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

FORM 10-Q

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

For the quarterly period ended June 30, 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, Glen Allen, 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 ___

As of August 12, 1997, 41,129,679 shares of $1 par value Pittston Brink's Group Common Stock, 20,554,100 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.

Part I - Financial Information

The Pittston Company and Subsidiaries
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)

	June 30 1997	December 31 1996
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 59,997	41,217
Short-term investments, at lower of cost or market	1,712	1,856
Accounts receivable (net of estimated amount uncollectible: 1997 - $17,617; 1996 - $16,116)	504,628	475,859
Inventories, at lower of cost or market	48,888	37,127
Prepaid expenses	46,884	32,798
Deferred income taxes	48,245	49,557
Total current assets	710,354	638,414
Property, plant and equipment, at cost (net of depreciation, depletion and amortization: 1997 - $488,833; 1996 - $457,756)	604,007	540,851
Intangibles, net of amortization	300,266	317,062
Deferred pension assets	123,999	124,241
Deferred income taxes	54,698	58,690
Other assets	163,822	153,345
Total assets	$ 1,957,146	1,832,603

LIABILITIES AND SHAREHOLDERS' EQUITY
Current liabilities:

Short-term borrowings	$ 26,123	31,669
Current maturities of long-term debt	5,626	5,450
Accounts payable	273,620	271,296
Accrued liabilities	275,974	280,276
Total current liabilities	581,343	588,691
Long-term debt, less current maturities	265,665	158,837
Postretirement benefits other than pensions	229,913	226,697
Workers' compensation and other claims	112,747	116,893
Deferred income taxes	15,064	15,075
Other liabilities	121,799	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 - 115 shares; 1996 - 115 shares	1,154	1,154
Pittston Brink's Group Common Stock, par value $1 per share: Authorized: 100,000 shares; Issued: 1997 - 41,129 shares; 1996 - 41,296 shares	41,129	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	410,190	400,135
Retained earnings	297,119	273,118
Equity adjustment from foreign currency translation	(27,827)	(21,188)
Employee benefits trust, at market value	(120,134)	(116,925)
Total shareholders' equity	630,615	606,707
Total liabilities and shareholders' equity	$ 1,957,146	1,832,603

See accompanying notes to consolidated financial statements.

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

	Three Months Ended June 30		Six Months Ended June 30	
	1997	1996	1997	1996
Net sales	$ 157,812	175,268	316,695	345,520
Operating revenues	668,342	582,119	1,291,135	1,142,774
Net sales and operating revenues	826,154	757,387	1,607,830	1,488,294
Costs and expenses:				
Cost of sales	153,836	169,444	307,248	365,329
Operating expenses	553,434	483,250	1,072,253	956,316
Restructuring and other credits, including litigation accrual	-	-	-	(37,758)
Selling, general and administrative expenses	94,455	71,026	170,098	143,322
Total costs and expenses	801,725	723,720	1,549,599	1,427,209
Other operating income, net	2,875	7,243	6,451	10,058
Operating profit	27,304	40,910	64,682	71,143
Interest income	991	811	2,010	1,336
Interest expense	(6,422)	(3,379)	(11,986)	(7,124)
Other expense, net	(1,899)	(2,009)	(4,288)	(4,406)
Income before income taxes	19,974	36,333	50,418	60,949
Provision for income taxes	5,311	10,908	14,414	16,904
Net income	14,663	25,425	36,004	44,045
Preferred stock dividends, net	(902)	146	(1,803)	(919)
Net income attributed to common shares	$ 13,761	25,571	34,201	43,126
Pittston Brink's Group:				
Net income attributed to common shares	$ 17,739	14,035	33,045	25,874

Net income per common share	$ .46	.37	.86	.68
Cash dividend per common share	$ .025	.025	.05	.05
Pittston Burlington Group:				
Net (loss) income attributed to common shares	$ (1,913)	8,746	3,175	12,507
Net (loss) income per common share:				
Primary	$ (.10)	.46	.16	.65
Fully diluted	(.10)	.46	.16	.65
Cash dividends per common share	$ .06	.06	.12	.12
Pittston Minerals Group:				
Net (loss) income attributed to common shares	$ (2,065)	2,790	(2,019)	4,745
Net (loss) income per common share:				
Primary	$ (.26)	.35	(.25)	.60
Fully diluted	(.26)	.27	(.25)	.57
Cash dividends per common share	$ .1625	.1625	.3250	.3250

See accompanying notes to consolidated financial statements.

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

	Six Months Ended June 30 1997	1996
Cash flows from operating activities:		
Net income	$ 36,004	44,045
Adjustments to reconcile net income to net cash provided by operating activities:		
Noncash charges and other write-offs	-	29,948
Depreciation, depletion and amortization	60,824	55,035
Provision for aircraft heavy maintenance	16,382	16,067
Provision for deferred income taxes	5,117	9,362
Provision for pensions, noncurrent	72	98
Provision for uncollectible accounts receivable	3,849	3,557
Equity in earnings of unconsolidated affiliates, net of dividends received	1,326	(193)
Other operating, net	5,223	3,066
Change in operating assets and liabilities, net of effects of acquisitions and dispositions:		
Increase in accounts receivable	(15,870)	(17,999)
Increase in inventories	(11,677)	(2,365)
Increase in prepaid expenses	(12,390)	(2,738)
Increase (decrease) in accounts payable and accrued liabilities	490	(22,710)
Increase in other assets	(2,202)	(4,375)
Increase (decrease) in other liabilities	2,210	(37,397)
Decrease in workers' compensation and other claims, noncurrent	(4,145)	(5,596)
Other, net	329	22
Net cash provided by operating activities	85,542	67,827
Cash flows from investing activities:		
Additions to property, plant and equipment	(82,236)	(78,004)
Aircraft heavy maintenance expenditures	(19,350)	(9,713)
Proceeds from disposal of property, plant and equipment	3,698	8,262
Acquisitions, net of cash acquired, and related contingency payments	(54,094)	(971)
Other, net	6,996	4,181
Net cash used by investing activities	(144,986)	(76,245)

Cash flows from financing activities:		
Additions to debt	109,082	21,643
Reductions of debt	(18,263)	(8,550)
Repurchase of stock	(6,897)	(4,068)
Proceeds from exercise of stock options and employee stock purchase plan	2,691	2,037
Dividends paid	(8,389)	(8,733)
Cost of stock proposal	-	(2,146)
Net cash provided by financing activities	78,224	183
Net increase (decrease) in cash and cash equivalents	18,780	(8,235)
Cash and cash equivalents at beginning of period	41,217	52,823
Cash and cash equivalents at end of period	$ 59,997	44,588

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, the 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 common shares outstanding used in the net income per share computations were as follows:

	Three Months Ended June 30 1997	1996	Six Months Ended June 30 1997	1996
Brink's Stock	38,230	38,152	38,209	38,105
Burlington Stock:				
Primary	19,471	19,161	19,439	19,100
Fully diluted	20,164	19,161	20,128	19,100
Minerals Stock:				
Primary	8,068	7,866	8,035	7,844
Fully diluted	9,903	9,947	9,878	9,969

The average common 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 2,877 (3,340 in 1996), 1,069 (1,540 in 1996) and 321 (491 in 1996), respectively, at June 30, 1997.

Fully diluted net (loss) income per share for the Burlington Group for all periods presented is considered to be the same as primary since the effect of common stock equivalents was either antidilutive or insignificant.

For the quarter and six months ended June 30, 1997, fully diluted net (loss) income per share for the Minerals Group is considered to be the same as primary since the effect of common stock equivalents and the assumed conversion of preferred stock was either antidilutive or insignificant.

(3) Depreciation, depletion and amortization of property, plant and equipment in the second quarter and six-month period of 1997 totaled $24,837 ($22,368 in 1996) and $48,498 ($44,249 in 1996), respectively.

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

	Three Months Ended June 30 1997	1996	Six Months Ended June 30 1997	1996
Interest	$ 6,839	3,677	12,278	8,021
Income taxes	$ 13,034	3,128	17,564	8,182

During the six months ended June 30, 1997 and 1996, capital lease obligations of $1,766 and $493, respectively, were incurred for leases of property, plant and equipment.

The acquisition of Cleton & Co. by the Burlington Group in June of 1997 had no impact on cash flows for the period ended June 30, 1997.

(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. The third payment will be made in August 1997 and will also be 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 $35,650 ($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 the first quarter of 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 Brink's Group and the BHS segment for the first six months of 1997 and 1996 by $2,368 and $2,176, respectively, and for the second quarter of 1997 and 1996 by $1,190 and $1,129, respectively. The effect of this change increased net income per common share of the Brink's Group by $0.04 in the first six months of both 1997 and 1996, and by $0.02 in the second quarter of both 1997 and 1996.

(8) Based on demonstrated retention of customers, BHS prospectively adjusted its annual depreciation rate for capitalized subscribers' installation costs beginning in 1997. This change more accurately matches depreciation expense with monthly recurring revenue generated from customers. This change in accounting estimate reduced depreciation expense for capitalized installation costs for the quarter and six months ended June 30, 1997 for the Brink's Group and the BHS segment by $2,132 and $4,222, respectively. The effect of this change increased net income of the Brink's Group in the second quarter and first six months of 1997 by $1,386 ($0.04 per common share) and $2,744 ($0.07 per common share), respectively.

(9) During the three months ended June 30, 1997 and 1996, the Company purchased 13 shares (at a cost of $374) and no shares, respectively, of Brink's Stock; no shares and 5 shares (at a cost of $93), respectively, of Burlington Stock; and no shares of Minerals Stock under the share

repurchase program authorized by the Board of Directors of the Company (the "Board"). During the six months ended June 30, 1997 and 1996, the Company purchased 166 shares (at a cost of $4,347) and no shares, respectively, of Brink's Stock; 132 shares (at a cost of $2,550) and 5 shares (at a cost of $93), respectively, of Burlington Stock; and no shares of Minerals Stock under the share repurchase program. Subsequent to June 30, 1997 and through August 12, 1997, the Company repurchased 24 shares of Burlington Stock at a cost of $579.

(10) There were no Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock") repurchases during the quarter and six months ended June 30, 1997. During the quarter and six months ended June 30, 1996, the Company purchased 11 shares (at a cost of $3,975) of the Convertible Preferred Stock. Preferred dividends included on the Company's Statement of Operations for the quarter and six months ended June 30, 1996, are net of $1,100 which is the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to holders of the stock.

(11) The Company will implement the following new accounting standards:

Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share", will be implemented 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". On the effective date, all prior-period EPS data presented will be restated to conform with the provisions of SFAS No. 128.

SFAS No. 130, "Reporting Comprehensive Income", will be implemented in the first quarter of 1998. SFAS No. 130 establishes standards for the reporting and display of comprehensive income and its components in financial statements. Comprehensive income generally represents all changes in shareholders' equity except those resulting from investments by or distributions to shareholders. With the exception of foreign currency translation adjustments, such changes are not significant to the Company.

SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information", will be implemented in the first quarter of 1998. SFAS No. 131 requires publicly-held companies to report financial and descriptive information about operating segments in financial statements issued to shareholders for interim and annual periods. The SFAS also requires additional disclosures with respect to products and services, geographic areas of operation, and major customers. The adoption of this SFAS is not expected to have a material impact on the financial statements of the Company.

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

(13) 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

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

	Three Months Ended June 30		Six Months Ended June 30	
(In thousands)	1997	1996	1997	1996
Net sales and operating revenues:				
Brink's	$ 224,550	183,411	433,749	359,265
BHS	44,225	38,644	86,410	75,350
Burlington	399,567	360,064	770,976	708,159
Coal Operations	154,073	169,896	308,666	335,364
Mineral Ventures	3,739	5,372	8,029	10,156

Net sales and operating revenues	$ 826,154	757,387	1,607,830	1,488,294
Operating profit:				
Brink's	$ 19,143	12,524	34,944	21,902
BHS	13,273	11,401	26,052	22,503
Burlington	(565)	16,327	10,191	25,013
Coal Operations	1,232	5,190	4,855	9,567
Mineral Ventures	(1,310)	575	(1,765)	1,749
Segment operating profit	31,773	46,017	74,277	80,734
General corporate expense	(4,469)	(5,107)	(9,595)	(9,591)
Total operating profit	$ 27,304	40,910	64,682	71,143

In the second quarter of 1997, the Company reported net income of $14.7 million compared with $25.4 million in the second quarter of 1996. Operating profit totaled $27.3 million in the 1997 second quarter compared with $40.9 million in the prior year second quarter. Increased operating profits at Brink's ($6.6 million) and BHS ($1.9 million) as well as lower general corporate expenses ($0.6 million), were offset by lower operating results at Burlington ($16.9 million, including a $12.5 million charge for consulting costs related to the redesign of Burlington's global business processes and new information systems architecture), Coal Operations ($4.0 million) and Mineral Ventures ($1.9 million).

In the first six months of 1997, the Company reported net income of $36.0 million compared with $44.0 million in the first six months of 1996. Operating profit totaled $64.7 million in the first six months of 1997 compared with $71.1 million in the prior year period. Coal Operations' first six months of 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). Increased operating profits in the first six months of 1997 at Brink's ($13.0 million) and BHS ($3.5 million) were offset by decreases in operating results at Burlington ($14.8 million, including the $12.5 million charge), Coal Operations ($4.7 million) and Mineral Ventures ($3.5 million).

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

	Three Months Ended June 30		Six Months Ended June 30	
(In thousands)	1997	1996	1997	1996
Operating revenues:				
North America (United States & Canada)	$ 117,616	103,935	228,388	202,115
International subsidiaries	106,934	79,476	205,361	157,150
Total operating revenues	$ 224,550	183,411	433,749	359,265
Operating expenses	175,441	149,143	342,497	292,651
Selling, general and administrative expenses	30,083	22,069	55,804	44,543
Total costs and expenses	205,524	171,212	398,301	337,194
Other operating income (expense), net	117	325	(504)	(169)
Operating profit:				
North America (United States & Canada)	9,657	8,161	17,411	14,091
International operations	9,486	4,363	17,533	7,811
Total operating profit	$ 19,143	12,524	34,944	21,902
Depreciation and amortization	$ 6,811	5,708	14,358	11,737
Cash capital expenditures	$ 10,291	9,198	20,105	16,004

Brink's consolidated revenues totaled $224.6 million in the second quarter of 1997 compared with $183.4 million in the second quarter of 1996. Brink's operating profit of $19.1 million in the second quarter of 1997 represented a

$6.6 million (53%) increase over the $12.5 million operating profit reported in the prior year quarter. The revenue increase of $41.2 million (22%) in the 1997 second quarter was offset, in part, by an increase in operating expenses and selling, general and administrative expenses of $34.3 million and a decrease in other operating income of $0.2 million.

Revenues from North American operations (United States and Canada) increased $13.7 million (13%) to $117.6 million in the 1997 second quarter from $103.9 million in the prior year quarter. North American operating profit increased $1.5 million (18%) to $9.7 million in the current year quarter from $8.2 million in the second quarter of 1996. The operating profit improvement primarily resulted from improved armored car operations, which includes ATM servicing.

Revenues from international subsidiaries increased $27.4 million to $106.9 million in the 1997 second quarter from $79.5 million in the 1996 quarter. Operating profits from international subsidiaries and minority-owned affiliates amounted to $9.5 million in the current year quarter compared to $4.4 million in the prior year second quarter. More than half of these increases were due to the consolidation of the results of Brink's Venezuelan subsidiary, 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, whose operating profits increased $3.9 million during the second quarter 1997, benefited from increased ownership positions in Venezuela and Peru. The region's results also improved due to increased profits in both Colombia and Chile, offset, in part, by lower results in Brazil and in start-up operations in Argentina. In Europe, operating profits increased $0.7 million due to improved performance in most countries. However, these improvements were offset, in large part, by unfavorable results of the 38% owned affiliate in France. The operating profits in the Asia Pacific region in the second quarter of 1997 were essentially unchanged from the comparable quarter of 1996. Operating profits from Brink's international diamond and jewelry operations increased slightly in the second quarter of 1997 versus the same period in 1996.

Brink's consolidated revenues totaled $433.7 million in the first six months of 1997 compared with $359.3 million in the first six months of 1996. Brink's operating profit of $34.9 million in the first six months of 1997 represented a $13.0 million (60%) increase over the $21.9 million operating profit reported in the prior year period. The revenue increase of $74.4 million (21%) in the first half of 1997 was offset, in part, by an increase in operating expenses and selling, general and administrative expenses of $61.1 million and a increase in other operating expense of $0.3 million.

Revenues from North American operations increased $26.3 million (13%) to $228.4 million in the first six months of 1997 from $202.1 million in the same period of 1996. North American operating profit increased $3.3 million (23%) to $17.4 million in the current year period from $14.1 million in the same period of 1996. The operating profit improvement for the six months of 1997 primarily resulted from improved armored car operations, which includes ATM servicing, and to a lesser extent, improved currency processing operations.

