BRINKS CO
Form 10-K
February 28, 2014

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, 2013

OR

¨ 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<br>(State or other jurisdiction of incorporation or organization) | 54-1317776<br>(I.R.S. Employer Identification No.) |
|---|---|
| P.O. Box 18100,<br>1801 Bayberry Court<br>Richmond, Virginia<br>(Address of principal executive offices) | 23226-8100<br>(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 ¨

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 ¨ 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 ¨

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 (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

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. x

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.

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 February 21, 2014, there were issued and outstanding 48,425,029 shares of common stock. The aggregate market value of shares of common stock held by non-affiliates as of June 30, 2013, was $1,220,954,365.

Documents incorporated by reference: Part III incorporates information by reference from portions of the Registrant's definitive 2014 Proxy Statement to be filed pursuant to Regulation 14A.

THE BRINK'S COMPANY

FORM 10-K
FOR THE YEAR ENDED DECEMBER 31, 2013

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# PART I

## ITEM 1.  BUSINESS

### Overview

The Brink’s Company is a premier provider of secure logistics and security solutions, including cash-in-transit, ATM replenishment and maintenance, secure international transportation of valuables and cash management services, to financial institutions, retailers, government agencies including central banks, mints, jewelers and other commercial operations around the world.  Our international network serves customers in more than 100 countries and employs approximately 65,100 people.  Our operations include approximately 1,000 facilities and 12,700 vehicles. Our headquarters are located in Richmond, Virginia.  A significant portion of our business is conducted internationally, with 82% of our $3.9 billion in revenues earned outside the United States.  The Brink’s Company, along with its subsidiaries, is referred to as “we,” “our,” “Brink’s,” or “the Company” throughout this Form 10-K.

Effective December 31, 2013, Brink’s changed its reporting segments.  Brink’s now reports its financial results in four segments: Latin America; Europe, Middle East and Africa (“EMEA”); North America and Asia Pacific.   Previously, the Company’s reporting segments were International (comprised of Latin America, EMEA and Asia Pacific) and North America.

Financial information related to our four segments and non-segment income and expense is included in the consolidated financial statements on pages 68–112.  Financial results are reported in U.S. dollars and are affected by fluctuations in the relative value of foreign currencies.  Additional information about risks associated with our foreign operations is provided on pages 7, 47 and 67.  We have significant liabilities associated with our retirement plans, a portion of which has been funded.  See pages 55–58 and 84–92 for more information on these liabilities.  Additional risk factors are described on pages 7–11.

### Business and Financial Highlights

Brink’s operations are located throughout the world with the majority of our revenues (77%) and segment operating profit (98%) earned outside of North America.

We serve customers in over 100 countries.  Our global network includes ownership interests in operations in 43 countries and agency relationships with companies in additional countries.  In some instances, local laws limit the extent of our ownership interest.

Latin America’s operations include 442 branches in 11 countries.  Latin America’s operations generated $1.7 billion in revenues in 2013, representing 44% of Brink’s consolidated revenues and segment operating profit of $150 million (59% of consolidated segment operating profit).   In 2013, per-country revenues and percentage of total Latin America revenues for the largest countries in the region were as follows: Mexico – $450 million (26%), Venezuela – $447 million (26%), and Brazil – $392 million (23%).

EMEA’s operations include 228 branches in 21 countries.  EMEA’s operations generated $1.2 billion in revenues in 2013, representing 30% of Brink’s consolidated revenues. Segment operating profit was $82 million, representing 32% of consolidated segment operating profit.  EMEA’s largest operation is in France with $543 million (46% of EMEA revenues).

North America’s operations include 143 branches in the U.S. and 51 branches in Canada. North America’s operations generated 2013 revenues of $898 million, representing 23% of Brink’s consolidated revenues. Segment operating profit was $5 million or 2% of consolidated segment operating profit.

Asia Pacific operates 95 branches in 9 countries and generated $145 million in revenues (4% of consolidated revenues) and $17 million in segment operating profit (7% of consolidated segment operating profit) in 2013.

The majority of Brink's consolidated revenues in 2013 was earned in 9 countries, each contributing in excess of $100 million. The 2013 revenues from these countries totaled $3.1 billion or 80% of consolidated revenues. These operations, in declining order of revenues, were the U.S., France, Mexico, Venezuela, Brazil, Canada, Colombia, Argentina, and the Netherlands.

| (In millions) | | 2013 | % total | % change | | 2012 | % total | % change | | 2011 | % total | % change |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenues by region: | | | | | | | | | | | | |
| Latin America: | | | | | | | | | | | | |
| Mexico | $ | 450.4 | 11 | 6 | $ | 424.0 | 11 | 2 | $ | 415.2 | 11 | fav |
| Venezuela | | 447.1 | 11 | 31 | | 342.6 | 9 | 27 | | 269.2 | 7 | 45 |
| Brazil | | 392.0 | 10 | 1 | | 388.3 | 10 | - | | 386.8 | 11 | 28 |
| Other | | 431.2 | 11 | 2 | | 424.5 | 11 | 9 | | 389.5 | 11 | 16 |
| Total | | 1,720.7 | 44 | 9 | | 1,579.4 | 42 | 8 | | 1,460.7 | 40 | 66 |
| EMEA | | | | | | | | | | | | |
| France | | 542.5 | 14 | 1 | | 535.5 | 14 | (2) | | 545.2 | 15 | 7 |
| Other | | 635.8 | 16 | 8 | | 590.4 | 16 | (1) | | 597.8 | 16 | 16 |
| Total | | 1,178.3 | 30 | 5 | | 1,125.9 | 30 | (1) | | 1,143.0 | 31 | 12 |
| North America | | | | | | | | | | | | |
| U.S. | | 707.5 | 18 | - | | 706.7 | 19 | (4) | | 733.5 | 20 | - |
| Canada | | 190.9 | 5 | 2 | | 186.6 | 5 | (2) | | 189.9 | 5 | 2 |
| Total | | 898.4 | 23 | 1 | | 893.3 | 24 | (3) | | 923.4 | 25 | 1 |
| Asia Pacific | | 144.8 | 4 | 6 | | 136.4 | 4 | - | | 135.8 | 4 | 27 |
| Total Revenues | $ | 3,942.2 | 100 | 6 | $ | 3,735.0 | 100 | 2 | $ | 3,662.9 | 100 | 25 |

Amounts may not add due to rounding.

Geographic financial information related to revenues and long-lived assets is included in the consolidated financial statements on page 82.

Services

Brink's provides customized contractual services designed to meet the distinct needs of our customers. 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 various markets as well as the volume of business for specific customers. Cash-in-transit ("CIT") and ATM 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. Contracts for Cash Management Services 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 typically stronger during this period. Following are descriptions of our diverse service offerings.

Core Services (55% of total revenues in 2013)
CIT and ATM Services are core services we provide to customers throughout the world. Core services generated approximately $2.2 billion of revenues in 2013.

CIT Services – Serving customers since 1859, our success in CIT is driven by a combination of rigorous security practices, high-quality customer service, risk management and logistics expertise. CIT Services generally include the secure transportation of:

- cash between businesses and financial institutions such as banks and credit unions
- cash, securities and other valuables between commercial banks, central banks and investment banking and brokerage firms
- new currency, coins, bullion and precious metals for central banks and other customers

ATM Services – We provide customers who own and operate ATMs a variety of service options. We manage 88,800 ATMs worldwide.

- We provide basic ATM management services using our secure transportation network, including cash replenishment and first and second line maintenance.
- We also provide premium service levels for Brink's Integrated Managed Services ("Brink's IMS") clients. Brink's IMS' offerings include cash replenishment, replenishment forecasting, cash optimization, ATM remote monitoring, service call dispatching, transaction processing, installation services, and first and second line maintenance.

High-Value Services (37% of total revenues in 2013)
Our Core Services, combined with our brand and global infrastructure, provide a substantial platform from which we offer additional High-Value Services. High-Value Services generated approximately $1.5 billion of revenues in 2013.

Global Services – Serving customers in more than 100 countries, Brink's is a leading global provider of secure logistics for valuables including diamonds, jewelry, precious metals, securities, currency, high-tech devices, electronics and pharmaceuticals. Our comprehensive suite of services includes packing, pickup, secure storage, inventory management, customs clearance, consolidation and secure transport and delivery through a combination of armored vehicles and secure air and sea transportation to leverage our extensive global network. Our specialized diamond and jewelry operations have offices in the world's major diamond and jewelry centers.

Cash Management Services – 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 Management Services include:
- money processing (e.g., counting, sorting, wrapping, checking condition of bills, etc.) and other 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

Other cash 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 tools that enable banks and other customers to reduce costs while improving service to their customers.

Brink's 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. Once the specialized safe is installed, 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 securely transported to a vault for processing where contents are verified and transferred for deposit. Our CompuSafe service features currency-recognition and counterfeit-detection technology, multi-language touch screens and an electronic interface between the point-of-sale, back-office systems and external banks. Our electronic reporting interface with external banks enables 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 Services, Cash Management Services, vaulting and electronic reporting technologies to help banks expand into new markets while minimizing investment in vaults and branch facilities. In addition to providing secure storage, we process deposits, provide check imaging and reconciliation services, perform currency inventory management, process ATM replenishment orders and electronically transmit banking transactions.

We believe the quality and scope of our money processing and information systems differentiate our Cash Management Services from competitive offerings.

Payment Services – We provide convenient payment services, including bill payment processing, mobile top-up, Brink's Money™ prepaid cards, and the Brink's Checkout service.

Bill payment processing services include bill payment acceptance and processing services on behalf of utility companies and other billers. Consumers can pay bills, top-up prepaid mobile phones and manage accounts at Brink's payment locations or locations that we operate on behalf of utility companies and banks. This service is offered at over 20,000 locations in Brazil, Mexico, Colombia and Panama.

We offer Brink's Money™ prepaid payroll cards to employers so that they can pay their employees electronically. Brink's Money™ cards can be used at stores, restaurants and online retailers, provide access to cash at ATM's worldwide, and are more efficient than traditional paper paychecks. This product is targeted to the millions of unbanked and under-banked Americans looking for alternative financial products.

In January 2014, we launched Brink's Checkout, a payment processing service that enables merchants to sell online to global markets. Brink's Checkout is a turn key e commerce payments service that complies with Payment Card Industry (PCI) data security

standards and enables merchants to accept online credit card, debit card and PayPal™ payments. The system can be set up in minutes and works across 196 countries, 26 different currencies, and 15 languages.

Commercial Security Systems –We provide commercial security system services in designated markets in Europe. Our security system design and installation services include alarms, motion detectors, closed-circuit televisions, digital video recorders, and access control systems, including card and biometric readers, electronic locks, and turnstiles. Monitoring services may also be provided after systems have been installed.

Other Security Services (8% of total revenues in 2013)
Security and Guarding – We protect airports, offices, warehouses, stores, and public venues with or without electronic surveillance, access control, fire prevention and highly trained patrolling personnel.

We offer security and guarding services in France, Luxembourg, Greece and Germany. A portion of this business involves long-term contracts related primarily to security services at airports and embassies. Generally, guarding contracts are for a one-year period, and the majority of contracts are extended.

Strategy
Our growth strategy is as follows:

- Maximize profits in developed markets
  - Invest in higher-margin solutions to shift revenue mix from Core Services to High-Value Services.
  - Invest in Brink's Integrated Management Services, which provides cash supply chain solutions for our financial institution customers. See page 2 for more detail.
  - Reduce presence in underperforming markets.
- Invest in emerging markets that meet internal metrics for projected growth, profitability and return on investment. Continue to invest in Latin America to benefit from strong growth in the region.
- Invest in adjacent security-related markets where we can create value for customers with our brand, security expertise, global infrastructure and other competitive advantages.
  - Examples include several new Payment Services businesses that provide services to consumers and small businesses.
  - Explore the re-entry of the monitored home security and "smart home" industry. In 2008, we spun off our residential security business, and we believe consumers continue to trust our brand and capabilities.

Our strategy to control costs is as follows:

- Global procurement – achieve cost synergies available to companies of Brink's size and geographic scope.
- Centralize management and reduce costs of key functions, such as purchase and maintenance of our fleet, IT resources, travel management, and back-office functions such as finance and human resources.
- Organizational structure – ensure appropriate spans of control and layers of management to promote an effective and non-bureaucratic structure.
- Deliver on productivity investments and cost control efforts in the U.S.

Industry and Competition
Brink's competes with large multinational, regional and smaller companies throughout the world. Our largest multinational competitors are G4S plc (U.K.); Loomis 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
- value-based solutions expertise
- global infrastructure and customer base
- proprietary cash processing and information systems
- proven operational excellence
- high-quality insurance coverage and financial strength

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, and less stringent security and service standards.

Although we face competitive pricing pressure in many markets, we resist competing on price alone. We believe our high levels of service and security, as well as value-added solutions 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. 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 fluctuate depending on market conditions. The security loss experience of Brink's and, to a limited extent, other armored carriers affects our premium rates.

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 for safes and related services, including our integrated CompuSafe® service, which expire between 2015 and 2027. These patents provide us with important advantages; however, we are not dependent on the existence of these patents.

We have licensed the Brink's name to a limited number of companies, including a distributor of security products (padlocks, door hardware, etc.) offered for sale to consumers through major retail chains.

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. Operations outside of the United States are regulated to varying degrees by the countries in which we operate.

Employee Relations
At December 31, 2013, our company had approximately 65,100 full-time and contract employees, including approximately 7,600 employees in the United States (of whom approximately 950 were classified as part-time

employees) and approximately 57,500 employees outside the United States. At December 31, 2013, Brink's was a party to twelve collective bargaining agreements in North America with various local unions covering approximately 1,700 employees. The agreements have various expiration dates from 2014 to 2020. Outside of North America, approximately 58% of employees are represented by trade union organizations. We believe our employee relations are satisfactory.

Acquisitions

Below is a summary of the significant businesses we acquired in the last three years. See note 6 to the consolidated financial statements for more information on these acquisitions.

France. In January 2012, we acquired Kheops, SAS, a provider of logistics software and related services, for $17 million. This acquisition gives us proprietary control of software used primarily in our CIT and Cash Management Services operations in France.

Brazil. In January 2013, we acquired Brazil-based Rede Transacoes Eletronicas Ltda. ("Rede Trel") for $28 million. Rede Trel distributes electronic prepaid products, including mobile phone airtime, via a network of approximately 20,000 retail locations across Brazil. Rede Trel's strong distribution network supplements Brink's existing payments business, ePago, which has operations in Brazil, Mexico, Colombia and Panama.

Discontinued Operations

Below is a summary of the significant businesses we disposed in the last three years. See note 18 to the consolidated financial statements for more information on these dispositions. The results of these operations have been excluded from continuing operations and are reported as discontinued operations for the current and prior periods. We continue to operate our Global Services business in each of these countries.

Cash-in-transit operations sold or shut down:

- Poland (sold in March 2013)
- Turkey (shut down in June 2013)
- Hungary (sold in September 2013)
- Germany (sold in December 2013)

Our former CIT operation in Belgium filed for bankruptcy in November 2010, after a restructuring plan was rejected by local union employees, and was placed in bankruptcy on February 2, 2011. We deconsolidated the Belgium subsidiary in 2010.

Guarding operations sold:

- Morocco (December 2012)
- France (January 2013)
- Germany (July 2013)

Other operations sold:

- We sold Threshold Financial Technologies, Inc. in Canada in November 2013. Threshold operated private-label ATM network and payment processing businesses. Brink's continues to own and operate Brink's Integrated Managed Services for ATM customers.
- We sold ICD Limited and other affiliated subsidiaries in November 2013. ICD had operations in China and other locations in Asia. ICD designed and installed security systems for commercial customers.

Former Coal Businesses. We have significant liabilities related to benefit plans that pay medical costs for retirees of our former coal operations. A portion of these liabilities has been funded. We expect to have ongoing expenses within continuing operations and future cash outflow for these liabilities. See notes 3 and 18 to the consolidated financial statements for more information.

Available Information and Corporate Governance Documents

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

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

The following documents are also available free of charge on our website:

- Corporate governance policies
- Business Code of Ethics
- The charters of the following committees of our Board of Directors (the "Board"): 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.

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ITEM 1A.  RISK FACTORS

We operate in highly competitive industries.

We compete in industries that are subject to significant competition and pricing pressures in most markets.  In addition, our business model requires significant fixed costs associated with offering many of our services including costs to operate a fleet of armored vehicles and a network of secure branches.  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 from competitors or failure to achieve pricing based on the competitive advantages identified above could result in lost volume of business and have an adverse effect on our business, financial condition, results of operations and cash flows.  In addition, given the highly competitive nature of our industries, it is important to develop new solutions and product and service offerings to help retain and expand our customer base.  Failure to develop, sell and execute new solutions and offerings in a timely and efficient manner could also negatively affect our ability to retain our existing customer base or pricing structure and have an adverse effect on our business, financial condition, results of operations and cash flows.

Decreased use of cash could have a negative impact on our business.

The proliferation of payment options other than cash, including credit cards, debit cards, stored-value cards, mobile payments and on-line purchase activity, could result in a reduced need for cash in the marketplace and a decline in the need for physical bank branches and retail stores.  To mitigate this risk, we are developing new lines of business and investing in adjacent security-related markets, but there is a risk that these initiatives may not offset the risks associated with our traditional cash-based business and that our business, financial condition, results of operations and cash flows could be negatively impacted.

We have significant operations outside the United States.

We currently serve customers in more than 100 countries, including 43 countries where we operate subsidiaries.  Eighty-two percent (82%) of our revenue in 2013 came from operations outside the U.S.  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;
- enforcement of our global compliance program in foreign countries with a variety of laws, cultures and customs;
- varying permitting and licensing requirements in different jurisdictions;
- foreign ownership laws;
- changes in the general political and economic conditions in the countries where we operate, particularly in emerging markets;
- threat of nationalization and expropriation;
- potential termination of the use of the euro and adoption of weaker new currencies as a result of the continued crisis in the Euro zone;
- higher costs and risks of doing business in a number of foreign jurisdictions;
- laws or other requirements and restrictions associated with organized labor;
- 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; and
- inability to collect for services provided to government entities.

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 the cost of 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; and
- these countries may be deemed "highly inflationary" for U.S. generally accepted accounting principles ("GAAP") purposes.

We manage these risks by monitoring current and anticipated political and economic developments, monitoring adherence to our global compliance program 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, results of operations and cash flows.

The gap between the official exchange rate in Venezuela and the unofficial rate widened in 2013. We expect the gap to continue to widen in the future. We use the official exchange rate to translate the income statements and balance sheets of our Venezuelan operations and our consolidated results expressed in U.S. dollars would not be as favorable if we had used unofficial rates.

The unofficial currency exchange markets used to exchange Venezuelan bolivars to U.S. dollars report rates that are significantly less favorable than the local official rate. At December 31, 2013, we held $93.8 million of cash and cash equivalents denominated in bolivars based on current official exchange rates. The amount of cash reported in our consolidated balance sheet at the end of 2013 would have declined by $86 million had we used recent unofficial market rates instead of the official rate to remeasure the local currency. Similarly, our reported revenues related to Venezuela would have declined by approximately $400 million.

Currency restrictions in Venezuela limit our ability to use earnings and cash flows outside of Venezuela and may negatively affect ongoing operations in Venezuela.

Because most of our past requests to convert bolivars to dollars have not been approved and certain past processes to obtain dollars are no longer available, we do not expect to be able to repatriate cash from Venezuela for the foreseeable future. Therefore, we do not expect to be able to use cash held in Venezuela for any purpose outside of that country, including reducing our U.S. debt, funding growth or business acquisitions or returning cash to shareholders.

We believe that currency exchange restrictions in Venezuela may disrupt the operation of our business in Venezuela because we may be unable to pay for goods and services that are required to be paid in dollars. This could reduce our ability to provide services to our customers in Venezuela, or could increase the cost of delivering the services, which would negatively affect our earnings and cash flows, and could result in a loss of control, shutdown or loss of the business in Venezuela.

Currency restrictions in Argentina may require us to use more expensive methods to repatriate earnings.

The Argentinean government has, from time-to-time, imposed limits on the exchange of local pesos into U.S. dollars. As a result, we have elected in the past and may elect in the future to repatriate cash from Argentina using alternative legal methods, which may result in less favorable exchange rates. At December 31, 2013, our Argentinean operations held $10.9 million in Argentinean pesos.

Our growth strategy may not be successful.

One element of our growth strategy is to extend our brand, strengthen our brand portfolio and expand our geographic reach through investments in adjacent security-related markets and selective acquisitions and divestitures. While we may identify opportunities for investments to support our growth strategy as well as acquisition and divestiture opportunities, our due diligence examinations and positions that we may take with respect to appropriate valuations for acquisitions and divestitures and other transaction terms and conditions may hinder our ability to successfully complete business transactions to achieve our strategic goals. In addition we may fail to achieve strategic objectives and anticipated revenue and segment operating profit improvements. There can be no assurance that:

- we will identify and be successful in pursuing investment opportunities,
- we will be able to acquire attractive businesses on favorable terms,
- all future acquisitions will be accretive to earnings, or
- future acquisitions will be rapidly and efficiently integrated into existing operations.

We may be unable to achieve, or may be delayed in achieving, our cost control initiatives.

We have launched a number of cost control initiatives to improve operating efficiencies and reduce operating costs. Although we have achieved annual cost savings associated with these initiatives, we may be unable to sustain the cost savings that we have achieved. In addition, if we are unable to achieve, or have any unexpected delays in achieving, additional cost savings, our results of operations and cash flow may be adversely affected. Even if we meet our goals as a result of these initiatives, we may not receive the expected financial benefits of these initiatives.

We may not realize the expected benefits of strategic acquisitions because of integration difficulties and other challenges, which may adversely affect our financial condition, results of operations or cash flows.

Our ability to realize the anticipated benefits from recent acquisitions will depend, in part, on successfully integrating each business with our company as well as improving operating performance and profitability through our management efforts and capital investments. The risks to a successful integration and improvement of operating performance and profitability include, among others, failure to implement our business plan, unanticipated issues in integrating operations with ours, unanticipated changes in laws and regulations, labor unrest resulting from union



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operations, regulatory, environmental and permitting issues, the effect on our internal controls and compliance with the regulatory requirements under the Sarbanes-Oxley Act of 2002, and difficulties in fully identifying and evaluating potential liabilities, risks and operating issues. The occurrence of any of these events may adversely affect our expected benefits of the recent acquisitions and may have a material adverse effect on our financial condition, results of operations or cash flows.

We have significant deferred tax assets in the United States that may not be realized.

