercise price equal to the market value of the underlying common stock on the date of grant. SFAS 123(R) eliminates the use of the intrinsic-value method of accounting and requires companies to recognize the cost of employee services received in exchange for awards of equity instruments based on the fair value of those awards. In addition, SFAS 123(R) requires additional accounting and disclosures for the income tax and cash flow effects of share-based payment arrangements.

The Company adopted SFAS 123(R) using the “modified prospective” transition method. Under the modified prospective transition method, the Company began recognizing share-based compensation costs on January 1, 2006, but did not restate prior periods. The amount of compensation cost recognized was computed based on the requirements of SFAS 123(R) for share-based awards granted, modified or settled in 2006, and based on the requirements of SFAS 123 for the unvested portion of awards granted prior to 2006. Under SFAS 123(R), cash flows from the benefit of tax deductions for stock options in excess of compensation cost are classified in the consolidated statements of cash flows as a financing activity. In addition, under SFAS 123(R), the Company did not separately report The Brink’s Company Employee Benefits Trust (the “Employee Benefits Trust”) in its consolidated statement of shareholders’ equity and consolidated balance sheet; it was offset with capital in excess of par value until the Employee Benefits Trust was terminated in 2008. See note 15 for more information.

The Company adopted SFAS 158, Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans – an amendment of FASB Statements No. 87, 88, 106, and 132(R), effective December 31, 2006. Prior to the adoption of SFAS 158, the Company accounted for its pension plans under SFAS 87, Employers’ Accounting for Pensions, as previously amended, and for its UMWA retiree medical plans and black lung obligations under SFAS 106, Employers’ Accounting for Postretirement Benefits Other Than Pensions, as previously amended. SFAS 158 requires companies to recognize the funded status of a defined benefit retirement plan (other than a multi-employer plan) as an asset or liability in its balance sheet and to recognize changes in funded status through comprehensive income (loss) in the year in which the changes occur. The adoption of SFAS 158 reduced the amount of consolidated equity reported by the Company as of December 31, 2006, by $162.9 million. In addition, SFAS 158 requires current liability classification when the actuarial present value of benefits payable in the next twelve months exceeds the fair value of plan assets. See note 3 for more information.

The Company adopted Securities and Exchange Commission ("SEC") Staff Accounting Bulletin 108, effective December 31, 2006, which is codified as SAB Topic 1.N, Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements. SAB 108 requires companies to quantify misstatements using both a balance sheet and an income statement approach ("dual method" approach) and to evaluate whether either approach results in an error that is material in light of relevant quantitative and qualitative factors. Prior to the adoption of SAB 108, the Company evaluated errors using only the income statement approach.

The Company had previously identified that it had been incorrectly applying its accounting policy for recording impairment charges upon subscriber disconnects at BHS. Prior to the adoption of SAB 108, the Company determined this incorrect application was not material to the financial statements using the income statement approach. The correction of this application was considered material using the dual method approach due to the impact on the trend of segment operating profit of BHS. Upon adoption of SAB 108, to correctly apply its accounting policy to subscriber disconnects, the Company recorded a $3.8 million ($2.4 million after tax) increase to retained earnings in 2006.

Standards Not Yet Adopted

In December 2007, the FASB issued SFAS 141(R), Business Combinations. SFAS 141(R) establishes requirements for an acquirer to record the assets acquired, liabilities assumed, and any related noncontrolling interest related to the acquisition of a controlled subsidiary, measured at fair value as of the acquisition date. The Company is required to adopt SFAS 141(R) in the first quarter of 2009. In 2008, the Company expensed all acquisition costs for transactions that were expected to close in 2009. The Company is currently evaluating the further potential impact, if any, of the adoption of SFAS 141(R) on the Company’s results of operations and financial position.

In December 2007, the FASB issued SFAS 160, Noncontrolling Interests in Consolidated Financial Statements – An Amendment of ARB No. 51. SFAS 160 establishes new accounting and reporting standards for the noncontrolling interest, also known as minority interest, in a subsidiary and for the deconsolidation of a subsidiary. This statement clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. At December 31, 2008, the Company’s minority interest was $91.3 million. SFAS 160 is effective for the Company beginning in 2009. The Company is still assessing the potential effect of the adoption of SFAS 160 on its results of operations or financial position.

