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

**FORM 8-K**

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): October 1, 2008

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

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**Virginia**  
(State or other jurisdiction of incorporation)

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**1-9148**  
(Commission File Number)

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**54-1317776**  
(IRS Employer Identification No.)

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**1801 Bayberry Court**  
**P. O. Box 18100**  
**Richmond, VA 23226-8100**  
(Address and zip code of  
principal executive offices)

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

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting materials pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 8.01. Other Events.**

On October 9, 2008, Brink's Home Security Holdings, Inc. will begin a road show in preparation for its October 31, 2008, spin-off from The Brink's Company (the "Spin-Off"). During the road show, a presentation and slides in connection with the Spin-Off will be presented. A copy of the slide presentation is furnished as Exhibit 99.1 hereto, and is incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
Exhibit 99.1	Slide presentation discussing Brink's Home Security Holdings, Inc.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**THE BRINK'S COMPANY**  
(Registrant)

Date: October 1, 2008

By: /s/ McAlister C. Marshall, II  
McAlister C. Marshall, II  
Vice President and Secretary

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## Management Presentation

October 2008



## Forward-looking Statements

This document and other written or oral statements made from time to time by Brink's Home Security Holdings, Inc. (BHS or the Company) and its management in connection herewith may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Statements that are not historical in nature and which may be identified by the use of words like "expects," "assumes," "projects," "anticipates," "estimates," "we believe," "could be" and other words of similar meaning are forward-looking statements. These statements are based on management's expectations and assumptions and are subject to risks and uncertainties that may cause actual results to differ materially from those expressed. Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include but are not limited to: the impact of BHS's separation from The Brink's Company (BCO or Brink's) on the clients, employees and other aspects of BHS's business; BHS's cost structure and capital structure as a stand-alone company, including its credit ratings and indebtedness; BHS's success in obtaining, retaining and selling additional services to clients; the pricing of products and services; overall market and economic conditions; competitive conditions; stock market activity; changes in technology; availability of skilled technical associates; the impact of new acquisitions and divestitures; and other factors listed in the cautionary statement set forth in BHS's Registration Statement on Form 10 as filed with the SEC. BHS disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

# Agenda

- Introduction
- Transaction Overview
- Industry Overview
- Business Overview
- Operational and Financial Performance
- Growth Strategy

# Brink's Home Security®

- Founded in 1983
- Full service provider of residential and business security systems
- 2<sup>nd</sup> largest monitored security services company by revenues in North America
  - 1.3 million subscribers
  - 3,500 company personnel
  - 250 metro areas, including all 50 states and 2 Canadian provinces
  - Over 90% of U.S. zip codes covered
  - Monthly recurring revenue over \$39 million
  - Low annual customer disconnect rate of 7%



Headquarters - Irving, TX

## Key Strengths

- Strong heritage and brand name
- Focus on the customer
- Superior execution and operational performance
- World-class facilities and technology platform
- Broad North American footprint
- Consistent growth in monthly recurring revenues
- Strong financial performance
- Favorable long-term growth opportunities
- Experienced management team





# Company Purpose and Values

- Our mission is to create customers for life by providing premier monitored security services
- Disciplined economic approach
  - Select the right customer
  - Exceed customer expectations
  - Focus on customer life-cycle cash flows



**MISSION**  
CREATING CUSTOMERS FOR LIFE

**OPERATING PRINCIPLES**

- Get it Right the First Time
- Win with Every Customer
- Find a Better Way
- Own the Results
- Win Together
- Act with Integrity



## Transaction Overview

## Benefits of Separation

- Better positioned to focus on strategic initiatives and growth plans
- More focused management
- More efficient capital structure to fund growth
- Better alignment of employee incentives with business performance and shareholder expectations

## Key Separation Highlights

- Company will rebrand within three years
- The Brink's Company will not compete in residential and commercial security monitoring in the U.S., Canada and Puerto Rico for five years
- Upon spin-off, brand royalty rate will decrease from pre-spin-off rate of 7.0% to 1.25% of revenues
  - Terminates with cessation of brand usage
- The Brink's Company will contribute \$50 million cash at spin-off

## Brink's Home Security Holdings, Inc.

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Listing:	NYSE: CFL
Dividend Ratio:	1:1
Estimated Shares Outstanding (Post Distribution):	Approximately 45.8 million
Distribution Timeline	
Record Date:	October 21, 2008
Distribution Date:	October 31, 2008
Dividend Policy:	No dividends for the foreseeable future

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# Pro-forma Capitalization

(\$MM, Unaudited)

	As of June 30, 2008	
	Historical	Pro-forma
Cash and cash equivalents <sup>(1)</sup>	4.4	54.4
Revolving credit facility <sup>(2)</sup>	–	–
Related party loan payable <sup>(3)</sup>	0.4	–
<b>Total indebtedness</b>	<b>0.4</b>	<b>–</b>
Total shareholders' equity <sup>(4)</sup>	433.9	484.3
<b>Total capitalization</b>	<b>434.3</b>	<b>484.3</b>

Notes: (1) Pro-forma reflects a cash contribution of \$50 million from Brink's in connection with the spin-off.

(2) Pro-forma \$75 million undrawn revolving credit facility.

(3) Pro-forma reflects forgiveness by Brink's of \$0.4 million of related party loans.

(4) Pro-forma reflects increases in capital in excess of par value from \$50 million cash contribution from Brink's and the forgiveness by Brink's of \$0.4 million of related party loans.