Revenues from international subsidiaries increased $48.2 million to $205.4 million in the first six months of 1997 from $157.2 million in the first six months of 1996. Operating profits from international subsidiaries and minority-owned affiliates amounted to $17.5 million in the current year period compared to $7.8 million in the prior year period. More than half of these increases were due to the consolidation of the results of Brink's Venezuelan subsidiary in the results of the Latin America region, where total operating profit increased $8.0 million in the first six months of 1997 as compared to 1996. Results in Latin America also benefited from improvements in Chile and Colombia offset, in part, by lower results in Brazil and start-up operations in Argentina. Operating profits in Europe increased $0.7 million in the first six months of 1997 due to improved results in most countries, which were largely offset by unfavorable results in France. Operating profits in the Asia Pacific region remained essentially unchanged, while Brink's international diamond and jewelry operations showed improved performance in the six month period ended June 30, 1997.

As mentioned above, Brink's increased its ownership in Custravalca from 15% to 61% in the first quarter of 1997 and in conjunction with this transaction, Brink's also acquired a further 31% interest in Brink's Peru S.A., increasing its ownership position in this affiliate to 36%. Brink's also acquired the remaining interests in Brink's Hong Kong and Brink's Holland, increasing ownership in these subsidiaries to 100%, and acquired additional interests in Brink's Bolivia and Brink's Taiwan during the first quarter.

Net interest and minority ownership expense partially offset by foreign translation gains associated with the Venezuelan acquisition was $2.3 million and $4.1 million in the second quarter and six-month period ended June 30, 1997, respectively, and offset more than half of the operating profit generated by this operation in each such period.

BHS

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

(Dollars in thousands)	Three Months Ended June 30 1997	1996	Six Months Ended June 30 1997	1996
Operating revenues	$ 44,225	38,644	86,410	75,350

Operating expenses	22,300	20,300	43,152	39,358
Selling, general and administrative expenses	8,652	6,943	17,206	13,489
Total costs and expenses	30,952	27,243	60,358	52,847
Operating profit	$ 13,273	11,401	26,052	22,503
Depreciation and amortization	$ 7,116	7,422	13,782	14,244
Cash capital expenditures	$ 17,559	15,151	34,079	30,049
Annualized recurring revenues (a)			$ 142,005	116,509
Number of subscribers:				
Beginning of period	464,007	395,676	446,505	378,659
Installations	26,798	24,447	52,388	48,703
Disconnects	(8,740)	(7,532)	(16,828)	(14,771)
End of period	482,065	412,591	482,065	412,591

(a) Annualized recurring 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 $5.6 million (15%) to $44.2 million in the second quarter of 1997 from $38.6 million in the 1996 quarter. In the first six months of 1997, revenues for BHS increased by $11.0 million (15%) to $86.4 million from $75.4 million in the first six months of 1996. The increase in revenues in both periods was predominantly from higher ongoing monitoring and service revenues, reflecting a 17% increase in the subscriber base. As a result of such growth, annualized recurring revenues at the end of the second quarter of 1997 grew 22% over the amount in effect at the end of the second quarter of 1996. The increase in monitoring and service revenues was partially offset by a decrease in installation revenue. While the number of new security system installations has increased, the revenue per installation has decreased in both the three and six month periods ended June 30, 1997, as compared to the 1996 periods, due to continuing competitive installation pricing in the marketplace.

Operating profit of $13.3 million in the second quarter of 1997 represented an increase of $1.9 million (17%) compared to the $11.4 million earned in the 1996 second quarter. In the first six months of 1997, operating profit increased $3.6 million (16%) to $26.1 million from $22.5 million earned in the first six months of 1996. These increases included a $2.1 million and $4.2 million reduction in depreciation expense in the second quarter and first six months of 1997, respectively, resulting from a change in accounting estimate (discussed below). Operating profit for the quarter and six months ended June 30, 1997 was favorably impacted by the 17% growth in the subscriber base, higher average monitoring fees and the aforementioned change in depreciation, partially offset by increased account servicing and administrative expenses, which were a consequence of the larger subscriber base. Operating profit in the same respective periods of 1997 was also impacted by a $2.0 million and $3.4 million increase in net installation and marketing costs incurred and expensed. While these costs to obtain subscribers increased during the 1997 periods, the cash margins per subscriber generated from recurring revenues remained essentially unchanged between the 1997 and 1996 periods.

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 retention of subscribers, and to more accurately match depreciation expense with monthly recurring revenue 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 second quarter and first six months of 1997 by $2.1 million and $4.2 million, respectively.

Burlington

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

(In thousands - except per pound/shipment amounts)	Three Months Ended June 30 1997	1996	Six Months Ended June 30 1997	1996
Operating revenues:				
Domestic U.S.				
Expedited freight services	$ 144,668	133,952	281,340	262,732
Other	1,890	1,434	3,612	2,102
Total Domestic U.S.	146,558	135,386	284,952	264,834
International				
Expedited freight services	192,731	172,461	373,622	342,176
Customs clearances	31,663	30,362	59,300	58,776
Ocean and other	28,615	21,855	53,102	42,373
Total International	253,009	224,678	486,024	443,325
Total operating revenues	399,567	360,064	770,976	708,159
Operating expense	355,693	313,807	686,604	624,307
Selling, general and administrative	45,298	30,448	75,689	59,580
Total costs and expenses	400,991	344,255	762,293	683,887
Other operating income, net	859	518	1,508	741
Operating (loss) profit:				
Domestic U.S.	3,498	10,029	7,615	13,737
International	8,437	6,298	15,076	11,276
Other (a)	(12,500)	-	(12,500)	-
Total operating (loss) profit	$ (565)	16,327	10,191	25,013
Expedited freight services shipment growth rate	0.6%	3.4%	(0.6)%	4.4%
Expedited freight services weight growth rate:				
Domestic U.S.	3.1%	5.3%	2.0%	4.1%
International	7.9%	6.5%	5.2%	7.9%
Worldwide	5.7%	5.9%	3.7%	6.1%
Expedited freight services weight (millions of pounds)	372.6	352.6	723.1	697.2
Expedited freight services shipments (thousands)	1,330	1,322	2,605	2,620
Expedited freight services average:				
Yield (revenue per pound)	$ .906	.869	.906	.868
Revenue per shipment	$ 254	232	251	231
Weight per shipment (pounds)	280	267	278	266

(a) Consulting expenses related to the redesign of Burlington's global business processes and new information systems architecture.

Burlington's second quarter operating loss, after the $12.5 million charge, amounted to $0.6 million, a decrease of $16.9 million from the $16.3 million operating profit reported in the second quarter of 1996. Worldwide revenues increased by 11% to $399.6 million from $360.1 million in the 1996 quarter. The $39.5 million growth in revenues principally reflects a 6% increase in worldwide expedited freight services pounds shipped, which reached 372.6 million pounds in the second quarter of 1997, combined with a 4% increase in yield on this volume. In addition, non-expedited freight services revenues, increased $8.5 million (16%) during the second quarter of 1997 as compared to the same quarter in 1996. Worldwide expenses, which include the $12.5 million charge, amounted to $401.0 million, $56.7 million (16%) higher than in the second quarter of 1996.

In the second quarter of 1997, Burlington's domestic revenues increased from $135.4 million to $146.6 million. This $11.2 million (8%) increase was primarily due to an increase of $10.7 million in domestic expedited freight services revenues. The higher level of domestic expedited freight services revenue in 1997 was due to a 3% increase in weight shipped combined with a 5% increase in the average yield. The yield increase is due to higher average pricing on both overnight and second-day freight, due in large part to a domestic shipment surcharge which was originally initiated in September 1996. This charge is designed to offset domestic operations cost increases which include Federal excise taxes on air cargo, higher jet fuel costs, a Federal fuel tax, and new FAA-mandated security and maintenance requirements. Domestic operating profit

during the second quarter of 1997 decreased $6.5 million from the $10.0 million recorded in the second quarter of 1996. Domestic transportation costs in second quarter of 1996 benefitted from a reduction in Federal excise tax liabilities of approximately $3 million. Transportation costs in the second quarter of 1997 were also higher due to expenses associated with additional capacity designed to improve on time customer service and to meet rising demand in some of Burlington's high growth markets.

International revenues in the second quarter of 1997 increased $28.3 million (13%) to $253.0 million from the $224.7 million recorded in the second quarter of 1996. International expedited freight services revenue increased $20.3 million (12%) due to an 8% increase in weight shipped combined with a 4% increase in the average yield. The increase in the average yield on international expedited freight is primarily due to a fuel surcharge implemented by Burlington in March 1997 in reaction to a corresponding surcharge implemented by its third party transportation providers. Both of these international surcharges will be phased out during the remainder of 1997. In addition, international non-expedited freight services revenue increased $8.1 million (15%) in the second quarter of 1997 as compared to the same period in 1996. The increase primarily relates to increases in international shipment volume and the continued expansion of ocean freight services. International operating profit in the second quarter of 1997 increased $2.1 million (33%) from the $6.3 million recorded in the second quarter of 1996. Operating profit during the second quarter of 1997 benefitted from increased revenues combined with improved margins in both U.S. exports and ocean freight services.

Burlington operating profit for the first six months of 1997, after the $12.5 million charge, amounted to $10.2 million, a decrease of $14.8 million from the $25.0 million reported in the first six months of 1996. Worldwide revenues in the 1997 period increased 9% to $771.0 million from $708.2 million in the 1996 period. The $62.8 million growth in revenues principally reflects a 4% increase in worldwide expedited freight services pounds shipped, which reached 723.1 million pounds in the first half of 1997, combined with a 4% increase in yield on this volume. In addition, non-expedited freight services revenues, increased $12.8 million (12%) during the first six months of 1997 as compared to 1996. Worldwide expenses in the 1997 period, which include the $12.5 million charge, amounted to $762.3 million, $78.4 million (11%) higher than the 1996 period.

In the first six months of 1997, Burlington's domestic revenues increased from $264.8 million to $285.0 million. This $20.2 million (8%) increase was primarily due to an increase of $18.6 million in domestic expedited freight services revenues. The higher level of expedited freight services revenue in 1997 was due to a 2% increase in weight shipped combined with a 5% increase in the average yield. The increase in average yield on domestic expedited freight is due to a combination of higher average pricing and a slight increase in the proportion of overnight freight in the sales mix. The higher average pricing is due in large part to a domestic shipment surcharge which was originally initiated in September 1996. This charge is designed to offset domestic operations cost increases which include Federal excise taxes on air cargo, higher jet fuel costs, a Federal fuel tax, and new FAA-mandated security and maintenance requirements. Domestic operating profit during the first six months of 1997 decreased $6.1 million from the $13.7 million recorded in the first six months of 1996. Domestic operating profit in the first six months of 1996 benefitted from the reduction in Federal excise tax liabilities. In addition, domestic operating profit in the first six months of 1997 was also negatively impacted by higher transportation costs.

International revenues in the first six months of 1997 increased $42.7 million (10%) to $486.0 million from the $443.3 million recorded in the comparable period of 1996. International expedited freight services revenue increased $31.4 million (9%) due to an 5% increase in weight shipped combined with a 4% increase in the average yield. The increase in the average yield on international expedited freight is primarily due to the fuel surcharge implemented by Burlington in March 1997 in reaction to a corresponding surcharge implemented by its third party transportation providers. In addition, international non-expedited freight services revenue increased $11.3 million (11%) in the first six months of 1997 as compared to the same period in 1996. The increase primarily relates to increases in international shipment volume and the continued expansion of ocean freight services. International operating profit in the first six months of 1997 increased $3.8 million (34%) from the $11.3 million recorded in the comparable period of 1996. Operating profit during the first six months of 1997 benefitted from increased revenues combined with improved margins in both U.S. exports and ocean freight services.

In June 1997, Burlington completed its acquisition of Cleton & Co. ("Cleton"), a leading logistics provider in the Netherlands. Burlington acquired Cleton for the equivalent of US $10.7 million (paid in July 1997), the assumption of the equivalent of US $10 million of debt, and additional contingent payments ranging from the current equivalent of US $0 to US $18 million to be paid over the next three years based on certain performance criteria of Cleton.

As part of its ongoing efforts to further enhance service quality and improve efficiencies, Burlington has formed a Global Innovation Team composed of management from various regions assisted by two independent consulting firms. The team is reviewing Burlington's operating activities to better ensure that Burlington provides a high 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 information systems to meet both customer and operational requirements. In connection with these efforts, Burlington recorded a charge of $12.5 million in the second quarter of 1997 which included most of the consulting fees and other project expenses incurred in the planning stage of the redesign program. Other cost and service improvement programs have been identified through this process and are expected to be implemented during the balance of 1997. Annualized cost savings from this phase of these initiatives are projected at $5 to $10 million.

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

(In thousands)	Three Months Ended June 30 1997	1996	Six Months Ended June 30 1997	1996
Net sales	$ 154,073	169,896	308,666	335,364
Cost of sales	150,144	165,306	299,883	358,224
Selling, general and administrative expenses	4,775	5,509	9,711	14,381
Restructuring and other credits, including litigation accrual	-	-	-	(37,758)
Total costs and expenses	154,919	170,815	309,594	334,847
Other operating income, net	2,078	6,109	5,783	9,050
Operating profit	1,232	5,190	4,855	9,567
Coal sales (tons):				
Metallurgical	1,823	1,954	3,714	3,999
Utility and industrial	3,294	3,831	6,523	7,403
Total coal sales	5,117	5,785	10,237	11,402
Production/purchased (tons):				
Deep	1,324	991	2,426	2,053
Surface	2,739	2,870	5,398	5,586
Contract	373	459	736	854
	4,436	4,320	8,560	8,493
Purchased	963	1,376	2,303	2,984
Total	5,399	5,696	10,863	11,477

Coal Operations generated an operating profit of $1.2 million in the second quarter of 1997, compared to $5.2 million recorded in the 1996 second quarter. Operating profit in the 1996 quarter included a one-time benefit of $3.0 million related to litigation settlements, $1.0 million of additional tax credits relating to coal produced in Virginia and an additional $0.7 million of gains on asset sales.

Coal Operations had an operating profit of $4.9 million in the first six months of 1997 compared to an operating profit of $9.6 million in the prior year. Operating profit in the first six months of 1996 included the $3.0 million benefit for litigation settlement and an additional $0.5 million of gains on asset sales. In addition to these items, the first half of 1996 operating results also 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 the implementation of 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 1996 non-recurring items, operating profits from Coal Operations increased by $3.1 million in the 1997 period.

The following is a schedule of selected financial data for Coal Operations, excluding restructuring and other non-recurring items.

(In thousands, except per ton amounts)	Three Months Ended June 30 1997	1996	Six Months Ended June 30 1997	1996
Net coal sales (a)	$ 151,303	168,551	304,001	332,459
Current production cost of coal sold (a)	140,554	156,947	282,126	314,918

Coal margin	10,749	11,604	21,875	17,541
Non-coal margin	527	249	1,245	857
Other operating income, net	2,078	6,109	5,783	9,050
Margin and other income	13,354	17,962	28,903	27,448
Other costs and expenses:				
Idle equipment and closed mines	250	200	557	459
Inactive employee cost	7,097	7,063	13,780	14,487
Selling, general and administrative expenses	4,775	5,509	9,711	10,745
Total other costs and expenses	12,122	12,772	24,048	25,691
Operating profit (before restructuring and other credits and SFAS No. 121) (b)	$ 1,232	5,190	4,855	1,757
Coal margin per ton:				
Realization	$ 29.57	29.14	29.70	29.16
Current production costs	27.47	27.13	27.56	27.62
Coal margin	$ 2.10	2.01	2.14	1.54

(a) Excludes non-coal components.

(b) Restructuring and other credits in the six months ended June 30, 1996 consist of an impairment loss related to the implementation 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 Coal Operations as "Restructuring and other credits, including litigation accrual".

Sales volume of 5.1 million tons in the second quarter of 1997 was 0.7 million tons less than the 5.8 million tons sold in the prior year quarter. Compared to the second quarter of 1996, steam coal sales in 1997 decreased by 0.5 million tons (14%), to 3.3 million tons, and metallurgical coal sales declined by 0.2 million tons (7%), to 1.8 million tons. Steam coal sales represented 64% of total volume in 1997 and 66% in 1996.

Negotiations with metallurgical customers for the contract year which began April 1, 1997, resulted in price settlements 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. In addition, the steam coal market also remains relatively weak. As a result, Coal Operations adjusted, and will continue to adjust, its production levels and operating plans as necessary in order to address the challenges of these current markets.

Total coal margin of $10.7 million for the second quarter of 1997 represented a decrease of $0.9 million from the comparable period in 1996. The decline in coal margin reflects lower sales volume combined with an increase of $0.34 per ton in the current production cost of coal sold. These items were offset, in part, by an increase of $0.43 per ton in realization. The increase in average realization per ton was due, in part, to a favorable change in the 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.