In March 2008, the FASB issued SFAS 161, Disclosures about Derivative Instruments and Hedging Activities, which is effective for fiscal years beginning after November 15, 2008 (the Company’s fiscal year 2009). SFAS 161 requires enhanced disclosures about an entity's derivative and hedging activities and thereby improves the transparency of financial reporting. The Company does not believe the adoption of SFAS 161 will have a material impact on its financial statements.

In May 2008, the FASB issued SFAS 162, The Hierarchy of Generally Accepted Accounting Principles. This statement identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements that are presented in conformity with generally accepted accounting principles in the U.S. The Company does not believe the adoption of SFAS 162 will have a material impact on its results of operations or financial position.

In June 2008, the FASB issued FASB Staff Position ("FSP") EITF 03-6-1, Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities, which is effective for fiscal years beginning after December 15, 2008. FSP EITF 03-6-1 affects entities that accrue cash dividends (whether paid or unpaid) on share-based payment awards during the award’s service period for dividends that are nonforfeitable. The FASB concluded that unvested awards containing rights to nonforfeitable dividends are participating securities. Because unvested awards containing such rights are considered participating securities, issuing entities will be required to compute basic and diluted earnings per share under the two-class method. The Company is required to adopt FSP EITF 03-6-1 in the first quarter of 2009. The Company does not believe the adoption of FSP EITF 03-6-1 will have a material effect on its financial statements.

In December 2008, the FASB issued FSP 132(R)-1, Employers’ Disclosures about Postretirement Benefit Plan Assets, which is effective for fiscal years ending after December 15, 2009 (the Company’s fiscal year 2010). FSP 132(R)-1 requires disclosures about fair value measurements of plan assets that would be similar to the disclosures about fair value measurements required by SFAS 157. The Company is assessing the potential effect of the adoption of FSP 132(R)-1 on its financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's operations have activities in approximately 50 countries. These operations expose the Company to a variety of market risks, including the effects of changes in interest rates, commodity prices and foreign currency exchange rates. These financial and commodity exposures are monitored and managed by the Company as an integral part of its overall risk management program.

The Company periodically uses various derivative and non-derivative financial instruments, as discussed below, to hedge its interest rate, commodity prices and foreign currency exposures when appropriate. The risk that counterparties to these instruments may be unable to perform is minimized by limiting the counterparties used to major financial institutions with investment grade credit ratings. The Company does not expect to incur a loss from the failure of any counterparty to perform under the agreements. The Company does not use derivative financial instruments for purposes other than hedging underlying financial or commercial exposures.

The sensitivity analyses discussed below for the market risk exposures were based on the facts and circumstances in effect at December 31, 2008. Actual results will be determined by a number of factors that are not under management's control and could vary materially from those disclosed.

Interest Rate Risk

The Company uses both fixed and floating rate debt and leases to finance its operations. Floating rate obligations, including the Company's Revolving Facility, expose the Company to fluctuations in cash flows due to changes in the general level of interest rates. Fixed rate obligations, including the Company's Dominion Terminal Associates debt, are subject to fluctuations in fair values as a result of changes in interest rates.

Based on the contractual interest rates on the floating rate debt at December 31, 2008, a hypothetical 10% increase in rates would increase cash outflows by approximately $0.2 million over a twelve-month period. In other words, the Company's weighted average interest rate on its floating rate instruments was 2.4% per annum at December 31, 2008. If that average rate were to increase by 0.2 percentage points to 2.6 %, the cash outflows associated with these instruments would increase by $0.2 million annually. The effect on the fair value of the Company's Dominion Terminal Associates debt for a hypothetical 10% decrease in the yield curve from year-end 2008 levels would result in a $3.5 million increase in the fair value of this debt.

Foreign Currency Risk

The Company has exposure to the effects of foreign currency exchange rate fluctuations on the results of all of its foreign operations. The Company's foreign operations generally use local currencies to conduct business but their results are reported in U.S. dollars.

