SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 1997

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

For the transition period from ________ to ________

Commission file number 1-9148

THE PITTSTON COMPANY
(Exact name of registrant as specified in its charter)

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

P.O. Box 4229, 1000 Virginia Center Parkway, Richmond, Virginia 23058-4229
(Address of principal executive offices)(Zip Code)

Registrant's telephone number, including area code: (804) 553-3600

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

Yes X No ___

41,142,679 shares of $1 par value Pittston Brink's Group Common Stock, 20,578,200 shares of $1 par value Pittston Burlington Group Common Stock and 8,405,908 shares of $1 par value Pittston Minerals Group Common Stock were outstanding as of May 5, 1997.

Part I - Financial Information
The Pittston Company and Subsidiaries
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)

	March 31 1997	December 31 1996
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 50,827	41,217
Short-term investments, at lower of cost or market	1,173	1,856
Accounts receivable (net of estimated amount uncollectible: 1997 - $16,925; 1996 -$16,116)	485,471	456,135
Inventories, at lower of cost or market	44,442	37,127
Prepaid expenses	44,708	32,798
Deferred income taxes	47,873	49,557
Total current assets	674,494	618,690

Property, plant and equipment, at cost (net of depreciation, depletion and amortization: 1997 - $473,011; 1996 - $457,756)		575,497	540,851
Intangibles, net of amortization		309,388	317,062
Deferred pension assets		123,530	124,241
Deferred income taxes		57,929	58,690
Other assets		158,242	153,345
Total assets	$	1,899,080	1,812,879
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	$	36,449	31,669
Current maturities of long-term debt		5,372	5,450
Accounts payable		248,713	251,572
Accrued liabilities		278,369	280,276
Total current liabilities		568,903	568,967
Long-term debt, less current maturities		234,711	158,837
Postretirement benefits other than pensions		227,586	226,697
Workers' compensation and other claims		114,635	116,893
Deferred income taxes		15,307	15,075
Other liabilities		119,970	119,703
Shareholders' equity:			
Preferred stock, par value $10 per share: Authorized: 2,000 shares $31.25 Series C Cumulative Convertible Preferred Stock: Issued: 1997 - 1,154 shares; 1996 - 1,154 shares		1,154	1,154
Pittston Brink's Group common stock, par value $1 per share: Authorized: 100,000 shares; Issued: 1997 - 41,142 shares; 1996 - 41,296 shares		41,142	41,296
Pittston Burlington Group common stock, par value $1 per share: Authorized: 50,000 shares Issued: 1997 - 20,578 shares; 1996 - 20,711 shares		20,578	20,711
Pittston Minerals Group common stock, par value $1 per share: Authorized 20,000 shares; Issued: 1997 - 8,406 shares; 1996 - 8,406 shares		8,406	8,406
Capital in excess of par value		390,898	400,135
Retained earnings		287,030	273,118
Equity adjustment from foreign currency translation		(26,945)	(21,188)
Employee benefits trust, at market value		(104,295)	(116,925)
Total shareholders' equity		617,968	606,707
Total liabilities and shareholders' equity	$	1,899,080	1,812,879

See accompanying notes to consolidated financial statements.

The Pittston Company and Subsidiaries
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Quarter Ended March 31 1997	1996
Net sales	$ 158,883	170,252
Operating revenues	622,793	560,655
Net sales and operating revenues	781,676	730,907
Costs and expenses:		
Cost of sales	153,412	195,885
Operating expenses	518,819	473,066
Restructuring and other credits, including litigation accrual	--	(37,758)
Selling, general and administrative expenses	75,643	72,296
Total costs and expenses	747,874	703,489
Other operating income, net	3,576	2,815
Operating profit	37,378	30,233
Interest income	1,019	525
Interest expense	(5,564)	(3,745)
Other expense, net	(2,389)	(2,397)
Income before income taxes	30,444	24,616
Provision for income taxes	9,103	5,996
Net income	21,341	18,620
Preferred stock dividends, net	(901)	(1,065)
Net income attributed to common shares	$ 20,440	17,555
Pittston Brink's Group:		
Net income attributed to common shares	$ 15,306	11,839
Net income per common share	$ .40	.31
Cash dividend per common share	$ .025	.025
Pittston Burlington Group:		
Net income attributed to common shares	$ 5,088	3,761
Net income per common share	$ .26	.20
Cash dividends per common share	$ .06	.06
Pittston Minerals Group:		
Net income attributed to common shares	$ 46	1,955
Net income per common share	$ .01	.25
Cash dividends per common share	$ .1625	.1625

See accompanying notes to consolidated financial statements.

The Pittston Company and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Quarter Ended March 31 1997	1996
Cash flows from operating activities:		
Net income	$ 21,341	18,620
Adjustments to reconcile net income to net cash provided by operating activities:		
Noncash charges and other write-offs	--	29,948
Depreciation, depletion and amortization	30,139	27,051
Provision for aircraft heavy maintenance	8,186	7,718
Provision for deferred income taxes	2,328	4,470
Provision for pensions, noncurrent	141	62
Provision for uncollectible accounts receivable	1,768	1,599
Equity in earnings of unconsolidated affiliates, net of dividends received	861	358
Other operating, net	2,539	(319)
Change in operating assets and liabilities, net of effects of acquisitions and dispositions:		
Increase in accounts receivable	(14,285)	(3,169)
Increase in inventories	(7,314)	(6,990)
Increase in prepaid expenses	(9,793)	(4,220)
Decrease in accounts payable and accrued liabilities	(4,083)	(19,309)
Increase in other assets	(3,292)	(643)
Decrease in other liabilities	(2,852)	(33,760)
Decrease in workers' compensation and other claims, noncurrent	(2,256)	(3,560)
Other, net	366	94
Net cash provided by operating activities	23,794	17,950
Cash flows from investing activities:		
Additions to property, plant and equipment	(40,031)	(31,877)
Property, plant and equipment pending lease financing	(372)	(71)
Aircraft heavy maintenance expenditures	(9,473)	(4,131)
Proceeds from disposal of property, plant and equipment	3,939	4,709
Acquisitions, net of cash acquired, and related contingency payments	(54,094)	(746)
Other, net	14,273	3,636
Net cash used by investing activities	(85,758)	(28,480)
Cash flows from financing activities:		
Net additions to debt	80,834	1,975
Repurchase of stock	(6,514)	--
Proceeds from exercise of stock options	1,303	614
Dividends paid	(4,049)	(4,415)
Cost of stock proposals	--	(1,838)
Net cash provided (used) by financing activities	71,574	(3,664)
Net increase (decrease) in cash and cash equivalents	9,610	(14,194)
Cash and cash equivalents at beginning of period	41,217	52,823
Cash and cash equivalents at end of period	$ 50,827	38,629

See accompanying notes to consolidated financial statements.

The Pittston Company and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except per share amounts)
(Unaudited)

(1) The Pittston Company (the "Company") prepares consolidated financial statements in addition to separate financial statements for the Pittston Brink's Group (the "Brink's Group"), the Pittston Burlington Group (the "Burlington Group") and the Pittston Minerals Group (the "Minerals Group"). The Brink's Group consists of the Brink's, Incorporated ("Brink's") and Brink's Home Security, Inc. ("BHS") operations of the Company. The Burlington Group consists of the Burlington Air Express Inc. ("Burlington") operations of the Company. The Minerals Group consists of the Pittston Coal Company ("Coal Operations") and Pittston Mineral Ventures ("Mineral Ventures") operations of the Company. The Company's capital structure includes three issues of common stock: Pittston Brink's Group Common Stock ("Brink's Stock"), Pittston Burlington Group Common Stock ("Burlington Stock") and Pittston Minerals Group Common Stock ("Minerals Stock") which were designed to provide shareholders with separate securities reflecting the performance of the Brink's Group, Burlington Group and Minerals Group, respectively, without diminishing the benefits of remaining a single corporation or precluding future transactions affecting any Group or the Company as a whole. Holders of Brink's Stock, Burlington Stock and Minerals Stock are shareholders of the Company, which is responsible for all liabilities. Financial developments affecting the Brink's Group, Burlington Group or the Minerals Group that affect the Company's financial condition could affect the results of operations and financial condition of each of the Groups.

(2) The average number of shares outstanding used in the net income per share computations were as follows:

	As of March 31 1997	1996
Brink's Stock	38,189	38,057
Burlington Stock	19,406	19,040
Minerals Stock	8,002	7,822

The average number of shares outstanding used in the net income per share computations do not include the shares of Brink's Stock, Burlington Stock and Minerals Stock held in the Company's Employee Benefits Trust which totaled 2,958 (3,468 in 1996), 1,167 (1,705 in 1996) and 350 (558 in 1996), respectively, at March 31, 1997.

(3) Depreciation, depletion and amortization of property, plant and equipment in the first quarters of 1997 and 1996 were $23,661 and $21,881, respectively.

(4) Cash payments made for interest and income taxes (net of refunds received) were as follows:

	Quarter Ended March 31 1997	1996
Interest	$ 5,439	4,344
Income taxes	$ 4,530	5,054

During the three months ended March 31, 1997 and 1996, capital lease obligations of $1,109 and $292, respectively, were incurred for leases of property, plant and equipment.

(5) In 1988, the trustees of certain pension and benefit trust funds (the "Trust Funds") established under collective bargaining agreements with the United Mine Workers of America ("UMWA") brought an action (the "Evergreen Case") against the Company and a number of its coal subsidiaries, claiming that the defendants were obligated to contribute to such Trust Funds in accordance with the provisions of the 1988 and subsequent National Bituminous Coal Wage Agreements, to which neither the Company nor any of its subsidiaries were a signatory. In 1993, the Company recognized in its consolidated financial statements the potential liability that might have resulted from an ultimate adverse judgment in the Evergreen Case.

In March 1996, a settlement was reached in the Evergreen Case. Under the terms of the settlement, the coal subsidiaries which had been signatories to earlier National Bituminous Coal Wage Agreements agreed to make various lump sum payments in full satisfaction of all amounts allegedly due to the Trust Funds through January 31, 1996, to be paid over time as follows: $25,845 upon dismissal of the Evergreen Case and the remainder of $24,000 in installments of $7,000 in 1996 and $8,500 in each of 1997 and 1998. The first payment was entirely funded through an escrow account previously established by the Company. The amount previously escrowed and accrued was included in "Short-term investments" and "Accrued liabilities" on the Company's balance sheet. The second payment of $7,000 was paid in 1996 and was funded from cash provided by operating activities. In addition, the coal subsidiaries agreed to future participation in the UMWA 1974 Pension Plan.

As a result of the settlement of the Evergreen Case at an amount lower than previously accrued in 1993, the Company recorded a pretax benefit of $35,650 ($23,173 after tax) in the first quarter of 1996 in its consolidated financial statements.

(6) In 1996, the Company implemented a new accounting standard, Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of". SFAS No. 121 requires companies to review assets for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. SFAS No. 121 resulted in a pretax charge to earnings in 1996 for Coal Operations of $29,948 ($19,466 after tax), of which $26,312 was included in cost of sales and $3,636 was included in selling, general and administrative expenses.

(7) As of January 1, 1992, BHS elected to capitalize categories of costs not previously capitalized for home security installations. The additional costs not previously capitalized consisted of costs for installation labor and related benefits for supervisory, installation scheduling, equipment testing and other support personnel and costs incurred in maintaining facilities and vehicles dedicated to the installation process. The effect of this change in accounting principle was to increase operating profit for the Company and the BHS segment for the first three months of 1997 and 1996 by $1,178 and $1,047, respectively. The effect of this change increased net income per common share of the Brink's Group for the first three months of 1997 and 1996 by $.02.

(8) As of January 1, 1997, BHS prospectively adjusted its annual depreciation rate for capitalized subscribers' installation costs to more accurately match depreciation expense with revenue generated from demonstrated customer experience. This change in accounting estimate reduced depreciation expense for capitalized installation costs in the first quarter of 1997 for the Company and the BHS segment by approximately $2,100. The effect of this change increased net income of the Company and the Brink's Group by $1,365 or $.04 per common share of Brink's Stock.

(9) The Company will implement a new accounting standard, Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share", in the fourth quarter of 1997. SFAS No. 128 will require the Company to report both basic and diluted earnings per share ("EPS") calculations as well as provide a reconciliation between basic and diluted EPS computations. SFAS No. 128 supersedes previous guidance from Accounting Principles Board Opinion ("APB") No. 15, "Earnings per Share". After the effective date, all prior-period EPS data presented will be restated to conform with the provisions of SFAS No. 128.

(10) Certain prior period amounts have been reclassified to conform to current period's financial statement presentation.

(11) In the opinion of management, all adjustments have been made which are necessary for a fair presentation of results of operations for the periods reported herein. All such adjustments are of a normal recurring nature.

The Pittston Company and Subsidiaries
MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS
AND FINANCIAL CONDITION
(In thousands)

The financial statements of The Pittston Company (the "Company") include balance sheets, results of operations and cash flows of the Brink's, Incorporated ("Brink's"), Brink's Home Security, Inc. ("BHS"), Burlington Air Express Inc. ("Burlington"), Pittston Coal Company ("Coal Operations") and Pittston Mineral Ventures ("Mineral Ventures") operations of the Company as well as the Company's corporate assets and liabilities and related transactions which are not separately identified with operations of a specific segment.

The following discussion is a summary of the key factors management considers necessary in reviewing the Company's results of operations, liquidity and capital resources.

RESULTS OF OPERATIONS

	Quarter Ended March 31 1997	1996
Net sales and operating revenues:		
Brink's	$ 209,199	175,854
BHS	42,185	36,706
Burlington	371,409	348,095
Coal Operations	154,593	165,468
Mineral Ventures	4,290	4,784
Net sales and operating revenues	$ 781,676	730,907
Operating profit (loss):		
Brink's	$ 15,801	9,378
BHS	12,779	11,102
Burlington	10,756	8,686
Coal Operations	3,623	4,377
Mineral Ventures	(455)	1,174
Segment operating profit	42,504	34,717
General corporate expense	(5,126)	(4,484)
Total operating profit	$ 37,378	30,233

In the first quarter of 1997, the Company reported net income of $21.3 million compared with $18.6 million in the first quarter of 1996. Operating profit totaled $37.4 million in the 1997 first quarter compared with $30.2 million in the comparable prior year period. Increased operating profits at Brink's ($6.4 million); BHS ($1.7 million); and Burlington ($2.1 million) were partially offset by a decrease in operating profits at Coal Operations ($0.8 million) and at Mineral Ventures ($1.6 million). Coal Operations' first quarter 1996 earnings included three non-recurring items: a benefit from the settlement of the Evergreen Case at an amount lower than previously accrued ($35.7 million or $23.2 million after tax); a charge related to a new accounting standard regarding the impairment of long-lived assets ($29.9 million or $19.5 million after tax), and a benefit from the reversal of excess restructuring liabilities ($2.1 million or $1.4 million after tax).

Brink's

The following is a table of selected financial data for Brink's on a comparative basis:

(In thousands)	Quarter Ended March 31 1997	1996
Operating revenues:		
North America (United States and Canada)	$ 110,772	98,180
International subsidiaries	98,427	77,674
Total operating revenues	$ 209,199	175,854
Operating expenses	167,056	143,508
Selling, general and administrative expenses	25,721	22,474
Total costs and expenses	192,777	165,982
Other operating expense, net	(621)	(494)
Operating profit:		
North America (United States and Canada)	$ 7,754	5,930
International operations	8,047	3,448
Total operating profit	$ 15,801	9,378
Depreciation and amortization	$ 7,547	6,029
Cash capital expenditures	$ 9,814	6,806

Brink's consolidated revenues totaled $209.2 million in the first quarter of 1997 compared with $175.9 million in the first quarter of 1996. Brink's operating profit of $15.8 million in the first three months of 1997 represented a $6.4 million or 68% increase over the $9.4 million operating profit reported in the comparable prior year period. The revenue increase of $33.3 million (19%) in the 1997 first quarter was offset in part by an increase in operating expenses and selling, general and administrative expenses of $26.8 million (16%).

Revenues from North American operations (United States and Canada) increased $12.6 million (13%) to $110.8 million in the first quarter of 1997 from $98.2 million in the prior year quarter. North American operating profit increased $1.9 million, or 32%, to $7.8 million in the 1997 quarter from $5.9 million in the first quarter of 1996. Approximately $1.2 million of the increase in operating profit related to the continued improvement of armored car operations, which includes ATM servicing. The remainder of the increase related to modest improvements in currency processing and domestic diamond and jewelry operations.

Revenues from international subsidiaries increased $20.7 million, or 27%, to $98.4 million in the 1997 first quarter from $77.7 million in the 1996 period. Operating profit from international subsidiaries and minority- owned affiliates amounted to $8.0 million in the first three months of 1997 which was $4.6 million higher than the operating profit of $3.4 million in the first quarter of 1996. The increase in both revenues and operating profit was primarily attributable to strong results in Latin America. Revenues and operating profits in this region increased $17.1 million and $4.1 million, respectively, in the first quarter of 1997 as compared to the first quarter of 1996. More than half of these increases were due to the consolidation of the results of Brink's Venezuelan affiliate, Custodia y Traslado de Valores C.A. ("Custravalca"), where Brink's increased its ownership from 15% to 61% during January 1997. The Latin America region also benefited from improvements in Colombia and Mexico during the first quarter of 1997. The operating profits in both the Europe and Asia Pacific regions in the first quarter of 1997 were essentially unchanged from the comparable quarter of 1996. In Europe, improvements in both Holland and Belgium were largely offset by unfavorable results of Brink's affiliate in France. Finally, operating profits from Brink's international diamond and jewelry operations also improved in the first quarter of 1997 versus the same period in 1996.

As mentioned above, Brink's increased its ownership in Custravalca from 15% to 61% in the first quarter of 1997. The acquisition was financed through contributions from a group of local Venezuelan investors (the "Investors") of $8.0 million and external debt of $49.9 million. The ownership interest in Custravalca is held 61% by Brink's and 39% by the Investors. In conjunction with the Custravalca transaction, Brink's also acquired a further 31% interest in Brink's Peru S.A., increasing its ownership position in this affiliate to 36%. Also during the first quarter, Brink's acquired the remaining interests in Brink's Hong Kong and Brink's Holland, increasing ownership in these affiliates to 100% and acquired additional interests in Brink's Bolivia and Brink's Taiwan.

In the first quarter of 1997, interest expense and minority interest expense associated with the Venezuelan acquisition approximated $2 million.

BHS

The following is a table of selected financial data for BHS on a comparative basis:

(Dollars in thousands)	Quarter Ended March 31 1997	1996
Operating revenues	$ 42,185	36,706
Operating expenses	20,852	19,058
Selling, general and administrative expenses	8,554	6,546
Total costs and expenses	29,406	25,604
Operating profit	$ 12,779	11,102
Depreciation and amortization	$ 6,666	6,822
Cash capital expenditures	$ 16,520	14,898
Annualized service revenues (a)	$ 132,598	110,191
Number of subscribers:		
Beginning of period	446,505	378,659
Installations	25,590	24,256
Disconnects, net	(8,088)	(7,239)
End of period	464,007	395,676

(a) Annualized service revenues are 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 monitoring, maintenance and related services.