## Rebranding Considerations

- Three year brand license agreement allows for effective transition
- Engaged Landor Associates in September 2008 to help create a comprehensive rebranding strategy
- Anticipate introduction of new brand in mid-2009
- Estimate incremental expense of \$100 – \$150 million spread over a 24 to 36-month period from introduction of new brand
- Rebranding expense will be funded by reduced royalty rate, \$50 million cash infusion and cash flow from operations

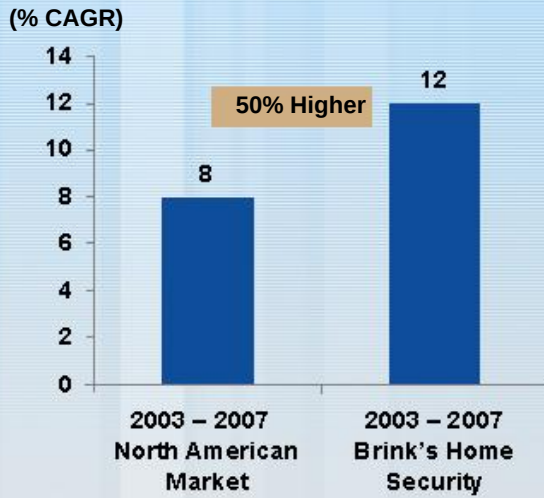


## Industry Overview

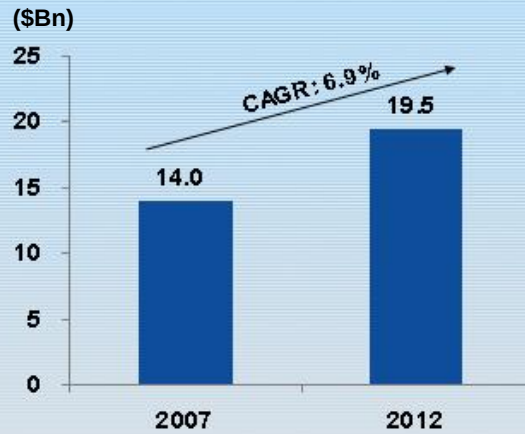


# Large and Growing Monitored Security Services Market

### Historic Alarm Monitoring Revenue Growth <sup>(1)</sup>



### Projected Revenue for North American Security Market <sup>(1)</sup>

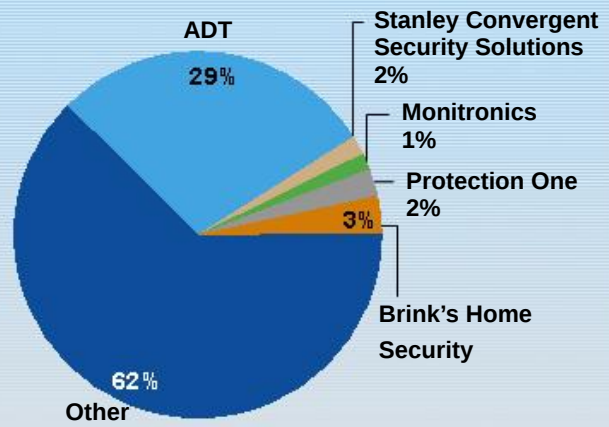


Source: SDM Magazine, Barnes Associates, Barnes Reports, IMS Research 2008  
Note: (1) Includes residential and commercial revenue.

# Security Monitoring is a Highly Fragmented Market

Companies	Market Share (%)
Top 5	39
Top 100	54
All Other	46



2007 U.S. Security Industry  
Market Shares (1)



Total Revenue: \$14.0 billion

Source: SDM Magazine (May 2008), Barnes Reports, IMS Research 2008  
Note: (1) Market shares do not sum to 100% due to rounding.

## Major Competitors

Company	2007 Security Revenues (\$MM)	2007 Subscribers	2007 MRR (\$MM) (1)	Comment
 <b>BRINKS</b> HOME SECURITY	484	1,223,800	37.2	Mostly Residential (95%)
	4,100	6,000,000	219.0	Evenly split residential and commercial
 <b>Protection One</b>	348	880,262 (2)	26.7	Shifting to commercial, 30% multifamily
 <b>Monitronics</b> <small>for a better life</small>	200	548,034	17.0	Mostly residential (90%)
 <b>STANLEY</b> Security Solutions	213	252,953	10.0	Mostly commercial (70%)

Source: SDM Magazine (May 2008); includes wholesale monitoring revenue and subscribers

Notes: (1) Monthly Recurring Revenue.

(2) Excludes Wholesale Subscribers.



