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

FORM 10-Q

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

For the quarterly period ended September 30, 1997

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

For the transition period from ________ to ________

Commission file number 1-9148

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

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

As of November 11, 1997, 41,129,679 shares of $1 par value Pittston Brink's Group Common Stock, 20,378,000 shares of $1 par value Pittston Burlington Group Common Stock and 8,405,908 shares of $1 par value Pittston Minerals Group Common Stock were outstanding.

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

	September 30 1997	December 31 1996
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 59,992	41,217
Short-term investments, at lower of cost or market	1,662	1,856
Accounts receivable (net of estimated amount uncollectible: 1997 - $18,734; 1996 - $16,116)	550,132	475,859
Inventories, at lower of cost or market	52,743	37,127
Prepaid expenses	41,338	32,798
Deferred income taxes	49,055	49,557
Total current assets	754,922	638,414

Property, plant and equipment, at cost (net of accumulated depreciation, depletion and amortization: 1997 - $513,828 1996 - $457,756)	636,289	540,851
Intangibles, net of amortization	302,937	317,062
Deferred pension assets	123,230	124,241
Deferred income taxes	53,569	58,690
Other assets	145,100	153,345
Total assets	$ 2,016,047	1,832,603
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings	$ 31,098	31,669
Current maturities of long-term debt	12,943	5,450
Accounts payable	276,064	271,296
Accrued liabilities	302,180	280,276
Total current liabilities	622,285	588,691
Long-term debt, less current maturities	269,146	158,837
Postretirement benefits other than pensions	231,211	226,697
Workers' compensation and other claims	110,515	116,893
Deferred income taxes	15,512	15,075
Other liabilities	114,030	119,703
Shareholders' equity:		
Preferred stock, par value $10 per share: Authorized: 2,000 shares $31.25 Series C Cumulative Convertible Preferred Stock; Issued: 1997 - 114 shares; 1996 - 115 shares	1,138	1,154
Pittston Brink's Group Common Stock, par value $1 per share: Authorized: 100,000 shares; Issued: 1997 - 41,130 shares; 1996 - 41,296 shares	41,130	41,296
Pittston Burlington Group Common Stock, par value $1 per share: Authorized: 50,000 shares; Issued: 1997 - 20,378 shares; 1996 - 20,711 shares	20,378	20,711
Pittston Minerals Group Common Stock, par value $1 per share: Authorized: 20,000 shares; Issued: 1997 - 8,406 shares; 1996 - 8,406 shares	8,406	8,406
Capital in excess of par value	433,204	400,135
Retained earnings	326,405	273,118
Equity adjustment from foreign currency translation	(34,802)	(21,188)
Employee benefits trust, at market value	(142,511)	(116,925)
Total shareholders' equity	653,348	606,707
Total liabilities and shareholders' equity	$ 2,016,047	1,832,603

See accompanying notes to consolidated financial statements.

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

		Three Months Ended September 30		Nine Months Ended September 30	
		1997	1996	1997	1996
Net sales	$	150,998	177,195	467,693	522,715
Operating revenues		719,503	605,199	2,010,638	1,747,973
Net sales and operating revenues		870,501	782,394	2,478,331	2,270,688
Costs and expenses:					
Cost of sales		144,338	167,907	451,586	533,236
Operating expenses		583,027	497,743	1,655,280	1,454,058
Restructuring and other credits, including litigation accrual		-	-	-	(37,758)
Selling, general and administrative expenses		85,478	74,711	255,576	218,033
Total costs and expenses		812,843	740,361	2,362,442	2,167,569
Other operating income, net		2,898	3,684	9,349	13,742
Operating profit		60,556	45,717	125,238	116,861
Interest income		1,067	880	3,077	2,216
Interest expense		(7,282)	(3,409)	(19,268)	(10,533)
Other expense, net		(810)	(2,506)	(5,098)	(6,912)
Income before income taxes		53,531	40,682	103,949	101,632
Provision for income taxes		17,194	11,638	31,608	28,542
Net income		36,337	29,044	72,341	73,090
Preferred stock dividends, net		(789)	146	(2,592)	(773)
Net income attributed to common shares	$	35,548	29,190	69,749	72,317
Pittston Brink's Group:					
Net income attributed to common shares	$	19,372	15,841	52,417	41,714
Net income per common share	$	.51	.41	1.37	1.09
Cash dividend per common share	$	.025	.025	.075	.075
Pittston Burlington Group:					
Net income attributed to common shares	$	15,993	10,705	19,168	23,214
Net income per common share:					
Primary	$	.82	.56	.99	1.21
Fully diluted		.79	.56	.95	1.21
Cash dividends per common share	$	.06	.06	.18	.18
Pittston Minerals Group:					
Net income (loss) attributed to common shares	$	183	2,644	(1,836)	7,389
Net income (loss) per common share:					
Primary	$	.02	.33	(.23)	.94

Fully diluted	.02	.25	(.23)	.82
Cash dividends per common share	$ .1625	.1625	.4875	.4875

See accompanying notes to consolidated financial statements.

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

	Nine Months Ended September 30 1997	1996
Cash flows from operating activities:		
Net income	$ 72,341	73,090
Adjustments to reconcile net income to net cash provided by operating activities:		
Noncash charges and other write-offs	-	29,948
Depreciation, depletion and amortization	96,467	83,315
Provision for aircraft heavy maintenance	25,009	23,980
Provision for deferred income taxes	5,306	10,496
Provision for pensions, noncurrent	725	1,043
Provision for uncollectible accounts receivable	6,837	5,313
Equity in loss (earnings) of unconsolidated affiliates, net of dividends received	3,727	(1,364)
Other operating, net	7,454	5,401
Change in operating assets and liabilities, net of effects of acquisitions and dispositions:		
Increase in accounts receivable	(58,484)	(20,199)
(Increase) decrease in inventories	(15,532)	4,999
Increase in prepaid expenses	(4,984)	(1,105)
Increase (decrease) in accounts payable and accrued liabilities	16,389	(22,851)
Increase in other assets	(6,619)	(7,622)
Decrease in other liabilities	(5,630)	(49,437)
Decrease in workers' compensation and other claims, noncurrent	(6,377)	(9,659)
Other, net	(650)	338
Net cash provided by operating activities	135,979	125,686
Cash flows from investing activities:		
Additions to property, plant and equipment	(133,911)	(116,294)
Aircraft heavy maintenance expenditures	(24,790)	(15,215)
Proceeds from disposal of property, plant and equipment	5,455	11,732
Acquisitions, net of cash acquired, and related contingency payments	(65,271)	(971)
Other, net	8,925	6,519
Net cash used by investing activities	(209,592)	(114,229)
Cash flows from financing activities:		
Additions to debt	144,137	20,375
Reductions of debt	(31,090)	(9,510)
Repurchase of stock	(12,373)	(8,268)
Proceeds from exercise of stock options and employee stock purchase plan	4,060	3,463
Dividends paid	(12,346)	(13,242)
Cost of stock proposal	-	(2,475)
Net cash provided (used) by financing activities	92,388	(9,657)
Net increase in cash and cash equivalents	18,775	1,800
Cash and cash equivalents at beginning of period	41,217	52,823
Cash and cash equivalents at end of period	$ 59,992	54,623

See accompanying notes to consolidated financial statements.

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

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

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

	Three Months Ended September 30 1997	Three Months Ended September 30 1996	Nine Months Ended September 30 1997	Nine Months Ended September 30 1996
Brink's Stock	38,309	38,264	38,243	38,158
Burlington Stock:				
Primary	19,470	19,283	19,449	19,161
Fully diluted	20,140	19,283	20,125	19,161
Minerals Stock:				
Primary	8,096	7,926	8,055	7,872
Fully diluted	9,899	9,819	8,055	9,920

The average common shares outstanding used in the net income per share computations do not include the shares of Brink's Stock, Burlington Stock and Minerals Stock held in the Company's Employee Benefits Trust which totaled 2,788 (3,256 in 1996), 975 (1,389 in 1996) and 287 (446 in 1996), respectively, at September 30, 1997.

For the quarter and nine months ended September 31, 1996, fully diluted net income per share for the Burlington Group is considered to be the same as primary since the effect of common stock equivalents was either antidilutive or insignificant.

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

(3) Depreciation, depletion and amortization of property, plant and equipment in the third quarter and nine-month period of 1997 totaled $28,978 ($23,601 in 1996) and $77,476 ($67,850 in 1996), respectively.

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

	Three Months Ended September 30		Nine Months Ended September 30	
	1997	1996	1997	1996
Interest	$ 7,146	3,264	19,424	11,285
Income taxes	$ 7,771	7,567	25,335	15,749

During the nine months ended September 30, 1997 and 1996, capital lease obligations of $3,074 and $2,130, respectively, were incurred for leases of property, plant and equipment.

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

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

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

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

(7) As of January 1, 1992, BHS elected to capitalize categories of costs not previously capitalized for home security installations. The additional costs not previously capitalized consisted of costs for installation labor and related benefits for supervisory, installation scheduling, equipment testing and other support personnel and costs incurred in maintaining facilities and vehicles dedicated to the installation process. The effect of this change in accounting principle was to increase operating profit for the Brink's Group and the BHS segment for the first nine months of 1997 and 1996 by $3,567 and $3,472, respectively, and for the third quarter of 1997 and 1996 by $1,199 and $1,296, respectively. The effect of this change increased net income per common share of the Brink's Group by $0.06 in the first nine months of 1997 and 1996, and by $0.02 in the third quarter of 1997 and 1996.

(8) Based on demonstrated retention of customers, beginning in the first quarter of 1997, BHS prospectively adjusted its annual depreciation rate for capitalized subscribers' installation costs. This change more accurately matches depreciation expense with monthly recurring revenue generated from customers. This change in accounting estimate reduced depreciation expense for capitalized installation costs for the quarter and nine months ended September 30, 1997 for the Brink's Group and the BHS segment by $2,262 and $6,484, respectively. The effect of this change increased net income of the Brink's Group in the third quarter and first nine months of 1997 by $1,471 ($0.04 per common share) and $4,215 ($0.11 per common share), respectively.

(9) During the three months ended September 30, 1997 and 1996, the Company purchased no shares of Brink's Stock; 200,200 shares (at a cost of $4,855) and 15,300 shares (at a cost of $280), respectively, of Burlington Stock; and no shares of Minerals Stock, under the share repurchase program authorized by the Board of Directors of the Company (the "Board"). During the nine months ended September 30, 1997 and 1996, the Company purchased 166,000 shares (at a cost of $4,347) and no shares, respectively, of Brink's Stock; 332,300 shares (at a cost of $7,405) and 20,300 shares (at a cost of $373), respectively, of Burlington Stock; and no shares of Minerals Stock, under the share repurchase program.

(10) During the quarter and nine months ended September 30, 1997, the Company purchased 1,515 shares (at a cost of $617) of its Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock"). During the quarter and nine months ended September 30, 1996, the Company purchased 10,320 shares (at a cost of $3,922) and 20,920 shares (at a cost of $7,897), respectively of the Convertible Preferred Stock. Preferred dividends included on the Company's Statement of Operations for the quarter and nine months ended September 30, 1997 are net of $108, which is the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to holders of the stock. Preferred dividends included on the Company's Statement of Operations for the quarter and nine months ended September 30, 1996, are net of $1,020 and $2,120, respectively, which is the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to holders of the stock.

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

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

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

SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information", will be implemented in the financial statements for the year ended December 31, 1998. SFAS No. 131 requires publicly-held companies to report financial and descriptive information about operating segments in financial statements issued to shareholders for interim and annual periods. The SFAS also requires additional disclosures with respect to products and services, geographic areas of operation, and major customers. The adoption of this SFAS is not expected to have a material impact on the financial statements of the Company.

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

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

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

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

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

RESULTS OF OPERATIONS

		Three Months Ended September 30		Nine Months Ended September 30	
(In thousands)		1997	1996	1997	1996
Net sales and operating revenues:					
Brink's	$	234,004	192,491	667,753	551,756
BHS		46,071	39,531	132,481	114,881
BAX Global		439,428	373,177	1,210,404	1,081,336
Coal Operations		145,616	172,603	454,282	507,967
Mineral Ventures		5,382	4,592	13,411	14,748
Net sales and operating revenues	$	870,501	782,394	2,478,331	2,270,688
Operating profit (loss):					
Brink's	$	20,861	16,033	55,805	37,935
BHS		13,402	11,509	39,454	34,012
BAX Global		28,926	20,466	39,117	45,479
Coal Operations		2,640	5,393	7,495	14,960
Mineral Ventures		(347)	(324)	(2,112)	1,425
Segment operating profit		65,482	53,077	139,759	133,811
General corporate expense		(4,926)	(7,360)	(14,521)	(16,950)
Total operating profit	$	60,556	45,717	125,238	116,861

In the third quarter of 1997, the Company reported net income of $36.3 million compared with $29.0 million in the third quarter of 1996. Operating profit totaled $60.6 million in the 1997 third quarter compared with $45.7 million in the prior year third quarter. Increased operating profits at Brink's ($4.8 million), BHS ($1.9 million) and BAX Global ($8.5 million) as well as lower general corporate expenses ($2.4 million), were offset by lower operating results at Coal Operations ($2.8 million) and Mineral Ventures. 1996 general corporate expenses included $2.7 million related to the relocation of the Company's headquarters to Richmond, Virginia.

In the first nine months of 1997, the Company reported net income of $72.3 million compared with $73.1 million in the first nine months of 1996. Operating profit totaled $125.2 million in the first nine months of 1997 compared with $116.9 million in the prior year period. Coal Operations' first nine months of 1996 earnings included three non-recurring items: a benefit from the settlement of the Evergreen Case at an amount lower than previously accrued ($35.7 million or $23.2 million after-tax); a charge related to a new accounting standard regarding the impairment of long-lived assets ($29.9 million or $19.5 million after-tax), and a benefit from the reversal of excess restructuring liabilities ($2.1 million or $1.4 million after-tax). Increased operating profits in the first nine months of 1997 at Brink's ($17.9 million) and BHS ($5.4 million) were offset by decreases in operating results at BAX Global ($6.4 million, including a $12.5 million charge for consulting costs related to the redesign of BAX Global's business processes and new information systems architecture), Coal Operations ($7.5 million) and Mineral Ventures ($3.5 million).

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

(In thousands)		Three Months Ended September 30 1997	Three Months Ended September 30 1996	Nine Months Ended September 30 1997	Nine Months Ended September 30 1996
Operating revenues:					
North America (United States & Canada)	$	123,363	106,156	351,752	308,271
International subsidiaries		110,641	86,335	316,001	243,485
Total operating revenues		234,004	192,491	667,753	551,756
Operating expenses		184,974	154,527	527,471	447,177
Selling, general and administrative expenses		28,814	23,579	84,618	68,122
Total costs and expenses		213,788	178,106	612,089	515,299
Other operating income, net		645	1,648	141	1,478
Operating profit:					
North America (United States & Canada)		10,783	9,292	28,195	23,383
International operations		10,078	6,741	27,610	14,552
Total operating profit	$	20,861	16,033	55,805	37,935
Depreciation and amortization	$	10,410	6,484	24,768	18,221
Cash capital expenditures	$	15,520	8,514	35,625	24,518

Brink's consolidated revenues totaled $234.0 million in the third quarter of 1997 compared with $192.5 million in the third quarter of 1996. Brink's operating profit of $20.9 million in the third quarter of 1997 represented a $4.9 million (31%) increase over the $16.0 million operating profit reported in the prior year quarter. The revenue increase of $41.5 million (22%) was offset, in part, by an increase in operating expenses and selling, general and administrative expenses of $35.7 million and a decrease in other operating income of $1.0 million.

Revenues from North American operations (United States and Canada) increased $17.2 million (16%) to $123.4 million in the 1997 third quarter from $106.2 million in the prior year quarter. North American operating profit increased $1.5 million (16%) to $10.8 million in the current year quarter from $9.3 million in the third quarter of 1996. The operating profit improvement primarily resulted from improved armored car operations, which include ATM services.

Revenues from international subsidiaries increased $24.3 million to $110.6 million in the 1997 third quarter from $86.3 million in the comparable 1996 quarter. Operating profits from international subsidiaries and minority-owned affiliates amounted to $10.1 million in the current year third quarter compared to $6.7 million in the prior year third quarter. More than half of the revenue and operating profit increases were due to the consolidation of the results of Brink's Venezuelan subsidiary, Custodia y Traslado de Valores C.A. ("Custravalca"), where Brink's increased its ownership from 15% to 61% during January 1997. However, non-operating expenses, including net interest and minority ownership expense net of foreign translation gains associated with the acquisition, offset more than one half of the operating profit generated by Custravalca. The Latin America region, whose operating profits increased $1.6 million during the third quarter 1997, benefited from increased ownership positions in Venezuela and Peru. The region's results also reflected improvements in Colombia and Chile, offset, in part, by a decrease in results in Mexico and start-up operations in Argentina. In Europe, operating profits increased $1.2 million due primarily to improved performance in the Netherlands partially offset by lower results of the 38% owned affiliate in France. The operating profits in the Asia/Pacific region in the third quarter of 1997 were essentially unchanged from the comparable quarter of 1996. Operating profits from Brink's international diamond and jewelry operations increased slightly in the third quarter of 1997 versus the same period in 1996.

Brink's consolidated revenues totaled $667.8 million in the first nine months of 1997 compared with $551.8 million in the first nine months of 1996. Brink's operating profit of $55.8 million in the first nine months of 1997 represented a $17.9 million (47%) increase over the $37.9 million operating profit reported in the prior year period. The revenue increase of $116.0 million (21%) in the first nine months of 1997 was offset, in part, by an increase in operating expenses and selling, general and administrative expenses of $96.8 million and a decrease in other operating income of $1.3 million.

Revenues from North American operations increased $43.5 million (14%) to $351.8 million in the first nine months of 1997 from $308.3 million in the same period of 1996. North American operating profit increased $4.8 million (21%) to $28.2 million in the current year period from $23.4 million in the same period of 1996. The operating profit improvement for the nine months of 1997 primarily resulted from improved armored car operations, which includes ATM services, and to a lesser extent, improved currency processing operations.

Revenues from international subsidiaries increased $72.5 million to $316.0 million in the first nine months of 1997 from $243.5 million in the first nine months of 1996. Operating profits from international subsidiaries and minority-owned affiliates amounted to $27.6 million in the current year period compared to $14.6 million in the prior year period. More than half of the revenue and operating profit increases were due to the consolidation of the results of Brink's Venezuelan subsidiary which benefited the Latin America region. However, non-operating expenses, including net interest and minority ownership expense net of foreign translation gains associated with the acquisition, offset more than one half of the operating profit generated by Custravalca. Results in Latin America also reflected improvements in Chile and Colombia offset, in part, by lower results in Brazil and Mexico and by start-up operations in Argentina. Operating profits in Europe increased $1.9 million in the first nine months of 1997 due to improved results in most countries, largely offset by unfavorable results in France. Operating profits in the Asia/Pacific region remained essentially unchanged, while Brink's international diamond and jewelry operations showed improved performance in the nine-month period ended September 30, 1997.

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

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

(Dollars in thousands)	Three Months Ended September 30 1997	1996	Nine Months Ended September 30 1997	1996
Operating revenues	$ 46,071	39,531	132,481	114,881
Operating expenses	22,908	20,452	66,060	59,810
Selling, general and administrative expenses	9,761	7,570	26,967	21,059
Total costs and expenses	32,669	28,022	93,027	80,869
Operating profit	$ 13,402	11,509	39,454	34,012
Depreciation and amortization	$ 7,880	7,839	21,662	22,083
Cash capital expenditures	$ 19,774	14,702	53,853	44,751
Annualized recurring revenues (a)			$ 149,524	121,254
Number of subscribers:				
Beginning of period	482,065	412,591	446,505	378,659
Installations	28,000	23,327	80,388	72,030
Disconnects	(9,691)	(8,125)	(26,519)	(22,896)
End of period	500,374	427,793	500,374	427,793

(a) Annualized recurring revenues are calculated based on the number of subscribers at period end multiplied by the average fee per subscriber received in the last month of the period for monitoring, maintenance and related services.