Revenues for BHS increased by $5.5 million (15%) to $42.2 million in the first quarter of 1997 from $36.7 million in the 1996 period. The increase in revenues was predominantly due to higher ongoing monitoring and service revenues, resulting from the 17% growth in the subscriber base and increased average monitoring fees. As a result of such growth, annualized service revenues in force at March 31, 1997 grew 20% over the amount in effect at March 31, 1996. However, while the number of new security system installations increased in 1997, the revenue per installation decreased from the first quarter of 1996 due to continuing competitive installation pricing in the marketplace.

Operating profit of $12.8 million in the first quarter of 1997 represented an increase of $1.7 million (15%) compared to the $11.1 million earned in the comparable 1996 period. This increase included a $2.1 million reduction in depreciation expense in the first quarter of 1997 resulting from a change in accounting estimate (discussed below). Operating profit in the first quarter of 1997 was also impacted by a $1.4 million increase in net installation and marketing costs incurred and expensed. While these costs to obtain subscribers increased during the first quarter of 1997, the cash margins per subscriber generated from recurring revenues remained consistent between the 1997 and 1996 periods. Total cash margins were favorably impacted by the 17% growth in the average subscriber base and higher average monitoring fees, partially offset by increased account servicing and administrative expenses, which were a consequence of the larger subscriber base.

It is BHS' policy to depreciate capitalized subscriber installation expenditures over the estimated life of the security system based on subscriber retention percentages. BHS initially developed its annual depreciation rate based on information about subscriber retention which was available at the time. However, accumulated historical data about actual subscriber retention has indicated that approximately 50% of subscribers are still active after a period of ten years. Therefore, in order to reflect the higher demonstrated subscriber retention experience, and to more accurately match depreciation expense with revenues generated from active subscribers, BHS prospectively adjusted its annual depreciation rate for capitalized subscriber installation costs in the first quarter of 1997. BHS will continue its practice of charging the remaining net book value of all capitalized subscriber installation expenditures to depreciation expense as soon as a system is identified for disconnection. This change in estimate reduced depreciation expense for capitalized installation costs in the first quarter of 1997 by $2.1 million.

Burlington
The following is a table of selected financial data for Burlington on a comparative basis:

(In thousands - except per pound/shipment amounts)	Quarter Ended March 31 1997	1996
Operating revenues:		
Expedited freight services:		
Domestic U.S.	$ 136,672	128,780
International	180,891	169,715
Total expedited freight services	317,563	298,495
Customs clearances	27,637	28,414
Ocean and other (a)	26,209	21,186
Total operating revenues	371,409	348,095
Operating expense	330,911	310,500
Selling, general and administrative	30,391	29,132
Total costs and expenses	361,302	339,632
Other operating income, net	649	223
Operating profit:		
Domestic U.S.	4,117	3,708
International	6,639	4,978
Total operating profit	$ 10,756	8,686
Depreciation and amortization	$ 6,908	5,400
Cash capital expenditures	$ 6,175	4,771
Expedited freight services shipment growth rate (b)	(1.8%)	5.5%
Expedited freight services weight growth rate (b):		
Domestic U.S.	0.8%	2.9%
International	2.5%	9.4%
Worldwide	1.7%	6.2%
Expedited freight services weight (millions of pounds)	350.5	344.7
Expedited freight services shipments (thousands)	1,275	1,298
Expedited freight services average:		
Yield (revenue per pound)	$ .906	.866
Revenue per shipment	$ 249	230
Weight per shipment (pounds)	275	266

(a) Primarily includes international ocean freight revenues. Ocean and other also includes domestic revenues of $1,721 and $668 for the quarters ended March 31, 1997 and 1996, respectively.

(b) Compared to the same period in the prior year.

Worldwide revenues increased by 7% in the first quarter of 1997 to $371.4 million, from $348.1 million in the 1996 quarter. The $23.3 million growth in revenues principally reflects a 1.7% increase in worldwide expedited freight services pounds shipped, combined with a 5% increase in the world-wide expedited freight services average yield. Burlington's first quarter 1997 operating profit amounted to $10.8 million, an increase of $2.1 million (24%) from the level reported in the first quarter of 1996.

The worldwide expedited freight services revenues' increase of 6%, from $298.5 million in the first quarter 1996 to $317.6 million in the first quarter 1997, was the result of a 1.7% increase in worldwide expedited freight services weight shipped, from 344.7 million pounds in 1996 to 350.5 million pounds in 1997, combined with a 5% increase in the average expedited freight services yield. Other revenues increased 9% from $49.6 million in 1996 to $53.8 million in 1997, due to growth in ocean and other freight services. Total costs and expenses increased by 6% from $339.6 million in 1996 to $361.3 million in 1997, reflecting increased transportation costs, due in part to additional business volume.

Domestic expedited freight services revenues in the first quarter of 1997 increased $7.9 million (6%) to $136.7 million from $128.8 million in the comparable quarter in 1996. Other domestic freight services revenues increased $1.1 million from $0.6 in 1996 to $1.7 million in the first quarter of 1997. Domestic operating profit increased to $4.1 million in the first quarter of 1997 compared to $3.7 million in the prior year period. The increase in operating profit reflects slightly higher volume of domestic expedited freight services weight shipped combined with a 5% increase in the domestic expedited freight services average yield. The increase in yield was due to a combination of a higher average pricing and an increase in the proportion of overnight freight in the sales mix. The improvement in the average yield during the 1997 first quarter was offset in large part by higher transportation costs.

International expedited freight services revenues of $180.9 million in the first quarter of 1997 represent an $11.2 million (7%) increase over the $169.7 million reported in the comparable period in 1996. This increase in revenue is due to a 3% growth in expedited freight services weight shipped during the first quarter of 1997 as compared to 1996, combined with a 4% increase in the average yield. The increase in average yield was due in part to a fuel surcharge implemented by Burlington in March of 1997 in reaction to a corresponding surcharge implemented by our third party transportation providers. In addition, international non-expedited services revenues increased 7%, or $3.2 million, to $52.1 million in the first three months of 1997 from $48.9 million in 1996. The growth in such revenue was due to the continued expansion of ocean freight services. International operating profit amounted to $6.6 million in the first quarter of 1997, 33% higher than the 1996 level. The higher level of operating profit during the first quarter of 1997 reflects improved operating margins in both U.S. exports and ocean freight services.

As part of its ongoing efforts to further enhance service quality and improve efficiencies, Burlington has formed a Global Innovation Team composed of senior management from various regions and assisted by two independent consulting firms. The team is reviewing Burlington's operating activities to better ensure that Burlington provides the highest possible level of customer service in a cost efficient manner. A key component of this process is a review of Burlington's current information systems and technology needs on a global basis. The innovation team is responsible for optimizing Burlington's investment in technology to assure delivery of "state of the art" information systems for both customer and operational requirements. Other cost and service improvement programs have been identified through this process and are expected to be implemented during the balance of 1997.

Coal Operations
The following is a table of selected financial data for the Coal Operations on a comparative basis:

(In thousands)	Quarter Ended March 31 1997	1996
Net sales	$ 154,593	165,468
Cost of sales	149,739	192,918
Selling, general and administrative expenses	4,936	8,872
Restructuring and other credits, including litigation accrual	--	(37,758)
Total costs and expenses	154,675	164,032
Other operating income, net	3,705	2,941
Operating profit	$ 3,623	4,377
Coal sales (tons):		
Metallurgical	1,891	2,045
Utility and industrial	3,229	3,572
Total coal sales	5,120	5,617
Production/purchased (tons):		
Deep	1,102	1,062
Surface	2,659	2,716
Contract	363	395
	4,124	4,173
Purchased	1,340	1,608
Total	5,464	5,781

Coal Operations generated an operating profit of $3.6 million in the first quarter of 1997, compared to the $4.4 million recorded in the 1996 period. Operating profit in the first quarter of 1996 included a benefit of $35.7 million from the settlement of the Evergreen lawsuit at an amount lower than previously accrued and a $2.1 million benefit from the reversal of excess restructuring liabilities. These benefits were offset, in part, by a $29.9 million charge related to a new accounting standard regarding the impairment of long-lived assets. This charge was included in cost of sales ($26.3 million) and selling, general and administrative expenses ($3.6 million). Excluding the three first quarter 1996 non-recurring items, operating profits from Coal Operations increased by $7.1 million in the 1997 period.

The operating profit of Coal Operations, excluding restructuring and other non-recurring items, is analyzed as follows:

(In thousands, except per ton amounts)	Quarter Ended March 31 1997	1996
Net coal sales (a)	$ 152,698	163,907
Current production cost of coal sold (a)	141,572	157,971
Coal margin	11,126	5,936
Non-coal margin	717	608
Other operating income, net	3,705	2,941
Margin and other income	15,548	9,485
Other costs and expenses:		
Idle equipment and closed mines	307	258
Inactive employee costs	6,683	7,424
Selling general and administrative expenses	4,935	5,236
Total other costs and expenses	11,925	12,918
Operating profit (before restructuring and other credits and SFAS No. 121) (b)	$ 3,623	(3,433)
Coal margin per ton:		
Realization	$ 29.82	29.18
Current production costs	27.65	28.13
Coal margin	$ 2.17	1.05

(a) Excludes non-coal components.

(b) Restructuring and other credits and SFAS No. 121 in 1996 consisted of an impairment loss related to the adoption of SFAS No. 121 of $29,948 ($26,312 in cost of sales and $3,636 in selling, general and administrative expenses), a gain from the settlement of the Evergreen Case of $35,650 and a benefit from excess restructuring liabilities of $2,108. Both the gain from the Evergreen Case and the benefit from excess restructuring liabilities are included in the operating profit of the Coal Operations as "Restructuring and other credits, including litigation accrual".

Sales volume of 5.1 million tons in the first quarter of 1997 was 0.5 million tons less than the 5.6 million tons sold in the prior year quarter. Compared to the first quarter of 1996, 1997 steam coal sales decreased by 0.3 million tons (10%), to 3.2 million tons, and metallurgical coal sales declined by 0.2 million tons (8%), to 1.9 million tons. Steam coal sales represented 63% of total volume in 1997 and 64% in 1996.

Total coal margin of $11.1 million for the first quarter of 1997 represented an increase of $5.2 million from the comparable 1996 quarter. The growth in coal margin primarily reflects a $0.64 per ton (2%) increase in realization, combined with a decrease of $0.48 per ton (2%) in the current production cost of coal sold. Partially offsetting these improvements in coal margin was a decrease in first quarter 1997 sales volume of 0.5 million tons. The increase in average realization per ton was due in part to a favorable change in the metallurgical coal sales mix which resulted in an increase in the average sales price per ton. In addition, steam coal realization improved modestly since the majority of steam coal production is sold under long-term contracts containing price escalation provisions.

Negotiations with metallurgical customers for the contract year which began April 1, 1997, are essentially complete. Price settlements to date have been slightly below those of the previous two years due to a softening in the metallurgical market. Coal Operations is continuing its strategy of participating in the metallurgical market when such participation will generate acceptable profitability and demonstrate long-term viability. As a result, Coal Operations adjusted, and will continue to adjust, metallurgical coal production levels as necessary in order to take advantage of opportunities to maximize metallurgical coal realization.

The current production cost of coal sold in the first quarter 1997 represents a $0.48 per ton decrease from the 1996 level due to lower costs at surface mines and a $1.0 million state credit for coal produced in Virginia. These savings were offset, in part, by higher costs at certain deep mines due to temporary adverse geological conditions. In addition, current production costs in 1996 were negatively impacted by severe winter weather and higher surface mine costs. Production in the 1997 quarter of 4.1 million tons, was essentially unchanged from the 4.2 million tons produced in 1996. Production levels for surface mines in 1997 have been adjusted to produce at or near contract levels in order to limit the exposure to the spot market. Production levels in 1996 were negatively impacted by severe winter weather. First quarter surface production accounted for 64% and 65% of total production in 1997 and 1996, respectively. Productivity of 37 tons per man day represented a 4% increase from the 1996 level.

Non-coal margin which reflects earnings from the oil, gas and timber businesses, amounted to $0.7 million, up slightly from the $0.6 million recognized in the first quarter of 1996. Other operating income, primarily reflecting gains on sales of properties and equipment and third party royalties, amounted to $3.7 million in the first three months of 1997, $0.8 million higher than the comparable 1996 period.

Idle equipment and closed mine costs remained consistent at $0.3 million in both the 1997 and 1996 quarters. Inactive employee costs, which primarily represent long-term employee liabilities for pension and retiree medical costs, decreased by $0.7 million to $6.7 million in the 1997 first quarter. This favorable change reflects lower premiums from the Coal Industry Retiree Health Benefit Act of 1992 and, to a lesser extent, the use of a higher long-term interest rate to calculate the present value of the long-term liabilities during 1997 compared to the rate used in 1996. Selling, general and administrative expenses declined in the first quarter of 1997 as a result of Coal Operations cost control efforts. These costs decreased $0.3 million (6%) in 1997 over the 1996 quarter.

In 1988, the trustees of certain pension and benefit trust funds (the "Trust Funds") established under collective bargaining agreements with the United Mine Workers of America ("UMWA") brought an action (the "Evergreen Case") against the Company and a number of its coal subsidiaries, claiming that the defendants were obligated to contribute to such Trust Funds in accordance with the provisions of the 1988 and subsequent National Bituminous Coal Wage Agreements, to which neither the Company nor any of its subsidiaries were a signatory. In 1993, the Company recognized in its consolidated financial statements the potential liability that might have resulted from an ultimate adverse judgment in the Evergreen Case.

In March 1996, a settlement was reached in the Evergreen Case. Under the terms of the settlement, the coal subsidiaries which had been signatories to earlier National Bituminous Coal Wage Agreements agreed to make various lump sum payments in full satisfaction of all amounts allegedly due to the Trust Funds through January 31, 1996, to be paid over time as follows: $25.8 million upon dismissal of the Evergreen Case in March 1996 and the remainder of $24.0 million in installments of $7.0 million in 1996 and $8.5 million in each of 1997 and 1998. The first payment was entirely funded through an escrow account previously established by the Company. The second payment of $7.0 million was paid in 1996 and was funded from cash provided by operating activities. In addition, the coal subsidiaries agreed to future participation in the UMWA 1974 Pension Plan.

As a result of the settlement of the Evergreen Case at an amount lower than previously accrued, the Company recorded a pretax benefit of $35.7 million ($23.2 million after tax) in the first quarter of 1996 in its consolidated financial statements.

In 1996, the Minerals Group adopted a new accounting standard, Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of". SFAS No. 121 requires companies to review assets for impairment whenever circumstances indicate that the carrying amount for an asset may not be recoverable. SFAS No. 121 resulted in a pretax charge to earnings in 1996 for Coal Operations of $29.9 million ($19.5 million after tax), of which $26.3 million was included in cost of sales and $3.6 million was included in selling, general and administrative expenses. Assets for which the impairment loss was recognized consisted of property, plant and equipment, advanced royalties and goodwill.

Coal Operations continues cash funding for charges recorded in prior years for facility closure costs recorded as restructuring and other charges. The following table analyzes the changes in liabilities during the first quarter of 1997 for such costs:

(In thousands)	Leased Machinery and Equipment	Mine and Plant Closure Costs	Employee Termination, Medical and Severance Costs	Total
Balance as of December 31, 1996	$ 376	12,439	25,285	38,100
Payments	132	699	321	1,152
Balance as of March 31, 1997	$ 244	11,740	24,964	36,948

Mineral Ventures
The following is a table of selected financial data for Mineral Ventures on a comparative basis:

(In thousands, except ounce and per ounce data)	Quarter Ended March 31 1997	1996
Stawell Gold Mine (50% direct interest):		
Gold sales	$ 4,281	4,702
Other revenue	9	82
Net sales	4,290	4,784
Cost of sales	3,631	2,966
Selling, general and administrative expenses	298	262
Total costs and expenses	3,929	3,228
Operating profit-Stawell Gold Mine (50% direct interest)	361	1,556
Other operating expense, net (a)	(816)	(382)
Operating (loss) profit	$ (455)	1,174
Stawell Gold Mine:		
Mineral Ventures' 50% direct interest:		
Ounces sold	10,576	11,759
Ounces produced	10,951	12,114
Average per ounce sold (US$):		
Realization	$ 405	400
Cash cost	327	242

(a) Includes $42 and $617 of non-Stawell related cost of sales and selling, general and administrative expenses, respectively, for the quarter ended March 31, 1997. Includes $1 and $526 of non-Stawell related cost of sales and selling, general and administrative expenses, respectively, for the quarter ended March 31, 1996. Such costs are reclassified to cost of sales and selling, general and administrative expenses for presentation in the Minerals Group income statement.

Mineral Ventures, which primarily consists of a 50% direct and a 17% indirect interest in the Stawell gold mine ("Stawell") in western Victoria, Australia, generated an operating loss of $0.5 million in the first quarter of 1997 as compared to an operating profit of $1.2 million in the 1996 period. Mineral Ventures' 50% direct interest in Stawell's operations generated net sales of $4.3 million in 1997 compared to $4.8 million in the first quarter of 1996 as the ounces of gold sold decreased from 11.8 thousand ounces to 10.6 thousand ounces (10%). Operating profits at Stawell of $0.4 million were $1.2 million lower than first quarter 1996 and were affected by an $85 per ounce increase (35%) in the cash cost of gold sold, which was partially offset by a $5 per ounce increase in the selling price of gold. Stawell's cost of gold sold in 1997 was negatively impacted by temporary unfavorable ground conditions which increased ore dilution causing a decrease in recovery and an increase in mine production costs. Accordingly, production decreased 1.2 thousand ounces to 11.0 thousand ounces in the first quarter of 1997.

Other operating expense, net, which includes gold exploration costs and equity earnings from joint ventures, primarily consisting of Mineral Ventures 17% indirect interest in Stawell's operations, increased by $0.4 million, primarily due to joint venture losses. Gold exploration costs were essentially unchanged from 1996, and are being incurred by Mineral Ventures in Nevada and Australia with its joint venture partner.

In addition to its interest in Stawell, Mineral Ventures has a 17% indirect interest in the Silver Swan base metals property in Western Australia. During the second quarter of 1996, it was formally announced that this nickel deposit was going to be developed as an underground mine with production expected to commence in mid-1997.

Foreign Operations

A portion of the Company's financial results is derived from activities in several foreign countries, each with a local currency other than the U.S. dollar. Because the financial results of the Company are reported in U.S. dollars, they are affected by the changes in the value of the various foreign currencies in relation to the U.S. dollar. The Company's international activity is not concentrated in any single currency, which limits the risks of foreign currency rate fluctuations. In addition, these rate fluctuations may adversely affect transactions which are denominated in currencies other than the functional currency. The Company routinely enters into such transactions in the normal course of its business. Although the diversity of its foreign operations limits the risks associated with such transactions, the Company uses foreign currency forward contracts to hedge the risks associated with such transactions. Realized and unrealized gains and losses on these contracts are deferred and recognized as part of the specific transaction hedged. In addition, translation adjustments relating to operations in countries with highly inflationary economies are included in net income, along with all transaction gains or losses for the period. Subsidiaries in Venezuela and Brazil operate in such highly inflationary economies. Additionally, current conditions in Mexico have resulted in that economy being considered highly inflationary as of January 1, 1997.