Deferred tax assets are future tax deductions that 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. We have $242 million of U.S. deferred tax assets recorded at the end of 2013 primarily related to our retirement plan obligations. These future tax deductions may not be realized if our expectations of future margin improvements of our U.S. business are not attained. Consequently, not realizing our U.S. deferred tax assets may significantly and materially affect our financial condition, results of operations and cash flows.

Restructuring charges may be required in the future.

There is a possibility we will take restructuring actions in one or more of our markets in the future to reduce expenses if a major customer is lost, if recurring operating losses continue, or if one of the risks described above in connection with our foreign operations materializes. 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 and materially affect results of operations and cash flows.

We have significant retirement obligations. Poor investment performance of retirement plan holdings and / or lower interest rates used to discount the obligations 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. The funded status of the primary U.S. pension plan was approximately 88% as of December 31, 2013. Based on actuarial assumptions at the end of 2013, we expect that we will be required to make contributions totaling $110 million to the plan over the next five years. This could adversely affect our liquidity and our ability to use our resources to make acquisitions and to otherwise grow our business.

We have $589 million of actuarial losses recorded in accumulated other comprehensive income (loss) at the end of 2013. These losses relate to changes in actuarial assumptions that have increased the net liability for benefit plans. These losses have not been recognized in earnings. These losses will be recognized in earnings in future periods to the extent they are not offset by future actuarial gains. Our projections of future cash requirements and expenses for these plans could be adversely affected if our retirement plans have additional actuarial losses.

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 companies in our industry affects premium rates. We are not 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 obtaining and retaining customers and managing 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, results of operations and cash flows could be materially and adversely affected.

We have risks associated with confidential individual information.

In the normal course of business, we collect, process and retain sensitive and confidential information about individuals. Despite the security measures we have in place, our facilities and systems, and those of third-party service providers and business partners, could be vulnerable to security breaches (including cybersecurity breaches), acts of vandalism, computer viruses, misplaced or lost data, programming or human errors or other similar events. Any security breach involving the misappropriation, loss or other unauthorized disclosure of confidential information, whether by us or by third-party service providers, could damage our reputation, expose us to the risks of litigation and liability, disrupt our business or otherwise have a material adverse effect on our business, financial condition, results of operations and cash flows.

Negative publicity to our name or brand could lead to a loss of revenue or profitability.

We are in the security business and our success and longevity are based to a large extent on our reputation for trust and integrity. Our reputation or brand, particularly the trust placed in us by our customers, could be negatively impacted in the event of perceived or actual breaches in our ability to conduct our business ethically, securely and responsibly. Any damage to our brand could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Failures of our IT system could have a material adverse effect on our business.

We are heavily dependent on our information technology (IT) infrastructure. Significant problems with our infrastructure, such as telephone or IT system failure, cybersecurity breaches, or failure to develop new technology platforms to support new initiatives and product and service offerings, could halt or delay our ability to service our customers, hinder our ability to conduct and expand our business and require significant remediation costs. In addition, we continue to evaluate and implement upgrades to our IT systems. We are aware of inherent risks associated with replacing these systems, including accurately capturing data and system disruptions, and believe we are taking appropriate action to mitigate these risks through testing, training, and staging implementation. However, there can be no assurances that we will successfully launch these systems as planned or that they will occur without disruptions to our operations. Any of these events could have a material adverse effect on our business, financial condition, results of operations and cash flows.

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. Many countries have permit requirements for security services and prohibit foreign companies from providing different types of security services.

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, results of operations and cash flows could be materially and adversely affected.

Our inability to access capital or significant increases in our 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 the 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 retained obligations from the sale of BAX Global.

In January 2006 we sold BAX Global (the Company's former international freight forwarding and logistics operations). We retained some of the obligations related to these operations, primarily for taxes owed prior to 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 effect on our financial condition, results of operations and cash flows.

We are subject to covenants for our credit facilities and for our unsecured notes.

Our credit facilities as well as our unsecured notes are subject to 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 total amount of indebtedness we can incur, 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



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outstanding to be immediately payable and terminate all commitments to extend further credit. The occurrence of these events would have a significant effect on our liquidity and cash flows.

Our effective income tax rate could change.

We serve customers in more than 100 countries, including 43 countries where we operate subsidiaries, 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. We are subject to the regular examination of our income tax returns by various tax authorities. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for taxes. There can be no assurance that the outcomes from these examinations will not have a material adverse effect on our business.

We have certain environmental and other exposures related to our former coal operations.

We may incur future environmental and other liabilities in connection with our former coal operations, which could materially and adversely affect our financial condition, results of operations and cash flows.

We may be exposed to certain regulatory and financial risks related to climate change.

Growing concerns about climate change may result in the imposition of additional environmental regulations to which we are subject. Some form of federal regulation may be forthcoming with respect to greenhouse gas emissions (including carbon dioxide) and/or "cap and trade" legislation. The outcome of this legislation may result in new regulation, additional charges to fund energy efficiency activities or other regulatory actions. Compliance with these actions could result in the creation of additional costs to us, including, among other things, increased fuel prices or additional taxes or emission allowances. We may not be able to recover the cost of compliance with new or more stringent environmental laws and regulations from our customers, which could adversely affect our business. Furthermore, the potential effects of climate change and related regulation on our customers are highly uncertain and may adversely affect our operations.

Forward-Looking Statements

This document contains both historical and forward-looking information. Words such as “anticipates,” “assumes,” “estimates,” “expects,” “projects,” “predicts,” “intends,” “plans,” “potential,” “believes,” “may,” “should” and similar expressi identify forward-looking information. Forward-looking information in this document includes, but is not limited to, statements regarding future performance of The Brink’s Company and its global operations, including organic revenue growth and segment operating profit margin in 2014, the repatriation of cash from our Venezuelan and Argentinean operations, the anticipated financial effect of pending litigation, revenue and depreciation, profit growth and expected margins in the Company’s operating segments, the acquisition of new vehicles in the United States with capital leases, interest expense and rental expense related to the U.S. fleet, expected non-segment income and expenses, 2014 projected interest expense and interest and other income, the realization of deferred tax assets, our anticipated effective tax rate for 2014 and our tax position, the reinvestment of earnings on operations outside the United States, net income attributable to noncontrolling interests, expected earnings in Venezuela, projected currency impact on revenue, capital expenditures, capital leases and depreciation and amortization, the funding of future acquisitions and pension obligations, the ability to meet liquidity needs, future payment of bonds issued by the Peninsula Ports Authority of Virginia, expenses and payouts for the U.S. retirement plans and the non-U.S. pension plans and the expected long-term rate of return and funded status of the primary U.S. pension plan, expected liability for and future contributions to the UMWA plans, liability for black lung obligations, the projected impact of future excise tax on the UMWA plans, our ability to obtain U.S. dollars to operate our business in Venezuela, future devaluation in Venezuela, the effect of accounting rule changes, the performance of counterparties to hedging agreements, the recognition of unrecognized tax positions, future amortizations into net periodic pension and post-retirement cost, the deductibility of goodwill, projected minimum repayments of long-term debt, the replacement of operating leases, future minimum lease payments, and the recognition of costs related to equity awards. Forward-looking information in this document is subject to known and unknown risks, uncertainties, and contingencies, which are difficult to quantify and 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 our control, include, but are not limited to:

- continuing market volatility and commodity price fluctuations and their impact on the demand for our services;
- our ability to continue profit growth in Latin America;
- our ability to maintain or improve volumes at favorable pricing levels and increase cost efficiencies in the United States and Europe;
- investments in information technology and value-added services and their impact on revenue and profit growth;
- our ability to develop and implement solutions for our customers and gain market acceptance of those solutions;
- our ability to maintain an effective IT infrastructure and safeguard confidential information;
- 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;
- the strength of the U.S. dollar relative to foreign currencies and foreign currency exchange rates;
- the stability of the Venezuelan economy, changes in Venezuelan policy regarding foreign-owned businesses;

- changes in currency restrictions and in official and unofficial foreign exchange rates;
- fluctuations in value of the Venezuelan bolivar;
- regulatory and labor issues in many of our global operations, including negotiations with organized labor and the possibility of work stoppages;
- our ability to identify and execute further cost and operational improvements and efficiencies in our core businesses;
- our ability to integrate successfully recently acquired companies and improve their operating profit margins;
- costs related to dispositions and market exits;
- our ability to identify evaluate and pursue acquisitions and other strategic opportunities including those in the home security industry and in emerging markets;
- the willingness of our customers to absorb fuel surcharges and other future price increases;
- the impact of turnaround actions responding to current conditions in Europe and North America and our productivity and cost control efforts in those regions;
- our ability to obtain necessary information technology and other services at favorable pricing levels from third party service providers;
- variations in costs or expenses and performance delays of any public or private sector supplier, service provider or customer;
- our ability to obtain appropriate insurance coverage, positions taken by insurers with respect to claims made and the financial condition of insurers, safety and security performance, our loss experience, changes in insurance costs;
- security threats worldwide and losses of customer valuables;
- costs associated with the purchase and implementation of cash processing and security equipment;
- employee and environmental liabilities in connection with our former coal operations, black lung claims incidence;
- the impact of the Patient Protection and Affordable Care Act on black lung liability and the Company's ongoing operations;
- changes to estimated liabilities and assets in actuarial assumptions due to payments made, investment returns, interest rates and annual actuarial revaluations, the funding requirements, accounting treatment, investment performance and costs and expenses of our pension plans, the VEBA and other employee benefits, mandatory or voluntary pension plan contributions;
- the nature of our hedging relationships;

- changes in estimates and assumptions underlying our critical accounting policies;
- our ability to realize deferred tax assets;
- the outcome of pending and future claims, litigation, and administrative proceedings;
- public perception of the Company's business and reputation;
- access to the capital and credit markets;
- seasonality, pricing and other competitive industry factors; and
- the promulgation and adoption of new accounting standards and interpretations, new government regulations and interpretations of existing regulations.

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, 2013.

| | Facilities | | | Vehicles | | |
|---|---|---|---|---|---|---|
| Region | Leased | Owned | Total | Leased | Owned | Total |
| U.S. | 131 | 26 | 157 | 1,920 | 183 | 2,103 |
| Canada | 38 | 14 | 52 | 480 | 14 | 494 |
| Latin America | 373 | 121 | 494 | 593 | 5,701 | 6,294 |
| EMEA | 210 | 37 | 247 | 580 | 2,556 | 3,136 |
| Asia Pacific | 97 | - | 97 | 6 | 638 | 644 |
| Total | 849 | 198 | 1,047 | 3,579 | 9,092 | 12,671 |

As of December 31, 2013, we had approximately 19,100 units for our CompuSafe® service installed worldwide, of which approximately 15,400 units were located in the U.S.

ITEM 3.  LEGAL PROCEEDINGS

For a discussion of legal proceedings, see note 22 to the consolidated financial statements, "Other Commitments and Contingencies," in Part II, Item 8 of this 10-K.

ITEM 4.  MINE SAFETY DISCLOSURES

Not applicable.

Executive Officers of the Registrant

The following is a list as of February 21, 2014, of the names and ages of the executive officers of The 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 |
|---|---|---|---|
| Thomas C. Schievelbein | 60 | Chairman, President and Chief Executive Officer | 2012 |
| Joseph W. Dziedzic | 45 | Vice President and Chief Financial Officer | 2009 |
| McAlister C. Marshall, II | 44 | Vice President and General Counsel | 2008 |
| Darren M. McCue | 40 | Vice President and Chief Commercial Strategy Officer | 2013 |
| Matthew A. P. Schumacher | 55 | Controller | 2001 |
| Holly R. Tyson | 42 | Vice President and Chief Human Resources Officer | 2012 |
| Patricia A. Watson | 47 | Vice President and Chief Information Officer | 2013 |

Executive and other officers of the Company are elected annually and serve at the pleasure of the Board.

Mr. Schievelbein is the Chairman, President and Chief Executive Officer of the Company and has held that position since June 2012, prior to which he served as the interim President and Chief Executive Officer of the Company from December 2011 to June 2012 and the interim Executive Chairman of the Company from November 2011 to December 2011. He has also served as a director of the Company since March 2009. He was President of Northrop Grumman Newport News, a subsidiary of the Northrop Grumman Corporation, a global defense company, from November 2001 until November 2004, and was a business consultant from November 2004 to November 2011. Mr. Schievelbein currently also serves as a director of Huntington Ingalls Industries, Inc. and New York Life Insurance Company.

Mr. Dziedzic is the Vice President and Chief Financial Officer of the Company. Mr. Dziedzic was hired in May 2009 and appointed to this position in August 2009. Before joining the Company, Mr. Dziedzic was Chief Financial Officer at GE Aviation Services, a producer, seller and servicer of jet engines, turboprop and turbo shaft engines and related replacement parts, from March 2006 to May 2009.

Mr. Marshall was appointed Vice President and General Counsel of the Company in September 2008. He also previously held the office of Secretary from September 2008 to July 2009 and from June 2012 to November 2013.

Mr. McCue is the Vice President and Chief Commercial Strategy Officer of the Company. Mr. McCue joined the Company and was appointed to this position in February 2013. Before joining the Company, Mr. McCue was Executive Vice President of Strategy and Business Development for Consumer Financial Solutions at Aetna Inc. from 2011 to 2013. He also served as Executive Vice President of Strategy and Product Development for PayFlex Systems USA, Inc. from 2007 until the company was acquired by Aetna in 2011.

Mr. Schumacher has served in his present position for more than the past five years.

Ms. Tyson is the Vice President and Chief Human Resources Officer of the Company.  Ms. Tyson was hired in August 2012 and appointed to this position in September 2012.  Before joining the Company, Ms. Tyson was with Bristol-Myers Squibb Company, a global biopharmaceutical company, where she was Vice President U.S. Pharmaceuticals Human Resources from 2010 to 2012, Executive Director World Wide Pharmaceuticals Talent & U.S. Pharmaceutical Sales Learning from 2009 to 2010, Senior Director Human Resources & U.S. Pharmaceuticals Sales Learning from 2008 to 2009.

Ms. Watson is Vice President and Chief Information Officer of the Company.  Ms. Watson joined the Company in January 2013 and was appointed to this position in February 2013.  Prior to joining the Company, Ms. Watson was Senior Technology Executive with Bank of America's Treasury, Credit and Payments division from 2007 to 2012.



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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 18, 2014, there were 1,641 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:

| | 2013 Quarters | | | | 2012 Quarters | | | |
|---|---|---|---|---|---|---|---|---|
| | 1st | 2nd | 3rd | 4th | 1st | 2nd | 3rd | 4th |
| Dividends declared per common share | $ 0.1000 | 0.1000 | 0.1000 | 0.1000 | $0.1000 | 0.1000 | 0.1000 | 0.1000 |
| Stock prices: | | | | | | | | |
| High | $ 30.75 | 28.36 | 28.76 | 34.76 | $ 29.64 | 26.73 | 25.82 | 29.87 |
| Low | 25.90 | 24.07 | 25.41 | 26.58 | 23.39 | 20.91 | 21.70 | 24.67 |

See note 17 to the consolidated financial statements for a description of limitations of our ability to pay dividends in the future.

On March 6, 2012, the Company made a contribution of 361,446 shares of the Company's common stock (the "Shares") to The Brink's Company Pension-Retirement Plan Trust (the "Trust") created under The Brink's Company Pension-Retirement Plan (the "Plan") in consideration for a credit against the Company's funding obligations to the Plan. The Shares were valued for purposes of the contribution at $24.90 per share, or $9.0 million in the aggregate. The Shares were contributed to the Trust in a private placement transaction made in reliance upon the exemption from registration provided by Section 4(2) of the Securities Act of 1922, as amended.

The following graph compares the cumulative 5-year total return provided to shareholders of The Brink's Company's common stock compared 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 from December 31, 2008, through December 31, 2013. The performance of The Brink's Company's common stock assumes that the shareholder reinvested all dividends received during the period.

*$100 invested on 12/31/08 in stock or index, including reinvestment of dividends.
Fiscal year ending December 31.

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Source: Zacks Investment Research, 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(a)

| | Years Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| The Brink's Company | $ 100.00 | 91.90 | 103.26 | 104.75 | 112.95 | 137.04 |
| S&P Midcap 400 Index | 100.00 | 137.38 | 173.98 | 170.96 | 201.53 | 269.04 |
| S&P Midcap 400 Commercial Services & Supplies Index | 100.00 | 120.33 | 146.78 | 159.85 | 187.08 | 258.89 |

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(a) 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, 2008, through December 31, 2013, with the value of each index set to $100 on December 31, 2008. Total return assumes reinvestment of dividends. 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

| | GAAP Basis | | | | |
|---|---|---|---|---|---|
| (In millions, except for per share amounts) | 2013 | 2012 | 2011 | 2010 | 2009 |
| | | | | | |
| Revenues and Operating Profit | | | | | |
| Revenues | $ 3,942.2 | 3,735.0 | 3,662.9 | 2,925.3 | 2,959.3 |
| Segment operating profit | $ 252.8 | 263.9 | 262.3 | 244.6 | 237.3 |
| Non-segment income (expense) | (81.1) | (88.9) | (59.8) | (62.6) | (46.6) |
| Operating profit | $ 171.7 | 175.0 | 202.5 | 182.0 | 190.7 |
| | | | | | |
| Income attributable to Brink's: | | | | | |
| Income from continuing operations | 71.9 | 111.2 | 100.3 | 87.1 | 220.1 |
| Loss income from discontinued operations(a) | (15.1) | (22.3) | (25.8) | (30.0) | (19.9) |
| Net income attributable to Brink's | $ 56.8 | 88.9 | 74.5 | 57.1 | 200.2 |
| | | | | | |
| Financial Position | | | | | |
| Property and equipment, net | $ 758.7 | 793.8 | 749.2 | 698.9 | 549.5 |
| Total assets | 2,498.0 | 2,553.9 | 2,406.2 | 2,270.5 | 1,879.8 |
| Long-term debt, less current maturities | 330.5 | 335.6 | 335.3 | 323.7 | 172.3 |
| Brink's shareholders' equity | 693.9 | 501.8 | 408.0 | 516.2 | 534.9 |
| | | | | | |
| Supplemental Information | | | | | |
| Depreciation and amortization | $ 173.6 | 155.7 | 148.1 | 123.9 | 122.3 |
| Capital expenditures | 177.7 | 177.9 | 183.7 | 135.7 | 160.4 |
| | | | | | |
| Earnings per share attributable to Brink's common shareholders | | | | | |
| Basic: | | | | | |
| Continuing operations | $ 1.48 | 2.30 | 2.10 | 1.81 | 4.65 |
| Discontinued operations(a) | (0.31) | (0.46) | (0.54) | (0.62) | (0.42) |
| Net income | $ 1.17 | 1.84 | 1.56 | 1.18 | 4.23 |
| | | | | | |
| Diluted: | | | | | |
| Continuing operations | $ 1.47 | 2.29 | 2.09 | 1.80 | 4.63 |
| Discontinued operations(a) | (0.31) | (0.46) | (0.54) | (0.62) | (0.42) |
| Net income | $ 1.16 | 1.83 | 1.55 | 1.18 | 4.21 |
| | | | | | |
| Cash dividends | $ 0.4000 | 0.4000 | 0.4000 | 0.4000 | 0.4000 |
| | | | | | |
| Weighted-average Shares | | | | | |
| Basic | 48.7 | 48.4 | 47.8 | 48.2 | 47.2 |
| Diluted | 49.0 | 48.6 | 48.1 | 48.4 | 47.5 |

(a) Loss from discontinued operations reflects the operations and gains and losses, if any, on disposal of ICD Limited and affiliated subsidiaries, Threshold Financial Technologies Inc., cash-in-transit operations in Germany, Hungary, Turkey, Poland, and Belgium, and guarding operations in France, Morocco, and Germany. Expenses

related to retained retirement obligations are recorded as a component of continuing operations after the respective disposal dates. Adjustments to contingent liabilities are recorded within discontinued operations.

Non-GAAP Basis*

| (In millions, except for per share amounts) | | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|
| | | | | | | |
| Revenues | $ | 3,942.2 | 3,735.0 | 3,662.9 | 2,925.3 | 2,721.4 |
| Segment operating profit | $ | 283.4 | 268.1 | 267.6 | 246.8 | 196.8 |
| Non-segment income (expense) | | (42.6) | (42.3) | (40.6) | (36.2) | (34.7) |
| Operating profit | $ | 240.8 | 225.8 | 227.0 | 210.6 | 162.1 |
| | | | | | | |
| Amounts attributable to Brink's: | | | | | | |
| Income from continuing operations | | 115.9 | 112.7 | 112.5 | 118.9 | 91.1 |
| Diluted EPS – continuing operations | $ | 2.37 | 2.32 | 2.34 | 2.46 | 1.92 |

*Reconciliations to GAAP results are found beginning on page 40.

# 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, 2013

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19

OPERATIONS

The Brink's Company

The Brink's Company offers transportation and logistics management services for cash and valuables throughout the world. These services include:

- Cash-in-Transit ("CIT") Services – armored vehicle transportation of valuables
- ATM Services – replenishing and maintaining customers' automated teller machines; providing network infrastructure services
- Global Services* – secure international transportation of valuables
- Cash Management Services*
  - o Currency and coin counting and sorting; deposit preparation and reconciliations; other cash management services
  - o Safe and safe control device installation and servicing (including our patented CompuSafe® service)
  - o Check and cash processing services for banking customers ("Virtual Vault Services")
  - o Check imaging services for banking customers
- Payment Services* – bill payment and processing services on behalf of utility companies and other billers at any of our Brink's or Brink's – operated payment locations in Latin America; Brink's Money™ prepaid payroll cards; Brink's Checkout e-commerce online payment services
- Security and Guarding Services – protection of airports, offices, and certain other locations in Europe with or without electronic surveillance, access control, fire prevention and highly trained patrolling personnel

* We consider these to be High-Value Services as described in more detail on page 3.

Executive Summary

Non-GAAP Financial Measures

We provide an analysis of our operations below on both a generally accepted accounting principles ("GAAP") and non-GAAP basis. The purpose of the non-GAAP information is to report our financial information as follows:

- excluding retirement expenses related to frozen retirement plans and retirement plans from former operations
- without certain income and expense items in 2011, 2012 and 2013
- after adjusting tax expense for certain items

The non-GAAP financial measures are intended to provide information to assist comparability and estimates of future performance. The adjustments are described in detail and are reconciled to our GAAP results on pages 40–46.

2013 versus 2012

GAAP

In 2013, our revenues increased $207.2 million or 6% and operating profit decreased $3.3 million or 2%. Revenues increased primarily due to organic growth in Latin America, partially offset by unfavorable changes in currency exchange rates. Operating profit decreased primarily due to the negative impact of changes in currency exchange rates ($36.1 million) and an organic profit decrease in North America ($26.8 million), partially offset by organic profit improvement in Latin America ($50.6 million) and a decrease in non-segment expenses ($7.8 million).

