

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 10-K

(MARK ONE)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE  
SECURITIES EXCHANGE ACT OF 1934  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934  
FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_  
COMMISSION FILE NUMBER 1-9148

THE PITTSTON COMPANY

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

VIRGINIA  
(STATE OR OTHER JURISDICTION OF  
INCORPORATION OR ORGANIZATION)

54-1317776  
(I.R.S. EMPLOYER  
IDENTIFICATION NO.)

P.O. BOX 4229,  
1000 VIRGINIA CENTER PARKWAY  
GLEN ALLEN, VIRGINIA  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

23058-4229  
(ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE (804) 553-3600

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF EACH CLASS -----	NAME OF EACH EXCHANGE OF WHICH REGISTERED -----
PITTSTON BRINK'S GROUP COMMON STOCK, PAR VALUE \$1	NEW YORK STOCK EXCHANGE
RIGHTS TO PURCHASE SERIES A PARTICIPATING CUMULATIVE PREFERRED STOCK	NEW YORK STOCK EXCHANGE
SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:	NONE

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  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

As of March 1, 2000, there were issued and outstanding 51,777,782 shares of Pittston Brink's Group Common Stock. The aggregate market value of such stocks held by nonaffiliates, as of that date, was \$852,898,681.

Documents incorporated by reference: Part I, Part II and Part IV incorporate information by reference from the Annual Report of the Company for the year ended December 31, 1999. Part III incorporates information by reference from portions of the Registrant's definitive Proxy Statement to be filed pursuant to Regulation 14A.

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PART I  
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ITEMS 1 AND 2. BUSINESS AND PROPERTIES

As used herein, the "Company" includes The Pittston Company except as otherwise indicated by the context. The Company is comprised of five operating segments - Brink's, Incorporated ("Brink's"), Brink's Home Security, Inc. ("BHS"), BAX Global Inc. ("BAX Global"), Pittston Coal Operations ("Coal Operations") and Other Operations, which consists of Pittston Mineral Ventures ("Mineral Ventures") and the Company's timber and gas operations (collectively, "Allied Operations").

Prior to January 14, 2000, the Company was comprised of three groups - Pittston Brink's Group, Pittston BAX Group, and Pittston Minerals Group. The Pittston Brink's Group included the Brink's and BHS operations of the Company. The Pittston BAX Group included the BAX Global operations of the Company. The Pittston Minerals Group included the Pittston Coal Company and Mineral Ventures operations of the Company. Also, prior to January 14, 2000, the Company had three classes of common stock: Pittston Brink's Group Common Stock ("Brink's Stock"), Pittston BAX Group Common Stock ("BAX 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, the BAX Group and the Minerals Group, respectively.

On December 6, 1999, the Company announced that its Board of Directors (the "Board") approved the elimination of the tracking stock capital structure by an exchange of all outstanding shares of Minerals Stock and BAX Stock for shares of Brink's Stock (the "Exchange"). The Exchange took place on January 14, 2000 (the "Exchange Date"). On the Exchange Date, holders of Minerals Stock received 0.0817 shares of Brink's Stock for each share of their Minerals Stock; and holders of BAX Stock received 0.4848 shares of Brink's Stock for each share of their BAX Stock. See Note 10 of the Company's consolidated financial statements for additional information concerning the Exchange on pages 48 through 49 of the Company's 1999 Annual Report, which are incorporated herein by reference. From and after the Exchange Date, Brink's Stock is the only outstanding class of common stock of the Company and continues to trade on the New York Stock Exchange under the symbol "PZB". Prior to the Exchange Date, the Brink's Stock reflected the performance of the Brink's Group only; after the Exchange Date, the Brink's Stock reflects the performance of the Company as a whole. Shares of Brink's Stock after the Exchange are hereinafter referred to as "Pittston Common Stock".

Financial information related to the Company's segments is included in Note 17 of the Company's consolidated financial statements on pages 56 through 57 of the Company's 1999 Annual Report, which are incorporated herein by reference. The information set forth with respect to "Business and Properties" is as of December 31, 1999 except where an earlier or later date is expressly stated. Nothing herein should be considered as implying that such information is correct as of any date other than December 31, 1999, except as so stated or indicated by the context.

Activities relating to the Brink's segment are carried on by Brink's, Incorporated and its subsidiaries and certain affiliates and associated companies in foreign countries (together, "Brink's"). Activities relating to the BHS segment are carried on by Brink's Home Security, Inc. and its subsidiaries (together, "BHS"). Activities relating to the BAX Global segment are carried on by BAX Global Inc. and its subsidiaries and certain affiliates and associated companies in foreign countries (together, "BAX Global"). Activities relating to Coal Operations are carried on by coal-related subsidiaries of Pittston Coal (together, "Coal Operations"). Activities relating to Other Operations are carried on by Pittston Mineral Ventures Company and its subsidiaries and certain affiliates (together, "Mineral Ventures") and Pittston Coal's timber and gas operations (together, "Allied Operations").

The Company has a total of approximately 46,500 employees.

BUSINESS AND SECURITY SERVICES

The business and security services businesses of the Company consist of Brink's, BHS and BAX Global.

BRINK'S

GENERAL

The major activities of Brink's are contract-carrier armored car, automated teller machine ("ATM"), air courier (global services), coin wrapping, and currency and deposit processing services. Brink's serves customers through 147 branches in the United States and 39 branches in Canada. Service is also provided through subsidiaries, affiliates and associated companies in 49 countries outside the United States and Canada. These international operations contributed approximately 53% of Brink's total reported 1999 operating profit. Brink's ownership interest in subsidiaries and affiliated companies ranges from 20% to 100%. In some instances local laws limit the extent of Brink's interest.

Representative customers include banks, commercial establishments, industrial facilities, investment banking and brokerage firms and government agencies. Brink's provides its individualized services under separate contracts designed to meet the distinct transportation and security requirements of its customers. These contracts are usually for an initial term of one year or less, but generally continue in effect thereafter until canceled by either party.



Brink's armored car services include transportation of money from industrial and commercial establishments to banks for deposit, and transportation of money, securities and other negotiable items and valuables between commercial banks, Federal Reserve Banks and their branches and correspondents, and brokerage firms. Brink's also transports new currency, coins and precious metals for the United States Mint, the Federal Reserve System and the Bank of Canada. For transporting money and other valuables over long distances, Brink's offers a combined armored car and air courier service linking many cities in the United States and abroad. Except for a subsidiary in Venezuela, Brink's does not own or operate any aircraft, but uses regularly scheduled or chartered aircraft in connection with its air courier services.

In addition to its armored car pickup and delivery services, Brink's provides change services, coin wrapping services, currency and deposit processing services, ATM services, safes and safe control services, check cashing and pickup and delivery of valuable air cargo shipments. In certain geographic areas, Brink's transports canceled checks between banks or between a clearing house and its member banks. Brink's also offers CompuSafe's service, designed to streamline the handling and management of cash receipts initially implemented for the convenience store and gas station market.

Brink's operates a worldwide specialized diamond and jewelry transportation business and has offices in the major diamond and jewelry centers of the world, including London, Antwerp, Tel Aviv, Hong Kong, New York, Bombay, Bangkok, Tokyo and Arrezzo, Italy.

Brink's has the ability, through its information systems, to integrate a full range of cash vault, ATM, transportation, storage, processing, inventory management and reporting services. Brink's believes that its processing and information capabilities differentiate its currency and deposit processing services from its competitors and enable Brink's to take advantage of the trend by banks, retail business establishments and others to outsource vaulting and cash room operations.

Brink's non-North American operations, which accounted for approximately 57% of its revenues in 1999, operate in three regions: Europe, Latin America and Asia/Pacific. In Europe, wholly owned subsidiaries of Brink's operate in France, Germany, the United Kingdom and the Netherlands and, in the diamond and jewelry transportation business, in Belgium, Italy and Russia. Brink's has a 70% interest in a subsidiary in Israel, a 50.05% interest in a subsidiary in Greece and a 51% interest in a subsidiary in Switzerland. Brink's also has ownership interests ranging from 45% to 50% in affiliates and subsidiaries operating in Belgium, Ireland, Jordan and Luxembourg. Wholly owned subsidiaries operate in South Africa and Turkey. In Latin America, wholly owned subsidiaries operate in Brazil, Puerto Rico and Bolivia. Brink's owns a 61% interest in a subsidiary in Venezuela, a 74% interest in a subsidiary in Chile, a 51% interest in a subsidiary in Argentina, a 58% interest in a subsidiary in Colombia and a 20% interest in a Mexican company which operates one of the world's largest security transportation services with over 1,400 armored vehicles. Brink's also has 49% and 36% ownership interests in affiliates operating in Panama and Peru, respectively. In the Asia/Pacific region, wholly owned subsidiaries of Brink's operate in Australia and Taiwan, and majority owned subsidiaries operate in Hong Kong (90% owned), Japan (51% owned) and Singapore (60% owned). Brink's has minority interests in affiliates in India, Pakistan and Thailand ranging from 40% to 49%. Brink's also operates a representative office in China.

Because the financial results of Brink's are reported in US dollars, they are affected by changes in the value of the various foreign currencies in relation to the US dollar. Changes in exchange rates may also adversely affect transactions that are denominated in currencies other than the functional currency of the subsidiary performing the transaction. The diversity of foreign operations helps to mitigate a portion of the impact that foreign currency fluctuations in any one country may have on the translated results. Brink's, from time to time, uses foreign currency forward contracts to hedge certain transactional risks associated with foreign currencies. Brink's is also subject to other risks customarily associated with doing business in foreign countries, including labor and economic conditions, political instability, controls on repatriation of earnings and capital, nationalization, expropriation and other forms of restrictive action by local governments. The future effects of such risks on Brink's cannot be predicted.

#### COMPETITION

Brink's is the oldest and largest armored car service company in the United States as well as a market leader in most of the countries in which it operates. The foreign subsidiaries, affiliates and associates of Brink's compete with numerous armored car and courier service companies in many areas of operation. In the United States, Brink's presently competes nationally with one company and regionally and locally with many smaller companies. Brink's believes that its service, high quality insurance coverage and company reputation (including the name "Brink's") are important competitive advantages. However, the cost of service is, in many instances, the controlling factor in obtaining and retaining customers. While Brink's cost structure is generally competitive, certain competitors of Brink's have lower costs primarily as a result of lower wage and benefit levels.

See also "Government Regulation" below.

#### SERVICE MARK, PATENTS AND COPYRIGHTS

BRINKS is a registered service mark of Brink's Network, Inc. in the United States and of Brink's, Incorporated in certain foreign countries. The BRINKS mark, name and related marks are of material significance to Brink's business. Brink's owns patents with respect to certain coin sorting and counting machines and armored truck design. Patents related to coin sorting machines expire in 2007 and patents related to counting machines expire in 2008. In addition,

Brink's has a patented integrated service called CompuSafe'r' service that expires in 2018. CompuSafe'r' has

been designed to streamline the handling and management of cash receipts.

#### INSURANCE

Excess of prudent deductibles and/or retentions, Brink's carries insurance coverage for its losses. Insurance policies cover liability for loss of various types of property entrusted to Brink's from any cause except war and nuclear risk. The various layers of insurance are covered by different groups of participating underwriters. Such insurance is obtained by Brink's at rates and upon terms negotiated periodically with the underwriters. The loss experience of Brink's and, to a limited extent, other armored carriers affects premium rates charged to Brink's. The availability of quality and reliable insurance coverage is an important factor in the ability of Brink's to obtain and retain customers. Quality insurance is available to Brink's in major markets although the premiums charged are subject to fluctuations depending on market conditions. Less expensive armored car and air courier all-risk insurance is available, but these policies typically contain unacceptable operating warranties and limited customer protection.

#### GOVERNMENT REGULATION

The operations of Brink's are subject to regulation by the United States Department of Transportation with respect to safety of operation and equipment and financial responsibility. Intrastate operations in the United States and intraprovince operations in Canada are subject to regulation by state and by Canadian and provincial regulatory authorities, respectively. Brink's non-North American operations are regulated to varying degrees by the countries in which it operates.

#### EMPLOYEE RELATIONS

At December 31, 1999, Brink's and its subsidiaries had approximately 10,900 employees in North America, of whom approximately 2,800 were classified as part-time employees. In the United States, two locations (10 employees) are covered by collective bargaining agreements. At December 31, 1999, Brink's was a party to two United States and twelve Canadian collective bargaining agreements with various local unions covering approximately 1,500 employees, most of whom are employees in Canada and members of unions affiliated with the International Brotherhood of Teamsters. Negotiations are continuing on three agreements that expired in 1999 and one agreement expiring in 2000. The remaining agreements will expire after 2000. Negotiations on the three agreements which expired in 1999 are expected to be concluded by March 2000. At December 31, 1999, Brink's had approximately 21,800 employees outside North America. Brink's believes that its employee relations are satisfactory.

#### PROPERTIES

In the United States and Canada, Brink's owns 28 branch offices and holds under lease an additional 158 branch offices, located in 37 states, the District of Columbia and nine Canadian provinces. Such branches generally include office space and garage or vehicle terminals, and serve not only the city in which they are located but also nearby cities. Brink's corporate headquarters in Darien, Connecticut, is held under a lease expiring in 2005, with an option for an early termination in 2003. The leased branches include 120 facilities held under long-term leases, while the remaining 38 branches are held under short-term leases or month-to-month tenancies.

Brink's owns or leases, in the United States and Canada, approximately 2,400 armored vehicles, 300 panel trucks and 300 other vehicles that are primarily service cars. In addition, approximately 3,800 Brink's-owned safes are located on customers' premises. The armored vehicles are of bullet-resistant construction and are specially designed and equipped to afford security for crew and cargo. Brink's subsidiaries and affiliated and associated companies located outside the United States and Canada operate from approximately 500 owned or leased branches with approximately 4,700 owned or leased armored vehicles.

#### BHS

##### GENERAL

BHS is engaged in the business of marketing, selling, installing, servicing and monitoring electronic security systems primarily in owner-occupied, single-family residences. At December 31, 1999, BHS was monitoring approximately 643,300 systems, including approximately 105,600 new subscribers added since December 31, 1998, and was servicing 96 metropolitan areas in 42 states, the District of Columbia and two provinces in Canada. Twenty-six of these areas were added during 1999.

BHS markets its alarm systems primarily through advertising, inbound telemarketing and a direct sales force. BHS also markets its systems directly to home builders and has entered into several contracts which extend through 2000. BHS employees install and service the systems from local BHS branches. Subcontractors are utilized in some service areas. BHS does not manufacture any of the equipment used in its security systems; instead, it purchases such equipment from a small number of suppliers. Equipment inventories are maintained at each branch office.

BHS has established an authorized dealer program to expand the company's geographic coverage and leverage the company's national advertising. During 1999, the dealer program accounted for less than 3% of installations and, as of December 31, 1999, approximately twelve dealers were actively participating in the program. BHS requires that its dealers install the same line of equipment as is installed by its own branches, and adhere to the same installation quality standards.



BHS's security system consists of sensors and other devices which are installed at a customer's premises. The equipment is designed to signal intrusion, fire, medical and other alerts. When an alarm is triggered, a signal is sent by telephone line to BHS's central monitoring station in Irving, Texas, a suburb of Dallas. The monitoring station holds an Underwriters' Laboratories, Inc. ("UL") listing. A backup monitoring center in Carrollton, Texas, helps protect against a catastrophic event at the primary monitoring center. In the event of an emergency, such as fire, tornado, major interruption in telephone or computer service, or any other calamity affecting the primary facility, monitoring operations can be transferred to the backup facility.

BHS's alarm service contracts contain provisions limiting BHS's liability to its customers. Courts have, from time to time, upheld such provisions, but there can be no assurance that the limitations contained in BHS's agreements will be enforced according to their terms in any or all cases. The nature of the service provided by BHS potentially exposes it to greater risk of liability than may be borne by other service businesses. However, BHS has not experienced any major liability losses.

BHS carries insurance of various types, including general liability and errors and omissions insurance, to protect it from product deficiencies and negligent acts of its employees. Certain of BHS's insurance policies and the laws of some states limit or prohibit insurance coverage for punitive or certain other kinds of damages arising from employees' misconduct.

#### REGULATION

BHS and its personnel are subject to various Federal, state and local consumer protection, licensing and other laws and regulations. BHS's business relies upon the use of telephone lines to communicate signals, and telephone companies are currently regulated by both the Federal and state governments. Regulation of installation and monitoring of fire detection devices has also increased in several local markets. BHS's wholly owned Canadian subsidiary, Brink's Home Security Canada Limited, is subject to the laws of Canada, British Columbia and Alberta.

The alarm service industry continues to experience a high incidence of false alarms in some communities, including communities in which BHS operates. BHS believes its false alarm rate compares favorably to other companies' rates. However, there is a possibility that at some point some police departments may refuse to respond to calls from alarm companies which would necessitate that private response forces be used to respond to alarm signals. Additionally, the high incidence of false alarms in the industry has caused some local governments to impose assessments, fines and penalties on either subscribers of alarm companies or the alarm companies themselves, based upon the number of false alarms reported to the authorities. BHS believes its alarm service contracts allow BHS to pass these charges on to the appropriate customers.

#### COMPETITION

BHS competes in most major metropolitan markets in the United States and several markets in Canada through its company branch operations or its authorized dealer program. BHS believes that its share of the North American market for monitored single-family home security systems is between 4% and 5% of new installations. BHS believes that it is the fourth largest provider of residential monitored security service in North America.

The home security market has large numbers of competitors, including many local and regional companies. The largest provider of residential monitored security systems is estimated by BHS to have approximately 20% of the North American market for new installations. Several of the large competitors with whom BHS competes on a national basis rely extensively on independent dealers to sustain the growth in their customer bases.

Competitive pressure on installation fees has increased in recent years. Several significant competitors offer installation prices which match or are less than BHS prices; however, many of the small local competitors in BHS markets continue to charge significantly more for installation. Competition in every market is based on a variety of factors including, but not limited to, price, product quality, company reputation, service quality, and warranty terms.

In February 1996, the Federal Telecommunications Reform Act was enacted which contained provisions specific to the alarm industry. The key provisions include a five year waiting period prior to entry for the original six (now four) regional Bell operating companies ("RBOCs") not already providing alarm service, restrictions on further purchases of alarm companies by one RBOC, Ameritech (now merged with SBC Communications), which had already become a significant competitor in the industry, a prohibition against cross-subsidization by an RBOC of any alarm subsidiaries, a prohibition against any RBOCs accessing lists of alarm company customers and an expedited complaint process. Consequently, RBOCs could become significant competitors in the home security business in the near future. However, BHS believes that the quality of its service compares favorably with that provided by current competitors and that the Brink's name and reputation will continue to provide an important competitive advantage subsequent to the expiration of the five year waiting period.

#### EMPLOYEES

BHS has approximately 2,300 employees, none of whom is covered by a collective bargaining agreement. BHS believes that its employee relations are satisfactory.





## PROPERTIES

BHS operates from 59 leased offices and warehouse facilities located throughout the United States and two leased offices in Canada. All premises protected by BHS alarm systems are monitored from the central monitoring station in Irving, Texas. The central monitoring station was financed using a lease structure, which provided for a seven-year lease term ending in 2005, inclusive of renewals. This facility is also occupied by administrative, technical and marketing services personnel who support branch operations. The lease for the backup monitoring center in Carrollton, Texas, expires in 2002.

BHS retains ownership of nearly all of the approximately 643,300 systems currently being monitored. When a current customer cancels the monitoring service and does not move, it is BHS's policy to either temporarily disable the system or remove the equipment, in either case fully reserving any remaining book value of the equipment; retaining ownership helps prevent another alarm company from providing services using BHS security equipment. On the other hand, when a current customer cancels the monitoring service because of a move, the retention of ownership of the equipment facilitates the marketing of the monitoring service to the new homeowner. BHS leases all of the 1,104 vehicles used for installation and servicing of its security systems.

BHS has two patents on its Model #2000 Control Panel and Keypad which expire in 2012 and 2018.

## BAX GLOBAL

### GENERAL

BAX Global is a transportation and supply chain management company offering multi-modal freight forwarding to business-to-business shippers through a global network. In North America, BAX Global is primarily engaged in overnight and second day freight, and internationally it is engaged in time-definite air and sea transportation, freight forwarding, supply chain management services and international customs brokerage. In conducting its forwarding business, BAX Global generally picks up or receives freight shipments from its customers, consolidates the freight of various customers into shipments for common destinations, arranges for the transportation of the consolidated freight to such destinations (using either commercial carriers or, in the case of most of its United States, Canadian and Mexican shipments, its own aircraft fleet and hub sorting facility) and, at the destinations, distributes the consolidated shipments and effects delivery to consignees. For international shipments, BAX Global also frequently acts as customs broker, facilitating the clearance of goods through customs at international points of entry. BAX Global provides transportation customers with supply chain management services and operates logistics warehouse and distribution facilities in key world markets.

BAX Global specializes in highly customized global freight forwarding and supply chain management services. It concentrates on providing service to customers with significant supply chain management needs, such as manufacturers of computer and electronics equipment. BAX Global offers its customers a variety of service and pricing alternatives for their shipments, such as guaranteed overnight delivery, second-day delivery or deferred service in North America. A variety of ancillary services, such as shipment tracking, inventory control and management reports are also provided. Internationally, BAX Global offers a similar variety of services including ocean forwarding, door-to-door delivery and standard and expedited freight services.

BAX Global has the ability to provide freight service to all North American business communities as well as to virtually all foreign countries through its network of company-operated stations and agent locations in approximately 120 countries. The pickup and delivery of freight are accomplished principally by independent contractors. BAX Global markets its services primarily through its direct sales force and also employs other marketing methods, including print media advertising and direct marketing campaigns.

BAX Global's freight business has tended to be seasonal, with a significantly higher volume of shipments generally experienced during March, June and the period August through December than during the other periods of the year. The lowest volume of shipments has generally occurred in January and February.

Including United States export and import revenue, BAX Global's international operations accounted for approximately 69% of its revenues in 1999. Intra-US revenues accounted for 31% of total revenues in 1999.

BAX Global is continuing to develop import/export and supply chain management business between shippers and consignees, in countries other than the United States through BAX Global's network of company-operated stations and agent locations. BAX Global has agents and sales representatives in many overseas locations, although such agents and representatives are not subject to long-term noncancellable contracts.

Because the financial results of BAX Global are reported in US dollars, they are affected by changes in the value of the various foreign currencies in relation to the US dollar. Changes in exchange rates may also adversely affect transactions which are denominated in currencies other than the functional currency. The diversity of foreign operations helps to mitigate a portion of the impact that foreign currency fluctuations in any one country may have on the translated results. BAX Global, from time to time, uses foreign currency forward contracts to hedge certain transactional risks associated with foreign currencies. BAX Global is also subject to other risks associated with doing business in foreign countries, including labor and economic conditions, political instability, controls on repatriation of earnings and capital, nationalization, expropriation and other forms of restrictive action



by local governments. The future effects of such risks, if any, on BAX Global cannot be predicted.

BAX Global's computer system, ARGUS+7, is a satellite-based, worldwide communications and information system which, among other things, provides worldwide tracking and tracing of shipments and various data for management information reports, enabling customers to improve efficiency and control costs. BAX Global also utilizes an image processing system to centralize domestic airbill and related document storage in BAX Global's computers for automated retrieval by any BAX Global office.

#### AIRCRAFT OPERATIONS

On April 30, 1998, BAX Global acquired the privately held Air Transport International LLC ("ATI"). ATI is a US-based freight and passenger airline which operates a certificated fleet of DC-8 aircraft providing services to BAX Global, the US Government Air Mobility Command, and other customers. ATI provides North American lift service in the BAX Global system and domestic and international lift service for the US Government Air Mobility Command and other charter customers.

BAX Global, inclusive of the ATI fleet, utilizes a fleet of thirty-seven leased or contracted and seven owned aircraft primarily providing regularly scheduled service, throughout the United States and certain destinations in Canada and Mexico, from its freight sorting hub in Toledo, Ohio. BAX Global's fleet is also used for charters and to serve other international markets from time to time. The fleet and hub are primarily dedicated to providing next-day service for domestic, Canadian and Mexican air cargo customers. The following is a summary of the BAX Global aircraft fleet as of December 31, 1999.

	Commercial Cargo System	Combi Configuration	Total
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Leased or Contracted:			
DC-8	19	4	23
727	14	-	14
-----			
Total Leased or Contracted	33	4	37
-----			
Owned:			
DC-8	5	2	7
727	-	-	-
-----			
Total Owned:	5	2	7
-----			
Total Planes (a)	38	6	44
=====			

(a) Of the 38 planes in the commercial cargo system, 34 are fully dedicated to BAX Global as opposed to other customers serviced by ATI.

The aircraft in Combi configuration (designed to carry cargo and passengers) are utilized for US Government Air Mobility Command missions four of which are held under leases for terms expiring between 2000 and early 2002. At December 31, 1999, BAX Global held sixteen DC-8s (including eleven DC8-71 aircraft) under leases for terms primarily expiring between 2000 and 2003. Twelve 727 cargo aircraft were under contract at December 31, 1999, for terms ranging between two and three years. Three DC-8s and two 727s are held under short-term leases with the option to renew daily or monthly. Based on the current state of the aircraft leasing market, BAX Global believes that it should be able to renew these leases or enter into new leases on terms reasonably comparable to those currently in effect. The actual operation and routine maintenance of the aircraft owned or held under long-term lease by BAX Global are performed by ATI.

The nightly lift capacity in operation at December 31, 1999, was approximately 2.1 million pounds, calculated on an average freight density of 7.5 pounds per cubic foot. BAX Global's nightly lift capacity varies depending upon the number and type of planes operated by BAX Global at any particular time. Including trucking capacity available to BAX Global, the aggregate daily cargo capacity at December 31, 1999, was approximately 2.9 million pounds.

For aircraft owned or held under long-term lease, BAX Global is generally responsible for all the costs of operating and maintaining the aircraft, including any special maintenance or modifications which may be required by Federal Aviation Administration ("FAA") regulations or orders (see "Government Regulation" below). In 1999, BAX Global had cash outlays totaling approximately \$53 million on routine heavy maintenance of its aircraft fleet.

The average airframe age of the fleet leased by BAX Global under leases with terms longer than two years is 30 years, however, the condition of particular aircraft is dependent on their maintenance history. Factors other than age, such as cycles (numbers of takeoffs or landings) can have a significant impact on an aircraft's serviceability. Generally, cargo aircraft tend to have fewer cycles than passenger aircraft over comparable time periods because they have fewer flights per day and longer flight segments.

Fuel costs are a significant element of the total costs of operating BAX Global's aircraft fleet. For each one cent per gallon increase or decrease in the price of jet fuel, BAX Global's airline operating costs may increase or decrease approximately \$75 thousand per month. In order to protect against price increases in jet fuel, from time to time BAX Global enters into hedging and other agreements, including swap contracts, options and collars.



Fuel prices are subject to world, as well as local market conditions. It is not possible to predict the impact of future conditions on fuel prices and fuel availability. Competition in the airfreight industry is such that no assurance can be given that any future increases in fuel costs (including taxes relating thereto) will be recoverable in whole or in part from customers.

BAX Global has a lease expiring in April 2019, with the Toledo-Lucas County Port Authority covering its freight sorting hub and related facilities (the "Hub") at Toledo Express Airport in Ohio. The Hub consists of various facilities, including a technologically advanced material handling system which is capable of sorting approximately one million pounds of freight per hour.

#### CUSTOMERS

BAX Global's customer base includes thousands of industrial and commercial shippers, both large and small. The industries they represent include the automotive, aerospace, computer, electronics, fashion, retail and other industries where rapid delivery of high-value products is required. In 1999, no single customer accounted for more than 6% of BAX Global's total worldwide revenues. BAX Global has one long-term, noncancellable contract with a major airline.

#### COMPETITION

The air and ocean freight forwarding and supply chain management industries have been and are expected to remain highly competitive. The principal competitive factors in the market are price, the ability to provide consistently fast and reliable delivery of shipments and the ability to provide ancillary services such as warehousing, distribution, shipment tracking and sophisticated information systems and reports. There is aggressive price competition in the air freight market, particularly for the business of high volume shippers. BAX Global competes with other integrated air freight companies that operate their own aircraft, as well as with air freight forwarders, express delivery services, passenger airlines and other transportation companies. Domestically, BAX Global also competes with package delivery services provided by ground transportation companies, including trucking firms and surface freight forwarders, that offer specialized time specific services within limited geographical areas. As a freight forwarder to, from and within international markets, BAX Global also competes with government-owned or subsidized passenger airlines and ocean shipping companies. In supply chain management services, BAX Global competes with many third party logistics providers.

#### GOVERNMENT REGULATION

The air transportation industry is subject to Federal regulation under the Federal Aviation Act of 1958, as amended, and pursuant to that statute, the Department of Transportation ("DOT") may exercise regulatory authority over BAX Global. ATI operates a FAA-certificated fleet which is subject to such regulations. In addition, ATI is subject to FAA regulations since it is an airline. BAX Global's Toledo, Ohio, hub operations are also subject to the direction of the FAA.

Federal statutes authorize the FAA, with the assistance of the Environmental Protection Agency ("EPA"), to establish aircraft noise standards. Under the National Emissions Standards Acts of 1967, as amended by the Clean Air Act Amendments of 1970, and the Airport Noise and Capacity Act of 1990 (the "Noise Act"), the administrator of the EPA is authorized to issue regulations setting forth standards for aircraft emissions. Although the Federal government generally regulates aircraft noise, local airport operators may, under certain circumstances, regulate airport operations based on aircraft noise considerations.

The Noise Act required that aircraft not complying with Stage III noise limits be phased out by December 31, 1999. In order to comply with the Noise Act requirements, all aircraft not in compliance had to be modified, parked or out of the country by December 31, 1999.

Thirty-seven of the 38 aircraft in BAX Global's cargo system fleet primarily held under long-term leases or owned now comply with the Stage III limits. At December 31, 1999, the one remaining aircraft was parked in storage awaiting disposition, and was therefore in compliance with the Noise Act requirements. All of the six planes in Combi configuration comply with the Stage III limits.

BAX Global is subject to other various requirements and regulations in connection with the operation of its motor vehicles, including certain safety regulations promulgated by DOT and state agencies.

#### EMPLOYEE RELATIONS

BAX Global and its subsidiaries have approximately 9,900 employees worldwide, of whom about 1,400 are classified as part-time. Approximately 130 of these employees (principally customer service, clerical and/or dock workers) in BAX Global's stations at John F. Kennedy Airport, New York, Secaucus, New Jersey, and Minneapolis, Minnesota are represented by labor unions, that in most cases are affiliated with the International Brotherhood of Teamsters. ATI crew members (Captains, First Officers and Flight Engineers) are represented by the International Brotherhood of Teamsters and are in the process of

negotiating their first contract. In 1999, the Toronto, Canada dock labor union voted for decertification. BAX Global is currently negotiating with the clerical union at John F. Kennedy Airport, as well as the dock union at Minneapolis, Minnesota. BAX Global did not experience any significant strike or work stoppage in 1999 and considers that its employee relations are satisfactory.

Substantially all of BAX Global's cartage operations are conducted by independent contractors. Certain flight crews for its aircraft are employees of the independent airline companies that operate such aircraft and certain flight crews are employees of ATI.

#### PROPERTIES

BAX Global operates 264 (101 domestic and 163 international) stations with BAX Global personnel, and has agency agreements at an additional 231 (49 domestic and 182 international) stations. These stations are located near primary shipping areas, generally at or near airports. BAX Global-operated domestic stations, which generally include office space and warehousing facilities, are located in 44 states, the District of Columbia and Puerto Rico. BAX Global-operated international facilities are located in 32 countries. Most stations serve not only the city in which they are located, but also nearby cities and towns. Nearly all BAX Global-operated stations are held under lease. The Hub in Toledo, Ohio, is held under a lease expiring in 2019, with rights of renewal for three five-year periods. Other facilities, including the corporate headquarters in Irvine, California, are held under leases having terms of one to ten years.

BAX Global owns or leases, in the United States and Canada, a fleet of 44 automobiles as well as 152 vans and trucks utilized in station work or for hauling freight between airport facilities and BAX Global's stations.

#### NATURAL RESOURCES

The Company's natural resources businesses consist of Coal Operations and Other Operations.

#### COAL OPERATIONS

##### GENERAL

Coal Operations is primarily engaged in the mining, preparation and marketing of coal, the purchase of coal for resale, and the sale or leasing of coal lands to others. Through Coal Operations, the Company produces coal from approximately 15 company-operated surface and deep mines located in Virginia, West Virginia and eastern Kentucky for consumption in the steam and metallurgical markets. Steam coal is sold primarily to utilities and industrial customers located in the eastern United States. Metallurgical coal is sold to steel and merchant coke producers primarily located in the United States, Europe, the Mediterranean basin, the Far East and Brazil. Prior to December 6, 1999, Coal Operations' strategy was to continue to develop its business as a low-cost producer of low sulphur steam coal and high-quality metallurgical coal. On December 6, 1999, the Company announced its decision to exit the coal business through the sale of the Company's coal mining operations and reserves.

Coal Operations operating results in 1999 include the impact of impairment and other charges of \$82.3 million. As previously reported, the Company engaged a mining consulting firm to perform a comprehensive study (which was substantially completed in the fourth quarter of 1999) of its coal resources. Such study included a thorough evaluation of the quality, recoverability and economic feasibility of all available reserves as well as a per ton estimate of residual values for each property's reserves. The Company used the reserve study as a basis for evaluating the expected future cash flows of its mining operations. Furthermore, in light of the approval by the Board in December 1999 of a plan to exit the coal business, the term of the cash flow projections was revised to include an assumed exit date from the coal business.

The Company, in accordance with Statement of Financial Accounting Standards ("SFAS") No. 121 "Accounting for Long-Lived Assets and for Long-Lived Assets to Be Disposed Of", estimated the future cash flows expected to result from the use of the assets until an assumed disposition date, along with a residual value for such assets as of such date. For certain long-lived assets, the sum of such expected future cash flows (undiscounted and without interest charges) was estimated to be less than the carrying value primarily due to the fact that the term for expected future cash flows was significantly reduced as a result of the Company's decision to exit the coal business. As a result, the Company determined that certain West Virginia operations and certain other coal reserves, as well as a joint venture interest in a coal export facility, met the criteria for impairment under SFAS No. 121 or APB Opinion No. 18, "The Equity Method of Accounting for Investment in Common Stock." This impairment resulted in a pretax charge of \$73.7 million primarily impacting goodwill (\$42.1 million) a joint venture interest (\$15.6 million) and coal lands and other assets (\$16.0 million). In addition, the Company announced the closing in late December 1999 of its Meadow River mine in West Virginia, which resulted in an additional charge of \$8.6 million, \$5.3 million of which related to the impairment of long-lived assets and \$3.3 million of which related to an accrual for other closure costs. Of the total pretax charge of \$82.3 million, \$42.1 million related to goodwill and was included in selling, general and administrative expenses. The remaining \$40.2 million was included in cost of sales and operating expenses. Substantially all of the aforementioned charges were non-cash.

Coal Operations has substantial reserves of low sulphur coal, much of which can be produced from lower cost surface mines. Moreover, it has a significant share of the premium quality metallurgical coal reserves in the United States, along with other high quality feed stock seams in demand by the coke and steel-making industry.

Steam coal is sold primarily to domestic utility customers through long-term contracts (contracts in excess of one year) that have the effect of moderating the impact of short-term market conditions, thereby reducing one element of risk in new or expanded projects. Most of the steam coal consumed in the United States is used to generate electricity. Through November 1999, coal accounted for approximately 56% of the electricity generated by the electric utility industry. Coal Operations believes that it is well-positioned to take advantage of any increased demand for low sulphur steam coal. Such increased demand could result from factors such as regulatory requirements mandating lower emissions of sulphur dioxide and utility deregulation which should favor coal as the lowest cost energy source for power plants.

In contrast, the export market for metallurgical coal, for most of the past fifteen years, has been characterized by a declining demand from primary steel producers as costs increase to ensure environmental compliance, a move to non-metallurgical coal in some applications and/or lower grade metallurgical coal in coke for steel making, and intense competition from foreign coal producers, especially those in Australia and Canada which benefited over this period from a declining currency value versus the US dollar (coal sales contracts are priced in US dollars). Coal Operations' 1997, 1998 and 1999 results suffered from a sharp weakening of the Australian dollar. Overseas metallurgical coal sales contracts typically are subject to annual price renegotiation, which increases the exposure to market forces. In response to declining demand and prices for export metallurgical coal, Coal Operations has placed major emphasis on increasing market share in domestic metallurgical markets where realizations are substantially higher than export realizations.

#### PRODUCTION

The following table indicates the tonnage of coal purchased and produced by Coal Operations for the years ended 1999, 1998 and 1997.

(In thousands of tons)	Years Ended December 31		
	1999	1998	1997
Produced (a)	10,620	12,852	16,646
Purchased	2,346	3,536	4,075
Total	12,966	16,388	20,721

(a) Reduction from 1997 is primarily the result of the sale of certain assets of the Elkay mining operation in April 1998.

#### SALES

The following table indicates the approximate tonnage of coal sold by Coal Operations in the years ended December 31, 1999, 1998 and 1997 in the domestic (United States and Canada) and export markets and by categories of customers:

(In thousands)	Years Ended December 31		
	1999	1998	1997
<b>DOMESTIC:</b>			
Steel and coke producers	1,309	1,109	792
Utility, industrial and other	8,051	9,797	12,912
	9,360	10,906	13,704
<b>EXPORT:</b>			
Steel and coke producers	3,488	5,831	6,764
Total sold	12,848	16,737	20,468

For the year ended December 31, 1999, Coal Operations sold approximately 12.8 million tons of coal, of which approximately 6.7 million tons were sold under long-term contracts. In 1998, Coal Operations sold approximately 16.7 million tons of coal, of which approximately 9.8 million tons were sold under long-term contracts.

The following table provides year by year estimates of the tons of coal committed for sale under long-term contracts at December 31, 1999:

Year	Thousands of tons
2000	7,275
2001	6,763



2002	3,715
2003	1,575
2004	1,525
2005	1,450
2006	1,225
2007	925

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Total 24,453  
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Contracts relating to a portion of this tonnage are subject to periodic price renegotiation, which can result in termination by the purchaser or the seller prior to contract expiration in case the parties should fail to agree upon price.

During 1999, the ten largest domestic utility and industrial customers purchased 6.8 million tons of coal (53% of total coal sales and 73% of domestic utility and industrial coal sales, by tonnage). The three largest domestic utility and industrial customers purchased 4.6 million tons of coal for the year ended

December 31, 1999 (36% of total coal sales and 49% of domestic coal sales, by tonnage). The largest single customer, American Electric Power Company, purchased 3.0 million tons of coal, accounting for 24% of total coal sales and 32% of domestic coal sales, by tonnage. In 1998, the ten largest domestic utility and industrial customers purchased 8.3 million tons of coal (49% of total coal sales and 76% of domestic coal sales, by tonnage). The three largest domestic utility and industrial customers purchased 5.9 million tons of coal in 1998 (36% of total coal sales and 54% of domestic coal sales, by tonnage). In 1998, American Electric Power Company purchased 4.3 million tons of coal, accounting for 26% of total coal sales and 39% of domestic coal sales, by tonnage.

During 1999, the three largest domestic steel and coke producers purchased 1.2 million tons of coal (9% of total sales and 13% of total domestic sales, by tonnage). The three largest domestic steel and coke producers purchased 1.0 million tons of coal in 1998 (6% of total coal sales and 9% of domestic sales, by tonnage). As a result of increased marketing emphasis on domestic metallurgical sales, domestic metallurgical sales represent 27% of total metallurgical sales in 1999 compared to 16% in 1998 and 10% in 1997.

Of the 3.5 million tons of coal sold in the export market in 1999, the ten largest customers accounted for 1.9 million tons (15% of total coal sales and 56% of export coal sales, by tonnage) and the three largest customers purchased 0.8 million tons (6% of total coal sales and 22% of export coal sales, by tonnage). Of the 5.8 million tons of coal sold in the export market in 1998, the ten largest customers accounted for 3.4 million tons (21% of total coal sales and 59% of export coal sales, by tonnage) and the three largest customers purchased 1.8 million tons (11% of total coal sales and 31% of export coal sales, by tonnage). Export coal sales are made principally under annual contracts or long-term contracts that are subject to annual price renegotiation. Under these export contracts, the price for coal is expressed and paid in US dollars.

Coal Operations competes in the domestic utility market with substantial reserves of low sulphur, low ash and high BTU coals. Coal Operations' reserves are accessible by multiple eastern railroads as well as barge loading facilities. Production from many of Coal Operations' mines can be trucked to coal preparation plants and rail loading facilities on either of the two major eastern railroads. Phase II of the Clean Air Act caps sulphur dioxide emissions for power plants at 1.20 pounds per million BTUs beginning January 1, 2000. As utilities adapt to these new regulations, the demand for low sulphur coals could create opportunities for Coal Operations' compliance and super compliance products. An additional advantage is Coal Operations' low cost reserves which do not require mountaintop removal.

Virtually all coal sales in the domestic utility market pursuant to long-term contracts are subject to periodic price adjustments on the basis of provisions which permit an increase or decrease in the price to reflect increases and decreases in certain price indices. In certain cases, price adjustments are permitted when there are changes in taxes other than income taxes, when the coal is sold other than FOB the mine, and when there are changes in railroad and barge freight rates. The provisions, however, are not identical in all of such contracts, and the selling price of the coal does not necessarily reflect every change in production and delivery costs incurred by the seller.

Metallurgical contracts are generally of one-year duration. The longest-term metallurgical contract is valid through December 31, 2001. Contracts for the sale of metallurgical coal in the domestic and export markets are generally subject to price renegotiations on an annual basis. Coal Operations' sales of metallurgical coal are diversified geographically on a worldwide basis. Approximately 1.3 million tons, or 27% of metallurgical sales in 1999 were domestic; 2.2 million tons, or 47%, were to the Europe/Mediterranean basin; 0.7 million tons, or 15%, were to Asia and 0.5 million tons, or 11%, were to Latin America. Export contract negotiations for 2000, which typically occur in April, are expected to be negatively impacted by the continued competitiveness of foreign metallurgical coal producers caused in part by the relative strength of the US dollar versus the currencies of those producers' countries especially in Australia. As a result, export metallurgical sales in 2000 are expected to be lower than those of 1999. Although export prices have deteriorated in recent years, Coal Operations continues to maintain a presence in export metallurgical coal markets with customers who find value in Coal Operations' exceptional coking coal qualities. In the event export prices continue to decline to a point where they intersect with high quality steam coal prices in domestic steam coal markets, Coal Operations will transition additional tonnage from exports to those geographic areas where higher realizations will maximize value. Geographic areas where environmental concerns are present are possible sales outlets.

Coal Operations' intent is to sell more metallurgical coal in the domestic market. This is in response to a declining demand and price for export metallurgical coal. Coal Operations has placed major emphasis on increasing its market share in the domestic metallurgical markets where realizations are substantially higher than export realizations. The bulk of the domestic metallurgical market is comprised of approximately a dozen integrated steel companies which operate coke-making facilities. These facilities convert coal to coke to support blast furnace operations. In addition, there are approximately a half-dozen major merchant coke producers which augment the steel companies' production with additional volumes of blast furnace coke. The North American coke making industry is very competitive and therefore very quality conscious. Domestic coking coal customers place heavy emphasis on coke blend stability. While long term multi-year coal contracts are not generally industry practice within the US coke facilities, US customers tend to be loyal to their suppliers



as long as their coal is competitively priced and quality is maintained.

#### COMPETITION

The bituminous coal industry is highly competitive. Coal Operations competes with many other large coal producers and with hundreds of small producers in the United States and abroad.

In the export market, many foreign competitors, particularly Australian, South African and Canadian coal producers, benefit from certain competitive advantages existing in the countries in which they operate, such as less difficult mining conditions, lower transportation costs, less severe government regulation and lower labor and health benefit costs, as well as currencies which have generally depreciated against the US dollar in recent years. The metallurgical coal produced by Coal Operations is generally of higher quality, and is often used by foreign steel producers to blend with coals from other sources to improve the quality of coke and coke oven efficiency. However, in recent years, steel producers have developed facilities and techniques that, to some extent, enable them to accept lower quality metallurgical coal in their coke ovens. Moreover, new technologies for steel production that utilize pulverized coal injection, direct reduction iron and the electric arc furnace have reduced the demand for all types of metallurgical coal. However, the use of lesser quality coals and less coke in the blast furnace has increased the importance of coke strength and the importance of premium quality coal in coke making.

Coal Operations competes domestically on the basis of the premium quality of its coal, which is not only valuable in the making of steel but, because of low sulphur and high heat content, is also an attractive source of fuel to the electric utility and other coal burning industries. Other factors that affect competition include the price, availability and public acceptance of alternative energy sources (in particular, oil, natural gas, hydroelectric power and nuclear power), as well as the impact of federal energy policies. Coal Operations is not able to predict the effect, if any, on its business (especially with respect to sales to domestic utilities) of particular price levels for such alternative energy sources, especially oil and natural gas. However, any sustained and marked decline in such prices could have a material adverse effect on such business.

#### ENVIRONMENTAL MATTERS

The Surface Mining Control and Reclamation Act of 1977 and the regulations promulgated thereunder ("SMCRA") by the Federal Office of Surface Mining Reclamation and Enforcement ("OSM"), and the enforcement thereof by the US Department of the Interior, establish mining and reclamation standards for all aspects of surface mining as well as many aspects of deep mining. SMCRA also imposes a tax of \$0.35 on each ton of surface-mined coal and \$0.15 on each ton of deep-mined coal. OSM and its state counterparts monitor compliance with SMCRA and its regulations by the issuance of "notices of violation" which direct the mine operator to correct the cited conditions within a stated period of time. Coal Operations' policy is to correct the conditions that are the subject of these notices or to contest those believed to be without merit in appropriate proceedings. As previously reported, Coal Operations has reached a broad settlement with the OSM involving SMCRA liabilities of former contractors. Coal Operations has also entered into a number of similar agreements with the states. Under these agreements, Coal Operations agreed to perform certain reclamation and to pay certain fees of former contractors. In return, the agencies agreed not to deny or "block" permits to Coal Operations on account of the contractor liabilities being settled. Coal Operations is in the process of successfully completing all required work under these agreements.

A controversy related to a method of mining called "mountaintop removal" that began in mid-1998 in West Virginia involving an unrelated party resulted in a suspension in the issuance of several mining permits for a portion of 1999. Although the suspension has been lifted, there has been a delay in Vandalia Resources, Inc., a wholly-owned subsidiary of Pittston Coal ("Vandalia"), being issued in a timely fashion, a mine permit necessary for its uninterrupted mining. Vandalia is actively pursuing the issuance of the permit, but when, or if, the permit will be issued is currently unknown. In light of the inability to determine when, and if a permit will be issued, the effect of the delay in obtaining this permit cannot be predicted. Since Vandalia's permits have not been issued, Vandalia has altered its operating plan to include the activation of the previously permitted Big Creek #2 Surface Mine property in Fayette County, West Virginia. Vandalia and other affected parties in West Virginia are currently exploring all legal and legislative remedies that may be available to resolve this matter. If the outstanding permits are not issued prior to the end of March 2000, then additional job and marketable production losses will likely occur.

Coal Operations is subject to various federal environmental laws, including the Clean Water Act, the Clean Air Act and the Safe Drinking Water Act, as well as state laws of similar scope in Virginia, West Virginia, Kentucky and Ohio. These laws require approval of many aspects of coal mining operations, and both federal and state inspectors regularly visit Coal Operations' mines and other facilities to assure compliance.

While it is not possible to quantify the costs of compliance with all applicable federal and state laws, those costs have been and are expected to continue to be significant. In that connection, Coal Operations made capital expenditures for environmental control facilities of approximately \$1.1 million in 1999 and estimates expenditures of \$1.1 million in 2000. Compliance with these laws has substantially increased the cost of coal mining, but is, in general, a cost common to all domestic coal producers. The Company believes that the competitive position of Coal Operations has not been and should not be adversely affected except in the export market where Coal Operations competes with various foreign producers not subject to regulations present in the US.



Federal, state and local authorities strictly monitor the sulphur dioxide and particulate emissions from electric power plants served by Coal Operations. In 1990, Congress enacted the Clean Air Act Amendments of 1990, that, among other things, permit utilities to use low sulphur coals in lieu of constructing expensive sulphur dioxide removal systems. The Company believes this should have a favorable impact on the marketability of Coal Operations' extensive reserves of low sulphur coals. However, the Company cannot predict at this time the timing or extent of such favorable impact.

#### MINE HEALTH AND SAFETY LAWS

The coal operating companies included within Coal Operations are generally liable under federal laws requiring payment of benefits to coal miners with pneumoconiosis ("black lung"). Further, the Coal Operations' subsidiaries are subject to the federal black lung excise tax ("FBLET") on domestic coal sales imposed by the Black Lung Benefits Revenue Act of 1977 and the Black Lung Benefits Reform Act of 1977, as amended by the Black Lung Benefits and Revenue Amendments Act of 1981, the Consolidated Omnibus Budget Reconciliation Act of 1985 and the Omnibus Budget Reconciliation Act of 1987. The FBLET currently is levied on domestic coal sales in an amount equal to \$1.10 per ton for deep-mined coal and \$0.55 per ton for surface-mined coal, but not to exceed 4.4% of the sales price. The Company cannot predict whether any future legislation affecting changes in the tax will be enacted. On December 28, 1998, the US District Court for the Eastern District of Virginia (the "Court") found the FBLET imposed under section 4121 of the Internal Revenue Code, as assessed against export coal sales, to be unconstitutional. On February 10, 1999, the Court entered a final judgment in favor of certain of Coal Operations' subsidiaries, ordering a refund to the subsidiaries of approximately \$0.7 million (plus interest) for the FBLET that those companies paid for the quarter ended March 31, 1997. The government did not appeal the judgment. A refund of \$0.8 million (including interest) was received in July, 1999. The Company is seeking additional refunds of the FBLET it paid on export coal sales for all open statutory periods. The ultimate amounts and timing of such refunds, if any, cannot be determined at the present time. As a result of the Court judgment, Coal Operations is no longer required to pay the tax on exported coal sales.

Stringent safety and health standards have been imposed by federal legislation since 1969 when the Federal Coal Mine Health and Safety Act was adopted, which resulted in increased operating costs and reduced productivity. The Federal Mine Safety and Health Act of 1977 significantly expanded the enforcement of health and safety standards.

Compliance with health and safety laws is, in general, a cost common to all domestic coal producers. The Company believes that the competitive position of Coal Operations has not been and should not be adversely affected except in the export market where Coal Operations competes with various foreign producers subject to less stringent health and safety regulations.

#### EMPLOYEE RELATIONS

At December 31, 1999, approximately 360 of the approximately 1,500 employees of Coal Operations were members of the United Mine Workers of America ("UMWA"). The remainder of such employees are either unrepresented hourly employees or supervisory personnel. During the fourth quarter of 1998, certain of Coal Operations companies and the UMWA agreed to a five year wage contract. The agreement covers approximately 250 employees and became effective January 1, 1999. Since 1990, no significant labor disruptions involving UMWA-represented employees have occurred. Coal Operations believes that its employee relations are satisfactory.

#### HEALTH BENEFIT ACT

In October 1992, the Coal Industry Retiree Health Benefit Act of 1992 (the "Health Benefit Act") was enacted as part of the Energy Policy Act of 1992. The Health Benefit Act established rules for the payment of future health care benefits for thousands of retired union mine workers and their dependents. The Health Benefit Act established a trust fund to which "signatory operators" and "related persons," including the Company and certain of its subsidiaries (collectively, the "Pittston Companies"), are jointly and severally liable to pay annual premiums for assigned beneficiaries, together with a pro rata share for certain beneficiaries who never worked for such employers ("unassigned beneficiaries"), including, in the Company's case, the Pittston Companies, in amounts determined on the basis set forth in the Health Benefit Act. In October 1993 and at various times in subsequent years, the Pittston Companies have received notices from the Social Security Administration (the "SSA") with regard to the assigned beneficiaries for which the Pittston Companies are responsible under the Health Benefit Act. For 1999, 1998 and 1997, these amounts on a pretax basis were approximately \$10.4 million, \$9.6 million and \$9.3 million, respectively. As a result of legal developments in 1998 involving the Health Benefit Act, the Company experienced an increase in its assessments under the Health Benefit Act for the twelve month period beginning October 1, 1998, approximating \$1.7 million, \$1.1 million of which relates to retroactive assessments for years prior to 1998. This increase consisted of charges for death benefits which are provided for by the Health Benefit Act, but which previously had been covered by other funding sources. As with all of the Company's Health Benefit Act assessments, this amount was paid in 12 equal monthly installments over the plan year that began October 1, 1998. The Company is unable to determine at this time whether any other additional amounts will apply in future plan years.

The Company currently estimates that the annual cash funding under the Health Benefit Act for the Pittston Companies' assigned beneficiaries will continue at the same annual level for the next several years and should begin to decline thereafter as the number of such beneficiaries decreases. Based on the number of beneficiaries actually assigned by the SSA, the Company estimates the aggregate pretax liability relating to the Pittston Companies' beneficiaries at December 31, 1999 to be approximately \$154 million, which when discounted at 7.5%

provides a present value estimate of approximately \$78 million.

The reduction in the present value estimate from approximately \$99 million as of December 31, 1998 to approximately \$78 million as of December 31, 1999 reflected a change in certain actuarial assumptions to reflect actual experience and, to a lesser extent, a change in the discount rate. The Company accounts for the obligations under the Health Benefit Act as a participant in a multi-employer plan and the annual cost is recognized on a pay-as-you-go basis.

In addition, under the Health Benefit Act, the Pittston Companies are jointly and severally liable for certain post-retirement health benefits for thousands of retired union mine workers and their dependents. Substantially all of the Company's accumulated postretirement benefit obligations as of December 31, 1999 for retirees of \$283.2 million relates to such retired workers and their beneficiaries.

The ultimate obligation that will be incurred by the Company could be significantly affected by, among other things, increased medical costs, decreased number of beneficiaries, governmental funding arrangements, and such federal health benefit legislation of general application as may be enacted. In addition, the Health Benefit Act requires the Pittston Companies to fund, pro rata according to the total number of assigned beneficiaries, a portion of the health benefits for unassigned beneficiaries. At this time, the funding for such health benefits is being provided from another source and for this and other reasons the Pittston Companies' ultimate obligation for the unassigned beneficiaries cannot be determined.

The Company has established a Voluntary Employees' Beneficiary Association ("VEBA") in order to tax efficiently fund certain retiree medical liabilities primarily for retired coal miners and their dependents. While anticipated proceeds from the planned sales of the coal business will provide funding for the VEBA, additional funding from operations may be required over time. The Company contributed \$15 million to the VEBA in December 1999.

#### PROPERTIES

The principal properties of Coal Operations are coal reserves, coal mines and coal preparation plants, all of which are located in Virginia, West Virginia and eastern Kentucky. Such reserves are either owned or leased. Leases of land or coal mining rights generally are either for a long-term period or until exhaustion of the reserves, and require the payment of a royalty based generally on the sales price and/or tonnage of coal mined from a particular property. Many leases or rights provide for payment of minimum royalties.

Coal Operations' estimated proven and probable surface mining, deep mining and total coal reserves as of December 31, 1999 were 69 million, 300 million and 369 million tons, respectively. Such estimates represent economically recoverable and minable tonnage and include allowances for extraction and processing.

As previously reported, the Company engaged a mining consulting firm to perform a comprehensive study (which was substantially completed in the fourth quarter of 1999) of its coal resources. Such study included a thorough evaluation of the quality, recoverability and economic feasibility of all available reserves. The change in total reserves over 1998 levels is primarily attributable to this comprehensive reserve study.

Of the 369 million tons of proven and probable coal reserves as of year-end 1999, approximately 66% has a sulphur content of less than 1% (which is generally regarded in the industry as low sulphur coal) and approximately 34% has a sulphur content greater than 1%. Approximately 29% of total proven and probable reserves consist of metallurgical grade coal.

As of December 31, 1999, Coal Operations controlled approximately 523 million tons of additional coal deposits in the eastern United States, and approximately 269 million tons of low sulphur coal deposits in Sheridan County, Wyoming which cannot be expected to be economically recovered without market improvement and/or the application of new technologies.

Coal Operations owns a 32.5% interest in Dominion Terminal Associates ("DTA"), which leases and operates a ground storage-to-vessel coal transloading facility in Newport News, Virginia. DTA has a throughput capacity of 22.0 million tons of coal per year and ground storage capacity of 2.0 million tons. A portion of Coal Operations' share of the throughput and ground storage capacity of the DTA facility is subject to user rights of third parties which pay Coal Operations a fee. The DTA facility serves export customers, as well as domestic coal users located on the eastern seaboard of the United States. For information relating to the financing arrangements and a 1999 impairment charge for DTA, see page 50 of the 1999 Annual Report which is incorporated herein by reference.

#### OTHER OPERATIONS

Other Operations consists of Pittston Coal's timber and natural gas businesses (collectively, "Allied Operations") and Mineral Ventures that mines and explores for gold. Through its Allied Operations, the Company owns non-coal properties, such as land, hardwood forests and natural gas reserves. The oil and gas rights are managed by an indirect wholly owned subsidiary of Coal Operations that, in general, invests in and receives royalty income from gas development and operations. As of December



31, 1999, including royalty interests, net proven developed natural gas reserves located in Virginia and West Virginia approximated 37.5 Bcf. Allied Operation's wood products subsidiary receives income from the sale of timber, the operation of a high grade sawmill that produces 7 million board feet annually, and the operation of a hardwood chip mill that produces 250 thousand tons annually of hardwood chips for the pulp and paper industry. The Company owns approximately 225 thousand surface acres of land that includes approximately 125 thousand acres of saw timber grade hardwood forests, mostly in Virginia, comprising approximately 435 million board feet. In addition, a railroad tie mill is currently under development.

Mineral Ventures' business is directed at locating and acquiring mineral assets, advanced stage projects and operating mines. Mineral Ventures continues to evaluate gold projects in North America and Australia. An exploration office operates from Reno, Nevada to coordinate Mineral Ventures' continuing exploration program in the Western United States. In 1999, Mineral Ventures expended approximately \$4.8 million on all such programs.

Mineral Ventures has a 50% direct interest in the Stawell gold mine ("Stawell") located in Western Victoria, Australia. The remaining 50% interest in Stawell is owned by Mining Project Investors ("MPI"). In addition, Mineral Ventures has a 45.1% undiluted (40.1% fully diluted) ownership interest in its joint venture partner MPI. The Stawell gold mine produced approximately 94,400 ounces of gold in 1999. Mineral Ventures estimates that on December 31, 1999, the Stawell gold mine had approximately 420,000 ounces of proven and probable gold reserves.

A substantial portion of Mineral Ventures' financial results is derived from activities in Australia, which has a local currency other than the US dollar. Because the financial results of Mineral Ventures are reported in US dollars, they are affected by the changes in the value of the foreign currency in relation to the US dollar. Rate fluctuations may adversely affect transactions which are denominated in the Australian dollar. Mineral Ventures, from time to time, uses foreign currency forward contracts to hedge the currency risks associated with these transactions. Mineral Ventures also routinely enters into gold price hedge transactions primarily utilizing spot deferred forward sales contracts limited in amount to potential gold production over a given period.

Mineral Ventures is also subject to other risks customarily associated with doing business in foreign countries, including labor and economic conditions.

#### MATTERS RELATING TO FORMER OPERATIONS

In April 1990, the Company entered into a settlement agreement to resolve certain environmental claims against the Company arising from hydrocarbon contamination at a petroleum terminal facility ("Tankport") in Jersey City, New Jersey, which operations were sold in 1983. Under the settlement agreement, the Company is obligated to pay for 80% of the remediation costs. Based on data available to the Company and its environmental consultants, the Company estimates its portion of the cleanup costs, on an undiscounted basis, using existing technologies to be between \$6.6 million and \$11.2 million and to be incurred in the future. Management is unable to determine that any amount within that range is a better estimate due to a variety of uncertainties, which include the extent of the contamination at the site, the permitted technologies for remediation and the regulatory standards by which the clean-up will be conducted. The estimate of costs and the timing of payments could change as a result of changes to the remediation plan required, changes in the technology available to treat the site, unforeseen circumstances existing at the site and additional cost inflation.

The Company commenced insurance coverage litigation in 1990, in the United States District Court for the District of New Jersey, seeking a declaratory judgment that all amounts payable by the Company pursuant to the Tankport obligation were reimbursable under comprehensive general liability and pollution liability policies maintained by the Company. The Company was able to conclude settlement with all of its insurers without a trial. Taking into account the proceeds from the settlement with its insurers, it is the Company's belief that the ultimate amount that it would be liable for related to the remediation of the Tankport site will not have a significant adverse impact on the Company's results of operations or financial position.

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ITEM 3. LEGAL PROCEEDINGS  
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Not applicable.

ITEM 4. SUBMISSION OF MATTER TO A VOTE OF SECURITY HOLDERS  
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Not applicable.

The Pittston Company and Subsidiaries

EXECUTIVE OFFICERS OF THE REGISTRANT

The following is a list as of March 15, 1999, of the names and ages of the executive and other officers of Pittston and the names and ages of certain officers of its subsidiaries, indicating the principal positions and offices held by each. There is no family relationship between any of the officers named.

Name	Age	Positions and Offices Held	Held Since
<b>EXECUTIVE OFFICERS:</b>			
Michael T. Dan	49	President and Chief Executive Officer	1998
		Chairman of the Board	1999
James B. Hartough	52	Vice President-Corporate Finance and Treasurer	1988
Frank T. Lennon	58	Vice President-Human Resources and Administration	1985
Austin F. Reed	48	Vice President-General Counsel and Secretary	1994
Robert T. Ritter	48	Vice President and Chief Financial Officer	1998
<b>OTHER OFFICERS:</b>			
Amanda N. Aghdami	31	Controller	1997
Jonathan M. Sturman	57	Vice President-Corporate Development	1995
Arthur E. Wheatley	57	Vice President and Director of Risk Management	1988
<b>SUBSIDIARY OFFICERS:</b>			
C. Robert Campbell	55	President and Chief Executive Officer of BAX Global Inc.	1998
Thomas W. Garges, Jr.	60	President and Chief Executive Officer of Pittston Coal Company	1999
Mark T. Gritton	50	President and Chief Operating Officer of Brink's, Incorporated	1998
Peter A. Michel	57	President and Chief Executive Officer of Brink's Home Security, Inc.	1988

Executive and other officers of Pittston are elected annually and serve at the pleasure of its Board of Directors.

Mr. Dan was elected President, Chief Executive Officer and Director of The Pittston Company on February 6, 1998 and was elected Chairman of the Board effective January 1, 1999. He also serves as Chief Executive Officer of Brink's Incorporated, a position he has held since July 1993 and as President and Chief Executive Officer of Brink's Holding Company, a position he has held since December 31, 1995. He also serves as Chairman of the Board of BAX Global Inc., a position he has held since February 1998. He also serves as Chairman of the Board of Pittston Mineral Ventures, a position he has held since August 31, 1998 and as Chairman of the Board of Pittston Coal Company, a position he has held since September 1, 1998. From August 1992 to July 1993 he served as President of North American operations of Brink's, Incorporated and as Executive Vice President of Brink's, Incorporated from 1985 to 1992.

Mr. Ritter joined The Pittston Company as Vice President and Chief Financial Officer in August of 1998. Prior thereto, he served as Chief Financial Officer of WLR Foods, Inc. from June 1996 to July 1998. From April 1995 to May 1996, he was a private investor and financial consultant and was Treasurer at American Cyanamid Company from March 1991 to January 1994 and Controller from February 1994 to March 1995.

Messrs. Hartough, Lennon, Reed, Sturman and Wheatley have served in their present positions for more than the past five years.

Ms. Aghdami was elected to her current position on November 7, 1997. She joined The Pittston Company in September 1996 as Manager of Financial Reporting. Prior to September 1996, she was Audit Manager with Ernst & Young LLP.

Mr. Campbell joined BAX Global Inc. in June 1998 as President and Chief Executive Officer. Before joining BAX Global, he served as Executive Vice President for Advantica Restaurant Group, Inc. from 1995 to June 1998. From 1991 to 1995 he served as Executive Vice President at Ryder System Inc.

Mr. Gritton was elected President and Chief Operating Officer in December 1998 after joining Brink's, Inc. in July 1997 as Executive Vice President of Brink's US Operations. Before joining Brink's, he worked at Deluxe Corporation where he served as president of its financial services group division.

Mr. Garges joined Pittston Coal Company on January 4, 1999 as President and Chief Executive Officer. Before joining Pittston Coal, he served as President and Chief Executive Officer of Rochester and Pittsburgh Coal Company. From 1971 to 1986, he was Executive Vice President - Operations for Pittston Coal and President of Pittston Coal's Pyxis operations.

Mr. Michel was elected President and Chief Executive Officer of Brink's Home Security, Inc. in April 1988. From 1985 to 1987, he served as President and Chief Executive Officer of Penn Central Technical Security Co.

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PART II  
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ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS  
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Prior to January 14, 2000, the Company was comprised of three groups - Pittston Brink's Group, Pittston BAX Group, and Pittston Minerals Group. The Pittston Brink's Group included the Brink's and BHS operations of the Company. The Pittston BAX Group included the BAX Global operations of the Company. The Pittston Minerals Group included the Pittston Coal Company and Mineral Ventures operations of the Company. Also, prior to January 14, 2000, the Company had three classes of common stock: Pittston Brink's Group Common Stock ("Brink's Stock"), Pittston BAX Group Common Stock ("BAX 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, the BAX Group and the Minerals Group, respectively.

On December 6, 1999, the Company announced that its Board of Directors approved the elimination of the tracking stock capital structure by an exchange of all outstanding shares of Minerals Stock and BAX Stock for shares of Brink's Stock (the "Exchange"). The Exchange took place on January 14, 2000 (the "Exchange Date"). On the Exchange Date, holders of Minerals Stock received 0.0817 shares of Brink's Stock for each share of their Minerals Stock; and holders of BAX Stock received 0.4848 shares of Brink's Stock for each share of their BAX Stock. See Note 10 to the Company's consolidated financial statements for additional information concerning the Exchange on pages 48 through 49 of the Company's 1999 Annual Report, which are incorporated herein by reference. From and after the Exchange Date, Brink's Stock is the only outstanding class of common stock of the Company and continues to trade on the New York Stock Exchange under the symbol "PZB". Prior to the Exchange Date, the Brink's Stock reflected the performance of the Brink's Group only; after the Exchange Date, the Brink's Stock reflects the performance of the Company as a whole. Shares of Brink's Stock after the Exchange are hereinafter referred to as "Pittston Common Stock".

Reference is made to page 59 of the Company's 1999 Annual Report which is incorporated herein by reference, for information required by this item.

ITEM 6. SELECTED FINANCIAL DATA  
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Reference is made to page 2 of the Company's 1999 Annual Report which is incorporated herein by reference, for information required by this item.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS  
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Reference is made to pages 9 through 25 of the Company's 1999 Annual Report which is incorporated herein by reference, for information required by this item.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK  
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The information regarding quantitative and qualitative disclosures about market risk is included in this report under Item 7.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA  
-----

Reference is made to pages 27 through 58 of the Company's 1999 Annual Report which is incorporated herein by reference, for information required by this item.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE  
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Not applicable.

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PART III  
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ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT  
-----

The information required by this Item regarding directors is incorporated by reference to the Company's definitive proxy statement to be filed pursuant to Regulation 14A within 120 days after December 31, 1999. The information regarding executive officers is included in this report following Item 4, under the caption "Executive Officers of the Registrant."

ITEM 11. EXECUTIVE COMPENSATION  
-----

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT  
-----

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS  
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The information required by Items 11 through 13 is incorporated by reference to the Company's definitive proxy statement to be filed pursuant to Regulation 14A within 120 days after December 31, 1999.

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PART IV  
-----

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

- (a)
  - 1. All financial statements - see index to financial statements and schedules.
  - 2. Financial statement schedules - see index to financial statements and schedules.
  - 3. Exhibits - see exhibit index.
- (b) Reports on Form 8-K were filed on (i) December 6, 1999 with respect to the Company's announcement to exit the coal business and eliminate its tracking stock structure, and (ii) December 7, 1999 with respect to a meeting with members of the investment community to discuss the Company's announcement.

UNDERTAKING

For the purposes of complying with the amendments to the rules governing Form S-8 (effective July 13, 1990) under the Securities Act of 1933, the undersigned Registrant hereby undertakes as follows, which undertaking shall be incorporated by reference into Registrant's Registration Statements on Form S-8 Nos. 2-64258, 33-2039, 33-21393, 33-23333, 33-69040, 33-53565, 333-02219, 333-78631 and 333-78633.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The Pittston Company and Subsidiaries  
SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, on March 10, 2000.

The Pittston Company  
-----  
(Registrant)

By M. T. Dan  
-----  
(M. T. Dan,  
Chairman, President and  
Chief Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated, on March 10, 2000.

Signatures -----	Title -----
R. G. Ackerman*	Director
Betty C. Alewine*	Director
J. R. Barker*	Director
Marc C. Breslawsky*	Director
J. L. Broadhead*	Director
W. F. Craig*	Director
M. T. Dan ----- (M. T. Dan)	Chairman, President and Chief Executive Officer (principal executive officer)
G. Grinstein*	Director
R. M. Gross*	Director
R. T. Ritter ----- (R. T. Ritter)	Vice President and Chief Financial Officer (principal accounting officer)
C. S. Sloane*	Director
R. H. Spilman*	Director
*By M. T. Dan ----- (M. T. Dan, Attorney-in-Fact)	

The Pittston Company and Subsidiaries

INDEX TO FINANCIAL STATEMENTS AND SCHEDULES

FINANCIAL STATEMENTS:

The consolidated financial statements of The Pittston Company, listed in the index below which are included in the Company's 1999 Annual Report for the year ended December 31, 1999, are incorporated herein by reference. With the exception of the pages listed in the index below and the information incorporated by reference included in Parts I, II and IV, the 1999 Annual Report of the Shareholders is not deemed filed as part of this report.

PITTSTON ANNUAL REPORT

Selected Financial Data .....	2
Management's Discussion and Analysis of Results of Operations and Financial Condition.....	9-25
Independent Auditors' Report.....	27
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Consolidated Statements of Operations.....	29
Consolidated Statements of Shareholders' Equity.....	30
Consolidated Statements of Cash Flows.....	31
Notes to Consolidated Financial Statements.....	32

FINANCIAL STATEMENT SCHEDULES:

Schedules are omitted because they are not material, not applicable or not required, or the information is included elsewhere in the financial statements.

The Pittston Company and Subsidiaries

EXHIBIT INDEX

Each Exhibit listed previously filed document is hereby incorporated by reference to such document.