The Company is subject to other risks customarily associated with doing business in foreign countries, including labor and economic conditions, controls on repatriation of earnings and capital, nationalization, political instability, expropriation and other forms of restrictive action by local governments. The future effects, if any, of such risks on the Company cannot be predicted.

Other Operating Income, Net

Other net operating income includes the Company's share of net earnings of unconsolidated affiliates, primarily equity affiliates of Brink's, royalty income and gains and losses from sales of coal assets. The $0.8 million increase in other net operating income in the first quarter of 1997, compared to the first quarter of 1996, is largely attributable to an increase in foreign currency exchange gains offset, in part, by a decrease in the reported results of equity affiliates.

Interest Income

Interest income increased $0.5 million to $1.0 million in the first quarter of 1997 from $0.5 million in the same 1996 period. This increase was primarily due to increases in interest income earned on short-term cash investments from international subsidiaries.

Interest Expense

Interest expense increased $1.8 million to $5.6 million in the first quarter of 1997 from $3.7 million in the prior year quarter due to higher borrowings related to working capital needs and acquisitions, offset, in part, by a lower average rate of interest.

Income Taxes

In both 1997 and 1996, the provision for income taxes was less than the statutory federal income tax rate of 35% due to the tax benefits of percentage depletion and lower taxes on foreign income, partially offset by provisions for goodwill amortization and state income taxes. Based on the Company's historical and expected taxable earnings, management believes it is more likely than not that the Company will realize the benefit of the existing deferred tax asset at March 31, 1997.

FINANCIAL CONDITION

Cash Flow Requirements

Cash provided by operating activities during the first three months of 1997 totaled $23.8 million compared with $18.0 million in the first quarter of 1996. Net income, noncash charges and changes in operating assets and liabilities in the first three months of 1996 were significantly affected by three non-recurring items: a benefit from the settlement of the Evergreen case at an amount less than originally accrued; a charge related to the implementation of SFAS No. 121; and a benefit from the reversal of excess restructuring liabilities. These items had no effect on cash generated by operations in the first three months of 1996. The increase in cash generated from operating activities was due primarily to higher levels of net income and recurring noncash charges such as depreciation and amortization. Cash generated by operating activities was not sufficient to fund investing activities. As a result of the excess funding requirements for capital expenditures, aircraft heavy maintenance, share activity and the Brink's Custravalca acquisition, the Company's net borrowings increased $80.8 million during the quarter. The combination of these activities increased cash and cash equivalents by $9.3 million.

Capital Expenditures

Cash capital expenditures for the first quarter of 1997 totaled $40.0 million, $8.1 million higher than in the comparable period in 1996. Of the 1997 amount, $6.2 million was spent by Burlington, $9.8 million was spent by Brink's, $16.5 million was spent by BHS, $6.7 million was spent by Coal Operations and $0.8 million was spent by Mineral Ventures. For the full year 1997, company-wide capital expenditures are estimated to range between $165 million and $180 million. The foregoing amounts exclude equipment expenditures that have been or are expected to be financed through capital and operating leases.

Financing

The Company intends to fund its capital expenditure requirements through anticipated cash flows from operating activities and through operating leases, if the latter are financially attractive. Shortfalls, if any, will be financed through the Company's revolving credit agreements or short-term borrowing arrangements.

The Company has a $350.0 million revolving credit agreement with a syndicate of banks (the "Facility"). The Facility includes a $100.0 million term loan and also permits additional borrowings, repayments and reborrowings of up to an aggregate of $250.0 million. As of March 31, 1997, borrowings of $100.0 million were outstanding under the term loan portion of the Facility and $59.7 million of additional borrowings were outstanding under the remainder of the Facility.

In connection with its acquisition of Custravalca, Brink's entered into a borrowing arrangement with a syndicate of local Venezuelan banks. The borrowings consisted of a long-term loan denominated in the local currency equivalent to $40 million and a $10 million short-term loan denominated in U.S. dollars. The long-term portion of the loan bears interest based on the Venezuelan prime rate and is payable in installments through the year 2000. A portion of the short-term loan, $5.3 million, was repaid during March 1997, with the remaining balance repaid in April 1997. As of March 31, 1997, total borrowings under this arrangement were the equivalent of $44.7 million.

Debt

Total outstanding debt as of March 31, 1997, amounted to $276.5 million, up from $196.1 million at year-end 1996. The $80.4 million increase reflects additional cash required to fund operating, investing and financing activities of the Company.

Capitalization

The Company has three classes of common stock: Pittston Brink's Group Common Stock ("Brink's Stock"), Pittston Burlington Group Common Stock ("Burlington Stock"), and Pittston Minerals Group Common Stock ("Minerals Stock") which were designed to provide shareholders with separate securities reflecting the performance of the Pittston Brink's Group ("Brink's Group"), the Pittston Burlington Group ("Burlington Group") and the Pittston Minerals Group ("Minerals Group"), respectively, without diminishing the benefits of remaining a single corporation or precluding future transactions affecting any of the Groups. The Brink's Group consists of the Brink's and BHS operations of the Company. The Burlington Group consists of the Burlington operations of the Company. The Minerals Group consists of the Coal Operations and Mineral Ventures operations of the Company. The Company prepares separate financial statements for the Brink's, Burlington and Minerals Groups in addition to consolidated financial information of the Company.

During the three months ended March 31, 1997 and 1996, 153,000 shares (at a cost of $4.0 million) and no shares, respectively, of Brink's Stock; 132,100 shares (at a cost of $2.6 million) and no shares, respectively, of Burlington Stock; and no shares of Minerals Stock, were repurchased under the share repurchase program approved by the Board of Directors of the Company (the "Board").

Dividends

The Board intends to declare and pay dividends on Brink's Stock, Burlington Stock and Minerals Stock based on the earnings, financial condition, cash flow and business requirements of the Brink's Group, Burlington Group and the Minerals Group, respectively. Since the Company remains subject to Virginia law limitations on dividends and to dividend restrictions in its public debt and bank credit agreements, losses by one Group could affect the Company's ability to pay dividends in respect of stock relating to the other Group. Dividends on Minerals Stock are also limited by the Available Minerals Dividend Amount, as defined in the Company's Articles of Incorporation. At March 31, 1997, the Available Minerals Dividend Amount was at least $21.7 million.

During the first quarters of 1997 and 1996, the Board declared and the Company paid cash dividends of 16.25 cents per share of Minerals Stock, 2.5 cents per share of Brink's Stock and 6 cents per share of Burlington Stock. Preferred dividends included on the Company's statement of operations for the three months ended March 31, 1997 and 1996, are net of $0.9 million and $1.1 million, respectively, which was the excess of the carrying amount of the preferred stock over the cash paid to holders of the Series C Cumulative Convertible Preferred Stock ("Convertible Preferred Stock").

The Company pays an annual cumulative dividend on its Convertible Preferred Stock of $31.25 per share payable quarterly, in cash, in arrears, out of all funds of the Company legally available therefore, when, as and if declared by the Board. Such stock bears a liquidation preference of $500 per share, plus an attributed amount equal to accrued and unpaid dividends thereon.

Pending Accounting Change

The Company will implement a new accounting standard, Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share", in the fourth quarter of 1997. SFAS No. 128 will require the Company to report both basic and diluted earnings per share ("EPS") calculations as well as provide a reconciliation between basic and diluted EPS computations. SFAS No. 128 supersedes previous guidance from Accounting Principles Board Opinion ("APB") No. 15, "Earnings per Share". After the effective date, all prior-period EPS data presented will be restated to conform with the provisions of SFAS No. 128.

Pittston Brink's Group
BALANCE SHEETS
(In thousands)

	March 31 1997	December 31 1996
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 28,957	20,012
Short-term investments, at lower of cost or market	1,173	1,856
Accounts receivable (net of estimated amount uncollectible: 1997 - $6,223; 1996 - $4,970)	138,230	124,928
Receivable - Pittston Minerals Group	2,344	14,027
Inventories, at lower of cost or market	2,534	3,073
Prepaid expenses	21,235	11,680
Deferred income taxes	13,748	14,481
Total current assets	208,221	190,057
Property, plant and equipment, at cost (net of accumulated depreciation and amortization: 1997 - $251,579; 1996 - $240,741)	289,273	256,759
Intangibles, net of amortization	23,555	28,162
Investment in and advances to unconsolidated affiliates	25,315	26,594
Deferred pension assets	32,855	33,670
Deferred income taxes	2,357	2,120
Other assets	25,195	14,303
Total assets	$ 606,771	551,665
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Short-term borrowings	$ 7,081	1,751
Current maturities of long-term debt	2,125	2,139
Accounts payable	33,098	36,995
Accrued liabilities	98,281	98,507
Total current liabilities	140,585	139,392
Long-term debt, less current maturities	45,254	5,542
Postretirement benefits other than pensions	3,912	3,835
Workers' compensation and other claims	11,056	11,056
Deferred income taxes	38,178	38,539
Payable - Pittston Minerals Group	13,219	8,760
Minority interests	21,862	22,929
Other liabilities	9,323	8,234
Shareholder's equity	323,382	313,378
Total liabilities and shareholder's equity	$ 606,771	551,665

See accompanying notes to financial statements.

Pittston Brink's Group
STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Quarter Ended March 31 1997	1996
Operating revenues	$ 251,384	212,560
Cost and expenses:		
Operating expenses	187,908	162,566
Selling, general and administrative expenses	36,063	30,575
Total costs and expenses	223,971	193,141
Other operating expense, net	(621)	(494)
Operating profit	26,792	18,925
Interest income	653	234
Interest expense	(2,239)	(467)
Other expense, net	(1,658)	(1,017)
Income before income taxes	23,548	17,675
Provision for income taxes	8,242	5,836
Net income	$ 15,306	11,839
Net income per common share	$ .40	.31
Cash dividends per common share	$ .025	.025
Average common shares outstanding	38,189	38,057

See accompanying notes to financial statements.

Pittston Brink's Group
STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Quarter Ended March 31 1997	1996
Cash flows from operating activities:		
Net income	$ 15,306	11,839
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	14,260	12,886
Provision (credit) for deferred income taxes	517	(268)
Provision for pensions, noncurrent	422	135
Provision for uncollectible accounts receivable	1,018	1,007
Equity in earnings of unconsolidated affiliates, net of dividends received	704	570
Other operating, net	2,375	(270)
Change in operating assets and liabilities, net of the effects of acquisitions and dispositions:		
Decrease in accounts receivable	2,572	6,811
Decrease (increase) in inventories	539	(26)
Increase in prepaid expenses	(4,427)	(3,640)
Decrease in accounts payable and accrued liabilities	(6,015)	(1,227)
Increase in other assets	(3,366)	(1,357)
(Decrease) increase in other liabilities	(794)	470
Other, net	(301)	473
Net cash provided by operating activities	22,810	27,403
Cash flows from investing activities:		
Additions to property, plant and equipment	(26,367)	(21,715)
Proceeds from disposal of property, plant and equipment	2,291	110
Acquisitions, net of cash acquired	(53,303)	--
Other, net	10,558	762
Net cash used by investing activities	(66,821)	(20,843)
Cash flows from financing activities:		
Net additions (reductions) to debt	45,080	(3,530)
Payments from (to) - Minerals Group	11,685	(5,049)
Proceeds from exercise of stock options	1,035	295
Repurchase of common stock	(3,964)	--
Dividends paid	(880)	(945)
Cost of stock proposals	--	(919)
Net cash provided (used) by financing activities	52,956	(10,148)
Net increase (decrease) in cash and cash equivalents	8,945	(3,588)
Cash and cash equivalents at beginning of period	20,012	21,977
Cash and cash equivalents at end of period	$ 28,957	18,389

See accompanying notes to financial statements.

Pittston Brink's Group
NOTES TO FINANCIAL STATEMENTS
(In thousands, except per share amounts)
(Unaudited)

(1) The financial statements of the Pittston Brink's Group (the "Brink's Group") include the balance sheets, results of operations and cash flows of the Brink's, Incorporated ("Brink's") and Brink's Home Security, Inc. ("BHS") operations of The Pittston Company (the "Company"), and a portion of the Company's corporate assets and liabilities and related transactions which are not separately identified with operations of a specific segment. The Brink's Group's financial statements are prepared using the amounts included in the Company's consolidated financial statements. Corporate amounts reflected in these financial statements are determined based upon methods which management believes to be a reasonable and an equitable estimate of the cost attributable to the Brink's Group.

The Company provides holders of Pittston Brink's Group Common Stock ("Brink's Stock") separate financial statements, financial reviews, descriptions of business and other relevant information for the Brink's Group, in addition to consolidated financial information of the Company. Holders of Brink's Stock are shareholders of the Company, which is responsible for all liabilities. Therefore, financial developments affecting the Brink's Group, the Pittston Burlington Group (the "Burlington Group") or the Pittston Minerals Group (the "Minerals Group") that affect the Company's financial condition could affect the results of operations and financial condition of each of the Groups. Accordingly, the Company's consolidated financial statements must be read in connection with the Brink's Group's financial statements.

(2) As of January 1, 1992, BHS elected to capitalize categories of costs not previously capitalized for home security installations. The additional costs not previously capitalized consisted of costs for installation labor and related benefits for supervisory, installation scheduling, equipment testing and other support personnel and costs incurred in maintaining facilities and vehicles dedicated to the installation process. The effect of this change in accounting principle was to increase operating profit for the Brink's Group and the BHS segment for the first three months of 1997 and 1996 by $1,178 and $1,047, respectively. The effect of this change increased net income per common share of the Brink's Group for the first three months of 1997 and 1996 by $.02.

(3) As of January 1, 1997, BHS prospectively adjusted its annual depreciation rate for capitalized subscribers' installation costs to more accurately match depreciation expense with revenue generated from demonstrated customer experience. This change in accounting estimate reduced depreciation expense for capitalized installation costs in the first quarter of 1997 by approximately $2,100. The effect of this change increased net income of the Brink's Group by $1,365 or $.04 per common share.

(4) Depreciation and amortization of property, plant and equipment in the first quarters of 1997 and 1996 totaled $12,897 and $12,600, respectively.

(5) Cash payments made for interest and income taxes (net of refunds received) were as follows:

	Quarter Ended March 31 1997	1996
Interest	$ 2,216	509
Income taxes	$ 3,650	3,474

During the three month periods ended March 31, 1997 and 1996, capital lease obligations of $713 and $157, respectively, were incurred for leases of property, plant and equipment.

(6) In 1988, the trustees of certain pension and benefit trust funds (the "Trust Funds") established under collective bargaining agreements with the United Mine Workers of America ("UMWA") brought an action (the "Evergreen Case") against the Company and a number of its coal subsidiaries, claiming that the defendants were obligated to contribute to such Trust Funds in accordance with the provisions of the 1988 and subsequent National Bituminous Coal Wage Agreements, to which neither the Company nor any of its subsidiaries were a signatory. In 1993, the Company recognized in its consolidated financial statements the potential liability that might have resulted from an ultimate adverse judgment in the Evergreen Case.

In March 1996, a settlement was reached in the Evergreen Case. Under the terms of the settlement, the coal subsidiaries which had been signatories to earlier National Bituminous Coal Wage Agreements agreed to make various lump sum payments in full satisfaction of all amounts allegedly due to the Trust Funds through January 31, 1996, to be paid over time as follows: $25,845 upon dismissal of the Evergreen Case and the remainder of $24,000 in installments of $7,000 in 1996 and $8,500 in each of 1997 and 1998. The first payment was entirely funded through an escrow account previously established by the Company. The amount previously escrowed and accrued was included in "Short-term investments" and "Accrued liabilities" on the Company's balance sheet. The second payment of $7,000 was paid in 1996 and was funded from cash provided by operating activities. In addition, the coal subsidiaries agreed to future participation in the UMWA 1974 Pension Plan.

As a result of the settlement of the Evergreen Case at an amount lower than previously accrued, the Company and the Minerals Group recorded a pretax benefit of $35,650 ($23,173 after tax) in the first quarter of 1996 in their respective financial statements.

(7) In 1996, the Brink's Group implemented a new accounting standard, Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of". SFAS No. 121 requires companies to review assets for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. SFAS No. 121 resulted in a pretax charge to earnings in the first quarter of 1996 for the Company and the Minerals Group of $29,948 ($19,466 after-tax), of which $26,312 was included in cost of sales and $3,636 was included in selling, general and administrative expenses. SFAS No. 121 had no impact on the Brink's Group.

(8) The Brink's Group will implement a new accounting standard, Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share", in the fourth quarter of 1997. SFAS No. 128 will require the Brink's Group to report both basic and diluted earnings per share ("EPS") calculations as well as provide a reconciliation between basic and diluted EPS computations. SFAS No. 128 supersedes previous guidance from Accounting Principles Board Opinion ("APB") No. 15, "Earnings per Share". After the effective date, all prior-period EPS data presented will be restated to conform with the provisions of SFAS No. 128.

(9) Certain prior period amounts have been reclassified to conform to the current period's financial statement presentation.

(10) In the opinion of management, all adjustments have been made which are necessary for a fair presentation of results of operations for the periods reported herein. All such adjustments are of a normal recurring nature.

Pittston Brink's Group
MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS
AND FINANCIAL CONDITION

The financial statements of the Pittston Brink's Group (the "Brink's Group") include the balance sheets, results of operations and cash flows of the Brink's, Incorporated ("Brink's") and Brink's Home Security, Inc. ("BHS") operations of The Pittston Company (the "Company"), and a portion of the Company's corporate assets and liabilities and related transactions which are not separately identified with operations of a specific segment. The Brink's Group's financial statements are prepared using the amounts included in the Company's consolidated financial statements. Corporate amounts reflected in these financial statements are determined based upon methods which management believes to be a reasonable and an equitable estimate of the cost attributable to the Brink's Group.

The Company provides holders of Pittston Brink's Group Common Stock ("Brink's Stock") separate financial statements, financial reviews, descriptions of business and other relevant information for the Brink's Group, in addition to consolidated financial information of the Company. Holders of Brink's Stock are shareholders of the Company, which is responsible for all liabilities. Therefore, financial developments affecting the Pittston Minerals Group (the "Minerals Group"), the Pittston Burlington Group (the "Burlington Group") or the Brink's Group that affect the Company's financial condition could affect the results of operations and financial condition of each of the Groups. Accordingly, the Company's consolidated financial statements must be read in connection with the Brink's Group's financial statements.

The following discussion is a summary of the key factors management considers necessary in reviewing the Brink's Group's results of operations, liquidity and capital resources. This discussion must be read in conjunction with the financial statements and related notes of the Brink's Group and the Company.