Income from continuing operations attributable to Brink's shareholders in 2013 decreased 35% compared to 2012 primarily due to higher tax expense ($24.9 million) mainly resulting from a $21.1 million tax benefit related to a change in retiree healthcare funding strategy in 2012, lower interest and other non-operating income ($5.6 million), and higher income attributable to noncontrolling interests ($3.5 million), in addition to the operating profit decrease mentioned above.

Earnings per share from continuing operations was $1.47, down from $2.29 in 2012.

Non-GAAP
The analysis of non-GAAP revenues is the same as the analysis of GAAP revenues.

Operating profit increased $15.0 million in 2013 primarily due to organic growth in our Latin America segment ($60.3 million), partially offset by an organic decrease in North America ($24.0 million) and the negative impact of changes in currency exchange rates ($22.7 million).

Income from continuing operations attributable to Brink's shareholders in 2013 increased 3% primarily due to the operating profit increase mentioned above and lower tax expense ($3.5 million), partially offset by higher income attributable to noncontrolling interests ($10.1 million).

Earnings per share from continuing operations was $2.37, up from $2.32 in 2012.

2012 versus 2011

GAAP

In 2012, our revenues increased $72.1 million or 2% and operating profit decreased $27.5 million or 14% from 2011. Revenues increased due to organic growth in our Latin America and EMEA segments, partially offset by unfavorable changes in currency exchange rates and an organic decrease in our North America segment. Operating profit decreased primarily due to increased U.S. retirement plan expenses ($28.2 million), the negative impact of changes in currency exchange rates ($15.2 million) and a gain recognized in 2011 on the sale of the U.S. Document Destruction business ($6.7 million), partially offset by organic profit improvement in our EMEA segment ($21.7 million) and a gain on the sale of real estate in Venezuela ($7.2 million).

Income from continuing operations attributable to Brink's shareholders in 2012 increased 11% compared to 2011 primarily due to lower tax expense ($36.9 million) mainly resulting from a $21.1 million tax benefit related to a change in retiree healthcare funding strategy, and lower income attributable to noncontrolling interests ($3.2 million), partially offset by the operating profit decrease mentioned above.

Earnings per share from continuing operations was $2.29, up from $2.09 in 2011.

Non-GAAP

The analysis of non-GAAP revenues is the same as the analysis of GAAP revenues.

Our operating profit decreased $1.2 million in 2012. Operating profit decreased primarily due to the negative impact of changes in currency exchange rates ($15.2 million) and lower results in our Latin America ($8.0 million) and Asia Pacific ($6.0 million) segments on an organic basis, partially offset by organic improvement in our EMEA ($21.7 million) and North American ($7.1 million) segments.

Income from continuing operations attributable to Brink's shareholders in 2012 was flat versus 2011 as lower income attributable to noncontrolling interests ($4.1 million) was offset by higher tax expense ($3.0 million) and the lower operating profit mentioned above.

Earnings per share from continuing operations was $2.32, down from $2.34 in 2011.

Outlook

See page 39 for a summary of our 2014 Outlook.

GAAP

Overall

Our organic revenue growth rate for 2014 is expected to be in the 5% to 8% range, and our estimate of the negative impact of changes in currency exchange rates on revenue is in the 3% to 5% range. Our operating segment margin is expected to be about 6.8%.

By Segment

Latin America organic revenue growth rate for 2014 is expected to be in the 12% to 14% range, and our estimate of the negative impact of changes in currency exchange rates on Latin America revenue is in the 6% to 8% range.  Our Latin America segment margin is expected to be in the 7.5% to 9.5% range.

EMEA organic revenue growth rate for 2014 is expected to be in the 0% to 2% range, and our estimate of the negative impact of changes in currency exchange rates on EMEA revenue is in the 1% to 3% range.  Our EMEA segment margin is expected to be in the 6% to 8% range.

North America organic revenue growth rate for 2014 is expected to be in the 0% to 2% range, with no impact of changes in currency exchange rates.  Our North America segment margin is expected to be in the 1.5% to 2.5% range for 2014.  We expect the North American margin to improve in 2014 and 2015, and we have a goal to reach 7% in 2016.

Asia Pacific organic revenue growth rate for 2014 is expected to be in the 5% to 7% range, and our estimate of the negative impact of changes in currency exchange rates on Asia Pacific revenue is in the 1% to 3% range. Our Asia Pacific segment margin is expected to be in the 9.5% to 11.5% range.

Non-GAAP

Overall

Our outlook for non-GAAP revenues is the same as our outlook for GAAP revenues. Our outlook for non-GAAP operating segment margin is expected to be about 7%.

By Segment

Our outlook for non-GAAP segment margin is the same as our outlook for GAAP segment margin for all segments except for North America. North America non-GAAP segment margin excludes the cost of U.S. retirement plans and is expected to be in the 2.5% to 3.5% range.

Performing Branches in U.S.

Performing branches is an internal profitability metric we use to measure our U.S. operations. We considered 45% of our branches to be performing branches in the U.S. at the end of 2013. Our goal is to increase performing branches to 75% by the end of 2016.

Definition of Organic Growth

Organic growth represents the change in revenues or operating profit between the current and prior period, excluding the effect of: acquisitions and dispositions, changes in currency exchange rates (as described on page 27) and the remeasurement of net monetary assets in Venezuela under highly inflationary accounting.

Business and Strategy Overview

We have four geographic operating segments:

- Latin America
- Europe, Middle East, and Africa ("EMEA")
- North America (U.S. and Canada)
- Asia Pacific

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
- value-based solutions expertise
- global infrastructure and customer base
- proprietary cash processing and information systems
- proven operational excellence
- 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. Our marketing and sales efforts are enhanced by the "Brink's" brand, so we seek to protect and build its value. Because 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.

Because of our emphasis on managing risks while providing a high level of service, we focus our marketing and selling efforts on customers who appreciate the value and breadth of our services, information and risk management capabilities, 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.

Business environments around the world change constantly. We must adapt to changes in competitive landscapes, regional economies and each customer’s level of business.

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.

Operating results may vary from period to period.  Because 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, security costs can vary depending on performance, cost of insurance coverage, and changes in crime rates (i.e., attacks and robberies).

Cash Management Services 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 Management 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 Management Services 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 Management Services to customers differentiates Brink's from many of its competitors.  Management is focused on continuing to grow Cash Management Services revenue.

Brink's revenues and related operating profit are generally higher in the second half of the year, particularly in the fourth quarter, due to generally increased economic activity associated with the holiday season.

Former Businesses

We have significant liabilities associated with our former coal operations, primarily related to retirement plans, which are partially funded by plan trusts.

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


- Non-segment Income (Expense) on page 33
- Liquidity and Capital Resources – Contractual Obligations – on page 55
- Application of Critical Accounting Policies – on page 59
- Notes 3 and 18 to the consolidated financial statements, which begin on page 84

RESULTS OF OPERATIONS

Consolidated Review

| | GAAP | | | % Change | | Non-GAAP(c) | | | % Change | |
|---|---|---|---|---|---|---|---|---|---|---|
| Years Ended December 31, | 2013 | 2012 | 2011 | 2013 | 2012 | 2013 | 2012 | 2011 | 2013 | 2012 |
| (In millions, except for per share amounts) | | | | | | | | | | |
| Revenues | $ 3,942.2 | 3,735.0 | 3,662.9 | 6 | 2 | $ 3,942.2 | 3,735.0 | 3,662.9 | 6 | 2 |
| Segment operating profit(a) | 252.8 | 263.9 | 262.3 | (4) | 1 | 283.4 | 268.1 | 267.6 | 6 | - |
| Non-segment expense | (81.1) | (88.9) | (59.8) | (9) | 49 | (42.6) | (42.3) | (40.6) | 1 | 4 |
| Operating profit | 171.7 | 175.0 | 202.5 | (2) | (14) | 240.8 | 225.8 | 227.0 | 7 | (1) |
| Income from continuing operations(b) | 71.9 | 111.2 | 100.3 | (35) | 11 | 115.9 | 112.7 | 112.5 | 3 | - |
| Diluted EPS from continuing operations(b) | 1.47 | 2.29 | 2.09 | (36) | 10 | 2.37 | 2.32 | 2.34 | 2 | (1) |

Amounts may not add due to rounding.

(a) Segment operating profit is a non-GAAP measure when presented in any context other than prescribed by Accounting Standards Codification Topic 280, Segment Reporting. The tables on pages 27 and 30 reconcile the measurement to operating profit, a GAAP measure. Disclosure of total segment operating profit enables investors to assess the total operating performance of Brink's excluding non-segment income and expense. Forward-looking estimates related to total segment operating profit and non-segment income (expense) for 2014 are provided on page 39.

(b) Amounts reported in this table are attributable to the shareholders of Brink's and exclude earnings related to noncontrolling interests.

(c) Non-GAAP earnings information is contained on pages 40 –46, including reconciliation to amounts reported under GAAP.

Summary Reconciliation of Non-GAAP Diluted EPS

| Years Ended December 31, | 2013 | 2012 | 2011 |
|---|---|---|---|
| GAAP Diluted EPS | $ 1.47 | 2.29 | 2.09 |
| Exclude Venezuela net monetary asset remeasurement losses | 0.17 | - | - |
| Excludes U.S. retirement plan expenses | 0.65 | 0.70 | 0.37 |
| Exclude employee benefit settlement, severance losses, CEO retirement costs and other | 0.04 | 0.06 | 0.08 |
| Exclude gains and losses on acquisitions and asset dispositions | 0.04 | (0.29) | (0.20) |

| | | | | |
|---|---|---|---|---|
| | Exclude tax benefit from change in retiree health care funding strategy | - | (0.43) | - |
| Non-GAAP Diluted EPS | | $ 2.37 | 2.32 | 2.34 |

Amounts may not add due to rounding. Non-GAAP results are reconciled in more detail to the applicable GAAP results on pages 40–46.

Revenues

GAAP
2013
versus
2012
Revenues in 2013 increased $207.2 million or 6% due to organic growth in our Latin America ($261.7 million), EMEA ($25.5 million), Asia Pacific ($15.3 million) and North America ($11.0 million) segments, partially offset by unfavorable changes in currency exchange rates ($121.9 million).

Revenues increased 8% on an organic basis due mainly to higher average selling prices (including the effects of inflation in several Latin American countries).

See page 22 for our definition of “organic.”

2012
versus
2011
Revenues in 2012 increased $72.1 million or 2% due to organic growth in our Latin America ($215.4 million) and EMEA ($69.9 million) segments, partially offset by:

- unfavorable changes in currency exchange rates ($192.3 million)
- an organic decrease in our North America segment ($25.5 million).

Revenues increased 7% on an organic basis due mainly to higher average selling prices (including the effects of inflation in several Latin American countries).

Non-GAAP
2013 versus 2012
The analysis of non-GAAP revenues is the same as the analysis of GAAP revenues.

2012 versus 2011
The analysis of non-GAAP revenues is the same as the analysis of GAAP revenues.

Costs and Expenses

GAAP
2013 versus 2012
Cost of revenues increased 6% to $3,197.1 million driven by higher labor costs from inflation-based wage increases. Selling, general and administrative costs increased 3% to $564.0 million due primarily to higher labor costs.

2012 versus 2011
Cost of revenues increased 2% to $3,024.3 million driven by higher labor costs from inflation-based wage increases. Selling, general and administrative costs increased 7% to $546.7 million due primarily to higher labor costs.

Operating Profit

GAAP
2013 versus 2012
Operating profit decreased 2% due mainly to:

- the negative impact of changes in currency exchange rates ($36.1), including a $13.4 million charge related to the remeasurement of net monetary assets as a result of the devaluation of Venezuela currency
- an organic decrease in our North America segment
- the $18.7 million loss related to the February 2013 robbery in Brussels, Belgium
- the 2012 gain recognized on the sale of real estate in Venezuela ($7.2 million)

partially offset by organic growth in our Latin America and Asia-Pacific segments and lower non-segment expenses ($7.8 million).

2012 versus 2011
Operating profit decreased 14% due mainly to:

- increased U.S. retirement plan expenses ($28.2 million)
- the negative impact of changes in currency exchange rates ($15.2 million)
- the 2011 gain recognized on the sale of the U.S. Document Destruction business ($6.7 million)
- an organic decrease in our Asia Pacific segment ($6.0 million)

partially offset by organic improvement in our EMEA segment ($21.7 million) and a gain on the sale of real estate in Venezuela ($7.2 million).

Non-GAAP
2013 versus 2012
Operating profit increased 7% due mainly to organic growth in our Latin America and Asia-Pacific segments, partially offset by:

- the negative impact of changes in currency exchange rates ($22.7 million)
- an organic decrease in our North America segment
- the $18.7 million loss related to the February 2013 robbery in Brussels, Belgium.

2012 versus 2011

Operating profit decreased $1.2 million primarily due to:

- the negative impact of changes in currency exchange rates ($15.2 million)
- organic decreases in our Latin America ($8.0 million) and Asia Pacific ($6.0 million) segments

partially offset by organic improvement in our EMEA ($21.7 million) and North American ($7.1 million) segments.

Income from continuing operations and net income, and related per share amounts
(attributable to Brink's)

GAAP
2013 versus 2012
Income from continuing operations attributable to Brink's shareholders in 2013 decreased 35% compared to 2012 primarily due to higher tax expense ($24.9 million) mainly resulting from a $21.1 million tax benefit related to a change in retiree healthcare funding strategy in 2012, lower interest and other non-operating income ($5.6 million) and higher income attributable to noncontrolling interests ($3.5 million), in addition to the operating profit decrease mentioned previously.

Earnings per share from continuing operations was $1.47, down from $2.29 in 2012.

2012 versus 2011
Income from continuing operations attributable to Brink's shareholders in 2012 increased 11% compared to 2011 primarily due to lower tax expense ($36.9 million) mainly resulting from a $21.1 million tax benefit related to a change in retiree healthcare funding strategy and lower income attributable to noncontrolling interests ($3.2 million), partially offset by the operating profit decrease mentioned above.

Earnings per share from continuing operations was $2.29, up from $2.09 in 2011.

Non-GAAP
2013 versus 2012
Income from continuing operations attributable to Brink's shareholders in 2013 increased 3% primarily due to the operating profit increase mentioned above and lower tax expense ($3.5 million), partially offset by higher income attributable to noncontrolling interests ($10.1 million).

Earnings per share from continuing operations was $2.37, up from $2.32 in 2012.

2012 versus 2011
Income from continuing operations attributable to Brink's shareholders in 2012 was flat versus 2011 as lower income attributable to noncontrolling interests ($4.1 million) was offset by higher tax expense ($3.0 million) and the operating profit decrease mentioned above.

Earnings per share from continuing operations was $2.32, down from $2.34 in 2011.

Segment Operating Results

Segment Review
2013 versus 2012

GAAP

| (In millions) | 2012 | Organic Change | Acquisitions / Dispositions (a) | Currency (b) | 2013 | % Change Total | % Change Organic |
|---|---|---|---|---|---|---|---|
| Revenues: | | | | | | | |
| Latin America | $ 1,579.4 | 261.7 | 15.6 | (136.0) | 1,720.7 | 9 | 17 |
| EMEA | 1,125.9 | 25.5 | - | 26.9 | 1,178.3 | 5 | 2 |
| North America | 893.3 | 11.0 | - | (5.9) | 898.4 | 1 | 1 |
| Asia Pacific | 136.4 | 15.3 | - | (6.9) | 144.8 | 6 | 11 |
| Total | $ 3,735.0 | 313.5 | 15.6 | (121.9) | 3,942.2 | 6 | 8 |
| | | | | | | | |
| Operating profit: | | | | | | | |
| Latin America | $ 135.1 | 50.6 | 1.8 | (37.6) | 149.9 | 11 | 37 |
| EMEA | 88.1 | (8.8) | - | 2.2 | 81.5 | (7) | (10) |
| North America | 31.9 | (26.8) | - | (0.4) | 4.7 | (85) | (84) |
| Asia Pacific | 8.8 | 8.2 | - | (0.3) | 16.7 | 90 | 93 |
| Segment operating profit | 263.9 | 23.2 | 1.8 | (36.1) | 252.8 | (4) | 9 |
| Non-segment | (88.9) | 5.8 | 2.0 | - | (81.1) | (9) | (7) |
| Total | $ 175.0 | 29.0 | 3.8 | (36.1) | 171.7 | (2) | 17 |
| | | | | | | | |
| Segment operating margin: | | | | | | | |
| Latin America | 8.6% | | | | 8.7% | | |
| EMEA | 7.8% | | | | 6.9% | | |
| North America | 3.6% | | | | 0.5% | | |
| Asia Pacific | 6.5% | | | | 11.5% | | |
| Segment operating margin | 7.1% | | | | 6.4% | | |

Non-GAAP

| (In millions) | 2012 | Organic Change | Acquisitions / Dispositions (a) | Currency (b) | 2013 | % Change Total | % Change Organic |
|---|---|---|---|---|---|---|---|
| Revenues: | | | | | | | |
| Latin America | $ 1,579.4 | 261.7 | 15.6 | (136.0) | 1,720.7 | 9 | 17 |
| EMEA | 1,125.9 | 25.5 | - | 26.9 | 1,178.3 | 5 | 2 |
| North America | 893.3 | 11.0 | - | (5.9) | 898.4 | 1 | 1 |
| Asia Pacific | 136.4 | 15.3 | - | (6.9) | 144.8 | 6 | 11 |
| Total | $ 3,735.0 | 313.5 | 15.6 | (121.9) | 3,942.2 | 6 | 8 |
| | | | | | | | |
| Operating profit: | | | | | | | |
| Latin America | $ 130.1 | 60.3 | 1.8 | (24.2) | 168.0 | 29 | 46 |
| EMEA | 88.5 | (9.2) | - | 2.2 | 81.5 | (8) | (10) |
| North America | 40.7 | (24.0) | - | (0.4) | 16.3 | (60) | (59) |
| Asia Pacific | 8.8 | 9.1 | - | (0.3) | 17.6 | 100 | fav |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Segment operating profit | 268.1 | 36.2 | 1.8 | (22.7) | 283.4 | 6 | 14 |
| Non-segment | (42.3) | (0.3) | - | - | (42.6) | 1 | 1 |
| Total | $ 225.8 | 35.9 | 1.8 | (22.7) | 240.8 | 7 | 16 |
| | | | | | | | |
| Segment operating margin: | | | | | | | |
| Latin America | 8.2% | | | | 9.8% | | |
| EMEA | 7.9% | | | | 6.9% | | |
| North America | 4.6% | | | | 1.8% | | |
| Asia Pacific | 6.5% | | | | 12.2% | | |
| Segment operating margin | 7.2% | | | | 7.2% | | |

Amounts may not add due to rounding.

(a) Includes operating results and gains/losses on acquisitions, sales and exits of businesses.

(b) The “Currency” amount in the table is the summation of the monthly currency changes, plus (minus) the U.S. dollar amount of remeasurement currency gains (losses) of bolivar denominated net monetary assets recorded under highly inflationary accounting rules related to the Venezuelan operations. The monthly currency change is equal to the Revenue or Operating Profit for the month in local currency, on a country-by-country basis, multiplied by the difference in rates used to translate the current period amounts to U.S. dollars versus the translation rates used in the year-ago month. The functional currency in Venezuela is the U.S. dollar under highly inflationary accounting rules. Remeasurement gains and losses under these rules are recorded in U.S. dollars but these gains and losses are not recorded in local currency. Local currency Revenue and Operating Profit used in the calculation of monthly currency change for Venezuela have been derived from the U.S. dollar results of the Venezuelan operations under U.S. GAAP (excluding remeasurement gains and losses) using current period currency exchange rates.

Segment Review
2013 versus 2012

Total Segment Operating Profit

GAAP
Segment operating profit decreased 4% due mainly to:
- unfavorable currency impact ($36.1 million), including a $13.4 million charge related to the remeasurement of net monetary assets as a result of the devaluation of Venezuela currency
- an organic decrease in our North America segment
- the $18.7 million loss related to the February 2013 robbery in Brussels, Belgium
- the 2012 gain recognized on the sale of real estate in Venezuela ($7.2 million)

partially offset by organic increases in our Latin America and Asia-Pacific segments.

Non-GAAP
Segment operating profit increased 6% due to organic increases in our Latin America and Asia-Pacific segments, partially offset by:
- an organic decrease in our North America segment
- unfavorable currency impact ($22.7 million)
- the $18.7 million loss related to the February 2013 robbery in Brussels, Belgium.

Latin America

GAAP
Revenue in Latin America increased 9% ($141.3 million) due to organic revenue growth ($261.7 million) partially offset by the unfavorable effect of currency exchange rates ($136.0 million).

The 17% revenue growth on an organic basis ($261.7 million) was primarily due to inflation-based price increases across the region.

Operating profit increased 11% ($14.8 million) as:
- higher profits in Venezuela, despite a 2012 gain on a building sale ($7.2 million)
- organic growth in Argentina, including 2012 write-offs of Argentinean government receivables ($4.1 million)
- organic growth in Brazil and Chile

were partially offset by:
- unfavorable currency impact ($37.6 million), including a charge related to the remeasurement of net monetary assets as a result of the devaluation of Venezuela currency ($13.4 million)
- increased regional spending on productivity initiatives
- increased security costs.

Non-GAAP
The analysis of Latin America non-GAAP revenues is the same as the analysis of Latin America GAAP revenues.

Operating profit increased 29% ($37.9 million) as:
- higher profits in Venezuela
- organic growth in Argentina, including 2012 write-offs of Argentinean government receivables ($4.1 million)
- organic growth in Brazil and Chile

were partially offset by:

- unfavorable currency impact ($24.2 million)
- increased regional spending on productivity initiatives
- increased security costs.

EMEA

GAAP
EMEA revenues increased by 5% ($52.4 million) due to the favorable effect of currency exchange rates ($26.9 million) and organic growth ($25.5 million).

Revenue increased on an organic basis by 2% driven by higher volumes in Ireland, Switzerland and Russia, partially offset by a 2012 commercial settlement in the Netherlands and lower volumes in France due to a customer loss.

EMEA operating profit decreased 7% ($6.6 million) due mainly to:

- higher security costs
- a 2012 commercial settlement in the Netherlands
- organic decreases in Germany, Greece and Morocco

partially offset by the positive impact of currency exchange rates ($2.2 million) and the benefit of a change in tax legislation in France.

Non-GAAP
The analysis of EMEA non-GAAP revenues is the same as the analysis of EMEA GAAP revenues.