EXHIBIT NUMBER	DESCRIPTION
----------------	-------------

- |        |   |
|--------|---|
| 2(i)   | Membership Interest Acquisition Agreement Among Air Transport International LLC and BAX Global Inc., dated February 3, 1998. Exhibit 2 to the Registrant's Current Report on Form 8K filed May 14, 1998.                    |
| 2(ii)  | Share Purchase Agreement, dated as of January 27, 1998, between Brink's Security International, Inc., acting as Purchaser, and Generale de Transport et D'Industrie, acting as Seller. Exhibit 10(v) to the 1998 Form 10-K. |
| 2(iii) | Shareholders' Agreement, dated as of January 10, 1997, between Brink's Security International, Inc., and Valores Tamanaco, C.A. Exhibit 10(w) to the 1998 Form 10-K.  |
| 3(ii)  | The Registrant's Bylaws, as amended through March 9, 2000.  |
| 4(a)   | (i) Amended and Restated Rights Agreement dated as of January 14, 2000 (the "Rights Agreement"), between the Registrant and Bank Boston, N.A., as Rights Agent.<br><br>(ii) Form of Right Certificate for Rights.           |

Instruments defining the rights of holders of long-term debt of the Registrant and its consolidated subsidiaries have been omitted because the amount of debt under any such instrument does not exceed 10% of the total assets of the Registrant and its consolidated subsidiaries. The Registrant agrees to furnish a copy of any such instrument to the Commission upon request.

- |        |   |
|--------|---|
| 10(a)* | The Key Employees' Incentive Plan, as amended. Exhibit 10(a) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1998.   |
| 10(b)* | The Key Employees' Deferred Compensation Program, as amended and restated as of January 14, 2000.   |
| 10(c)* | (i) The Registrant's Pension Equalization Plan as amended. Exhibit 10(e)(I) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1997 (the "1997 Form 10-K").<br><br>(ii) Amended and Restated Trust Agreement, dated December 1, 1997, between Registrant and Chase Manhattan Bank, as Trustee (the "Trust Agreement"). Exhibit 10(e)(ii) to the 1997 Form 10-K.<br><br>(iii) Amendment No. 1 to Trust Agreement, dated as of August 18, 1999.<br><br>(iv) Trust Agreement under the Pension Equalization Plan, Retirement Plan for Non-Employee Directors and Certain Contractual Arrangements of The Pittston Company made as of September 16, 1994, by and between the Registrant and Chase Manhattan Bank (National Association), as Trustee. Exhibit 10(l) to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1994 (the "Third Quarter 1994 Form 10-Q").<br><br>(v) Form of letter agreement dated as of September 16, 1994, between the Registrant and one of its officers. Exhibit 10(e) to the Third quarter 1994 Form 10-Q.<br><br>(vi) Form of letter agreement dated as of September 16, 1994, between the Registrant and Participants pursuant to the Pension Equalization Plan. Exhibit 10(f) to the Third Quarter 1994 Form 10-Q. |
| 10(d)* | The Registrant's Executive Salary Continuation Plan. Exhibit 10(e) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1991.   |
| 10(e)* | The Registrant's Non-Employee Directors' Stock Option Plan, as amended and restated as of January 14, 2000.   |
| 10(f)* | The Registrant's 1988 Stock Option Plan, as amended and restated as of January 14, 2000.  |
| 10(g)* | The Pittston Company Management Performance Improvement Plan.   |
| 10(h)* | Form of change in control agreement replacing all prior change in   |



control agreements and amendments and modifications thereto, between the Registrant (or a subsidiary) and various officers of the Registrant. Exhibit 10(1)(ii) to the 1997 Form 10-K.

10(i)\* Form of Indemnification Agreement entered into by the Registrant with its directors and officers. Exhibit 10(1) to the 1991 Form 10-K.

- 10(j)\* (i) Registrant's Retirement Plan for Non-Employee Directors, as amended. Exhibit 10(g) to the Third Quarter 1994 Form 10-Q.
- (ii) Form of letter agreement dated as of September 16, 1994, between the Registrant and its Non-Employee Directors pursuant to Retirement Plan for Non-Employee Directors. Exhibit 10(h) to the Third Quarter 1994 Form 10-Q.
- 10(k)\* (i) Form of severance agreement between the Registrant (or a subsidiary) and various of the Registrant's officers. Exhibit 10(o)(ii) to the 1997 Form 10-K.
- 10(l)\* Registrant's Directors' Stock Accumulation Plan, as amended and restated as of January 14, 2000.
- 10(m)\* Registrant's Amended and Restated Plan for Deferral of Directors' Fees. Exhibit 10(o) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1989.
- 10(n) (i) Lease dated as of April 1, 1989, between Toledo-Lucas County Port Authority (the "Authority"), as Lessor, and Burlington, as Lessee. Exhibit 10(i) to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1989 (the "Second Quarter 1989 Form 10-Q").
- (ii) Lease Guaranty Agreement dated as of April 1, 1989, between Burlington (formerly Burlington Air Express Management Inc.), as Guarantor, and the Authority. Exhibit 10(ii) to the Second Quarter 1989 Form 10-Q.
- (iii) Trust Indenture dated as of April 1, 1989 between the Authority and Society Bank & Trust (formerly, Trustcorp. Bank, Ohio) (the "Trustee"), as Trustee. Exhibit 10(iii) to the Second Quarter 1989 Form 10-Q.
- (iv) Assignment of Basic Rent and Rights Under a Lease and Lease Guaranty dated as of April 1, 1989 from the Authority to the Trustee. Exhibit 10(iv) to the Second Quarter 1989 Form 10-Q.
- (v) Open-End First Leasehold Mortgage and Security Agreement dated as of April 1, 1989 from the Authority to the Trustee. Exhibit 10(v) to the Second Quarter 1989 Form 10-Q.
- (vi) First Supplement to Lease dated as of January 1, 1990, between the authority and Burlington, as Lessee. Exhibit 10 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1990.
- (vii) Revised and Amended Second Supplement to Lease dated as of September 1, 1990, between the Authority and Burlington. Exhibit 10(i) to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1990 (the "Third Quarter 1990 Form 10-Q").
- (viii) Amendment Agreement dated as of September 1, 1990, among City of Toledo, Ohio, the Authority, Burlington and the Trustee. Exhibit 10(ii) to the Third Quarter 1990 Form 10-Q.
- (ix) Assumption and Non-Merger Agreement dated as of September 1, 1990, among Burlington, the Authority and the Trustee. Exhibit 10(iii) to the Third Quarter 1990 Form 10-Q.
- (x) First Supplemental Indenture between Toledo-Lucas County Port Authority, and Society National Bank, as Trustee, dated as of March 1, 1994. Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1994 (the "First Quarter 1994 Form 10-Q").
- (xi) Third Supplement to Lease between Toledo-Lucas County Port Authority, as Lessor, and Burlington Air Express Inc., as Lessee, dated as of March 1, 1994. Exhibit 10.2 to the First Quarter 1994 Form 10-Q.
- (xii) Fourth Supplement to Lease between Toledo-Lucas County Port Authority, as Lessor, and Burlington Air Express Inc., as Lessee, dated as of June 1, 1991. Exhibit 10.3 to the First Quarter 1994 Form 10-Q.
- (xiii) Fifth Supplement to Lease between Toledo-Lucas County Port Authority, as Lessor, and Burlington Air Express

Inc., as Lessee, dated as of December 1, 1996.  
Exhibit 10(r)(xiii) to the 1996 Form 10-K.

- 10(o)\* (i) Credit Agreement dated as of March 4, 1994, among The Pittston Company, as Borrower, Lenders Parties Thereto, Chemical Bank, Credit Suisse and Morgan Guaranty Trust Company of New York, as Co-agents, and Credit Suisse, as Administrative Agent (the "Credit Agreement"). Exhibit 10.4 to the First Quarter 1994 Form 10-Q.
- (ii) Amendment to the Credit Agreement dated as of May 1, 1995. Exhibit 10(s)(ii) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1995.

- (iii) Amendment to Credit Agreement dated as of May 15, 1996. Exhibit 10(t)(iii) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1996.
- 10(p)\* Employment Agreement dated as of May 4, 1998, between the Registrant and M.T. Dan. Exhibit 10(a) to the Registrant's Quarterly Report on Form 10-Q for the quarter ended Septmber 30, 1998 (the "Third Quarter 1998 Form 10-Q")
- 10(q)\* Executive Agreement dated as of May 4, 1998, between the Registrant and M. T. Dan. Exhibit 10(b) to the Third Quarter 1998 Form 10-Q.
- 10(r)\* Executive Agreement dated as of August 7, 1998, between the Registrant and R. T. Ritter. Exhibit 10(c) to the Third Quarter 1998 Form 10-Q.
- 10(s)\* Severance Agreement dated as of August 7, 1998, between the Registrant and R. T. Ritter. Exhibit 10(d) to the Third Quarter 1998 Form 10-Q.
- 10(t) Trust Agreement for The Pittston Company Employee Welfare Benefit Trust.
- 13 1999 Annual Report of the Registrant.
- 21 Subsidiaries of the Registrant.
- 23 Consent of independent auditors.
- 24 Powers of attorney.
- 27 Financial Data Schedule.
- 99\*
  - (a) Amendment to Registrant's Pension-Retirement Plan relating to preservation of assets of the Pension-Retirement Plan upon a change in control. Exhibit 99 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1992.
  - (b) 1994 Employee Stock Purchase Plan of The Pittston Company's Annual Report on Form 11-K for the year ended December 31, 1999.

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 \*Management contract or compensatory plan or arrangement.

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STATEMENT OF DIFFERENCES

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The registered trademark symbol shall be expressed as..... 'r'

THE PITTSTON COMPANY

BYLAWS  
(As amended through March 9, 2000)

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 pur-

suant to the proxy rules of the Securities and Exchange Commission, had the nominee been nominated, or intended to be nominated, by the Board of Directors, and shall include a consent signed by each such nominee to serve as a director of the corporation if so elected. The chairman of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

11. To be properly brought before an annual meeting of shareholders, business must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (ii) otherwise properly brought before the meeting by or at the direction of the Board of Directors or (iii) otherwise properly brought before the annual meeting by a shareholder. In addition to any other applicable requirements, for business to be properly brought before a meeting by a shareholder, the shareholder must have given timely notice thereof in writing to the Secretary of the corporation. To be timely, a 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 shareholder 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 shareholder 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 eleven 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 four directors and the third of which shall consist of three 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. 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.

7. 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.

8. The Chairman of the Board shall preside at meetings of the Board of Directors, and shall have the powers and duties usually and customarily associated with the position of a non-executive Chairman of the Board.

9. In case of the absence of the Chairman of the Board, the Board member with the longest tenure on the Board 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.

#### 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 purpose 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 Commonwealth 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 Chief Executive Officer, a President, 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, Senior 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 the 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

CHIEF EXECUTIVE OFFICER

Subject to the supervision and direction of the Board of Directors, the Chief Executive Officer shall be responsible for managing the affairs of the corporation and shall preside at meetings of the shareholders. The Chief Executive Officer shall have supervision and direction of all of the other officers of the corporation.

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 Chief Executive Officer. The President shall, in case of the absence or inability of the Chief Executive Officer to act, have the powers and perform the duties of the Chief Executive Officer.

ARTICLE XII

EXECUTIVE VICE PRESIDENTS,  
SENIOR VICE PRESIDENTS  
AND VICE PRESIDENTS

1. 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 Chief Executive Officer.

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 Chief Executive Officer.



ARTICLE XIV

TREASURER

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

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. The Controller 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. The Controller shall have such other powers and duties as may be delegated to the Controller by the Chief Executive Officer.

ARTICLE XVI

SECRETARY

The Secretary shall act as custodian of the minutes of all meetings of the Board of Directors and of the shareholders and of the committees of the Board of Directors. He or she shall attend to the giving and serving of all notices of the corporation, and the Secretary or any Assistant Secretary shall attest the seal of the corporation upon all contracts and instruments executed under such seal. He or she shall also be custodian of such other books and records as the Board or the Chief Executive Officer may direct. He or she shall have such other powers and duties as may be delegated to him or her by the Chief Executive Officer.

ARTICLE XVII

TRANSFER AGENTS AND REGISTRARS;  
CERTIFICATES OF STOCK

1. The Board of Directors may appoint one or more transfer agents and one or more registrars for shares of capital stock of the corporation and may require all cer-

tificates for such shares, or for options, warrants or other rights in respect thereof, to be countersigned on behalf of the corporation by any such transfer agent or by any such registrar.

2. The certificates for shares of the corporation shall be numbered and shall be entered on the books of the corporation as they are issued. Each share certificate shall state on its face the name of the corporation and the fact that it is organized under the laws of the Commonwealth of Virginia, the name of the person to whom such certificate is issued and the number and class of shares and the designation of the series, if any, represented by such certificate and shall be signed by the Chief Executive Officer, 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 January 19, 1996, between the corporation and Chemical Bank, as Rights Agent (the "Rights Agreement"), or the Amendment thereto, dated as of July 31, 1997, between the corporation and BankBoston, N.A., as successor 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 shareholder 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.

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AMENDED AND RESTATED

RIGHTS AGREEMENT

Dated as of January 14, 2000

Between

THE PITTSTON COMPANY

And

BANKBOSTON, N.A.

As Rights Agent

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Exhibits  
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Exhibit A

Form of Right Certificate



AMENDED AND RESTATED RIGHTS AGREEMENT dated as of January 14, 2000, between THE PITTSTON COMPANY, a Virginia corporation (the "Company"), and BANKBOSTON, N.A., as Rights Agent (the "Rights Agent").

On September 11, 1987 (the "Rights Dividend Declaration Date"), the Board of Directors of the Company adopted a shareholder rights plan governed by the terms of a rights agreement (as amended as of December 12, 1988, the "Original Agreement") and distributed one right (a "Common Right") for each share of common stock, par value \$1.00 per share, of the Company (the "Common Stock") outstanding at the close of business on September 25, 1987 (the "Record Date"), and authorized the issuance of one Common Right for each share of Common Stock issued between the Record Date and the date hereof.

On May 7, 1993, the Board of Directors of the Company adopted amendments to the Original Agreement (as amended, the "Amended Agreement") and, contingent upon and simultaneously with the distribution of Pittston Minerals Group Common Stock ("Minerals Stock") to holders of the Common Stock on the close of business on July 26, 1993, pursuant to such amendments (i) authorized and declared a dividend distribution of one Pittston Minerals Group Right for each share of Minerals Stock and (ii) redesignated each Common Right as a Pittston Services Group Right (a "Services Right").

On September 15, 1995, the Board of Directors of the Company adopted amendments to the Amended Agreement and contingent upon and simultaneously with (i) the redesignation of Pittston Services Group Common Stock, par value \$1.00 per share, of the Company ("Services Stock") as Brink's Stock (as defined herein) and (ii) the distribution of Pittston BAX Group Common Stock ("BAX Stock") to holders of Services Stock on the close of business on January 19, 1996, redesignated each Services Right as a Pittston Brink's Group Right (a "Right") and authorized and declared a distribution of one Pittston Burlington Group Right for each share of BAX Stock.

On December 4, 1999, the Board of Directors of the Company adopted amendments to the Amended Agreement (as amended, the "Rights Agreement") contingent upon and simultaneously with the exchange of Brink's Stock for each outstanding share of BAX Stock and Minerals Stock effective on January 14, 2000 (the "Effective Date").

Each Right initially represents the right to purchase one one-thousandth (1/1000th) of a Series A Preferred Share, each such Preferred Share having the powers, rights and preferences set forth in the Company's Restated Articles of Incorporation, upon the terms and subject to the conditions hereinafter set forth.

Accordingly, in consideration of the premises and the mutual agreements herein set forth, the parties hereby agree as follows:

Section 1. Certain Definitions. For purposes of this Rights Agreement, the following terms have the meanings indicated:

(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) "Affiliate" and "Associate", when used with reference to any Person, shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as in effect on the date of this Rights Agreement.

(c) "Affiliate Merger" shall have the meaning set forth in clause (i) of Section 11(e) of this Rights Agreement.

(d) A Person shall be deemed the "Beneficial Owner" of, and shall be deemed to "beneficially own", any securities:

(i) which such Person or any of such Person's Affiliates or Associates beneficially owns, directly or indirectly;

(ii) which such Person or any of such Person's Affiliates or Associates has (A) the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (written or oral), or upon the exercise of conversion rights, exchange rights, rights (other than Rights issuable under this Rights Agreement), warrants or options, or otherwise; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange thereunder; or (B) the right to vote pursuant to any agreement, arrangement or understanding (written or oral); provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, any security if the agreement, arrangement or understanding (written or oral) to vote such security (1) arises solely from a revocable proxy given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations under the Exchange Act and (2) is not also then reportable on Schedule 13D under the Exchange Act (or any comparable or successor report); or

(iii) which are beneficially owned, directly or indirectly, by any other Person with which such Person or any of such Person's Affiliates or Associates has any agreement, arrangement or understanding (written or oral), for the purpose of acquiring, holding, voting (except pursuant to a revocable proxy as described in clause (B) of subparagraph (ii) of this paragraph (d)) or disposing of any securities of the Company; provided, however, that, notwithstanding any provision of this Section 1(e), any Person engaged in business as an underwriter of securities who acquires any securities of the Company through such Person's participation in good faith in a firm commitment underwriting registered under the Securities Act shall not be deemed the "Beneficial Owner" of, or to "beneficially own", such securities until the expiration of 40 days after the date of acquisition.

(e) "Book Value" when used with reference to Common Shares issued by any Person shall mean the amount of equity of such Person applicable to each Common Share, determined (i) in accordance with generally accepted accounting principles in effect on the date as of which such Book Value is to be determined, (ii) using all the

consolidated assets and all the consolidated liabilities of such Person on the date as of which such Book Value is to be determined, except that no value shall be included in such assets for goodwill arising from consummation of a Business Combination, and (iii) after giving effect to (A) the exercise of all rights, options and warrants to purchase such Common Shares (other than the Rights), and the conversion of all securities convertible into such Common Shares, at an exercise or conversion price, per Common Share, which is less than such Book Value before giving effect to such exercise or conversion, (B) all dividends and other distributions on the capital stock of such Person declared prior to the date as of which such Book Value is to be determined and to be paid or made after such date, and (C) any other agreement, arrangement or understanding (written or oral), or transaction or other action prior to the date as of which such Book Value is to be determined which would have the effect of thereafter reducing such Book Value.

(f) "Brink's Stock" shall mean the Pittston Brink's Group Common Stock, par value \$1.00 per share, of the Company.

(g) "Business Combination" shall have the meaning set forth in Section 13(a) of this Rights Agreement.

(h) "Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in the Borough of Manhattan, The City of New York, are authorized or obligated by law or executive order to close.

(i) "Close of Business" on any given date shall mean 5 p.m., New York City time, on such date; provided, however, that if such date is not a Business Day, "Close of Business" shall mean 5 p.m., New York City time, on the next succeeding Business Day.

(j) "Common Shares" when used with reference to the Company prior to a Business Combination shall mean shares of Brink's Stock or any other shares of capital stock of the Company into which Brink's Stock shall be reclassified or changed; provided, however, that "Common Shares" shall mean shares of Brink's Stock (or any other shares of capital stock into which Brink's Stock shall be reclassified or changed) whenever a determination of whether a Person shall have become the Beneficial Owner of, or shall have made a tender or exchange offer for, Common Shares representing a specified percentage of the total Voting Rights of all the Common Shares then outstanding is required to be made herein. "Common Shares" when used with reference to any Person (other than the Company prior to a Business Combination) shall mean shares of capital stock of such Person (if such Person is a corporation) of any class or series, or units of equity interests in such Person (if such Person is not a corporation) of any class or series, the terms of which do not limit (as a fixed amount

and not merely in proportional terms) the amount of dividends or income payable or distributable on such class or series or the amount of assets distributable on such class or series upon any voluntary or involuntary liquidation, dissolution or winding up of such Person and do not provide that such class or series is subject to redemption at the option of such Person, or any shares of capital stock or units of equity interests into which the foregoing shall be reclassified or changed; provided, however, that if at any time there shall be more than one such class or series of capital stock or equity interests of such Person, "Common Shares" of such Person shall include all such classes and series substantially in the proportion of the total number of shares or other units of each such class or series outstanding at such time.

(k) "Common Stock" shall have the meaning set forth in the first introductory paragraph of this Rights Agreement.

(l) "Company" shall have the meaning set forth in the heading of this Rights Agreement; provided, however, that if there is a Business Combination, "Company" shall have the meaning set forth in Section 13(b) of this Rights Agreement.

(m) The term "control", with respect to any Person, shall mean the power to direct the management and policies of such Person, directly or indirectly, by or through stock ownership, agency or otherwise, or pursuant to or in connection with an agreement, arrangement or understanding (written or oral) with one or more other Persons by or through stock ownership, agency or otherwise; and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

(n) "Disinterested Director" shall mean (i) any member of the Board of Directors of the Company who was a member of the Board of Directors of the Company prior to the Share Acquisition Date, and (ii) any member of the Board of Directors of the Company who was recommended for election by, or was elected to fill a vacancy and received the affirmative vote of, a majority of the Disinterested Directors at the time on the Board of Directors of the Company.

(o) "Distribution Date" shall have the meaning set forth in Section 3(a) of this Rights Agreement.

(p) "Effective Date" shall have the meaning set forth in the fourth introductory paragraph of this Rights Agreement.

(q) "Equivalent Shares" shall mean any Preferred Shares and any other class or series of capital stock of the Company which is entitled to participate in dividends and other distributions, including distributions upon the liquidation, dissolution or winding up of the Company, on a proportional basis with Brink's Stock. In calculating the number of any class or series of Equivalent Shares for purposes of

Section 11 of this Rights Agreement, the number of shares, or fractions of a share, of such class or series of capital stock that is entitled to the same dividend or distribution as a whole share of Brink's Stock shall be deemed to be one share.

(r) "Exchange Act" shall mean the Securities Exchange Act of 1934, as in effect on the date in question, unless otherwise specifically provided in this Rights Agreement.

(s) "Expiration Date" shall have the meaning set forth in Section 7(a) of this Rights Agreement.

(t) "Major Part" when used with reference to the assets of the Company and its Subsidiaries as of any date shall mean assets (i) having a fair market value aggregating 50% or more of the total fair market value of all the assets of the Company and its Subsidiaries (taken as a whole) as of the date in question, (ii) accounting for 50% or more of the total value (net of depreciation and amortization) of all the assets of the Company and its Subsidiaries (taken as a whole), as would be shown on a consolidated or combined balance sheet of the Company and its Subsidiaries as of the date in question, prepared in accordance with generally accepted accounting principles then in effect, or (iii) accounting for 50% or more of the total amount of net income of the Company and its Subsidiaries (taken as a whole), as would be shown on a consolidated or combined statement of income of the Company and its Subsidiaries for the period of 12 months ending on the last day of the Company's monthly accounting period next preceding the date in question, prepared in accordance with generally accepted accounting principles then in effect.

(u) "Market Value" when used with reference to Common Shares or Equivalent Shares on any date shall be deemed to be the average of the daily closing prices, per share, of such Common Shares or Equivalent Shares for the period which is the shorter of (1) 30 consecutive Trading Days immediately prior to the date in question or (2) the consecutive Trading Days beginning on the date of the first public announcement of the event requiring a determination of the Market Value and ending on the Trading Day immediately prior to the record date of such event; provided, however, that in the event that the Market Value of such Common Shares or Equivalent Shares is to be determined in whole or in part during a period following the announcement by the issuer of such Common Shares or Equivalent Shares of any dividend, distribution or other action of the type described in paragraph (a), (b), (c) or (d) of Section 11 of this Rights Agreement that would require an adjustment thereunder, then, and in each such case, the Market Value of such Common Shares or Equivalent Shares shall be appropriately adjusted to reflect the effect of such action on the market price of such Common Shares or Equivalent Shares. The closing price for each Trading Day shall be the last sale price, regular way, or, in case no such sale takes place on such Trading Day, the average of the closing bid and asked prices, regular

way, in either case as reported in the principal consolidated transaction reporting system with respect to a security listed or admitted to trading on a national securities exchange or, if such security is not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotations System ("NASDAQ") or such other system then in use, or, if on any such Trading Day the applicable securities are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the shares of such securities selected by the Board of Directors of the Company. If on any such Trading Day no market maker is making a market in such securities, the fair value of such securities on such Trading Day shall mean the fair value of such securities as determined in good faith by the Board of Directors of the Company (whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent, the holders of Rights and all other Persons).

(v) "Person" shall mean an individual, corporation, partnership, joint venture, association, trust, unincorporated organization or other entity.

(w) "Preferred Shares" shall mean the Series A Preferred Shares. Any reference in this Rights Agreement to Preferred Shares shall be deemed to include any authorized fraction of a Preferred Share, unless the context otherwise requires.

(x) "Principal Party" shall mean the Surviving Person in a Business Combination; provided, however, that if such Surviving Person is a direct or indirect Subsidiary of any other Person, "Principal Party" shall mean the Person which is the ultimate parent of such Surviving Person and which is not itself a Subsidiary of another Person. In the event ultimate control of such Surviving Person is shared by two or more Persons, "Principal Party" shall mean that Person that is immediately controlled by such two or more Persons.

(y) "Purchase Price" with respect to each Brink's Right shall mean \$60.00, as such amount may from time to time be adjusted as provided herein, and shall be payable in lawful money of the United States of America. All references herein to the Purchase Price shall mean the Purchase Price as in effect at the time in question.

(z) "Record Date" shall have the meaning set forth in the first introductory paragraph of this Rights Agreement.

(aa) "Redemption Date" shall mean the time when the Rights are ordered to be redeemed by the Board of Directors of the Company as provided in Section 24(a) of this Rights Agreement.

(bb) "Redemption Price" shall mean the price required to be paid upon the redemption of the Rights as provided in Section 24 of this Rights Agreement.

(cc) "Registered Common Shares" shall mean Common Shares which are, as of the date of consummation of a Business Combination, and have been continuously registered under Section 12 of the Exchange Act during the preceding 12 months.

(dd) "Right Certificates" shall have the meaning set forth in Section 3(a) of this Rights Agreement.

(ee) "Rights" shall have the meaning set forth in the third introductory paragraph of this Rights Agreement.

(ff) "Securities Act" shall mean the Securities Act of 1933, as in effect on the date in question, unless otherwise specifically provided in this Rights Agreement.

(gg) "Series A Preferred Shares" shall mean the Series A Participating Cumulative Preferred Stock, par value \$10 per share, of the Company which the Board of Directors of the Company has heretofore established.

(hh) "Share Acquisition Date" shall mean the first date of public disclosure by the Company or an Acquiring Person that an Acquiring Person has become an Acquiring Person.

(ii) "Subsidiary" shall mean a Person, a majority of the total outstanding Voting Rights of which is owned, directly or indirectly, by another Person or by such other Person and one or more other Subsidiaries of such other Person.

(jj) "Surviving Person" shall mean (1) the Person which is the continuing or surviving Person in a consolidation or merger specified in clause (i) or (ii) of Section 13(a) of this Rights Agreement or (2) the Person to which the Major Part of the assets of the Company and its Subsidiaries are sold, leased, exchanged or otherwise transferred or disposed of in a transaction specified in clause (iii) of Section 13(a) of this Rights Agreement; provided, however, that if the Major Part of the assets of the Company and its Subsidiaries are sold, leased, exchanged or otherwise transferred or disposed of in one or more related transactions specified in clause (iii) of Section 13(a) of this Rights Agreement to more than one Person, the "Surviving Person" in such case shall mean the Person that acquired assets of the Company and/or its Subsidiaries with the greatest fair market value in such transaction or transactions.



(kk) "Trading Day" shall mean a day on which the principal national securities exchange (or principal recognized foreign stock exchange, as the case may be) on which any shares or Rights, as the case may be, are listed or admitted to trading is open for the transaction of business or, if the shares or Rights in question are not listed or admitted to trading on any national securities exchange (or recognized foreign stock exchange, as the case may be), a Business Day.

(ll) "Triggering Event" shall have the meaning set forth in clause (ii) of Section 11(e) of this Rights Agreement.

(mm) "Voting Rights" when used with reference to the capital stock of, or units of equity interests in, any Person shall mean the right under ordinary circumstances (and not merely upon the happening of a contingency) to vote in the election of directors of such Person (if such Person is a corporation) or to participate in the management and control of such Person (if such Person is not a corporation).

Section 2. Appointment of Rights Agent. The Company hereby appoints the Rights Agent to act as agent for the Company in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Company may from time to time appoint one or more co-Rights Agents as it may deem necessary or desirable (the term "Rights Agent" being used herein to refer, collectively, to the Rights Agent together with any such co-Rights Agents), upon ten (10) days prior written notice to the Rights Agent. Failure to give the notice provided for in this Section 2, however, or any defect therein shall not affect the legality or validity of the appointment of any one or more co-Rights Agents. In the event the Company appoints one or more co-Rights Agents, the respective duties of the Rights Agent and any co-Rights Agents shall be as the Company shall determine, however, the Rights Agent shall have no duty to supervise, and shall in no event be liable for, the acts or omissions of any such co-Rights Agent.

Section 3. Issue of Right Certificates. (a) Until the earlier of (i) such time that a Person has become an Acquiring Person or (ii) 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 (including any such date which is after the date of this Rights Agreement and prior to the issuance of the Rights) (the Close of Business on the earlier of such dates being herein referred to as the "Distribution Date"), (x) the Rights will be evidenced by the certificates for Brink's Stock registered in the names of

the holders thereof (which certificates for Brink's Stock shall also be deemed to be certificates for the Rights) and not by separate certificates, and (y) the Rights, including the right to receive certificates as herein provided, will be transferable only in connection with the transfer of Common Shares. As soon as practicable after the Distribution Date, the Rights Agent will send, by first-class, insured, postage prepaid mail, to each record holder of Brink's Stock as of the close of business on the Distribution Date, at the address of such holder shown on the records of the Company, one or more right certificates in substantially the form of Exhibit A hereto (the "Right Certificates"), evidencing one Right for each share of Brink's Stock so held. As of and after the Distribution Date, the Rights will be evidenced solely by such Right Certificates.

(b) Until the earliest of the Distribution Date, the Redemption Date or the Expiration Date, the surrender for transfer of any of the certificates for the Common Shares in respect of which Rights have been issued shall also constitute the transfer of the Rights associated with the Common Shares represented by such certificate.

(c) Rights shall be issued in respect of all Common Shares which are issued after the Effective Date but prior to the earliest of the Distribution Date, the Redemption Date or the Expiration Date. Certificates representing Common Shares shall also be deemed to be certificates for the Rights, and shall bear the following legend:

This certificate also evidences and entitles the holder hereof to certain Rights as set forth in an Amended and Restated Rights Agreement dated as of January 14, 2000 (the "Rights Agreement"), between The Pittston Company and BankBoston, N.A., as Rights Agent, the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal executive offices of The Pittston Company. The term "Rights Agreement" as used herein includes each amendment thereto or supplement thereof made from time to time, the terms of each of which are incorporated herein by reference and a copy of each of which is on file as hereinabove stated. Under certain circumstances, as set forth in the Rights Agreement, such Rights will be evidenced by separate certificates and will no longer be evidenced by this certificate. The Pittston Company will mail to the holder of this certificate a copy of the Rights Agreement without charge after receipt of a written request therefor. Under no circumstances shall Rights evidenced by this certificate be transferred to any Person who is or becomes an Acquiring Person or an Affiliate or Associate thereof (as such terms are defined in the Rights Agreement) and any such purported transfer shall be, and shall render such Rights, null and void.

Until the Distribution Date the Rights associated with the Common Shares represented by such certificates shall be evidenced by such certificates alone, and the surrender for transfer of any such certificate shall also constitute the transfer of the Rights associated with the Common Shares represented thereby.

Section 4. Forms of Right Certificates. The Right Certificates (and the forms of assignment and the forms of election to purchase to be printed on the reverse thereof) shall be in substantially the forms set forth as Exhibit A hereto and may have such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Rights Agreement, or as may be required to comply with any applicable law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Rights may from time to time be listed, or to conform to usage. Subject to the provisions of Sections 11 and 23 hereof, the Right Certificates, whenever issued, shall be dated as of the Record Date, and on their face shall entitle the holders thereof to purchase such number of Preferred Shares as shall be set forth therein for the Purchase Price set forth therein.

Section 5. Execution, Countersignature and Registration. (a) The Right Certificates shall be executed on behalf of the Company by the Chairman of the Board, the President or any Vice President of the Company, either manually or by facsimile signature, and have affixed thereto the Company's seal or a facsimile thereof which shall be attested by the Secretary or an Assistant Secretary of the Company, either manually or by facsimile signature. The Right Certificate shall be manually countersigned by the Rights Agent and shall not be valid or obligatory for any purpose unless so countersigned. In case any officer of the Company who shall have signed any of the Right Certificates shall cease to be such officer of the Company before countersignature by the Rights Agent and issuance and delivery by the Company, such Right Certificates may nevertheless be countersigned by the Rights Agent, and issued and delivered by the Company, with the same force and effect as though the person who signed such Right Certificates had not ceased to be such officer of the Company; and any Right Certificate may be signed on behalf of the Company by any person who, at the actual date of the execution of such Right Certificate, shall be a proper officer of the Company to sign such Right Certificate, although at the date of the execution of this Rights Agreement any such person was not such an officer of the Company.

(b) Following the Distribution Date, the Rights Agent will keep or cause to be kept, at its office in New York, New York, books for registration and transfer of the Right Certificates issued hereunder. Such books shall show the names and addresses of the respective holders of the Right Certificates, the number of Rights evidenced by each of the Right Certificates, the certificate number of each of the Right Certificates and the date of each of the Right Certificates.

Section 6. Transfer, Split-up, Combination and Exchange of Right Certificates; Mutilated, Destroyed, Lost or Stolen Right Certificates. (a) Subject to the provisions of Section 7(e) and Section 15 hereof, at any time after the Distribution Date, and at or prior to the Close of Business on the earlier of the Redemption Date or the Expiration Date, any Right Certificate or Certificates may be transferred, split-up, combined or exchanged for another Right Certificate or Certificates, entitling the registered holder to purchase a like number of Preferred Shares as the Right Certificate or Certificates surrendered then entitled such holder to purchase. Any registered holder desiring to transfer, split-up, combine or exchange any Right Certificate shall make such request in writing delivered to the Rights Agent, and shall surrender the Right Certificate or Certificates to be transferred, split-up, combined or exchanged at the principal office of the Rights Agent. Thereupon the Rights Agent shall, subject to Section 7(e) and Section 15 hereof, countersign and deliver to the Person entitled thereto a Right Certificate or Certificates, as the case may be, as so requested. The Company may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer, split-up, combination or exchange of Right Certificates.

(b) Upon receipt by the Company and the Rights Agent of evidence reasonably satisfactory to them of the loss, theft, destruction or mutilation of a valid Right Certificate, and, in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to them, and, at the Company's request, reimbursement to the Company and the Rights Agent of all reasonable expenses incidental thereto, and upon surrender to the Rights Agent and cancelation of the Right Certificate if mutilated, the Company will make a new Right Certificate of like tenor and deliver such new Right Certificate to the Rights Agents for delivery to the registered owner in lieu of the Right Certificate so lost, stolen, destroyed or mutilated.

Section 7. Exercise of Rights; Expiration Date of Rights; Restriction on Transfer of Rights. (a) Each Right shall entitle the registered holder thereof, upon the exercise thereof as provided herein, to purchase, for the Purchase Price, at any time after the earlier of the Distribution Date or the occurrence of a Triggering Event and at or prior to the earlier of (i) the Close of Business on September 25, 2007 (the Close of Business on such date being herein referred to as the "Expiration Date") or (ii) the Redemption Date, one one-thousandth (1/1000th) of a Preferred Share, subject to adjustment from time to time as provided in Sections 11 and 13 of this Rights Agreement.

(b) The registered holder of any Right Certificate may exercise the Rights evidenced thereby (except as otherwise provided herein) in whole or in part at any time after the Distribution Date upon surrender of the Right Certificate, with the form of election to purchase on the reverse side thereof duly executed, to the Rights Agent at the office of the Rights Agent in New York, New York, together with

payment of the Purchase Price for such one one-thousandth (1/1000th) of a Preferred Share as to which the Rights are exercised, at or prior to the earlier of (i) the Expiration Date or (ii) the Redemption Date.

(c) Upon receipt of a Right Certificate representing exercisable Rights, with the form of election to purchase duly executed, accompanied by payment of the Purchase Price for the Preferred Shares to be purchased together with an amount equal to any applicable transfer tax, in lawful money of the United States of America, in cash or by certified check or money order payable to the order of the Company, the Rights Agent shall thereupon promptly (i) requisition from any transfer agent of the Preferred Shares (or make available, if the Rights Agent is the transfer agent) certificates for the number of Preferred Shares to be purchased and the Company hereby irrevocably authorizes its transfer agent to comply with all such requests, (ii) when appropriate, requisition from the Company the amount of cash to be paid in lieu of issuance of fractional shares in accordance with Section 15 hereof, (iii) promptly after receipt of such certificates, cause the same to be delivered to or upon the order of the registered holder of such Right Certificate, registered in such name or names as may be designated by such holder, and (iv) when appropriate, after receipt promptly deliver such cash to or upon the order of the registered holder of such Right Certificate.

(d) In case the registered holder of any Right Certificate shall exercise less than all the Rights evidenced thereby, a new Right Certificate evidencing Rights equivalent to the Rights remaining unexercised shall be issued by the Rights Agent and delivered to the registered holder of such Right Certificate or to his duly authorized assigns, subject to the provisions of Section 15 hereof.

(e) Notwithstanding anything in this Agreement to the contrary, Rights, including Rights evidenced by certificates for Common Shares, shall not at any time be transferable to an Acquiring Person or any Affiliate or Associate of an Acquiring Person or to any Person who subsequently becomes an Acquiring Person or Affiliate or Associate of an Acquiring Person, although at the time of the purported transfer such Person was not an Acquiring Person or an Affiliate or Associate thereof. Any attempt to transfer Rights to any such Person shall be null and void as of the date of the purported transfer. Any Right which has been the subject of any such purported transfer shall be null and void, and thereafter may not be exercised by any Person (including any subsequent transferee) for Preferred Shares or capital stock of the Company pursuant to any provision hereof. The Company may require (or cause the Rights Agent or any transfer agent of the Company to require) any Person who submits a Right Certificate (or a certificate representing Common Shares which evidences, or but for the provisions of this Section 7(e) would evidence, Rights) for transfer on the registry books or to exercise the Rights represented thereby to establish to the reasonable satisfaction of the Company that such Rights have not been the subject of any purported transfer in violation of the provision of this Section 7(e). The Company

shall use all reasonable efforts to ensure that the provisions of this Section 7(e) are complied with, but shall have no liability to any holder of Right Certificates or any other Person as a result of its failure to make any determinations with respect to an Acquiring Person or its Affiliates or Associates hereunder.

(f) Notwithstanding anything in this Rights Agreement to the contrary, neither the Rights Agent nor the Company shall be obligated to undertake any action with respect to a registered holder of any Right Certificates upon the occurrence of any purported exercise as set forth in this Section 7 unless such registered holder shall have (i) completed and signed the certificate contained in the form of election to purchase set forth on the reverse side of the Right Certificate surrendered for such exercise, and (ii) provided such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) or Affiliates or Associates thereof as the Company shall reasonably request.

#### Section 8. Cancellation and Destruction of Right Certificates.

All Right Certificates surrendered for the purposes of exercise, transfer, split-up, combination or exchange shall, if surrendered to the Company or to any of its agents, be delivered to the Rights Agent for cancellation or in canceled form, or, if surrendered to the Rights Agent, shall be canceled by it, and no Right Certificates shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Rights Agreement. The Company shall deliver to the Rights Agent for cancellation and retirement, and the Rights Agent shall so cancel and retire, any Right Certificate purchased or acquired by the Company. The Rights Agent shall deliver all canceled Right Certificates to the Company, or shall, at the written request of the Company, destroy such canceled Right Certificates, and in such case shall deliver a certificate of destruction thereof to the Company.

#### Section 9. Reservation and Availability of Preferred Shares.

(a) The Company covenants and agrees that it will cause to be reserved and kept available out of its authorized and unissued Preferred Shares, free from preemptive rights or any right of first refusal, a number of Preferred Shares sufficient to permit the exercise in full of all outstanding Rights.

(b) The Company covenants and agrees that it will take all such action as may be necessary to ensure that all Preferred Shares delivered upon exercise of Rights shall, at the time of delivery of the certificates for such Preferred Shares (subject to payment of the Purchase Price), be duly and validly authorized and issued and fully paid and non-assessable shares.

(c) So long as the Preferred Shares issuable upon the exercise of Rights are to be listed on any national securities exchange, the Company covenants and agrees to use its best efforts to cause, from and after such time as the Rights become

exercisable, all Preferred Shares reserved for such issuance to be listed on such exchange upon official notice of issuance upon such exercise.

(d) The Company further covenants and agrees that it will pay when due and payable any and all Federal and state transfer taxes and charges which may be payable in respect of the issuance or delivery of Right Certificates or of any Preferred Shares upon the exercise of the Rights. The Company shall not, however, be required to pay any transfer tax which may be payable in respect of any transfer or delivery of Right Certificates to a Person other than, or in respect of the issuance or delivery of certificates for the Preferred Shares in a name other than that of, the registered holder of the Right Certificate evidencing Rights surrendered for exercise or to issue or deliver any certificates for Preferred Shares upon the exercise of any Rights until any such tax shall have been paid (any such tax being payable by the holder of such Right Certificate at the time of surrender) or until it has been established to the Company's satisfaction that no such tax is due.

(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.

Section 10. Preferred Shares Record Date. Each Person in whose name any certificate for Preferred Shares is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the Preferred Shares represented thereby on, and such certificate shall be dated, the date upon which the Right Certificate evidencing such Rights was duly surrendered and payment of the Purchase Price (and any applicable transfer taxes) was made; provided, however, that if the date of such surrender and payment is a date upon which the Preferred Shares transfer books of the Company are closed, such person shall be deemed to have become the record holder of such shares on, and such certificate shall be dated, the next succeeding Business Day on which the Preferred Shares transfer books of the Company are open.

Section 11. Adjustment of Number and Kind of Shares and the Purchase Price. The number and kind of shares subject to purchase upon the exercise of each Right and the Purchase Price are subject to adjustment from time to time as provided in this Section 11.

(a) In the event at any time after the date of this Rights Agreement the Company shall (i) declare a dividend, or make a distribution, on any class of its Common Shares payable in Common Shares, (ii) subdivide (by stock split or otherwise) or split any class of its outstanding Common Shares into a larger number of Common Shares or (iii) combine (by reverse stock split or otherwise) or consolidate any class of its outstanding Common Shares into a smaller number of Common Shares, then, in each such event, (1) the number of Preferred Shares issuable upon exercise of each Right at the time of the record date for such dividend or distribution or the effective date of such subdivision or combination, shall be adjusted so that the number of Preferred Shares thereafter issuable upon exercise of such Right shall equal the result obtained by multiplying the number of Preferred Shares issuable upon exercise of each Right at such time by a fraction, the numerator of which shall be the total number of Rights outstanding immediately prior to such time and the denominator of which shall be the total number of Rights outstanding immediately following such time, and (2) the Purchase Price in effect at such time shall be adjusted so that the Purchase Price thereafter shall equal the result obtained by multiplying the Purchase Price in effect immediately prior to such time by the fraction referred to in the preceding clause (1).

(b) In the event at any time after the date of this Rights Agreement the Company shall (i) declare a dividend, or make a distribution, on any series of its outstanding Preferred Shares payable in Preferred Shares, (ii) subdivide (by stock split or otherwise) or split any series of its outstanding Preferred Shares into a larger number of Preferred Shares, (iii) combine (by a reverse stock split or otherwise) or consolidate



any series of its outstanding Preferred Shares into a smaller number of Preferred Shares or (iv) issue any shares of its capital stock in a reclassification or change of any series of its outstanding Preferred Shares (including any such reclassification or change in connection with a merger in which the Company is the continuing or surviving corporation), then in each such event, the number and kind of shares of capital stock issuable upon the exercise of each Right at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted so that the holder of any Right exercised after such time shall be entitled to receive, for the Purchase Price, the aggregate number and kind of shares of capital stock which such holder would have owned and been entitled to receive by virtue of such dividend, subdivision, combination or reclassification if such holder had exercised such Right immediately prior to such time.

(c) If at any time after the date of this Rights Agreement the Company shall fix a record date for the issuance of rights, options or warrants to all holders of any class of Common Shares or of any class or series of Equivalent Shares entitling such holders (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Common Shares or Equivalent Shares (or securities convertible into Common Shares or Equivalent Shares) at a price per share (or having a conversion price per share, if a security convertible into Common Shares or Equivalent Shares) less than the Market Value of such Common Shares or Equivalent Shares on such record date, then, in each such case, each Right outstanding immediately prior to such record date shall thereafter evidence the right to purchase, for the Purchase Price, that number of one one-thousandths ( $1/1000$ ths) of a Preferred Share obtained by multiplying the number of one one-thousandths ( $1/1000$ ths) of a Preferred Share issuable upon exercise of a Right immediately prior to such record date by a fraction, the numerator of which shall be the number of Common Shares and Equivalent Shares (if any) outstanding on such record date plus the number of additional Common Shares or Equivalent Shares, as the case may be, to be offered for subscription or purchase (or into which the convertible securities so to be offered are initially convertible) and the denominator of which shall be the total number of Common Shares and Equivalent Shares (if any) outstanding on such record date plus the number of Common Shares or Equivalent Shares, as the case may be, which the aggregate offering price of the total number of Common Shares or Equivalent Shares, as the case may be, so to be offered (and/or the aggregate initial conversion price of the convertible securities so to be offered) would purchase at such Market Value. In case such subscription price may be paid in a consideration, part or all of which shall be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a statement filed with the Rights Agent. Common Shares and Equivalent Shares owned by or held for the account of the Company or any Subsidiary of the Company shall not be deemed outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed; and in the event that such rights,

options or warrants are not so issued, each Right shall be adjusted to evidence the right to receive that number of one one-thousandths (1/1000ths) of a Preferred Share which such Right would have entitled the holder to receive, for the Purchase Price, if such record date had not been fixed.

(d) If at any time after the date of this Rights Agreement the Company shall fix a record date for the making of a distribution to all holders of any class of Common Shares or of any class or series of Equivalent Shares (including any such distribution made in connection with a merger in which the Company is the continuing or surviving corporation or in connection with a statutory share exchange with the Company after which the Company is not a Subsidiary of any Acquiring Person or any Associate or Affiliate of any Acquiring Person) of cash (other than a regular periodic cash dividend at a rate not in excess of 125% of the rate of the last regular cash dividend theretofore paid on the class of Common Shares, evidences of indebtedness, assets, securities (other than Common Shares or Preferred Shares) or subscription rights, options or warrants (excluding those referred to in Section 11(c)), then, in each such case, each Right outstanding immediately prior to such record date shall thereafter evidence the right to purchase, for the Purchase Price, that number of one one-thousandths (1/1000ths) of a Preferred Share obtained by multiplying the number of one one-thousandths (1/1000ths) of a Preferred Share issuable upon exercise of such Right immediately prior to such record date by a fraction, the numerator of which shall be the Market Value of such Common Shares or Equivalent Shares on the record date and the denominator of which shall be the Market Value of such Common Shares or Equivalent Shares on such record date less the fair market value (as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a statement filed with the Rights Agent) of the portion of the cash, evidences of indebtedness, assets or securities so to be distributed or of such subscription rights, options or warrants applicable to one Common Share or Equivalent Share, as the case may be. Such adjustments shall be made successively whenever such a record date is fixed; and in the event that such distribution is not so made, each Right shall be adjusted to evidence the right to receive that number of one one-thousandths (1/1000ths) of a Preferred Share which such Right would have entitled the holder to receive, for the Purchase Price, if such record date had not been fixed.

(e) (i) If any Acquiring Person or any Affiliate or Associate of any Acquiring Person, at any time after the date of this Rights Agreement, directly or indirectly, shall merge into the Company or otherwise combine with the Company and the Company shall be the continuing or surviving corporation of such merger or combination and all the Common Shares shall remain outstanding and unchanged, or shall effect a statutory share exchange with the Company after which the Company is not a Subsidiary of any Acquiring Person or any Affiliate or Associate of any Acquiring Person (such merger, share exchange or combination being herein referred to as an "Affiliate Merger") then, in each such case, proper provision shall be made so that each

holder of a Right, except as provided in Section 7(e) hereof and below, 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 Common Shares as shall equal the result obtained by multiplying the Purchase Price by a fraction, the numerator of which is the number of one one-thousandths (1/1000ths) of a Preferred Share for which such Right is then exercisable and the denominator of which is 50% of the Market Value of the Common Shares on the date of the occurrence of such merger or combination. The Company shall not consummate any Affiliate Merger unless upon such consummation it shall have sufficient authorized Common Shares that have not been issued or reserved for issuance to permit the exercise in full of the Rights in accordance with this Section 11(e)(i) and unless prior thereto a registration statement under the Securities Act on an appropriate form, with respect to the Common Shares purchasable upon exercise of the Rights, shall be effective under the Securities Act. The Company covenants and agrees to use its best efforts to:

(A) cause a registration statement under the Securities Act on an appropriate form with respect to the Common Shares purchasable upon exercise of the Rights, to remain effective (with a prospectus at all times meeting the requirements of the Securities Act) until the Expiration Date;

(B) qualify or register the Common Shares purchasable upon exercise of the Rights under the blue sky laws of such jurisdictions as may be necessary or appropriate; and

(C) list the Common Shares purchasable upon the exercise of the Rights on each national securities exchange on which the Common Shares were listed prior to the consummation of such Affiliate Merger.

(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.

(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), 11(b), 11(c), 11(e)(ii) 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 (each as defined in the Company's Restated Articles of Incorporation) 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 Right 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.

(iv) If an event occurs which would require an adjustment under both subparagraph (e)(i) or (e)(ii) of this Section 11 and paragraph (a), (b), (c) or (d) of this Section 11, the adjustment provided for in paragraph (a), (b), (c) or (d) of this Section 11 shall be in addition to, and shall be made prior to, any adjustment required pursuant to subparagraph (e)(i) or (e)(ii) of this Section 11; provided, however, that if a single event occurs that represents both an Affiliate Merger or Triggering Event and a Business Combination, the Rights exercisable upon such event shall be exercisable only in a manner set forth in Section 13(a) of this Rights Agreement and no adjustment shall be made pursuant to any paragraph of this Section 11.

(f) All calculations under this Section 11 shall be made to the nearest hundred-thousandth of a share.

(g) If as a result of an adjustment made pursuant to Section 11(b) hereof, the holder of any Right thereafter exercised shall become entitled to receive any shares of any class of capital stock of the Company other than Preferred Shares, thereafter the number of such other shares so receivable upon exercise of any Right shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Preferred Shares contained in paragraphs (a) through (e), inclusive, of this Section 11 and the provisions of Sections 7, 9, 10 and 13 hereof with respect to the Preferred Shares shall apply on like terms to any such other shares.

(h) All Rights originally issued by the Company subsequent to any adjustment made to the amount of Preferred Shares or other capital stock relating to a Right shall evidence the right to purchase, for the Purchase Price, the adjusted number and kind of shares of capital stock purchasable from time to time hereunder upon exercise of the Rights, all subject to further adjustment as provided herein.

(i) Irrespective of any adjustment or change in the Purchase Price or the number of Preferred Shares or number or kind of other shares of capital stock issuable upon the exercise of the Rights, the Right Certificates theretofore and thereafter issued may continue to express the terms which were expressed in the initial Right Certificates issued hereunder.

(j) In any case in which this Section 11 shall require that an adjustment be made effective as of a record date for a specified event, the Company may elect to defer until the occurrence of such event the issuing to the holder of any Right exercised after such record date the Preferred Shares and/or other shares of capital stock or securities of the Company, if any, issuable upon such exercise over and above the Preferred Shares and/or other shares of capital stock or securities of the Company, if any, issuable before giving effect to such adjustment; provided, however, that the Company shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional shares upon the occurrence of the event requiring such adjustment.

(k) After the occurrence of an Affiliate Merger, the number of Common Shares thereafter receivable upon exercise of any Right shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Preferred Shares contained in Sections 7, 9, 10, 11 and 13 hereof.

Section 12. Certificate of Adjustment. Whenever an adjustment is made as provided in Section 11 or Section 13 hereof, the Company shall (a) promptly prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment, (b) promptly file with the Rights Agent and with each transfer agent for the Preferred Shares a copy of such certificate and (c) mail a brief summary thereof to each holder of a Right Certificate in accordance with Section 26 hereof. The Rights Agent shall be fully protected in relying on any such certificate and on any adjustment therein contained.

Section 13. Consolidation, Merger, Share Exchange or Sale or Transfer of Major Part of Assets. (a) In the event that, following the Distribution Date, directly or indirectly, any transactions specified in the following clauses (i), (ii) or (iii) hereof (each such transaction being herein referred to as a "Business Combination") shall be consummated:

(i) the Company shall consolidate with, or merge with and into, any other Person;

(ii) any Person shall merge with and into the Company and in connection with such merger, all or part of the Common Shares shall be changed into or exchanged for capital stock or other securities of any other Person or cash or any other property or the Company shall enter into a statutory share exchange with any Person after which the Company is a Subsidiary of such Person or any Affiliate or Associate of such Person; or

(iii) the Company shall sell, lease, exchange or otherwise transfer or dispose of (or one or more of its Subsidiaries shall sell, lease, exchange or otherwise transfer or dispose of), in one or more transactions, the Major Part of the assets of the Company and its Subsidiaries (taken as a whole) to any other Person or Persons,

then, in each such case, proper provision shall be made so that each holder of a valid Right shall thereafter have the right to receive, upon the exercise thereof for the Purchase Price in accordance with the terms of this Rights Agreement, the securities specified below:

(A) If the Principal Party in such Business Combination has Registered Common Shares outstanding, each Right shall thereafter represent the right to receive, upon the exercise thereof at the Purchase Price in accordance with the terms of this Rights Agreement, such number of Registered Common Shares of such Principal Party, free and clear of all liens, encumbrances or other adverse claims, as shall be equal to the result obtained by multiplying the Purchase Price by a fraction, the numerator of which shall be the number of one one-thousandths (1/1000ths) of a Preferred Share for which a Right was exercisable immediately prior to consummation of such Business Combination and the denominator of which shall be 50% of the Market Value of each Registered Common Share of such Principal Party on the date of such Business Combination.

(B) If the Principal Party in such Business Combination does not have Registered Common Shares outstanding, each Right shall thereafter represent the right to receive, upon the exercise thereof at the Purchase Price in accordance with the terms of this Rights Agreement, at the election of the holder of such Right at the time of the exercise thereof:

(1) such number of Common Shares of the Surviving Person in such Business Combination as shall be equal to the result obtained by multiplying the Purchase Price by a fraction, the numerator of which shall be the number of one one-thousandths (1/1000ths) of a Preferred Share for which a Right was exercisable immediately prior to the consummation of such Business Combination and the denominator of which shall be 50% of the Book Value of each Common Share of such Surviving Person immediately after giving effect to such Business Combination; or

(2) such number of Common Shares of the Principal Party in such Business Combination (if the Principal Party is not also the Surviving Person in such Business Combination) as shall be equal to the result obtained by multiplying the Purchase Price by a fraction, the numerator of which shall be the number of one one-thousandths (1/1000ths) of a Preferred Share for which a Right was exercisable immediately prior to the consummation of such Business Combination and the denominator of which shall be 50% of the Book Value of each Common Share of the Principal Party immediately after giving effect to such Business Combination; or

(3) if the Principal Party in such Business Combination is an Affiliate of one or more Persons which has Registered Common Shares outstanding, such number of Registered Common Shares of whichever of such Affiliates of the Principal Party has Registered Common Shares with the greatest aggregate Market Value on the date of consummation of such Business Combination as shall be equal to the result obtained by multiplying the Purchase Price by a fraction, the numerator of which shall be the number of one one-thousandths (1/1000ths) of a Preferred Share for which a Right was exercisable immediately prior to the consummation of such Business Combination and the denominator of which shall be 50% of the Market Value of each Registered Common Share of such Affiliate on the date of such Business Combination.

All Common Shares of any Person for which any Right may be exercised after consummation of a Business Combination as provided in this Section 13(a) shall, when issued upon exercise thereof in accordance with this Rights Agreement, be validly issued, fully paid and nonassessable and free of preemptive rights, rights of first refusal or any other restrictions or limitations on the transfer or ownership thereof.

(b) After consummation of any Business Combination (i) each issuer of Common Shares for which Rights may be exercised as set forth in paragraph (a) of this Section 13 shall be liable for, and shall assume, by virtue of such Business



Combination, all the obligations and duties of the Company pursuant to this Rights Agreement, (ii) the term "Company" shall thereafter be deemed to refer to such issuer, (iii) each such issuer shall take such steps in connection with such consummation as may be necessary to assure that the provisions hereof shall thereafter be applicable, as nearly as reasonably may be, in relation to its Common Shares thereafter deliverable upon the exercise of the Rights, and (iv) the number of Common Shares of each such issuer thereafter receivable upon exercise of any Right shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Preferred Shares contained in Sections 7, 9, 10, 11 and 13 hereof.

(c) The Company shall not consummate any Business Combination unless each issuer of Common Shares for which Rights may be exercised, as set forth in paragraph (a) of this Section 13, shall have sufficient authorized Common Shares that have not been issued or reserved for issuance to permit the exercise in full of the Rights in accordance with this Section 13 and unless prior thereto:

(i) a registration statement under the Securities Act on an appropriate form, with respect to the Rights and the Common Shares of such issuer purchasable upon exercise of the Rights, shall be effective under the Securities Act; and

(ii) the Company and each such issuer shall have:

(A) executed and delivered to the Rights Agent a supplemental agreement providing for the obligation of such issuer to issue Common Shares upon the exercise of Rights in accordance with the terms set forth in paragraphs (a) and (b) of this Section 13 and further providing that such issuer, at its own expense, will:

(I) use its best efforts to cause a registration statement under the Securities Act on an appropriate form, with respect to the Rights and the Common Shares of such issuer purchasable upon exercise of the Rights, to remain effective (with a prospectus at all times meeting the requirements of the Securities Act) until the Expiration Date;

(II) use its best efforts to qualify or register the Rights and the Common Shares of such issuer purchasable upon exercise of the Rights under the blue sky or securities laws of such jurisdictions as may be necessary or appropriate; and

(III) use its best efforts to list the Rights and the Common Shares purchasable upon exercise of the Rights on each national securities exchange on which the Common Shares were listed prior to the consummation of the Business Combination or, if the Common Shares were not listed on a national securities exchange prior to the consummation of the Business Combination, on a national securities exchange;

(B) furnished to the Rights Agent an opinion of independent counsel stating that such supplemental agreement is a valid, binding and enforceable agreement of such issuer; and

(C) filed with the Rights Agent a certificate of a nationally recognized firm of independent accountants setting forth the number of Common Shares of such issuer which may be purchased upon the exercise of each Right after the consummation of such Business Combination.

(d) In the event a Business Combination shall be consummated at any time after the occurrence of an Affiliate Merger or a Triggering Event, the Rights that have not been exercised prior to such time shall thereafter become exercisable in the manner set forth in paragraph (a) of this Section 13.

Section 14. Additional Covenants. (a) Notwithstanding any other provision of this Rights Agreement, no adjustment to the number of Preferred Shares (or fractions of a share) or other shares of capital stock for which a Right is exercisable or the number of Rights outstanding or associated with each Common Share or any similar or other adjustment shall be made or be effective if such adjustment would have the effect of reducing or limiting the benefits the holders of the Rights would have had absent such adjustment, including, without limitation, the benefits under Section 11 and Section 13 hereof, unless the terms of this Rights Agreement are amended so as to preserve such benefits.

(b) The Company covenants and agrees that it shall not effect any Business Combination or Affiliate Merger if at the time of, or immediately after such Business Combination or Affiliate Merger, there are any rights, options, warrants or other instruments of any Person which is a party to such Business Combination or Affiliate Merger outstanding which would eliminate or diminish the benefits intended to be afforded by the Rights.

(c) In the event the nature of the organization of any Person shall preclude or limit the acquisition of Common Shares of such Person upon exercise of the Rights as required by Section 13(a) hereof as a result of a Business Combination, it

shall be a condition to such Business Combination that such Person shall take such steps (including, but not limited to, a reorganization) as may be necessary to assure that the benefits intended to be derived under Section 13 hereof upon the exercise of the Rights are assured to the holders thereof.

Section 15. Fractional Rights and Fractional Shares. (a) The Company shall not be required to issue fractions of Rights or to distribute Right Certificates which evidence fractional Rights. In lieu of such fractional Rights, there shall be paid to the registered holders of the Right Certificates with regard to which such fractional Rights would otherwise be issuable, an amount in cash equal to the same fraction of the current market value of a whole Right. For the purposes of this Section 15(a), the current market value of a whole Right shall be the closing price of the Rights for the Trading Day immediately prior to the date on which such fractional Rights would have been otherwise issuable. The closing price for any day shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to Rights listed or admitted to trading on a national securities exchange or, if the Rights are not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by NASDAQ or such other system then in use or, if on any such date the Rights are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Rights selected by the Board of Directors of the Company. If on any such date no such market maker is making a market in the Rights, the fair value of the Rights on such date as determined in good faith by the Board of Directors of the Company shall be used.

(b) The Company may, but shall not be required to, issue fractions of shares upon exercise of the Rights or to distribute certificates which evidence fractional shares. In lieu of fractional shares, the Company may elect to (i) utilize a depository arrangement as provided by the terms of the Preferred Shares or (ii) in the case of a fraction of a share other than one one-thousandth (1/1000th) of a share or any integral multiple thereof, pay to the registered holders of Right Certificates at the time such Rights are exercised as herein provided an amount in cash equal to the same fraction of the current market value of one Preferred Share, if any are outstanding and publicly traded (or the current market value of one Common Share in the event that the Preferred Shares are not outstanding and publicly traded). For purposes of this Section 15(b), the current market value of a Preferred Share (or Common Share) shall be the closing price of a Preferred Share (or Common Share) (as determined pursuant to the second sentence of Section 1(u) of this Rights Agreement) for the Trading Day immediately prior to the date of such exercise.

(c) The holder of a Right by the acceptance of the Rights expressly waives his right to receive any fractional Rights or any fractional shares upon exercise of a Right.

Section 16. Rights of Action. (a) All rights of action in respect of this Rights Agreement are vested in the respective registered holders of the Right Certificates (and, prior to the Distribution Date, the registered holders of the Common Shares); and any registered holder of any Right Certificate (or, prior to the Distribution Date, of the Common Shares), without the consent of the Rights Agent or of the holder of any other Right Certificate (or, prior to the Distribution Date, of the Common Shares), may, in his own behalf and for his own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Company to enforce, or otherwise act in respect of, his right to exercise the Rights evidenced by such Right Certificate in the manner provided in such Right Certificate and in this Rights Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Rights Agreement and shall be entitled to specific performance of the obligations of any Person under, and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Rights Agreement.

(b) Any holder of Rights who prevails in an action to enforce the provisions of this Rights Agreement shall be entitled to recover the reasonable costs and expenses, including attorneys' fees, incurred in such action.

Section 17. Transfer and Ownership of Rights and Right Certificates. (a) Prior to the Distribution Date, the Rights will be transferable only in connection with the transfer of the Common Shares.

(b) After the Distribution Date, the Right Certificates will be transferable, subject to Section 7(e) hereof, only on the registry books of the Rights Agent if surrendered at the principal office of the Rights Agent, duly endorsed or accompanied by a proper instrument of transfer.

(c) The Company and the Rights Agent may deem and treat the Person in whose name a Right Certificate (or, prior to the Distribution Date, the associated Common Shares certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on the Right Certificates or the associated certificate for Common Shares made by anyone other than the Company or the Rights Agent) for all purposes whatsoever, and neither the Company nor the Rights Agent shall be affected by any notice to the contrary.

Section 18. Right Certificate Holder Not Deemed a Shareholder. No holder, as such, of any Right Certificate shall be entitled to vote or receive dividends or be deemed, for any purpose, the holder of the Preferred Shares or of any other securities of the Company which may at any time be issuable on the exercise of the Rights represented thereby, nor shall anything contained herein or in any Right Certificate be construed to confer upon the holder of any Right Certificate, as such, any of the rights of a shareholder of the Company, including, without limitation, any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders (except as provided in Section 25 hereof), or to receive dividends or other distributions or subscription rights, or otherwise, until the Right or Rights evidenced by such Right Certificate shall have been exercised in accordance with the provisions hereof.

Section 19. Concerning the Rights Agent. (a) The Company agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and other disbursements incurred in the administration and execution of this Rights Agreement and the exercise and performance of its duties hereunder. The Company also agrees to indemnify the Rights Agent for, and to hold it harmless against, any loss, liability, or expense, incurred without gross negligence, bad faith or wilful misconduct on the part of the Rights Agent, for anything done or omitted by the Rights Agent in connection with the acceptance and administration of this Rights Agreement, including the costs and expenses of defending against any claim of liability arising therefrom, directly or indirectly.

(b) The Rights Agent shall be protected and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Rights Agreement in reliance upon any Right Certificate or certificate for Common Shares or for other securities of the Company, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons.

Section 20. Merger or Consolidation or Change of Rights Agent. (a) Any corporation into which the Rights Agent or any successor Rights Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Rights Agent or any successor Rights Agent shall be a party, or any corporation succeeding to the stock transfer or corporate trust business of the Rights Agent or any successor Rights Agent, shall be the successor to the Rights Agent under this Rights Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such

corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 22 hereof. In case, at the time such successor Rights Agent shall succeed to the agency created by this Rights Agreement, any of the Right Certificates shall have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Right Certificates so countersigned; and in case at that time any of the Right Certificates shall not have been countersigned, any successor Rights Agent may countersign such Right Certificates either in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Right Certificates shall have the full force provided in the Right Certificates and in this Rights Agreement.

(b) In case at any time the name of the Rights Agent shall be changed and at such time any of the Right Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Right Certificates so countersigned; and in case at that time any of the Right Certificates shall not have been countersigned, the Rights Agent may countersign such Right Certificates either in its prior name or in its changed name; and in all such cases such Right Certificates shall have the full force provided in the Right Certificates and in this Rights Agreement.

Section 21. Duties of Rights Agent. The Rights Agent undertakes the duties and obligations imposed by this Rights Agreement upon the following terms and conditions, by all of which the Company and the holders of Right Certificates, by their acceptance thereof, shall be bound:

(a) The Rights Agent may consult with legal counsel (who may be legal counsel for the Company), and the opinion of such counsel shall be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion.

(b) Whenever in the performance of its duties under this Rights Agreement the Rights Agent shall deem it necessary or desirable that any fact or matter (including, without limitation, the identity of any Acquiring Person) be proved or established by the Company prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by any one of the Chairman of the Board, the President, the Chief Financial Officer, a Vice President, the Treasurer or the Secretary of the Company and delivered to the Rights Agent; and such certificate shall be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Rights Agreement in reliance upon such certificate.

(c) The Rights Agent shall be liable hereunder only for its own gross negligence, bad faith or willful misconduct.

(d) The Rights Agent shall not be liable for or by reason of any of the statements of fact or recitals contained in this Rights Agreement or in the Right Certificates (except as to its countersignature thereof) or be required to verify the same, but all such statements and recitals are and shall be deemed to have been made by the Company only.

(e) The Rights Agent shall not be under any responsibility in respect of the validity of this Rights Agreement or the execution and delivery hereof (except the due execution hereof by the Rights Agent) or in respect of the validity or execution of any Right Certificate (except its countersignature thereof); nor shall it be responsible for any breach by the Company of any covenant or condition contained in this Rights Agreement or in any Right Certificate; nor shall it be responsible for any adjustment required under the provisions of Section 11 or 13 hereof or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights evidenced by Right Certificates after actual notice of any such adjustment); nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any Preferred Shares or Common Shares to be issued pursuant to this Rights Agreement or any Right Certificate or as to whether any Preferred Shares or Common Shares will, when so issued, be validly authorized and issued, fully paid and nonassessable.

(f) The Company agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Rights Agreement.

(g) The Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from any one of the Chairman of the Board, the President, any Vice President, the Secretary or the Treasurer of the Company, and to apply to such officers for advice or instructions in connection with its duties and it shall not be liable for any action taken or suffered to be taken by it in good faith in accordance with instructions of any such officer.

(h) The Rights Agent and any shareholder, director, officer or employee of the Rights Agent may buy, sell or deal in any of the Rights or other securities of the Company or become pecuniarily interested in any transaction in which the Company may be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it were not the Rights Agent under this Rights Agreement.

Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Company or for any other legal entity.

(i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Company resulting from any such act, default, neglect or misconduct provided reasonable care was exercised in the selection and continued employment thereof.

(j) ANYTHING IN THIS AGREEMENT TO THE CONTRARY NOTWITHSTANDING, IN NO EVENT SHALL THE RIGHTS AGENT BE LIABLE FOR SPECIAL, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND WHATSOEVER (INCLUDING, BUT NOT LIMITED TO, LOST PROFITS), EVEN IF THE RIGHTS AGENT HAS BEEN ADVISED OF THE LIKELIHOOD OF SUCH LOSS OR DAMAGE AND REGARDLESS OF THE FORM OF ACTION.

Section 22. Change of Rights Agent. The Rights Agent or any successor Rights Agent may resign and be discharged from its duties under this Rights Agreement upon 30 days' notice in writing mailed to the Company and to each transfer agent of the Common Shares and the Preferred Shares by registered or certified mail, and to the holders of the Right Certificates by first-class mail. The Company may remove the Rights Agent or any successor Rights Agent upon 30 days' notice in writing, mailed to the Rights Agent or successor Rights Agent, as the case may be, and to each transfer agent of the Common Shares and the Preferred Shares by registered or certified mail, and to the holders of the Right Certificates by first-class mail. If the Rights Agent shall resign or be removed or shall otherwise become incapable of acting, the Company shall appoint a successor to the Rights Agent. If the Company shall fail to make such appointment within a period of 30 days after giving notice of such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by the holder of a Right Certificate (who shall, with such notice, submit his Right Certificate for inspection by the Company), then the registered holder of any Right Certificate may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Company or by such a court, shall be a corporation organized and doing business under the laws of the United States or of any state of the United States, in good standing, having an office in the State of New York, which is authorized under the laws of the State of New York and the rules of the New York Stock Exchange to exercise stock transfer or corporate trust powers and is subject to supervision or examination by Federal or state authority and which has at the time of its appointment as Rights Agent a combined capital and surplus of at least \$50,000,000. After appointment, the successor Rights Agent shall be vested with the same powers,



rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Company shall file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Shares and the Preferred Shares, and mail a notice thereof in writing to the registered holders of the Right Certificates. Failure to give any notice provided for in this Section 22, however, or any defect therein shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

Section 23. Issuance of New Right Certificates.

