BRINKS CO
Form 10-Q
April 30, 2010

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

FORM 10-Q

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

For the quarterly period ended March 31, 2010

¨ 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 001-09148

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

Virginia	54-1317776
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1801 Bayberry Court, Richmond, Virginia 23226-8100
(Address of principal executive offices) (Zip Code)

(804) 289-9600
(Registrant's telephone number, including area code)

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 ¨

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.
(Check one): Large Accelerated Filer x Accelerated Filer ¨ Non-Accelerated Filer ¨ Smaller Reporting Company ¨

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

As of April 24, 2010, 47,897,545 shares of $1 par value common stock were outstanding.

Part I - Financial Information
Item 1. Financial Statements

THE BRINK'S COMPANY
and subsidiaries

Consolidated Balance Sheets
(Unaudited)

(In millions)	March 31, 2010	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	$131.9	143.0
Accounts receivable, net	429.0	427.6
Prepaid expenses and other	114.3	81.0
Deferred income taxes	36.8	38.5
Total current assets	712.0	690.1
Property and equipment, net	538.3	549.5
Goodwill	216.7	213.7
Deferred income taxes	243.3	254.1
Other	165.4	172.4
Total assets	$1,875.7	1,879.8
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term borrowings	$9.0	7.2
Current maturities of long-term debt	11.0	16.1
Accounts payable	103.2	127.2
Accrued liabilities	375.2	369.8
Total current liabilities	498.4	520.3
Long-term debt	201.6	172.3
Accrued pension costs	184.5	192.1
Retirement benefits other than pensions	218.0	198.3
Deferred income taxes	29.0	30.5
Other	173.3	170.5
Total liabilities	1,304.8	1,284.0
Commitments and contingent liabilities (notes 4, 5 and 11)		

Equity:		
The Brink's Company ("Brink's") shareholders' equity:		
Common stock	47.9	47.9
Capital in excess of par value	552.4	550.2
Retained earnings	501.7	514.8
Accumulated other comprehensive loss	(596.1)	(578.0)
Total Brink's shareholders' equity	505.9	534.9
Noncontrolling interests	65.0	60.9
Total equity	570.9	595.8
Total liabilities and equity	$1,875.7	1,879.8

See accompanying notes to consolidated financial statements.

THE BRINK'S COMPANY
and subsidiaries

Consolidated Statements of Income (Loss)
(Unaudited)

(In millions, except per share amounts)	Three Months Ended March 31, 2010	2009
Revenues	$735.4	732.5
Costs and expenses:		
Cost of revenues	610.1	591.1
Selling, general and administrative expenses	100.0	104.3
Total costs and expenses	710.1	695.4
Other operating income (expense)	(1.5)	4.6
Operating profit	23.8	41.7
Interest expense	(2.5)	(2.7)
Interest and other income	1.4	4.0
Income from continuing operations before tax	22.7	43.0
Provision for income taxes	24.3	10.5
Income (loss) from continuing operations	(1.6)	32.5
Income (loss) from discontinued operations	(3.4)	0.8
Net income (loss)	(5.0)	33.3
Less net income (loss) attributable to noncontrolling interests	(3.2)	(10.3)
Net income (loss) attributable to Brink's	(8.2)	23.0
Amounts attributable to Brink's:		
Income (loss) from continuing operations	(4.8)	22.2
Income (loss) from discontinued operations	(3.4)	0.8
Net income (loss) attributable to Brink's	$(8.2)	23.0
Earnings (loss) per share attributable to Brink's common shareholders:		
Basic:		
Continuing operations	$(0.10)	0.48
Discontinued operations	(0.07)	0.02
Net income (loss)	(0.17)	0.50
Diluted:		
Continuing operations	$(0.10)	0.48

Discontinued operations	(0.07)	0.02
Net income (loss)	(0.17)	0.49
Weighted-average shares		
Basic	48.8	46.3
Diluted	48.8	46.5
Cash dividends paid per common share	$0.10	0.10

See accompanying notes to consolidated financial statements.