RESULTS OF OPERATIONS

(In thousands)	Quarter Ended March 31 1997	1996
Operating revenues:		
Brink's	$ 209,199	175,854
BHS	42,185	36,706
Operating revenues	$ 251,384	212,560
Operating profit:		
Brink's	$ 15,801	9,378
BHS	12,779	11,102
Segment operating profit	28,580	20,480
General corporate expense	(1,788)	(1,555)
Operating profit	$ 26,792	18,925

The Brink's Group's net income totaled $15.3 million in the first quarter of 1997 compared with $11.8 million in the first quarter of 1996. Operating profit for the 1997 quarter increased to $26.8 million from $18.9 million in the comparable quarter of 1996. The increase in net income and operating profit for 1997 compared with 1996 was attributable to improved operating results for Brink's and BHS businesses. Revenues for the 1997 first quarter increased $38.8 million (18%) compared with the 1996 first quarter, of which $33.3 million was from Brink's and $5.5 million was from BHS. Operating expenses and selling, general and administrative expenses for 1997 increased $30.8 million (16%) compared with 1996, of which $26.8 million was from Brink's and $3.8 million was from BHS. In addition, interest expense increased $1.8 million due to additional debt used to fund the acquisition of Brink's Venezuelan affiliate during the first quarter of 1997 (discussed in further detail below).

Brink's

The following is a table of selected financial data for Brink's on a comparative basis:

(In thousands)	Quarter Ended March 31 1997	1996
Operating revenues:		
North America (United States and Canada)	$ 110,772	98,180
International subsidiaries	98,427	77,674
Total operating revenues	$ 209,199	175,854
Operating expenses	167,056	143,508
Selling, general and administrative expenses	25,721	22,474
Total costs and expenses	192,777	165,982
Other operating expense, net	(621)	(494)
Operating profit:		
North America (United States and Canada)	$ 7,754	5,930
International operations	8,047	3,448
Total operating profit	$ 15,801	9,378
Depreciation and amortization	$ 7,547	6,029
Cash capital expenditures	$ 9,814	6,806

Brink's consolidated revenues totaled $209.2 million in the first quarter of 1997 compared with $175.9 million in the first quarter of 1996. Brink's operating profit of $15.8 million in the first three months of 1997 represented a $6.4 million or 68% increase over the $9.4 million operating profit reported in the comparable prior year period. The revenue increase of $33.3 million (19%) in the 1997 first quarter was offset in part by an increase in operating expenses and selling, general and administrative expenses of $26.8 million (16%).

Revenues from North American operations (United States and Canada) increased $12.6 million (13%) to $110.8 million in the first quarter of 1997 from $98.2 million in the prior year quarter. North American operating profit increased $1.9 million, or 32%, to $7.8 million in the 1997 quarter from $5.9 million in the first quarter of 1996. Approximately $1.2 million of the increase in operating profit related to the continued improvement of armored car operations, which includes ATM servicing. The remainder of the increase related to modest improvements in currency processing and domestic diamond and jewelry operations.

Revenues from international subsidiaries increased $20.7 million, or 27%, to $98.4 million in the 1997 first quarter from $77.7 million in the 1996 period. Operating profit from international subsidiaries and minority- owned affiliates amounted to $8.0 million in the first three months of 1997 which was $4.6 million higher than the operating profit of $3.4 million in the first quarter of 1996. The increase in both revenues and operating profit was primarily attributable to strong results in Latin America. Revenues and operating profits in this region increased $17.1 million and $4.1 million, respectively, in the first quarter of 1997 as compared to the first quarter of 1996. More than half of these increases were due to the consolidation of the results of Brink's Venezuelan affiliate, Custodia y Traslado de Valores C.A. ("Custravalca"), where Brink's increased its ownership from 15% to 61% during January 1997. The Latin America region also benefited from improvements in Colombia and Mexico during the first quarter of 1997. The operating profits in both the Europe and Asia Pacific regions in the first quarter of 1997 were essentially unchanged from the comparable quarter of 1996. In Europe, improvements in both Holland and Belgium were largely offset by unfavorable results of Brink's affiliate in France. Finally, operating profits from Brink's international diamond and jewelry operations also improved in the first quarter of 1997 versus the comparable period in 1996.

As mentioned above, Brink's increased its ownership in Custravalca from 15% to 61% in the first quarter of 1997. The acquisition was financed through contributions from a group of local Venezuelan investors (the "Investors") of $8.0 million and external debt of $49.9 million. The ownership interest in Custravalca is held 61% by Brink's and 39% by the Investors. In conjunction with the Custravalca transaction, Brink's also acquired a further 31% interest in Brink's Peru S.A., increasing its ownership position in this affiliate to 36%. Also during the first quarter, Brink's acquired the remaining interests in Brink's Hong Kong and Brink's Holland, increasing ownership in these affiliates to 100% and acquired additional interests in Brink's Bolivia and Brink's Taiwan.

In the first quarter of 1997, interest expense and minority interest expense associated with the Venezuelan acquisition approximated $2 million.

BHS

The following is a table of selected financial data for BHS on a comparative basis:

(Dollars in thousands)	Quarter Ended March 31 1997	1996
Operating revenues	$ 42,185	36,706
Operating expenses	20,852	19,058
Selling, general and administrative expenses	8,554	6,546
Total costs and expenses	29,406	25,604
Operating profit	$ 12,779	11,102
Depreciation and amortization	$ 6,666	6,822
Cash capital expenditures	$ 16,520	14,898
Annualized service revenues (a)	$ 132,598	110,191
Number of subscribers:		
Beginning of period	446,505	378,659
Installations	25,590	24,256
Disconnects, net	(8,088)	(7,239)
End of period	464,007	395,676

(a) Annualized service revenues are 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 monitoring, maintenance and related services.

Revenues for BHS increased by $5.5 million (15%) to $42.2 million in the first quarter of 1997 from $36.7 million in the 1996 period. The increase in revenues was predominantly due to higher ongoing monitoring and service revenues, resulting from the 17% growth in the subscriber base and increased average monitoring fees. As a result of such growth, annualized service revenues in force at March 31, 1997 grew 20% over the amount in effect March 31, 1996. However, while the number of new security system installations has increased, the revenue per installation decreased from the first quarter of 1996 due to continuing competitive installation pricing in the marketplace.

Operating profit of $12.8 million in the first quarter of 1997 represented an increase of $1.7 million (15%) compared to the $11.1 million earned in the 1996 period. This increase included a $2.1 million reduction in depreciation expense in the first quarter of 1997 resulting from a change in accounting estimate (discussed below). Operating profit in the first quarter of 1997 was also impacted by a $1.4 million increase in net installation and marketing costs incurred and expensed. While these costs to obtain subscribers increased during the first quarter of 1997, the cash margins per subscriber generated from recurring revenues remained consistent between the 1997 and 1996 periods. Total cash margins were favorably impacted by the 17% growth in the average subscriber base and higher average monitoring fees, partially offset by increased account servicing and administrative expenses, which were a consequence of the larger subscriber base.

It is BHS' policy to depreciate capitalized subscriber installation expenditures over the estimated life of the security system based on subscriber retention percentages. BHS initially developed its annual depreciation rate based on information about subscriber retention which was available at the time. However, accumulated historical data about actual subscriber retention has indicated that approximately 50% of subscribers are still active after a period of ten years. Therefore, in order to reflect the higher actual subscriber retention experience, and to more accurately match depreciation expense with revenues generated from active subscribers, BHS prospectively adjusted its annual depreciation rate for capitalized subscriber installation costs in the first quarter of 1997. BHS will continue its practice of charging the remaining net book value of all capitalized subscriber installation expenditures to depreciation expense as soon as a system is identified for disconnection. This change in estimate reduced depreciation expense for capitalized installation costs in the first quarter of 1997 by $2.1 million.

Foreign Operations

A portion of the Brink's Group's financial results is derived from activities in several foreign countries, each with a local currency other than the U.S. dollar. Because the financial results of the Brink's Group are reported in U.S. dollars, they are affected by the changes in the value of the various foreign currencies in relation to the U.S. dollar. The Brink's Group's international activity is not concentrated in any single currency, which limits the risks of foreign currency rate fluctuations. In addition, these rate fluctuations may adversely affect transactions which are denominated in currencies other than the functional currency. The Brink's Group routinely enters into such transactions in the normal course of its business. Although the diversity of its foreign operations limits the risks associated with such transactions, the Company, on behalf of the Brink's Group, from time to time, uses foreign currency forward contracts to hedge the risks associated with such transactions. Realized and unrealized gains and losses on these contracts are deferred and recognized as part of the specific transaction hedged. In addition, translation adjustments relating to operations in countries with highly inflationary economies are included in net income, along with all transaction gains or losses for the period. Subsidiaries in Brazil and Venezuela operate in such highly inflationary economies. Additionally, current conditions in Mexico, where the Brink's Group has an affiliate (20% owned), have resulted in that economy being considered highly inflationary as of January 1, 1997.

The Brink's Group is subject to other risks customarily associated with doing business in foreign countries, including labor and economic conditions, controls on repatriation of earnings and capital, nationalization, political instability, expropriation and other forms of restrictive action by local governments. The future effects, if any, of such risks on the Brink's Group cannot be predicted.

Corporate Expenses

A portion of the Company's corporate general and administrative expenses and other shared services has been attributed to the Brink's Group based upon utilization and other methods and criteria which management believes to be a reasonable and an equitable estimate of the cost attributable to the Brink's Group. These attributions were $1.8 million and $1.6 million for the first quarters of 1997 and 1996, respectively.

Other Operating Expense, Net

Other net operating expense increased $0.1 million to $0.6 million in the 1997 first quarter as compared to $0.5 million in the 1996 first quarter. Other net operating expense consists primarily of net equity earnings of Brink's foreign affiliates. These net earnings amounted to an expense of $0.7 million and of $0.6 million for the first quarters of 1997 and 1996, respectively.

Interest Income

Interest income increased $0.4 million during the first quarter 1997 to $0.6 million from $0.2 million in the comparable 1996 quarter. The increase in interest income was primarily due to increases in interest earned on short-term cash investments from international subsidiaries.

Interest Expense

Interest expense increased from $0.5 million in the first quarter of 1996 to $2.2 million in the first quarter of 1997. The increase was mainly due to additional debt in 1997 related to the acquisition of Custravalca.

Other Expense, Net

Other net expense, which principally includes foreign translation gains and losses and minority interest earnings or losses, increased by $0.7 million to $1.7 million from $1.0 million in the first quarter of 1997 versus 1996. The higher level of expense in 1997 reflects an increase in minority interest, resulting primarily from the recent consolidation of Custravalca, and increased earnings in Brink's Colombian affiliate.

Income Taxes

The effective tax rate in the first quarter of 1997 was equal to the federal statutory rate of 35%. This is an increase from the first quarter 1996 rate of 33%, which was lower than the statutory rate due to lower taxes on foreign income partially offset by additional provisions for state income taxes.

FINANCIAL CONDITION

A portion of the Company's corporate assets and liabilities has been attributed to the Brink's Group based upon utilization of the shared services from which assets and liabilities are generated. Management believes this attribution to be an equitable and a reasonable estimate of the cost attributable to the Brink's Group.

Cash Flow Requirements

Cash provided by operating activities amounted to $22.8 million in the 1997 first quarter, a decrease of $4.6 million from the comparable 1996 period. The decrease in cash flow reflects higher funding requirements for net operating assets and liabilities, which were not fully offset by the Group's higher net income and noncash charges. Cash generated from operating activities did not fund the cash required for investing activities due to the cash used in the Custravalca acquisition. However, excess funding requirements for investing and net share activities were more than offset by additions to debt and by payments from the Minerals Group. As a result, cash and cash equivalents increased $8.9 million in the first three months of 1997.

Capital Expenditures

Cash capital expenditures for the first quarters of 1997 and 1996 totaled $26.4 million and $21.7 million, respectively, excluding equipment expenditures that have been or are expected to be financed through capital and operating leases, and any acquisition expenditures. In 1997, $16.5 million was spent by BHS and $9.8 million was spent by Brink's. Expenditures incurred by BHS were primarily for customer security system installations, representing the expansion in the subscriber base and expenditures incurred by Brink's were primarily for replacement or maintenance of ongoing business operations. For the remainder of 1997, capital expenditures, excluding expenditures that have been or are expected to be financed through capital and operating leases, are expected to range between $90 million and $95 million.

Financing

The Brink's Group intends to fund its capital expenditure requirements through anticipated cash flows from operating activities and through operating leases, if the latter are financially attractive. Shortfalls, if any, will be financed through the Company's revolving credit agreements, short-term borrowing arrangements or repayments from the Minerals Group.

The Company has a $350.0 million revolving credit agreement with a syndicate of banks (the "Facility"). The Facility includes a $100.0 million term loan and also permits additional borrowings, repayments and reborrowings of up to an aggregate of $250.0 million. As of March 31, 1997, borrowings of $100.0 million were outstanding under the term loan portion of the Facility and $59.7 million of additional borrowings were outstanding under the remainder of the Facility. No portion of the total amount outstanding under the Facility at March 31, 1997, was attributed to the Brink's Group.

In connection with its acquisition of Custravalca, Brink's entered into a borrowing arrangement with a syndicate of local Venezuelan banks. The borrowings consisted of a long-term loan denominated in the local currency equivalent to $40 million and a $10 million short-term loan denominated in U.S. dollars. The long-term portion of the loan bears interest based on the Venezuelan prime rate and is payable in installments through the year 2000. A portion of the short-term loan, $5.3 million, was repaid during March 1997, with the remaining balance repaid in April 1997. As of March 31, 1997, total borrowings under this arrangement were the equivalent of $44.7 million.

Debt

Total outstanding debt at March 31, 1997 was $54.5 million, $45.1 million higher than the $9.4 million reported at December 31, 1996. The increase in debt is largely attributable to additional borrowings associated with the acquisition of Custravalca. At March 31, 1997, no portion of total debt outstanding was payable to either the Burlington Group or the Minerals Group.

Related Party Transactions

At March 31, 1997, under an interest bearing borrowing arrangement, the Minerals Group owed the Brink's Group $12.3 million, a decrease of $11.7 million from the $24.0 million owed at December 31, 1996.

At March 31, 1997, the Brink's Group owed the Minerals Group $23.2 million for tax payments representing the utilization of the Minerals Group's tax benefits by the Brink's Group in accordance with the Company's tax sharing policy. Of the total tax benefits owed to the Minerals Group at March 31, 1997, $10.0 million is expected to be paid within one year.

Capitalization

The Company has three classes of common stock: Brink's Stock, Pittston Burlington Group Common Stock ("Burlington Stock") and Pittston Minerals Group Common Stock ("Minerals Stock") which were designed to provide shareholders with separate securities reflecting the performance of the Brink's Group, Burlington Group and Minerals Group, respectively, without diminishing the benefits of remaining a single corporation or precluding future transactions affecting any of the Groups. The Brink's Group consists of the Brink's and BHS operations of the Company. The Burlington Group consists of the Burlington Air Express Inc. ("Burlington") operations of the Company. The Minerals Group consists of the Pittston Coal Company ("Coal Operations") and Pittston Mineral Ventures ("Mineral Ventures") operations of the Company. The Company prepares separate financial statements for the Brink's, Burlington and Minerals Groups in addition to consolidated financial information of the Company.

During the three month period ended March 31, 1997 and 1996, 153,000 shares (at a cost of $4.0 million) and no shares, respectively, of Brink's Stock were repurchased under the share repurchase program authorized by the Board of Directors of the Company (the "Board").

Dividends

The Board intends to declare and pay dividends on Brink's Stock based on earnings, financial condition, cash flow and business requirements of the Brink's Group. Since the Company remains subject to Virginia law limitations on dividends and to dividend restrictions in its public debt and bank credit agreements, losses by the Minerals Group and/or the Burlington Group could affect the Company's ability to pay dividends in respect of stock relating to the Brink's Group.

During the first quarters of 1997 and 1996, the Board declared and the Company paid cash dividends of 2.5 cents per share of Brink's Stock. Preferred dividends included on the Company's statement of operations for the three months ended March 31, 1997 and 1996, are net of $0.9 million and $1.1 million, respectively, which was the excess of the carrying amount of the preferred stock over the cash paid to holders of the Series C Cumulative Convertible Preferred Stock ("Convertible Preferred Stock").

The Company pays an annual cumulative dividend on its Convertible Preferred Stock of $31.25 per share payable quarterly, in cash, in arrears, out of all funds of the Company legally available therefore, when, as and if declared by the Board. Such stock bears a liquidation preference of $500 per share, plus an attributed amount equal to accrued and unpaid dividends thereon.

Pending Accounting Change

The Brink's Group will implement a new accounting standard, Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share", in the fourth quarter of 1997. SFAS No. 128 will require the Brink's Group to report both basic and diluted earnings per share ("EPS") calculations as well as provide a reconciliation between basic and diluted EPS computations. SFAS No. 128 supersedes previous guidance from Accounting Principles Board Opinion ("APB") No. 15, "Earnings per Share". After the effective date, all prior-period EPS data presented will be restated to conform with the provisions of SFAS No. 128.

Pittston Burlington Group
BALANCE SHEETS
(In thousands)

	March 31 1997	December 31 1996
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 20,191	17,818
Accounts receivable (net of estimated amount uncollectible: 1997 - $9,190; 1996 - $9,528)	258,397	242,654
Inventories, at lower of cost or market	2,173	2,251
Prepaid expenses	14,391	12,459
Deferred income taxes	7,550	7,847
Total current assets	302,702	283,029
Property, plant and equipment, at cost (net of accumulated depreciation and amortization: 1997 - $66,118; 1996 - $62,900)	112,778	113,283
Intangibles, net of amortization	175,483	177,797
Deferred pension assets	8,761	9,504
Deferred income taxes	19,458	19,015
Other assets	12,093	13,046
Total assets	$ 631,275	615,674
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Short-term borrowings	$ 29,368	29,918
Current maturities of long-term debt	2,816	2,916
Accounts payable	165,455	155,474
Payable - Pittston Minerals Group	9,263	3,270
Accrued liabilities	65,845	67,299
Total current liabilities	272,747	258,877
Long-term debt, less current maturities	28,227	28,723
Postretirement benefits other than pensions	3,248	3,145
Deferred income taxes	2,530	1,880
Payable - Pittston Minerals Group	13,070	13,310
Other liabilities	4,811	4,750
Shareholder's equity	306,642	304,989
Total liabilities and shareholder's equity	$ 631,275	615,674

See accompanying notes to financial statements.

Pittston Burlington Group
STATEMENTS OF OPERATIONS
(In thousands, except per share)
(Unaudited)

	Quarter Ended March 31 1997	1996
Operating revenues	$ 371,409	348,095
Costs and expenses:		
Operating expenses	330,911	310,500
Selling, general and administrative expenses	32,171	30,687
Total costs and expenses	363,082	341,187
Other operating income, net	649	223
Operating profit	8,976	7,131
Interest income	330	892
Interest expense	(946)	(1,052)
Other expense, net	(281)	(1,007)
Income before income taxes	8,079	5,964
Provision for income taxes	2,991	2,203
Net income	$ 5,088	3,761
Net income per common share	$ .26	.20
Cash dividends per common share	$ .06	.06
Average common shares outstanding	19,406	19,040

See accompanying notes to financial statements.