Notwithstanding any of the provisions of this Rights Agreement or of the Rights to the contrary, the Company may, at its option, issue new Right Certificates evidencing Rights in such form as may be approved by its Board of Directors to reflect any adjustment or change made in accordance with the provisions of this Rights Agreement. In addition, in connection with the issuance or sale of Common Shares following the Distribution Date and prior to the earlier of the Redemption Date or the Expiration Date, the Company (a) shall, with respect to Common Shares so issued or sold pursuant to the exercise of stock options or under any employee plan or arrangement, or upon the exercise, conversion or exchange of securities, notes or debentures issued by the Company, and (b) may, in any other case, if deemed necessary or appropriate by the Board of Directors of the Company, issue Right Certificates representing the appropriate number of Rights in connection with such issuance or sale; provided, however, that (i) no such Right Certificate shall be issued if, and to the extent that, the Company shall be advised by counsel that such issuance would create a significant risk of material adverse tax consequences to the Company or the Person to whom such Right Certificate would be issued, and (ii) no such Right Certificate shall be issued if, and to the extent that, appropriate adjustment shall otherwise have been made in lieu of the issuance thereof.

Section 24. Redemption and Termination. (a) The Board of Directors of the Company may, at its option, at any time prior to the earliest of (i) such time as a Person becomes an Acquiring Person or (ii) the Expiration Date, order the redemption of all, but not less than all, the then outstanding Rights at a Redemption Price of \$.01 per Right (which may, in the discretion of the Board of Directors of the Company, in lieu of cash be paid with securities deemed by the Board of Directors, in the exercise of its sole discretion, to be equivalent in value thereto); provided, however, that immediately upon and after the date that an Acquiring Person becomes an Acquiring Person, the Rights may be redeemed only if the Board of Directors of the Company, with the concurrence of a majority of the Disinterested Directors then in office, determines that such redemption is, in their judgment, in the best interests of the Company and its shareholders.

(b) Immediately upon the action of the Board of Directors of the Company ordering the redemption of the Rights, and without any further action and without any notice, the right to exercise the Rights will terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price. Within ten calendar days after the action of the Board of Directors of the Company ordering the redemption of the Rights, the Company shall give notice of such redemption to the holders of the then outstanding Rights by mailing such notice to all such holders 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. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made. The notice, if mailed in the manner herein provided, shall be conclusively presumed to have been duly given, whether or not the holder of Rights receives such notice. In any case, failure to give such notice by mail, or any defect in the notice, to any particular holder of Rights shall not affect the sufficiency of the notice to other holders of Rights.

Section 25. Notice of Certain Events. (a) In case the Company shall propose (i) to take any action of the type described in paragraph (a), (b), (c) or (d) of Section 11 hereof that would require an adjustment thereunder, (ii) to effect any Business Combination or (iii) to effect the liquidation, dissolution or winding up of the Company, then, in such case, the Company shall give to each holder of a Right Certificate, in accordance with Section 26 hereof, a notice of such proposed action, which shall specify any record date for the purposes of determining any participation therein by the holders of the Preferred Shares, or the date on which such action is to take place and the date of any participation therein by the holders of the Preferred Shares, if any such date is to be fixed, and such notice shall be so given at least 20 days prior to any such record date, the taking of such action or the date of participation therein by the holders of the Preferred Shares, whichever shall be the earliest.

(b) In case an Affiliate Merger or Triggering Event shall occur, then, in any such case, the Company shall as soon as practicable thereafter give to each holder of a Right Certificate, in accordance with Section 26 hereof, a notice of the occurrence of such Affiliate Merger or Triggering Event, which shall specify the Affiliate Merger and the Triggering Event and the consequences of such Affiliate Merger or Triggering Event to holders of Rights under Section 11(e) hereof.

Section 26. Notices. Notices or demands authorized by this Agreement to be given or made by the Rights Agent or by the holder of any Right Certificate to or on the Company shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Rights Agent) as follows:

The Pittston Company  
P.O. Box 4229  
1000 Virginia Center Parkway  
Glen Allen, VA 23058-4229

Attention: Secretary

Subject to the provisions of Section 22 hereof, any notice or demand authorized by this Rights Agreement to be given or made by the Company or by the holder of any Right Certificate to or on the Rights Agent shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Company) as follows:

BankBoston, N.A.  
c/o Equiserve Limited Partnership  
150 Royall Street  
Canton, MA 02021

Attention: Client Administrations

Notices or demands authorized by this Rights Agreement to be given or made by the Company or the Rights Agent to any holder of a Right Certificate shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed to such holder at the address of such holder as shown on 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.

Section 27. Supplements and Amendments. At any time prior to the Distribution Date and subject to the last sentence of this Section 27, the Company and the Rights Agent shall, if the Company so directs, supplement or amend any provision of this Rights Agreement (including, without limitation, the date on which the Distribution Date shall occur) without the approval of any holder of the Rights. From and after the Distribution Date and subject to applicable law, the Company and the Rights Agent shall, if the Company so directs, amend this Rights Agreement without the approval of any holders of Right Certificates (i) to cure any ambiguity or to correct or supplement any provision contained herein which may be defective or inconsistent with any other provision of this Rights Agreement, or (ii) to make any other provisions in regard to matters or questions arising hereunder which the Company may deem necessary or desirable and which shall not adversely affect the interests of the holders of Right Certificates (other than an Acquiring Person or an Affiliate or Associate of an Acquiring Person). Upon the delivery of a certificate from an appropriate officer of the Company which states that a proposed supplement or amendment to this Rights Agreement is in compliance with the provisions of this Section 27, the Rights Agent

shall execute such supplement or amendment. Notwithstanding anything contained in this Rights Agreement to the contrary, (1) at any time when there shall be an Acquiring Person, this Rights Agreement may be supplemented or amended only if the Board of Directors of the Company, with the concurrence of a majority of the Disinterested Directors then in office, determines that such supplement or amendment is in their judgment in the best interests of the Company and its shareholders and (2) no supplement or amendment to this Rights Agreement shall be made which reduces the Redemption Price or provides for an earlier Expiration Date.

Section 28. Successors. All the covenants and provisions of this Rights Agreement by or for the benefit of the Company or the Rights Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

Section 29. Benefits of this Rights Agreement; Determinations and Actions by the Board of Directors, etc. (a) Nothing in this Rights Agreement shall be construed to give to any persons or corporation other than the Company, the Rights Agent and the registered holders of the Right Certificates (and, prior to the Distribution Date, the Common Shares) any legal or equitable right, remedy or claim under this Rights Agreement; but this Rights Agreement shall be for the sole and exclusive benefit of the Company, the Rights Agent and the registered holders of the Right Certificates (and, prior to the Distribution Date, the Common Shares).

(b) The Board of Directors of the Company (with, where specifically provided for herein, the concurrence of a majority of the Disinterested Directors then in office) shall have the exclusive power and authority to administer this Rights Agreement and to exercise all rights and power specifically granted to the Board of Directors of the Company (with, where specifically provided for herein, the concurrence of a majority of the Disinterested Directors then in office) or to the Company, or as may be necessary or advisable in the administration of this Rights Agreement, including, without limitation, the right and power to (i) interpret the provisions of this Rights Agreement, and (ii) make all determinations deemed necessary or advisable for the administration of this Rights Agreement (including, without limitation, a determination to redeem or not redeem the Rights or to amend this Rights Agreement and a determination of whether a Triggering Event has occurred). All such actions, calculations, interpretations, and determinations (including, for purposes of clause (y) below, all omissions with respect to the foregoing) which are done or made by the Board of Directors of the Company (with, where specifically provided for herein, the concurrence of a majority of the Disinterested Directors then in office) in good faith, shall (x) be final, conclusive and binding on the Company, the Rights Agent, the holders of the Rights and all other parties, and (y) not subject the Board of Directors of the Company or the Disinterested Directors to any liability to the holders of the Rights.

Section 30. Severability. If any term, provision, covenant or restriction of this Rights Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Rights Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

Section 31. Governing Law. This Rights Agreement and each Right Certificate issued hereunder shall be deemed to be a contract made under the laws of the Commonwealth of Virginia and for all purposes shall be governed by and construed in accordance with the laws of such Commonwealth applicable to contracts to be made and performed entirely within such Commonwealth; provided, however, that the provisions of Sections 19, 20, 21 and 22 of this Rights Agreement shall be governed by and construed in accordance with the laws of the State of New York.

Section 32. Counterparts. This Rights Agreement 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.

Section 33. Descriptive Headings. Descriptive headings of the several Sections of this Rights Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Rights Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Rights Agreement to be duly executed and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

THE PITTSTON COMPANY,

by

-----  
Name:  
Title:

Attest:

by

-----  
Name:  
Title:

BANKBOSTON, N.A., as Rights Agent,

by

-----  
Name:  
Title:

Attest:

by

-----  
Name:  
Title:

EXHIBIT A  
TO THE RIGHTS AGREEMENT

[Form of Right Certificate]

Certificate No. BRR- \_\_\_\_\_ Rights

NOT EXERCISABLE AFTER SEPTEMBER 25, 2007, OR EARLIER IF REDEEMED. THE RIGHTS ARE SUBJECT TO REDEMPTION, AT THE OPTION OF THE COMPANY, AT \$.01 PER RIGHT, ON THE TERMS SET FORTH IN THE RIGHTS AGREEMENT. UNDER NO CIRCUMSTANCES MAY THIS RIGHT CERTIFICATE OR THE RIGHTS EVIDENCED BY THIS RIGHT CERTIFICATE BE TRANSFERRED TO AN ACQUIRING PERSON OR AN AFFILIATE OR ASSOCIATE OF AN ACQUIRING PERSON (AS EACH SUCH TERM IS DEFINED IN THE RIGHTS AGREEMENT) OR TO ANY PERSON WHO SUBSEQUENTLY BECOMES SUCH A PERSON AND ANY PURPORTED TRANSFER OF RIGHTS TO ANY SUCH PERSON SHALL BE, AND SHALL RENDER THE RIGHTS PURPORTED TO BE TRANSFERRED, NULL AND VOID.

Pittston Brink's Group Rights Certificate

THE PITTSTON COMPANY

This certifies that

, or registered assigns, is the registered owner of the number of Pittston Brink's Group Rights (the "Rights") set forth above, each of which entitles the owner thereof, subject to the terms, provisions and conditions of the Amended and Restated Rights Agreement dated as of January 14, 2000 (the "Rights Agreement"), between the Pittston Company, a Virginia corporation (the "Company"), and BankBoston, N.A., as Rights Agent (the "Rights Agent"), unless the Rights evidenced hereby shall have been previously redeemed, to purchase from the Company at any time after the Distribution Date (as defined in the Rights Agreement) and prior to 5:00 p.m., New York City time, on September 25, 2007 (the "Expiration Date"), at the principal office of the Rights Agent, or its successors as Rights Agent, in New York, New York, one one-thousandth (1/1000th) of a fully paid, nonassessable share of Series A Participating Cumulative Preferred Stock, par value \$10 per share, of the Company (the "Preferred Shares"), at a purchase price of \$60.00 per one one-thousandth (1/1000th) of a share (the "Purchase Price"), upon presentation and surrender of this Right Certificate with the Form of Election to Purchase duly executed.

The Purchase Price and the number and kind of shares which may be purchased upon exercise of each Right evidenced by this Right Certificate, as set forth above, are the Purchase Price and the number and kind of shares which may be so purchased as of January 14, 2000. As provided in the Rights Agreement, the Purchase Price and the number and kind of shares which may be purchased upon the exercise of each Right

evidenced by this Right Certificate are subject to modification and adjustment upon the happening of certain events.

Under no circumstances may this Right Certificate or the Rights evidenced by this Right Certificate be transferred to an Acquiring Person or an Affiliate or Associate of an Acquiring Person (as each such term is defined in the Rights Agreement) or to any Person who subsequently becomes such a Person and any purported transfer of Rights to any such Person shall be, and shall render the Rights purported to be transferred, null and void.

This Right Certificate is subject to all the terms, provisions and conditions of the Rights Agreement, which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which reference to the Rights Agreement is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities hereunder of the Rights Agent, the Company and the holders of the Right Certificates. Copies of the Rights Agreement are on file at the above-mentioned office of the Rights Agent and are also available from the Company upon written request.

This Right Certificate, with or without other Right Certificates, upon surrender at the principal stock transfer or corporate trust office of the Rights Agent, may be exchanged for another Right Certificate or Right Certificates of like tenor and date evidencing Rights entitling the holder to purchase a like aggregate number and kind of shares as the Rights evidenced by the Right Certificate or Right Certificates surrendered shall have entitled such holder to purchase. If this Right Certificate shall be exercised in part, the holder shall be entitled to receive upon surrender hereof another Right Certificate or Right Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Rights Agreement, the Rights evidenced by this Right Certificate may be redeemed by the Company at its option at a redemption price (in cash or securities deemed by the Board of Directors to be equivalent in value) of \$.01 per Right at any time prior to the earliest of (i) such time as a Person becomes an Acquiring Person or (ii) the Expiration Date; provided, however, that after there shall be an Acquiring Person the Rights may be redeemed only if a majority of the Disinterested Directors determines that such redemption is in the best interests of the Company (all terms as defined in the Rights Agreement).

The Company may, but shall not be required to, issue fractions of Preferred Shares or distribute certificates which evidence fractions of Preferred Shares upon the exercise of any Right or Rights evidenced hereby. In lieu of issuing fractional shares, the Company may elect to make a cash payment as provided in the Rights Agreement or to issue certificates or utilize a depository arrangement as provided in the terms of the Preferred Shares.

No holder of this Right Certificate shall be entitled to vote or receive dividends or be deemed for any purpose the holder of the Preferred Shares or of any other securities of the Company which may at any time be issuable on the exercise hereof, nor shall anything contained in the Rights Agreement or herein be construed to confer upon the



holder hereof, as such, any of the rights of a shareholder of the Company, including, without limitation, any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders (except as provided in the Rights Agreement), or to receive dividends or other distributions or subscription rights, or otherwise, until the Right or Rights evidenced by this Right certificate shall have been exercised as provided in accordance with the provisions of the Rights Agreement.

This Right Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of the Company and its corporate seal.

Dated as of:

THE PITTSTON COMPANY,

by

-----  
Name:  
Title:

Attest:

by

-----  
Name:  
Title:

Countersigned:

BANKBOSTON, N.A., as Rights Agent,

by

-----  
Authorized Signature

[On Reverse Side of Right Certificate]

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Rights represented by this Right Certificate.)

FOR VALUE RECEIVED \_\_\_\_\_

hereby sells, assigns and transfers unto \_\_\_\_\_

-----  
(Please print name and address of transferee)  
-----

this Right Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint \_\_\_\_\_ Attorney, to transfer the within Right Certificate on the books of the within-named Company, with full power of substitution.

Dated: \_\_\_\_\_, 200\_

-----  
Signature

Signature Guaranteed:

CERTIFICATE

The undersigned hereby certifies by checking the appropriate boxes that:

(1) this Right Certificate [ ] is [ ] is not being sold, assigned and transferred by or on behalf of a Person who is or was an Acquiring Person or an Affiliate or Associate of any such Acquiring Person (as such terms are defined in the Rights Agreement);

(2) after due inquiry and to the best knowledge of the undersigned, it [ ] did [ ] did not acquire the Rights evidenced by this Right Certificate from any Person who is or was an Acquiring Person or an Affiliate or Associate of an Acquiring Person.

Dated: \_\_\_\_\_, 200\_

-----  
Signature

Signature Guaranteed:

NOTICE

The signature on the foregoing Form of Assignment and Certificate must correspond to the name as written upon the face of this Right Certificate in every particular, without alteration or enlargement or any change whatsoever.

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KEY EMPLOYEES' DEFERRED  
COMPENSATION PROGRAM  
OF  
THE PITTSTON COMPANY  
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As Amended and Restated  
as of January 14, 2000  
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Key Employees' Deferred Compensation Program of  
The Pittston Company  
As Amended and Restated  
As of January 14, 2000

PREAMBLE

The Key Employees' Deferred Compensation Program of The Pittston Company (the "Program"), as amended and restated as of January 14, 2000, is a continuation and improvement of the Program as in effect immediately prior to such date. Effective January 14, 2000, the Program is amended and restated to reflect the exchange of .4848 of a share of Pittston Brink's Group Common Stock for each outstanding share of Pittston BAX Group Common Stock and .0817 of a share of Pittston Brink's Group Common stock for each outstanding share of Pittston Minerals Group Common Stock. In addition, effective as of January 14, 2000, participants may defer amounts payable under The Pittston Company Management Performance Improvement Plan.

The Program continues to provide an opportunity to certain employees to defer receipt of (a) all or part of their cash incentive payments awarded under the Key Employees Incentive Plan of The Pittston Company; (b) up to 50% of their base salary; and (c) any or all amounts that are prevented from being deferred as a matched contribution (and the related matching contribution) under the Savings-Investment Plan of The Pittston Company and Its Subsidiaries ("Savings Plan")) as a result of limitations imposed



by Sections 401(a)(17), 401(k)(3), 402(g) and 415 of the Internal Revenue Code of 1986, as amended (the "Code").

In order to align the interests of participants more closely to the long-term interests of The Pittston Company (the "Company") and its shareholders, effective June 1, 1995, the Program was amended to provide matching contributions with respect to certain cash incentive awards and salary deferrals and to provide that an amount equivalent to matching contributions that are not eligible to be made under the Savings Plan as a result of limitations imposed by Code Section 401(m)(2) shall be allocated under this Program.

The Program was again amended and restated effective as of January 19, 1996, to reflect the redesignation of the Pittston Services Group Common Stock as Brink's Group Common Stock and the creation of a new class of common stock designated as Pittston BAX Group Common Stock.

The Program is an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees, within the meaning of Section 201(2) of the Employee Retirement Income Security Act of 1974, as amended.

#### ARTICLE I

##### Definitions

Wherever used in the Program, the following terms shall have the meanings indicated:

BAX Exchange Ratio: The ratio whereby .4848 of a share of Brink's Stock will be exchanged for each outstanding share of BAX Stock on the Exchange Date.

BAX Stock: Pittston BAX Group Common Stock, par value \$1.00 per share.

BAX Unit: The equivalent of one share of BAX Stock credited to an Employee's Incentive Account.

Board: The Board of Directors of the Company.

Brink's Stock: Pittston Brink's Group Common Stock, par value \$1.00 per share.

Brink's Unit: The equivalent of one share of Brink's Stock credited to an Employee's Incentive Account.

Change in Control: A Change in Control shall be deemed to occur (a) upon the approval of the shareholders of the Company (or if such approval is not required, the approval of the Board) of (i) any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which the shares of Brink's Stock would be converted into cash, securities or other property other than a consolidation or merger in which holders of the total voting power in the election of directors of the Company of Brink's Stock outstanding (exclusive of shares held by the Company's affiliates) (the "Total Voting Power") immediately prior to the consolidation or merger will have the same proportionate ownership of the total voting power in the election of directors of the surviving

corporation immediately after the consolidation or merger, or (ii) any sale, leases, exchange or other transfer (in one transaction or a series of transactions) of all or substantially all the assets of the Company, (b) when any "person" (as defined in Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Act")) other than the Company, its affiliates or an employee benefit plan or trust maintained by the Company or its affiliates, shall become the "beneficial owner" (as defined in Rule 13d-3 under the Act), directly or indirectly, of more than 20% of the Total Voting Power, or (c) it at any time during a period of two consecutive years, individuals who at the beginning of such period constituted the Board shall cease for any reason to constitute at least a majority thereof, unless the election by the Company's shareholders of each new director during such two-year period was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such two-year period.

Code: The Internal Revenue Code of 1986, as amended from time to time.

Committee: The Compensation and Benefits Committee of the Board, which shall consist of members of the Board of Directors who qualify as "nonemployee directors" as described in Rule 16b-3(b)(3)(i) promulgated under the Securities Exchange Act of 1934, as amended.

Company: The Pittston Company.

**Employee:** Any resident of the United States of America who is in the employ of the Company or a Subsidiary whose principal place of business is located in the United States of America or any other individual designated by the Committee.

**Exchange:** The exchange of Brink's Stock for outstanding shares of BAX Stock and Minerals Stock as of the Exchange Date.

**Exchange Date:** January 14, 2000, the date as of which the Exchange occurred.

**Foreign Subsidiary:** Any corporation that is not incorporated in the United States of America more than 80% of the outstanding voting stock of which is owned by the Company, by the Company and one or more Subsidiaries and/or Foreign Subsidiaries or by one or more Subsidiaries and/or Foreign Subsidiaries.

**Incentive Account:** The account maintained by the Company for an Employee to document the amounts deferred under the Program by such Employee and any other amounts credited hereunder and the Units into which such amounts shall be converted.

**Minerals Exchange Ratio:** The ratio whereby .0817 of a share of Brink's Stock will be exchanged for each outstanding share of Minerals Stock on the Exchange Date.

**Minerals Stock:** Pittston Minerals Group Common Stock, par value \$1.00 per share.

**Minerals Unit:** The equivalent of one share of Minerals Stock credited to an Employee's Incentive Account.

Program: This Key Employees' Deferred Compensation Program of The Pittston Company, as in effect from time to time.

Redesignation: The redesignation of Services Stock as Brink's Stock and the creation and distribution of BAX Stock as of January 19, 1996.

Salary: The base salary paid to an Employee by the Company, a Subsidiary or a Foreign Subsidiary for personal services determined prior to reduction for any contribution made on a salary reduction basis.

Shares: On and after January 19, 1996, and prior to the Exchange Date, Brink's Stock, BAX Stock or Minerals Stock, as the case may be and on and after the Exchange Date, Brink's Stock.

Services Stock: Pittston Services Group Common Stock, par value \$1.00 per share.

Subsidiary: Any corporation incorporated in the United States of America more than 80% of the outstanding voting stock of which is owned by the Company, by the Company and one or more Subsidiaries or by one or more Subsidiaries.

Unit: On and after January 19, 1996, and prior to the Exchange Date, a Brink's Unit, BAX Unit or Minerals Unit, as the case may be and on and after the Exchange Date, a Brink's Unit.

Year: (a) With respect to the benefits provided pursuant to Articles III and VI, the calendar year, and (b) with respect to the benefits provided pursuant to Articles IV and V, the six-month period from July 1, 1994, through December 31, 1994, and

thereafter, the calendar year; provided, however that if a newly-hired Employee becomes eligible to participate in the benefits provided pursuant to Articles IV and/or V, on a day other than the first day of the Year, the Year for purposes of Articles IV and V shall be the portion of the calendar year during which the Employee is first eligible to participate in the benefits provided thereunder.

## ARTICLE II

### Administration

The Committee is authorized to construe the provisions of the Program and to make all determinations in connection with the administration of the Program including, but not limited to, the Employees who are eligible to participate in the benefits provided under Articles III or IV. All such determinations made by the Committee shall be final, conclusive and binding on all parties, including Employees participating in the Program. All authority of the Committee provided for in, or pursuant to, this Program may also be exercised by the Board. In the event of any conflict or inconsistency between determinations, orders, resolutions or other actions of the Committee and the Board taken in connection with this Program, the actions of the Board shall control.

## ARTICLE III

### Deferral of Cash Incentive Payments

SECTION 1. Definitions. Whenever used in this Article III, the following terms shall have the meanings indicated:

Cash Incentive Payment: A cash incentive payment awarded to an Employee for any Year under the Incentive Plan.

Incentive Plan: The Key Employees Incentive Plan of The Pittston Company, as in effect from time to time or any successor thereto.

Matching Incentive Contributions: Matching contributions allocated to an Employee's Incentive Account pursuant to Section 4 of this Article III.

SECTION 2. Eligibility. The Committee shall designate the key management, professional or technical Employees who may defer all or part of their Cash Incentive Payments for any Year pursuant to this Article III.

An Employee designated to participate in this portion of the Program pursuant to the preceding paragraph shall be eligible to receive a Matching Incentive Contribution for a Year if (a) his or her Salary (on an annualized basis) as of the preceding December 31 is at least equal to \$160,000 (as adjusted for Years after 1999 to reflect the limitation in effect under Code Section 401(a)(17) for the Year in which the Employee's election to participate is filed) or (b) he or she is so designated by the Committee. Notwithstanding the foregoing, a newly hired Employee will be eligible to receive a Matching Incentive Contribution for

his or her initial Year of employment if his or her Salary (on an annualized basis) in effect on his or her first day of employment with the Company or a Subsidiary will exceed the threshold amount determined pursuant to Code Section 401(a)(17) for his or her initial calendar year of employment.

SECTION 3. Deferral of Cash Incentive Payments. Each Employee whom the Committee has selected to be eligible to defer a Cash Incentive Payment for any Year pursuant to this Article III may make an election to defer all or part (in multiples of 10%) of any Cash Incentive Payment which may be made to him or her for such Year. Such Employee's election for any Year shall be made prior to January 1 of such Year; provided, however, that with respect to the 1995 Year, an Employee who is eligible to receive a Matching Incentive Contribution pursuant to Section 2 of this Article III may make such election at any time prior to June 1, 1995, for Cash Incentive Payments paid for 1995 if he or she (a) has not previously made a deferral election for 1995 or (b) wishes to increase the percentage of his Cash Incentive Payment to be deferred. An Incentive Account (which may be the same Incentive Account established pursuant to Articles IV, V and/or VI) shall be established for each Employee making such election and Units in respect of such deferred payment shall be credited to such Incentive Account as provided in Section 6 below.



SECTION 4. Matching Incentive Contributions. Effective for the 1995 Year, each Employee who is eligible to receive Matching Incentive Contributions pursuant to Section 2 of this Article III shall have a Matching Incentive Contribution allocated to his or her Incentive Account. Such Matching Incentive Contribution shall be equal to the amount of his or her Cash Incentive Payment that he or she has elected to defer but not in excess of 10% of his or her Cash Incentive Payment. The dollar amount of each Employee's Matching Incentive Contributions shall be credited to his or her Incentive Account as of the January 1 next following the Year in respect of which the Cash Incentive Payment was made. Units in respect of such amounts shall be credited to such Incentive Account as provided in Section 7 below.

SECTION 5. Irrevocability of Election. Except as provided in Section 3 of this Article III, an election to defer Cash Incentive Payments under the Program for any Year shall be irrevocable after the first day of such Year.

SECTION 6. Conversion of New Deferrals and Matching Incentive Contributions to Brink's Units. For Years after 1999, the amount of an Employee's deferred Cash Incentive Payment (and related Matching Incentive Contributions) for any Year shall be converted to Brink's Units and shall be credited to such Employee's Incentive Account as of the January 1 next following the Year in respect of which the Cash Incentive Payment was made. The number (computed to the second decimal place) of Units so

credited shall be determined by dividing the aggregate amount of the deferred Cash Incentive Payment and related Matching Incentive Contributions credited to the Employee's Incentive Account for such Year by the average of the high and low per share quoted sale prices of Brink's Stock as reported on the New York Stock Exchange Composite Transaction Tape on each trading day during the month of December of the Year immediately prior to the crediting of Units.

SECTION 7. Conversion of Existing Incentive Accounts to Brink's Units. As of the Exchange Date, all BAX Units and Minerals Units in an Employee's Incentive Account attributable to Cash Incentive Payments (and related Matching Incentive Contributions) shall be converted into Brink's Units by multiplying the number of BAX Units and Minerals Units in the Employee's Incentive Account by the BAX Exchange Ratio or the Minerals Exchange Ratio, respectively.

SECTION 8. Adjustments. The Committee shall determine such equitable adjustments in the Units credited to each Incentive Account as may be appropriate to reflect any stock split, stock dividend, recapitalization, merger, consolidation, reorganization, combination, or exchange of shares, split-up, split-off, spin-off, liquidation or other similar change in capitalization or any distribution to common shareholders other than cash dividends.

SECTION 9. Dividends and Distributions. Whenever a cash dividend or any other distribution is paid with respect to shares of Brink's Stock, the Incentive Account of each Employee will be credited with an additional number of Brink's Units, equal to the number of shares of Brink's Stock including fractional shares (computed to the second decimal place), that could have been purchased had such dividend or other distribution been paid to the Incentive Account on the payment date for such dividend or distribution based on the number of shares represented by Units in such Incentive Account as of such date and assuming the amount of such dividend or value of such distribution had been used to acquire additional Brink's Units. Such additional Brink's Units shall be deemed to be purchased at the average of the high and low per share quoted sale prices of Brink's Stock, as reported on the New York Stock Exchange Composite Transaction Tape on the payment date for the dividend or other distribution. The value of any distribution in property will be determined by the Committee.

SECTION 10. Allocation of Units as of July 1, 1994. As of July 1, 1994, the number of Units credited to an Employee's Incentive Account shall be equal to the number of Units credited to his Incentive Account as of June 30, 1994, under the Key Employees Deferred Payment Program of The Pittston Company.

SECTION 11. Minimum Distribution. Distributions shall be made in accordance with Article VII; provided, however, that the

aggregate value of the Brink's Stock and cash distributed to an Employee (and his or her beneficiaries) in respect of all Units standing to his or her credit in his or her Incentive Account attributable to deferrals of Cash Incentive Payments (including related dividends but not Matching Incentive Contributions) shall not be less than the aggregate amount of Cash Incentive Payments and dividends (credited to his or her Incentive Account pursuant to Section 9) in respect of which such Units were initially so credited. The value of the Brink's Stock, so distributed shall be considered equal to the average of the high and low per share quoted sale prices of Brink's Stock, as reported on the New York Stock Exchange Composite Transaction Tape for the last trading day of the month preceding the month of distribution.

#### ARTICLE IV

##### Deferral of Salary

SECTION 1. Definitions. Wherever used in this Article IV, the following term shall have the meaning indicated:

Matching Salary Contributions: Matching contributions allocated to an Employee's Incentive Account pursuant to Section 4 of this Article IV.

SECTION 2. Eligibility. An Employee may participate in the benefits provided pursuant to this Article IV for any Year if (a) his or her Salary (on an annualized basis) as of the

preceding December 31 is at least equal to \$160,000 (as adjusted for Years after 1999 to reflect the limitation in effect under Code Section 401(a)(17) for the Year in which the Employee's election to participate is filed) or (b) he or she is designated by the Committee as eligible to participate. Notwithstanding the foregoing, a newly hired Employee will be eligible to defer a portion of his or her Salary during his or her initial Year of employment if his or her Salary (on an annualized basis) in effect on his or her first day of employment with the Company or a Subsidiary will exceed the threshold amount determined pursuant to Code Section 401(a)(17) for his or her initial calendar year of employment.

Except as otherwise provided by the Committee, an Employee who is eligible to defer a portion of his or her Salary shall continue to be so eligible unless his or her Salary for any Year (on an annualized basis) is less than \$150,000, in which case he or she shall be ineligible to participate in the benefits provided under this Article IV until his or her Salary again exceeds the threshold amount determined pursuant to Code Section 401(a)(17) for the Year prior to the Year of participation.

SECTION 3. Deferral of Salary. Each Employee who is eligible to defer Salary for any Year pursuant to this Article IV may elect to defer up to 50% (in multiples of 5%) of his or her Salary for such Year; provided, however, that in the case of a

newly hired Employee who is eligible to participate for his or her initial Year of employment, only up to 50% of Salary earned after he or she files a deferral election with the Committee may be deferred. Such Employee's initial election for any Year shall be made prior to the first day of such Year or within 30 days after his or her initial date of employment, if later; provided, however, that with respect to the 1995 Year, an eligible Employee may make such election at any time prior to June 1, 1995, if he (a) has not previously made a deferral election under this Article IV for 1995 or (b) wishes to increase the percentage of his Salary to be deferred for 1995. Such election under (a) or (b) shall apply only to Salary earned after June 1, 1995. An election to defer Salary shall remain in effect for subsequent Years unless and until a new election is filed with the Committee by the December 31 preceding the Year for which the new election is to be effective. An Incentive Account (which may be the same Incentive Account established pursuant to Articles III, V and/or VI) shall be established for each Employee making such election and such Incentive Account shall be credited as of the last day of each month with the dollar amount of deferred Salary for such month pursuant to such election. Units in respect of such amounts shall be credited to such Incentive Account as provided in Section 6 below.

SECTION 4. Matching Salary Contributions. Effective June 1, 1995, each Employee who has deferred a percentage of his

Salary for a Year pursuant to Section 2 of this Article IV shall have Matching Salary Contributions allocated to his or her Incentive Account. Such Matching Salary Contributions shall be equal to 100% of the first 10% of his Salary that he or she has elected to defer for the Year (earned after June 1, 1995, for the 1995 Year). The dollar amount of each Employee's Matching Salary Contributions shall be credited to his or her Incentive Account as of the last day of each month. Units in respect of such amounts shall be credited to such Incentive Account as provided in Section 6 below.

SECTION 5. Irrevocability of Election. Except as provided in Section 3 of this Article IV, an election to defer Salary under the Program for any Year shall be irrevocable after the first day of such Year or after 30 days after his or her initial date of employment, if later.

SECTION 6. Conversion of New Deferrals, Matching Salary Contributions and Dividends to Brink's Units. For Years after 1999, the amount of an Employee's deferred Salary (and related Matching Salary Contributions) for any Year shall be converted to Brink's Units and shall be credited to such Employee's Incentive Account as of the January 1 next following the Year in which such Salary was earned. The number (computed to the second decimal place) of Units so credited shall be determined by dividing the aggregate amount of all such deferred Salary (and related Matching Salary Contributions) credited to his or her Incentive

Account for such Year by the average of the high and low per share quoted sale prices of Brink's Stock as reported on the New York Stock Exchange Composite Transaction Tape for each trading day during the Year immediately prior to the crediting of Units.

In addition, an additional number of Units shall be credited to an Employee's Incentive Account as of the January 1 next following such Year in the event a dividend or other distribution is paid with respect to shares of Brink's Stock during the Year. The number of additional Units shall be equal to the number of shares of Brink's Stock including fractional shares (computed to the second decimal place), that could have been purchased if (a) the number of Brink's Units credited to the Employee's Incentive Account for the Year pursuant to the preceding paragraph had been credited ratably throughout the Year, (b) the dividend or other distribution had been paid to the Incentive Account on the payment date based on the number of Shares represented by the Units credited pursuant to (a) above had a ratable number of Units been credited on the record date for the dividend or distribution, and (c) such dividend or the value of such distribution had been used to acquire additional Units. Such additional Units shall be deemed to be purchased at the average of the high and low per share quoted sale prices of Brink's Stock as reported on the New York Stock Exchange Composite Transaction Tape on the payment date for the dividend



or other distribution. The value of any distribution in property will be determined by the Committee.

Upon the Employee's termination of employment, any cash amounts not converted into Units credited to his or her Incentive Account in dollars shall be converted into Brink's Units in the manner described in this Section 6 based on the quoted sale prices (including any sale prices determined on a when issued basis) of Brink's Stock as reported on the New York Stock Exchange Composite Transaction Tape for each trading day during the portion of the Year preceding the month of termination. Such Employee's Incentive Account shall also be credited with an additional number of Units in the event a dividend or other distribution is paid with respect to shares of Brink's Stock during the Year prior to his or her termination of employment. The additional number of Units shall be determined in accordance with this Section 6 assuming that the number of Brink's Units credited to his or her Incentive Account during the Year as a result of his or her termination of employment had been credited ratably during the portion of the Year preceding his or her termination.

SECTION 7. Conversion of Existing Incentive Accounts to Brink's Units. As of the Exchange Date, all BAX Units and Minerals Units in an Employee's Incentive Account attributable to deferred salary (and related Matching Salary Contributions) shall be converted into Brink's Units by multiplying the number of BAX

Units and Minerals Units in the Employee's Incentive Account by the BAX Exchange Ratio or the Minerals Exchange Ratio, respectively.

SECTION 8. Adjustments. The Committee shall determine such equitable adjustments in the Units credited to each Incentive Account as may be appropriate to reflect any stock split, stock dividend, recapitalization, merger, consolidation, reorganization, combination, or exchange of shares, split-up, split-off, spin-off, liquidation or other similar change in capitalization or any distribution to common shareholders other than cash dividends.

SECTION 9. Dividends and Distributions. Whenever a cash dividend or any other distribution is paid with respect to shares of Brink's Stock, the Incentive Account of each Employee will be credited with an additional number of Brink's Units equal to the number of shares of Brink's Stock, including fractional shares (computed to the second decimal place), that could have been purchased had such dividend or other distribution been paid to the Incentive Account on the payment date for such dividend or distribution based on the number of shares represented by the Units in such Incentive Account as of such date and assuming the amount of such dividend or value of such distribution had been used to acquire additional Brink's Units. Such additional Brink's Units shall be deemed to be purchased at the average of the high and low per share quoted sale prices of Brink's Stock,

as the case may be, as reported on the New York Stock Exchange Composite Transaction Tape on the payment date for the dividend or other distribution. The value of any distribution in property will be determined by the Committee.

SECTION 10. Minimum Distribution. Distributions shall be made in accordance with Article VII; provided, however, the aggregate value of the Brink's Stock and cash distributed to an Employee (and his or her beneficiaries) in respect of all Units standing to his or her credit in his or her Incentive Account attributable to the deferral of Salary (including related dividends but not Matching Salary Contributions) shall not be less than the aggregate amount of Salary and dividends in respect of which Units were initially so credited. The value of the Brink's Stock so distributed shall be considered equal to the average of the high and low per share quoted sale prices of Brink's Stock, as reported on the New York Stock Exchange Composite Transaction Tape for the last trading day of the month preceding the month of distribution.

#### ARTICLE V

##### Supplemental Savings Plan

SECTION 1. Definitions. Whenever used in this Article V, the following terms shall have the meanings indicated:

Compensation: The regular wages received during any pay period by an Employee while a participant in the Savings Plan for services rendered to the Company or any Subsidiary that participates in the Savings Plan, including any commissions or bonuses, but excluding any overtime or premium pay, living or other expense allowances, or contributions by the Company or such Subsidiaries to any plan of deferred compensation, and determined without regard to the application of any salary reduction election under the Savings Plan. Bonuses paid pursuant to the Incentive Plan shall be considered received in the Year in which they are payable whether or not such bonus is deferred pursuant to Article III hereof.

Incentive Plan: The Key Employees Incentive Plan of The Pittston Company, as in effect from time to time or any successor thereto.

Matching Contributions: Amounts allocated to an Employee's Incentive Account pursuant to Section 4 of this Article V.

Savings Plan: The Savings-Investment Plan of The Pittston Company and Its Subsidiaries, as in effect from time to time.

SECTION 2. Eligibility. An Employee may participate in the benefits provided pursuant to this Article V for any Year if his or her Salary (on an annualized basis) as of the preceding

December 31 is at least equal to \$160,000 (as adjusted for Years after 1999 to reflect the limitation in effect under Code Section 401(a)(17) for the Year in which the Employee's election to participate is filed). Notwithstanding the foregoing, a newly hired Employee is eligible to participate in the benefits provided pursuant to this Article V if his or her Salary (on an annualized basis) in effect on his or her first day of employment with the Company or a Subsidiary will exceed the threshold amount determined pursuant to Code Section 401(a)(17) for his or her initial calendar year of employment.

Except as otherwise provided by the Committee, an Employee who is eligible to participate in the benefits provided pursuant to this Article V shall continue to be so eligible unless his or her Salary for any Year is less than \$150,000, in which case he or she shall be ineligible to participate in the benefits provided under this Article V until his or her Salary again exceeds the threshold amount determined pursuant to Code Section 401(a)(17) for the Year prior to the Year of participation.

SECTION 3. Deferral of Compensation. Effective July 1, 1994, each Employee who is not permitted to defer the maximum percentage of his or her Compensation that may be contributed as a matched contribution under the Savings Plan for any Year as a result of limitations imposed by Sections 401(a)(17), 401(k)(3), 402(g) and/or 415 of the Code may elect to defer all or part of

the excess of (a) such maximum percentage (five percent for 1994) of his or her Compensation for the calendar year (without regard to any limitation on such amount imposed by Code Section 401(a)(17)) over (b) the amount actually contributed on his or her behalf under the Savings Plan for such calendar year as a matched contribution; provided, however, that with respect to the 1994 Year, only Compensation paid after July 1, 1994, may be deferred. In order to be permitted to defer any portion of his or her Compensation pursuant to this Section 3 of Article V, the Employee must elect to defer the maximum amount permitted as a matched contribution for the calendar year under the Savings Plan. Such Employee's initial election hereunder for any Year shall be made prior to the first day of such Year or prior to the date on which he or she is first eligible to participate in the Savings Plan, if later. Such election shall remain in effect for subsequent Years unless and until a new election is filed with the Committee by the December 31 preceding the Year for which the new election is to be effective. An Incentive Account (which may be the same Incentive Account established pursuant to Article III, IV and/or VI) shall be established for each Employee making such election and such Incentive Account shall be credited as of the last day of each month with the dollar amount of the Compensation deferred for such month pursuant to such election; provided, however, that in the event an Employee is not permitted to defer the maximum percentage of his or her Compensation that

may be contributed as a matched contribution under the Savings Plan for any year as a result of the limitation imposed by Code Section 401(k)(3), such excess contribution shall be distributed to the Employee, his Compensation paid after the date of the distribution shall be reduced by that amount and such amount shall be allocated to his Incentive Account as of the January 1 next following the Year for which the excess contribution was made under the Savings Plan. Units in respect of such amounts shall be credited to such Incentive Account as provided in Section 6 below.

SECTION 4. Matching Contributions. Each Employee who elects to defer a portion of his or her Compensation for a Year pursuant to Section 3 of this Article V shall have a Matching Contribution allocated to his or her Incentive Account equal to the rate of matching contributions in effect for such Employee under the Savings Plan for such Year multiplied by the amount elected to be deferred pursuant to Section 3 above for each month in such Year. The dollar amount of each Employee's Matching Contributions for each month shall be credited to his or her Incentive Account as of the last day of each month.

Subject to the approval of the shareholders of the Company at the 1995 annual meeting, if an Employee is participating in this portion of the Program pursuant to Section 2 of this Article V and his or her matching contribution under the Savings Plan for 1994 or any later year will be reduced as a result of the

nondiscrimination test contained in Code Section 401(m)(2), (a) to the extent such matching contribution is forfeitable, it shall be forfeited and that amount shall be allocated to his or her Incentive Account as a Matching Contribution or (b) to the extent such matching contribution is not forfeitable, it shall be distributed to the Employee, his Compensation paid after the date of the distribution shall be reduced by that amount and such amount shall be allocated to his or her Incentive Account as a Matching Contribution. The dollar amount of such Matching Contribution shall be allocated to each Employee's Incentive Account as of the January 1 next following the Year for which the matching contribution was made under the Savings Plan. Units in respect of such contribution shall be credited to the Employee's Incentive Account as provided in Section 7 below.

SECTION 5. Irrevocability of Election. An election to defer amounts under the Program for any Year shall be irrevocable after the first day of such Year or after the date on which he or she is first eligible to participate in the Savings Plan, if later.

SECTION 6. Conversion of New Deferrals, Matching Contributions and Dividends to Brink's Units. The amount of an Employee's deferred Compensation and Matching Contributions for any Year shall be converted to Brink's Units and shall be credited to such Employee's Incentive Account as of the January 1 next following the Year in which such Compensation was earned or



for which the Matching Contribution was made. The number (computed to the second decimal place) of Units so credited shall be determined by dividing the aggregate amount of all such amounts credited to the Employee's Incentive Account for such Year attributable to (a) the deferral of amounts awarded under the Incentive Plan (including related Matching Contributions) by the average of the high and low per share quoted sale prices of Brink's Stock, as reported on the New York Stock Exchange Composite Transaction Tape on each trading day during the month of December of the Year immediately prior to the crediting of such Units, (b) Compensation and Matching Contributions allocated to an Incentive Account as a result of failing to satisfy the tests included in Code Sections 401(k)(3) or 401(m)(2) under the Savings Plan, by the average of the high and low per share quoted sales prices of Brink's Stock, as reported on the New York Stock Exchange Composite Transaction Tape on each trading day during the month of April of the Year in which such Units are credited to the Employee's Incentive Account and (c) the deferral of all other Compensation (including related Matching Contributions) by the average of the high and low per share quoted sale prices of Brink's Stock as reported on the New York Stock Exchange Composite Transaction Tape (i) on each trading day during the period commencing on the first day of the month after the Employee's salary (as such term is defined in the Savings Plan) equals the maximum amount of considered compensation for such

Year pursuant to Code Section 401(a)(17) and ending on December 31 or (ii) in the event the Employee's salary equals the maximum amount of considered compensation in December, on the first trading day in the following January. In addition, an additional number of Units shall be credited to an Employee's Incentive Account as of the January 1 of the following Year in the event a dividend or other distribution is paid with respect to shares of Brink's Stock during the Year. The number of additional Units shall be equal to the number of shares of Brink's Stock, including fractional shares (computed to the second decimal place), that could have been purchased if (a) the number of Brink's Units credited to the Employee's Incentive Account, for the Year pursuant to the preceding paragraph had been credited ratably throughout the portion of the Year commencing on the first day of the month after the Employee's salary (as defined in the Savings Plan) equals the maximum amount of considered compensation for such Year pursuant to Code Section 401(a)(17), (b) the dividend or other distribution had been paid to the Incentive Account on the payment date based on the number of shares represented by the Units credited pursuant to (a) above had a ratable number of Units been credited on the record date for the dividend or distribution, and (c) such dividend or the value of such distribution had been used to acquire additional Units. Such additional Units shall be deemed to be purchased at the average of the high and low per share

quoted sale prices of Brink's Stock, as reported on the New York Stock Exchange Composite Transaction Tape on the payment date for the dividend or other distribution. The value of any distribution in property will be determined by the Committee.

Upon the Employee's termination of employment, any cash amounts not converted into Units credited to his or her Incentive Account in dollars shall be converted into Brink's Units in the manner described in this Section 6 based on the quoted sale prices (including any sale prices determined on a when issued basis) of Brink's Stock, as reported on the New York Stock Exchange Composite Transaction Tape for each trading day during the portion of the Year preceding the month of termination. Such Employee's Incentive Account shall also be credited with an additional number of Units in the event a dividend or other distribution is paid with respect to shares of Brink's Stock during the Year prior to his or her termination of employment. The additional number of Units shall be determined in accordance with this Section 6 assuming that the number of Brink's Units credited to his or her Incentive Account during the Year as a result of his or her termination of employment had been credited ratably during the portion of the Year preceding his or her termination.

SECTION 7. Conversion of Existing Incentive Accounts to Brink's Units. As of the Exchange Date, all BAX Units and Minerals Units in an Employee's Incentive Account attributable to

Compensation deferred pursuant to this Article V (and related Matching Contributions) shall be converted into Brink's Units by multiplying the number of such BAX Units and Minerals Units in the Employee's Incentive Account by the BAX Exchange Ratio or the Minerals Exchange Ratio, respectively.

SECTION 8. Adjustments. The Committee shall determine such equitable adjustments in the Units credited to each Incentive Account as may be appropriate to reflect any stock split, stock dividend, recapitalization, merger, consolidation, reorganization, combination, or exchange of shares, split-up, split-off, spin-off, liquidation or other similar change in capitalization or any distribution to common shareholders other than cash dividends.

SECTION 9. Dividends and Distributions. Whenever a cash dividend or any other distribution is paid with respect to shares of Brink's Stock, the Incentive Account of each Employee will be credited with an additional number of Brink's Units equal to the number of shares of Brink's Stock, including fractional shares (computed to the second decimal place), that could have been purchased had such dividend or other distribution been paid to the Incentive Account on the payment date for such dividend or distribution based on the number of shares represented by the Units in such Incentive Account as of such date and assuming that the amount of such dividend or value of such distribution had been used to acquire additional Brink's Units of the class giving

rise to the dividend or other distribution. Such additional Brink's Units shall be deemed to be purchased at the average of the high and low per share quoted sale prices of Brink's Stock, as reported on the New York Stock Exchange Composite Transaction Tape on the payment date for the dividend or other distribution. The value of any distribution in property will be determined by the Committee.

## ARTICLE VI

### Deferral of Performance Awards

SECTION 1. Definitions. Whenever used in this Article VI, the following terms shall have the meanings indicated:

Cash Performance Payment: A cash incentive payment due to an Employee in any Year under the Management Performance Improvement Plan.

Management Performance Improvement Plan: The Pittston Company Management Performance Improvement Plan, as in effect from time to time or any successor thereto.

Performance Measurement Period: A performance cycle of one or more fiscal Years of the Company under the Management Performance Improvement Plan.

SECTION 2. Eligibility. Any Employee who is a participant in the Management Performance Improvement Plan may elect to defer all or part of his or her Cash Performance Payment payable under such plan pursuant to this Article VI.

SECTION 3. Deferral of Cash Performance Payments. Each Employee who is eligible to defer his or her Cash Performance Payment for any Performance Measurement Period pursuant to this Article VI may make an election to defer all or part (in multiples of 10%) of any Cash Performance Payment which may be made to him or her for such Performance Measurement Period. Such Employee's election shall be made prior to January 1 of the last Year in the Performance Measurement Period. An Incentive Account (which may be the same Incentive Account established pursuant to Articles III, IV and/or V) shall be established for each Employee making such election and Units in respect of such deferred payment shall be credited to such Incentive Account as provided in Section 5 below.

SECTION 4. Irrevocability of Election. An election to defer Cash Performance Payments under the Program for any Performance Measurement Period shall be irrevocable after the first day of the last Year in such Performance Measurement Period.

SECTION 5. Conversion to Units. The amount of an Employee's deferred Cash Performance Payment for any Performance Measurement Period shall be converted to Brink's Units and shall be credited to such Employee's Incentive Account as of the first day of the month next following the date on which the Cash Performance Payment would be paid if it was not deferred pursuant to this Program. The number (computed to the second decimal

place) of Brink's Units so credited shall be determined by dividing the aggregate amount of the deferred Cash Performance Payment credited to the Employee's Incentive Account for such Performance Measurement Period by the average of the high and low per share quoted sale prices of Brink's Stock, as reported on the New York Stock Exchange Composite Transaction Tape on each trading day during the month preceding the crediting of Units.

SECTION 6. Adjustments. The Committee shall determine such equitable adjustments in the Units credited to each Incentive Account as may be appropriate to reflect any stock split, stock dividend, recapitalization, merger, consolidation, reorganization, combination, or exchange of shares, split-up, split-off, spin-off, liquidation or other similar change in capitalization or any distribution to common shareholders other than cash dividends.

SECTION 7. Dividends and Distributions. Whenever a cash dividend or any other distribution is paid with respect to shares of Brink's Stock, the Incentive Account of each Employee will be credited with an additional number of Brink's Units equal to the number of shares of Brink's Stock, including fractional shares (computed to the second decimal place), that could have been purchased had such dividend or other distribution been paid to the Incentive Account on the payment date for such dividend or distribution based on the number of shares represented by Units in such Incentive Account as of such date and assuming the amount

of such dividend or value of such distribution had been used to acquire additional Brink's Units. Such additional Brink's Units shall be deemed to be purchased at the average of the high and low per share quoted sale prices of Brink's Stock, as reported on the New York Stock Exchange Composite Transaction Tape on the payment date for the dividend or other distribution. The value of any distribution in property will be determined by the Committee.

SECTION 8. Minimum Distribution. Distributions shall be made in accordance with Article VII; provided, however, that the aggregate value of the Brink's Stock and cash distributed to an Employee (and his or her beneficiaries) in respect of all Units standing to his or her credit in his or her Incentive Account attributable to deferrals of Cash Performance Payments (including related dividends) shall not be less than the aggregate amount of Cash Performance Payments and dividends (credited to his or her Incentive Account pursuant to Section 7) in respect of which such Units were initially so credited. The value of the Brink's Stock, so distributed shall be considered equal to the average of the high and low per share quoted sale prices of Brink's Stock, as reported on the New York Stock Exchange Composite Transaction Tape for the last trading day of the month preceding the month of distribution.

SECTION 9. Effective Date. Notwithstanding anything herein to the contrary, the provisions of this Article VI providing for



the deferral of Cash Performance Payments shall not become effective until May 5, 2000, and only upon approval of the Management Performance Improvement Plan by the Company's shareholders.

#### ARTICLE VII

##### Distributions

SECTION 1. Certain Payments on Termination of Employment. Each Employee who has an Incentive Account shall receive a distribution in Brink's Stock in respect of all Brink's Units standing to the credit of such Employee's Incentive Account (other than Units attributable to Matching Incentive Contributions, Matching Salary Contributions and dividends related thereto), in a single lump-sum distribution as soon as practicable following his or her termination of employment; provided, however, that an Employee may elect, at least 12 months prior to his or her termination of employment to receive distribution of the Shares represented by the Units credited to his or her Incentive Account in equal annual installments (not more than ten) commencing on the first day of the month next following the date of his or her termination of employment (whether by death, disability, retirement or otherwise) or as promptly as practicable thereafter. Such Employee may at any time elect to change the manner of such payment, provided that any such election is made at least 12 months in advance of his or her termination of employment.

The number of shares of Brink's Stock to be included in each installment payment shall be determined by multiplying the number of Brink's Units in the Employee's Incentive Account as of the 1st day of the month preceding the initial installment payment and as of each succeeding anniversary of such date by a fraction, the numerator of which is one and the denominator of which is the number of remaining installments (including the current installment).

Any fractional Units shall be converted to cash based on the average of the high and low per share quoted sale prices of the Brink's Stock, as reported on the New York Stock Exchange Composite Transaction Tape, on the last trading day of the month preceding the month of distribution and shall be paid in cash.

SECTION 2. Payments Attributable to Matching Incentive Contributions and Matching Salary Contributions on Termination of Employment. In the event of the termination of employment of an Employee as a result of (a) death, (b) retirement after satisfying the requirements for early or normal retirement under a pension plan sponsored by the Company or a Subsidiary in which the Employee participated, (c) total and permanent disability (as defined in the Company's long-term disability plan) or (d) termination of employment for any reason within three years following a Change in Control, the Employee shall receive a distribution of Brink's Stock in respect of all Brink's Units standing to the credit of such Employee's Incentive Account

attributable to Matching Incentive Contributions, Matching Salary Contributions and dividends related thereto in the same manner as provided in Section 1 of this Article VII for the distribution of other Units standing to the credit of such Employee's Incentive Account.

In the event of a termination of employment for a reason not described in the preceding paragraph, the Employee shall forfeit the Units in his or her Incentive Account attributable to Matching Incentive Contributions, Matching Salary Contributions and dividends related thereto for the Year in which the termination occurs. Such Employee shall be vested in the remaining Units standing to the credit of such Employee in his or her Incentive Account attributable to Matching Incentive Contributions, Matching Salary Contributions and dividends related thereto in accordance with the following schedule:

Months of Participation -----	Vested Percentage -----
less than 36	0
at least 36 but less than 48	50%
at least 48 but less than 60	75%
60 or more	100%

An Employee shall receive credit for one "month of participation" for each calendar month during which a deferral election is in effect pursuant to Section 3 of Articles III or IV. Brink's Stock, in respect of the vested Units standing to the credit of such Employee attributable to Matching Incentive Contributions, Matching Salary Contributions and dividends related thereto, shall be distributed in a single lump sum as soon as practicable

following the third anniversary of his or her termination of employment.

SECTION 3. In-Service Distributions. Any Employee may make an election, on or before December 31 of any Year, to receive a distribution in Brink's Stock in a lump sum or in not more than ten equal annual installments, on or commencing as of January 1 of the second following Year (or as promptly as practicable thereafter), in respect of all Brink's Units (other than Units attributable to Matching Incentive Contributions, Matching Salary Contributions and dividends related thereto) standing to his or her credit in such Incentive Account as of such January 1; provided, however, that no such election shall be effective if (a) such Employee has outstanding at such December 31 an election pursuant to Articles III, IV, V or VI to defer any amounts hereunder or (b) such Employee's employment shall terminate for any reason prior to such January 1. Such election to receive a distribution or distributions shall be irrevocable, except that it may be revoked, and a new election may be made, at any time prior to such December 31. The number of shares of Brink's Stock (and the amount of cash representing fractional Units) to be distributed shall be determined in the same manner as provided in Section 1 of this Article VII.

#### ARTICLE VIII

##### Designation of Beneficiary

An Employee may designate in a written election filed with the Committee a beneficiary or beneficiaries (which may be an entity other than a natural person) to receive all distributions and payments under the Program after the Employee's death. Any such designation may be revoked, and a new election may be made, at any time and from time to time, by the Employee without the consent of any beneficiary. If the Employee designates more than one beneficiary, any distributions and payments to such beneficiaries shall be made in equal percentages unless the Employee has designated otherwise, in which case the distributions and payments shall be made in the percentages designated by the Employee. If no beneficiary has been named by the Employee or no beneficiary survives the Employee, the remaining Shares (including fractional Shares) in the Employee's Incentive Account shall be distributed or paid in a single sum to the Employee's estate. In the event of a beneficiary's death after installment payments to the beneficiary have commenced, the remaining installments will be paid to a contingent beneficiary, if any, designated by the Employee or, in the absence of a surviving contingent beneficiary, the remaining Shares (including fractional Shares) shall be distributed or paid to the primary beneficiary's estate in a single distribution. All distributions shall be made in Shares except that fractional shares shall be paid in cash.

## ARTICLE IX

## Miscellaneous

SECTION 1. Nontransferability of Benefits. Except as provided in Article VIII, Units credited to an Incentive Account shall not be transferable by an Employee or former Employee (or his or her beneficiaries) other than by will or the laws of descent and distribution or pursuant to a domestic relations order. No Employee, no person claiming through such Employee, nor any other person shall have any right or interest under the Program, or in its continuance, in the payment of any amount or distribution of any Shares under the Program, unless and until all the provisions of the Program, any determination made by the Committee thereunder, and any restrictions and limitations on the payment itself have been fully complied with. Except as provided in this Section 1, no rights under the Program, contingent or otherwise, shall be transferable, assignable or subject to any pledge or encumbrance of any nature, nor shall the Company or any of its Subsidiaries be obligated, except as otherwise required by law, to recognize or give effect to any such transfer, assignment, pledge or encumbrance.

SECTION 2. Notices. The Company may require all elections contemplated by the Program to be made on forms provided by it. All notices, elections and other communications pursuant to the

Program shall be in writing and shall be effective when received by the Company at the following address:

The Pittston Company  
1000 Virginia Center Parkway  
P. O. Box 120070  
Glen Allen, VA 23058-4229

Attention of Vice President -- Human Resources

SECTION 3. Limitation on Rights of Employee. Nothing in this Program shall be deemed to create, on the part of any Employee, beneficiary or other person, (a) any interest of any kind in the assets of the Company or (b) any trust or fiduciary relationship in relation to the Company. The right of an Employee to receive any Shares shall be no greater than the right of any unsecured general creditor of the Company.

SECTION 4. No Contract of Employment. The benefits provided under the Program for an Employee shall be in addition to, and in no way preclude, other forms of compensation to or in respect of such Employee. However, the selection of any Employee for participation in the Program shall not give such Employee any right to be retained in the employ of the Company or any of its Subsidiaries for any period. The right of the Company and of each such Subsidiary to terminate the employment of any Employee for any reason or at any time is specifically reserved.

SECTION 5. Withholding. All distributions pursuant to the Program shall be subject to withholding in respect of income and other taxes required by law to be withheld. The Company shall establish appropriate procedures to ensure payment or withholding

of such taxes. Such procedures may include arrangements for payment or withholding of taxes by retaining Shares otherwise issuable in accordance with the provisions of this Program or by accepting already owned Shares, and by applying the fair market value of such Shares to the withholding taxes payable.

SECTION 6. Amendment and Termination. The Committee may from time to time amend any of the provisions of the Program, or may at any time terminate the Program. No amendment or termination shall adversely affect any Units (or distributions in respect thereof) which shall theretofore have been credited to any Employee's Incentive Account. In conjunction with the termination of the Program, the Committee may in its discretion determine whether the value of all Units credited to any or all of the Incentive Accounts under the Program shall be distributed in Shares as promptly as practicable after such termination.



AMENDMENT NO. 1 TO THE  
AMENDED AND RESTATED TRUST AGREEMENT  
DATED DECEMBER 1, 1997

AMENDMENT NO. 1 TO THE AMENDED AND RESTATED TRUST AGREEMENT,  
dated as of December 1, 1997 ("Trust Agreement"), made as of the 18th day of  
August, 1999, by and between THE PITTSTON COMPANY (the "Company") and THE CHASE  
MANHATTAN BANK, as Trustee (the "Trustee").

Pursuant to Section 13(a) of the Trust Agreement, the Company  
and the Trustee agree to amend the Trust Agreement as follows:

1. The introductory sentence of Section 2(f) of the Trust  
Agreement is hereby amended by substituting the date "September 1, 2001" for the  
date "September 1, 1999."

2. The Trust Agreement, as hereby amended, shall remain in  
full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment  
No. 1 as of August 18, 1999.

THE PITTSTON COMPANY

By: /s/ James B. Hartough

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James B. Hartough  
Vice President -- Corporate Finance and  
Treasurer

THE CHASE MANHATTAN BANK, Trustee

By: /s/ Peter Coghill

-----  
Peter Coghill  
Vice President

THE PITTSTON COMPANY

NON-EMPLOYEE DIRECTORS' STOCK OPTION PLAN  
(As Amended and Restated as of January 14, 2000)

ARTICLE I

Purpose of the Plan

The Pittston Company Non-Employee Directors' Stock Option Plan (the "Plan") is amended and restated as of January 14, 2000 to reflect the exchange of .4848 of a share of Pittston Brink's Group Common Stock for each outstanding share of Pittston BAX Group Common Stock and .0817 of a share of Pittston Brink's Group Common Stock for each outstanding share of Pittston Minerals Group Common Stock (the "Exchange").

The purpose of the Plan continues to be to attract and retain the services of experienced independent directors for The Pittston Company (the "Company") by encouraging them to acquire a proprietary interest in the Company in the form of shares of Pittston Brink's Group Common Stock (the "Common Stock"). The Company intends this Plan to provide those directors with additional incentive to further the best interests of the Company and its shareholders.

ARTICLE II

Administration of the Plan

This Plan shall be administered by the Board of Directors of the Company (the "Board"). The Board is authorized to interpret this Plan and may from time to time adopt such rules and regulations for carrying out this Plan as it deems best. All determinations by the Board pursuant to the provisions of this Plan shall be made in accordance with and subject to applicable provisions of the Company's by-laws, and all such determinations and related orders or resolutions of the Board shall be final, conclusive and binding on all persons. All authority of the Board provided for in or pursuant to this Plan, including, without limitation, the authority set forth in Articles III and IX may also be exercised by the Compensation and Benefits Committee of the Board or by such other committee of the Board as the Board may designate for the purpose.

ARTICLE III

#### Eligibility; Number and Price of Option Shares

SECTION 3.01. Options shall be granted only to directors ("Non-Employee Directors") who are not also employees of the Company or any of its subsidiaries.

SECTION 3.02. Subject to the provisions of Section 3.04, the maximum number of shares of Common Stock which may be issued pursuant to options granted under this Plan on and after January 14, 2000, shall be (i) 125,874 plus (ii) the number of shares of each class of Common Stock issuable pursuant to options outstanding under this Plan on March 17, 1997, reduced by (iii) the number of shares of each class of Common Stock issued after March 17, 1997 pursuant to options granted under this Plan, but prior to January 14, 2000. The number of shares in (ii) and (iii) shall be adjusted to reflect the Exchange.

SECTION 3.03. The purchase price per share of Common Stock under each option shall be 100% of the Fair Market Value of a share of Common Stock covered by such option at the time such option is granted.

SECTION 3.04. In the event of any dividend payable in Common Stock or any split or combination of Common Stock, (a) the number of shares of Common Stock which may be issued under this Plan shall be proportionately increased or decreased, as the case may be, (b) the number of shares of Common Stock (including shares subject to options not then exercisable) deliverable pursuant to grants theretofore made shall be proportionately increased or decreased, as the case may be, and (c) the aggregate purchase price of shares subject to any such grant shall not be changed. Any option subsequently granted pursuant to Sections 4.02 and 4.03 shall be for a number of shares reflecting such increase or decrease. In the event of any other recapitalization, reorganization, extraordinary dividend or distribution or restructuring transaction (including any distribution of shares of stock of any Subsidiary or other property to holders of shares of any Common Stock) affecting the shares of Common Stock, the number of shares of Common Stock issuable pursuant to any option theretofore granted (whether or not then exercisable), and/or the option price per share of such option, shall be subject to appropriate adjustment; provided, however, that such option shall be subject to only such adjustment as shall be necessary to maintain the proportionate interest of the optionee and preserve, without exceeding, the

value of such option. In the event of a merger or share exchange in which the Company will not survive as an independent, publicly owned corporation, or in the event of a consolidation or of a sale of all or substantially all of the Company's assets, provision shall be made for the protection and continuation of any outstanding options by the substitution, on an equitable basis, of such shares of stock, other securities, cash, or any combination thereof, as shall be appropriate; provided, however, that such options shall be subject to only such adjustment as shall be necessary to maintain the proportionate interest of the optionee and preserve, without exceeding, the value of such options.

#### ARTICLE IV

##### Grant of Options

SECTION 4.01. Grants under this Plan shall relate to the Company's Common Stock. Each option shall constitute a nonqualified stock option not intended to qualify under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

SECTION 4.02. On July 1, 2000, and on July 1 of each subsequent year, each Non-Employee Director who is a member of the Board as of each such date shall automatically be granted an option to purchase 1,258 shares of Common Stock (or, in the case of an adjustment pursuant to Section 4 of Article III, the number of shares of Common Stock determined as provided in said Section 4); provided, however, that the annual automatic grant shall be an option to purchase 2,517 shares of Common Stock if approved by the Company's shareholders at the Company's 2000 annual meeting of shareholders. Each such option shall be exercisable in full six months after the date of grant.

SECTION 4.03. All instruments evidencing options granted under this Plan shall be in such form, consistent with this Plan, as the Board shall determine.

#### ARTICLE V

##### Non-Transferability of Options

No option granted under this Plan shall be transferable by the optionee otherwise than by will or by the laws of descent and

distribution, and any such option shall be exercised during the lifetime of the optionee only by the optionee or the optionee's duly appointed legal representative; provided, however, that, in the sole discretion of the Board, an option may be transferable to immediate family members (or to trusts therefor) of an optionee granted such option on such terms and conditions as the Board shall determine. For the purposes of this provision, an optionee's immediate family shall mean the optionee's spouse, children and grandchildren (including stepchildren).

#### ARTICLE VI

##### Exercise of Options

SECTION 6.01. Each option granted under this Plan shall terminate on the tenth anniversary of the date of grant, unless sooner terminated as provided in this Plan. Except in cases provided for in Article VII, each option may be exercised only while the optionee is a Non-Employee Director.

SECTION 6.02. A person electing to exercise an option shall give written notice to the Company of such election and of the number of shares of Common Stock such person has elected to purchase, and shall tender the full purchase price of such shares, which tender shall be made in cash or cash equivalent (which may be such person's personal check) at the time of purchase or in shares of Common Stock already owned by such person (which shares shall be valued for such purpose on the basis of their Fair Market Value on the date of exercise), or in any combination thereof. The Company shall have no obligation to deliver shares of Common Stock pursuant to the exercise of any option, in whole or in part, until the Company receives payment in full of the purchase price thereof. No optionee or legal representative, legatee or distributee of such optionee shall be or be deemed to be a holder of any shares of Common Stock subject to such option or entitled to any rights as a shareholder of the Company in respect of any shares of Common Stock covered by such option until such shares have been paid for in full and issued by the Company.

#### ARTICLE VII

##### Termination of Options

SECTION 7.01. In the case of a Non-Employee Director who ceases to serve as such for any reason other than voluntary resignation (excluding retirement) or failure to stand for reelection notwithstanding an invitation to continue to serve as a Non-Employee Director and is entitled to receive a distribution from The Pittston Company Directors' Stock Accumulation Plan, (a) any option to the extent exercisable at the date of ceasing so to serve may be exercised, and (b) any option that is not yet exercisable at the date of such cessation may be exercised on or after the date on which it would become exercisable had the optionee continued to serve as a Non-Employee Director until such date; provided, however, that no option may be exercised after the earlier of (i) three years after the optionee's cessation of service as a Non-Employee Director or (ii) the termination date of the option.

SECTION 7.02. In the case of a Non-Employee Director who dies while serving as such or within six months of his or her cessation of service as a Non-Employee Director (under the circumstances described in Section 7.01), all the Non-Employee Director's outstanding options shall be fully vested and may be exercised within one year after the date of such death, but not later than the termination date of the option, by the person designated in the optionee's last will and testament or, if none, by the legal representative of the optionee's estate.

SECTION 7.03. In the case of a Non-Employee Director (other than one to whom Section 7.02 applies) who dies after ceasing to serve as such, all the Non-Employee Director's options shall be terminated except that any option to the extent exercisable by the Non-Employee Director at the date of ceasing so to serve may be exercised within one year after the date of death, but not later than the termination date of the option, by the Non-Employee Director's estate or by the person designated in the Non-Employee Director's estate or by the person designated in the Non-Employee Director's last will and testament.

SECTION 7.04. In the case of a Non-Employee Director (other than one to whom Section 7.01, 7.02 or 7.03 is applicable) who ceases to serve as such for any reason, all the Non-Employee Director's options shall be terminated except that any option to the extent exercisable at the date of ceasing so to serve may be exercised within one year after such date, but not later than the termination date of the option.

#### ARTICLE VIII

## Miscellaneous Provisions

SECTION 8.01. Each option shall be subject to the requirement that, if at any time the Board shall determine that the listing, registration or qualification of the shares of Common Stock subject to such option upon any securities exchange or under any state or Federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the granting of such option or the issue of Common Stock pursuant thereto, no option may be exercised, in whole or in part, unless such listing, registration, qualification, consent or approval shall have been effected or obtained free from any conditions not reasonably acceptable to the Board.

SECTION 8.02. The Company may establish appropriate procedures to ensure payment or withholding of such income or other taxes, if any, as may be provided by law to be paid or withheld in connection with the issue of shares of Common Stock under this Plan.

SECTION 8.03. Nothing in this Plan shall be construed either to give any Non-Employee Director any right to be retained in the service of the Company or to limit the power of the Board to adopt additional compensation arrangements (either generally or in specific instances) for directors of the Company or to change such arrangements as in effect at any time.

## ARTICLE IX

## Plan Termination and Amendments

SECTION 9.01. The Board may terminate this Plan at any time, but this Plan shall in any event terminate on May 11, 2008, and no options may thereafter be granted, unless the shareholders shall have approved its extension. Options granted in accordance with this Plan prior to the date of its termination may extend beyond that date.