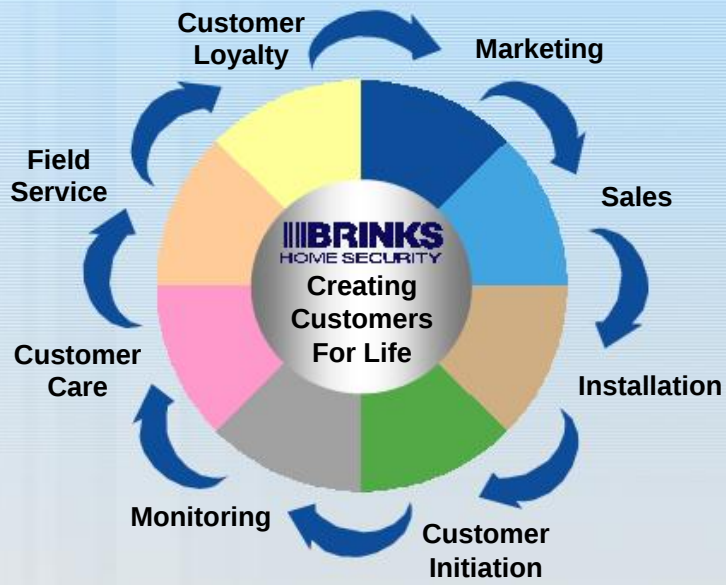
## Business Overview

## Strong and Experienced Management Team

Name	Age	Position With the Company
Robert B. Allen	59	President and Chief Executive Officer
Stephen C. Yevich	53	Senior Vice President – Chief Financial Officer
John S. Davis	52	Senior Vice President – General Counsel and Secretary
Shawn L. Lucht	42	Senior Vice President – Strategy and Corporate Development
Steven E. Neace	49	Senior Vice President – Field Operations
Stacey V. Rapier	46	Senior Vice President – Human Resources
Dwayne R. Sigler	53	Senior Vice President – Marketing
Robert D. Trotter	46	Senior Vice President – Chief Information Officer
Carole L. Vanyo	43	Senior Vice President – Customer Operations

Average Industry Experience of Ten Years

# Superior Execution and Operational Performance



## Advertising and Marketing



- Over \$40 million spent annually in advertising and marketing support
- Direct response advertiser
  - National cable and spot TV advertising
  - Internet
  - Yellow pages
  - Direct mail

# Professional Sales Organization

## Inbound and Outbound Sales

- Over 120 telemarketing professionals
- Close sales and schedule installations
- Set appointments for field sales



## Field Sales

- Over 600 field sales professionals
- Close company leads and self-generate sales
- National account capabilities



## Installation and Customer Activation



- Over 1,200 professional technicians
  - Well trained
  - Automated remote capabilities
- Focus on customer satisfaction
  - User-friendly security system
  - Standardized processes
  - Post-installation surveys
  - Customer activity analysis

## Delivery of Consistent Rapid Response Monitoring

- Two fully redundant UL certified monitoring centers
  - Irving, TX and Knoxville, TN
  - Serve as mutual disaster recovery centers
  - Alarm signals routed to first available representative
- Automated process design
- Alarm reduction efforts
  - Emergency response dispatch rate down 27% since 2003



## Commitment to Outstanding Customer Service



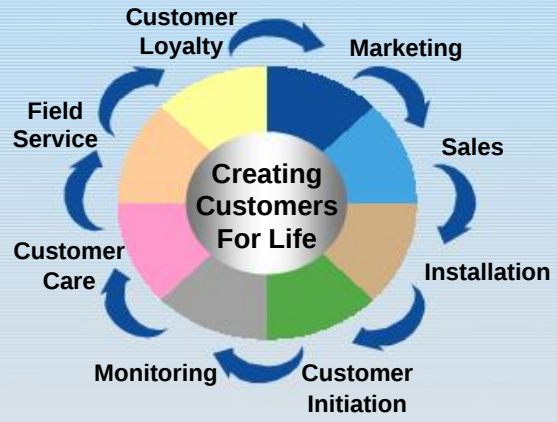
- Focus on single contact resolution
  - Achieved on 82% of incoming calls
- Integrated and uniform technology platform
- Significant investment in training programs
- Certified by J.D. Power and Associates for outstanding customer service for five consecutive years



**J.D. POWER**  
AND ASSOCIATES®

# Dedication to Creating Customers for Life

- Exceed customer expectations at every step of the relationship

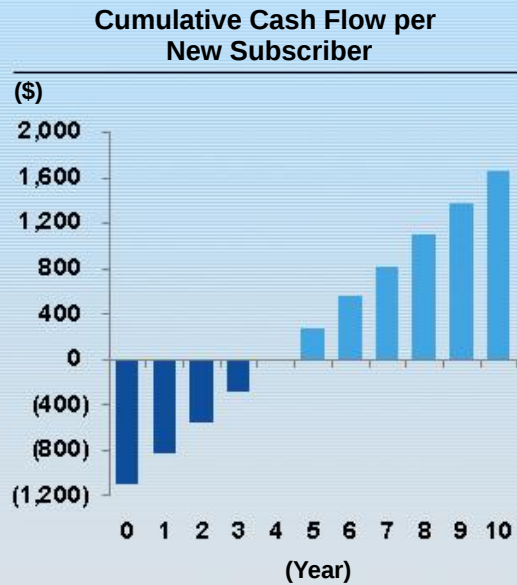




## Operational and Financial Performance

# The Business Model Overview

- Invest in new customers
  - Installation costs exceed installation fees
- Cash flow from recurring monthly fees highly profitable
- Customer retention is essential
- Long term value creation from disciplined approach



## Typical Installation Cash Flow and Accounting Treatment

(Per Residential Installation)	2007 Example		
	Cash	Balance Sheet	P&L
Installation Revenues	\$ 300	Deferred Liability \$300	\$0
Costs and Expenses:			
Installation	\$825	Capitalized Asset \$825	\$0
Sales (related to installation)	\$125	Deferred Asset \$125	\$0
Marketing, Other Sales and Admin	\$450	\$0	Expensed \$450
Total Costs	\$1,400		
<b>Net Investment per Installation</b>	<b><u>\$1,100</u></b>	<b>Net Assets <u>\$650</u></b>	<b>Expensed <u>\$450</u></b>