Pittston Burlington Group
STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Quarter Ended March 31 1997	1996
Cash flows from operating activities:		
Net income	$ 5,088	3,761
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	6,959	5,437
Provision for aircraft heavy maintenance	8,186	7,718
Credit for deferred income taxes	(190)	(356)
Provision for pensions, noncurrent	567	29
Provision for uncollectible accounts receivable	699	592
Other operating, net	556	251
Change in operating assets and liabilities, net of effects of acquisitions and dispositions:		
(Increase) decrease in accounts receivable	(16,443)	5,464
Decrease (increase) in inventories	78	(397)
Increase in prepaid expenses	(1,941)	(1,165)
Increase (decrease) in accounts payable and accrued liabilities	10,059	(9,118)
(Increase) decrease in other assets	(150)	261
(Decrease) increase in other liabilities	(444)	683
Other, net	776	(478)
Net cash provided by operating activities	13,800	12,682
Cash flows from investing activities:		
Additions to property, plant and equipment	(6,207)	(4,782)
Proceeds from disposal of property, plant and equipment	115	3,155
Aircraft heavy maintenance expenditures	(9,473)	(4,131)
Other, net	2,106	1,903
Net cash used by investing activities	(13,459)	(3,855)
Cash flows from financing activities:		
Net reductions of debt	(603)	(3,150)
Payments from (to) - Minerals Group	6,002	(13,177)
Repurchase of common stock	(2,550)	--
Proceeds from exercise of stock options	263	309
Dividends paid	(1,080)	(1,127)
Cost of stock proposals	--	(919)
Net cash provided (used) by financing activities	2,032	(18,064)
Net increase (decrease) in cash and cash equivalents	2,373	(9,237)
Cash and cash equivalents at beginning of period	17,818	25,847
Cash and cash equivalents at end of period	$ 20,191	16,610

See accompanying notes to financial statements.

Pittston Burlington Group
NOTES TO FINANCIAL STATEMENTS
(In thousands, except per share amounts)
(Unaudited)

(1) The financial statements of the Pittston Burlington Group (the "Burlington Group") include the balance sheets, results of operations and cash flows of the Burlington Air Express Inc. ("Burlington") operations of The Pittston Company (the "Company"), and a portion of the Company's corporate assets and liabilities and related transactions which are not separately identified with operations of a specific segment. The Burlington Group's financial statements are prepared using the amounts included in the Company's consolidated financial statements. Corporate amounts reflected in these financial statements are determined based upon methods which management believes to be a reasonable and an equitable estimate of the cost attributable to the Burlington Group.

The Company provides holders of Pittston Burlington Group Common Stock ("Burlington Stock") separate financial statements, financial reviews, descriptions of business and other relevant information for the Burlington Group, in addition to consolidated financial information of the Company. Holders of Burlington Stock are shareholders of the Company, which is responsible for all liabilities. Therefore, financial developments affecting the Burlington Group, the Pittston Brink's Group (the "Brink's Group") and the Pittston Minerals Group (the "Minerals Group") that affect the Company's financial condition could affect the results of operations and financial condition of each of the Groups. Accordingly, the Company's consolidated financial statements must be read in connection with the Burlington Group's financial statements.

(2) Depreciation and amortization of property, plant and equipment in the first quarters of 1997 and 1996 totaled $5,315 and $3,830, respectively.

(3) Cash payments made for interest and income taxes (net of refunds received) were as follows:

	Quarter Ended March 31 1997	1996
Interest	$ 829	1,728
Income taxes	$ 867	1,525

During the three month periods ended March 31, 1997 and 1996, capital lease obligations of $50 and $135, respectively, were incurred for leases of property, plant and equipment.

(4) In 1988, the trustees of certain pension and benefit trust funds (the "Trust Funds") established under collective bargaining agreements with the United Mine Workers of America ("UMWA") brought an action (the "Evergreen Case") against the Company and a number of its coal subsidiaries, claiming that the defendants were obligated to contribute to such Trust Funds in accordance with the provisions of the 1988 and subsequent National Bituminous Coal Wage Agreements, to which neither the Company nor any of its subsidiaries were a signatory. In 1993, the Company recognized in its consolidated financial statements the potential liability that might have resulted from an ultimate adverse judgment in the Evergreen Case.

In March 1996, a settlement was reached in the Evergreen Case. Under the terms of the settlement, the coal subsidiaries which had been signatories to earlier National Bituminous Coal Wage Agreements agreed to make various lump sum payments in full satisfaction of all amounts allegedly due to the Trust Funds through January 31, 1996, to be paid over time as follows: $25,845 upon dismissal of the Evergreen Case and the remainder of $24,000 in installments of $7,000 in 1996 and $8,500 in each of 1997 and 1998. The first payment was entirely funded through an escrow account previously established by the Company. The amount previously escrowed and accrued was included in "Short-term investments" and "Accrued liabilities" on the Company's balance sheet. The second payment of $7,000 was paid in 1996 and was funded from cash provided by operating activities. In addition, the coal subsidiaries agreed to future participation in the UMWA 1974 Pension Plan.

As a result of the settlement of the Evergreen Case at an amount lower than previously accrued, the Company and the Minerals Group recorded a pretax benefit of $35,650 ($23,173 after tax) in the first quarter of 1996 in its consolidated financial statements.

(5) In 1996, the Burlington Group implemented Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of". SFAS No. 121 requires companies to review assets for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. SFAS No. 121 resulted in a pretax charge to earnings in the first quarter of 1996 for the Company and the Minerals Group of $29,948 ($19,466 after-tax), of which $26,312 was included in cost of sales and $3,636 was included in selling, general and administrative expenses. SFAS No. 121 had no impact on the Burlington Group.

(6) The Burlington Group will implement a new accounting standard, Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share", in the fourth quarter of 1997. SFAS No. 128 will require the Burlington Group to report both basic and diluted earnings per share ("EPS") calculations as well as provide a reconciliation between basic and diluted EPS computations. SFAS No. 128 supersedes previous guidance from Accounting Principles Board Opinion ("APB") No. 15, "Earnings per Share". After the effective date, all prior-period EPS data presented will be restated to conform with the provisions of SFAS No. 128.

(7) Certain prior period amounts have been reclassified to conform to current period's financial statement presentation.

(8) In the opinion of management, all adjustments have been made which are necessary for a fair presentation of results of operations for the periods reported herein. All such adjustments are of a normal recurring nature.

Pittston Burlington Group
MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS
AND FINANCIAL CONDITION

The financial statements of the Pittston Burlington Group (the "Burlington Group") include the balance sheets, results of operations and cash flows of Burlington Air Express Inc. ("Burlington") operations of The Pittston Company (the "Company") and a portion of the Company's corporate assets and liabilities and related transactions which are not separately identified with operations of a specific segment. The Burlington Group's financial statements are prepared using the amounts included in the Company's consolidated financial statements. Corporate amounts reflected in these financial statements are determined based upon methods which management believes to be a reasonable and an equitable estimate of the cost attributable to the Burlington Group.

The Company provides holders of Pittston Burlington Group Common Stock ("Burlington Stock") separate financial statements, financial reviews, descriptions of business and other relevant information for the Burlington Group in addition to consolidated financial information of the Company. Holders of Burlington Stock are shareholders of the Company, which continues to be responsible for all liabilities. Therefore, financial developments affecting the Burlington Group, the Pittston Brink's Group (the "Brink's Group") or the Pittston Minerals Group (the "Minerals Group") that affect the Company's financial condition could affect the results of operations and financial condition of each of the Groups. Accordingly, the Company's consolidated financial statements must be read in connection with the Burlington Group's financial statements.

The following discussion is a summary of the key factors management considers necessary in reviewing the Burlington Group's results of operations, liquidity and capital resources. This discussion must be read in conjunction with the financial statements and related notes of the Burlington Group and the Company.

RESULTS OF OPERATIONS

(In thousands)	Quarter Ended March 31 1997	1996
Operating revenues:		
Burlington	$ 371,409	348,095
Operating profit:		
Burlington	$ 10,756	8,686
General corporate expense	(1,780)	(1,555)
Operating profit	$ 8,976	7,131

In the first quarter of 1997, the Burlington Group reported net income of $5.1 million, or $0.26 per share, compared with $3.8 million, or $.20 per share, in the first quarter of 1996. Operating profit during the first three months of 1997 totaled $9.0 million as compared with $7.1 million in the corresponding 1996 period. Revenues increased $23.3 million or 7%, compared with the 1996 first quarter. Operating expenses and selling, general and administrative expenses for the 1997 period increased $21.9 million, or 6%, compared with the same period last year.

Burlington

The following is a table of selected financial data for Burlington on a comparative basis:

(In thousands - except per pound/shipment amounts)	Quarter Ended March 31 1997	1996
Operating revenues:		
Expedited freight services:		
Domestic U.S.	$ 136,672	128,780
International	180,891	169,715
Total expedited freight services	317,563	298,495
Customs clearances	27,637	28,414
Ocean and other (a)	26,209	21,186
Total operating revenues	371,409	348,095
Operating expense	330,911	310,500
Selling, general and administrative	30,391	29,132
Total costs and expenses	361,302	339,632
Other operating income, net	649	223
Operating profit:		
Domestic U.S.	4,117	3,708
International	6,639	4,978
Total operating profit	$ 10,756	8,686
Depreciation and amortization	$ 6,908	5,400
Cash capital expenditures	$ 6,175	4,771
Expedited freight services shipment growth rate (b)	(1.8%)	5.5%
Expedited freight services weight growth rate (b):		
Domestic U.S.	0.8%	2.9%
International	2.5%	9.4%
Worldwide	1.7%	6.2%
Expedited freight services weight (millions of pounds)	350.5	344.7
Expedited freight services shipments (thousands)	1,275	1,298
Expedited freight services average:		
Yield (revenue per pound)	$ .906	.866
Revenue per shipment	$ 249	230
Weight per shipment (pounds)	275	266

(a) Primarily includes international ocean freight revenues. Ocean and other also includes domestic revenues of $1,721 and $668 for the quarters ended March 31, 1997 and 1996, respectively.

(b) Compared to the same period in the prior year.

Worldwide revenues increased by 7% in the first quarter of 1997 to $371.4 million, from $348.1 million in the 1996 quarter. The $23.3 million growth in revenues principally reflects a 1.7% increase in worldwide expedited freight services pounds shipped, combined with a 5% increase in the world-wide expedited freight services average yield. Burlington's first quarter 1997 operating profit amounted to $10.8 million, an increase of $2.1 million (24%) from the level reported in the first quarter of 1996.

The worldwide expedited freight services revenues' increase of 6%, from $298.5 million in the first quarter 1996 to $317.6 million in the first quarter 1997, was the result of a 1.7% increase in worldwide expedited freight services weight shipped, from 344.7 million pounds in 1996 to 350.5 million pounds in 1997, combined with a 5% increase in the average expedited freight services yield. Other revenues increased 9% from $49.6 million in 1996 to $53.8 million in 1997, due to growth in ocean and other freight services. Total costs and expenses increased by 6% from $339.6 million in 1996 to $361.3 million in 1997, reflecting increased transportation costs, due in part to additional business volume.

Domestic expedited freight services revenues in the first quarter of 1997 increased $7.9 million (6%) to $136.7 million from $128.8 million in the comparable quarter in 1996. Other domestic freight services revenues increased $1.1 million from $0.6 in 1996 to $1.7 million in the first quarter of 1997. Domestic operating profit increased to $4.1 million in the first quarter of 1997 compared to $3.7 million in the prior year period. The increase in operating profit reflects slightly higher volume of domestic expedited freight services weight shipped combined with a 5% increase in the domestic expedited freight services average yield. The increase in yield was due to a combination of a higher average pricing and an increase in the proportion of overnight freight in the sales mix. The improvement in the average yield during the 1997 first quarter was offset in large part by higher transportation costs.

International expedited freight services revenues of $180.9 million in the first quarter of 1997 represent an $11.2 million (7%) increase over the $169.7 million reported in the comparable period in 1996. This increase in revenue is due to a 3% growth in expedited freight services weight shipped during the first quarter of 1997 as compared to 1996, combined with a 4% increase in the average yield. The increase in average yield was due in part to a fuel surcharge implemented by Burlington in March of 1997 in reaction to a corresponding surcharge implemented by our third party transportation providers. In addition, international non-expedited services revenues increased 7%, or $3.2 million, to $52.1 million in the first three months of 1997 from $48.9 million in 1996. The growth in such revenue was due to the continued expansion of ocean freight services. International operating profit amounted to $6.6 million in the first quarter of 1997, 33% higher than the 1996 level. The higher level of operating profit during the first quarter of 1997 reflects improved operating margins in both U.S. exports and ocean freight services.

As part of its ongoing efforts to further enhance service quality and improve efficiencies, Burlington has formed a Global Innovation Team composed of senior management from various regions and assisted by two independent consulting firms. The team is reviewing Burlington's operating activities to better ensure that Burlington provides the highest possible level of customer service in a cost efficient manner. A key component of this process is a review of Burlington's current information systems and technology needs on a global basis. The innovation team is responsible for optimizing Burlington's investment in technology to assure delivery of "state of the art" information systems for both customer and operational requirements. Other cost and service improvement programs have been identified through this process and are expected to be implemented during the balance of 1997.

Foreign Operations

A portion of the Burlington Group's financial results is derived from activities in several foreign countries, each with a local currency other than the U.S. dollar. Because the financial results of the Burlington Group are reported in U.S. dollars, they are affected by the changes in the value of the various foreign currencies in relation to the U.S. dollar. The Burlington Group's international activity is not concentrated in any single currency, which limits the risks of foreign currency rate fluctuation. In addition, these rate fluctuations may adversely affect transactions which are denominated in currencies other than the functional currency. The Burlington Group routinely enters into such transactions in the normal course of its business. Although the diversity of its foreign operations limits the risks associated with such transactions, the Company, on behalf of the Burlington Group, uses foreign currency forward contracts to hedge the risks associated with such transactions. Realized and unrealized gains and losses on these contracts are deferred and recognized as part of the specific transaction hedged. In addition, cumulative translation adjustments relating to operations in countries with highly inflationary economies are included in net income, along with all transaction gains or losses for the period. A subsidiary in Brazil operates in such a highly inflationary economy. Additionally, current conditions in Mexico, where Burlington has a subsidiary, have resulted in that economy being considered highly inflationary as of January 1, 1997.

Additionally, the Burlington Group is subject to other risks customarily associated with doing business in foreign countries, including labor and economic conditions, controls on repatriation of earnings and capital, nationalization, political instability, expropriation and other forms of restrictive action by local governments. The future effects, if any, of such risks on the Burlington Group cannot be predicted.

Corporate Expenses
A portion of the Company's corporate general and administrative expenses and other shared services has been attributed to the Burlington Group based on utilization and other methods and criteria which management believes to be a reasonable and an equitable estimate of the costs attributable to the Burlington Group. These attributions were $1.8 million and 1.6 million in the first quarters of 1997 and 1996, respectively.

Interest Income
Interest income decreased $0.6 million to $0.3 million in the first quarter of 1997. The fluctuation was primarily attributed to interest income earned from amounts owed by the Minerals Group of $0.2 million and $0.7 million in the first quarters of 1997 and 1996, respectively.

Interest Expense
Interest expense for the first quarter of 1997 decreased $0.2 million to $0.9 million from $1.1 million in the first quarter of 1996. The lower level of interest in 1997 as compared to 1996, was primarily due to lower level of total outstanding debt.

Other Expense, Net
In the first quarter of 1997, other net expense decreased by $0.7 million to a net expense of $0.3 million. The decrease in 1997 largely reflects a loss recorded in the first three months of 1996 related to the termination of an overseas sublease agreement.

Income Taxes
In the first quarters of 1997 and 1996, the provision for income taxes exceeded the statutory federal income tax rate of 35% primarily due to provisions for state income taxes and goodwill amortization, partially offset by lower taxes on foreign income.

FINANCIAL CONDITION

A portion of the Company's corporate assets and liabilities has been attributed to the Burlington Group based upon utilization of the shared services from which assets and liabilities are generated. Management believes this attribution to be a reasonable and an equitable of the cost attributable to the Burlington Group.

Cash Flow Requirements
Cash provided by operating activities amounted to $13.8 million in the first quarter of 1997 compared with $12.7 million in the first quarter of 1996. The increase in cash generated by operating activities occurred as a result of higher net income and noncash charges, partially offset by an increase in funding requirements for net operating assets and liabilities. Cash generated from operating activities and payments from the Minerals Group were sufficient to fund net investing and share activities, resulting in an increase in cash and cash equivalents of $2.4 million during the 1997 quarter.

Capital Expenditures
Cash capital expenditures for the first quarters of 1997 and 1996 totaled $6.2 million and $4.8 million, respectively, excluding equipment expenditures that have been or are expected to be financed through capital or operating leases. For the remainder of 1997, capital expenditures are expected to range between $50 million and $55 million, excluding equipment expenditures that have been or are expected to be financed through capital and operating leases. These expenditures will primarily relate to the support of new facilities and to the implementation of new information systems that are intended to provide improved efficiency and customer service.

Financing
The Burlington Group intends to fund its capital expenditure requirements through anticipated cash flows from operating activities and through operating leases, if the latter are financially attractive. Shortfalls, if any, will be financed through the Company's revolving credit agreements, short-term borrowing arrangements or repayments from the Minerals Group.

The Company has a $350.0 million revolving credit agreement with a syndicate of banks (the "Facility"). The Facility includes a $100.0 million term loan and also permits additional borrowings, repayments, and reborrowings of up to an aggregate of $250.0 million. As of March 31, 1997, borrowings of $100.0 million were outstanding under the term loan portion of the Facility and $59.7 million of additional borrowings were outstanding under the remainder of the Facility. No portion of the total outstanding amount under the Facility at March 31, 1997, was attributed to the Burlington Group.

Debt

Total outstanding debt was $60.4 million at March 31, 1997, a decrease of $1.2 million from the $61.6 million reported at December 31, 1996. At March 31, 1997, no portion of total debt outstanding was payable to either the Brink's Group or the Minerals Group.

Related Party Transactions

At March 31, 1997, under an interest bearing borrowing arrangement, the Minerals Group owed the Burlington Group $1.7 million, a decrease of $6.0 million from the $7.7 million owed at December 31, 1996.

At March 31, 1997, the Burlington Group owed the Minerals Group $24.1 million for tax payments representing the utilization of the Minerals Group's tax benefits by the Burlington Group in accordance with the Company's tax sharing policy. Of the total tax benefits owed to the Minerals Group at March 31, 1997, $11.0 million is expected to be paid within one year.