The Company is exposed periodically to the foreign currency rate fluctuations that affect transactions not denominated in the functional currency of domestic and foreign operations. To mitigate these exposures, the Company, from time to time, enters into foreign currency forward contracts. At December 31, 2008, no foreign currency forward contracts were outstanding. The Company does not use derivative financial instruments to hedge investments in foreign subsidiaries since such investments are long-term in nature.

The effects of a hypothetical simultaneous 10% appreciation in the U.S. dollar from year-end 2008 levels against all other currencies of countries in which the Company has continuing operations are as follows:

(In millions)	Hypothetical Effects Increase/ (decrease)
Translation of 2008 earnings into U.S. dollars (a)	$ (18.3)
Transactional exposures (a)	1.0
Translation of net assets of foreign subsidiaries (b)	(53.9)

(a) Reflected in the consolidated statements of income.
(b) Reflected in the consolidated statements of comprehensive income (loss).

The hypothetical foreign currency effects above detail the consolidated impact of a simultaneous change in the value of a large number of foreign currencies relative to the U. S. dollar. The foreign currency exposure impact related to a change in an individual currency could be significantly different.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

THE BRINK'S COMPANY

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. The Company's internal control over financial reporting is designed to provide reasonable assurance to the Company's management and board of directors regarding the preparation and fair presentation of published financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2008. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in "Internal Control – Integrated Framework." Based on our assessment, we believe that, as of December 31, 2008, the Company's internal control over financial reporting is effective based on those criteria.

KPMG LLP, the independent registered public accounting firm which audits the Company's consolidated financial statements, has issued an attestation report of the Company's internal control over financial reporting. KPMG's attestation report appears on page 59.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
The Brink's Company:

We have audited The Brink's Company's (the Company) internal control over financial reporting as of December 31, 2008, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, The Brink's Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of The Brink's Company and subsidiaries as of December 31, 2008 and 2007, and the related consolidated statements of income, comprehensive income (loss), shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2008, and our report dated March 2, 2009 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Richmond, Virginia
March 2, 2009

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
The Brink's Company:

We have audited the accompanying consolidated balance sheets of The Brink's Company and subsidiaries (the Company) as of December 31, 2008 and 2007, and the related consolidated statements of income, comprehensive income (loss), shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2008. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Brink's Company and subsidiaries as of December 31, 2008 and 2007, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2008, in conformity with U.S. generally accepted accounting principles.

As disclosed in note 1 to the consolidated financial statements, the Company adopted the provisions of Financial Accounting Standards Board Interpretation No. 48, Accounting for Uncertainty in Income Taxes, effective January 1, 2007, Statement of Financial Accounting Standards No. 158, Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, effective December 31, 2006, and Securities and Exchange Commission Staff Accounting Bulletin No. 108, Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements, effective December 31, 2006.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), The Brink's Company's internal control over financial reporting as of December 31, 2008, based on criteria established in Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 2, 2009 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Richmond, Virginia
March 2, 2009

THE BRINK'S COMPANY
and subsidiaries

Consolidated Balance Sheets

(In millions, except per share amounts)		December 31, 2008	2007
ASSETS			
Current assets:			
Cash and cash equivalents	$	250.9	196.4
Accounts receivable (net of allowance: 2008 – $6.8; 2007 – $10.8)		450.7	491.9
Prepaid expenses and other		99.7	93.5
Deferred income taxes		31.1	63.9
Total current assets		832.4	845.7
Property and equipment, net		534.0	1,118.4
Goodwill		139.6	141.3
Deferred income taxes		202.6	90.1
Other		107.2	198.8
Total assets	$	1,815.8	2,394.3
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	$	7.2	12.4
Current maturities of long-term debt		8.4	11.0
Accounts payable		137.8	171.9
Income taxes payable		21.2	14.9
Accrued liabilities		360.5	429.7
Total current liabilities		535.1	639.9
Long-term debt		173.0	89.2
Accrued pension costs		373.4	58.0
Retirement benefits other than pensions		249.9	104.3
Deferred revenue		-	178.6
Deferred income taxes		21.5	29.8
Minority interest		91.3	68.2
Other		157.6	180.0
Total liabilities		1,601.8	1,348.0
Commitments and contingent liabilities (notes 3, 4, 11, 13, 16 and 20)			
Shareholders' equity:			