EMEA operating profit decreased 8% ($7.0 million) due to:

- higher security costs
- a 2012 commercial settlement in the Netherlands
- organic decreases in Germany, Greece and Morocco

partially offset by the positive impact of currency exchange rates ($2.2 million) and the benefit of a change in tax legislation in France.

North America

GAAP
Revenues in North America increased 1% ($5.1 million) due to a 1% organic increase ($11.0 million) as growth in Canada was offset by CIT volume and price pressure in the U.S. and unfavorable currency impact ($5.9 million) in Canada.

Operating profit decreased 85% ($27.2 million) due to an organic decrease in the U.S. as a result of lower CIT demand, continued pricing pressure and higher security costs.

Non-GAAP
The analysis of North America non-GAAP revenues is the same as the analysis of North America GAAP revenues.

Operating profit decreased 60% ($24.4 million) due to an organic decrease in the U.S. as a result of lower CIT demand, continued pricing pressure and higher security costs.

Most of the armored vehicles used by our U.S. operations are accounted for as operating leases. The cost related to these leases is recognized as rental expense in the consolidated statements of income. Since March 2009, we have acquired armored vehicles in the U.S. either by purchasing or by leasing under agreements that we have accounted for as capital leases. We currently expect to continue acquiring new vehicles in the U.S. with capital leases. The cost of vehicles under capital lease is recognized as depreciation and interest expense. Because of the shift in the way we acquire vehicles in the U.S., our depreciation and interest related to the U.S. fleet is higher and our rental expense is lower compared to earlier periods and we expect this trend to continue.

Asia Pacific

GAAP

Revenue in Asia Pacific increased 6% ($8.4 million) primarily due to organic growth in Hong Kong, Australia, Singapore and China, partially offset by the negative impact of currency exchange rates ($6.9 million).

Operating profit increased 90% ($7.9 million) driven by organic increases in Hong Kong and Singapore, as well as lower regional overhead.

Non-GAAP
The analysis of Asia Pacific non-GAAP revenues is the same as the analysis of Asia Pacific GAAP revenues.

Operating profit increased $8.8 million driven by organic increases in Hong Kong and Singapore, as well as lower regional overhead.

Segment Review
2012 versus 2011

GAAP

| (In millions) | 2011 | Organic Change | Acquisitions / Dispositions (a) | Currency (b) | 2012 | % Change Total | % Change Organic |
|---|---|---|---|---|---|---|---|
| Revenues: | | | | | | | |
| Latin America | $ 1,460.7 | 215.4 | 1.5 | (98.2) | 1,579.4 | 8 | 15 |
| EMEA | 1,143.0 | 69.9 | 0.3 | (87.3) | 1,125.9 | (1) | 6 |
| North America | 923.4 | (25.5) | (2.6) | (2.0) | 893.3 | (3) | (3) |
| Asia Pacific | 135.8 | 5.4 | - | (4.8) | 136.4 | - | 4 |
| Total | $ 3,662.9 | 265.2 | (0.8) | (192.3) | 3,735.0 | 2 | 7 |
| | | | | | | | |
| Operating profit: | | | | | | | |
| Latin America | $ 143.5 | 0.1 | (0.3) | (8.2) | 135.1 | (6) | - |
| EMEA | 73.4 | 21.7 | (0.4) | (6.6) | 88.1 | 20 | 30 |
| North America | 30.3 | 1.5 | 0.2 | (0.1) | 31.9 | 5 | 5 |
| Asia Pacific | 15.1 | (6.0) | - | (0.3) | 8.8 | (42) | (40) |
| Segment operating profit | 262.3 | 17.3 | (0.5) | (15.2) | 263.9 | 1 | 7 |
| Non-segment | (59.8) | (20.7) | (8.4) | - | (88.9) | 49 | 35 |
| Total | $ 202.5 | (3.4) | (8.9) | (15.2) | 175.0 | (14) | (2) |
| | | | | | | | |
| Segment operating margin: | | | | | | | |
| Latin America | 9.8% | | | | 8.6% | | |
| EMEA | 6.4% | | | | 7.8% | | |
| North America | 3.3% | | | | 3.6% | | |
| Asia Pacific | 11.1% | | | | 6.5% | | |
| Segment operating margin | 7.2% | | | | 7.1% | | |

Non-GAAP

| (In millions) | 2011 | Organic Change | Acquisitions / Dispositions (a) | Currency (b) | 2012 | % Change Total | % Change Organic |
|---|---|---|---|---|---|---|---|
| Revenues: | | | | | | | |
| Latin America | $ 1,460.7 | 215.4 | 1.5 | (98.2) | 1,579.4 | 8 | 15 |
| EMEA | 1,143.0 | 69.9 | 0.3 | (87.3) | 1,125.9 | (1) | 6 |
| North America | 923.4 | (25.5) | (2.6) | (2.0) | 893.3 | (3) | (3) |
| Asia Pacific | 135.8 | 5.4 | - | (4.8) | 136.4 | - | 4 |
| Total | $ 3,662.9 | 265.2 | (0.8) | (192.3) | 3,735.0 | 2 | 7 |
| | | | | | | | |
| Operating profit: | | | | | | | |
| Latin America | $ 145.6 | (8.0) | 0.7 | (8.2) | 130.1 | (11) | (5) |
| EMEA | 73.4 | 21.7 | - | (6.6) | 88.5 | 21 | 30 |
| North America | 33.5 | 7.1 | 0.2 | (0.1) | 40.7 | 21 | 21 |
| Asia Pacific | 15.1 | (6.0) | - | (0.3) | 8.8 | (42) | (40) |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Segment operating profit | | 267.6 | 14.8 | 0.9 | (15.2) | 268.1 | - | 6 |
| Non-segment | | (40.6) | (1.7) | - | - | (42.3) | 4 | 4 |
| Total | $ | 227.0 | 13.1 | 0.9 | (15.2) | 225.8 | (1) | 6 |
| | | | | | | | | |
| Segment operating margin: | | | | | | | | |
| Latin America | | 10.0% | | | | 8.2% | | |
| EMEA | | 6.4% | | | | 7.9% | | |
| North America | | 3.6% | | | | 4.6% | | |
| Asia Pacific | | 11.1% | | | | 6.5% | | |
| Segment operating margin | | 7.3% | | | | 7.2% | | |

Amounts may not add due to rounding.

See page 27 for footnotes.

Segment Review
2012 versus 2011

Total Segment Operating Profit

GAAP
Segment operating profit increased 1% as the positive impact of organic improvement in EMEA and decreased security costs were mostly offset by the negative impact of changes in currency exchange rates ($15.2 million) and lower profits in Asia Pacific on an organic basis.

Non-GAAP
Segment operating profit was flat as the positive impact of organic improvement in EMEA and decreased security costs were offset by the negative impact of changes in currency exchange rates ($15.2 million) and lower profits in Latin America and Asia Pacific on an organic basis.

Latin America

GAAP
Revenue in Latin America increased 8% ($118.7 million) due to organic revenue growth ($215.4 million) partially offset by the unfavorable effect of currency exchange rates ($98.2 million).

The 15% revenue growth on an organic basis ($215.4 million) was primarily due to inflation-based price increases across the region.

Operating profit decreased 6% ($8.4 million) as:
- lower profits in Venezuela caused by pressure from government actions partially offset by a gain on a building sale ($7.2 million)
- unfavorable currency impact ($8.2 million)
- an organic decrease in Chile

were partially offset by:
- organic growth in Mexico, Brazil and Argentina despite write-offs of Argentinean government receivables ($4.1 million)
- higher labor agreement expenses in the prior year period
- a 2011 tax on equity in Colombia which did not reoccur in 2012.

Non-GAAP
The analysis of Latin America non-GAAP revenues is the same as the analysis of Latin America GAAP revenues.

Operating profit decreased 11% ($15.5 million) due to:
- lower profits in Venezuela due to pressure from government actions
- unfavorable currency impact ($8.2 million)
- an organic decrease in Chile

were partially offset by:
- organic growth in Mexico, Brazil and Argentina despite write-offs of Argentinean government receivables ($4.1 million)
- higher labor agreement expenses in the prior year period
- a 2011 tax on equity in Colombia, which did not reoccur in 2012.

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EMEA

GAAP

EMEA revenues decreased by 1% ($17.1 million) due mainly to the unfavorable effect of currency exchange rates ($87.3 million), partially offset by organic growth ($69.9 million).

Revenue increased on an organic basis by 6% due to:

- higher volumes in France, the Netherlands, and the United Kingdom
- a commercial settlement in the Netherlands.

EMEA operating profit increased 20% ($14.7 million) due mainly to:

- organic improvement in France, Russia and the Netherlands
- improved security performance
- a commercial settlement in the Netherlands

partially offset by the negative impact of currency exchange rates ($6.6 million).

Non-GAAP

The analysis of EMEA non-GAAP revenues is the same as the analysis of EMEA GAAP revenues.

EMEA operating profit increased 21% ($15.1 million) due to:

- organic improvement in France, Russia and the Netherlands
- improved security performance
- a commercial settlement in the Netherlands

partially offset by the negative impact of currency exchange rates ($6.6 million).

North America

GAAP

Revenues in North America decreased 3% ($30.1 million) due to a 3% organic decrease ($25.5 million) primarily from CIT volume and price pressure in the U.S. and unfavorable currency impact ($2.0 million) in Canada.

Operating profit increased by $1.6 million due to organic improvement in the U.S. as a result of cost reductions despite lower CIT demand and continued pricing pressure, offset by increased U.S. retirement charges ($5.6 million).

Non-GAAP

The analysis of North America non-GAAP revenues is the same as the analysis of North America GAAP revenues.

Operating profit increased $7.2 million due to organic improvements in the U.S. on cost reductions despite lower CIT demand and continued pricing pressure.

Asia Pacific

Revenue in Asia Pacific remained flat as growth in China and India was offset by the negative impact of currency exchange rates ($4.8 million).

Operating profit decreased $6.3 million driven by an organic decrease in India.

Non-segment Income (Expense)

| GAAP | Years Ended December 31, | | | % change | |
|---|---|---|---|---|---|
| (In millions) | 2013 | 2012 | 2011 | 2013 | 2012 |
| General and administrative | $ (44.5) | (44.4) | (46.6) | - | (5) |
| Retirement costs (primarily former operations) | (41.3) | (47.4) | (24.8) | (13) | 91 |
| Gains on business acquisitions and dispositions | 2.8 | 0.8 | 9.2 | fav | (91) |
| Royalty income | 1.9 | 2.1 | 1.7 | (10) | 24 |
| Gains on sale of property and other assets | - | - | 0.7 | - | (100) |
| Non-segment income (expense) | $ (81.1) | (88.9) | (59.8) | (9) | 49 |

Non-segment expenses in 2013 were $7.8 million lower than 2012, mainly due to:

- lower retirement costs ($6.1 million)
- the inclusion in 2013 results of $1.7 million in gains from favorable purchase price adjustments primarily related to the January 2013 purchase of Rede Trel in Brazil and a $1.1 million gain related to a favorable purchase price adjustment on the 2010 Mexico acquisition.

Non-segment expenses in 2012 were $29.1 million or 49% higher than 2011, mainly due to:

- increased retirement costs ($22.6 million)
- the inclusion in 2011 results of $9.2 million in gains related to the sale of U.S. Document Destruction business ($6.7 million) and an adjustment to the bargain purchase gain in Mexico ($2.1 million)

partially offset by:

- lower general and administrative costs ($2.2 million), including $4.1 million of 2011 expenses related to the retirement of the former CEO.

Outlook for 2014

We estimate that non-segment expenses on a GAAP basis will be approximately $64 million in 2014, a decrease from 2013 primarily as a result of lower retirement costs. See page 39 for a summary of our 2014 Outlook.

| Non-GAAP | Years Ended December 31, | | | % change | |
|---|---|---|---|---|---|
| (In millions) | 2013 | 2012 | 2011 | 2013 | 2012 |
| General and administrative | $ (44.5) | (44.4) | (42.5) | - | 4 |
| Royalty income | 1.9 | 2.1 | 1.7 | (10) | 24 |
| Gains on sale of property and other assets | - | - | 0.2 | - | (100) |
| Non-segment income (expense) | $ (42.6) | (42.3) | (40.6) | 1 | 4 |

Non-segment expenses on a non-GAAP basis in 2013 were flat compared to 2012.

Non-segment expenses on a non-GAAP basis in 2012 were $1.7 million higher than 2011, mainly due to increased general and administrative costs.

Outlook for 2014

We estimate that non-segment expenses on a non-GAAP basis will be approximately $45 million in 2014, up slightly from 2013. See page 39 for a summary of our 2014 Outlook.

Other Operating Income (Expense)

Other operating income (expense) includes segment and non-segment other operating income and expense.

| | Years Ended December 31, | | | % change | |
|---|---|---|---|---|---|
| (In millions) | 2013 | 2012 | 2011 | 2013 | 2012 |
| Share in earnings of equity affiliates | $ 6.7 | 6.0 | 4.8 | 12 | 25 |
| Gains on business acquisitions and dispositions | 2.8 | 0.8 | 9.2 | fav | (91) |
| Royalty income | 1.9 | 2.1 | 1.7 | (10) | 24 |
| Gains on sale of property and other assets | 2.4 | 7.6 | 1.2 | (68) | fav |
| Impairment losses | (2.9) | (2.4) | (2.4) | 21 | - |
| Foreign currency items: | | | | | |
| Transaction losses | (20.2) | (4.2) | (3.7) | unfav | 14 |
| Hedge gains (losses) | (0.4) | 0.2 | 2.2 | unfav | (91) |
| Other | 0.3 | 0.9 | 5.0 | (67) | (82) |
| Other operating income (expense) | $ (9.4) | 11.0 | 18.0 | unfav | (39) |

2013 versus 2012
Other operating income decreased in 2013 primarily as a result of unfavorable factors including:

- $16.0 million in higher foreign currency exchange losses related primarily to the February 2013 devaluation of the official exchange rate in Venezuela ($13.4 million) and converting Argentinean pesos to U.S. dollars ($2.0 million)
- a $7.2 million gain on sale of real estate in Venezuela in 2012

partially offset by

- $1.7 million in gains from favorable purchase price adjustments primarily related to a January 2013 purchase of payments business in Brazil
- a $1.1 million gain related to favorable purchase price adjustment for the 2010 Mexico acquisition.

2012 versus 2011
Other operating income decreased in 2012 primarily as a result of unfavorable factors including:

- a $6.7 million gain on the sale of U.S. Document Destruction business in 2011
- a $2.1 million bargain purchase gain adjustment recognized in 2011 related to the 2010 Mexico acquisition
- lower gains on hedging transactions ($2.0 million)

partially offset by

- a $7.2 million gain on the sale of real estate in Venezuela in 2012.

Nonoperating Income and Expense

Interest Expense

| | Years Ended December 31, | | | % change | |
|---|---|---|---|---|---|
| (In millions) | 2013 | 2012 | 2011 | 2013 | 2012 |
| | | | | | |
| Interest expense | $ 25.1 | 23.1 | 23.1 | 9 | - |

Interest expense was slightly higher in 2013 compared to 2012 due to an increase in average borrowings in the current year.

Interest expense remained flat in 2012 compared to 2011.

Outlook for 2014
We expect our interest expense to be $27 million to $29 million in 2014 versus $25 million in 2013. See page 39 for a summary of our 2014 Outlook.

Interest and Other Income

| | Years Ended December 31, | | | % change | |
|---|---|---|---|---|---|
| (In millions) | 2013 | 2012 | 2011 | 2013 | 2012 |
| | | | | | |
| Interest income | $ 2.7 | 4.8 | 5.7 | (44) | (16) |
| Gain on available-for-sale securities | 0.4 | 2.9 | 4.4 | (86) | (34) |
| Foreign currency hedge losses | (1.0) | - | - | unfav | - |
| Other | (0.5) | (0.5) | (1.2) | - | (58) |
| Interest and other income (expense) | $ 1.6 | 7.2 | 8.9 | (78) | (19) |

Interest and other income (expense) was lower in 2013 primarily due to:
- a $2.5 million decrease in gain on available-for-sale securities as we realized gains in 2012 on security sales to fund pension payments to former executives
- a $2.1 million decrease in interest income primarily due to lower amounts of investments in India as interest-earning short-term investments were sold to fund the repurchase of noncontrolling interest shares in our Indian subsidiary
- $1.0 million in foreign currency hedge losses in 2013 related to a cross currency swap contract.

Interest and other income (expense) was lower in 2012 due to:
- a $1.5 million decrease in gain on available-for-sale securities
- a $0.9 million decrease in interest income.

Outlook for 2014
We expect our interest and other income to be $1 million to $2 million in 2014 versus $2 million in 2013. See page 39 for a summary of our 2014 outlook.

Income Taxes

Summary Rate Reconciliation – GAAP

| (In percentages) | 2013 | 2012 | 2011 |
|---|---|---|---|
| U.S. federal tax rate | 35.0 % | 35.0 % | 35.0 % |
| Increases (reductions) in taxes due to: | | | |
| Adjustments to valuation allowances | 4.0 | 1.2 | (2.9) |
| Foreign income taxes | (6.5) | (2.2) | 0.3 |
| Medicare subsidy for retirement plans | (1.1) | (14.4) | - |
| Nontaxable acquisition (gains) losses | - | - | (0.4) |
| French business tax | 3.0 | 2.7 | 2.4 |
| Change in judgment about uncertain tax positions in Mexico | - | (4.7) | - |
| Other | 0.7 | (0.6) | (0.4) |
| Income tax rate on continuing operations | 35.1 % | 17.0 % | 34.0 % |

Summary Rate Reconciliation – Non-GAAP(a)

| (In percentages) | 2013 | 2012 | 2011 |
|---|---|---|---|
| U.S. federal tax rate | 35.0 % | 35.0 % | 35.0 % |
| Increases (reductions) in taxes due to: | | | |
| Adjustments to valuation allowances | 1.5 | 0.9 | (2.6) |
| French business tax | 2.0 | 2.1 | 2.1 |
| Other | (5.2) | (1.4) | 0.5 |
| Income tax rate on Non-GAAP continuing operations | 33.3 % | 36.6 % | 35.0 % |

(a) See pages 40–46 for a reconciliation of non-GAAP results to GAAP.

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
- nontaxable acquisition gains and losses
- changes in laws in the U.S., France and Mexico
- 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.

Continuing Operations

2013 Compared to U.S. Statutory Rate

The effective income tax rate on continuing operations in 2013 approximated the 35% U.S. statutory rate due to $6.1 million of tax expense from cross border payments and $4.4 million of tax expense due to the characterization of a French business tax as an income tax, mostly offset by a $8.7 million tax benefit due to the jurisdictional mix of earnings including the favorable Venezuela permanent inflation adjustment.

2012 Compared to U.S. Statutory Rate

The effective income tax rate on continuing operations in 2012 was lower than the 35% U.S. statutory tax rate largely due to a $21.1 million non-cash tax benefit related to a change in retiree healthcare funding strategy and a $7.5 million tax benefit related to a change in judgment on uncertain tax positions, partially offset by $5.2 million of tax expense due to the jurisdictional mix of earnings and the characterization of a French business tax as an income tax.

2011 Compared to U.S. Statutory Rate

The effective income tax rate on continuing operations in 2011 approximated the 35% U.S. statutory tax rate largely due to a $3.4 million net income tax benefit related to a repatriation of cash to the U.S., offset by $3.4 million of tax expense in excess of the U.S. statutory rate due to the jurisdictional mix of earnings and the characterization of a French business tax as an income tax.

Outlook for 2014

On a GAAP and Non GAAP basis, the effective income tax rate for 2014 is expected to be between 33% and 37%. Our effective tax rate may fluctuate materially from these estimates due to changes in permanent book-tax differences, changes in the expected geographical mix of earnings, changes in current or deferred taxes due to legislative changes, changes in valuation allowances or accruals for contingencies and other factors. See page 39 for a summary of our 2014 Outlook.

Other

As of December 31, 2013, we have not recorded U.S. federal deferred income taxes on approximately $259 million of undistributed earnings of foreign subsidiaries and equity affiliates in accordance with FASB ASC Topic 740, Income Taxes. 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.

Noncontrolling Interests

| | Years Ended December 31, | | | % change | |
|---|---|---|---|---|---|
| (In millions) | 2013 | 2012 | 2011 | 2013 | 2012 |
| Net income attributable to noncontrolling interests | $ 24.3 | 20.8 | 24.0 | 17 | (13) |

The increase in net income attributable to noncontrolling interests in 2013 was primarily due to an increase in net income of our Venezuelan subsidiaries.

The decrease in net income attributable to noncontrolling interests in 2012 was primarily due to lower net income from our Venezuelan subsidiaries.

Outlook for 2014

We expect net income attributable to noncontrolling interests on a GAAP basis in 2014 to be $26 million to $30 million as compared to $24 million in 2013. Our 2014 outlook reflects an expected increase in earnings from our Venezuelan subsidiaries due to the charge related to the remeasurement of net monetary assets as a result of the devaluation of Venezuela currency ($13.4 million) in 2013.

We expect net income attributable to noncontrolling interests on a non-GAAP basis in 2014 to be $26 million to $30 million as compared to $29 million in 2013. Our 2014 outlook reflects an expected decrease in earnings from our Venezuelan subsidiaries. See page 39 for a summary of our 2014 Outlook.

Loss from Discontinued Operations

| | Years Ended December 31, | | |
|---|---|---|---|
| (In millions) | 2013 | 2012 | 2011 |
| Loss from operations(a)(b) | $ (26.0) | (22.5) | (21.8) |
| Gain (loss) on sales(a) | 16.3 | (0.3) | - |
| Settlement loss related to Belgium bankruptcy | - | - | (10.1) |
| Adjustments to contingencies of former operations(c): | | | |
| Workers' compensation | (1.7) | (0.2) | (1.4) |
| Gain from Federal Black Lung Excise Tax refunds | - | - | 4.2 |
| Other | 1.0 | (0.3) | (0.6) |
| Loss from discontinued operations before income taxes | (10.4) | (23.3) | (29.7) |
| Provision (benefit) for income taxes | 4.7 | (1.0) | (3.9) |
| Loss from discontinued operations, net of tax | $ (15.1) | (22.3) | (25.8) |

(a) Discontinued operations include gains and losses related to businesses that Brink's recently sold or shut down. These include ICD Limited and its affiliates, Threshold Financial Technologies Inc. in Canada, cash-in-transit operations in Germany, Hungary, Turkey, Poland, and Belgium, and guarding operations in France, Morocco, and Germany. Interest expense included in discontinued operations was $0.4 million in 2013, and $0.7 million in 2012 and $0.9 million in 2011.
(b) The loss from operations in 2013 includes $16.2 million of severance expenses paid to terminate certain employees of the German cash-in-transit operations. We contributed a portion of the cost to fund the severance payments to the business prior to the execution of the sale transaction.
(c) Primarily relates to former coal businesses and BAX Global, a former freight forwarding and logistics business.