Capitalization

The Company's three classes of common stock: Burlington Stock; Pittston Brink's Group Common Stock ("Brink's Stock"); and Pittston Minerals Group Common Stock ("Minerals Stock") which were designed to provide shareholders with separate securities reflecting the performance of the Burlington Group, Brink's Group and Minerals Group, respectively, without diminishing the benefits of remaining a single corporation or precluding future transactions affecting any of the Groups. The Burlington Group consists of the Burlington operations of the Company. The Brink's Group consists of the Brink's, Incorporated ("Brink's") and Brink's Home Security, Inc. ("BHS") operations of the Company. The Minerals Group consists of the Pittston Coal Company ("Coal Operations") and Pittston Mineral Ventures ("Mineral Ventures") operations of the Company. The Company prepares separate financial statements for the Burlington, Brink's and Minerals Groups in addition to consolidated financial information of the Company.

During the three month period ended March 31, 1997 and 1996, 132,100 shares (at a cost of $2.6 million) and no shares, respectively, of Burlington Stock were repurchased under the share repurchase program authorized by the Board of Directors of the Company (the "Board").

Dividends

The Board intends to declare and pay dividends on Burlington Stock based on earnings, financial condition, cash flow and business requirements of the Burlington Group. Since the Company remains subject to Virginia law limitations on dividends and to dividend restrictions in its public debt and bank credit agreements, losses by the Minerals Group and/or the Brink's Group could affect the Company's ability to pay dividends in respect to stock relating to the Burlington Group.

During the first quarters of 1997 and 1996, the Board declared and paid cash dividends of 6 cents per share of Burlington Stock. Preferred dividends included on the Company's statement of operations for the three months ended March 31, 1997 and 1996, are net of $0.9 million and $1.1 million, respectively, which was the excess of the carrying amount of the preferred stock over the cash paid to holders of the Series C Cumulative Convertible Preferred Stock ("Convertible Preferred Stock").

The Company pays an annual cumulative dividend on its Convertible Preferred Stock of $31.25 per share payable quarterly, in cash, in arrears, out of all funds of the Company legally available therefore, when, as and if declared by the Board. Such stock bears a liquidation preference of $500 per share, plus an amount equal to accrued and unpaid dividends thereon.

Pending Accounting Change

The Burlington Group will implement a new accounting standard, Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share", in the fourth quarter of 1997. SFAS No. 128 will require the Burlington Group to report both basic and diluted earnings per share ("EPS") calculations as well as provide a reconciliation between basic and diluted EPS computations. SFAS No. 128 supersedes previous guidance from Accounting Principles Board Opinion ("APB") No. 15, "Earnings per Share". After the effective date, all prior-period EPS data presented will be restated to conform with the provisions of SFAS No. 128.

Pittston Minerals Group
BALANCE SHEETS
(In thousands)

	March 31 1997	December 31 1996
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,679	3,387
Accounts receivable (net of estimated amount uncollectible: 1997 - $1,512; 1996 - $1,618)	88,844	88,552
Inventories, at lower of cost or market:		
Coal inventory	35,328	26,495
Other inventory	4,407	5,308
	39,735	31,803
Receivable - Pittston Brink's Group/Burlington Group, net	6,919	--
Prepaid expenses	9,082	8,659
Deferred income taxes	26,575	27,229
Total current assets	172,834	159,630
Property, plant and equipment, at cost (net of accumulated depreciation, depletion and amortization: 1997 - $155,314; 1996 - $154,115)	173,446	170,809
Deferred pension assets	81,915	81,067
Deferred income taxes	61,515	62,899
Intangibles, net of amortization	110,350	111,103
Coal supply contracts	50,033	52,696
Receivable - Pittston Brink's Group/Burlington Group	26,289	22,071
Other assets	45,605	46,706
Total assets	$ 721,987	706,981
LIABILITIES AND SHAREHOLDER'S EQUITY Current liabilities:		
Current maturities of long-term debt	431	395
Accounts payable	50,160	59,103
Payable - Pittston Brink's Group/Burlington Group, net	--	10,757
Accrued liabilities	114,243	114,470
Total current liabilities	164,834	184,725
Long-term debt, less current maturities	161,230	124,572
Postretirement benefits other than pensions	220,425	219,717
Workers' compensation and other claims	103,580	105,837
Mine closing and reclamation	44,411	43,877
Other liabilities	39,563	39,913
Shareholder's equity	(12,056)	(11,660)
Total liabilities and shareholder's equity	$ 721,987	706,981

See accompanying notes to financial statements.

Pittston Minerals Group
STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Quarter Ended March 31 1997	1996
Net sales	$ 158,883	170,252
Cost and expenses:		
Cost of sales	153,412	195,885
Selling, general and administrative expenses	7,409	11,034
Restructuring and other credits, including litigation accrual	--	(37,758)
Total costs and expenses	160,821	169,161
Other operating income, net	3,548	3,086
Operating profit	1,610	4,177
Interest income	282	125
Interest expense	(2,625)	(2,952)
Other expense, net	(450)	(373)
(Loss) income before income taxes	(1,183)	977
Credit for income taxes	(2,130)	(2,043)
Net income	947	3,020
Preferred stock dividends, net	(901)	(1,065)
Net income attributed to common shares	$ 46	1,955
Net income per common share	$ .01	.25
Cash dividends per common share	$ .1625	.1625
Average common shares outstanding	8,002	7,822

See accompanying notes to financial statements.

Pittston Minerals Group
STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Quarter Ended March 31 1997	1996
Cash flows from operating activities:		
Net income	$ 947	3,020
Adjustments to reconcile net income to net cash used by operating activities:		
Noncash charges and other write-offs	--	29,948
Depreciation, depletion and amortization	8,920	8,728
Provision for deferred income taxes	2,001	5,094
Credit for pensions, noncurrent	(847)	(102)
Provision for uncollectible accounts receivable	51	--
Equity in earnings of unconsolidated affiliates, net of dividends received	157	(145)
Other operating, net	(393)	(367)
Change in operating assets and liabilities net of effects of acquisitions and dispositions:		
Increase in accounts receivable	(414)	(15,444)
Increase in inventories	(7,931)	(6,567)
(Increase) decrease in prepaid expenses	(3,425)	585
Decrease in accounts payable and accrued liabilities	(8,127)	(8,964)
Decrease in other assets	223	453
Decrease in other liabilities	(1,614)	(34,913)
Decrease in workers' compensation and other claims, noncurrent	(2,257)	(3,560)
Other, net	(106)	99
Net cash used by operating activities	(12,815)	(22,135)
Cash flows from investing activities:		
Additions to property, plant and equipment	(7,458)	(5,380)
Proceeds from disposal of property, plant and equipment	1,534	1,444
Acquisitions including related contingent payments	(791)	(746)
Other, net	1,237	900
Net cash used by investing activities	(5,478)	(3,782)
Cash flows from financing activities:		
Net additions to debt	36,357	8,655
Payments (to) from - Brink's Group	(11,685)	5,049
Payments (to) from - Burlington Group	(6,002)	13,177
Proceeds from exercise of stock options	4	10
Dividends paid	(2,089)	(2,343)
Net cash provided by financing activities	16,585	24,548
Net decrease in cash and cash equivalents	(1,708)	(1,369)
Cash and cash equivalents at beginning of period	3,387	4,999
Cash and cash equivalents at end of period	$ 1,679	3,630

See accompanying notes to financial statements.

Pittston Minerals Group
NOTES TO FINANCIAL STATEMENTS
(In thousands, except per share amounts)
(Unaudited)

(1) The financial statements of the Pittston Minerals Group (the "Minerals Group") include the balance sheets, results of operations and cash flows of the Pittston Coal Company ("Coal Operations") and Pittston Mineral Ventures ("Mineral Ventures") operations of The Pittston Company (the "Company"), and a portion of the Company's corporate assets and liabilities and related transactions which are not separately identified with operations of a specific segment. The Minerals Group's financial statements are prepared using the amounts included in the Company's consolidated financial statements. Corporate amounts reflected in these financial statements are determined based upon methods which management believes to be a reasonable and an equitable estimate of the cost attributable to the Minerals Group.

The Company provides holders of Pittston Minerals Group Common Stock ("Minerals Stock") separate financial statements, financial reviews, descriptions of business and other relevant information for the Minerals Group in addition to consolidated financial information of the Company. Holders of Minerals Stock are shareholders of the Company, which continues to be responsible for all liabilities. Therefore, financial developments affecting the Minerals Group, the Pittston Brink's Group (the "Brink's Group") or the Pittston Burlington Group (the "Burlington Group") that affect the Company's financial condition could affect the results of operations and financial condition of each of the Groups. Accordingly, the Company's consolidated financial statements must be read in connection with the Minerals Group's financial statements.

(2) Depreciation, depletion and amortization of property, plant and equipment in the first quarters of 1997 and 1996 totaled $5,449 and $5,486, respectively.

(3) Cash payments made for interest and income taxes (net of refunds received) were as follows:

	Quarter Ended March 31 1997	1996
Interest	$ 2,641	2,833
Income taxes	$ 13	55

During the three month periods ended March 31, 1997 and 1996, capital loss obligations of $346 and $0, respectively were incurred for loss of property plant and equipment.

(4) In 1988, the trustees of certain pension and benefit trust funds (the "Trust Funds") established under collective bargaining agreements with the United Mine Workers of America ("UMWA") brought an action (the "Evergreen Case") against the Company and a number of its coal subsidiaries, claiming that the defendants were obligated to contribute to such Trust Funds in accordance with the provisions of the 1988 and subsequent National Bituminous Coal Wage Agreements, to which neither the Company nor any of its subsidiaries were a signatory. In 1993, the Company recognized in its consolidated financial statements the potential liability that might have resulted from an ultimate adverse judgment in the Evergreen Case.

In March 1996, a settlement was reached in the Evergreen Case. Under the terms of the settlement, the coal subsidiaries which had been signatories to earlier National Bituminous Coal Wage Agreements agreed to make various lump sum payments in full satisfaction of all amounts allegedly due to the Trust Funds through January 31, 1996, to be paid over time as follows: $25,845 upon dismissal of the Evergreen Case and the remainder of $24,000 in installments of $7,000 in 1996 and $8,500 in each of 1997 and 1998. The first payment was entirely funded through an escrow account previously established by the Minerals Group. The amount previously escrowed and accrued was included in "Short-term investments" and "Accrued liabilities" on the Minerals Group's balance sheet.

The second payment of $7,000 was paid in 1996 and was funded from cash provided by operating activities. In addition, the coal subsidiaries agreed to future participation in the UMWA 1974 Pension Plan.

As a result of the settlement of the Evergreen Case at an amount lower than previously accrued in 1993, the Company and Minerals Group recorded a pretax benefit of $35,650 ($23,173 after tax) in the first quarter of 1996 in their respective financial statements.

(5) In 1996, the Minerals Group implemented a new accounting standard, Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of". SFAS No. 121 requires companies to review assets for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. SFAS No. 121 resulted in a pretax charge to earnings in the first quarter of 1996 for the Company and Minerals Group's Coal Operations of $29,948 ($19,466 after tax), of which $26,312 was included in cost of sales and $3,636 was included in selling, general and administrative expenses.

(6) The Minerals Group will implement a new accounting standard, Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share", in the fourth quarter of 1997. SFAS No. 128 will require the Minerals Group to report both basic and diluted earnings per share ("EPS") calculations as well as provide a reconciliation between basic and diluted EPS computations. SFAS No. 128 supersedes previous guidance from Accounting Principles Board Opinion ("APB") No. 15, "Earnings per Share". After the effective date, all prior-period EPS data presented will be restated to conform with the provisions of SFAS No. 128.

(7) Certain prior period amounts have been reclassified to conform to current period financial statement presentation.

(8) In the opinion of management, all adjustments have been made which are necessary for a fair presentation of results of operations for the periods reported herein. All such adjustments are of a normal recurring nature.

Pittston Minerals Group
MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS
AND FINANCIAL CONDITION

The financial statements of the Pittston Minerals Group ("Minerals Group") include the balance sheets, results of operations and cash flows of the Pittston Coal Company ("Coal Operations") and Pittston Mineral Ventures ("Mineral Ventures") operations of The Pittston Company (the "Company"), and a portion of the Company's corporate assets and liabilities and related transactions which are not separately identified with operations of a specific segment. The Minerals Group's financial statements are prepared using the amounts included in the Company's consolidated financial statements. Corporate amounts reflected in these financial statements are determined based upon methods which management believes to be a reasonable and an equitable estimate of the cost attributable to the Minerals Group.

The Company provides to holders of the Pittston Minerals Group Common Stock ("Minerals Stock") separate financial statements, financial reviews, descriptions of business and other relevant information for the Minerals Group, in addition to consolidated financial information of the Company. Holders of Minerals Stock are shareholders of the Company, which is responsible for all liabilities. Therefore, financial developments affecting the Minerals Group, the Pittston Brink's Group (the "Brink's Group") or the Pittston Burlington Group (the "Burlington Group") that affect the Company's financial condition could affect the results of operations and financial condition of each of the Groups. Accordingly, the Company's consolidated financial statements must be read in connection with the Minerals Group's financial statements.

The following discussion is a summary of the key factors management considers necessary in reviewing the Minerals Group's results of operations, liquidity and capital resources. This discussion must be read in conjunction with the financial statements and related notes of the Minerals Group and the Company.

RESULTS OF OPERATIONS

(In thousands)	Quarter Ended March 31 1997	1996
Net sales:		
Coal Operations	$ 154,593	165,468
Mineral Ventures	4,290	4,784
Total net sales	$ 158,883	170,252
Operating profit:		
Coal Operations	$ 3,623	4,377
Mineral Ventures	(455)	1,174
Segment operating profit	3,168	5,551
General corporate expense	(1,558)	(1,374)
Operating profit	$ 1,610	4,177

In the first quarter of 1997, the Minerals Group reported net income of $0.9 million compared to $3.0 million in the first quarter of 1996. Operating profit totaled $1.6 million in 1997 as compared to $4.2 million in the 1996 quarter. Net sales during the first three months of 1997 decreased $11.4 million (7%) compared to the corresponding period in 1996. In the first quarter of 1996, the Minerals Group's operating profit and net income included three non-recurring items: a $35.7 million benefit from the settlement of the Evergreen lawsuit at an amount lower than previously accrued ($23.2 million after tax); a $29.9 million charge related to the adoption of a new accounting standard regarding the impairment of long-lived assets ($19.5 million after tax); and a $2.1 million benefit from the reversal of excess restructuring liabilities ($1.4

million after tax). Excluding these three items, the Minerals Group would have recorded an operating loss and a net loss of $3.6 million and $3.1 million, respectively, during the first quarter of 1996.

Coal Operations
The following is a table of selected financial data for the Coal Operations on a comparative basis:

(In thousands)	Quarter Ended March 31 1997	1996
Net sales	$ 154,593	165,468
Cost of sales	149,739	192,918
Selling, general and administrative expenses	4,936	8,872
Restructuring and other credits, including litigation accrual	--	(37,758)
Total costs and expenses	154,675	164,032
Other operating income, net	3,705	2,941
Operating profit	$ 3,623	4,377
Coal sales (tons):		
Metallurgical	1,891	2,045
Utility and industrial	3,229	3,572
Total coal sales	5,120	5,617
Production/purchased (tons):		
Deep	1,102	1,062
Surface	2,659	2,716
Contract	363	395
	4,124	4,173
Purchased	1,340	1,608
Total	5,464	5,781

Coal Operations generated an operating profit of $3.6 million in the first quarter of 1997, compared to the $4.4 million recorded in the 1996 period. Operating profit in the first quarter of 1996 included a benefit of $35.7 million from the settlement of the Evergreen lawsuit at an amount lower than previously accrued and a $2.1 million benefit from the reversal of excess restructuring liabilities. These benefits were offset, in part, by a $29.9 million charge related to a new accounting standard regarding the impairment of long-lived assets. This charge was included in cost of sales ($26.3 million) and selling, general and administrative expenses ($3.6 million). Excluding the three first quarter 1996 non-recurring items, operating profits from Coal Operations increased by $7.1 million in the 1997 period.

The operating profit of Coal Operations, excluding restructuring and other non-recurring items, is analyzed as follows:

(In thousands, except per ton amounts)	Quarter Ended March 31 1997	1996
Net coal sales (a)	$ 152,698	163,907
Current production cost of coal sold (a)	141,572	157,971
Coal margin	11,126	5,936
Non-coal margin	717	608
Other operating income, net	3,705	2,941
Margin and other income	15,548	9,485
Other costs and expenses:		
Idle equipment and closed mines	307	258
Inactive employee costs	6,683	7,424
Selling general and administrative expenses	4,935	5,236
Total other costs and expenses	11,925	12,918
Operating profit (before restructuring and other credits and SFAS No. 121) (b)	$ 3,623	(3,433)
Coal margin per ton:		
Realization	$ 29.82	29.18
Current production costs	27.65	28.13
Coal margin	$ 2.17	1.05

(a) Excludes non-coal components.

(b) Restructuring and other credits and SFAS No. 121 in 1996 consisted of an impairment loss related to the adoption of SFAS No. 121 of $29,948 ($26,312 in cost of sales and $3,636 in selling, general and administrative expenses), a gain from the settlement of the Evergreen Case of $35,650 and a benefit from excess restructuring liabilities of $2,108. Both the gain from the Evergreen Case and the benefit from excess restructuring liabilities are included in the operating profit of the Coal Operations as "Restructuring and other credits, including litigation accrual".

Sales volume of 5.1 million tons in the first quarter of 1997 was 0.5 million tons less than the 5.6 million tons sold in the prior year quarter. Compared to the first quarter of 1996, 1997 steam coal sales decreased by 0.3 million tons (10%), to 3.2 million tons, and metallurgical coal sales declined by 0.2 million tons (8%), to 1.9 million tons. Steam coal sales represented 63% of total volume in 1997 and 64% in 1996.

Total coal margin of $11.1 million for the first quarter of 1997 represented an increase of $5.2 million from the comparable 1996 quarter. The growth in coal margin primarily reflects a $0.64 per ton (2%) increase in realization, combined with a decrease of $0.48 per ton (2%) in the current production cost of coal sold. Partially offsetting these improvements in coal margin was a decrease in first quarter 1997 sales volume of 0.5 million tons. The increase in average realization per ton was due in part to a favorable change in the metallurgical coal sales mix which resulted in an increase in the average sales price per ton. In addition, steam coal realization improved modestly since the majority of steam coal production is sold under long-term contracts containing price escalation provisions.

Negotiations with metallurgical customers for the contract year which began April 1, 1997, are essentially complete. Price settlements to date have been slightly below those of the previous two years due to a softening in the metallurgical market. Coal Operations is continuing its strategy of participating in the metallurgical market when such participation will generate acceptable profitability and demonstrate long-term viability. As a result, Coal Operations adjusted, and will continue to adjust, metallurgical coal production levels as necessary in order to take advantage of opportunities to maximize metallurgical coal realization.

The current production cost of coal sold in the first quarter 1997 represents a $0.48 per ton decrease from the 1996 level due to lower costs at surface mines and a $1.0 million state credit for coal produced in Virginia. These savings were offset, in part, by higher costs at certain deep mines due to temporary adverse geological conditions. In addition, current production costs in 1996 were negatively impacted by severe winter weather and higher surface mine costs. Production in the 1997 quarter of 4.1 million tons, was essentially unchanged from the 4.2 million tons produced in 1996. Production levels for surface mines in 1997 have been adjusted to produce at or near contract levels in order to limit the exposure to the spot market. Production levels in 1996 were negatively impacted by severe winter weather. First quarter surface production accounted for 64% and 65% of total production in 1997 and 1996, respectively. Productivity of 37 tons per man day represented a 4% increase from the 1996 level.