SECTION 9.02. The Board may from time to time amend, modify or suspend this Plan, but no such amendment or modification without the approval of the shareholders shall:

- (a) increase the maximum number (determined as provided in this Plan) of shares of Common Stock which may be issued

(i) to any one Non-Employee Director or (ii) pursuant to all options granted under this Plan;

(b) permit the grant of any option at a purchase price less than 100% of the Fair Market Value of the Common Stock covered by such option at the time such option is granted;

(c) permit the exercise of an option unless arrangements are made to ensure that the full purchase price of the shares as to which the option is exercised is paid at the time of exercise; or

(d) extend beyond May 11, 2008, the period during which options may be granted.

#### ARTICLE X

##### Definitions

Wherever used in this Plan, the following terms shall have the meanings indicated:

**Fair Market Value:** With respect to shares of Common Stock, the average of the high and low quoted sale prices of a share of such stock on the date in question (or, if there is no reported sale on such date, on the last preceding date on which any reported sale occurred) on the New York Stock Exchange Composite Transactions Tape.

**Subsidiary:** Any corporation of which stock representing at least 50% of the ordinary voting power is owned, directly or indirectly, by the Company.



THE PITTSTON COMPANY

1988 STOCK OPTION PLAN  
(As Amended and Restated as of January 14, 2000)

ARTICLE I

Purpose of the Plan

The Pittston Company 1988 Stock Option Plan (the "Plan") is amended and restated as of January 14, 2000, to reflect the exchange of .4848 of a share of Pittston Brink's Group Common Stock for each outstanding share of Pittston BAX Group Common Stock and .0817 of a share of Pittston Brink's Group Common Stock for each outstanding share of Pittston Minerals Group Common Stock (the "Exchange").

The purpose of the Plan continues to be to enable key employees of The Pittston Company (the "Company") and its Subsidiaries to acquire a proprietary interest in the Company in the form of shares of its common stock. The Company intends this Plan to encourage those individuals who are expected to contribute significantly to the Company's success to accept employment or continue in the employ of the Company and its Subsidiaries, to enhance their incentive to perform at the highest level, and, in general, to further the best interests of the Company and its shareholders.

ARTICLE II

Administration of the Plan

SECTION 2.01. Subject to the authority as described herein of the Board of Directors of the Company (the "Board"), this Plan shall be administered by a committee (the "Committee") designated by the Board, which shall be composed of at least three members of the Board, all of whom are non-employee directors within the meaning of Rule 16b-3(b)(3) issued under the Securities Exchange Act of 1934, as amended (the "Act") and satisfy the requirements for an outside director pursuant to Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), and any regulations issued thereunder. Until otherwise determined by the Board, the Compensation and Benefits Committee designated by the Board shall be the Committee under this Plan. The Committee is authorized to interpret this Plan as it deems best. All determinations by the Committee shall be made by the affirmative vote of a majority of its members, but any determination reduced

to writing and signed by a majority of its members shall be fully as effective as if it had been made by a majority vote at a meeting duly called and held. Subject to any applicable provisions of the Company's by-laws or of this Plan, all determinations by the Committee or by the Board pursuant to the provisions of this Plan, and all related orders or resolutions of the Committee or the Board, shall be final, conclusive and binding on all persons, including the Company and its shareholders and those receiving options under this Plan.

SECTION 2.02. All authority of the Committee provided for in or pursuant to this Plan, including that referred to in Section 2.01, may also be exercised by the Board. In the event of any conflict or inconsistency between determinations, orders, resolutions or other actions of the Committee and the Board taken in connection with this Plan, the actions of the Board shall control.

### ARTICLE III

#### Eligibility

Only persons who are Employees, including individuals who have agreed to become Employees as provided in Article XII, shall be eligible to receive option grants under this Plan. Neither the members of the Committee nor any member of the Board who is not an Employee shall be eligible to receive any such grant.

### ARTICLE IV

#### Stock Subject to Grants under this Plan

SECTION 4.01. Grants under this Plan shall relate to Common Stock ("Common Stock") of the Company and may be made in the form of incentive stock options or nonqualified stock options.

SECTION 4.02. Subject to Section 4.03, the maximum number of shares of Common Stock which may be issued pursuant to options exercised under this Plan on and after January 14, 2000, shall be (i) 1,505,225 shares plus (ii) the number of shares of each class of Common Stock issuable pursuant to options outstanding under this Plan on March 17, 1997, reduced by (iii) the number of shares of each class of Common Stock issued after March 17, 1997 pursuant to options granted under this Plan, but prior to January 14, 2000. The number of shares in (ii) and (iii) shall be adjusted to reflect the Exchange. Such number of shares of Common Stock shall be reduced by the aggregate number of shares of such

Common Stock covered by rights exercised pursuant to Section 6.03 or Section 6.04. Notwithstanding the foregoing, in no event will any Employee be granted options to purchase more than 223,578 shares of Common Stock in any calendar year.

SECTION 4.03. In the event of any dividend payable in Common Stock or any split or combination of Common Stock, (a) the number of shares which may be issued under this Plan shall be proportionately increased or decreased, as the case may be, (b) the number of shares (including shares subject to options not then exercisable) deliverable pursuant to grants theretofore made shall be proportionately increased or decreased, as the case may be, and (c) the aggregate purchase price of shares subject to any such grant shall not be changed. In the event of any other recapitalization, reorganization, extraordinary dividend or distribution or restructuring transaction (including any distribution of shares of stock of any Subsidiary or other property to holders of shares of Common Stock) the number of shares issuable under this Plan shall be subject to such adjustment as the Committee or the Board may deem appropriate, and the number of shares issuable pursuant to any option theretofore granted (whether or not then exercisable) and/or the option price per share of such option, shall be subject to such adjustment as the Committee or the Board may deem appropriate with a view toward preserving the value of such option. In the event of a merger or share exchange in which the Company will not survive as an independent, publicly owned corporation, or in the event of a consolidation or of a sale of all or substantially all of the Company's assets, provision shall be made for the protection and continuation of any outstanding options by the substitution, on an equitable basis, of such shares of stock, other securities, cash, or any combination thereof, as shall be appropriate.

#### ARTICLE V

##### Purchase Price of Optioned Shares

Unless the Committee shall fix a greater purchase price, the purchase price per share of Common Stock under any option shall be 100% of the Fair Market Value of a share of Common Stock covered by such option at the time such option is granted.

#### ARTICLE VI

##### Grant of Options

SECTION 6.01. Each option granted under this Plan shall constitute either an incentive stock option, intended to qualify under Section 422 of the Code, or a nonqualified stock option, not intended to qualify under said Section 422, as determined in each case by the Committee.

SECTION 6.02. The Committee shall from time to time determine the Employees to be granted options, it being understood that options may be granted at different times to the same Employees. In addition, the Committee shall determine (a) the number of shares of Common Stock subject to each option, (b) the time or times when the options will be granted, (c) the purchase price of the shares subject to each option, which price shall be not less than that specified in Article V, and (d) the time or times when each option may be exercised within the limits stated in this Plan, which except as provided in the following sentence shall in no event be less than six months after the date of grant. All options granted under this Plan shall become exercisable in their entirety at the time of any Change in Control of the Company.

SECTION 6.03. In connection with any option granted under this Plan the Committee in its discretion may grant a stock appreciation right (a "Stock Appreciation Right"), providing that at the election of the holder of a Stock Appreciation Right, the Company shall purchase all or a part of the related option to the extent that such option is exercisable at the date of such election for an amount (payable in the form of cash, shares of Common Stock or any combination thereof, all as the Committee shall in its discretion determine) equal to the excess of the Fair Market Value of the shares of Common Stock covered by such option or part thereof so purchased on the date such election shall be made over the purchase price of such shares so covered. A Stock Appreciation Right may also provide that the Committee or the Board reserves the right to determine, in its discretion, the date (which shall be subsequent to six months after the date of grant of such option) on which such Right shall first become exercisable in whole or in part.

SECTION 6.04. In connection with any option granted under this Plan, the Committee in its discretion may grant a limited right (a "Limited Right") providing that the Company shall, at the election of the holder of a Limited Right (which election may be made only during the period beginning on the first day following the date of expiration of any offer and ending on the 45th day following such date), purchase all or any part of such option, for an amount (payable entirely in cash) equal to the

excess of the Offer Price of the shares of Common Stock covered by such purchase on the date such election shall be made over the purchase price of such shares so purchased. Notwithstanding any other provision of this Plan, no Limited Right may be exercised within six months of the date of its grant.

SECTION 6.05. The authority with respect to the grant of options and the determination of their provisions contained in Sections 6.01 through 6.04 may be delegated by the Board to one or more officers of the Company, on such conditions and limitations as the Board shall approve; provided, however, that no such authority shall be delegated with respect to the grant of options to any officer or director of the Company or with respect to the determination of any of the provisions of any of such options.

## ARTICLE VII

## Non-Transferability of Options

No option or Stock Appreciation Right (including any Limited Rights) granted under this Plan shall be transferable by the optionee otherwise than by will or by the laws of descent and distribution, and any such option or Stock Appreciation Right (including any Limited Rights) shall be exercised during the lifetime of the optionee only by the optionee or the optionee's duly appointed legal representative.

## ARTICLE VIII

## Exercise of Options

SECTION 8.01. Each incentive stock option granted under this Plan shall terminate not later than 10 years from the date of grant. Each nonqualified stock option granted under this Plan shall terminate not later than 10 years and two days from the date of grant.

SECTION 8.02. Except in cases provided for in Article IX, each option granted under this Plan may be exercised only while the optionee is an Employee. An Employee's right to exercise any incentive stock option shall be subject to the provisions of Section 422 of the Code restricting the exercisability of such option during any calendar year.

SECTION 8.03. A person electing to exercise an option shall give written notice to the Company of such election and of the number of shares of Common Stock such person has elected to purchase, and shall tender the full purchase price of such shares, which tender shall be made in cash or cash equivalent (which may be such person's personal check) at the time of purchase or in accordance with cash payment arrangements acceptable to the Company for payment prior to delivery of such shares or, if the Committee so determines either generally or with respect to a specified option or group of options, in shares of Common Stock already owned by such person (which shares shall be valued for such purpose on the basis of their Fair Market Value on the date of exercise), or in any combination thereof. The Company shall have no obligation to deliver shares of Common Stock pursuant to the exercise of any option, in whole or in part, until the Company receives payment in full of the purchase price thereof. No optionee or legal representative, legatee or distributee of such optionee shall be or be deemed to be a holder

of any shares of Common Stock subject to such option or entitled to any rights as a shareholder of the Company in respect of any shares of Common Stock covered by such option until such shares have been paid for in full and issued by the Company. A person electing to exercise a Stock Appreciation Right or Limited Right then exercisable shall give written notice to the Company of such election and of the option or part thereof which is to be purchased by the Company.

#### ARTICLE IX

##### Termination of Options

SECTION 9.01. If an optionee shall cease to be an Employee for any reason other than death or retirement under the Company's Pension-Retirement Plan or any other pension plan sponsored by the Company or a Subsidiary, all of the optionee's options shall be terminated except that any option, Stock Appreciation Right or Limited Right to the extent then exercisable may be exercised within three months after cessation of employment, but not later than the termination date of the option or in the case of a Limited Right not later than the expiration date of such Right.

SECTION 9.02. If and when an optionee shall cease to be an Employee by reason of the optionee's early, normal or late retirement under the Company's Pension-Retirement Plan or any pension plan sponsored by the Company or a Subsidiary, all of the optionee's options shall be terminated except that (a) any Stock Appreciation Right or Limited Right to the extent then exercisable may be exercised within three months after such retirement, but not later than the termination date of the option or in the case of a Limited Right not later than the expiration date of such Right, (b) any option to the extent then exercisable may, unless it otherwise provides, be exercised within three years after such retirement, but not later than the termination date of the option, unless within 45 days after such retirement the Committee determines, in its discretion, that such option may be exercised only within a period of shorter duration (not less than three months following notice of such determination to the optionee) to be specified by the Committee and (c) any unvested installment of any such option which is scheduled to become exercisable within three years of the retiree's date of retirement (unless within 45 days after such retirement the Committee determines, in its discretion, that such period shall be of shorter duration (not less than three months following notice of such determination to the optionee) to be specified by the Committee), may be exercised after the date on which such

installment would become exercisable if the retiree had continued to be an employee until such date; provided, however, that no option may be exercised after the earlier of (i) three years and three months after the Employee's retirement or (ii) the termination date of the option.

SECTION 9.03. If an optionee shall die while an Employee or within three years of his or her retirement (as defined in Section 9.02) (a) all of the optionee's Stock Appreciation Rights or Limited Rights shall be terminated and (b) any outstanding option that would have become exercisable within three years of his or her retirement shall become fully vested and may be exercised within one year after the date of such death, but not later than the termination date of the option, by the person designated in the optionee's last will and testament or, if none, by the legal representative of the optionee's estate.

SECTION 9.04. If an optionee shall die after ceasing to be an Employee, all of the optionee's options shall be terminated except that any option (but not any Stock Appreciation Right or Limited Right) to the extent exercisable by the optionee at the time of death may be exercised within one year after the date of death, but not later than the termination date of the option, by the optionee's estate or by the person designated in the optionee's last will and testament.

#### ARTICLE X

##### Miscellaneous Provisions

SECTION 10.01. Each option grant under this Plan shall be subject to the requirement that if at any time the Committee shall determine that the listing, registration or qualification of the shares of Common Stock subject to such grant upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the making of such grant or the issue of Common Stock pursuant thereto, then, anything in this Plan to the contrary notwithstanding, no option may be exercised in whole or in part, and no shares of Common Stock shall be issued, unless such listing, registration, qualification, consent or approval shall have been effected or obtained free from any conditions not reasonably acceptable to the Committee.

SECTION 10.02. The Company may establish appropriate procedures to ensure payment or withholding of such income or



other taxes as may be provided by law to be paid or withheld in connection with the issue of shares of Common Stock under this Plan or the making of any payments pursuant to Section 6.03 or 6.04, and to ensure that the Company receives prompt advice concerning the occurrence of an Income Recognition Date or any other event which may create, or affect the timing or amount of, any obligation to pay or withhold any such taxes or which may make available to the Company any tax deduction resulting from the occurrence of such event. Such procedures may include arrangements for payment or withholding of taxes by retaining shares of Common Stock otherwise issuable to the optionee in accordance with the provisions of this Plan or by accepting already owned shares, and by applying the Fair Market Value of such shares to the withholding taxes payable or to the amount of tax liability in excess of withholding taxes which arises from the delivery of such shares.

SECTION 10.03. Any question as to whether and when there has been a retirement under the Company's Pension-Retirement Plan or any other pension plan sponsored by the Company or a Subsidiary or a cessation of employment for any other reason shall be determined by the Committee, and any such reasonable determination shall be final.

SECTION 10.04. All instruments evidencing options granted shall be in such form, consistent with this Plan and any applicable determinations or other actions of the Committee and the Board, as the officers of the Company shall determine.

SECTION 10.05. The grant of an option to an Employee shall not be construed to give such Employee any right to be retained in the employ of the Company or any of its Subsidiaries.

#### ARTICLE XI

##### Plan Termination and Amendments

SECTION 11.01. The Board may terminate this Plan at any time, but this Plan shall in any event terminate on May 11, 2008, and no options may thereafter be granted, unless the shareholders shall have approved its extension. Options granted in accordance with this Plan prior to the date of its termination may extend beyond that date.

SECTION 11.02. The Board or the Committee may from time to time amend, modify or suspend this Plan, but no such amendment or modification without the approval of the shareholders shall:

(a) increase the maximum number (determined as provided in this Plan) of shares of Common Stock which may be issued pursuant to options granted under this Plan;

(b) permit the grant of any option at a purchase price less than 100% of the Fair Market Value of the Common Stock covered by such option at the time such option is granted;

(c) permit the exercise of an option unless arrangements are made to ensure that the full purchase price of the shares as to which the option is exercised is paid prior to delivery of such shares; or

(d) extend beyond May 11, 2008, the period during which option grants may be made.

## ARTICLE XII

## Definitions

SECTION 12.01. Wherever used in this Plan, the following term shall have the meanings indicated:

Change in Control: A "Change in Control" shall be deemed to occur (1) upon the approval of the shareholders of the Company (or if such approval is not required, the approval of the Board) of (A) any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which the shares of the Company's Common Stock would be converted into cash, securities or other property other than a consolidation or merger in which holders of the total voting power in the election of directors of the Company of Common Stock outstanding (exclusive of shares held by the Company's affiliates) (the "Total Voting Power") immediately prior to the consolidation or merger will have the same proportionate ownership of the total voting power in the election of directors of the surviving corporation immediately after the consolidation or merger, or (B) any sale, leases, exchange or other transfer (in one transaction or a series of transactions) of all or substantially all the assets of the Company, (2) when any "person" (as defined in Section 13(d) of the Act) other than the Company, its affiliates or an employee benefit plan or trust maintained by the Company or its affiliates, shall become the "beneficial owner" (as defined in Rule 13d-3 under the Act), directly or indirectly, of more than 20% of the Total Voting Power, or (3) it at any time during a period of two consecutive years, individuals who at the beginning of such period constituted the Board shall cease for any reason to constitute at least a majority thereof, unless the election by the Company's shareholders of each new director during such two-year period was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such two-year period.

Employee: Any officer and any other salaried employee of the Company or a Subsidiary, including (a) any director who is also an employee of the Company or a Subsidiary and (b) an officer or salaried employee on approved leave of absence provided such employee's right to continue employment with the Company or a Subsidiary upon expiration of such employee's leave of absence is guaranteed either by statute or by contract with or by a policy of the Company or a Subsidiary. For purposes of

eligibility for the grant of a nonqualified stock option, such term shall include any individual who has agreed in writing to become an officer or other salaried employee of the Company or a Subsidiary within 30 days following the date on which an option is granted to such individual.

Fair Market Value: With respect to shares of Common Stock, the average of the high and low quoted sale prices of a share of such Stock on the date in question (or, if there is no reported sale on such date, on the last preceding date on which any reported sale occurred) on the New York Stock Exchange Composite Transactions Tape.

Income Recognition Date: (a) With respect to a nonqualified option or Stock Appreciation Right or Limited Right, the date of exercise thereof and (b) with respect to an incentive stock option, the date or which a disqualifying disposition (within the meaning of Code Section 421) occurs.

Offer: Any tender offer, exchange offer or series of purchases or other acquisitions, or any combination of those transactions, as a result of which any person or any two or more persons acting as a group, and all affiliates of such person or persons, shall own beneficially more than 30% of the total voting power in the election of directors of the Company of Common Stock outstanding (exclusive of shares held by the Company's Subsidiaries).

Offer Price: The highest price per share of Common Stock paid in any Offer which is in effect at any time beginning on the 19th day prior to the date on which a Limited Right is exercised. Any securities or property which are part or all of the consideration paid for shares of Common Stock in the Offer shall be valued in determining the Offer Price at the higher of (a) the valuation placed on such securities or property by the person or persons making such Offer or (b) the valuation of such securities or property as may be determined by the Committee.

Subsidiary: Any corporation of which stock representing at least 50% of the ordinary voting power is owned, directly or indirectly, by the Company.

THE PITTSTON COMPANY  
MANAGEMENT PERFORMANCE  
IMPROVEMENT PLAN

1. Purpose. The purpose of the Plan, which provides for Performance Awards to be awarded to a select group of management and highly compensated employees of the Company and its Subsidiaries, is to promote the interests of the Company and its Subsidiaries by linking financial incentives provided to such employees with improvement in the Company's financial results.

2. Administration. The Plan will be administered by a Committee composed of at least three members of the Company's Board of Directors each of whom shall qualify as (a) an "outside director" within the meaning of Section 162(m) of the Code and (b) a "nonemployee director" within the meaning of Rule 16b-3(b)(3)(i) promulgated under the Securities Exchange Act of 1934, as amended. Until determined otherwise by the Board, the Compensation and Benefits Committee designated by the Board shall be the Committee under this Plan.

Subject to the express provisions of the Plan, the Committee shall have plenary authority, in its discretion, to administer the Plan and to exercise all powers and authority either specifically granted to it under the Plan or necessary and advisable in the administration of the Plan, including without limitation the authority to interpret the Plan; to prescribe, amend and rescind rules and regulations relating to the Plan; to grant Performance Awards; to determine the terms, provisions and conditions of all Performance Awards granted under the Plan (which need not be identical), the individuals to whom and the time or times when Awards shall be granted, and the performance measures used to determine any payments of Performance Awards; and to make all other necessary or advisable determinations with respect to the Plan. The determination of the Committee on such matters shall be conclusive.

3. Participation. The Committee may select from time to time key employees of the Company and its Subsidiaries to participate in the Plan who, in the opinion of the Committee, have the capacity to contribute significantly to the successful performance of the Company and its Subsidiaries. An employee who is selected to be a Participant for one Performance Measurement Period shall not have any rights to be included as a Participant for subsequent Performance Measurement Periods.

4. Performance Awards. (a) Performance Awards may be, but are not required to be, granted annually. Each Performance Award shall provide that a Participant will be entitled to a cash payment following the completion of a designated Performance Measurement Period (which shall be three fiscal years of the Company), subject to the satisfaction of conditions set forth in the Plan, and the achievement of certain goals established by the Committee in connection with each Performance Award. Cash payments to which a Participant may be entitled following the conclusion of each Performance Measurement Period shall be determined based on the satisfaction of various performance measures, as the Committee shall determine in the case of each Performance Award, including, but not limited to, net income, operating income, earnings per share, return on equity, return on capital and/or economic value added with respect to the Company, any Subsidiary and/or business unit of the Company or any Subsidiary. The Committee shall determine and establish in writing, with respect to each Performance Award, the performance measures for each year of the Performance Measurement Period (including the levels of performance measures that must be achieved to receive corresponding levels of cash payments); provided, however, that minimum performance measures for the full Performance Measurement Period (which performance measures may be raised in subsequent years) shall be established in writing no later than 90 days after the commencement of the Performance Measurement Period. Each Performance Award shall include a (i) target level of performance measures which if satisfied will entitle a Participant to 100% of a specified target dollar amount and (ii) maximum payment (specified in dollars) which may not be greater than 200% of the target dollar amount described in subparagraph (i). The maximum incentive payment any one Participant may be entitled to receive (whether or not deferred as described in Section 4(c) below) for any one Performance Measurement Period is \$2,000,000.

Performance Award shall terminate for all purposes unless the Participant remains continuously employed by the Company or a Subsidiary until the date established by the Committee for payment of the Performance Award unless the termination is (i) due to Retirement, Disability or death; (ii) approved by the Committee; or (iii) subsequent to a Change in Control. In the event a Participant's employment is terminated due to Retirement, Disability or death, he or she (or, in the event of the Participant's death, his or her beneficiary) will be entitled to a prorated portion of the Performance Award to which he or she would otherwise be entitled based on the portion of the Performance Measurement Period (determined in completed months) during which he or she was continuously employed by the Company or a Subsidiary and based on the extent to which the performance goals were achieved as determined at the end of the Performance Measurement Period. In the event of a Participant's termination of employment for reasons other than Retirement, Disability or death, the Committee may, but is not obligated to, authorize payment of an amount up to the prorated

amount that would be payable under the preceding sentence. In the event of a Change in Control, Performance Awards shall be deemed to be earned at 150% of the specified target dollar amount described in Section 4(a)(i) and shall be paid as soon as practicable following the earlier of the Participant's termination of employment after the Change in Control or the end of the Performance Measurement Period during which the Change in Control occurred.

(c) Participants entitled to receive a Performance Award for a Performance Measurement Period will be entitled to receive a lump-sum cash payment on a date selected by the Committee following the end of the Performance Measurement Period provided that the performance measures are met. Notwithstanding the preceding sentence, Participants may elect to defer the receipt of payment of a Performance Award under the Key Employees' Deferred Compensation Program of The Pittston Company in accordance with the terms of such plan. Any payments made under this Plan shall be subject to all applicable Federal, state or local taxes required by law to be withheld.

5. Designation of Beneficiary. A Participant may designate, in a written election filed with the Committee, a beneficiary or beneficiaries (which may be an entity other than a natural person) to receive all distributions and payments under the Plan after the Participant's death. Any such designation may be revoked, and a new election may be made, at any time and from to time, by the Participant without the consent of any beneficiary (unless otherwise required by law). If the Participant designates more than one beneficiary, any distributions and payments to such beneficiaries shall be made in equal percentages unless the Participant has designated otherwise in writing, in which case the distributions and payments shall be made in the percentages designated by the Participant. If no beneficiary has been named by the Participant or no beneficiary survives the Participant, any amounts due to the Participant shall be distributed or paid in a single sum to the Participant's estate.

6. Nonexclusive Plan. The adoption of the Plan shall not be construed as creating any limitations on the power of the Company to adopt such other incentive arrangements as it may deem desirable and such arrangements may be either generally applicable or applicable only in specific cases.

7. Nonassignability. No Performance Awards may be transferred, alienated or assigned other than by will or by the laws of descent and distribution.

8. Amendment and Termination. The Board of Directors may amend or terminate this Plan at any time without the approval of the Company's shareholders.

9. Effectiveness of the Plan. The Plan shall become effective on January 1, 2000, provided that the Plan is approved by the Company's shareholders at the annual meeting of shareholders occurring in calendar year 2000.

10. No Right to Continued Employment. Neither the adoption of the Plan nor any action of the Board or Committee shall be deemed to give any officer or employee any right to continued employment or any other rights other than to payments under a Performance Award granted hereunder in accordance with the terms of such award.

11. Governing Law. The Plan shall be construed and interpreted under the laws of the state of New York.

12. Definitions. For the purpose of this Plan, unless the context requires otherwise, the following terms shall have the meanings indicated:

(a) "Board of Directors" means the board of directors of the Company.

(b) "Change in Control" shall have the same meaning as under The Pittston Company 1988 Stock Option Plan, as amended from time to time, or any successor to such plan.

(c) "Code" means the Internal Revenue Code of 1986, as amended.

(d) "Committee" means the Compensation and Benefits Committee of the Company or any successor thereto unless determined otherwise by the Board of Directors.

(e) "Company" means The Pittston Company, a Virginia corporation.

(f) "Disability" means a physical or mental incapacity which would entitle the Participant to benefits under the Company's long-term disability plan.

(g) "Participant" means an employee who has been selected by the Committee to participate in the Plan.

(h) "Performance Award" means an incentive award made pursuant to the Plan.

(i) "Performance Measurement Period" means a performance cycle of one or more fiscal years of the Company. The initial Performance Measurement Period shall be 2000-2002 (inclusive).

(j) "Plan" means The Pittston Company Management Performance Improvement Plan as amended from time to time.



(k) "Retirement" means, with respect to any Participant, the Participant's retirement as an employee of the Company or a Subsidiary under the Pension-Retirement Plan of The Pittston Company and Subsidiaries or other retirement plan sponsored by the Company or a Subsidiary.

(l) "Subsidiary" means any corporation more than 80% of the outstanding voting stock of which is owned by the Company, by the Company and one or more Subsidiaries or by one or more Subsidiaries. "Subsidiaries" means more than one of any such corporation.

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THE PITTSTON COMPANY DIRECTORS' STOCK ACCUMULATION PLAN

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As Amended and Restated  
as of January 14, 2000  
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SCHEDULE A

The Pittston Company Directors' Stock Accumulation Plan  
As Amended and Restated as of January 14, 2000

PREAMBLE

The Pittston Company Directors' Stock Accumulation Plan, effective June 1, 1996, is designed to more closely align the interests of non-employee directors to the long-term interests of The Pittston Company and its shareholders. The Plan is intended to replace the Pittston Retirement Plan for Non-Employee Directors which was terminated as of May 31, 1996, with the consent of the participants therein, and the benefits accrued thereunder as of May 31, 1996, were transferred to the Plan.

Effective January 14, 2000, the Plan is amended and restated to reflect the exchange of .4848 of a share of Pittston Brink's Group Common Stock for each outstanding share of Pittston BAX Group Common Stock and .0817 of a share of Pittston Brink's Group Common Stock for each outstanding share of Pittston Minerals Group Common Stock.

The Plan continues to provide a portion of the overall compensation package of participating directors in the form of deferred stock equivalent units which will be distributed in the form of Pittston Brink's Group Common Stock upon the occurrence of certain events.

## ARTICLE I

## Definitions

Wherever used in the Plan, the following terms shall have the meanings indicated:

**Account:** The account maintained by the Company for a Non-Employee Director to document the amounts credited under the Plan and the Units into which such amounts shall be converted.

**BAX Exchange Ratio:** The ratio whereby .4848 of a share of Pittston Brink's Stock will be exchanged for each outstanding share of BAX Stock on the Exchange Date.

**BAX Stock:** Pittston BAX Group Common Stock, par value \$1.00 per share.

**BAX Unit:** The equivalent of one share of BAX Stock credited to a Non-Employee Director's Account.

**Board of Directors:** The board of directors of the Company.

**Change in Control:** A Change in Control shall be deemed to occur (a) upon the approval of the shareholders of the Company (or if such approval is not required, the approval of the Board of Directors) of (i) any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which the shares of Pittston Brink's Stock would be converted into cash, securities or other property other than a consolidation or merger in which holders of the total voting power in the election of directors of the Company of Pittston Brink's Stock outstanding (exclusive of shares held by

the Company's affiliates) (the "Total Voting Power") immediately prior to the consolidation or merger will have the same proportionate ownership of the total voting power in the election of directors of the surviving corporation immediately after the consolidation or merger, or (ii) any sale, leases, exchange or other transfer (in one transaction or a series of transactions) of all or substantially all the assets of the Company, (b) when any "person" (as defined in Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Act") other than the Company, its affiliates or an employee benefit plan or trust maintained by the Company or its affiliates, shall become the "beneficial owner" (as defined in Rule 13d-3 under the Act), directly or indirectly, of more than 20% of the Total Voting Power, or (c) it at any time during a period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors shall cease for any reason to constitute at least a majority thereof, unless the election by the Company's shareholders of each new director during such two-year period was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such two-year period.

Committee: The Administrative Committee of the Company.  
Company: The Pittston Company.

Effective Date: June 1, 1996.

Exchange: The exchange of Pittston Brink's Stock for outstanding shares of BAX Stock and Minerals Stock as of the Exchange Date.

Exchange Date: January 14, 2000, the date as of which the Exchange occurred.

Initial Allocation: The amount set forth in Schedule A.

Minerals Exchange Ratio: The ratio whereby .0817 of a share of Pittston Brink's Stock will be exchanged for each outstanding share of Minerals Stock on the Exchange Date.

Minerals Stock: Pittston Minerals Group Common Stock, par value \$1.00 per share.

Minerals Unit: The equivalent of one share of Minerals Stock credited to a Non-Employee Director's Account.

Non-Employee Director: Any member of the Board of Directors who is not an employee of the Company or a Subsidiary.

Pittston Brink's Stock: Pittston Brink's Group Common Stock, par value \$1.00 per share.

Pittston Brink's Unit: The equivalent of one share of Pittston Brink's Stock credited to a Non-Employee Director's Account.

Plan: The Pittston Company Directors' Stock Accumulation Plan as set forth herein and as amended from time to time.



Shares: On and after January 19, 1996, and prior to the Exchange Date, Pittston Brink's Stock, BAX Stock or Minerals Stock, as the case may be and on and after the Exchange Date, Pittston Brink's Stock.

Subsidiary: Any corporation, whether or not incorporated in the United States of America, more than 80% of the outstanding voting stock of which is owned by the Company, by the Company and one or more subsidiaries or by one or more subsidiaries.

Unit: On and after January 19, 1996, and prior to the Exchange Date, a Pittston Brink's Unit, BAX Unit or Minerals Unit, as the case may be, and on and after the Exchange Date, a Pittston Brink's Unit.

Year of Service: Each consecutive 12-month period of service as a Non-Employee Director, commencing on the date that a Non-Employee Director commences service on the Board of Directors, including periods prior to the Effective Date. Years of Service prior to the Effective Date shall be rounded to the nearest year.

## ARTICLE II

### Administration

SECTION 1. Authorized Shares. The maximum number of Units that may be credited hereunder after the Exchange Date is 37,291 Pittston Brink's Units. The number of Shares that may be

issued or otherwise distributed hereunder will be equal to the number of Units that may be credited hereunder.

In the event of any change in the number of shares of Pittston Brink's Stock outstanding by reason of any stock split, stock dividend, recapitalization, merger, consolidation, reorganization, combination, or exchange of shares, split-up, split-off, spin-off, liquidation or other similar change in capitalization, any distribution to common shareholders other than cash dividends, a corresponding adjustment shall be made to the number of shares that may be deemed issued under the Plan by the Committee. Such adjustment shall be conclusive and binding for all purposes of the Plan.

SECTION 2. Administration. The Committee is authorized to construe the provisions of the Plan and to make all determinations in connection with the administration of the Plan. All such determinations made by the Committee shall be final, conclusive and binding on all parties, including Non-Employee Directors participating in the Plan.

All authority of the Committee provided for in, or pursuant to, this Plan, may also be exercised by the Board of Directors. In the event of any conflict or inconsistency between determinations, orders, resolutions or other actions of the Committee and the Board of Directors taken in connection with this Plan, the actions of the Board of Directors shall control.

## ARTICLE III

## Participation

Each Non-Employee Director on the Effective Date shall be eligible to participate in the Plan on such date. Thereafter, each Non-Employee Director shall be eligible to participate as of the date on which he becomes a Non-Employee Director.

## ARTICLE IV

## Allocations

SECTION 1. Initial Allocation. As of the Effective Date, an amount equal to the Initial Allocation was credited to his or her Account. The amount of each Non-Employee Director's Initial Allocation was converted into Units in the following proportions: 50% shall be converted into Pittston Brink's Units, 30% was converted into BAX Units and 20% was converted into Minerals Units. The Units were credited to each Non-Employee Director's Account as of June 3, 1996. The number (computed to the second decimal place) of Units so credited was determined by dividing the portion of the Initial Allocation for each Non-Employee Director to be allocated to each class of Units by the average of the high and low per share quoted sale prices of Pittston Brink's Stock, BAX Stock or Minerals Stock, as the case may be, as reported on the New York Stock Exchange Composite Transaction Tape on June 3, 1996.

SECTION 2. Additional Allocations. As of June 1, 1997, and as of each subsequent June 1, each Non-Employee Director (including Non-Employee Directors elected to the Board

of Directors after the Effective Date) shall be entitled to an additional allocation to his or her Account (which allocation shall be in addition to any retainer fees paid in cash) equal to (a) for each Non-Employee Director who, as of such June 1 has accrued less than eight Years of Service, 50% of the annual retainer in effect for such Non-Employee Director on such June 1 and (b) for each Non-Employee Director who, as of such June 1, has accrued eight or more Years of Service, 25% of the annual retainer in effect for such Non-Employee Director on such June 1. For each calendar year after 1999, such additional allocations shall be converted on the first trading day in June into Pittston Brink's Units. The number (computed to the second decimal place) of Pittston Brink's Units so credited shall be determined by dividing the amount of the additional allocation for each Non-Employee Director for the year by the average of the high and low per share quoted sale prices of Pittston Brink's Stock, as reported on the New York Stock Exchange Composite Transaction Tape on the first trading date in June.

SECTION 3. Supplemental Allocations. As of the effective date of any increase in a Non-Employee Director's annual retainer after the Effective Date, the number of Units to be allocated to each Non-Employee Director's Account shall be multiplied by a fraction, the numerator of which is the amount of the annual retainer after the increase and the denominator of

which is the amount of such retainer immediately prior to such increase.

SECTION 4. Conversion of Existing Incentive Accounts to Pittston Brink's Units. As of the Exchange Date, all BAX Units and Minerals Units in a Non-Employee Director's Account shall be converted into Pittston Brink's Units by multiplying the number of BAX Units and Minerals Units in the Non-Employee Director's Account by the BAX Exchange Ratio or the Minerals Exchange Ratio, respectively.

SECTION 5. Adjustments. The Committee shall determine such equitable adjustments in the Units credited to each Account as may be appropriate to reflect any stock split, stock dividend, recapitalization, merger, consolidation, reorganization, combination, or exchange of shares, split-up, split-off, spin-off, liquidation or other similar change in capitalization, or any distribution to common shareholders other than cash dividends.

SECTION 6. Dividends and Distributions. Whenever a cash dividend or any other distribution is paid with respect to shares of Pittston Brink's Stock, the Account of each Non-Employee Director will be credited with an additional number of Pittston Brink's Units, equal to the number of shares of Pittston Brink's Stock including fractional shares (computed to the second decimal place), that could have been purchased had such dividend or other distribution been paid to the Account on

the payment date for such dividend or distribution based on the number of Shares giving rise to the dividend or distribution represented by Units in such Account as of such date and assuming the amount of such dividend or value of such distribution had been used to acquire additional Pittston Brink's Units. Such additional Units shall be deemed to be purchased at the average of the high and low per share quoted sale prices of Pittston Brink's Stock, as reported on the New York Stock Exchange Composite Transaction Tape on the payment date for the dividend or other distribution. The value of any distribution will be determined by the Committee.

#### ARTICLE V

##### Distributions

SECTION 1. Entitlement to Benefits. Each Non-Employee Director who completes at least five Years of Service as a Non-Employee Director shall be entitled to receive a distribution in Pittston Brink's Stock in respect of all Units in his or her Account if, after completion of such five Years of Service, he or she:

- (a) retires from the Board of Directors on or after attaining age 70;
- (b) retires from the Board of Directors prior to age 72 at the end of a full term of office in anticipation of

attaining such age during what would otherwise be such individual's next full term of office as a director;

(c) retires from the Board of Directors prior to age 70 but after attaining age 65, as a result of ill health, relocation (residence or principal place of business) or entering into any governmental, diplomatic or other service or employment if, in the opinion of outside legal counsel, his or her continued service on the Board of Directors might create a conflict of interest;

(d) retires from the Board of Directors at any time following a Change in Control; or

(e) dies while serving as a Non-Employee Director.

In the event a Non-Employee Director terminates service on the Board of Directors for any reason not described above, all Units shall be forfeited and all rights of the Non-Employee Director to the related Shares shall terminate without further obligation on the part of the Company.

Section 2. Distribution of Shares. Each Non-Employee Director who is entitled to a distribution of Shares pursuant to Section 1 of this Article V shall receive a distribution in Pittston Brink's Stock, in respect of all Units standing to the credit of such Non-Employee Director's Account, in a single lump-sum distribution as soon as practicable following his or her termination of service as a Non-Employee Director; provided, however, that a Non-Employee Director may elect, at least 12

months prior to his or her termination of service, to receive distribution of the Shares represented by the Units credited to his or her Account in substantially equal annual installments (not more than 10) commencing on the first day of the month next following the date of his or her termination of service (whether by death, disability, retirement or otherwise) or as promptly as practicable thereafter. Such Non-Employee Director may at any time elect to change the manner of such payment, provided that any such election is made at least 12 months in advance of his or her termination of service as a Non-Employee Director.

The number of shares of Pittston Brink's Stock to be included in each installment payment shall be determined by multiplying the number of Pittston Brink's Units in the Non-Employee Director's Account (including any dividends or distributions credited to such Account pursuant to Section 6 of Article IV whether before or after the initial installment payment date) as of the 1st day of the month preceding the initial installment payment and as of each succeeding anniversary of such date by a fraction, the numerator of which is one and the denominator of which is the number of remaining installments (including the current installment).

Any fractional Units shall be converted to cash based on the average of the high and low per share quoted sale prices of the Pittston Brink's Stock as reported on the New York Stock Exchange Composite Transaction Tape, on the last trading day of



the month preceding the month of distribution and shall be paid in cash.

#### ARTICLE VI

##### Designation of Beneficiary

A Non-Employee Director may designate in a written election filed with the Committee a beneficiary or beneficiaries (which may be an entity other than a natural person) to receive all distributions and payments under the Plan after the Non-Employee Director's death. Any such designation may be revoked, and a new election may be made, at any time and from time to time, by the Non-Employee Director without the consent of any beneficiary. If the Non-Employee Director designates more than one beneficiary, any distributions and payments to such beneficiaries shall be made in equal percentages unless the Non-Employee Director has designated otherwise, in which case the distributions and payments shall be made in the percentages designated by the Non-Employee Director. If no beneficiary has been named by the Non-Employee Director or no beneficiary survives the Non-Employee Director, the remaining Shares (including fractional Shares) in the Non-Employee Director's Account shall be distributed or paid in a single sum to the Non-Employee Director's estate. In the event of a beneficiary's death, the remaining installments will be paid to a contingent beneficiary, if any, designated by the Non-Employee Director or, in the absence of a surviving contingent beneficiary, the

remaining Shares (including fractional Shares) shall be distributed or paid to the primary beneficiary's estate in a single distribution. All distributions shall be made in Shares except that fractional shares shall be paid in cash.

## ARTICLE VII

## Miscellaneous

SECTION 1. Nontransferability of Benefits. Except as provided in Article VI, Units credited to an Account shall not be transferable by a Non-Employee Director or former Non-Employee Director (or his or her beneficiaries) other than by will or the laws of descent and distribution or pursuant to a domestic relations order. No Non-Employee Director, no person claiming through a Non-Employee Director, nor any other person shall have any right or interest under the Plan, or in its continuance, in the payment of any amount or distribution of any Shares under the Plan, unless and until all the provisions of the Plan, any determination made by the Committee thereunder, and any restrictions and limitations on the payment itself have been fully complied with. Except as provided in this Section 1, no rights under the Plan, contingent or otherwise, shall be transferable, assignable or subject to any pledge or encumbrance of any nature, nor shall the Company or any of its Subsidiaries be obligated, except as otherwise required by law, to recognize or give effect to any such transfer, assignment, pledge or encumbrance.

SECTION 2. Limitation on Rights of Non-Employee Director. Nothing in this Plan shall confer upon any Non-Employee Director the right to be nominated for reelection to the

Board of Directors. The right of a Non-Employee Director to receive any Shares shall be no greater than the right of any unsecured general creditor of the Company.

SECTION 3. Amendment and Termination. The Corporate Governance and Nominating Committee of the Board of Directors may from time to time amend any of the provisions of the Plan, or may at any time terminate the Plan; provided, however, that the allocation formulas included in Article IV may not be amended more than once in any six-month period. No amendment or termination shall adversely affect any Units (or distributions in respect thereof) which shall theretofore have been credited to any Non-Employee Director's Account without the prior written consent of the Non-Employee Director.

SECTION 4. Funding. The Plan shall be unfunded. Shares shall be acquired (a) from the trustee under the Employee Benefits Trust Agreement made December 7, 1992, as amended from time to time, (b) by purchases on the New York Stock Exchange or (c) in such other manner, including acquisition of Pittston Brink's Stock, otherwise than on said Exchange, at such prices, in such amounts and at such times as the Company in its sole discretion may determine.

SECTION 5. Governing Law. The Plan and all provisions thereof shall be construed and administered according to the laws of the Commonwealth of Virginia.

## Schedule A

The Initial Allocation for each Non-Employee Director shall be the amount set forth in a report prepared by Foster Higgins dated February 7, 1996.

THE PITTSTON COMPANY  
EMPLOYEE WELFARE BENEFIT TRUST

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THE PITTSTON COMPANY  
EMPLOYEE WELFARE BENEFIT TRUST

THIS AGREEMENT is entered into by and between THE PITTSTON COMPANY, a Virginia corporation (hereinafter referred to as the "Sponsor"), and THE CHASE MANHATTAN BANK as trustee (hereinafter referred to as the "Trustee");

W I T N E S S E T H:

WHEREAS, the Sponsor and its affiliates have provided certain welfare benefits to eligible employee and retirees pursuant to or by reference to collective bargaining agreements which are or have been in effect; and

WHEREAS, the Sponsor desires to establish a voluntary employees' beneficiary association employee welfare benefits trust to be known as THE PITTSTON COMPANY EMPLOYEE WELFARE BENEFIT TRUST (hereinafter referred to as the "Trust"), through which it will provide certain welfare benefits for the exclusive benefit of eligible employees and retirees and their dependents, pursuant to or by reference to certain designated collective bargaining agreements which are or have been in effect between the Sponsor and its affiliates and collective bargaining units; and

WHEREAS, the Trust is intended to be exempt from Federal income tax under Section 501 (c) (9) of the Internal Revenue Code of 1986 (as such section may be amended or renumbered from time to time) and to comply with the provisions of the Employee Retirement Income Security Act of 1974 and any other applicable law; and

WHEREAS, the Administrative Committee will serve as Administrator for the Plan with respect to the administration of the Trust.

NOW, THEREFORE, the Sponsor hereby establishes the Trust as of the Effective Date, and the Trustee agrees to serve as Trustee of the Trust, to hold, administer and distribute the assets of the Trust, in trust, for the uses and purposes and in accordance with the terms and conditions of this Agreement, and as it may hereafter be amended.



ARTICLE I

Definitions

The following definitions apply for purposes of this Trust:

Section 1.1. "Act" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations thereunder.

Section 1.2. "Administrative Committee" means (i) the persons or entities designated by the Board who from time to time serve as the Administrative Committee, or (ii) the Chief Financial Officer of the Sponsor in the event that no persons or entities are then serving as the Administrative Committee under this Agreement.

Section 1.3. "Administrator" means, within the terms of the Act and solely for purposes of this Trust, the Administrative Committee.

Section 1.4. "Agent for Service of Process" means, with respect to this Trust, the Trustee.

Section 1.5. "Agreement" means this Trust instrument.

Section 1.6. "Applicable Law" means the provisions of any law, or any administrative guideline, ruling, exemption, or determination of a judicial, semi-judicial, regulatory, self-regulatory or statutory authority, in each case, applicable to the Trustee, the Sponsor, or the Plan after taking into account any preemptive effect of the Act.

Section 1.7. "Beneficiary" means any person or persons (including, but not limited to, an individual, trust, estate, executor, administrator or fiduciary, whether corporate or otherwise) designated as such in accordance with the provisions of the Plan or the Trust to receive any distribution from the Trust.

Section 1.8. "Board" means the Board of Directors of the Sponsor or the person or persons to whom such Board of Directors may delegate any of its rights, duties or powers hereunder.

Section 1.9. "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations thereunder.

Section 1.10. "Collective Bargaining Agreement" means a contract between the Employer and a labor organization governing wages, hours and other terms and conditions of employment as provided in the National Labor Relations Act, as amended, which is or has been in effect.

Section 1.11. "Corporate Action" means any subscription right, bonus issue, stock repurchase plan, redemption, exchange, tender offer, or similar matters with respect to any property that requires discretionary action by the Trust Fund, but does not include proxy voting.

Section 1.12. "Dependent" means an individual who qualifies as a dependent under the terms of the Plan.

Section 1.13. "Effective Date" means August 2, 1999.

Section 1.14. "Employee" means any person who is considered an employee of the Employer under the Plan.

Section 1.15. "Employer" means, individually and collectively, The Pittston Company, any Successor Company, and any other company or business entity sufficiently affiliated with the Sponsor for purposes of Section 501 (c) (9) of the Code and which adopts the Trust in accordance with Section 10.6 and is indicated as a participating employer in the Trust in Exhibit A attached hereto, as may be updated from time to time.

Section 1.16. "Instruction" shall have the meaning ascribed to it in Section 11.2 (a).

Section 1.17. "Liability" means any liability, loss, cost, damage, penalty, fine, obligation or expense of any kind whatsoever (including, without limitation, reasonable attorneys', accountants', consultants' or experts' fees and disbursements).

Section 1.18. "Participant" means any eligible Employee, Retiree or other individual who has commenced participation under the Plan, for so long as such individual is eligible under the Plan, except to the extent that the individual's benefits under the Plan are funded by the Employer through a means other than this Trust.

Section 1.19. "Person" means a natural person, trust, estate, corporation of any kind or purpose, mutual company, joint-stock

company, unincorporated organization, association, partnership, joint venture, employee organization, administrator, board, participant, beneficiary, trustee, partner or venturer acting in an individual, fiduciary, or representative capacity, as the context may require.

Section 1.20. "Plan" means, individually and collectively, the employee welfare benefit plan(s) or arrangement(s) sponsored or maintained or contributed to by the Employer pursuant to or by reference to a Collective Bargaining Agreement and funded in whole or in part through this Trust, each one of which is listed in Exhibit B (which may be amended from time to time by the Sponsor), and as such plan or plans (or Collective Bargaining Agreements) may be amended, modified, deleted, supplemented or terminated from time to time, for so long as such plan or plans may be funded through the Trust, in whole or in part.

Section 1.21. "Qualified Investment Manager" means an investment adviser as defined in Section 3(38) of the Act.

Section 1.22. "Retiree" means an individual who is eligible for coverage under the Plan as a retiree.

Section 1.23. "Sponsor" means The Pittston Company or its Successor Company.

Section 1.24. "Sponsor-Directed Account" means any Investment Account managed by the Administrative Committee, whether because the Administrative Committee or the Sponsor so directs or because a Qualified Investment Manager has resigned or been discharged.

Section 1.25. "Successor Company" means any entity which acquires the right, title and interest in and to the Employer whether pursuant to sale, gift, assignment, final and unappealed order of a court with competent jurisdiction, or otherwise.

Section 1.26. "Trust" means the legal entity which is created by this Agreement.

Section 1.27. "Trust Fund" means the corpus or res of the Trust together with all earnings, appreciation or additions thereto.

Section 1.28. "Trust Fund Earnings means the net of the Trust Fund's earnings, gains, losses and expenses during the Trust Year.

Section 1.29. "Trust Year" means the period from the Effective Date to December 31, 1999, and each succeeding twelve month period ending December 31 thereafter.

Section 1.30. "Trustee" means The Chase Manhattan Bank and any duly appointed successor Trustee.

## ARTICLE II

### Purpose

Section 2.1. Purpose. The Trust has been established to provide Participants and their Dependents and Beneficiaries with welfare benefits as set forth in the Plan, and to provide such other permissible payments as may be determined from time to time, and it is intended that the benefits and payments provided by the Plan and funded through the Trust be "life, sick, accident, or other benefits" as that phrase is defined in Section 501 (c) (9) of the Code.

Section 2.2. Exclusive Benefit. No part of the Trust Fund shall be used for purposes other than for (1) the exclusive benefit of Participants, their Dependents and Beneficiaries in accordance with the provisions of the Plan and the Trust, and (2) defraying reasonable expenses of administering the Plan and the Trust.

## ARTICLE III

### Contributions

Section 3.1. Employer Contributions. The Employer shall contribute to the Trust such amount or amounts, if any, as the Sponsor may determine from time to time. The Trustee shall receive, hold and be accountable for all contributions paid to it which are reasonably acceptable to the Trustee from an administrative standpoint; provided, however, that the Trustee shall have no duty with respect to any contribution until it is actually received by the Trustee and provided further that the Trustee shall have no duty to require any contributions to be paid

to it, or to determine that the contributions received by it comply with the Plan or with any resolution or determination of the Administrative Committee providing therefor, and further provided that the Trustee shall have no responsibility with respect to the operation or administration of the Plan. The Trustee need not inquire into the source of any currency or other property transferred to it nor into the authority or right of the transferor of such currency or property to transfer the same to the Trustee.

#### Section 3.2. Irrevocability of Contributions.

(a) In General. Except as may otherwise be permitted by Section 501 (c) (9) of the Code or Subsection (b) of this Section 3.2, all contributions made to the Trust shall be irrevocable.

(b) Return of Contributions. In the event that the Administrative Committee shall certify that (i) any contribution, has been made to the Trust by a mistake of fact, or (ii) that a contribution to the Trust has been conditioned on qualification of the Trust under Section 501(c)(9) of the Code and that such qualification has been denied, or (iii) that a contribution to the Trust has been conditioned upon the deductibility thereof under Section 162 or 419 of the Code and that such deduction has been disallowed, and shall direct the return of any such contribution, and such return of contribution does not constitute a disqualified benefit under Section 4976 of the Code, the Trustee shall return such contribution (or the value thereof, if less) to the Employer in accordance with such direction, but in no event shall any such return be made other than prior to the expiration of one year following the payment thereof in the case of a direction under (i) or (ii) above, or one year following the disallowance of the deduction in the case of a direction under (iii) above. The amounts of any contribution(s) to be returned to the Employer in accordance with this Section shall be limited to Trust Fund assets.

### ARTICLE IV

#### Trustee Powers, Rights and Duties

Section 4.1. Authority and Control. In no event shall Trust assets be invested in stocks or obligations of the Employer and any of its affiliates, unless such investment is permissible under the Act and other applicable law. The rights, powers and authorities and the duties and responsibilities of the Trustee and Qualified

Investment Manager shall be as provided in this Agreement and the Trustee and Qualified Investment Manager shall not be a party to the Plan and shall have only such duties with respect to the Plan as are specified in this Agreement, and all representations and recitals in this Agreement with respect to the Plan shall be deemed to be solely those of the Company.

Section 4.2. Establishment of Investment Accounts.

(a) The Administrative Committee, may provide Instructions directing the Trustee to establish one or more separate investment accounts within the Trust Fund, each separate account being hereinafter referred to as an "Investment Account." The Trustee shall transfer to each Investment Account those assets of the Trust Fund in accordance with such Instructions. The Administrative Committee also may provide Instructions directing the Trustee to eliminate one or more Investment Accounts, and the Trustee shall thereupon dispose of the assets of any such Investment Account and reinvest the proceeds in accordance with the Instructions of the Administrative Committee. The Trustee shall be under no duty to question, and shall not incur any liability on account of following, any Instruction of the Administrative Committee with respect to the establishment or elimination of any Investment Account or the allocation or transfer of property between or among any Investment Accounts. The Trustee shall be under no duty to review the investment guidelines, objectives and restrictions established, or the specific investment Instructions given, by the Administrative Committee for any Investment Account, or to make suggestions to the Administrative Committee in connection therewith.

(b) All interest, dividends and other income received with respect to, and any proceeds received from the sale, exchange, or other disposition of, property held in an investment Account shall be credited to and reinvested in that Investment Account. All expenses of the Trust Fund which are allocable to a particular Investment Account shall be so allocated and charged.

Section 4.3. Sponsor-Directed Investment Accounts. The Trustee shall, if so directed by the Administrative Committee in written Instructions, segregate all or a portion of the Trust Fund held by it into one or more separate Investment Accounts to be known as Sponsor Directed Accounts, with respect to which the Administrative Committee shall have the powers and duties granted to a Qualified Investment Manager under this Agreement. The

Administrative Committee, by written Instructions to the Trustee, may at any time relinquish its powers under this Section 4.3 and direct that a Sponsor-Directed Account shall no longer be maintained. In addition, during any time when there is no Qualified Investment Manager with respect to an Investment Account (such as before an investment management agreement takes effect or after it terminates), the Administrative Committee shall direct the investment and reinvestment of such Investment Account. Whenever the Administrative Committee is directing the investment and reinvestment of an Investment Account or a Sponsor-Directed Account, the Administrative Committee shall have the powers and duties which a Qualified Investment Manager would have under this Agreement if a Qualified Investment Manager were then serving and the Trustee shall be protected in relying on the Administrative Committee's Instructions without reviewing investments or making suggestions to the same extent as it would be protected under this Agreement if it had relied on the Instructions of a Qualified Investment Manager.

Section 4.4. Trustee Directed Investment Accounts. If the Administrative Committee or a Qualified Investment Manager wish the Trustee to invest cash held in the Trust Fund or an Investment Account on a short-term basis, the Administrative Committee or the Qualified Investment Manager (as the case may be) may select one of the common trust funds maintained by the Trustee from time to time for this purpose and give the Trustee instructions (including standing instructions) to transfer cash to that common trust fund pending investment or disbursement. Otherwise, the Trustee shall have no duty or responsibility to direct the investment and reinvestment of the Trust Fund of any Investment Account unless expressly agreed to in writing between the Trustee and the Administrative Committee. In the event that the Trustee enters into such an agreement, it shall have the powers and duties of a Qualified Investment Manager under this Agreement with regard to that Investment Account.

Section 4.5. Certain Orders to Brokers. Except as otherwise provided in this Agreement, the Qualified Investment Manager of an Investment Account (or the Administrative Committee in the case of a Sponsor-Directed Account) shall have the power and authority to be exercised in its sole discretion at any time and from time to time, to issue orders for the purchase or sale of property directly to a broker. Written Instructions with respect to the issuance of each such order shall be given promptly to the Trustee by the Qualified Investment Manager or the Administrative Committee and

the confirmation of each such order shall be confirmed to the Trustee by the broker. Unless otherwise directed by the Administrative Committee or Qualified Investment Manager, such Instructions shall be authority for the Trustee to pay for property purchased or to deliver property sold as the case may be. Upon Instructions from the Qualified Investment Manager or the Administrative Committee, the Trustee will execute and deliver appropriate trading authorizations, but no such authorization shall be deemed to increase the liability or responsibility of the Trustee under this Agreement.

#### Section 4.6. Corporate Actions.

(a) The Trustee will follow Corporate Actions and advise the applicable Qualified Investment Manager (or the Administrative Committee in the case of a Sponsor-Directed Account) of those Corporate Actions of which the Trustee receives notice at its central corporate actions department from the issuer or from the depository in which the applicable property is maintained or notice published in publications and reported in reporting services routinely used by the Trustee for this purpose.

(b) If the Administrative Committee or Qualified Investment Manager fail to provide the Trustee with timely Instructions with respect to any Corporate Action, the Trustee will not take any action in relation to that Corporate Action, except as otherwise agreed in writing by the Trustee and the applicable Qualified Investment Manager (or the Administrative Committee, as the case may be) or as may be set forth by the Trustee as a default action in the advice it provides under Section 4.6(a) with respect to that Corporate Action.

Section 4.7. Authorized Trust Insurance Investment Powers. The Trustee, at the direction of the Administrative Committee, is authorized to invest in, modify, amend or replace one or more group or individual policies or contracts issued by insurance companies to provide for all or any portion of the benefits of the Plan or to no longer purchase such policies or contracts.

Section 4.8. Investment Powers. Except to the extent otherwise limited by this Agreement, the Act and other applicable law, and subject to the direction of the Administrative Committee, the Trustee shall have the following powers and rights (i) in its direction of Investment Accounts where it has express investment management discretion as provided in Section 4.4, and (ii) upon



Instructions from a Qualified Investment Manager or the Administrative Committee, as the case may be, for all other Investment Accounts:

(a) To invest and reinvest the Trust Fund assets in notes, bonds, mortgages, commercial paper, preferred or common stocks, mutual funds (including mutual funds which pay the Trustee reasonable service fees), securities of the United States or any State government, or other securities, rights, obligations or other property, real or personal, and in savings, money markets and time deposit accounts, including time deposit open accounts.

(b) To retain in cash or cash equivalents either all or a portion of the Trust Fund either awaiting investment, reinvestment or to meet contemplated payments of benefits hereunder and to deposit such funds (in savings accounts or checking accounts) in any financial institution supervised by the United States or a State.

(c) To invest and reinvest all or any part of the Trust Fund through the medium of any common, collective or commingled trust fund, and during such period of time as an investment through any such medium shall exist, the declaration of trust of such fund shall constitute a part of this Agreement.

(d) To make payments (including transfers) from the Trust Fund to such persons, trusts or other entities, including the Employer, in such manner, at such times and in such amounts as the Administrative Committee shall direct without inquiring as to whether a payee is entitled to the payment or as to whether the payment is proper, to the extent such payment is made in good faith without actual notice or knowledge of the impropriety of such payment. Payments during any Trust Year shall be deemed to be made first from income earned during such year to the extent thereof, then from prior accumulated income to the extent thereof, then from Participant contributions to the extent thereof, and lastly from Employer contributions. The Trustee shall have no duty or responsibility to see to the application of distributions made from the Trust Fund or to ascertain whether any such directions comply with the Plan, or to ascertain that the disposition of distributions by the Employer or any agent of the Employer complies with the Plan.

(e) Except with respect to any claim or demand arising under a Plan, to compromise, contest, arbitrate, settle or abandon claims and demands.

(f) To begin, maintain or defend any litigation necessary or appropriate in connection with the investment, reinvestment and administration of the Trust, in addition to the right to a judicial settlement of accounts.

(g) To make, execute, acknowledge and deliver any and all instruments that may be necessary or appropriate to carry out the powers herein granted.

(h) To have all rights of an individual owner, including the power to give proxies to vote stocks and other voting securities, to join in or oppose (alone or jointly with others) voting trusts, mergers, consolidations, foreclosures, reorganizations, recapitalizations or liquidations, and to exercise or sell stock subscription or conversion rights.

(i) To purchase and otherwise deal with insurance policies pursuant to the provisions of Section 4.7.

(j) To make remittances of premiums, contributions or other payments to insurers, trust funds, governmental funds or other accounts with respect to insurance policies or other welfare benefit arrangements and to receive premium refunds, experience-rated refunds, dividends or other adjustments related thereto.

(k) To acquire and hold qualifying employer securities and qualifying employer real property, as such investments are defined in Section 407(d) of the Act.

(l) To sell for cash or on credit, to grant options, convert, redeem, exchange for other property, to enter into standby agreements for future investment, either with or without a standby fee, or otherwise to dispose of any property at any time held by it.

(m) To trade in financial options and futures, (including index options and options on futures); to enter into repurchase agreements, reverse repurchase agreements, swaps, caps, floors, straddles, collars and other derivative arrangements; and to execute in connection therewith such account agreements and other

agreements in such form and upon such terms as the Qualified Investment Manager or the Administrative Committee shall direct.

(n) To loan pursuant to separate agreement as may be agreed upon any securities to brokers or dealers and to secure the same in any manner, and during the term of any such loan to permit the loaned securities to be transferred into the name of and voted by the borrower or others.

(o) To purchase, enter, sell, hold, and generally deal in any manner in and with contracts for the immediate or future delivery of financial instruments of any issuer or of any other property; to grant, purchase, sell, exercise, permit to expire, permit to be held in escrow, and otherwise to acquire, dispose of, hold and generally deal in any manner with and in all forms of options in any combination; and, in connection with its exercise of the powers granted in this Agreement, to deposit any currency or property as collateral with any broker-dealer or other Person, to permit property to be held by or in the name of others or in transferable form, to retain any form of property received as a result of the exercise of any of the foregoing powers whether or not investment in such property is otherwise authorized under this Agreement and to hold and administer any currency or property with respect to which the foregoing powers have or may be exercised, including any securities or collateral acquired by it or in any property received as a result of its exercise of such powers, as a part of the account subject to the foregoing powers, or in any sub-account, which property may be invested in property of different types than the property otherwise held in the account.

(p) To borrow money on a secured or unsecured basis and to enter into, execute, and deliver notes, agreements, mortgages, and other instruments in that regard.

(q) To employ suitable agents and counsel and to pay their reasonable and proper expenses and compensation.

(r) To form corporations and to create trusts to hold title to any currency or property, all upon such terms and conditions as may be deemed advisable by the Qualified Investment Manager or Administrative Committee.

(s) To invest with the Trustee (i) in any type of interest bearing investments (including but not limited to savings accounts, money market accounts, certificates of deposit and repurchase

agreements) and (ii) in non-interest bearing accounts (including, but not limited to checking accounts).

(t) To appoint ancillary trustees to hold any portion of the assets of the trust and to pay their reasonable expenses and compensation.

(u) To do and perform all acts with respect to the Trust Fund which the Trustee could do or perform if it, as an individual, were the owner thereof; the enumeration of particular powers herein shall not be construed as limiting the general powers intended to be granted to the Trustee.

#### Section 4.9. Administrative Powers of the Trustee.

(a) Notwithstanding the appointment of a Qualified Investment Manager, the Trustee shall have the following powers and authority, to be exercised with respect to the Trust Fund:

(i) To deposit securities with a corporate depository. The certificates representing, securities, including those in bearer form, may be held in bulk form with, and may be merged into, certificates of the same class of the same issuer which constitute assets of other accounts or owners, without certification as to the ownership attached. Utilization of a book-entry system may be made for the transfer or pledge of securities held by the Trustee or by a corporate depository. The Trustee shall at all times, however, maintain a separate and distinct record of any securities owned by the Trust Fund.

(ii) To participate in and use the Federal Book-Entry Account System, a service provided by the Federal Reserve Bank for its member banks for deposit of Treasury securities.

(iii) To hold securities or other property in its name as Trustee or in the name of its nominee or nominees, or in such other form as it determines best, with or without disclosing the Trust relationship and to execute such documents as are necessary to accomplish the foregoing; provided, however, that (i) the records of the Trustee shall indicate the actual ownership of such securities or other property, and (ii) except as authorized by regulations promulgated by the Secretary of the United States Department of Labor, the Trustee shall not maintain the indicia of ownership of any

assets of the Trust Fund outside the jurisdiction of the District Courts of the United States.

(iv) To retain any funds or property subject to any dispute or to decline to make payment or delivery thereof until final adjudication is made by a court of competent jurisdiction or decision by the National Labor Relations Board or arbiter acting under a Collective Bargaining Agreement except in the event the Administrative Committee directs otherwise.

(v) To employ suitable agents and counsel, and subject to the approval of the Administrative Committee which approval shall not be unreasonably withheld to pay their reasonable expenses and compensation out of the Trust Fund.

(vi) To permit overdrafts in any Investment Account in connection with the settlement of investment transactions relating to, or the distribution of funds from, the Trust Fund, (and the Qualified Investment Manager, if any, of such Investment Account shall be deemed to have requested the Trustee to permit such overdraft under the terms and conditions announced by the Trustee from time to time for overdrafts); to repay any such overdraft out of the Trust Fund; to permit the party extending any such overdraft (including the Trustee in its corporate capacity) to set the overdraft off against any cash balances in the Trust Fund; and to pay reasonable interest to the party extending the overdraft to the extent permitted under Applicable Law.

(vii) To reverse any erroneous or provisional credit entries to the Trust Fund with respect to any income or security transaction settlement proceeds, retroactively to the date upon which the correct entry or no entry should have been made.

(viii) To perform any and all acts which in its judgment are necessary and appropriate for the proper and advantageous management, investment and distribution of the Trust Fund in accordance with the Plan and the Trust.

(ix) Generally to do all ministerial acts, whether or not expressly authorized, which the Trustee may deem necessary or desirable in carrying out its duties under this Agreement.

(b) Except as otherwise required by the Act, the Trustee shall not be responsible for the acts or omissions of any agent other than an affiliate of the Trustee selected by it to provide pricing services that the Trustee does not customarily provide itself, provided that the Trustee satisfies its standard of care under Section 4.10 of this Agreement with respect to selecting the agent and maintaining the agency relationship.

Section 4.10. Fiduciary Obligations.

(a) Subject to the provisions of Article III, the Trustee shall discharge its duties hereunder in good faith and solely in the interest of the Participants, Dependents and their Beneficiaries and --

(i) for the exclusive purposes of:

(A) providing benefits to Participants, Dependents and their Beneficiaries; and

(B) defraying reasonable expenses of administering the Trust;

(ii) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims.

(b) Except as otherwise provided by the Act, under no circumstances shall the Trustee incur liability to any Person for any indirect, consequential or special damages (including, without limitation, lost profits) of any form, whether or not foreseeable and regardless of the form of the action in which such a claim may be brought, with respect to the Trust or its role as Trustee.

Section 4.11. Indemnification of the Sponsor; Contribution.

(a) Subject to Section 4.10(b), the Trustee shall indemnify and save harmless the Sponsor, Administrative Committee, Employers, their affiliates, and their officers and employees for and from any Liability to the extent arising (i) out of the Trustee's failure to perform its duties under the Agreement in a manner free of negligence, recklessness or intentional disregard of its responsibilities hereunder, or (ii) by reason of any breach of any statutory or other duty owed to the Sponsor, Administrative

Committee or the Employers by the Trustee under this Agreement except to the extent the Sponsor, Administrative Committee or the Employers may otherwise be considered liable under Section 405(a) of the Act for the Trustee's breach, provided that the Trustee's compliance in good faith with any Instruction on which it is entitled to rely under this Agreement shall not be considered to be negligent or reckless conduct under clause (i).

(b) The Sponsor, Administrative Committee, Employers, their affiliates, and their officers and employees may bring action against the Trustee to contribute to the satisfaction of any liability to the extent that the liability (i) is not subject to indemnification under any of Subsection (a), Section 5.12, or Section 5.13 and (ii) is caused by the culpable conduct of the Trustee or its agents.

(c) The foregoing rights of indemnification and contribution shall not limit any rights or remedies that may be available to the Sponsor, Administrative Committee, Employers or their affiliates under Applicable Law.

Section 4.12. Compensation and Expenses. The Trustee shall be entitled to reasonable compensation for its services hereunder as may be agreed upon between the Trustee and the Sponsor from time to time, plus reimbursement of reasonable expenses actually incurred. Such compensation and all reasonable and proper expenses of administration of the Trust, including counsel fees, shall be withdrawn by the Trustee out of the Trust Fund unless paid by the Sponsor, but such compensation and expenses shall be paid by the Sponsor if the same cannot by operation of law be withdrawn from the Trust Fund. All payments under this Article 4 may be made from the Trust Fund in the event that the Sponsor has not paid same or notified Trustee in writing of intent to pay by the billing period subsequent to the charge without approval of or Instructions from the Administrative Committee. The Trustee shall be entitled, as an additional part of its compensation under this Agreement, to the use of funds which may be held in demand deposit or other noninterest bearing accounts established for the payment of benefits or Plan disbursements or which are otherwise maintained for purposes of administering the Trust Fund which relates solely to outstanding checks and drafts.

Section 4.13. Commingled Trust Fund. The fact that separate records may be maintained by the Administrative Committee or any

other person for each Participant, Dependent or Beneficiary, or group thereof, shall not be deemed to segregate for or give to such Participant, Dependent or Beneficiary, or group thereof, any direct interest in any specific assets of the Trust Fund.

Section 4.14. Diversification; other Funding Media. In the event that assets of the Plan are held in any funding medium other than the Trust Fund or are under the control or direction of a Qualified Investment Manager pursuant to Section 5.11 or are otherwise funds as to which the Trustee does not retain sole investment authority, the Administrative Committee shall be solely responsible for the manner in which the investments held in all of the funds and funding media of the Plan, including those under the control or direction of a Qualified Investment Manager, any trust other than the Trust, or any insurance contract or policy, considered collectively, shall be diversified. The Administrative Committee shall evidence its acceptance of such responsibility for diversification and shall specify such rules or guidelines for the manner of investment of any portion of the Trust Fund as to which the Trustee assumes investment authority as the Administrative Committee shall determine to be necessary or appropriate in order to meet the diversification standards of the Act, as the same shall affect such portion of the Trust Fund, in a written instrument filed with the Trustee. The Trustee shall retain such duty of diversification within any particular classification of property or other guidelines specified by the Administrative Committee with respect to such portion of the Trust Fund as shall be set forth in said instrument. The acceptance of said rules and guidelines specified by the Administrative Committee referred to in this section shall be subject to the approval of the Trustee but such approval shall not increase the responsibility or liability of the Trustee under this Agreement or otherwise. Without limiting the generality of the foregoing, it is agreed that the Trustee shall have no liability or responsibility for the diversification of the investments of the Plan (i) held in any such portion of the Trust Fund as to which the Trustee retains investment authority, except to the extent provided in said instrument filed with the Trustee, (ii) held in any portion of the Trust Fund under the control or direction of a Qualified Investment Manager or any funding medium of the Plan other than the Trust Fund, or (iii) held in all funding media of the Plan, considered collectively, if any portion of the Plan is held in any funding medium other than the Trust Fund or is under the control or direction of a Qualified Investment Manager.