Revenues for BHS increased by $6.6 million (17%) to $46.1 million in the third quarter of 1997 from $39.5 million in the 1996 quarter. In the first nine months of 1997, revenues for BHS increased by $17.6 million (15%) to $132.5 million from $114.9 million in the first nine months of 1996. The increase in revenues in both periods was predominantly from higher ongoing monitoring and service revenues, reflecting a 17% increase in the subscriber base as well as higher average monitoring fees. As a result of such growth, annualized recurring revenues at the end of the third quarter of 1997 grew 23% over the amount in effect at the end of the third quarter of 1996. The increase in monitoring and service revenues for the 1997 nine-month period was partially offset by a decrease in installation revenue. Installation revenue for the third quarter of 1997 increased slightly over the same 1996 period. While the number of new security system installations has increased, the revenue per installation has decreased in both the three and nine-month periods ended September 30, 1997, as compared to the 1996 periods, due to continuing aggressive installation pricing and marketing by competitors.

Operating profit of $13.4 million in the third quarter of 1997 represented an increase of $1.9 million (17%) compared to the $11.5 million earned in the 1996 third quarter. In the first nine months of 1997, operating profit increased $5.5 million (16%) to $39.5 million from $34.0 million earned in the first nine months of 1996. These increases included a $2.3 million and $6.5 million reduction in depreciation expense in the third quarter and first nine months of 1997, respectively, resulting from a change in estimate (discussed below). Operating profit for the quarter and nine months ended September 30, 1997 was favorably impacted by the 17% growth in the subscriber base, higher average monitoring fees and the aforementioned change in estimate, partially offset by increased account servicing and administrative expenses, which were a consequence of the larger subscriber base. Operating profit in the same respective periods of 1997 was also impacted by a $2.1 million and $5.5 million increase in net installation and marketing costs incurred and expensed. While these costs to obtain subscribers increased during the 1997 periods, the cash margins per subscriber generated from recurring revenues increased slightly over 1996 periods.

It is BHS' policy to depreciate capitalized subscriber installation expenditures over the estimated life of the security system based on subscriber retention percentages. BHS initially developed its annual depreciation rate based on information about subscriber retention which was available at the time. However, accumulated historical data about actual subscriber retention has indicated that approximately 50% of subscribers are still active after a period of ten years. Therefore, in order to reflect the higher demonstrated retention of subscribers, and to more accurately match depreciation expense with monthly recurring revenue generated from active subscribers, BHS prospectively adjusted its annual depreciation rate for capitalized subscriber installation costs in the first quarter of 1997. BHS will continue its practice of charging the remaining net book value of all capitalized subscriber installation expenditures to depreciation expense as soon as a system is identified for disconnection. This change in estimate reduced depreciation expense for capitalized installation costs in the third quarter and first nine months of 1997 by $2.3 million and $6.5 million, respectively.

As of January 1, 1992, BHS elected to capitalize categories of costs not previously capitalized for home security installations. The additional costs not previously capitalized consisted of costs for installation labor and related benefits for supervisory, installation scheduling, equipment testing and other support personnel and costs incurred in maintaining facilities and vehicles dedicated to the installation process. The effect of this change in accounting principle was to increase operating profit for the Brink's Group and the BHS segment for the first nine months of 1997 and 1996 by $3.6 million and $3.5 million, respectively, and for the third quarter of 1997 and 1996 by $1.2 million and $1.3 million, respectively. The effect of this change increased net income per common share of the Brink's Group by $0.06 in the first nine months of 1997 and 1996, and by $0.02 in the third quarter of 1997 and 1996.

BAX Global

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

(In thousands - except per pound/shipment amounts)	Three Months Ended September 30 1997	Three Months Ended September 30 1996	Nine Months Ended September 30 1997	Nine Months Ended September 30 1996
Operating revenues:				
Intra-U.S.				
Expedited freight services	$ 176,332	142,506	457,672	405,238
Other	1,761	1,216	5,372	3,318
Total Intra-U.S.	178,093	143,722	463,044	408,556
International				
Expedited freight services	196,829	175,516	570,451	517,692
Customs clearances	32,096	30,017	91,396	88,793
Ocean and other	32,410	23,922	85,513	66,295
Total International	261,335	229,455	747,360	672,780
Total operating revenues	439,428	373,177	1,210,404	1,081,336
Operating expenses	375,145	322,764	1,061,749	947,071
Selling, general and administrative expenses	35,708	30,172	111,397	89,752
Total costs and expenses	410,853	352,936	1,173,146	1,036,823
Other operating income, net	351	225	1,859	966
Operating profit:				
Intra-U.S.	16,938	11,783	24,553	25,520
International	11,988	8,683	27,064	19,959
Other (a)	-	-	(12,500)	-
Total operating profit	$ 28,926	20,466	39,117	45,479
Expedited freight services shipment growth rate	41.8%	(0.5%)	13.5%	2.8%
Expedited freight services weight growth rate:				
Intra-U.S.	16.5%	6.7%	7.1%	5.0%
International	14.5%	(1.7%)	8.3%	4.5%
Worldwide	15.5%	2.2%	7.7%	4.7%
Expedited freight services weight (millions of pounds)	418.1	362.0	1,141.2	1,059.2
Expedited freight services shipments (thousands)	1,836	1,294	4,441	3,914
Expedited freight services average:				
Yield (revenue per pound)	$ .893	.879	.901	.871
Revenue per shipment	$ 203	246	232	236
Weight per shipment (pounds)	228	280	257	271

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

Reflecting the company's global orientation and expanded services, on October 1, 1997, Burlington Air Express Inc. changed its name to BAX Global Inc. The new BAX Global name reflects the Company's current position as one of the world's leading global freight transportation and logistics companies.

BAX Global's third quarter operating profit amounted to $28.9 million, an increase of $8.4 million from the $20.5 million operating profit reported in the third quarter of 1996. Worldwide revenues increased 18% to $439.4 million from $373.2 million in the 1996 quarter. The $66.2 million growth in revenues principally reflects a 16% increase in worldwide expedited freight services pounds shipped, which reached 418.1 million pounds in the third quarter of 1997, combined with a 2% increase in yield on this volume. In addition, non-expedited freight services revenues, increased $11.1 million (20%) during the third quarter of 1997 as compared to the same quarter in 1996. Worldwide expenses amounted to $410.9 million, $57.9 million (16%) higher than in the third quarter of 1996.

In the third quarter of 1997, BAX Global's intra-U.S. revenues increased from $143.7 million to $178.1 million. This $34.4 million (24%) increase was primarily due to an increase of $33.8 million in intra-U.S. expedited freight services revenues. The higher level of intra-U.S. expedited freight services revenues in 1997 was due to a 17% increase in weight shipped combined with a 6% increase in the average yield. The yield increase was due to higher average pricing on both overnight and second-day freight, due in large part to the effects of a strike against United Parcel Service (the "UPS Strike") and to an intra-U.S. shipment surcharge which was initiated in September 1996 to offset various cost increases. In addition, the average revenue per shipment and the average weight per shipment decreased as a result of the UPS Strike since, the additional volume, on average, consisted of a large number of smaller shipments. Excluding the estimated effects of the UPS Strike, the intra-U.S. expedited freight services average revenue per shipment increased, while the weight per shipment remained relatively unchanged. Intra-U.S. operating profit during the third quarter of 1997 increased $5.2 million from the $11.8 million recorded in the third quarter of 1996. Approximately $2.6 million of the increase was attributable to business from the UPS Strike.

International revenues in the third quarter of 1997 increased $31.8 million (14%) to $261.3 million from the $229.5 million recorded in the third quarter of 1996. International expedited freight services revenue increased $21.3 million (12%) due to a 15% increase in weight shipped. In addition, international non-expedited freight services revenue increased $10.6 million (20%) in the third quarter of 1997 as compared to the same period in 1996. The increase primarily relates to increases in international shipment volume and the continued expansion of ocean freight services. International operating profit in the third quarter of 1997 increased $3.3 million (38%) from the $8.7 million recorded in the third quarter of 1996. Operating profit during the third quarter of 1997 benefited from increased revenues combined with improved margins.

BAX Global operating profit for the first nine months of 1997, after a $12.5 million charge related to consulting expenses for the redesign of BAX Global's business processes and new information system architecture, amounted to $39.1 million, a decrease of $6.4 million from the $45.5 million reported in the first nine months of 1996. Worldwide revenues in the 1997 period increased 12% to $1,210.4 million from $1,081.3 million in the 1996 period. The $129.1 million growth in revenues principally reflects an 8% increase in worldwide expedited freight services pounds shipped, which reached 1,141.2 million pounds in the first nine months of 1997, combined with a 3% increase in yield on this volume. In addition, non-expedited freight services revenues increased $23.9 million (15%) during the first nine months of 1997 as compared to 1996. Worldwide expenses in the 1997 period, which include the $12.5 million charge, amounted to $1,173.1 million, $136.3 million (13%) higher than the 1996 period.

In the first nine months of 1997, BAX Global's intra-U.S. revenues increased from $408.6 million to $463.0 million. This $54.4 million (13%) increase was primarily due to an increase of $52.4 million in intra-U.S. expedited freight services revenues. The higher level of expedited freight services revenue in 1997 resulted from a 7% increase in weight shipped coupled with a 6% increase in the average yield. The increase in average yield was the combination of higher average pricing and a slight increase in the proportion of overnight freight in the sales mix. The higher average pricing was due, in large part, to the effects of the UPS Strike and to an intra-U.S. shipment surcharge which was initiated in September 1996 to offset various cost increases. In addition, the average revenue per shipment and the average weight per shipment decreased as a result of the UPS Strike since, the additional volume, on average, consisted of a large number of smaller shipments. Excluding the estimated effects of the UPS Strike, both of these averages increased over the 1996 nine-month period. Intra-U.S. operating profit during the first nine months of 1997, excluding any impact of the aforementioned $12.5 million charge, decreased $1.0 million from the $25.5 million recorded in the first nine months of 1996. Intra-U.S. operating profit in the first nine months of 1996 benefited from the reduction in Federal excise tax liabilities while intra-U.S. operating profit in the first nine months of 1997 was impacted by higher expenses associated with additional capacity designed to improve on-time customer service and to meet the rising demand in some of BAX Global's high growth markets, offset by an estimated $2.6 million impact attributed to the UPS Strike.

International revenues in the first nine months of 1997 increased $74.6 million (11%) to $747.4 million from the $672.8 million recorded in the comparable period of 1996. International expedited freight services revenue increased $52.8 million (10%) due to an 8% increase in weight shipped combined with a 2% increase in the average yield. The increase in the average yield on international expedited freight is primarily due to the fuel surcharge implemented by BAX Global in March 1997 in reaction to a corresponding surcharge implemented by its third party transportation providers. In addition, international non-expedited freight services revenue increased $21.8 million (14%) in the first nine months of 1997 as compared to the same period in 1996. The increase primarily relates to increases in international shipment volume and the continued expansion of ocean freight services. International operating profit in the first nine months of 1997 increased $7.1 million (36%) from the $20.0 million recorded in the comparable period of 1996. Operating profit during the first nine months of 1997 benefited from increased revenues combined with improved margins.

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

As part of its ongoing efforts to further enhance service quality and improve efficiencies, BAX Global has formed a Global Innovation Team composed of management from various regions assisted by third party consultants. The team is reviewing BAX Global's operating activities to better ensure that BAX Global provides a high level of customer service in a cost efficient manner. A key component of this process is a review of BAX Global's future information systems and technology needs on a global basis. A comprehensive plan is being developed for worldwide implementation over the next two to three years to assure delivery of information systems to meet both customer and operational requirements. In connection with these efforts, BAX Global recorded a charge of $12.5 million in the second quarter of 1997 which included most of the consulting fees and other project expenses attributable to the planning stage of the redesign program. Other cost and service improvement programs have been identified through this process and are expected to be implemented during the balance of 1997. Annualized cost savings from this phase of these initiatives are projected at $5 to $10 million.

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

(In thousands)	Three Months Ended September 30 1997	1996	Nine Months Ended September 30 1997	1996
Net sales	$ 145,616	172,603	454,282	507,967
Cost of sales	140,287	164,251	440,170	522,475
Selling, general and administrative expenses	5,009	4,985	14,720	19,366
Restructuring and other credits, including litigation accrual	-	-	-	(37,758)
Total costs and expenses	145,296	169,236	454,890	504,083
Other operating income, net	2,320	2,026	8,103	11,076
Operating profit	2,640	5,393	7,495	14,960
Coal sales (tons):				
Metallurgical	1,863	1,979	5,577	5,978
Utility and industrial	3,046	3,837	9,569	11,240
Total coal sales	4,909	5,816	15,146	17,218
Production/purchased (tons):				
Deep	1,320	924	3,746	2,977
Surface	2,594	2,764	7,991	8,351
Contract	352	408	1,090	1,261
	4,266	4,096	12,827	12,589
Purchased	769	1,380	3,072	4,365
Total	5,035	5,476	15,899	16,954

Coal Operations generated an operating profit of $2.6 million in the third quarter of 1997, compared to $5.4 million recorded in the 1996 third quarter. Coal Operations had an operating profit of $7.5 million in the first nine months of 1997 compared to an operating profit of $15.0 million in the prior year. Operating profit in the first nine months of 1996 included a $3.0 million benefit from a litigation settlement. In addition, the first nine months of 1996 operating results also included a benefit of $35.7 million from the settlement of the Evergreen lawsuit at an amount lower than previously accrued and a $2.1 million benefit from the reversal of excess restructuring liabilities. These benefits were offset, in part, by a $29.9 million charge related to the implementation of a new accounting standard regarding the impairment of long-lived assets. This charge was included in cost of sales ($26.3 million) and selling, general and administrative expenses ($3.6 million).

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

(In thousands, except per ton amounts)	Three Months Ended September 30 1997	1996	Nine Months Ended September 30 1997	1996
Net coal sales (a)	$ 143,958	170,301	447,959	502,760
Current production cost of coal sold (a)	131,591	156,027	413,717	470,945
Coal margin	12,367	14,274	34,242	31,815
Non-coal margin	436	620	1,681	1,477
Other operating income, net	2,320	2,026	8,103	11,076
Margin and other income	15,123	16,920	44,026	44,368
Other costs and expenses:				
Idle equipment and closed mines	623	266	1,180	729
Inactive employee cost	6,851	6,275	20,631	20,758
Selling, general and administrative expenses	5,009	4,986	14,720	15,731
Total other costs and expenses	12,483	11,527	36,531	37,218
Operating profit (before restructuring and other credits and SFAS No. 121) (b)	$ 2,640	5,393	7,495	7,150
Coal margin per ton:				
Realization	$ 29.33	29.28	29.58	29.20
Current production costs	26.81	26.83	27.32	27.36
Coal margin	$ 2.52	2.45	2.26	1.84

(a) Excludes non-coal components.

(b) Restructuring and other credits in the nine months ended September 30, 1996 consist of an impairment loss related to the implementation of SFAS No. 121 of $29,948 ($26,312 in cost of sales and $3,636 in selling, general and administrative expenses), a gain from the settlement of the Evergreen Case of $35,650 and a benefit from excess restructuring liabilities of $2,108. Both the gain from the Evergreen Case and the benefit from excess restructuring liabilities are included in the operating profit of Coal Operations as "Restructuring and other credits, including litigation accrual".

Sales volume of 4.9 million tons in the third quarter of 1997 was 0.9 million tons less than the 5.8 million tons sold in the prior year quarter. Compared to the third quarter of 1996, steam coal sales in 1997 decreased by 0.8 million tons (21%), to 3.0 million tons, and metallurgical coal sales declined by 0.1 million tons (6%), to 1.9 million tons. Steam coal sales represented 62% of total volume in 1997 and 66% in 1996.

The relatively weak pricing in the steam and metallurgical coal markets have contributed to the decrease in coal sales as well as an increase in inventory levels in 1997 over 1996. As a result, Coal Operations has adjusted and will continue to adjust its production and purchased coal levels in order to address the challenges of these current markets. In addition, a realignment of Coal Operations' operating units was undertaken in the quarter to streamline the metallurgical and steam coal business units.

Total coal margin of $12.4 million for the third quarter of 1997 represented a decrease of $1.9 million from the comparable 1996 period. The decrease in total coal margin reflects the effect of lower volume which was offset, in part, by an increase in the realization of $0.05 per ton and by a decrease in current production costs of $0.02 per ton. The increase in realization reflects an increase in the overall steam coal realization as the majority of steam coal production is sold under long-term contracts containing price escalation provisions. This increase was partially offset by a decrease in the metallurgical coal realization due to lower price settlements with metallurgical customers for the contract year which began on April 1, 1997.

The current cost of coal sold decreased $0.02 per ton to $26.81 in the third quarter of 1997 over the third quarter of 1996. Production in the 1997 third quarter increased 0.2 million tons over the 1996 third quarter to 4.3 million tons and purchased coal decreased 0.6 million tons to 0.8 million tons. Productivity of 38.7 tons per man day in the 1997 third quarter increased slightly from the 38.1 tons per man day in the 1996 third quarter.

Non-coal margin, which reflects earnings from the oil, gas and timber businesses, amounted to $0.4 million in the third quarter of 1997, which was $0.2 million lower than in the third quarter of 1996. The decrease largely reflects the impact of changes in natural gas prices. Other operating income, primarily reflecting the benefits from sales of property and equipment and third party royalties, amounted to $2.3 million in the third quarter of 1997 as compared to $2.0 million in the comparable period of 1996.

Idle equipment and closed mine costs increased $0.4 million to $0.6 million in the 1997 third quarter due to costs associated with scheduled mine closings. Inactive employee costs, which primarily represent long-term employee liabilities for pension and retiree medical costs, increased $0.6 million to $6.9 million for the third quarter of 1997 partially reflecting expenses related to the streamlining of Coal Operations' business units. Selling, general and administrative expenses remained unchanged at $5.0 million in the third quarter of 1997 and 1996.

Sales volume of 15.1 million tons in the first nine months of 1997 was 2.1 million tons less than the 17.2 million tons sold in the 1996 period due to market conditions discussed above. Metallurgical coal sales declined by 0.4 million tons (7%) to 5.6 million tons and steam coal sales decreased by 1.7 million tons (15%) to 9.6 million tons compared to the prior year. Steam coal sales represented 63% of the total 1997 sales volume, as compared to 65% in 1996.

For the first nine months of 1997, coal margin was $34.2 million, an increase of $2.4 million over the 1996 period. Coal margin per ton increased to $2.26 per ton in the first nine months of 1997 from $1.84 per ton for the same period of 1996, due to a combination of a $0.38 per ton increase in realization and a slight decrease in the current production cost of coal sold, $0.04 per ton. Again, the increase in average realization per ton was due, in part, to an increase in steam realization partially offset by a decrease in metallurgical realization.

The current production cost of coal sold for the first nine months of 1997 was $27.32 per ton as compared to $27.36 per ton for the first nine months of 1996. The higher 1996 per ton cost reflected the impact of severe winter weather and higher surface mine costs. Production for the year-to-date 1997 period totaled 12.8 million tons, a slight increase from the 1996 period production of 12.6 million tons. Surface production accounted for 63% and 67% of the total volume in the 1997 and 1996 periods, respectively. Productivity of 37.6 tons per man day in the 1997 period was up slightly over the 37.2 tons per man day for the nine months of 1996.

Non-coal margin was $1.7 million for the first nine months of 1997, an increase of $0.2 million which largely reflects the impact of changes in natural gas prices over the 1996 period. Other operating income was $8.1 million for the 1997 period, a decrease of $3.0 million from the 1996 period. The 1996 period included a one-time benefit of $3.0 million for litigation settlements.

Idle equipment and closed mine costs increased by $0.5 million in the first nine months of 1997 over 1996. Inactive employee costs, which primarily represent long-term employee liabilities for pension and retiree medical costs were relatively unchanged in the nine months of 1997 as compared to the 1996 period, decreasing only by $0.1 million. Selling, general and administrative expenses declined by $1.0 million (6%) in the nine months of 1997 as compared to the 1996 period, as a result of Coal Operations cost control efforts.

