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 March 31, 1999

[ ] 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.)

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 May 7, 1999, 40,861,415 shares of $1 par value Pittston Brink's Group Common Stock, 20,824,910 shares of $1 par value Pittston BAX Group Common Stock and 9,186,434 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)

	March 31 1999	December 31 1998
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 78,796	83,894
Short-term investments	1,842	1,767
Accounts receivable (net of estimated amounts uncollectible: 1999 - $31,607; 1998 - $32,122)	588,427	606,344
Inventories	45,097	42,770
Prepaid expenses and other current assets	51,805	33,374
Deferred income taxes	51,034	52,494
Total current assets	817,001	820,643
Property, plant and equipment, at cost (net of accumulated depreciation, depletion and amortization: 1999 - $581,792; 1998 - $573,250)	856,385	849,883
Intangibles, net of accumulated amortization	343,125	345,600
Deferred pension assets	120,450	119,500
Deferred income taxes	63,168	63,489
Other assets	126,275	132,022
Total assets	$ 2,326,404	2,331,137
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings	$ 104,043	88,283
Current maturities of long-term debt	49,262	36,509
Accounts payable	276,527	284,341
Accrued liabilities	376,255	388,300
Total current liabilities	806,087	797,433
Long-term debt, less current maturities	318,632	323,308
Postretirement benefits other than pensions	241,217	239,550
Workers' compensation and other claims	92,658	93,324
Deferred income taxes	20,577	20,615
Other liabilities	125,768	120,879
Commitments and contingent liabilities		
Shareholders' equity:		
Preferred stock, par value $10 per share: Authorized: 2,000 shares $31.25 Series C Cumulative Convertible Preferred Stock; Issued and outstanding: 1999 - 30 shares; 1998 - 113 shares	296	1,134
Pittston Brink's Group Common Stock, par value $1 per share: Authorized: 100,000 shares; Issued and outstanding: 1999 - 40,861 shares; 1998 - 40,961 shares	40,861	40,961
Pittston BAX Group Common Stock, par value $1 per share: Authorized: 50,000 shares; Issued and outstanding: 1999 - 20,825 shares; 1998 - 20,825 shares	20,825	20,825
Pittston Minerals Group Common Stock, par value $1 per share: Authorized: 20,000 shares; Issued and outstanding: 1999 - 9,186 shares; 1998 - 9,186 shares	9,186	9,186
Capital in excess of par value	338,380	403,148
Retained earnings	428,353	401,186
Accumulated other comprehensive income	(58,269)	(51,865)
Employee benefits trust, at market value	(58,167)	(88,547)
Total shareholders' equity	721,465	736,028
Total liabilities and shareholders' equity	$ 2,326,404	2,331,137

See accompanying notes to consolidated financial statements.

THE PITTSTON COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
(Unaudited)

		Quarter Ended March 31 1999	1998
Net sales	$	108,753	149,898
Operating revenues		846,133	712,766
Net sales and operating revenues		954,886	862,664
Costs and expenses:			
Cost of sales		115,443	144,164
Operating expenses		712,884	595,771
Selling, general and administrative expenses		107,104	99,256
Total costs and expenses		935,431	839,191
Other operating income, net		6,073	3,027
Operating profit		25,528	26,500
Interest income		1,205	1,181
Interest expense		(10,197)	(7,384)
Other expense, net		(370)	(1,435)
Income before income taxes		16,166	18,862
Provision for income taxes		3,506	6,034
Net income		12,660	12,828
Preferred stock dividends, net (Note 7)		18,314	(864)
Net income attributed to common shares	$	30,974	11,964
Pittston Brink's Group:			
Net income attributed to common shares	$	16,798	17,037
Net income per common share:			
Basic	$	.43	.44
Diluted		.43	.44
Cash dividend per common share	$	.025	.025
Pittston BAX Group:			
Net income (loss) attributed to common shares	$	421	(2,966)
Net income (loss) per common share:			
Basic	$	.02	(.15)
Diluted		.02	(.15)
Cash dividends per common share	$	.06	.06
Pittston Minerals Group:			
Net income (loss) attributed to common shares (Note 7)	$	13,755	(2,107)
Net income (loss) per common share:			
Basic	$	1.61	(.26)
Diluted		(.45)	(.26)
Cash dividends per common share	$	.025	.1625
Comprehensive income	$	24,570	10,918

See accompanying notes to consolidated financial statements.

THE PITTSTON COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(Unaudited)

	Quarter Ended March 31 1999	1998
Cash flows from operating activities:		
Net income	$ 12,660	12,828
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	42,820	33,878
Provision for aircraft heavy maintenance	11,719	8,733
Provision for deferred income taxes	1,608	2,115
Provision (credit) for pensions, noncurrent	2,962	(441)
Provision for uncollectible accounts receivable	2,944	2,647
Minority interest expense	284	1,821
Equity in earnings of unconsolidated affiliates, net of dividends received	(1,708)	(747)
Other operating, net	4,571	4,239
Change in operating assets and liabilities, net of effects of acquisitions and dispositions:		
Decrease (increase) in accounts receivable	27,807	(20,467)
(Increase) decrease in inventories	(2,170)	2,564
Increase in prepaid expenses and other current assets	(15,526)	(5,362)
Increase in other assets	(2,731)	(1,008)
Decrease in accounts payable and accrued liabilities	(28,396)	(17,399)
Increase (decrease) in other liabilities	4,103	(4,604)
Decrease in workers' compensation and other claims, noncurrent	(1,069)	(1,718)
Other, net	755	(3,459)
Net cash provided by operating activities	60,633	13,620
Cash flows from investing activities:		
Additions to property, plant and equipment	(58,365)	(60,705)
Aircraft heavy maintenance expenditures	(14,908)	(9,659)
Proceeds from disposal of property, plant and equipment	1,065	421
Other, net	1,614	(3,958)
Net cash used by investing activities	(70,594)	(73,901)
Cash flows from financing activities:		
Increase in short-term borrowings	9,438	13,000
Additions to long-term debt	47,225	65,991
Reductions of long-term debt	(25,555)	(9,640)
Repurchase of stock of the Company	(23,494)	(4,499)
Proceeds from exercise of stock options	337	2,288
Dividends paid	(3,088)	(4,122)
Net cash provided by financing activities	4,863	63,018
Net (decrease) increase in cash and cash equivalents	(5,098)	2,737
Cash and cash equivalents at beginning of period	83,894	69,878
Cash and cash equivalents at end of period	$ 78,796	72,615

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 BAX Group (the "BAX 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 BAX Group consists of the BAX Global Inc. ("BAX Global") operations of the Company. The Minerals Group consists of the Pittston Coal Company ("Pittston Coal") 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 BAX Group Common Stock ("BAX Stock") and Pittston Minerals Group Common Stock ("Minerals Stock"), which were designed to provide shareholders with separate securities reflecting the performance of the Brink's Group, BAX 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. The Company prepares separate financial information including separate financial statements for the Brink's, BAX and Minerals Groups in addition to the consolidated financial information of the Company. Holders of Brink's Stock, BAX Stock and Minerals Stock are shareholders of the Company, which is responsible for all its liabilities. Financial developments affecting the Brink's Group, the BAX 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.

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial reporting and with applicable quarterly reporting regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and notes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Certain prior period amounts have been reclassified to conform to the current period's financial statement presentation. Operating results for the interim periods of 1999 are not necessarily indicative of the results that may be expected for the year ending December 31, 1999. For further information, refer to the consolidated financial statements and related notes included in the Company's annual report on Form 10-K for the year ended December 31, 1998.

(2) The following are reconciliations between the calculations of basic and diluted net income (loss) per share by Group:

BRINK'S GROUP		Quarter Ended March 31 1999	1998
Numerator:			
Net income - Basic and diluted net income per share numerator	$	16,798	17,037
Denominator:			
Basic weighted average common shares outstanding		38,904	38,477
Effect of dilutive securities:			
Stock options		202	604
Diluted weighted average common shares outstanding		39,106	39,081

Options to purchase 774 shares of Brink's Stock, at prices between $27.25 and $39.56 per share were outstanding during the three months ended March 31, 1999, but were not included in the computation of diluted net income per share because the options' exercise price was greater than the average market price of the common shares and, therefore, the effect would be antidilutive.

BAX GROUP	Quarter Ended March 31 1999	1998
Numerator:		
Net income (loss) - Basic and diluted net income (loss) per share numerator	$ 421	(2,966)
Denominator:		
Basic weighted average common shares outstanding	19,036	19,477
Effect of dilutive securities:		
Stock options	15	--
Diluted weighted average common shares outstanding	19,051	19,477

Options to purchase 2,047 shares of BAX Stock, at prices between $9.13 and $27.91 per share, were outstanding during the three months ended March 31, 1999, but were not included in the computation of diluted net income per share because the options' exercise price was greater than the average market price of the common shares, and therefore the effect would be antidilutive.

Options to purchase 2,366 shares of BAX Stock at prices between $5.78 and $27.91 per share were outstanding during the three months ended March 31, 1998, but were not included in the computation of diluted net loss per share because the effect of all options would be antidilutive.

MINERALS GROUP	Quarter Ended March 31 1999	1998
Numerator:		
Net loss	$ (4,559)	(1,243)
Convertible Preferred Stock dividends, net	18,314	(864)
Basic net income (loss) per share numerator	13,755	(2,107)
Effect of dilutive securities:		
Convertible Preferred Stock dividends, net	(18,314)	--
Diluted net loss per share numerator	$ (4,559)	(2,107)
Denominator:		
Basic weighted average common shares outstanding	8,570	8,225
Effect of dilutive securities:		
Assumed conversion of Convertible Preferred Stock	1,532	--
Diluted weighted average common shares outstanding	10,102	8,225

Options to purchase 692 shares of Minerals Stock, at prices between $1.91 and $25.74 per share, were outstanding during the three months ended March 31, 1999 but were not included in the computation of diluted net loss per share because the options' exercise price was greater than the average market price of the common shares and, therefore, the effect would be antidilutive.

Options to purchase 677 shares of Minerals Stock, at prices between $9.50 and $25.74 per share, were outstanding during the three months ended March 31, 1998 but were not included in the computation of diluted net loss per share because the effect of all options would be antidilutive.

The conversion of the Convertible Preferred Stock to 1,765 shares of Minerals Stock has been excluded in the computation of diluted net loss per share for the three months ended March 31, 1998 because the effect of the assumed conversion would be antidilutive.

(3) Depreciation, depletion and amortization of property, plant and equipment totaled $36,937 in the first quarter of 1999 compared to $28,686 in the first quarter of 1998, respectively.

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

	Quarter Ended March 31 1999	1998
Interest	$ 10,260	7,528
Income taxes	$ 4,649	5,003

During the first quarter of 1998, Brink's recorded the following noncash investing and financing activities in connection with the acquisition of substantially all of the remaining shares of its affiliate in France: seller financing of the equivalent of US $27,500 and the assumption of borrowings of approximately US $19,000 and capital leases of approximately US $30,000.

(5) 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 three months ended March 31, 1998 by $1,061. The effect of this change increased diluted net income per common share of the Brink's Group by $0.02 in the three month period ended March 31, 1998.

(6) The cumulative impact of foreign currency translation deducted from shareholders' equity was $57,549 and $48,887 at March 31, 1999 and December 31, 1998, respectively.

The cumulative impact of cash flow hedges deducted from shareholders' equity were $1,128 and $3,309 at March 31, 1999 and December 31, 1998, respectively.

(7) Under the share repurchase programs authorized by the Board of Directors, the Company purchased shares in the periods presented as follows:

(In thousands)	Quarter Ended March 31 1999	1998
Brink's Stock:		
Shares	100.0	--
Cost	$ 2,514	--
BAX Stock:		
Shares	--	177.5
Cost	$ --	3,505
Convertible Preferred Stock:		
Shares	83.9	0.4
Cost	$ 20,980	146
Excess carrying amount (a)	$ 19,201	23

(a) The excess of the carrying amount of the Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock") over the cash paid to holders for repurchases made during the periods. This amount is deducted from preferred dividends in the Company's Statement of Operations.

On March 12, 1999, the Board increased the remaining authority to purchase its Convertible Preferred Stock by $4,300. On March 15, 1999, the Company purchased 83.9 shares (or 839 depositary shares) of its Convertible Preferred Stock for $20,980. The Convertible Preferred Stock is convertible into Minerals Stock and has an annual dividend rate of $31.25 per share. Preferred dividends included on the Company's Statement of Operations for the quarter ended March 31, 1999 are net of the $19,201, which is the excess of the carrying amount over the cash paid to the holders of the Convertible Preferred Stock.

At March 31, 1999, the Company had the remaining authority to purchase over time 900 shares of Brink's Stock; 1,465 shares of BAX Stock; 1,000 shares of Minerals Stock and an additional $7,556 of its Convertible Preferred Stock. The remaining aggregate purchase cost limitation for all common stock was $22,184 at March 31, 1999.

(8) As of January 1, 1999, the Company adopted AICPA Statement of Position ("SOP") No. 98-5, "Reporting on the Costs of Start-Up Activities." SOP No. 98-5, which provides guidance on the reporting of start-up costs and organization costs, requires that such costs be expensed as incurred. The Company has determined that the capitalized mine development costs for its gold and coal mining operations relate to acquiring and constructing long-lived assets and preparing them for their intended use. Accordingly, the adoption of SOP No. 98-5 had no material impact on the results of operations of the Company.

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"), Pittston Coal Company ("Pittston Coal") 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

(In thousands)	Quarter Ended March 31 1999	1998
Net sales and operating revenues:		
Brink's	$ 330,763	261,923
BHS	55,121	48,410
BAX Global	460,249	402,433
Pittston Coal	105,548	145,920
Mineral Ventures	3,205	3,978
Net sales and operating revenues	$ 954,886	862,664
Operating profit (loss):		
Brink's	$ 19,983	21,919
BHS	14,004	13,502
BAX Global	4,441	430
Pittston Coal	(6,984)	2,502
Mineral Ventures	(790)	(47)
Segment operating profit	30,654	38,306
General corporate expense	(5,126)	(11,806)
Total operating profit	$ 25,528	26,500

In the first quarter of 1999, the Company reported net income of $12.7 million compared with $12.8 million in the first quarter of 1998. Operating profit totaled $25.5 million in the 1999 first quarter compared with $26.5 million in the prior year first quarter. Lower operating results at Pittston Coal ($9.5 million), Brink's ($1.9 million) and Mineral Ventures ($0.7 million) were partially offset by increases in operating results at BAX Global ($4.0 million) and BHS ($0.5 million). In addition, corporate expenses in the first quarter of 1999 declined $6.7 million from the prior year, which included $5.8 million of additional expenses related to a retirement agreement between the Company and its former Chairman and CEO.