Cash-in-transit operations sold or shut down:

- Poland (sold in March 2013)
- Turkey (shut down in June 2013)
- Hungary (sold in September 2013)
- Germany (sold in December 2013)

Our former CIT operation in Belgium filed for bankruptcy in November 2010, after a restructuring plan was rejected by local union employees, and was placed in bankruptcy on February 2, 2011. We deconsolidated the Belgium subsidiary in 2010. In 2011, we recognized a $10.1 million settlement loss related to a claim filed by the court-appointed provisional administrators of our former Belgium subsidiary.

Guarding operations sold:

- Morocco (December 2012)
- France (January 2013)
- Germany (July 2013)

Other operations sold:

- We sold Threshold Financial Technologies, Inc. in Canada in November 2013. Threshold operated private-label ATM network and payment processing businesses. Brink's continues to own and operate Brink's Integrated Managed Services for ATM customers.
- We sold ICD Limited and other affiliated subsidiaries in November 2013. ICD designed and installed security systems for commercial customers and had operations in China and other locations in Asia.

The results of the above disposed operations have been excluded from continuing operations and are reported as discontinued operations for the current and prior periods.  The table below shows revenues by business segment which have been reclassified to discontinued operations:

| | December 31, | | |
|---|---|---|---|
| (In millions) | 2013 | 2012 | 2011 |
| EMEA | $ 77.6 | 136.9 | 153.9 |
| North America | 41.2 | 52.1 | 50.8 |
| Asia Pacific | 23.6 | 22.5 | 17.9 |
| Total | $ 142.4 | 211.5 | 222.6 |

Federal Black Lung Excise Tax (“FBLET”) refunds

The Energy Improvement and Extension Act of 2008 enabled taxpayers to file claims for FBLET refunds for periods prior to those open under the statute of limitations previously applicable to us.  In 2009, we received $23.9 million of FBLET refunds and recognized the majority of these refunds as a pretax gain of $19.7 million in 2009.  The statute of limitations expired in 2011 and we recognized a pretax gain of $4.2 million for the remaining portion of the refund.

Outlook

| (In millions) | GAAP Full-Year 2013 | GAAP Full-Year 2014 Estimate | Non-GAAP Full-Year 2013 | Non-GAAP Full-Year 2014 Estimate |
|---|---|---|---|---|
| Organic revenue growth | | | | |
| Latin America | 17% | 12% – 14% | 17% | 12% – 14% |
| EMEA | 2% | 0% – 2% | 2% | 0% – 2% |
| North America | 1% | 0% – 2% | 1% | 0% – 2% |
| Asia Pacific | 11% | 5% – 7% | 11% | 5% – 7% |
| Total | 8% | 5% – 8% | 8% | 5% – 8% |
| | | | | |
| Currency impact on revenue | | | | |
| Latin America | (9)% | (6)% – (8)% | (9)% | (6)% – (8)% |
| EMEA | 2% | (1)% – (3)% | 2% | (1)% – (3)% |
| North America | (1)% | flat | (1)% | flat |
| Asia Pacific | (5)% | (1)% – (3)% | (5)% | (1)% – (3)% |
| Total | (3)% | (3)% – (5)% | (3)% | (3)% – (5)% |
| | | | | |
| Segment margin | | | | |
| Latin America(a) | 8.7% | 7.5% – 9.5% | 9.8% | 7.5% – 9.5% |
| EMEA | 6.9% | 6.0% – 8.0% | 6.9% | 6.0% – 8.0% |
| North America(b) | 0.5% | 1.5% – 2.5% | 1.8% | 2.5% – 3.5% |
| Asia Pacific | 11.5% | 9.5% – 11.5% | 12.2% | 9.5% – 11.5% |
| Total | 6.4% | ~6.8% | 7.2% | ~7% |
| | | | | |
| Non-segment expense: | | | | |
| General and administrative | $ 45 | 47 | $ 45 | 47 |
| Retirement plans(b) | 41 | 19 | - | - |
| Acquisition gains(c) | (3) | - | - | - |
| Royalty income | (2) | (2) | (2) | (2) |
| Non-segment expense | $ 81 | 64 | $ 43 | 45 |
| | | | | |
| Effective income tax rate(a) | 35% | 33% – 37% | 33% | 33% – 37% |
| | | | | |
| Interest expense | $ 25 | 27 – 29 | $ 25 | 27 – 29 |
| | | | | |
| Interest and other income (expense) | 2 | 1 – 2 | 2 | 1 – 2 |

| | | | | | |
|---|---|---|---|---|---|
| Net income attributable to | | | | | |
| noncontrolling interests(a) | $ | 24 | 26 – 30 | $ 29 | 26 – 30 |
| | | | | | |
| Fixed assets acquired: | | | | | |
| Capital expenditures | $ | 178 | 185 – 195 | $ 178 | 185 – 195 |
| Capital leases(d) | | 5 | 15 | 5 | 15 |
| Total | $ | 183 | 200 – 210 | $ 183 | 200 – 210 |
| | | | | | |
| Depreciation and amortization | $ | 174 | 185 – 190 | $ 174 | 185– 190 |

Amounts may not add due to rounding.

(a) Remeasurement losses on net monetary assets in Venezuela ($13 million in 2013) have been excluded from non-GAAP results.

(b) Costs related to U.S. retirement plans have been excluded from non-GAAP results including $12 million in 2013 and $5 million in 2014 related to North America, and $41 million in 2013 and $19 million in 2014 related to Non-segment.

(c) Acquisition gains and losses are excluded from non-GAAP results.

(d) Includes capital leases for newly acquired assets only.

For more information about our outlook, see:


- page 21–22 for organic revenue growth
- page 21–22 for segment operating margin
- page 33 for non-segment expenses
- page 35 for interest expense
- page 35 for interest income and other income (expense)
- page 37 for effective income tax rate
- page 37 for net income attributable to noncontrolling interests
- page 50 for fixed asset acquired, depreciation and amortization

Non-GAAP Results – Reconciled to Amounts Reported under GAAP

Non-GAAP results described in this filing are financial measures that are not required by, or presented in accordance with GAAP.

Purpose of Non-GAAP Information

The purpose of the non-GAAP information is to report our financial information

- excluding retirement expenses related to frozen retirement plans and retirement plans from former operations
- without certain income and expense items, and
- after adjusting tax expense for certain items.

The non-GAAP information provides information to assist comparability and estimates of future performance. We believe these measures are helpful in assessing the performance of our ongoing operations, estimating future results and enabling period-to-period comparability of financial performance. The valuation impact of our legacy liabilities and related cash outflows can be assessed on a basis that is separate and distinct from ongoing operations. Non-GAAP results should not be considered as an alternative to revenue, income or earnings per share amounts determined in accordance with GAAP and should be read in conjunction with their GAAP counterparts.

| (In millions, except for per share amounts) | GAAP Basis | Gains and Losses on Acquisitions and Dispositions (a) | Net Monetary Asset Remeasurement Losses in Venezuela (b) | Employee Benefit Settlement Losses (c) | U.S. Retirement Plans (d) | Adjust Income Tax Rate (e) | Non-GAAP Basis |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| | | | First Quarter 2013 | | | | |
| Revenues: | | | | | | | |
| Latin America | $ 412.9 | - | - | - | - | - | 412.9 |
| EMEA | 277.8 | - | - | - | - | - | 277.8 |
| North America | 223.2 | - | - | - | - | - | 223.2 |
| Asia Pacific | 36.6 | - | - | - | - | - | 36.6 |
| Revenues | $ 950.5 | - | - | - | - | - | 950.5 |
| | | | | | | | |
| Operating profit: | | | | | | | |
| Latin America | $ 23.4 | - | 13.4 | 0.3 | - | - | 37.1 |
| EMEA | 8.6 | - | - | - | - | - | 8.6 |
| North America | (2.0) | - | - | - | 2.9 | - | 0.9 |
| Asia Pacific | 4.3 | - | - | - | - | - | 4.3 |
| Segment operating profit | 34.3 | - | 13.4 | 0.3 | 2.9 | - | 50.9 |
| Non-segment | (17.0) | (1.1) | - | - | 10.5 | - | (7.6) |
| Operating profit | $ 17.3 | (1.1) | 13.4 | 0.3 | 13.4 | - | 43.3 |
| | | | | | | | |
| Amounts attributable to Brink's: | | | | | | | |
| | $ 2.9 | (1.1) | 8.4 | 0.2 | 8.2 | 0.1 | 18.7 |

| Income from continuing operations | | | | | | | |
|---|---|---|---|---|---|---|---|
| Diluted EPS – continuing operations | 0.06 | (0.02) | 0.17 | - | 0.17 | - | 0.38 |

Amounts may not add due to rounding.

See page 42 for notes.

Non-GAAP Results – Reconciled to Amounts Reported Under GAAP (Continued)

| (In millions, except for per share amounts) | GAAP Basis | Gains and Losses on Acquisitions and Dispositions (a) | Net Monetary Asset Remeasurement Losses in Venezuela (b) | Employee Benefit Settlement Losses (c) | U.S. Retirement Plans (d) | Adjust Income Tax Rate (e) | Non-GAAP Basis |
|---|---|---|---|---|---|---|---|
| | | | Second Quarter 2013 | | | | |
| Revenues: | | | | | | | |
| Latin America | $ 413.6 | - | - | - | - | - | 413.6 |
| EMEA | 293.4 | - | - | - | - | - | 293.4 |
| North America | 226.3 | - | - | - | - | - | 226.3 |
| Asia Pacific | 36.6 | - | - | - | - | - | 36.6 |
| Revenues | $ 969.9 | - | - | - | - | - | 969.9 |
| Operating profit: | | | | | | | |
| Latin America | $ 24.4 | - | - | 0.5 | - | - | 24.9 |
| EMEA | 18.7 | - | - | - | - | - | 18.7 |
| North America | 6.3 | - | - | - | 2.9 | - | 9.2 |
| Asia Pacific | 5.0 | - | - | - | - | - | 5.0 |
| Segment operating profit | 54.4 | - | - | 0.5 | 2.9 | - | 57.8 |
| Non-segment | (21.6) | - | - | - | 10.2 | - | (11.4) |
| Operating profit | $ 32.8 | - | - | 0.5 | 13.1 | - | 46.4 |
| Amounts attributable to Brink’s: | | | | | | | |
| Income from continuing operations | $ 13.2 | - | - | 0.4 | 7.7 | 1.5 | 22.8 |
| Diluted EPS – continuing operations | 0.27 | - | - | 0.01 | 0.16 | 0.03 | 0.47 |
| | | | Third Quarter 2013 | | | | |
| Revenues: | | | | | | | |
| Latin America | $ 423.8 | - | - | - | - | - | 423.8 |
| EMEA | 301.2 | - | - | - | - | - | 301.2 |
| North America | 222.5 | - | - | - | - | - | 222.5 |
| Asia Pacific | 34.9 | - | - | - | - | - | 34.9 |
| Revenues | $ 982.4 | - | - | - | - | - | 982.4 |
| Operating profit: | | | | | | | |
| Latin America | $ 42.8 | - | - | 0.8 | - | - | 43.6 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| EMEA | 32.1 | - | - | - | - | - | 32.1 |
| North America | 0.2 | - | - | - | 2.9 | - | 3.1 |
| Asia Pacific | 4.8 | - | - | - | - | - | 4.8 |
| Segment operating profit | 79.9 | - | - | 0.8 | 2.9 | - | 83.6 |
| Non-segment | (20.7) | (0.9) | - | - | 10.3 | - | (11.3) |
| Operating profit | $ 59.2 | (0.9) | - | 0.8 | 13.2 | - | 72.3 |
| | | | | | | | |
| Amounts attributable to Brink’s: | | | | | | | |
| Income from continuing operations | $ 29.8 | (0.9) | - | 0.6 | 7.7 | (1.8) | 35.4 |
| Diluted EPS – continuing operations | 0.61 | (0.02) | - | 0.01 | 0.16 | (0.04) | 0.72 |

Amounts may not add due to rounding.

See page 42 for notes.

Non-GAAP Results – Reconciled to Amounts Reported Under GAAP (Continued)

| (In millions, except for per share amounts) | GAAP Basis | Gains and Losses on Acquisitions and Dispositions (a) | Net Monetary Asset Remeasurement Losses in Venezuela (b) | Employee Benefit Settlement Losses (c) | U.S. Retirement Plans (d) | Adjust Income Tax Rate (e) | Non-GAAP Basis |
|---|---|---|---|---|---|---|---|
| | | | Fourth Quarter 2013 | | | | |
| Revenues: | | | | | | | |
| Latin America | $ 470.4 | - | - | - | - | - | 470.4 |
| EMEA | 305.9 | - | - | - | - | - | 305.9 |
| North America | 226.4 | - | - | - | - | - | 226.4 |
| Asia Pacific | 36.7 | - | - | - | - | - | 36.7 |
| Revenues | $ 1,039.4 | - | - | - | - | - | 1,039.4 |
| Operating profit: | | | | | | | |
| Latin America | $ 59.3 | 2.2 | - | 0.9 | - | - | 62.4 |
| EMEA | 22.1 | - | - | - | - | - | 22.1 |
| North America | 0.2 | - | - | - | 2.9 | - | 3.1 |
| Asia Pacific | 2.6 | 0.9 | - | - | - | - | 3.5 |
| Segment operating profit | 84.2 | 3.1 | - | 0.9 | 2.9 | - | 91.1 |
| Non-segment | (21.8) | (0.8) | - | - | 10.3 | - | (12.3) |
| Operating profit | $ 62.4 | 2.3 | - | 0.9 | 13.2 | - | 78.8 |
| Amounts attributable to Brink's: | | | | | | | |
| Income from continuing operations | $ 26.0 | 4.0 | - | 0.6 | 8.2 | 0.2 | 39.0 |
| Diluted EPS – continuing operations | 0.53 | 0.08 | - | 0.01 | 0.17 | - | 0.79 |
| | | | Full Year 2013 | | | | |
| Revenues: | | | | | | | |
| Latin America | $ 1,720.7 | - | - | - | - | - | 1,720.7 |
| EMEA | 1,178.3 | - | - | - | - | - | 1,178.3 |
| North America | 898.4 | - | - | - | - | - | 898.4 |
| Asia Pacific | 144.8 | - | - | - | - | - | 144.8 |
| Revenues | $ 3,942.2 | - | - | - | - | - | 3,942.2 |
| Operating profit: | | | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Latin America | $ 149.9 | 2.2 | 13.4 | 2.5 | - | - | 168.0 |
| EMEA | 81.5 | - | - | - | - | - | 81.5 |
| North America | 4.7 | - | - | - | 11.6 | - | 16.3 |
| Asia Pacific | 16.7 | 0.9 | - | - | - | - | 17.6 |
| Segment operating profit | 252.8 | 3.1 | 13.4 | 2.5 | 11.6 | - | 283.4 |
| Non-segment | (81.1) | (2.8) | - | - | 41.3 | - | (42.6) |
| Operating profit | $ 171.7 | 0.3 | 13.4 | 2.5 | 52.9 | - | 240.8 |
| | | | | | | | |
| Amounts attributable to Brink's: | | | | | | | |
| Income from continuing operations | $ 71.9 | 2.0 | 8.4 | 1.8 | 31.8 | - | 115.9 |
| Diluted EPS – continuing operations | 1.47 | 0.04 | 0.17 | 0.04 | 0.65 | - | 2.37 |

Amounts may not add due to rounding.

(a) To eliminate:

- a $1.1 million adjustment in the first quarter of 2013 to the amount of gain recognized on a 2010 business acquisition in Mexico as a result of a favorable adjustment to the purchase price received in the first quarter of 2013.
- $1.7 million of adjustments in the third and fourth quarters of 2013 primarily related to the January 2013 acquisition of Rede Trel in Brazil.
- $3.1 million in adjustments in the fourth quarter of 2013 related to the increase in a loss contingency assumed in the 2010 Mexico acquisition and the impairment of an intangible asset acquired in the 2009 India acquisition.
- $2.6 million tax adjustment related to the Belgium disposition.

(b) To eliminate currency exchange losses related to a 16% devaluation of the official exchange rate in Venezuela from 5.3 to 6.3 bolivars to the U.S. dollar in February 2013.

(c) To eliminate employee benefit settlement losses in Mexico.

(d) To eliminate expenses related to U.S. retirement plans.

(e) To adjust effective income tax rate in the interim period to be equal to the full-year non-GAAP effective income tax rate. The full-year non-GAAP effective tax rate for 2013 is 33.3%.

Non-GAAP Results – Reconciled to Amounts Reported Under GAAP (Continued)

| (In millions, except for per share amounts) | GAAP Basis | Gains and Losses on Acquisitions and Dispositions (a) | Employee Benefit Settlement and Severance Losses (b) | U.S. Retirement Plans (c) | Tax Benefit on Change in Health Care Funding Strategy (d) | Non-GAAP Basis |
|---|---|---|---|---|---|---|
| | | | | | | |
| | Full Year 2012 | | | | | |
| Revenues: | | | | | | |
| Latin America | $ 1,579.4 | - | - | - | - | 1,579.4 |
| EMEA | 1,125.9 | - | - | - | - | 1,125.9 |
| North America | 893.3 | - | - | - | - | 893.3 |
| Asia Pacific | 136.4 | - | - | - | - | 136.4 |
| Revenues | $ 3,735.0 | - | - | - | - | 3,735.0 |
| | | | | | | |
| Operating profit: | | | | | | |
| Latin America | $ 135.1 | (8.9) | 3.9 | - | | 130.1 |
| EMEA | 88.1 | 0.4 | - | - | | 88.5 |
| North America | 31.9 | - | - | 8.8 | - | 40.7 |
| Asia Pacific | 8.8 | - | - | - | - | 8.8 |
| Segment operating profit | 263.9 | (8.5) | 3.9 | 8.8 | - | 268.1 |
| Non-segment | (88.9) | (0.8) | - | 47.4 | - | (42.3) |
| Operating profit | $ 175.0 | (9.3) | 3.9 | 56.2 | - | 225.8 |
| | | | | | | |
| Amounts attributable to Brink's: | | | | | | |
| Income from continuing operations | $ 111.2 | (14.0) | 2.8 | 33.8 | (21.1) | 112.7 |
| Diluted EPS – continuing operations | 2.29 | (0.29) | 0.06 | 0.70 | (0.43) | 2.32 |

Amounts may not add due to rounding.

(a) To eliminate:

- Gains related to the sale of investments in mutual fund securities ($1.9 million in the first quarter and $0.5 million in the third quarter). Proceeds from the sales were used to fund the settlement of pension obligations related to our former chief executive officer, and former chief administrative officer.
- Gains and losses related to business acquisitions and dispositions. A $0.9 million gain was recognized in the second quarter and a $0.1 million loss was recognized in the third quarter. In the fourth quarter of 2012, tax expense included a benefit of $7.5 million related to a reduction in an income tax accrual established as part of the 2010 acquisition of subsidiaries in Mexico, and pretax income included a $2.1 million favorable adjustment to the local profit sharing accrual as a result of the change in tax expectation.

- Third-quarter gain on the sale of real estate in Venezuela ($7.2 million).

(b) To eliminate employee benefit settlement and acquisition-related severance losses (Mexico and Argentina). Employee termination benefits in Mexico are accounted for under FASB ASC Topic 715, Compensation – Retirement Benefits.

(c) To eliminate expenses related to U.S. retirement plans.

(d) To eliminate tax benefit related to change in retiree health care funding strategy.

Non-GAAP Results – Reconciled to Amounts Reported Under GAAP (Continued)

| (In millions, except for per share amounts) | GAAP Basis | Gains and Losses on Acquisitions and Dispositions (a) | Employee Benefit Settlement Losses (b) | CEO Retirement Costs (c) | U.S. Retirement Plans (d) | Non-GAAP Basis |
|---|---|---|---|---|---|---|
| | | | Full Year 2011 | | | |
| Revenues: | | | | | | |
| Latin America | $ 1,460.7 | - | - | - | - | 1,460.7 |
| EMEA | 1,143.0 | - | - | - | - | 1,143.0 |
| North America | 923.4 | - | - | - | - | 923.4 |
| Asia Pacific | 135.8 | - | - | - | - | 135.8 |
| Revenues | $ 3,662.9 | - | - | - | - | 3,662.9 |
| | | | | | | |
| Operating profit: | | | | | | |
| Latin America | $ 143.5 | - | 2.1 | - | - | 145.6 |
| EMEA | 73.4 | - | - | - | - | 73.4 |
| North America | 30.3 | - | - | - | 3.2 | 33.5 |
| Asia Pacific | 15.1 | - | - | - | - | 15.1 |
| Segment operating profit | 262.3 | - | 2.1 | - | 3.2 | 267.6 |
| Non-segment | (59.8) | (9.7) | - | 4.1 | 24.8 | (40.6) |
| Operating profit | $ 202.5 | (9.7) | 2.1 | 4.1 | 28.0 | 227.0 |
| | | | | | | |
| Amounts attributable to Brink's: | | | | | | |
| Income from continuing operations | $ 100.3 | (9.6) | 1.5 | 2.6 | 17.7 | 112.5 |
| Diluted EPS – continuing operations | 2.09 | (0.20) | 0.03 | 0.05 | 0.37 | 2.34 |

Amounts may not add due to rounding.

(a) To eliminate gains as follows:

| (In millions, except for per share amounts) | Full Year 2011 Operating Profit | Full Year 2011 EPS |
|---|---|---|
| Sale of U.S. Document Destruction business | $ (6.7) | (0.09) |
| Gains on available-for-sale equity and debt securities | - | (0.05) |
| Acquisition of controlling interests | (2.5) | (0.05) |
| Sale of former operating assets | (0.5) | (0.01) |
| | $ (9.7) | (0.20) |

(b)

To eliminate employee benefit settlement loss related to Mexico. Portions of Brink's Mexican subsidiaries' accrued employee termination benefit were paid in the second and third quarters of 2011. The employee termination benefit is accounted for under FASB ASC Topic 715, Compensation – Retirement Benefits. Accordingly, the severance payments resulted in settlement losses.

(c) To eliminate the costs related to the retirement of the former chief executive officer.

(d) To eliminate expenses related to U.S. retirement liabilities.