Non-coal margin which reflects earnings from the oil, gas and timber businesses, amounted to $0.7 million, up slightly from the $0.6 million recognized in the first quarter of 1996. Other operating income, primarily reflecting gains on sales of properties and equipment and third party royalties, amounted to $3.7 million in the first three months of 1997, $0.8 million higher than the comparable 1996 period.

Idle equipment and closed mine costs remained consistent at $0.3 million in both the 1997 and 1996 quarters. Inactive employee costs, which primarily represent long-term employee liabilities for pension and retiree medical costs, decreased by $0.7 million to $6.7 million in the 1997 first quarter. This favorable change primarily reflects lower premiums from the Coal Industry Retiree Health Benefit Act of 1992 and, to a lesser extent, the use of a higher long-term interest rate to calculate the present value of the long-term liabilities during 1997 compared to the rate used in 1996. Selling, general and administrative expenses declined in the first quarter of 1997 as a result of Coal Operations cost control efforts. These costs decreased $0.3 million (6%) in 1997 over the 1996 quarter.

In 1988, the trustees of certain pension and benefit trust funds (the "Trust Funds") established under collective bargaining agreements with the United Mine Workers of America ("UMWA") brought an action (the "Evergreen Case") against the Company and a number of its coal subsidiaries, claiming that the defendants were obligated to contribute to such Trust Funds in accordance with the provisions of the 1988 and subsequent National Bituminous Coal Wage Agreements, to which neither the Company nor any of its subsidiaries were a signatory. In 1993, the Company recognized in its consolidated financial statements the potential liability that might have resulted from an ultimate adverse judgment in the Evergreen Case.

In March 1996, a settlement was reached in the Evergreen Case. Under the terms of the settlement, the coal subsidiaries which had been signatories to earlier National Bituminous Coal Wage Agreements agreed to make various lump sum payments in full satisfaction of all amounts allegedly due to the Trust Funds through January 31, 1996, to be paid over time as follows: $25.8 million upon dismissal of the Evergreen Case in March 1996 and the remainder of $24.0 million in installments of $7.0 million in 1996 and $8.5 million in each of 1997 and 1998. The first payment was entirely funded through an escrow account previously established by the Company. The second payment of $7.0 million was paid in 1996 and was funded from cash provided by operating activities. In addition, the coal subsidiaries agreed to future participation in the UMWA 1974 Pension Plan.

As a result of the settlement of the Evergreen Case at an amount lower than previously accrued, the Company recorded a pretax benefit of $35.7 million ($23.2 million after tax) in the first quarter of 1996 in its consolidated financial statements.

In 1996, the Minerals Group adopted a new accounting standard, Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of". SFAS No. 121 requires companies to review assets for impairment whenever circumstances indicate that the carrying amount for an asset may not be recoverable. SFAS No. 121 resulted in a pretax charge to earnings in 1996 for Coal Operations of $29.9 million ($19.5 million after tax), of which $26.3 million was included in cost of sales and $3.6 million was included in selling, general and administrative expenses. Assets for which the impairment loss was recognized consisted of property, plant and equipment, advanced royalties and goodwill.

Coal Operations continues cash funding for charges recorded in prior years for facility closure costs recorded as restructuring and other charges. The following table analyzes the changes in liabilities during the first quarter of 1997 for such costs:

(In thousands)	Leased Machinery and Equipment	Mine and Plant Closure Costs	Employee Termination, Medical and Severance Costs	Total
Balance as of December 31, 1996	$ 376	12,439	25,285	38,100
Payments	132	699	321	1,152
Balance as of March 31, 1997	$ 244	11,740	24,964	36,948

Mineral Ventures
The following is a table of selected financial data for Mineral Ventures on a comparative basis:

(In thousands, except ounce and per ounce data)	Quarter Ended March 31 1997	1996
Stawell Gold Mine (50% direct interest):		
Gold sales	$ 4,281	4,702
Other revenue	9	82
Net sales	4,290	4,784
Cost of sales	3,631	2,966
Selling, general and administrative expenses	298	262
Total costs and expenses	3,929	3,228
Operating profit-Stawell Gold Mine (50% direct interest)	361	1,556
Other operating expense, net (a)	(816)	(382)
Operating (loss) profit	$ (455)	1,174
Stawell Gold Mine:		
Mineral Ventures' 50% direct interest:		
Ounces sold	10,576	11,759
Ounces produced	10,951	12,114
Average per ounce sold (US$):		
Realization	$ 405	400
Cash cost	327	242

(a) Includes $42 and $617 of non-Stawell related cost of sales and selling, general and administrative expenses, respectively, for the quarter ended March 31, 1997. Includes $1 and $526 of non-Stawell related cost of sales and selling, general and administrative expenses, respectively, for the quarter ended March 31, 1996. Such costs are reclassified to cost of sales and selling, general and administrative expenses for presentation in the Minerals Group income statement.

Mineral Ventures, which primarily consists of a 50% direct and a 17% indirect interest in the Stawell gold mine ("Stawell") in western Victoria, Australia, generated an operating loss of $0.5 million in the first quarter of 1997 as compared to an operating profit of $1.2 million in the 1996 period. Mineral Ventures' 50% direct interest in Stawell's operations generated net sales of $4.3 million in 1997 compared to $4.8 million in the first quarter of 1996 as the ounces of gold sold decreased from 11.8 thousand ounces to 10.6 thousand ounces (10%). Operating profits at Stawell of $0.4 million were $1.2 million lower than first quarter 1996 and were affected by an $85 per ounce increase (35%) in the cash cost of gold sold, which was partially offset by a $5 per ounce increase in the selling price of gold. Stawell's cost of gold sold in 1997 was negatively impacted by temporary unfavorable ground conditions which increased ore dilution causing a decrease in recovery and an increase in mine production costs. Accordingly, production decreased 1.2 thousand ounces to 11.0 thousand ounces in the first quarter of 1997.

Other operating expense, net, which includes gold exploration costs and equity earnings from joint ventures, primarily consisting of Mineral Ventures 17% indirect interest in Stawell's operations, increased by $0.4 million, primarily due to joint venture losses. Gold exploration costs were essentially unchanged from 1996, and are being incurred by Mineral Ventures in Nevada and Australia with its joint venture partner.

In addition to its interests in Stawell, Mineral Ventures has a 17% indirect interest in the Silver Swan base metals property in Western Australia. During the second quarter of 1996, it was formally announced that this nickel deposit was going to be developed as an underground mine with production expected to commence in mid-1997.

Foreign Operations
A portion of the Minerals Group's financial results is derived from activities in Australia, which has a local currency other than the U.S. dollar. Because the financial results of the Minerals Group are reported in U.S. dollars, they are affected by the changes in the value of the foreign currency in relation to the U.S. dollar. Rate fluctuations may adversely affect transactions which are denominated in the Australian dollar. The Minerals Group routinely enters into such transactions in the normal course of its business. The Company, on behalf of the Minerals Group, from time to time uses foreign currency exchange forward contracts to hedge the risks associated with certain transactions denominated in the Australian dollar. Realized and unrealized gains and losses on these contracts are deferred and recognized as part of the specific transaction hedged.

Corporate Expenses
A portion of the Company's corporate general and administrative expenses and other shared services has been attributed to the Minerals Group based upon utilization and other methods and criteria which management believes to be a reasonable and an equitable estimate of the cost attributable to the Minerals Group. These attributions were $1.6 million and $1.4 million for the first quarter of 1997 and 1996, respectively.

Other Operating Income, Net
Other operating income, net for the first quarter of 1997 increased $0.5 million to $3.6 million from the $3.1 million recognized in the first quarter of 1996. Other operating income, net principally includes royalty income and gains and losses from sales of coal assets.

Interest Expense
Interest expense for the first quarter of 1997 decreased by $0.4 million to $2.6 million from $3.0 million in the first quarter of 1996. The decrease in interest expense in 1997 was the result of a lower average effective interest rate on outstanding debt.

Income Taxes
In both the 1997 and 1996 first quarters, a credit for income taxes was recorded despite the Minerals Group's generation of a pretax profit in 1996, due to tax benefits of percentage depletion which can be used by the Company.

FINANCIAL CONDITION

A portion of the Company's corporate assets and liabilities has been attributed to the Minerals Group based upon utilization of the shared services from which assets and liabilities are generated. Management believes this attribution to be a reasonable and an equitable estimate of the cost attributable to the Minerals Group.

Cash Flow Requirements

Operating activities for the first quarter of 1997 used cash of $12.8 million, while operations in the first quarter of 1996 used cash of $22.1 million. The improvement in cash flow reflects higher levels of net income (excluding the effect of non-recurring items) combined with lower cash requirements for worker's compensation and other claims. Net income, noncash charges and changes in operating assets and liabilities in the 1996 first quarter were significantly affected by three nonrecurring items, a benefit from the settlement of the Evergreen case at an amount less than originally accrued, a charge related to the adoption of SFAS 121 and a benefit from the reversal of excess restructuring liabilities. These items had no effect on cash generated by operations. Cash flow used by operating activities combined with cash required for capital expenditures, payments to the Brink's and Burlington Groups, and the net costs of share activity, resulted in a net decrease in cash and cash equivalents of $1.7 million and a net increase of Minerals Group borrowings of $36.4 million.

The Minerals Group intends to fund future cash requirements during 1997 with anticipated cash flows from operations. Shortfalls, if any, will be financed through the Company's revolving credit agreements or through borrowings from the Brink's and Burlington Groups.

Capital Expenditures

Cash capital expenditures for the first quarter of 1997 totaled $7.5 million compared to $5.4 million in the 1996 first quarter, excluding equipment expenditures that have been or are expected to be financed through capital and operating leases. During the first quarter of 1997, Coal Operations and Mineral Ventures spent $6.7 million and $0.8 million, respectively, on capital expenditures. For the remainder of 1997, the Minerals Group's capital expenditures, excluding expenditures that have been or are expected to be financed through capital and operating leases, are expected to range between $25 million and $30 million.

Financing

The Minerals Group intends to fund capital expenditures during the remainder of 1997 primarily with anticipated cash flows from operating activities and through operating and capital leases if the latter are financially attractive. Shortfalls, if any, will be financed through the Company's revolving credit agreements, short-term borrowing arrangements or borrowings from the Brink's and Burlington Groups.

The Company has a $350.0 million revolving credit agreement with a syndicate of banks (the "Facility"). The Facility includes a $100.0 million term loan and also permits additional borrowings, repayments and reborrowings of up to an aggregate of $250.0 million. As of March 31, 1997, borrowings of $100.0 million were outstanding under the term loan portion of the Facility with $59.7 million of additional borrowings outstanding under the remainder of the Facility. All outstanding amounts under the Facility at March 31, 1997 were attributed to the Minerals Group.

Debt

Total debt outstanding at March 31, 1997 was $161.7 million, an increase of $36.7 million from the $125.0 million outstanding at December 31, 1996. These increased borrowings, which funded cash flow requirements, were made primarily under the Facility.

Related Party Transactions

At March 31, 1997, under interest bearing borrowing arrangements, the Minerals Group owed the Brink's Group $12.3 million, a decrease of $11.7 million from the $24.0 million owed at December 31, 1996. The Minerals Group also owed the Burlington Group $1.7 million at the end of the first quarter of 1997, $6.0 million lower than the $7.7 million owed at year-end 1996.

At March 31, 1997, the Brink's Group owed the Minerals Group $23.2 million for tax payments representing the utilization of the Minerals Group's tax benefits by the Brink's Group, of which $10.0 million is expected to be paid within one year. Also at March 31, 1997, the Burlington Group owed the Minerals Group $24.1 million for tax payments representing the utilization of the Minerals Group's tax benefits by the Burlington Group, of which $11.0 million is expected to be paid in one year.

Capitalization

The Company has three classes of common stock: Minerals Stock; Pittston Brink's Group Common Stock ("Brink's Stock") and Pittston Burlington Group Common Stock ("Burlington Stock") which were designed to provide shareholders with separate securities reflecting the performance of the Minerals Group, Brink's Group and Burlington Group, respectively, without diminishing the benefits of remaining a single corporation or precluding future transactions affecting any of the Groups. The Minerals Group consists of the Coal Operations and Mineral Ventures operations of the Company. The Burlington Group consists of the Burlington Air Express Inc. ("Burlington") operations of the Company. The Brink's Group consists of the Brink's, Incorporated ("Brink's") and the Brink's Home Security, Inc. ("BHS") operations of the Company. The Company prepares separate financial statements for the Minerals, Brink's and Burlington Groups in addition to consolidated financial information of the Company.

Dividends

The Board of Directors of the Company intends to declare and pay dividends on Brink's Stock, Burlington Stock and Minerals Stock based on earnings, financial condition, cash flow and business requirements of the each of the Groups, respectively. Since the Company remains subject to Virginia law limitations on dividends and to dividend restrictions in its public debt and bank credit agreements, losses by the Brink's and/or the Burlington Group could affect the Company's ability to pay dividends in respect of stock relating to the Minerals Group. Dividends on Minerals Stock are also limited by the Available Minerals Dividend Amount (as defined in the Company's Articles of Incorporation), which is adjusted by net income or losses and other equity transactions. At March 31, 1997, the Available Minerals Dividend Amount was at least $21.7 million.

During the first quarters of 1997 and 1996, the Board declared and the Company paid cash dividends of 16.25 cents per share of Minerals Stock. Dividends paid on the Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock") in the 1997 and 1996 first quarters totaled $0.9 million and $1.1 million, respectively.

The Company pays an annual cumulative dividend on its Convertible Preferred Stock of $31.25 per share payable quarterly, in cash, in arrears, out of all funds of the Company legally available therefore, when, as and if declared by the Board. Such stock bears a liquidation preference of $500 per share, plus an attributed amount equal to accrued and unpaid dividends thereon.

Pending Accounting Change

The Minerals Group will implement a new accounting standard, Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share", in the fourth quarter of 1997. SFAS No. 128 will require the Minerals Group to report both basic and diluted earnings per share ("EPS") calculations as well as provide a reconciliation between basic and diluted EPS computations. SFAS No. 128 supersedes previous guidance from Accounting Principles Board Opinion ("APB") No. 15, "Earnings per Share". After the effective date, all prior-period EPS data presented will be restated to conform with the provisions of SFAS No. 128.

Part II - Other Information

Item 4. Submission of Matters to a Vote of Security Holders

(a) The Registrant's annual meeting of shareholders was held on May 2, 1997.

(b) Not required.

(c) The following persons were elected for terms expiring in 2000, by the following votes:

	For	Withheld
R. G. Ackerman	57,518,088	1,466,869
J. C. Farrell	57,520,083	1,464,874
R. H. Spilman	57,511,277	1,473,680

The selection of KPMG Peat Marwick LLP as independent certified public accountants to audit the accounts of the Registrant and its subsidiaries for the year 1997 was approved by the following vote:

For	Against	Abstentions	Broker Non-votes
58,553,441	253,223	178,293	-0-

Amendment of the Registrant's 1988 Stock Option Plan was approved by the following vote:

For	Against	Abstentions	Broker Non-votes
42,095,663	6,751,808	586,313	9,551,173

As a result of the approval of the amendment by the shareholders, the total number of shares underlying options authorized for grant, but not yet granted, together with options granted but not yet exercised, under the 1988 Stock Option Plan is 3,664,064, 3,817,349 and 1,039,169 shares of Brink's Stock, Burlington Stock and Minerals Stock, respectively.

Amendment of the Registrant's Non-Employee Directors' Stock Option Plan was approved by the following vote:

For	Against	Abstentions	Broker Non-votes
45,177,074	3,685,823	570,886	9,551,174

As a result of the approval of the amendment by the shareholders, the total number of shares underlying options authorized for grant, but not yet granted, together with options granted but not yet exercised, under the Non-Employee Directors' Stock Option Plan is 295,879, 213,164 and 67,000 shares of Brink's Stock, Burlington Stock and Minerals Stock, respectively.

Amendment of the Registrant's Employee Stock Purchase Plan was approved by the following vote:

For	Against	Abstentions	Broker Non-votes
56,492,341	2,012,108	335,282	145,226

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

Exhibit Number

3(b) The Registrant's Bylaws, as amended through May 2, 1997.

10(a)* Statement of Amendments of The Pittston Company's 1988 Stock Option Plan. Incorporated by reference to Exhibit A to the Registrant's Proxy Statement filed March 28, 1997.

10(b)* Statement of Amendments of The Pittston Company's Non-Employee Directors' Stock Option Plan. Incorporated by reference to Exhibit B to the Registrant's Proxy Statement filed March 28, 1997.

10(c)* Statement of Amendment of The Pittston Company's Employee Stock Purchase Plan. Incorporated by reference to Exhibit C to the Registrant's Proxy Statement filed March 28, 1997.

11 Statement re Computation of Per Share Earnings.

(b) A Report on Form 8-K was filed on January 23, 1997, with respect to fourth quarter 1996 earnings for each of Pittston Brink's Group Common Stock, Pittston Burlington Group Common Stock and Pittston Minerals Group Common Stock.

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* Management contract or compensatory plan or arrangement.

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 PITTSTON COMPANY

May 15, 1997

G. R. ROGLIANO

(G. R. Rogliano)
Senior Vice President
(Duly Authorized Officer and
Chief Accounting Officer)

The Pittston Company and Subsidiaries   Exhibit 11

Computation of Earnings Per Common Share
(In thousands, except per share amounts)

Fully Diluted Earnings Per Common Share:

	Quarter Ended March 31 1997	1996
Pittston Brink's Group:		
Net income attributed to common shares	$ 15,306	11,839
Average common shares outstanding	38,189	38,057
Incremental shares of stock options	419	472
Pro forma shares outstanding	38,608	38,529
Fully diluted earnings per common share:	$ .40	0.31
Pittston Burlington Group:		
Net income attributed to common shares	$ 5,088	3,761
Average common shares outstanding	19,406	19,040
Incremental shares of stock options	459	513
Pro forma common shares outstanding	19,865	19,553
Fully diluted earnings per common share	$ .26	0.19
Pittston Minerals Group:		
Net income attributed to common shares	$ 46	1,955
Preferred stock dividends, net	901	1,065
Fully diluted net income attributed to common shares	$ 947	3,020
Average common shares outstanding	8,002	7,822
Incremental shares of stock options	56	61
Conversion preferred stock	1,793	2,118
Pro forma common shares outstanding	9,851	10,001
Fully diluted earnings per common share (a):	$ .01	0.25

(a) Antidilutive, therefore the same as primary.

Primary Earnings Per Share:
Primary earnings per share can be computed from the information in the Consolidated Statements of Operations.

THE PITTSTON COMPANY

BYLAWS

(As amended effective May 2, 1997)

ARTICLE I

NAME

The name of the corporation is The Pittston Company.