THE BRINK'S COMPANY
and subsidiaries

Consolidated Statement of Shareholders' Equity

Three months ended March 31, 2010
(Unaudited)

	Attributable to Brink's						
(In millions)	Shares	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Attributable to Noncontrolling Interests	Total
Balance as of December 31, 2009	47.9	$47.9	550.2	514.8	(578.0)	60.9	595.8
Net income (loss)	-	-	-	(8.2)	-	3.2	(5.0)
Other comprehensive income (loss)	-	-	-	-	(18.1)	1.5	(16.6)
Dividends:							
Brink's common shareholders ($0.10 per share)	-	-	-	(4.8)	-	-	(4.8)
Noncontrolling interests	-	-	-	-	-	(0.6)	(0.6)
Share-based compensation:							
Stock options and awards:							
Compensation expense	-	-	1.0	-	-	-	1.0
Consideration received from exercise of stock options	-	-	0.2	-	-	-	0.2
Other share-based benefit programs	-	-	1.0	(0.1)	-	-	0.9
Balance as of March 31, 2010	47.9	$47.9	552.4	501.7	(596.1)	65.0	570.9

See accompanying notes to consolidated financial statements.

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THE BRINK'S COMPANY
and subsidiaries

Consolidated Statements of Cash Flows
(Unaudited)

(In millions)	Three Months Ended March 31, 2010	2009
Cash flows from operating activities:		
Net income (loss)	$(5.0)	33.3
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
(Income) loss from discontinued operations, net of tax	3.4	(0.8)
Depreciation and amortization	32.3	30.7
Stock compensation expense	1.0	0.7
Deferred income taxes	15.1	(4.8)
Retirement benefit funding (more) less than expense:		
Pension	(1.6)	(0.6)
Other than pension	4.3	5.4
Gains:		
Sales of property and other assets	(0.8)	(3.1)
Acquisitions of controlling interest of equity-method investments	-	(1.5)
Other operating	7.7	1.2
Changes in operating assets and liabilities, net of effects of acquisitions:		
Accounts receivable	(16.0)	13.0
Accounts payable, income taxes payable and accrued liabilities	(9.2)	(33.0)
Prepaid and other current assets	(28.1)	(19.9)
Other	2.1	(1.2)
Discontinued operations	-	(0.1)
Net cash provided by operating activities	5.2	19.3
Cash flows from investing activities:		
Capital expenditures	(26.9)	(29.5)
Acquisitions	(6.5)	(49.0)
Sales of marketable securities	0.3	2.7
Other	(0.6)	3.3
Net cash used by investing activities	(33.7)	(72.5)
Cash flows from financing activities:		
Borrowings and repayments:		
Short-term debt	2.1	3.6
Long-term revolving credit facilities	28.3	39.2
Other long-term debt:		
Borrowings	1.0	-
Repayments	(7.3)	(3.0)
Cash proceeds from sale-leaseback transactions	1.2	-
Repurchase shares of common stock of Brink's	-	(6.9)
Dividends to:		

Shareholders of Brink’s	(4.8)	(4.6)
Noncontrolling interests in subsidiaries	(0.6)	(0.2)
Proceeds from exercise of stock options	0.2	0.2
Other	(0.2)	-
Net cash provided by financing activities	19.9	28.3
Effect of exchange rate changes on cash	(2.5)	(2.6)
Cash and cash equivalents:		
Increase (decrease)	(11.1)	(27.5)
Balance at beginning of period	143.0	250.9
Balance at end of period	$131.9	223.4

See accompanying notes to consolidated financial statements.

THE BRINK'S COMPANY
and subsidiaries

Notes to Consolidated Financial Statements
(Unaudited)

Note 1 – Basis of presentation

The Brink's Company (along with its subsidiaries, "Brink's" or "we") has two geographic reportable segments:

- International
- North America

Our unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial reporting and applicable quarterly reporting regulations of the Securities and Exchange Commission (the "SEC"). Accordingly, the unaudited consolidated financial statements do not include all of the information and notes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for interim periods are not necessarily indicative of the results that may be expected for the full year. For further information, refer to our Annual Report on Form 10-K for the year ended December 31, 2009.