Non-GAAP Results – Reconciled to Amounts Reported Under GAAP (Continued)

| (In millions, except for per share amounts) | GAAP Basis | Gains and Losses on Acquisitions and Dispositions (a) | Royalty (b) | Remeasure Venezuelan Net Monetary Assets (c) | U.S. Retirement Plans (d) | U.S. Healthcare Legislation Tax Charge (e) | Non-GAAP Basis |
|---|---|---|---|---|---|---|---|
| | | | | Full Year 2010 | | | |
| Revenues: | | | | | | | |
| Latin America | $ 877.4 | - | - | - | - | - | 877.4 |
| EMEA | 1,022.9 | - | - | - | - | - | 1,022.9 |
| North America | 917.8 | - | - | - | - | - | 917.8 |
| Asia Pacific | 107.2 | - | - | - | - | - | 107.2 |
| Revenues | $ 2,925.3 | - | - | - | - | - | 2,925.3 |
| Operating profit: | | | | | | | |
| Latin America | $ 118.0 | - | - | 3.2 | - | - | 121.2 |
| EMEA | 68.0 | - | - | - | - | - | 68.0 |
| North America | 44.1 | - | - | - | (1.0) | - | 43.1 |
| Asia Pacific | 14.5 | - | - | - | - | - | 14.5 |
| Segment operating profit | 244.6 | - | - | 3.2 | (1.0) | - | 246.8 |
| Non-segment | (62.6) | 8.6 | (4.9) | - | 22.7 | - | (36.2) |
| Operating profit | $ 182.0 | 8.6 | (4.9) | 3.2 | 21.7 | - | 210.6 |
| Amounts attributable to Brink’s: | | | | | | | |
| Income from continuing operations | $ 87.1 | 5.6 | (3.0) | 2.0 | 13.5 | 13.7 | 118.9 |
| Diluted EPS – continuing operations | 1.80 | 0.12 | (0.06) | 0.04 | 0.28 | 0.29 | 2.46 |

Amounts may not add due to rounding.

(a) To eliminate

- Loss recognized related to acquisition of controlling interest in subsidiary previously accounted for as cost method investment and bargain purchase gain in Mexico.
- Exchange of marketable equity securities.

(b) To eliminate royalty income from former home security business.

(c) To reverse remeasurement gains and losses in Venezuela. For accounting purposes, Venezuela is considered a highly inflationary economy. Under U.S. GAAP, subsidiaries that operate in Venezuela record gains and losses in earnings for the remeasurement of bolivar denominated net monetary assets.

(d) To eliminate expenses related to U.S. retirement liabilities.

(e)

To eliminate $13.7 million of tax expense related to the reversal of a deferred tax asset as a result of U.S. healthcare legislation.



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Non-GAAP Results – Reconciled to Amounts Reported Under GAAP (Continued)

| (In millions, except for per share amounts) | GAAP Basis | Gains and Losses on Acquisitions and Dispositions (a) | Change to Parallel Rate (b) | Venezuelan Currency Losses (c) | Royalty (d) | U.S. Retirement Plans (e) | Adjust Income Tax rate (f) | Non-GAAP Basis |
|---|---|---|---|---|---|---|---|---|
| | | | | Full Year 2009 | | | | |
| Revenues: | | | | | | | | |
| Latin America | $ 904.7 | - | (237.9) | - | - | - | - | 666.8 |
| EMEA | 1,085.4 | - | - | - | - | - | - | 1,085.4 |
| North America | 894.1 | - | - | - | - | - | - | 894.1 |
| Asia Pacific | 75.1 | - | - | - | - | - | - | 75.1 |
| Revenues | $ 2,959.3 | - | (237.9) | - | - | - | - | 2,721.4 |
| | | | | | | | | |
| Operating profit: | | | | | | | | |
| Latin America | $ 130.8 | - | (43.0) | 4.5 | - | - | - | 92.3 |
| EMEA | 43.0 | - | - | - | - | - | - | 43.0 |
| North America | 56.6 | - | - | - | - | (2.0) | - | 54.6 |
| Asia Pacific | 6.9 | - | - | - | - | - | - | 6.9 |
| Segment operating profit | 237.3 | - | (43.0) | 4.5 | - | (2.0) | - | 196.8 |
| Non-segment | (46.6) | (24.5) | - | 22.5 | (6.8) | 20.7 | - | (34.7) |
| Operating profit | $ 190.7 | (24.5) | (43.0) | 27.0 | (6.8) | 18.7 | - | 162.1 |
| | | | | | | | | |
| Amounts attributable to Brink's: | | | | | | | | |
| Income from continuing operations | $ 220.1 | (20.8) | (23.2) | 25.2 | (4.3) | 11.7 | (117.6) | 91.1 |
| Diluted EPS – continuing operations | 4.63 | (0.43) | (0.49) | 0.53 | (0.09) | 0.25 | (2.48) | 1.92 |

Amounts may not add due to rounding.

(a) To eliminate gains related to acquisitions of controlling interests in subsidiaries previously accounted for as equity method investments as well as gains on sales of property and assets of former operations.

(b) To reduce revenues and segment operating income to reflect the 2009 results of Venezuelan subsidiaries had they been translated using the parallel currency exchange rate in effect at the time. The average parallel exchange rate used for the non-GAAP full-year earnings was 6.00 bolivars to the U.S. dollar, compared to an average rate of 2.21 bolivars to the U.S. dollar that was used for the GAAP financial statements. The official rate of 2.15 bolivars to the U.S. dollar was used for translation of Venezuela for most of 2009 until the parallel rate was

adopted during December 2009. The use of the weaker rate to translate 2009's non-GAAP revenues and earnings of the Venezuelan subsidiaries decreased each measure by 63%.

(c) To eliminate currency losses incurred in Venezuela related to increases in cash held in U.S. dollars by Venezuelan subsidiaries. These losses would not have been incurred had the operations been translated at the parallel rate.

(d) To eliminate royalty income from former home security business.

(e) To eliminate expenses related to U.S. retirement plans.

(f) The full-year 2009 non-GAAP tax expense excludes $118 million of income tax benefits related to the reduction in the amount of valuation allowance needed for U.S. deferred tax assets as a result of improved investments in retirement plans and improved credit markets as well as the tax effect of the other pretax non-GAAP adjustments. The full-year non-GAAP effective income tax rate for 2009 was 32.2%.

Foreign Operations

We currently serve customers in more than 100 countries, including 43 countries where we operate subsidiaries.

We are subject to 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 are unknown.

Our international operations conduct a majority of their business in local currencies. Because our financial results are reported in U.S. dollars, they are affected by changes in the value of various local currencies in relation to the U.S. dollar. Brink's Venezuela is subject to local laws and regulatory interpretations that determine the exchange rate at which repatriating dividends may be converted and Brink's Argentina may in the future be subject to similar restrictions. See Application of Critical Accounting Policies—Foreign Currency Translation on page 65 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 subsidiaries operating in highly inflationary economies.

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 and swap contracts to hedge transactional risks associated with foreign currencies, as discussed in Item 7A on page 67. At December 31, 2013, the notional value of our shorter term outstanding foreign currency contracts was $46.1 million with average contract maturities of approximately 1 month. These shorter term foreign currency contracts primarily offset exposures in the Mexican peso and the euro. Additionally, these shorter term contracts are not designated as hedges for accounting purposes, and accordingly, changes in their fair value are recorded immediately in earnings. We recognized losses of $0.4 million on these foreign currency contracts in 2013. At December 31, 2013, the fair value of these outstanding foreign currency contracts was not significant.

We also have a longer term cross currency swap contract to hedge exposure in Brazilian real which is designated as a cash flow hedge for accounting purposes. At December 31, 2013, the notional value of this longer term contract was $21.2 million with a weighted average maturity of 2.5 years. We recognized net gains of $2.3 million on this contract, of which gains of $3.3 million were included in other operating income (expense) to offset transaction losses of $3.3 million and expenses of $1.0 million were included in interest and other income (expense) in 2013. At December 31, 2013 the fair value of the longer term cross currency swap contract was $3.7 million, of which $4.7 million is included in other assets and $1.0 million is included in accrued liabilities on the consolidated balance sheet.

## LIQUIDITY AND CAPITAL RESOURCES

### Overview

Over the last three years, we have used cash generated from our continuing operations to
- invest in the infrastructure of our business (new facilities, cash sorting and other equipment for our Cash Management Services operations, armored trucks, CompuSafe® units, and customer-facing and back-office information technology) ($539 million),
- acquire businesses and noncontrolling interests in subsidiaries ($79 million), and
- pay dividends ($57 million).

We entered into a new master lease agreement in late 2009 to finance the acquisition of new armored vehicles in the U.S. Vehicles acquired under the 2009 lease agreement have been accounted for as capital leases. Vehicles acquired under the previous master lease agreement were accounted for as operating leases.

### Outlook
- We expect our capital expenditures in 2014 to approximate the amounts spent in 2013 as we continue to reduce maintenance capital spending through efficiency projects and reallocate more of our spending to growth and productivity initiatives.
- We are required to contribute $26 million to our primary U.S. pension plan in 2014. Based on current assumptions, we expect to make contributions to the plan totalling $110 million during 2014-2018.
- We continue to consider acquisition opportunities in the secure transportation and Cash Management Services industry and in adjacent security markets. We may use our cash from operations and borrowings to fund these acquisitions.

### Operating Activities

| | Years Ended December 31, | | | $ change | |
|---|---|---|---|---|---|
| (In millions) | 2013 | 2012 | 2011 | 2013 | 2012 |
| Cash flows from operating activities | | | | | |
| Non-GAAP basis | $ 205.9 | 239.7 | 262.1 | $ (33.8) | (22.4) |
| Increase (decrease) in certain customer obligations(a) | (9.8) | 15.7 | (11.7) | (25.5) | 27.4 |
| Discontinued operations(b) | 5.4 | (4.9) | (3.4) | 10.3 | (1.5) |
| GAAP basis | $ 201.5 | 250.5 | 247.0 | $ (49.0) | 3.5 |

(a) To eliminate the change in the balance of customer obligations related to cash received and processed in certain of our secure Cash Management Services operations. The title to this cash transfers to us for a short period of time. The cash is generally credited to customers' accounts the following day and we do not consider it as available for general corporate purposes in the management of our liquidity and capital resources.

(b) To eliminate cash flows related to our discontinued operations.

Non-GAAP cash flows from operating activities are supplemental financial measures that are not required by, or presented in accordance with GAAP. The purpose of the non-GAAP cash flows from operating activities is to report financial information excluding the impact of cash received and processed in certain of our secure Cash Management

Services operations, without cash flows from discontinued operations. We believe these measures are helpful in assessing cash flows from operations, enable period-to-period comparability and are useful in predicting future operating cash flows. Non-GAAP cash flows from operating activities should not be considered as an alternative to cash flows from operating activities determined in accordance with GAAP and should be read in conjunction with our consolidated statements of cash flows.

2013 versus 2012

GAAP

Operating cash flows decreased by $49.0 million in 2013 compared to the same period in 2012. The decrease was primarily due to a $25.5 million decrease in cash held for customers in certain of our secure Cash Management Services operations, $19.3 million in proceeds from the sale of value-added tax receivables in Venezuela in 2012, an increase in cash used to fund working capital needs, and lower income from continuing operations, partially offset by $11.6 million cash paid to our former CEO in 2012 and a $10.3 million increase in operating cash flow from discontinued operations.

Non-GAAP
Cash flows from operating activities decreased from 2012 by $33.8 million. This decrease was primarily due to $19.3 million in proceeds from the sale of value-added tax receivables in Venezuela in 2012, lower income from continuing operations and changes in working capital, partially offset by $11.6 million cash paid to our former CEO in 2012.

2012 versus 2011
GAAP
Operating cash flows increased by $3.5 million in 2012 compared to the same period in 2011. The increase was primarily due to a $27.4 million increase in cash held for customers in certain of our secure Cash Management Services operations and $19.3 million in proceeds from the sale of value-added tax receivables in Venezuela. These increases were offset by a $13.4 million cash contribution to our U.S. pension plan, the payment of $11.6 million in pension benefits to our former CEO, a customer loss that was paid in 2012 (with the related $10.5 million insurance recovery collected in 2013), and a $9.5 million increase in income tax payments.

Non-GAAP
Cash flows from operating activities decreased from 2011 by $22.4 million. This decrease was primarily due to a $13.4 million cash contribution to our U.S. pension plan, the payment of $11.6 million in pension benefits to our former CEO, a customer loss that was paid in 2012 (with the related $10.5 million insurance recovery collected in 2013), and a $9.5 million increase in income tax payments. These decreases were partially offset by $19.3 million in proceeds from the sale of value-added tax receivables in Venezuela.

Investing Activities

| | Years Ended December 31, | | | $ change | |
|---|---|---|---|---|---|
| (In millions) | 2013 | 2012 | 2011 | 2013 | 2012 |
| Cash flows from investing activities | | | | | |
| Capital expenditures | $ (177.7) | (177.9) | (183.7) | $ 0.2 | 5.8 |
| Acquisitions | (18.1) | (17.2) | (3.0) | (0.9) | (14.2) |
| Proceeds from the sale of available-for-sale securities and other investments | 9.9 | 15.4 | 12.9 | (5.5) | 2.5 |
| Proceeds from the sale of property and equipment | 5.9 | 12.5 | 13.9 | (6.6) | (1.4) |
| Redemption of cash-surrender value of life insurance policies | - | 6.2 | - | (6.2) | 6.2 |
| Other | (0.5) | 4.9 | 0.1 | (5.4) | 4.8 |
| Discontinued operations | 57.5 | (11.2) | (12.0) | 68.7 | 0.8 |
| Investing activities | $ (123.0) | (167.3) | (171.8) | $ 44.3 | 4.5 |

Cash used by investing activities decreased by $44.3 million in 2013 versus 2012 primarily due to proceeds from the sale of discontinued operations, including Threshold Financial Technologies Inc. ($43.8 million net proceeds), ICD Limited ($30.2 million net proceeds), less the amount paid to the buyer of our German CIT operations ($13.2 million net cash paid to purchaser). Cash flows from investing activities were otherwise lower than 2012 due to a $6.6 million decrease in proceeds from the sale of property and equipment, $6.2 million in proceeds from the redemption of life insurance policies in 2012 and a $5.5 million decrease in proceeds from the sale of available-for-sale securities and other investments.

Cash used by investing activities decreased by $4.5 million in 2012 versus 2011 primarily due to a $5.8 million decrease in capital expenditures and $6.2 million in proceeds from the redemption of life insurance policies. These

items were offset by a $14.2 million increase in cash used for business acquisitions as we acquired a logistics software provider in France in 2012.



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Capital expenditures and depreciation and amortization were as follows:

| | Outlook | Years Ended December 31, | | | $ change | |
|---|---|---|---|---|---|---|
| (In millions) | 2014 | 2013 | 2012 | 2011 | 2013 | 2012 |
| Property and Equipment Acquired during the year | | | | | | |
| Capital expenditures: | | | | | | |
| Latin America | $ (a) | 88.7 | 83.8 | 85.0 | $ 4.9 | (1.2) |
| EMEA | (a) | 33.9 | 40.1 | 47.3 | (6.2) | (7.2) |
| North America | (a) | 52.1 | 48.2 | 44.2 | 3.9 | 4.0 |
| Asia Pacific | (a) | 3.0 | 5.8 | 7.2 | (2.8) | (1.4) |
| Capital expenditures | $ 185 - 195 | 177.7 | 177.9 | 183.7 | $ (0.2) | (5.8) |
| Capital leases(b): | | | | | | |
| Latin America | $ (a) | 0.9 | 2.7 | 7.4 | $ (1.8) | (4.7) |
| EMEA | (a) | - | - | 0.1 | - | (0.1) |
| North America | (a) | 4.6 | 15.4 | 35.4 | (10.8) | (20.0) |
| Asia Pacific | (a) | - | - | 0.1 | - | (0.1) |
| Capital leases | $ 15 | 5.5 | 18.1 | 43.0 | $ (12.6) | (24.9) |
| Total: | | | | | | |
| Latin America | $ (a) | 89.6 | 86.5 | 92.4 | $ 3.1 | (5.9) |
| EMEA | (a) | 33.9 | 40.1 | 47.4 | (6.2) | (7.3) |
| North America | (a) | 56.7 | 63.6 | 79.6 | (6.9) | (16.0) |
| Asia Pacific | (a) | 3.0 | 5.8 | 7.3 | (2.8) | (1.5) |
| Total | $ 200 - 210 | 183.2 | 196.0 | 226.7 | $ (12.8) | (30.7) |
| Depreciation and amortization | | | | | | |
| Latin America | $ (a) | 60.8 | 50.7 | 45.3 | $ 10.1 | 5.4 |
| EMEA | (a) | 48.8 | 43.7 | 47.0 | 5.1 | (3.3) |
| North America | (a) | 58.2 | 55.4 | 50.8 | 2.8 | 4.6 |
| Asia Pacific | (a) | 5.8 | 5.9 | 5.0 | (0.1) | 0.9 |
| Depreciation and amortization | $185 – 190 | 173.6 | 155.7 | 148.1 | $ 17.9 | 7.6 |

(a) Not provided.

(b) Represents the amount of property and equipment acquired using capital leases. Because the assets are acquired without using cash, the acquisitions are not reflected in the consolidated cash flow statement. Amounts are provided here to assist in the comparison of assets acquired in the current year versus prior years. Sale leaseback transactions are excluded from “Capital leases” in this table.

Since 2011, we have increased our spending on information technology to improve business process productivity, and we have reduced our maintenance capital expenditures for vehicles and facilities while continuing to focus on safety and security. We continue to focus on maximizing asset utilization and maintenance of capital expenditures which

has enabled us to reduce our annual spend to a level more in line with depreciation. Our reinvestment ratio, which we define as the annual amount of capital expenditures divided by the annual amount of depreciation and amortization, was 1.1 in 2013, 1.3 in 2012, and 1.6 in 2011.

Capital expenditures in 2013 were primarily for new cash processing and security equipment, armored vehicles and information technology. Capital expenditures in 2013 were relatively flat when compared to the same period in 2012, however total property and equipment acquired in 2013 was $12.8 million lower than the prior year. Total property and equipment acquired during 2014 is expected to be $200 million to $210 million.

Capital expenditures in 2012 were primarily for new cash processing and security equipment, armored vehicles and information technology. Capital expenditures in 2012 were slightly lower when compared to 2011, however total property and equipment acquired in 2012 was $30.7 million lower than the prior year.

Financing Activities

Summary of Financing Activities

| | Years Ended December 31, | | |
|---|---|---|---|
| (In millions) | 2013 | 2012 | 2011 |
| Cash provided (used) by financing activities | | | |
| Borrowings and repayments: | | | |
| Short-term debt | $ 60.5 | 3.3 | (7.2) |
| Long-term revolving credit facilities | 13.8 | (4.5) | (107.0) |
| Issuance of private placement notes | - | - | 100.0 |
| Other long-term debt | (23.5) | (20.0) | (29.3) |
| Borrowings (repayments) | 50.8 | (21.2) | (43.5) |
| Debt financing costs | (0.1) | (1.5) | (0.6) |
| Cash proceeds from sale-leaseback transactions | - | - | 17.6 |
| Dividends attributable to: | | | |
| Shareholders of Brink's | (19.2) | (19.0) | (18.7) |
| Noncontrolling interests in subsidiaries | (6.0) | (13.0) | (16.1) |
| Acquisition of noncontrolling interests in subsidiaries | (18.5) | (9.4) | - |
| Payment of acquisition-related obligation | (12.8) | - | - |
| Other | 2.3 | (3.7) | 4.3 |
| Discontinued operations | (2.5) | (0.2) | (10.2) |
| Cash flows from financing activities | $ (6.0) | (68.0) | (67.2) |

Debt borrowings and repayments
In 2013, cash used by financing activities decreased by $62.0 million versus 2012 as we increased short-term debt and borrowed from our revolving credit facilities. The increase in net borrowings was partially offset by an increase in payments related to acquisitions ($21.9 million) in 2013. In 2012 and 2011, we repaid a portion of our debt as cash flows from operating activities exceeded the net cash used by our investing activities.

Common stock
We contributed $9 million in newly issued common stock to our primary U.S. pension plan in 2012. Because the contribution did not involve cash, the transaction is not included in our consolidated statements of cash flows.

Dividends
We paid dividends to Brink's shareholders of $0.10 per share in each of the last 12 quarters. Future dividends are dependent on our earnings, financial condition, shareholders' equity levels, our 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.

Tight credit markets in late 2008 and early 2009 resulted in unreliable credit availability under our U.S. armored vehicle master lease agreement and volatile pricing. As a result, from March 2009 to late 2009, we purchased vehicles with cash borrowed under our committed credit facilities instead of leasing. In late 2009 as credit markets stabilized,

we began to lease vehicles under a new master agreement. Vehicles acquired under the 2009 master lease agreement are accounted for as capital leases. Vehicles acquired under the previous lease agreement are accounted for as operating leases based on terms of that agreement. We expect to continue financing new vehicles in the U.S. using capital leases.

As of December 31, 2013, debt as a percentage of capitalization (defined as total debt and equity) was 36% compared to 40% at December 31, 2012. The decrease resulted mainly from a higher equity balance compared to the end of 2013. Equity increased primarily as a result of a decrease in the accumulated other comprehensive loss related to retirement benefit plans in 2013.

Summary of Debt, Equity and Other Liquidity Information

| | Amount available under credit facilities | Outstanding balance | | |
|---|---|---|---|---|
| | December 31, | December 31, | | |
| (In millions) | 2013 | 2013 | 2012 | $ change(a) |
| Debt: | | | | |
| Revolving Facility | $ 359.4 | $ 120.6 | 107.2 | $ 13.4 |
| Private Placement Notes | - | 100.0 | 100.0 | - |
| Capital leases | - | 76.4 | 91.3 | (14.9) |
| Dominion Terminal Associates bonds | - | 43.2 | 43.2 | - |
| Multi-currency revolving facilities | 46.1 | 6.2 | 10.2 | (4.0) |
| 2012 Credit Facility | 13.5 | 11.0 | 3.8 | 7.2 |
| Letter of Credit Facilities | 70.0 | - | - | - |
| Other | - | 78.6 | 33.6 | 45.0 |
| Debt | $ 489.0 | $ 436.0 | 389.3 | $ 46.7 |
| | | | | |
| Total equity | | $ 779.5 | 576.8 | $ 202.7 |

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

Reconciliation of Net Debt to U.S. GAAP Measures

| | December 31, | | |
|---|---|---|---|
| (In millions) | 2013 | 2012 | $ change |
| | | | |
| Debt: | | | |
| Short-term debt | $ 80.9 | 26.7 | $ 54.2 |
| Long-term debt | 355.1 | 362.6 | (7.5) |
| Total Debt | 436.0 | 389.3 | 46.7 |
| | | | |
| Less: | | | |
| Cash and cash equivalents | 255.5 | 201.7 | 53.8 |
| Amounts held by Cash Management Services operations(a) | (31.3) | (44.0) | 12.7 |
| Cash and cash equivalents available for general corporate purposes | 224.2 | 157.7 | 66.5 |
| | | | |
| Net Debt | $ 211.8 | 231.6 | $ (19.8) |

(a) Title to cash received and processed in certain of our secure Cash Management Services operations transfers to us for a short period of time. The cash is generally credited to customers' accounts the following day and we do not consider it as available for general corporate purposes in the management of our liquidity and capital resources and in our computation of Net Debt.