The current production cost of coal sold increased $0.34 per ton to $27.47 per ton in the second quarter 1997 as compared to the 1996 period which included an additional $1.0 million ($0.20 per ton) of Virginia tax credits. The remaining increases primarily relate to higher deep mine and purchased coal costs in the second quarter of 1997. Production in the 1997 second quarter totaled 4.4 million tons, slightly higher (2%) than the 4.3 million tons produced in the 1996 second quarter. Second quarter surface production accounted for 63% and 68% of total production in 1997 and 1996, respectively. Productivity of 38 tons per man day remained consistent between the 1997 and 1996 quarters.

Non-coal margin, which reflects earnings from the oil, gas and timber businesses, amounted to $0.5 million in the second quarter of 1997, which was $0.3 million higher than in the second quarter of 1996. The increase largely reflects the impact of a favorable change in natural gas prices. Other operating income, primarily reflecting the benefits from sales of property and equipment and third party royalties, amounted to $2.1 million in the second quarter of 1997, $4.0 million less than in the comparable period of 1996. The 1996 second quarter included a one-time benefit of $3.0 million from litigation settlements and an additional $0.7 million of gains on asset sales.

Idle equipment and closed mine costs remained unchanged at $0.2 million in the 1997 and 1996 second quarters. Inactive employee costs, which primarily represent long-term employee liabilities for pension and retiree medical costs, also remained consistent at $7.1 million in the 1997 and 1996 second quarters. Selling, general and administrative expenses declined $0.7 million (13%) in the

second quarter of 1997 over the 1996 comparable period as a result of Coal Operations cost control efforts.

Sales volume of 10.2 million tons in the first half of 1997 was 1.2 million tons less than the 11.4 million tons sold in the 1996 period due to market conditions discussed above. Metallurgical coal sales declined by 0.3 million tons (7%) to 3.7 million tons and steam coal sales decreased by 0.9 million tons (12%) to 6.5 million tons compared to the prior year. Steam coal sales represented 64% of the total 1997 sales volume, as compared to 65% in 1996.

For the first six months of 1997, coal margin was $21.9 million, an increase of $4.3 million over the 1996 period. Coal margin per ton increased to $2.14 per ton in the first six months of 1997 from $1.54 per ton for the same period of 1996, due to a combination of a $0.54 per ton increase in realization and a slight decrease in the current production cost of coal sold, $0.06 per ton. 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.

The current production cost of coal sold for the first half of 1997 was $27.56 per ton as compared to $27.62 per ton for the first half of 1996. This decrease is essentially due, in 1996, to the negative impact of severe winter weather and higher surface mine costs. Production for the year-to-date 1997 period totaled 8.6 million tons, a slight increase from the 1996 period production of 8.5 million tons. Surface production accounted for 64% and 67% of the total volume in the 1997 and 1996 periods, respectively. Productivity of 37 tons per man day remained consistent between the 1997 and 1996 periods.

The non-coal margin was $1.2 million for the first half of 1997, an increase of $0.4 million due to improved natural gas prices over the 1996 period. Other operating income was $5.8 million for the 1997 period, a decrease of $3.3 million from the 1996 period. The 1996 period included a one-time benefit of $3.0 million for litigation settlements and an additional $0.5 million of gains on asset sales.

Idle equipment and closed mine costs were consistent between the first half of 1997 and 1996, increasing only $0.1 million. Inactive employee costs, which primarily represent long-term employee liabilities for pension and retiree medical costs, decreased by $0.7 million to $13.8 million in the 1997 six months. 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 by $1.0 million (10%) in the six months of 1997 as compared to the 1996 period, as a result of Coal Operations cost control efforts.

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. The third payment will be paid in August 1997 and will be 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 six months 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	263	1,013	781	2,057
Balance as of June 30, 1997	$ 113	11,426	24,504	36,043

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)	Three Months Ended June 30 1997	1996	Six Months Ended June 30 1997	1996
Stawell Gold Mine:				
Gold sales	$ 3,719	5,404	8,000	10,106
Other revenue (expense)	20	(32)	29	50
Net sales	3,739	5,372	8,029	10,156
Cost of sales (a)	3,666	4,139	7,297	7,105
Selling, general and administrative expenses (a)	381	272	679	534
Total costs and expenses	4,047	4,411	7,976	7,639
Operating profit (loss)-Stawell Gold Mine	(308)	961	53	2,517
Other operating expense, net	(1,002)	(386)	(1,818)	(768)
Operating (loss) profit	$ (1,310)	575	(1,765)	1,749
Stawell Gold Mine:				
Mineral Ventures' 50% direct share:				
Ounces sold	9,665	12,841	20,241	24,600
Ounces produced	9,315	11,868	20,266	23,982
Average per ounce sold (US$):				
Realization	$ 385	421	395	411
Cash cost	370	304	348	275

(a) Excludes $26 and $797, and $68 and $1,414, of non-Stawell related cost of sales and selling, general and administrative expenses for the quarter and six months ended June 30, 1997, respectively. Excludes $678 and $1,204, of non-Stawell related selling, general and administrative expenses for the quarter and six months ended June 30, 1996, respectively. Such costs are reclassified to cost of sales and selling, general and administrative expenses 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 $1.3 million in the second quarter of 1997 as compared to an operating profit of $0.6 million in the 1996 quarter. Mineral Ventures' 50% direct interest in Stawell's operations generated net sales of $3.7 million in the second quarter of 1997 compared to $5.4 million in the 1996 period as the ounces of gold sold decreased from 12.8 thousand ounces to 9.7 thousand ounces (24%). The operating loss at Stawell of $0.3 million was $1.3 million lower than the operating profit of $1.0 million in the second quarter of 1996 and was affected by a $66 per ounce increase (22%) in the cash cost of gold sold combined with a $36 per ounce decrease (9%) in the selling price of gold. Stawell's costs in the second quarter of 1997 were negatively impacted by lower production and higher costs associated with the collapse of a new ventilation shaft during its construction. No injuries were associated with the collapse and the potential for rehabilitating the shaft is being evaluated.

During the first six months of 1997, Mineral Ventures generated an operating loss of $1.8 million as compared to an operating profit of $1.7 million in the 1996 period. Mineral Ventures' 50% direct interest in Stawell's operations generated net sales of $8.0 million in the first half of 1997 compared to $10.2 million in the 1996 period as the ounces of gold sold decreased from 24.6

thousand ounces to 20.2 thousand ounces (18%). The operating profit at Stawell of $0.1 million was $2.4 million lower than the operating profit of $2.5 million in the first half of 1996 and was affected by a $73 per ounce increase (27%) in the cash cost of gold sold combined with a $16 per ounce decrease (4%) in the selling price of gold. Stawell's costs in the first half of 1997 were negatively impacted by temporary unfavorable ground conditions and the collapse of a new ventilation shaft during its construction resulting in lower production and higher costs.

Subsequent to June 30, 1997, the market price of gold continued to decline. In early July 1997, in reaction to this decline, Mineral Ventures closed a gold forward sale hedge position relating to 16,397 ounces and realized proceeds of $2.6 million. These proceeds, which equate to approximately $160 per ounce, will be recognized for accounting purposes as the 16,397 ounces of gold are sold in the market.

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 $0.6 million and $1.0 million in the second quarter and first six months of 1997, respectively, primarily due to joint venture losses. Gold exploration costs increased slightly 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. The initial mining and commissioning of Silver Swan has proceeded according to expectations and the complex is now operational.

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 fluctuation. 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, 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. Subsidiaries in Brazil and Venezuela and an affiliate in Mexico operate in such highly inflationary economies.

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 operating income, net, 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. Other operating income, net, decreased $4.4 million and $3.6 million in the second quarter and first six months of 1997, respectively, as compared to the same periods in 1996. These decreases are primarily attributable to a $3.0 million benefit from litigation settlements and additional gains on sales of coal assets in the 1996 periods.

Interest Expense

Interest expense increased $3.0 million to $6.4 million in the second quarter of 1997 from $3.4 million in the prior year quarter, and in the first six months of 1997, increased $4.9 million to $12.0 million from $7.1 million in the first six months of 1996. These increases are due to higher total borrowings related to capital expenditures and acquisitions as well as higher average interest rates attributed to foreign borrowings.

Income Taxes

In both 1997 and 1996 periods presented, 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 June 30, 1997.

FINANCIAL CONDITION

Cash Flow Requirements

Cash provided by operating activities during the first six months of 1997 totaled $85.5 million compared with $67.8 million in the first six months of 1996. Net income, noncash charges and changes in operating assets and liabilities in the first six 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 six months of 1996. The initial payment of $25.8 million related to the Evergreen case settlement was entirely funded by an escrow account previously established by the Company. The increase in cash generated by operating activities during 1997 is primarily attributable to lower funding requirements

for operating assets and liabilities. Cash generated from operations was not sufficient to fund investing activities, primarily capital expenditures, acquisitions, and aircraft heavy maintenance. As a result of these items and funds used for share activities, the Company increased its net cash borrowings by approximately $91 million. The combination of these activities increased cash and cash equivalents by $18.8 million.

Capital Expenditures

Cash capital expenditures for the first six months of 1997 totaled $82.2 million, $4.2 million higher than in the comparable period in 1996. Of the 1997 amount, $20.1 million was spent by Brink's, $34.1 million was spent by BHS, $10.9 million was spent by Burlington, $14.6 million was spent by Coal Operations and $2.4 million was spent by Mineral Ventures. For the remainder of 1997, company-wide capital expenditures are expected to range between $118 and $130 million. The foregoing amounts exclude expenditures that have been or are expected to be financed through capital and operating leases, and any acquisition expenditures.

Financing

The Company intends to fund its capital expenditure requirements during the remainder of 1997 with 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 other borrowing arrangements.

Total outstanding debt amounted to $297.4 million at June 30, 1997, up from $196.0 million at year-end 1996. The $101.4 million increase primarily reflects additional cash required to fund capital expenditures and acquisitions. The acquisition of Cleton & Co. by the Burlington Group in June of 1997 had no impact on cash flows for the period ended June 30, 1997.

The Company has a $350 million revolving credit agreement with a syndicate of banks (the "Facility"). The Facility includes a $100 million term loan and also permits additional borrowings, repayments, and reborrowings of up to an aggregate of $250 million. As of June 30, 1997, borrowings of $100.0 million were outstanding under the term loan portion of the Facility and $79.5 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 of US $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. The short-term loan of $10 million has subsequently been repaid. As of June 30, 1997, total borrowings under this arrangement were the equivalent of US $39.8 million.

Off-Balance Sheet Instruments

During July 1997, Mineral Ventures closed a gold forward sale hedge position and realized proceeds of $2.6 million, which will be recognized over the next 16,397 ounces of gold sales. After closing out the aforementioned position, approximately 9% of Mineral Ventures' recoverable proven and probable reserves had been sold forward under forward sales contracts that mature periodically through early-1998.

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 June 30, 1997 and 1996, 13 shares (at a cost of $0.4 million) and no shares, respectively, of Brink's Stock; no shares and 5 shares (at a cost of $0.1 million), 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"). During the six months ended June 30, 1997 and 1996, 166 shares (at a cost of $4.3 million) and no shares, respectively, of Brink's Stock; 132 shares (at a cost of $2.6 million) and 5 shares (at a cost of $0.1 million), respectively, of Burlington Stock; and no shares of Minerals Stock, were repurchased under the share repurchase program. Subsequent to June 30, 1997 and through August 12, 1997, the Company repurchased 24 shares of Burlington Stock at a cost of $0.6 million.

During the quarter and six months ended June 30, 1997, the Company repurchased no shares of its Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock"). During the quarter and six months ended June 30, 1996, the Company repurchased 11 shares of its Convertible Preferred Stock at a total cost of $4.0 million.

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 June 30, 1997, the Available Minerals Dividend Amount was at least $17.9 million.

During the first six months of 1997 and 1996, the Board declared and the Company paid cash dividends of 32.5 cents per share of Minerals Stock, 5 cents per share of Brink's Stock and 12 cents per share of Burlington Stock. Dividends paid on the Convertible Preferred Stock in the first six months of 1997 and 1996 were $1.8 million and $2.0 million, respectively. Preferred dividends included on the Company's Statement of Operations for the quarter and six months ended June 30, 1996, are net of $1.1 million, which was the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to holders of the stock for stock repurchases.

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 the following new accounting standards:

Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share", will be implemented 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". On the effective date, all prior-period EPS data presented will be restated to conform with the provisions of SFAS No. 128.

SFAS No. 130, "Reporting Comprehensive Income", will be implemented in the first quarter of 1998. SFAS No. 130 establishes standards for the reporting and display of comprehensive income and its components in financial statements. Comprehensive income generally represents all changes in shareholders' equity except those resulting from investments by or distributions to shareholders. With the exception of foreign currency translation adjustments, such changes are not significant to the Company.

SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information", will be implemented in the first quarter of 1998. SFAS No. 131 requires publicly-held companies to report financial and descriptive information about operating segments in financial statements issued to shareholders for interim and annual periods. The SFAS also requires additional disclosures with respect to products and services, geographic areas of operation, and major customers. The adoption of this SFAS is not expected to have a material impact on the financial statements of the Company.

Forward Looking Information

Certain of the matters discussed herein, including statements regarding the expected benefits from Burlington redesign initiatives, involve forward looking information which is subject to known and unknown risks and uncertainties which could cause actual results to differ materially from those which are anticipated. Such risks and uncertainties include, but are not limited to, overall economic and business conditions, the demand for the Company's products and services, geological conditions, pricing and other competitive factors in the industry, new government regulations, the implementation of systems initiatives and the integration of acquisitions.

Pittston Brink's Group
BALANCE SHEETS
(In thousands)

	June 30 1997	December 31 1996
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 25,969	20,012
Short-term investments, at lower of cost or market	1,712	1,856
Accounts receivable (net of estimated amount uncollectible: 1997 - $6,922; 1996 - $4,970)	145,474	124,928
Receivable - Pittston Minerals Group	-	14,027
Inventories, at lower of cost or market	2,681	3,073
Prepaid expenses	22,380	11,680
Deferred income taxes	14,407	14,481
Total current assets	212,623	190,057
Property, plant and equipment, at cost (net of accumulated depreciation and amortization: 1997 - $260,646; 1996 - $240,741)	315,297	256,759
Intangibles, net of amortization	16,586	28,162
Investment in and advances to unconsolidated affiliates	29,459	26,594

Deferred pension assets	32,854	33,670
Deferred income taxes	2,293	2,120
Other assets	18,089	14,303
Total assets	$ 627,201	551,665
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Short-term borrowings	$ 1,369	1,751
Current maturities of long-term debt	2,098	2,139
Accounts payable	35,297	36,995
Accrued liabilities	104,613	98,507
Payable - Pittston Minerals Group	3,056	-
Total current liabilities	146,433	139,392
Long-term debt, less current maturities	46,491	5,542
Postretirement benefits other than pensions	4,008	3,835
Workers' compensation and other claims	11,397	11,056
Deferred income taxes	38,998	38,539
Payable - Pittston Minerals Group	5,155	8,760
Minority interests	23,474	22,929
Other liabilities	9,643	8,234
Shareholder's equity	341,602	313,378
Total liabilities and shareholder's equity	$ 627,201	551,665

See accompanying notes to financial statements.

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

	Three Months Ended June 30		Six Months Ended June 30	
	1997	1996	1997	1996
Operating revenues	$ 268,775	222,055	520,159	434,615
Costs and expenses:				
Operating expenses	197,741	169,443	385,649	332,009
Selling, general and administrative expenses	40,296	30,784	76,359	61,359
Total costs and expenses	238,037	200,227	462,008	393,368
Other operating income (expense), net	117	325	(504)	(169)
Operating profit	30,855	22,153	57,647	41,078
Interest income	553	755	1,206	989
Interest expense	(2,664)	(518)	(4,903)	(985)
Other expense, net	(1,447)	(1,155)	(3,105)	(2,172)
Income before income taxes	27,297	21,235	50,845	38,910
Provision for income taxes	9,558	7,200	17,800	13,036
Net income	$ 17,739	14,035	33,045	25,874
Net income per common share	$ .46	.37	.86	.68
Cash dividends per common share	$ .025	.025	.05	.05
Average common shares outstanding	38,230	38,152	38,209	38,105

See accompanying notes to financial statements.