We have made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these consolidated financial statements. Actual results could differ materially from these estimates. The most significant estimates are related to goodwill and other long-lived assets, pension and other retirement benefit obligations, legal contingencies, foreign currency translation and deferred tax assets.

Foreign Currency Translation
Our consolidated financial statements are reported in U.S. dollars. Our foreign subsidiaries maintain their records primarily in the currency of the country in which they operate.

Our accounting policy for foreign currency translation is different depending on whether the economy in which our foreign subsidiary operates has been designated as highly inflationary or not. Economies with a three-year cumulative inflation rate of more than 100% are considered as highly inflationary.

Assets and liabilities of foreign subsidiaries in non-highly inflationary economies 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.

Foreign subsidiaries that operate in highly inflationary countries must use the reporting currency as the functional currency. Local-currency monetary assets and liabilities are remeasured into the reporting currency each balance sheet date, with remeasurement adjustments and other transaction gains and losses recognized in earnings. Non-monetary assets and liabilities do not fluctuate with changes in local currency exchange rates to the reporting currency.

Venezuela

We have operating subsidiaries in Venezuela. There are two currency exchange rates which may be used to convert Venezuelan bolivar fuertes into other currencies: an official rate and a parallel market rate. The use of the official rate to convert cash held in bolivar fuertes into other currencies requires the approval of the Venezuelan government's currency control organization. The parallel market rate may be used to obtain U.S. dollars without the approval of the currency control organization.

In December 2009, we repatriated $13 million of dividends generated by our Venezuelan operations that had been unpaid over the last several years using the parallel market exchange rate. We began translating our financial statements for our Venezuelan operations using the parallel rate, effective December 21, 2009, the date of our decision to pay past dividends at the parallel rate. We expect to continue to pay future dividends using the parallel rate. This is consistent with the guidance issued by the International Practices Task Force of the Center for Audit Quality and U.S. GAAP. This guidance provides that, in the absence of unusual circumstances, the rate used for dividend remittances should be used to translate foreign financial statements.

Venezuela has had significant inflation in the last several years and, in December 2009, the three-year cumulative inflation rate exceeded
100%. As a result, beginning January 1, 2010, we have designated Venezuela's economy as highly inflationary, and we consolidated our Venezuelan results using our accounting policy for subsidiaries operating in highly inflationary economies.

In determining whether Venezuela is a highly inflationary economy, we previously used the consumer price index ("CPI") which is based on the inflation rates for the metropolitan area of Caracas, Venezuela. Beginning January 1, 2008, a national consumer price index ("NCPI") was developed for the entire country of Venezuela. However, because inflation data is not available to compute a cumulative three-year inflation rate for Venezuela using only NCPI, we use a blended NCPI and CPI rate to determine whether the three-year cumulative inflation rate has exceeded 100%. At December 31, 2009, the blended three-year cumulative inflation rate was approximately 100.5%.

Recently Adopted Accounting Standards
We adopted the accounting principles established by Accounting Standards Update ("ASU") 2009-16, Transfers and Servicing: Accounting for Transfers of Financial Assets, effective January 1, 2010. This ASU removes the concept of a qualifying special-purpose entity (QSPE) from SFAS 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities, and removes the exception from applying FASB Interpretation 46R, Consolidation of Variable Interest Entities. This statement also clarifies the requirements for isolation and limitations on portions of financial assets that are eligible for sale accounting. The adoption of this new guidance did not have a material effect on our financial statements.