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

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

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

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

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

(In thousands)	Leased Machinery and Equipment	Mine and Plant Closure Costs	Employee Termination, Medical and Severance Costs	Total
Balance as of December 31, 1996	$ 376	12,439	25,285	38,100
Payments	280	1,335	1,274	2,889
Balance as of September 30, 1997	$ 96	11,104	24,011	35,211

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

(In thousands, except ounce and per ounce data)	Three Months Ended September 30 1997	1996	Nine Months Ended September 30 1997	1996
Stawell Gold Mine:				
Gold sales	$ 5,396	4,566	13,395	14,671
Other (expense) revenue	(14)	26	16	77
Net sales	5,382	4,592	13,411	14,748
Cost of sales (a)	4,021	3,657	11,319	10,761
Selling, general and administrative expenses (a)	331	323	1,010	857
Total costs and expenses	4,352	3,980	12,329	11,618
Operating profit - Stawell Gold Mine	1,030	612	1,082	3,130
Other operating expense, net	(1,377)	(936)	(3,194)	(1,705)
Operating (loss) profit	$ (347)	(324)	(2,112)	1,425
Stawell Gold Mine:				
Mineral Ventures' 50% direct share:				
Ounces sold	11,176	10,775	31,417	35,375
Ounces produced	11,516	10,756	31,782	34,738
Average per ounce sold (US$):				
Realization	$ 483(b)	424	426(b)	415
Cash cost	263	319	318	288

(a) Excludes $30 and $97, and $924 and $2,343, of non-Stawell related cost of sales and selling, general and administrative expenses for the quarter and nine months ended September 30, 1997, respectively. Excludes $722 and $1,926, of non-Stawell related selling, general and administrative expenses for the quarter and nine months ended September 30, 1996, respectively. Such costs are reclassified to cost of sales and selling, general and administrative expenses in the Minerals Group income statement.

(b) Includes allocation of the proceeds from the liquidation of a gold forward sale hedge position in July 1997.

Mineral Ventures, which primarily consists of a 50% direct and a 17% indirect interest in the Stawell gold mine ("Stawell") in western Victoria, Australia, generated an operating loss of $0.3 million in the third quarter of 1997 and 1996. Mineral Ventures' 50% direct interest in Stawell's operations generated net sales of $5.4 million in the third quarter of 1997 compared to $4.6 million in the 1996 period as the ounces of gold sold increased from 10.8 thousand ounces to 11.2 thousand ounces (4%). The operating profit at Stawell of $1.0 million was $0.4 million higher than the operating profit of $0.6 million in the third quarter of 1996 reflecting a $56 per ounce decrease (18%) in the cash cost of gold sold combined with a $59 per ounce increase (14%) in average realization. Operating costs in the 1996 third quarter were negatively impacted by four lost-time accidents, two late in the second quarter, that resulted in production shortfalls and higher operating cost as compared to the 1997 third quarter. Stawell's operating profit in the third quarter of 1997 was also impacted by the collapse during construction of a new ventilation shaft in the second quarter of 1997 that resulted in a third quarter write-off of $1.0 million, approximately $0.75 million of which is attributed to Mineral Ventures' 50% direct interest in Stawell.

During the first nine months of 1997, Mineral Ventures generated an operating loss of $2.1 million compared to an operating profit of $1.4 million in the 1996 period. Mineral Ventures' 50% direct interest in Stawell's operations generated net sales of $13.4 million in the first nine months of 1997 compared to $14.7 million in the 1996 period as the ounces of gold sold decreased from 35.4 thousand ounces to 31.4 thousand ounces

(11%). The operating profit at Stawell of $1.1 million was $2.0 million lower than the operating profit of $3.1 million in the first nine months of 1996 reflecting a $30 per ounce increase (10%) in the cash cost of gold sold partially offset by a $11 per ounce increase (3%) in average realization. Stawell's results were negatively impacted by unfavorable ground conditions through the first half of 1997. In addition, the collapse of the aforementioned ventilation shaft resulted in lower production and higher costs through the first half of 1997 and a write-off of the ventilation shaft in the third quarter of 1997.

In July 1997, in reaction to the continued decline in the market price of gold, Mineral Ventures closed a gold forward sale hedge position relating to 16,397 ounces and realized proceeds of $2.6 million. These proceeds, which equate to approximately $160 per ounce, will be recognized for accounting purposes as ounces of gold are sold in the market. Approximately $1.5 million of these proceeds was recognized on gold sales in the third quarter. The remaining proceeds will be recognized over the next 7,026 ounces of gold sales. As of September 30, 1997, approximately 9% of Mineral Ventures' recoverable proven and probable reserves had been sold forward under forward sales contracts that mature periodically through early 1998.

Other operating expense, net, includes equity earnings from joint ventures, primarily consisting of Mineral Ventures' 17% indirect interest in Stawell's operations and gold exploration costs on all operations including Mineral Ventures' 50% direct interest in Stawell. Other operating expenses increased by $0.4 million and $1.5 million in the third quarter and first nine months of 1997, respectively, primarily due to joint venture losses. Gold exploration costs increased slightly from 1996, and are being incurred by Mineral Ventures in Nevada and Australia with its joint venture partners.

In addition to its interest in Stawell, Mineral Ventures has a 17% indirect interest in the Silver Swan base metals property in Western Australia. The initial mining and commissioning of Silver Swan has proceeded according to plan. Recent delays in concentrate shipments due to problems at a customer's smelter have deferred the anticipated positive impact of this operation. However, a regular shipping schedule has resumed during the fourth quarter.

Foreign Operations

A portion of the Company's financial results is derived from activities in several foreign countries, each with a local currency other than the U.S. dollar. Because the financial results of the Company are reported in U.S. dollars, they are affected by the changes in the value of the various foreign currencies in relation to the U.S. dollar. The Company's international activity is not concentrated in any single currency, which limits the risks of foreign currency rate fluctuation. In addition, these rate fluctuations may adversely affect transactions which are denominated in currencies other than the functional currency. The Company routinely enters into such transactions in the normal course of its business. Although the diversity of its foreign operations limits the risks associated with such transactions, the Company uses foreign currency forward contracts to hedge the risks associated with such transactions. Realized and unrealized gains and losses on these contracts are deferred and recognized as part of the specific transaction hedged. In addition, translation adjustments relating to operations in countries with highly inflationary economies are included in net income, along with all transaction gains or losses for the period. Subsidiaries in Brazil and Venezuela and an affiliate in Mexico operate in such highly inflationary economies. Current conditions indicate that Brazil may no longer be considered highly inflationary by early 1998.

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

Other Operating Income, Net

Other operating income, net, includes the Company's share of net earnings of unconsolidated affiliates, primarily equity affiliates of Brink's and Minerals, royalty income and gains and losses from sales of coal assets. Other operating income, net, decreased $0.8 million and $4.4 million in the third quarter and first nine months of 1997, respectively, as compared to the same periods in 1996. The decline in the quarter is largely the result of a $1.3 million decrease in equity in earnings of unconsolidated affiliates. The year to date decline reflects a $2.7 million decrease in equity in earnings of unconsolidated affiliates and a $3.0 million benefit from litigation settlements present in the prior year nine-month period.

Interest Expense
Interest expense increased $3.9 million to $7.3 million in the third quarter of 1997 from $3.4 million in the prior year quarter, and in the first nine months of 1997, increased $8.8 million to $19.3 million from $10.5 million in the first nine months of 1996. These increases are due to higher total borrowings related to capital expenditures and acquisitions as well as higher average interest rates largely attributed to foreign borrowings.

Income Taxes
In both 1997 and 1996 periods presented, the provision for income taxes was less than the statutory federal income tax rate of 35% due to the tax benefits of percentage depletion and lower taxes on foreign income, partially offset by provisions for goodwill amortization and state income taxes. Based on the Company's historical and expected taxable earnings, management believes it is more likely than not that the Company will realize the benefit of the existing deferred tax asset at September 30, 1997.

FINANCIAL CONDITION

Cash Flow Requirements
Cash provided by operating activities during the first nine months of 1997 totaled $136.0 million compared with $125.7 million in the first nine months of 1996. Net income, noncash charges and changes in operating assets and liabilities in the first nine months of 1996 were significantly affected by three non-recurring items: a benefit from the settlement of the Evergreen case at an amount less than originally accrued; a charge related to the implementation of SFAS No. 121; and a benefit from the reversal of excess restructuring liabilities. These items had no effect on cash generated by operations in the first nine months of 1996. The initial payment of $25.8 million related to the Evergreen case settlement was entirely funded by an escrow account previously established by the Company. The increase in cash generated by operating activities during 1997 is primarily attributable to lower funding requirements for operating assets and liabilities. Cash generated from operations was not sufficient to fund investing activities, primarily capital expenditures, acquisitions, and aircraft heavy maintenance. As a result of these items and funds used for share activities, the Company required additional net cash borrowings of approximately $113.0 million. The combination of these activities increased cash and cash equivalents by $18.8 million.

Capital Expenditures
Cash capital expenditures for the first nine months of 1997 totaled $133.9 million, $17.6 million higher than in the comparable period in 1996. Of the 1997 amount, $35.6 million was spent by Brink's, $53.9 million was spent by BHS, $22.3 million was spent by BAX Global, $18.5 million was spent by Coal Operations and $3.3 million was spent by Mineral Ventures. For the remainder of 1997, company-wide capital expenditures are expected to range between $65.0 and $85.0 million. The foregoing amounts exclude expenditures that have been or are expected to be financed through capital and operating leases, and any acquisition expenditures.

Financing
The Company intends to fund its capital expenditure requirements during the remainder of 1997 with anticipated cash flows from operating activities and through operating leases if the latter are financially attractive. Shortfalls, if any, will be financed through the Company's revolving credit agreements or other borrowing arrangements.

Total outstanding debt amounted to $313.2 million at September 30, 1997, up from $196.0 million at year-end 1996. The $117.2 million increase primarily reflects additional cash required to fund capital expenditures and acquisitions.

The Company has a $350.0 million revolving credit agreement with a syndicate of banks (the "Facility"). The Facility includes a $100.0 million term loan and also permits additional borrowings, repayments, and reborrowings of up to an aggregate of $250.0 million. As of September 30, 1997, borrowings of $100.0 million were outstanding under the term loan portion of the Facility and $101.8 million of additional borrowings were outstanding under the remainder of the Facility.

In July 1997, the Company repaid the $14.3 million 4% subordinated debentures which were outstanding at December 31, 1996. Borrowings under the facility were used to make this payment.

In connection with its acquisition of Custravalca, Brink's entered into a borrowing arrangement with a syndicate of local Venezuelan banks. The borrowings consisted of a long-term loan denominated in the local currency equivalent of US $40 million and a $10 million short-term loan denominated in U.S. dollars. The long-term portion of the loan bears interest based on the Venezuelan prime rate and is payable in installments through the year 2000. The short-term loan of $10 million has subsequently been repaid. As of September 30, 1997, total borrowings under this arrangement were the equivalent of US $36.2 million.

Off-Balance Sheet Instruments

During July 1997, Mineral Ventures closed a gold forward sale hedge position and realized proceeds of $2.6 million. Approximately $1.5 million of these proceeds were recognized on gold sales in the third quarter. The remaining proceeds will be recognized over the next 7,026 ounces of gold sales. As of September 30, 1997, approximately 9% of Mineral Ventures' recoverable proven and probable reserves had been sold forward under forward sales contracts that mature periodically through early-1998.

Capitalization

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

During the three months ended September 30, 1997 and 1996, the Company purchased no shares of Brink's Stock; 200,200 shares (at a cost of $4.8 million) and 15,300 shares (at a cost of $0.3 million), respectively, of Burlington Stock; and no shares of Minerals Stock under the share repurchase program authorized by the Board of Directors of the Company (the "Board"). During the nine months ended September 30, 1997 and 1996, the Company purchased 166,000 shares (at a cost of $4.3 million) and no shares, respectively, of Brink's Stock; 332,300 shares (at a cost of $7.4 million) and 20,300 shares (at a cost of $0.4 million), respectively, of Burlington Stock; and no shares of Minerals Stock under the share repurchase program.

During the quarter and nine months ended September 30, 1997, the Company purchased 1,515 shares (at a cost of $0.6 million) of its Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock"). During the quarter and nine months ended September 30, 1996, the Company purchased 10,320 shares (at a cost of $3.9 million) and 20,920 shares (at a cost of $7.9 million) of the Convertible Preferred Stock, respectively. In May 1997, the Board authorized an increase in the remaining repurchase authority to $25.0 million, leaving the Company remaining authority to repurchase an additional $24.4 million of the Convertible Preferred Stock.

Dividends

The Board intends to declare and pay dividends on Brink's Stock, Burlington Stock and Minerals Stock based on the earnings, financial condition, cash flow and business requirements of the Brink's Group, Burlington Group and the Minerals Group, respectively. Since the Company remains subject to Virginia law limitations on dividends and to dividend restrictions in its bank credit agreements, losses by one Group could affect the Company's ability to pay dividends in respect of stock relating to the other Group. Dividends on Minerals Stock are also limited by the Available Minerals Dividend Amount as defined in the Company's Articles of Incorporation. At September 30, 1997, the Available Minerals Dividend Amount was at least $15.6 million.

During the first nine months of 1997 and 1996, the Board declared and the Company paid cash dividends of 48.75 cents per share of Minerals Stock, 7.5 cents per share of Brink's Stock, and 18 cents per share of Burlington Stock. Dividends paid on the Convertible Preferred Stock in the first nine months of 1997 and 1996 were $2.8 million and $2.9 million, respectively. Preferred dividends included on the Company's Statement of Operations for the quarter and nine months ended September 30, 1997 are net of $0.1 million, which is the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to holders of the stock.

Preferred dividends included on the Company's Statement of Operations for the quarter and nine months ended September 30, 1996, are net of $1.0 million and $2.1 million, respectively, which was the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to holders of the stock for stock repurchases.

Pending Accounting Changes
The Company will implement the following new accounting standards.

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

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

SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information", will be implemented in the financial statements for the year ended December 31, 1998. SFAS No. 131 requires publicly-held companies to report financial and descriptive information about operating segments in financial statements issued to shareholders for interim and annual periods. The SFAS also requires additional disclosures with respect to products and services, geographic areas of operation, and major customers. The adoption of this SFAS is not expected to have a material impact on the financial statements of the Company.

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

Pittston Brink's Group
BALANCE SHEETS
(In thousands)

	September 30 1997	December 31 1996
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 33,415	20,012
Short-term investments, at lower of cost or market	1,662	1,856
Accounts receivable (net of estimated amount uncollectible: 1997 - $7,720; 1996 - $4,970)	156,112	124,928
Receivable - Pittston Minerals Group	-	14,027
Inventories, at lower of cost or market	2,963	3,073
Prepaid expenses	17,310	11,680
Deferred income taxes	15,230	14,481
Total current assets	226,692	190,057
Property, plant and equipment, at cost (net of accumulated depreciation and amortization: 1997 - $275,371; 1996 - $240,741)	333,798	256,759
Intangibles, net of amortization	18,659	28,162
Investment in and advances to unconsolidated affiliates	26,997	26,594
Deferred pension assets	32,293	33,670
Deferred income taxes	2,308	2,120
Other assets	14,569	14,303
Total assets	$ 655,316	551,665
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Short-term borrowings	$ 2,813	1,751
Current maturities of long-term debt	9,438	2,139
Accounts payable	33,120	36,995
Accrued liabilities	109,644	98,507
Payable - Pittston Minerals Group	8,274	-
Total current liabilities	163,289	139,392
Long-term debt, less current maturities	38,521	5,542
Postretirement benefits other than pensions	4,065	3,835
Workers' compensation and other claims	11,397	11,056
Deferred income taxes	40,157	38,539
Payable - Pittston Minerals Group	5,883	8,760
Minority interests	22,807	22,929
Other liabilities	10,125	8,234
Shareholder's equity	359,072	313,378
Total liabilities and shareholder's equity	$ 655,316	551,665

See accompanying notes to financial statements.

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

	Three Months Ended September 30 1997	Three Months Ended September 30 1996	Nine Months Ended September 30 1997	Nine Months Ended September 30 1996
Operating revenues	$ 280,075	232,022	800,234	666,637
Costs and expenses:				
Operating expenses	207,882	174,979	593,531	506,987
Selling, general and administrative expenses	40,287	33,706	116,646	95,065
Total costs and expenses	248,169	208,685	710,177	602,052
Other operating income, net	645	1,648	141	1,478
Operating profit	32,551	24,985	90,198	66,063
Interest income	639	719	1,845	1,708
Interest expense	(2,971)	(424)	(7,874)	(1,410)
Other expense, net	(422)	(1,462)	(3,527)	(3,634)
Income before income taxes	29,797	23,818	80,642	62,727
Provision for income taxes	10,425	7,977	28,225	21,013
Net income	$ 19,372	15,841	52,417	41,714
Net income per common share	$ .51	.41	1.37	1.09
Cash dividends per common share	$ .025	.025	.075	.075
Average common shares outstanding	38,309	38,264	38,243	38,158

See accompanying notes to financial statements.

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

	Nine Months Ended September 30 1997	1996
Cash flows from operating activities:		
Net income	$ 52,417	41,714
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	46,787	40,415
Provision (credit) for deferred income taxes	1,605	(1,877)
Provision for pensions, noncurrent	1,401	1,189
Provision for uncollectible accounts receivable	3,690	3,221
Equity in loss (earnings) of unconsolidated affiliates, net of dividends received	2,701	(971)
Other operating, net	6,776	4,633
Change in operating assets and liabilities, net of the effects of acquisitions and dispositions:		
Increase in accounts receivable	(18,055)	(10,745)
Decrease in inventories	109	180
Increase in prepaid expenses	(557)	(2,294)
(Decrease) increase in accounts payable and accrued liabilities	(2,075)	5,574
Increase in other assets	(3,007)	(3,404)
Increase in other liabilities	1,593	430
Other, net	(185)	87
Net cash provided by operating activities	93,200	78,152
Cash flows from investing activities:		
Additions to property, plant and equipment	(89,577)	(71,146)
Proceeds from disposal of property, plant and equipment	1,372	1,540
Acquisitions, net of cash acquired	(55,349)	--
Other, net	7,110	1,068
Net cash used by investing activities	(136,444)	(68,538)
Cash flows from financing activities:		
Additions to debt	54,574	1,882
Reductions of debt	(13,472)	(6,916)
Net payments from Minerals Group	20,300	2,163
Proceeds from exercise of stock options and employee stock purchase plan	2,250	998
Dividends paid	(2,658)	(2,905)
Repurchase of common stock	(4,347)	--
Cost of stock proposal	-	(1,238)
Net cash provided (used) by financing activities	56,647	(6,016)
Net increase in cash and cash equivalents	13,403	3,598
Cash and cash equivalents at beginning of period	20,012	21,977
Cash and cash equivalents at end of period	$ 33,415	25,575

See accompanying notes to financial statements.

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

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

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

(2) As of January 1, 1992, BHS elected to capitalize categories of costs not previously capitalized for home security installations. The additional costs not previously capitalized consisted of costs for installation labor and related benefits for supervisory, installation scheduling, equipment testing and other support personnel and costs incurred in maintaining facilities and vehicles dedicated to the installation process. The effect of this change in accounting principle was to increase operating profit for the Brink's Group and the BHS segment for the first nine months of 1997 and 1996 by $3,567 and $3,472, respectively, and for the third quarter of 1997 and 1996 by $1,199 and $1,296, respectively. The effect of this change increased net income per common share of the Brink's Group by $0.06 in the first nine months of 1997 and 1996, and by $0.02 in the third quarter of 1997 and 1996.

(3) Based on demonstrated retention of customers, beginning in the first quarter of 1997, BHS prospectively adjusted its annual depreciation rate for capitalized subscribers' installation costs. This change more accurately matches depreciation expense with monthly recurring revenue generated from customers. This change in accounting estimate reduced depreciation expense for capitalized installation costs for the quarter and nine months ended September 30, 1997 for the Brink's Group and the BHS segment by $2,262 and $6,484, respectively. The effect of this change increased net income of the Brink's Group in the third quarter and first nine months of 1997 by $1,471 ($0.04 per common share) and $4,215 ($0.11 per common share), respectively.

(4) Depreciation and amortization of property, plant and equipment in the third quarter and nine-month periods of 1997 totaled $17,145 ($14,046 in 1996) and $43,453 ($39,457 in 1996), respectively.