Pittston Brink's Group

STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30 1997	1996
Cash flows from operating activities:		
Net income	$ 33,045	25,874
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	28,218	26,051
Provision (credit) for deferred income taxes	1,184	(1,234)
Provision for pensions, noncurrent	790	245
Provision for uncollectible accounts receivable	2,124	1,974
Equity in earnings of unconsolidated affiliates, net of dividends received	834	355
Other operating, net	4,657	2,845
Change in operating assets and liabilities, net of the effects of acquisitions and dispositions:		
Increase in accounts receivable	(5,852)	(3,852)
Decrease in inventories	391	219
Increase in prepaid expenses	(5,429)	(3,579)
(Decrease) increase in accounts payable and accrued liabilities	(3,745)	1,295
Increase in other assets	(2,008)	(2,496)
Increase (decrease) in other liabilities	672	(209)
Other, net	(453)	564
Net cash provided by operating activities	54,428	48,052
Cash flows from investing activities:		
Additions to property, plant and equipment	(54,234)	(47,472)
Proceeds from disposal of property, plant and equipment	1,209	475
Acquisitions, net of cash acquired, and related contingency payments	(53,303)	--
Other, net	6,834	1,180
Net cash used by investing activities	(99,494)	(45,817)
Cash flows from financing activities:		
Additions to debt	52,380	296
Reductions of debt	(11,878)	(5,327)
Payments from Minerals Group	15,083	2,670
Proceeds from exercise of stock options and employee stock purchase plan	1,613	722
Dividends paid	(1,828)	(1,883)
Repurchase of common stock	(4,347)	--
Cost of stock proposal	-	(1,073)
Net cash provided (used) by financing activities	51,023	(4,595)
Net increase (decrease) in cash and cash equivalents	5,957	(2,360)
Cash and cash equivalents at beginning of period	20,012	21,977
Cash and cash equivalents at end of period	$ 25,969	19,617

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 six months of 1997 and 1996 by $2,368 and $2,176, respectively and for the second quarter of 1997 and 1996 by $1,190 and $1,129, respectively. The effect of this change increased net income per common share of the Brink's Group by $0.04 in the first six months of 1997 and 1996, and by $0.02 in the second quarter of 1997 and 1996.

(3) Based on demonstrated retention of customers, BHS prospectively adjusted its annual depreciation rate for capitalized subscribers' installation costs beginning in 1997. This change more accurately matches depreciation expense with monthly recurring revenue generated from customers. This change in accounting estimate reduced depreciation expense for capitalized installation costs for the quarter and six months ended June 30, 1997 for the Brink's Group and the BHS segment by $2,132 and $4,222, respectively. The effect of this change increased net income of the Brink's Group in the second quarter and first six months of 1997 by $1,386 ($0.04 per common share) and $2,744 ($0.07 per common share), respectively.

(4) Depreciation and amortization of property, plant and equipment in the second quarter and six-month period of 1997 totaled $13,411 ($12,846 in 1996) and $26,308 ($25,411 in 1996), respectively.

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

	Three Months Ended June 30		Six Months Ended June 30	
	1997	1996	1997	1996
Interest	$ 2,715	493	4,931	1,002
Income taxes	$ 16,935	12,071	20,585	15,545

During the six months ended June 30, 1997 and 1996, capital lease obligations of $1,005 and $275, 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. The third payment will be made in August 1997 and will also be 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 $35,650 ($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 had no impact on the Brink's Group.

(8) During the three months ended June 30, 1997 and 1996, the Company purchased 13 shares (at a cost of $374) and no shares, respectively, of Brink's Stock. During the six months ended June 30, 1997 and 1996, the Company purchased 166 shares (at a cost of $4,347) and no shares, respectively, of Brink's Stock.

(9) There were no Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock") repurchases during the quarter and six months ended June 30, 1997. During the quarter and six months ended June 30, 1996, the Company purchased 11 shares (at a cost of $3,975) of the Convertible Preferred Stock. Preferred dividends included on the Company's Statement of Operations for the quarter and six months ended June 30, 1996, are net of $1,100 which is the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to holders of the stock.

(10) The Brink's Group will implement the following new accounting standards:

Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share", will be implemented 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". On the effective date, all prior-period EPS data presented will be restated to conform with the provisions of SFAS No. 128.

SFAS No. 130, "Reporting Comprehensive Income", will be implemented in the first quarter of 1998. SFAS No. 130 establishes standards for the reporting and display of comprehensive income and its components in financial statements. Comprehensive income generally represents all changes in shareholders' equity except those resulting from investments by or distributions to shareholders. With the exception of foreign currency translation adjustments, such changes are not significant to the Brink's Group.

SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information", will be implemented in the first quarter of 1998. SFAS No. 131 requires publicly-held companies to report financial and descriptive information about operating segments in financial statements issued to shareholders for interim and annual periods. The SFAS also requires additional disclosures with respect to products and services, geographic areas of operation, and major customers. The adoption of this SFAS is not expected to have a material impact on the financial statements of the Brink's Group.

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

(12) 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 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.

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)	Three Months Ended June 30 1997	1996	Six Months Ended June 30 1997	1996

Operating revenues:				
Brink's	$ 224,550	183,411	433,749	359,265
BHS	44,225	38,644	86,410	75,350
Total operating revenues	$ 268,775	222,055	520,159	434,615
Operating profit:				
Brink's	$ 19,143	12,524	34,944	21,902
BHS	13,273	11,401	26,052	22,503
Segment operating profit	32,416	23,925	60,996	44,405
General corporate expense	(1,561)	(1,772)	(3,349)	(3,327)
Total operating profit	$ 30,855	22,153	57,647	41,078

The Brink's Group net income totaled $17.7 million ($0.46 per share) in the second quarter of 1997 compared with $14.0 million ($0.37 per share) in the second quarter of 1996. Operating profit for the 1997 second quarter increased to $30.9 million from $22.2 million in the second quarter of 1996. The increase in net income and operating profit for the 1997 second quarter compared with the same period of 1996 was attributable to improved operating earnings for the Brink's and BHS businesses. Revenues for the 1997 second quarter increased $46.7 million or 21% compared with the 1996 second quarter, of which $41.1 million was from Brink's and $5.6 million was from BHS. Operating expenses and selling general and administrative expenses for the 1997 second quarter increased $37.8 million or 19% compared with the same period last year, of which $34.3 million was from Brink's and $3.7 million was from BHS. Net interest expense during the second quarter of 1997 increased $2.3 million primarily 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).

In the first six months of 1997, net income totaled $33.0 million ($0.86 per share) compared with $25.9 million ($0.68 per share) in the first six months of 1996. Operating profit for the first six months of 1997 increased to $57.6 million from $41.1 million in the same period of 1996. The increase in net income and operating profit for the first six months of 1997 compared with the same period of 1996 was attributable to improved operating earnings for the Brink's and BHS businesses. Revenues for the first six months of 1997 increased $85.6 million or 20% compared with the first six months of 1996, of which $74.5 million was from Brink's and $11.1 million was from BHS. Operating expenses and selling general and administrative expenses for the first six months of 1997 increased $68.6 million or 17% compared with the same period last year, of which $61.1 million was from Brink's and $7.5 million was from BHS. Net interest expense increased $3.7 million during the first six months of 1997 as compared to 1996 primarily due to the additional debt used to fund the acquisition of Brink's Venezuelan affiliate during the first quarter of 1997.

Brink's

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

	Three Months Ended June 30		Six Months Ended June 30	
(In thousands)	1997	1996	1997	1996
Operating revenues:				
North America (United States & Canada)	$ 117,616	103,935	228,388	202,115
International subsidiaries	106,934	79,476	205,361	157,150
Total operating revenues	$ 224,550	183,411	433,749	359,265
Operating expenses	175,441	149,143	342,497	292,651
Selling, general and administrative expenses	30,083	22,069	55,804	44,543
Total costs and expenses	205,524	171,212	398,301	337,194
Other operating income (expense), net	117	325	(504)	(169)
Operating profit:				
North America (United States & Canada)	9,657	8,161	17,411	14,091
International operations	9,486	4,363	17,533	7,811
Total operating profit	$ 19,143	12,524	34,944	21,902

Depreciation and amortization	$ 6,811	5,708	14,358	11,737
Cash capital expenditures	$ 10,291	9,198	20,105	16,004

Brink's consolidated revenues totaled $224.6 million in the second quarter of 1997 compared with $183.4 million in the second quarter of 1996. Brink's operating profit of $19.1 million in the second quarter of 1997 represented a $6.6 million (53%) increase over the $12.5 million operating profit reported in the prior year quarter. The revenue increase of $41.2 million (22%) in the 1997 second quarter was offset, in part, by an increase in operating expenses and selling, general and administrative expenses of $34.3 million and a decrease in other operating income of $0.2 million.

Revenues from North American operations (United States and Canada) increased $13.7 million (13%) to $117.6 million in the 1997 second quarter from $103.9 million in the prior year quarter. North American operating profit increased $1.5 million (18%) to $9.7 million in the current year quarter from $8.2 million in the second quarter of 1996. The operating profit improvement primarily resulted from improved armored car operations, which includes ATM servicing.

Revenues from international subsidiaries increased $27.4 million to $106.9 million in the 1997 second quarter from $79.5 million in the 1996 quarter. Operating profits from international subsidiaries and minority-owned affiliates amounted to $9.5 million in the current year quarter compared to $4.4 million in the prior year second quarter. More than half of these increases were due to the consolidation of the results of Brink's Venezuelan subsidiary, 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, whose operating profits increased $3.9 million during the second quarter 1997, benefited from increased ownership positions in Venezuela and Peru. The region's results also improved due to increased profits in both Colombia and Chile, offset, in part, by lower results in Brazil and in start-up operations in Argentina. In Europe, operating profits increased $0.7 million due to improved performance in most countries. However, these improvements were offset, in large part, by unfavorable results of the 38% owned affiliate in France. The operating profits in the Asia Pacific region in the second quarter of 1997 were essentially unchanged ($0.1 million increase) from the comparable quarter of 1996. Operating profits from Brink's international diamond and jewelry operations increased slightly in the second quarter of 1997 versus the same period in 1996.

Brink's consolidated revenues totaled $433.7 million in the first six months of 1997 compared with $359.3 million in the first six months of 1996. Brink's operating profit of $34.9 million in the first six months of 1997 represented a $13.0 million or (60%) increase over the $21.9 million operating profit reported in the prior year period. The revenue increase of $74.4 million (21%) in the first half of 1997 was offset, in part, by an increase in operating expenses and selling, general and administrative expenses of $61.1 million and a increase in other operating expense of $0.3 million.

Revenues from North American operations increased $26.3 million (13%) to $228.4 million in the first six months of 1997 from $202.1 million in the same period of 1996. North American operating profit increased $3.3 million (23%) to $17.4 million in the current year period from $14.1 million in the same period of 1996. The operating profit improvement for the six months of 1997 primarily resulted from improved armored car operations, which includes ATM servicing, and to a lesser extent, improved currency processing operations.

Revenues from international subsidiaries increased $48.2 million to $205.4 million in the first six months of 1997 from $157.2 million in the first six months of 1996. Operating profits from international subsidiaries and minority-owned affiliates amounted to $17.5 million in the current year period compared to $7.8 million in the prior year period. More than half of these increases were due to the consolidation of the results of Brink's Venezuelan subsidiary in the results of the Latin America region, where total operating profit increased $8.0 million in the first six months of 1997 as compared to 1996. Results in Latin America also benefited from improvements in Chile and Colombia offset, in part, by lower results in Brazil and start-up operations in Argentina. Operating profits in Europe increased $0.7 million in the first six months of 1997 due to improved results in most countries, which were largely offset by unfavorable results in France. Operating profits in the Asia Pacific region remained essentially unchanged, while Brink's international diamond and jewelry operations showed improved performance in the six month period ended June 30, 1997.

As mentioned above, Brink's increased its ownership in Custravalca from 15% to 61% in the first quarter of 1997 and in conjunction with this transaction, Brink's also acquired a further 31% interest in Brink's Peru S.A., increasing its ownership position in this affiliate to 36%. Brink's also acquired the remaining interests in Brink's Hong Kong and Brink's Holland, increasing ownership in these subsidiaries to 100%, and acquired additional interests in Brink's Bolivia and Brink's Taiwan during the first quarter of 1997.

Net interest and minority ownership expense partially offset by foreign translation gains associated with the Venezuelan acquisition was $2.3 million and $4.1 million in the second quarter and six-month period ended June 30, 1997, respectively, and offset more than half of the operating profit generated by this operation in each such period.

BHS

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

basis:

(Dollars in thousands)	Three Months Ended June 30 1997	1996	Six Months Ended June 30 1997	1996
Operating revenues	$ 44,225	38,644	86,410	75,350
Operating expenses	22,300	20,300	43,152	39,358
Selling, general and administrative expenses	8,652	6,943	17,206	13,489
Total costs and expenses	30,952	27,243	60,358	52,847
Operating profit	$ 13,273	11,401	26,052	22,503
Depreciation and amortization	$ 7,116	7,422	13,782	14,244
Cash capital expenditures	$ 17,559	15,151	34,079	30,049
Annualized recurring revenues (a)			$ 142,005	116,509
Number of subscribers:				
Beginning of period	464,007	395,676	446,505	378,659
Installations	26,798	24,447	52,388	48,703
Disconnects	(8,740)	(7,532)	(16,828)	(14,771)
End of period	482,065	412,591	482,065	412,591

(a) Annualized recurring 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 $5.6 million (15%) to $44.2 million in the second quarter of 1997 from $38.6 million in the 1996 quarter. In the first six months of 1997, revenues for BHS increased by $11.0 million (15%) to $86.4 million from $75.4 million in the first six months of 1996. The increase in revenues in both periods was predominantly from higher ongoing monitoring and service revenues, reflecting a 17% increase in the subscriber base. As a result of such growth, annualized recurring revenues at the end of the second quarter of 1997 grew 22% over the amount in effect at the end of the second quarter of 1996. The increase in monitoring and service revenues was partially offset by a decrease in installation revenue. While the number of new security system installations has increased, the revenue per installation has decreased in both the three and six month periods ended June 30, 1997, as compared to the 1996 periods, due to continuing competitive installation pricing in the marketplace.

Operating profit of $13.3 million in the second quarter of 1997 represented an increase of $1.9 million (17%) compared to the $11.4 million earned in the 1996 second quarter. In the first six months of 1997, operating profit increased $3.6 million (16%) to $26.1 million from $22.5 million earned in the first six months of 1996. These increases included a $2.1 million and $4.2 million reduction in depreciation expense in the second quarter and first six months of 1997, respectively, resulting from a change in accounting estimate (discussed below). Operating profit for the quarter and six months ended June 30, 1997 was favorably impacted by the 17% growth in the subscriber base, higher average monitoring fees and the aforementioned change in depreciation, partially offset by increased account servicing and administrative expenses, which were a consequence of the larger subscriber base. Operating profit in the same respective periods of 1997 was also impacted by a $2.0 million and $3.4 million increase in net installation and marketing costs incurred and expensed. While these costs to obtain subscribers increased during the 1997 periods, the cash margins per subscriber generated from recurring revenues remained essentially unchanged between the 1997 and 1996 periods.

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 retention of subscribers, and to more accurately match depreciation expense with monthly recurring revenue 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 second quarter and first six months of 1997 by $2.1 million and $4.2 million, respectively.

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 and an affiliate in Mexico operate in such highly inflationary economies.

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 allocated to the Brink's 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 Brink's Group. These allocations were $1.6 million and $1.8 million for the second quarter of 1997 and 1996, respectively, and $3.3 million for the first six months of both 1997 and 1996.

Other Operating Income/Expense, Net

Other net operating income/expense consists primarily of net equity earnings of Brink's foreign affiliates. These net equity earnings amounted to income of $0 and $0.2 million for the second quarter of 1997 and 1996, respectively, and an expense of $0.7 million and $0.4 million in the first six months of 1997 and 1996, respectively.

Interest Expense

Interest expense increased from $0.5 million in the second quarter of 1996 to $2.7 million in the second quarter of 1997. Interest expense increased to $4.9 million in the first six months of 1997 from $1.0 million in the first six months of 1996. These increases were due to additional debt as well as higher average interest rates related to the acquisition of Custravalca in 1997.

Other Expense, Net

Other net expense, which principally includes foreign translation gains and losses and minority interest earnings or losses, increased for the second quarter and six months ended June 30, 1997 by $0.3 million and $0.9 million, respectively. The higher level of expense during the 1997 periods reflects an increase in minority interest expense, resulting primarily from the recent consolidation of Custravalca, and increased earnings in Brink's Colombian affiliate.

Income Taxes

The effective tax rate in the second quarter and first six months of 1997 was 35%. This is an increase from the comparable periods of 1996 which had effective tax rates of 34%. The 1996 rates were 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, which management believes to be a reasonable and an equitable estimate of the cost attributable to the Brink's Group.

Cash Flow Requirements

Cash provided by operating activities amounted to $54.4 million in the first six months of 1997, representing a $6.4 million increase from the prior year period. The increase in cash flow primarily reflects the Group's higher net income and noncash charges. Cash generated from operating activities did not fund the cash required for investing activities mainly due to the cash used to fund the Custravalca acquisition. However, the funding requirements for investing and net share activities were more than offset by additional borrowings and by repayments from the Minerals Group. As a result, cash and cash equivalents increased $6.0 million in the first six months of 1997.