Preferred dividends included on the Company's Statement of Operations for the quarter ended March 31, 1999 are net of $19.2 million, which is the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to the holders of the Convertible Preferred Stock.

BRINK'S

Brink's consolidated revenues totaled $330.8 million in the first quarter of 1999, a 26% increase over first quarter 1998 revenues of $261.9 million. Brink's operating profit of $20.0 million in the first quarter of 1999 represented a 9% decrease over the $21.9 million of operating profit reported in the prior year quarter.

The increase in Brink's revenues was primarily attributable to operations in Europe, as a result of the acquisition, in the first quarter of 1998, of nearly all the remaining shares of Brink's affiliate in France as well as the acquisition of the remaining 50% interest of Brink's affiliate in Germany in the second quarter of 1998. North America revenues also increased over the prior year quarter due to growth in armored car operations, which include ATM services.

Decreases in operating profit in the first quarter of 1999 over the comparable 1998 quarter in Asia/Pacific, North America and Latin America were partially offset by an increase in operating profit in Europe, primarily due to the improved results from operations in France as well as the increased ownership position. There were also improvements in several other European countries, including Belgium which was negatively impacted during the first quarter of 1998 by industry-wide labor unrest. The decline in Asia/Pacific operating results was primarily due to additional expenses associated with the expansion of operations in Australia. Lower North American operating profits were largely the result of increased information technology expenditures to enhance Brink's capabilities in transportation of valuables, ATM servicing, money processing and air courier operations as well as to implement communication improvements. The decrease in Latin American operating profits was largely due to weaker business conditions, particularly in Venezuela, Colombia and Chile, partially offset by increased equity earnings from the 20% owned Mexico affiliate as well as a slight improvement in Brazil. Latin American business operations have strengthened over the soft fourth quarter 1998 results with improvements in a number of countries as measures were implemented in response to the weak business conditions in that region.

BHS

Revenues for BHS increased by 14% in the first quarter of 1999 compared to the 1998 quarter. This increase in revenues was due to higher ongoing monitoring and service revenues, reflecting a 14% increase in the subscriber base as well as slightly higher average monitoring fees. As a result of such growth, monthly recurring revenues at March 31, 1999 grew 16% versus those as measured at March 31, 1998.

Operating profit in the first quarter of 1999 increased $0.5 million (4%) compared to the 1998 first quarter. Operating profit was favorably impacted by increases generated from monitoring and service activities of $1.8 million (11%) for the first quarter 1999. This improvement over the prior year quarter was due to the growth in the subscriber base combined with higher average monitoring fees, offset in part, by an increase in disconnect expense. Growth in overall operating profit was negatively affected by the up-front net cost of marketing, sales and installation related to gaining new subscribers, which increased $1.3 million during the first quarter of 1999, as compared to the first quarter of 1998. This increase in up-front net cost in the quarter was due to higher levels of sales and marketing costs incurred and expensed.

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 three month period ended March 31, 1998 by $1.1 million. The effect of this change increased diluted net income per common share of the Brink's Group by $0.02 in the three month period ended March 31, 1998.

BAX GLOBAL

Worldwide revenues for the 1999 first quarter increased 14% over the 1998 first quarter to $460.2 million. Operating profit in the first quarter of 1999 was $4.4 million, compared to $0.4 million in the first quarter of 1998. Operating profit in the first quarter of 1999 included the benefit of $1.6 million of incentive accruals related to 1998 which will not be paid as a result of a management decision made during the first quarter of 1999.

Operating revenues in the first quarter of 1999 increased reflecting higher expedited freight services revenues, the result of a 9% increase in pounds shipped, as well as a 1% increase in revenue per pound (yield). Additionally, non-expedited freight services revenues increased over the prior year quarter primarily as a result of revenues from Air Transport International LLC (ATI), which was acquired in the second quarter of 1998 and higher revenues from supply chain management services in the Pacific region. The 9% increase in pounds

shipped over the prior year quarter primarily reflected the acquisition of an affiliate in Taiwan in the first quarter of 1999 as well as the formation of a joint venture in South Korea in mid-1998, partially offset by lower US volumes. The 1% increase in yield resulted primarily from the introduction of the higher yielding "Emergency Response" product in the US in the third quarter of 1998.

Operating profit in the first quarter of 1999 included the aforementioned benefit of $1.6 million of incentive accruals. The improvement in operating profit across all geographic regions over the prior year quarter reflected the aforementioned higher yields in the US, growth in supply chain management services in the Pacific region and the favorable impact of both the Taiwan acquisition and a joint venture in South Korea. These operating profit improvements in the current year quarter were partially offset by seasonal losses from ATI, as well as higher aircraft crew and maintenance costs.

PITTSTON COAL

Net sales for the first quarter of 1999 were $105.5 million, a decrease of 28% from the 1998 first quarter. Operating loss was $7.0 million in the current year quarter compared to operating profit of $2.5 million in 1998.

The decrease in net sales for the first quarter of 1999 over the prior year quarter primarily reflected a decline in both steam and metallurgical sales volume resulting from a 29% reduction in total tons sold. The steam sales reduction was primarily due to the sale of certain assets at the Elkay mining operation ("Elkay Assets") in the second quarter of 1998 and the closing of a surface mine in Kentucky in the third quarter of 1998. The decline in metallurgical sales volume was due to continued softness in market conditions resulting from lower worldwide steel production and a strong US dollar relative to the currencies of other coal exporting nations. While metallurgical coal realizations per ton declined from the prior year quarter, overall realization per ton increased slightly as a greater proportion of coal sales came from metallurgical coal, which generally has a higher realization per ton than steam coal.

The operating loss in the current year quarter reflected a $6.6 million decline in total coal margin and higher idle and closed mine costs and inactive employee costs, up $1.1 million and $2.9 million, respectively, over the prior year. The current year operating loss also includes a benefit of $2.4 million from the settlement of litigation.

The decline in total coal margin reflects the previously mentioned decline in sales volume combined with a $0.98 per ton decrease in coal margin per ton, the result of a decrease in metallurgical coal margins. Metallurgical margins were negatively impacted in the first quarter of 1999 by the decline in realization per ton, resulting from the previously mentioned soft market conditions. Current production cost per ton of coal sold increased primarily due to a correspondingly higher proportion of deep mine production which is generally more costly than surface mine production. In addition, coal margin per ton in the first quarter of 1998 included a $0.27 per ton benefit, related to a favorable ruling issued by the US Supreme Court on the unconstitutionality of the Harbor Maintenance Tax while the first quarter of 1999 included the $0.17 per ton benefit of the judgment rendered by the US District Court for the Eastern District of Virginia, regarding the constitutionality of the federal black lung excise tax, since Pittston Coal no longer had to accrue the tax (as more fully discussed below).

Metallurgical sales in 1999 are expected to continue to be lower than 1998 levels, due to market conditions, as well as the disadvantage caused by the relative strength of the US dollar versus currencies of other metallurgical coal producing countries. In addition, this currency disadvantage has negatively impacted 1999 contract negotiations for the contract year that commenced April 1, 1999.

Operating profit from the gas and timber businesses amounted to $1.4 million and $1.8 million in the first quarters of 1999 and 1998, respectively. The decline was mainly due to depressed natural gas prices and related royalties.

Idle equipment and closed mine costs increased $1.1 million in the 1999 first quarter from the comparable 1998 quarter due to a deep mine producing metallurgical coal that was idled in the first quarter of 1999, in response to the previously mentioned weak market conditions as well as additional costs at other idle mines. Such costs are expected to continue at these higher levels into the next quarter. Barring significant improvements in these market conditions, rising inventory levels could result in further review of capacity

requirements. Inactive employee costs, which represent long-term employee liabilities for pension and retiree medical costs, increased 42% over the prior year quarter as a result of reductions in the amortization of actuarial gains, a decrease in the discount rates used to calculate the present value of the liabilities and higher premiums for the Coal Industry Retiree Benefit Act of 1992. Pittston Coal anticipates that costs related to these long-term benefit obligations will continue at these higher levels during 1999.

On February 10, 1999, the US District Court for the Eastern District of Virginia entered a final judgment in favor of certain of the Company's subsidiaries, ruling that the federal black lung excise tax ("FBLET") imposed under Section 4121 of the Internal Revenue Code is unconstitutional as applied to export coal sales and ordering a refund to the subsidiaries of approximately $0.7 million (plus interest) for the FBLET that those companies paid for the quarter ended March 31, 1997. The government did not appeal the judgment before the April 12, 1999 deadline for noting an appeal. The Company will seek refunds of the FBLET it paid on export coal sales for all open statutory periods. The ultimate amounts and timing of such refunds, if any, cannot be determined at the present time. The benefit of this judgment as applied to export coal sales for the first quarter of 1999 is reflected in the production costs of coal sold ($0.6 million) since Coal Operations no longer had to accrue the tax.

A controversy involving an unrelated party with respect to a method of mining called "mountaintop removal" that began in mid-1998 in West Virginia has resulted in a suspension in the issuance of several mining permits including those unrelated to mountaintop removal. Due to the broadness of the suspension, there has been a delay in Vandalia Resources, Inc., a wholly-owned subsidiary of Pittston Coal, being issued, in a timely fashion, mining permits necessary for its uninterrupted mining. For the immediate future Vandalia will require the issuance of two permits to ensure uninterrupted production in 1999. Vandalia obtained the first permit on April 15, 1999. It is essential that the second permit be issued by the end of the second quarter of 1999 in order to avoid production interruptions. Management believes that the regulatory agencies are in the process of establishing a functional review process to expedite permit approvals. Affected employees have been notified of potential production interruptions. During the year ended December 31, 1998, the mining operation which is pursuing these permits produced approximately 2.7 million tons of coal resulting in revenues of approximately $81.8 million and contributed significantly to coal margin.

Coal Operations continues cash funding for charges recorded in prior years for facility closure costs recorded as restructuring and other charges in the Statement of Operations. The following table analyzes the changes in liabilities during the first three months of 1999 for such costs:

(In thousands)	Mine and Plant Closure Costs	Employee Termination, Medical and Severance Costs	Total
Balance as of December 31, 1998	$ 8,906	16,307	25,213
Payments	575	319	894
Balance as of March 31, 1999	$ 8,331	15,988	24,319

MINERAL VENTURES

Mineral Ventures generated net sales during the first quarter of 1999 of $3.2 million, a 19% decline from the $4.0 million reported in the first quarter of 1998. The decrease in net sales was the result of the continued deterioration of gold prices in the market. Operating loss for the first quarter of 1999 was $0.8 million compared to break-even results in the same period last year. The operating loss during the first quarter of 1999 was not only negatively impacted by lower realization, but also by increased production costs due to a high percentage of low grade ore milled, partially offset by increased equity income from an Australian affiliate. This Australian affiliate has sold additional shares to a new investor, reducing Mineral Ventures' ownership in this Australian affiliate to a 45% interest (40% on a fully diluted basis).

FOREIGN OPERATIONS

A portion of the Company's financial results is derived from activities in a number of foreign countries located in Europe, Asia and Latin America each with a local currency other than the US dollar. Because the financial results of the Company are reported in US dollars, they are affected by changes in the value of the various foreign currencies in relation to the US dollar. Changes in exchange rates may also adversely affect transactions which are denominated in currencies other than the functional currency. The Company periodically enters into such transactions in the course of its business. The diversity of foreign operations helps to mitigate a portion of the impact that foreign currency fluctuations may have in any one country on the translated results. The Company, from time to time, uses foreign currency forward contracts to hedge transactional risks associated with foreign currencies. Translation adjustments of net monetary assets and liabilities denominated in the local currency relating to operations in countries with highly inflationary economies are included in net income, along with all transaction gains or losses for the period. A subsidiary in Venezuela operates in such a highly inflationary economy.

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

CORPORATE EXPENSES

In the first quarters of 1999 and 1998, corporate expenses totaled $5.1 million and $11.8 million, respectively. Corporate expenses in the prior year quarter included $5.8 million of expenses related to a retirement agreement between the Company and its former Chairman and CEO.

OTHER OPERATING INCOME, NET

Other operating income, net, generally includes the Company's share of net earnings or losses of unconsolidated affiliates, primarily Brink's equity affiliates, royalty income, gains and losses from foreign currency exchange and from sales of coal assets. Other operating income, net for the three months ended March 31, 1999 was $6.1 million compared to $3.0 million in the three months ended March 31, 1998. The higher level of income in the quarter primarily relates to a $2.4 million gain from the settlement of litigation at Pittston Coal coupled with higher equity earnings at affiliates of Brink's and Mineral Ventures.

NET INTEREST EXPENSE

Net interest expense in the first quarter of 1999 increased $2.8 million (45%) over the same period in 1998. This increase was predominantly due to higher average interest rates primarily associated with local currency borrowings in Venezuela, and to a lesser extent was due to borrowings resulting from capital expenditures and from acquisitions during 1998 by both Brink's and BAX Global to expand their operations.

OTHER EXPENSE, NET

Other expense, net for the three months ended March 31, 1999 decreased $1.1 million from the prior year period. The decrease was due to lower minority interest expense for Brink's consolidated affiliates partially offset by lower foreign currency translation gains.

INCOME TAXES

In both the 1999 and 1998 periods presented, the provision for income taxes was less than the statutory federal income tax rate of 35% primarily due to the tax benefits of percentage depletion from Pittston Coal and lower taxes on foreign income, partially offset by provisions for goodwill amortization and state income taxes. The effective tax rate for the Company was lower in the first quarter of 1999 than in the same period of 1998 due to the magnitude of the loss before income taxes for Pittston Coal in the first quarter of 1999.