Net Debt is a supplemental non-GAAP financial measure that is not required by, or presented in accordance with GAAP. We use Net Debt as a measure of our financial leverage. We believe that investors also may find Net Debt to be helpful in evaluating our financial leverage. Net Debt should not be considered as an alternative to Debt determined in accordance with GAAP and should be reviewed in conjunction with our consolidated balance sheets. Set forth above is a reconciliation of Net Debt, a non-GAAP financial measure, to Debt, which is the most directly comparable financial measure calculated and reported in accordance with GAAP, as of December 31, 2013, and December 31, 2012. Net Debt excluding cash and debt in Venezuelan operations was $306 million at December 31, 2013, and $280 million at December 31, 2012.

Net Debt at the end of 2013 decreased by $20 million compared to Net Debt at the end of 2012 primarily due to positive operating cash flows exceeding cash used for capital expenditures, business acquisitions and for the payment of dividends. A significant portion of the improvement in Net Debt related to cash generation in Venezuela (see Liquidity Needs below). Net Debt without Venezuela increased $26 million because cash flows from operations excluding Venezuela did not exceed cash used for capital expenditures, business acquisitions and for the payment of dividends (each excluding Venezuela).

Liquidity Needs

Our operating liquidity needs are typically financed by cash from operations, short-term debt and the Revolving Facility (our debt facilities are described below). We have certain limitations and considerations related to the cash and borrowing capacity that are reported in our consolidated financial statements. 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 twelve months.

Limitations on dividends from foreign subsidiaries. A significant portion of our operations are outside the U.S. which may make it difficult to repatriate additional cash for use in the U.S. See Item 1A., Risk Factors, for more information on the risks associated with having businesses outside the U.S.

Incremental taxes. Of the $256 million of cash and cash equivalents at December 31, 2013, approximately $226 million is held by subsidiaries that we consider to be permanently invested and for which we do not expect to repatriate to the U.S. If we decided to repatriate this cash to the U.S., we may have to accrue and pay additional income taxes. Given the number of foreign operations and the complexities of the tax law, it is not practical to estimate the potential tax liability, but the amount of taxes owed could be material depending on how and when the repatriation occurred.

Venezuela. The Venezuelan government has currency restrictions that limit our ability to obtain U.S. dollars to operate our local business and to repatriate cash. The inability to repatriate cash from Venezuela limits our ability to use funds earned in Venezuela for general corporate purposes in the U.S. and elsewhere, including reducing our debt. We believe that the currency exchange rate we use to measure our Venezuelan financial information is likely to be devalued in the future, which would reduce the amount of reported cash on our balance sheet. At December 31, 2013, our Venezuelan subsidiaries held $0.5 million of cash and short-term investments denominated in U.S. dollars and we held $93.8 million of cash and cash equivalents denominated in bolivars.

Argentina. The Argentinean government has, from time-to-time, imposed limits on the exchange of local pesos into U.S. dollars. As a result, we have elected in the past and may elect in the future to repatriate cash from Argentina using alternative legal methods, which may result in less favorable exchange rates. We have $10.9 million in cash held in Argentinean pesos at December 31, 2013.

Pension contributions. We have a significantly underfunded U.S. pension plan that will be required to be funded in the future. We currently expect to be able to fund pension contributions in the future with cash from operations and borrowings. Estimated future contributions to our primary U.S. pension plan total $109.5 million based on current assumptions including $25.9 million to be paid in 2014.

Debt

We have a $480 million unsecured revolving bank credit facility (the “Revolving Facility”) that matures in January 2017. The Revolving Facility’s interest rate is based on LIBOR plus a margin, alternate base rate plus a margin, or competitive bid. The Revolving Facility allows us to borrow or issue letters of credit (or otherwise satisfy credit needs) on a revolving basis over the term of the facility. As of December 31, 2013, $359 million was available under the Revolving Facility. Amounts outstanding under the Revolving Facility as of December 31, 2013, were denominated primarily in U.S. dollars and to a lesser extent in euros.

The margin on LIBOR borrowings under the Revolving Facility, which can range from 0.9% to 1.575% depending on our credit rating, was 1.40% at December 31, 2013. The margin on alternate base rate borrowings under the Revolving Facility can range from 0.0% to 0.575%. We also pay an annual facility fee on the Revolving Facility based on our credit rating. The facility fee can range from 0.10% to 0.30 % and was 0.225% at December 31, 2013.

We have $100 million in unsecured notes through a private placement debt transaction (the "Notes"). The Notes comprise $50 million in series A notes with a fixed interest rate of 4.57% and $50 million in series B notes with a fixed interest rate of 5.20%. The Notes are due in January 2021 with principal payments under the series A notes to begin in January 2015.

We have three unsecured multi-currency revolving bank credit facilities with a total of $73 million in available credit, of which approximately $46 million was available at December 31, 2013. A $20 million facility expires in May 2014, a $30 million facility expires in October 2014, and a $23 million facility expires in December 2015. Interest on these facilities is based on LIBOR plus a margin. The margin ranges from 0.9% to 2.125%. We also have the ability to borrow from other banks, at the banks' discretion, under short-term uncommitted agreements. Various foreign subsidiaries maintain other lines of credit and overdraft facilities with a number of banks.

We have a $24 million unsecured committed credit facility that expires in April 2014. Interest on this facility is based on LIBOR plus a margin, which ranges from 1.20% to 1.575%. As of December 31, 2013, $14 million was available under the facility.

We have three unsecured letter of credit facilities totaling $179 million, of which approximately $70 million was available at December 31, 2013. A $54 million facility expires in December 2016, an $85 million facility expires in June 2015, and a $40 million facility expires in

December 2015. The Revolving Facility and the multi-currency revolving credit facilities are also used for issuance of letters of credit and bank guarantees.

The Revolving Facility, the Notes, the unsecured multi-currency revolving bank credit facilities, the unsecured committed credit facility and the letter of credit facilities contain subsidiary guarantees and various financial and other covenants. The financial covenants, among other things, limit our total indebtedness, limit priority debt, 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 credit 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, 2013.

We have $43 million of bonds issued by the Peninsula Ports Authority of Virginia recorded as debt on our balance sheet. Although we are not the primary obligor of the debt, we have guaranteed the debt and we believe that we will ultimately pay this obligation. The guarantee originated as part of a former interest in Dominion Terminal Associates, a deep water coal terminal. We continue to pay interest on the debt. 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 the guarantee.

Equity

Common Stock

At December 31, 2013, we had 100 million shares of common stock authorized and 48.4 million shares issued and outstanding.

On February 28, 2012, we filed a shelf registration statement under Form S-3ASR with the SEC for $150 million of our common stock. Under this shelf registration, we are able to issue up to $150 million of new common stock. On March 6, 2012, we issued 361,446 shares of our common stock and contributed the shares to our primary U.S. pension plan. Sales of these shares by the pension plan are covered under our shelf registration statement. The common stock was valued for purposes of the contribution at $24.90 per share, or $9 million in the aggregate, which reflected a 2.4% discount from the $25.51 per share closing share price of our common stock on March 5, 2012.

Preferred Stock

At December 31, 2013, we had the authority to issue up to 2.0 million shares of preferred stock, par value $10 per share.

Off Balance Sheet Arrangements

We have operating leases that are described in the notes to the consolidated financial statements. 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, 2013.

| | Estimated Payments Due by Period | | | | | | |
|---|---|---|---|---|---|---|---|
| (In millions) | 2014 | 2015 | 2016 | 2017 | 2018 | Later Years | Total |
| Contractual obligations: | | | | | | | |
| Long-term debt obligations | $ 4.1 | 13.7 | 9.1 | 129.7 | 7.1 | 115.0 | 278.7 |
| Capital lease obligations | 20.5 | 20.7 | 13.7 | 10.4 | 6.4 | 4.7 | 76.4 |
| Operating lease obligations | 81.5 | 65.3 | 48.7 | 22.0 | 15.9 | 43.0 | 276.4 |
| Purchase obligations | 14.4 | 2.3 | 1.4 | 1.3 | 1.3 | - | 20.7 |
| Other long-term liabilities reflected on the | | | | | | | |
| Company's balance sheet under GAAP: | | | | | | | |
| Primary U.S. pension plan | 25.9 | 28.9 | 31.6 | 18.7 | 4.4 | - | 109.5 |
| Other retirement obligations: | | | | | | | |
| UMWA plans | - | - | - | - | - | 238.5 | 238.5 |
| Black lung and other plans | 5.7 | 5.3 | 5.1 | 4.8 | 4.5 | 52.9 | 78.3 |
| Workers compensation and other claims | 24.3 | 8.9 | 5.6 | 3.5 | 3.7 | 20.4 | 66.4 |
| Uncertain tax positions | 1.7 | - | - | - | - | - | 1.7 |
| Other | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 10.4 | 14.4 |
| Total | $ 178.9 | 145.9 | 116.0 | 191.2 | 44.1 | 484.9 | 1,161.0 |

U.S. Pension Plans

Pension benefits provided to eligible U.S. employees were frozen on December 31, 2005, and are not provided to employees hired after 2005 or to those covered by a collective bargaining agreement. There are approximately 19,800 beneficiaries in the plans. We made cash contributions totaling $13.0 million to the primary U.S. pension plan in 2013.

Federal legislation titled Moving Ahead for Progress in the 21st Century ("MAP-21") was passed in July 2012. MAP-21 effectively raises the discount rates used to determine our primary U.S. pension plan's benefit liability for funding purposes and has the effect of spreading the expected funding requirements for the pension plan over a longer period of time.

Based on current assumptions, including the provisions of this legislation, we expect to make contributions totaling $109.5 million from 2014 to 2018.

UMWA Plans

Retirement benefits related to former coal operations include medical benefits provided by the Pittston Coal Group Companies Employee Benefit Plan for UMWA Represented Employees. There are approximately 4,100 beneficiaries in the UMWA plans. The company does not expect to make additional contributions to these plans until 2033 based on actuarial assumptions.

Black Lung
Under the Federal Black Lung Benefits Act of 1972, Brink's is responsible for paying lifetime black lung benefits to miners and their dependents for claims filed and approved after June 30, 1973. There are approximately 710 black lung beneficiaries.

Other
We have a plan that provides retirement healthcare benefits to certain eligible salaried employees. Benefits under this plan are not indexed for inflation.

Assumptions for U.S. Retirement Obligations
We have made various assumptions to estimate the amount of payments to be made in the future. The most significant assumptions include:

- Changing discount rates and other assumptions in effect at measurement dates (normally December 31)
- Investment returns of plan assets
- Addition of new participants (historically immaterial due to freezing of pension benefits and exit from coal business)
- Mortality rates
- Change in laws

The Contractual Obligations table above represents payments projected to be paid with our corporate funds and does not represent payments projected to be made to beneficiaries with retirement plan assets.

Funded Status of U.S. Retirement Plans

| | Actual | | | Projected | | |
|---|---|---|---|---|---|---|
| (In millions) | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| | | | | | | |
| U.S. pension plans | | | | | | |
| Beginning funded status | $ (275.0) | (123.1) | (77.8) | (25.8) | 33.1 | 83.1 |
| Net periodic pension credit(a) | 14.7 | 16.1 | 20.5 | 25.0 | 30.2 | 33.7 |
| Payment from Brink's: | | | | | | |
| Primary U.S. pension plan | 13.0 | 25.9 | 28.9 | 31.6 | 18.7 | 4.4 |
| Other U.S. pension plan | 1.1 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| Benefit plan experience gain | 123.1 | 2.5 | 1.8 | 1.5 | 0.3 | - |
| Ending funded status | $ (123.1) | (77.8) | (25.8) | 33.1 | 83.1 | 122.0 |
| | | | | | | |
| UMWA plans | | | | | | |
| Beginning funded status | $ (256.6) | (142.1) | (139.3) | (136.6) | (134.2) | (132.1) |
| Net periodic postretirement credit(a) | 1.1 | 2.8 | 2.7 | 2.4 | 2.1 | 1.8 |
| Prior service credit | 55.7 | - | - | - | - | - |
| Benefit plan experience gain | 56.7 | - | - | - | - | - |
| Other | 1.0 | - | - | - | - | - |
| Ending funded status | $ (142.1) | (139.3) | (136.6) | (134.2) | (132.1) | (130.3) |
| | | | | | | |
| Black lung and other plans | | | | | | |
| Beginning funded status | $ (48.8) | (44.3) | (41.3) | (38.5) | (35.8) | (33.3) |
| Net periodic postretirement cost(a) | (1.7) | (1.9) | (1.7) | (1.6) | (1.5) | (1.4) |
| Payment from Brink's | 6.9 | 4.9 | 4.5 | 4.3 | 4.0 | 3.7 |
| Other | (0.7) | - | - | - | - | - |
| Ending funded status | $ (44.3) | (41.3) | (38.5) | (35.8) | (33.3) | (31.0) |

(a) Excludes amounts reclassified from accumulated other comprehensive income (loss).

Summary of Total Expenses Related to All U.S. Retirement Liabilities

This table summarizes actual and projected expense (income) related to U.S. retirement liabilities. Most expenses are allocated to non-segment results, with the balance allocated to North American segment operations.

| | Actual | | | Projected | | |
|---|---|---|---|---|---|---|
| (In millions) | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| | | | | | | |
| U.S. pension plans | $ 30.5 | 12.8 | 4.0 | (3.8) | (12.9) | (19.4) |
| UMWA plans | 18.5 | 7.2 | 6.8 | 6.4 | 6.0 | 5.8 |
| Black lung and other plans | 3.9 | 4.0 | 3.8 | 3.7 | 3.6 | 2.9 |
| Total | $ 52.9 | 24.0 | 14.6 | 6.3 | (3.3) | (10.7) |

| | | | | | | |
|---|---|---|---|---|---|---|
| Amounts allocated to: | | | | | | |
| North American segment | 11.6 | 4.6 | 1.2 | (1.8) | (5.3) | (7.8) |
| Non-segment | 41.3 | 19.4 | 13.4 | 8.1 | 2.0 | (2.9) |
| Total | $ 52.9 | 24.0 | 14.6 | 6.3 | (3.3) | (10.7) |

Summary of Total Payments from U.S. Plans to Participants

This table summarizes actual and estimated payments from the plans to participants.

| | Actual | | | Projected | | |
|---|---|---|---|---|---|---|
| (In millions) | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Payments from U.S. Plans to participants | | | | | | |
| U.S. pension plans | $ 44.1 | 47.7 | 48.9 | 50.0 | 51.5 | 53.1 |
| UMWA plans | 31.1 | 31.5 | 31.9 | 31.5 | 31.3 | 32.9 |
| Black lung and other plans | 6.9 | 4.9 | 4.5 | 4.3 | 4.0 | 3.7 |
| Total | $ 82.1 | 84.1 | 85.3 | 85.8 | 86.8 | 89.7 |

Summary of Total Payments from Brink’s to U.S. Plans

This table summarizes actual and estimated payments from Brink’s to U.S. retirement plans.

| | Projected Payments to Plans from Brink's | | | | | Projected Funded Status | | | |
|---|---|---|---|---|---|---|---|---|---|
| (In millions) | Primary U.S. Pension Plan | Other U.S. Pension Plan | UMWA Plans | Black Lung and Other Plans | Total | Primary U.S. Pension Plan | UMWA Plans | Black Lung and Other Plans | Total |
| Projected payments | | | | | | | | | |
| 2014 | 25.9 | 0.8 | - | 4.9 | 31.6 | (67.6) | (139.3) | (51.5) | (258.4) |
| 2015 | 28.9 | 0.8 | - | 4.5 | 34.2 | (16.0) | (136.6) | (48.3) | (200.9) |
| 2016 | 31.6 | 0.8 | - | 4.3 | 36.7 | 42.6 | (134.2) | (45.3) | (136.9) |
| 2017 | 18.7 | 0.8 | - | 4.0 | 23.5 | 92.2 | (132.1) | (42.4) | (82.3) |
| 2018 | 4.4 | 0.8 | - | 3.7 | 8.9 | 130.7 | (130.3) | (39.7) | (39.3) |
| 2019 | - | 1.4 | - | 3.5 | 4.9 | (a) | (128.9) | (36.4) | (a) |
| 2020 | - | 0.8 | - | 3.2 | 4.0 | (a) | (128.0) | (33.8) | (a) |
| 2021 | - | 0.6 | - | 3.0 | 3.6 | (a) | (127.4) | (31.4) | (a) |
| 2022 | - | 0.6 | - | 2.8 | 3.4 | (a) | (127.4) | (29.2) | (a) |
| 2023 | - | 0.6 | - | 2.6 | 3.2 | (a) | (127.9) | (27.1) | (a) |
| 2024 | - | 0.6 | - | 2.5 | 3.1 | (a) | (128.9) | (25.2) | (a) |
| 2025 | - | 0.5 | - | 2.3 | 2.8 | (a) | (130.4) | (23.5) | (a) |
| 2026 | - | 0.5 | - | 2.1 | 2.6 | (a) | (132.5) | (21.9) | (a) |
| 2027 | - | 0.5 | - | 2.0 | 2.5 | (a) | (135.1) | (20.3) | (a) |
| 2028 | - | 0.4 | - | 1.8 | 2.2 | (a) | (138.5) | (18.9) | (a) |
| 2029 | - | 0.4 | - | 1.7 | 2.1 | (a) | (142.5) | (17.6) | (a) |
| 2030 | - | 0.4 | - | 1.4 | 1.8 | (a) | (147.3) | (16.4) | (a) |
| 2031 | - | 0.3 | - | 1.3 | 1.6 | (a) | (132.9) | (15.4) | (a) |
| 2032 | - | 0.3 | - | 1.2 | 1.5 | (a) | (a) | (a) | (a) |
| 2033 | - | 0.3 | 6.0 | 1.2 | 7.5 | (a) | (a) | (a) | (a) |
| 2034 | - | 0.3 | 18.2 | 1.0 | 19.5 | (a) | (a) | (a) | (a) |
| 2035 | - | 0.3 | 17.5 | 1.0 | 18.8 | (a) | (a) | (a) | (a) |
| 2036 | - | 0.2 | 16.7 | 0.9 | 17.8 | (a) | (a) | (a) | (a) |
| 2037 | - | 0.2 | 15.9 | 0.7 | 16.8 | (a) | (a) | (a) | (a) |
| 2038 | - | 0.2 | 15.2 | 0.7 | 16.1 | (a) | (a) | (a) | (a) |
| 2039 | - | 0.2 | 14.4 | 0.6 | 15.2 | (a) | (a) | (a) | (a) |
| 2040 | - | 0.2 | 13.6 | 0.5 | 14.3 | (a) | (a) | (a) | (a) |
| 2041 | - | 0.2 | 12.7 | 0.5 | 13.4 | (a) | (a) | (a) | (a) |
| 2042 | - | 0.1 | 11.7 | 0.4 | 12.2 | (a) | (a) | (a) | (a) |
| 2043 | - | 0.1 | 10.9 | 0.4 | 11.4 | (a) | (a) | (a) | (a) |
| 2044 | - | 0.1 | 9.8 | 0.3 | 10.2 | (a) | (a) | (a) | (a) |
| 2045 | - | 0.1 | 8.9 | 0.3 | 9.3 | (a) | (a) | (a) | (a) |
| 2046 | - | 0.1 | 8.1 | 0.3 | 8.5 | (a) | (a) | (a) | (a) |
| 2047 | - | 0.1 | 7.3 | 0.2 | 7.6 | (a) | (a) | (a) | (a) |
| 2048 | - | 0.1 | 6.6 | 0.2 | 6.9 | (a) | (a) | (a) | (a) |
| 2049 | - | 0.1 | 5.9 | 0.2 | 6.2 | (a) | (a) | (a) | (a) |
| 2050 | - | 0.1 | 5.2 | 0.2 | 5.5 | (a) | (a) | (a) | (a) |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 2051 | - | 0.1 | 4.6 | 0.1 | 4.8 | (a) | (a) | (a) | (a) |
| 2052 | - | - | 4.0 | 0.1 | 4.1 | (a) | (a) | (a) | (a) |
| 2053 | - | - | 3.5 | 0.1 | 3.6 | (a) | (a) | (a) | (a) |
| 2054 | - | - | 3.1 | 0.1 | 3.2 | (a) | (a) | (a) | (a) |
| 2055 | - | - | 2.7 | 0.1 | 2.8 | (a) | (a) | (a) | (a) |
| 2056 | - | - | 2.3 | 0.1 | 2.4 | (a) | (a) | (a) | (a) |
| 2057 | - | - | 2.0 | 0.1 | 2.1 | (a) | (a) | (a) | (a) |
| 2058 | - | - | 1.7 | 0.1 | 1.8 | (a) | (a) | (a) | (a) |
| 2059 | - | - | 1.5 | 0.1 | 1.6 | (a) | (a) | (a) | (a) |
| 2060 | - | - | 1.3 | - | 1.3 | (a) | (a) | (a) | (a) |
| 2061 and thereafter | - | - | 7.2 | - | 7.2 | (a) | (a) | (a) | (a) |
| Total projected payments | $ 109.5 | 15.0 | 238.5 | 63.3 | 426.3 | | | | |

(a) Information not provided.

The amounts in the tables above are based on a variety of estimates, including actuarial assumptions as of December 31, 2013. The 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.