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

	Three Months Ended September 30 1997	Three Months Ended September 30 1996	Nine Months Ended September 30 1997	Nine Months Ended September 30 1996
Interest	$ 2,947	414	7,878	1,416
Income taxes	$ 10,545	8,246	31,130	23,791

During the nine months ended September 30, 1997 and 1996, capital lease obligations of $2,373 and $1,575, respectively, were incurred for leases of property, plant and equipment.

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

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

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

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

(8) During the three months ended September 30, 1997 and 1996, the Company purchased no shares of Brink's Stock. During the nine months ended September 30, 1997 and 1996, the Company purchased 166,000 shares (at a cost of $4,347) and no shares, respectively, of Brink's Stock.

(9) During the quarter and nine months ended September 30, 1997, the Company purchased 1,515 shares (at a cost of $617) of its Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock"). During the quarter and nine months ended September 30, 1996, the Company purchased 10,320 shares (at a cost of $3,922) and 20,920 shares (at a cost of $7,897), respectively of the Convertible Preferred Stock. Preferred dividends included on the Company's Statement of Operations for the quarter and nine months ended September 30, 1997 are net of $108, which is the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to holders of the stock. Preferred dividends included on the Company's Statement of Operations for the quarter and nine months ended September 30, 1996, are net of $1,020 and $2,120, respectively, which is the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to holders of the stock.

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

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

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

SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information", will be implemented in the financial statements for the year ended December 31, 1998. SFAS No. 131 requires publicly-held companies to report financial and descriptive information about operating segments in financial statements issued to shareholders for interim and annual periods. The SFAS also requires additional disclosures with respect to products and services, geographic areas of operation, and major customers. The adoption of this SFAS is not expected to have a material impact on the financial statements of the Brink's Group.

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

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

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

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

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

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

RESULTS OF OPERATIONS

(In thousands)	Three Months Ended September 30 1997	1996	Nine Months Ended September 30 1997	1996
Operating revenues:				
Brink's	$ 234,004	192,491	667,753	551,756
BHS	46,071	39,531	132,481	114,881
Total operating revenues	$ 280,075	232,022	800,234	666,637
Operating profit:				
Brink's	$ 20,861	16,033	55,805	37,935
BHS	13,402	11,509	39,454	34,012
Segment operating profit	34,263	27,542	95,259	71,947
General corporate expense	(1,712)	(2,557)	(5,061)	(5,884)
Total operating profit	$ 32,551	24,985	90,198	66,063

The Brink's Group net income totaled $19.4 million ($0.51 per share) in the third quarter of 1997 compared with $15.8 million ($0.41 per share) in the third quarter of 1996. Operating profit for the 1997 third quarter increased to $32.6 million from $25.0 million in the third quarter of 1996. The increase in net income and operating profit for the 1997 third quarter compared with the same period of 1996 was attributable to improved operating earnings for the Brink's and BHS businesses. Revenues for the 1997 third quarter increased $48.0 million or 21% compared with the 1996 third quarter, of which $41.5 million was from Brink's and $6.5 million was from BHS. Operating expenses and selling, general and administrative expenses for the 1997 third quarter increased $39.5 million or 19% compared with the same period last year, of which $35.7 million was from Brink's and $4.6 million was from BHS. Net interest expense during the third quarter of 1997 increased $2.6 million primarily due to additional debt used to fund the acquisition of Brink's Venezuelan affiliate during the first quarter of 1997 (discussed in further detail below).

In the first nine months of 1997, net income totaled $52.4 million ($1.37 per share) compared with $41.7 million ($1.09 per share) in the first nine months of 1996. Operating profit for the first nine months of 1997 increased to $90.2 million from $66.1 million in the same period of 1996. The increase in net income and operating profit for the first nine months of 1997 compared with the same period of 1996 was attributable to improved operating earnings for the Brink's and BHS businesses. Revenues for the first nine months of 1997 increased $133.6 million or 20% compared with the first nine months of 1996, of which $116.0 million was from Brink's and $17.6 million was from BHS. Operating expenses and selling general and administrative expenses for the first nine months of 1997 increased $108.1 million or 18% compared with the same period last year, of which $96.8 million was from Brink's and $12.2 million was from BHS. Net interest expense increased $6.3 million during the first nine months of 1997 as compared to 1996 primarily due to the additional debt used to fund the acquisition of Brink's Venezuelan affiliate during the first quarter of 1997.

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

(In thousands)	Three Months Ended September 30 1997	Three Months Ended September 30 1996	Nine Months Ended September 30 1997	Nine Months Ended September 30 1996
Operating revenues:				
North America (United States & Canada)	$ 123,363	106,156	351,752	308,271
International subsidiaries	110,641	86,335	316,001	243,485
Total operating revenues	234,004	192,491	667,753	551,756
Operating expenses	184,974	154,527	527,471	447,177
Selling, general and administrative expenses	28,814	23,579	84,618	68,122
Total costs and expenses	213,788	178,106	612,089	515,299
Other operating income, net	645	1,648	141	1,478
Operating profit:				
North America (United States & Canada)	10,783	9,292	28,195	23,383
International operations	10,078	6,741	27,610	14,552
Total operating profit	$ 20,861	16,033	55,805	37,935
Depreciation and amortization	$ 10,410	6,484	24,768	18,221
Cash capital expenditures	$ 15,520	8,514	35,625	24,518

Brink's consolidated revenues totaled $234.0 million in the third quarter of 1997 compared with $192.5 million in the third quarter of 1996. Brink's operating profit of $20.9 million in the third quarter of 1997 represented a $4.9 million (31%) increase over the $16.0 million operating profit reported in the prior year quarter. The revenue increase of $41.5 million (22%) was offset, in part, by an increase in operating expenses and selling, general and administrative expenses of $35.7 million and a decrease in other operating income of $1.0 million.

Revenues from North American operations (United States and Canada) increased $17.2 million (16%) to $123.4 million in the 1997 third quarter from $106.2 million in the prior year quarter. North American operating profit increased $1.5 million (16%) to $10.8 million in the current year quarter from $9.3 million in the third quarter of 1996. The operating profit improvement primarily resulted from improved armored car operations, which include ATM services.

Revenues from international subsidiaries increased $24.3 million to $110.6 million in the 1997 third quarter from $86.3 million in the comparable 1996 quarter. Operating profits from international subsidiaries and minority-owned affiliates amounted to $10.1 million in the current year third quarter compared to $6.7 million in the prior year third quarter. More than half of the revenue and operating profit increases were due to the consolidation of the results of Brink's Venezuelan subsidiary, Custodia y Traslado de Valores C.A. ("Custravalca"), where Brink's increased its ownership from 15% to 61% during January 1997. However, non-operating expenses, including net interest and minority ownership expense net of foreign translation gains associated with the acquisition, offset more than one half of the operating profit generated by Custravalca. The Latin America region, whose operating profits increased $1.6 million during the third quarter 1997, benefited from increased ownership positions in Venezuela and Peru. The region's results also reflected improvements in Colombia and Chile, offset, in part, by a decrease in results in Mexico and start-up operations in Argentina. In Europe, operating profits increased $1.2 million due primarily to improved performance in the Netherlands partially offset by lower results of the 38% owned affiliate in France. The operating profits in the Asia/Pacific region in the third quarter of 1997 were essentially unchanged from the comparable quarter of 1996. Operating profits from Brink's international diamond and jewelry operations increased slightly in the third quarter of 1997 versus the same period in 1996.

Brink's consolidated revenues totaled $667.8 million in the first nine months of 1997 compared with $551.8 million in the first nine months of 1996. Brink's operating profit of $55.8 million in the first nine months of 1997 represented a $17.9 million (47%) increase over the $37.9 million operating profit reported in the prior year period. The revenue increase of $116.0 million (21%) in the first nine months of 1997 was offset, in part, by an increase in operating expenses and selling, general and administrative expenses of $96.8 million and a decrease in other operating income of $1.3 million.

Revenues from North American operations increased $43.5 million (14%) to $351.8 million in the first nine months of 1997 from $308.3 million in the same period of 1996. North American operating profit increased $4.8 million (21%) to $28.2 million in the current year period from $23.4 million in the same period of 1996. The operating profit improvement for the nine months of 1997 primarily resulted from improved armored car operations, which includes ATM services, and to a lesser extent, improved currency processing operations.

Revenues from international subsidiaries increased $72.5 million to $316.0 million in the first nine months of 1997 from $243.5 million in the first nine months of 1996. Operating profits from international subsidiaries and minority-owned affiliates amounted to $27.6 million in the current year period compared to $14.6 million in the prior year period. More than half of the revenue and operating profit increases were due to the consolidation of the results of Brink's Venezuelan subsidiary which benefited the Latin America region. However, non-operating expenses, including net interest and minority ownership expense net of foreign translation gains associated with the acquisition, offset more than one half of the operating profit generated by Custravalca. Results in Latin America also reflected improvements in Chile and Colombia offset, in part, by lower results in Brazil and Mexico and by start-up operations in Argentina. Operating profits in Europe increased $1.9 million in the first nine months of 1997 due to improved results in most countries, largely offset by unfavorable results in France. Operating profits in the Asia/Pacific region remained essentially unchanged, while Brink's international diamond and jewelry operations showed improved performance in the nine-month period ended September 30, 1997.

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

BHS

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

(Dollars in thousands)	Three Months Ended September 30 1997	Three Months Ended September 30 1996	Nine Months Ended September 30 1997	Nine Months Ended September 30 1996
Operating revenues	$ 46,071	39,531	132,481	114,881
Operating expenses	22,908	20,452	66,060	59,810
Selling, general and administrative expenses	9,761	7,570	26,967	21,059
Total costs and expenses	32,669	28,022	93,027	80,869
Operating profit	$ 13,402	11,509	39,454	34,012
Depreciation and amortization	$ 7,880	7,839	21,662	22,083
Cash capital expenditures	$ 19,774	14,702	53,853	44,751
Annualized recurring revenues (a)			$ 149,524	121,254
Number of subscribers:				
Beginning of period	482,065	412,591	446,505	378,659
Installations	28,000	23,327	80,388	72,030
Disconnects	(9,691)	(8,125)	(26,519)	(22,896)
End of period	500,374	427,793	500,374	427,793

(a) Annualized recurring revenues are calculated based on the number of subscribers at period end multiplied by the average fee per subscriber received in the last month of the period for monitoring, maintenance and related services.

Revenues for BHS increased by $6.6 million (17%) to $46.1 million in the third quarter of 1997 from $39.5 million in the 1996 quarter. In the first nine months of 1997, revenues for BHS increased by $17.6 million (15%) to $132.5 million from $114.9 million in the first nine months of 1996. The increase in revenues in both periods was predominantly from higher ongoing monitoring and service revenues, reflecting a 17% increase in the subscriber base as well as higher average monitoring fees. As a result of such growth, annualized recurring revenues at the end of the third quarter of 1997 grew 23% over the amount in effect at the end of the third quarter of 1996. The increase in monitoring and service revenues for the 1997 nine-month period was partially offset by a decrease in installation revenue. Installation revenue for the third quarter of 1997 increased slightly over the same 1996 period. While the number of new security system installations has increased, the revenue per installation has decreased in both the three and nine-month periods ended September 30, 1997, as compared to the 1996 periods, due to continuing aggressive installation pricing and marketing by competitors.

Operating profit of $13.4 million in the third quarter of 1997 represented an increase of $1.9 million (17%) compared to the $11.5 million earned in the 1996 third quarter. In the first nine months of 1997, operating profit increased $5.5 million (16%) to $39.5 million from $34.0 million earned in the first nine months of 1996. These increases included a $2.3 million and $6.5 million reduction in depreciation expense in the third quarter and first nine months of 1997, respectively, resulting from a change in estimate (discussed below). Operating profit for the quarter and nine months ended September 30, 1997 was favorably impacted by the 17% growth in the subscriber base, higher average monitoring fees and the aforementioned change in estimate, partially offset by increased account servicing and administrative expenses, which were a consequence of the larger subscriber base. Operating profit in the same respective periods of 1997 was also impacted by a $2.1 million and $5.5 million increase in net installation and marketing costs incurred and expensed. While these costs to obtain subscribers increased during the 1997 periods, the cash margins per subscriber generated from recurring revenues increased slightly over 1996 periods.

It is BHS' policy to depreciate capitalized subscriber installation expenditures over the estimated life of the security system based on subscriber retention percentages. BHS initially developed its annual depreciation rate based on information about subscriber retention which was available at the time. However, accumulated historical data about actual subscriber retention has indicated that approximately 50% of subscribers are still active after a period of ten years. Therefore, in order to reflect the higher demonstrated retention of subscribers, and to more accurately match depreciation expense with monthly recurring revenue generated from active subscribers, beginning in the first quarter of 1997, BHS prospectively adjusted its annual depreciation rate for capitalized subscriber installation costs. BHS will continue its practice of charging the remaining net book value of all capitalized subscriber installation expenditures to depreciation expense as soon as a system is identified for disconnection. This change in estimate reduced depreciation expense for capitalized installation costs in the third quarter and first nine months of 1997 by $2.3 million and $6.5 million, respectively.

As of January 1, 1992, BHS elected to capitalize categories of costs not previously capitalized for home security installations. The additional costs not previously capitalized consisted of costs for installation labor and related benefits for supervisory, installation scheduling, equipment testing and other support personnel and costs incurred in maintaining facilities and vehicles dedicated to the installation process. The effect of this change in accounting principle was to increase operating profit for the Brink's Group and the BHS segment for the first nine months of 1997 and 1996 by $3.6 million and $3.5 million, respectively, and for the third quarter of 1997 and 1996 by $1.2 million and $1.3 million, respectively. The effect of this change increased net income per common share of the Brink's Group by $0.06 in the first nine months of 1997 and 1996, and by $0.02 in the third quarter of 1997 and 1996.

Foreign Operations

A portion of the Brink's Group's financial results is derived from activities in several foreign countries, each with a local currency other than the U.S. dollar. Because the financial results of the Brink's Group are reported in U.S. dollars, they are affected by the changes in the value of the various foreign currencies in relation to the U.S. dollar. The Brink's Group's international activity is not concentrated in any single currency, which limits the risks of foreign currency rate fluctuations. In addition, these rate fluctuations may adversely affect transactions which are denominated in currencies other than the functional currency. The Brink's Group routinely enters into such transactions in the normal course of its business. Although the diversity of its foreign operations limits the risks associated with such transactions, the Company, on behalf of the Brink's Group, from time to time, uses foreign currency forward contracts to hedge the risks associated with such transactions. Realized and unrealized gains and losses on these contracts are deferred and recognized as part of the specific transaction hedged. In addition, translation adjustments relating to operations in countries with highly inflationary economies are included in net income, along with all transaction gains or losses for the period. Subsidiaries in Brazil and Venezuela and an affiliate in Mexico operate in such highly inflationary economies. Current conditions indicate that Brazil may no longer be considered highly inflationary by early 1998.

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

Corporate Expenses

A portion of the Company's corporate general and administrative expenses and other shared services has been allocated to the Brink's Group based on utilization and other methods and criteria which management believes to be a reasonable and an equitable estimate of the costs attributable to the Brink's Group. These attributions were $1.7 million and $2.6 million for the third quarter of 1997 and 1996, respectively, and $5.1 million and $5.9 million for the first nine months of 1997 and 1996, respectively. The decrease in the 1997 periods is due to expenses associated with the Company's corporate office relocation during the third quarter of 1996.

Other Operating Income, Net

Other operating income consists primarily of net equity earnings of Brink's foreign affiliates. These net equity earnings amounted to income of $0.6 and $1.5 million for the third quarter of 1997 and 1996, respectively, and an expense of $0.1 million and income of $1.5 million in the first nine months of 1997 and 1996, respectively.

Net Interest Expense

Net interest expense increased from $0.3 million in the third quarter of 1996 to $2.3 million in the third quarter of 1997. Net interest expense increased to $6.0 million in the first nine months of 1997 from net interest income of $0.3 million in the first nine months of 1996. These increases were due to additional debt as well as higher average interest rates related to the acquisition of Custravalca in 1997.

Other Expense, Net

Other net expense, which principally includes foreign translation gains and losses and minority interest earnings or losses, decreased for the third quarter and nine months ended September 30, 1997 by $1.0 million and $0.1 million, respectively. The lower level of expense during the 1997 periods reflects an increase in foreign translation gains partially offset by higher minority ownership expense.

Income Taxes

The effective tax rate in the third quarter and first nine months of 1997 was 35%. This is an increase from the comparable periods of 1996 which had effective tax rates of 34%. The 1996 rates were lower than the statutory rate due to lower taxes on foreign income, partially offset by additional provisions for state income taxes.

FINANCIAL CONDITION

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

Cash Flow Requirements

Cash provided by operating activities amounted to $93.2 million in the first nine months of 1997, representing a $15.0 million increase from the prior year period. The increase in cash flow primarily reflects the Group's higher net income and noncash charges offset by additional funds used to finance working capital. Cash generated from operating activities was not sufficient for investing activities mainly due to the cash used to fund the Custravalca acquisition. However, the funding requirements for investing and net share activities were more than offset by cash from operating activities, additional borrowings and by repayments from the Minerals Group. As a result, cash and cash equivalents increased $13.4 million in the first nine months of 1997.

Capital Expenditures

Cash capital expenditures for the first nine months of 1997 totaled $89.6 million, excluding expenditures that have been or are expected to be financed through capital and operating leases, and any acquisition expenditures. The comparable amount in the 1996 period was $71.1 million. In 1997, $53.9 million was spent by BHS and $35.6 million was spent by Brink's. Expenditures incurred by BHS in the first nine months of 1997 were primarily for customer installations, representing the expansion in the subscriber base, and expenditures incurred by Brink's were primarily for replacement or maintenance of ongoing business operations. For the remainder of 1997, capital expenditures, excluding expenditures that have been or are expected to be financed through capital and operating leases, are expected to range between $35 million and $45 million.

Financing

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

Total outstanding debt at September 30, 1997 was $50.8 million, $41.4 million higher than the $9.4 million reported at December 31, 1996. The increase in debt is largely attributable to additional borrowings associated with the acquisition of Custravalca. At September 30, 1997, no portion of total debt outstanding was payable to either the Burlington Group or the Minerals Group.

The Company has a $350.0 million revolving credit agreement with a syndicate of banks (the "Facility"). The Facility includes a $100.0 million term loan and also permits additional borrowings, repayments and reborrowings of up to an aggregate of $250.0 million. As of September 30, 1997, borrowings of $100.0 million were outstanding under the term loan portion of the Facility and $101.8 million of additional borrowings were outstanding under the remainder of the Facility. No portion of the total amount outstanding under the Facility at September 30, 1997, was attributed to the Brink's Group.

In connection with its acquisition of Custravalca, Brink's entered into a borrowing arrangement with a syndicate of local Venezuelan banks. The borrowings consisted of a long-term loan denominated in the local currency equivalent of US $40 million and a $10 million short-term loan denominated in U.S. dollars. The long-term portion of the loan bears interest based on the Venezuelan prime rate and is payable in installments through the year 2000. The short-term loan of $10 million has subsequently been repaid. As of September 30, 1997, total borrowings under this arrangement were equivalent to US $36.2 million.

Related Party Transactions

At September 30, 1997, under an interest bearing borrowing arrangement, the Minerals Group owed the Brink's Group $3.7 million, a decrease of $20.3 million from the $24.0 million owed at December 31, 1996.

At September 30, 1997, the Brink's Group owed the Minerals Group $17.9 million versus $18.8 million at December 31, 1996 for tax payments representing the utilization of the Minerals Group's tax benefits by the Brink's Group in accordance with the Company's tax sharing policy. Of the total tax benefits owed to the Minerals Group at September 30, 1997, $12 million is expected to be paid within one year.

Capitalization

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

During the three months ended September 30, 1997 and 1996, the Company purchased no shares of Brink's Stock. During the nine-month periods ended September 30, 1997 and 1996, 166,000 shares (at a cost of $4.3 million) and no shares, respectively, of Brink's Stock were repurchased. During the quarter and nine months ended September 30, 1997, the Company repurchased 1,515 shares (at a cost of $0.6 million) of its Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock"). During the quarter and nine months ended September 30, 1996, the Company repurchased 10,320 shares and 20,920 shares, respectively, of its Convertible Preferred Stock at a total cost of $3.9 million and $7.9 million, respectively. In May 1997, the Board authorized an increase in the remaining repurchase authority to $25.0 million, leaving the Company remaining authority to repurchase an additional $24.4 million of the Convertible Preferred Stock.