FINANCIAL CONDITION

CASH FLOW REQUIREMENTS

Cash provided by operating activities during the first three months of 1999 totaled $60.6 million compared with $13.6 million in the first three months of 1998. This increase resulted from higher cash earnings combined with a decrease in the cash required to fund working capital. The decrease in working capital requirements primarily resulted from reduced sales at the Company's Coal Operations and, to a lesser extent, improved collections.

INVESTING ACTIVITIES
Cash capital expenditures for the first three months of 1999 approximated $58 million, down from approximately $61 million in the comparable period in 1998. Of the 1999 amount of cash capital expenditures, $18.6 million was spent by Brink's, $19.3 million was spent by BHS, $14.0 million was spent by BAX Global, $5.1 million was spent by Pittston Coal and $1.2 million was spent by Mineral Ventures. For the remainder of 1999, company-wide cash capital expenditures are projected to range between $190 and $195 million. The foregoing amounts exclude expenditures that have been or are expected to be financed through capital leases and any acquisition expenditures.

FINANCING
The Company intends to fund cash capital expenditures through cash flow from operating activities or through operating leases if the latter are financially attractive. Shortfalls, if any, will be financed through the Company's revolving credit agreements or other borrowing arrangements.

Cash flows received from financing activities were $4.9 million for the first quarter of 1999, compared with $63.0 million for the same period in 1998. The 1998 levels reflect additional borrowings of $69.4 million primarily resulting from higher working capital requirements.

The 1999 period includes $31.1 million of additional borrowings, primarily used to finance the purchase of the Company's Preferred Stock (discussed in more detail below).

The Company has a $350.0 million credit agreement with a syndicate of banks (the "Facility"). The Facility includes a $100.0 million term loan and also permits additional borrowings, repayments and reborrowings of up to an aggregate of $250.0 million. As of March 31, 1999 and December 31, 1998 borrowings of $100.0 million were outstanding under the term loan portion of the Facility and $130.5 million and $91.6 million, respectively, of additional borrowings were outstanding under the remainder of the Facility.

MARKET RISKS AND HEDGING AND DERIVATIVE ACTIVITIES
The Company has activities in a number of foreign countries throughout the world. Operations within these countries expose the Company to a variety of market risks, including the effects of changes in foreign currency exchange rates and interest rates. In addition, the Company consumes and sells certain commodities in its businesses, exposing it to the effects of changes in the prices of such commodities. These financial and commodity exposures are monitored and managed by the Company as an integral part of its overall risk management program. The diversity of foreign operations helps to mitigate a portion of the impact that foreign currency rate fluctuations may have in any one country on the translated results. The Company's risk management program considers this favorable diversification effect as it measures the Company's exposure to financial markets and as appropriate, seeks to reduce the potentially adverse effects that the volatility of certain markets may have on its operating results. The Company has not had any material change in its market risk exposures since December 31, 1998.

READINESS FOR YEAR 2000: SUMMARY
The Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. If not corrected, many date-sensitive applications could fail or create erroneous results by or in the year 2000. The Company understands the importance of having systems and equipment operational through the year 2000 and beyond and is committed to addressing these challenges while continuing to fulfill its business obligations to its customers and business partners. Year 2000 project teams have been established which are intended to make information technology assets, including embedded microprocessors ("IT assets"), non-IT assets, products, services and infrastructure Year 2000 ready.

READINESS FOR YEAR 2000: STATE OF READINESS
The following is a description of the Company's state of readiness for each of its operating units.

Brink's
The Brink's Year 2000 Project Team has divided its Year 2000 readiness program into six phases: (i) inventory, (ii) assessment, (iii) renovation, (iv) validation/testing, (v) implementation and (vi) integration. Worldwide, Brink's is largely in the renovation, validation/testing and implementation phases of its Year 2000 readiness program.

Brink's North America
With respect to Brink's North American operations, all core IT systems have been identified, renovation has taken place and the Year 2000 project is currently in both the implementation and integration phases. The implementation phase of the core operational systems is expected to be substantially completed by the second quarter of 1999. Non-IT systems, including armored vehicles, closed circuit televisions, videocassette recorders and certain currency processing equipment, are in the assessment phase and certain renovation/replacement has been done. The renovation and validation phases for non-IT systems are expected to continue through the second quarter of 1999. As of March 31, 1999, most of Brink's North America IT systems have been tested and validated as Year 2000 ready. Brink's believes that all its IT and non-IT systems will be Year 2000 compliant or that there will be no material adverse effect on operations or financial results due to non-compliance.

Brink's International
All international affiliates have been provided with an implementation plan, prepared by the Global Year 2000 Project Team. In addition, there is senior management sponsorship in all international countries. The implementation plan requires semi-monthly reports as to the status of each category in each country. The categories include core systems, non-core systems, hardware, facilities, special equipment, voice/data systems, etc. Countries in Europe, Latin America and Asia/Pacific are in varying phases of the Year 2000 readiness program. In Europe, core systems have been identified, some are in the remediation and validation/testing phase, with others currently in the implementation and integration phases. In both Latin America and Asia/Pacific, most countries are currently in active renovation with several completing testing and implementation on core systems. Brink's plans to have completed all phases of its Year 2000 readiness program on a timely basis prior to Year 2000.

BHS
The BHS Year 2000 Project Team has divided its Year 2000 readiness program into four phases: (i) assessment, (ii) remediation/replacement, (iii) testing and (iv) integration. As of March 31, 1999, BHS has completed the assessment and remediation/replacement phases. BHS is currently in both the testing and integration phases. BHS plans to have completed all phases of its Year 2000 readiness program on a timely basis prior to Year 2000. As of March 31, 1999, at least 90% of BHS' IT and non-IT assets systems have been tested and verified as Year 2000 ready.

BAX Global
The BAX Global Year 2000 Project Team has divided its Year 2000 readiness program into five phases: (i) inventory, (ii) assess and test, (iii) renovate, (iv) test and verify and (v) implement. During the first quarter of 1999, the inventory phase was completed on a global basis. Assessment of major systems in the Americas and Europe has been completed, with readiness testing now underway. Assessment is currently underway in Asia. Renovation activities for major systems are in process as are replacement activities for non-compliant components and systems that are not scheduled for renovation. Testing has also begun for systems that have been renovated. BAX Global plans to have completed all phases of its Year 2000 readiness program on a timely basis prior to Year 2000. As of March 31, 1999, more than 50% of BAX Global's IT and non-IT assets systems have been tested and verified as Year 2000 ready.

Pittston Coal and Mineral Ventures
The Pittston Coal and Mineral Ventures Year 2000 Project Teams have divided their Year 2000 readiness programs into four phases: (i) assessment, (ii) remediation/replacement, (iii) testing, and (iv) integration. At March 31, 1999, the majority of the core IT assets are either already Year 2000 ready or in the testing or integration phases. Those assets that are not yet Year 2000 ready are scheduled to be remediated or replaced by year-end 1999, with testing and integration to begin concurrently. Pittston Coal and Mineral Ventures plan to have completed all phases of their Year 2000 readiness programs on a timely basis prior to Year 2000. As of March 31, 1999, approximately 90% of hardware systems and embedded systems have been tested and verified as Year 2000 ready.

The Company
As part of its Year 2000 projects, the Company has sent comprehensive questionnaires to significant suppliers, and others with which it does business, regarding their Year 2000 compliance and is in the process of identifying significant problem areas with respect to these business partners. The Company is relying on such third parties' representations regarding their own readiness for Year 2000. This process will be ongoing and efforts with respect to specific problems identified will depend in part upon its assessment of the risk that any such problems may have a material adverse impact on its operations.

Further, the Company relies upon US and foreign government agencies (particularly the Federal Aviation Administration and customs agencies worldwide), utility companies, telecommunication service companies and other service providers outside of its control. According to a recent General Accounting Office report to Congress, some airports will not be prepared for the Year 2000 and the problems these airports experience could impede traffic flow throughout the nation. As with most companies, the Company is vulnerable to significant suppliers', customers', and other third parties' inability to remedy their own Year 2000 issues. As the Company cannot control the conduct of its customers, suppliers or other third parties, there can be no guarantee that Year 2000 problems originating with a supplier or other third party will not occur.

READINESS FOR YEAR 2000: COSTS TO ADDRESS
The Company anticipates incurring remediation and acceleration costs for its Year 2000 readiness programs. Remediation includes the identification, assessment, remediation and testing phases of its Year 2000 readiness programs. Remediation costs include both the costs of modifying existing software and hardware as well as purchases that replace existing hardware and software that is not Year 2000 ready. Most of these costs will be incurred by Brink's and BAX Global. Acceleration costs include costs to purchase and/or develop and implement certain information technology systems whose implementation have been accelerated as a result of the Year 2000 readiness issue. Again most of these costs will be incurred by Brink's and BAX Global.

Total anticipated remediation and acceleration costs are detailed in the table below:

(Dollars in millions)

ACCELERATION		Capital	Expense	Total
Total anticipated Year 2000 costs	$	23.5	4.7	28.2
Incurred through March 31, 1999		17.5	2.2	19.7
Remainder	$	6.0	2.5	8.5

REMEDIATION		Capital	Expense	Total
Total anticipated Year 2000 costs	$	12.7	17.8	30.5
Incurred through March 31, 1999		7.5	12.5	20.0
Remainder	$	5.2	5.3	10.5

TOTAL		Capital	Expense	Total
Total anticipated Year 2000 costs	$	36.2	22.5	58.7
Incurred through March 31, 1999		25.0	14.7	39.7
Remainder	$	11.2	7.8	19.0

READINESS FOR YEAR 2000: THE RISKS OF THE YEAR 2000 ISSUE
The failure to correct a material Year 2000 problem could result in an interruption in, or a failure of, certain normal business activities or operations. Such failures could materially and adversely affect results of operations, liquidity and financial condition of the Company.

The following is a description of the Company's risks of the Year 2000 issue for each of its operating units:

Brink's
Brink's believes its most reasonably likely worst case scenario is that it will experience a number of minor system malfunctions and errors in the early days and weeks of the Year 2000 that were not detected during

its renovation and testing efforts. Brink's currently believes that these problems will not be overwhelming and are not likely to have a material effect on the Company's operations or financial results. Brink's may experience some additional personnel expenses related to Year 2000 failures, but such expenses are not expected to be material. As noted above, Brink's is vulnerable to significant suppliers', customers' and other third parties' inability to remedy their own Year 2000 issues. As Brink's cannot control the conduct of its suppliers or other third parties, there can be no guarantee that Year 2000 problems originating with a supplier, customer or other third party will not occur. However, Brink's program of communication with major third parties with whom they do business is intended to minimize any potential risks related to third party failures.

BHS

BHS has begun an analysis of the operational problems and costs that would be reasonably likely to result from the failure by BHS and certain third parties to complete efforts necessary to achieve Year 2000 readiness on a timely basis. BHS believes its most reasonably likely worst case scenario is that its ability to receive alarm signals from some or all of its customers may be disrupted due to temporary regional service outages sustained by third party electric utilities, local telephone companies, and/or long distance telephone service providers. Such outages could occur regionally, affecting clusters of customers, or could occur at BHS's principal monitoring facility, possibly affecting the ability to provide service to all customers. BHS currently believes that the consequences of these problems will not be overwhelming and are not likely to have a material effect on the Company's operations or financial condition.

BAX Global

The failure to correct a material Year 2000 problem could result in an interruption in, or a failure of, certain normal business activities or operations. Such failures could materially and adversely affect results of operations, liquidity and financial condition of BAX Global. The extent to which such a failure may adversely affect operations is being assessed. BAX Global believes its most reasonably likely worst case scenario is that it will experience a number of minor system malfunctions and errors in the early days and weeks of the Year 2000 that were not detected during its renovation and testing efforts. BAX Global currently believes that these problems will not be overwhelming and are not likely to have a material effect on the company's operations or financial results. As noted above, BAX Global is vulnerable to significant suppliers', customers' and other third parties' (particularly government agencies such as the Federal Aviation Administration and customs agencies worldwide) inability to remedy their own Year 2000 issues. As BAX Global cannot control the conduct of third parties, there can be no guarantee that Year 2000 problems originating with a supplier, customer or other third party will not occur. However, BAX Global's program of communication and assessments of major third parties with whom they do business is intended to minimize any potential risks related to third party failures.

Pittston Coal and Mineral Ventures

Pittston Coal and Mineral Ventures believe that their internal information technology systems will be renovated successfully prior to year 2000. All mission critical systems have been identified that would cause the greatest disruption to the organizations. The failure to correct a material Year 2000 problem could result in an interruption in, or a failure of, certain normal business activities or operations. Such failures should have no material or significant adverse effect on the results of operations or financial condition of the Company. Pittston Coal and Mineral Ventures believe they have identified their likely worst case scenarios. The likely worst case scenarios, assuming no external failures such as power outages or delays in railroad transportation services, could be delays in invoicing customers and payment of vendors. These likely worst case scenarios, should they occur, are not expected to result in a material impact on the Company's financial statements. The production of coal and gold is not heavily dependent on computer technology and would continue with limited impact.

READINESS FOR YEAR 2000: CONTINGENCY PLAN

The following is a description of the Company's contingency plans for each of its operating units:

Brink's

A contingency planning document, which was developed with the assistance of an external facilitator, has been finalized for Brink's North American operations. Brink's provides a number of different services to its customers and each type of service line was reviewed during the contingency planning sessions. This contingency planning document addresses the issue of what Brink's response would be should a

system/device fail, as well as what preparations and actions are required beforehand to ensure continuity of services if those identified systems failed. This includes, in some cases, reverting to paper processes to track and handle packages, additional staff if required and increased supervisory presence. Brink's may experience some additional personnel expenses related to any Year 2000 failures, but they are not expected to be material. This contingency planning document was made available to Brink's International operations to use as a guidance in developing appropriate contingency plans at each of their locations and for the specific services they provide to their customers.

BHS

BHS has begun to develop a contingency plan for dealing with the most reasonably likely worst case scenario. This contingency planning document will address the issue of what BHS's response would be should it sustain a service outage encountered by the third party electric utility, local telephone company, and/or primary long distance telephone service provider at its principal monitoring facility. This includes, among other things, the testing of redundant system connectivity routed through multiple switching stations of the local telephone company, and testing of backup electric generators at both BHS's principal and backup monitoring facilities.