Discounted Cash Flows at Plan Discount Rates – Reconciled to Liability Amounts Reported under U.S. GAAP

| | December 31, 2013 | | | |
|---|---|---|---|---|
| (In millions) | Primary U.S. Pension Plan(b) | UMWA Plans(c) | Other Unfunded U.S. Plans | Total |
| Funded status of U.S. retirement plans – GAAP | $ 112.5 | 142.1 | 54.9 | 309.5 |
| Present value of projected earnings of plan assets(a) | (16.0) | (77.0) | - | (93.0) |
| Discounted cash flows at plan discount rates – Non-GAAP | $ 96.5 | 65.1 | 54.9 | 216.5 |
| Plan discount rate | 5.00% | 4.70% | | |
| Expected return of assets | 8.00% | 8.25% | | |

(a) Under GAAP, the funded status of a benefit plan is reduced by the fair market value of plan assets at the balance sheet date, and the present value of the projected earnings on plan assets does not reduce the funded status at the balance sheet date. The non-GAAP measure presented above additionally reduces the funded status as computed under GAAP by the present value of projected earnings of plan assets using the expected return on asset assumptions of the respective plan.
(b) For the primary U.S. pension plan, we are required by ERISA regulations to maintain minimum funding levels, and as a result, we estimate we will be required to make minimum required contributions from 2014 to 2018. We have estimated that we will achieve the required funded ratio after the 2018 contribution.
(c) There are no minimum funding requirements for the UMWA plans because they are not covered by ERISA funding regulations. Using assumptions at the end of 2013, we project that the plan assets plus expected earnings on those investments will cover the benefit payments for these plans until 2033. We project that Brink's will be required to contribute cash to the plan beginning in 2033 to pay beneficiaries.

Discounted cash flows at plan discount rates are supplemental financial measures that are not required by, or presented in accordance with GAAP. The purpose of the discounted cash flows at plan discount rate is to present our retirement obligations after giving effect to the benefit of earning a return on plan assets. We believe this measure is helpful in assessing the present value of future funding requirements of the company in order to meet plan benefit obligations. Discounted cash flows at plan discount rates should not be considered as an alternative to the funded status of the U.S. retirement plans at December 31, 2013, as determined in accordance with GAAP and should be read in conjunction with our consolidated balance sheets.

Contingent Matters

On June 19, 2008, a lawsuit captioned Del Valle Gurria S.C. v. Servicio Pan Americano de Protección, S.A. de C.V. was filed with the Twenty-third Civil Judge in the Federal District in Mexico (the "Court") against Servicio Pan American de Proteccion, S.A. de C.V. (SERPAPROSA), the Mexico subsidiary that we acquired in November 2010. The plaintiff claims it is owed legal fees and corresponding value-added tax (VAT), interest and expenses related to its legal representation of SERPAPROSA in connection with tax audits conducted to the 1991, 1992 and 1994 fiscal years. On October 28, 2010, the Court issued a decision in favor of SERPAPROSA in part and the plaintiff in part,

ordering SERPAPROSA to pay the plaintiff $0.4 million for its previous representation of SERPAPROSA. Between November 2010 and October 2013, the judgment was subject to multiple appeals by both parties to the Fifth Civil Court of Appeal of the Federal District in Mexico (the "Fifth Civil Court of Appeal") and to the First Civil Collegiate Tribunal of the First Circuit in Mexico (the "First Civil Collegiate Tribunal"), and was remanded twice to the Court for determination of the fees to be paid to the plaintiff. On December 6, 2013, the Fifth Civil Court of Appeal issued a decision in favor of the plaintiff, modifying the lower court's ruling and ordering SERPAPROSA to pay the plaintiff $7.4 million plus VAT and interest for its previous representation of SERPAPROSA. SERPAPROSA filed a constitutional injunction on January 20, 2014 with the First Civil Collegiate Tribunal. The Company has accrued $3.1 million, reflecting the Company's best estimate of exposure, although additional reasonably possible losses could be up to $10 million, based on currency exchange rates at December 31, 2013. The ultimate resolution of this matter is unknown and the estimated liability may change in the future. The Company denies the allegations asserted by the plaintiff and is vigorously defending itself in this matter.

In addition, we are involved in various other lawsuits and claims in the ordinary course of business. We are not able to estimate the loss or range of losses for some of these matters. We have recorded accruals for losses that are considered probable and reasonably estimable. Except as otherwise noted, we do not believe that the ultimate disposition of any of the lawsuits currently pending against the Company should 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 we 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 FASB ASC Topic 740, 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) | 2013 | 2012 |
| U.S. | $ 16.7 | 8.2 |
| Non-U.S. | 15.7 | 39.2 |
| Total | $ 32.4 | 47.4 |

Application of Accounting Policies

U.S. Deferred Tax Assets

We have $303 million of net deferred tax assets at December 31, 2013, of which $242 million related to U.S. jurisdictions. The net deferred tax asset in the U.S. reduced from $363 million in 2012 primarily due to lower accruals for pension and retiree medical obligations as a result of actuarial gains and the realization of some of the benefits as a result of taxable gains on the sale of businesses and implementation of the employer group waiver plan (“EGWP”). There were no significant changes to our U.S. valuation allowances in 2013.

We used various estimates and assumptions to evaluate the need for the valuation allowance in the U.S. These included

- projected revenues and operating income for our U.S. entities,
- projected royalties and management fees paid to U.S. entities from subsidiaries outside the U.S.,
- estimated required contributions to our U.S. retirement plans, and
- interest rates on projected U.S. borrowings.

For our projections of future U.S. taxable earnings, we assumed that our U.S. operation's margins improve to 7% by 2017 with revenue growing between 0% and 2% per year. Had we used different assumptions, we might have made different conclusions about the need for valuation allowances. For example, using different assumptions in 2013 and 2012 we might have concluded that we require a valuation allowance offsetting our U.S. deferred tax assets at the end of either or both 2013 and 2012.

Non-U.S. Deferred Tax Assets

We changed our judgment about the need for valuation allowances for deferred tax assets in certain non-U.S. jurisdictions as a result of improvements in operating results and an improved outlook about the future operating performance in those jurisdictions. As a result, we reversed $0.2 million of valuation allowances in 2013 and $0.9 million of valuation allowances in 2012 through continuing operations.

Goodwill, Other Intangible Assets and Property and Equipment Valuations

Accounting Policies

At December 31, 2013, we had property and equipment of $758.7 million, goodwill of $240.2 million and other intangible assets of $46.3 million, net of accumulated depreciation and amortization. We review these assets for possible impairment using the guidance in FASB ASC Topic 350, Intangibles - Goodwill and Other, for goodwill and other intangible assets and FASB ASC Topic 360, Property, Plant and Equipment, for 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 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.

Under U.S. GAAP, the annual impairment test may be either a quantitative test or a qualitative assessment. The qualitative assessment can be performed in order to determine whether facts and circumstances support a determination that reporting unit fair values are greater than their carrying values.

For 2013, we elected to bypass the optional qualitative assessment and we performed a quantitative goodwill impairment test instead. We estimated the fair value of each reporting unit using projections of cash flows and compared to its carrying value. We completed the annual goodwill impairment test as of October 1, 2013, and concluded that the fair value of each reporting unit substantially exceeded its carrying value.

Finite-lived Intangible Assets and Property and Equipment
We review finite-lived intangible assets and property and equipment 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 impairment has occurred, we compare estimates of the future undiscounted net cash flows of groups of assets to their carrying value.

Estimates of Future Cash Flows
We made significant assumptions when preparing financial projections of free cash flow used in our impairment analyses, including assumptions of future results of operations, capital requirements, income taxes, long-term growth rates for determining terminal value, and discount rates. Our results may have been different if we had used different assumptions.

Retirement and Postemployment Benefit Obligations

We provide benefits through defined benefit pension plans and retiree medical benefit plans and under statutory requirements.

Accounting Policy

We account for pension and other retirement benefit obligations under FASB ASC Topic 715, Compensation – Retirement Benefits. We account for postemployment benefit obligations, including workers' compensation obligations, under FASB ASC Topic 712, Compensation – Nonretirement Postemployment Benefits.

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 FASB ASC Topic 715, 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. That is, the lower the discount rate, the higher the associated plan obligation.

U.S. Plans
For our largest retirement plans, including the primary U.S. pension and UMWA plans and Black Lung obligations, we derive the discount rates used to measure the present value of benefit obligations using the cash flow matching method. Under this method, we compare the plan's projected payment obligations by year with the corresponding yields on a Mercer yield curve. 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. The overall discount rate is then rounded to the nearest tenth of a percentage point.

At December 31, 2013 and 2012, we used Mercer's Above-Mean Curve to determine the discount rates for the year-end benefit obligation. At December 31, 2011, we used the Regular Mercer Yield Curve to determine the discount rates for the benefit obligation.

To derive the Regular Mercer Yield Curve, Mercer uses a hypothetical portfolio of high-quality AA-rated corporate bonds. To derive the Above-Mean Curve, Mercer uses only those bonds with a yield higher than the mean yield of the same portfolio of high quality bonds. The Above-Mean Curve, made available by Mercer in 2012, represents a more focused market-based approach, which reflects the way an active investment manager would select high-quality bonds to match the cash flows of the plan.

Non-U.S. Plans
We use the same cash flow matching method to derive the discount rates of our major non-U.S. retirement plans. Where the cash flow matching method is not possible, rates of local high-quality long term corporate bonds are used

to estimate the discount rate.

The discount rates for the primary U.S. pension plan, UMWA retiree medical plans and Black Lung obligations were:

| | Primary U.S. Plan | | | UMWA Plans | | | Black Lung | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2013 | 2012 | 2011 | 2013 | 2012 | 2011 | 2013 | 2012 | 2011 |
| Discount rate: | | | | | | | | | |
| Retirement cost | 4.2% | 4.6% | 5.3% | 3.9% | 4.4% | 5.3% | 3.5% | 4.2% | 4.8% |
| Benefit obligation at year end | 5.0% | 4.2% | 4.6% | 4.7% | 3.9% | 4.4% | 4.4% | 3.5% | 4.2% |

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, 2013, actual expenses for 2013 and projected expenses for 2014 assuming we had used discount rates that were one percentage point lower or higher.

Plan Obligations at December 31, 2013

| (In millions) | Hypothetical 1% lower | Actual | Hypothetical 1% higher |
|---|---|---|---|
| Primary U.S. pension plan | $ 1,052.8 | 924.3 | 819.8 |
| UMWA plans | 473.3 | 426.5 | 387.3 |

Actual 2013 and Projected 2014 Expense (Income)

| (In millions, except for percentages) | | Hypothetical sensitivity analysis for discount rate assumption | | | Hypothetical sensitivity analysis for discount rate assumption | |
|---|---|---|---|---|---|---|
| Years Ending December 31, | Actual 2013 | 1% lower 2013 | 1% higher 2013 | Projected 2014 | 1% lower 2014 | 1% higher 2014 |
| Primary U.S. pension plan | | | | | | |
| Discount rate assumption | 4.2% | 3.2% | 5.2% | 5.0% | 4.0% | 6.0% |
| Retirement cost | $ 29.7 | 38.6 | 21.9 | $ 12.0 | 20.9 | 4.5 |
| UMWA plans | | | | | | |
| Discount rate assumption | 3.9% | 2.9% | 4.9% | 4.7% | 3.7% | 5.7% |
| Retirement cost | $ 18.5 | 20.0 | 17.1 | $ 7.2 | 8.3 | 6.2 |

Expected-Return-on-Assets Assumption

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 8.00% as the expected-return-on-assets assumption for our primary U.S. plan and 8.25% for our UMWA retiree medical plans as of December 31, 2013 and 2012.

Over the last twenty years, the annual returns of our primary U.S. pension plan have averaged, on a compounded basis, 8.2%, while the 25-year compounded annual return averaged 9.1%, and the 30-year compounded annual return averaged 9.7%.

Sensitivity Analysis

Effect of using different expected-rate-of-return assumptions. Our 2013 and projected 2014 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 2013 and 2014 expense would be as follows:

| (In millions, except for 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, | 2013 | 2013 | 2013 | 2014 | 2014 | 2014 |
| | | | | | | |
| Expected-return-on-asset assumption | | | | | | |
| Primary U.S. pension plan | 8.00% | 7.00% | 9.00% | 8.00% | 7.00% | 9.00% |
| UMWA plans | 8.25% | 7.25% | 9.25% | 8.25% | 7.25% | 9.25% |
| | | | | | | |
| Primary U.S. pension plan | $ 29.7 | 36.8 | 22.6 | $ 12.0 | 19.7 | 4.3 |
| UMWA plans | 18.5 | 21.0 | 16.0 | 7.2 | 9.9 | 4.5 |

Effect of improving or deteriorating actual future market returns. Our funded status at December 31, 2014, and our 2015 expense will be different from currently projected amounts if our projected 2014 returns are better or worse than the returns we have assumed for each plan.

| (In millions, except for percentages) | | Hypothetical sensitivity analysis of 2014 asset return better or worse than expected | |
|---|---|---|---|
| Years Ending December 31, | Projected | Better return | Worse return |
| Return on investments in 2014 | | | |
| Primary U.S. pension plan | 8.00% | 16.00% | -% |
| UMWA plans | 8.25% | 16.50% | -% |
| Projected Funded Status at December 31, 2014 | | | |
| Primary U.S. pension plan | $ (68) | (3) | (132) |
| UMWA plans | (139) | (117) | (161) |
| 2015 Expense(a) | | | |
| Primary U.S. pension plan | $ 3 | 1 | 6 |
| UMWA plans | 7 | 3 | 10 |

(a) Actual future returns on investments will not affect our earnings until 2015 since the earnings in 2014 will be based on the "expected return on assets" assumption.

Effect of using fair market value of assets to determine expense. For our defined-benefit pension plans, 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, at a point in time, the value of the assets 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) | | |
|---|---|---|---|---|---|---|
| Years Ending December 31, | Actual 2013 | Projected 2014 | Projected 2015 | 2013 | 2014 | 2015 |
| Expense (Income) | | | | | | |
| Primary U.S. pension plan | $ 29.7 | 12.0 | 3.4 | $ 24.3 | 6.5 | 0.4 |

(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 related to our primary U.S. pension plan.

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 expected return on assets, which is recorded in earnings, to fluctuate more than had we used the accounting methodology of our defined-benefit pension plans.

Medical Inflation Assumption
We estimate the trend in healthcare 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 largest postretirement plans, we have assumed a medical inflation rate of 7% for 2014, and we project this rate to decline to 5% in 2020 and hold at 5% thereafter. Our medical inflation rate assumption (including the assumption that medical inflation rates will gradually decline over the next seven years and hold at 5%) is based on macroeconomic assumptions of gross domestic growth rates, the excess of national health expenditures over other goods and services, and population growth. The average annual medical inflation rate of the company over the last eight years was 5.7 %.

If we had assumed that medical inflation rates were one percentage point higher in each future year, the plan obligation for these plans at December 31, 2013, would have been approximately $43.6 million higher and the expense for 2013 would have been $2.0 million higher. If we had assumed that the medical inflation rates were one percentage point lower, the plan obligation at December 31, 2013, would have been approximately $37.2 million lower and the related 2013 expenses would have been $1.7 million lower.

If we had projected medical inflation rates to decline from 7% to 4.5% by 2028, instead of our projected decline to 5% by 2020, the plan obligation for the UMWA retiree medical benefit plan would have been $15.2 million higher for 2013 and our expense would be $1.9 million higher for 2014.

Excise Tax on Administrators by Patient Protection and Affordable Care Act
A 40% excise tax will be imposed on high-cost health plans (“Cadillac plans”) beginning in 2018. The tax will apply to plan costs that exceed a certain threshold level for individuals and for families, which will be indexed to inflation. There will be higher limits for high-risk professions, among which is mining. Even though the tax is not assessed directly to an employer but rather to the benefits plan administrator, the cost is expected to be passed through to plan sponsors as higher premiums or higher claims administration fees, increasing the plan sponsor’s obligations. We project that we will have to pay the benefits plan administrator this excise tax beginning in 2018, and our plan obligations at December 31, 2013, include $22.9 million related to this tax. We are currently unable to reduce the benefit levels of our UMWA medical plans to avoid this excise tax because these benefit levels are required by the Coal Industry Retiree Health Benefit Act of 1992.

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 Separate, Pre- and Post-Retirement, Healthy Blue Collar |
| Black Lung | RP-2000 Combined Annuitant/Non-Annuitant Blue Collar |

| Primary U.S. pension | RP-2000 Combined Healthy Blue Collar |
|---|---|

The number of participants by major plan in the past five years is as follows:

| | Number of participants | | | | |
|---|---|---|---|---|---|
| Plan | 2013 | 2012 | 2011 | 2010 | 2009 |
| UMWA plans | 4,100 | 4,300 | 4,400 | 4,600 | 4,700 |
| Black Lung | 710 | 780 | 800 | 800 | 700 |
| U.S. pension | 19,800 | 20,100 | 20,400 | 21,000 | 21,100 |

Because we are no longer operating in the coal industry, we anticipate that the number of participants in the UMWA retirement medical plan will decline over time due to mortality. Because the U.S. pension plan has been frozen, the number of its participants will 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.

Accounting Policy

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. Economies with a three-year cumulative inflation rate of more than 100% are considered highly inflationary. Subsequent reductions in cumulative inflation rates below 100% do not change the method of translation unless the reduction is deemed to be other than temporary. Effective January 1, 2010, we began accounting for our Venezuelan subsidiaries as operating in a highly inflationary economy.

Non-Highly Inflationary Economies
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.

Highly Inflationary Economies
Foreign subsidiaries that operate in highly inflationary countries must use the reporting currency (the U.S. dollar) as the functional currency. Local-currency monetary assets and liabilities are remeasured into dollars 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 dollar.

Application of Accounting Policy

Venezuela
Brink's Venezuela accounted for $447 million or 11% of total Brink's revenues and represented a significant component of total segment operating profit in 2013. At December 31, 2013, we had investments in our Venezuelan operations of $125.3 million on an equity-method basis. At December 31, 2013, we had bolivar denominated net monetary assets of $120.4 million, including $93.8 million of cash and cash equivalents denominated in bolivars.

The economy in Venezuela has had significant inflation in the last several years. We consolidate our Venezuelan results using our accounting policy for subsidiaries operating in highly inflationary economies.

Since 2003, the Venezuelan government has controlled the exchange of local currency into other currencies, including the U.S. dollar. The Venezuelan government requires that currency exchanges be made at official rates established by the government instead of allowing open markets to determine currency rates. Different official rates exist for different industries and purposes. The government does not approve all requests to convert bolivars to other currencies.

The government devalued the official rate for essential services in February 2013 to 6.3 bolivars to the dollar. In January 2014, the government expanded an alternate process to obtain dollars for travel and certain other purposes. Rates obtained by the alternate process were reported to be 11.3 bolivars to U.S. dollars in December 2013.

Since the February 2013 devaluation, we have been unable to obtain dollars using either process. We do not expect to be able to obtain dollars using either process in the foreseeable future. There are other legal, but irregular and highly

illiquid, mechanisms for converting bolivars. Rates using these mechanisms increased substantially in 2013 and reportedly exceeded 80 bolivars to the U.S. dollar in February 2014.

As a result of these restrictions, we have been unable to obtain sufficient U.S. dollars to purchase certain imported supplies and fixed assets to fully operate our business in Venezuela, and as a result, have occasionally purchased more expensive, locally denominated supplies and fixed assets. The restrictions also prevent us from repatriating earnings and from being fully compensated for intercompany services.

Through January 31, 2013, we used an official rate of 5.3 bolivars to the dollar to remeasure our bolivar denominated monetary assets and liabilities into U.S. dollars and to translate our revenue and expenses. After the devaluation in February 2013, we began to use the 6.3 official exchange rate to remeasure bolivar denominated monetary assets and liabilities and to translate our revenue and expenses. As a result of the devaluation, we recognized a $13.4 million net remeasurement loss in 2013.



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## ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We currently serve customers in more than 100 countries, including 43 countries where we operate subsidiaries. These operations expose us 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 us as an integral part of its overall risk management program.

We periodically use various derivative and non-derivative financial instruments, as discussed below, to hedge our 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. We do not expect to incur a loss from the failure of any counterparty to perform under the agreements. We do 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, 2013. 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

We use both fixed and floating rate debt and leases to finance our operations. Floating rate obligations, including our Revolving Facility, expose us to fluctuations in cash flows due to changes in the general level of interest rates. Fixed rate obligations, including our Dominion Terminal Associates debt and our unsecured notes, 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, 2013, a hypothetical 10% increase in rates would increase cash outflows by approximately $0.7 million over a twelve-month period. In other words, our weighted average interest rate on our floating rate instruments was 2.7% per annum at December 31, 2013. If that average rate were to increase by 0.3 percentage points to 3.0%, the cash outflows associated with these instruments would increase by $0.7 million annually. The effect on the fair values on our Dominion Terminal Associates ("DTA") debt and on our unsecured notes for a hypothetical 10% decrease in the yield curve from year-end 2013 levels would result in a $3.1 million increase for our DTA debt and a $2.1 million increase for our unsecured notes in the fair values of the debt.

Foreign Currency Risk

We have exposure to the effects of foreign currency exchange rate fluctuations on the results of all of our foreign operations. Our foreign operations generally use local currencies to conduct business but their results are reported in U.S. dollars.

We are also 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, we, from time to time, enter into foreign currency forward and swap contracts. At December 31, 2013, the notional value of our shorter term outstanding foreign currency contracts was $46.1 million with average contract maturities of approximately one month. These shorter term foreign currency contracts primarily offset exposures in the Mexican peso and the euro. Additionally, these shorter term contracts are not designated as hedges for accounting purposes, and accordingly, changes in their fair value are recorded immediately in earnings. We also have a longer term cross currency swap contract to hedge exposure in Brazilian real which is designated as a cash flow hedge for accounting purposes. At December 31, 2013, the notional value of that longer term contract was $21.2 million with a weighted average maturity of 2.5 years. We do 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 the 2013 levels against all other currencies of countries in which we have continuing operations are as follows:

| | | Hypothetical Effects Increase/ (decrease) | |
|---|---|---|---|
| (In millions) | Venezuela | Other countries | Total |
| Effect on Earnings: | | | |
| Translation of 2013 earnings into U.S. dollars | $ (3.7) | (19.0) | (22.7) |
| Transaction gains (losses) | (13.5) | 1.0 | (12.5) |
| Effect on Other Comprehensive Income (Loss): | | | |
| Translation of net assets of foreign subsidiaries | - | (75.0) | (75.0) |

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

Venezuela
Brink's Venezuela accounted for 11% of total Brink's revenues and represented a significant component of total segment operating profit. Currently, Venezuela operates in a highly inflationary economy and its currency is fixed to the U.S. dollar.

The investment in our Venezuelan subsidiaries, and cash and other net monetary assets held by these subsidiaries are as follows:

| | December 31, | |
|---|---|---|
| (In millions) | 2013 | 2012 |
| Equity-method investment in Venezuelan subsidiaries(a) | $ 125.3 | 90.0 |

| | | |
|---|---|---|
| Net monetary assets held by our Venezuelan subsidiaries | | |
| Cash and short-term investments denominated in U.S. dollars | $ 0.5 | 0.5 |
| | | |
| Net monetary assets denominated in bolivars: | | |