- The example is based on a typical residential installation performed in 2007 by a company-owned branch operation

## The Business Model – Accounting View (FY2007)

### Upfront Investment \$95.9 million <sup>(1)</sup>

Cash Net Acquisition Cost  
–  
Capitalized and Deferred Amounts  
=  
Total Upfront Investment of  
Acquiring New Customers

### Ongoing Profit \$168.9 million <sup>(1)</sup>

Monitoring and Service Revenue  
–  
Ongoing Cash Costs  
–  
Depreciation, Amortization  
and Writeoffs  
=  
Total Ongoing Profit from  
Subscriber Portfolio

Operating Profit \$73.0 Million <sup>(1)</sup>

Note: (1) Full year 2007 results.

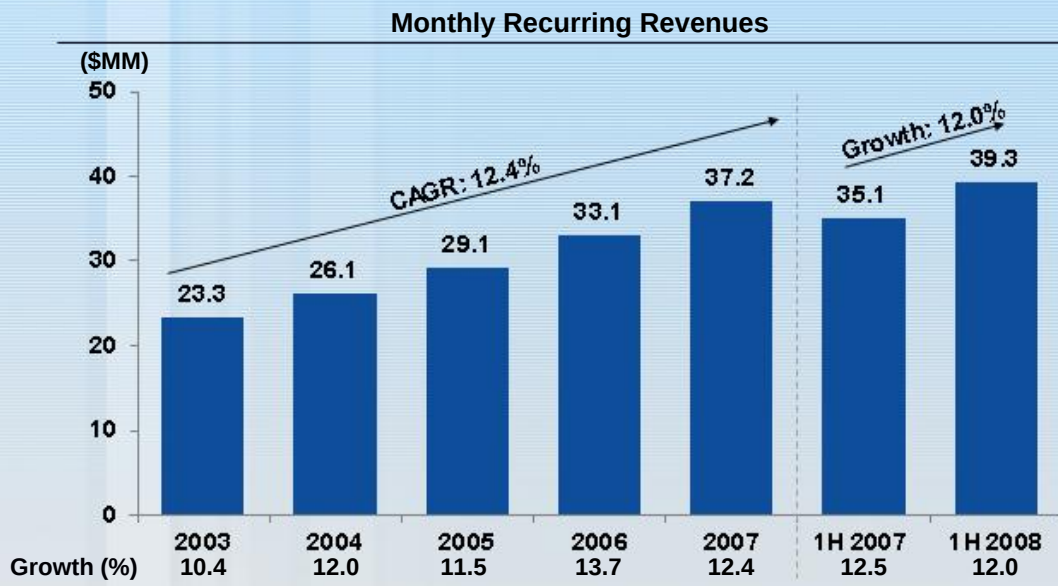


## Key Performance Measures

- |  |  |  |
|--|--|--|
| <ul style="list-style-type: none"><li>■ Monthly Recurring Revenue<ul style="list-style-type: none"><li>- Measures amount of recurring revenues from subscriber fees</li></ul></li></ul>                  |  | <ul style="list-style-type: none"><li>■ Consistent growth in MRR from \$23.3 million in 2003 to \$37.2 million in 2007</li></ul>                                 |
| <ul style="list-style-type: none"><li>■ Profit from Recurring Services<ul style="list-style-type: none"><li>- Monthly monitoring and service earnings generated from subscriber base</li></ul></li></ul> |  | <ul style="list-style-type: none"><li>■ Profit from recurring services of \$168.9 million in 2007</li></ul>  |
| <ul style="list-style-type: none"><li>■ Subscriber Base Growth</li></ul>   |  | <ul style="list-style-type: none"><li>■ 1.2 million subscribers in 2007</li><li>■ Major driver of MRR expansion</li><li>■ Leverage costs of operations</li></ul> |
| <ul style="list-style-type: none"><li>■ Disconnect Rate</li></ul>  |  | <ul style="list-style-type: none"><li>■ Industry leading at 7.0%</li><li>■ Focus on subscriber selection and retention process</li></ul>                         |

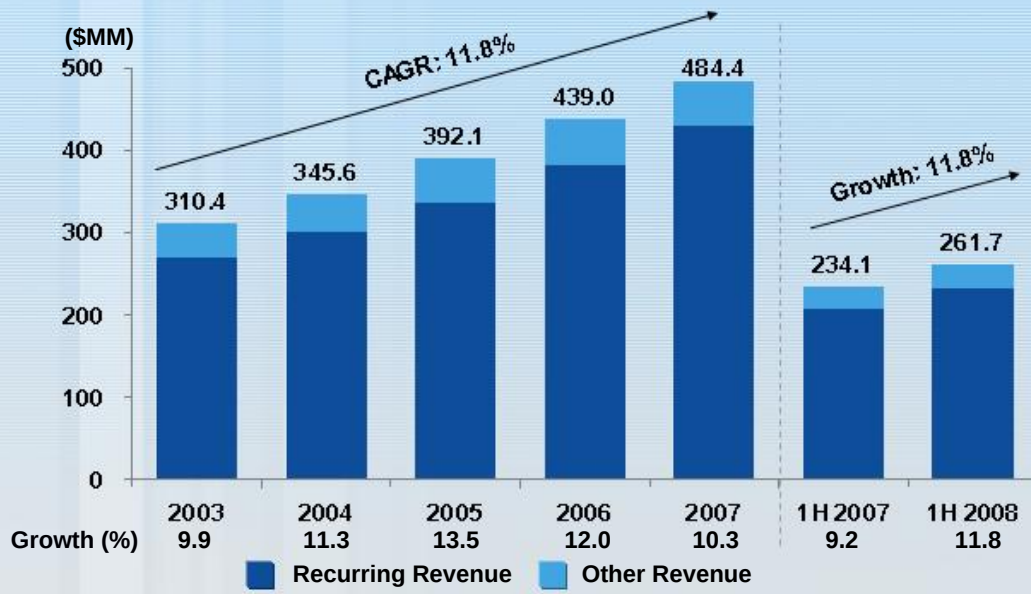
# Stable and Growing Monthly Recurring Revenues