BAX Global

During the first quarter of 1999, BAX Global initiated contingency planning for dealing with its most reasonably likely worst case scenario. That planning is on schedule. The foundation for BAX Global's Year 2000 readiness program is to ensure that all mission-critical systems are renovated/replaced and tested prior to when a Year 2000 failure might occur if the program were not undertaken.

Pittston Coal and Mineral Ventures

Pittston Coal and Mineral Ventures have not yet developed contingency plans for dealing with their most likely worst case scenarios. The foundation for their Year 2000 Programs is to ensure that all mission-critical systems are renovated/replaced and tested prior to when a Year 2000 failure might occur if the programs were not undertaken. As of March 31, 1999, all mission-critical systems, with the exception of human resources-related systems, have been tested and verified as Year 2000 ready. These human resources-related systems are not yet Year 2000 ready and as a safeguard are scheduled to be remediated by mid-1999. These systems will subsequently be replaced by year-end 1999. In addition, as a normal course of business, Pittston Coal and Mineral Ventures maintain and deploy contingency plans designed to address various other potential business interruptions. These plans may be applicable to address the interruption of support provided by third parties resulting from their failure to be Year 2000 ready.

READINESS FOR YEAR 2000: FORWARD LOOKING INFORMATION

This discussion of the Company's readiness for Year 2000, including statements regarding anticipated completion dates for various phases of the Company's Year 2000 project, estimated costs for Year 2000 readiness, the determination of likely worst case scenarios, actions to be taken in the event of such worst case scenarios and the impact on the Company of any delays or problems in the implementation of Year 2000 initiatives by the Company and/or any public or private sector suppliers and service providers and customers involve forward looking information which is subject to known and unknown risks, uncertainties, and contingencies which could cause actual results, performance or achievements, to differ materially from those which are anticipated. Such risks, uncertainties and contingencies, many of which are beyond the control of the Company, include, but are not limited to, government regulations and/or legislative initiatives, variations in costs or expenses relating to the implementation of Year 2000 initiatives, changes in the scope of improvements to Year 2000 initiatives and delays or problems in the implementation of Year 2000 initiatives by the Company and/or any public or private sector suppliers and service providers and customers.

CAPITALIZATION

The Company has three classes of common stock: Pittston Brink's Group Common Stock ("Brink's Stock"), Pittston BAX Group Common Stock ("BAX Stock") and Pittston Minerals Group Common Stock ("Minerals Stock") which were designed to provide shareholders with separate securities reflecting the performance of the Pittston Brink's Group ("Brink's Group"), the Pittston BAX Group ("BAX 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 BAX Group consists of the BAX Global operations of the Company. The Minerals Group consists of the Pittston Coal and Mineral Ventures operations of the Company. The Company

prepares separate financial statements for the Brink's, BAX and Minerals Groups in addition to consolidated financial information of the Company.

Under the share repurchase programs authorized by the Board of Directors (the "Board"), the Company purchased shares in the periods presented:

(Dollars in millions, shares in thousands)	Quarter Ended March 31 1999	1998
Brink's Stock:		
Shares	100.0	--
Cost	$ 2.5	--
BAX Stock:		
Shares	$ --	177.5
Cost	--	3.5
Convertible Preferred Stock:		
Shares	83.9	0.4
Cost	$ 21.0	0.1
Excess carrying amount (a)	$ 19.2	--

(a) The excess of the carrying amount of the Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock") over the cash paid to holders for repurchases made during the periods. This amount is deducted from preferred dividends in the Company's Statement of Operations.

On March 12, 1999, the Board increased the remaining authority to purchase its Convertible Preferred Stock by $4.3 million. On March 15, 1999, the Company purchased .08 million shares (or .8 million depositary shares) of its Convertible Preferred Stock for $21.0 million. The Convertible Preferred Stock is convertible into Minerals Stock and has an annual dividend rate of $31.25 per share. Preferred dividends included on the Company's Statement of Operations for the quarter ended March 31, 1999 are net of $19.2 million, which is the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to the holders of the Convertible Preferred Stock.

As of March 31, 1999, the Company had the remaining authority to purchase over time 0.9 million shares of Brink's Stock; 1.5 million shares of BAX Stock; 1.0 million shares of Minerals Stock and an additional $7.6 million of its Convertible Preferred Stock. The remaining aggregate purchase cost limitation for all common stock was $22.2 million as of March 31, 1999.

DIVIDENDS

The Board intends to declare and pay dividends, if any, on Brink's Stock, BAX Stock and Minerals Stock based on the earnings, financial condition, cash flow and business requirements of the Brink's Group, BAX Group and the Minerals Group, respectively. Since the Company remains subject to Virginia law limitations on dividends, 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. The Available Minerals Dividend Amount may be reduced by activity that reduces shareholder's equity or the fair value of net assets of the Minerals Group. Such activity includes net losses by the Minerals Group, dividends paid on the Minerals Stock and the Convertible Preferred Stock, repurchases of Minerals Stock and the Convertible Preferred Stock, and foreign currency translation losses. As a result of recent financial performance of the Minerals Group and coal industry conditions, as well as consideration of financial condition, cash flow and business requirements, including the Available Minerals Dividend Amount, the Board declined to declare a quarterly dividend on Minerals Stock at its May 1999 meeting. Dividends on the remaining Convertible Preferred Stock were declared.

During the first three months of 1999 and 1998, the Board declared and the Company paid cash dividends of 2.50 cents per share of Brink's Stock and 6.00 cents per share of BAX Stock, as well as 2.50 and 16.25 cents, respectively, per share of Minerals Stock. Dividends paid on the Convertible Preferred Stock in each of the first three months of 1999 and 1998 were $0.9 million. In May 1998, the Company reduced the dividend rate on Minerals Stock to 10.00 cents per year per share for shareholders as of the May 15, 1998 record date.

ACCOUNTING CHANGES

As of January 1, 1999, the Company adopted AICPA Statement of Position ("SOP") No. 98-5, "Reporting on the Costs of Start-Up Activities." SOP No. 98-5, which provides guidance on the reporting of start-up costs and organization costs, requires that such costs be expensed as incurred. The Company has determined that capitalized mine development costs for its gold and coal mining operations relate to acquiring and constructing long-lived assets and preparing them for their intended use. Accordingly, the adoption of SOP No. 98-5 had no material impact on the results of operations of the Company.

FORWARD LOOKING INFORMATION

Certain of the matters discussed herein, including statements regarding metallurgical coal market conditions, idle equipment and closed mine costs, review of capacity requirements, cost of long-term employee liabilities, expedition of mining permit approvals, projected capital spending, coal sales and the readiness for Year 2000, involve forward looking information which is subject to known and unknown risks, uncertainties, and contingencies which could cause actual results, performance or achievements, to differ materially from those which are anticipated. Such risks, uncertainties and contingencies, many of which are beyond the control of the Company, include, but are not limited to, overall economic and business conditions, the demand for the Company's products and services, pricing and other competitive factors in the industry, geological conditions, new government regulations and/or legislative initiatives, variations in costs or expenses, variations in the spot prices of coal, the ability of counterparties to perform, changes in the scope of improvements to information systems and Year 2000 initiatives, delays or problems in the implementation of Year 2000 initiatives by the Company and/or any public or private sector suppliers and service providers and customers, and delays or problems in the design and implementation of improvements to information systems.

PITTSTON BRINK'S GROUP
BALANCE SHEETS
(IN THOUSANDS)

	March 31 1999	December 31 1998
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 43,169	52,276
Short-term investments	1,842	1,767
Accounts receivable (net of estimated uncollectible amounts: 1999 - $13,782; 1998 - $14,222)	234,025	230,548
Receivable - Pittston Minerals Group	--	10,321
Inventories	11,396	9,466
Prepaid expenses and other current assets	32,943	19,011
Deferred income taxes	22,609	23,541
Total current assets	345,984	346,930
Property, plant and equipment, at cost (net of accumulated depreciation and amortization: 1999 - $316,075; 1998 - $318,382)	492,985	490,727
Intangibles, net of accumulated amortization	61,735	62,706
Deferred pension assets	26,986	28,818
Deferred income taxes	8,227	7,912
Other assets	37,669	39,911
Total assets	$ 973,586	977,004
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Short-term borrowings	$ 41,906	19,800
Current maturities of long-term debt	45,029	32,062
Accounts payable	50,743	59,608
Payable - Pittston Minerals Group	11	--
Accrued liabilities	192,725	195,082
Total current liabilities	330,414	306,552
Long-term debt, less current maturities	52,565	93,345
Postretirement benefits other than pensions	4,438	4,354
Workers' compensation and other claims	11,229	11,229
Deferred income taxes	53,366	53,876
Payable - Pittston Minerals Group	5,310	2,943
Other liabilities	19,020	18,071
Minority interests	27,169	25,224
Commitments and contingent liabilities		
Shareholder's equity	470,075	461,410
Total liabilities and shareholder's equity	$ 973,586	977,004

See accompanying notes to financial statements.

PITTSTON BRINK'S GROUP
STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
(Unaudited)

	Quarter Ended March 31 1999	1998
Operating revenues	$ 385,884	310,333
Costs and expenses:		
Operating expenses	298,463	233,432
Selling, general and administrative expenses	56,633	46,555
Total costs and expenses	355,096	279,987
Other operating income, net	1,416	986
Operating profit	32,204	31,332
Interest income	558	864
Interest expense	(5,882)	(3,815)
Other expense, net	(213)	(1,337)
Income before income taxes	26,667	27,044
Provision for income taxes	9,869	10,007
Net income	$ 16,798	17,037
Net income per common share:		
Basic	$ .43	.44
Diluted	.43	.44
Cash dividends per common share	$ .025	.025
Weighted average common shares outstanding:		
Basic	38,904	38,477
Diluted	39,106	39,081
Comprehensive income	$ 8,533	15,262

See accompanying notes to financial statements.

PITTSTON BRINK'S GROUP
STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(Unaudited)

	Quarter Ended March 31 1999	1998
Cash flows from operating activities:		
Net income	$ 16,798	17,037
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	24,342	17,278
Provision for deferred income taxes	1,453	966
Provision for pensions, noncurrent	1,791	385
Provision for uncollectible accounts receivable	1,555	1,525
Minority interest expense	259	1,777
Equity in earnings of unconsolidated affiliates, net of dividends received	(1,368)	(902)
Other operating, net	2,584	2,345
Change in operating assets and liabilities, net of effects of acquisitions and dispositions:		
Increase in accounts receivable	(871)	(11,792)
Increase in inventories	(1,815)	(3,058)
Increase in prepaid expenses and other current assets	(13,931)	(982)
Increase in other assets	(350)	(1,369)
(Decrease) increase in accounts payable and accrued liabilities	(12,283)	3,333
Increase (decrease) in other liabilities	4,278	(2,281)
Other, net	(99)	(1,383)
Net cash provided by operating activities	22,343	22,879
Cash flows from investing activities:		
Additions to property, plant and equipment	(37,953)	(31,866)
Proceeds from disposal of property, plant and equipment	1,008	77
Other, net	702	387
Net cash used by investing activities	(36,243)	(31,402)
Cash flows from financing activities:		
Increase in short-term borrowings	16,503	417
Additions to long-term debt	1,463	4,803
Reductions of long-term debt	(18,355)	(2,518)
Payments from Minerals Group	8,331	11,238
Proceeds from exercise of stock options	296	1,383
Dividends paid	(931)	(916)
Repurchase of common stock	(2,514)	(716)
Net cash provided by financing activities	4,793	13,691
Net (decrease) increase in cash and cash equivalents	(9,107)	5,168
Cash and cash equivalents at beginning of period	52,276	37,694
Cash and cash equivalents at end of period	$ 43,169	42,862

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 specifically identified with operations of a particular segment. The Brink's Group's financial statements are prepared using the amounts included in the Company's consolidated financial statements. Corporate allocations reflected in these financial statements are determined based upon methods which management believes to provide a reasonable and equitable allocation of such items.

The Company provides to holders of Pittston Brink's Group Common Stock ("Brink's Stock") separate financial statements, financial review, 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 common shareholders of the Company, which continues to be responsible for all its liabilities. Financial impacts arising from the Brink's Group, the Pittston BAX Group (the "BAX Group") or the Pittston Minerals Group (the "Minerals Group") that affect the Company's financial condition could therefore affect the results of operations and financial condition of each of the Groups. Since financial developments within one Group could affect other Groups, all shareholders of the Company could be adversely affected by an event directly impacting only one Group. Accordingly, the Company's consolidated financial statements must be read in connection with the Brink's Group's financial statements.

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial reporting and with applicable quarterly reporting regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and notes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Certain prior period amounts have been reclassified to conform to the current period's financial statement presentation. Operating results for the interim periods of 1999 are not necessarily indicative of the results that may be expected for the year ending December 31, 1999. For further information, refer to the consolidated financial statements and related notes included in the Company's annual report on Form 10-K for the year ended December 31, 1998.

(2) The following is a reconciliation between the calculation of basic and diluted net income per share:

Brink's Group	Quarter Ended March 31 1999	1998
Numerator:		
Net income - Basic and diluted net income per share numerator	$ 16,798	17,037
Denominator:		
Basic weighted average common shares outstanding	38,904	38,477
Effect of dilutive securities:		
Employee stock options	202	604
Diluted weighted average common shares outstanding	39,106	39,081

Options to purchase 774 shares of Brink's Stock, at prices between $27.25 and $39.56 per share were outstanding during the three months ended March 31, 1999, but were not included in the computation of diluted net income per share because the options' exercise price was greater than the average market price of the common shares and, therefore, the effect would be antidilutive.

(3) Depreciation and amortization of property, plant and equipment totaled $23,723 in the first quarter of 1999 compared to $16,941 in the first quarter of 1998.

(4) 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 by $1,061 for the first quarter of 1998. The effect of this change increased diluted net income per common share of the Brink's Group by $0.02 in the first quarter 1998.

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

	Quarter Ended March 31 1999	1998
Interest	$ 6,788	3,478
Income taxes	$ 2,690	1,279

During the first quarter of 1998, Brink's recorded the following noncash investing and financing activities in connection with the acquisition of substantially all of the remaining shares of its affiliate in France: the seller financing of the equivalent of US $27,500 and the assumption of borrowings of approximately US $19,000 and capital leases of approximately US $30,000.