We adopted the accounting principles established by ASU 2009-17, Consolidations: Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities, effective January 1, 2010. This ASU requires an ongoing reassessment and replaces the quantitative-based risks and rewards calculation for determining which reporting entity, if any, has a controlling financial interest in a variable interest entity ("VIE") with a primarily qualitative analysis. The qualitative analysis is based on identifying the party that has both the power to direct the activities that most significantly impact the VIE's economic performance (the "power criterion") and the obligation to absorb losses from or the right to receive benefits of the VIE that could potentially be significant to the VIE (the "losses/benefit criterion"). The party that meets both these criteria is deemed to have a controlling financial interest. The party with the controlling financial interest is considered to be the primary beneficiary and as a result is required to consolidate the VIE. The adoption of this new guidance did not have a material effect on our financial statements.

In January 2010, the FASB issued ASU 2010-06, Improving Disclosures about Fair Value Measurements. ASU 2010-06 both expands and clarifies the disclosure requirements related to fair value measurements. Entities are required to disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 of the fair value valuation hierarchy and describe the reasons for the transfers. Additionally, entities are required to disclose information about purchases, sales, issuances, and settlements on a gross basis in the reconciliation of Level 3 fair-value measurements. The new guidance also clarifies existing fair-value measurement disclosure guidance about the level of disaggregation, inputs, and valuation techniques. We adopted the new disclosures effective January 1, 2010, except for the Level 3 rollforward disclosures. The Level 3 rollforward disclosures will be effective for us January 1, 2011. The adoption of the ASU did not have a material impact on our disclosures as we did not have any significant transfers in and out of Level 1 and Level 2 of the fair value valuation hierarchy in the first quarter of 2010.

We adopted the accounting principles established by ASU 2010-09, Subsequent Events: Amendments to Certain Recognition and Disclosure Requirements, effective January 1, 2010. Under this amended guidance, SEC filers are no longer required to disclose the date through which subsequent events have been evaluated in originally issued and revised financial statements.

Standards Not Yet Adopted

In October 2009, the FASB issued ASU 2009-13, Multiple-Deliverable Revenue Arrangements, which will be effective for us on January 1, 2011. ASU 2009-13 establishes a selling price hierarchy for determining the selling price of a deliverable in a multiple-deliverable arrangement. In addition, the revised guidance requires additional disclosures about the methods and assumptions used to evaluate multiple-deliverable arrangements and to identify the significant deliverables within those arrangements. We are currently evaluating the potential impact of the amended guidance on our financial statements.

In October 2009, the FASB issued ASU 2009-14, Certain Revenue Arrangements that Include Software Elements, which will be effective for us on January 1, 2011. ASU 2009-14 amends ASC Topic 985 to exclude from its scope tangible products that contain both software and non-software components that function together to deliver a product's essential functionality. We are currently evaluating the potential impact of the amended guidance on our financial statements.

Note 2 – Segment information

We identify our operating segments based on how resources are allocated and operating decisions are made. Management evaluates performance and allocates resources based on segment operating profit or loss, which excludes non-segment income (expense). We have four geographic operating segments, and under the aggregation criteria set forth in FASB ASC Topic 280, Segment Reporting, we have two reportable segments: International and North America.

The primary services of the reportable segments 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; from point-of-sale through transport, vaulting and bank deposit
- Payment Services – consumers pay utility and other bills at payment locations
- Guarding services, including airport security

Brink's operates in more than 50 countries.

(In millions)	Three Months Ended March 31, 2010	2009
Revenues:		
International	$509.0	511.6
North America	226.4	220.9
Revenues	$735.4	732.5
Operating profit:		
International	$24.5	37.9
North America	10.4	14.5
Segment operating profit	34.9	52.4
Non-segment	(11.1)	(10.7)
Operating profit	$23.8	41.7

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Note 3 – Shares used to calculate earnings (loss) per share

Shares used to calculate earnings (loss) per share were as follows:

(In millions)	Three Months Ended March 31, 2010	2009
Weighted-average shares:		
Basic (a)	48.8	46.3
Effect of dilutive stock options and awards	-	0.2
Diluted	48.8	46.5
Antidilutive stock options and awards excluded from denominator	3.6	2.4

(a) We have deferred compensation plans for directors and certain of our employees. Amounts owed to participants are denominated in common stock units. Each unit represents one share of common stock. The number of shares used to calculate basic earnings per share includes the weighted-average units credited to employees and directors under the deferred compensation plans. Accordingly, included in basic shares are weighted-average units of 0.9 million in the three months ended March 31, 2010, and 0.8 million in the three months ended March 31, 2009.