- Growth driven by subscriber growth and an increase in average customer recurring revenue

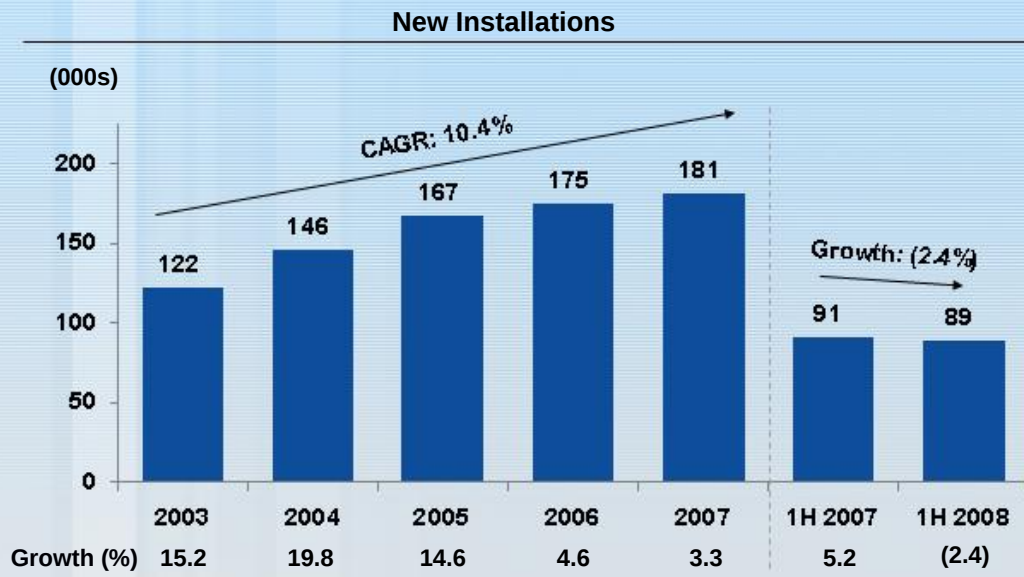


# Total Revenue

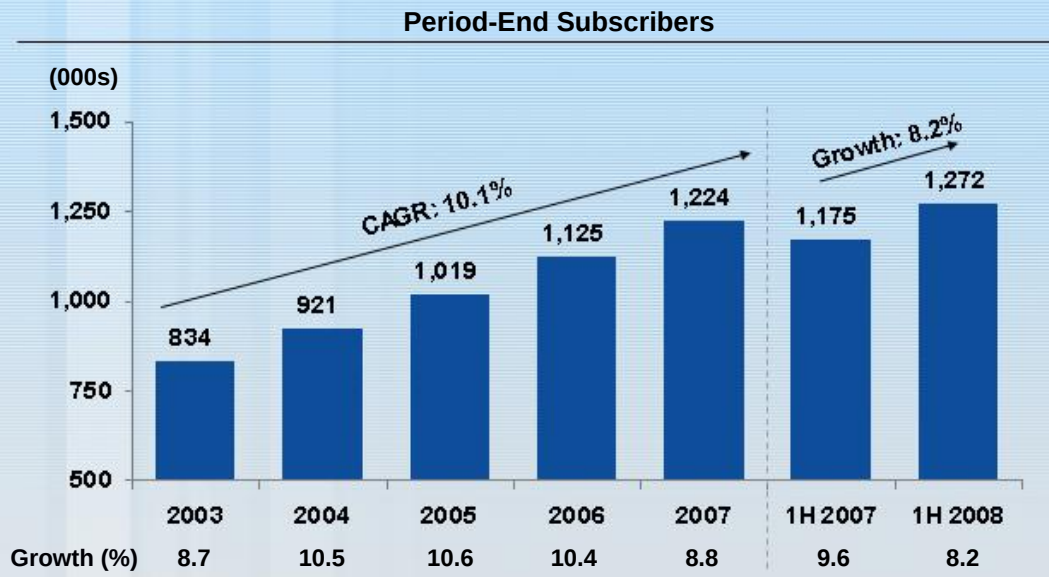
- Recurring revenues were 85% to 89% of total revenues from 2003 through 2007