(6) The cumulative impact of foreign currency translation deducted from shareholder's equity was $45,183 and $36,892 at March 31, 1999 and December 31, 1998, respectively.

(7) Under the share repurchase programs authorized by the Board of Directors, the Company purchased shares in the periods presented as follows:

(In thousands)		Quarter Ended March 31 1999	1998
Brink's Stock:			
Shares		100.0	--
Cost	$	2,514	--
Convertible Preferred Stock:			
Shares		83.9	0.4
Cost	$	20,980	146
Excess carrying amount (a)	$	19,201	23

(a) The excess of the carrying amount of the Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock") over the cash paid to holders for repurchases made during the periods. This amount is deducted from preferred dividends in the Company's Statement of Operations.

On March 12, 1999, the Board increased the remaining authority to purchase its Convertible Preferred Stock by $4,300. On March 15, 1999, the Company purchased 83.9 shares (or 839 depositary shares) of its Convertible Preferred Stock for $20,980. The Convertible Preferred Stock is convertible into Minerals Stock and has an annual dividend rate of $31.25 per share. Preferred dividends included on the Company's Statement of Operations for the quarter ended March 31, 1999 are net of the $19,201, which is the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to the holders of the Convertible Preferred Stock. The cash flow

requirements and proceeds and the costs of the Convertible Preferred Stock have been attributed to the Minerals Group.

At March 31, 1999, the Company had the remaining authority to purchase over time 900 shares of Brink's Stock and an additional $7,556 of its Convertible Preferred Stock. The remaining aggregate purchase cost limitation for all common stock was $22,184 at March 31, 1999.

(8) As of January 1, 1999, the Brink's Group adopted AICPA Statement of Position ("SOP") No. 98-5, "Reporting on the Costs of Start-Up Activities". SOP No. 98-5, which provides guidance on the reporting of start-up costs and organization costs, requires that such costs be expensed as incurred. The adoption of SOP No. 98-5 had no material impact on the results of operations of the Brink's Group.

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 flow 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 specifically identified with operations of a particular 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 provide a reasonable and equitable estimate of costs, assets and liabilities attributable to the Brink's Group.

The Company provides holders of the 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 its liabilities. Therefore, financial developments affecting the Brink's Group, the Pittston BAX Group (the "BAX Group") or the Pittston Minerals Group (the "Minerals Group") that affect the Company's financial condition could therefore affect the results of operations and financial condition of each of the Groups. Accordingly, the Company's consolidated financial statements must be read in connection with the Brink's Group's financial statements.

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

RESULTS OF OPERATIONS

(In thousands)		Quarter Ended March 31 1999	1998
Brink's:			
North America	$	137,438	129,367
Europe		110,587	49,813
Latin America		76,451	76,492
Asia/Pacific		6,287	6,251
Total Brink's		330,763	261,923
BHS		55,121	48,410
Total operating revenues	$	385,884	310,333
Operating profit:			
Brink's:			
North America	$	7,943	10,067
Europe		6,309	825
Latin America		8,568	10,677
Asia/Pacific		(2,837)	350
Total Brink's		19,983	21,919
BHS		14,004	13,502
Total segment operating profit		33,987	35,421
General corporate expense		(1,783)	(4,089)
Total operating profit	$	32,204	31,332

SELECTED FINANCIAL DATA

(In thousands)		Quarter Ended March 31 1999	1998
Depreciation and amortization:			
Brink's	$	12,321	8,419
BHS		11,959	8,802
General corporate		62	57
Total depreciation and amortization	$	24,342	17,278
Cash capital expenditures:			
Brink's	$	18,640	13,303
BHS		19,311	18,459
General corporate		2	104
Total cash capital expenditures	$	37,953	31,866

The Brink's Group's net income totaled $16.8 million ($0.43 per share) in the first quarter of 1999 compared with $17.0 million ($0.44 per share) in the first quarter of 1998. Operating profit for the 1999 first quarter increased to $32.2 million from $31.3 million in the first quarter of 1998. Revenues for the 1999 first quarter increased $75.6 million compared with the 1998 first quarter. Net interest expense during the first quarter of 1999 increased $2.4 million due largely to higher average interest rates attributable to foreign borrowings (principally in Venezuela) as well as higher average borrowings related to the acquisition of nearly all the remaining shares of Brink's affiliate in France.

BRINK'S

Brink's consolidated revenues totaled $330.8 million in the first quarter of 1999 compared with $261.9 million in the first quarter of 1998. The 26% revenue increase was more than offset by increases in total costs and expenses of $71.2 million (30%). Brink's operating profit of $20.0 million in the first quarter of 1999 represented a $1.9 million (9%) decrease versus the $21.9 million operating profit reported in the prior year quarter. The increase in revenue was attributable to operations in Europe and North America. Operating profit decreases in North America, Latin America and Asia/Pacific were partially offset by an increase in operating profit in Europe.

Revenues from North American operations (United States and Canada) increased $8.1 million (6%), to $137.4 million in the 1999 first quarter from $129.4 million in the prior year quarter. North American operating profit decreased $2.1 million to $7.9 million in the current year quarter. The decline in operating profit was primarily attributable to the increased information technology expenditures in North America to enhance Brink's capabilities in transportation of valuables, ATM servicing, money processing and air courier operations as well as to implement communication improvements. The revenue increase was from growth in armored car operations, which include ATM services.

Revenues and operating profit from European operations amounted to $110.6 million and $6.3 million, respectively, in the first quarter of 1999. These amounts represented increases of $60.8 million and $5.5 million from the comparable quarter of 1998. The increase in revenue was primarily due to the acquisition of nearly all the remaining shares of Brink's affiliate in France in the first quarter of 1998 as well as the acquisition of the remaining 50% interest of Brink's affiliate in Germany in the second quarter of 1998. The operating profit increase was primarily due to the improved results from operations in France as well as the increased ownership position. There were also improvements in several other countries, including Belgium which was negatively impacted during the first quarter of 1998 by industry-wide labor unrest.

In Latin America, revenues were flat on a US dollar basis as increased local currency revenues were largely offset by the effects of a stronger US dollar. Operating profits of $8.6 million for the first quarter of 1999 were $2.1 million lower than the $10.7 million operating profits achieved in the comparable 1998 quarter largely due to weaker business conditions in Latin America, particularly Venezuela, Colombia and Chile. Operating profits improved slightly in Brazil and the 20% owned Mexican affiliate posted solid equity earnings versus an equity loss in the same quarter last year. Latin American business operations have strengthened over the soft fourth

quarter 1998 results with improvements in a number of countries as measures were implemented in response to the weak business conditions in that region.

Revenues from Asia/Pacific operations of $6.3 million were relatively unchanged from the first quarter of 1998. Operating loss from Asia/Pacific subsidiaries and affiliates in the first quarter of 1999 was $2.8 million, compared to operating profit of $0.4 million in the prior year quarter. The operating loss was primarily due to expenses associated with the expansion of operations in Australia and, to a lesser extent, general economic weakness in the Asia/Pacific region.

BHS

Selected financial data for BHS on a comparative basis:

(Dollars in thousands)		Quarter Ended March 31 1999	1998
Monitoring and service	$	19,013	17,182
Net marketing, sales and installation		(5,009)	(3,680)
Operating profit	$	14,004	13,502
Monthly recurring revenues (a)	$	15,555	13,369
Number of subscribers:			
Beginning of period		585,565	511,532
Installations		26,851	26,750
Disconnects		(11,773)	(9,675)
End of period		600,643	528,607

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

Revenues for BHS increased by 14% in the first quarter of 1999 compared to the 1998 quarter. This increase in revenues was due to higher ongoing monitoring and service revenues, reflecting a 14% increase in the subscriber base as well as slightly higher average monitoring fees. As a result of such growth, monthly recurring revenues at March 31, 1999 grew 16% versus those as measured at March 31, 1998.

Operating profit in the first quarter of 1999 increased $0.5 million (4%) compared to the 1998 first quarter. Operating profit was favorably impacted by increases generated from monitoring and service activities of $1.8 million (11%) for the first quarter 1999. This improvement over the prior year quarter was due to the growth in the subscriber base combined with the higher average monitoring fees, offset in part by an increase in disconnect expense. Growth in overall operating profit was negatively affected by the up-front net cost of marketing, sales and installation related to gaining new subscribers which increased $1.3 million during the first quarter of 1999, as compared to the first quarter of 1998. This increase in up-front net cost in the quarter was due to higher levels of sales and marketing costs incurred and expensed.

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 three month period ended March 31, 1998 by $1.1 million. The effect of this change increased diluted net income per common share of the Brink's Group by $0.02 in the first quarter of 1998.

FOREIGN OPERATIONS

A portion of the Brink's Group financial results is derived from activities in a number of foreign countries located in Europe, Asia and Latin America, each with a local currency other than the US dollar. Because the financial results of the Brink's Group are reported in US dollars, they are affected by changes in the value of the various foreign currencies in relation to the US dollar. Changes in exchange rates may also adversely affect transactions which are denominated in currencies other than the functional currency. Brink's periodically

enters into such transactions in the course of its business. The diversity of foreign operations helps to mitigate a portion of the impact that foreign currency fluctuations may have in any one country on the translated results. Brink's, from time to time, uses foreign currency forward contracts to hedge transactional risks associated with foreign currencies. Translation adjustments of net monetary assets and liabilities denominated in the local currency relating to operations in countries with highly inflationary economies are included in net income, along with all transaction gains or losses for the period. The economy in Venezuela, where the Brink's Group has a subsidiary, is considered highly inflationary.

The Brink's Group is also subject to other risks customarily associated with doing business in foreign countries, including labor and economic conditions, political instability, controls on repatriation of earnings and capital, nationalization, expropriation and other forms of restrictive action by local governments. The future effects, if any, of such risks on the 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 upon utilization and other methods and criteria which management believes result in an equitable and reasonable estimate of the cost attributable to the Brink's Group. These attributions were $1.8 million in the first quarter of 1999 and $4.1 million in the first quarter of 1998. Corporate expenses in the first quarter of 1998 include additional expenses of approximately $5.8 million related to a retirement agreement between the Company and its former Chairman and CEO. Approximately $2.0 million of this $5.8 million of expenses were attributed to the Brink's Group.

OTHER OPERATING INCOME, NET

Other operating income, net consists primarily of net equity earnings of Brink's foreign affiliates. These net equity earnings amounted to income of $1.4 million and $0.9 million for the first quarters of 1999 and 1998, respectively. The improvement in net equity earnings in the first quarter of 1999 is primarily due to the level of equity earnings of Brink's 20% owned affiliate in Mexico, as compared to equity losses of this affiliate in the 1998 quarter. Due to the acquisition of the remaining shares of Brink's affiliate in France in the first quarter of 1998, equity earnings in the 1998 first quarter only included two months of the results of this now consolidated subsidiary.

INTEREST EXPENSE, NET

Interest expense, net increased $2.4 million to $5.3 million during the quarter ended March 31, 1999 over the prior year. This increase is predominantly due to unusually high interest rates in Venezuela associated with local currency borrowings in that country, and to a lesser extent, higher average borrowings related to acquisitions in 1998 in France and Germany.

OTHER EXPENSE, NET

Other expense, net which principally included foreign translation gains and losses and minority interest expense or income, improved $1.1 million versus the first quarter of 1998. The 1999 period reflected lower minority ownership expense partially offset by lower translation gains.

INCOME TAXES

In both the 1999 and 1998 periods presented, the provision for income taxes exceeded the statutory federal income tax rate of 35% due to provisions for state income taxes, 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 Brink's Group based upon utilization of the shared services from which assets and liabilities are generated. Management believes this attribution to provide a reasonable and equitable estimate of the assets and liabilities attributable to the Brink's Group.

CASH FLOW REQUIREMENTS
Cash provided by operating activities for the first quarter of 1999 totaled $22.3 million compared to the first quarter of 1998, which provided cash from operating activities of $22.9 million. The increase in cash earnings was largely offset by higher working capital requirements.

INVESTING ACTIVITIES
Cash capital expenditures for the first quarter of 1999 totaled $37.9 million, of which $19.3 million was spent by BHS and $18.6 million was spent by Brink's. Expenditures incurred by BHS were primarily for customer installations, representing the expansion of the subscriber base, while expenditures incurred by Brink's were primarily for expansion, replacement or maintenance of assets used in ongoing business operations. Capital expenditures for Brink's were primarily funded through cash provided by operating activities as well as cash on hand. For the remainder of 1999, cash capital expenditures are expected to range between $125 million and $130 million. The foregoing amounts exclude expenditures that have been or are expected to be financed through capital leases or acquisition expenditures.

FINANCING
The Brink's Group intends to fund cash capital expenditures through cash flow from operating activities. Shortfalls, if any, will be financed through the Company's revolving credit agreements, other borrowing arrangements or repayments from the Minerals Group (as described under "Related Party Transactions").

The Company has a $350.0 million credit agreement with a syndicate of banks (the "Facility"). The Facility includes a $100.0 million term loan and permits additional borrowings, repayments and reborrowings of up to an aggregate of $250.0 million. As of March 31, 1999 and December 31, 1998, borrowings of $100.0 million were outstanding under the term loan and $130.5 million and $91.6 million, respectively, of additional borrowings were outstanding under the revolving portion of the Facility. No portion of the total amount outstanding under the Facility at March 31, 1999 or at December 31, 1998 was attributed to the Brink's Group.

RELATED PARTY TRANSACTIONS
At March 31, 1999, under an interest bearing borrowing arrangement, the Minerals Group owed the Brink's Group $12.0 million, a decrease of $8.3 million from the $20.3 million owed at December 31, 1998. At March 31, 1999, the Brink's Group owed the Minerals Group $17.3 million compared to the $12.9 million owed at December 31, 1998 for tax payments representing Minerals Group tax benefits utilized by the Brink's Group in accordance with the Company's tax sharing policy, of which $12.0 million is expected to be paid within one year.

MARKET RISKS AND HEDGING AND DERIVATIVE ACTIVITIES
The Brink's Group has activities in a number of foreign countries throughout the world. Operations within these countries expose the Brink's Group to a variety of market risks, including the effects of changes in foreign currency exchange rates and interest rates. These financial exposures are monitored and managed by the company as an integral part of its overall risk management program. The diversity of foreign operations helps to mitigate a portion of the impact that foreign currency rate fluctuations may have in any one country on the translated results. The Brink's Group risk management program considers this favorable diversification effect as it measures the Brink's Group exposure to financial markets and as appropriate, seeks to reduce the potentially adverse effects that the volatility of certain markets may have on its operating results. The Brink's Group has not had any material change in its market risk exposures since December 31, 1998.