Section 4.15. Change of Trustee.

(a) Resignation. A Trustee may resign at any time by giving thirty (30) days advance written notice, by registered or certified mail, to the Administrative Committee which may, in writing, waive the thirty (30) day notice requirement.

(b) Removal of Trustee. The Administrative Committee may remove a Trustee by giving thirty (30) days advance written notice by registered or certified mail to the Trustee and also notifying it of the identity of the successor Trustee and of the successor Trustee's acceptance of the trusteeship. The Trustee may, in writing, waive the thirty (30) day notice requirement.

(c) Duties of Resigning or Removed Trustee and of Successor Trustee. If a Trustee resigns or is removed, it shall promptly transfer and deliver the assets of the Trust Fund to the successor Trustee (in the event such successor Trustee is a bank or trust company) or, in the event the successor Trustee is not a bank or trust company, to a custodian such as a bank, trust company, brokerage company or other financial institution acceptable to the Trustee (which acceptability shall not be unreasonably withheld) designated by the successor Trustee. Within ninety (90) days, the resigned or removed Trustee shall furnish to the Sponsor and the Administrative Committee an accounting of its administration of the Trust from the date of its last accounting. Each successor Trustee shall succeed to the title to the Trust Fund vested in its predecessor without the signing or filing of any further instrument, but any resigning or removed Trustee shall execute all documents and do all acts necessary to vest such title of record in any successor Trustee. Each successor shall have all the powers, rights and duties conferred by this Trust as if originally named Trustee. No successor Trustee shall be personally liable for any act or failure to act of a predecessor Trustee.

(d) Vacancy. If at any time there is no person or entity serving as Trustee, then the Administrative Committee shall serve as Trustee. The Administrative Committee may appoint a successor trustee in its discretion.

(e) Notification of Parties. Copies of all instruments involving the resignation, removal, appointment or addition of a Trustee shall be delivered to the Administrative Committee and to every other person serving as Trustee.

Section 4.16. Settlement of Securities Transactions. Settlement of purchases and sales of property may be conducted in accordance with prevailing standards of the market in which the transaction occurs. The risk of non-receipt of payment or other consideration shall be the Trust's and the Trustee shall have no liability for the failure of the Trust Fund to receive the same. All credits to the Trust Fund of the anticipated proceeds of sales and redemptions of property and of anticipated income from property shall be conditional upon receipt by the Trustee of final payment and may be reversed to the extent final payment is not received.

Section 4.17. Taxes. The Trustee shall assume, until advised to the contrary, that the Trust is described under Section 501 (c) (9) of the Code, is exempt from Federal income tax under Section 501 (a) thereof, and is exempt from state and local income tax. Upon the direction of the Sponsor or the Administrative Committee, to pay any estate, inheritance, income or other tax, or estimated tax, charge or assessment attributable to any benefit, transaction, investment or event which, in the Sponsor's or the Administrative Committee's opinion, shall or may be required to be paid by the Trustee as a result of such benefit, transaction, investment or event; and to require, before making any payment, such release or other document from any taxing authority or such indemnity from the intended payee as it deems necessary for its protection. Further, to pay any tax, charge or assessment made upon the Trust subsequent to giving the Sponsor notice of such tax, charge or assessment unless (i) the Sponsor (A) directs the Trustee not to pay such tax, charge or assessment, and (B) agrees to indemnify the Trustee for legal expenses incurred by the Trustee as a result of such nonpayment; or (ii) an unappealable final determination has been issued with respect to the tax, charge or assessment. The Administrative Committee shall timely file all Federal, state and local tax and information returns relating to the Plan and the Trust.

#### ARTICLE V

##### Administrative Committee

Section 5.1. General Rights, Powers and Duties of the Administrative Committee. The Administrative Committee shall be responsible for the management, operation and administration of the Plan with respect to the Trust. In addition to any powers, rights and duties set forth elsewhere in the Trust, it shall:

(a) adopt, such rules, regulations and conditions, consistent with the provisions of the Trust and obligations of applicable law, as necessary or advisable to effectuate its duties, rights or responsibilities under the Plan or the Trust;

(b) maintain records adequate to prepare reports, returns and other information required by law;

(c) construe and interpret provisions of the Plan to resolve all questions arising with regard to its duties, rights or responsibilities under the Plan and such construction and interpretation shall be binding on all parties with respect to matters arising under the Plan;

(d) direct the Trustee as to payments from the Trust and the making of any other payments (including transfers) from the Trust Fund which it may deem necessary or appropriate for the proper administration of the Plan;

(e) employ or retain agents, attorneys, actuaries, accountants, consultants or other persons (who also may be employed by or represent the Employer or the Trustee) necessary to effectuate its duties, rights or responsibilities under the Plan or the Trust; and

(f) apply to the Internal Revenue Service for recognition of qualification or requalification under Code Section 501(c)(9) for the Trust.

Section 5.2. Information to be Furnished to Administrative Committee. The Employer shall furnish the Administrative Committee, to the extent permitted by law and requested by the Administrative Committee, such payroll information and data with respect to its employees that the Administrative Committee may require in connection with the administration of the Plan. Such information shall be limited in nature to such matters as name, classification, social security number, amount of compensation, number of hours of service and years of service and any other information necessary to establish eligibility to participate or entitlement to benefits. Participants, Dependents, Beneficiaries and other recipients shall, as a pre-condition to receipt of a payment from the Trust, furnish to the Administrative Committee (or to the Employer acting as the agent of the Administrative Committee) such evidence, data or information and execute such documents or provide such receipts as the Administrative Committee reasonably requests in order to carry out its duties.

Section 5.3. Fiduciary Obligations. Subject to the provisions of Article III, the Administrative Committee shall discharge their duties hereunder solely in the interest of the Participants, Dependents and their Beneficiaries and --

(a) for the exclusive purposes of

(i) providing benefits to Participants, Dependents and their Beneficiaries; and

(ii) defraying reasonable expenses of administering the Plan and the Trust; and

(b) With the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims.

(c) The Administrative Committee shall be responsible for ensuring that any payment directed under this Article by Instructions conforms to the provisions of the Plan, this Agreement, and the provisions of the Act. Subject to Article XI, each Instruction of the Administrative Committee shall be in writing and shall be deemed to include a certification that any payment or other distribution directed thereby is one which the Administrative Committee is authorized to direct, and the Trustee may conclusively rely on such certification without further investigation unless the Trustee has actual knowledge to the contrary. The Trustee shall not incur any liability or other damage on account of any payments or other distributions made by it in accordance with the written Instructions of the Administrative Committee. The Sponsor may elect to appoint a third party agent for benefit payments upon notice to the Trustee, in which event, the Trustee's sole duty shall be to make payments to, or receive amounts back from, such agent as may be directed by the Administrative Committee or its delegate in Instructions.

Section 5.4. Uniform Application. The Administrative Committee shall apply the provisions and any rules, regulations and conditions adopted by it in a uniform and nondiscriminatory manner in accordance with Sections 505 and 501 (c) (9) of the Code, so that all persons similarly situated shall be similarly treated. In addition, all rules, regulations and conditions adopted by it must be reasonably related to the type or amount of benefit or other

payment provided under the Trust and must be objectively selected and administered so as not to provide disproportionate benefits in favor of officers, shareholders or highly compensated employees of the Employer or highly compensated individuals (in accordance with Sections 501 (c) (9) and 505 of the Code).

Section 5.5. Allocation and Delegation of Certain Fiduciary Duties.

(a) The Board may allocate any of its rights, powers and duties hereunder to the Administrative Committee. Any such allocation shall be in writing and shall set forth the particular rights, powers and duties being allocated. The Board may revoke any allocation made pursuant to this Subsection by written notification to the Administrative Committee.

(b) The Board and the Administrative Committee shall have the authority to delegate any of their rights, powers and duties hereunder and may revoke any delegation made pursuant to this Subsection by written notification to the person(s) or entity(ies) to whom the delegation has been made.

Section 5.6. Committee Action. All actions of the Administrative Committee shall be taken pursuant to the decision of a majority of the members then serving on such Committee. Any person serving on a Committee may execute any document in the name of and on behalf of such Committee and otherwise has the full power and authority to act on behalf of a majority of the members serving on the Committee.

Section 5.7. Compensation and Expenses. Persons serving on the Administrative Committee shall be entitled to reasonable compensation for their services hereunder and reimbursement of reasonable expenses; provided, however, that a person serving on the Administrative Committee who is an Employee or a party-in-interest (as defined in the Act) with respect to the Employer shall not be entitled to any compensation for his services on the Administrative Committee from the Trust Fund, except for the reimbursement of reasonable expenses actually incurred. Such compensation and expenses shall be paid from the Trust Fund, subject to prior payment or reimbursement by the Employer in its discretion, and provided that, to the extent Trust Fund assets are inadequate, the Employer shall pay such compensation and expenses.

Section 5.8. Indemnification of the Administrative Committee

by the Employer. To the extent permitted by law and the Sponsor's Articles of Incorporation and By-laws, the Sponsor hereby agrees to indemnify any person serving on the Administrative Committee who is also an Employee of the Employer for, and hold him harmless against, any and all liabilities, losses, costs or expenses (including legal fees and expenses) of whatever nature which may be imposed on, incurred by, or against him at any time by reason of his service under the Plan or the Trust except to the extent it is a result of action or inaction by the person which is determined to be criminal or grossly negligent. Payments of any indemnity, expenses or fees under this Section shall be made solely from assets of the Employer and shall not be made directly or indirectly from Trust Fund assets.

Section 5.9. Limitation of Responsibilities and of Liabilities. The functions of any attorney, actuary or accountant engaged pursuant to Section 5.1 (e) or otherwise with respect to the Plan or the Trust shall be limited to the specific services and duties for which they are engaged, and such persons shall have no other duties or obligations under the Trust. Such persons shall exercise no discretionary authority or discretionary control respecting management of the Plan or the Trust and shall exercise no authority or control respecting management or disposition of the assets of the Trust. Any person serving on the Administrative Committee who is an Employee shall be free from all liability for his acts and conduct in the administration of the Trust or management of Trust Fund assets except for acts of willful misconduct; provided, however, that the foregoing shall not relieve him from any responsibility or liability for any responsibility, obligation or duty he may have pursuant to the Act or other applicable law.

Section 5.10. Rebates and Adjustments. Notwithstanding any provisions of this Trust to the contrary, the Administrative Committee may, in its discretion and to the extent permitted by the Act and Section 501 (c) (9) of the Code and as would not result in the imposition of tax under Section 4976 of the Code, direct the Trustee to return excess insurance premiums or payments to the person (including the Employer) whose contribution was applied to such premium or payments and to make administrative adjustments strictly incidental to the providing of benefits to Participants. In addition, in the event a benefit is provided or a disbursement is made from the Trust Fund as a result of a directive from the Administrative Committee and it is determined by the Sponsor that such benefit should not have been provided or disbursement made, the Sponsor shall make a contribution to reimburse the Trust to the

extent such contribution is deductible for income tax purposes.

Section 5.11. Appointment of Qualified Investment Manager. The Administrative committee may appoint a Qualified Investment Manager to manage, invest and reinvest any part or all of the assets of the Trust Fund in the same manner and to the same extent as the Trustee is empowered pursuant to Article IV. Such appointment shall be in writing, signed by the Administrative Committee and the Qualified Investment Manager and shall set forth the rights, powers and duties of the Qualified Investment Manager, including acknowledging that the Qualified Investment Manager is a fiduciary with respect to the Trust. Assets of the Trust Fund managed or invested by a Qualified Investment Manager shall be segregated into one or more "Investment Accounts." The appointment of a Qualified Investment Manager may be revoked by the Administrative Committee or resigned by the Qualified Investment Manager at any time, by written notification to the other party to the appointment. Written notice of the appointment, removal or resignation of a Qualified Investment Manager shall be given to the Trustee. As long as such Qualified Investment Manager is acting, such Qualified Investment Manager shall have, to the extent set forth in the written appointment, full authority to direct the Trustee with respect to the acquisition, retention, management and disposition of the assets from time to time comprising the Investment Accounts being managed by such Qualified Investment Manager and the voting of the proxies thereon, and the Trustee shall have no duty or obligation to review the assets from time to time comprising such Investment Accounts, to make any recommendations with respect to the investment, reinvestment or retention thereof, nor with respect to the voting of proxies thereon, nor to determine whether any direction from such Qualified Investment Manager is proper or within the terms of this Agreement. The Administrative Committee shall be responsible for ascertaining that, while each Qualified Investment Manager is acting in that capacity, that Qualified Investment Manager satisfies the requirements of Section 3(38) of the Act, or any successor thereto. The Administrative Committee shall furnish the Trustee with written notice of the appointment of each Qualified Investment Manager hereunder, and of the termination of any such appointment. Such notice shall specify the assets which shall constitute the Investment Account. The Trustee shall be fully protected in relying upon the effectiveness of such appointment and the Qualified Investment Manager's continuing satisfaction of the requirements set forth above until it receives written notice from the Administrative Committee to the contrary. The Trustee shall

conclusively presume that each Qualified Investment Manager, under its investment management agreement, is entitled to act, in directing the investment and reinvestment of the Investment Account for which it is responsible, in its sole and independent discretion and without limitation. The Trustee shall have no responsibility with respect to the formulation of or compliance with any investment or diversification policies established with respect to any Investment Account unless the Trustee or an affiliate of the Trustee is the Qualified Investment Manager of the Investment Account.

Section 5.12. Indemnification of Trustee and Limitation of Trustee Responsibility Regarding Qualified Investment Manager. The Trustee shall have no liability or responsibility to the Employer or any Participant or Beneficiary of the Trust for acting without question on the direction of, or for failure to act in the absence of directions from, a Qualified Investment Manager for any Investment Manager Account. The Trustee may assume that any Investment Manager Account previously established and the appointment of any Qualified Investment Manager for that account continues in force until receipt of written notice to the contrary. Pending receipt of directions from the Qualified Investment Manager, any cash received by the Trustee from time to time for any Investment Manager Account may be retained by the Trustee, in its discretion, in cash, without any liability for interest. In addition, the Employer agrees to indemnify the Trustee for, and hold it harmless against, any liability or expense in connection with or arising out of (a) any action taken or omitted or any investment or disbursement of any part of the Trust Fund made by the Trustee at the direction of the Qualified Investment Manager or any inaction with respect to the Trust Fund in the absence of directions from the Qualified Investment Manager, or (b) any action taken by the Trustee pursuant to a notification of an order to purchase or sell securities issued by a Qualified Investment Manager directly to a broker or dealer under a power of attorney.

Section 5.13. Further Indemnification of the Trustee; Contribution.

(a) The Sponsor shall indemnify and save harmless the Trustee, its affiliates, and their officers and employees for and from any Liability arising (i) out of any matter as to which the Trustee is directed, or this Agreement provides that the Trustee is protected, not liable, or not responsible, or as to which the Trustee has acted in accordance with this Agreement and the Act, or



(ii) by reason of any breach of any statutory or other duty owed to the Plan by the Sponsor, the Administrative Committee, any Qualified Investment Manager or any delegate of any of them, except to the extent the Trustee may otherwise be considered liable under Section 405 (a) of the Act for that other person's breach in the case where (i) the Trustee actively participated in or concealed the other person's breach, or (ii) appropriate personnel of the Trustee knew of the other person's breach and failed to notify the Administrative Committee of such breach (except in the case where such breach is alleged to have been committed by the Administrative Committee, in which case such notification must have been to the Board).

(b) The Trustee, its affiliates, and their officers, agents and employees may bring action against the Sponsor to contribute to the satisfaction of any liability to the extent that the liability (i) is not subject to indemnification under Subsection (a) and (ii) is caused by the culpable conduct of the Sponsor, the Administrative Committee, or their respective agents.

(c) The foregoing rights of indemnification and contribution shall not limit any rights or remedies that may be available to the Trustee under Applicable Law.

## ARTICLE VI

### Accounting and Recordkeeping

Section 6.1. Accounting Records. The Administrative Committee and the Trustee shall each maintain or cause to be maintained such accounting records as they each may deem appropriate for purposes of carrying out their responsibilities under the Trust.

Section 6.2. Separate Funds. The Trust Fund may be subdivided into separate funds, in accordance with written directions of the Administrative Committee.

### Section 6.3. Valuation of Trust Fund.

(a) The Trustee shall value the Trust Fund as of the close of business on the last day of each calendar quarter or such other date as may be agreed between the Trustee and the Sponsor (such date hereafter referred to as the "Valuation Date").

(b) The Trustee shall determine the fair market value or fair value of property held in the Trust Fund based upon one or more of the following: information and financial publications of general circulation, statistical and valuation services, records of security exchanges, appraisals by qualified Persons, transactions and bona fide offers in assets of the type in question, valuations provided by the Qualified Investment Manager, and other information customarily used in the valuation of property. Units or shares in registered investment companies, limited partnerships, limited liability companies, or other funds (each a "Fund") shall be their net asset value or other unit or share value as announced by the Fund or its operator. A Qualified Investment Manager shall certify, at the request of the Trustee, the value of any property held in any Investment Account managed by such Qualified Investment Manager, and such certification shall be regarded as an Instruction with regard to such valuation. The Trustee shall be entitled to rely upon such valuation for all purposes under this Agreement.

(c) Valuations of property reasonably deemed by the Trustee to be commodity interests or over-the-counter options or derivative instruments shall be valued at their last prior sales prices on the principal board of trade or the contracts market in which dealings are made or by quotations from the contraparty bank or party. The Sponsor acknowledges that values of derivative instruments are indicative values only based on market levels on the date, or upon change in rates, so indicated. These valuations do not indicate the actual terms at which derivatives could be liquidated or unwound or the calculation or estimate of an amount that would be payable following the designation of an early termination date under any applicable agreement. Valuations of derivatives may be derived from proprietary models (including proprietary models developed by the dealer from which a given derivative was purchased) based upon estimates about relevant future market conditions. Valuations based on other models or different assumptions may yield different results. The Trustee expressly disclaims any responsibility for the accuracy of the models or estimates used in deriving the valuations.

Section 6.4. Specific Accounts. At no time shall any segregated account or separate fund be considered a savings account or investment or asset of any particular Participant, Dependent or Beneficiary or group thereof, and no Participant, Dependent or Beneficiary or group thereof shall have any right to any particular asset which the Investment Committee or the Trustee may have

allocated to any segregated account or separate fund for accounting purposes.

Section 6.5. Audit of Accounts. If required by the Act or other applicable law or deemed appropriate by the Administrative Committee, the Sponsor shall cause an audit of the Trust to be made at least once each year by an independent qualified public accountant who shall be formally appointed by and responsible only to the Sponsor. A copy of the accountant's audit report of each such audit of the Trust shall be available at the office of the Sponsor during all regular business hours for inspection. The Sponsor may make a reasonable charge for the cost of duplication of such report. All accounts, books and records of the Trustee shall be open for inspection and audit at all reasonable times by any person designated by the Sponsor.

Section 6.6. Regulatory Reporting. The Sponsor shall have authority over all reports and accountings which governmental regulatory bodies may require to be filed, and it shall have ultimate responsibility for such filings. This shall include, but not be limited to, all reports required by the Act. It shall be the Administrative Committee's and Trustee's duty and responsibility to provide the Sponsor with information within the scope of their respective duties which is necessary to prepare such required reports and accountings.

Section 6.7. Retention of Records. The Trustee must maintain correspondence or other files, including but not limited to, correspondence of transmittal for checks, statements and account analyses, and correspondence dealing with terminated or deceased participants for a period of six (6) years; after which the Trustee must transfer such records to the Sponsor as shall be agreed upon in writing signed by the Trustee and Sponsor. During this six-year period, the Sponsor shall have the right to request that copies of any such correspondence or files be delivered to it.

Section 6.8. Computerized Access to Trust Fund Records. The Sponsor, the Administrative Committee, or a Qualified Investment Manager may request the Trustee to provide them with on-line access to certain current records and reports relating to the Trust Fund or certain Investment Accounts. If the Trustee agrees to do so, the records and unaudited reports accessible on-line will be unaudited and may not be accurate due to inaccurate pricing of property, delays in updating the accounting records of the Trust Fund and other causes. The Trustee will not be liable for any loss

or damage arising out of the inaccuracy of any such records or unaudited reports accessed on-line.

Section 6.9. Trust Accountings.

(a) Within sixty days after the close of each month and at more frequent intervals if agreed to by the parties hereto, the Trustee shall render to the Sponsor a written statement and account showing in reasonable summary the investments, receipts, disbursements, and other transactions engaged in during the preceding month or period, and setting forth the assets and liabilities of the Trust. Within sixty days after the close of each fiscal year, and within sixty days after the removal or resignation of the Trustee as provided hereunder, the Trustee shall render to the Administrative Committee a similar statement and account for that fiscal year. The Administrative Committee shall promptly review each statement and account and advise the Trustee in writing of any errors or omissions reflected therein. Unless the Administrative Committee shall have filed with the Trustee written exceptions or objections to the annual statement and account within the later of one hundred eighty (180) days after receipt thereof or the filing of the Form 5500 Plan report for a Plan Year to which the annual statement and account may relate, the Sponsor shall be deemed to have approved such statement and account, and in such case or upon written approval by the Administrative Committee of the annual statement and account, the Trustee shall be released and discharged with respect to all matters and things reflected in the annual statement and account to the full extent permissible under Applicable Law as though it had been settled by a decree of a court of competent jurisdiction in an action or proceeding in which the Administrative Committee, the Sponsor, all other necessary parties and all Persons having any beneficial interest in the Trust Fund were parties.

(b) Nothing contained in this Agreement or in the Plan shall deprive the Trustee of the right to have a judicial settlement of its account at its own expense. In any proceeding for a judicial settlement of the Trustee's accounts or for instructions in connection with the Trust, the only necessary parties thereto in addition to the Trustee shall be the Administrative Committee and the Sponsor, and no Participant or other Person having or claiming any interest in the Trust Fund shall be entitled to any notice or service of process (except as required by Applicable Law). Any judgment, decision or award entered in any such proceeding or action shall be conclusive upon all interested Persons.

## ARTICLE VII

### Benefits

Section 7.1. Benefits in General. The Trust shall be applied to provide Participants, Dependents or Beneficiaries with "life, sick, accident, or other benefits," as that phrase is defined in Section 501(c)(9) of the Code. The Trust shall provide such benefits directly or indirectly, such as by payment or reimbursement to any other party, including the Employer, or make payments to any third party, such as an insurance company, HMO, Taft-Hartley Trust, governmental fund, trust or other account that provides such benefits pursuant to or by reference to the Collective Bargaining Agreements or with respect to persons who are or were covered by Collective Bargaining Agreements. For purposes of directing payments from the Trust, the Employer shall have sole responsibility for determining the life, sick, accident or other benefits that are provided under or by reference to the Collective Bargaining Agreements or with respect to persons who are or were covered by Collective Bargaining Agreements. The Trustee shall have no responsibility or duty to interpret the Collective Bargaining Agreements or otherwise determine the benefits payable pursuant to or by reference to the Collective Bargaining Agreements.

Section 7.2. Particular Benefit Programs. The Employer may utilize the Trust to provide payments with respect to different benefit programs which provide different types or amounts of benefits to different groups of Participants (or their Dependents or designated Beneficiaries); provided, however, that such benefit programs shall not violate, either in design or operation, Section 5.5 of this Agreement or Sections 501 (c) (9), 505 or 4976 of the Code. In addition, the Employer may utilize the Trust to provide payments with respect to benefit plans or programs which provide benefits to employees who have terminated participation; such programs may, for example, provide benefits to (1) Employees who have gone on leave of absence or have terminated employment by reason of disability, layoff or otherwise, (2) Dependents of Employees; or (3) Dependents of deceased Employees. In the event a particular benefit plan(s) or program(s) clearly provides, in writing, for benefits to persons who are not Participants, those persons shall be provided with a benefit only pursuant to the terms of and under that particular benefit plan(s) or program(s).

Section 7.3. Insurance Policies, Contracts and Providers. Nothing contained in nor promulgated or applied under the authority of the Trust shall be interpreted as relieving any insurer, health service provider, administrator, Taft-Hartley Trust, governmental fund, trust, account or other obligor of its obligation to provide benefits under any contract issued by, promise made by or duty assumed by the insurer, health service provider, administrator, Taft-Hartley Trust, governmental fund, trust, account or other obligor.

Section 7.4. Limitation on Benefits. No Employee, Retiree, Participant, Dependent, Beneficiary or other person or entity shall have the right, privilege or option to receive instead of the payments provided by the Trust or the Plan (a) any part of the contributions made to the Trust by the Employer or any Participants, (b) a cash consideration from the Trust either upon termination of benefits provided by the Plan or payment provided by the Trust or upon such Participant's termination of coverage under the Plan, either voluntarily or through severance of employment or otherwise, or (c) the cash surrender value of any insurance policy or benefit contract in lieu of the benefits provided in said policy or contract.

Section 7.5. Benefit Programs. It is intended that the Trust be used to fund, if and to the extent deemed appropriate by the Employer, welfare benefits to Participants. Said welfare benefits are those which are either (a) intended to safeguard or improve the health of a Participant or Dependent, or (b) which protect against a contingency that interrupts or impairs a Participant's earning power (as those phrases (a) and (b) are defined in Section 501 (c) (9) of the Code); provided, however, that no such welfare benefit program shall violate, either in design or operation, Section 5.4 of the Agreement or Sections 501 (c) (9), 505 or 4976 of the Code.

#### ARTICLE VIII

##### Amendment

Section 8.1. Amendment of Trust. The Sponsor shall have the right to amend the Trust at any time and from time to time and to any extent deemed necessary or advisable; provided, however, that no amendment shall:

(a) vest in the Employer any ownership of the Trust's assets;

(b) have the effect of discriminatorily depriving, on a retroactive basis, any Participant or Beneficiary of any beneficial interest which has become payable from the Trust prior to the date such amendment is effective;

(c) affect the responsibilities of the Trustee without the Trustee's written consent; or

(d) have the result of diverting the assets of the Trust Fund to any purpose other than the purpose set forth in Article II.

The Sponsor shall promptly notify the Trustee of any amendment adopted pursuant to this Article, and shall promptly provide the Trustee with a copy of each such amendment.

#### ARTICLE IX

##### Termination

Section 9.1. Right to Discontinue Contributions. Although the Trust has been established with the intention that it continue to operate indefinitely and that the Employer (and, to the extent determined by the Sponsor, the Participants, Beneficiaries or Dependents) contribute to the Trust for an indefinite period, the Sponsor reserves the right to permanently discontinue contributions to the Trust at any time. Thereafter, the provisions of the Trust shall continue in full force and effect, subject to termination in accordance with Section 9.2.

Section 9.2. Right to Terminate Trust. The Sponsor reserves the right to terminate the Trust at any time by written notification to the Trustee. Upon receipt of such notice, the Trustee shall proceed to apply the Trust Fund's assets in accordance with Section 9.3.

Section 9.3. Application of Trust Fund Assets. In the event the Trust is to be terminated in accordance with Section 9.2 or any final and unappealed order of any court of competent jurisdiction, no further contributions shall be made to the Trust by the Employer. The assets in the Trust Fund, to the extent they exist, shall be applied in the following order, as directed by the Administrative Committee unless a final and unappealed order of any

court of competent jurisdiction or any applicable law shall mandate a contrary application:

(a) all administrative expenses and fees for professional services, whether to accountants, lawyers, actuaries, administrators or other persons, which are necessary to administer or terminate the Plan, if applicable, and Trust and prepare final reports either under this Agreement, the Act or any applicable law, and which are reasonable in amount; then to

(b) the providing of benefits to Participants, Dependents and Beneficiaries with respect to claims arising prior to the date of termination or such earlier date as the Administrative Committee may designate; and then to

(c) the providing of "life, sick, accident, or other benefits," as that phrase is defined in Section 501 (c) (9) of the Code and as shall be determined by the Administrative Committee. This may include the payment of premiums or benefits or other payments or transfers to any person (including, but not limited to, an individual, trust, estate, governmental fund or account, executor, administrator or fiduciary, whether corporate or otherwise) for insurance or benefit coverage for employees of such type and amount as the Administrative Committee determines, on the basis of objective and reasonable standards which do not result in disproportionate payments to similarly situated employees or discrimination in favor of officers, shareholders or highly compensated employees (as defined in Section 501 (c) (9) of the Code) or highly compensated individuals (as defined in Section 505 of the Code).

#### ARTICLE X

##### Miscellaneous

Section 10.1. Inalienability of Benefits. Except as may otherwise be provided herein, the right of any Participant, Dependent, Beneficiary or other person or entity to any benefit or payment from the Trust shall not be subject to voluntary or involuntary transfer, alienation, pledge, assignment or other disposition and shall not be subject to attachment, execution, garnishment, sequestration or other legal or equitable process. Any attempt to transfer, alienate, pledge, assign or otherwise dispose of such right or any attempt to subject such right to



attachment, execution, garnishment, sequestration or other legal or equitable process shall be null and void.

Section 10.2. No Implied Rights. Neither the establishment of the Trust nor any modification thereof, nor the creation of any fund, trust or account thereunder, shall be construed as giving any Participant, Employee, Retiree, Dependent, Beneficiary or other person or entity any legal or equitable right unless such right shall be specifically provided for in the Plan and the Trust or conferred by affirmative action of the Employer in accordance with the express written terms and provisions of the Plan and the Trust.

Section 10.3. Status of Employment Relations. The adoption and maintenance of the Trust shall not be deemed to constitute a contract between the Employer and its Employees or any representative thereof or to be consideration for, or an inducement or condition of, the employment of any person. Nothing contained herein shall be deemed to:

(a) give to any Employee the right to be retained in the employ of the Employer;

(b) affect the right of the Employer to discipline or discharge any Employee at anytime; or

(c) affect any Employee's right to terminate his employment at any time.

Section 10.4. No Guarantee. Nothing contained in the Trust shall constitute a guarantee by the Employer, the Sponsor, the Board, the Administrative Committee or the Trustee that the assets of the Trust Fund will be sufficient to pay any benefit to any person or make any other payment; payments to be paid from the Trust are limited to the assets remaining in the Trust at the time payment is made. Prior to the time that distributions are made in conformity with the Plan and the Trust, the Participants, Employees, Retirees, Dependents, Beneficiaries or other persons shall not receive any distribution of cash or other thing of current or exchangeable value, either from the Employer, the Sponsor, the Board, the Administrative Committee or the Trustee on account of, or as a result of the Trust Fund created hereunder.

Section 10.5. Service in More than One Capacity. A person or groups of persons may serve in more than one fiduciary capacity with respect to the Trust.

Section 10.6. Adoption by Others. Any corporation or other business entity which is sufficiently affiliated with the Sponsor for purposes of Section 501 (c) (9) of the Code may adopt the Trust in any manner acceptable to the Administrative Committee provided there is written evidence of such adoption. If a Successor Company to the Employer or any other person or entity to whom the Employer assigns its rights elects to continue the Trust, such Successor Company or purchaser shall be substituted for the Employer under this Agreement. Each Employer, other than the Sponsor, which is or shall become a party to this Agreement, hereby irrevocably gives and grants to the Sponsor and the Administrative Committee full and exclusive power and authority to exercise all of the powers conferred upon it by the terms of this Agreement and to take or refrain from taking any and all action which such Employer might otherwise take or refrain from taking with respect to this Agreement, including the sole and exclusive power to exercise, enforce or waive any rights whatsoever which such Employer might otherwise have with respect to the Trust Fund, and each such Employer, by becoming a party to this Agreement, irrevocably appoints the Sponsor its agent for such purposes. The Trustee shall have no obligation to account to any such Employer or to follow the instructions of or otherwise deal with any such Employer, the intention being that the Trustee shall deal solely with the Sponsor and the Administrative Committee as if the Trustee and Sponsor were the only parties in this Agreement.

Section 10.7. Withdrawal by Participating Affiliates. Each individual Employer which has adopted this Trust may, by resolution of the board of directors or executive or management committees of such Employer, or its delegates, and subject to the approval of the Sponsor and the satisfaction of such conditions, if any, as may be imposed by the Sponsor or the Administrative Committee, terminate its adoption of the Trust. Such withdrawal will be effective upon receipt of written notice of such withdrawal by the Sponsor and Trustee, unless such notice is waived.

Section 10.8. Actions by Sponsor. All actions by the Sponsor under this Trust shall be by resolution of the Administrative Committee, or by a person or persons or committee designated by the Administrative Committee.

Section 10.9. Binding Effect. The provisions of the Trust shall be binding on the Employer, the Trustee, the Sponsor, the Board, the Administrative Committee and their successors and on all

persons entitled to benefits under the Plan and their respective heirs, legal representatives and successors in interest.

Section 10.10. Governing Laws. The Trust shall be construed and administered according to the laws of the State of New York, to the extent that such laws are not preempted by the laws of the United States of America.

Section 10.11. Counterparts. The Trust may be executed in any number of counterparts, each of which shall be deemed an original, and the Agreement may be sufficiently evidenced by any one counterpart.

Section 10.12. Number and Gender. Wherever appropriate, words used in this Trust in the singular may mean the plural, the plural may mean the singular, and the masculine may mean the feminine or neuter.

Section 10.13. Courts. Except as otherwise required by law, in case of any court proceedings involving the Trustee, the Employer, the Sponsor, the Board, the Administrative Committee or the Trust Fund, only the Employer, the Sponsor, the Board, the Administrative Committee and the Trustee shall be necessary parties to the proceedings, and no other person shall be entitled to notice of process. Except where otherwise specifically required by the Act, the United States District Court for the Southern District of New York shall have the sole and exclusive jurisdiction over any lawsuit or other judicial proceeding relating to or arising from this Agreement. If that court lacks federal subject matter jurisdiction, the Supreme Court of the State of New York, New York County shall have sole and exclusive jurisdiction. Either of these courts shall have proper venue for any such lawsuit or judicial proceeding, and the parties waive any objection to venue or their convenience as a forum. The parties agree to submit to the jurisdiction of any of the courts specified and to accept service of process to vest personal jurisdiction over them in any of these courts. A final and unappealed judgment entered in any such proceeding shall be conclusive. The parties further hereby knowingly, voluntarily and intentionally waive, to the fullest extent permitted by Applicable Law, any right to a trial by jury with respect to any such lawsuit or judicial proceeding arising or relating to this Agreement or the transactions contemplated hereby.

Section 10.14. Notices. Whenever any notice may be or is required to be given by the Trustee, the Sponsor, the Board or the

Administrative Committee to any person, such notice may be given by United States mail, mailed to such person at his last address appearing in the records of the Sponsor; provided, however, in the event notice is to be given to the Sponsor, such notice shall be directed to the President of the Sponsor.

Section 10.15. Persons Dealing with Trustee. No person or entity contracting or in any way dealing with the Trustee shall be under any obligation to ascertain or inquire (a) into any powers of the Trustee, (b) whether such powers have been properly exercised, or (c) the source or application of any funds received from or paid to the Trustee, and such person may rely on the Trustee's exercise of any power or authority as conclusive evidence that he possesses such power and authority. This Section shall not apply to any person who is a fiduciary with respect to the Trust.

Section 10.16. Titles. All titles used in this Agreement are for purposes of identification only and shall have no bearing on the meaning, construction or interpretation of the Articles or Sections to which they refer.

Section 10.17. Tax Exemption. The Plan and the Trust are intended to constitute an organization described in Section 501 (c) (9) of the Code and to satisfy any applicable requirements of the Act, and this Agreement shall be interpreted and the Trust shall be administered consistent with such intention.

Section 10.18. Misrepresentations. The Administrative Committee may (but shall not be required to) rely upon any certificate, statement or other representation made to it by an Employee, Participant, Dependent, Beneficiary or other recipient with respect to any fact with regard to any of the provisions of the Plan and the Trust or the operation of either. Any such certificate, statement or other representation shall be conclusively binding upon such Employee, Participant, Dependent, Beneficiary or other recipient or his personal representative, heir, or assignee (but not upon the Administrative Committee), and any such person or recipient shall thereafter be estopped from disputing the truth of any such certificate, statement or other representation.

Section 10.19. Incapacity. In the event any person or entity entitled to receive any distribution from the Trust shall, in the opinion of the Administrative Committee, be legally incapable of giving a valid receipt and discharge for such distribution, and

another person or entity is then maintaining or has custody of the person or entity first referred to, then such distribution, at the option of the Administrative Committee, may be made to the person or entity maintaining or having such custody. Such distribution shall be in complete discharge of the liability under the Plan and the Employer, the Administrative Committee and the Trustee shall have no responsibility to see to the application of such distribution.

Section 10.20. Partial Invalidity. If any provision of this Agreement is held to be illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining portions of the Agreement unless such illegality or invalidity prevents accomplishment of the objectives and purposes of the Trust. In the event of any such holding, the parties may immediately, and if in accordance with appropriate law retroactively, amend the Agreement as is necessary to remedy any such defect.

Section 10.21. Entire Agreement. With the exception of a separate fee agreement which is anticipated to be entered into by the Trustee and the Sponsor, this Agreement sets out the entire Agreement between the parties in connection with the subject matter, and this Agreement supersedes any prior agreement, statement, or representation relating to the obligations of either party, whether oral or written.

Section 10.22. Duty to Furnish Information. The Administrative Committee and the Sponsor on the one hand and the Trustee on the other each shall furnish to the other any documents, reports, returns, statements, or other information that the other reasonably deems necessary to perform its duties imposed under the Plan or this Agreement or otherwise imposed by Applicable Law.

Section 10.23. Survival. The provisions of Sections 4.10, 4.11, 4.12, 5.1, 5.2, 5.3, 5.5, 5.8, 5.12, 5.13, 10.10, 10.13 and Article VI shall survive termination of the Trust created under this Trust Agreement or resignation or removal of the Trustee for any reason.

Section 10.24. Force Maieure. Neither party shall be liable to any Person for any loss due to forces beyond its control including, but not limited to strikes or work stoppages, fire, telecommunications failure, acts of war (whether declared or undeclared) or terrorism, insurrection, revolution, nuclear fusion, fission or radiation, or acts of God.

ARTICLE XI

Instructions

Section 11.1. Authority of Administrative Committee; Power of Administrative Committee and Qualified Investment Managers to Designate Persons Authorized to Act.

(a) the Administrative Committee shall appoint one or more Persons (who may be, but are not required to be employees of the Sponsor) to act on its behalf on matters relating to the Trust Fund and this Agreement, and, from time to time, it shall certify to the Trustee the name or names of any Person or Persons so authorized to act. Except to the extent specifically disclosed in writing to the Trustee, any such Person is authorized to act on behalf of the Administrative Committee as a whole. The Trustee may continue to rely on the authority of a Person to act for the Administrative Committee until the Administrative Committee or Sponsor notifies the Trustee that that Person is no longer authorized to act for the Administrative Committee.

(b) Any Qualified Investment Manager appointed by the Sponsor shall designate one or more Persons, each of whom shall be authorized to give Instructions on behalf of such Qualified Investment Manager. From time to time the Qualified Investment Manager shall certify to the Trustee the name or names of any Person or Persons so authorized to act. The Trustee may continue to rely upon the authority of such Person to act for the Qualified Investment Manager until the Qualified Investment Manager files a subsequent certification with the Trustee:

Section 11.2. Acting on Instructions; Unclear Instructions.

(a) The Trustee is authorized to act under this Agreement (or to refrain from taking action) in accordance with instructions, notices, or directions received by the Trustee, via telephone, telex, facsimile transmission, or other teleprocess or electronic instruction or trade information system acceptable to the Trustee ("Instructions"). The Trustee will have no responsibility for the authenticity or propriety of any Instructions that the Trustee believes in good faith to have been given by an authorized Person or which are transmitted with proper testing or authentication pursuant to terms and conditions that the Trustee may specify. The

Trustee is authorized to the extent permitted by Applicable Law to accept and act upon any Instructions received by it without inquiry.

(b) Unless otherwise expressly provided, all Instructions will continue in full force and effect until canceled or superseded.

(c) Trustee may seek clarification of an Instruction from an authorized Person and may decline to act upon an Instruction if it does not receive clarification. Trustee will not be liable for any loss arising from any delay while it seeks such clarification.

Section 11.3. Confirmation of Oral Instructions/Security Devices. Any Instructions delivered to the Trustee by telephone or facsimile transmission will promptly thereafter be confirmed in writing by an authorized Person. The Trustee shall not be liable for having followed such Instructions notwithstanding the failure of an authorized Person to send such confirmation in writing or the failure of such confirmation to conform to the telephone or facsimile Instructions received provided the Trustee promptly notifies such authorized Person of such failure to confirm or any inconsistency between the instruction and the confirmation. Either party may electronically record any of their telephonic communications. The Sponsor, the Administrative Committee, and each Qualified Investment Manager will be responsible for safeguarding any test keys, identification codes or other security devices that the Trustee may make available to them or any authorized Person.

IN WITNESS WHEREOF, the Sponsor and the Trustee have caused this Agreement to be executed and attested.

THE PITTSTON COMPANY

ATTEST:

By: .....

Title: Vice President, Chief Financial Officer  
.....

Date: 7-28-99  
.....

THE CHASE MANHATTAN BANK

ATTEST:

By: .....

Title: Vice President  
.....

Date: 7/28/99  
.....



EXHIBIT A

The following Employers participate in the Trust:

The Pittston Company  
Thames Development, Ltd.  
Buffalo Mining Company  
Clinchfield Coal Company  
Eastern Coal Company  
Elkay Mining Company  
Pittston Coal Group, Inc.  
Ranger Fuel Corporation  
Sea "B" Mining Company  
Dante Coal Company  
Jewell Ridge Coal Corporation  
Kentland-Elkhorn Coal Corporation  
Little Buck Coal Company  
Meadow River Coal Company

EXHIBIT B

Pittston Coal Group Companies Benefit  
Plan for UMWA Represented Employees

UMWA Combined Benefit Fund Plan

1992 UMWA Benefit Plan

The Pittston Company and Subsidiaries

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 SELECTED FINANCIAL DATA  
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FIVE YEARS IN REVIEW

(In thousands, except per share amounts)

	1999	1998	1997	1996	1995
<b>SALES AND INCOME (a):</b>					
Net sales and operating revenues	\$ 4,089,150	3,746,882	3,394,398	3,091,195	2,914,441
Net income (b)	34,657	66,056	110,198	104,154	97,972
<b>FINANCIAL POSITION (a):</b>					
Net property, plant and equipment	\$ 930,476	849,883	647,642	540,851	486,168
Total assets	2,468,584	2,331,137	1,995,944	1,832,603	1,807,372
Long-term debt, less current maturities	395,078	323,308	191,812	158,837	133,283
Shareholders' equity	749,641	736,028	685,618	606,707	521,979
<b>PER PRO FORMA PITTSTON COMMON SHARE (a), (g), (h):</b>					
Basic net income	\$ 1.06	1.28	2.21	2.13	1.99
Diluted net income	0.70	1.27	2.17	2.10	1.96
Book value (e)	14.86	13.98	13.01	11.44	9.54
<b>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING (c), (d), (g):</b>					
Pittston pro forma basic	49,113	48,766	48,361	48,164	47,762
Pittston pro forma diluted	49,327	49,250	49,145	48,873	48,506
Pittston Brink's Group basic	39,059	38,713	38,273	38,200	37,931
Pittston Brink's Group diluted	39,202	39,155	38,791	38,682	38,367
Pittston BAX Group basic	19,241	19,333	19,448	19,223	18,966
Pittston BAX Group diluted	19,265	19,333	19,993	19,681	19,596
Pittston Minerals Group basic	8,890	8,324	8,076	7,897	7,786
Pittston Minerals Group diluted	9,614	8,324	8,102	9,884	10,001
<b>COMMON SHARES OUTSTANDING (c):</b>					
Pittston Brink's Group	40,861	40,961	41,130	41,296	41,574
Pittston BAX Group	20,825	20,825	20,378	20,711	20,787
Pittston Minerals Group	10,086	9,186	8,406	8,406	8,406
<b>PER PITTSTON BRINK'S GROUP COMMON SHARE (a), (c), (d):</b>					
Basic net income (b), (i)	\$ 2.16	2.04	1.92	1.56	1.35
Diluted net income (b), (i)	2.15	2.02	1.90	1.54	1.33
Cash dividends	0.10	0.10	0.10	0.10	0.09
Book value (e)	13.66	11.87	9.91	8.21	6.81
<b>PER PITTSTON BAX GROUP COMMON SHARE (a), (c), (d):</b>					
Basic net income (loss)	\$ 1.73	(0.68)	1.66	1.76	1.73
Diluted net income (loss)	1.72	(0.68)	1.62	1.72	1.68
Cash dividends	0.24	0.24	0.24	0.24	0.22
Book value (e)	17.38	15.83	16.59	15.70	14.30
<b>PER PITTSTON MINERALS GROUP COMMON SHARE (a), (c), (d), (h):</b>					
Basic net income (loss)	\$ (7.33)	(0.42)	0.09	1.14	1.45
Diluted net income (loss)	(8.61)	(0.42)	0.09	1.08	1.40
Cash dividends (f)	0.025	0.24	0.65	0.65	0.65
Book value (e)	(15.06)	(9.50)	(8.94)	(8.38)	(9.46)

(a) See Management's Discussion and Analysis for a discussion of Brink's acquisitions, BAX Global's additional expenses and special consulting costs and Coal Operation's 1998 disposition and charges related to impairment and closures of assets in 1999.

(b) As of January 1, 1992, Brink's Home Security, Inc. elected to capitalize categories of costs not previously capitalized for home security installations to more accurately reflect subscriber installation costs. The effect of this change in accounting principle was to increase net income of the Company and the Brink's Group by \$2,964 in 1998, \$3,213 in 1997, \$2,723 in 1996 and \$2,720 in 1995. The effect of this change in accounting principle on net income was not material in 1999. The Brink's Group net income per basic and diluted share impact was \$0.07 for 1995 and 1996, \$0.08 for 1997 and 1998.

(c) Shares outstanding at the end of the period include shares outstanding under the Company's Employee Benefits Trust. For the Pittston Brink's Group (the "Brink's Group"), such shares totaled 1,573 shares, 2,076 shares, 2,734 shares, 3,141 shares and 3,553 shares at December 31, 1999, 1998, 1997, 1996 and 1995, respectively. For the Pittston BAX Group (the "BAX Group"), such shares totaled 1,350 shares, 1,858 shares, 868 shares, 1,280 shares and 1,777 shares at December 31, 1999, 1998, 1997, 1996 and 1995, respectively. For the Pittston Minerals Group (the "Minerals Group"), such shares totaled 813 shares, 766 shares, 232 shares, 424 shares and 594 shares at December 31, 1999, 1998, 1997, 1996 and 1995, respectively. Weighted average shares outstanding do not include these shares.

(d) The net income per share amounts prior to 1997 have been restated, as required, to comply with Statement of Financial Accounting Standards No. 128, "Earnings Per Share." For further discussion of net income per share, see Note 8 to the Financial Statements.

(e) Calculated based on shareholder's equity, excluding amounts attributable to preferred stock, and on the number of shares outstanding at the end of the period excluding shares outstanding under the Company's Employee Benefits Trust.

(f) Cash dividends per share reflect a per share dividend of \$0.025 declared in the first quarter of 1999 (based on an annual rate of \$0.10 per share) and no dividends declared in each of the following 1999 quarters.

(g) See Notes 1, 8 and 10 to the Financial Statements for a discussion of the calculation of pro forma amounts, which reflect the Company's announcement on December 6, 1999 of the elimination of the tracking stock capital structure.

(h) See Note 10 for the 1999 impact of the repurchase of the Company's Series C Cumulative Preferred Stock on Minerals Group and Pittston pro forma net income (loss) per share.

(i) In the first quarter of 1997, BHS prospectively adjusted its annual depreciation rate from 10 years to 15 years for capitalized subscriber installation costs. This change in estimate reduced depreciation expense in 1997 by \$8,900.

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 MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL  
 CONDITION  
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## RESULTS OF OPERATIONS

(In thousands)	Years Ended December 31		
	1999	1998	1997
-----			
Net sales and operating revenues:			
Business and security services			
Brink's	\$1,372,491	1,247,681	921,851
BHS	228,720	203,586	179,583
BAX Global	2,083,414	1,776,980	1,662,338
-----			
Total business and security services	3,684,625	3,228,247	2,763,772
-----			
Natural resources			
Coal Operations	379,452	495,303	604,140
Other Operations	25,073	23,332	26,486
-----			
Total natural resources	404,525	518,635	630,626
-----			
Net sales and operating revenues	\$4,089,150	3,746,882	3,394,398
-----			
Operating profit (loss):			
Business and security services			
Brink's	\$ 103,547	98,420	81,591
BHS	54,234	53,032	52,844
BAX Global	61,460	(628)	63,264
-----			
Total business and security services	219,241	150,824	197,699
-----			
Natural resources			
Coal Operations	(124,413)	(3,581)	5,274
Other Operations	761	5,757	4,873
-----			
Total natural resources	(123,652)	2,176	10,147
-----			
Segment operating profit	95,589	153,000	207,846
General corporate expense	(22,995)	(27,857)	(19,718)
-----			
Operating profit	\$ 72,594	125,143	188,128
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Prior to January 14, 2000, The Pittston Company (the "Company") was comprised of three groups - Pittston Brink's Group, Pittston BAX Group and Pittston Minerals Group. The Pittston Brink's Group included the Brink's, Incorporated ("Brink's") and Brink's Home Security, Inc. ("BHS") operations of the Company. The Pittston BAX Group included the BAX Global Inc. ("BAX Global") operations of the Company. The Pittston Minerals Group included the Pittston Coal Company ("Pittston Coal") and Pittston Mineral Ventures ("Mineral Ventures") operations of the Company. Also prior to January 14, 2000, the Company had three classes of common stock: Pittston Brink's Group Common Stock ("Brink's Stock"), Pittston BAX Group Common Stock ("BAX Stock") and Pittston Minerals Group Common Stock ("Minerals Stock"), which were designed to provide shareholders with securities reflecting the performance of the Brink's Group, the BAX Group and the Minerals Group, respectively.

On December 6, 1999, the Company announced that its Board of Directors (the "Board") approved the elimination of the tracking stock capital structure by an exchange of all outstanding shares of Minerals Stock and BAX Stock for shares of Brink's Stock (the "Exchange"). The Exchange took place on January 14, 2000 (the "Exchange Date"). On the Exchange Date, holders of Minerals Stock received 0.0817 shares of Brink's Stock for each share of their Minerals Stock; and holders of BAX Stock received 0.4848 shares of Brink's Stock for each share of their BAX Stock. See Note 10 to the financial statements for additional information concerning the Exchange. From and after the Exchange Date, Brink's Stock is the only outstanding class of common stock of the Company and continues to trade on the New York Stock Exchange under the symbol "PZB". Prior to the Exchange Date, the Brink's Stock reflected the performance of the Brink's Group only; after the Exchange Date, the Brink's Stock reflects the performance of the Company as a whole. Shares of Brink's Stock after the Exchange are hereinafter referred to as "Pittston Common Stock".

On December 6, 1999, the Company also announced its intention to exit the coal business through the sale of the Company's coal mining operations and reserves. The Company has engaged an investment banker and an international mining consulting firm to assist in the process of disposing of the Coal Operations. Until the Company meets the measurement date criteria under Accounting Principles Board ("APB") Opinion No. 30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions", Coal Operations will continue to be reported as an operating segment. See the Coal Operations section for further discussion.

The Company is currently comprised of five operating segments - Brink's, BHS,

BAX Global, the Coal Operations of Pittston Coal ("Coal Operations") and Other Operations which consists of Mineral Ventures and Pittston Coal's timber and gas operations (collectively, "Allied Operations"). As a result of the decision to exit the coal business, there has been a realignment of the Company's natural resource operating segments based on how resources are now allocated and operating decisions are made.

Net income in 1999 and 1998 was \$34.7 million and \$66.1 million, respectively. For the twelve months ended December 31, 1999 and 1998, net income was \$88.1 million and \$88.7 million, respectively, excluding pretax coal-related charges in 1999 of \$82.3 million and additional pretax expenses related to BAX Global of \$36 million in 1998, both of which are discussed further below. Net income in 1999 benefited by \$5.2 million from a gain on the sale of a restricted investment.

Revenue in 1999 increased \$342.3 million (9%) compared to 1998. Operating profits excluding the \$82.3 million of coal-related charges (discussed below) in 1999 and the BAX Global-related \$36 million of additional expenses in 1998 (discussed below) were \$154.9 million in 1999 versus \$161.1 million in 1998. Excluding the above-mentioned special items, operating profit benefited from increased operating profits at Brink's, BHS and BAX Global. These increases were more than offset by decreased results at the Coal Operations and Other Operations segments.

The Company reported net income of \$66.1 million in 1998 compared with net income of \$110.2 million in 1997. Revenues in 1998 increased \$352.5 million (10%) compared to 1997. Operating profit totaled \$125.1 million in 1998, a decrease of \$63.0 million over the prior year. Operating profit in 1998 included approximately \$36 million of additional expenses at BAX Global which related to the termination or rescoping of certain information technology projects, increased provisions on existing accounts receivable and other costs primarily related to severance expenses associated with BAX Global's redesign of its organizational structure. Net income in 1998 benefited from increased operating results at the Company's Brink's, BHS and Other Operations segments. These increases were more than offset by lower operating results at the Company's BAX Global and Coal Operations segments, and by higher corporate expenses.

The following is a discussion of the operating results for the Company's five segments: Brink's, BHS, BAX Global, Coal Operations and Other Operations.

#### BRINK'S

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

(In thousands)	1999	Years Ended December 31	
		1998	1997
-----			
Operating revenues:			
North America	\$ 583,474	541,142	482,182
International	789,017	706,539	439,669
-----			
Total operating revenues	\$1,372,491	1,247,681	921,851
-----			
Operating profit:			
North America	\$ 49,106	49,046	40,612
International	54,441	49,374	40,979
-----			
Total segment profit	\$ 103,547	98,420	81,591
-----			
Depreciation and amortization	\$ 53,002	45,742	30,758
Cash capital expenditures	84,414	74,716	45,234
-----			

Brink's worldwide consolidated revenues totaled \$1.4 billion in 1999 compared to \$1.2 billion in 1998, a 10% increase. The increase in revenues occurred in both the North America and International regions and was partially offset by the impact of the stronger US dollar versus many European and Latin American currencies, relative to a year ago. Brink's 1999 operating profit of \$103.5 million represented a 5% increase over the \$98.4 million of operating profit reported in 1998.

Revenues from North American operations increased \$42.3 million (8%), to \$583.5 million in 1999. North American operating profit in 1999 of \$49.1 million was essentially unchanged from 1998. The increase in revenues for 1999 primarily resulted from continued growth in armored car operations which include ATM services. Operating profits in 1999 did not increase in proportion to revenue primarily due to increased expenditures on information technology. The increased information technology spending is intended to enhance Brink's capabilities in the transportation of valuables, ATM servicing, cash management and air courier operations as well as to implement communications improvements.

Revenues and operating profit from International operations in 1999 amounted to \$789.0 million and \$54.4 million, respectively. These amounts represented increases of \$82.5 million and \$5.1 million, respectively, from 1998. The 12% increase in revenue was primarily due to the acquisition of nearly all of the remaining shares of Brink's affiliate in France in the first quarter of 1998, the acquisition of the remaining 50% interest of Brink's affiliate in Germany late in the second quarter of 1998, growth of the subsidiary in Argentina (a relatively new operation) and an increase in Venezuela. These increases were partially offset by a decrease in revenues in Brazil due to a weaker Brazilian Real while revenues from operations in Europe were adversely affected by the relative strength of the US dollar versus many European currencies in 1999. The 10% increase in operating profits was primarily due to improved results from operations and Brink's increased ownership position in France, improved operating performance in Brazil, Argentina and Brink's 20% owned affiliate in Mexico. These increases were partially offset by higher operating losses in Australia resulting from costs associated with its business expansion. Lower results from Venezuela, Chile and Colombia which were due to weaker business conditions in those countries also restrained the increase.

Brink's worldwide consolidated revenues totaled \$1.2 billion in 1998 compared to \$921.9 million in 1997, a 35% increase. Brink's 1998 operating profit of \$98.4 million represented a 21% increase over the \$81.6 million of operating profit reported in 1997.

Revenues from North American operations increased \$59.0 million (12%), to \$541.1 million in 1998. North American operating profit increased \$8.4 million (21%) to \$49.0 million in 1998. The revenue and operating profit improvement for 1998 primarily resulted from improvements in its armored car operations which include ATM services.

Revenues and operating profit from International operations in 1998 amounted to \$706.5 million and \$49.4 million, respectively. These amounts represented increases of \$266.9 million and \$8.4 million, respectively, from 1997. The increase in revenue was primarily due to the acquisition of substantially all of the remaining shares (62%) of the Brink's subsidiary in France in the first quarter of 1998 and of its subsidiary in Germany (50%) in the second quarter of 1998 as well as increased revenues in Venezuela. The 20% increase in operating profits primarily reflects improved results from operations in France, as well as the increased ownership. This growth in operating profit was partially offset by an equity loss from Brink's 20% owned affiliate in Mexico and costs associated with the expansion of operations in Australia and start-up operations in Argentina.

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

(Dollars in thousands)	Years Ended December 31		
	1999	1998	1997
-----			
Operating profit:			
Monitoring and service	\$ 77,728	73,245	63,457
Net marketing, sales and installation	(23,494)	(20,213)	(10,613)
-----			
Total segment profit	\$ 54,234	53,032	52,844
-----			
Monthly recurring revenues (a)	\$ 16,849	15,104	12,893
-----			
Number of subscribers:			
Beginning of period	585,565	511,532	446,505
Installations	105,623	113,491	105,630
Disconnects, net (b)	(47,911)	(39,458)	(40,603)
-----			
End of period	643,277	585,565	511,532
-----			
Depreciation and amortization	\$ 49,919	36,630	30,344
Cash capital expenditures	80,633	81,671	70,927
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(a) Monthly 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.

(b) Includes 4,281 related to the discontinuation of special limited service contracts for a large homeowners' association in 1997.

Revenues for BHS increased by \$25.1 million (12%) to \$228.7 million in 1999 from \$203.6 million in 1998 primarily as a result of increased monitoring and service revenues which reflected a 10% increase in the subscriber base and higher average monitoring fees. As a result of such growth, monthly recurring revenues grew 12% in 1999. Total installation revenue for 1999 decreased 1% as compared to 1998, as a reduction in the number of new security system installations more than offset an increase in revenue per installation as a result of the company's ability to increase prices.

Operating profit in 1999 increased \$1.2 million to \$54.2 million as compared to 1998. Largely as the result of the larger subscriber base, as well as higher average monitoring fees, earnings from monitoring and service activities increased significantly. This was partially offset by higher disconnect expenses on an increase in the number of subscriber disconnects; a combination of the higher 1999 disconnect rate and the higher subscriber base; as well as the higher average cost of the installed subscriber base. Customer retention initiatives were enhanced in the fourth quarter of 1999.

Growth in overall operating profit was also negatively affected by increases in the net cost of marketing, sales and installation related to gaining new subscribers which increased \$3.3 million during 1999 as compared to 1998. The increase in the net cost of marketing, sales and installation (expressed as an amount per installation) was primarily due to higher levels of sales and marketing costs incurred in response to competitive pressures in the residential security market and advertising media cost increases, partially offset by a decrease in the number of installations. Total net cost of marketing, sales and installation activities may decrease during 2000 as the result of several initiatives implemented in the fourth quarter of 1999, including increasing the connection fee per installation and a tightening of the company's credit policy. The success of these initiatives may also result in a further slow-down in the number of system installations. The overall intent, however, is to increase profitability and economic value.

Revenues in 1998 were \$24.0 million (13%) higher than the \$179.6 million generated in 1997 primarily as a result of growth in the subscriber base (14%), as well as higher average monitoring fees. As a result of such growth, monthly



recurring revenues grew 17% in 1998. Total installation revenue in 1998 decreased 4% as compared to 1997 largely as a result of lower revenue per installation due to the competitive environment in the residential security market which more than offset an increase in the number of new installations.

Growth in overall operating profit in 1998 as compared to 1997 was negatively affected by a \$9.6 million increase in the net cost of marketing, sales and installation related to gaining new subscribers. The increase in upfront net cost was primarily due to higher levels of sales and marketing costs incurred and expensed as a result of competitive pressures in the residential security market as well as advertising media cost increases.

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 1998 and 1997 by \$4.7 million and \$4.9 million, respectively. The effect of this change on operating profit for 1999 was not material.

#### BAX GLOBAL

The following are tables of selected financial data for BAX Global on a comparative basis:

(In thousands)	Years Ended December 31		
	1999	1998	1997
Operating revenues:			
Americas (a)	\$1,243,988	1,181,274	1,142,495
International	892,362	640,079	556,182
Eliminations/other	(52,936)	(44,373)	(36,339)
Total operating revenues	\$2,083,414	1,776,980	1,662,338
Operating profit (loss):			
Americas (b)	\$ 83,362	71,120	80,306
International	32,817	18,351	18,886
Other (b)	(54,719)	(90,099)	(35,928)
Total segment profit (loss)	\$ 61,460	(628)	63,264
Depreciation and amortization	\$ 40,410	35,287	29,667
Cash capital expenditures	94,465	75,648	30,955

(Dollars in millions)	Years Ended December 31		
	1999	1998	1997
Worldwide expedited freight services:			
Revenues	\$ 1,742.3	1,520.0	1,490.2
Weight (million pounds)	1,802	1,616	1,557
Shipments (thousands)	4,904	5,238	5,798

(a) Includes Intra-US revenue of \$654.4 million, \$626.7 million and \$628.4 million for 1999, 1998 and 1997, respectively. Intra-US revenue for 1998 has been restated to include additional fourth quarter charter revenues of approximately \$7 million.

(b) Global overhead costs have been reallocated between the Americas and Other in 1999 to more accurately reflect the global services provided and to be consistent with new performance measurements. Prior years' operating profit (loss) for the Americas region and Other have been reclassified to conform to the current year's classification.

BAX Global operates in the Americas and internationally. The Americas includes the domestic and export business of the United States ("US"), Latin America and Canada; International includes BAX Global's European and Asia-Pacific operating regions. Each region includes both expedited and non-expedited freight services. Revenues and profits on expedited freight services are shared among the origin and destination countries on all export volumes. Accordingly, BAX Global's US business, the region with the largest export volume, significantly impacts the trend of results in BAX Global's worldwide expedited freight services. Non-expedited freight services primarily include supply chain management and ocean freight services. In addition, BAX Global operates an international customs brokerage business as well as a federally certificated airline, Air Transport International ("ATI"), which was acquired in April 1998. ATI's results, net of intercompany eliminations, are included in the Americas region. Eliminations/other revenues primarily include intercompany revenue eliminations on shared services. Other primarily consists of global support costs including global IT costs and goodwill amortization. In 1998, Other also included additional expenses of approximately \$36 million (discussed below). In 1997, Other included special consulting expenses of \$12.5 million.

BAX Global's worldwide operating revenues increased 17% to \$2.1 billion in 1999 as compared to \$1.8 billion in 1998, with increases in both the Americas and International regions. In 1999, BAX Global reported an operating profit of \$61.5 million, as compared to an operating loss in 1998 of \$0.6 million. In 1998, BAX Global's operating results were adversely affected by the aforementioned additional expenses of approximately \$36 million. (See further discussion below.) Operating profit in 1999 included the benefit of \$1.6 million of incentive accrual reversal related to 1998 as such incentives were not paid as a result of a management decision made during the first quarter of 1999. The majority of that benefit impacted BAX Global's International region.

Revenues and operating profit in the Americas increased \$62.7 million (5%) and

\$12.2 million (17%), respectively, in 1999 as compared to 1998. The increase in revenue was primarily due to a full year's ownership of ATI, which was acquired in April 1998, and growth in US domestic, Canada and Mexico expedited freight revenue. The increase in US domestic expedited revenue was mainly due to the continued expansion of higher yielding time definite and guaranteed delivery products, partially offset by a slight decrease in domestic expedited volume. The increase in operating profit in the Americas region was largely the result of margin improvements on US domestic freight services which reflected higher time definite and guaranteed delivery product volumes as well as lower US domestic transportation costs.

Lower US domestic transportation costs were favorably impacted by operating efficiencies which primarily resulted from BAX Global's mode-neutral transportation capabilities as well as lower fuel expense due to lower usage partially offset by higher maintenance costs. Recent increases in jet fuel prices have been mitigated by BAX Global's hedge positions which are used by the Company to minimize the variability of such prices. In addition, the Company, in some cases, is able to adjust its pricing to reflect large increases in the cost of the jet fuel. The benefits from US domestic margin improvements were partially offset by higher administrative and station expenses, as well as higher ATI operating costs (included for a full year in 1999, eight months in 1998). In addition, US transportation costs in the first half of 1998 were negatively impacted by service disruptions due to weather delays and equipment problems. In line with the Company's focus on service, in the first part of 2000, BAX Global is incurring higher levels of spending as compared to the same period of 1999 in order to achieve more consistent service and performance quality. Such spending is expected to have an impact on BAX Global's results of operations.

In 1999, International revenues and operating profit increased \$252.3 million (39%) and \$14.5 million (79%), respectively, compared to 1998. The growth in revenue and operating profit reflected increased expedited freight services revenue (resulting from higher volumes) as well as increased supply chain management services revenue due to new business, primarily in Asia, from several high technology industry customers obtained in late 1998 and early 1999. The growth in expedited revenue also reflected the acquisition of the remaining 67% interest in a freight agent in Taiwan in the first quarter of 1999. In addition, operating profit in 1999 reflected the benefit of the aforementioned reversal of incentive accrual in the amount of \$1.3 million, while operating profit in 1998 reflected higher IT costs in Europe as well as increased provisions for bad debt expense in India.

Increases in eliminations/other revenue is consistent with increased revenues on shipments across national borders. Other operating loss decreased \$35.4 million due to the additional expenses of approximately \$36 million in 1998. In addition, 1999 reflects higher global administrative expenses primarily due to increases in global head count partially offset by lower global information technology costs.

BAX Global's worldwide operating revenues increased 7% to \$1.8 billion in 1998 as compared to \$1.7 billion in 1997, with increases in both the Americas and International regions. BAX Global reported an operating loss of \$0.6 million in 1998, including the additional expenses of approximately \$36 million, as compared to an operating profit of \$63.3 million reported in 1997, which included special consulting expenses of \$12.5 million.

Revenues in the Americas increased \$38.8 million (3%) in 1998 as compared to 1997, while operating profit decreased from \$80.3 million to \$71.1 million for the same period. The increase in revenue was primarily due to the inclusion of revenues for eight months of the year due to the acquisition of ATI. Expedited freight services revenues decreased due to lower volumes and lower average yield. Lower average yields in 1998 reflected the impact of economic conditions in Asia, which resulted in less export traffic to higher yielding Asian markets. In addition, 1997 reflects higher average pricing, which benefited from a strike against UPS, as well as the favorable impact of shipment surcharges. The decrease in operating profit in the Americas region is due to higher levels of transportation and operating costs, as a percentage of revenues, in the USA incurred in anticipation of higher volumes combined with the cost of service disruptions due to weather delays and equipment problems, along with higher initial ATI operating costs. In addition, operating profit in 1997 benefited from the previously mentioned UPS strike.

In 1998, International revenues increased \$83.9 million (15%) while operating profit decreased \$0.5 million (3%) compared to 1997. The growth in revenues was largely the result of the formation in early 1998 of a joint venture partnership with an air freight agent in South Korea, the acquisition in late 1997 of an air freight agent in South Africa, new supply chain management business obtained during 1998 and the full year effect of the 1997 acquisition of Cleton & Co. The slight decline in operating profit reflected higher recurring IT costs in 1998 in Europe as well as increased provisions for bad debts in India which more than offset the benefit of the growth in revenues.

Eliminations/other revenue increased during 1998 primarily due to increases in revenues on shipments across national borders. Other costs increased \$54.2 million primarily due to the inclusion in 1998 of the approximately \$36 million aforementioned additional expenses and higher global IT costs including Year 2000 initiatives. Other operating loss in 1997 was negatively impacted by special consulting expenses of \$12.5 million.

During 1998, BAX Global incurred additional expenses of approximately \$36 million, nearly all of which was recorded in selling, general and administrative expenses. These expenses were comprised of several items. In accordance with Statement of Financial Accounting Standards ("SFAS") No. 121 "Accounting for Long-Lived Assets and Long-Lived Assets to be Disposed Of" BAX Global recorded write-offs for software costs of approximately \$16 million. These write-offs consisted of the costs

associated with certain in-process software development projects that were canceled and unamortized costs of existing software applications that were determined by management to have no future service potential or value. Provisions aggregating approximately \$13 million were recorded on existing receivables during 1998, primarily to reflect the impact of more difficult operating conditions in Asia and Latin America. Approximately \$7 million was accrued for severance and other expenses primarily stemming from a realignment of BAX Global's organizational structure. During 1999, BAX Global reversed approximately \$0.1 million of the accrued severance representing the unused portion of the initial accrual established at September 30, 1998.

#### COAL OPERATIONS

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

(In thousands)	Years Ended December 31		
	1999	1998	1997
Coal margin	\$ 17,780	34,970	45,482
Other operating income	5,641	13,740	5,214
Restructuring and other credits	1,467	1,479	3,104
Margin and other income	24,888	50,189	53,800
Idle equipment and closed mines (a)	18,226	7,078	2,309
Inactive employee cost	36,528	27,808	27,419
Selling, general and administrative	20,890	18,884	18,798
Impairment charges	73,657	-	-
Total other costs and expenses	149,301	53,770	48,526
Total segment profit (loss)	\$(124,413)	(3,581)	5,274
Depreciation and amortization	\$ 31,449	32,056	34,303
Cash capital expenditures	11,565	17,148	20,444
Coal sales (tons):			
Metallurgical	4,829	7,019	7,655
Steam	8,019	9,718	12,813
Total coal sales	12,848	16,737	20,468
Production/purchased (tons):			
Production	10,620	12,852	16,646
Purchased	2,346	3,536	4,075
Total	12,966	16,388	20,721
Coal margin per ton	\$ 1.38	2.09	2.23

(a) Amounts in 1999 include \$8.6 million related to the closure of a deep mine in West Virginia announced in December 1999. Approximately \$5.3 million of the charge related to the impairment of long-lived assets with the remaining \$3.3 million representing other closure costs.