Dividends

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

During the first nine months of 1997 and 1996, the Board declared and the Company paid cash dividends of 7.5 cents per share of Brink's Stock. Preferred dividends included on the Company's Statement of Operations for the quarter and nine months ended September 30, 1997 are net of $0.1 million, which is the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to holders of the stock. Preferred dividends included on the Company's statement of operations for the quarter and nine months ended September 30, 1996, are net of $1.0 million and $2.1 million, respectively, which was the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to holders of the stock for stock repurchases.

Pending Accounting Changes

The Brink's Group will implement the following new accounting standards.

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

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

SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information", will be implemented in the financial statements for the year ended December 31, 1998. SFAS No. 131 requires publicly-held companies to report financial and descriptive information about operating segments in financial statements issued to shareholders for interim and annual periods. The SFAS also requires additional disclosures with respect to products and services, geographic areas of operation, and major customers. The adoption of this SFAS is not expected to have a material impact on the financial statements of the Brink's Group.

Forward Looking Information

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

Pittston Burlington Group
BALANCE SHEETS
(In thousands)

	September 30 1997	December 31 1996
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 22,653	17,818
Accounts receivable (net of estimated amount uncollectible: 1997 - $9,670; 1996 -$9,528)	312,230	262,378
Inventories, at lower of cost or market	1,747	2,251
Prepaid expenses	13,251	12,459
Deferred income taxes	7,215	7,847
Total current assets	357,096	302,753
Property, plant and equipment, at cost (net of accumulated depreciation and amortization: 1997 - $77,566; 1996 - $62,900)	128,010	113,283
Intangibles, net of amortization	175,432	177,797
Deferred pension assets	7,775	9,504
Deferred income taxes	20,781	19,015
Other assets	12,135	13,046
Total assets	$ 701,229	635,398
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Short-term borrowings	$ 28,285	29,918
Current maturities of long-term debt	3,243	2,916
Accounts payable	196,082	175,198
Payable - Pittston Minerals Group	11,220	3,270
Accrued liabilities	74,593	67,299
Total current liabilities	313,423	278,601
Long-term debt, less current maturities	54,183	28,723
Postretirement benefits other than pensions	3,454	3,145
Deferred income taxes	2,649	1,880
Payable - Pittston Minerals Group	8,199	13,310
Other liabilities	6,894	4,750
Shareholder's equity	312,427	304,989
Total liabilities and shareholder's equity	$ 701,229	635,398

See accompanying notes to financial statements.

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

	Three Months Ended September 30		Nine Months Ended September 30	
	1997	1996	1997	1996
Operating revenues	$ 439,428	373,177	1,210,404	1,081,336
Costs and expenses:				
Operating expenses	375,145	322,764	1,061,749	947,071
Selling, general and administrative expenses	37,423	32,730	116,446	95,636
Total costs and expenses	412,568	355,494	1,178,195	1,042,707
Other operating income, net	351	225	1,859	966
Operating profit	27,211	17,908	34,068	39,595
Interest income	124	628	599	2,177
Interest expense	(1,558)	(944)	(3,570)	(2,984)
Other expense, net	(390)	(597)	(671)	(1,939)
Income before income taxes	25,387	16,995	30,426	36,849
Provision for income taxes	9,394	6,290	11,258	13,635
Net income	$ 15,993	10,705	19,168	23,214
Net income per common share:				
Primary	$ .82	.56	.99	1.21
Fully diluted	$ .79	.56	.95	1.21
Cash dividends per common share	$ .06	.06	.18	.18
Average common shares outstanding:				
Primary	19,470	19,283	19,449	19,161
Fully diluted	20,140	19,283	20,125	19,161

See accompanying notes to financial statements.

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

	Nine Months Ended September 30 1997	1996
Cash flows from operating activities:		
Net income	$ 19,168	23,214
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	21,637	16,129
Provision for aircraft heavy maintenance	25,009	23,980
Credit for deferred income taxes	(1,436)	(2,757)
Provision for pensions, noncurrent	1,403	1,115
Provision for uncollectible accounts receivable	3,134	1,841
Equity in loss (earnings) of unconsolidated affiliates, net of dividends received	263	(171)
Other operating, net	1,597	1,522
Change in operating assets and liabilities, net of effects of acquisitions and dispositions:		
Increase in accounts receivable	(47,109)	(13,197)
Decrease (increase) in inventories	505	(392)
(Increase) decrease in prepaid expenses	(613)	1,113
Increase (decrease) in accounts payable and accrued liabilities	16,863	(15,855)
Increase in other assets	(2,395)	(870)
Increase (decrease) in other liabilities	1,661	(1,308)
Other, net	(263)	(509)
Net cash provided by operating activities	39,424	33,855
Cash flows from investing activities:		
Additions to property, plant and equipment	(22,420)	(27,486)
Proceeds from disposal of property, plant and equipment	471	5,899
Aircraft heavy maintenance	(24,790)	(15,215)
Acquisitions, net of cash acquired, and related contingency payments	(9,131)	(225)
Other, net	2,664	2,566
Net cash used by investing activities	(53,206)	(34,461)
Cash flows from financing activities:		
Additions to debt	37,984	2,878
Reductions of debt	(17,246)	(1,361)
Payments from Minerals Group	6,949	554
Proceeds from exercise of stock options and employee stock purchase plan	1,786	2,293
Dividends paid	(3,449)	(3,479)
Repurchase of common stock	(7,407)	(372)
Cost of stock proposal	-	(1,237)
Net cash provided (used) by financing activities	18,617	(724)
Net increase (decrease) in cash and cash equivalents	4,835	(1,330)
Cash and cash equivalents at beginning of period	17,818	25,847
Cash and cash equivalents at end of period	$ 22,653	24,517

See accompanying notes to financial statements.

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

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

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

(2) Depreciation and amortization of property, plant and equipment in the third quarter and nine-month periods of 1997 and 1996 totaled $5,847 ($3,592 in 1996) and $16,679 ($11,245 in 1996), respectively.

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

	Three Months Ended September 30		Nine Months Ended September 30	
	1997	1996	1997	1996
Interest	$ 1,284	1,238	3,536	3,793
Income taxes	$ 3,285	7,320	12,024	15,881

During the nine months ended September 30, 1997 and 1996, capital lease obligations of $52 and $61, respectively, were incurred for leases of property, plant and equipment.

(4) For the quarter and nine months ended September 30, 1996 fully diluted net income per share for the Burlington Group is considered to be the same as primary since the effect of common stock equivalents was either antidilutive or insignificant.

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

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

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

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

(7) During the three months ended September 30, 1997 and 1996, the Company purchased 200,200 shares (at a cost of $4,855) and 15,300 shares (at a cost of $280), respectively, of Burlington Stock. During the nine months ended September 30, 1997 and 1996, the Company purchased 332,300 shares (at a cost of $7,405) and 20,300 shares (at a cost of $373), respectively, of Burlington Stock.

(8) During the quarter and nine months ended September 30, 1997, the Company purchased 1,515 shares (at a cost of $617) of its Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock"). During the quarter and nine months ended September 30, 1996, the Company purchased 10,320 shares (at a cost of $3,922) and 20,920 shares (at a cost of $7,897), respectively, of the Convertible Preferred Stock. Preferred dividends included on the Company's Statement of Operations for the quarter and nine months ended September 30, 1997 are net of $108, which is the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to holders of the stock. Preferred dividends included on the Company's Statement of Operations for the quarter and nine months ended September 30, 1996, are net of $1,020 million and $2,120 million, respectively, which is the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to holders of the stock.

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

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

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

SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information", will be implemented in the financial statements for the year ended December 31, 1998. SFAS No. 131 requires publicly-held companies to report financial and descriptive information about operating segments in financial statements issued to shareholders for interim and annual periods. The SFAS also requires additional disclosures with respect to products and services, geographic areas of operation, and major customers. The adoption of this SFAS is not expected to have a material impact on the financial statements of the Burlington Group.

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

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

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

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

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

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

RESULTS OF OPERATIONS

(In thousands)		Three Months Ended September 30 1997	1996	Nine Months Ended September 30 1997	1996
Operating revenues:					
BAX Global	$	439,428	373,177	1,210,404	1,081,336
Operating profit:					
BAX Global	$	28,926	20,466	39,117	45,479
General corporate expense		(1,715)	(2,558)	(5,049)	(5,884)
Operating profit	$	27,211	17,908	34,068	39,595

In the third quarter of 1997, the Burlington Group reported net income of $16.0 million ($0.82 per share primary and $0.79 per share fully diluted). This compares to net income of $10.7 million ($0.56 per share) in the third quarter of 1996. Included in the third quarter 1997 net income was an estimated benefit of approximately $1.6 million ($0.08 per share) resulting from the Teamsters Strike against United Parcel Service (the "UPS Strike") during the third quarter. Operating profit totaled $27.2 million in the 1997 third quarter compared to $17.9 million in the prior year third quarter. Revenues increased $66.3 million or 18% compared with the 1996 third quarter. Operating expenses and selling, general and administrative expenses for the 1997 period increased $57.1 million (16%) compared with the same period last year.

In the first nine months of 1997, the Burlington Group reported net income of $19.2 million ($0.99 per share primary and $0.95 per share fully diluted), including a $12.5 million pre-tax charge ($7.9 million after-tax) related to consulting expenses for the redesign of BAX Global's business processes and new information systems architecture, compared with $23.2 million ($1.21 per share) in the first nine months of 1996.

Operating profit, after the $12.5 million charge, totaled $34.1 million in the first nine months of 1997 compared with $39.6 million in the prior year nine-month period. Revenues increased $129.1 million or 12% compared with the first nine months of 1996. Operating expenses and selling, general and administrative expenses, including the $12.5 million charge, for the 1997 period increased $135.5 million (13%) compared with the same period last year.

BAX Global

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

(In thousands - except per pound/shipment amounts)	Three Months Ended September 30 1997	Three Months Ended September 30 1996	Nine Months Ended September 30 1997	Nine Months Ended September 30 1996
Operating revenues:				
Intra-U.S.				
Expedited freight services	$ 176,332	142,506	457,672	405,238
Other	1,761	1,216	5,372	3,318
Total Intra-U.S.	178,093	143,722	463,044	408,556
International				
Expedited freight services	196,829	175,516	570,451	517,692
Customs clearances	32,096	30,017	91,396	88,793
Ocean and other	32,410	23,922	85,513	66,295
Total International	261,335	229,455	747,360	672,780
Total operating revenues	439,428	373,177	1,210,404	1,081,336
Operating expenses	375,145	322,764	1,061,749	947,071
Selling, general and administrative expenses	35,708	30,172	111,397	89,752
Total costs and expenses	410,853	352,936	1,173,146	1,036,823
Other operating income, net	351	225	1,859	966
Operating profit:				
Intra-U.S.	16,938	11,783	24,553	25,520
International	11,988	8,683	27,064	19,959
Other (a)	-	-	(12,500)	-
Total operating profit	$ 28,926	20,466	39,117	45,479
Expedited freight services shipment growth rate	41.8%	(0.5%)	13.5%	2.8%
Expedited freight services weight growth rate:				
Intra-U.S.	16.5%	6.7%	7.1%	5.0%
International	14.5%	(1.7%)	8.3%	4.5%
Worldwide	15.5%	2.2%	7.7%	4.7%
Expedited freight services weight (millions of pounds)	418.1	362.0	1,141.2	1,059.2
Expedited freight services shipments (thousands)	1,836	1,294	4,441	3,914
Expedited freight services average:				
Yield (revenue per pound)	$ .893	.879	.901	.871
Revenue per shipment	$ 203	246	232	236
Weight per shipment (pounds)	228	280	257	271

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

Reflecting the company's global orientation and expanded services, on October 1, 1997, Burlington Air Express Inc. changed its name to BAX Global Inc. The new BAX Global name reflects the Company's current position as one of the world's leading global freight transportation and logistics companies.

BAX Global's third quarter operating profit amounted to $28.9 million, an increase of $8.4 million from the $20.5 million operating profit reported in the third quarter of 1996. Worldwide revenues increased 18% to $439.4 million from $373.2 million in the 1996 quarter. The $66.2 million growth in revenues principally reflects a 16% increase in worldwide expedited freight services pounds shipped, which reached 418.1 million pounds in the third quarter of 1997, combined with a 2% increase in yield on this volume. In addition, non-expedited freight services revenues, increased $11.1 million (20%) during the third quarter of 1997 as compared to the same quarter in 1996. Worldwide expenses amounted to $410.9 million, $57.9 million (16%) higher than in the third quarter of 1996.

In the third quarter of 1997, BAX Global's intra-U.S. revenues increased from $143.7 million to $178.1 million. This $34.4 million (24%) increase was primarily due to an increase of $33.8 million in intra-U.S. expedited freight services revenues. The higher level of intra-U.S. expedited freight services revenues in 1997 was due to a 17% increase in weight shipped combined with a 6% increase in the average yield. The yield increase was due to higher average pricing on both overnight and second-day freight, due in large part to the effects of the UPS Strike and to an intra-U.S. shipment surcharge which was initiated in September 1996 to offset various cost increases. In addition, the average revenue per shipment and the average weight per shipment decreased as a result of the UPS Strike since, the additional volume, on average, consisted of a large number of smaller shipments. Excluding the estimated effects of the UPS Strike, the intra-U.S. expedited freight services average revenue per shipment increased, while the weight per shipment remained relatively unchanged. Intra-U.S. operating profit during the third quarter of 1997 increased $5.2 million from the $11.8 million recorded in the third quarter of 1996. Approximately $2.6 million of the increase was attributable to business from the UPS Strike.

International revenues in the third quarter of 1997 increased $31.8 million (14%) to $261.3 million from the $229.5 million recorded in the third quarter of 1996. International expedited freight services revenue increased $21.3 million (12%) due to a 15% increase in weight shipped. In addition, international non-expedited freight services revenue increased $10.6 million (20%) in the third quarter of 1997 as compared to the same period in 1996. The increase primarily relates to increases in international shipment volume and the continued expansion of ocean freight services. International operating profit in the third quarter of 1997 increased $3.3 million (38%) from the $8.7 million recorded in the third quarter of 1996. Operating profit during the third quarter of 1997 benefited from increased revenues combined with improved margins.

BAX Global operating profit for the first nine months of 1997, after the $12.5 million charge, amounted to $39.1 million, a decrease of $6.4 million from the $45.5 million reported in the first nine months of 1996. Worldwide revenues in the 1997 period increased 12% to $1,210.4 million from $1,081.3 million in the 1996 period. The $129.1 million growth in revenues principally reflects an 8% increase in worldwide expedited freight services pounds shipped, which reached 1,141.2 million pounds in the first nine months of 1997, combined with a 3% increase in yield on this volume. In addition, non-expedited freight services revenues increased $23.9 million (15%) during the first nine months of 1997 as compared to 1996. Worldwide expenses in the 1997 period, which include the $12.5 million charge, amounted to $1,173.1 million, $136.3 million (13%) higher than the 1996 period.

In the first nine months of 1997, BAX Global's intra-U.S. revenues increased from $408.6 million to $463.0 million. This $54.4 million (13%) increase was primarily due to an increase of $52.4 million in intra-U.S. expedited freight services revenues. The higher level of expedited freight services revenue in 1997 resulted from a 7% increase in weight shipped coupled with a 6% increase in the average yield. The increase in average yield was the combination of higher average pricing and a slight increase in the proportion of overnight freight in the sales mix. The higher average pricing was due, in large part, to the effects of the UPS Strike and to an intra-U.S. shipment surcharge which was initiated in September 1996 to offset various cost increases. In addition, the average revenue per shipment and the average weight per shipment decreased as a result of the UPS Strike since, the additional volume, on average, consisted of a large number of smaller shipments. Excluding the estimated effects of the UPS Strike, both of these averages increased over the 1996 nine-month period. Intra-U.S. operating profit during the first nine months of 1997, excluding any impact of the aforementioned $12.5 million charge, decreased $1.0 million from the $25.5 million recorded in the first nine months of 1996. Intra-U.S. operating profit in the first nine months of 1996 benefited from the reduction in Federal excise tax liabilities while intra-U.S. operating profit in the first nine months of 1997 was impacted by higher expenses associated with additional capacity designed to improve on-time customer service and to meet the rising demand in some of BAX Global's high growth markets, offset by an estimated $2.6 million impact attributed to the UPS Strike.

International revenues in the first nine months of 1997 increased $74.6 million (11%) to $747.4 million from the $672.8 million recorded in the comparable period of 1996. International expedited freight services revenue increased $52.8 million (10%) due to an 8% increase in weight shipped combined with a 2% increase in the average yield. The increase in the average yield on international expedited freight is primarily due to the fuel surcharge implemented by BAX Global in March 1997 in reaction to a corresponding surcharge implemented by its third party transportation providers. In addition, international non-expedited freight services revenue increased $21.8 million (14%) in the first nine months of 1997 as compared to the same period in 1996. The increase primarily relates to increases in international shipment volume and the continued expansion of ocean freight services. International operating profit in the first nine months of 1997 increased $7.1 million (36%) from the $20.0 million recorded in the comparable period of 1996. Operating profit during the first nine months of 1997 benefited from increased revenues combined with improved margins.

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

As part of its ongoing efforts to further enhance service quality and improve efficiencies, BAX Global has formed a Global Innovation Team composed of management from various regions assisted by third party consultants. The team is reviewing BAX Global's operating activities to better ensure that BAX Global provides a high level of customer service in a cost efficient manner. A key component of this process is a review of BAX Global's future information systems and technology needs on a global basis. A comprehensive plan is being developed for worldwide implementation over the next two to three years to assure delivery of information systems to meet both customer and operational requirements. In connection with these efforts, BAX Global recorded a charge of $12.5 million in the second quarter of 1997 which included most of the consulting fees and other project expenses attributable to the planning stage of the redesign program. Other cost and service improvement programs have been identified through this process and are expected to be implemented during the balance of 1997. Annualized cost savings from this phase of these initiatives are projected at $5 to $10 million.

Foreign Operations

A portion of the Burlington Group's financial results is derived from activities in several foreign countries, each with a local currency other than the U.S. dollar. Because the financial results of the Burlington Group are reported in U.S. dollars, they are affected by the changes in the value of the various foreign currencies in relation to the U.S. dollar. The Burlington Group's international activity is not concentrated in any single currency, which limits the risks of foreign currency rate fluctuation. In addition, these rate fluctuations may adversely affect transactions which are denominated in currencies other than the functional currency. The Burlington Group routinely enters into such transactions in the normal course of its business. Although the diversity of its foreign operations limits the risks associated with such transactions, the Company, on behalf of the Burlington Group, uses foreign currency forward contracts to hedge the risks associated with such transactions. Realized and unrealized gains and losses on these contracts are deferred and recognized as part of the specific transaction hedged. In addition, cumulative translation adjustments relating to operations in countries with highly inflationary economies are included in net income, along with all transaction gains or losses for the period. Subsidiaries in Brazil and Mexico operate in such highly inflationary economies. Current conditions indicate that Brazil may no longer be considered highly inflationary by early 1998.

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

Corporate Expenses

A portion of the Company's corporate general and administrative expenses and other shared services has been allocated to the Burlington Group based on utilization and other methods and criteria which management believes to be a reasonable and an equitable estimate of the costs attributable to the Burlington Group. These attributions were $1.7 million and $2.6 million for the third quarter of 1997 and 1996, respectively, and $5.0 million and $5.9 million for the first nine months of both 1997 and 1996, respectively. The decrease in the 1997 periods is due to expenses associated with the Company's corporate office relocation during the third quarter of 1996.

Other Operating Income, Net

Other operating income increased $0.1 million to $0.4 million in the third quarter of 1997, as compared to the same period in 1996, and increased $0.9 million to $1.9 million in the first nine months of 1997. Other operating income principally includes foreign exchange transaction gains and losses, and the changes for the comparable periods are due to fluctuations in such gains and losses.

Interest Expense

Interest expense increased $0.6 million in both the three and nine-month periods ended September 30, 1997 as compared to the same periods in 1996. The increase is due to a higher borrowing base as well as slightly higher average interest rates.