READINESS FOR YEAR 2000: SUMMARY
The Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. If not corrected, many date-sensitive applications could fail or create erroneous results by or in the year 2000. The Brink's Group understands the importance of having systems and equipment operational through the year 2000 and beyond and is committed to addressing these challenges while continuing to fulfill its business obligations to its customers and business partners. Both BHS and Brink's have established Year 2000 Project Teams intended to make their information technology assets, including embedded microprocessors ("IT assets"), non-IT assets, products, services and infrastructure Year 2000 compliant.

READINESS FOR YEAR 2000: STATE OF READINESS

Brink's

The Brink's Year 2000 Project Team has divided its Year 2000 readiness program into six phases: (i) inventory, (ii) assessment, (iii) renovation, (iv) validation/testing, (v) implementation and (vi) integration. Worldwide, Brink's is largely in the renovation, validation/testing and implementation phases of its Year 2000 readiness program.

Brink's North America

With respect to Brink's North America operations, all core IT systems have been identified, renovation has taken place and the Year 2000 project is currently in both the implementation and integration phases. The implementation phase of the core operational systems is expected to be substantially completed by the second quarter of 1999. Non-IT systems, including armored vehicles, closed circuit televisions, videocassette recorders and certain currency processing equipment, are in the assessment phase and certain renovation/replacement has been done. The renovation and validation phases for non-IT systems are expected to continue through the second quarter of 1999. As of March 31, 1999, most of Brink's North America IT systems have been tested and validated as Year 2000 ready. Brink's believes that all its IT and non-IT systems will be Year 2000 compliant or that there will be no material adverse effect on operations or financial results due to non-compliance.

Brink's International

All international affiliates have been provided with an implementation plan, prepared by the Global Year 2000 Project Team. In addition, there is senior management sponsorship in all international countries. The implementation plan requires semi-monthly reports as to the status of each category in each country. The categories include core systems, non-core systems, hardware, facilities, special equipment, voice/data systems, etc. Countries in Europe, Latin America and Asia/Pacific are in varying phases of the Year 2000 readiness program. In Europe, core systems have been identified, some are in the remediation and validation/testing phase, with others currently in the implementation and integration phase. In both Latin America and Asia/Pacific, most countries are currently in active renovation with several completing testing and implementation on core systems. Brink's plans to have completed all phases of its Year 2000 readiness program on a timely basis prior to Year 2000.

BHS

The BHS Year 2000 Project Team has divided its Year 2000 readiness program into four phases: (i) assessment, (ii) remediation/replacement, (iii) testing and (iv) integration. As of March 31, 1999, BHS has completed the assessment and remediation/replacement phases. BHS is currently in both the testing and integration phases. BHS plans to have completed all phases of its Year 2000 readiness program on a timely basis prior to Year 2000. As of March 31, 1999, at least 90% of BHS' IT and non-IT assets systems had been tested and verified as Year 2000 ready.

Brink's Group

As part of their Year 2000 projects, both BHS and Brink's North America have sent comprehensive questionnaires to significant suppliers, and others with which they do business, regarding their Year 2000 compliance and both are in the process of identifying significant problem areas with respect to these business partners. Brink's International operations also have programs in place. The Brink's Group is relying on such third parties' representations regarding their own readiness for Year 2000. This process will be ongoing and efforts with respect to specific problems identified will depend in part upon the assessment of the risk that any such problems may have a material adverse impact on operations.

Further, the Brink's Group relies upon government agencies (US and foreign), utility companies, telecommunication service companies and other service providers outside of its control. As with most companies, the companies of the Brink's Group are vulnerable to significant suppliers', customers' and other third parties' inability to remedy their own Year 2000 issues. As the Brink's Group cannot control the conduct of its suppliers or other third parties, there can be no guarantee that Year 2000 problems originating with a supplier or other third party will not occur.

READINESS FOR YEAR 2000: COSTS TO ADDRESS

The Brink's Group anticipates incurring remediation and acceleration costs for its Year 2000 readiness program. Remediation includes identification, assessment, remediation and testing phases of its Year 2000 readiness program. Remediation costs include the costs of modifying existing software and hardware as well as purchases that replace existing hardware and software that is not Year 2000 ready. Most of these costs will be incurred by Brink's. Acceleration costs include costs to purchase and/or develop and implement certain information technology systems whose implementation have been accelerated as a result of the Year 2000 readiness issue. Again, most of these costs will be incurred by Brink's but were included in the normal budget cycle. Brink's does not separately track the internal costs incurred for Year 2000, but these costs are principally the related payroll for the information systems group and are also included in the normal budget cycle. Additional IT initiatives, unrelated to Year 2000, are continuing.

Total anticipated remediation and acceleration costs are detailed in the table below:

(Dollars in millions)

ACCELERATION		Capital	Expense	Total
Total anticipated Year 2000 costs	$	4.0	0.8	4.8
Incurred through March 31, 1999		2.1	0.4	2.5
Remainder	$	1.9	0.4	2.3

REMEDIATION		Capital	Expense	Total
Total anticipated Year 2000 costs	$	10.0	3.6	13.6
Incurred through March 31, 1999		6.1	1.5	7.6
Remainder	$	3.9	2.1	6.0

TOTAL		Capital	Expense	Total
Total anticipated Year 2000 costs	$	14.0	4.4	18.4
Incurred through March 31, 1999		8.2	1.9	10.1
Remainder	$	5.8	2.5	8.3

READINESS FOR YEAR 2000: THE RISKS OF THE YEAR 2000 ISSUE

The failure to correct a material Year 2000 problem could result in an interruption in, or a failure of, certain normal business activities or operations. Such failures could materially and adversely affect results of operations, liquidity and financial condition of the Brink's Group.

Brink's believes its most reasonably likely worst case scenario is that it will experience a number of minor system malfunctions and errors in the early days and weeks of the Year 2000 that were not detected during its renovation and testing efforts. Brink's currently believes that these problems will not be overwhelming and are not likely to have a material effect on the company's operations or financial results. Brink's may experience some additional personnel expenses related to Year 2000 failures, but such expenses are not expected to be material. As noted above, the Brink's Group is vulnerable to significant suppliers', customers' and other third parties inability to remedy their own Year 2000 issues. As the Brink's Group cannot control the conduct of its suppliers or other third parties, there can be no guarantee that Year 2000 problems originating with a supplier, customer or other third party will not occur. However, Brink's program of communication with major third parties with whom they do business is intended to minimize any potential risks related to third party failures.

BHS has begun an analysis of the operational problems and costs that would be reasonably likely to result from the failure by BHS and certain third parties to complete efforts necessary to achieve Year 2000 readiness on a timely basis. BHS believes its most reasonably likely worst case scenario is that its ability to receive alarm signals from some or all of its customers may be disrupted due to temporary regional service outages sustained by third party electric utilities, local telephone companies, and/or long distance telephone service providers. Such outages could occur regionally, affecting clusters of customers, or could occur at BHS's principal monitoring facility, possibly affecting the ability to provide service to all customers. BHS currently

believes that the consequences of these problems will not be overwhelming and are not likely to have a material effect on the company's operations or financial results.

READINESS FOR YEAR 2000: CONTINGENCY PLAN
A contingency planning document, which was developed with the assistance of an external facilitator, has been finalized for Brink's North American operations. Brink's provides a number of different services to its customers and each type of service line was reviewed during the contingency planning sessions. This contingency planning document addresses the issue of what Brink's response would be should a system/device fail, as well as what preparations and actions are required beforehand to ensure continuity of services if those identified systems failed. This includes, in some cases, reverting to paper processes to track and handle packages, additional staff if required and increased supervisory presence. Brink's may experience some additional personnel expenses related to any Year 2000 failures, but they are not expected to be material. This contingency planning document was made available to Brink's International operations to use as a guidance in developing appropriate contingency plans at each of their locations and for the specific services they provide to their customers.

BHS has begun to develop a contingency plan for dealing with the most reasonably likely worst case scenario. This contingency planning document will address the issue of what BHS's response would be should it sustain a service outage encountered by the third party electric utility, local telephone company, and/or primary long distance telephone service provider at its principal monitoring facility. This includes, among other things, the testing of redundant system connectivity routed through multiple switching stations of the local telephone company, and testing of backup electric generators at both BHS's principal and backup monitoring facilities.

READINESS FOR YEAR 2000: FORWARD LOOKING INFORMATION
This discussion of the Brink's Group companies' readiness for Year 2000, including statements regarding anticipated completion dates for various phases of the Brink's Group's Year 2000 project, estimated costs for Year 2000 readiness, the determination of likely worst case scenarios, actions to be taken in the event of such worst case scenarios and the impact on the Brink's Group of any delays or problems in the implementation of Year 2000 initiatives by the Brink's Group and/or any public or private sector suppliers and service providers and customers involve forward looking information which is subject to known and unknown risks, uncertainties, and contingencies which could cause actual results, performance or achievements, to differ materially for those which are anticipated. Such risks, uncertainties and contingencies, many of which are beyond the control of the Brink's Group, include, but are not limited to, government regulations and/or legislative initiatives, variations in costs or expenses relating to the implementation of Year 2000 initiatives, changes in the scope of improvements to Year 2000 initiatives and delays or problems in the implementation of Year 2000 initiatives by the Brink's Group and/or any public or private sector suppliers and service providers and customers.

CAPITALIZATION
The Company has three classes of common stock: Brink's Stock, Pittston BAX Group Common Stock ("BAX Stock") and Pittston Minerals Group Common Stock ("Minerals Stock") which were designed to provide shareholders with separate securities reflecting the performance of the Brink's Group, BAX 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 BAX Group consists of the BAX Global Inc. ("BAX Global") operations of the Company. The Minerals Group consists of the Pittston Coal Company ("Pittston Coal") and Pittston Mineral Ventures ("Mineral Ventures") operations of the Company. The Company prepares separate financial statements for the Brink's, BAX and Minerals Groups, in addition to consolidated financial information of the Company.

Under the share repurchase programs authorized by the Board of Directors (the "Board"), the Company purchased the following shares in the periods presented:

(Dollars in millions, shares in thousands)		Quarter Ended March 31 1999	1998
Brink's Stock:			
Shares		100.0	--
Cost	$	2.5	--
Convertible Preferred Stock:			
Shares		83.9	0.4
Cost	$	21.0	0.1
Excess carrying amount (a)	$	19.2	0.0

(a) The excess of the carrying amount of the Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock") over the cash paid to holders for repurchases made during the periods. This amount is deducted from preferred dividends in the Company's Statement of Operations.

On March 12, 1999, the Board increased the remaining authority to purchase its Convertible Preferred Stock by $4.3 million. On March 15, 1999, the Company purchased .08 million shares (or .8 million depositary shares) of its Convertible Preferred Stock for $21.0 million. The Convertible Preferred Stock is convertible into Minerals Stock and has an annual dividend rate of $31.25 per share. Preferred dividends included on the Company's Statement of Operations for the quarter ended March 31, 1999 are net of the $19.2 million, which is the excess of the carrying amount over the cash paid to the holders of the Convertible Preferred Stock. The cash flow requirements and proceeds and the costs of the Convertible Preferred Stock have been attributed to the Minerals Group.

As of March 31, 1999, the Company had the remaining authority to purchase over time 0.9 million shares of Brink's Stock and an additional $7.6 million of its Convertible Preferred Stock. The remaining aggregate purchase cost limitation for all common stock was $22.2 million as of March 31, 1999.

DIVIDENDS

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

During the first three months of 1999 and 1998, the Board declared and the Company paid cash dividends of 2.50 cents per share of Brink's Stock. Dividends paid on the Convertible Preferred Stock in each of the first quarters of 1999 and 1998 were $0.9 million.

ACCOUNTING CHANGES

As of January 1, 1999, the Brink's Group adopted AICPA Statement of Position ("SOP") No. 98-5, "Reporting on the Costs of Start-up Activities". SOP No. 98-5, which provides guidance on the reporting of start-up costs and organization costs, requires that such costs be expensed as incurred. The adoption of SOP No. 98-5 had no material impact on the results of operations of the Brink's Group.

FORWARD LOOKING INFORMATION

Certain of the matters discussed herein, including statements regarding the readiness for Year 2000, repayment of borrowings from the Minerals Group and projected capital spending, involve forward looking information which is subject to known and unknown risks, uncertainties, and contingencies which could cause actual results, performance or achievements to differ materially from those which are anticipated. Such risks, uncertainties and contingencies, many of which are beyond the control of the Brink's Group and the Company, 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, variations in costs or expenses, cash flow of the Minerals Group, changes in the scope of Year 2000 initiatives, and delays or problems in the implementation of Year 2000 by the Brink's Group and/or any public or private sector suppliers, service providers and customers.

PITTSTON BAX GROUP
BALANCE SHEETS
(IN THOUSANDS)

	March 31 1999	December 31 1998
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 33,455	30,676
Accounts receivable (net of estimated uncollectible amounts: 1999 - $15,515; 1998 - $15,625)	275,571	285,485
Inventories	4,156	4,560
Prepaid expenses and other current assets	10,682	7,789
Deferred income taxes	8,659	9,090
Total current assets	332,523	337,600
Property, plant and equipment, at cost (net of accumulated depreciation and amortization: 1999 - $101,271; 1998 - $95,409)	208,634	205,371
Intangibles, net of accumulated amortization	177,216	177,969
Deferred pension assets	6,137	3,785
Deferred income taxes	33,216	33,377
Other assets	16,228	17,196
Total assets	$ 773,954	775,298
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Short-term borrowings	$ 44,547	38,749
Current maturities of long-term debt	3,727	3,965
Accounts payable	189,742	190,746
Payable - Pittston Minerals Group	9,000	7,000
Accrued liabilities	95,498	105,481
Total current liabilities	342,514	345,941
Long-term debt, less current maturities	94,067	98,191
Postretirement benefits other than pensions	4,086	3,954
Deferred income taxes	1,977	1,624
Payable - Pittston Minerals Group	13,833	13,355
Other liabilities	16,032	11,963
Commitments and contingent liabilities		
Shareholder's equity	301,445	300,270
Total liabilities and shareholder's equity	$ 773,954	775,298

See accompanying notes to financial statements.