Note 4 – Retirement benefits

Pension plans

We have various defined-benefit pension plans covering eligible current and former employees. Benefits under most plans are based on salary and years of service.

The components of net periodic pension cost (credit) for our pension plans were as follows:

(In millions)	U.S. Plans		Non-U.S. Plans		Total	
Three months ended March 31,	2010	2009	2010	2009	2010	2009
Service cost	$-	-	1.6	1.4	1.6	1.4
Interest cost on projected benefit obligation	11.7	11.6	3.4	2.9	15.1	14.5
Return on assets – expected	(16.7)	(14.2)	(2.7)	(2.1)	(19.4)	(16.3)
Amortization of losses	4.8	2.4	0.9	0.9	5.7	3.3
Settlement loss	-	0.3	-	-	-	0.3
Net periodic pension cost (credit)	$(0.2)	0.1	3.2	3.1	3.0	3.2

Based on December 31, 2009, data, assumptions and funding regulations, we are not required to make a contribution to our primary U.S. plan for the fiscal year 2010.

Retirement benefits other than pensions

We provide retirement health care benefits for eligible current and former U.S. and Canadian employees, including former employees of our former U.S. coal operation. Retirement benefits related to our former coal operation include medical benefits provided by the Pittston Coal Group Companies Employee Benefit Plan for UMWA Represented

Employees (the “UMWA plans”) as well as costs related to Black Lung obligations.

The components of net periodic postretirement cost related to retirement benefits other than pensions were as follows:

(In millions)	UMWA plans		Black lung and other plans		Total	
Three months ended March 31,	2010	2009	2010	2009	2010	2009
Service cost	$-	-	-	-	-	-
Interest cost on accumulated postretirement benefit obligations	6.6	7.2	0.6	0.7	7.2	7.9
Return on assets – expected	(6.4)	(5.6)	-	-	(6.4)	(5.6)
Amortization of losses	3.9	5.0	0.1	0.1	4.0	5.1
Net periodic postretirement cost	$4.1	6.6	0.7	0.8	4.8	7.4

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The Patient Protection and Affordable Care Act (the "Act"), which was enacted in March 2010, contains an amendment to the laws governing federal black lung benefits for coal miners. The amendment creates a presumption that benefits should be awarded to current or former coal miners that have accumulated 15 or more years of coal mine employment if they are able to prove that they have a disabling pulmonary disease. Previously, miners were required to demonstrate that their disabling pulmonary disease was caused by black lung disease, and not by some other cause such as smoking or old age. Under the new law, the burden of proof becomes the employer's to establish that the disabling pulmonary disease is not black lung disease or that the miner's disease did not result from coal mine employment. Surviving spouses will no longer be required to prove that black lung disease caused the death of a miner to continue receiving benefits.

The new law will be used to assess claims that are currently being reviewed, unless the claim was filed before January 1, 2005. Miners who have been denied benefits in the past (either as a result of not being able to prove that they have a disabling pulmonary disease, or not being able to prove that their disease was black lung disease) may reapply for benefits and these claims will be assessed using the new rules.

The amendment will likely increase the approval rates for coal miners applying to receive black lung benefits. We remeasured our black lung obligation as of March 31, 2010, to reflect an estimate of the increase in amounts to be paid to miners as a result of the new law. The obligation increased $19.3 million as a result of the remeasurement, from $42.3 million before the remeasurement to $61.6 million.