Coal Operations operating results in 1999 include the impact of impairment and other charges of \$82.3 million. As previously reported, the Company engaged a mining consulting firm to perform a comprehensive study (which was substantially completed in the fourth quarter of 1999) of its coal resources. Such study included a thorough evaluation of the quality, recoverability and economic feasibility of all available reserves as well as a per ton estimate of residual values for each property's reserves. The Company used the reserve study as a basis for evaluating the expected future cash flows of its mining operations. Furthermore, in light of the approval by the Board in December 1999 of a plan to exit the coal business, the term of the cash flow projections was revised to include an assumed exit date from the coal business.

The Company, in accordance with SFAS No. 121, estimated the future cash flows expected to result from the use of the assets until an assumed disposition date, along with a residual value for such assets as of such date. For certain long-lived assets, the sum of such expected future cash flows (undiscounted and without interest charges) was estimated to be less than the carrying value, primarily due to the fact that the term for expected future cash flows was significantly reduced as a result of the Company's decision to exit the coal business. As a result, the Company determined that certain West Virginia operations and certain other coal reserves, as well as a joint venture interest in a coal export facility, met the criteria for impairment under SFAS No. 121 or APB Opinion No. 18, "The Equity Method of Accounting for Investment in Common Stock." This impairment resulted in a pretax charge of \$73.7 million, primarily impacting goodwill (\$42.1 million), a joint venture interest (\$15.6 million) and coal lands and other assets (\$16.0 million). In addition, the Company announced the closing in late December 1999 of its Meadow River mine in West Virginia, which resulted in an additional charge of \$8.6 million, of which \$5.3 million related to the impairment of long-lived assets and \$3.3 million related to an accrual for other closure costs. Of the total pretax charge of \$82.3 million, \$42.1 million related to goodwill and was included in selling, general and administrative expenses. The remaining \$40.2 million was included in cost of sales. Substantially all of the aforementioned impairment charges were non-cash. The majority of the closure-related costs of \$3.3 million are expected to be paid within one year.

Until the Company meets the measurement date criteria under APB Opinion No. 30, "Reporting the Results of Operations- Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions", Coal Operations will continue to be reported as an operating segment. The impairment charges recorded in 1999 do not necessarily reflect all of the losses that may be recorded upon the future disposition of the coal assets, including additional expenses related to certain defined benefit and multi-employer plans as well as the net losses expected to occur from the measurement date to the closing date of the sale.

Coal Operations sales decreased \$115.9 million in 1999 from 1998, largely as a result of reduced sales volume, which declined 3.9 million tons from the 16.7 million tons sold in 1998. Compared to 1998, steam coal sales in 1999 decreased by 1.7 million tons (17%), to 8.0 million tons and metallurgical coal sales

declined by 2.2 million tons (31%), to 4.8 million tons. The steam sales reduction was due primarily to the sale of certain coal assets at the Elkay mining operation in West Virginia ("Elkay Assets") discussed below, and the closing of a surface mine in Kentucky during 1998. The decline in metallurgical sales was primarily due to a continued softness in market conditions resulting from weak export markets for metallurgical coal and a strong US dollar relative to the currencies of other coal exporting nations. Steam coal sales represented 62% of total volume in 1999 and 58% in 1998.

Excluding the impact of the coal related impairment and other charges of \$82.3 million, Coal Operations generated an operating loss of \$42.1 million in 1999 as compared to \$3.6 million in 1998. The lower results were due to a \$17.2 million reduction in total coal margin and increases in idle and closed mine cost, inactive employee cost and selling, general and administrative expenses. Operating loss in 1999 includes costs associated with salaried staff reductions while operating loss in the 1998 period includes a benefit of approximately \$3.2 million related to net gains on the sale of assets and a gain on litigation settlement of \$2.6 million.

The reduction in coal margin in 1999 was due to a 92% year-over-year decline in metallurgical coal margins and to a lesser extent, higher production costs for steam coal related to permitting delays discussed below. Metallurgical coal margins were negatively impacted in 1999 by lower prices, particularly in export markets. Export metallurgical sales in 2000 are expected to be lower than those of 1999, primarily as a result of the disadvantage caused by the relative strength of the US dollar versus currencies of other metallurgical coal producing countries. As a result, metallurgical margins are expected to be negative in 2000.

Production in 1999 decreased 2.2 million tons over 1998 due to the idlement of the Meadow River mine throughout much of 1999, the sale of the Elkay Assets in 1998 and the closing of a surface mine in Kentucky in late 1998, while purchased coal declined from 3.5 million tons in 1998 to 2.3 million tons during 1999.

Idle and closed mine costs increased \$11.1 million during the year, largely the result of \$8.6 million of costs related to the closing of the Meadow River mine in West Virginia. In addition, the increase in expenses reflect the effects of the idling of this mine throughout much of 1999 in response to the previously mentioned weak market conditions. Expenses in 1998 reflected a \$2.0 million inventory writedown associated with the sale of the Elkay Assets in 1998.

Inactive employee costs primarily represent the cost of long-term liabilities for pension and retiree medical costs. Inactive employee costs in 1999 increased 31% from 1998 primarily due to higher costs related to certain long-term benefit obligations as a result of reductions in the amortization of actuarial gains, a decrease in discount rates used to calculate the present value of the liabilities and higher premiums for the Coal Industry Retiree Health Benefit Act of 1992.

Excluding the impact of the previously mentioned \$42.1 million write down of goodwill, selling, general and administrative expenses for 1999 increased \$2.0 million over 1998, primarily as a result of additional bad debt expense related to the bankruptcy of a significant user of Coal Operation's metallurgical coal.

Coal Operations sales decreased \$108.8 million in 1998 from 1997. Sales volume in 1998 was 3.7 million tons less than the 20.5 million tons sold in 1997. Compared to 1997, steam coal sales in 1998 decreased by 3.1 million tons (24%), to 9.7 million tons and metallurgical coal sales declined by 0.6 million tons (8%), to 7.0 million tons. The steam sales reduction was due primarily to reduced production at the Elkay mine and the subsequent sale of Elkay Assets discussed below. Steam coal sales represented 58% of total volume in 1998 and 63% in 1997.

For 1998, Coal Operations generated an operating loss of \$3.6 million as compared to an operating profit of \$5.3 million in 1997. The lower results were primarily due to a \$10.5 million decrease in total coal margin, offset by a net gain on the sale of certain coal assets (\$3.2 million, discussed below), and a gain on litigation settlement (\$2.6 million). In addition, idle and closed mine costs increased \$4.8 million during the year.

Total coal margin in 1998 decreased due to lower sales volume combined with a decrease in coal margin per ton. Coal margin per ton decreased to \$2.09 per ton in 1998 from \$2.23 per ton for 1997. This overall change during the year was due to a decrease in export metallurgical coal margins, amplified by a change in the sales and production mix created by the sale of Elkay Assets. Metallurgical coal margins were also negatively impacted in 1998 by lower export pricing. Despite the decreases in metallurgical coal realization per ton, overall realization per ton increased as a greater proportion of coal sales came from metallurgical coal, which generally has a higher realization per ton than steam coal. However, current production cost per ton of coal sold increased primarily due to a correspondingly higher proportion of metallurgical production which is generally more costly.

Production in 1998 decreased 3.8 million tons over 1997 due to the aforementioned sale of Elkay Assets, while purchased coal declined from 4.1 million tons in 1997 to 3.5 million tons during the year.

Idle and closed mine costs increased \$4.8 million during 1998 over 1997. Of this increase, approximately \$2.0 million relates to inventory write-downs resulting from the sale of the Elkay Assets, discussed in detail below. This amount is included in the \$3.2 million net gain discussed below. The remaining \$2.8 million of the increase in idle and closed mine costs relates to the recording of additional reclamation reserves which were needed for existing idle or closed facilities.

During 1998, Coal Operations disposed of certain assets and properties that resulted in a net pretax gain of \$3.2 million. The first sale occurred in the second quarter of 1998 and included a surface steam mine, coal supply contracts and limited coal reserves, of its Elkay mining operation in West Virginia. The referenced mine produced approximately one million tons of steam coal in 1998 prior to cessation of operations in April 1998. Total cash proceeds from the sale approximated \$18 million, resulting in a pretax loss of approximately \$2.2 million. This loss includes approximately \$2.0 million of inventory write-downs (included in cost of sales) related to coal which could no longer be blended with other coals formerly available from these operations. In addition, during the third quarter of 1998, Coal Operations sold two idle coal properties in West Virginia and a loading dock in Kentucky for a pretax gain totaling \$5.4 million.

A controversy related to a method of mining called "mountaintop removal" that began in mid-1998 in West Virginia involving an unrelated party resulted in a suspension in the issuance of several mining permits for a portion of 1999. Although the suspension has been lifted, there has been a delay in Vandalia Resources, Inc., a wholly-owned subsidiary of Pittston Coal ("Vandalia"), being issued in a timely fashion, a mine permit necessary for its uninterrupted mining. Vandalia is actively pursuing the issuance of the permit, but when, or if, the permit will be issued is currently unknown. In light of the inability to determine when, and if a permit will be issued, the effect of the delay in obtaining this permit cannot be predicted. Since Vandalia's permits have not been issued, Vandalia has altered its operating plan to include the activation of the previously permitted Big Creek #2 Surface Mine property in Fayette County, West Virginia. Vandalia and other affected parties in West Virginia are currently exploring all legal and legislative remedies that may be available to resolve this matter. If the outstanding permits are not issued prior to the end of March 2000, then additional job and marketable production losses will likely occur.

During the year ended December 31, 1999, Vandalia produced approximately 2.4 million tons of coal resulting in sales value of approximately \$73 million.

At December 31, 1999, Pittston Coal had a liability of \$20.2 million for various restructuring costs, which was recorded as Restructuring and Other Credits in the Consolidated Statement of Operations in years prior to 1995. Although coal production has ceased at the mines covered by the accrual, Pittston Coal will incur reclamation and environmental costs for several years to bring these properties into compliance with standards for closed sites under federal and state environmental laws. However, management believes that the accrual, as adjusted, at December 31, 1999, should be sufficient to provide for these future costs. Management does not anticipate material additional future charges for these facilities, although continual cash funding will be required over the next several years. As a result of favorable workers' compensation claim developments and changes in estimates for mine and plant closure expenses, Pittston Coal reversed previously accrued amounts by \$1.5 million in both 1999 and 1998 and \$3.1 million in 1997.

The following table analyzes the changes in liabilities during the last three years for restructuring and other charges:

(In thousands)	Leased Machinery and Equipment	Mine and Plant Closure Costs	Employee Termination, Medical and Severance Costs	Total
Balance December 31, 1996	\$376	12,439	25,285	38,100
Reversals	-	-	3,104	3,104
Payments (a)	376	1,764	2,010	4,150
Other	-	468	(468)	-
Balance December 31, 1997	-	11,143	19,703	30,846
Reversals	-	-	1,479	1,479
Payments (b)	-	1,238	1,917	3,155
Other reductions (c)	-	999	-	999
Balance December 31, 1998	-	8,906	16,307	25,213
Reversals	-	616	851	1,467
Payments (d)	-	1,694	1,834	3,528
Balance December 31, 1999	\$ -	6,596	13,622	20,218

(a) Of the total payments made in 1997, \$3,053 was for liabilities recorded in years prior to 1993, \$125 was for liabilities recorded in 1993 and \$972 was for liabilities recorded in 1994.

(b) Of the total payments made in 1998, \$2,491 was for liabilities recorded in



years prior to 1993, \$10 was for liabilities recorded in 1993 and \$654 was for liabilities recorded in 1994.

(c) These amounts represent the assumption of liabilities by third parties as a result of sales transactions.

(d) Of the total payments made in 1999, \$3,105 was for liabilities recorded in years prior to 1993, \$1 was for liabilities recorded in 1993 and \$422 was for liabilities recorded in 1994.

During the next twelve months, expected cash funding of these charges is expected to approximate \$3 million to \$5 million. The liability for mine and plant closure costs is expected to be satisfied over the next 7 years, of which approximately 50% is expected to be paid over the next two years. Approximately half of the liability for workers' compensation is estimated to be settled over the next 4 years with the balance paid during the following 5 to 7 years.

In October 1992, the Coal Industry Retiree Health Benefit Act of 1992 (the "Health Benefit Act") was enacted as part of the Energy Policy Act of 1992. The Health Benefit Act established rules for the payment of future health care benefits for thousands of retired union mine workers and their dependents. The Health Benefit Act established a trust fund to which "signatory operators" and "related persons", including the Company and certain of its subsidiaries (collectively, the "Pittston Companies"), are jointly and severally liable to pay annual premiums for assigned beneficiaries, together with a pro rata share for certain beneficiaries who never worked for such employers ("unassigned beneficiaries"), including, in the Company's case, the Pittston Companies in amounts determined on the basis set forth in the Health Benefit Act. In October 1993 and at various times in subsequent years, the Pittston Companies have received notices from the Social Security Administration (the "SSA") with regard to the assigned beneficiaries for which the Pittston Companies are responsible under the Health Benefit Act. For 1999, 1998 and 1997, these amounts, on a pretax basis, were approximately \$10.4 million, \$9.6 million, and \$9.3 million, respectively.

As a result of legal developments in 1998 involving the Health Benefit Act, the Company experienced an increase in its assessments under the Health Benefit Act for the twelve month period beginning October 1, 1998, of approximately \$1.7 million, \$1.1 million of which relates to retroactive assessments for years prior to 1998. This increase consisted of charges for death benefits which are provided for by the Health Benefit Act, but which previously had been covered by other funding sources. As with all the Company's Health Benefit Act assessments, this amount was paid in 12 equal monthly installments over the plan year that began October 1, 1998. The Company is unable to determine at this time whether any other additional amounts will apply in future plan years.

The Company currently estimates that the annual cash funding under the Health Benefit Act for the Pittston Companies' assigned beneficiaries will continue at the same annual level for the next several years and should begin to decline thereafter as the number of such assigned beneficiaries decreases.

Based on the number of beneficiaries actually assigned by the SSA, the Company estimates the aggregate pretax liability relating to the Pittston Companies' beneficiaries at December 31, 1999 to be approximately \$154 million, which when discounted at 7.5% provides a present value estimate of approximately \$78 million. The reduction in the present value estimate from approximately \$99 million as of December 31, 1998 to approximately \$78 million as of December 31, 1999 reflected a change in certain actuarial assumptions to reflect actual experience and, to a lesser extent, a change in the discount rate. The Company accounts for the obligations under the Health Benefit Act as a participant in a multi-employer plan and the annual cost is recognized on a pay-as-you-go basis.

In addition, under the Health Benefit Act, the Pittston Companies are jointly and severally liable for certain post-retirement health benefits for thousands of retired union mine workers and their dependents. Substantially all of the Company's accumulated postretirement benefit obligation as of December 31, 1999 for retirees of \$283.2 million relates to such retired workers and their beneficiaries.

The ultimate obligation that will be incurred by the Company could be significantly affected by, among other things, increased medical costs, decreased number of beneficiaries, governmental funding arrangements and such federal health benefit legislation of general application as may be enacted. In addition, the Health Benefit Act requires the Pittston Companies to fund, pro rata according to the total number of assigned beneficiaries, a portion of health benefits for unassigned beneficiaries. At this time, the funding for such health benefits is being provided from another source and for this and other reasons the Pittston Companies' ultimate obligation for the unassigned beneficiaries cannot be determined.

The Company has established a Voluntary Employees' Beneficiary Association ("VEBA") in order to tax efficiently fund certain retiree medical liabilities primarily for retired coal miners and their dependents. While the anticipated proceeds from the planned sales of the coal business will provide funding for the VEBA, additional funding from operations may be required over time. The Company contributed \$15 million to the VEBA in December 1999.

The coal operating companies included within Pittston Coal are generally liable under federal laws requiring payment of benefits to coal miners with pneumoconiosis ("black lung"). Further, the coal operating subsidiaries are subject to the federal black lung excise tax ("FBLET") imposed upon domestic coal sales by the Black Lung Benefits Revenue Act of 1977 and the Black Lung Benefits Reform Act of 1977, as amended by the Black Lung Benefits and Revenue Amendments Act of 1981, the Consolidated Omnibus Budget Reconciliation Act of 1985 and the Omnibus Budget Reconciliation Act of 1987. The FBLET currently is levied on domestic coal sales in an amount equal to

\$1.10 per ton for deep-mined coal and \$0.55 per ton for surface-mined coal, but not to exceed 4.4% of the sales price. The Company cannot predict whether any future legislation affecting changes in the FBLET will be enacted. On December 28, 1998, the US District Court for the Eastern District of Virginia (the "Court") found that the FBLET imposed under section 4121 of the Internal Revenue Code, as assessed against export coal sales, to be unconstitutional. On February 10, 1999, the Court entered a final judgment in favor of certain of Coal Operations subsidiaries, ordering a refund to the subsidiaries of approximately \$0.7 million (plus interest) for the FBLET that those companies paid for the quarter ended March 31, 1997. The government did not appeal the judgment. A refund of \$0.8 million (including interest) was received in July, 1999. The Company is seeking additional refunds of the FBLET it paid on export coal sales for all open statutory periods. The ultimate amounts and timing of such refunds, if any, cannot be determined at the present time. As a result of the Court's judgment, Coal Operations is no longer required to pay the tax on exported coal sales.

#### OTHER OPERATIONS

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

(In thousands)	1999	Years Ended December 31	
		1998	1997
-----			
Net sales:			
Mineral Ventures	\$ 13,653	15,333	17,719
Allied Operations (a)	11,420	7,999	8,767
-----			
Total net sales	\$ 25,073	23,332	26,486
-----			
Operating profit (loss):			
Mineral Ventures	\$ (5,306)	(1,031)	(2,070)
Allied Operations (a)	6,067	6,788	6,943
-----			
Total segment profit	\$ 761	5,757	4,873
-----			
Depreciation and amortization:			
Mineral Ventures	\$ 3,218	2,735	1,968
Allied Operations	1,470	1,219	1,048
-----			
Total depreciation and amortization	\$ 4,688	3,954	3,016
-----			
Cash capital expenditures:			
Mineral Ventures	\$ 4,228	3,418	3,919
Allied Operations	5,089	3,416	1,979
-----			
Total cash capital expenditures	\$ 9,317	6,834	5,898
-----			

(a) Primarily consists of timber and natural gas operations.

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

	1999	Years Ended December 31	
		1998	1997
-----			
Stawell Gold Mine:			
Mineral Ventures' 50% direct share:			
Ounces sold	47,245	46,281	42,024
Ounces produced	47,195	46,749	42,301
Average per ounce sold (US\$):			
Realization (a)	\$ 289	330	422
Cash cost	251	212	302
-----			

(a) 1997 includes proceeds from the liquidation of a gold forward sale hedge position in July 1997. The proceeds from this liquidation were fully recognized by December 31, 1997.

Mineral Ventures primarily consists of a 50% direct interest in the Stawell gold mine ("Stawell") in Western Victoria, Australia. The remaining 50% interest in Stawell is owned by Mining Project Investors ("MPI"). In addition, Mineral Ventures has a 45% ownership interest in its joint venture partner MPI (40% on a diluted basis).

Mineral Ventures generated net sales during 1999 of \$13.7 million, an 11% decrease from the \$15.3 million reported in 1998. The decrease in net sales resulted from lower realizations partially offset by higher levels of gold ounces sold, which increased from 46.3 thousand ounces to 47.2 thousand ounces in 1999.

Mineral Ventures generated an operating loss of \$5.3 million in 1999 compared to \$1.0 million in 1998. The cash cost per ounce of gold sold increased from \$212 in 1998 to \$251 in 1999. Production costs in 1999 were negatively impacted by a high percentage of low grade ore milled during the first quarter and by inefficiencies resulting from the delay in installation of a ventilation shaft

during 1999.

Mineral Ventures generated net sales during 1998 of \$15.3 million, a 13% decrease from the \$17.7 million reported in 1997. The operating loss of \$1.0 million in 1998 represents an improvement from the \$2.1 million operating loss in 1997.

The decrease in net sales during 1998 was due to declining gold prices in the market, partially offset by higher levels of gold ounces sold. Operating profit during the same period was negatively impacted by lower sales levels, but benefited from reduced production costs. Production costs were lower in 1998 primarily due to a weaker Australian dollar, while costs in 1997 were negatively impacted by unfavorable ground conditions and mine repair costs. In addition, operating results in 1998 benefited from increased equity earnings in its Australian affiliate resulting from a gain on the sale of certain nickel operations.

Revenues from the Allied Operations increased \$3.4 million and operating profit decreased \$0.7 million in 1999 as compared to 1998. The lower operating profit in 1999 was largely due to lower timber results.

Revenues and operating profit from the Allied Operations decreased \$0.8 million and \$0.2 million, respectively, to \$8.0 million and \$6.8 million, respectively, for 1998 as compared to 1997. The decrease in revenues was due to a decline in natural gas prices.

#### FOREIGN OPERATIONS

A portion of the Company's financial results is derived from activities in well over 100 countries each with a local currency other than the US dollar. Because the financial results of the Company are reported in US dollars, they are affected by changes in the value of the various foreign currencies in relation to the US dollar. Changes in exchange rates may also adversely affect transactions which are denominated in currencies other than the functional currency. The Company periodically enters into such transactions in the course of its business. The diversity of foreign operations helps to mitigate a portion of the impact that foreign currency fluctuations in any one country may have on the translated results. The Company, from time to time, uses foreign currency forward contracts to hedge transactional risks associated with foreign currencies. (See "Market Risk Exposures" below.) Translation adjustments of net monetary assets and liabilities denominated in the local currency relating to operations in countries with highly inflationary economies are included in net income, along with all transaction gains or losses for the period. A subsidiary in Venezuela operates in such a highly inflationary economy. Prior to January 1, 1999, the economy of Mexico, in which the Company has an affiliate and a subsidiary, was considered hyper-inflationary. Prior to January 1, 1998, the economy in Brazil, in which the Company has subsidiaries, was also considered highly inflationary.

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

#### CORPORATE EXPENSES

In 1999, general corporate expenses totaled \$23.0 million compared with \$27.9 million and \$19.7 million in 1998 and 1997, respectively. Corporate expenses in 1999 included professional fees and expenses of approximately \$1.3 million related to the Company's December 6, 1999 announcement to eliminate its tracking stock capital structure. Corporate expenses in 1998 included costs associated with a severance agreement with a former member of the Company's senior management and \$5.8 million of additional expenses relating to a retirement agreement between the Company and its former Chairman and CEO.

#### OTHER OPERATING INCOME, NET

Other net operating income, which is a component of each operating segment's previously discussed operating profit, principally includes the Company's share of net income of unconsolidated foreign affiliates, royalty income, foreign currency exchange gains and losses, and gains and losses from sales of coal assets. Other net operating income for 1999 decreased \$5.1 million to \$16.0 million and increased \$7.1 million to \$21.1 million in 1998 from the \$14.0 million recorded in 1997. The lower level of income in 1999 as compared to 1998 primarily relates to higher gains on coal asset sales in 1998 coupled with higher gains from the settlement of litigation in 1998 at Pittston Coal, partially offset by higher equity earnings in 1999 at affiliates of Brink's. The higher level of other net operating income in 1998 as compared to 1997 primarily relates to higher levels of gains on the sale of coal assets, a gain on a litigation settlement by Pittston Coal and higher levels of net income of Mineral Ventures unconsolidated Australian foreign affiliate. Partially offsetting these amounts were lower foreign currency exchange gains.

#### INTEREST EXPENSE, NET

Net interest expense totaled \$32.6 million in 1999 compared with \$33.7 million in 1998 and \$22.7 million in 1997. Lower levels of net interest expense in 1999 over 1998 were primarily due to significantly lower interest rates, as well as lower borrowings in Venezuela, which more than offset higher average borrowings under the Company's \$350.0 million credit facility with a syndicate of banks. The increase in 1998 was primarily due to unusually high interest rates in Venezuela associated with local currency borrowings in that country and, to a lesser extent, was due to increased borrowings resulting from capital expenditures and from acquisitions by both Brink's and BAX Global to expand their operations.

#### OTHER INCOME/EXPENSE, NET

Other net income in 1999 of \$7.4 million represented an increase of \$3.6 million over the 1998 income of \$3.8 million, primarily due to a gain on the partial sale of a restricted investment held by BAX Global. The investment is carried at cost due to its restricted nature. Future gains on the sale of this investment may result. However, due to the restricted nature of the investment, the timing and amount of potential future gains is not known. This gain was partially offset by lower foreign translation gains in 1999. Other net income in 1998 of \$3.8 million represented an \$11.0 million increase from the \$7.1 million net expense reported in 1997. Other net income in 1998 reflects higher foreign translation gains, lower minority interest expense for Brink's consolidated subsidiaries and a gain on the sale of surplus aircraft by BAX Global.

#### INCOME TAXES

In 1999, 1998 and 1997, the provision for income taxes was less than the statutory federal income tax rate of 35% primarily 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. In 1999, the provision for income taxes was impacted by the coal-related impairment and other charges, which caused permanently deductible items (primarily percentage depletion) to be a more significant factor in calculating the effective tax rate (27% for 1999). In 1998, the \$36 million of additional expenses at BAX Global also caused non-deductible items (principally goodwill amortization) to be a more significant factor in calculating the effective tax rate (31% for 1998).

Based on the Company's historical and future 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 December 31, 1999.

The Company's future effective tax rate could be negatively impacted by the potential sale of the Company's Coal Operations primarily due to the fact that those operations generate significant tax benefits from the percentage depletion deduction. Due to the fact that the timing and method of the disposition of those assets is uncertain, the potential impact on the future effective tax rate cannot be estimated at this time.

The Company's previous tracking stock capital structure contributed to quarterly fluctuations in its consolidated effective tax rate. Under the reporting structure used previously, a separate effective tax rate was determined for each Group and was applied to each Group's quarterly pretax earnings. Applying three separate effective tax rates to varying pretax earnings by quarter created fluctuations in the Pittston consolidated rate on a quarterly basis. However, with the elimination of the tracking stock capital structure, the Company will report its results of operations as one consolidated entity. As a result, the effective tax rate is expected to be relatively consistent from quarter to quarter, exclusive of the impact of the potential coal sale or other extraordinary items.

#### FINANCIAL CONDITION

##### CASH FLOW REQUIREMENTS

Cash provided by operating activities totaled \$329.3 million in 1999, an increase of \$97.5 million from the \$231.8 million generated during 1998. This increase resulted from higher net cash earnings combined with a decrease in the cash required to fund working capital. The decrease in cash required to fund working capital is primarily due to fluctuations in accounts payable and accrued liabilities.

##### INVESTING ACTIVITIES

Cash capital expenditures for 1999 of \$280.5 million were \$23.9 million higher than 1998 which totaled \$256.6 million. Of the amount of cash capital expenditures, \$84.4 million (30%) was spent by Brink's, \$80.6 million (29%) was spent by BHS, \$94.5 million (34%) was spent by BAX Global, \$11.6 million (4%) was spent by Coal Operations and \$9.3 million (3%) was spent by Other Operations. Expenditures were primarily for new BHS customer installations, expansion or replacement of assets used in current ongoing business operations and the development of new information systems as well as additional aircraft related expenditures in 1999 at BAX Global. Cash capital expenditures in 2000 are currently expected to range from approximately \$255 million to \$270 million reflecting lower IT spending at Brink's and fewer customer installations at BHS.

The foregoing amounts exclude expenditures that have been or are expected to be financed through capital and operating leases and any acquisition expenditures.

The increase in heavy maintenance expenditures of \$12.5 million during 1999 was primarily due to an increase in hours flown, primarily reflecting the acquisition of ATI in April 1998, as well as an overall increase in the costs of heavy maintenance repairs.

Cash flows from investing activities also include the previously mentioned proceeds from the partial sale of a restricted investment held by BAX Global, more than offset by the initial funding of \$15 million to the VEBA. In 1998, cash flows from investing activities benefited from additional proceeds from the sale of property, plant and equipment which partially offset the impact of the acquisition of ATI for a purchase price of approximately \$29 million.

##### FINANCING ACTIVITIES

The Company intends to fund capital expenditures through cash flow from operating activities or 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.

Cash flows provided by financing activities were \$44.8 million for 1999 compared with \$83.2 million in 1998. The 1998 levels reflect additional net borrowings of \$31.7 million, primarily resulting from higher working capital requirements as well as the acquisition of ATI in April 1998. In addition, 1999 includes additional borrowings used to finance the purchase of the Company's Preferred Stock (discussed in more detail below).

The Company has a \$350.0 million 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. The maturity date of both the term loan and revolving credit portion of the Facility is May 2001. Interest on borrowings under the Facility is payable at rates based on prime, certificate of deposit, Eurodollar or money market rates. At December 31, 1999 and 1998, borrowings of \$100.0 million were outstanding under the term loan portion of the Facility and \$185.0 million and \$91.6 million, respectively, of additional borrowings were outstanding under the remainder of the Facility.

As of December 31, 1999, the Company had approximately \$35 million in overnight investments largely resulting from preparations taken in light of potential Year 2000 impacts on such markets. Subsequent to year end, this cash was used to pay down borrowings under the Facility.

Under the terms of the Facility, the Company has agreed to maintain at least \$400.0 million of Consolidated Net Worth, as such term is defined in the Facility, and can incur additional indebtedness of approximately \$430 million at December 31, 1999.

#### MARKET RISK EXPOSURES

The Company has activities in well over 100 countries and a number of different industries. These operations expose the Company to a variety of market risks, including the effects of changes in foreign currency exchange rates and interest rates. In addition, the Company consumes and sells certain commodities in its businesses, exposing it to the effects of changes in the prices of such commodities. These financial and commodity exposures are monitored and managed by the Company as an integral part of its overall risk management program. The diversity of foreign operations helps to mitigate a portion of the impact that foreign currency rate fluctuations in any one country may have on the translated results. The Company's risk management program considers this favorable diversification effect as it measures the Company's exposure to financial markets, and as appropriate, seeks to reduce the potentially adverse effects that the volatility of certain markets may have on its operating results.

The Company enters into various derivative and non-derivative hedging instruments, as discussed below, to hedge its foreign currency, interest rate, and commodity exposures when appropriate. The risk that counterparties to such instruments may be unable to perform is minimized by limiting the counterparties to major financial institutions. Management of the Company does not expect any losses due to such counterparty default.

The Company assesses interest rate, foreign currency, and commodity risks by continually identifying and monitoring changes in interest rate, foreign currency and commodity exposures that may adversely impact expected future cash flows and by evaluating hedging opportunities. The Company maintains risk management control systems to monitor these risks attributable to both the Company's outstanding and forecasted transactions as well as offsetting hedge positions. The risk management control systems involve the use of analytical techniques to estimate the expected impact of changes in interest rates, foreign currency rates and commodity prices on the Company's future cash flows. The Company does not use derivative instruments for purposes other than hedging.

The sensitivity analyses discussed below for the market risk exposures were based on facts and circumstances in effect at December 31, 1999. Actual results will be determined by a number of factors that are not under management's control and could vary significantly from those disclosed.

#### Interest Rate Risk

The Company primarily uses variable-rate debt denominated in US dollars and foreign currencies, including Venezuelan bolivars, French francs, Singapore dollars, British pounds and Dutch guilders, to finance its operations. These debt obligations expose the Company to variability in interest expense due to changes in the general level of interest rates in these countries. Venezuela is considered a highly inflationary economy, and therefore, the effects of increases or decreases in that country's interest rates may be partially offset by corresponding decreases or increases in the currency exchange rates that will affect the US dollar value of the underlying debt.

In order to limit the variability of the interest expense on its debt, the Company converts the variable-rate cash flows on a portion of its Singapore dollar credit facility and \$100.0 million term-loan, which is part of the Facility (see Note 7), to fixed-rate cash flows by entering into interest rate swaps which involve the exchange of floating interest payments for fixed interest payments. In addition to the US dollar denominated fixed interest rate swaps, the Company also has fixed-rate debt denominated in foreign currencies (primarily French francs). The fixed rate debt and interest rate swaps are subject to fluctuations in their fair values as a result of changes in interest rates.

Based on the overall interest rate level of both US dollar and foreign currency denominated variable rate debt outstanding at December 31, 1999, a hypothetical 10% change (as a percentage of interest rates on outstanding debt) in the Company's effective interest rate from year-end 1999 levels would change interest expense by approximately \$3.5 million over a twelve month period. Debt designated as hedged by the interest rate swaps has been excluded from this amount. The effect on the fair value of US and foreign currency denominated fixed rate debt (including US dollar fixed interest rate swaps) for a hypothetical 10% uniform shift (as a percentage of market interest rates) in the yield curves for interest rates in various countries from year-end 1999 levels would be immaterial to the balance sheet.

#### Foreign Currency Risk

The Company, through its BAX Global and Brink's operations, has certain exposures to the effects of foreign exchange rate fluctuations on reported results in US dollars of foreign operations. Due in part to the favorable diversification effects resulting from operations in well over 100 countries, the Company has not generally entered into foreign exchange hedges to mitigate these exposures.

The Company is exposed periodically to the foreign currency rate fluctuations that affect transactions not denominated in the functional currency of domestic and foreign operations. To mitigate these exposures, the Company, from time to time, enters into foreign currency forward contracts.

Mineral Ventures has operations which are exposed to currency risk arising from gold sales denominated in US dollars while its local operating costs are denominated in Australian dollars. Mineral Ventures utilizes foreign currency forward contracts to hedge the variability in cash flows resulting from these exposures for up to two years into the future.

In addition, the Company has net investments in a number of foreign subsidiaries that are translated at exchange rates at the balance sheet date. Resulting cumulative translation adjustments are recorded as a separate component of shareholders' equity and exposes the Company to adjustments resulting from foreign exchange rate volatility. The Company, at times, uses non-derivative financial instruments to hedge this exposure. Currency exposure related to the net assets of the Brink's subsidiary in France are managed, in part, through a foreign currency denominated debt agreement (seller financing) entered into as part of the acquisition by the Company. Gains and losses in the net investment in subsidiaries are offset by losses and gains in the debt obligations. All other hedges of net investments in foreign subsidiaries were immaterial to the Company as of December 31, 1999 and 1998. The translation adjustments for hyperinflationary economies in which the Company operates (currently Venezuela) are recorded as a component of net income and exposes the Company to adjustments resulting from foreign exchange rate volatility.

The effects of a hypothetical simultaneous 10% appreciation in the US dollar from year end 1999 levels against all other currencies of countries in which the Company operates were measured for their potential impact on, 1) translation of earnings into US dollars based on 1999 results, 2) transactional exposures, and 3) translation of balance sheet equity accounts. The hypothetical effects would be approximately \$2.2 million unfavorable for the translation of earnings into US dollars, approximately \$2.0 million favorable earnings effect for transactional exposures, and approximately \$22.9 million unfavorable for the translation of balance sheet equity accounts.

#### Commodities Price Risk

The Company consumes or sells various commodities in the normal course of its business and utilizes long-term coal sales contracts and derivative instruments to minimize the variability in forecasted cash flows due to adverse price movements in these commodities. The derivative contracts are entered into in accordance with guidelines set forth in the Company's hedging policies. The Company does not use derivative instruments for purposes other than hedging.

The Company utilizes forward swap contracts for the purchase of jet fuel to fix a portion of forecasted jet fuel costs at specific price levels and it utilizes option strategies to hedge a portion of the remaining risk associated with changes in the price of jet fuel. In addition, the Company, in some cases, is able to adjust its pricing to reflect large changes in the cost of the jet fuel. The Company utilizes forward gold sales contracts to fix the selling price on a portion of its forecasted gold sales from the Stawell gold mine. The Company utilizes forward swap contracts for the purchase of diesel fuel to fix a portion of its forecasted diesel fuel costs at specific price levels and it utilizes option strategies to hedge a portion of the remaining risk associated with changes in the price of diesel fuel. The Company also utilizes forward swap contracts to fix the selling price on a portion of its forecasted natural gas sales from Allied Operations.



The following table represents the Company's outstanding commodity hedge contracts as of December 31, 1999:

(In thousands, except average contract rates)	Notional Amount	Weighted Average Contract Rate	Estimated Fair Value
Forward gold sale contracts (a)	44	\$ 320	\$ 1,161
Forward swap contracts:			
Jet fuel purchases (pay fixed) (b)	30,000	.5322	2,231
Natural gas (receive fixed) (c)	2,100	2.60	117
Commodity options:			
Jet fuel purchases (cap) (b)	8,000	.7038	276
Diesel fuel purchases (cap) (b)	1,500	0.68	(16)

- (a) Notional amount in ounces of gold.  
(b) Notional amount in gallons of fuel.  
(c) Notional amount in MMBTUs.

At December 31, 1999 approximately 7.3 million tons of coal were committed for sale under long-term contracts.

#### READINESS FOR YEAR 2000

The Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. If not corrected, many date-sensitive applications were expected to fail or create erroneous results by or in the year 2000. The Company established Year 2000 project teams that appropriately addressed the material Year 2000 issues within information technology assets, including embedded microprocessors ("IT assets"), non-IT assets, products, services and infrastructure.

Subsequent to the beginning of 2000, the Company has not experienced any significant Year 2000 related problems in any of its IT systems. Also, the Company has not experienced any material disruptions as a result of noncompliance by its significant business partners. The Company will continue to monitor its IT systems for the next several months as contingency plans remain in place.

Total acceleration and remediation spending relating to Year 2000 issues are detailed in the table below:

(In millions)	Capitalized	Expensed	Total
Total acceleration (a)	\$ 25.6	2.8	28.4
Total remediation (b)	10.9	18.8	29.7
Total Year 2000 costs	\$ 36.5	21.6	58.1

(a) Acceleration includes costs to purchase and/or develop and implement certain information technology systems whose implementation was accelerated as a result of the Year 2000 readiness issue.

(b) Remediation costs include both the costs of modifying existing software and hardware as well as purchases that replaced existing hardware and software that was not Year 2000 ready.

#### CONTINGENT LIABILITIES

In April 1990, the Company entered into a settlement agreement to resolve certain environmental claims against the Company arising from hydrocarbon contamination at a petroleum terminal facility ("Tankport") in Jersey City, New Jersey, which operations were sold in 1983. Under the settlement agreement, the Company is obligated to pay 80% of the remediation costs. Based on data available to the Company and its environmental consultants, the Company estimates its portion of the cleanup costs on an undiscounted basis using existing technologies to be between \$6.6 million and \$11.2 million and to be incurred in the future. Management is unable to determine that any amount within that range is a better estimate due to a variety of uncertainties, which include the extent of the contamination at the site, the permitted technologies for remediation and the regulatory standards by which the clean-up will be conducted. The estimate of costs and the timing of payments could change as a result of changes to the remediation plan required, changes in the technology available to treat the site, unforeseen circumstances existing at the site and additional cost inflation.

The Company commenced insurance litigation in 1990, in the United States District Court of the District of New Jersey, seeking a declaratory judgment that all amounts payable by the Company pursuant to the Tankport obligation were reimbursable under comprehensive general liability and pollution liability policies maintained by the Company. The Company was able to conclude settlement with all of its insurers without a trial. Taking into account the proceeds from the settlement with its insurers, it is the Company's belief that the ultimate amount that it would be liable for related to the remediation of the Tankport site will not have a significant adverse impact on the Company's results of operations or financial position.

#### CAPITALIZATION

As previously discussed, prior to January 14, 2000, the Company had three classes of common stock: Brink's Stock, BAX Stock and Minerals Stock, which were designed to provide shareholders with securities reflecting the performance of the Brink's Group, the BAX Group and the Minerals Group, respectively.

Also as previously discussed, on December 6, 1999, the Company announced that the Board approved the elimination of the tracking stock capital structure by an exchange of all outstanding shares of Minerals Stock and BAX Stock for shares of Brink's Stock. The Exchange took place on January 14, 2000, on which date, holders of Minerals Stock received 0.0817 shares of Brink's Stock for each share of their Minerals Stock; and holders of BAX Stock received 0.4848 shares of Brink's Stock for

each share of their BAX Stock. From and after the Exchange Date, Brink's Stock is the only outstanding class of common stock of the Company and continues to trade on the New York Stock Exchange under the symbol "PZB". Prior to the Exchange Date, the Brink's Stock reflected the performance of the Brink's Group only; after the Exchange Date, the Brink's Stock reflects the performance of The Pittston Company as a whole. Shares of Brink's Stock after the Exchange are hereinafter referred to as "Pittston Common Stock".

As a result of the Exchange, the Company has issued 10,919,176 shares of Pittston Common Stock, which consists of 9,494,936 shares of Pittston Common Stock equal to 100% of the Fair Market Value of all BAX Stock and Minerals Stock exchanged on January 14, 2000, and 1,424,240 shares of Pittston Common Stock (with a market value as of January 14, 2000 of \$29.0 million) equal to the additional 15% of the Fair Market Value of BAX Stock and Minerals Stock exchanged pursuant to the above-described formula. The Company is considering any additional impact of the issuance of the 1,424,240 shares of Pittston Common Stock described in the foregoing sentence on the Company's 2000 consolidated financial statements.

The Company has the authority to issue up to 2,000,000 shares of preferred stock, par value \$10 per share. In January 1994, the Company issued \$80.5 million (161,000 shares) of Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock"). See Note 10 for the impact of the Exchange on Convertible Preferred Stock. The Convertible Preferred Stock pays an annual cumulative dividend 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 and bears a liquidation preference of \$500 per share, plus an attributed amount equal to accrued and unpaid dividends, if any, thereon.

In February 2000, under the Company's common share repurchase program, the Board reaffirmed the authority to purchase, from time to time, of up to 900,000 shares of Pittston Common Stock, not to exceed an aggregate purchase cost of \$22.2 million. Such shares are to be purchased from time to time in the open market or in private transactions, as conditions warrant. In May 1997, the Board authorized the Company to purchase, from time to time, shares of the Convertible Preferred Stock, not to exceed an aggregate purchase cost of \$25.0 million. In March 1999, the Board increased the authority to \$28.5 million. As of December 31, 1999, the Company had the remaining authority to purchase an additional \$7.5 million of its Convertible Preferred Stock since during 1999 the Company purchased stock with an aggregate value of \$21.0 million. The authority to acquire shares remains in effect.

Under the share repurchase programs authorized by the Board, the Company purchased shares in the periods presented as follows:

(Dollars in millions, shares in thousands)	Years Ended December 31	
	1999	1998
-----		
Brink's Stock:		
Shares	100	150
Cost	\$ 2.5	5.6
BAX Stock:		
Shares	0	1,047
Cost	\$ 0.0	12.7
Convertible Preferred Stock		
Shares	83.9	0.4
Cost	\$ 21.0	0.1
Excess carrying amount (a)	\$ 19.2	0.0
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(a) The excess of the carrying amount of the Convertible Preferred Stock over the cash paid to holders for repurchases made during the years. This amount is deducted from preferred dividends in the Company's Consolidated Statement of Operations.

As of December 31, 1999, debt as a percent of capitalization (total debt and shareholders' equity) was 41% compared to 38% at December 31, 1998. Much of the increase in the debt ratio since December 1998 was due to the carrying of a higher than normal level of cash over year end as a result of Year 2000 concerns.

#### DIVIDENDS

The Board intends to declare and pay dividends, if any, on Pittston Common Stock based on the earnings, financial condition, cash flow and business requirements of the Company. At present, the annual dividend rate for Pittston Common Stock is \$0.10 per share. In February 2000, the Board declared a cash dividend of \$0.025 per share on Pittston Common Stock, payable on March 1, 2000 to shareholders of record on February 15, 2000.

During 1999 and 1998, the Board declared and the Company paid dividends amounting to \$0.10 per share and \$0.24 per share of Brink's Stock and BAX Stock, respectively. Since its distribution of Minerals Stock in 1993 and through March 31, 1998, the Company paid a cash dividend to its Minerals Stock shareholders at an annual rate of \$0.65 per share. In May 1998, the Company reduced the annual dividend rate on Minerals Stock to \$0.10 per share for shareholders as of the May 15, 1998 record date. After paying one dividend at an annual rate of \$0.10 in early 1999, the Company suspended the payment of the per share dividend on the Minerals Stock.



In 1999 and 1998, dividends paid on the Convertible Preferred Stock amounted to \$1.6 million and \$3.5 million, respectively. The lower level of cash dividends in 1999 as compared to 1998 and 1997, reflect the repurchase of 0.08 million shares of the Company's Convertible Preferred Stock.

#### ACCOUNTING CHANGES

As of January 1, 1999, the Company adopted AICPA Statement of Position ("SOP") No. 98-5, "Reporting on the Costs of Start-Up Activities." SOP No. 98-5, which provides guidance on the reporting of start-up costs and organization costs, requires that such costs be expensed as incurred. The Company has determined that capitalized mine development costs for its gold and coal mining operations relate to acquiring and constructing long-lived assets and preparing them for their intended use. Accordingly, the adoption of SOP No. 98-5 had no material impact on the results of operations of the Company.

#### FORWARD LOOKING INFORMATION

Certain of the matters discussed herein, including statements regarding the ability to slow cost increases in the home security business, costs of long-term benefit obligations including workers' compensation expenses, effective tax rates, use of deferred tax assets, the continuation and implementation of information technology initiatives, projections about market risk, the relative value of the US dollar, the economies of Europe, Latin America and Asia/Pacific, projected capital spending, potential gains on the sale of restricted investments, environmental clean-up estimates, mine and plant closure costs, metallurgical coal market conditions, higher levels of spending at BAX Global, Health Benefit Act expenses, coal sales and the sale of the Company's coal business, involve forward looking information which is subject to known and unknown risks, uncertainties, and contingencies which could cause actual results, performance or achievements, to differ materially from those which are anticipated. Such risks, uncertainties and contingencies, many of which are beyond the control of the Company, include, but are not limited to, overall economic and business conditions, foreign currency exchange rates, the demand for the Company's products and services, initiatives to control costs and increase profitability, pricing and other competitive factors in the industry, fuel prices, geological conditions, market conditions for restricted investments, new government regulations and/or legislative initiatives, issuance of permits, judicial decisions, variations in costs or expenses including interest rates, variations in the spot prices of coal, the ability of counterparties to perform, changes in the scope of improvements to information systems and delays or problems in the design and implementation of improvements to information systems.

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STATEMENT OF MANAGEMENT RESPONSIBILITY  
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The management of The Pittston Company (the "Company") is responsible for preparing the accompanying consolidated financial statements and for their integrity and objectivity. The statements were prepared in accordance with generally accepted accounting principles. Management has also prepared the other information in the annual report and is responsible for its accuracy.

In meeting our responsibility for the integrity of the consolidated financial statements, we maintain a system of internal controls designed to provide reasonable assurance that assets are safe-guarded, that transactions are executed in accordance with management's authorization and that the accounting records provide a reliable basis for the preparation of the consolidated financial statements. Qualified personnel throughout the organization maintain and monitor these internal controls on an ongoing basis. In addition, the Company maintains an internal audit department that systematically reviews and reports on the adequacy and effectiveness of the controls, with management follow-up as appropriate.

Management has also established a formal Business Code of Ethics which is distributed throughout the Company. We acknowledge our responsibility to establish and preserve an environment in which all employees properly understand the fundamental importance of high ethical standards in the conduct of our business.

The Company's consolidated financial statements have been audited by KPMG LLP, independent auditors. During the audit they review and make appropriate tests of accounting records and internal controls to the extent they consider necessary to express an opinion on the Company's consolidated financial statements.

The Company's Board of Directors pursues its oversight role with respect to the Company's consolidated financial statements through the Audit and Ethics Committee, which is composed solely of outside directors. The Committee meets periodically with the independent auditors, internal auditors and management to review the Company's control system and to ensure compliance with applicable laws and the Company's Business Code of Ethics.

We believe that the policies and procedures described above are appropriate and effective and do enable us to meet our responsibility for the integrity of the Company's consolidated financial statements.

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INDEPENDENT AUDITORS' REPORT  
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The Board of Directors and Shareholders  
The Pittston Company

We have audited the accompanying consolidated balance sheets of The Pittston Company and subsidiaries (the "Company") as of December 31, 1999 and 1998, and the related consolidated statements of operations, shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 1999. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Pittston Company and subsidiaries as of December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1999, in conformity with generally accepted accounting principles.

As more fully discussed in Note 1 to the consolidated financial statements, the Company changed its method of accounting for derivative instruments and hedging activities in 1998 as a result of adopting Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities."

/s/ KPMG LLP

KPMG LLP

Richmond, Virginia

February 1, 2000

The Pittston Company and Subsidiaries

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CONSOLIDATED BALANCE SHEETS  
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(In thousands, except per share amounts) December 31

1999 1998

	1999	1998
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 131,159	83,894
Short-term investments	-	1,767
Accounts receivable:		
Trade (Note 3)	637,808	599,550
Other	37,184	38,916
	674,992	638,466
Less estimated uncollectible amounts	36,238	32,122
	638,754	606,344
Coal inventory	26,966	24,567
Other inventory	17,013	18,203
	43,979	42,770
Prepaid expenses and other current assets	37,756	33,374
Deferred income taxes (Note 6)	50,255	52,494
<b>Total current assets</b>	<b>901,903</b>	<b>820,643</b>
Property, plant and equipment, at cost (Notes 1 and 4)	1,580,083	1,423,133
Less accumulated depreciation, depletion and amortization	649,607	573,250
	930,476	849,883
Intangibles, net of accumulated amortization (Notes 1, 5 and 11)	298,501	345,600
Deferred pension assets (Note 14)	122,476	119,500
Deferred income taxes (Note 6)	79,569	63,489
Other assets	135,659	132,022
<b>Total assets</b>	<b>\$2,468,584</b>	<b>2,331,137</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Short-term borrowings (Note 7)	\$ 90,085	88,283
Current maturities of long-term debt (Note 7)	32,166	36,509
Accounts payable	301,194	284,341
Accrued liabilities:		
Taxes	68,583	69,921
Workers' compensation and other claims	33,544	33,140
Payroll and vacation	84,744	78,919
Miscellaneous (Note 14)	222,745	206,320
	409,616	388,300
<b>Total current liabilities</b>	<b>833,061</b>	<b>797,433</b>
Long-term debt, less current maturities (Note 7)	395,078	323,308
Postretirement benefits other than pensions (Note 14)	240,770	239,550
Workers' compensation and other claims	87,083	93,324
Deferred income taxes (Note 6)	16,272	20,615
Other liabilities	146,679	120,879
Commitments and contingent liabilities (Notes 7, 12, 13, 14, 18 and 19)		
Shareholders' equity (Notes 9 and 10):		
Preferred stock, par value \$10 per share, Authorized: 2,000 shares \$31.25 Series C Cumulative Convertible Preferred Stock Issued and outstanding: 1999 - 30 shares; 1998 - 113 shares	296	1,134
Pittston Brink's Group common stock, par value \$1 per share: Authorized: 100,000 shares Issued and outstanding: 1999 - 40,861 shares; 1998 - 40,961 shares	40,861	40,961
Pittston BAX Group common stock, par value \$1 per share: Authorized: 50,000 shares Issued and outstanding: 1999 and 1998 - 20,825 shares	20,825	20,825
Pittston Minerals Group common stock, par value \$1 per share: Authorized: 20,000 shares Issued and outstanding: 1999 - 10,086 shares; 1998 - 9,186 shares	10,086	9,186
Capital in excess of par value	341,011	403,148
Retained earnings	443,349	401,186
Accumulated other comprehensive income	(56,528)	(51,865)
Employee benefits trust, at market value (Note 10)	(50,259)	(88,547)
<b>Total shareholders' equity</b>	<b>749,641</b>	<b>736,028</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$2,468,584</b>	<b>2,331,137</b>

See accompanying notes to consolidated financial statements.





The Pittston Company and Subsidiaries

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)	Years Ended December 31		
	1999	1998	1997
Net sales	\$ 404,525	518,635	630,626
Operating revenues	3,684,625	3,228,247	2,763,772
Net sales and operating revenues	4,089,150	3,746,882	3,394,398
Costs and expenses:			
Cost of sales (includes a \$36,889 write-off of long-lived assets and \$3,330 of mine closure costs in 1999)	472,297	513,794	609,025
Operating expenses	3,041,428	2,675,537	2,270,341
Selling, general and administrative expenses (includes a \$42,061 impairment of goodwill in 1999 and a \$15,723 write-off of long-lived assets in 1998)	520,330	454,993	344,008
Restructuring and other credits (Notes 15 and 18)	(1,467)	(1,479)	(3,104)
Total costs and expenses	4,032,588	3,642,845	3,220,270
Other operating income, net (Note 16)	16,032	21,106	14,000
Operating profit	72,594	125,143	188,128
Interest income	5,628	5,359	4,394
Interest expense	(38,196)	(39,103)	(27,119)
Other income (expense), net	7,423	3,811	(7,148)
Income before income taxes	47,449	95,210	158,255
Provision for income taxes (Note 6)	12,792	29,154	48,057
Net income	34,657	66,056	110,198
Preferred stock dividends, net (Notes 8 and 10)	17,621	(3,524)	(3,481)
Net income attributed to common shares	\$ 52,278	62,532	106,717
Pro forma net income per common share (Note 8):			
Basic	\$ 1.06	1.28	2.21
Diluted	0.70	1.27	2.17
Pittston Brink's Group (Note 1):			
Net income per common share (Note 8):			
Basic	\$ 2.16	2.04	1.92
Diluted	2.15	2.02	1.90
Pittston BAX Group (Note 1):			
Net income (loss) per common share (Note 8):			
Basic	\$ 1.73	(0.68)	1.66
Diluted	1.72	(0.68)	1.62
Pittston Minerals Group (Note 1):			
Net income (loss) per common share (Note 8):			
Basic	\$ (7.33)	(0.42)	0.09
Diluted	(8.61)	(0.42)	0.09

See accompanying notes to consolidated financial statements.

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 CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND OTHER COMPREHENSIVE INCOME  
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(In thousands, except per share data)	Years Ended December 31		
	1999	1998	1997
<b>SERIES C PREFERRED STOCK, \$31.25 PER SHARE (NOTE 10)</b>			
Balance, beginning of year	\$ 1,134	1,138	1,154
Retirement of stock under share repurchase program (Note 10)	(838)	(4)	(16)
Balance, end of year	296	1,134	1,138
<b>BRINK'S GROUP COMMON STOCK</b>			
Balance, beginning of year	40,961	41,130	41,296
Retirement of stock under share repurchase program (Note 10)	(100)	(150)	(166)
Other	-	(19)	-
Balance, at end of year	40,861	40,961	41,130
<b>BAX GROUP COMMON STOCK</b>			
Balance, beginning of year	20,825	20,378	20,711
Retirement of stock under share repurchase program (Note 10)	-	(1,047)	(333)
Employee benefits trust/other (Note 9)	-	1,494	-
Balance, at end of year	20,825	20,825	20,378
<b>MINERALS GROUP COMMON STOCK</b>			
Balance, beginning of year	9,186	8,406	8,406
Employee benefits trust/other (Note 9)	900	780	-
Balance, at end of year	10,086	9,186	8,406
<b>CAPITAL IN EXCESS OF PAR VALUE</b>			
Balance, beginning of year	403,148	430,970	400,135
Tax benefit of stock options exercised (Note 6)	36	4,766	2,045
Remeasurement of employee benefits trust	(21,037)	(25,993)	42,118
Employee benefits trust (Note 9)	563	12,781	-
Shares released from employee benefits trust (Notes 9 and 10)	(1,309)	(13,675)	(7,522)
Retirement of stock under share repurchase programs (Note 10)	(40,288)	(7,024)	(5,806)
Other	(102)	1,323	-
Balance, at end of year	341,011	403,148	430,970
<b>RETAINED EARNINGS</b>			
Balance, beginning of year	401,186	359,940	273,118
Net income	34,657	66,056	110,198
Retirement of stock under share repurchase programs (Note 10)	17,732	(10,212)	(6,052)
Cash dividends declared- Brink's Group \$.10 per share, BAX Group \$.24 per share, Minerals Group \$.025 per share and Series C Preferred Stock \$31.25 per share (Note 10)	(10,328)	(14,032)	(17,324)
Other	102	(566)	-
Balance, at end of year	443,349	401,186	359,940
<b>ACCUMULATED OTHER COMPREHENSIVE INCOME</b>			
Balance, beginning of year	(51,865)	(41,762)	(21,188)
Foreign currency translation adjustment	(10,736)	(7,125)	(20,574)
Deferred benefit (expense) on cash flow hedges	5,849	(3,309)	-
Other	224	331	-
Balance, at end of year	(56,528)	(51,865)	(41,762)
<b>EMPLOYEE BENEFITS TRUST</b>			
Balance, beginning of year	(88,547)	(134,582)	(116,925)
Remeasurement of employee benefits trust	21,037	25,993	(42,118)
Employee benefits trust (Note 9)	(1,463)	(15,081)	-
Shares released from employee benefits trust (Notes 9 and 10)	18,714	35,123	24,461
Balance, at end of year	(50,259)	(88,547)	(134,582)
Total shareholders' equity - end of year	\$ 749,641	736,028	685,618
<b>COMPREHENSIVE INCOME</b>			
Net income attributed to common shares	\$ 52,278	62,532	106,717
Other comprehensive income, net of tax:			
Foreign currency translation adjustments, net of tax effect of (\$319), \$787 and (\$785)	(10,736)	(7,125)	(20,574)
Cash flow hedges:			
Transition adjustment, net of tax effect of \$0 and \$1,960	-	(3,663)	-
Net cash flow hedge gains (losses), net of tax effect of (\$1,446) and \$501	5,849	(710)	-
Reclassification adjustment, net of tax effect of \$0 and (\$617)	-	1,064	-
Other, net of tax effect of (\$110) and (\$189)	224	331	-
Comprehensive income	\$ 47,615	52,429	86,143

See accompanying notes to consolidated financial statements.



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CONSOLIDATED STATEMENTS OF CASH FLOWS

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(In thousands)	Years Ended December 31		
	1999	1998	1997
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Cash flows from operating activities:			
Net income	\$ 34,657	66,056	110,198
Adjustments to reconcile net income to net cash provided by operating activities:			
Noncash charges and other write-offs	77,997	20,124	-
Depreciation, depletion and amortization	180,302	154,353	128,751
Provision for aircraft heavy maintenance	50,220	39,821	34,057
(Credit) provision for deferred income taxes	(25,541)	(6,165)	10,611
Provision for pensions, noncurrent	4,336	4,022	243
Provision for uncollectible accounts receivable	17,992	21,426	10,664
Equity in (earnings) losses of unconsolidated affiliates, net of dividends received	(3,977)	(880)	2,927
Minority interest expense	911	1,742	5,467
Gains on sales of property, plant and equipment and other assets and investments	(9,685)	(9,809)	(2,432)
Other operating, net	12,453	13,262	8,646
Change in operating assets and liabilities, net of effects of acquisitions and dispositions:			
Increase in accounts receivable	(35,715)	(29,690)	(39,697)
Increase in inventories	(3,664)	(871)	(2,963)
Decrease in prepaid expenses	2,152	2,225	325
Increase (decrease) in accounts payable and accrued liabilities	26,155	(26,906)	32,562
Increase in other assets	(6,452)	(7,058)	(11,084)
Decrease in workers' compensation and other claims, noncurrent	(6,065)	(10,886)	(11,109)
Increase (decrease) in other liabilities	13,269	11,122	(5,859)
Other, net	(74)	(10,080)	(3,198)
<hr/>			
Net cash provided by operating activities	329,271	231,808	268,109
<hr/>			
Cash flows from investing activities:			
Additions to property, plant and equipment	(280,474)	(256,567)	(173,768)
Proceeds from disposal of property, plant and equipment	9,152	30,489	4,064
Aircraft heavy maintenance expenditures	(52,926)	(40,466)	(29,748)
Acquisitions, net of cash acquired, and related contingency payments	(5,760)	(34,521)	(65,494)
Dispositions of other assets and investments	9,516	8,482	-
Other, net	(6,290)	(8,397)	7,589
<hr/>			
Net cash used by investing activities	(326,782)	(300,980)	(257,357)
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Cash flows from financing activities:			
Additions to debt	198,188	218,403	158,021
Reductions of debt	(121,985)	(110,474)	(116,030)
Repurchase of stock of the Company	(23,494)	(19,437)	(12,373)
Proceeds from exercise of stock options and employee stock purchase plan	2,708	8,098	4,708
Dividends paid	(9,792)	(13,402)	(16,417)
Other, net	(849)	-	-
<hr/>			
Net cash provided by financing activities	44,776	83,188	17,909
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Net increase in cash and cash equivalents	47,265	14,016	28,661
Cash and cash equivalents at beginning of year	83,894	69,878	41,217
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Cash and cash equivalents at end of year	\$ 131,159	83,894	69,878
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See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except per share amounts)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

As used herein, the "Company" includes The Pittston Company except as otherwise indicated by the context. The Company is comprised of five operating segments - Brink's, Incorporated ("Brink's"), Brink's Home Security, Inc. ("BHS"), BAX Global Inc. ("BAX Global"), Pittston Coal Operations ("Coal Operations") and Other Operations which consists of Pittston Mineral Ventures ("Mineral Ventures") and the Company's timber and gas operations (collectively, "Allied Operations").

Prior to January 14, 2000, the Company was comprised of three separate groups - Pittston Brink's Group, Pittston BAX Group, and Pittston Minerals Group. The Pittston Brink's Group included the Brink's and BHS operations of the Company. The Pittston BAX Group included the BAX Global operations of the Company. The Pittston Minerals Group included the Pittston Coal Company ("Pittston Coal") and Mineral Ventures operations of the Company. Also, prior to January 14, 2000, the Company had three classes of common stock: Pittston Brink's Group Common Stock ("Brink's Stock"), Pittston BAX Group Common Stock ("BAX 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, the BAX Group and the Minerals Group, respectively.

On December 6, 1999, the Company announced that its Board of Directors (the "Board") approved the elimination of the tracking stock capital structure by an exchange of all outstanding shares of Minerals Stock and BAX Stock for shares of Brink's Stock (the "Exchange"). The Exchange took place on January 14, 2000 (the "Exchange Date"). On the Exchange Date, holders of Minerals Stock received 0.0817 shares of Brink's Stock for each share of their Minerals Stock; and holders of BAX Stock received 0.4848 shares of Brink's Stock for each share of their BAX Stock. See Note 10 for additional information concerning the Exchange. From and after the Exchange Date, Brink's Stock is the only outstanding class of common stock of the Company and continues to trade on the New York Stock Exchange under the symbol "PZB". Prior to the Exchange Date, the Brink's Stock reflected the performance of the Brink's Group only; after the Exchange Date, the Brink's Stock reflects the performance of The Pittston Company as a whole. Shares of Brink's Stock after the Exchange are hereinafter referred to as "Pittston Common Stock".

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements reflect the accounts of the Company and its majority-owned subsidiaries. The Company's interest in 20% to 50% owned companies are carried on the equity method unless control exists, in which case, consolidation accounting is used. All material intercompany items and transactions have been eliminated in consolidation. Certain prior year amounts have been reclassified to conform to the current year's financial statement presentation.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, demand deposits and investments with original maturities of three months or less.

SHORT-TERM INVESTMENTS

Short-term investments are those with original maturities in excess of three months, but not exceeding one year, and are carried at cost which approximates market.

INVENTORIES

Inventories are stated at cost (determined under the first-in, first-out or average cost method) or market, whichever is lower.

PROPERTY, PLANT AND EQUIPMENT

Expenditures for maintenance and repairs on property, plant and equipment are charged to expense, and the costs of renewals and betterments are capitalized. Routine maintenance for aircraft are charged to expense when incurred. Major renewals, betterments and modifications on aircraft are capitalized and amortized over the lesser of the remaining life of the asset or lease term. Scheduled airframe and periodic engine overhaul costs are capitalized when incurred and effectively amortized over the flying time to the next scheduled major maintenance or overhaul date, respectively. Depreciation is provided principally on the straight-line method at varying rates depending upon estimated useful lives. Depletion of bituminous coal lands is provided on the basis of tonnage mined in relation to the estimated total of recoverable tonnage in the ground.

Mine development costs, primarily included in bituminous coal lands, are capitalized and amortized over the estimated useful life of the mine. These costs include expenses incurred for site preparation and development at the mines during the development stage. A mine is considered under development until management determines that all planned production units are in place and the mine is available for commercial operation and the mining of coal.

Valuation of coal properties is based primarily on mining plans and conditions assumed at the time of the evaluation. These valuations could be impacted by actual economic conditions which differ from those assumed at the time of the evaluation.

Subscriber installation costs for home security systems provided by BHS are capitalized and depreciated over the estimated life of the assets (15 years) and are included in machinery and equipment. However, when an installation is identified for disconnection, the remaining net book value of the installation is fully reserved and charged to depreciation expense. The security system that is installed generally remains the property of BHS and is capitalized at the cost to bring the revenue producing asset to its intended use.

#### INTANGIBLES

The excess of cost over fair value of net assets of businesses acquired is amortized on a straight-line basis over the estimated periods benefited.

The Company evaluates the carrying value of intangibles and the periods of amortization to determine whether events and circumstances warrant revised estimates of asset value or useful lives. Such events and circumstances that may indicate impairment are a significant long-term decrease in the market value of an asset; a significant change in the extent or manner in which an asset is used; a significant adverse change in legal factors or in the business climate that affects the value of an asset; an accumulation of costs significantly in excess of the amount originally expected to acquire or construct an asset; or a current period operating or cash flow loss combined with a history of such losses or a projection that demonstrates such losses to continue. The Company annually assesses the recoverability of the excess of cost over net assets acquired by determining whether the amortization of the asset balance over its remaining life can be recovered through projected undiscounted future operating cash flows. Evaluation of asset value as well as periods of amortization are performed on a disaggregated basis.

Goodwill allocated to a potentially impaired asset will be identified with that asset in performing an impairment test in accordance with Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for Long-Lived Assets and Long-Lived Assets to be Disposed of". If such tests indicate that an impairment exists, the carrying amount of the identified goodwill would be eliminated before making any reduction of the carrying amounts of impaired long-lived assets.

#### STOCK BASED COMPENSATION

The Company has implemented the disclosure-only provisions of SFAS No. 123, "Accounting for Stock Based Compensation" (Note 9). The Company continues to measure compensation expense for its stock-based compensation plans using the intrinsic value based methods of accounting prescribed by Accounting Principles Board Opinion ("APB") No. 25, "Accounting for Stock Issued to Employees."

#### FOREIGN CURRENCY TRANSLATION

Assets and liabilities of foreign subsidiaries have been translated at rates of exchange at the balance sheet date and related revenues and expenses have been translated at average rates of exchange in effect during the year. Resulting cumulative translation adjustments have been recorded as a separate component of shareholders' equity. Translation adjustments relating to subsidiaries in countries with highly inflationary economies are included in net income, along with all transaction gains and losses for the period.

A portion of the Company's financial results is derived from activities in well over 100 countries, each with a local currency other than the US dollar. Because the financial results of the Company are reported in US dollars, they are affected by changes in the value of various foreign currencies in relation to the US dollar. The diversity of foreign operations helps to mitigate a portion of the foreign currency risks associated with market fluctuations in any one country and the impact on translated results.

#### POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

Postretirement benefits other than pensions are accounted for in accordance with SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions", which requires employers to accrue the cost of such retirement benefits during the employees' service with the Company.

#### INCOME TAXES

Income taxes are accounted for in accordance with SFAS No. 109, "Accounting for Income Taxes", which requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which these items are expected to reverse.

#### PNEUMOCONIOSIS (BLACK LUNG) EXPENSE

The Company acts as self-insurer with respect to almost all black lung benefits. Provision is made for estimated benefits based on annual actuarial reports prepared by outside actuaries. The excess of the present value of expected future benefits over the accumulated book reserves is recognized over the amortization period as a level percentage of payroll. Cumulative actuarial gains or losses are calculated periodically and amortized on a straight-line basis. Assumptions used in the calculation of the actuarial present value of black lung benefits are based on actual

retirement experience of the Company's coal employees, black lung claims incidence for active miners, actual dependent information, industry turnover rates, actual medical and legal cost experience and projected inflation rates. As of December 31, 1999 and 1998, the actuarially determined value of estimated future black lung benefits discounted at 6% was approximately \$49,000 and \$51,000, respectively, and is included in workers' compensation and other claims in the Company's consolidated balance sheet. Based on actuarial data, the amount expensed/(credited) to operations was \$3,371 in 1999, (\$2,257) in 1998 and (\$2,451) in 1997. In 1998 and 1997, the black lung amounts were favorably impacted by the amortization of actuarial gains. In addition, the Company accrued additional expenses for black lung benefits related to federal and state assessments, legal and administration expenses and other self insurance costs. These costs and expenses amounted to \$1,755 in 1999, \$1,659 in 1998 and \$1,936 in 1997.

#### RECLAMATION COSTS

Expenditures relating to environmental regulatory requirements and reclamation costs undertaken during mine operations are charged against earnings as incurred. Estimated site restoration and post closure reclamation costs are charged against earnings using the units of production method over the expected economic life of each mine. Accrued reclamation costs are subject to review by management on a regular basis and are revised when appropriate for changes in future estimated costs and/or regulatory requirements.

#### IMPAIRMENT OF LONG-LIVED ASSETS

The Company reviews its long-lived assets for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. When such events or changes in circumstances indicate that the carrying value of an asset may not be recoverable, the Company estimates the future cash flows expected to result from the use of the asset and its eventual disposition. If the sum of such expected future cash flows (undiscounted and without interest charges) is less than the carrying amount of the asset, an impairment loss is recognized in an amount by which the asset's net book value exceeds its fair market value. Fair market value is determined based on appraisals, sales prices of comparable assets, if available, or estimates of cash flows from operations, discounted at the hurdle rate the company uses for making investment decisions. For purposes of assessing impairment, assets are required to be grouped at the lowest level for which there are separately identifiable cash flows.

#### COMPUTER SOFTWARE DEVELOPED FOR INTERNAL USE

The costs of computer software developed for internal use are accounted for in accordance with AICPA Statement of Position ("SOP") No. 98-1 "Accounting for the Costs of Computer Software Developed for Internal Use." SOP No. 98-1 requires that certain costs related to the development or purchase of internal-use software be capitalized and amortized over the estimated useful life of the software.

#### DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company elected to adopt SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities" as of October 1, 1998. In accordance with the transition provisions of SFAS No. 133, the Company recorded a net transition adjustment resulting in a loss of \$3,663 (net of related income taxes of \$1,961) in accumulated other comprehensive income at October 1, 1998 in order to recognize at fair value all derivatives that are designated as cash-flow hedging instruments.

SFAS No. 133 requires that all derivative instruments be recorded in the statement of financial position at fair value; the accounting for the gain or loss due to changes in fair value of the derivative instrument depends on whether the derivative instrument qualifies as a hedge. If the derivative instrument does not qualify as a hedge, the gains or losses are reported in earnings when they occur. However, if the derivative instrument qualifies as a hedge, the accounting varies based on the type of risk being hedged.