Capital Expenditures

Cash capital expenditures for the first six months of 1997 totaled $54.2 million, excluding expenditures that have been or are expected to be financed through capital and operating leases, and any acquisition expenditures. The comparable amount in the 1996 period was $47.5 million. In 1997, $34.1 million was spent by BHS and $20.1 million was spent by Brink's. Expenditures incurred

by BHS in the first six months of 1997 were primarily for customer 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 $75 million and $80 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.

Total outstanding debt at June 30, 1997 was $50.0 million, $40.6 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 June 30, 1997, no portion of total debt outstanding was payable to either the Burlington Group or 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 June 30, 1997, borrowings of $100.0 million were outstanding under the term loan portion of the Facility and $79.5 million of additional borrowings were outstanding under the remainder of the Facility. No portion of the total amount outstanding under the Facility at June 30, 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 of US $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. The short-term loan of $10 million has subsequently been repaid. As of June 30, 1997, total borrowings under this arrangement were equivalent to US $39.8 million.

Related Party Transactions

At June 30, 1997, under an interest bearing borrowing arrangement, the Minerals Group owed the Brink's Group $8.9 million, a decrease of $15.1 million from the $24.0 million owed at December 31, 1996.

At June 30, 1997, the Brink's Group owed the Minerals Group $17.2 million versus $18.8 million at December 31, 1996 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 June 30, 1997, $12.0 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 months ended June 30, 1997 and 1996, the Company purchased 13 shares (at a cost of $0.4 million) and no shares, respectively, of Brink's Stock. During the six month periods ended June 30, 1997 and 1996, 166 shares (at a cost of $4.3 million) and no shares, respectively, of Brink's Stock were repurchased. During the quarter and six months ended June 30, 1997, the Company repurchased no shares of its Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock"). During the quarter and six months ended June 30, 1996, the Company repurchased 11 shares of its Convertible Preferred Stock at a total cost of $4.0 million.

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, financial developments of the Minerals Group 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 six months of 1997 and 1996, the Board declared and the Company paid cash dividends of 5 cents per share of Brink's Stock. Preferred dividends included on the Company's statement of operations for the quarter and six months ended June 30, 1996, are net of $1.1 million which was the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to holders of the stock for stock repurchases.

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 the following new accounting standards:

Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share", will be implemented 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". On the effective date, all prior-period EPS data presented will be restated to conform with the provisions of SFAS No. 128.

SFAS No. 130, "Reporting Comprehensive Income", will be implemented in the first quarter of 1998. SFAS No. 130 establishes standards for the reporting and display of comprehensive income and its components in financial statements. Comprehensive income generally represents all changes in shareholders' equity except those resulting from investments by or distributions to shareholders. With the exception of foreign currency translation adjustments, such changes are not significant to the Brink's Group.

SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information", will be implemented in the first quarter of 1998. SFAS No. 131 requires publicly-held companies to report financial and descriptive information about operating segments in financial statements issued to shareholders for interim and annual periods. The SFAS also requires additional disclosures with respect to products and services, geographic areas of operation, and major customers. The adoption of this SFAS is not expected to have a material impact on the financial statements of the Brink's Group.

Forward Looking Information

Certain of the matters discussed herein involve forward looking information which is subject to known and unknown risks and uncertainties which could cause actual results to differ materially from those which are anticipated. Such risks and uncertainties include, but are not limited to, overall economic and business conditions, the demand for the Brink's Group's services, pricing and other competitive factors in the industry, new government regulations and the integration of acquisitions.

Pittston Burlington Group
BALANCE SHEETS
(In thousands)

	June 30 1997	December 31 1996
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 29,913	17,818
Accounts receivable (net of estimated amount uncollectible: 1997 - $9,187; 1996 - $9,528)	274,233	262,378
Inventories, at lower of cost or market	1,979	2,251
Prepaid expenses	16,040	12,459
Deferred income taxes	7,208	7,847
Total current assets	329,373	302,753
Property, plant and equipment, at cost (net of accumulated depreciation and amortization: 1997 - $70,747; 1996 - $62,900)	111,698	113,283
Intangibles, net of amortization	174,082	177,797
Deferred pension assets	8,383	9,504
Deferred income taxes	19,756	19,015
Other assets	22,854	13,046
Total assets	$ 666,146	635,398
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Short-term borrowings	$ 24,754	29,918
Current maturities of long-term debt	3,073	2,916
Accounts payable	191,555	175,198
Payable - Pittston Minerals Group	12,000	3,270
Accrued liabilities	53,973	67,299
Total current liabilities	285,355	278,601
Long-term debt, less current maturities	53,624	28,723
Postretirement benefits other than pensions	3,352	3,145
Deferred income taxes	2,347	1,880
Payable - Pittston Minerals Group	11,239	13,310
Other liabilities	5,348	4,750
Shareholder's equity	304,881	304,989

Total liabilities and shareholder's equity	$ 666,146	635,398

See accompanying notes to financial statements.

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

	Three Months Ended June 30 1997	1996	Six Months Ended June 30 1997	1996
Operating revenues	$ 399,567	360,064	770,976	708,159
Costs and expenses:				
Operating expenses	355,693	313,807	686,604	624,307
Selling, general and administrative expenses	46,852	32,219	79,023	62,906
Total costs and expenses	402,545	346,026	765,627	687,213
Other operating income	859	518	1,508	741
Operating (loss) profit	(2,119)	14,556	6,857	21,687
Interest income	145	657	475	1,549
Interest expense	(1,066)	(988)	(2,012)	(2,040)
Other expense, net	-	(337)	(281)	(1,344)
(Loss) income before income taxes	(3,040)	13,888	5,039	19,852
Provision for income taxes	(1,127)	5,142	1,864	7,345
Net (loss) income	$ (1,913)	8,746	3,175	12,507
Net (loss) income per common share:				
Primary	$ (.10)	.46	.16	.65
Fully diluted	$ (.10)	.46	.16	.65
Cash dividends per common share	$ .06	.06	.12	.12
Average common shares outstanding:				
Primary	19,471	19,161	19,439	19,100
Fully diluted	20,164	19,161	20,128	19,100

See accompanying notes to financial statements.

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

	Six Months Ended June 30 1997	1996
Cash flows from operating activities:		
Net income	$ 3,175	12,507
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	14,122	10,891
Provision for aircraft heavy maintenance	16,382	16,067
Credit for deferred income taxes	(142)	(524)
Provision for pensions, noncurrent	968	57
Provision for uncollectible accounts receivable	1,637	1,332
Equity in earnings of unconsolidated affiliates, net of dividends received	156	(112)

Other operating, net	1,086	1,005
Change in operating assets and liabilities net of effects of acquisitions:		
(Increase) decrease in accounts receivable	(13,493)	4,535
Decrease (increase) in inventories	273	(35)
Increase in prepaid expenses	(3,836)	(193)
Increase (decrease) in accounts payable and accrued liabilities	5,873	(16,854)
(Increase) decrease in other assets	(263)	364
Increase (decrease) in other liabilities	816	(496)
Other, net	827	(715)
Net cash provided by operating activities	27,581	27,829
Cash flows from investing activities:		
Additions to property, plant and equipment	(10,973)	(16,533)
Proceeds from disposal of property, plant and equipment	315	5,265
Aircraft heavy maintenance	(19,350)	(9,713)
Acquisitions, net of cash acquired, and related contingency payments	-	(225)
Other, net	658	963
Net cash used by investing activities	(29,350)	(20,243)
Cash flows from financing activities:		
Additions to debt	15,996	2,947
Reductions of debt	(6,130)	(2,554)
Payments from (to) - Minerals Group	7,730	(11,419)
Proceeds from exercise of stock options and employee stock purchase plan	1,064	1,229
Dividends paid	(2,246)	(2,257)
Repurchase of common stock	(2,550)	(93)
Cost of stock proposal	-	(1,073)
Net cash provided (used) by financing activities	13,864	(13,220)
Net increase (decrease) in cash and cash equivalents	12,095	(5,634)
Cash and cash equivalents at beginning of period	17,818	25,847
Cash and cash equivalents at end of period	$ 29,913	20,213

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 second quarter and six-month period of 1997 and 1996 totaled $5,517 ($3,823 in 1996) and $10,832 ($7,653 in 1996), respectively.

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

	Three Months Ended June 30		Six Months Ended June 30	
	1997	1996	1997	1996
Interest	$ 1,423	826	2,252	2,554

Income taxes	$ 7,872	7,036	8,739	8,561

During the six months ended June 30, 1997 and 1996, capital lease obligations of $111 and $131, respectively, were incurred for leases of property, plant and equipment.

The acquisition of Cleton & Co. in June of 1997 had no impact on cash flows for the period ended June 30, 1997.

(4) Fully diluted net (loss) income per share for the Burlington Group for all periods presented is considered to be the same as primary since the effect of common stock equivalents was either antidilutive or insignificant.

(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. The third payment will be made in August 1997 and will also be 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.

(6) 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 had no impact on the Burlington Group.

(7) During the three months ended June 30, 1997 and 1996, the Company purchased no shares and 5 shares (at a cost of $93), respectively, of Burlington Stock. During the six months ended June 30, 1997 and 1996, the Company purchased 132 shares (at a cost of $2,550) and 5 shares (at a cost of $93), respectively, of Burlington Stock. Subsequent to June 30, 1997 and through August 12, 1997, the Company repurchased 24 shares of Burlington Stock at a cost of $579.

(8) There were no Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock") repurchases during the quarter and six months ended June 30, 1997. During the quarter and six months ended June 30, 1996, the Company purchased 11 shares (at a cost of $3,975) of the Convertible Preferred Stock. Preferred dividends included on the Company's Statement of Operations for the quarter and six months ended June 30, 1996, are net of $1,100 which is the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to holders of the stock.

(9) The Burlington Group will implement the following new accounting standards:

Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share", will be implemented 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". On the effective date, all prior-period EPS data presented will be restated to conform with the provisions of SFAS No. 128.

SFAS No. 130, "Reporting Comprehensive Income", will be implemented in the first quarter of 1998. SFAS No. 130 establishes standards for the reporting and display of comprehensive income and its components in financial statements. Comprehensive income generally represents all changes in shareholders' equity except those resulting from investments by or distributions to shareholders. With the exception of foreign currency translation adjustments, such changes are not significant to the Burlington Group.

SFAS No. 131, "Disclosures about Segments of an Enterprise and Related

Information", will be implemented in the first quarter of 1998. SFAS No. 131 requires publicly-held companies to report financial and descriptive information about operating segments in financial statements issued to shareholders for interim and annual periods. The SFAS also requires additional disclosures with respect to products and services, geographic areas of operation, and major customers. The adoption of this SFAS is not expected to have a material impact on the financial statements of the Burlington Group.

(10) Certain prior period amounts have been reclassified to conform to the 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.

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

	Three Months Ended June 30		Six Months Ended June 30	
(In thousands)	1997	1996	1997	1996
Operating revenues:				
Burlington	$ 399,567	360,064	770,976	708,159
Operating (loss) profit:				
Burlington	$ (565)	16,327	10,191	25,013
General corporate expense	(1,554)	(1,771)	(3,334)	(3,326)
Operating (loss) profit	$ (2,119)	14,556	6,857	21,687

In the second quarter of 1997, the Burlington Group reported a net loss of $1.9 million ($0.10 per share primary and fully diluted) including a pre-tax charge of $12.5 million ($7.9 million after-tax) ($0.40 per share) which consisted of consulting expenses related to the redesign of Burlington's global business processes and new information systems architecture. This compares to net income of $8.7 million ($0.46 per share) in the second quarter of 1996. Operating losses, after the $12.5 million charge, totaled $2.1 million in the 1997 second quarter compared with operating profit of $14.6 million in the prior year second quarter. Revenues increased $39.5 million or 11% compared with the 1996 second quarter. Operating expenses and selling, general and administrative expenses for the 1997 period, including the $12.5 million charge, increased $56.5 million (16%) compared with the same period last year.

In the first six months of 1997, the Burlington Group reported net income, after the $12.5 million pre-tax charge ($7.9 million after-tax), of $3.2 million ($0.16 per share primary and fully diluted), compared with $12.5 million ($0.65 per share) in the first six months of 1996. Operating profit, after the $12.5

million charge, totaled $6.9 million in the first six months of 1997 compared with $21.7 million in the prior year six month period. Revenues increased $62.8 million or 9% compared with the first half of 1996. Operating expenses and selling, general and administrative expenses, including the $12.5 million charge, for the 1997 period increased $78.4 million (11%) 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)	Three Months Ended June 30 1997	Three Months Ended June 30 1996	Six Months Ended June 30 1997	Six Months Ended June 30 1996
Operating revenues:				
Domestic U.S.				
Expedited freight services	$ 144,668	133,952	281,340	262,732
Other	1,890	1,434	3,612	2,102
Total Domestic U.S.	146,558	135,386	284,952	264,834
International				
Expedited freight services	192,731	172,461	373,622	342,176
Customs clearances	31,663	30,362	59,300	58,776
Ocean and other	28,615	21,855	53,102	42,373
Total International	253,009	224,678	486,024	443,325
Total operating revenues	399,567	360,064	770,976	708,159
Operating expense	355,693	313,807	686,604	624,307
Selling, general and administrative	45,298	30,448	75,689	59,580
Total costs and expenses	400,991	344,255	762,293	683,887
Other operating income, net	859	518	1,508	741
Operating (loss) profit:				
Domestic U.S.	3,498	10,029	7,615	13,737
International	8,437	6,298	15,076	11,276
Other (a)	(12,500)	-	(12,500)	-
Total operating (loss) profit	$ (565)	16,327	10,191	25,013
Expedited freight services shipment growth rate	0.6%	3.4%	(0.6)%	4.4%
Expedited freight services weight growth rate:				
Domestic U.S.	3.1%	5.3%	2.0%	4.1%
International	7.9%	6.5%	5.2%	7.9%
Worldwide	5.7%	5.9%	3.7%	6.1%
Expedited freight services weight (millions of pounds)	372.6	352.6	723.1	697.2
Expedited freight services shipments (thousands)	1,330	1,322	2,605	2,620
Expedited freight services average:				
Yield (revenue per pound)	$ .906	.869	.906	.868
Revenue per shipment	$ 254	232	251	231
Weight per shipment (pounds)	280	267	278	266

(a) Consulting expenses related to the redesign of Burlington's global business processes and new information systems architecture.

Burlington's second quarter operating loss, after the $12.5 million charge, amounted to $0.6 million, a decrease of $16.9 million from the $16.3 million operating profit reported in the second quarter of 1996. Worldwide revenues increased by 11% to $399.6 million from $360.1 million in the 1996 quarter. The $39.5 million growth in revenues principally reflects a 6% increase in worldwide expedited freight services pounds shipped, which reached 372.6 million pounds in the second quarter of 1997, combined with a 4% increase in yield on this volume. In addition, non-expedited freight services revenues, increased $8.5 million (16%) during the second quarter of 1997 as compared to the same quarter in 1996.

Worldwide expenses, which include the $12.5 million charge, amounted to $401.0 million, $56.7 million (16%) higher than in the second quarter of 1996.

In the second quarter of 1997, Burlington's domestic revenues increased from $135.4 million to $146.6 million. This $11.2 million (8%) increase was primarily due to an increase of $10.7 million in domestic expedited freight services revenues. The higher level of domestic expedited freight services revenue in 1997 was due to a 3% increase in weight shipped combined with a 5% increase in the average yield. The yield increase is due to higher average pricing on both overnight and second-day freight, due in large part to a domestic shipment surcharge which was originally initiated in September 1996. This charge is designed to offset domestic operations cost increases which include Federal excise taxes on air cargo, higher jet fuel costs, a Federal fuel tax, and new FAA-mandated security and maintenance requirements. Domestic operating profit during the second quarter of 1997 decreased $6.5 million from the $10.0 million recorded in the second quarter of 1996. Domestic transportation costs in second quarter of 1996 benefitted from a reduction in Federal excise tax liabilities of approximately $3 million. Transportation costs in the second quarter of 1997 were also higher due to expenses associated with additional capacity designed to improve on time customer service and to meet rising demand in some of Burlington's high growth markets.

International revenues in the second quarter of 1997 increased $28.3 million (13%) to $253.0 million from the $224.7 million recorded in the second quarter of 1996. International expedited freight services revenue increased $20.3 million (12%) due to an 8% increase in weight shipped combined with a 4% increase in the average yield. The increase in the average yield on international expedited freight is primarily due to a fuel surcharge implemented by Burlington in March 1997 in reaction to a corresponding surcharge implemented by its third party transportation providers. Both of these international surcharges will be phased out during the remainder of 1997. In addition, international non-expedited freight services revenue increased $8.1 million (15%) in the second quarter of 1997 as compared to the same period in 1996. The increase primarily relates to increases in international shipment volume and the continued expansion of the ocean freight services. International operating profit in the second quarter of 1997 increased $2.1 million (33%) from the $6.3 million recorded in the second quarter of 1996. Operating profit during the second quarter of 1997 benefitted from increased revenues combined with improved margins in both U.S. exports and ocean freight services.