Approval rates used in the remeasurement of the black lung obligation were increased to reflect an estimate of the effect of the new legislation. The discount rate used at remeasurement was 5.3% (compared to 5.4% at December 31, 2009) and the medical inflation rate was 5.0% (compared to 8.0% at December 31, 2009). All other assumptions remain the same as they were at December 31, 2009, which can be found in our 2009 Annual Report on Form 10-K. Approval rates are difficult to estimate since the effect of the change in the law has not yet been placed in practice. The liability could change in the future if the approval rates used in the estimates of the liabilities are either too high or too low. These estimated amounts will change in the future to reflect payments made, actuarial revaluations, and other changes in estimates. Actual amounts could differ materially from the currently estimated amounts.

As a result of the remeasurement, total net periodic postretirement cost related to retirement benefits other than pensions in 2010 will be $21.0 million compared to the full-year estimate of $19.4 million that was disclosed in our 2009 Annual Report. The $1.6 million increase will be recorded ratably over the remainder of the year.

Note 5 – Income taxes

	Three Months Ended March 31,	
	2010	2009
Continuing operations		
Provision for income taxes (in millions)	$24.3	10.5
Effective tax rate	107.0 %	24.4 %

2010 Compared to U.S. Statutory Rate
The effective income tax rate on continuing operations in the first quarter of 2010 was higher than the 35% U.S. statutory tax rate largely due to a $13.9 million reduction in deferred tax assets as a result of recently enacted U.S. healthcare legislation, and $1.7 million in higher taxes related to non-U.S. tax jurisdictions. These non-U.S. taxes were higher than 35% primarily due to the designation of Venezuela as highly inflationary for accounting purposes

(including a $4.9 million nondeductible net monetary asset remeasurement charge), the geographical mix of earnings, and the characterization of a French business tax as an income tax based upon legislative changes effective January 1, 2010.

2009 Compared to U.S. Statutory Rate

The effective income tax rate on continuing operations in the first quarter of 2009 was lower than the 35% U.S. statutory tax rate largely due to $4.3 million in lower taxes related to non-U.S. tax jurisdictions. These non-U.S. taxes were lower than 35% primarily due to lower effective tax rates in our non-U.S. jurisdictions and inflation adjustments in certain countries that are treated as permanent differences.

Note 6 – Common stock

Share Purchases
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. In the first quarter of 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. No shares were purchased in the remainder of 2009 or during the first quarter of 2010. As of March 31, 2010, we had $33.7 million under this program available to purchase shares.

Note 7 – Acquisitions

On March 1, 2010, we acquired Est Valeurs, a provider of CIT and cash services in Eastern France. Est Valeurs employed approximately 100 people and had 2009 revenue of $13 million.

On April 22, 2010, we acquired a majority stake in a Russian cash processing business that complements the company's acquisition of a CIT business in Russia in the first quarter of 2009. With principal operations in Moscow, we now have approximately 500 employees in Russia and offer a full range of CIT, ATM, money processing and Global Services operations for domestic and international markets.

Note 8 – Supplemental cash flow information

(In millions)	Three Months Ended March 31, 2010	2009
Cash paid for:		
Interest	$ 1.7	1.8
Income taxes	16.1	28.4

We acquired $1.4 million of new armored vehicles under capital lease arrangements in the first quarter of 2010 ($1.7 million in the first quarter of 2009).

Note 9 – Comprehensive income (loss)

(In millions)	Three Months Ended March 31, 2010	2009
Amounts attributable to Brink's:		
Net income (loss)	$ (8.2)	23.0
Benefit plan experience gain	6.8	2.0
Benefit plan prior service cost (a)	(12.7)	2.8
Foreign currency translation adjustments	(13.2)	(17.9)
Marketable securities	1.0	(0.3)
Other comprehensive loss	(18.1)	(13.4)

Comprehensive income (loss) attributable to Brink's	(26.3)	9.6
Amounts attributable to noncontrolling interests:		
Net income	3.2	10.3
Foreign currency translation adjustments	1.0	(1.4)
Marketable securities	0.5	-
Other comprehensive income (loss)	1.5	(1.4)
Comprehensive income attributable to noncontrolling interests	4.7	8.9
Comprehensive income (loss)	$(21.6)	18.5

(a) Includes $19.3 million loss (net of $7.0 million income tax benefit) in the first quarter of 2010 related to a remeasurement of our black lung obligation, as described in note 4.