Common stock, par value $1 per share:		
Shares authorized: 100.0		
Shares issued and outstanding: 2008 – 45.7; 2007 – 48.4	45.7	48.4
Capital in excess of par value	486.3	452.6
Retained earnings	310.0	675.8
Accumulated other comprehensive income (loss):		
Benefit plan experience loss	(603.7)	(146.3)
Benefit plan prior service cost	(4.5)	(7.4)
Foreign currency translation	(20.4)	22.0
Unrealized gains on marketable securities	0.6	1.2
Accumulated other comprehensive loss	(628.0)	(130.5)
Total shareholders' equity	214.0	1,046.3
Total liabilities and shareholders' equity	$ 1,815.8	2,394.3

See accompanying notes to consolidated financial statements.

THE BRINK'S COMPANY
and subsidiaries

Consolidated Statements of Income

		Years Ended December 31,	
(In millions, except per share amounts)	2008	2007	2006
Revenues	$ 3,163.5	2,734.6	2,354.3
Costs and Expenses:			
Cost of revenues	2,505.1	2,194.9	1,893.4
Selling, general and administrative expenses	434.5	379.8	356.4
Total costs and expenses	2,939.6	2,574.7	2,249.8
Other operating income, net	4.6	1.1	6.2
Operating profit	228.5	161.0	110.7
Interest expense	(12.0)	(10.8)	(12.0)
Interest and other income, net	8.1	10.5	16.9
Income from continuing operations before income taxes and minority interest	224.6	160.7	115.6
Provision for income taxes	53.0	59.5	44.2
Minority interest	39.8	22.8	18.3
Income from continuing operations	131.8	78.4	53.1
Income from discontinued operations, net of tax	51.5	58.9	534.1
Net income	$ 183.3	137.3	587.2
Earnings per common share			
Basic:			
Continuing operations	$ 2.85	1.68	1.06
Discontinued operations	1.11	1.27	10.69
Net income	3.96	2.95	11.75
Diluted:			
Continuing operations	$ 2.82	1.67	1.05
Discontinued operations	1.10	1.25	10.58
Net income	3.93	2.92	11.64
Weighted-average shares			
Basic	46.3	46.5	50.0
Diluted	46.7	47.0	50.5

See accompanying notes to consolidated financial statements.

THE BRINK'S COMPANY
and subsidiaries

Consolidated Statements of Comprehensive Income (Loss)

(In millions)		Years Ended December 31, 2008	2007	2006
Net income	$	183.3	137.3	587.2
Other comprehensive income (loss):				
Benefit plan experience:				
Net experience gains (losses) arising during the year		(501.2)	112.6	-
Tax benefit (provision) related to net experience gains and losses arising during the year		32.7	(40.8)	-
Reclassification adjustment for amortization of prior net experience loss included in net income		11.8	27.1	-
Tax benefit related to reclassification adjustment		(0.7)	(8.9)	-
Benefit plan experience gain (loss), net of tax		(457.4)	90.0	-
Benefit plan prior service credit (cost):				
Prior service credit from plan amendment during the year		3.1	0.1	-
Tax provision related to prior service credit from plan amendment during the year		(0.5)	-	-
Reclassification adjustment for amortization of prior service cost (credit) included in net income		(0.3)	1.3	-
Tax benefit related to reclassification adjustment		0.6	-	-
Benefit plan prior service credit, net of tax		2.9	1.4	-
Minimum pension liability adjustments:				
Adjustments to minimum pension liability		-	-	90.0
Tax provision related to minimum pension liability adjustment		-	-	(31.7)
Reclassification for sale of BAX Global Inc.		-	-	11.1
Minimum pension liability adjustments, net of tax		-	-	69.4
Foreign currency:				
Translation adjustments arising during the year		(44.7)	39.9	29.0
Tax benefit (provision) related to translation adjustments		0.8	(0.1)	(0.1)
Reclassification adjustment for dispositions of businesses		-	(0.1)	(12.9)
Foreign currency translation adjustments, net of tax		(43.9)	39.7	16.0
Marketable securities:				
Unrealized net gains (losses) on marketable securities arising during the year		(7.2)	1.1	2.0
Tax benefit (provision) related to unrealized net gains and losses on marketable securities		2.6	(0.4)	(0.7)