PITTSTON BAX GROUP
STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
(Unaudited)

		Quarter Ended March 31 1999	1998
Operating revenues	$	460,249	402,433
Costs and expenses:			
Operating expenses		414,421	362,339
Selling, general and administrative expenses		43,547	43,614
Total costs and expenses		457,968	405,953
Other operating income (expense), net		377	(133)
Operating profit (loss)		2,658	(3,653)
Interest income		318	259
Interest expense		(2,152)	(1,218)
Other expense, net		(157)	(98)
Income (loss) before income taxes		667	(4,710)
Provision (credit) for income taxes		246	(1,744)
Net income (loss)	$	421	(2,966)
Net income (loss) per common share:			
Basic	$	.02	(.15)
Diluted		.02	(.15)
Cash dividends per common share	$	.06	.06
Weighted average common shares outstanding:			
Basic		19,036	19,477
Diluted		19,051	19,477
Comprehensive income (loss)	$	631	(2,566)

See accompanying notes to financial statements.

PITTSTON BAX GROUP
STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(Unaudited)

	Quarter Ended March 31 1999	1998
Cash flows from operating activities:		
Net income (loss)	$ 421	(2,966)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	9,653	7,667
Provision for aircraft heavy maintenance	11,719	8,733
Credit for deferred income taxes	(82)	(463)
Provision (credit) for pensions, noncurrent	1,588	(24)
Provision for uncollectible accounts receivable	1,214	1,110
Other operating, net	1,338	1,317
Change in operating assets and liabilities, net of effects of acquisitions and dispositions:		
Decrease in accounts receivable	17,344	15,903
Decrease (increase) in inventories	404	(142)
Increase in prepaid expenses and other current assets	(1,858)	(1,928)
(Increase) decrease in other assets	(1,699)	583
Decrease in accounts payable and accrued liabilities	(12,648)	(9,795)
Increase (decrease) in other liabilities	970	(1,108)
Other, net	891	(1,444)
Net cash provided by operating activities	29,255	17,443
Cash flows from investing activities:		
Additions to property, plant and equipment	(14,044)	(24,379)
Proceeds from disposal of property, plant and equipment	46	115
Aircraft heavy maintenance expenditures	(14,908)	(9,659)
Other, net	21	(2,406)
Net cash used by investing activities	(28,885)	(36,329)
Cash flows from financing activities:		
Increase in short-term borrowings	5,079	4,497
Additions to long-term debt	4,381	20,844
Reductions of long-term debt	(6,016)	(3,960)
Proceeds from exercise of stock options	41	905
Dividends paid	(1,076)	(1,106)
Repurchase of common stock	--	(3,514)
Net cash provided by financing activities	2,409	17,666
Net increase (decrease) in cash and cash equivalents	2,779	(1,220)
Cash and cash equivalents at beginning of period	30,676	28,790
Cash and cash equivalents at end of period	$ 33,455	27,570

See accompanying notes to financial statements.

PITTSTON BAX GROUP
NOTES TO FINANCIAL STATEMENTS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
(Unaudited)

(1) The financial statements of the Pittston BAX Group (the "BAX Group") include the balance sheets, results of operations and cash flows of the BAX Global Inc. ("BAX Global") operations of The Pittston Company (the "Company"), and a portion of the Company's corporate assets and liabilities and related transactions which are not specifically identified with operations of a particular segment. The BAX Group's financial statements are prepared using the amounts included in the Company's consolidated financial statements. Corporate allocations reflected in these financial statements are determined based upon methods which management believes to provide a reasonable and equitable allocation of such items.

The Company provides to holders of Pittston BAX Group Common Stock ("BAX Stock") separate financial statements, financial reviews, descriptions of business and other relevant information for the BAX Group, in addition to consolidated financial information of the Company. Holders of BAX Stock are shareholders of the Company, which is responsible for all its liabilities. Financial impacts arising from the Pittston Brink's Group (the "Brink's Group") the BAX Group or the Pittston Minerals Group (the "Minerals Group") that affect the Company's financial condition could therefore affect the results of operations and financial condition of each of the Groups. Since financial developments within one Group could affect other Groups, all shareholders of the company could be adversely affected by an event directly impacting only one Group. Accordingly, the Company's consolidated financial statements must be read in connection with the BAX Group's financial statements.

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial reporting and with applicable quarterly reporting regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and notes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Certain prior period amounts have been reclassified to conform to the current period's financial statement presentation. Operating results for the interim periods of 1999 are not necessarily indicative of the results that may be expected for the year ending December 31, 1999. For further information, refer to the consolidated financial statements and related notes included in the Company's annual report on Form 10-K for the year ended December 31, 1998.

(2) The following is a reconciliation between the calculation of basic and diluted net income (loss) per share:

BAX Group	Quarter Ended March 31 1999	1998
Numerator:		
Net income (loss) - Basic and diluted net income (loss) per share numerator	$ 421	(2,966)
Denominator:		
Basic weighted average common shares outstanding	19,036	19,477
Effect of dilutive securities:		
Employee stock options	15	--
Diluted weighted average common shares outstanding	$ 19,051	19,477

Options to purchase 2,047 shares of BAX Stock, at prices between $9.13 and $27.91 per share, were outstanding during the three months ended March 31, 1999, but were not included in the computation

of diluted net income per share because the options' exercise price was greater than the average market price of the common shares, and, therefore, the effect would be antidilutive.

Options to purchase 2,366 shares of BAX Stock at prices between $5.78 and $27.91 per share were outstanding during the three months ended March 31, 1998, but were not included in the computation of diluted net loss per share because the effect of all options would be antidilutive.

(3) Depreciation and amortization of property, plant and equipment totaled $7,766 in the first quarter of 1999 compared to $6,006 in the first quarter of 1998.

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

	Quarter Ended March 31 1999	1998
Interest	$ 2,038	826
Income taxes	$ 1,848	3,746

(5) The cumulative impact of foreign currency translation deducted from shareholder's equity was $9,056 and $8,076 at March 31, 1999 and December 31, 1998, respectively.

The cumulative impact of cash flow hedges deducted from shareholder's equity were $127 and $1,289 at March 31, 1999 and December 31, 1998, respectively.

(6) Under the share repurchase programs authorized by the Board of Directors, the Company purchased shares in the periods presented as follows:

(In thousands)	Quarter Ended March 31 1999	1998
BAX Stock:		
Shares	--	177.5
Cost	$ --	3,505
Convertible Preferred Stock:		
Shares	83.9	0.4
Cost	$ 20,980	146
Excess carrying amount (a)	$ 19,201	23

(a) The excess of the carrying amount of the Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock") over the cash paid to holders for repurchases made during the periods. This amount is deducted from preferred dividends in the Company's Statement of Operations.

On March 12, 1999, the Board increased the remaining authority to purchase its Convertible Preferred Stock by $4,300. On March 15, 1999, the Company purchased 83.9 shares (or 839 depositary shares) of its Convertible Preferred Stock for $20,980. The Convertible Preferred Stock is convertible into Minerals Stock and has an annual dividend rate of $31.25 per share. Preferred dividends included on the Company's Statement of Operations for the quarter ended March 31, 1999 are net of the $19,201, which is the excess of the carrying amount over the cash paid to the holders of the Convertible Preferred Stock. The cash flow requirements and proceeds and the costs of the Convertible Preferred Stock have been attributed to the Minerals Group.

At March 31, 1999, the Company had the remaining authority to purchase over time 1,465 shares of BAX Stock and an additional $7,556 of its Convertible Preferred Stock. The remaining aggregate purchase cost limitation for all common stock was $22,184 at March 31, 1999.

(7) As of January 1, 1999, the BAX Group adopted AICPA Statement of Position ("SOP") No. 98-5, "Reporting on the Costs of Start-Up Activities". SOP No. 98-5, which provides guidance on the reporting of

start-up costs and organization costs, requires that such costs be expensed as incurred. The adoption of SOP No. 98-5 had no material impact on the results of operations of the BAX Group.

PITTSTON BAX GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS
AND FINANCIAL CONDITION

The financial statements of the Pittston BAX Group (the "BAX Group") include the balance sheets, results of operations and cash flows of BAX Global Inc. ("BAX Global") 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 BAX 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 provide a reasonable and equitable estimate of the costs attributable to the BAX Group.

The Company provides holders of Pittston BAX Group Common Stock ("BAX Stock") separate financial statements, financial reviews, descriptions of business and other relevant information for the BAX Group in addition to consolidated financial information of the Company. Holders of BAX Stock are shareholders of the Company, which continues to be responsible for all liabilities. Therefore, financial developments affecting the BAX 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 BAX Group's financial statements.

The following discussion is a summary of the key factors management considers necessary in reviewing the BAX 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 BAX Group and the Company.

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

RESULTS OF OPERATIONS

(In thousands)		Quarter Ended March 31 1999	1998
BAX Global:			
Operating revenues:			
Americas		278,252	273,515
Atlantic		85,412	76,829
Pacific		110,250	58,688
Eliminations/Other		(13,665)	(6,599)
Total operating revenues	$	460,249	402,433
BAX Global:			
Operating profit (loss):			
Americas (a)		11,196	8,785
Atlantic		1,522	1,133
Pacific		5,272	3,388
Other (a)		(13,549)	(12,876)
Segment operating profit (loss)		4,441	430
General corporate expense		(1,783)	(4,083)
Total operating profit (loss)	$	2,658	(3,653)

(a) Global overhead costs have been reallocated between the Americas and Other in 1999 to more accurately reflect the global services provided and to be consistent with new performance measurements. Prior years' operating profit (loss) for the Americas region and Other have been reclassified to conform to the current year's classification.

SELECTED FINANCIAL DATA

(In thousands)		Quarter Ended March 31 1999	1998
Depreciation and amortization:			
BAX Global	$	9,591	7,609
General corporate		62	58
Total depreciation and amortization		9,653	7,667
Cash capital expenditures:			
BAX Global		14,042	24,275
General corporate		2	104
Total cash capital expenditures	$	14,044	24,379

BAX Global operates in three geographic regions: the Americas, which includes the domestic and export business of the United States ("US"), Latin America and Canada; the Atlantic which includes Europe and Africa; and the Pacific which includes Asia and Australia. Each region provides both expedited and non-expedited freight services. Revenues and profits on expedited freight services are shared among the origin and destination countries on all export volumes. Accordingly, the US, as the largest exporter, significantly impacts the trend of results in worldwide expedited freight services. Non-expedited freight services primarily includes supply chain management and ocean freight services. In addition, BAX Global operates a federally certificated airline, Air Transport International ("ATI"). ATI's results, net of intercompany eliminations, are included in the Americas region. Eliminations/other revenues primarily include intercompany revenue eliminations on shared services. Other operating loss primarily consists of global support costs including global IT costs and goodwill amortization.

In the first quarter of 1999, the BAX Group reported net income of $0.4 million ($0.02 per share) as compared to net loss of $3.0 million ($0.15 per share) in the first quarter of 1998. Revenues increased by 14% compared with the 1998 first quarter, to $460.2 million. Operating expenses and selling, general and administrative expenses for the 1999 first quarter increased $52.0 million (13%) compared with the same quarter last year.

BAX GLOBAL

Selected financial data for BAX Global on a comparative basis:

		Quarter Ended March 31 1999	1998
Revenues by line of business:			
Expedited freight services	$	387,754	353,850
Non-expedited freight services		72,495	48,583
Total revenues		460,249	402,433
Worldwide expedited freight services:			
Weight (millions of pounds)		414.3	381.5
Shipments (thousands)		1,199	1,290
Expedited freight services average:			
Yield (revenue per pound)	$	0.936	0.928
Revenue per shipment	$	323	274
Weight per shipment (pounds)		346	296

BAX Global's worldwide operating revenues increased 14% to $460.2 million in the first quarter of 1999 as compared to $402.4 million in the first quarter of 1998, with increases in all geographic regions. In the current quarter BAX Global reported an operating profit of $4.4 million as compared to $0.4 million reported in the first quarter of 1998. The operating profit in the first quarter of 1999 included the benefit of $1.6 million of incentive accruals related to 1998 which will not be paid as a result of a management decision made during the first quarter of 1999.

Revenues and operating profit in the Americas increased $4.7 million (2%) and $2.4 million (27%) in the three months ended March 31, 1999 as compared to the same period in 1998. Operating profit in the Americas region included the benefit of approximately $0.3 million related to the aforementioned excess incentive compensation accruals. The increase in revenue was primarily due to the inclusion of revenues from ATI which was acquired in April 1998, offset by decreases in expedited freight services revenues in the US as well as decreases in US export revenues resulting from lower traffic to higher-yielding Asian markets. Expedited freight service revenues within the US decreased as lower volumes were partially offset by higher average yields. Higher average pricing in 1999 benefited from the introduction of the higher yielding "Emergency Response" product in the US in the third quarter of 1998. These increases were partially offset by a loss from ATI reflecting lower volumes due to seasonality as well as higher aircraft crew and maintenance costs. In addition, US transportation costs in the first quarter of 1998 were negatively impacted by service disruptions due to weather delays and equipment problems.

Revenues and operating profit in the Atlantic region increased $8.6 million (11%) and $0.4 million (34%), respectively, in the three months ended March 31, 1999 as compared to the same 1998 period. The increase in revenue was primarily due to an increase in volumes in the first quarter of 1999 as a result of a stronger US economy and higher import revenues, which benefited from the award of new contracts in the Pacific. Operating profit reflected the benefit of the aforementioned excess incentive accrual in the amount of $0.5 million, which was more than offset by increased infrastructure costs in anticipation of new contracts.

Revenues and operating profit in the Pacific increased $51.6 million (88%) and $1.9 million (56%), respectively, in the first quarter of 1999 as compared to a year earlier. The increase in revenue was favorably impacted by the acquisition of the remaining 67% interest in a freight agent in Taiwan in the first quarter of 1999 and of a 51% interest in an agent in South Korea in the second quarter of 1998. In addition, revenues and operating profit were favorably impacted by higher revenues in Singapore resulting from the award of several new supply chain management services contracts during late 1998 and early 1999. Operating profit in the Pacific region was also favorably impacted by $0.8 million relating to the benefit of the aforementioned excess incentive compensation accruals.