Burlington operating profit for the first six months of 1997, after the $12.5 million charge, amounted to $10.2 million, a decrease of $14.8 million from the $25.0 million reported in the first six months of 1996. Worldwide revenues in the 1997 period increased 9% to $771.0 million from $708.2 million in the 1996 period. The $62.8 million growth in revenues principally reflects a 4% increase in worldwide expedited freight services pounds shipped, which reached 723.1 million pounds in the first half of 1997, combined with a 4% increase in yield on this volume. In addition, non-expedited freight services revenues, increased $12.8 million (12%) during the first six months of 1997 as compared to 1996. Worldwide expenses in the 1997 period, which include the $12.5 million charge, amounted to $762.3 million, $78.4 million (11%) higher than the 1996 period.

In the first six months of 1997, Burlington's domestic revenues increased from $264.8 million to $285.0 million. This $20.2 million (8%) increase was primarily due to an increase of $18.6 million in domestic expedited freight services revenues. The higher level of expedited freight services revenue in 1997 was due to a 2% increase in weight shipped combined with a 5% increase in the average yield. The increase in average yield on domestic expedited freight is due to a combination of higher average pricing and a slight increase in the proportion of overnight freight in the sales mix. The higher average pricing is due in large part to a domestic shipment surcharge which was originally initiated in September 1996. This charge is designed to offset domestic operations cost increases which include Federal excise taxes on air cargo, higher jet fuel costs, a Federal fuel tax, and new FAA-mandated security and maintenance requirements. Domestic operating profit during the first six months of 1997 decreased $6.1 million from the $13.7 million recorded in the first six months of 1996. Domestic operating profit in the first six months of 1996 benefitted from the reduction in Federal excise tax liabilities. In addition, domestic operating profit in the first six months of 1997 was also negatively impacted by higher transportation costs.

International revenues in the first six months of 1997 increased $42.7 million (10%) to $486.0 million from the $443.3 million recorded in the comparable period of 1996. International expedited freight services revenue increased $31.4 million (9%) due to an 5% increase in weight shipped combined with a 4% increase in the average yield. The increase in the average yield on international expedited freight is primarily due to the fuel surcharge implemented by Burlington in March 1997 in reaction to a corresponding surcharge implemented by its third party transportation providers. In addition, international non-expedited freight services revenue increased $11.3 million (11%) in the first six months of 1997 as compared to the same period in 1996. The increase primarily relates to increases in international shipment volume and the continued expansion of ocean freight services. International operating profit in the first six months of 1997 increased $3.8 million (34%) from the $11.3 million recorded in the comparable period of 1996. Operating profit during the first six months of 1997 benefitted from increased revenues combined with improved margins in both U.S. exports and ocean freight services.

In June 1997, Burlington completed its acquisition of Cleton & Co. ("Cleton"), a leading logistics provider in the Netherlands. Burlington acquired Cleton for the equivalent of US $10.7 million (paid in July 1997), the assumption of the equivalent of US $10 million of debt, and additional contingent payments ranging from the current equivalent of US $0 to US $18 million to be paid over the next three years based on certain performance criteria of Cleton.

As part of its ongoing efforts to further enhance service quality and improve efficiencies, Burlington has formed a Global Innovation Team composed of

management from various regions assisted by two independent consulting firms. The team is reviewing Burlington's operating activities to better ensure that Burlington provides a high 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 information systems to meet both customer and operational requirements. In connection with these efforts, Burlington recorded a charge of $12.5 million in the second quarter of 1997 which included most of the consulting fees and other project expenses incurred in the planning stage of the redesign program. Other cost and service improvement programs have been identified through this process and are expected to be implemented during the balance of 1997. Annualized cost savings from this phase of these initiatives are projected at $5 to $10 million.

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. Subsidiaries in Brazil and Mexico operate in such a highly inflationary economies.

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.

Other Operating Income

Other operating income increased $0.3 million to $0.9 million in the second quarter of 1997, as compared to the same period in 1996, and increased $0.8 million to $1.5 million in the first six months of 1997. Other operating income principally includes foreign exchange transaction gains and losses, and the changes for the comparable periods are due to fluctuations in such gains and losses.

Corporate Expenses

A portion of the Company's corporate general and administrative expenses and other shared services has been allocated 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 $1.6 million and $1.8 million for the second quarter of 1997 and 1996, respectively, and $3.3 million for the first six months of both 1997 and 1996.

Interest Income

Interest income decreased $0.5 million to $0.1 million in the second quarter of 1997. For the first six months of 1997, interest income decreased $1.1 million to $0.5 million, as compared to the prior year period. The fluctuation was primarily attributed to a decrease in interest income from the Minerals Group.

Other Expense, Net

Other net expense for the second quarter of 1997 decreased to zero from $0.3 million expense reported in the second quarter of 1996 due to a decrease in minority interest expense. For the first six months of 1997 other net expense decreased by $1.0 million to a net expense of $0.3 million from $1.3 million for the first six months of 1996. Other net expense in the first six months of 1996 includes a loss for the termination of an overseas sublease agreement by Burlington.

Income Taxes

In both 1997 and 1996 periods presented, 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 estimate of the cost attributable to the Burlington Group.

Cash Flow Requirements

Cash provided by operating activities during the first six months of 1997 totaled $27.6 million as compared to the $27.8 million generated in the first half of 1996. The consistent level of cash generated from operating activities was a result of lower levels of net income and noncash charges partially offset by a decrease in the funding requirements for net operating assets and liabilities in the 1997 period. Cash generated from operating activities,

additional debt borrowings and repayments from the Minerals Group were sufficient to fund net investing and share activities, resulting in an increase in cash and cash equivalents of $12.1 million during the first six months of 1997.

Capital Expenditures

Cash capital expenditures for the first six months of 1997 and 1996 totaled $11.0 million and $16.5 million, respectively, excluding 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 $35 million and $40 million, excluding 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.

Total outstanding debt was $81.5 million at June 30, 1997, an increase of $19.9 million from the $61.6 million reported at December 31, 1996. The net increase in debt primarily reflects the equivalent of US $10.7 million of borrowings related to the Cleton acquisition. The acquisition of Cleton & Co. in June of 1997 had no impact on cash flows for the period ended June 30, 1997.

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 June 30, 1997, borrowings of $100 million were outstanding under the term loan portion of the Facility and $79.5 million of additional borrowings were outstanding under the remainder of the Facility. Of the total outstanding amount under the Facility at June 30, 1997, $15.6 was attributed to the Burlington Group.

In July 1997, Burlington repaid the $14.3 million 4% subordinated debentures which were outstanding at June 30, 1997. Burlington used borrowings under the Facility to make this payment.

Related Party Transactions

By June 30, 1997, under an interest bearing borrowing arrangement, the Minerals Group had repaid the $7.7 million it owed the Burlington Group at December 31, 1996.

At June 30, 1997, the Burlington Group owed the Minerals Group $23.2 million versus $24.3 million at December 31, 1996 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 June 30, 1997, $12.0 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 months ended June 30, 1997 and 1996, the Company purchased no shares and 5 shares (at a cost of $1.0 million), respectively, of Burlington Stock. During the six months ended June 30, 1997 and 1996, the Company purchased 132 shares (at a cost of $2.6 million) and 5 shares (at a cost of $0.1 million), respectively, of Burlington Stock. Subsequent to June 30, 1997 and through August 12, 1997, the Company repurchased 24 shares of Burlington Stock at a cost of $0.6 million. During the quarter and six months ended June 30, 1997, the Company repurchased no shares of its Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock"). During the quarter and six months ended June 30, 1996, the Company repurchased 11 shares of its Convertible Preferred Stock at a total cost of $4.0 million.

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 six months of 1997 and 1996, the Board declared and paid cash dividends of 12 cents per share of Burlington Stock. Preferred dividends included on the Company's statement of operations for the quarter and six months ended June 30, 1996, are net of $1.1 million, which was the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to holders of the stock for stock repurchases.

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 the following new accounting standards:

Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share", will be implemented 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.

SFAS No. 130, "Reporting Comprehensive Income", will be implemented in the first quarter of 1998. SFAS No. 130 establishes standards for the reporting and display of comprehensive income and its components in financial statements. Comprehensive income generally represents all changes in shareholders' equity except those resulting from investments by or distributions to shareholders. With the exception of foreign currency translation adjustments, such changes are not significant to the Burlington Group.

SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information", will be implemented in the first quarter of 1998. SFAS No. 131 requires publicly-held companies to report financial and descriptive information about operating segments in financial statements issued to shareholders for interim and annual periods. The SFAS also requires additional disclosures with respect to products and services, geographic areas of operation, and major customers. The adoption of this SFAS is not expected to have a material impact on the financial statements of the Burlington Group.

Forward Looking Information

Certain of the matters discussed herein, including statements regarding the expected benefits from Burlington redesign initiatives, involve forward looking information which is subject to known and unknown risks and uncertainties which could cause actual results to differ materially from those which are anticipated. Such risks and uncertainties include, but are not limited to, overall economic and business conditions, the demand for Burlington's services, pricing and other competitive factors in the industry, new government regulations, the implementation of systems initiatives and the integration of acquisitions.

Pittston Minerals Group
BALANCE SHEETS
(In thousands)

	June 30 1997	December 31 1996
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,115	3,387
Accounts receivable (net of estimated amount uncollectible: 1997 - $1,509; 1996 - $1,618)	84,921	88,552
Inventories, at lower of cost or market:		
Coal inventory	40,192	26,495
Other inventory	4,036	5,308
	44,228	31,803
Receivable - Pittston Brink's Group/Burlington Group, net	15,056	--
Prepaid expenses	8,464	8,659
Deferred income taxes	26,630	27,229
Total current assets	183,414	159,630
Property, plant and equipment, at cost (net of accumulated depreciation, depletion and amortization: 1997 - $157,440; 1996 - $154,115)	177,012	170,809
Deferred pension assets	82,762	81,067
Deferred income taxes	58,930	62,899
Coal supply contracts	47,075	52,696
Intangibles, net of amortization	109,598	111,103
Receivable - Pittston Brink's Group/Burlington Group	16,394	22,071
Other assets	46,345	46,706
Total assets	$ 721,530	706,981

LIABILITIES AND SHAREHOLDER'S EQUITY Current liabilities:		
Current maturities of long-term debt	455	395
Accounts payable	46,768	59,103
Payable - Pittston Brink's Group/Burlington Group, net	-	10,757
Accrued liabilities	117,388	114,470
Total current liabilities	164,611	184,725
Long-term debt, less current maturities	165,550	124,572
Postretirement benefits other than pensions	222,554	219,717
Workers' compensation and other claims	101,350	105,837
Mine closing and reclamation	44,582	43,877
Other liabilities	38,751	39,913
Shareholder's equity	(15,868)	(11,660)
Total liabilities and shareholder's equity	$ 721,530	706,981

See accompanying notes to financial statements.

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

	Three Months Ended June 30		Six Months Ended June 30	
	1997	1996	1997	1996
Net sales	$ 157,812	175,268	316,695	345,520
Cost and expenses:				
Cost of sales	153,836	169,444	307,248	365,329
Restructuring and other credits, including litigation accrual	-	-	-	(37,758)
Selling, general and administrative expenses	7,307	8,023	14,716	19,057
Total costs and expenses	161,143	177,467	321,964	346,628
Other operating income	1,899	6,400	5,447	9,486
Operating (loss) profit	(1,432)	4,201	178	8,378
Interest income	335	197	617	322
Interest expense	(2,734)	(2,671)	(5,359)	(5,623)
Other expense, net	(452)	(517)	(902)	(890)
(Loss) income before income taxes	(4,283)	1,210	(5,466)	2,187
Credit for income taxes	(3,120)	(1,434)	(5,250)	(3,477)
Net (loss) income	(1,163)	2,644	(216)	5,664
Preferred stock dividends, net	(902)	146	(1,803)	(919)
Net (loss) income attributed to common shares	$ (2,065)	2,790	(2,019)	4,745
Net (loss) income per common share:				
Primary	$ (.26)	.35	(.25)	.60
Fully diluted	(.26)	.27	(.25)	.57
Cash dividends per common share	$ .1625	.1625	.3250	.3250
Average common shares outstanding:				
Primary	8,068	7,866	8,035	7,844
Fully diluted	9,903	9,947	9,878	9,969

See accompanying notes to financial statements.

Pittston Minerals Group

STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30 1997	1996
Cash flows from operating activities:		
Net (loss) income	$ (216)	5,664
Adjustments to reconcile net (loss) income to net cash used by operating activities:		
Noncash charges and other write-offs	-	29,948
Depreciation, depletion and amortization	18,484	18,093
Provision for deferred income taxes	4,075	11,120
Credit for pensions, noncurrent	(1,686)	(204)
Provision for uncollectible accounts receivable	88	251
Equity in earnings of unconsolidated affiliates, net of dividends received	336	(436)
Other operating, net	(521)	(784)
Change in operating assets and liabilities net of effects of acquisitions and dispositions:		
Decrease (increase) in accounts receivable	3,475	(18,682)
Increase in inventories	(12,341)	(2,549)
(Increase) decrease in prepaid expenses	(3,125)	1,034
Decrease in accounts payable and accrued liabilities	(1,638)	(7,151)
Decrease (increase) in other assets	69	(2,243)
Increase (decrease) in other liabilities	722	(36,626)
Decrease in workers' compensation and other claims, noncurrent	(4,487)	(5,662)
Other, net	298	173
Net cash provided (used) by operating activities	3,533	(8,054)
Cash flows from investing activities:		
Additions to property, plant and equipment	(17,029)	(13,999)
Proceeds from disposal of property, plant and equipment	2,174	2,522
Acquisitions, net of cash acquired, and related contingency payments	(791)	(746)
Other, net	(496)	2,038
Net cash used by investing activities	(16,142)	(10,185)
Cash flows from financing activities:		
Additions to debt	40,706	18,400
Reductions of debt	(255)	(669)
Payments (to) from - Burlington Group/Brink's Group	(22,813)	8,749
Repurchase of stock	-	(3,975)
Proceeds from exercise of stock options and employee stock purchase plan	14	86
Dividends paid	(4,315)	(4,593)
Net cash provided by financing activities	13,337	17,998
Net increase (decrease) in cash and cash equivalents	728	(241)
Cash and cash equivalents at beginning of period	3,387	4,999
Cash and cash equivalents at end of period	$ 4,115	4,758

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 second quarter and six month periods of 1997 and 1996 totaled $5,909 ($5,699 in 1996) and $11,358 ($11,185 in 1996), respectively.

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

	Three Months Ended June 30 1997	1996	Six Months Ended June 30 1997	1996
Interest	$ 2,742	3,156	5,383	5,989
Income taxes	$ (11,773)	(15,979)	(11,760)	(15,924)

During the six months ended June 30, 1997 and 1996, capital lease obligations of $649 and $87, respectively, were incurred for leases of property plant and equipment.

(4) For the quarter and six months ended June, 30, 1997, fully diluted net (loss) income per share for the Minerals Group is considered to be the same as primary since the effect of common stock equivalents and the assumed conversion of preferred stock was either antidilutive or insignificant.

(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 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. The third payment will be paid in August, 1997 and will be 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 Minerals Group recorded a pretax benefit of $35,650 ($23,173 after-tax) in the first quarter of 1996 in their respective financial statements.

(6) 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.

(7) There were no Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock") repurchases during the quarter and six months ended June 30, 1997. During the quarter and six months ended June 30, 1996, the Company purchased 11 shares (at a cost of $3,975) of the Convertible Preferred Stock. Preferred dividends included on the Company's Statement of Operations for the quarter and six months ended June 30, 1996, are net of $1,100 which is the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to holders of the stock.

(8) The Minerals Group will implement the following new accounting standards:

Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share", will be implemented 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". On the effective date, all prior-period EPS data presented will be restated to conform with the provisions of SFAS No. 128.

SFAS No. 130, "Reporting Comprehensive Income", will be implemented in the first quarter of 1998. SFAS No. 130 establishes standards for the reporting and display of comprehensive income and its components in financial statements. Comprehensive income generally represents all changes in shareholders' equity except those resulting from investments by or distributions to shareholders. With the exception of foreign currency translation adjustments, such changes are not significant to the Minerals Group.

SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information", will be implemented in the first quarter of 1998. SFAS No. 131 requires publicly-held companies to report financial and descriptive information about operating segments in financial statements issued to shareholders for interim and annual periods. The SFAS also requires additional disclosures with respect to products and services, geographic areas of operation, and major customers. The adoption of this SFAS is not expected to have a material impact on the financial statements of the Minerals Group.