# Installation Growth



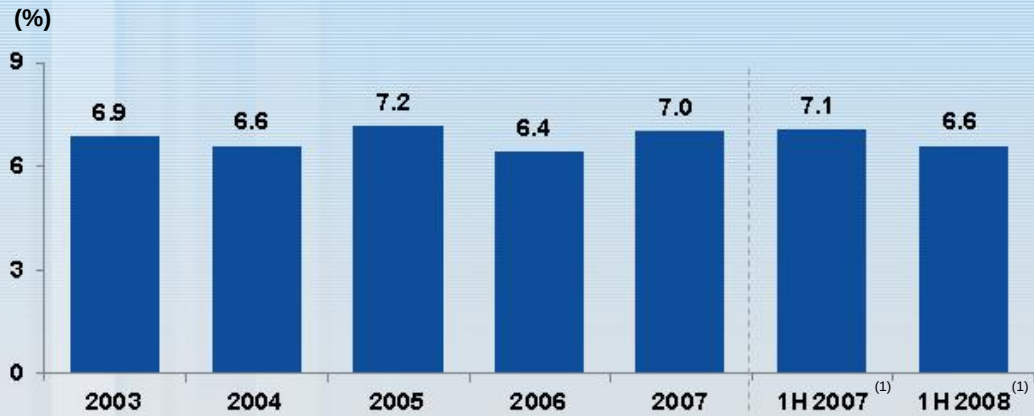
# Subscriber Growth



## Annual Disconnect Rate

- Based upon an article in SDM, a leading trade magazine, and the public filings of competitors, BHS believes it has the highest customer retention rate of the four largest security monitoring companies

Trailing 12 Month Disconnect Rate



Source: Company Filings

Note: (1) 1H2007 and 1H2008 data for first six months of 2007 and 2008, respectively.



## Growth Strategy

## Key Growth Strategies

- Grow residential subscriber base and recurring revenues
- Develop light and mid-market commercial monitoring business
- Expand recurring revenue per customer
- Maximize customer life-cycles
- Improve productivity and enhance operating efficiency
- Selectively pursue growth opportunities through acquisitions



## Growth Opportunities – Residential



- Expand penetration of monitored security systems
  - Only 18% of U.S. households <sup>(1)</sup>
- Continue national direct response marketing
  - National sales force coverage
- Increase volume through expansion of customer acquisition channels
  - Authorized dealer network
  - Home inspection
  - New home builders
  - Consumer marketing alliances

Note: (1) Based on IMS Research and U.S. Census data.

## Growth Opportunities – Commercial

- Expand products and service capabilities
  - Intrusion, Fire, Video, and Access Control
- Leverage existing nationwide sales, installation and service platform
  - 150 dedicated salespeople
  - 140 dedicated technicians
- Provide consistent service to national account customers



## Growth Opportunities – Recurring Revenue per Customer



- Provide additional value to customers through new products and services
  - Cellular and IP communications
  - Extended service plans
  - Environmental monitoring services
  - Other value added services
- Recurring revenue per customer has grown 9% since 2003
- Working with partners to develop new products and services

## Growth Opportunities – Customer Retention



- Continue focus on the full life-cycle value of each customer relationship
  - Select the right customer
  - Exceed customer expectations
  - Retain customer
- Deliver consistent service
  - Measure customer satisfaction
  - Mine data for identification of process improvements
- Enhance customer communication and self-service capabilities
  - Mybrinks.com portal

## Growth Opportunities – Process Improvement

- Find a better way
  - Continuous process improvement initiatives
  - Leverage national scope and scale
- Invest in technology
  - Enhance operational capabilities
  - \$8 – \$12 million annual capital expenditures for IT and infrastructure



## Growth Opportunities – Selective Acquisitions

- Selectively pursue strategic acquisitions as part of our larger growth strategy
- Take a disciplined approach
  - New assets or capabilities to support the growth strategy
  - Potential for incremental growth and cost savings
  - Complementary to existing businesses and customer base
- Must enhance value to shareholders

## Brink's Home Security – Positioned for Growth

- Strong heritage and brand name
- Focus on the customer
- Superior execution and operational performance
- World-class facilities and technology platform
- Broad North American footprint
- Consistent growth in monthly recurring revenues
- Strong financial performance
- Favorable long-term growth opportunities
- Experienced management team

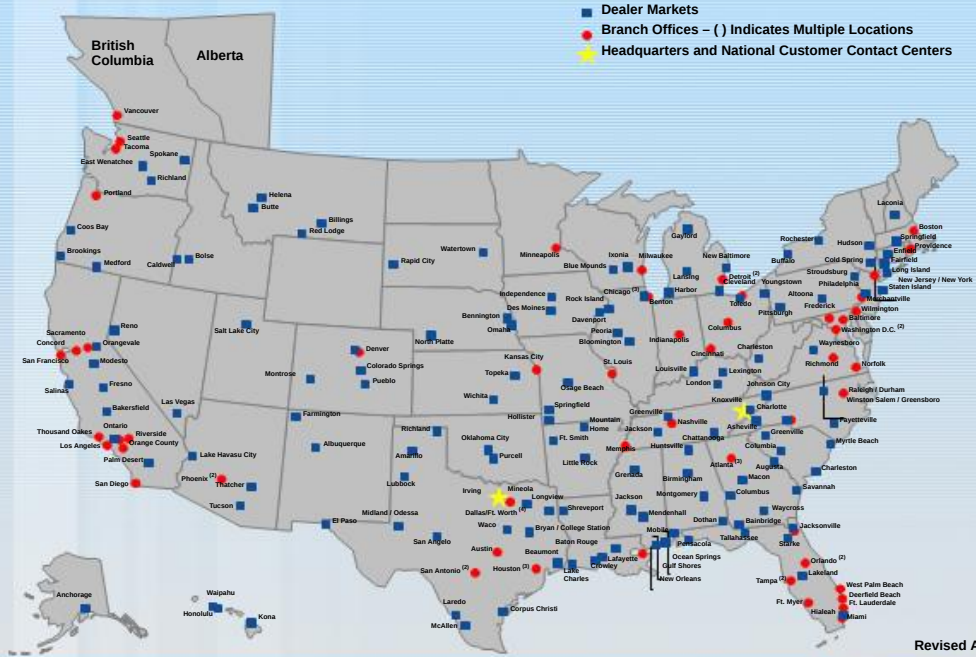




## Appendix



# Brink's Home Security Locations



Revised August 2008



# Separation and Distribution Agreements

- Separation and distribution
- Brand licensing
- Transition services (HR, Finance & Accounting, Legal)
- Tax matters
- Non-compete
- Employee matters