Interest Income

Interest income decreased $0.5 million to $0.1 million in the third quarter of 1997. For the first nine months of 1997, interest income decreased $1.6 million to $0.6 million, as compared to the prior year period. The fluctuation was primarily attributed to a decrease in interest income from the Minerals Group.

Other Expense, Net

Other net expense for the third quarter of 1997 decreased slightly from the prior year quarter. For the first nine months of 1997 other net expense decreased by $1.2 million to $0.7 million from $1.9 million for the first nine months of 1996. Other net expense in the first nine months of 1996 includes a loss for the termination of an overseas sublease agreement by BAX Global.

Income Taxes

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

FINANCIAL CONDITION

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

Cash Flow Requirements

Cash provided by operating activities during the first nine months of 1997 totaled $39.4 million as compared to the $33.9 million generated in the first nine months of 1996. The higher level of cash generated from operating activities was a result of a higher earnings before noncash charges partially offset by an increase in the funding requirements for net operating assets and liabilities in the 1997 period. Cash generated from operating activities, additional debt borrowings and repayments from the Minerals Group were sufficient to fund net investing and share activities, resulting in an increase in cash and cash equivalents of $4.8 million during the first nine months of 1997.

Capital Expenditures

Cash capital expenditures for the first nine months of 1997 and 1996 totaled $22.4 million and $27.5 million, respectively, excluding expenditures that have been or are expected to be financed through capital or operating leases. For the remainder of 1997, capital expenditures are expected to range between $25 million and $30 million, excluding expenditures that have been or are expected to be financed through capital and operating leases. These expenditures will primarily relate to the support of new facilities and to the implementation of new information systems that are intended to provide improved efficiency and customer service.

Financing

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

Total outstanding debt was $85.7 million at September 30, 1997, an increase of $24.1 million from the $61.6 million reported at December 31, 1996. The net increase in debt primarily reflects the equivalent of US $10.7 million of borrowings related to the Cleton acquisition.

The Company has a $350.0 million revolving credit agreement with a syndicate of banks (the "Facility"). The Facility includes a $100.0 million term loan and also permits additional borrowings, repayments, and reborrowings of up to an aggregate of $250.0 million. As of September 30, 1997, borrowings of $100.0 million were outstanding under the term loan portion of the Facility and $101.8 million of additional borrowings were outstanding under the remainder of the Facility. Of the total outstanding amount under the Facility at September 30, 1997, $27.0 million was attributed to the Burlington Group.

In July 1997, the Company repaid the $14.3 million 4% subordinated debentures, attributed to the Burlington Group, which were outstanding at December 31, 1996. Borrowings under the Facility were used to make this payment.

Related Party Transactions

At September 30, 1997, under an interest bearing borrowing arrangement, the Minerals Group owed the Burlington Group $0.8 million, a decrease from the $7.7 million owed at December 31, 1996.

At September 30, 1997, the Burlington Group owed the Minerals Group $20.2 million versus $24.3 million at December 31, 1996 for tax payments representing the utilization of the Minerals Group's tax benefits by the Burlington Group in accordance with the Company's tax sharing policy. Of the total tax benefits owed to the Minerals Group at September 30, 1997, $12.0 million is expected to be paid within one year.

Capitalization

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

During the three months ended September 30, 1997 and 1996, the Company purchased 200,200 shares (at a cost of $4.8 million) and 15,300 shares (at a cost of $0.3 million), respectively, of Burlington Stock. During the nine months ended September 30, 1997 and 1996, the Company purchased 332,300 shares (at a cost of $7.4 million) and 20,300 shares (at a cost of $0.4 million), respectively, of Burlington Stock. During the quarter and nine months ended September 30, 1997, the Company repurchased 1,515 shares (at a cost of $0.6 million) of its Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock"). During the quarter and nine months ended September 30, 1996, the Company repurchased 10,320 shares and 20,920 shares, respectively, of its Convertible Preferred Stock at a total cost of $3.9 million and $7.9 million, respectively. In May 1997, the Board authorized an increase in the remaining repurchase authority to $25.0 million, leaving the Company remaining authority to repurchase an additional $24.4 million of the Convertible Preferred Stock.

Dividends

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

During the first nine months of 1997 and 1996, the Board declared and the Company paid cash dividends of 18 cents per share of Burlington Stock. Preferred dividends included on the Company's Statement of Operations for the quarter and nine months ended September 30, 1997 are net of $0.1 million, which is the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to holders of the stock. Preferred dividends included on the Company's statement of operations for the quarter and nine months ended September 30, 1996, are net of $1.0 million and $2.1 million, respectively, which was the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to holders of the stock for stock repurchases.

Pending Accounting Changes

The Burlington Group will implement the following new accounting standards.

> Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share", will be implemented in the fourth quarter of 1997. SFAS No. 128 will require the Burlington Group to report both basic and diluted earnings per share ("EPS") calculations as well as provide a reconciliation between basic and diluted EPS computations. SFAS No. 128 supersedes previous guidance from Accounting Principles Board Opinion ("APB") No. 15, "Earnings per Share". On the effective date, all prior-period EPS data presented will be restated to conform with the provisions of SFAS No. 128.
>
> SFAS No. 130, "Reporting Comprehensive Income", will be implemented in the first quarter of 1998. SFAS No. 130 establishes standards for the reporting and display of comprehensive income and its components in financial statements. Comprehensive income generally represents all changes in shareholders' equity except those resulting from investments by or distributions to shareholders. With the exception of foreign currency translation adjustments, such changes are not significant to the Burlington Group.
>
> SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information", will be implemented in the financial statements for the year ended December 31, 1998. SFAS No. 131 requires publicly-held companies to report financial and descriptive information about operating segments in financial statements issued to shareholders for interim and annual periods. The SFAS also requires additional disclosures with respect to products and services, geographic areas of operation, and major customers. The adoption of this SFAS is not expected to have a material impact on the financial statements of the Burlington Group.

Forward Looking Information

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

Pittston Minerals Group
BALANCE SHEETS
(In thousands)

	September 30 1997	December 31 1996
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,924	3,387
Accounts receivable (net of estimated amount uncollectible: 1997 - $1,344; 1996 -$1,618)	81,790	88,552
Inventories, at lower of cost or market:		
Coal inventory	44,075	26,495
Other inventory	3,958	5,308
	48,033	31,803
Receivable - Pittston Brink's Group/Burlington Group, net	19,494	--
Prepaid expenses	10,777	8,659
Deferred income taxes	26,610	27,229
Total current assets	190,628	159,630
Property, plant and equipment, at cost (net of accumulated depreciation, depletion and amortization: 1997 - $160,891; 1996 -$154,115)	174,481	170,809
Deferred pension assets	83,163	81,067
Deferred income taxes	57,774	62,899
Coal supply contracts, net of amortization	44,457	52,696
Intangibles, net of amortization	108,846	111,103
Receivable - Pittston Brink's Group/Burlington Group, net	14,082	22,071
Other assets	46,941	46,706
Total assets	$ 720,372	706,981
LIABILITIES AND SHAREHOLDER'S EQUITY Current liabilities:		
Current maturities of long-term debt	262	395
Accounts payable	46,862	59,103
Payable - Pittston Brink's Group/Burlington Group, net	-	10,757
Accrued liabilities	117,943	114,470
Total current liabilities	165,067	184,725
Long-term debt, less current maturities	176,442	124,572
Postretirement benefits other than pensions	223,692	219,717
Workers' compensation and other claims	99,118	105,837
Mine closing and reclamation	43,405	43,877
Other liabilities	30,799	39,913
Shareholder's equity	(18,151)	(11,660)
Total liabilities and shareholder's equity	$ 720,372	706,981

See accompanying notes to financial statements.

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

	Three Months Ended September 30 1997	Three Months Ended September 30 1996	Nine Months Ended September 30 1997	Nine Months Ended September 30 1996
Net sales	$ 150,998	177,195	467,693	522,715
Cost and expenses:				
Cost of sales	144,338	167,907	451,586	533,236
Restructuring and other credits, including litigation accrual	-	-	-	(37,758)
Selling, general and administrative expenses	7,768	8,275	22,484	27,332
Total costs and expenses	152,106	176,182	474,070	522,810
Other operating income, net	1,902	1,812	7,349	11,298
Operating profit	794	2,825	972	11,203
Interest income	361	187	978	507
Interest expense	(2,810)	(2,694)	(8,169)	(8,315)
Other income (expense), net	2	(449)	(900)	(1,339)
(Loss) income before income taxes	(1,653)	(131)	(7,119)	2,056
Credit for income taxes	(2,625)	(2,629)	(7,875)	(6,106)
Net income	972	2,498	756	8,162
Preferred stock dividends, net	(789)	146	(2,592)	(773)
Net income (loss) attributed to common shares	$ 183	2,644	(1,836)	7,389
Net income (loss) per common share:				
Primary	$ .02	.33	(.23)	.94
Fully diluted	.02	.25	(.23)	.82
Cash dividends per common share	$ .1625	.1625	.4875	.4875
Average common shares outstanding:				
Primary	8,096	7,926	8,055	7,872
Fully diluted	9,899	9,819	9,885	9,920

See accompanying notes to financial statements.

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

	Nine Months Ended September 30 1997	1996
Cash flows from operating activities:		
Net income	$ 756	8,162
Adjustments to reconcile net income to net cash provided by operating activities:		
Noncash charges and other write-offs	-	29,948
Depreciation, depletion and amortization	28,043	27,674
Provision for deferred income taxes	5,137	15,130
Credit for pensions, noncurrent	(2,079)	(1,261)
Provision for uncollectible accounts receivable	12	251
Equity in loss (earnings) of unconsolidated affiliates, net of dividends received	763	(222)
Other operating, net	(918)	(754)
Change in operating assets and liabilities, net of effects of acquisitions and dispositions:		
Decrease in accounts receivable	6,680	3,743
(Increase) decrease in inventories	(16,146)	5,211
(Increase) decrease in prepaid expenses	(3,814)	76
Increase (decrease) in accounts payable and accrued liabilities	1,601	(12,570)
Increase in other assets	(1,217)	(3,348)
Decrease in other liabilities	(8,884)	(48,559)
Decrease in workers' compensation and other claims, noncurrent	(6,719)	(9,153)
Other, net	140	254
Net cash provided by operating activities	3,355	14,582
Cash flows from investing activities:		
Additions to property, plant and equipment	(21,913)	(17,662)
Proceeds from disposal of property, plant and equipment	3,612	3,390
Acquisitions, net of cash acquired, and related contingency payments	(791)	(746)
Other, net	(850)	2,885
Net cash used by investing activities	(19,942)	(12,133)
Cash flows from financing activities:		
Additions to debt	51,579	15,615
Reductions of debt	(372)	(1,233)
Net payments to - Burlington Group/Brink's Group	(27,249)	(2,717)
Repurchase of stock	(617)	(7,896)
Proceeds from exercise of stock options and employee stock purchase plan	22	172
Dividends paid	(6,239)	(6,858)
Net cash provided (used) by financing activities	17,124	(2,917)
Net increase (decrease) in cash and cash equivalents	537	(468)
Cash and cash equivalents at beginning of period	3,387	4,999
Cash and cash equivalents at end of period	$ 3,924	4,531

See accompanying notes to financial statements.

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

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

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

(2) Depreciation, depletion and amortization of property, plant and equipment in the third quarter and nine-month periods of 1997 and 1996 totaled $5,986 ($5,963 in 1996) and $17,344 ($17,148 in 1996), respectively.

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

	Three Months Ended September 30 1997	1996	Nine Months Ended September 30 1997	1996
Interest	$ 2,973	2,263	8,356	8,253
Income taxes	$ (6,059)	(7,999)	(17,819)	(23,923)

During the nine months ended September 30, 1997 and 1996, capital lease obligations of $649 and $494, respectively, were incurred for leases of property, plant and equipment.

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

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

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

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

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

(7) During the quarter and nine months ended September 30, 1997, the Company purchased 1,515 shares (at a cost of $617) of its Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock"). During the quarter and nine months ended September 30, 1996, the Company purchased 10,320 shares (at a cost of $3,922) and 20,920 shares (at a cost of $7,897), respectively of the Convertible Preferred Stock. Preferred dividends included on the Company's Statement of Operations for the quarter and nine months ended September 30, 1997 are net of $108, which is the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to holders of the stock. Preferred dividends included on the Company's Statement of Operations for the quarter and nine months ended September 30, 1996, are net of $1,020 and $2,120, respectively, which is the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to holders of the stock.

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

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

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

SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information", will be implemented in the financial statements for the year ended December 31, 1998. SFAS No. 131 requires publicly-held companies to report financial and descriptive information about operating segments in financial statements issued to shareholders for interim and annual periods. The SFAS also requires additional disclosures with respect to products and services, geographic areas of operation, and major customers. The adoption of this SFAS is not expected to have a material impact on the financial statements of the Minerals Group.

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

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

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

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

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

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

RESULTS OF OPERATIONS

	Three Months Ended September 30		Nine Months Ended September 30	
(In thousands)	1997	1996	1997	1996
Net Sales:				
Coal Operations	$ 145,616	172,603	454,282	507,967
Mineral Ventures	5,382	4,592	13,411	14,748
Net sales	$ 150,998	177,195	467,693	522,715
Operating profit:				
Coal Operations	$ 2,640	5,393	7,495	14,960
Mineral Ventures	(347)	(324)	(2,112)	1,425
Segment operating profit	2,293	5,069	5,383	16,385
General corporate expense	(1,499)	(2,244)	(4,411)	(5,182)
Operating profit	$ 794	2,825	972	11,203

In the third quarter of 1997, the Minerals Group reported net income of $1.0 million, $0.02 per share (both primary and fully diluted), compared to net income of $2.5 million, $0.33 per share ($0.25 per share fully diluted), in the third quarter of 1996. Operating profit totaled $0.8 million in the 1997 quarter as compared to an operating profit of $2.8 million in the 1996 quarter. Net sales during the third quarter of 1997 decreased $26.2 million (15%) compared to the corresponding period in 1996.

In the first nine months of 1997, the Minerals Group reported net income of $0.8 million, ($0.23) per share (both primary and fully diluted), compared to net income of $8.2 million, $0.94 per share ($0.82 per share fully diluted), in the first nine months of 1996. Operating profit totaled $1.0 million in the nine-month period of 1997

as compared to $11.2 million in the corresponding 1996 period. Net sales during the nine-month period of 1997 decreased $55.0 million (11%) compared to the same period in 1996. In the first nine months of 1996, the Minerals Group's operating profit and net income included three non-recurring items: a $35.7 million benefit from the settlement of the Evergreen lawsuit at an amount lower than previously accrued ($23.2 million after-tax); a $29.9 million charge related to the implementation of a new accounting standard regarding the impairment of long-lived assets ($19.5 million after-tax); and a $2.1 million benefit from the reversal of excess restructuring liabilities ($1.4 million after-tax).

Coal Operations

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

(In thousands)	Three Months Ended September 30 1997	Three Months Ended September 30 1996	Nine Months Ended September 30 1997	Nine Months Ended September 30 1996
Net sales	$ 145,616	172,603	454,282	507,967
Cost of sales	140,287	164,251	440,170	522,475
Selling, general and administrative expenses	5,009	4,985	14,720	19,366
Restructuring and other credits, including litigation accrual	-	-	-	(37,758)
Total costs and expenses	145,296	169,236	454,890	504,083
Other operating income, net	2,320	2,026	8,103	11,076
Operating profit	2,640	5,393	7,495	14,960
Coal sales (tons):				
Metallurgical	1,863	1,979	5,577	5,978
Utility and industrial	3,046	3,837	9,569	11,240
Total coal sales	4,909	5,816	15,146	17,218
Production/purchased (tons):				
Deep	1,320	924	3,746	2,977
Surface	2,594	2,764	7,991	8,351
Contract	352	408	1,090	1,261
	4,266	4,096	12,827	12,589
Purchased	769	1,380	3,072	4,365
Total	5,035	5,476	15,899	16,954

Coal Operations generated an operating profit of $2.6 million in the third quarter of 1997, compared to $5.4 million recorded in the 1996 third quarter. Coal Operations had an operating profit of $7.5 million in the first nine months of 1997 compared to an operating profit of $15.0 million in the prior year. Operating profit in the first nine months of 1996 included a $3.0 million benefit from a litigation settlement. In addition, the first nine months of 1996 operating results also included a benefit of $35.7 million from the settlement of the Evergreen lawsuit at an amount lower than previously accrued and a $2.1 million benefit from the reversal of excess restructuring liabilities. These benefits were offset, in part, by a $29.9 million charge related to the implementation of a new accounting standard regarding the impairment of long-lived assets. This charge was included in cost of sales ($26.3 million) and selling, general and administrative expenses ($3.6 million).

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

(In thousands, except per ton amounts)	Three Months Ended September 30 1997	1996	Nine Months Ended September 30 1997	1996
Net coal sales (a)	$ 143,958	170,301	447,959	502,760
Current production cost of coal sold (a)	131,591	156,027	413,717	470,945
Coal margin	12,367	14,274	34,242	31,815
Non-coal margin	436	620	1,681	1,477
Other operating income, net	2,320	2,026	8,103	11,076
Margin and other income	15,123	16,920	44,026	44,368
Other costs and expenses:				
Idle equipment and closed mines	623	266	1,180	729
Inactive employee cost	6,851	6,275	20,631	20,758
Selling, general and administrative expenses	5,009	4,986	14,720	15,731
Total other costs and expenses	12,483	11,527	36,531	37,218
Operating profit (before restructuring and other credits and SFAS No. 121) (b)	$ 2,640	5,393	7,495	7,150
Coal margin per ton:				
Realization	$ 29.33	29.28	29.58	29.20
Current production costs	26.81	26.83	27.32	27.36
Coal margin	$ 2.52	2.45	2.26	1.84

(a) Excludes non-coal components.

(b) Restructuring and other credits in the nine months ended September 30, 1996 consist of an impairment loss related to the implementation of SFAS No. 121 of $29,948 ($26,312 in cost of sales and $3,636 in selling, general and administrative expenses), a gain from the settlement of the Evergreen Case of $35,650 and a benefit from excess restructuring liabilities of $2,108. Both the gain from the Evergreen Case and the benefit from excess restructuring liabilities are included in the operating profit of Coal Operations as "Restructuring and other credits, including litigation accrual".

Sales volume of 4.9 million tons in the third quarter of 1997 was 0.9 million tons less than the 5.8 million tons sold in the prior year quarter. Compared to the third quarter of 1996, steam coal sales in 1997 decreased by 0.8 million tons (21%), to 3.0 million tons, and metallurgical coal sales declined by 0.1 million tons (6%), to 1.9 million tons. Steam coal sales represented 62% of total volume in 1997 and 66% in 1996.

The relatively weak pricing in the steam and metallurgical coal markets have contributed to the decrease in coal sales as well as an increase in inventory levels in 1997 over 1996. As a result, Coal Operations has adjusted and will continue to adjust its production and purchased coal levels in order to address the challenges of these current markets. In addition, a realignment of Coal Operations' operating units was undertaken in the quarter to streamline the metallurgical and steam coal business units.

Total coal margin of $12.4 million for the third quarter of 1997 represented a decrease of $1.9 million from the comparable 1996 period. The decrease in total coal margin reflects the effect of lower volume which was offset, in part, by an increase in the realization of $0.05 per ton and by a decrease in current production costs of $0.02 per ton. The increase in realization reflects an increase in the overall steam coal realization as the majority of steam coal production is sold under long-term contracts containing price escalation provisions. This increase was partially offset by a decrease in the metallurgical coal realization due to lower price settlements with metallurgical customers for the contract year which began on April 1, 1997.

The current cost of coal sold decreased $0.02 per ton to $26.81 in the third quarter of 1997 over the third quarter of 1996. Production in the 1997 third quarter increased 0.2 million tons over the 1996 third quarter to 4.3 million tons and purchased coal decreased 0.6 million tons to 0.8 million tons. Productivity of 38.7 tons per man day in the 1997 third quarter increased slightly from the 38.1 tons per man day in the 1996 third quarter.