Prior to the adoption of SFAS No. 133 (prior to October 1, 1998), gains and losses on derivative contracts, designated as effective hedges, were deferred and recognized as part of the transaction hedged. Since they were accounted for as hedges, the fair value of these contracts were not recognized in the Company's financial statements. Gains and losses resulting from the early termination of such contracts were deferred and amortized as an adjustment to the specific item being hedged over the remaining period originally covered by the terminated contracts. In addition, if the underlying items being hedged were retired prior to maturity, the unamortized gain or loss resulting from the early termination of the related interest rate swap would be included in the gain or loss on the extinguishment of the obligation.

#### REVENUE RECOGNITION

Brink's-Revenues are recognized when services are performed.

BHS-Monitoring revenues are recognized when earned and amounts paid in advance are deferred and recognized as income over the applicable monitoring period, which is generally one year or less. Installation revenues are recognized in the period of installation of the alarm system.

BAX Global-Revenues related to transportation services are recognized, together with related transportation costs, on the date shipments physically depart from facilities en route to destination locations. Revenues and operating results determined under existing recognition policies do not materially differ from those which would result from an allocation of revenue between reporting periods based on relative transit times in each reporting period with expenses recognized as incurred.

Coal Operations-Coal sales are generally recognized when coal is loaded onto transportation vehicles for shipment to customers. For domestic sales, this generally occurs when coal is loaded onto railcars at mine locations. For export sales, this generally occurs when coal is loaded onto marine vessels at terminal facilities.

#### NET INCOME PER SHARE

Pro forma basic net income per share for the Company is computed by dividing net income attributed to common shares (net income less preferred stock dividends) by the pro forma basic weighted average common shares outstanding. Pro forma diluted net income per share for the Company is computed by dividing net income by the pro forma diluted weighted average pro forma common shares outstanding. For purposes of calculating the Company's pro forma basic weighted average common shares outstanding, the basic weighted average common shares outstanding for BAX Stock and Minerals Stock were converted into shares of Pittston Common Stock by multiplying such average shares outstanding by the respective exchange ratios referred to previously. Included in the Company's pro forma diluted weighted average common shares outstanding are pro forma converted weighted average stock options and pro forma converted weighted average Convertible Preferred Stock to the extent that such conversions are dilutive. Pro forma converted weighted options are calculated by multiplying those pro forma weighted options having an exercise price less than the average fair market value for Brink's Stock, BAX Stock and Minerals Stock by the respective exchange ratios referred to above. Converted weighted Convertible Preferred Stock is calculated by multiplying the pro forma weighted average Convertible Preferred Stock by the exchange ratio for Minerals Stock referred to above. See Note 10 for additional information.

Basic and diluted net income per share for the Brink's Group and the BAX Group are computed by dividing net income for each Group by the basic weighted average common shares outstanding and the diluted weighted average common shares outstanding, respectively. Diluted weighted average common shares outstanding includes additional shares assuming the exercise of stock options. However, when the exercise of stock options is antidilutive, they are excluded from the calculation.

Basic net income (loss) per share for the Minerals Group is computed by dividing net income (loss) attributed to common shares (net income (loss) less preferred stock dividends) by the basic weighted average common shares outstanding. Diluted net income (loss) per share for the Minerals Group is computed by dividing net income (loss) by the diluted weighted average common shares outstanding. Diluted weighted average common shares outstanding includes additional shares assuming the exercise of stock options and the conversion of the Company's \$31.25 Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock"). However, when the exercise of stock options or the conversion of Convertible Preferred Stock is antidilutive, they are excluded from the calculation.

The shares of Brink's Stock, BAX Stock and Minerals Stock held in the Pittston Company Employee Benefits Trust ("the Trust" - See Note 10) are subject to the treasury stock method and effectively are not included in the basic and diluted net income (loss) per share calculations.

#### USE OF ESTIMATES

In accordance with generally accepted accounting principles, management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements. Actual results could differ from those estimates.

#### ACCOUNTING CHANGES

As of January 1, 1999, the Company adopted SOP No. 98-5, "Reporting on the Costs of Start-Up Activities." SOP No. 98-5, which provides guidance on the reporting of start-up costs and organization costs, requires that such costs be expensed as incurred. The Company has determined that capitalized mine development costs for its gold and coal mining operations relate to acquiring and constructing long-lived assets and preparing them for their intended use. Accordingly, the adoption of SOP No. 98-5 had no material impact on the results of the operations of the Company.

## 2. DERIVATIVE AND NON-DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

#### NON-DERIVATIVE FINANCIAL INSTRUMENTS

Non-derivative financial instruments, which potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, short-term investments and trade receivables. The Company places its cash and cash equivalents and short-term investments with high credit quality financial institutions. Also, by policy, the Company limits the amount of credit exposure to any one financial institution. Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers comprising the Company's customer base, and their dispersion across many different industries and geographic areas. Credit limits, ongoing credit evaluation and account-monitoring procedures are utilized to minimize the risk of loss from nonperformance on trade receivables.

The following details the fair values of non-derivative financial instruments for which it is practicable to estimate the value:

Cash and cash equivalents and short-term investments

The carrying amounts approximate fair value because of the short maturity of these instruments.



Accounts receivable, accounts payable and accrued liabilities

The carrying amounts approximate fair value because of the short-term nature of these instruments.

#### Debt

The aggregate fair value of the Company's long-term debt obligations, which is based upon quoted market prices and rates currently available to the Company for debt with similar terms and maturities, approximates the carrying amount.

#### Other

A subsidiary of the Company is a member of the SITA Foundation ("SITA") whose principal asset is its equity interest in Equant, N.V. (NYSE: ENT). In November 1999, SITA sold a portion of its interest in Equant and distributed the proceeds on a pro rata basis to members that elected to participate in the secondary offering. Pursuant to such sale, the Company redeemed approximately one-third of its depository certificates resulting in a gain of approximately \$8,300. As of December 31, 1999, the Company holds approximately 188,000 depository certificates that may become redeemable for cash. The Company's investment in these depository certificates is restricted since the Company may only liquidate its depository certificates, when and if, SITA sells its shares of Equant and, then, only to the extent that SITA sells its interest. Due to the restricted nature of this investment, it has no readily determinable fair value and is carried at cost on the Company's balance sheet. During the year ended December 31, 1999, shares of Equant traded at high and low prices of \$112 and \$69.5, respectively.

#### DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

The Company has activities in well over 100 countries, which exposes it to the effects of changes in foreign currency exchange rates. The Company operates in several different industries, which also exposes it to the effect of changes in commodity prices. In addition, due to the Company's financing activities, it is exposed to the effects of changes in interest rates. These financial exposures are monitored and managed by the Company as an integral part of its overall risk management program. The diversity of foreign operations helps to mitigate a portion of the foreign currency risks associated with market fluctuations in any one country and the impact on translated results. The Company's risk management program considers this favorable diversification effect as it measures the Company's exposure to financial markets and as appropriate, seeks to reduce the potentially adverse effects that the volatility of certain markets may have on its operating results.

The Company utilizes various derivative and non-derivative hedging instruments, as discussed below, to hedge its foreign currency, interest rate, and commodity exposures when appropriate. The risk that counterparties to such instruments may be unable to perform is minimized by limiting the counterparties to major financial institutions. Management does not expect any losses due to such counterparty default.

The Company assesses interest rate, foreign currency, and commodity risks by continually identifying and monitoring changes in interest rate, foreign currency and commodity exposures that may adversely impact expected future cash flows and by evaluating hedging opportunities. The Company maintains risk management control systems to monitor these risks attributable to both the Company's outstanding and forecasted transactions as well as offsetting hedge positions. The risk management control systems involve the use of analytical techniques to estimate the expected impact of changes in interest rates, foreign currency rates and commodity prices on the Company's future cash flows. No material amounts related to hedge ineffectiveness were recognized in earnings during the periods presented. The Company does not use derivative instruments for purposes other than hedging.

#### Cash-flow hedges

##### Interest Rate Risk Management

The Company uses primarily variable-rate debt to finance its operations. In particular, it has variable-rate long-term debt under the \$350,000 credit facility (the "Facility" - See Note 7). This debt obligation exposes the Company to variability in interest expense due to changes in interest rates. If interest rates increase, interest expense increases. Conversely, if interest rates decrease, interest expense also decreases. Management believes it is prudent to limit the variability of a portion of its interest expense. The Company attempts to maintain a reasonable balance between fixed and floating rate debt and uses interest rate swaps to accomplish this objective. The swap contracts are entered into in accordance with guidelines set forth in the Company's hedging policies.

To meet this objective, the Company enters into interest rate swaps to manage fluctuations in interest expense resulting from interest rate risk. The Company has entered into interest rate swaps with a total notional value of \$60,000. These swaps change the variable-rate cash flows on a portion of its \$100,000 term-loan, which is part of the Facility, to fixed-rate cash flows. Of

the three swaps outstanding at December 31, 1999, the first fixes the interest rate at 5.803% on \$20,000 in face amount of debt and matures in May 2000, the second and third fix the interest rate at 5.839% and 5.855%, respectively, each on \$20,000 in face amount of debt and mature in May 2001. In addition, the Company has a Singapore dollar denominated interest rate swap with an amortizing notional value which is the equivalent of US \$6,000 until April 2000 at which point it amortizes down to the equivalent of US \$3,000 until expiry in April 2001. This swap changes the variable-rate cash flows on a portion of the Company's Singapore dollar denominated credit facility to fixed-rate cash flows at 2.90% versus 3 month SIBOR (2.94%).

Changes in the fair value, to the extent effective, of interest rate swaps designated as hedging instruments of the variability of cash flows associated with floating-rate, long-term debt obligations are reported in accumulated other comprehensive income. These amounts are subsequently reclassified into interest expense as a yield adjustment in the same period in which the interest on the floating-rate debt obligations affects earnings. Under conditions existing at December 31, 1999, gains of approximately \$270 (pretax) related to the interest rate swaps would be reclassified from accumulated other comprehensive income into interest expense as a yield adjustment of the hedged debt obligation during 2000.

#### Foreign Currency Risk Management

The Company, from time to time, utilizes foreign currency forward contracts to minimize the variability in cash flows due to foreign currency risks. These contracts are denominated in various foreign currencies, primarily the Australian dollar and are entered into in accordance with guidelines set forth in the Company's hedging policies.

Mineral Ventures has a subsidiary which is exposed to currency risk arising from gold sales denominated in US dollars and local Australian costs denominated in Australian dollars. Mineral Ventures utilizes foreign currency forward contracts to hedge the variability in cash flows resulting from these exposures for up to two years into the future. All other currency contracts outstanding during the period were immaterial to the results of the Company.

The foreign currency forward contracts' effectiveness is assessed based on the forward rate of the contract. No material amounts related to hedge ineffectiveness were recognized in earnings during the period. Changes in the fair value of Australian dollar foreign currency forward contracts designated and qualifying as cash flow hedges of forecasted US dollar sales of gold are reported in accumulated other comprehensive income. The gains and losses are reclassified into earnings, as a component of revenue, in the same period as the forecasted transaction affects earnings.

Under conditions existing at December 31, 1999, gains of approximately \$100 (pretax) related to Australian dollar foreign currency forward contracts would be reclassified from accumulated other comprehensive income into revenue during 2000. As of December 31, 1999, the maximum length of time over which the Company is hedging its exposure to the variability in future cash flows associated with foreign currency forecasted transactions is six months. All other currency contracts outstanding during the period were immaterial to the results of the Company.

#### Commodities Risk Management

The Company consumes or sells various commodities in the normal course of its business and utilizes derivative instruments to minimize the variability in forecasted cash flows due to adverse price movements in these commodities. The contracts are entered into in accordance with guidelines set forth in the Company's hedging policies.

The Company utilizes forward swap contracts for the purchase of jet fuel to fix a portion of forecasted jet fuel costs at specific price levels. Under the swap contracts, the Company receives (pays) the difference between the contract rate and the higher (lower) average market rate over the related contract period. The Company also periodically utilizes option strategies to hedge a portion of the remaining forecasted risk associated with changes in the price of jet fuel. In addition, the Company, in some cases, is able to adjust its pricing to reflect large increases in the cost of the jet fuel. The option contracts, which involve either purchasing call options and simultaneously selling put options (collar strategy) or just purchasing call options, are designed to provide protection against sharp increases in the price of jet fuel. For purchased call options, the Company pays a premium up front and receives an amount over the contract period equal to the difference by which the average market price during the period exceeds the option strike price. For collar strategies, the premiums on the purchased option and sold option net to zero.

The Company receives an amount equal to the difference by which the average market price of jet fuel during the period exceeds the call option's strike price and pays an amount equal to the difference by which the average market price during the period is below the put option's strike price of jet fuel. At December 31, 1999, the outstanding notional amount of forward purchase contracts and commodity options (cap) for jet fuel totaled 3,800 gallons.

The Company utilizes a combination of forward gold sales contracts and currency contracts to fix, in Australian dollars, the selling price on a certain portion of its forecasted gold sales from the Stawell gold mine. At December 31, 1999, 44 ounces of gold, representing approximately 21% of the Company's share of Stawell's proven and probable reserves, were sold forward under forward gold contracts.

The Company utilizes forward swap contracts for diesel fuel to fix a portion of the Company's forecasted diesel fuel costs at specific price levels. The Company also periodically utilizes option strategies to hedge a portion of the remaining risk associated with changes in the price of diesel fuel. The option contracts, which involve purchasing call options, are designed to provide protection against sharp increases in the price of diesel fuel. For purchased options, the Company pays a premium up front and receives an amount over the contract period equal to the difference by which the average market price of diesel fuel during the period exceeds the option strike price. At December 31, 1999, the outstanding notional amount of commodity options (cap) for diesel fuel totaled approximately 1,500 gallons.

Changes in the fair value of the commodity contracts designated and qualifying as cash flow hedges of forecasted commodity purchases and sales are reported in accumulated other comprehensive income. For jet fuel and diesel fuel, the gains and losses are reclassified into earnings, as a component of costs of sales, in the same period as the commodity purchased affects earnings. For gold and natural gas contracts, the gains and losses are reclassified into earnings, as a component of revenue, in the same period as the gold sale affects earnings.

Under conditions existing at December 31, 1999, gains of approximately \$2,500 (pretax) and losses of \$20 (pretax) related to jet fuel purchase contracts and diesel fuel purchase contracts, respectively, would be reclassified from accumulated other comprehensive income into cost of sales during 2000. Under conditions existing at December 31, 1999, gains of approximately \$1,016 (pretax) and \$120 (pretax) related to gold and natural gas sales, respectively, would be reclassified from accumulated other comprehensive income into revenue during 2000.

As of December 31, 1999, the maximum length of time over which the Company was hedging its exposure to the variability in future cash flows associated with jet fuel and diesel fuel purchases was nine and three months, respectively. As of December 31, 1999, the maximum length of time over which the Company is hedging its exposure to the variability in future cash flows associated with gold and natural gas sales was three years and fifteen months, respectively.

#### Hedges of Net Investments in Foreign Operations

The Company holds investments in a number of foreign subsidiaries, and the net assets of these subsidiaries are exposed to foreign exchange rate volatility. The Company uses non-derivative financial instruments to hedge this exposure.

Currency exposure related to the net assets of the Brink's subsidiary in France are managed in part through a foreign currency denominated debt agreement (seller financing) entered into as part of the acquisition by the Company. Gains and losses in the net investment in subsidiaries are offset by losses and gains in the debt obligations.

For the year ended December 31, 1999, approximately \$3,058 of net losses related to the foreign currency denominated debt agreements were included in the cumulative foreign currency translation adjustment in the balance sheet. All other hedges of net investments in foreign operations during the period were immaterial to the results of the Company.

#### 3. ACCOUNTS RECEIVABLE-TRADE

For each of the years in the three-year period ended December 31, 1999, the Company maintained agreements with financial institutions whereby it had the right to sell certain coal receivables to those institutions. Certain agreements contained provisions for sales with recourse. In 1999 and 1998, total coal receivables of \$22,247 and \$38,373, respectively, were sold under such agreements. As of December 31, 1999 and 1998, receivables sold which remained to be collected totaled \$15,121 and \$29,734, respectively.

As a result of changes in certain recourse provisions during 1998, these transactions were accounted for as transfers of the receivables, resulting in the receivable balances remaining on the balance sheet with a corresponding short-term obligation of \$15,121 and \$29,734 recognized as of December 31, 1999 and 1998, respectively. The fair value of this short-term obligation approximates the carrying value. During 1997, these transactions were accounted for as sales of receivables, resulting in the removal of the receivables from the balance sheet.

#### 4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, at cost, consists of the following:

	As of December 31	
	1999	1998
Machinery and equipment	\$1,189,029	1,039,960
Buildings	228,313	221,640
Bituminous coal lands	88,760	100,968
Land, other than coal lands	45,495	44,923
Capitalized software	28,486	15,642
Total	\$1,580,083	1,423,133

The estimated useful lives for property, plant and equipment are as follows:

Years

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Buildings	10 to 40
Machinery and equipment	3 to 30
Capitalized software	3 to 7

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Depreciation and depletion of property, plant and equipment aggregated \$156,054 in 1999, \$130,932 in 1998 and \$106,584 in 1997.

Mine development costs capitalized during 1999, 1998 and 1997 were \$8,565, \$8,169 and \$10,463, respectively.

Changes in capitalized subscriber installation costs for home security systems included in machinery and equipment were as follows:

	1999	Years Ended December 31 1998	1997
Capitalized subscriber installation costs-beginning of year	\$217,595	172,792	134,850
Capitalized cost of security system installations	78,234	77,460	64,993
Depreciation, including amounts recognized to fully depreciate capitalized costs for installations disconnected during the year	(46,323)	(32,657)	(27,051)
Capitalized subscriber installation costs-end of year	\$249,506	217,595	172,792

New BHS subscribers were approximately 105,600 in 1999, 113,500 in 1998 and 105,600 in 1997.

As previously reported, the Company engaged a mining consulting firm to perform a comprehensive study (which was substantially completed in the fourth quarter of 1999) of its coal resources. Such study included a thorough evaluation of the quality, recoverability and economic feasibility of all available reserves as well as a per ton estimate of residual values for each property's reserves. The Company used the reserve study as a basis for evaluating the expected future cash flows of its mining operations. Furthermore, in light of the approval by the Board in December 1999 of a plan to exit the coal business, the term of the cash flow projections was revised to include an assumed exit date from the coal business.

The Company, in accordance with SFAS No. 121, estimated the future cash flows expected to result from the use of the assets until an assumed disposition date, along with a residual value for such assets as of such date. For certain long-lived assets, the sum of such expected future cash flows (undiscounted and without interest charges) was estimated to be less than the carrying value, primarily due to the fact that the term for expected future cash flows was significantly reduced as a result of the Company's decision to exit the coal business. As a result, the Company determined that certain West Virginia operations and certain other coal reserves, as well as a joint venture interest in a coal export facility, met the criteria for impairment under SFAS No. 121 or APB Opinion No. 18, "The Equity Method of Accounting for Investment in Common Stock." This impairment resulted in a pretax charge of \$73,657, primarily impacting goodwill (\$42,061), a joint venture interest (\$15,559) and coal lands and other assets (\$16,037). In addition, the Company announced the closing in late December 1999 of its Meadow River mine in West Virginia as it was no longer deemed economical to operate due to depressed market conditions for export metallurgical coal. This resulted in an additional charge of \$8,623; \$5,293 and \$3,330 of which related to the impairment of long-lived assets and an accrual for other closure costs, respectively. Of the total pretax charge of \$82,280, \$42,061 was related to goodwill and was included in selling, general and administrative expenses. The remaining \$40,219 was included in cost of sales. Substantially all of the charges were non-cash. The majority of the closure-related costs of \$3,330 are expected to be paid within one year.

During the third quarter of 1998, the Company recorded write-offs for software costs included in property, plant and equipment in accordance with SFAS No. 121 of approximately \$16,000. These write-offs consisted of the costs associated with certain in-process software development projects that were canceled during the quarter and unamortized costs of existing software applications which were determined by management to have no future service potential or value. Such write-offs are included in selling, general and administrative expenses in the Company's 1998 results of operations.

As of January 1, 1992, BHS elected to capitalize categories of costs not previously capitalized for home security system installations. This change in accounting principle is preferable because it more accurately reflects subscriber installation costs. 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 (in the amount of \$2,269 in 1998 and \$2,600 in 1997) and costs incurred for maintaining facilities and vehicles dedicated to the installation process (in the amount of \$2,435 in 1998 and \$2,343 in 1997). The effect of this change in accounting principle was to increase operating profit in 1998 and 1997 by \$4,704 and \$4,943, respectively, and net income in 1998 and 1997 by \$2,964 and \$3,213, respectively. The effect of this change on operating profit and net income for 1999 was not material. Prior to January 1, 1992, the records needed to identify such costs were not available. Thus, it was impossible to accurately calculate the effect on retained earnings as of January 1, 1992. However, the Company believes the effect on retained earnings as of January 1, 1992, was immaterial.

Because capitalized subscriber installation costs for periods prior to January 1, 1992 were not adjusted for the change in accounting principle, installation costs for subscribers in those years will continue to be depreciated based on the lesser amounts capitalized in prior periods. Consequently, depreciation of capitalized subscriber installation costs in the current year and until such capitalized costs prior to January 1, 1992 are fully depreciated will be less

than if such prior periods' capitalized costs had been adjusted for the change in accounting. However, the Company believes the effect on net income in 1999, 1998 and 1997 was immaterial.

## 5. INTANGIBLES

Intangibles consist entirely of the excess of cost over fair value of net tangible and identifiable intangible assets of businesses acquired and are net of accumulated amortization of \$130,377 and \$118,656 at December 31, 1999 and 1998, respectively. The estimated useful life of intangibles is generally forty years. Amortization of intangibles aggregated \$12,854 in 1999, \$12,119 in 1998 and \$10,518 in 1997.

In the fourth quarter of 1999, the Company recorded a goodwill write-off of \$42,061 related to the impairment of certain of its coal operations. See Note 4 for further discussion.

In 1999, the Company purchased 67% (representing substantially all of the remaining shares) of BAX Global's affiliate in Taiwan, resulting in \$2,624 of goodwill. In the first and second quarters of 1999, the Company finalized certain of the preliminary purchase price allocations related to several 1998 acquisitions, primarily BAX Global's acquisition of Air Transport International LLC ("ATI") resulting in additional goodwill of \$13,008.

In the first quarter of 1998, the Company purchased 62% (representing nearly all the remaining shares) of its Brink's affiliate in France ("Brink's S.A.") for payments aggregating US \$39,000 (including interest) over three years and the assumption of estimated liabilities of US \$125,700. Based on estimates of fair values of assets acquired and liabilities assumed, the acquisition of the remaining 62% interest resulted in goodwill of approximately \$37,000. See Note 11.

## 6. INCOME TAXES

The provision (credit) for income taxes consists of the following:

	US Federal	Foreign	State	Total
-----				
1999:				
Current	\$ 6,106	28,775	3,452	38,333
Deferred	(15,307)	(11,775)	1,541	(25,541)
-----				
Total	\$ (9,201)	17,000	4,993	12,792
-----				
1998:				
Current	\$ 11,194	20,625	3,500	35,319
Deferred	2,088	(8,278)	25	(6,165)
-----				
Total	\$ 13,282	12,347	3,525	29,154
-----				
1997:				
Current	\$ 18,707	14,390	4,349	37,446
Deferred	13,506	(3,172)	277	10,611
-----				
Total	\$ 32,213	11,218	4,626	48,057
-----				

The significant components of the deferred tax expense (benefit) were as follows:

	Years Ended December 31		
	1999	1998	1997
-----			
Net operating loss carryforwards	\$ (8,028)	(6,651)	(4,345)
Alternative minimum tax credits	(2,710)	(7,626)	7,613
Change in the valuation allowance for deferred tax assets	546	431	393
Other deferred tax expense (benefit)	(15,349)	7,681	6,950
-----			
Total	\$ (25,541)	(6,165)	10,611
-----			

The tax benefit for compensation expense related to the exercise of certain employee stock options for tax purposes in excess of compensation expense for financial reporting purposes is recognized as an adjustment to shareholders' equity.

The components of the net deferred tax asset as of December 31, 1999 and December 31, 1998 were as follows:

	1999	1998
-----		
Deferred tax assets:		
Accounts receivable	\$ 11,472	13,314
Postretirement benefits other than pensions	110,246	104,322
Workers' compensation and other claims	40,268	43,033
Other assets and liabilities	90,197	76,909
Miscellaneous	5,714	8,288
Net operating loss carryforwards	35,692	27,664

Alternative minimum tax credits	36,061	33,153
Valuation allowance	(10,829)	(10,284)
-----		
Total deferred tax assets	318,821	296,399
-----		
Deferred tax liabilities:		
Property, plant and equipment	72,892	66,307
Pension assets	41,851	44,077
Other assets	13,490	14,690
Investments in foreign affiliates	7,200	11,382
Miscellaneous	69,836	64,575
-----		
Total deferred tax liabilities	205,269	201,031
-----		
Net deferred tax asset	\$ 113,552	95,368
-----		

The valuation allowance relates to deferred tax assets in certain foreign and state jurisdictions.

Based on the Company's historical and expected future taxable earnings, management believes it is more likely than not that the Company will realize the benefit of the existing deferred tax asset at December 31, 1999.



The following table accounts for the difference between the actual tax provision and the amounts obtained by applying the statutory US federal income tax rate of 35% in 1999, 1998 and 1997 to the income before income taxes.

	Years Ended December 31		
	1999	1998	1997
-----			
Income before income taxes:			
United States	\$ (12,811)	47,976	110,070
Foreign	60,260	47,234	48,185
-----			
Total	\$ 47,449	95,210	158,255
-----			
Tax provision computed at statutory rate	\$ 16,607	33,323	55,389
Increases (reductions) in taxes due to:			
Percentage depletion	(6,306)	(6,869)	(7,407)
State income taxes (net of federal tax benefit)	2,711	1,861	2,614
Goodwill amortization	2,306	2,369	2,289
Difference between total taxes on foreign income and the US federal statutory rate	(2,241)	(1,084)	(4,642)
Change in the valuation allowance for deferred tax assets	546	431	393
Miscellaneous	(831)	(877)	(579)
-----			
Actual tax provision	\$ 12,792	29,154	48,057
-----			

It is the policy of the Company to accrue deferred income taxes on temporary differences related to the financial statement carrying amounts and tax bases of investments in foreign subsidiaries and affiliates which are expected to reverse in the foreseeable future. As of December 31, 1999 and 1998, the unrecognized deferred tax liability for temporary differences of approximately \$72,911 and \$61,040, respectively, related to investments in foreign subsidiaries and affiliates that are essentially permanent in nature and not expected to reverse in the foreseeable future was approximately \$25,519 and \$21,364, respectively.

The Company and its domestic subsidiaries file a consolidated US federal income tax return.

As of December 31, 1999, the Company had \$36,061 of alternative minimum tax credits available to offset future US federal income taxes and, under current tax law, the carryforward period for such credits is unlimited.

The tax benefit of net operating loss carryforwards as of December 31, 1999 was \$35,692 and related to various state and foreign taxing jurisdictions. The gross amount of such net operating losses was \$147,688 as of December 31, 1999. The expiration periods primarily range from 5 years to an unlimited period.

#### 7. LONG-TERM DEBT

Total long-term debt consists of the following:

	As of December 31	
	1999	1998
-----		
Senior obligations:		
US dollar term loan due 2001 (year-end rate 6.52% in 1999 and 5.68% in 1998)	\$100,000	100,000
Revolving credit notes due 2001 (year-end rate 6.69% in 1999 and 5.83% in 1998)	185,000	91,600
Revolving credit facility due in 2002 (year-end rate 11.40% in 1999)	14,496	-
Venezuelan bolivar term loan due 2003 (year-end rate 28.50% in 1999 and 50.40% in 1998)	12,536	18,723
Netherlands guilder term loan due 2000 (year-end rate 3.46% in 1999 and 3.95% in 1998)	9,588	11,166
Singapore dollar term loan due 2003 (year-end rate 3.38% in 1999 and 3.31% in 1998)	9,006	10,897
5% amortizing French franc seller's note maturing in 2001	8,442	19,646
British pounds medium term loan facility maturing in 2004 (year-end rate 6.57%)	8,091	-
French franc term notes maturing in 2004 (year-end average rate 5.10% in 1999 and 5.38% in 1998)	7,530	12,523
All other	14,451	27,755
-----		
	369,140	292,310
-----		
Obligations under capital leases (average rate 6.90% in 1999 and 5.78% in 1998)	25,938	30,998
-----		
Total long-term debt, less current maturities	395,078	323,308
Current maturities of long-term debt:		
Senior obligations	22,317	27,123
Obligations under capital leases	9,849	9,386

Total current maturities of long-term debt	32,166	36,509
Total long-term debt including current maturities	\$427,244	359,817

For the four years through December 31, 2004, minimum repayments of long-term debt outstanding are as follows:

2001	\$ 317,702
2002	39,255
2003	18,882
2004	8,070

The Company has a \$350,000 credit agreement with a syndicate of banks (the "Facility"). The Facility includes a \$100,000 term loan and permits additional borrowings, repayments and reborrowings of up to an aggregate of \$250,000. The maturity date of both the term loan and the revolving credit portion of the Facility is May 2001. Interest on borrowings under the Facility is payable at rates based on prime, certificate of deposit, Eurodollar or money market rates plus applicable margin. The term loan of \$100,000 was outstanding at December 31, 1999 and 1998. Additional borrowings of \$185,000 and \$91,600 were outstanding at December 31, 1999 and 1998, respectively, under the revolving credit portion of the Facility. The Company pays commitment fees (0.125% per annum at December 31, 1999) on the unused portions of the Facility.

Under the terms of the Facility, the Company has agreed to maintain at least \$400,000 of Consolidated Net Worth, as defined, and can incur additional indebtedness of approximately \$430,000 at December 31, 1999.

The Company has three interest rate swap agreements that effectively convert a portion of the interest on its \$100,000 variable rate term loan to fixed rates. In addition, the Company has an interest rate swap agreement that effectively converts a portion of the interest on its variable rate Singapore dollar term loan to fixed rates. (See Note 2.)

In January 2000, the Company executed a three year committed loan agreement with a syndicate of Venezuelan banks, denominated in Venezuelan bolivars equivalent to US \$14,600. This loan, which bears interest based on the Venezuelan prime rate and is payable in installments through 2003, replaced an existing Venezuelan bolivar term loan which was due to expire in January 2000. As of December 31, 1999, US \$12,500 of such borrowings were classified as long-term debt, as the Company had the ability and intent to refinance such debt on a long-term basis.

In December 1999, the Company executed a \$60,000 committed three year credit facility with a major bank. This new credit facility is comprised of a three year committed \$30,000 multi-currency revolving credit facility and a 364 day committed \$30,000 multi-currency revolving credit facility and bears interest based on London Inter-Bank Offered Rate (LIBOR) plus an applicable margin. No amounts were outstanding under this facility as of December 31, 1999. A portion of the borrowings under this loan will be used to refinance an existing Netherland guilders term loan which is due to expire in April 2000. As of December 31, 1999, US \$9,588 of Netherland guilders borrowings were classified as long-term debt, as the Company had the ability and intent to refinance such debt on a long-term basis. The Company pays commitment fees (0.175% per annum) on the unused portion of the loan agreement.

In 1999, the Company entered into a medium term loan facility with a major bank related to its BAX Global United Kingdom operations. The facility, which is denominated in British pounds, allows for borrowings of up to approximately US \$23,000 and is payable in annual installments throughout 2004. Interest on the borrowings under the facility is based on LIBOR plus applicable margin. As of December 31, 1999, the amount outstanding in British pounds was the equivalent of US \$8,091.

In 1999, the Company converted its \$15,000 short term facility related to its Brink's operations in Argentina to a revolving credit facility with a final maturity of June 2002. Accordingly as of December 31, 1999, borrowings outstanding of \$14,496 were included in long-term debt. Interest on the borrowings under the facility is based on LIBOR plus applicable margin. The Company pays commitment fees (0.125% per annum) on the unused portion of the facility.

In 1998, the Company entered into a credit agreement with a major US bank related to BAX Global's Singapore operating unit to finance warehouse facilities. In April 1999, the credit agreement was converted to a term loan maturing in April 2003. At December 31, 1999 and 1998, the amount outstanding in Singapore dollars was the equivalent of US \$9,006 and US \$10,897, respectively. Interest on the borrowings under the agreement is payable at rates based on Alternate Base Rate, LIBOR US\$ Rate, SIBOR (Singapore Inter-Bank Offered Rate) US\$ Rate and Adjusted SIBOR-S\$ plus the applicable margin.

Various international subsidiaries maintain lines of credit and overdraft facilities aggregating approximately \$119,690 with a number of banks on either a secured or unsecured basis. At December 31, 1999, \$74,964 was outstanding under such agreements and was included in short-term borrowings. Average interest rates on the lines of credit and overdraft facilities at December 31, 1999 approximated 10.4%. Commitment fees paid on the lines of credit and overdraft facilities are not significant.

At December 31, 1999, the Company had outstanding unsecured letters of credit totaling \$70,414 primarily supporting the Company's obligations under its various self-insurance programs, credit facilities and aircraft lease obligations.

The Company maintains agreements with financial institutions under which it sells certain coal receivables to those institutions. Some of these agreements contained provisions for sales with recourse. As of December 31, 1999 and 1998, these transactions were accounted for as secured financings, resulting in the recognition of short-term obligations of \$15,121 and \$29,734, respectively. These short-term obligations bore interest rates of 5.61% and 5.72%, as of December 31, 1999 and 1998, respectively.

## 8. NET INCOME PER SHARE

The following is a reconciliation between the calculations of pro forma basic and diluted net income (loss) per share:

The Company	Years Ended December 31		
	1999	1998	1997
-----			
Numerator:			
Net income	\$ 34,657	66,056	110,198
Convertible Preferred Stock dividends, net	17,621	(3,524)	(3,481)
-----			
Basic net income per share numerator	52,278	62,532	106,717
Effect of dilutive securities:			
Convertible Preferred Stock dividends, net	(17,621)	-	-
-----			
Diluted net income per share numerator	\$ 34,657	62,532	106,717
-----			
Denominator:			
Pro forma basic weighted average common shares outstanding	49,113	48,766	48,361
Effect of dilutive securities:			
Pro forma Convertible Preferred Stock	59	-	-
Pro forma stock options	155	484	784
-----			
Pro forma diluted weighted average common shares outstanding	49,327	49,250	49,145
-----			

For purposes of calculating the Company's pro forma basic weighted average common shares outstanding, the basic weighted average common shares outstanding for BAX Stock and Minerals Stock were converted into shares of Pittston Common Stock by multiplying such average shares outstanding by the respective exchange ratios referred to in Note 1. Included in the Company's pro forma diluted weighted average common shares outstanding are common stock equivalents from pro forma converted weighted average stock options and pro forma converted weighted average Convertible Preferred Stock to the extent that such conversions are dilutive. Pro forma converted weighted options are calculated by multiplying those weighted options having an exercise price less than the average fair market value for Brink's Stock, BAX Stock and Minerals Stock by the respective exchange ratios. Converted weighted Convertible Preferred Stock is calculated by multiplying the pro forma weighted average Convertible Preferred Stock by the Minerals exchange ratio. See Notes 1 and 10 for additional information.

Not included in the Company's pro forma diluted net income per share calculations are converted options to the extent that such conversions are antidilutive. Converted options are calculated by multiplying those options having an exercise price greater than the average fair market value for Brink's Stock, BAX Stock and Minerals Stock by the respective exchange ratios. Converted exercise prices related to these converted options are calculated by dividing the exercise price of Brink's Stock, BAX Stock and Minerals Stock by the respective exchange ratios.

Pro forma options to purchase 2,612, 1,154 and 58 shares of Pittston Common Stock, at prices between \$19.09 and \$315.06 per share, \$30.61 and \$315.06 per share and \$37.06 and \$315.06 per share, were outstanding during 1999, 1998 and 1997, respectively, but were not included in the computation of diluted net income per share because the options' exercise prices were greater than the average market price of the common shares and, therefore, the effect would be antidilutive.

The conversion of preferred stock to 144 and 146 shares of Pittston Common Stock has been excluded in the computation of diluted net income per share in 1998 and 1997, respectively, because the effect of the assumed conversion would be antidilutive.

The shares of Pittston Common Stock held in The Pittston Company Employee Benefits Trust ("Trust") are subject to the treasury stock method and effectively are not included in the basic and diluted net income per share calculations. As of December 31, 1999, 1998, 2,293 pro forma shares of Pittston Common Stock (3,040 in 1998 and 3,174 in 1997) remained in the Trust. (See Note 10.)

The following is a reconciliation between the calculations of basic and diluted net income per share:

Brink's Group	Years Ended December 31		
	1999	1998	1997
-----			
Numerator:			
Net income - Basic and diluted net income per share numerator	\$ 84,209	79,104	73,622
Denominator:			
Basic weighted average common shares outstanding	39,059	38,713	38,273
Effect of dilutive securities:			
Stock options	143	442	518

-----			
Diluted weighted average common			
shares outstanding	39,202	39,155	38,791
-----			

Options to purchase 1,444, 356 and 19 shares of Brink's Stock, at prices between \$25.57 and \$39.56 per share, \$37.06 and \$39.56 per share and \$37.06 and \$38.16 per share, were outstanding during 1999, 1998 and 1997, respectively, but were not included in the computation of diluted net income per share because the options' exercise prices were greater than the average market price of the common shares and, therefore, the effect would be antidilutive.

The shares of Brink's Stock held in the Trust are subject to the treasury stock method and effectively are not included in the basic and diluted net income per share calculations. As of December 31, 1999, 1,573 shares of Brink's Stock (2,076 in 1998 and 2,734 in 1997) remained in the Trust. (See Note 10.)

The following is a reconciliation between the calculations of basic and diluted net income (loss) per share:

BAX Group	Years Ended December 31		
	1999	1998	1997
-----			
Numerator:			
Net income (loss)-Basic and diluted net income (loss) per share numerator	\$ 33,223	(13,091)	32,348
Denominator:			
Basic weighted average common shares outstanding	19,241	19,333	19,448
Effect of dilutive securities:			
Stock options	24	-	545
-----			
Diluted weighted average common shares outstanding	19,265	19,333	19,993
-----			

Options to purchase 2,263 shares of BAX Stock at prices between \$9.41 and \$27.91 per share, were outstanding during 1999 but were not included in the computation of diluted net income per share because the options' exercise prices were greater than the average market price of the common shares and, therefore, the effect would be antidilutive.

Options to purchase 2,588 shares of BAX Stock at prices between \$7.85 and \$27.91 per share, were outstanding during 1998 but were not included in the computation of diluted net loss per share because the effect of all options would be antidilutive.

Options to purchase 7 shares of BAX Stock at \$27.91 per share, were outstanding during 1997, but were not included in the computation of diluted net income per share because the options' exercise prices were greater than the average market price of the common shares and, therefore, the effect would be antidilutive.

The shares of BAX Stock held in the Trust are subject to the treasury stock method and effectively are not included in the basic and diluted net income (loss) per share calculations. As of December 31, 1999, 1,350 shares of BAX Stock (1,858 in 1998 and 868 in 1997) remained in the Trust. (See Note 10.)

The following is a reconciliation between the calculations of basic and diluted net income (loss) per share:

Minerals Group	Years Ended December 31		
	1999	1998	1997
-----			
Numerator:			
Net income (loss)	\$(82,775)	43	4,228
Convertible Preferred Stock dividends, net	17,621	(3,524)	(3,481)
-----			
Basic net income (loss) per share numerator	(65,154)	(3,481)	747
Effect of dilutive securities:			
Convertible Preferred Stock dividends, net	(17,621)	-	-
-----			
Diluted net income (loss) per share numerator	\$(82,775)	(3,481)	747
Denominator:			
Basic weighted average common shares outstanding	8,890	8,324	8,076
Effect of dilutive securities:			
Convertible Preferred Stock	724	-	-
Stock options	-	-	26
-----			
Diluted weighted average common shares outstanding	9,614	8,324	8,102
-----			

Options to purchase 871 shares of Minerals Stock, at prices between \$1.56 and \$25.74 per share, were outstanding during 1999 but were not included in the computation of diluted net loss per share because the options' exercise prices

were greater than the average market value of the common shares, and, therefore, the effect would be antidilutive.

Options to purchase 789 shares of Minerals Stock, at prices between \$2.50 and \$25.74 per share, were outstanding during 1998, but were not included in the computation of diluted net loss per share because the effect of all options would be antidilutive.

Options to purchase 446 shares of Minerals Stock, at prices between \$12.18 and \$25.74 per share, were outstanding during 1997, but were not included in the computation of diluted net income per share because the options' exercise prices were greater than the average market price of the common shares and, therefore, the effect would be antidilutive.

The conversion of preferred stock to 1,764 and 1,785 shares of Minerals Stock has been excluded in the computation of diluted net income (loss) per share in 1998 and 1997, respectively, because the effect of the assumed conversion would be antidilutive.

The shares of Minerals Stock held in the Trust are subject to the treasury stock method and effectively are not included in the basic and diluted net income (loss) per share calculations. As of December 31, 1999, 813 shares of Minerals Stock (766 in 1998 and 232 in 1997) remained in the Trust. (See Note 10.)

#### 9. STOCK OPTIONS

The Company has various stock-based compensation plans as described below.

##### Stock Option Plans

The Company grants options under its 1988 Stock Option Plan (the "1988 Plan") to executives and key employees and under its Non-Employee Directors' Stock Option Plan (the "Non-Employee Plan") to outside directors, to purchase common stock at a price not less than 100% of the average quoted market value at the date of grant. All grants made in 1999, 1998 and 1997 have a maximum term of six years. Substantially all 1999 and 1998 grants either vest ratably over three years or vest 100% at the end of the third year. All 1997 grants vest 100% at the end of the third year. The Non-Employee Plan options are granted with a maximum term of ten years. Some options under the Non-Employee Plan vest immediately with the remainder vesting ratably over the first two years; other options vest fully after six months.

As of January 14, 2000 with the elimination of the Company's tracking stock capital structure, the 1988 Plan and Non-Employee Plans were amended to provide that all future grants would be made solely in Pittston Common Stock and that all outstanding options related to BAX Stock and Minerals Stock would be converted into options to purchase Pittston Common Stock. At the Exchange Date, a total of 2,041 shares of BAX Common Stock and 588 shares of Minerals Common Stock were subject to options outstanding under the 1988 Plan and the Non-Employee Plan. Pursuant to the Exchange provisions, the Company converted these options into options for shares of Pittston Common Stock. If the Exchange had occurred as of December 31, 1999, a total of 2,868 shares of Pittston Common Stock would have been subject to options at prices ranging from \$9.82 to \$315.00 with a weighted average exercise price of \$29.53. At December 31, 1999, if the Exchange had occurred, under the 1988 Plan and the Non-Employee Plan, 673 shares of underlying options of Pittston Common Stock would have been authorized to be granted, but not yet granted.

The table below summarizes the activity in all plans for 1999, 1998 and 1997.

	Shares	Aggregate Exercise Price
-----		
Brink's Group Common Stock Options:		
Outstanding at December 31, 1996	1,916	\$ 33,858
Granted	428	13,618
Exercised	(190)	(2,296)
Forfeited or expired	(104)	(2,497)
-----		
Outstanding at December 31, 1997	2,050	\$ 42,683
Granted	365	13,748
Exercised	(439)	(6,230)
Forfeited or expired	(35)	(985)
-----		
Outstanding at December 31, 1998	1,941	\$ 49,216
Granted	430	11,515
Exercised	(156)	(2,461)
Forfeited or expired	(384)	(8,798)
-----		
Outstanding at December 31, 1999	1,831	\$ 49,472
=====		
BAX Group Common Stock Options:		
Outstanding at December 31, 1996	2,047	\$ 27,589
Granted	526	12,693
Exercised	(246)	(2,389)
Forfeited or expired	(71)	(1,223)
-----		
Outstanding at December 31, 1997	2,256	\$ 36,670
Granted	334	4,683
Exercised	(236)	(1,868)
Forfeited or expired	(166)	(3,393)
-----		
Outstanding at December 31, 1998	2,188	\$ 36,092
Granted	514	4,851
Exercised	(26)	(247)
Forfeited or expired	(635)	(10,033)
-----		
Outstanding at December 31, 1999	2,041	\$ 30,663
=====		
Minerals Group Common Stock Options:		
Outstanding at December 31, 1996	583	\$ 9,132
Granted	138	1,746
Exercised	(2)	(22)
Forfeited or expired	(67)	(921)
-----		
Outstanding at December 31, 1997	652	\$ 9,935
Granted	138	721



Exercised	-	-
Forfeited or expired	(128)	(1,668)
-----		
Outstanding at December 31, 1998	662	\$ 8,988
Granted	209	339
Exercised	-	-
Forfeited or expired	(283)	(4,753)
-----		
Outstanding at December 31, 1999	588	\$ 4,574
=====		

Options exercisable at the end of 1999, 1998 and 1997 for Brink's Stock were 853, 922 and 905, respectively; for BAX Stock were 994, 1,081 and 827, respectively; and for Minerals Stock were 279, 491 and 253, respectively.

The following table summarizes information about stock options outstanding as of December 31, 1999.

Range of Exercise Prices	Stock Options Outstanding			Stock Options Exercisable	
	Shares	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
<b>Brink's Stock</b>					
\$ 9.82 to 13.79	121	1.24	\$10.13	121	\$ 10.13
16.77 to 21.34	314	2.45	18.61	314	18.61
23.00 to 31.94	1,080	4.08	28.07	317	25.99
37.47 to 39.56	316	4.72	38.26	101	38.22
<b>Total</b>	<b>1,831</b>			<b>853</b>	
<b>BAX Stock</b>					
\$ 7.85 to 11.29	722	4.62	\$ 9.11	139	\$ 8.17
13.41 to 16.32	555	2.44	14.62	446	14.49
17.06 to 21.13	423	2.85	18.23	405	18.20
23.88 to 27.91	341	3.39	24.26	4	27.91
<b>Total</b>	<b>2,041</b>			<b>994</b>	
<b>Minerals Stock</b>					
\$ 1.56 to 6.53	263	5.38	\$ 2.23	23	\$ 4.25
9.50 to 11.88	200	1.99	10.23	199	10.23
12.69 to 16.63	97	2.84	13.15	29	14.21
18.63 to 25.74	28	3.76	24.24	28	24.24
<b>Total</b>	<b>588</b>			<b>279</b>	

#### Employee Stock Purchase Plan

As of December 31, 1999, under the 1994 Employee Stock Purchase Plan (the "ESPP"), the Company was authorized to issue up to 750 shares of Brink's Stock, 375 shares of BAX Stock and 650 shares of Minerals Stock, to its employees who have six months of service and who complete minimum annual work requirements. If the Exchange had occurred on December 31, 1999, the maximum number of shares of Pittston Common Stock that may be issued pursuant to the ESPP would have been 985, of which, 411 shares would have been issued. Under the terms of the ESPP, employees may elect each six-month period (beginning January 1 and July 1), to have up to 10 percent of their annual earnings withheld to purchase any or all of the three classes of the Company's common stock. The purchase price of the stock is 85% of the lower of its beginning-of-the-period or end-of-the-period market price. Under the ESPP, the Company sold 60, 41 and 43 shares of Brink's Stock; 62, 48 and 29 shares of BAX Stock; and 165, 118 and 46 shares of Minerals Stock, to employees during 1999, 1998 and 1997, respectively.

#### Accounting for Plans

The Company has adopted the disclosure - only provisions of SFAS No. 123, "Accounting for Stock-Based Compensation", but applies APB Opinion No. 25 and related interpretations in accounting for its plans. Accordingly, no compensation cost has been recognized in the accompanying financial statements. Had compensation costs for the Company's plans been determined based on the fair value of awards at the grant dates, consistent with SFAS No. 123, then the net income and net income per share would approximate the pro forma amounts indicated below:

	1999	1998	1997
Net Income (loss) attributed to common shares (a)			
<b>The Company</b>			
As Reported	\$ 52,278	62,532	106,717
Pro Forma	47,197	57,550	101,746
<b>Brink's Group</b>			
As Reported	84,209	79,104	73,622
Pro Forma	81,230	76,251	71,240
<b>BAX Group</b>			
As Reported	33,223	(13,091)	32,348
Pro Forma	31,327	(15,017)	30,170
<b>Minerals Group</b>			
As Reported	(65,154)	(3,481)	747
Pro Forma	(65,361)	(3,684)	336



	1999	1998	1997
Net Income (loss) per common share (a)			
The Company			
Basic, As Reported (b)	\$ 1.06	1.28	2.21
Basic, Pro Forma	0.96	1.18	2.11
Diluted, As Reported (b)	0.70	1.27	2.17
Diluted, Pro Forma	0.60	1.17	2.07
Brink's Group			
Basic, As Reported	\$ 2.16	2.04	1.92
Basic, Pro Forma	2.08	1.97	1.86
Diluted, As Reported	2.15	2.02	1.90
Diluted, Pro Forma	2.07	1.95	1.84
BAX Group			
Basic, As Reported	1.73	(0.68)	1.66
Basic, Pro Forma	1.63	(0.78)	1.55
Diluted, As Reported	1.72	(0.68)	1.62
Diluted, Pro Forma	1.63	(0.78)	1.51
Minerals Group			
Basic, As Reported	(7.33)	(0.42)	0.09
Basic, Pro Forma	(7.35)	(0.44)	0.04
Diluted, As Reported	(8.61)	(0.42)	0.09
Diluted, Pro Forma	(8.63)	(0.44)	0.04

(a) The pro forma disclosures shown may not be representative of the effects on reported net income in future years.

(b) These "as reported" net income per share amounts are calculated using pro forma basic and diluted shares. See Note 8.

The fair value of each stock option grant used to compute pro forma net income and net income per share disclosures is estimated at the time of the grant using the Black-Scholes option-pricing model. The assumptions used in the model to value options at the time of grant do not recognize any potential effects of the Exchange. However, it is management's best estimate that the assumptions used reflect, in aggregate, the expected attributes of the Pittston Common Stock.

The weighted-average assumptions used in the model are as follows:

	1999	1998	1997
Expected dividend yield:			
Brink's Stock	0.3%	0.3%	0.3%
BAX Stock	1.7%	1.7%	1.0%
Minerals Stock	4.3%	1.8%	5.4%
Expected volatility:			
Brink's Stock	32%	31%	32%
BAX Stock	64%	50%	29%
Minerals Stock	44%	45%	43%
Risk-Free interest rate:			
Brink's Stock	6.0%	5.3%	6.2%
BAX Stock	6.0%	5.3%	6.2%
Minerals Stock	6.0%	5.3%	6.2%
Expected term (in years): (a)			
Brink's Stock	4.3	4.4	4.9
BAX Stock	4.4	4.3	4.8
Minerals Stock	2.8	3.8	4.2

(a) The expected term assumptions for 1998 have been restated. However such restatements have no impact on the pro forma compensation expense for 1998 as the expected terms, as restated, were used in the determination of compensation expense using the Black-Scholes model.

Using these assumptions in the Black-Scholes model, the weighted-average fair value of options granted during 1999, 1998 and 1997 for the Brink's Stock is \$3,922, \$4,593 and \$5,155, for the BAX Stock is \$2,473, \$1,928 and \$4,182 and for the Minerals Stock is \$89, \$250 and \$487, respectively.

Under SFAS No. 123, compensation expense is also recognized for the fair value of employee stock purchase rights. Because the Company settles its employee stock purchase rights under the ESPP at the end of each six-month offering period, the fair value of these purchase rights was calculated using actual market settlement data. The weighted-average fair value of the stock purchase rights granted in 1999, 1998 and 1997 was \$172, \$205 and \$455 for Brink's Stock, \$148, \$93 and \$222 for BAX Stock, and \$42, \$58 and \$247 for Minerals Stock, respectively.

## 10. CAPITAL STOCK

As discussed in Note 1, on January 14, 2000, the Company exchanged all of the BAX Stock and Minerals Stock for shares of Brink's Stock. Subsequent to that date, Brink's Stock is the only outstanding class of common stock of the Company. Holders of Minerals Stock received 0.0817 shares of Brink's Stock for each share of their Minerals Stock; and holders of BAX Stock received 0.4848 shares of Brink's Stock for each share of their BAX Stock. The exchange ratios for the BAX Stock and the Minerals Stock were calculated pursuant to the formula fixed and approved by shareholders of the Company at the creation of the three classes of tracking stock in 1993 and 1996. The formula provides that shareholders of BAX Stock and Minerals Stock are entitled to receive Brink's Stock with a Fair Market Value equal to 115% of the Fair Market Value of BAX Stock and Minerals Stock, as applicable. The "Fair Market Value" of each class of common stock was determined by taking the average of the closing prices of that class of common stock on the New York Stock Exchange for the 10 trading days beginning 30 business days prior to the first public announcement of the exchange proposal, which occurred on December 6, 1999.

As a result of the Exchange, the Company has issued 10,919 shares of Pittston Common Stock, which consists of 9,495 shares of Pittston Common Stock equal to 100% of the Fair Market Value of all BAX Stock and Minerals Stock exchanged on January 14, 2000, and 1,424 shares of Pittston Common Stock (with a market value as of January 14, 2000 of \$28,974) equal to the additional 15% of the Fair Market Value of BAX Stock and Minerals Stock exchanged pursuant to the above-described formula.

The Company has authority to issue up to 2,000 shares of preferred stock, par value \$10 per share. In January 1994, the Company issued \$80,500 or 161 shares of its \$31.25 Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock"). The Convertible Preferred Stock pays an annual cumulative dividend 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, and bears a liquidation preference of \$500 per share, plus an amount equal to accrued and unpaid dividends, if any, thereon. Subsequent to the Exchange Date, each share of the Convertible Preferred Stock is convertible at the option of the holder at any time, unless previously redeemed or, under certain circumstances, called for redemption, into shares of Pittston Common Stock at an adjusted conversion price of \$393.819 per share of Pittston Common Stock (calculated by dividing the original conversion price of \$32.175 per share by the 0.0817 exchange ratio for the Minerals Stock), subject to adjustment in certain circumstances. The Company may at its option, redeem the Convertible Preferred Stock, in whole or in part, for cash at a price of \$512.500 per share, effective February 1, 2000, and thereafter at prices declining ratably annually on each February 1 to an amount equal to \$500.00 per share on and after February 1, 2004, plus in each case an amount equal to accrued and unpaid dividends on the date of redemption. Except under certain circumstances or as prescribed by Virginia law, shares of the Convertible Preferred Stock are nonvoting. Other than the Convertible Preferred Stock, no shares of preferred stock are presently issued or outstanding.

In February 2000, under the Company's common share repurchase program, the Board reaffirmed the authority to purchase, from time to time, of up to 900 shares of Pittston Common Stock, not to exceed an aggregate purchase cost of \$22,184. Such shares are to be purchased from time to time in the open market or in private transactions, as conditions warrant.

In May 1997, the Board authorized the Company to purchase, from time to time, shares of the Convertible Preferred Stock, not to exceed an aggregate purchase cost of \$25,000. In March 1999, the Board increased the authority to \$28,536. As of December 31, 1999, the Company had the remaining authority to purchase an additional \$7,556 of its Convertible Preferred Stock since during 1999 the Company purchased stock with an aggregate value of \$20,980. The authority to acquire shares remains in effect.

Under the share repurchase program, the Company purchased shares in the periods presented as follows:

(In thousands)	Years Ended December 31	
	1999	1998
-----		
Brink's Stock:		
Shares	100.0	149.5
Cost	\$ 2,514	5,617
BAX Stock:		
Shares	-	1,047
Cost	\$ -	12,674
Convertible Preferred Stock:		
Shares	83.9	0.4
Cost	\$ 20,980	146
Excess carrying amount (a)	\$ 19,201	23
-----		

(a) The excess of the carrying amount of the Convertible Preferred Stock over the cash paid to holders for repurchases made during the years is deducted from preferred dividends in the Company's Statement of Operations.



In 1999, 1998 and 1997, dividends paid on the Convertible Preferred Stock amounted to \$1,580, \$3,547 and \$3,589, respectively. During 1999, 1998 and 1997, the Board declared and the Company paid dividends of \$3,907, \$3,874 and \$3,755 on Brink's Stock, \$4,623, \$4,642 and \$4,805 on BAX Stock, and \$216, \$1,969 and \$5,176 on Minerals Stock, respectively.

In February 2000, the Board declared a cash dividend of \$0.025 per share on Pittston Common Stock, payable on March 1, 2000 to shareholders of record on February 15, 2000.

Under an Amended and Restated Rights Agreement dated as of January 14, 2000, holders of Pittston Common Stock have rights to purchase a new Series A Participating Cumulative Preferred Stock (the "Series A Preferred Stock") of the Company at the rate of one right for each share of Pittston Common Stock. Each right, if and when it becomes exercisable, will entitle the holder to purchase one-thousandth of a share of Series A Preferred Stock at a purchase price of \$60.00, subject to adjustment.

Each fractional share of Series A Preferred Stock will be entitled to participate in dividends and to vote on an equivalent basis with one whole share of Pittston Common Stock. Each right will not be exercisable until after a third party acquires 15% or more of the total voting rights of all outstanding Pittston Common Stock or on such date as may be designated by the Board after commencement of a tender offer or exchange offer by a third party for 15% or more of the total voting rights of all outstanding Pittston Common Stock.

If after the rights become exercisable, the Company is acquired in a merger or other business combination, each right will entitle the holder to purchase, for the purchase price, common stock of the surviving or acquiring company having a market value of twice the purchase price. In the event a third party acquires 15% or more of all outstanding Pittston Common Stock, the rights will entitle each holder to purchase, at the purchase price, that number of fractional shares of Series A Preferred Stock equivalent to the number of shares of common stock which at the time of the triggering event would have a market value of twice the purchase price. As an alternative to the purchase described in the previous sentence, the Board may elect to exchange the rights for other forms of consideration, including that number of shares of common stock obtained by dividing the purchase price by the market price of the common stock at the time of the exchange or for cash equal to the purchase price. The rights may be redeemed by the Company at a price of \$0.01 per right and expire on September 25, 2007.

In December 1992, the Company formed The Pittston Company Employee Benefits Trust (the "Trust") to hold shares of its common stock (initially 4,000 shares) to fund obligations under certain employee benefit programs. The Trust first began funding obligations under the Company's various plans in September 1995 that provide for the issuance of stock. In November 1998, the Company sold for a promissory note from the Trust, 1,500 new shares of BAX Stock and 800 new shares of Minerals Stock at a price equal to the closing value of each stock, respectively, on the date prior to issuance. In October 1999, the Company sold for a promissory note from the Trust, 900 new shares of Minerals Stock at a price equal to the closing value of the stock on the date prior to issuance. As of December 31, 1999, 1,573 shares of Brink's Stock (2,076 in 1998), 1,350 shares of BAX Stock (1,858 in 1998) and 813 shares of Minerals Stock (766 in 1998) remained in the Trust, carried at market value. These shares will be voted by the trustee in the same proportion as those voted by the Company's employees participating in the Company's Savings Investment Plan. The fair market value of the shares held in the Trust is included in each issue of common stock and capital in excess of par. Shares of BAX Stock and Minerals Stock held in the Trust were converted on the Exchange Date for 0.4848 shares and 0.0817 shares of Brink's Stock, respectively.

#### 11. ACQUISITIONS

All acquisitions discussed below have been accounted for as purchases. Accordingly, the costs of the acquisitions were allocated to the assets acquired and liabilities assumed based on their respective fair values. The results of operations of the businesses acquired have been included in the accompanying consolidated financial statements of the Company from their respective dates of acquisition. The excess of the purchase price over fair value of the net assets acquired is included in goodwill. Some purchase agreements provide for contingent payments based on specified criteria. Any such future payments are capitalized as goodwill when paid. Unless otherwise indicated, goodwill is amortized on a straight-line basis over forty years.

In the first quarter of 1999, the Company purchased 67% (representing substantially all of the remaining shares) of BAX Global's affiliate in Taiwan, for approximately \$1,700 in cash. Based on a preliminary estimate of the fair value of assets acquired and liabilities assumed, the acquisition resulted in goodwill of \$2,624. If the acquisition had occurred on January 1, 1997, the pro forma impact on the Company's revenues, net income or net income per share in 1997 and 1998 would not have been material.

In the first quarter of 1998, the Company purchased 62% (representing substantially all of the remaining shares) of its Brink's affiliate in France ("Brink's S.A.") for payments aggregating US \$39,000, including interest, over three years. In addition, the Company assumed estimated liabilities of approximately US \$125,700. The acquisition was funded primarily through a note to the seller (See Note 7.) The fair value of assets acquired approximated US \$127,000 (including US \$9,200 in cash). Based on an estimate of fair values of assets acquired and liabilities assumed, the acquisition resulted in goodwill of approximately US \$37,000. Brink's S.A. had annual revenues of approximately US \$220,000 in 1997. If this acquisition had occurred on January 1, 1997, the pro forma impact on the Company's net income or net income per share in 1997 and 1998 would not have been material. Also during 1998, the Company purchased the remaining 50% interest in its Brink's affiliate in Germany.

On April 30, 1998, the Company acquired the privately held ATI for approximately \$29,000. The acquisition was funded through the revolving credit portion of the Company's bank credit agreement. Based on an estimate of the fair value of assets acquired and liabilities assumed, the acquisition resulted in goodwill of approximately \$9,300. If this acquisition had occurred on January 1, 1997, the pro forma impact on the Company's revenues, net income or net income per share in 1997 and 1998 would not have been material.

In the first quarter of 1997, the Company increased its ownership position in its Brink's Venezuelan affiliate, Custodia y Traslado de Valores, C.A. ("Custralvalca"), from 15% to 61%. The acquisition was financed through a syndicate of local Venezuelan banks. In conjunction with this transaction, Brink's acquired an additional 31% interest in Brink's Peru S.A. bringing its total interest to 36%.

In June 1997, the Company acquired Cleton & Co. ("Cleton"), a leading logistics provider in the Netherlands, for the equivalent of US \$10,700 in cash and the assumption of the equivalent of US \$10,000 of debt. Based on an estimate of fair values of assets acquired and liabilities assumed, the acquisition resulted in initial goodwill of approximately US \$3,800. Additional contingent payments of approximately US \$1,500 and US \$1,600 were made in 1997 and 1998, respectively, increasing total goodwill associated with this acquisition to US \$6,900.

## 12. COAL JOINT VENTURE

The Company, through a wholly-owned indirect subsidiary, has a partnership agreement, Dominion Terminal Associates ("DTA"), with three other coal companies to operate coal port facilities in Newport News, Virginia, in the Port of Hampton Roads (the "Facilities"). The Facilities, in which the Company's wholly owned indirect subsidiary has a 32.5% interest, have an annual throughput capacity of 22,000 tons, with a ground storage capacity of approximately 2,000 tons. The Facilities are financed by a series of coal terminal revenue refunding bonds issued by the Peninsula Ports Authority of Virginia (the "Authority"), a political subdivision of the Commonwealth of Virginia, in the aggregate principal amount of \$132,800, of which \$43,160 are guaranteed by the Company. These bonds bear a fixed interest rate of 7.375%. The Authority owns the Facilities and leases them to DTA for the life of the bonds, which mature on June 1, 2020. DTA may purchase the Facilities for one dollar at the end of the lease term. The obligations of the partners are several, and not joint.

Under loan agreements with the Authority, DTA is obligated to make payments sufficient to provide for the timely payment of the principal and interest on the bonds. Under a throughput and handling agreement, the Company has agreed to make payments to DTA that in the aggregate will provide DTA with sufficient funds to make the payments due under the loan agreements and to pay the Company's share of the operating costs of the Facilities. The Company has also unconditionally guaranteed the payment of the principal and premium, if any, and the interest on the bonds. Payments for operating costs aggregated \$2,534 in 1999, \$3,168 in 1998 and \$4,691 in 1997. The Company has the right to use 32.5% of the throughput and storage capacity of the Facilities subject to user rights of third parties which pay the Company a fee. The Company pays throughput and storage charges based on actual usage at per ton rates determined by DTA.

See Note 4 for a discussion of an impairment charge recorded in 1999 related to the Company's interest in DTA.



### 13. LEASES

The Company and its subsidiaries lease aircraft, facilities, vehicles, computers and coal mining and other equipment under long-term operating and capital leases with varying terms. Most of the operating leases contain renewal and/or purchase options.

As of December 31, 1999, aggregate future minimum lease payments under noncancellable operating leases were as follows:

	Aircraft	Facilities	Equipment & Other	Total
2000	\$ 39,613	63,935	38,119	141,667
2001	34,815	57,071	27,812	119,698
2002	19,373	47,006	20,321	86,700
2003	4,220	39,729	13,611	57,560
2004	-	34,453	9,274	43,727
2005	-	26,563	3,542	30,105
2006	-	23,469	1,324	24,793
2007	-	22,379	930	23,309
Later Years	-	96,058	1,503	97,561
<b>Total</b>	<b>\$ 98,021</b>	<b>410,663</b>	<b>116,436</b>	<b>625,120</b>

These amounts are net of aggregate future minimum noncancellable sublease rentals of \$1,906.

Net rent expense amounted to \$160,091 in 1999, \$141,231 in 1998 and \$121,763 in 1997 and includes rent expense for certain vehicles with initial lease terms of less than one year.

The Company incurred capital lease obligations of \$9,144 in 1999, \$13,307 in 1998 and \$4,874 in 1997. In addition, in conjunction with the 1998 acquisition of the Brink's affiliate in France (see Note 11), capital lease obligations of US \$30,000 were assumed.

Minimum future lease payments under capital leases as of December 31, 1999, for each of the next five years and in the aggregate are:

2000	\$ 11,977
2001	9,107
2002	5,561
2003	3,725
2004	3,011
Subsequent to 2004	8,662
<b>Total minimum lease payments</b>	<b>42,043</b>
Less: Executory costs	26
<b>Net minimum lease payments</b>	<b>42,017</b>
Less: Amount representing interest	6,230
<b>Present value of net minimum lease payment</b>	<b>\$ 35,787</b>

Interest rates on capitalized leases vary from 6.1% to 33.0% and are imputed based on the lower of the Company's incremental borrowing rate at the inception of each lease or the lessor's implicit rate of return.

There were no non-cancellable subleases and no contingent rental payments in 1999 or 1998.

At December 31, 1999, the Company had contractual commitments with a third party to provide aircraft usage and services to the Company. The fixed and determinable portion of the obligations under these agreements aggregate approximately \$105,000 and expire from 2000 to 2003 as follows:

2000	\$ 42,720
2001	37,680
2002	21,720
2003	2,880

Spending under these agreements, including any variable component, was \$57,488 in 1999, \$60,846 in 1998 and \$39,204 in 1997.

#### 14. EMPLOYEE BENEFIT PLANS

The Company and its subsidiaries maintain several noncontributory defined benefit pension plans covering substantially all nonunion employees who meet certain minimum requirements, in addition to sponsoring certain other defined benefit plans. Benefits under most of the plans are based on salary (including commissions, bonuses, overtime and premium pay) and years of service. The Company's policy is to fund the actuarially determined amounts necessary to provide assets sufficient to meet the benefits to be paid to plan participants in accordance with applicable regulations.

The net pension expense for 1999, 1998 and 1997 for all plans is as follows:

	Years Ended December 31		
	1999	1998	1997
Service cost-benefits earned during year	\$24,417	19,932	15,283
Interest cost on projected benefit obligation	32,466	30,181	26,978
Return on assets-expected	(48,914)	(45,115)	(40,894)
Other amortization, net	2,860	2,156	564
Net pension expense	\$10,829	7,154	1,931

The assumptions used in determining the net pension expense for the Company's primary pension plan were as follows:

	1999	1998	1997
Interest cost on projected benefit obligation	7.0%	7.5%	8.0%
Expected long-term rate of return on assets	10.0%	10.0%	10.0%
Rate of increase in compensation levels	4.0%	4.0%	4.0%

Reconciliations of the projected benefit obligation, plan assets, funded status and prepaid pension expense at December 31, 1999 and 1998 for the Company's primary pension plan as well as other less significant foreign and domestic plans are as follows:

	Years Ended December 31	
	1999	1998
Projected benefit obligation at beginning of year	\$ 498,066	402,252
Service cost-benefits earned during the year	24,417	19,932
Interest cost on projected benefit obligation	32,466	30,181
Plan participants' contributions	1,437	1,070
Acquisitions and plan amendments	1,676	8,128
Benefits paid	(21,605)	(18,485)
Actuarial (gain) loss	(58,286)	54,520
Foreign currency exchange rate changes	(3,403)	468
Projected benefit obligation at end of year	\$ 474,768	498,066
Fair value of plan assets at beginning of year	\$ 566,172	511,245
Return on assets - actual	114,079	69,803
Acquisitions	283	1,440
Plan participants' contributions	1,437	1,070
Employer contributions	2,580	1,744
Benefits paid	(21,605)	(18,485)
Foreign currency exchange rate changes	(2,437)	(645)
Fair value of plan assets at end of year	\$ 660,509	566,172
Funded status	\$ 185,741	68,106
Unamortized initial net asset	(77)	(756)
Unrecognized experience (gain) loss	(89,311)	38,061
Unrecognized prior service cost	1,791	1,383
Net pension assets	98,144	106,794
Current pension liabilities	795	6,078
Noncurrent pension liabilities	23,537	6,628
Deferred pension assets per balance sheet	\$ 122,476	119,500

For the valuation of the Company's primary pension plan obligations and the calculation of the funded status, the discount rate was 7.5% in 1999 and 7.0% in

1998. The expected long-term rate of return on assets was 10% and the rate of increase in compensation levels was 4% in both years. The change in the unrecognized experience (gain) loss from a loss in 1998 to a gain in 1999 is primarily due to an actuarial gain in 1999 resulting from the change in the discount rate and the actual return on assets in 1999, which exceeded the expected return.

The unrecognized initial net asset at January 1, 1986 (January 1, 1989 for certain foreign pension plans), the date of adoption of Statement of Financial Accounting Standards No. 87, has been amortized over the estimated remaining average service life of the employees.

The Company and its subsidiaries also provide certain postretirement health care and life insurance benefits for eligible active and retired employees in the United States and Canada. For the years 1999, 1998 and 1997, the components of periodic expense for these postretirement benefits were as follows:

	Years Ended December 31		
	1999	1998	1997
Service cost-benefits earned during the year	\$ 1,442	1,167	1,610
Interest cost on accumulated postretirement benefit obligation	23,084	22,412	22,112
Amortization of losses	5,115	2,929	1,389
Total expense	\$29,641	26,508	25,111

The actuarially determined and recorded liabilities for the following postretirement benefits have not been funded.