## Brand Licensing and Non-Compete Key Provisions

Brand	Non-Compete
<ul style="list-style-type: none"><li>■ License rights to use “Brink’s Home Security” and other variants of the Brink’s name</li><li>■ Scope: United States, Puerto Rico, and Canada</li><li>■ Duration: 3 years<sup>(1)</sup></li><li>■ Annual licensing fee: 1.25% of revenue</li></ul>	<ul style="list-style-type: none"><li>■ Brink’s agrees not to compete in residential and commercial security monitoring markets</li><li>■ Scope: United States, Puerto Rico, and Canada</li><li>■ Duration: 5 years</li></ul>

Note: (1) Subject to earlier termination upon the occurrence of certain events.

## Transaction Structure and Distribution Mechanics

- Approved by Brink's Board of Directors
- No ongoing ownership retained by Brink's
- Key tax points:
  - Conditioned upon Brink's receiving a private letter ruling from IRS, which has been received, and an opinion of counsel affirming tax-free status
  - Brink's and shareholders have indemnity from Brink's Home Security for loss of tax-free status in certain circumstances

## Credit Facility<sup>(1)</sup>

- \$75 million Unsecured Revolver with a \$50 million expansion option
- Four year term
- JPMorgan Chase is lead bank
- Guarantor – Brink’s Home Security, Inc. and future material domestic subsidiaries
- Grid-based pricing determined by leverage ratio (range: LIBOR +175 bps to LIBOR +225 bps)
- We intend to use the proceeds of this facility, as necessary, to support our working capital needs and the growth of our business and for other general corporate purposes

Note: (1) To be in place at the time of distribution.

## Select Historical Financial Data

(\$MM)	2005	2006	2007	1 H 2008
<b>Statement of Income Data</b>				(Unaudited)
Revenues	392.1	439.0	484.4	261.7
Operating Profit	57.1	63.2	73.0	46.5
Net Income	36.0	36.3	44.2	28.3
<b>Balance Sheet Data</b>	(Unaudited)			(Unaudited)
Cash and Cash Equivalents	3.4	2.6	3.3	4.4
Property and Equipment, Net	467.7	536.7	606.0	637.0
Total Assets	605.0	689.4	763.7	799.4
Shareholders Equity	318.9	357.6	405.5	433.9
<b>Cash Flow Information</b>				(Unaudited)
Cash flows from Operating Activities	119.1	155.9	183.7	105.4
Cash flows from Investing Activities	(162.2)	(163.9)	(175.8)	(90.1)
Cash flows from Financing Activities	45.2	7.2	(7.3)	(14.2)
Capex	(162.2)	(163.9)	(177.8)	(90.1)
<b>Other Information (Unaudited)</b>				
Average Number of Subscribers (in 000s) <sup>(1)</sup>	972.8	1,072.5	1,176.1	1,248.9

Note: (1) The average number of subscribers is calculated by adding together each individual month-to-date average during the period and then dividing that amount by the number of months in the period.

## Other Historical Information

(SMM)	2005	2006	2007	1 H 2008
Profit from Recurring Services <sup>(1)</sup>	141.0	151.2	168.9	97.9
Investment in New Subscribers <sup>(2)</sup> (one-time costs)	(83.9)	(88.0)	(95.9)	(51.4)
<b>Operating Profit</b>	<b>57.1</b>	<b>63.2</b>	<b>73.0</b>	<b>46.5</b>
Depreciation and amortization <sup>(3)</sup>	58.1	67.6	77.7	42.4
Impairment charges from subscriber disconnects	45.2	47.1	50.4	24.7
Amortization of deferred revenue <sup>(4)</sup>	(29.5)	(31.2)	(34.2)	(20.0)
Deferral of subscriber acquisition cost (current year payments) <sup>(5)</sup>	(22.9)	(24.4)	(23.8)	(12.1)
Deferral of revenue from new subscribers (current year receipts) <sup>(6)</sup>	40.7	44.9	47.4	23.6

- Notes:
- (1) Reflects operating profit generated from the existing subscriber base including the amortization of deferred revenues.
  - (2) Primarily marketing and selling expenses, net of the deferral of subscriber acquisition costs (primarily a portion of sales commissions and related costs) incurred in the acquisition of new subscribers.
  - (3) Includes amortization of deferred subscriber acquisition costs.
  - (4) Includes amortization of deferred revenue related to active subscriber accounts as well as recognition of deferred revenue related to subscriber accounts that disconnect.
  - (5) Includes cash payments for incremental sales compensation, fringe benefits and related costs that are directly attributable to successful customer acquisition efforts and that are deferred and recognized over the expected life of the customer relationship.
  - (6) Includes cash receipts from new subscribers, including connection fees and equipment installation fees that are deferred and recognized over the expected life of the customer relationship.