Note 10 – Fair Value of Financial Instruments

Investments in Available-for-sale Securities

We have available-for-sale securities that are carried at fair value in the financial statements. For all of these investments, fair value was estimated based on quoted prices (Level 1).

(In millions)	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
March 31, 2010				
Mutual funds	$14.7	2.8	-	17.5
Non-U.S. debt securities	3.7	-	(0.1)	3.6
Equity securities	0.2	1.9	-	2.1
Marketable securities	$18.6	4.7	(0.1)	23.2
December 31, 2009				
Mutual funds	$15.0	2.6	-	17.6
Non-U.S. debt securities	3.7	-	(0.6)	3.1
Equity securities	0.2	1.8	-	2.0
Marketable securities	$18.9	4.4	(0.6)	22.7

Fixed-Rate Debt

Fair value estimates of our obligation related to the fixed-rate Dominion Terminal Associates ("DTA") bonds are based on quoted prices. The fair value and carrying value of our DTA bonds are as follows:

	March 31, 2010		December 31, 2009	
(In millions)	Fair Value	Carrying Value	Fair Value	Carrying Value
DTA bonds	$43.8	43.2	42.7	43.2

Other Financial Instruments

Other financial instruments not measured at fair value on a recurring basis include cash and cash equivalents, short-term fixed rate deposits, accounts receivable, floating rate debt, accounts payable and accrued liabilities. The financial statement carrying amounts of these items approximate the fair value due to their short-term nature.

Note 11 – Commitments and contingent matters

Operating leases
We have made residual value guarantees of approximately $52.3 million at March 31, 2010, related to operating leases, principally for trucks and other vehicles.

Former operations
BAX Global, a former business unit, has been defending a claim related to the apparent diversion by a third party of goods being transported for a customer. On April 23, 2010, the Dutch Supreme Court denied the final appeal of BAX Global, letting stand the lower court ruling that BAX Global is liable for this claim. We have contractually indemnified the purchaser of BAX Global for this contingency. We accrued €9 million ($12 million at March 31, 2010) related to this matter. We recognized the expense in discontinued operations in the second quarter of 2009. We believe we have insurance coverage applicable to this matter and that it will be resolved without a material adverse effect on our liquidity, financial position or 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.

THE BRINK'S COMPANY
and subsidiaries

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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"), providing bill payment acceptance and processing services to utility companies and other billers ("Payment Services"), and guarding services (including airport security).

We identify our operating segments based on how resources are allocated and operating decisions are made. Management evaluates performance and allocates resources based on operating profit or loss, excluding corporate allocations. We have four geographic operating segments: Europe, Middle East, and Africa ("EMEA"), Latin America, Asia Pacific and North America, which are aggregated into two reportable segments: International and North America.

RESULTS OF OPERATIONS

Consolidated Review

Three Months Ended March 31, (In millions, except per share amounts)	GAAP 2010	GAAP 2009	Adjusted (a) 2009	% Change GAAP	% Change Adjusted
Revenues	$735	733	678	-	8
Operating profit:					
International	25	38	24	(35)	1
North America	10	15	15	(28)	(28)
Total segment operating profit (b)	35	52	39	(33)	(10)
Non-segment income (expense) (c)	(11)	(11)	(11)	4	4
Operating profit	24	42	28	(43)	(15)
Income (loss) from continuing operations (d)	(5)	22	15	NM	NM
Net income (loss) (d)	(8)	23	15	NM	NM
Diluted earnings (loss) per share:					
Continuing operations	$(0.10)	0.48	0.31	NM	NM
Net income (loss)	(0.17)	0.49			