Non-coal margin, which reflects earnings from the oil, gas and timber businesses, amounted to $0.4 million in the third quarter of 1997, which was $0.2 million lower than in the third quarter of 1996. The decrease largely reflects the impact of changes in natural gas prices. Other operating income, primarily reflecting the benefits from sales of property and equipment and third party royalties, amounted to $2.3 million in the third quarter of 1997 as compared to $2.0 million in the comparable period of 1996.

Idle equipment and closed mine costs increased $0.4 million to $0.6 million in the 1997 third quarter due to costs associated with scheduled mine closings. Inactive employee costs, which primarily represent long-term employee liabilities for pension and retiree medical costs, increased $0.6 million to $6.9 million for the third quarter of 1997 partially reflecting expenses related to the streamlining of Coal Operations' business units. Selling, general and administrative expenses remained unchanged at $5.0 million in the third quarter of 1997 and 1996.

Sales volume of 15.1 million tons in the first nine months of 1997 was 2.1 million tons less than the 17.2 million tons sold in the 1996 period due to market conditions discussed above. Metallurgical coal sales declined by 0.4 million tons (7%) to 5.6 million tons and steam coal sales decreased by 1.7 million tons (15%) to 9.6 million tons compared to the prior year. Steam coal sales represented 63% of the total 1997 sales volume, as compared to 65% in 1996.

For the first nine months of 1997, coal margin was $34.2 million, an increase of $2.4 million over the 1996 period. Coal margin per ton increased to $2.26 per ton in the first nine months of 1997 from $1.84 per ton for the same period of 1996, due to a combination of a $0.38 per ton increase in realization and a slight decrease in the current production cost of coal sold, $0.04 per ton. Again, the increase in average realization per ton was due, in part, to an increase in steam realization partially offset by a decrease in metallurgical realization.

The current production cost of coal sold for the first nine months of 1997 was $27.32 per ton as compared to $27.36 per ton for the first nine months of 1996. The higher 1996 per ton cost reflected the impact of severe winter weather and higher surface mine costs. Production for the year-to-date 1997 period totaled 12.8 million tons, a slight increase from the 1996 period production of 12.6 million tons. Surface production accounted for 63% and 67% of the total volume in the 1997 and 1996 periods, respectively. Productivity of 37.6 tons per man day in the 1997 period was up slightly over the 37.2 tons per man day for the nine months of 1996.

Non-coal margin was $1.7 million for the first nine months of 1997, an increase of $0.2 million which largely reflects the impact of changes in natural gas prices over the 1996 period. Other operating income was $8.1 million for the 1997 period, a decrease of $3.0 million from the 1996 period. The 1996 period included a one-time benefit of $3.0 million for litigation settlements.

Idle equipment and closed mine costs increased by $0.5 million in the first nine months of 1997 over 1996. Inactive employee costs, which primarily represent long-term employee liabilities for pension and retiree medical costs were relatively unchanged in the nine months of 1997 as compared to the 1996 period, decreasing only by $0.1 million. Selling, general and administrative expenses declined by $1.0 million (6%) in the nine months of 1997 as compared to the 1996 period, as a result of Coal Operations cost control efforts.

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

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

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

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

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

(In thousands)	Leased Machinery and Equipment	Mine and Plant Closure Costs	Employee Termination, Medical and Severance Costs	Total
Balance as of December 31, 1996	$ 376	12,439	25,285	38,100
Payments	280	1,335	1,274	2,889
Balance as of September 30, 1997	$ 96	11,104	24,011	35,211

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

(In thousands, except ounce and per ounce data)	Three Months Ended September 30 1997	1996	Nine Months Ended September 30 1997	1996
Stawell Gold Mine:				
Gold sales	$ 5,396	4,566	13,395	14,671
Other (expense) revenue	(14)	26	16	77
Net sales	5,382	4,592	13,411	14,748
Cost of sales (a)	4,021	3,657	11,319	10,761
Selling, general and administrative expenses (a)	331	323	1,010	857
Total costs and expenses	4,352	3,980	12,329	11,618
Operating profit - Stawell Gold Mine	1,030	612	1,082	3,130
Other operating expense, net	(1,377)	(936)	(3,194)	(1,705)
Operating (loss) profit	$ (347)	(324)	(2,112)	1,425
Stawell Gold Mine:				
Mineral Ventures' 50% direct share:				
Ounces sold	11,176	10,775	31,417	35,375
Ounces produced	11,516	10,756	31,782	34,738
Average per ounce sold (US$):				
Realization	$ 483(b)	424	426(b)	415
Cash cost	263	319	318	288

(a) Excludes $30 and $97, and $924 and $2,343, of non-Stawell related cost of sales and selling, general and administrative expenses for the quarter and nine months ended September 30, 1997, respectively. Excludes $722 and $1,926, of non-Stawell related selling, general and administrative expenses for the quarter and nine months ended September 30, 1996, respectively. Such costs are reclassified to cost of sales and selling, general and administrative expenses in the Minerals Group income statement.

(b) Includes allocation of the proceeds from the liquidation of a gold forward sale hedge position in July 1997.

Mineral Ventures, which primarily consists of a 50% direct and a 17% indirect interest in the Stawell gold mine ("Stawell") in western Victoria, Australia, generated an operating loss of $0.3 million in the third quarter of 1997 and 1996. Mineral Ventures' 50% direct interest in Stawell's operations generated net sales of $5.4 million in the third quarter of 1997 compared to $4.6 million in the 1996 period as the ounces of gold sold increased from 10.8 thousand ounces to 11.2 thousand ounces (4%). The operating profit at Stawell of $1.0 million was $0.4 million higher than the operating profit of $0.6 million in the third quarter of 1996 reflecting a $56 per ounce decrease (18%) in the cash cost of gold sold combined with a $59 per ounce increase (14%) in average realization. Operating costs in the 1996 third quarter were negatively impacted by four lost-time accidents, two late in the second quarter, that resulted in production shortfalls and higher operating cost as compared to the 1997 third quarter. Stawell's operating profit in the third quarter of 1997 was also impacted by the collapse during construction of a new ventilation shaft in the second quarter of 1997 that resulted in a third quarter write-off of $1.0 million, approximately $0.75 million of which is attributed to Mineral Ventures' 50% direct interest in Stawell.

During the first nine months of 1997, Mineral Ventures generated an operating loss of $2.1 million compared to an operating profit of $1.4 million in the 1996 period. Mineral Ventures' 50% direct interest in Stawell's operations generated net sales of $13.4 million in the first nine months of 1997 compared to $14.7 million in the 1996 period as the ounces of gold sold decreased from 35.4 thousand ounces to 31.4 thousand ounces

(11%). The operating profit at Stawell of $1.1 million was $2.0 million lower than the operating profit of $3.1 million in the first nine months of 1996 reflecting a $30 per ounce increase (10%) in the cash cost of gold sold partially offset by a $11 per ounce increase (3%) in average realization. Stawell's results were negatively impacted by unfavorable ground conditions through the first half of 1997. In addition, the collapse of the aforementioned ventilation shaft resulted in lower production and higher costs through the first half of 1997 and a write-off of the ventilation shaft in the third quarter of 1997.

In July 1997, in reaction to the continued decline in the market price of gold, Mineral Ventures closed a gold forward sale hedge position relating to 16,397 ounces and realized proceeds of $2.6 million. These proceeds, which equate to approximately $160 per ounce, will be recognized for accounting purposes as ounces of gold are sold in the market. Approximately $1.5 million of these proceeds was recognized on gold sales in the third quarter. The remaining proceeds will be recognized over the next 7,026 ounces of gold sales. As of September 30, 1997, approximately 9% of Mineral Ventures' recoverable and probable reserves had been sold forward under forward sales contracts that mature periodically through early 1998.

Other operating expense, net, includes equity earnings from joint ventures, primarily consisting of Mineral Ventures' 17% indirect interest in Stawell's operations and gold exploration costs for all operations including Mineral Ventures' 50% direct interest in Stawell. Other operating expenses increased by $0.4 million and $1.5 million in the third quarter and first nine months of 1997, respectively, primarily due to joint venture losses. Gold exploration costs increased slightly from 1996, and are being incurred by Mineral Ventures in Nevada and Australia with its joint venture partners.

In addition to its interest in Stawell, Mineral Ventures has a 17% indirect interest in the Silver Swan base metals property in Western Australia. The initial mining and commissioning of Silver Swan has proceeded according to plan. Recent delays in concentrate shipments due to problems at a customer's smelter have deferred the anticipated positive impact of this operation. However, a regular shipping schedule has resumed during the fourth quarter.

Foreign Operations

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

Corporate Expenses

A portion of the Company's corporate general and administrative expenses and other shared services has been allocated to the Minerals Group based on utilization and other methods and criteria which management believes to be a reasonable and an equitable estimate of the cost attributable to the Minerals Group. These attributions were $1.5 million and $2.2 million for the third quarter of 1997 and 1996, respectively, and $4.4 million and $5.2 million for the first nine months of 1997 and 1996, respectively. The decrease in the 1997 periods is due to expenses associated with the Company's corporate office relocation during the third quarter of 1996.

Other Operating Income, Net

Other operating income for the third quarter of 1997 increased $0.1 million to $1.9 million from $1.8 million recognized in the 1996 quarter and in the first nine months of 1997 decreased $4.0 million to $7.3 million from $11.3 million in the first nine months of 1996. Other operating income principally includes benefits from litigation settlements, equity in earnings of unconsolidated affiliates, royalty income and gains and losses from sales of coal assets. The first nine months of 1996 included a $3.0 million benefit from settlements of litigation. In addition, equity in earnings of unconsolidated affiliates declined $1.0 million from the prior year nine-month period to a loss of $0.8 million from income of $0.2 million.

Interest Expense
Interest expense for the third quarters of 1997 and 1996 was $2.8 million and $2.7 million, respectively, but decreased slightly, $0.1 million, in the first nine months of 1997 to $8.2 million.

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

FINANCIAL CONDITION

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

Cash Flow Requirements
Operating activities for the first nine months of 1997 provided cash of $3.4 million, while operations in the first nine months of 1996 provided cash of $14.6 million. Net income, noncash charges and changes in operating assets and liabilities in the 1996 first quarter were significantly affected by three nonrecurring items; a benefit from the settlement of the Evergreen case at an amount less than originally accrued, a charge related to the adoption of SFAS No. 121 and a benefit from the reversal of excess restructuring liabilities. These items had no effect on cash generated by operations in the first nine months of 1996. The initial payment of $25.8 million related to the Evergreen Case settlement was entirely funded by an escrow account previously established by the Company. In the 1997 period, cash flow from operations declined due to lower earnings partially offset by a decrease in the amount required to fund operating assets and liabilities. Cash flow provided by operating activities, combined with proceeds from asset sales and additional borrowings, was partially offset by cash required for capital expenditures, payments to the Brink's and Burlington Groups, and the net costs of share activity. The net effect of these activities resulted in an increase in cash and cash equivalents of $0.5 million.

Capital Expenditures
Cash capital expenditures for the first nine months of 1997 totaled $21.9 million, excluding expenditures that have been or are expected to be financed through capital and operating leases. During the 1997 period, Coal Operations and Mineral Ventures spent $18.5 million and $3.3 million, respectively. For the remainder of 1997, the Minerals Group's capital expenditures, excluding expenditures that have been or are expected to be financed through capital and operating leases, are expected to range between $5 million and $10 million.

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

Total debt outstanding at September 30, 1997 was $176.7 million, an increase of $51.7 million from the $125.0 million outstanding at December 31, 1996. These increased borrowings, which funded cash flow requirements (including repayment of amounts owed to the Brink's and Burlington Groups), were made primarily under the credit agreement discussed below.

The Company has a $350.0 million revolving credit agreement with a syndicate of banks (the "Facility"). The Facility includes a $100.0 million term loan and also permits additional borrowings, repayments and reborrowings of up to an aggregate of $250.0 million. As of September 30, 1997, borrowings of $100.0 million were outstanding under the term loan portion of the Facility with $101.8 million of additional borrowings outstanding under the remainder of the Facility. Of the outstanding amounts under the Facility at September 30, 1997, $174.8 million was attributed to the Minerals Group.

Related Party Transactions

At September 30, 1997, under interest bearing borrowing arrangements, the Minerals Group owed the Brink's Group $3.7 million, a decrease of $20.3 million from the $24.0 million owed at December 31, 1996. The Minerals Group owed the Burlington Group $0.8 million, a decrease from the amount owed at December 31, 1996 of $7.7 million.

At September 30, 1997, the Brink's Group owed the Minerals Group $17.9 million versus $18.8 million at December 31, 1996 for tax payments representing the utilization of the Minerals Group's tax benefits by the Brink's Group, of which $12.0 million is expected to be paid within one year. Also at September 30, 1997, the Burlington Group owed the Minerals Group $20.2 million versus $24.3 million at December 31, 1996 for tax payments representing the utilization of the Minerals Group's tax benefits by the Burlington Group, of which $12.0 million is expected to be paid within one year.

Off-Balance Sheet Instruments

During July 1997, Mineral Ventures closed a gold forward sale hedge position and realized proceeds of $2.6 million. Approximately $1.5 million of these proceeds were recognized on gold sales in the third quarter. The remaining proceeds will be recognized over the next 7,026 ounces of gold sales. After closing out the aforementioned position, approximately 9% of Mineral Ventures' recoverable proven and probable reserves had been sold forward under forward sales contracts that mature periodically through early-1998.

Capitalization

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

During the quarter and nine months ended September 30, 1997, the Company repurchased 1,515 shares of its Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock") at a total cost of $0.6 million. During the quarter and nine months ended September 30, 1996, the Company repurchased 10,320 shares and 20,920 shares, respectively, of its Convertible Preferred Stock at a total cost of $3.9 million and $7.9 million, respectively. In May 1997, the Board authorized an increase in the remaining repurchase authority to $25.0 million, leaving the Company remaining authority to repurchase an additional $24.4 million of the Convertible Preferred Stock.

Dividends

The Board of Directors of the Company intends to declare and pay dividends on Brink's Stock, Burlington Stock and Minerals Stock based on earnings, financial condition, cash flow and business requirements of each of the Groups, respectively. Since the Company remains subject to Virginia law limitations on dividends and to dividend restrictions in its bank credit agreements, losses by the Brink's and/or the Burlington Group could affect the Company's ability to pay dividends in respect of stock relating to the Minerals Group. Dividends on Minerals Stock are also limited by the Available Minerals Dividend Amount (as defined in the Company's Articles of Incorporation), which is adjusted by net income or losses and other equity transactions. At September 30, 1997, the Available Minerals Dividend Amount was at least $15.6 million.

During the first nine months of 1997 and 1996, the Board declared and the Company paid cash dividends of 48.75 cents per share of Minerals Stock. Dividends paid on the Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock") in the 1997 and 1996 first nine months totaled $2.7 million and $2.9 million, respectively. Preferred dividends included in the Minerals Group's Statement of Operations for the quarter and nine months ended September 30, 1997 are net of $0.1 million, which is the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to holders of the stock. Preferred dividends included in the Minerals Group's Statement of Operations for the quarter and nine months ended September 30, 1996, are net of $1.0 million and $2.1 million, respectively, which was the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to holders of the stock for stock repurchases.

Pending Accounting Changes

The Minerals Group will implement the following new accounting standards.

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

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

SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information", will be implemented in the financial statements for the year ended December 31, 1998. SFAS No. 131 requires publicly-held companies to report financial and descriptive information about operating segments in financial statements issued to shareholders for interim and annual periods. The SFAS also requires additional disclosures with respect to products and services, geographic areas of operation, and major customers. The adoption of this SFAS is not expected to have a material impact on the financial statements of the Minerals Group.

Forward Looking Information

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

Part II - Other Information

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

Exhibit Number

10(a) Form of Severance Agreement between Registrant and certain key executives

10(b) Amendment to Employment Agreement, dated as of October 1, 1997, between Registrant and David L. Marshall

11 Statement re Computation of Per Share Earnings.

(b) A report on Form 8-K was filed on July 16, 1997, with respect to special expenses and expected results for the Pittston Burlington Group Common Stock, a report on Form 8-K was filed on July 24, 1997, with respect to second quarter 1997 earnings for each of Pittston Brink's Group Common Stock, Pittston Burlington Group Common Stock and Pittston Minerals Group Common Stock, and a report on Form 8-K was filed on September 5, 1997, with respect to remediation costs in connection with the Tankport petroleum terminal facility in Jersey City, New Jersey.

SIGNATURE

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

THE PITTSTON COMPANY

November 14, 1997

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

Exhibit 10(a)

[Draft--08/14/97]

SEVERANCE AGREEMENT

SEVERANCE AGREEMENT dated as of between THE PITTSTON COMPANY, a Virginia corporation ("the Company"), and (the "Executive").

The Executive is currently employed by the Company in a senior executive capacity. The Company and the Board recognize that the Executive's contribution to the growth and success of the Company has been substantial. The Board desires to reinforce and encourage the continued attention and dedication by the Executive to the Company's affairs as a member of the Company's senior management. The Company believes it to be in the best interests of the Company and its shareholders to identify and agree upon certain benefits and obligations of the Executive in the event of the termination of his services and to record those matters in this severance agreement (the "Agreement").

SECTION 1. Definitions. As used in this Agreement:

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

(b) "Cause" means (i) an act or acts of dishonesty on the Executive's part which are intended to result in the Executive's substantial personal enrichment at the expense of the Company or (ii) repeated material violations by the Executive of the Executive's obligations hereunder which are demonstrably willful and deliberate on the Executive's part and which have not been cured by the Executive within a reasonable time after written notice to the Executive specifying the nature of such violations. Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated for Cause without (1) reasonable notice to the Executive setting forth the reasons for the Company's intention to terminate for Cause, (2) an opportunity for the Executive, together with his counsel, to be heard before the Board, and (3) delivery to the Executive of a Notice of Termination from the Board finding that in the good faith opinion of three-quarters (3/4) of the Board the Executive was guilty of conduct set forth above in clause (i) or (ii) hereof, and specifying the particulars thereof in detail.

(c) "Date of Termination" means (i) if the Executive's employment is terminated by the Company for Cause or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive's employment is terminated by the Company other than for Cause or Incapacity, the Date of Termination shall be the date on which the Company notifies the Executive of such termination, and (iii) if the Executive's employment is terminated by reason of death or Incapacity, the Date of Termination shall be the date of death of the Executive or the effective date of the Incapacity, as the case may be.

(d) "Disposition Date" means the earlier of (i) the date of sale, lease, exchange or other transfer to a person previously unaffiliated with the Company of greater than fifty (50%) percent of the assets or shares of Brink's, Incorporated, Brink's Home Security, Inc., Pittston Coal Company, Burlington Air Express Inc. or Pittston Mineral Ventures Company or their respective successors and (ii) the date of the first public announcement of any such sale, lease, exchange or other transfer which is subsequently completed.

(e) "Good Reason" means:

(i) without the Executive's express written consent and excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company or its affiliates promptly after receipt of notice thereof given by the Executive, (A) the assignment to the Executive of any duties inconsistent in any respect with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 3(i) hereof, or (B) any other action or inaction by the Company or its affiliates which results in a diminution in such position, authority, duties or responsibilities;

(ii) without the Executive's express written consent, the Company's requiring the Executive's work location to be other than as set forth in Section 3(i);

(iii) any failure by the Company to comply with and satisfy Section 10(a); or

(iv) any breach by the Company of any other material provision of this Agreement.

(f) "Incapacity" means any physical or mental illness or disability of the Executive which continues for a period of six consecutive months or more and which at any time after such six-month period the Board shall reasonably determine renders the Executive incapable of performing his or her duties during the remainder of the Employment Period.

SECTION 2. Term of Employment Period. This Agreement shall commence on the date hereof and shall continue in effect for so long as the Executive shall be employed by the Company or any of its affiliates(the "Employment Period"). In the event a Change in Control (as defined in the Executive Agreement dated as of April 23, 1997, between the Company and the Executive, as the same may from time to time be amended) shall occur during the Employment Period, this Agreement shall be unaffected thereby, it being the intention of the parties hereto that their rights and obligations shall be governed by the terms of both such agreements such that, in the event of a conflict in terms, the benefits most favorable to the Executive shall apply; provided that there shall be no duplication of benefits as a result of the operation of both agreements.

