

BRINKS CO
Form 10-Q
August 03, 2010

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

FORM 10-Q

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

For the quarterly period ended June 30, 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
(State or other jurisdiction of
incorporation or organization)

54-1317776
(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

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required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes 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 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

As of July 27, 2010, 46,920,146 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)	June 30, 2010	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 143.3	143.0
Accounts receivable, net	424.5	427.6
Prepaid expenses and other	121.6	81.0
Deferred income taxes	36.5	38.5
Total current assets	725.9	690.1
Property and equipment, net	535.7	549.5
Goodwill	214.6	213.7
Deferred income taxes	243.6	254.1
Other	160.5	172.4
Total assets	\$ 1,880.3	1,879.8
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term borrowings	\$ 10.5	7.2
Current maturities of long-term debt	21.7	16.1
Accounts payable	105.9	127.2
Accrued liabilities	363.3	369.8
Total current liabilities	501.4	520.3
Long-term debt	230.3	172.3
Accrued pension costs	175.2	192.1
Retirement benefits other than pensions	216.8	198.3
Deferred income taxes	28.2	30.5
Other	168.8	170.5
Total liabilities	1,320.7	1,284.0
Commitments and contingent liabilities (notes 4, 5 and 12)		

Equity:

The Brink's Company ("Brink's") shareholders' equity:

Common stock	47.8	47.9
Capital in excess of par value	554.9	550.2
Retained earnings	514.4	514.8
Accumulated other comprehensive loss	(619.8)	(578.0)
Total Brink's shareholders' equity	497.3	534.9
Noncontrolling interests	62.3	60.9
Total equity	559.6	595.8
Total liabilities and equity	\$1,880.3	1,879.8

See accompanying notes to consolidated financial statements.

THE BRINK'S COMPANY
and subsidiaries

Consolidated Statements of Income
(Unaudited)

(In millions, except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Revenues	\$729.4	751.9	1,464.8	1,484.4
Costs and expenses:				
Cost of revenues	603.6	620.5	1,213.7	1,211.6
Selling, general and administrative expenses	102.6	102.6	202.6	206.9
Total costs and expenses	706.2	723.1	1,416.3	1,418.5
Other operating income (expense)	8.3	(2.1)	6.8	2.5
Operating profit	31.5	26.7	55.3	68.4
Interest expense	(2.3)	(2.8)	(4.8)	(5.5)
Interest and other income	0.7	2.0	2.1	6.0
Income from continuing operations before tax	29.9	25.9	52.6	68.9
Provision for income taxes	6.3	6.6	30.6	17.1
Income from continuing operations	23.6	19.3	22.0	51.8
Income (loss) from discontinued operations	0.8	4.3	(2.6)	5.1
Net income	24.4	23.6	19.4	56.9
Less net income attributable to noncontrolling interests	(2.9)	(3.3)	(6.1)	(13.6)
Net income attributable to Brink's	21.5	20.3	13.3	43.3
Amounts attributable to Brink's:				
Income from continuing operations	20.7	16.0	15.9	38.2
Income (loss) from discontinued operations	0.8	4.3	(2.6)	5.1
Net income attributable to Brink's	\$21.5	20.3	13.3	43.3
Earnings per share attributable to Brink's common shareholders:				
Basic:				
Continuing operations	\$0.42	0.35	0.33	0.82
Discontinued operations	0.02	0.09	(0.05)	0.11
Net income	0.44	0.44	0.27	0.93
Diluted:				

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Continuing operations	\$0.42	0.34	0.32	0.82
Discontinued operations	0.02	0.09	(0.05)	0.11
Net income	0.44	0.44	0.27	0.93
Weighted-average shares				
Basic	48.8	46.4	48.8	46.3
Diluted	49.1	46.6	49.1	46.6
Cash dividends paid per common share	\$0.10	0.10	0.20	0.20

See accompanying notes to consolidated financial statements.

THE BRINK'S COMPANY
and subsidiaries

Consolidated Statement of Shareholders' Equity

Six months ended June 30, 2010
(Unaudited)

(In millions)	Shares	Common Stock	Attributable to Brink's 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	-	-	-	13.3	-	6.1	19.4
Other comprehensive income (loss)	-	-	-	-	(41.8)	1.8	(40.0)
Share repurchases	(0.2)	(0.2)	(2.0)	(1.3)	-	-	(3.5)
Dividends:							
Brink's common shareholders (\$0.20 per share)	-	-	-	(9.6)	-	-	(9.6)
Noncontrolling interests	-	-	-	-	-	(9.4)	(9.4)
Share-based compensation:							
Stock options and awards:							
Compensation expense	-	-	1.9	-	-	-	1.9
Consideration received from exercise of stock options	0.3	0.3	5.9	-	-	-	6.2
Excess tax benefits of stock compensation	-	-	0.7	-	-	-	0.7
Other share-based benefit programs	(0.2)	(0.2)	(1.8)	(2.8)	-	-	(4.8)
Acquisition of new subsidiaries	-	-	-	-	-	2.9	2.9

Balance as of								
June 30, 2010	47.8	\$47.8	554.9	514.4	(619.8)	62.3	559.6

See accompanying notes to consolidated financial statements.

THE BRINK'S COMPANY
and subsidiaries

Consolidated Statements of Cash Flows
(Unaudited)

(In millions)	Six Months Ended June 30,	
	2010	2009
Cash flows from operating activities:		
Net income	\$ 19.4	56.9
Adjustments to reconcile net income to net cash provided by operating activities:		
(Income) loss from discontinued operations, net of tax	2.6	(5.1)
Depreciation and amortization	65.2	63.5
Stock compensation expense	1.9	1.3
Deferred income taxes	13.8	(8.5)
Retirement benefit funding (more) less than expense:		
Pension	(3.4)	0.8
Other than pension	7.9	6.1
Gains:		
Sales of property and other assets	(0.7)	(8.2)
Acquisitions of controlling interest of equity-method investments	-	(1.0)
Impairment losses	0.4	2.1
Other operating	7.6	0.7
Changes in operating assets and liabilities, net of effects of acquisitions:		
Accounts receivable	(19.8)	6.7
Accounts payable, income taxes payable and accrued liabilities	(3.8)	(31.2)
Prepaid and other current assets	(30.4)	(19.0)
Other	(0.7)	(2.9)
Discontinued operations	(11.5)	23.6
Net cash provided by operating activities	48.5	85.8
Cash flows from investing activities:		
Capital expenditures	(61.2)	(74.5)
Acquisitions	(13.6)	(49.0)
Marketable securities:		
Purchases	-	(10.5