Reclassification adjustment for net (gains) losses realized in net income		6.2	(1.4)	(1.0)
Tax provision (benefit) related to reclassification adjustment		(2.2)	0.5	0.4
Unrealized net gains (losses) on marketable securities, net of tax		(0.6)	(0.2)	0.7
Other comprehensive income (loss)		(499.0)	130.9	86.1
Comprehensive income (loss)	$	(315.7)	268.2	673.3

See accompanying notes to consolidated financial statements.

THE BRINK'S COMPANY
and subsidiaries

Consolidated Statements of Shareholders' Equity

Years Ended December 31, 2008, 2007 and 2006

(In millions)	Shares (a)	Common Stock	Capital in Excess of Par Value	Retained Earnings	The Brink's Company Employee Benefits Trust (a)	Accumulated Other Comprehensive Loss	Total
Balance as of December 31, 2005	58.7	$ 58.7	530.6	488.0	(55.2)	(184.6)	837.5
Net income	-	-	-	587.2	-	-	587.2
Other comprehensive income	-	-	-	-	-	86.1	86.1
Shares repurchased (see note 15):							
"Dutch auction" self-tender offer	(10.4)	(10.4)	(89.0)	(431.5)	-	-	(530.9)
Other	(1.8)	(1.8)	(15.9)	(82.3)	-	-	(100.0)
Dividends ($0.2125 per share)	-	-	-	(10.1)	-	-	(10.1)
Shares issued to Employee Benefits Trust (see notes 1 and 15)	2.0	2.0	(2.0)	-	-	-	-
Share-based compensation:							
Stock options:							
Compensation expense (b)	-	-	17.7	-	-	-	17.7
Consideration from exercise of stock options	-	-	18.6	-	-	-	18.6
Excess tax benefit of stock compensation	-	-	6.1	-	-	-	6.1
Other share-based benefit programs	-	-	4.5	(0.2)	-	-	4.3
	-	-	(0.7)	(1.5)	-	-	(2.2)

Retire shares of common stock							
Adoption of new accounting standards:							
Statement of Financial Accounting Standard							
(“SFAS”) 123(R) (see note 1)	-	-	(55.2)	-	55.2	-	-
SFAS 158, net of income taxes of $110.2							
(see note 1)	-	-	-	-	-	(162.9)	(162.9)
Securities and Exchange Commission							
Staff Accounting Bulletin 108, net of							
income taxes of $1.4 (see note 1)	-	-	-	2.4	-	-	2.4
Balance as of December 31, 2006	48.5	48.5	414.7	552.0	-	(261.4)	753.8
Net income	-	-	-	137.3	-	-	137.3
Other comprehensive income	-	-	-	-	-	130.9	130.9
Shares repurchased (see note 15)	(0.1)	(0.1)	(0.5)	(3.0)	-	-	(3.6)
Dividends ($0.3625 per share)	-	-	-	(16.5)	-	-	(16.5)
Share-based compensation:							
Stock options:							
Compensation expense (b)	-	-	11.7	-	-	-	11.7
Consideration from exercise of stock options	-	-	12.6	-	-	-	12.6
Excess tax benefit of stock compensation	-	-	5.9	-	-	-	5.9
Other share-based benefit programs	-	-	8.4	(0.3)	-	-	8.1
	-	-	(0.2)	(0.7)	-	-	(0.9)