SECTION 3. Terms of Employment. Position and Duties. (i) During the Employment Period: (A) the Executive's position (including status (for example, base salary and target bonus), offices, titles, reporting requirements, authority, duties and responsibilities) shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned immediately prior to any change thereof, and (B) the Executive's services shall be performed at the location at which the Executive was based on the date hereof and the Company shall not require the Executive to travel on Company business to a substantially greater extent than required immediately before the date hereof, except for travel and temporary assignments which are reasonably required for the full discharge of the Executive's responsibilities and which are consistent with the Executive's being so based.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. All such services as an employee or officer will be subject to the direction and control of the Chief Executive Officer of the Company or of an appropriate senior official designated by such Chief Executive Officer.

SECTION 4. Obligations of the Company Upon Termination of Employment. (a) Termination for Good Reason or for Reasons Other Than for Cause, Death or Incapacity. If the Company shall terminate the Executive's employment other than for Cause or Incapacity or the Executive shall terminate his or her employment for Good Reason:

(i) the Company shall pay to the Executive in a lump sum in cash (or in stock if provided by a relevant plan), by the later of (I) 30 days after the Date of Termination and (II) 10 business days after execution (without subsequent revocation) by the Executive of the Release required by Section 8(b) of this Agreement, as defined herebelow, the aggregate of the following amounts:

(A) the sum of (1) the Executive's currently effective annual base salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) a bonus ("Annual Bonus") not less than the aggregate amount of the Executive's highest bonus award under the Key Employees Incentive Plan or any substitute or successor plan for the last three calendar years preceding the Date of Termination and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365, (3) any compensation previously deferred by the Executive and any amounts matched by the Company, whether vested or unvested (together with any accrued interest or earnings thereon and all amounts attributable thereto, (4) an amount equal to the value of those unvested benefits payable in stock or cash which unvested benefits cannot be the subject of accelerated vesting by reason of the terms of the relevant plans) and (5) any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1) through (5) shall be hereinafter referred to as the "Accrued Obligations"); and

(B) the amount equal to the product of (1) two and (2) the sum of (x) the Executive's annual base salary and (y) his or her Annual Bonus; provided, however that the multiplier in clause (i)(B)(1) of this Section 4(a) shall be "three" if any such termination of the Executive by the Company for other than Cause or Incapacity or the Executive for Good Reason were to occur subsequent to a Disposition Date;

(ii) in addition to the retirement benefits to which the Executive is entitled under the Company's Pension-Retirement Plan and Pension Equalization Plan or any successor plans thereto (collectively, the "Pension Plans"), the Company shall pay the Executive the excess of (x) the retirement pension which the Executive would have accrued under the terms of the Pension Plans (without regard to any amendment to the Pension Plans made subsequent to the date hereof, which amendment adversely affects in any manner the computation of retirement benefits thereunder), determined as if the Executive were fully vested thereunder and had accumulated (after the Date of Termination) twenty-four additional months (or thirty-six if such Date of Termination occurs on or after a Disposition Date) of Benefit Accrual Service credit (as such term is defined in the Pension Plans) thereunder and treating the amounts paid under clause (i)(B) of this Section 4(a) as compensation paid during a twenty-four (or thirty-six, as the case may be) month period for purposes of calculating Average Salary and benefits under the Pension Plans, over (y) the retirement pension which the Executive had then accrued pursuant to the provisions of the Pension Plans;

(iii) for two years after the Executive's Date of Termination (or three years if such Date of Termination occurs on or after a Disposition Date), or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Company shall continue benefits to the Executive and/or the Executive's family at least equal to those which would have been provided to them in accordance with benefit plans, programs, practices and policies, including, without limitation, medical, disability, group life, accidental death and travel accident insurance plans and programs, if the Executive's employment had not been terminated or, if more favorable to the Executive, as in effect generally at any time thereafter, provided, however, that if the Executive becomes reemployed with another employer and is eligible to receive medical benefits under another employer-provided plan, the medical benefits shall be secondary to those provided under such other plan during such applicable period of eligibility and further provided, however, that the rights of the Executive and/or the Executive's family under Section 4980B(f) of the Code shall commence at the end of such two-year (or three-year, as the case may be) period;

(iv) the Company shall, at its sole expense as incurred, provide the Executive with reasonable outplacement services for a period of up to two years from the Date of Termination, the provider of which shall be selected by the Executive in his or her sole discretion;

(v) the Company shall cause to be accelerated and immediately vested and exercisable all unexercised stock options granted before the Date of Termination, whether or not such options are exercisable on the Date of Termination, including, without limitation, the equity retention options granted in 1993, regardless of whether the retention or non-sale conditions thereto have been satisfied;

(vi) the Company, if requested within three years of the Date of Termination, shall arrange for the purchase of the principal residence of the Executive and the provision of relocation benefits to the Executive substantially equal to all those provided under the Company's Senior Executive Relocation Program dated April, 1996 under the captions "Selling Your Current Home," "Moving Your Family and Household," and "Tax Allowance";

(vii) to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other vested amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliates, including earned but unpaid stock and similar compensation (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits").

(b) Death or Incapacity. If the Executive's employment is terminated by reason of the Executive's death or Incapacity during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than for (i) timely payment of Accrued Obligations and (ii) provision by the Company of death benefits or disability benefits for termination due to death or Incapacity, respectively, as in effect at the date hereof or, if more favorable to the Executive, at the Executive's Date of Termination.

(c) Cause; Other than for Good Reason. If the Executive's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligation of the Company to the Executive other than timely payment to the Executive of (x) the Executive's currently effective annual base salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Executive and any and all amounts matched by the Company or any of its affiliates, including, without limitation, all proceeds thereof and all amounts attributable thereto, and (z) Other Benefits, in each case to the extent theretofore unpaid. If the Executive voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Executive, other than for the timely payment of Accrued Obligations and Other Benefits.

SECTION 5.

(a) Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliates and for which the Executive may qualify, nor shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its affiliates. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its Affiliates at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

(b) Additional Compensation. Nothing in this Agreement shall prevent or limit the Company's ability to augment the benefits payable pursuant to this Agreement in the event that in the judgment of the Chairman of the Company or the Board of Directors it is deemed appropriate to provide additional compensation and/or benefits to the Executive as a result of facts and circumstances deemed relevant by the Chairman or the Board of Directors.

SECTION 6. No Mitigation. The Company agrees that, if the Executive's employment is terminated during the term of this Agreement for any reason, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive hereunder. Further, except as provided in Section 4(iii) hereof, the amount of any payment or benefit provided hereunder shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

SECTION 7. Confidential Information. The Executive will not, during the Employment Period or for a period of three years following a Termination of Employment, disclose or reveal to any person, firm or corporation (other than to employees of the Company and its agents and then only as required on a need-to-know basis in the performance of such employee's or agent's duties) or use (except as required in the performance of his duties hereunder) any trade secrets (such as, without limitation, processes, formulae, programs or data) or other confidential information relating to the business, techniques, products, operations, customers, know-how and affairs of the Company or any of its affiliates. All business records, notes, magnetic or electronic media, papers and documents (including, without limitation, customer lists, estimates, market surveys, computer programs and correspondence) kept or made by the Executive relating to the business or products of the Company or any of its affiliates shall be and remain the property of the Company or the affiliate and shall be promptly delivered to the Company upon termination of the Employment Period.

SECTION 8. Full Settlement and Form of Release.

(a) Subject to full compliance by the Company with all of its obligations under this Agreement, this Agreement shall be deemed to constitute the settlement of such claims as the Executive might otherwise be entitled to assert against the Company by reason of the termination of the Executive's employment for any reason during the Employment Period. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counter claim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. The Company agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any pro vision of this Agreement or any guarantee of performance thereof.

(b) It is expressly agreed by the parties that the benefits provided for under this Agreement are substantial, and would not be provided without a prior release (without subsequent revocation) by the Executive of other claims against the Company and its affiliates. To record that release, upon any termination of employment pursuant to Section 4(a) of this Agreement, the Executive and the Company agree to deliver to each other a written release in the form attached to this Agreement as Exhibit A (the "Release").

SECTION 9. Certain Additional Payments by the Company. Anything in this Agreement to the contrary notwithstanding, in the event that it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable) pursuant to the terms of this Agreement or otherwise (collectively, the "Payments") but determined without regard to any additional payments required under this Section 9, would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended, the Executive shall be entitled to receive an additional payment (the "Gross-Up Payment") in an amount equal to (i) the amount of the excise tax imposed on the Executive in respect of the Payments (the "Excise Tax") plus (ii) all federal, state and local income, employment and excise taxes (including any interest or penalties imposed with respect to such taxes) imposed on the Executive in respect of the Gross-Up Payment, such that after payments of all such taxes (including any applicable interest or penalties) on the Gross-Up Payment, the Executive retains a portion of the Gross-Up Payment equal to the Excise Tax.

SECTION 10. Successors; Binding Agreement.

(a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by agreement, in form and substance satisfactory to the Executive, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession will be a breach of this Agreement and entitle the Executive to compensation from the Company in the same amount and on the same terms as the Executive would be entitled to hereunder had the Company terminated the Executive for reason other than Cause or Incapacity on the succession date. As used in this Agreement, "the Company" means the Company as defined in the preamble to this Agreement and any successor to its business or assets which executes and delivers the agreement provided for in this Section 10 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law or otherwise.

(b) This Agreement shall be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

SECTION 11. Non-assignability. This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign or transfer this Agreement or any rights or obligations hereunder, except as provided in Section 10 hereof. Without limiting the foregoing, the Executive's right to receive payments hereunder shall not be assignable or transferable, whether by pledge, creation of a security interest or otherwise, other than a transfer by his or her will or by the laws of descent or distribution, and, in the event of any attempted assignment or transfer by the Executive contrary to this Section, the Company shall have no liability to pay any amount so attempted to be assigned or transferred.

SECTION 12. Notices. For the purpose of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

If to the Company:

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

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

SECTION 13. Operation of Agreement; Survival of Obligations. This Agreement shall be effective immediately upon its execution and continue to be effective so long as the Executive is employed by the Company or any of its affiliates; provided, however, that the parties' respective obligations hereunder shall survive the termination of the Executive's employment for any reason.

SECTION 14. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the Commonwealth of Virginia without reference to principles of conflict of laws.

SECTION 15. Miscellaneous. (a) This Agreement contains the entire understanding with the Executive with respect to the subject matter hereof and supersedes any and all prior agreements or under standings, written or oral, relating to such subject matter. No provisions of this Agreement may be modified, waived or discharged unless such modification, waiver or discharge is agreed to in writing signed by the Executive and the Company.

(b) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(c) Except as provided herein, this Agreement shall not be construed to affect in any way any rights or obligations in relation to the Executive's employment by the Company or any of its affiliates prior to the date hereof or subsequent to the end of the Employment Period. It is expressly understood that subject to the terms of the Executive Agreement referred to in Section 2 hereof, the Executive remains an employee at the will of the Company.

(d) This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same Agreement.

(e) The Company may withhold from any benefits payable under this Agreement all Federal, state, city or other taxes as shall be required pursuant to any law or governmental regulation or ruling.

(f) The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the day and year first above set forth.

THE PITTSTON COMPANY,

by----------------------
Joseph C. Farrell
Chairman of the Board,
President and Chief
Executive Officer

EXHIBIT A

MUTUAL RELEASE dated as of _____________, between _______________, residing in the Commonwealth of Virginia (the "Executive") and THE PITTSTON COMPANY, a Virginia corporation (the "Company").

For and in consideration of the promises set forth in the Severance Agreement dated as of ________, 1997, between the Executive and the Company (the "Agreement"), the Company hereby releases and forever discharges the Executive from any claims, acts, damages, demands, benefits, accounts, liabilities, obligations, liens, costs, rights of action, claims for relief, and causes of action, in law and in equity, both known and unknown, which the Company ever had, now has, or might in the future have against the Executive, except such as may arise from any malfeasance on the part of the Executive.

Subject to the provisions of the penultimate paragraph of this Mutual Release, for good and valuable consideration, receipt of which is hereby acknowledged, the Executive hereby releases and forever discharges the Company and its affiliates, absolutely and forever, of and from any and all claims, acts, damages, demands, benefits, accounts, liabilities, obligations, liens, costs, rights of action, claims for relief and causes of action of every nature and kind whatsoever, in law and in equity, both known and unknown, which the Executive ever had, now has or might in the future have against the Company and/or its affiliates, including, but not limited to any and all claims, acts, damages, demands, benefits, accounts, liabilities, obligations, liens, costs, rights of actions, claims for relief and causes of action in any way connected with, related to and/or resulting from the Executive's employment with the Company and its affiliates, the termination of such employment, possible rights or claims arising under the Age Discrimination in Employment Act of 1967, and the compensation, calculation, determination and payment under any and all stock and benefit plans and termination agreements operative between the Executive and the Company, including but not limited to claims for bonus or other incentive compensation, salary, severance, "fringe" benefits, vacation, stock benefits, retirement benefits, worker's compensation benefits, and unemployment benefits. In addition, the Executive agrees not to support or participate in the commencement of any suit or proceeding of any kind against the Company and its affiliates or against their directors, officers, agents or employees with respect to any act, event or occurrence or any alleged failure to act, occurring up to and including the date of the execution of this Mutual Release.

As used herein, the Executive refers to and includes [name of Executive] and his heirs, executors, administrators, representatives, legatees, devisees, agents, family predecessors, attorneys, and the successors and assigns of each of them. As used herein, references to the Company and to the Company and its affiliates refer to and include The Pittston Company, a Virginia corporation, and all past and present subsidiaries, divisions, parent companies, affiliated and/or commonly controlled corporations, companies, and enterprises, ventures, and projects, and all past and present officers, directors, trustees, employees, representatives, agents and attorneys thereof, and the successors and assigns of each of them.

The Company and the Executive hereby warrant and represent to each other that there has been no assignment, conveyance, encumbrance, hypothecation, pledge or other transfer of any interest in any matter covered by this Mutual Release, and hereby agree to indemnify, defend, and hold each other harmless of and from any and all claims, liabilities, damages, costs, expenses, and attorneys' fees incurred as a result of anyone asserting any such assignment, conveyance, encumbrance, hypothecation, pledge or transfer.

There is expressly reserved from the effect of this Mutual Release any claim which the Executive may now or hereafter have regarding (a) the Severance Agreement to which this Mutual Release was an Exhibit and the benefits provided for thereunder including, without limitation, those benefits contemplated by Section 5 of such Agreement and (b) the provisions of Article VIII of the Restated Certificate of Incorporation of the Company, as in effect on the date hereof, which indemnification obligation will continue in full force and effect for the Executive's actions prior to the date hereof. Without limiting the generality of the foregoing, also reserved from this Release are the Executive's entitlement to pension, retirement and other benefits under the terms of the Company's Pension-Retirement Plan, Pension Equalization Plan, Savings-Investment Plan, Employee Stock Purchase Plan, Key Employees Deferred Compensation Program and 1988 Stock Option Plan, as amended. In addition, there is reserved from this Release the Executive's entitlement to such medical and life insurance coverage as may be provided from time to time under employee benefit plans available to retired employees of the Company.

The Executive acknowledges that he has had at least twenty-one (21) days to consider the meaning of this Mutual Release and that he should seek advice from an attorney. Furthermore, once the Executive has signed this Mutual Release, he may revoke this Mutual Release during the period of seven (7) business days immediately following his signing hereof (the "Revocation Period"). This Mutual Release will not be effective or enforceable until the Revocation Period has expired without revocation by the Executive. Any revocation within this period must be submitted in writing to the Company and signed by the Executive.

The Executive agrees that he has entered into this Mutual Release after having had the opportunity to consult the advisor of his choice, including an attorney, with such consultation as he deemed appropriate and has a full understanding of his rights and of the effect of executing this Mutual Release, namely, that he waives any and all non-excluded claims or causes of action against the Company regarding his employment or termination of employment, including the waiver of claims set forth above. The Executive further acknowledges that his execution of this Mutual Release is made voluntarily and with full understanding of its consequences and has not been coerced in any way. This Mutual Release may not be changed orally.
Capitalized terms not defined herein shall be as defined in the Agreement.

THE PITTSTON COMPANY

By:____________________________________

(the Executive)

COMMONWEALTH OF VIRGINIA,)
) ss.:
COUNTY OF HENRICO,)

On this ____ day of _____________, 19__ before me personally came ______________, to me known and known to me to be the individual described in and who executed the foregoing Mutual Release, and duly acknowledged to me that he executed the same.

Notary Public

COMMONWEALTH OF VIRGINIA,)
) ss.:
COUNTY OF HENRICO,)

On this _____________ day of ____, 19__ before me personally came ______________, to me known and known to me to be the officer who executed the foregoing Mutual Release on behalf of THE PITTSTON COMPANY, and he duly acknowledged to me that he executed the same.

Notary Public

Exhibit 10(b)

As of October 1, 1997

Mr. David L. Marshall
16 Governors Harbour
Hilton Head Island
South Carolina 29926

Dear David:

Reference is made to your employment agreement dated as of June 1, 1997 (the "Agreement"). This will set forth amendments to that Agreement, as we have mutually agreed:

1. Section 3 of the Agreement is hereby amended by adding the following sentence at the end of subsection (a):

> Beginning as of October 1, 1997, your salary rate shall increase to $75,000 per year.

2. Section 3 of the Agreement is hereby amended by adding the phrase, "Key Employees Incentive Plan," after the word "Company's" in the first sentence of subsection (b).

3. Section 8 of the Agreement is hereby amended by deleting the phrase, "within the Pittston Services Group" in clauses (i) and (ii) thereof.

These amendments are effective from and after October 1, 1997. Except as otherwise provided herein, the terms and conditions of the Agreement shall remain in full force and effect.

Please acknowledge your agreement with the terms hereof by your signature in the space provided below.

Very truly yours,

THE PITTSTON COMPANY

By /s/ J. Farrell 10/1/97
Chairman of the Board Date

I hereby acknowledge and agree that the foregoing is in accordance with our agreement.

/s/ D. L. Marshall 10/7/97
David L. Marshall Date

Dated as of October 1, 1997

The Pittston Company and Subsidiaries

Exhibit 11

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

Fully Diluted Earnings Per Common Share:

	Three Months Ended September 30 1997	1996	Nine Months Ended September 30 1997	1996
Pittston Brink's Group:				
Net income attributed to common shares	$ 19,372	15,841	52,417	41,714
Average common shares outstanding	38,309	38,264	38,243	38,158
Incremental shares of stock options	660	586	661	590
Pro forma common shares outstanding	38,969	38,850	38,904	38,748
Fully diluted earnings per common share:	$ 0.50	0.41	1.35	1.08
Pittston Burlington Group:				
Net income attributed to common shares	$ 15,993	10,705	19,168	23,214
Average common shares outstanding	19,470	19,283	19,449	19,161
Incremental shares of stock options	670	435	676	471
Pro forma common shares outstanding	20,140	19,718	20,125	19,632
Fully diluted earnings per common share	$ 0.79	0.54	0.95	1.18
Pittston Minerals Group:				
Net income (loss) attributed to common shares	$ 183	2,644	(1,836)	7,389
Preferred stock dividends, net	789	(146)	2,592	773
Fully diluted net income	$ 972	2,498	756	8,162
Average common shares outstanding	8,096	7,926	8,055	7,872
Incremental shares of stock options	14	52	38	52
Conversion preferred stock	1,789	1,841	1,792	1,996
Pro forma common shares outstanding	9,899	9,819	9,885	9,920
Fully diluted earnings (loss) per common share	$ 0.02	0.25	(0.23)(a)	0.82

(a) Antidilutive, therefore the same as primary.

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

5

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

1,000

6-MOS
DEC-31-1997
SEP-30-1997
59,992
1,662
536,602
18,734
52,743
754,922
1,150,117
513,828
2,016,047
622,285
269,146
0
1,138
69,914
582,296
2,016,047
467,693
2,478,331
451,586
2,362,442
0
6,838
19,268
103,949
31,608
72,341
0
0
0
72,341
0
0

Pittston Brink's Group - Primary - 1.37
Pittston BAX Global Group - Primary - 0.99
Pittston Minerals Group - Primary - (0.23)
Pittston Brink's Group - Diluted - 1.37
Pittston BAX Global Group - Diluted - 0.95
Pittston Minerals Group - Diluted - (0.23)