(9) Certain prior period amounts have been reclassified to conform to current period 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 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)	Three Months Ended June 30 1997	Three Months Ended June 30 1996	Six Months Ended June 30 1997	Six Months Ended June 30 1996
Net Sales:				
Coal Operations	$ 154,073	169,896	308,666	335,364
Mineral Ventures	3,739	5,372	8,029	10,156
Net sales	$ 157,812	175,268	316,695	345,520
Operating (loss) profit:				
Coal Operations	$ 1,232	5,190	4,855	9,567
Mineral Ventures	(1,310)	575	(1,765)	1,749
Segment operating (loss) profit	(78)	5,765	3,090	11,316

General corporate expense	(1,354)	(1,564)	(2,912)	(2,938)
Operating (loss) profit	$ (1,432)	4,201	178	8,378

In the second quarter of 1997, the Minerals Group reported a net loss of $1.2 million, $0.26 per share (both primary and fully diluted), compared to net income of $2.6 million, $0.35 per share ($0.27 per share fully diluted), in the second quarter of 1996. Operating losses totaled $1.4 million in the 1997 quarter as compared to an operating profit of $4.2 million in the 1996 quarter. Net sales during the second quarter of 1997 decreased $17.5 million (10%) compared to the corresponding period in 1996.

In the first six months of 1997, the Minerals Group reported a net loss of $0.2 million, $0.25 per share (both primary and fully diluted), compared to net income of $5.7 million, $0.60 per share ($0.57 per share fully diluted), in the first six months of 1996. Operating profit totaled $0.2 million in the six month period of 1997 as compared to $8.4 million in the corresponding 1996 period. Net sales during the six month period of 1997 decreased $28.8 million (8%) compared to the same period in 1996. In the first six months 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 implementation 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 Mineral Group would have recorded an operating profit and a net income of $0.5 and $0.6 million, respectively, during the first six months of 1996.

Coal Operations

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

	Three Months Ended June 30		Six Months Ended June 30	
(In thousands)	1997	1996	1997	1996
Net sales	$ 154,073	169,896	308,666	335,364
Cost of sales	150,144	165,306	299,883	358,224
Selling, general and administrative expenses	4,775	5,509	9,711	14,381
Restructuring and other credits, including litigation accrual	-	-	-	(37,758)
Total costs and expenses	154,919	170,815	309,594	334,847
Other operating income, net	2,078	6,109	5,783	9,050
Operating profit	1,232	5,190	4,855	9,567
Coal sales (tons):				
Metallurgical	1,823	1,954	3,714	3,999
Utility and industrial	3,294	3,831	6,523	7,403
Total coal sales	5,117	5,785	10,237	11,402
Production/purchased (tons):				
Deep	1,324	991	2,426	2,053
Surface	2,739	2,870	5,398	5,586
Contract	373	459	736	854
	4,436	4,320	8,560	8,493
Purchased	963	1,376	2,303	2,984
Total	5,399	5,696	10,863	11,477

Coal Operations generated an operating profit of $1.2 million in the second quarter of 1997, compared to $5.2 million recorded in the 1996 second quarter. Operating profit in the 1996 quarter included a one-time benefit of $3.0 million related to litigation settlements, $1.0 million of additional tax credits relating to coal produced in Virginia and an additional $0.7 million of gains on asset sales.

Coal Operations had an operating profit of $4.9 million in the first six months of 1997 compared to an operating profit of $9.6 million in the prior year.

Operating profit in the first six months of 1996 included the $3.0 million benefit for litigation settlement and an additional $0.5 million of gains on asset sales. In addition to these items, the first half of 1996 operating results also 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 the implementation of 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 1996 non-recurring items, operating profits from Coal Operations increased by $3.1 million in the 1997 period.

The following is a schedule of selected financial data for Coal Operations, excluding restructuring and other non-recurring items.

(In thousands, except per ton amounts)	Three Months Ended June 30 1997	Three Months Ended June 30 1996	Six Months Ended June 30 1997	Six Months Ended June 30 1996
Net coal sales (a)	$ 151,303	168,551	304,001	332,459
Current production cost of coal sold (a)	140,554	156,947	282,126	314,918
Coal margin	10,749	11,604	21,875	17,541
Non-coal margin	527	249	1,245	857
Other operating income, net	2,078	6,109	5,783	9,050
Margin and other income	13,354	17,962	28,903	27,448
Other costs and expenses:				
Idle equipment and closed mines	250	200	557	459
Inactive employee cost	7,097	7,063	13,780	14,487
Selling, general and administrative expenses	4,775	5,509	9,711	10,745
Total other costs and expenses	12,122	12,772	24,048	25,691
Operating profit (before restructuring and other credits and SFAS No. 121) (b)	$ 1,232	5,190	4,855	1,757
Coal margin per ton:				
Realization	$ 29.57	29.14	29.70	29.16
Current production costs	27.47	27.13	27.56	27.62
Coal margin	$ 2.10	2.01	2.14	1.54

(a) Excludes non-coal components.

(b) Restructuring and other credits in the six months ended June 30, 1996 consist of an impairment loss related to the implementation 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 Coal Operations as "Restructuring and other credits, including litigation accrual".

Sales volume of 5.1 million tons in the second quarter of 1997 was 0.7 million tons less than the 5.8 million tons sold in the prior year quarter. Compared to the second quarter of 1996, steam coal sales in 1997 decreased by 0.5 million tons (14%), to 3.3 million tons, and metallurgical coal sales declined by 0.2 million tons (7%), to 1.8 million tons. Steam coal sales represented 64% of total volume in 1997 and 66% in 1996.

Negotiations with metallurgical customers for the contract year which began April 1, 1997, resulted in price settlements 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. In addition, the steam coal market also remains relatively weak. As a result, Coal Operations adjusted, and will continue to adjust, its production levels and operating plans as necessary in order to address the challenges of these current markets.

Total coal margin of $10.7 million for the second quarter of 1997 represented a decrease of $0.9 million from the comparable period in 1996. The decline in coal margin reflects lower sales volume combined with an increase of $0.34 per ton in the current production cost of coal sold. These items were offset, in part, by an increase of $0.43 per ton in realization. The increase in average realization per ton was due, in part, to a favorable change in the 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.

The current production cost of coal sold increased $0.34 per ton to $27.47 per ton in the second quarter 1997 as compared to the 1996 period which included an additional $1.0 million ($0.20 per ton) of Virginia tax credits. The remaining increases primarily relate to higher deep mine and purchased coal costs in the second quarter of 1997. Production in the 1997 second quarter totaled 4.4 million tons, slightly higher (2%) than the 4.3 million tons produced in the 1996 second quarter. Second quarter surface production accounted for 63% and 68% of total production in 1997 and 1996, respectively. Productivity of 38 tons per man day remained consistent between the 1997 and 1996 quarters.

Non-coal margin, which reflects earnings from the oil, gas and timber businesses, amounted to $0.5 million in the second quarter of 1997, which was $0.3 million higher than in the second quarter of 1996. The increase largely reflects the impact of a favorable change in natural gas prices. Other operating income, primarily reflecting the benefits from sales of properties and equipment and third party royalties, amounted to $2.1 million in the second quarter of 1997, $4.0 million less than in the comparable period of 1996. The 1996 second quarter included a one-time benefit of $3.0 million from litigation settlements and an additional $0.7 million of gains on asset sales.

Idle equipment and closed mine costs remained unchanged at $0.2 million in the 1997 and 1996 second quarters. Inactive employee costs, which primarily represent long-term employee liabilities for pension and retiree medical costs, also remained consistent at $7.1 million in the 1997 and 1996 second quarters. Selling, general and administrative expenses declined $0.7 million (13%) in 1997 over the 1996 comparable period as a result of Coal Operations cost control efforts.

Sales volume of 10.2 million tons in the first half of 1997 was 1.2 million tons less than the 11.4 million tons sold in the 1996 period due to market conditions discussed above. Metallurgical coal sales declined by 0.3 million tons (7%) to 3.7 million tons and steam coal sales decreased by 0.9 million tons (12%) to 6.5 million tons compared to the prior year. Steam coal sales represented 64% of the total 1997 sales volume, as compared to 65% in 1996.

For the first six months of 1997, coal margin was $21.9 million, an increase of $4.3 million over the 1996 period. Coal margin per ton increased to $2.14 per ton in the first six months of 1997 from $1.54 per ton for the same period of 1996, due to a combination of a $0.54 per ton increase in realization and a slight decrease in the current production cost of coal sold, $0.06 per ton. 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.

The current production cost of coal sold for the first half of 1997 was $27.56 per ton as compared to $27.62 per ton for the first half of 1996. This decrease is essentially due, in 1996, to the negative impact of severe winter weather and higher surface mine costs. Production for the year-to-date 1997 period totaled 8.6 million tons, a slight increase from the 1996 period production of 8.5 million tons. Surface production accounted for 64% and 67% of the total volume in the 1997 and 1996 periods, respectively. Productivity of 37 tons per man day remained consistent between the 1997 and 1996 periods.

The non-coal margin was $1.2 million for the first half of 1997, an increase of $0.4 million due to improved natural gas prices over the 1996 period. Other operating income was $5.8 million for the 1997 period, a decrease of $3.3 million from the 1996 period. The 1996 period included a one-time benefit of $3.0 million for litigation settlements and an additional $0.5 million of gains on asset sales.

Idle equipment and closed mine costs were consistent between the first half of 1997 and 1996, increasing only $0.1 million. Inactive employee costs, which primarily represent long-term employee liabilities for pension and retiree medical costs, decreased by $0.7 million to $13.8 million in the 1997 six months. 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 by $1.0 million (10%) in the six months of 1997 as compared to the 1996 period, as a result of Coal Operations cost control efforts.

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. The third payment will be paid in August 1997 and will be 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 six months 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	263	1,013	781	2,057
Balance as of June 30, 1997	$ 113	11,426	24,504	36,043

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)	Three Months Ended June 30 1997	1996	Six Months Ended June 30 1997	1996
Stawell Gold Mine:				
Gold sales	$ 3,719	5,404	8,000	10,106
Other revenue (expense)	20	(32)	29	50
Net sales	3,739	5,372	8,029	10,156
Cost of sales (a)	3,666	4,139	7,297	7,105
Selling, general and administrative expenses (a)	381	272	679	534
Total costs and expenses	4,047	4,411	7,976	7,639
Operating profit (loss)-Stawell Gold Mine	(308)	961	53	2,517
Other operating expense, net	(1,002)	(386)	(1,818)	(768)
Operating (loss) profit	$ (1,310)	575	(1,765)	1,749
Stawell Gold Mine:				
Mineral Ventures' 50% direct share:				
Ounces sold	9,665	12,841	20,241	24,600
Ounces produced	9,315	11,868	20,266	23,982
Average per ounce sold (US$):				
Realization	$ 385	421	395	411
Cash cost	370	304	348	275

(a) Excludes $26 and $797, and $68 and $1,414, of non-Stawell related cost of

sales and selling, general and administrative expenses for the quarter and six months ended June 30, 1997, respectively. Excludes $678 and $1,204, of non-Stawell related selling, general and administrative expenses for the quarter and six months ended June 30, 1996, respectively. Such costs are reclassified to cost of sales and selling, general and administrative expenses 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 $1.3 million in the second quarter of 1997 as compared to an operating profit of $0.6 million in the 1996 quarter. Mineral Ventures' 50% direct interest in Stawell's operations generated net sales of $3.7 million in the second quarter of 1997 compared to $5.4 million in the 1996 period as the ounces of gold sold decreased from 12.8 thousand ounces to 9.7 thousand ounces (24%). The operating loss at Stawell of $0.3 million was $1.3 million lower than the operating profit of $1.0 million in the second quarter of 1996 and was affected by a $66 per ounce increase (22%) in the cash cost of gold sold combined with a $36 per ounce decrease (9%) in the selling price of gold. Stawell's costs in the second quarter of 1997 were negatively impacted by lower production and higher costs associated with the collapse of a new ventilation shaft during its construction. No injuries were associated with the collapse and the potential for rehabilitating the shaft is being evaluated.

During the first six months of 1997, Mineral Ventures generated an operating loss of $1.8 million as compared to an operating profit of $1.7 million in the 1996 period. Mineral Ventures' 50% direct interest in Stawell's operations generated net sales of $8.0 million in the first half of 1997 compared to $10.2 million in the 1996 period as the ounces of gold sold decreased from 24.6 thousand ounces to 20.2 thousand ounces (18%). The operating profit at Stawell of $0.1 million was $2.4 million lower than the operating profit of $2.5 million in the first half of 1996 and was affected by a $73 per ounce increase (27%) in the cash cost of gold sold combined with a $16 per ounce decrease (4%) in the selling price of gold. Stawell's costs in the first half of 1997 were negatively impacted by temporary unfavorable ground conditions and the collapse of a new ventilation shaft during its construction resulting in lower production and higher costs.

Subsequent to June 30, 1997, the market price of gold continued to decline. In early July 1997, in reaction to this decline, Mineral Ventures closed a gold forward sale hedge position relating to 16,397 ounces and realized proceeds of $2.6 million. These proceeds, which equate to approximately $160 per ounce, will be recognized for accounting purposes as the 16,397 ounces of gold are sold in the market.

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 $0.6 million and $1.0 million in the second quarter and first six months of 1997, respectively, primarily due to joint venture losses. Gold exploration costs increased slightly 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. The initial mining and commissioning of Silver Swan has proceeded according to expectations and the complex is now operational.

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 allocated to the Minerals Group based on 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 $1.4 million and $1.6 million for the second quarter of 1997 and 1996, respectively, and $2.9 million for the first six months of both 1997 and 1996.

Other Operating Income

Other operating income for the second quarter of 1997 decreased $4.5 million to $1.9 million from $6.4 million recognized in the 1996 quarter and in the first six months of 1997 decreased $4.1 million to $5.4 million from $9.5 million in the first six months of 1996. Other operating income principally includes benefits from litigation settlements, royalty income and gains and losses from sales of coal assets. The second quarter and first six months of 1996 included a $3.0 million benefit from settlements of litigation. Operating income also included an additional $0.7 million and $0.5 million of gains from asset sales in the second quarter and first six months, respectively, of 1996.

Interest Expense

Interest expense was consistent for the second quarters of 1997 and 1996 at $2.7 million but decreased slightly, $0.3 million, in the first six months of 1997 to $5.4 million. This decrease in interest expense in the first six months of 1997 is the result of slightly lower average interest on outstanding debt balances.

Income Taxes

In both 1997 and 1996 periods presented, 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 an equitable and a reasonable estimate of the cost attributable to the Minerals Group.

Cash Flow Requirements

Operating activities for the first six months of 1997 provided cash of $3.5 million, while operations in the first six months of 1996 used cash of $8.1 million. 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 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 six months of 1996. The initial payment of $25.8 million related to the Evergreen Case settlement was entirely funded by an escrow account previously established by the Company. In the 1997 period, cash flow improved due to a decrease in the amount required to fund operating assets and liabilities. Cash flow provided by operating activities combined with proceeds from asset sales and additional borrowings was partially offset by cash required for capital expenditures, payments to the Brink's and Burlington Groups, and the net costs of share activity. The net effect of these activities resulted in an increase in cash and cash equivalents of $0.7 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 six months of 1997 totaled $17.0 million, excluding expenditures that have been or are expected to be financed through capital and operating leases. During the 1997 period, Coal Operations and Mineral Ventures spent $14.6 million and $2.4 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 $8 million and $10 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.

Total debt outstanding at June 30, 1997 was $166.0 million, an increase of $41.0 million from the $125.0 million outstanding at December 31, 1996. These increased borrowings, which funded cash flow requirements (including repayment of amounts owed to the Brink's and Burlington Groups), were made primarily under the credit agreement discussed below.

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 June 30, 1997, borrowings of $100.0 million were outstanding under the term loan portion of the Facility with $79.5 million of additional borrowings outstanding under the remainder of the Facility. Of the outstanding amounts under the Facility at June 30, 1997, $163.9 million was attributed to the Minerals Group.

Related Party Transactions

At June 30, 1997, under interest bearing borrowing arrangements, the Minerals Group owed the Brink's Group $8.9 million, a decrease of $15.1 million from the $24.0 million owed at December 31, 1996. The amount owed the Burlington Group was reduced by $7.7 million to zero from the amount owed at December 31, 1996.

At June 30, 1997, the Brink's Group owed the Minerals Group $17.2 million versus $18.8 million at December 31, 1996 for tax payments representing the utilization of the Minerals Group's tax benefits by the Brink's Group, of which $12.0 million is expected to be paid within one year. Also at June 30, 1997, the Burlington Group owed the Minerals Group $23.2 million versus $24.3 million at December 31, 1996 for tax payments representing the utilization of the Minerals Group's tax benefits by the Burlington Group, of which $12.0 million is expected to be paid in one year.

Off-Balance Sheet Instruments

During July 1997, Mineral Ventures closed a gold forward sale hedge position and realized proceeds of $2.6 million, which will be recognized over the next 16,397 ounces of gold sales. After closing out the aforementioned position, approximately 9% of Mineral Ventures' recoverable proven and probable reserves had been sold forward under forward sales contracts that mature periodically through early-1998.