Reconciliations of the accumulated postretirement benefit obligation, funded status and accrued postretirement benefit cost at December 31, 1999 and 1998 are as follows:

	Years Ended December 31	
	1999	1998
Accumulated postretirement benefit obligation at beginning of year	\$ 336,831	313,921
Service cost-benefits earned during the year	1,442	1,167
Interest cost on accumulated postretirement benefit obligation	23,084	22,412
Benefits paid	(23,591)	(18,463)
Actuarial (gain) loss	(2,551)	17,855
Foreign currency exchange rate changes	45	(61)
Total accumulated postretirement benefit obligation at end of year	\$ 335,260	336,831
Accumulated postretirement benefit obligation at end of year-retirees	\$ 283,154	282,687
Accumulated postretirement benefit obligation at end of year-active participants	52,106	54,144
Total accumulated postretirement benefits obligation at end of year	\$ 335,260	336,831
Funded status	\$ (335,260)	(336,831)
Unrecognized experience loss	70,508	78,173
Accrued postretirement benefit cost at end of year	\$ (264,752)	(258,658)

The accumulated postretirement benefit obligation was determined using the unit credit method and an assumed discount rate of 7.5% in 1999 and 7.0% in 1998. The assumed health care cost trend rate used in 1999 was 5.81% for pre-65 retirees, grading down to 5% in the year 2001. For post-65 retirees, the assumed trend rate in 1999 was 5.48%, grading down to 5% in the year 2001. The assumed Medicare cost trend rate used in 1999 was 5.37%, grading down to 5% in the year 2001.

A one percentage point increase each year in the assumed health care cost trend rate used would have resulted in an increase of approximately \$3,100 in the aggregate service and interest components of expense for the year 1999, and an increase of approximately \$42,300 in the accumulated postretirement benefit obligation at December 31, 1999.

A one percentage point decrease each year in the assumed health care cost trend rate would have resulted in a decrease of approximately \$2,600 in the aggregate service and interest components of expense for the year 1999 and a decrease of approximately \$35,000 in the accumulated postretirement benefit obligation at December 31, 1999.

Under the 1990 collective bargaining agreement with the United Mine Workers of America ("UMWA"), the Company agreed to make payments at specified contribution rates for the benefit of the UMWA employees. The trustees of the UMWA pension fund contested the agreement and brought action against the Company. While the case was in litigation, Minerals Group's benefit payments were made into an escrow account for the benefit of union employees. During 1996, the case was settled and the escrow funds were released. As a result of the settlement, the Coal Operations subsidiaries agreed to continue their participation in the UMWA 1974 pension plan at defined contribution rates. Under this plan, expense recognized in 1999, 1998 and 1997 was \$57, \$574 and \$1,128, respectively.

Expense recognized in 1999, 1998 and 1997 for other multi-employer plans was \$579, \$765 and \$640, respectively.

The Company also sponsors a 401(k) Savings-Investment Plan to assist eligible employees in providing for retirement or other future financial needs. Employee contributions are matched at rates of 50% to 125% up to 5% of compensation (subject to certain limitations imposed by the Internal Revenue Code of 1986, as amended). Contribution expense under the plan aggregated \$8,552 in 1999, \$7,745 in 1998 and \$7,362 in 1997.

The Company sponsors other defined contribution benefit plans based on hours worked, tons produced or other measurable factors. Contributions under all of these plans aggregated \$1,509 in 1999, \$986 in 1998 and \$206 in 1997.

In October 1992, the Coal Industry Retiree Health Benefit Act of 1992 (the "Health Benefit Act") was enacted as part of the Energy Policy Act of 1992. The Health Benefit Act established rules for the payment of future health care benefits for thousands of retired union mine workers and their dependents. The Health Benefit Act established a trust fund to which "signatory operators" and "related persons", including the Company and certain of its subsidiaries (collectively, the "Pittston Companies") are jointly and severally liable to pay annual premiums for assigned beneficiaries, together with a pro rata share for certain beneficiaries who never worked for such employers ("unassigned beneficiaries") including, in the Company's case, the Pittston Companies, in amounts determined on the basis set forth in the Health Benefit Act. In October 1993 and at various times in subsequent years, the Pittston Companies have received notices from the Social Security Administration (the "SSA") with regard to the assigned beneficiaries for which the Pittston Companies are responsible under the Health Benefit Act. For 1999, 1998 and 1997, these amounts, on a pretax basis, were approximately \$10,400, \$9,600 and \$9,300, respectively. As a result of legal developments in 1998 involving the Health Benefit Act, the Company experienced an increase in its assessments under the Health Benefit Act for the twelve month period beginning October 1, 1998, approximating \$1,700, \$1,100 of which relates to retroactive assessments for years prior to 1998. This increase consisted of charges for death benefits which are provided for by the Health Benefit Act, but which previously had been covered by other funding sources. As with all of the Company's Health Benefit Act assessments, this amount was paid in 12 equal monthly installments over the plan year that began October 1, 1998. The Company is unable to determine at this time whether any other additional amounts will apply in future plan years.

The Company currently estimates that the annual cash funding under the Health Benefit Act for the Pittston Companies' assigned beneficiaries will continue at the same level for the next several years and should begin to decline thereafter as the number of such assigned beneficiaries decreases. Based on the number of beneficiaries actually assigned by the SSA, the Company estimates the aggregate pretax liability relating to the Pittston Companies' beneficiaries at approximately \$154,200, which when discounted at 7.5% provides a present value estimate of approximately \$78,000. The reduction in the present value estimate from approximately \$99,000 as of December 31, 1998 reflected a change in certain actuarial assumptions to reflect actual experience and, to a lesser extent, a decrease in the discount rate. The Company accounts for its obligations under the Health Benefit Act as a participant in a multi-employer plan and the annual cost is recognized on a pay-as-you-go basis.

In addition, under the Health Benefit Act, the Pittston Companies are jointly and severally liable for certain post-retirement health benefits for thousands of retired union mine workers and their dependents. Substantially all of the Company's accumulated postretirement benefit obligation as of December 31, 1999 for retirees of \$283,154 relates to such retired workers and their beneficiaries.

The ultimate obligation that will be incurred by the Company could be significantly affected by, among other things, increased medical costs, decreased number of beneficiaries, governmental funding arrangements and such federal health benefit legislation of general application as may be enacted. In addition, the Health Benefit Act requires the Pittston Companies to fund, pro rata according to the total number of assigned beneficiaries, a portion of the health benefits for unassigned beneficiaries. At this time, the funding for such health benefits is being provided from another source and for this and other reasons the Pittston Companies' ultimate obligation for the unassigned beneficiaries cannot be determined.

The Company has established a Voluntary Employees' Beneficiary Association ("VEBA") in order to tax efficiently fund certain retiree medical liabilities primarily for retired coal miners and their dependents. While the anticipated proceeds from the planned sales of the coal business will provide funding for the VEBA, additional funding from operations may be required over time. The Company contributed \$15,000 to the VEBA in December 1999.

#### 15. RESTRUCTURING AND OTHER EXIT COSTS

At December 31, 1999, Coal Operations had a liability of \$20,218 for various restructuring costs which was recorded as restructuring and other charges in the Consolidated Statement of Operations in years prior to 1995. Although coal production has ceased at the mines covered by the accrual, Coal Operations will incur reclamation and environmental costs for several years to bring these properties into compliance with standards for closed sites under federal and state environmental laws. However, management believes that the accrual, as adjusted at December 31, 1999, should be sufficient to provide for these future costs. Management does not anticipate material additional future charges to operating earnings for these facilities, although continual cash funding will be required over the next several years.

As a result of favorable workers' compensation claim development and changes in estimates for mine and plant closure expenses, Coal Operations reversed previously accrued amounts by \$1,467, \$1,479 and \$3,104 in 1999, 1998 and 1997, respectively.

The following table analyzes the changes in liabilities during the last three years for facility closure costs recorded as restructuring and other charges:

(In thousands)	Leased Machinery and Equipment	Mine and Plant Closure Costs	Employee Termination, Medical and Severance Costs	Total
Balance December 31, 1996	\$ 376	12,439	25,285	38,100
Reversals	-	-	3,104	3,104
Payments (a)	376	1,764	2,010	4,150
Other	-	468	(468)	-
Balance December 31, 1997	-	11,143	19,703	30,846
Reversals	-	-	1,479	1,479
Payments (b)	-	1,238	1,917	3,155
Other reductions (c)	-	999	-	999
Balance December 31, 1998	-	8,906	16,307	25,213
Reversals	-	616	851	1,467
Payments (d)	-	1,694	1,834	3,528
Balance December 31, 1999	\$ -	6,596	13,622	20,218

(a) Of the total payments made in 1997, \$3,053 was for liabilities recorded in years prior to 1993, \$125 was for liabilities recorded in 1993 and \$972 was for liabilities recorded in 1994.

(b) Of the total payments made in 1998, \$2,491 was for liabilities recorded in years prior to 1993, \$10 was for liabilities recorded in 1993 and \$654 was for liabilities recorded in 1994.

(c) These amounts represent the assumption of liabilities by third parties as a result of sales transactions.

(d) Of the total payments made in 1999, \$3,105 was for liabilities recorded in years prior to 1993, \$1 was for liabilities recorded in 1993 and \$422 was for liabilities recorded in 1994.

During the next twelve months, expected cash funding of these charges is expected to approximate \$3,000 to \$5,000. The liability for mine and plant closure costs is expected to be satisfied over the next seven years, of which approximately 50% is expected to be paid over the next two years. Approximately half of the liability for workers' compensation is estimated to be settled over the next four years with the balance paid during the following five to seven years.

During 1998, approximately \$7,000 was accrued for severance and other expenses primarily stemming from a realignment of BAX Global's organizational structure. During 1999, the entire severance accrual was paid out in cash with the exception of \$100 which was reversed into income representing the unused portion of the original accrual.

In late 1999, the Company announced the closure of its Meadow River mine in West Virginia, resulting in a charge of approximately \$8,600, of which approximately \$5,300 related to the impairment of long-lived assets and approximately \$3,300 related to other closure costs. Substantially all of the \$3,300 closure costs are expected to be paid in cash by the end of 2000.

#### 16. OTHER OPERATING INCOME

Other operating income generally includes royalty income, gains on sales of assets and foreign exchange transactions gains and losses. Other operating income also includes the Company's share of net income of unconsolidated affiliated companies carried on the equity method of \$4,303, \$1,602 and \$539 for 1999, 1998 and 1997, respectively.

Summarized financial information presented includes the accounts of the following equity affiliates (a):

	Ownership At December 31, 1999
Servicio Pan Americano De Protection, S.A. (Mexico)	20%
Brink's Panama, S.A.	49%
Brink's Peru, S.A.	36%
Security Services (Brink's Jordan), W.L.L.	45%
Brink's-Allied Limited (Ireland)	50%
Brink's Arya India Private Limited	40%
Brink's Pakistan (Pvt.) Limited	49%
Brink's (Thailand) Ltd.	40%
Mining Project Investors Limited (Australia) (b)	45%

	1999	1998	1997
Revenues	\$ 350,327	415,216	638,624
Gross profit	80,776	56,471	97,976
Net income (loss)	16,836	(204)	4,427
Current assets	94,918	82,771	131,160
Noncurrent assets	135,666	113,167	215,531
Current liabilities	73,299	76,990	153,247
Noncurrent liabilities	56,197	43,138	84,170
Net equity	101,088	75,810	109,274

(a) Also includes amounts related to equity affiliates who were either sold prior to December 31, 1999 or became consolidated affiliates through increased ownership prior to December 31, 1999 (most notably BAX International Forwarding LTD (Taiwan) in 1999 and Brink's S.A. France and Brink's Schenker Germany in 1998). All amounts for such affiliates are presented pro-rata, where applicable.

(b) 40% ownership on a fully diluted basis.

Undistributed earnings of such companies included in consolidated retained earnings approximated \$18,300 at December 31, 1999.



## 17. SEGMENT INFORMATION

The Company has five reportable segments: Brink's, BHS, BAX Global, Coal Operations and Other Operations. Management has determined these reportable segments based on how resources are allocated and how operating decisions are made. The Company's reportable segments are business units that offer different types of products and services. Management evaluates performance and allocates resources based on operating profit or loss excluding corporate allocations.

Prior to 1999, the Company had five reportable segments: Brink's, BHS, BAX Global, Pittston Coal and Mineral Ventures, where Pittston Coal included the Company's coal, gas and timber operations. As a result of the decision to exit the coal business (discussed in Note 4), there has been a realignment of the Company's natural resource operating segments based on how resources are now allocated and operating decisions are made. The business and security services segments - Brink's, BHS and BAX Global - remain the same. The Company is now comprised of five operating segments - Brink's, BHS, BAX Global, the Coal Operations of Pittston Coal and Other Operations, which consists of Mineral Ventures and Pittston Coal's timber and gas operations (collectively, "Allied Operations"). Segment information presented for years prior to 1999 has been restated to reflect this change in the reportable segments of the Company.

Brink's is a worldwide security transportation and services company and BHS installs and monitors residential security systems in the United States and Canada. BAX Global is a transportation and supply chain management company offering multi-modal freight forwarding to business-to-business shippers through a global network. Coal Operations produces and markets low sulphur steam coal used for the generation of electricity. It also mines and markets high quality metallurgical coal for steel production worldwide. Other Operations consists of Mineral Ventures and Allied Operations, which is comprised of Pittston Coal's gas and timber operations. Mineral Ventures is a gold production and exploration company which has interests in a gold mine in Australia and explores for gold and base metals in Australia and Nevada. The Company's gas operations provide royalty and other income from gas development and operation of the Company's natural gas reserves by third parties. The Company's timber operations provide income from the sale of timber cutting rights on certain Company properties as well as from the operation of a sawmill and a chipmill.

Operating segment information is as follows:

	Years Ended December 31		
	1999	1998	1997
-----			
Net Sales and Operating Revenues:			
Brink's	\$1,372,491	1,247,681	921,851
BHS	228,720	203,586	179,583
BAX Global	2,083,414	1,776,980	1,662,338
-----			
Total business and Security services	3,684,625	3,228,247	2,763,772
-----			
Coal Operations	379,452	495,303	604,140
Other Operations	25,073	23,332	26,486
-----			
Total natural resources	404,525	518,635	630,626
-----			
Consolidated net sales and operating revenues (a), (b)	\$4,089,150	3,746,882	3,394,398
=====			
Operating Profit (Loss):			
Brink's (c)	\$ 103,547	98,420	81,591
BHS (d)	54,234	53,032	52,844
BAX Global (e)	61,460	(628)	63,264
-----			
Total business and security services	219,241	150,824	197,699
-----			
Coal Operations (f)	(124,413)	(3,581)	5,274
Other Operations (g)	761	5,757	4,873
-----			
Total natural resources	(123,652)	2,176	10,147
-----			
Segment operating profit	95,589	153,000	207,846
General Corporate expense	(22,995)	(27,857)	(19,718)
-----			
Consolidated operating profit	\$ 72,594	125,143	188,128
=====			

(a) Includes US revenues of \$2,294,790, \$2,256,955 and \$2,246,575 in 1999, 1998 and 1997, respectively.

(b) The Company has no single customer representing greater than 10% of its revenues.

(c) Includes equity in net income of unconsolidated affiliates of \$4,564 in 1999, \$1,235 in 1998 and \$1,471 in 1997.

(d) As of January 1, 1992, BHS elected to capitalize categories of costs not previously capitalized for home security installations to more accurately reflect subscriber installation costs. The effect of this change in accounting principle was to increase operating profit by \$4,704 in 1998 and \$4,943 in 1997. The effect of this change on operating profit for 1999 was not material (Note

4).

(e) The 1998 amounts include additional expenses of approximately \$36,000 related to the termination or rescoping of certain information technology projects (approximately \$16,000), increased provisions on existing accounts receivable (approximately \$13,000) and approximately \$7,000 primarily related to severance expenses associated with BAX Global's redesign of its organizational structure. 1997 amounts include \$12,500 of consulting expenses related to the redesign of BAX Global's business processes and information systems architecture.

(f) Operating profit in 1999 includes a charge of \$82,280 related to the impairment of long-lived assets and a joint venture interest as well as other mine closure costs, substantially all of which was non-cash. Operating profit also includes a benefit from restructuring and other credits, aggregating \$1,467, \$1,479 and \$3,104 in 1999, 1998 and 1997, respectively (Note 15).

(g) Includes equity in net income (loss) of unconsolidated affiliates of (\$261) in 1999, \$438 in 1998 and (\$671) in 1997.

	Years Ended December 31		
	1999	1998	1997
-----			
Capital Expenditures:			
Brink's	\$ 94,999	74,716	49,132
BHS	80,633	81,420	70,927
BAX Global	94,465	76,115	31,307
-----			
Total business and security services	270,097	232,251	151,366
-----			
Coal Operations	11,565	17,805	20,315
Other Operations	9,317	6,834	5,889
-----			
Total natural resources	20,882	24,639	26,204
-----			
General Corporate	79	583	613
-----			
Consolidated capital expenditures	\$291,058	257,473	178,183
=====			
Depreciation, Depletion and Amortization:			
Brink's	\$ 53,002	45,742	30,758
BHS	49,919	36,630	30,344
BAX Global	40,410	35,287	29,667
-----			
Total business and security services	143,331	117,659	90,769
-----			
Coal Operations	31,449	32,056	34,303
Other Operations	4,688	3,954	3,016
-----			
Total natural resources	36,137	36,010	37,319
-----			
General Corporate	834	684	663
-----			
Consolidated depreciation, depletion and amortization	\$ 180,302	154,353	128,751
=====			

	As of December 31		
	1999	1998	1997
-----			
Assets:			
Brink's (a)	\$ 722,513	679,718	441,138
BHS	252,796	230,357	193,027
BAX Global	864,980	765,185	690,144
-----			
Total business and security services	1,840,289	1,675,260	1,324,309
-----			
Coal Operations	433,280	513,385	536,572
Other Operations (b)	47,331	33,816	33,436
-----			
Total natural resources	480,611	547,201	570,008
-----			
Identifiable assets	2,320,900	2,222,461	1,894,317
General Corporate (primarily cash, investments, advances and deferred pension assets) (c)	147,684	108,676	101,627
-----			
Consolidated assets (d)	\$ 2,468,584	2,331,137	1,995,944
=====			

(a) Includes investments in unconsolidated equity affiliates of \$18,932, \$14,994 and \$27,241 in 1999, 1998 and 1997, respectively.

(b) Includes investments in unconsolidated equity affiliates of \$7,129, \$5,034 and \$6,349 in 1999, 1998 and 1997, respectively.

(c) Includes investment in unconsolidated joint venture accounted for under the equity method of \$10,132, \$10,091 and \$0 in 1999, 1998 and 1997, respectively.

(d) Includes long-lived assets (property, plant and equipment) located in the US of \$651,263, \$566,999 and \$476,991 as of December 31, 1999, 1998 and 1997, respectively. Long-lived assets (property, plant and equipment) located in the US in 1998 has been restated to include certain long-lived assets held by BAX Global's ATI.

#### 18. LITIGATION

In April 1990, the Company entered into a settlement agreement to resolve certain environmental claims against the Company arising from hydrocarbon contamination at a petroleum terminal facility ("Tankport") in Jersey City, New Jersey, which operations were sold in 1983. Under the settlement agreement, the Company is obligated to pay 80% of the remediation costs. Based on data available to the Company and its environmental consultants, the Company estimates its portion of the cleanup costs on an undiscounted basis using existing technologies to be between \$6,600 and \$11,200 and to be incurred in the future. Management is unable to determine that any amount within that range is a

better estimate due to a variety of uncertainties, which include the extent of the contamination at the site, the permitted technologies for remediation and the regulatory standards by which the clean-up will be conducted. The estimate of costs and the timing of payments could change as a result of changes to the remediation plan required, changes in the technology available to treat the site, unforeseen circumstances existing at the site and additional cost inflation.

The Company commenced insurance litigation in 1990, in the United States District Court of the District of New Jersey, seeking a declaratory judgment that all amounts payable by the Company pursuant to the Tankport obligation were reimbursable under comprehensive general liability and pollution liability policies maintained by the Company. The Company was able to conclude settlement with all of its insurers without a trial. Taking into account the proceeds from the settlement with its insurers, it is the Company's belief that the ultimate amount that it would be liable for related to the remediation of the Tankport site will not have a significant adverse impact on the Company's results of operations or financial position.

#### 19. COMMITMENTS

At December 31, 1999, the Company had contractual commitments for third parties to contract mine or provide coal to the Company. Based on the contract provisions these commitments are currently estimated to aggregate approximately \$151,170 and expire from 2000 through 2005 as follows:

2000	\$37,924
2001	35,575
2002	35,575
2003	28,698
2004	7,656
2005	5,742

Spending under the contracts was \$54,382 in 1999, \$72,086 in 1998 and \$91,119 in 1997.

20. SUPPLEMENTAL CASH FLOW INFORMATION

For the years ended December 31, 1999, 1998 and 1997, cash payments for income taxes, net of refunds received, were \$38,888, \$27,745 and \$30,677, respectively.

For the years ended December 31, 1999, 1998 and 1997, cash payments for interest were \$36,289, \$38,126 and \$26,808, respectively.

Interest capitalized in 1999, 1998 and 1997 amounted to \$1,444, \$928 and \$0, respectively.

During 1998, the Company recorded the following noncash investing and financing activities in connection with the acquisition of substantially all of the remaining shares of its Brink's affiliate in France: seller financing of the equivalent of US \$27,500 and the assumption of borrowings of approximately US \$19,000 and capital leases of approximately US \$30,000.

21. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

Tabulated below are certain data for each quarter of 1999 and 1998. Second quarter 1999 gross profit has been restated to reflect the reclassification of \$3,246 of pension expense from selling, general and administrative expenses to operating expenses, as such expenses were related to operations personnel.

	1st	2nd	3rd	4th
1999 Quarters:				
Net sales and operating revenues	\$ 954,886	972,284	1,044,108	1,117,872
Operating profit	25,528	29,332	43,393	(25,659)
Net income (loss) (a), (b), (e)	12,660	15,922	24,024	(17,949)
Net income (loss) per pro forma Pittston common share (a), (b), (c), (e):				
Basic	\$ 0.63	0.32	0.48	(0.37)
Diluted	0.26	0.32	0.48	(0.37)
Net income per Brink's Group common share:				
Basic	\$ 0.43	0.50	0.56	0.66
Diluted	0.43	0.50	0.56	0.66
Net income per BAX Group common share (b):				
Basic	\$ 0.02	0.16	0.45	1.09
Diluted	0.02	0.16	0.45	1.08
Net income (loss) per Minerals Group common share (a), (c), (e):				
Basic	\$ 1.61	(0.79)	(0.77)	(7.07)
Diluted	(0.45)	(0.79)	(0.77)	(7.07)

	1st	2nd	3rd	4th
1998 Quarters:				
Net sales and operating revenues	\$ 862,664	927,104	968,932	988,182
Operating profit	26,500	35,503	16,139	47,001
Net income (d), (e)	12,828	20,762	211	32,255
Net income (loss) per pro forma Pittston common share (d), (e):				
Basic	\$ 0.25	0.41	(0.01)	0.64
Diluted	0.24	0.40	(0.01)	0.64
Net income per Brink's Group common share:				
Basic	\$ 0.44	0.53	0.52	0.55
Diluted	0.44	0.52	0.51	0.55
Net income (loss) per BAX Group common share (d):				
Basic	\$ (0.15)	0.05	(1.13)	0.56
Diluted	(0.15)	0.05	(1.13)	0.56
Net income (loss) per Minerals Group common share (e):				
Basic	\$ (0.26)	(0.20)	0.14	(0.10)
Diluted	(0.26)	(0.20)	0.14	(0.10)

(a) The fourth quarter of 1999 includes additional expenses of \$82,280 (\$53,481 after-tax or \$1.08 per diluted pro forma Pittston common share and \$5.81 per diluted Minerals share) related to the impairment and other charges associated with the Company's decision to sell its Coal Operations.

(b) The fourth quarter of 1999 includes a gain on the sale of a restricted

investment of approximately \$8,373 (\$5,275 after-tax or \$0.11 per diluted pro forma Pittston share and \$0.27 per diluted BAX share).

(c) The first quarter of 1999 includes \$19,201, the excess of the carrying amount of the Series C Convertible Preferred Stock over the cash paid to the holders of such stock for repurchases made in the first quarter. See Note 10.

(d) The third quarter of 1998 includes additional expenses of approximately \$36,000 (\$22,680 after-tax for Pittston consolidated or \$0.46 per diluted pro forma Pittston common share and \$22,680 after tax for the BAX Group or \$1.17 per diluted BAX share) related to the termination or rescoping of certain information technology projects (approximately \$16,000 pretax), increased provisions on existing accounts receivable (approximately \$13,000 pretax), and approximately \$7,000 (pretax) primarily related to severance expenses associated with BAX Global's redesign of its organizational structure.

(e) The fourth quarters of 1999 and 1998 include the reversal of excess restructuring liabilities of \$616 (\$400 after-tax or \$0.01 per diluted pro forma Pittston common share and \$0.04 per diluted Minerals share, and \$1,479 (\$961 after-tax or \$0.02 per diluted pro forma Pittston share and \$0.11 per diluted Minerals share), respectively. The third quarter of 1999 includes the reversal of excess restructuring liabilities of \$851 (\$553 after-tax or \$0.01 per diluted pro forma Pittston common share and \$0.06 per diluted Minerals share).

Common Stock

	Market Price High	Market Price Low	Declared Dividends
-----			
1999			
Brink's Group			
1st Quarter	\$ 31.81	22.63	\$ .025
2nd Quarter	30.00	21.56	.025
3rd Quarter	28.69	21.94	.025
4th Quarter	23.19	18.13	.025
BAX Group			
1st Quarter	\$ 11.63	6.13	\$ .06
2nd Quarter	11.38	6.94	.06
3rd Quarter	10.44	8.00	.06
4th Quarter	11.19	6.00	.06
Minerals Group (a)			
1st Quarter	\$ 2.25	1.13	\$ .025
2nd Quarter	1.88	1.13	-
3rd Quarter	1.63	1.25	-
4th Quarter	1.75	1.02	-
-----			
1998			
Brink's Group			
1st Quarter	\$ 42.88	37.25	\$ .025
2nd Quarter	41.44	35.56	.025
3rd Quarter	39.13	31.31	.025
4th Quarter	37.13	28.00	.025
BAX Group			
1st Quarter	\$ 25.88	15.00	\$ .06
2nd Quarter	19.13	14.75	.06
3rd Quarter	15.69	6.44	.06
4th Quarter	11.25	5.31	.06
Minerals Group (a)			
1st Quarter	\$ 9.75	7.63	\$ .1625
2nd Quarter	8.88	4.81	.025
3rd Quarter	5.75	2.75	.025
4th Quarter	3.50	1.94	.025
-----			

(a) Dividends on Minerals Stock were subject to the Available Minerals Dividend Amount. Effective with the second quarter of 1999 and continuing through the fourth quarter of 1999, the Company's Board of Directors declined to declare a dividend on Minerals Stock. See Note 10 and Management's Discussion and Analysis.

Prior to January 14, 2000 and during 1999 and 1998, Pittston Brink's Group Common Stock ("Brink's Stock"), Pittston BAX Group Common Stock ("BAX Stock") and Pittston Minerals Group Common Stock ("Minerals Stock") traded on the New York Stock Exchange under the ticker symbols "PZB", "PZX", and "PZM", respectively.

On December 6, 1999, the Company announced that its Board of Directors approved the elimination of the tracking stock capital structure by an exchange of all outstanding shares of Minerals Stock and BAX Stock for shares of Brink's Stock (the "Exchange"). The Exchange took place on January 14, 2000 (the "Exchange Date"). On the Exchange Date, holders of Minerals Stock received 0.0817 shares of Brink's Stock for each share of their Minerals Stock; and holders of BAX Stock received 0.4848 shares of Brink's Stock for each share of their BAX Stock. From and after the Exchange Date, Brink's Stock is the only outstanding class of common stock of the Company and continues to trade on the New York Stock Exchange under the symbol "PZB". Prior to the Exchange Date, the Brink's Stock reflected the performance of the Brink's Group only; after the Exchange Date, the Brink's Stock reflects the performance of The Pittston Company as a whole. Shares of Brink's Stock after the Exchange are hereinafter referred to as Pittston Common Stock.

As of March 1, 2000, there were approximately 5,653 shareholders of record of Pittston Common Stock.

EXHIBIT 21

SUBSIDIARIES OF THE PITTSTON COMPANY  
AS OF DECEMBER 31, 1999

(Percentage of Voting Securities 100% unless otherwise noted)

Company -----	Jurisdiction of Incorporation -----
The Pittston Company [Delaware]	Delaware
Glen Allen Development, Inc.	Delaware
Pittston Services Group, Inc.	Virginia
Brink's Holding Company	Virginia
Brink's Home Security, Inc.	Delaware
Brink's Guarding Services, Inc.	Delaware
Brink's Home Security Canada Limited	Canada
Brink's, Incorporated	Delaware
Brellis Partners, L.P. (50% Partnership)	Virginia
Brink's Antigua Limited (47%)	Antigua
Brink's Express Company	Illinois
Brink's (Liberia) Inc.	Liberia
Brink's Redevelopment Corporation	Missouri
Brink's St. Lucia Limited (26%)	B.W. Indies
Brink's Security International, Inc.	Delaware
Brink's Brokerage Company	Delaware
Brink's Asia Pacific Pty Ltd.	Australia
Brink's Allied Limited (50%)	Ireland
Allied Couriers Limited	Ireland
Brinks Ireland Limited	Ireland
Brink's Argentina S.A. (51%)	Argentina
Brink's Ayra India Private Limited (40%)	India
Brink's Australia Pty. Limited	Australia
Brink's Bolivia S.A. (93.76% & Bl .27%)	Bolivia
Brink's Canada Limited	Canada
Brink's Security Company Limited	Canada
Brink's SFB Solutions, Ltd.	Canada
Brink's C.I.S., Inc.	Delaware
Brink's de Colombia S.A. (50.5%)	Colombia
Domesa de Colombia, S.A. (77%, C. Brinks 18%)	Colombia
Brink's Diamond and Jewelry Services, Inc.	Delaware
Brink's Diamond & Jewelery Services (International) (1993) Ltd. (99.9% Bl.1%)	Israel
Brink's Diamond & Jewelry Services S.R.L. (99.9% Bl.1%)	Italy
Brink's Far East Limited (99.9% Bl.1%)	Hong Kong
Brink's Global Services, Ltd.	U.K.
Brink's Guvenlik Hizmetleri A.S.	Turkey
Brink's-Hong Kong Limited (99.9% Bl.1%)	Hong Kong
Brink's International Air Courier, Inc.	Delaware
Brink's International Management Group, Inc.	Delaware
Brink's (Israel) Limited (70%)	Israel
Brink's Japan Limited (51%)	Japan
Brink's Nederland B.V.	Netherlands
Brink's Network, Incorporated	Delaware
Brink's Pakistan (Pvt) Limited (49%)	Pakistan
Brink's Panama, S.A. (49%)	Panama
Immobiliaria Brink's Panama, S.A.	Panama
Brink's Puerto Rico, Inc.	Puerto Rico
Brink's S.A.	France
Brink's-Schenker GmbH (50%)	Germany



Company -----	Jurisdiction of Incorporation -----
Brink's Sicherheit Security Consulting & Services GmbH	Germany
Brink's Singapore Pte. Ltd. (60%)	Germany
Brink's Securmark S.p.A. (24.5%)	Singapore
Brink's (Southern Africa) (Proprietary) Ltd.	Italy
Brink's Taiwan Limited (94%)	South Africa
Brink's (Thailand) Limited (40%)	Taiwan
Brink's (UK) Limited	Thailand
Brink's Commercial Services Limited (BUK-99%, BSI-1sh)	U.K.
Brink's Diamond & Jewellery Services Limited (BUK-99%, BSI-1sh)	U.K.
Brink's Limited (BUK-99%, BSI-1sh)	U.K.
Brink's (Gibraltar) Limited (99%)	Gibraltar
Brink's Limited (Bahrain) EC	Bahrain
Brink's Security Limited (15% Legal Title Bks-Zieg.) (BL-99%, BUK 1%)	U.K.
Quarrycast Commercial Limited (15% Leg.Ttle Bks-Zieg.) (BL-50%, BUK 1%)	U.K.
Brink's-Ziegler S.A. (50%)	Belgium
Brink's Zurcher Freilager A.G. (51%)	Switzerland
Cavalier Insurance Company, Ltd.	Bermuda
Centro Americana de Inversiones Balboa C.A.(BSI 100%)	Panama
S.A. Brink's Diamond & Jewelry Services, N.V. (99%) (BDJS, Inc. 1%)	Belgium
S.A. Brink's Europe N.V. (99%) (BDJS, Inc.-1%)	Belgium
S.A. Brink's-Ziegler Luxemborg (50%)	Luxemborg
Servicios Brink's S.A. (60.45%)	Chile
Societe Anonyme of Provision of Services in Transportation and Protection of Valuables (50.05%)	Greece
Transpar Participacoes Ltda. (99.9%) [.1% by Bks Inc.]	Brazil
Alarm-Curso de Formacao de Vigilantes, Ltda. (99%)	Brazil
Brinks Seguranca e Transporte de Valores (99%)	Brazil
Brinks Viaturas e Equipamentos Ltda. (99%)	Brazil
Transporte de Valores Brink's Chile S.A. (60.45%)	Chile
Brink's SFB Solutions, Inc.	Delaware
Hermes Transportes Blindados S.A. (Bl-4.96%; Balboa 31.038%)	Greece
Security Services (Brink's Jordan) Company Ltd. (45%)	Jordan
Custravalca Brink's, C.A. (61%)	Venezuela
Servicio Pan Americano de Proteccion, S.A. (20%)	Mexico
Canamex (51%)	Mexico
Inmobiliaria, A.J. (99.9%)	Mexico
Productos Pan Americanos de Proteccion (99.9%)	Mexico
Servicio Salvadoreno de Proteccion (14%)	Mexico
VIGYA (99.9%)	Mexico
Pittston Finance Company Inc.	Delaware
BAX Holding Company	Virginia
BAX Finance Inc.	Delaware
BAX Global Inc.	Delaware
BAXAIR Inc	Delaware
BAX Global International Inc.	Delaware
Continental Freight (Pty) Ltd. (South Africa)	South Africa
BAX Global Pty Ltd. (South Africa)	South Africa
BAX Holdings, Inc. (18.35%)	Philippines
BAX Global (Philippines), Inc. (BHI-48.9%/BAI-50.9%)	Philippines
BAX Global (Malaysia) Sdn. Bhd.	Malaysia
BAX Global Imports (Malaysia) Sdn. Bhd. (40%, Bumpautra-60%)	Malaysia
BAX-Transitarios, Limitada	Portugal
BAX Global Aktiebolag	Sweden
BAX Global AG	Switzerland
BAX Global A/S	Denmark
Burlington Air Express (Brazil) Inc.	Delaware
BAX Global (Canada) Ltd.	Canada

Company -----	Jurisdiction of Incorporation -----
797726 Ontario Inc.	Canada
BAX Global Services Chile Limitada	Chile
BAX Global do Brazil Ltda.	Brazil
Burlington Air Express (Dubai) Inc.	Delaware
BAX Global SARL (France)	France
BAX Global S.A. (France)	France
BAX Global GmbH	Germany
BAX Global Holding Pty. Limited	Australia
Burlington Air Express (Aust) Pty. Limited	Australia
AFCAB Pty. Limited (11.53%)	Australia
Brisbane Air Freight Forwarders Terminal Pty Ltd. (20%)	Australia
BAX Global Cartage Pty. Limited	Australia
BAX Global Japan K.K.	Japan
BAX Global (Korea) Co. Ltd. (51%)	South Korea
BAX Global Limited (Hong Kong)	Hong Kong
BAX Global, S.A. de C.V.	Mexico
BAX Global (N.Z.) Ltd.	New Zealand
Colebrook Bros. Ltd. (New Zealand)	New Zealand
Walsh and Anderson (1991) Limited	New Zealand
Burlington Air Express S.A. (Spain)	Spain
Burlington Air Express Services Inc.	Delaware
BAX Global S.r.l. [Italy]	Italy
CSC Customs and Management Services S.r.L.	Italy
Burlington Air Express (U.K.) Limited	U.K.
Alltransport Holdings Limited	U.K.
Alltransport International Group Limited	U.K.
Alltransport Warehousing Limited	U.K.
BAX Global (UK) Limited	U.K.
Pittston Administrative Services (U.K.) Limited	U.K.
BAX Global Ocean Services Limited	U.K.
WTC Air Freight (U.K.) Limited	U.K.
BAX Express Limited (Ireland)	Ireland
BAX International Forwarding Ltd. (33%)	Taiwan
Burlington Air Express (Taiwan) Ltd.	Taiwan
BAX Global Networks B.V. (Netherlands)	Netherlands
BAX Global B.V. (Netherlands)	Netherlands
Burlington Air Express N.V./S.A.(Belgium) (97%, BNI-3%)	Belgium
BAX Global Pte Ltd.(Singapore)	Singapore
J. Cleton & Co. Holding B.V.	Netherlands
J. Cleton & Co. B.V.	Netherlands
Logicenter, B.V.	Netherlands
Chip Electronic Services B.V. (50%)	Netherlands
Burlington Networks Inc.	Delaware
Burlington-Transmaso Air Express Lda. (50%)	Portugal
BAX Global (Proprietary) Limited	Australia
Traco Freight (Pty) Ltd. (South Africa)	South Africa
Transkip (Proprietary) Limited	Australia
Indian Enterprises Inc.	Delaware
Indian Associates Inc. (40%)	Delaware
BAX Global India Private Limited (65%, BAXI-35%)	India
Burlington Air Imports Inc.	Delaware
Burlington Air Express Services Inc.	Delaware
Burlington Land Trading Inc.	Delaware
Highway Merchandise Express, Inc.	California

Company -----	Jurisdiction of Incorporation -----
WTC Airlines, Inc.	California
WTC SUB	California
Pittston Administrative Services Inc.	Delaware
Pittston Minerals Group Inc.	Virginia
Pittston Coal Company	Delaware
American Eagle Coal Company	Virginia
Heartland Coal Company	Delaware
Maxxim Rebuild Company, Inc.	Delaware
Mountain Forest Products, Inc.	Virginia
Pine Mountain Oil and Gas, Inc.	Virginia
Addington, Inc.	Kentucky
Huff Creek Energy Company	West Virginia
Ironton Coal Company	Ohio
Appalachian Land Company	West Virginia
Appalachian Mining, Inc.	West Virginia
Molloy Mining, Inc.	West Virginia
Kanawha Development Corporation	West Virginia
Vandalia Resources, Inc.	West Virginia
Pittston Coal Management Company	Virginia
Pittston Coal Sales Corp.	Virginia
Pittston Coal Terminal Corporation	Virginia
Pyxis Resources Company	Virginia
HICA Corporation	Kentucky
Holston Mining, Inc.	West Virginia
Motivation Coal Company	Virginia
Paramont Coal Corporation	Delaware
Sheridan-Wyoming Coal Company, Incorporated	Delaware
Thames Development, Ltd.	Virginia
Buffalo Mining Company	West Virginia
Clinchfield Coal Company	Virginia
Dante Coal Company	Virginia
Eastern Coal Corporation	West Virginia
Elkay Mining Company	West Virginia
Jewell Ridge Coal Corporation	Virginia
Kentland-Elkhorn Coal Corporation	Kentucky
Little Buck Coal Company	Virginia
Meadow River Coal Company	Kentucky
Pittston Coal Group, Inc.	Virginia
Ranger Fuel Corporation	West Virginia
Sea "B" Mining Company	Virginia
Pittston Mineral Ventures Company	Delaware
PMV Gold Company	Delaware
Pittston Nevada Gold Company (50%)	
[50% by MPI Gold (USA) Ltd.]	Delaware
MPI Gold (USA) Ltd. (34.1%)	Nevada
Pittston Mineral Ventures International Ltd.	Delaware
Pittston Mineral Ventures of Australia Pty Ltd.	Australia

Company -----	Jurisdiction of Incorporation -----
Carbon Ventures Pty. Limited	Australia
International Carbon (Aust.) Pty. Limited	Australia
Mining Project Investors Pty. Ltd. (51.5%)	Australia
Fodina Minerals Pty. Limited	Australia
MPI Gold Pty. Limited	Australia
Stawell Gold Mines Pty. Limited	Australia
MPI Gold (USA), Inc.	Delaware
Pittston Australasian Mineral Exploration Pty Limited	Australia
Pittston Black Sands of Western Australia Pty Limited	Australia

Consent of Independent Auditors

The Board of Directors  
The Pittston Company:

We consent to incorporation by reference in the registration statements (Nos. 2-64258, 33-2039, 33-21393, 33-23333, 33-69040, 33-53565, 333-02219, 333-78631 and 333-78633) on Form S-8 of The Pittston Company of our report dated February 1, 2000 relating to the consolidated financial statements listed in the accompanying Index to Financial Statements and Schedules in Item 14(a)1 included in the 1999 Annual Report on Form 10-K of The Pittston Company, which report appears in the 1999 Annual Report on Form 10-K of The Pittston Company.

Our report refers to a change in the method of accounting for derivative instruments and hedging activities in 1998 as a result of adopting Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities."

Richmond, Virginia  
March 24, 2000

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned does hereby constitute and appoint Michael T. Dan, Austin F. Reed and Robert T. Ritter, and each of them (with full power of substitution), his true and lawful attorney-in-fact and agent to do any and all acts and things and to execute any and all instruments which, with the advice of counsel, any of said attorneys and agents may deem necessary or advisable to enable The Pittston Company, a Virginia corporation (the "Company"), to comply with the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the preparation and filing of the Company's annual report on Form 10-K for the fiscal year ended December 31, 1999 (the "Form 10-K"), including specifically, but without limitation, power and authority to sign his name as an officer and/or director of the Company, as the case may be, to the Form 10-K or any amendments thereto; and the undersigned does hereby ratify and confirm all that said attorneys shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of March, 2000.

/s/ R. G. Ackerman

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Roger G. Ackerman

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned does hereby constitute and appoint Michael T. Dan, Austin F. Reed and Robert T. Ritter, and each of them (with full power of substitution), his true and lawful attorney-in-fact and agent to do any and all acts and things and to execute any and all instruments which, with the advice of counsel, any of said attorneys and agents may deem necessary or advisable to enable The Pittston Company, a Virginia corporation (the "Company"), to comply with the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the preparation and filing of the Company's annual report on Form 10-K for the fiscal year ended December 31, 1999 (the "Form 10-K"), including specifically, but without limitation, power and authority to sign his name as an officer and/or director of the Company, as the case may be, to the Form 10-K or any amendments thereto; and the undersigned does hereby ratify and confirm all that said attorneys shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of March, 2000.

/s/ Betty C. Alewine

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Betty C. Alewine

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned does hereby constitute and appoint Michael T. Dan, Austin F. Reed and Robert T. Ritter, and each of them (with full power of substitution), his true and lawful attorney-in-fact and agent to do any and all acts and things and to execute any and all instruments which, with the advice of counsel, any of said attorneys and agents may deem necessary or advisable to enable The Pittston Company, a Virginia corporation (the "Company"), to comply with the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the preparation and filing of the Company's annual report on Form 10-K for the fiscal year ended December 31, 1999 (the "Form 10-K"), including specifically, but without limitation, power and authority to sign his name as an officer and/or director of the Company, as the case may be, to the Form 10-K or any amendments thereto; and the undersigned does hereby ratify and confirm all that said attorneys shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of March, 2000.

/s/ J. R. Barker

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James R. Barker



POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned does hereby constitute and appoint Michael T. Dan, Austin F. Reed and Robert T. Ritter, and each of them (with full power of substitution), his true and lawful attorney-in-fact and agent to do any and all acts and things and to execute any and all instruments which, with the advice of counsel, any of said attorneys and agents may deem necessary or advisable to enable The Pittston Company, a Virginia corporation (the "Company"), to comply with the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the preparation and filing of the Company's annual report on Form 10-K for the fiscal year ended December 31, 1999 (the "Form 10-K"), including specifically, but without limitation, power and authority to sign his name as an officer and/or director of the Company, as the case may be, to the Form 10-K or any amendments thereto; and the undersigned does hereby ratify and confirm all that said attorneys shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 7th day of March, 2000.

/s/ Marc Breslawsky

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Marc C. Breslawsky

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned does hereby constitute and appoint Michael T. Dan, Austin F. Reed and Robert T. Ritter, and each of them (with full power of substitution), his true and lawful attorney-in-fact and agent to do any and all acts and things and to execute any and all instruments which, with the advice of counsel, any of said attorneys and agents may deem necessary or advisable to enable The Pittston Company, a Virginia corporation (the "Company"), to comply with the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the preparation and filing of the Company's annual report on Form 10-K for the fiscal year ended December 31, 1999 (the "Form 10-K"), including specifically, but without limitation, power and authority to sign his name as an officer and/or director of the Company, as the case may be, to the Form 10-K or any amendments thereto; and the undersigned does hereby ratify and confirm all that said attorneys shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of March, 2000.

/s/ J. L. Broadhead

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James L. Broadhead

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned does hereby constitute and appoint Michael T. Dan, Austin F. Reed and Robert T. Ritter, and each of them (with full power of substitution), his true and lawful attorney-in-fact and agent to do any and all acts and things and to execute any and all instruments which, with the advice of counsel, any of said attorneys and agents may deem necessary or advisable to enable The Pittston Company, a Virginia corporation (the "Company"), to comply with the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the preparation and filing of the Company's annual report on Form 10-K for the fiscal year ended December 31, 1999 (the "Form 10-K"), including specifically, but without limitation, power and authority to sign his name as an officer and/or director of the Company, as the case may be, to the Form 10-K or any amendments thereto; and the undersigned does hereby ratify and confirm all that said attorneys shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 7th day of March, 2000.

/s/ William F. Craig

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William F. Craig

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned does hereby constitute and appoint Michael T. Dan, Austin F. Reed and Robert T. Ritter, and each of them (with full power of substitution), his true and lawful attorney-in-fact and agent to do any and all acts and things and to execute any and all instruments which, with the advice of counsel, any of said attorneys and agents may deem necessary or advisable to enable The Pittston Company, a Virginia corporation (the "Company"), to comply with the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the preparation and filing of the Company's annual report on Form 10-K for the fiscal year ended December 31, 1999 (the "Form 10-K"), including specifically, but without limitation, power and authority to sign his name as an officer and/or director of the Company, as the case may be, to the Form 10-K or any amendments thereto; and the undersigned does hereby ratify and confirm all that said attorneys shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of March, 2000.

/s/ Gerald Grinstein

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Gerald Grinstein

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned does hereby constitute and appoint Michael T. Dan, Austin F. Reed and Robert T. Ritter, and each of them (with full power of substitution), his true and lawful attorney-in-fact and agent to do any and all acts and things and to execute any and all instruments which, with the advice of counsel, any of said attorneys and agents may deem necessary or advisable to enable The Pittston Company, a Virginia corporation (the "Company"), to comply with the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the preparation and filing of the Company's annual report on Form 10-K for the fiscal year ended December 31, 1999 (the "Form 10-K"), including specifically, but without limitation, power and authority to sign his name as an officer and/or director of the Company, as the case may be, to the Form 10-K or any amendments thereto; and the undersigned does hereby ratify and confirm all that said attorneys shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of March, 2000.

/s/ R. M. Gross

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Ronald M. Gross

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned does hereby constitute and appoint Michael T. Dan, Austin F. Reed and Robert T. Ritter, and each of them (with full power of substitution), his true and lawful attorney-in-fact and agent to do any and all acts and things and to execute any and all instruments which, with the advice of counsel, any of said attorneys and agents may deem necessary or advisable to enable The Pittston Company, a Virginia corporation (the "Company"), to comply with the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the preparation and filing of the Company's annual report on Form 10-K for the fiscal year ended December 31, 1999 (the "Form 10-K"), including specifically, but without limitation, power and authority to sign his name as an officer and/or director of the Company, as the case may be, to the Form 10-K or any amendments thereto; and the undersigned does hereby ratify and confirm all that said attorneys shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of March, 2000.

/s/ Carl S. Sloane

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Carl S. Sloane

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned does hereby constitute and appoint Michael T. Dan, Austin F. Reed and Robert T. Ritter, and each of them (with full power of substitution), his true and lawful attorney-in-fact and agent to do any and all acts and things and to execute any and all instruments which, with the advice of counsel, any of said attorneys and agents may deem necessary or advisable to enable The Pittston Company, a Virginia corporation (the "Company"), to comply with the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the preparation and filing of the Company's annual report on Form 10-K for the fiscal year ended December 31, 1999 (the "Form 10-K"), including specifically, but without limitation, power and authority to sign his name as an officer and/or director of the Company, as the case may be, to the Form 10-K or any amendments thereto; and the undersigned does hereby ratify and confirm all that said attorneys shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of March, 2000.

/s/ Robert H. Spilman

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Robert H. Spilman

This schedule contains summary financial information from The Pittston Company Form 10K for the calendar year ended December 31, 1999, and is qualified in its entirety by reference to such financial statements.

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	12-MOS	
DEC-31-1999	DEC-31-1999	
	131,159	
	0	
	637,808	
	36,238	
	43,979	
	901,903	
	1,580,083	
	649,607	
	2,468,584	
833,061		
	395,078	
	71,772	
0		
	296	
	677,573	
2,468,584		
	404,525	
4,089,150		
	472,297	
	4,034,055	
	(1,467)	
	17,992	
	38,196	
	47,449	
	12,792	
34,657		
	0	
	0	
	0	
	34,657	
	0	
	0	

Pittston pro forma - Basic - 1.06  
Pittston Brink's Group - Basic - 2.16  
Pittston BAX Group - Basic - 1.73  
Pittston Minerals Group - Basic - (7.33)  
Pittston pro forma - Diluted - 0.70  
Pittston Brink's Group - Diluted - 2.15  
Pittston BAX Group - Diluted - 1.72  
Pittston Minerals Group - Diluted - (8.61)



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

FOR THE YEAR ENDED DECEMBER 31, 1999

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

COMMISSION FILE NUMBER 1-9148

1994 EMPLOYEE STOCK PURCHASE PLAN OF THE PITTSTON COMPANY  
(FULL TITLE OF THE PLAN)

THE PITTSTON COMPANY  
(NAME OF THE ISSUER OF SECURITIES HELD PURSUANT TO THE PLAN)

P.O. BOX 4229  
1000 VIRGINIA CENTER PKWY.  
RICHMOND, VIRGINIA  
(ADDRESS OF ISSUER'S PRINCIPAL  
EXECUTIVE OFFICES)

23058-4229  
(ZIP CODE)

INDEPENDENT AUDITORS' REPORT

The Participants of the 1994 Employee Stock  
Purchase Plan of The Pittston Company:

We have audited the accompanying statements of financial condition of the 1994 Employee Stock Purchase Plan of The Pittston Company (the "Plan") as of December 31, 1999 and 1998, and the related statements of income and changes in plan equity for each of the years in the three-year period ended December 31, 1999. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the 1994 Employee Stock Purchase Plan of The Pittston Company as of December 31, 1999 and 1998, and the income and changes in plan equity for each of the years in the three-year period ended December 31, 1999, in conformity with generally accepted accounting principles.

KPMG LLP  
Richmond, Virginia

March 4, 2000

1994 EMPLOYEE STOCK PURCHASE PLAN OF THE PITTSTON COMPANY

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 1999

	Pittston Brink's Group Common Stock	Pittston BAX Group Common Stock	Pittston Minerals Group Common Stock	Total
<b>ASSETS:</b>				
Common stock, at market value (Note 2)	\$2,190,034	1,088,839	343,540	3,622,413
Contributions receivable from The Pittston Company (Note 5)	472,109	311,555	105,626	889,290
<b>Total assets</b>	<b>\$2,662,143</b>	<b>1,400,394</b>	<b>449,166</b>	<b>4,511,703</b>
<b>LIABILITIES AND PLAN EQUITY:</b>				
Payable to plan participants	\$ 61,574	16,155	10,481	88,210
Plan equity	2,600,569	1,384,239	438,685	4,423,493
<b>Total liabilities and plan equity</b>	<b>\$2,662,143</b>	<b>1,400,394</b>	<b>449,166</b>	<b>4,511,703</b>

See accompanying notes to financial statements.

1994 EMPLOYEE STOCK PURCHASE PLAN OF THE PITTSTON COMPANY

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 1998

	Pittston Brink's Group Common Stock	Pittston BAX Group Common Stock	Pittston Minerals Group Common Stock	Total
<b>ASSETS:</b>				
Common stock, at market value (Note 2)	\$ 2,922,013	761,072	225,749	3,908,834
Contributions receivable from The Pittston Company (Note 5)	587,550	253,625	152,916	994,091
<b>Total assets</b>	<b>\$3,509,563</b>	<b>1,014,697</b>	<b>378,665</b>	<b>4,902,925</b>
<b>LIABILITIES AND PLAN EQUITY:</b>				
Payable to plan participants	\$ 45,128	11,637	3,252	60,017
Plan equity	3,464,435	1,003,060	375,413	4,842,908
<b>Total liabilities and plan equity</b>	<b>\$ 3,509,563</b>	<b>1,014,697</b>	<b>378,665</b>	<b>4,902,925</b>

See accompanying notes to financial statements.

1994 EMPLOYEE STOCK PURCHASE PLAN OF THE PITTSTON COMPANY

STATEMENT OF INCOME AND CHANGES IN PLAN EQUITY

YEAR ENDED DECEMBER 31, 1999

	Pittston Brink's Group Common Stock	Pittston BAX Group Common Stock	Pittston Minerals Group Common Stock	Total
<b>INCOME:</b>				
Participant contributions	\$ 967,713	611,808	223,130	1,802,651
Dividend income	10,562	23,440	4,229	38,231
Unrealized appreciation (depreciation) on common stock (Note 3)	(978,878)	179,347	133,241	(666,290)
Realized gain (loss) on distributions (Note 4)	71,462	(113,679)	(192,230)	(234,447)
	70,859	700,916	168,370	940,145
<b>WITHDRAWALS:</b>				
Distribution to Plan participants, at market value	934,725	319,737	105,098	1,359,560
(Decrease) increase in Plan equity	(863,866)	381,179	63,272	(419,415)
Plan equity-beginning of year	3,464,435	1,003,060	375,413	4,842,908
Plan equity-end of year	\$ 2,600,569	1,384,239	438,685	4,423,493

See accompanying notes to financial statements.

1994 EMPLOYEE STOCK PURCHASE PLAN OF THE PITTSTON COMPANY

STATEMENT OF INCOME AND CHANGES IN PLAN EQUITY

YEAR ENDED DECEMBER 31, 1998

	Pittston Brink's Group Common Stock	Pittston BAX Group Common Stock	Pittston Minerals Group Common Stock	Total
<b>INCOME:</b>				
Participant contributions	\$ 1,176,123	524,244	315,655	2,016,022
Dividend income	9,422	15,613	21,906	46,941
Unrealized depreciation on common stock (Note 3)	(839,160)	(894,615)	(357,251)	(2,091,026)
Realized gain (loss) on distributions (Note 4)	465,480	7,165	(90,864)	381,781
	811,865	(347,593)	(110,554)	353,718
<b>WITHDRAWALS:</b>				
Distribution to Plan participants, at market value	1,017,823	286,545	152,404	1,456,772
Decrease in Plan equity	(205,958)	(634,138)	(262,958)	(1,103,054)
Plan equity-beginning of year	3,670,393	1,637,198	638,371	5,945,962
Plan equity-end of year	\$ 3,464,435	1,003,060	375,413	4,842,908

See accompanying notes to financial statements.

1994 EMPLOYEE STOCK PURCHASE PLAN OF THE PITTSTON COMPANY

STATEMENT OF INCOME AND CHANGES IN PLAN EQUITY

YEAR ENDED DECEMBER 31, 1997

	Pittston Brink's Group Common Stock	Pittston BAX Group Common Stock	Pittston Minerals Group Common Stock	Total
<b>INCOME:</b>				
Participant contributions	\$1,074,916	559,881	349,927	1,984,724
Dividend income	8,715	12,777	42,071	63,563
Unrealized appreciation (depreciation) on common stock (Note 3)	887,903	305,630	(462,445)	731,088
Realized gain (loss) on distributions (Note 4)	798,646	286,224	(60,371)	1,024,499
	2,770,180	1,164,512	(130,818)	3,803,874
<b>WITHDRAWALS:</b>				
Distribution to Plan participants, at market value	1,446,889	606,425	158,767	2,212,081
Increase (decrease) in Plan equity	1,323,291	558,087	(289,585)	1,591,793
Plan equity-beginning of year	2,347,102	1,079,111	927,956	4,354,169
Plan equity-end of year	\$3,670,393	1,637,198	638,371	5,945,962

See accompanying notes to financial statements.

1994 EMPLOYEE STOCK PURCHASE PLAN OF THE PITTSTON COMPANY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1999 AND 1998

1. SUMMARY OF PLAN AND SIGNIFICANT ACCOUNTING POLICIES

The following description of the 1994 Employee Stock Purchase Plan of the Pittston Company (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions. The Plan is an "employee stock purchase plan" within the meaning of Section 423 of the Internal Revenue Code of 1986 (the "Code"), as amended, covering all eligible employees of The Pittston Company and its subsidiaries (the "Company"). The Plan years begin on January 1 and end on December 31.

Participant contributions can be used to purchase Brink's Group Common Stock ("Brink's Stock"), BAX Group Common Stock ("BAX Stock"), Minerals Group Common Stock ("Minerals Stock"), or a combination, as elected by the participant. For each of the Plan years, the purchase price for each share of common stock to be purchased under the Plan is the lesser of 85% of the Fair Market Value (as defined) of such share on either (a) the first date of each six-month period commencing on each July 1 or January 1 (the "Offering Date") or (b) the last day of each six-month period from an Offering Date (the "Purchase Date"). The Fair Market Value with respect to shares of any class of common stock is generally defined as the average of the high and low quoted sales price of a share of such stock on the applicable date as reported on the New York Stock Exchange Composite Transaction Tape.

The maximum number of shares of common stock which may be issued or allocated pursuant to the Plan is 750,000 shares of Brink's Stock, 375,000 shares of BAX Stock and 650,000 shares of Minerals Stock.

Effective May 4, 1998, the designation of Pittston Burlington Group Common Stock and the name of the Pittston Burlington Group were changed to Pittston BAX Group Common Stock and Pittston BAX Group, respectively. All rights and privileges of the holders of such Stock are otherwise unaffected by such changes.

ELIGIBILITY

Generally, any employee of The Pittston Company or a designated subsidiary (a "Subsidiary") (a) whose date of hire was at least six months prior to the commencement of the six-month period from an Offering Date to and including the next following Purchase Date (the "Offering Period") and (b) who is customarily employed for at least 20 hours per week and at least five months in a calendar year is eligible to participate in the Plan; provided, however, that in the case of an employee who is covered by a collective bargaining agreement, he or she shall not be considered an eligible employee unless and until the labor organization representing such individual has accepted the Plan on behalf of the employees in the collective bargaining unit. Any such employee shall continue to be an eligible employee during an approved leave of absence provided such employee's right to continue employment with The Pittston Company or a Subsidiary upon expiration of such employee's leave of absence is guaranteed either by statute or by contract with or a policy of The Pittston Company or a Subsidiary.

CONTRIBUTIONS



Participants can elect to contribute any whole percentage from 1% up to and including 10% of their annual base rate of pay, including commissions, but generally excluding overtime or premium pay. A participant may reduce (but not increase) the rate of payroll withholding during an Offering Period at any time prior to the end of such Offering Period for which such reduction is to be effective. Not more than one reduction may be made in any Offering Period unless otherwise determined by nondiscriminatory rules. Each participant designates a percentage in multiples of 10% of the amounts withheld during an Offering Period that is to be used to purchase Brink's Stock, BAX Stock or Minerals Stock; provided, however, that 100% of the amount withheld is allocated among the three classes of common stock. In the event a participant elects to reduce the rate of payroll withholding during an Offering Period, such reduction shall be applied ratably to the allocation of his or her withheld amounts among the three classes of common stock. During an Offering Period, a participant may not change the allocation of his or her withholdings for such Offering Period although such allocation may be changed for any subsequent Offering Period. A participant who elects to cease participation in the Plan may not resume participation in the Plan until after the expiration of one full Offering Period (following cessation of participation).

No participant shall have a right to purchase shares of any class of common stock if (a) immediately after electing to purchase such shares, such participant would own common stock possessing 5% or more of the total combined voting power or value of all classes of stock of The Pittston Company or of any Subsidiary, or (b) the rights of such participant to purchase common stock under the Plan would accrue at a rate that exceeds \$15,000 of Fair Market Value of such common stock (determined at the time or times such rights are granted) for each calendar year for which such rights are outstanding at any time.

#### DISTRIBUTION

A participant may elect, as of the first day of any calendar quarter, to have some or all of the full shares of any class of common stock purchased by the Plan on his or her behalf, registered in such individual's name. Shares of common stock purchased on behalf of a participant generally must be held by the Plan or participant for a period of at least six months from the date such shares of common stock are purchased. Shares registered in the name of a participant may not be conveyed, sold, transferred, encumbered or otherwise disposed of until the expiration of this six-month period without the prior written consent of the Company.

Should a participant elect to cease active participation in the Plan with respect to any or all of the three classes of common stock at any time up to the end of an Offering Period, all payroll deductions credited to such participant's plan account and allocated to the purchase of the class of common stock with respect to which the participant is ceasing participation shall be returned to such participant in cash, without interest, as promptly as practicable.

In the event of the termination of a participant's employment for any reason, including retirement or death, or the failure of a participant to remain eligible under the terms of the Plan, all full shares of each class of common stock then held for his or her benefit shall be registered in such individual's name and an amount equal to the Fair Market Value (on the date of registration of full shares of common stock in the name of the participant) of any fractional share then held for the benefit of such participant shall be paid to such individual, in cash, as soon as administratively practicable, and such individual shall thereupon cease to own the right to any such fractional share. Any amounts credited to such individual, prior to the last day of each six-month Offering Period, shall be refunded, without interest, to such individual or, in the event of his or her death, to his or her legal representative.

#### TERMINATION

The Plan will remain in effect until June 30, 2002, unless extended pursuant to shareholder approval.

The Board of Directors of The Pittston Company may, at any time and from time to time, amend,

modify or terminate the Plan, but no such amendment or modification without the approval of the shareholders shall: (a) increase the maximum number (determined as provided in the Plan) of shares of any class of common stock which may be issued pursuant to the Plan; (b) permit the issuance of any shares of any class of common stock at a purchase price less than that provided in the Plan as approved by the shareholders; (c) extend the term of the Plan; or (d) cause the Plan to fail to meet the requirements of an "employee stock purchase plan" under the Code.

#### BASIS OF ACCOUNTING

The accompanying financial statements are prepared on the accrual basis of accounting.

#### USE OF ESTIMATES

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

#### INVESTMENT VALUATION AND INCOME RECOGNITION

The investments in Brink's Stock, BAX Stock and Minerals Stock are valued at their quoted market price. Purchases and sales of stock are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

#### WITHDRAWALS

Withdrawals are recognized when payable.

#### INCOME TAXES

The Plan, and the rights of participants to make purchases thereunder, is intended to qualify as an "employee stock purchase plan" under Section 423 of the Code. The Plan is not qualified under Section 401(a) of the Code. Pursuant to Section 423 of the Code, no income (other than dividends) will be taxable to a participant until disposition of the shares purchased under the Plan. Upon the disposition of the shares, the participant will generally be subject to tax and the amount and character of the tax will depend upon the holding period. Dividends received on shares held by the Plan on behalf of a participant are taxable to the participant as ordinary income. Therefore, the Plan does not provide for income taxes.

#### ADMINISTRATIVE COSTS

All administrative costs incurred by the Plan are paid by the Company.

2. COMMON STOCK

At December 31, 1999, investments in the Plan consisted of 99,547 shares of Brink's Stock with a total cost of \$2,309,137, 102,479 shares of BAX Stock with a total cost of \$1,203,853 and 211,409 shares of Minerals Stock with a total cost of \$753,878.

At December 31, 1998, investments in the Plan consisted of 91,671 shares of Brink's Stock with a total cost of \$2,062,238, 68,411 shares of BAX Stock with a total cost of \$1,055,433 and 100,231 shares of Minerals Stock with a total cost of \$769,328.

At December 31, 1999 and 1998, the Plan had a total of 1,659 and 1,520 participants, respectively. The cost values of investments under the Plan are calculated using an average cost methodology.

3. UNREALIZED APPRECIATION (DEPRECIATION) ON COMMON STOCK

Changes in unrealized appreciation and depreciation on common stock of the Plan are as follows:

1999					
	Pittston Group Common Stock	Brink's Group Common Stock	Pittston BAX Group Common Stock	Pittston Minerals Group Common Stock	Total
Unrealized appreciation (depreciation):					
Beginning of year	\$ 859,775		(294,361)	(543,579)	21,835
End of year	(119,103)		(115,014)	(410,338)	(644,455)
Change in unrealized appreciation (depreciation)	\$ (978,878)		179,347	133,241	(666,290)

1998					
	Pittston Group Common Stock	Brink's Group Common Stock	Pittston BAX Group Common Stock	Pittston Minerals Group Common Stock	Total
Unrealized appreciation (depreciation):					
Beginning of year	\$ 1,698,935		600,254	(186,328)	2,112,861
End of year	859,775		(294,361)	(543,579)	21,835
Change in unrealized appreciation (depreciation)	\$ (839,160)		(894,615)	(357,251)	(2,091,026)

1997					
	Pittston Group Common Stock	Brink's Group Common Stock	Pittston BAX Group Common Stock	Pittston Minerals Group Common Stock	Total
Unrealized appreciation (depreciation):					
Beginning of year	\$ 811,032		294,624	276,117	1,381,773
End of year	1,698,935		600,254	(186,328)	2,112,861
Change in unrealized appreciation (depreciation)	\$ 887,903		305,630	(462,445)	731,088

#### 4. REALIZED GAIN (LOSS) ON DISTRIBUTIONS

The realized gain (loss) on distributions of common stock as a result of distributions to Plan participants is as follows:

1999				
	Pittston Brink's Group Common Stock	Pittston BAX Group Common Stock	Pittston Minerals Group Common Stock	Total
Value of shares distributed:				
Market value	\$ 918,279	315,219	97,869	1,331,367
Cost basis	846,817	428,898	290,099	1,565,814
Realized gain (loss) on distribution of shares to participants	\$ 71,462	(113,679)	(192,230)	(234,447)

1998				
	Pittston Brink's Group Common Stock	Pittston BAX Group Common Stock	Pittston Minerals Group Common Stock	Total
Value of shares distributed:				
Market value	\$1,051,334	317,982	160,046	1,529,362
Cost basis	585,854	310,817	250,910	1,147,581
Realized gain (loss) on distribution of shares to participants	\$ 465,480	7,165	(90,864)	381,781

1997				
	Pittston Brink's Group Common Stock	Pittston BAX Group Common Stock	Pittston Minerals Group Common Stock	Total
Value of shares distributed:				
Market value	\$1,526,632	635,403	236,022	2,398,057
Cost basis	727,986	349,179	296,393	1,373,558
Realized gain (loss) on distribution of shares to participants	\$ 798,646	286,224	(60,371)	1,024,499

Participant withdrawals for the year ended December 31, 1999 consisted of 36,466 shares of Brink's Stock, 33,263 shares of BAX Stock and 63,320 shares of Minerals Stock.

Participant withdrawals for the year ended December 31, 1998 consisted of 28,085 shares of Brink's Stock, 19,337 shares of BAX Stock and 28,805 shares of Minerals Stock.

Participant withdrawals for the year ended December 31, 1997 consisted of 39,340 shares of Brink's Stock, 23,684 shares of BAX Stock and 28,266 shares of Minerals Stock.

#### 5. SUBSEQUENT EVENTS

On December 6, 1999, the Company announced that its Board of Directors approved the elimination of the tracking stock capital structure by an exchange of all outstanding shares of BAX Stock and Minerals Stock for shares of Brink's Stock (the "Exchange"). The Exchange took place on January 14, 2000 (the "Exchange Date"). On the Exchange Date, holders of BAX Stock received 0.4848 shares of Brink's Stock for each share of their BAX Stock; and holders of their Minerals Stock received 0.0817 shares of Brink's Stock for each share of Minerals Stock. The exchange ratios for the BAX Stock and

the Minerals Stock were calculated pursuant to the formula fixed and approved by shareholders of the Company at the creation of the three classes of tracking stock in 1993 and 1996. The formula provides that shareholders of BAX Stock and Minerals Stock are entitled to receive Brink's Stock with a Fair Market Value equal to 115% of the Fair Market Value of BAX Stock and Minerals Stock, as applicable. The "Fair Market Value" of each class of common stock was determined by taking the average of the closing prices of that class of common stock on the New York Stock Exchange for the 10 trading days beginning 30 business days prior to the first public announcement of the exchange proposal, which occurred on December 6, 1999. From and after the Exchange Date, Brink's Stock is the only outstanding class of common stock of the Company and continues to trade under the symbol "PZB". Shares of Brink's Stock after the Exchange are referred to as "Pittston Common Stock."

Pursuant to the Exchange, the Plan was amended such to provide that all future issues or allocations to the Plan would be made solely in Pittston Common Stock and that all stock held in the Plan would be converted to shares of Pittston Common Stock. On the Exchange Date, a total of 102,479 shares of BAX Stock and a total of 211,409 shares of Minerals Stock, were converted to 49,681 and 17,272, shares, respectively, of Pittston Common Stock. The maximum number of shares of Pittston Common Stock which may be issued or allocated pursuant to the Plan is 984,905.

Effective January 1, 2000, the Plan was amended to (i) add a requirement that the amount withheld by a participant during an Offering Period may not exceed 50% of such participant's Compensation determined on the Offering Date, and (ii) increase a participant's right to purchase Pittston Common Stock under the Plan at a rate not to exceed \$25,000 of Fair Market Value of such shares during each calendar year.

In February 2000, the Plan purchased 50,673 shares of Pittston Common Stock from The Pittston Employee Benefits Trust at a weighted average share price of \$17.55 to satisfy participant contributions made for the last six months of the Plan year ended December 31, 1999.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustee (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

1994 Employee Stock Purchase Plan  
of The Pittston Company  
-----  
(Name of Plan)

/s/ Frank T. Lennon  
-----  
(Frank T. Lennon  
Vice President - Human Resources  
and Administration)

March 20, 2000

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CONSENT OF INDEPENDENT AUDITORS

The Participants of the 1994 Employee Stock  
Purchase Plan of The Pittston Company:

We consent to incorporation by reference in the registration statement (No. 33-53565) on Form S-8 of The Pittston Company of our report dated March 4, 2000, relating to the statements of financial condition of the 1994 Employee Stock Purchase Plan of The Pittston Company as of December 31, 1999 and 1998, and the related statements of income and changes in plan equity for each of the years in the three-year period ended December 31, 1999, which report appears in the 1999 Annual Report on Form 11-K of the 1994 Employee Stock Purchase Plan of The Pittston Company.

KPMG LLP  
Richmond, Virginia

March 20, 2000