Retire shares of common stock							
Adoption of - Financial Accounting Standards Board Interpretation 48 (see notes 1 & 4)	-	-	-	7.0	-	-	7.0
Balance as of December 31, 2007	48.4	48.4	452.6	675.8	-	(130.5)	1,046.3
Net income	-	-	-	183.3	-	-	183.3
Other comprehensive loss	-	-	-	-	-	(499.0)	(499.0)
Shares repurchased (see note 15)	(1.0)	(1.0)	(9.8)	(45.7)	-	-	(56.5)
Termination of Employee Benefits Trust	(1.7)	(1.7)	1.7	-	-	-	-
Dividends ($0.40 per share)	-	-	-	(18.2)	-	-	(18.2)
Share-based compensation:							
Stock options:							
Compensation expense (b)	-	-	9.5	-	-	-	9.5
Consideration from exercise of stock options	0.1	0.1	18.5	-	-	-	18.6
Excess tax benefit of stock compensation	-	-	13.3	-	-	-	13.3
Other share-based benefit programs	0.1	0.1	4.3	(0.3)	-	-	4.1
Retire shares of common stock	(0.2)	(0.2)	(3.8)	(16.0)	-	-	(20.0)
Spin-off of Brink's Home Security Holdings, Inc (see note 1)	-	-	-	(468.9)	-	1.5	(467.4)
Balance as of December 31, 2008	45.7	$ 45.7	486.3	310.0	-	(628.0)	214.0

(a) Includes 1.7 million shares at December 31, 2007, held by The Brink's Company Employee Benefits Trust that were not allocated to participants (2.3 million shares at December 31, 2006, and 1.2 million shares at December 31, 2005). The trust was terminated in 2008 (see note 15).

(b) Includes amounts classified as discontinued operations.

See accompanying notes to consolidated financial statements.

THE BRINK'S COMPANY
and subsidiaries

Consolidated Statements of Cash Flows

(In millions)		Years Ended December 31, 2008	2007	2006
Cash flows from operating activities:				
Net income	$	183.3	137.3	587.2
Adjustments to reconcile net income to net cash provided by operating activities:				
Income from discontinued operations, net of tax		(51.5)	(58.9)	(534.1)
Depreciation and amortization		122.3	110.0	93.0
Minority interest		39.8	22.8	18.3
Compensation expense for stock options		7.8	10.1	9.9
Deferred income taxes		(20.0)	9.9	166.8
Impairment charges:				
Marketable securities		7.1	-	-
Long-lived assets		1.9	2.5	1.5
Provision for uncollectible accounts receivable		3.2	(0.1)	(0.1)
Retirement benefit funding (more) less than expense:				
Pension		(12.2)	(7.7)	9.2
Other than pension		(5.1)	1.1	(250.0)
Health benefit act		(3.5)	(6.4)	(7.4)
Other operating, net		(11.3)	1.7	6.3
Change in operating assets and liabilities, net of effects of acquisitions:				
Accounts receivable		(24.1)	0.3	(35.7)
Accounts payable, income taxes payable and accrued liabilities		44.3	35.2	(206.8)
Prepaid and other current assets		(21.8)	(7.3)	(13.2)
Other, net		(5.8)	11.5	16.9
Discontinued operations, net		172.7	191.7	170.5
Net cash provided by operating activities		427.1	453.7	32.3
Cash flows from investing activities:				
Capital expenditures		(165.3)	(141.8)	(113.8)
Acquisitions		(11.7)	(13.4)	(14.4)
Marketable securities:				
Purchases		(3.5)	(1.8)	(1,663.7)
Sales		2.5	1.3	1,654.1
Cash proceeds from disposal of:				
BAX Global, net of $90.3 of cash disposed		-	-	1,010.5
Other property, equipment and investments		16.9	14.0	5.1
Cash retained by BHS		(50.0)	-	-
Other, net		2.0	(0.3)	0.5
Discontinued operations, net		(150.8)	(175.5)	(170.6)
Net cash provided (used) by investing activities		(359.9)	(317.5)	707.7

Cash flows from financing activities:			
Long-term debt:			
Additions	-	6.9	2.9
Repayments	(12.6)	(12.1)	(89.0)
Revolving credit facilities borrowings (repayments), net	93.5	(33.5)	(68.3)
Short-term borrowings (repayments), net	(4.4)	(23.2)	5.6
Repurchase shares of common stock of The Brink’s Company			