# Pro-forma Consolidated Income Statement

(\$MM)	Year Ended December 31, 2007				
	BCO 10-K Historical	Adjustments	Form 10 Historical	Pro-forma Adjustments	Pro-forma
<b>Revenues</b>	<b>484.4</b>	—	<b>484.4</b>	—	<b>484.4</b>
<b>Costs and Expenses</b>					
Cost of Revenues			271.9	(27.2) <sup>(2)</sup>	244.7
Selling, General and Administrative Expenses			144.3	-(3)	144.3
Total Cost and Expenses			416.2	(27.2)	389.0
Other Operating Income (Expense), Net			4.8	(1.4) <sup>(4)</sup>	3.4
<b>Operating Profit</b>	<b>114.2</b>	<b>(41.2)<sup>(5)</sup></b>	<b>73.0</b>	<b>25.8</b>	<b>98.8</b>
Interest Expense			1.0	(0.7) <sup>(6)</sup>	0.3
Income Before Income Taxes			72.0	26.5	98.5
Provision for Income Taxes			27.8	10.0 <sup>(6)</sup>	38.0
<b>Net Income</b>			<b>44.2</b>	<b>16.3</b>	<b>60.5</b>

- Notes:
- (1) Represents expenses reorganized in BHS Form 10 that were not recognized in BCO's 2007 Form 10-K. These expenses include intercompany royalty expense of \$33.2 million and intercompany general and administrative expense of \$8.0 million, which were eliminated in BCO's historical consolidated financial statements in the 2007 Form 10-K.
  - (2) Represents a reduction in the percentage royalty fee to use the Brink's brand from 7% to 1.25% of revenues in the United States and 3% to 1.25% for revenues outside the United States.
  - (3) The historical amount for selling, general and administrative expenses includes an allocation of \$8.0 million of Brink's general and administrative corporate expenses to BHS. These costs may not be representative of the future costs we will incur as a separate public company. We have not presented any pro-forma adjustments to these costs because they are not reasonably estimable and factually supportable.
  - (4) Represents the transfer by BHS to Brink's of certain third-party royalty agreements and the related royalty income earned under those agreements.
  - (5) Represents a reduction in interest expense on a lower related party payable as a result of a lower percentage royalty fee.
  - (6) Represents an increase in tax expense as a result of higher income before income taxes.



## Reconciliation of Non-GAAP Measures – Monthly Recurring Revenue

- The purpose of this table is to reconcile monthly recurring revenues, a non-GAAP measure, to its closest GAAP counterpart, revenues

(\$MM)	2003	2004	2005	2006	2007	1H07	1H08
Monthly Recurring Revenues ("MRR") <sup>(1)</sup>	23.3	26.1	29.1	33.1	37.2	35.1	39.3
<b>Amounts Excluded from MRR</b>							
Amortization of Deferred Revenue <sup>(2)</sup>	2.0	2.1	3.3	2.5	2.8	3.1	3.4
Other Revenues <sup>(3)</sup>	2.4	1.8	2.5	2.1	1.6	2.2	1.0
<b>Revenues on a GAAP Basis</b>							
Last Month in Period	27.7	30.0	34.9	37.7	41.6	40.4	43.7
January – November (May for 1H07 and 1H08)	282.7	315.6	357.2	401.3	442.8	193.7	218.0
January – December (June for 1H07 and 1H08)	310.4	345.6	392.1	439.0	484.4	234.1	261.7

- The Company uses MRR to evaluate performance and believes the presentation of MRR is useful to investors because the measure is widely used in the industry to assess the amount of recurring revenues from subscriber fees that a home security business produces. This supplemental non-GAAP information should be viewed in conjunction with the Company's consolidated statements of operations

Notes: (1) MRR is calculated based on the number of subscribers at period end multiplied by the average fee per subscriber received in the last month of the period for contracted monitoring and maintenance services.

(2) Includes amortization of deferred revenue related to active subscriber accounts as well as recognition of deferred revenue related to subscriber accounts that disconnect.

(3) Revenues that are not pursuant to monthly contractual billings.

## Reconciliation of Non-GAAP Measures – Profit for Recurring Services

- The purpose of this table is to reconcile profit from recurring services and investment in new subscribers to operating income, their closest GAAP counterpart

(SMM)	2005	2006	2007	1H07	1H08
Profit from Recurring Services <sup>(1)</sup>	141.0	151.2	168.9	85.3	97.9
Investment in New Subscribers <sup>(2)</sup>	(83.9)	(88.0)	(95.9)	(46.1)	(51.4)
Operating Profit	57.1	63.2	73.0	39.2	46.5

Notes: (1) Reflects operating profit generated from the existing subscriber base including the amortization of deferred revenues.

(2) Primarily marketing and selling expenses, net of the deferral of subscriber acquisition costs (primarily a portion of sales commissions and related costs) incurred in the acquisition of new subscribers.

## Disconnect Rate

The annual disconnect rate is a ratio. The numerator is the gross number of customer cancellations during the period, and the denominator is the average number of customer subscribers for the period. The gross number of customer cancellations is reduced for customers who cancel service at one location but continue service at a new location, customer accounts acquired from dealers that cancel during a specified contractual term that allows the account to be charged back to the dealers, and inactive sites that return to active service during the period.