ARTICLE II

OFFICES

1. The corporation shall maintain a registered office and a registered agent in the Commonwealth of Virginia as required by the laws of said Commonwealth.

2. The corporation shall in addition to its registered office in the Commonwealth of Virginia establish and main tain an office or offices at such place or places as the Board of Directors may from time to time find necessary or desirable.

ARTICLE III

CORPORATE SEAL

The corporate seal of the corporation shall have inscribed thereon the name of the corporation, the fact of its establishment in the Commonwealth of Virginia and the words "Corporate Seal". Such seal may be used by causing it or a facsimile thereof to be impressed, affixed, printed or otherwise reproduced.

ARTICLE IV

MEETINGS OF SHAREHOLDERS

1. Meetings of the shareholders shall be held at such place, within or without the Commonwealth of Virginia, as the Board may determine.

2. The annual meeting of the shareholders shall be held on the second Wednesday in May at ten o'clock in the forenoon, local time, or on such other day or at such other time as the Board may determine. At each annual meeting of the shareholders they shall elect by plurality vote, in accordance with the Articles of Incorporation and these bylaws, directors to hold office until the third annual meeting of the shareholders held after their election and their successors are respectively elected and qualified or as otherwise provided by statute, the Articles of Incorpora tion or these bylaws. Any other proper business may be transacted at the annual meeting. The chairman of the meeting shall be authorized to declare whether any business is properly brought before the meeting, and, if he shall declare that it is not so brought, such business shall not be transacted. Without limiting the generality of the foregoing, the chairman of the meeting may declare that matters relating to the conduct of the ordinary business operations of the corporation are not properly brought before the meeting.

3. A majority of the votes entitled to be cast on a matter shall constitute a quorum for action on that matter at all meetings of the shareholders, except as otherwise provided by statute, the Articles of Incorporation or these bylaws. The shareholders entitled to vote thereat, present in person or by proxy, or the Chairman of the meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting before adjournment (except as otherwise provided by statute). At such adjourned meeting any business may be transacted which might have been transacted at the meeting as originally notified.

4. At all meetings of the shareholders each shareholder having the right to vote shall be entitled to vote in person, or by proxy appointed by an appointment form signed by such shareholder and bearing a date not more than eleven months prior to said meeting, unless such form pro vides for a longer period. All proxies shall be effective when received by the Secretary or other

officer or agent of the corporation authorized to tabulate votes.

5. Except as otherwise provided in the Articles of Incorporation, at each meeting of the shareholders each shareholder shall have one vote for each share having voting power, registered in his name on the share transfer books of the corporation at the record date fixed in accordance with these bylaws, or otherwise determined, with respect to such meeting. Except as otherwise expressly provided by statute, the Articles of Incorporation or these bylaws, action on a matter, other than the election of directors, by a voting group is approved if a quorum exists and the votes cast within the voting group favoring the action exceed the votes cast opposing the action.

6. Except as otherwise prescribed by statute, notice of each meeting of the shareholders shall be given to each shareholder entitled to vote thereat not less than 10 nor more than 60 days before the meeting. Such notice shall state the date, time and place of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called.

7. Except as otherwise prescribed by statute, special meetings of the shareholders for any purpose or purposes may be called by the Chairman of the Board and shall be called by the Chairman of the Board or the Secretary by vote of the Board of Directors.

8. Business transacted at each special meeting shall be confined to the purpose or purposes stated in the notice of such meeting.

9. The order of business at each meeting of the shareholders and the voting and other procedures to be observed at such meeting shall be determined by the chairman of such meeting.

10. Subject to the rights of holders of shares of the Preferred Stock of the corporation, nominations for the election of directors shall be made by the Board of Direc tors or by any shareholder entitled to vote in elections of directors. However, any shareholder entitled to vote in elections of directors may nominate one or more persons for election as directors at an annual meeting only if written notice of such shareholder's intent to make such nomination or nominations has been given, either by personal delivery or by United States registered or certified mail, postage prepaid, to the Secretary of the corporation not less than 120 and not more than 180 calendar days in advance of the date on which the corporation's proxy statement was released to shareholders in connection with the immediately preceding annual meeting. Each notice shall set forth (i) the name and address of the shareholder who intends to make the nomination and of the person or persons to be nominated, (ii) a representation that the shareholder is entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice, (iii) the class and number of shares of the corporation that are owned by the shareholder, (iv) a description of all arrangements, understandings or relationships between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder and (v) such other information regarding each nominee proposed by such shareholder as would be required to be included in a proxy statement filed pur suant to the proxy rules of the Securities and Exchange Commission, had the nominee been nominated, or intended to be nominated, by the Board of Directors, and shall include a consent signed by each such nominee to serve as a director of the corporation if so elected. The chairman of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

11. To be properly brought before an annual meeting of shareholders, business must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (ii) otherwise properly brought before the meeting by or at the direction of the Board of Directors or (iii) otherwise properly brought before the annual meeting by a shareholder. In addition to any other applicable requirements, for business to be properly brought before a meeting by a shareholder, the shareholder must have given timely notice thereof in writing to the Secretary of the corporation. To be timely, a share holder's notice must be given, either by personal delivery or by United States registered or certified mail, postage prepaid, to the Secretary of the corporation not less than 120 and not more than 180 calendar days in advance of the date on which the corporation's proxy statement was released to shareholders in connection with the immediately preceding annual meeting. A shareholder's notice to the Secretary shall set forth as to each matter the shareholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting, including the complete text of any resolutions to be presented at such meeting with respect to such business, and the reasons for conducting such business at the annual meeting, (ii) the name and address of record of the share holder proposing such business, (iii) a representation that the shareholder is entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose the business specified in the notice, (iv) the class and number of shares of the corporation that are owned by the shareholder, (v) any material interest of the share holder in such business and (vi) full particulars as to the relationship, if any, of such shareholder to any other person that such shareholder knows or has reason to believe intends to bring one or more other items of business before the meeting. In the event that a shareholder attempts to bring business before an annual meeting without complying with the foregoing procedure, the chairman of the meeting may declare to the meeting that the business was not properly brought before the meeting and, if he shall so declare, such business shall not be transacted.

ARTICLE V

DIRECTORS

1. All corporate powers shall be exercised by or under the authority of, and the business and affairs shall be managed under the direction of, the Board of Directors, subject to any limitation set forth in the Articles of Incorporation.

2. The Board shall consist of not less than nine or more than fifteen members.

3. The Board of Directors shall consist of ten members. The terms of office of the directors shall be staggered and shall otherwise be determined, as provided in these bylaws, subject to the Articles of Incorporation and applicable laws. Such terms shall be divided into three groups, one of which shall consist of four directors and two of which shall consist of three directors.

4. The number of directors may at any time be increased or decreased, within the variable range estab lished by the Articles of Incorporation and these bylaws, by amendment of these bylaws. In case of any such increase the Board shall have power to elect any additional director to hold office until the next shareholders' meeting at which directors are elected. Any decrease in the number of direc tors shall take effect at the time of such amendment only to the extent that vacancies then exist; to the extent that such decrease exceeds the number of such vacancies, the decrease shall not become effective, except as further vacancies may thereafter occur by expiration of the term of directors at the next shareholders' meeting at which direc tors are elected, or otherwise.

5. If the office of any director becomes vacant, by reason of death, resignation, increase in the number of directors or otherwise, the directors remaining in office, although less than a quorum, may fill the vacancy by the affirmative vote of a majority of such directors.

6. Any director may resign at any time by delivering written notice of his resignation to the Board of Directors or the Chairman of the Board. Any such resignation shall take effect upon such delivery or at such later date as may be specified therein. Any such notice to the Board may be addressed to it in care of the Secretary.

ARTICLE VI

COMMITTEES OF DIRECTORS

There shall be an Executive Committee, an Audit and Ethics Committee, a Compensation and Benefits Committee, a Finance Committee, a Nominating Committee and a Pension Committee, and the Board of Directors may create one or more other committees. Each committee of the Board of Directors shall consist of two or more directors of the corporation who shall be appointed by, and shall serve at the pleasure of, the Board. The Executive Committee, to the extent determined by the Board but subject to limitations expressly prescribed by statute, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the corporation. The Audit and Ethics Committee, the Compensation and Benefits Committee, the Finance Committee, the Nominating Committee and the Pension Committee and each such other committee shall have such of the powers and authority of the Board as may be determined by the Board. Each committee shall report its proceedings to the Board when required. Provisions with respect to the Board of Directors which are applicable to meetings, actions without meetings, notices and waivers of notice and quorum and voting requirements shall also be applicable to each committee, except that a quorum of the Executive Committee shall consist of one third of the number of members of the Committee, three of whom are not employees of the Company or any of its subsidiaries.

ARTICLE VII

COMPENSATION OF DIRECTORS

The Board of Directors may fix the compensation of the directors for their services, which compensation may include an annual fee, a fixed sum and expenses for attendance at regular or special meetings of the Board or any committee thereof, pension benefits and such other amounts as the Board may determine. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

ARTICLE VIII

MEETINGS OF DIRECTORS; ACTION WITHOUT A MEETING

1. Regular meetings of the Board of Directors may be held pursuant to resolutions from time to time adopted by the Board, without further notice of the date, time, place or purpose of the meeting.

2. Special meetings of the Board of Directors may be called by the Chairman of the Board on at least 24 hours' notice to each director of the date, time and place thereof, and shall be called by the Chairman of the Board or by the Secretary on like notice on the request in writing of a majority of the total number of directors in office at the time of such request. Except as may be otherwise required by the Articles of Incorporation or these bylaws, the pur pose or purposes of any such special meeting need not be stated in such notice.

3. The Board of Directors may hold its meetings, have one or more offices and, subject to the laws of the Common wealth of Virginia, keep the share transfer books and other books and records of the corporation, within or without said Commonwealth, at such place or places as it may from time to time determine.

4. At each meeting of the Board of Directors the presence of a majority of the total number of directors in office immediately before the meeting begins shall be necessary and sufficient to constitute a quorum for the transaction of business, and, except as otherwise provided by the Articles of Incorporation or these bylaws, if a quorum shall be present the affirmative vote of a majority of the directors present shall be the act of the Board.

5. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if one or more written consents stating the action taken, signed by each director either before or after the action is taken, are included in the minutes or filed with the corporate records. Any or all directors may participate in any regular or special meeting of the Board, or conduct such meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other, and a director participating in a meeting by this means shall be deemed to be present in person at such meeting.

ARTICLE IX

OFFICERS

1. The officers of the corporation shall be chosen by the Board of Directors and shall be a Chairman of the Board, a Vice Chairman of the Board, a President, one or more Senior Vice Presidents, one or more Vice Presidents, a General Counsel, a Treasurer and a Secretary. The Board may also appoint a Controller and one or more Executive Vice Presidents, Assistant Treasurers, Assistant Controllers and Assistant Secretaries, and such other officers as it may deem necessary or advisable. Any number of offices may be held by the same person. The Board may authorize an officer to appoint one or more other officers or assistant officers. The officers shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be prescribed from time to time by the Board or by direction of an officer authorized by the Board to prescribe duties of other officers.

2. The Board of Directors, at its first meeting after the annual meeting of shareholders, shall choose a Chairman of the Board from among the directors and shall choose the remaining officers who need not be members of the Board.

3. The salaries of all officers of the corporation shall be fixed by the Board of Directors, or in such manner as the Board may prescribe.

4. The officers of the corporation shall hold office until their successors are chosen and qualified. Any offi cer may at any time be removed by the Board of Directors or, in the case of an officer appointed by another officer as provided in these bylaws, by such other officer. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board or, in the case of an officer so appointed, by such other officer.

5. Any officer may resign at any time by delivering notice of his resignation to the Board of Directors or the Chairman of the Board. Any such resignation may be effec tive when the notice is delivered or at such later date as may be specified therein if the corporation accepts such later date. Any such notice to the Board shall be addressed to it in care of the Chairman of the Board or the Secretary.

ARTICLE X

CHAIRMAN OF THE BOARD

The Chairman of the Board shall preside at meetings of the shareholders and of the Board of Directors. He shall be the chief executive officer of the corporation. Subject to the supervision and direction of the Board of Directors, he shall be responsible for managing the affairs of the corpo ration. He shall have supervision and direction of all of the other officers of the corporation and shall have the powers and duties usually and customarily associated with the office of Chairman of the Board.

ARTICLE XI

PRESIDENT

The President shall be the chief operating officer of the corporation and shall perform such duties as may be prescribed by these bylaws, or by the Chairman of the Board. He shall, in case of the absence or inability of the Chair man of the Board to act, have the powers and perform the duties of the Chairman of the Board.

ARTICLE XII

VICE CHAIRMAN OF THE BOARD, EXECUTIVE VICE PRESIDENTS, SENIOR VICE PRESIDENTS AND VICE PRESIDENTS

1. The Vice Chairman of the Board, in case of the absence of the Chairman of the Board and the President, shall preside at meetings of the shareholders and of the Board of Directors. He shall have such other powers and duties as may be delegated to him by the Chairman of the Board.

2. The Executive Vice Presidents, the Senior Vice Presidents and the Vice Presidents shall have such powers and duties as may be delegated to them by the Chairman of the Board.

ARTICLE XIII

GENERAL COUNSEL

The General Counsel shall be the chief legal officer of the corporation and the head of its legal department. He shall, in general, perform the duties incident to the office of General Counsel and shall have such other powers and duties as may be delegated to him by the Chairman of the Board.

ARTICLE XIV

TREASURER

The Treasurer shall be responsible for the care and custody of all the funds and securities of the corporation. He shall render an account of the financial condition and operations of the corporation to the Board of Directors or the Chairman of the Board as often as the Board or the Chairman of the Board shall require. He shall have such other powers and duties as may be delegated to him by the Chairman of the Board.

ARTICLE XV

CONTROLLER

The Controller shall maintain adequate records of all assets, liabilities and transactions of the corporation, and shall see that adequate audits thereof are currently and regularly made. He shall disburse the funds of the corpora tion in payment of the just obligations of the corporation, or as may be ordered by the Board of Directors, taking proper vouchers for such disbursements. He shall have such other powers and duties as may be delegated to him by the Chairman of the Board.

ARTICLE XVI

SECRETARY

The Secretary shall act as custodian of the minutes of all meetings of the Board of Directors and of the share holders and of the committees of the Board of Directors. He shall attend to the giving and serving of all notices of the corporation, and he or any Assistant Secretary shall attest the seal of the corporation upon all contracts and instru ments executed under such seal. He shall also be custodian of such other books and records as the Board or the Chairman of the Board may direct. He shall have such other powers and duties as may be delegated to him by the Chairman of the Board.

ARTICLE XVII

TRANSFER AGENTS AND REGISTRARS;
CERTIFICATES OF STOCK

1. The Board of Directors may appoint one or more transfer agents and one or more registrars for shares of capital stock of the corporation and may require all cer tificates for such shares, or for options, warrants or other rights in respect thereof, to be countersigned on behalf of the corporation by any such transfer agent or by any such registrar.

2. The certificates for shares of the corporation shall be numbered and shall be entered on the books of the corporation as they are issued. Each share certificate shall state on its face the name of the corporation and the fact that it is organized under the laws of the Commonwealth of Virginia, the name of the person to whom such certificate is issued and the number and class of shares and the designation of the series, if any, represented by such certificate and shall be signed by the Chairman of the Board, Vice Chairman of the Board, the President, an Executive or Senior Vice President or a Vice President and by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary. Any and all signatures on such certificates, including signatures of officers, transfer agents and registrars may be facsimile. In case any officer who has signed or whose facsimile signature has been placed on any such certificate shall have ceased to be such officer before such certificate is issued, then, unless the Board of Directors shall otherwise determine and cause notification thereof to be given to such transfer agent and registrar, such certificate shall nevertheless be valid and may be issued by the corporation (and by its transfer agent) and registered by its registrar with the same effect as if he were such officer at the date of issue.

ARTICLE XVIII

TRANSFERS OF STOCK

1. All transfers of shares of the corporation shall be made on the books of the corporation by the registered holders of such shares in person or by their attorneys lawfully constituted in writing, or by their legal representatives.

2. Certificates for shares of stock shall be surrendered and canceled at the time of transfer.

3. To the extent that any provision of the Amended and Restated Rights Agreement dated as of June 30, 1993, between the corporation and Chemical Bank, as Rights Agent, imposes a restriction on the transfer of any securities of the corporation, including, without limitation, the Rights, as defined in the Amended and Restated Rights Agreement, such restriction is hereby authorized.

ARTICLE XIX

FIXING RECORD DATE

In order to make a determination of shareholders for any purpose, including those who are entitled to notice of and to vote at any meeting of shareholders or any adjourn ment thereof, or entitled to express consent in writing to any corporate action without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock, the Board of Directors may fix in advance a record date which shall not be more than 70 days before the meeting or other action requiring such determination. Except as otherwise expressly prescribed by statute, only shareholders of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting and any adjournment thereof, or entitled to express such consent, or entitled to receive payment of such dividend or other distribution or allotment of rights, or entitled to exercise such rights in respect of change, conversion or exchange, or to take such other action, as the case may be, notwithstanding any trans fer of shares on the share transfer books of the corporation after any such record date fixed as aforesaid.

ARTICLE XX

REGISTERED SHAREHOLDERS

The corporation shall be entitled to treat the holder of record of any share or shares as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly provided by the laws of the Commonwealth of Virginia.

ARTICLE XXI

CHECKS

All checks, drafts and other orders for the payment of money and all promissory notes and other evidences of indebtedness of the corporation shall be signed in such manner as may be determined by the Board of Directors.

ARTICLE XXII

FISCAL YEAR

The fiscal year of the corporation shall end on December 31 of each year.

ARTICLE XXIII

NOTICES AND WAIVER

1. Whenever by statute, the Articles of Incorporation or these bylaws it is provided that notice shall be given to any director or shareholder, such provision shall not be construed to require personal notice, but such notice may be given in writing, by mail, by depositing the same in the United States mail, postage prepaid, directed to such shareholder or director at his address as it appears on the records of the corporation, or, in default of other address, to such director or shareholder at the registered office of the corporation in the Commonwealth of Virginia, and, except for any meeting of directors to be held within 48 hours after such notice, shall be deemed to be given at the time when the same shall be thus deposited. Notice of special meetings of the Board of Directors may also be given to any director by telephone, by telex or telecopy, or by telegraph or cable, and in case of notice so given otherwise than by telephone, the notice shall be deemed to be given at the time such notice, addressed to such director at the address hereinabove provided, shall be acknowledged by reply telex or telecopy or shall be transmitted or delivered to and accepted by an authorized telegraph or cable office, as the case may be.

2. Whenever by statute, the Articles of Incorporation or these bylaws a notice is required to be given, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, and filed with the corporate records or the minutes of the meeting, shall be equivalent to notice. Attendance of any share holder or director at any meeting thereof shall constitute a waiver of notice of such meeting by such shareholder or director, as the case may be, except as otherwise provided by statute.

ARTICLE XXIV

BYLAWS

The Board of Directors shall have the power to make, amend or repeal bylaws of the corporation.