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 Brink's Group consists of the Brink's, Incorporated ("Brink's") and the 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 Company prepares separate financial statements for the Minerals, Brink's and Burlington Groups in addition to consolidated financial information of the Company.

During the quarter and six months ended June 30, 1997, the Company repurchased no shares of its Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock"). During the quarter and six months ended June 30, 1996, the Company repurchased 11 shares of its Convertible Preferred Stock at a total cost of $4.0 million.

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 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 June 30, 1997, the Available Minerals Dividend Amount was at least $17.9 million.

During the first six months of 1997 and 1996, the Board declared and the Company paid cash dividends of 32.5 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 six months totaled $1.8 million and $2.0 million, respectively. Preferred dividends included in the Minerals Group's Statement of Operations for the quarter and six months ended June 30, 1996 are net of $1.1 million which was the excess of the carrying amount of the Convertible Preferred Stock over the cash period to holders of the 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 Minerals Group will implement the following new accounting standards:

Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share", will be implemented 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". On the effective date, all prior-period EPS data presented will be restated to conform with the provisions of SFAS No. 128.

SFAS No. 130, "Reporting Comprehensive Income", will be implemented in the first quarter of 1998. SFAS No. 130 establishes standards for the reporting and display of comprehensive income and its components in financial statements. Comprehensive income generally represents all changes in shareholders' equity except those resulting from investments by or distributions to shareholders. With the exception of foreign currency translation adjustments, such changes are not significant to the Minerals Group.

SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information", will be implemented in the first quarter of 1998. SFAS No. 131 requires publicly-held companies to report financial and descriptive information about operating segments in financial statements issued to shareholders for interim and annual periods. The SFAS also requires additional disclosures with respect to products and services, geographic areas of operation, and major customers. The adoption of this SFAS is not expected to have a material impact on the financial statements of the Minerals Group.

Forward Looking Information

Certain of the matters discussed herein involve forward looking information which is subject to known and unknown risks and uncertainties which could cause actual results to differ materially from those which are anticipated. Such risks and uncertainties include, but are not limited to, overall economic and business conditions, the demand for the Minerals Group's products, geological conditions, pricing and other competitive factors in the industry, new government regulations and integration of new ventures.

Part II - Other Information

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

Exhibit
Number

3(ii) The Registrant's Bylaws, as amended through July 11, 1997.

4 Amendment dated as of July 1, 1997, to the Amended and Restated Rights Agreement dated as of January 19, 1996, as amended, between the Registrant and BankBoston, N.A., as rights agent.

11 Statement re: Computation of Per Share Earnings.

(b) A report on Form 8-K was filed on April 8, 1997, with respect to estimated first quarter 1997 earnings for Pittston Brink's Group Common Stock, and a report on Form 8-K was filed on April 24, 1997, with respect to first quarter 1997 earnings for each of Pittston Brink's Group Common Stock, Pittston Burlington Group Common Stock and Pittston Minerals Group Common Stock.

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

August 14, 1997

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

EXHIBIT 3(ii)

THE PITTSTON COMPANY

BYLAWS
(As amended through July 11, 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 maintain 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 Incorporation 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 provides 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 Directors 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 pursuant 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 shareholder'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, two of which shall consist of three directors and the third of which shall consist of four directors.

4. The number of directors may at any time be increased or decreased, within the variable range established 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 directors 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 directors 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 officer 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 effective 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 corporation. 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 corporation 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 instruments 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 certificates 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.

4. Article 14.1 of Chapter 9 of Title 13.1 of the Code of Virginia, titled "Control Share Acquisitions," shall not apply to acquisitions of shares of the corporation.

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 adjournment 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 transfer 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.

EXHIBIT 4

AMENDMENT dated as of July 31, 1997, to the Amended and Restated Rights Agreement dated as of January 19, 1996, as amended (the "Rights Agreement"), between THE PITTSTON COMPANY (the "Company") and BANKBOSTON, N.A., as rights agent (the "Rights Agent").

Pursuant to the terms of the Rights Agreement and in accordance with Section 27 thereof, the following actions are hereby taken:

Section 1. Amendment to Rights Agreement. The Rights Agreement is hereby amended as follows:

(a) Section 1(a) is hereby revised to read, in its entirety, as follows:

"(a) "Acquiring Person" shall mean any Person who or which, alone or together with all Affiliates and Associates of such Person, shall be the Beneficial Owner of more than 15% of the total Voting Rights of all the Common Shares then outstanding (provided however that such person shall be deemed to be an Acquiring Person only on the Close of Business on the tenth calendar day (or sooner if so determined by the Board) following such time as the Board learns that such Person's Beneficial Ownership exceeds 15% of the total Voting Rights of all the Common Shares then outstanding) but shall not include (a) the Company, any Subsidiary of the Company, any employee benefit plan of the Company or of any of its Subsidiaries, or any Person holding Common Shares for or pursuant to the terms of any such employee benefit plan or (b) any such Person who has become and is such a Beneficial Owner solely because (i) of a change in the aggregate number of Common Shares outstanding since the last date on which such Person acquired Beneficial Ownership of any Common Shares or (ii) it acquired such Beneficial Ownership in the good faith belief that such acquisition would not cause such Beneficial Ownership to exceed 15% of the total Voting Rights of all the Common Shares then outstanding. Notwithstanding clause (b)(ii) of the prior sentence, if any Person that is excluded from the definition of an Acquiring Person due to such clause (b)(ii) does not reduce its percentage of Beneficial Ownership of Common Shares to 15% or less of the total Voting Rights of all the Common Shares then outstanding by the Close of Business on the fifth Business Day after notice from the Company (the date of notice being the first day) that such Person's Beneficial Ownership of Common Shares so exceeds 15% of such total Voting Rights, such Person shall, at the end of such five Business Day period, become an Acquiring Person (and such clause (b)(ii) shall no longer apply to such Person). For purposes of this definition, the determination whether any Person acted in "good faith" shall be conclusively determined by the Board of Directors of the Company."

(b) Clause (i) of Section 3(a) is hereby revised to read, in its entirety, as follows:

"such time that a Person has become an Acquiring Person or"

(c) Clause (ii) of Section 3(a) is amended by deleting the phrase "the Close of Business on the tenth calendar day after the date of the commencement of a tender or exchange offer by any Person (other than the Company, any Subsidiary of the Company, any employee benefit plan of the Company or of any of its Subsidiaries, or any Person holding Common Shares for or pursuant to the terms of any such employee benefit plan) for Common Shares representing 30% or more of the total Voting Rights of all the outstanding Common Shares " and inserting in its place the following:

"on such date, if any, as may be designated by the Board of Directors of the Company following the commencement of, or first public disclosure of an intent to commence, a tender or exchange offer by any Person (other than the Company, any Subsidiary of the Company, any employee benefit plan of the Company or of any of its Subsidiaries, or any Person holding Common Shares for or pursuant to the terms of any such employee benefit plan) for outstanding Common Shares, if upon consummation of such tender or exchange offer such Person could be the Beneficial Owner of more than 15% of the total Voting Rights of all the outstanding Common Shares".

(d) Section 7(a) is amended by deleting the date "September 25, 1997" and inserting the date "September 25, 2007" in its place.

(e) Section 9 is hereby amended by adding subsection (e), which reads in its entirety as follows:

"(e) In the event that there shall not be sufficient authorized but unissued Preferred Shares to permit the exercise or exchange of Rights in accordance with Section 11, the Company covenants and agrees that it will take all such action as may be necessary to authorize additional Preferred Shares for issuance upon the exercise or exchange of Rights pursuant to Section 11; provided, however, that if the Company is unable to cause the authorization of additional Preferred Shares, then the Company shall, or in lieu of seeking any such authorization, the Company may, to the extent necessary and permitted by applicable law and any

agreements or instruments in effect prior to the Distribution Date to which it is a party, (i) upon surrender of a Right, pay cash equal to the Purchase Price in lieu of issuing Preferred Shares and requiring payment therefor, (ii) upon due exercise of a Right and payment of the Purchase Price for each Preferred Share as to which such Right is exercised, issue equity securities having a value equal to the value of the Preferred Shares which otherwise would have been issuable pursuant to Section 11, which value shall be determined by a nationally recognized investment banking firm selected by the Board of Directors of the Company or (iii) upon due exercise of a Right and payment of the Purchase Price for each Preferred Share as to which such Right is exercised, distribute a combination of Preferred Shares, cash and/or other equity and/or debt securities having an aggregate value equal to the value of the Preferred Shares which otherwise would have been issuable pursuant to Section 11, which value shall be determined by a nationally recognized investment banking firm selected by the Board of Directors of the Company. To the extent that any legal or contractual restrictions (pursuant to agreements or instruments in effect prior to the Distribution Date to which it is party) prevent the Company from paying the full amount payable in accordance with the foregoing sentence, the Company shall pay to holders of the Rights as to which such payments are being made all amounts which are not then restricted on a pro rata basis as such payments become permissible under such legal or contractual restrictions until such payments have been paid in full."

(f) Clause (ii) of Section 11(e) is hereby revised to read, in its entirety, as follows:

"(ii) Upon a Person becoming an Acquiring Person (such event being herein referred to as a "Triggering Event"), proper provision shall be made so that each holder of a Right, except as provided in Section 7(e), shall thereafter have a right to receive, upon exercise thereof for the Purchase Price in accordance with the terms of this Rights Agreement, such number of thousandths (1/1,000s) of a Preferred Share as shall equal the result obtained by multiplying the Purchase Price by a fraction, the numerator of which is the number of thousandths (1/1,000s) of a Preferred Share for which a Right is then exercisable and the denominator of which is 50% of the Market Value of the Common Shares on the date on which a Person becomes an Acquiring Person. As soon as practicable after a Person becomes an Acquiring Person (provided the Company shall not have elected to make the exchange permitted by Section 11(e)(iii)(A) for all outstanding Rights), the Company covenants and agrees to use its best efforts to:

(1) prepare and file a registration statement under the Securities Act, on an appropriate form, with respect to the Preferred Shares purchasable upon exercise of the Rights;

(2) cause such registration statement to become effective as soon as practicable after such filing;

(3) cause such registration statement to remain effective (with a prospectus at all times meeting the requirements of the Securities Act) until the Expiration Date; and

(4) qualify or register the Preferred Shares purchasable upon exercise of the Rights under the blue sky or securities laws of such jurisdictions as may be necessary or appropriate.

The Company may temporarily suspend, for a period of time not to exceed 90 calendar days after the date set forth in the immediately preceding sentence, the exercisability of the Rights in order to prepare and file such registration statement and permit it to become effective. Upon any such suspension, the Company shall issue a public announcement stating that the exercisability of the Rights has been temporarily suspended, as well as a public announcement at such time as the suspension is no longer in effect."

(g) Clause (iii) of Section 11(e) is hereby changed to Clause (iv); and Clause (iii) is hereby added to read, in its entirety, as follows:

"(iii)(A) The Board of Directors of the Company may, at its option, at any time after a Person becomes an Acquiring Person, mandatorily exchange all or part of the then outstanding and exercisable Rights (which shall not include Rights that shall have become null and void and nontransferable pursuant to the provisions of Section 7(e)) for consideration per Right consisting of either (x) one-half of the securities that would be issuable at such time upon the exercise of one Right in accordance with Section 11(a) or, if applicable, Section 9(e)(ii) or (iii) or, (y) if applicable, the cash consideration specified in Section 9(e)(i) (the consideration issuable per Right pursuant to this Section 11(e)(iii)(A) being the "Exchange Consideration"). The Board of Directors of the Company may, at its option, issue, in substitution for Preferred Shares, Common Shares in an amount per Preferred Share equal to the Brink's Formula Number, the Minerals Formula Number and the Burlington Formula Number, as the case may be (each as defined in the Articles of Amendment) if there are sufficient authorized but

unissued Common Shares. If the Board of Directors of the Company elects to exchange all or part of the Rights for the Exchange Consideration pursuant to this Section 11(e)(iii)(A) prior to the physical distribution of the Rights Certificates, the Corporation may distribute the Exchange Consideration in lieu of distributing Right Certificates, in which case for purposes of this Rights Agreement holders of Rights shall be deemed to have simultaneously received and surrendered for exchange Right Certificates on the date of such distribution.

(B) Any action of the Board of Directors of the Company ordering the exchange of any Rights pursuant to Section 11(e)(iii)(A) shall be irrevocable and, immediately upon the taking of such action and without any further action and without any notice, the right to exercise any such Right pursuant to Section 11(e)(ii) shall terminate and the only right thereafter of a holder of such Right shall be to receive the Exchange Consideration in exchange for each such Right held by such holder or, if the Exchange Consideration shall not have been paid or issued, to exercise any such Right pursuant to Section 13. The Company shall promptly give public notice of any such exchange; provided, however, that the failure to give, or any defect in, such notice shall not affect the validity of such exchange. The Company promptly shall mail a notice of any such exchange to all holders of such Rights at their last addresses as they appear upon the registry books of the Rights Agent or, prior to the Distribution Date, on the registry books of the transfer agent for the Common Shares. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of exchange will state the method by which the exchange of the Rights for the Exchange Consideration will be effected and, in the event of any partial exchange, the number of Rights which will be exchanged. Any partial exchange shall be effected pro rata based on the number of Rights (other than Rights which shall have become null and void and nontransferable pursuant to the provisions of Section 7(e)) held by each holder of Rights."

(h) Clauses (i) and (ii) of Section 24(a) are hereby amended by deleting Clauses (i) and (ii) and inserting "(i) such time as a Person becomes an Acquiring Person or" in its place; Clause (iii) of Section 24(a) is hereby changed to Clause (ii).

Section 2. Amendment to Right Certificates. The Rights Agent is hereby directed, immediately prior to any Distribution Date, to make such amendments to the forms of Right Certificates, attached to the Rights Agreement, to conform with the Rights Agreement as amended by this Amendment and any subsequent amendments.

Section 3. Full Force and Effect. Except as expressly amended hereby, the Rights Agreement shall continue in full force and effect in accordance with the provisions thereof on the date hereof.

Section 4. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE COMMONWEALTH OF VIRGINIA APPLICABLE TO CONTRACTS TO BE MADE AND PERFORMED ENTIRELY WITHIN SUCH COMMONWEALTH.

Section 5. Counterparts. This Amendment may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Company and the Rights Agent have caused this Amendment to be duly executed as of the day and year first above written.

THE PITTSTON COMPANY

By: JAMES B. HARTOUGH
Name: James B. Hartough
Title: Vice President-Corporate Finance and Treasurer

BANKBOSTON, N.A., as Rights Agent.

By: MICHAEL J. LEPOLLA
Name: Michael J. Lepolla
Title: Administration Manager

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:

	Three Months Ended June 30		Six Months Ended June 30	
	1997	1996	1997	1996
Pittston Brink's Group:				
Net income attributed to common shares	$ 17,739	14,035	33,045	25,874
Average common shares outstanding	38,230	38,152	38,209	38,105
Incremental shares of stock options	473	537	477	535
Pro forma common shares outstanding	38,703	38,689	38,686	38,640
Fully diluted earnings per common share:	$ 0.46	0.36	0.85	0.67
Pittston Burlington Group:				
Net (loss) income attributed to common shares	$ (1,913)	8,746	3,175	12,507
Average common shares outstanding	19,471	19,161	19,439	19,100
Incremental shares of stock options	693	551	689	554
Pro forma common shares outstanding	20,164	19,712	20,128	19,654
Fully diluted (loss) earnings per common share	$ (0.10) (a)	0.44	0.16 (a)	0.64
Pittston Minerals Group:				
Net (loss) income attributed to common shares	$ (2,065)	2,790	(2,019)	4,745
Preferred stock dividends, net	(902)	146	(1,803)	(919)
Fully diluted net income (loss)	$ (1,163)	2,644	(216)	5,664
Average common shares outstanding	8,068	7,866	8,035	7,844
Incremental shares of stock options	42	48	50	50
Conversion preferred stock	1,793	2,033	1,793	2,075
Pro forma common shares outstanding	9,903	9,947	9,878	9,969
Fully diluted (loss) earnings per common share	$ (0.26) (a)	0.27	(0.25) (a)	0.57

(a) Antidilutive, therefore the same as primary.

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

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This schedule contains summary financial information from The Pittston Company Form 10Q for the quarter ended June 30, 1997 and is qualified in its entirety by reference to such financial statements.

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6-MOS
DEC-31-1997
JUN-30-1997
59,997
1,712
488,061
17,617
48,888
710,354
1,092,840
488,833
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581,343
265,665
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1,154
70,113
559,348
1,957,146
316,695
1,607,830
307,248
1,549,599
0
3,849
11,986
50,418
14,414
36,004
0
0
0
36,004
0
0

Pittston Brink's Group - Primary - 0.86
Pittston Burlington Group - Primary - 0.16
Pittston Minerals Group - Primary - (0.25)
Pittston Brink's Group - Diluted - 0.86
Pittston Burlington Group - Diluted - 0.16
Pittston Minerals Group - Diluted - (0.25)