Increases in eliminations/other revenue is consistent with increased revenues. Other operating loss increased $0.7 million primarily due to higher global administrative expenses, which were partially offset by lower global information technology costs including spending on Year 2000 initiatives.

FOREIGN OPERATIONS

A portion of the BAX Group financial results is derived from activities in a number of foreign countries located in Europe, Asia and Latin America, each with a local currency other than the US dollar. Because the financial results of the BAX Group are reported in US dollars, they are affected by changes in the value of the various foreign currencies in relation to the US dollar. Changes in exchange rates may also adversely affect transactions which are denominated in currencies other than the functional currency. BAX Global periodically enters into such transactions in the course of its business. The diversity of foreign operations helps to mitigate a portion of the impact that foreign currency fluctuations may have in any one country on the translated results. BAX Global, from time to time, uses foreign currency forward contracts to hedge transactional risks associated with foreign currencies. Translation adjustments of net monetary assets and liabilities denominated in the local currency relating to operations in countries with highly inflationary economies are included in net income, along with all transaction gains or losses for the period.

The BAX Group is also subject to other risks customarily associated with doing business in foreign countries, including labor and economic conditions, political instability, controls on repatriation of earnings and capital, nationalization, expropriation and other forms of restrictive action by local governments. The future effects, if any, of such risks on the BAX 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 BAX Group based on utilization and other methods and criteria which management believes to provide a reasonable and equitable estimate of the costs attributable to the BAX Group. These attributions were $1.8 million and $4.1 million for the first quarter of 1999 and 1998, respectively. Corporate expenses in the first quarter of 1998 include additional expenses of approximately $5.8 million related to a

retirement agreement between the Company and its former Chairman and CEO. Approximately $2.0 million of this $5.8 million of expenses were attributed to the BAX Group.

OTHER OPERATING INCOME/EXPENSE, NET

Other operating income, net was $0.4 million in the first quarter of 1999, compared with other operating expense, net of $0.1 million in the first quarter of 1998. Other operating income/expense, net principally includes foreign exchange transaction gains and losses, and the changes for the comparable periods are due to normal fluctuations in such gains and losses.

INTEREST EXPENSE, NET

Interest expense, net increased $0.9 million for the three month period ended March 31, 1999 as compared to the same period in 1998. The increase is primarily due to higher levels of debt associated with acquisitions and increased IT expenditures, including Year 2000 compliance efforts.

INCOME TAXES

In both the 1999 and 1998 periods presented, the provision for income taxes exceeded the statutory federal income tax rate of 35% due to goodwill amortization and state income taxes, 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 BAX Group based upon utilization of the shared services from which assets and liabilities are generated. Management believes this attribution to provide a reasonable and equitable estimate of the costs attributable to the BAX Group.

CASH FLOW REQUIREMENTS

Cash provided by operating activities during the first three months of 1999 totaled $29.3 million as compared to the $17.4 million generated in the first three months of 1998. The higher level of cash generated from operating activities was primarily due to higher cash earnings.

INVESTING ACTIVITIES

Cash capital expenditures for the first three months of 1999 and 1998 totaled $14.0 million and $24.4 million, respectively, reflecting lower levels of expenditure on information technology systems. For the remainder of 1999, cash capital expenditures are expected to be approximately $40 million. The foregoing amounts exclude expenditures that have been or are expected to be financed through capital leases and any acquisition expenditures. The increase in aircraft heavy maintenance expenditures of $5.2 million was primarily due to the acquisition of ATI in 1998.

FINANCING

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

Cash flows received from financing activities were $2.4 million for the first quarter of 1999, compared with $17.7 million for the same period in 1998. The 1998 levels reflect additional borrowings primarily required to fund capital expenditures.

The Company has a $350.0 million credit agreement with a syndicate of banks (the "Facility"). The Facility includes a $100.0 million term loan and also permits additional borrowings, repayments and reborrowings of up to an aggregate of $250.0 million. As of March 31, 1999 and December 31, 1998, borrowings of $100.0 million were outstanding under the term loan portion of the Facility and $130.5 million and $91.6 million, respectively, of additional borrowings were outstanding under the remainder of the Facility. Of the total outstanding amount under the Facility at March 31, 1999 and December 31, 1998, $59.5 million and $60.9 million, respectively, were attributed to the BAX Group.

RELATED PARTY TRANSACTIONS

At March 31, 1999 and December 31, 1998, the Minerals Group had no borrowings from the BAX Group. At March 31, 1999, the BAX Group owed the Minerals Group $22.8 million versus $20.4 million at December 31, 1998 for tax payments representing Minerals Group's tax benefits utilized by the BAX Group in accordance with the Company's tax sharing policy. Of the total tax benefits owed to the Minerals Group at March 31, 1999, $9.0 million is expected to be paid within one year.

MARKET RISKS AND HEDGING AND DERIVATIVE ACTIVITIES

The BAX Group has activities in a number of foreign countries throughout the world. Operations in these countries expose the BAX Group to a variety of market risks, including the effects of changes in foreign currency exchange rates and interest rates. In addition, the BAX Group consumes certain commodities in its business, exposing it to the effects of changes in the prices of such commodities. These financial and commodity exposures are monitored and managed by the company as an integral part of its overall risk management program. The diversity of foreign operations helps to mitigate a portion of the impact that foreign currency rate fluctuations may have in any one country on the translated results. The BAX Group's risk management program considers this favorable diversification effect as it measures the BAX Group's exposure to financial markets and as appropriate, seeks to reduce the potentially adverse effects that the volatility of certain markets may have on its operating results. The BAX Group has not had any material change in its market risk exposures since December 31, 1998.

READINESS FOR YEAR 2000: SUMMARY

The Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. If not corrected, many date-sensitive applications could fail or create erroneous results by or in the year 2000. The BAX Group understands the importance of having systems and equipment operational through the year 2000 and beyond and is committed to addressing these challenges while continuing to fulfill its business obligations to its customers and business partners. BAX has established a year 2000 Project Team intended to make its information technology assets, including embedded microprocessors ("IT assets"), non-IT assets, products, services and infrastructure Year 2000 compliant.

READINESS FOR YEAR 2000: STATE OF READINESS

The BAX Global Year 2000 Project Team has divided its Year 2000 readiness program into five phases: (i) inventory (ii) assess and test, (iii) renovate, (iv) test and verify and (v) implement. During the first quarter of 1999, the inventory phase was completed on a global basis. Assessment of major systems in the Americas and Europe has been completed, with readiness testing now underway. Assessment is currently underway in Asia. Renovation activities for major systems are in process as are replacement activities for non-compliant components and systems that are not scheduled for renovation. Testing has also begun for systems that have been renovated. The BAX Group plans to have completed all phases of its Year 2000 readiness program on a timely basis prior to Year 2000. As of March 31, 1999, more than 50% of BAX Group's IT and non-IT assets systems have been tested and verified as Year 2000 ready.

As part of its Year 2000 project, the BAX Group has sent comprehensive questionnaires to significant suppliers and others with whom it does business, regarding their Year 2000 readiness and is in the process of identifying any problem areas with respect to these business partners. The BAX Group is relying on such third parties representations regarding their own readiness for Year 2000. The extent to which any of these potential problems may have a material adverse impact on the BAX Group's operations is being assessed and will continue to be assessed throughout 1999.

Further, the BAX Group relies upon US and foreign government agencies (particularly the Federal Aviation Administration and customs agencies worldwide), utility companies, telecommunication service companies and other service providers outside of its control. According to a recent General Accounting Office report to Congress, some airports will not be prepared for the Year 2000 and the problems these airports experience could impede traffic flow throughout the nation. As with most companies, the BAX Group is vulnerable to significant suppliers' and other third parties inability to remedy their own Year 2000 issues. As the BAX Group cannot control the conduct of its customers, suppliers and other third parties, there can be no guarantee that Year 2000 problems originating with a supplier or another third party will not occur.

READINESS FOR YEAR 2000: COSTS TO ADDRESS
The BAX Group anticipates incurring remediation and acceleration costs for its Year 2000 readiness program. Remediation includes the identification, assessment, remediation and testing phases of the Year 2000 readiness program. Remediation costs include both the costs of modifying existing software and hardware as well as purchases that replace existing hardware and software that is not Year 2000 ready. Acceleration costs include costs to purchase and/or develop and implement certain information technology systems whose implementation have been accelerated as a result of the Year 2000 readiness issue.

Total anticipated remediation and acceleration costs are detailed in the table below:

(Dollars in millions)

ACCELERATION		Capital	Expense	Total
Total anticipated Year 2000 costs	$	17.9	3.7	21.6
Incurred through March 31, 1999		14.3	1.6	15.9
Remainder	$	3.6	2.1	5.7
REMEDIATION		**Capital**	**Expense**	**Total**
Total anticipated Year 2000 costs	$	2.7	14.0	16.7
Incurred through March 31, 1999		1.4	11.0	12.4
Remainder	$	1.3	3.0	4.3
TOTAL		**Capital**	**Expense**	**Total**
Total anticipated Year 2000 costs	$	20.6	17.7	38.3
Incurred through March 31, 1999		15.7	12.6	28.3
Remainder	$	4.9	5.1	10.0

READINESS FOR YEAR 2000: THE RISKS OF THE YEAR 2000 ISSUE
The failure to correct a material Year 2000 problem could result in an interruption in, or a failure of, certain normal business activities or operations. Such failures could materially and adversely affect results of operations, liquidity and financial condition of the BAX Group. The extent to which such a failure may adversely affect operations is being assessed. The BAX Group believes its most reasonably likely worst case scenario is that it will experience a number of minor system malfunctions and errors in the early days and weeks of the Year 2000 that were not detected during its renovation and testing efforts. The BAX Group currently believes that these problems will not be overwhelming and are not likely to have a material effect on the company's operations or financial results. As noted above, the BAX Group is vulnerable to significant suppliers', customers' and other third parties' (particularly government agencies such as the Federal Aviation Administration and customs agencies worldwide) inability to remedy their own Year 2000 issues. As the BAX Group cannot control the conduct of its suppliers or other third parties, there can be no guarantee that Year 2000 problems originating with a supplier, customer or other third party will not occur. However, the BAX Group's program of communication with and assessments of major third parties with whom they do business is intended to minimize any potential risks related to third party failures.

READINESS FOR YEAR 2000: CONTINGENCY PLAN
During the first quarter of 1999, the BAX Group initiated contingency planning for dealing with its most reasonably likely worst case scenario. That planning is on schedule. The foundation for the BAX Group's Year 2000 readiness program is to ensure that all mission-critical systems are renovated/replaced and tested prior to when a Year 2000 failure might occur if the program were not undertaken. Year 2000 is the number one priority within the BAX Group's IT organization with full support of the Group's Chief Executive Officer.

READINESS FOR YEAR 2000: FORWARD LOOKING INFORMATION
This discussion of the BAX Group's readiness for Year 2000, including statements regarding anticipated completion dates for various phases of the BAX Group's Year 2000 project, estimated costs for Year 2000 readiness, the determination of likely worst case

scenarios, actions to be taken in the event of such worst case scenarios and the impact on the BAX Group's of any delays or problems in the implementation of Year 2000 initiatives by the BAX Group and/or any public or private sector suppliers and service providers and customers involve forward looking information which is subject to known and unknown risks, uncertainties, and contingencies which could cause actual results, performance or achievements, to differ materially from those which are anticipated. Such risks, uncertainties and contingencies, many of which are beyond the control of the BAX Group, include, but are not limited to, government regulations and/or legislative initiatives, variation in costs or expenses relating to the implementation of Year 2000 initiatives, changes in the scope of improvements to Year 2000 initiatives and delays or problems in the implementation of Year 2000 initiatives by the BAX Group and/or any public or private sector suppliers and service providers and customers.

CAPITALIZATION

The Company has three classes of common stock: BAX 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 BAX 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 BAX 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 ("Pittston Coal") and Pittston Mineral Ventures ("Mineral Ventures") operations of the Company. The Company prepares separate financial statements for the BAX, Brink's and Minerals Groups in addition to consolidated financial information of the Company.

Under the share repurchase programs authorized by the Board of Directors (the "Board"), the Company purchased the following shares in the periods presented:

(Dollars in millions)		Quarter Ended March 31 1999	1998
BAX Stock:			
Shares	$	--	177.5
Cost		--	3.5
Convertible Preferred Stock:			
Shares		83.9	0.4
Cost	$	21.0	0.1
Excess carrying amount (a)	$	19.2	0.0

(a) The excess of the carrying amount of the Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock") over the cash paid to holders for repurchases made during the periods. This amount is deducted from preferred dividends in the Company's Statement of Operations.

On March 12, 1999, the Board increased the remaining authority to purchase its Convertible Preferred Stock by $4.3 million. On March 15, 1999, the Company purchased .08 million shares (or .8 depositary shares) of its Convertible Preferred Stock for $21.0 million. The Convertible Preferred Stock is convertible into Minerals Stock and has an annual dividend rate of $31.25 per share. Preferred dividends included on the Company's Statement of Operations for the quarter ended March 31, 1999 are net of the $19.2 million, which is the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to the holders of the Convertible Preferred Stock. The cash flow requirements and proceeds and the costs of the Convertible Preferred Stock have been attributed to the Minerals Group.

As of March 31, 1999, the Company had remaining authority to purchase over time 1.5 million shares of BAX Stock and an additional $7.6 million of its Convertible Preferred Stock. The remaining aggregate purchase cost limitation for all common stock was $22.2 million as of March 31, 1999.

ACCOUNTING CHANGES

As of January 1, 1999, the BAX Group adopted AICPA Statement of Position ("SOP") No. 98-5, "Reporting on the Costs of Start-Up Activities". SOP No. 98-5, which provides guidance on the reporting of start-up costs and organization costs, requires that such costs be expensed as incurred. The adoption of SOP No. 98-5 had no material impact on the results of operations of the BAX Group.

DIVIDENDS

The Board intends to declare and pay dividends, if any, on BAX Stock based on earnings, financial condition, cash flow and business requirements of the BAX Group. Since the Company remains subject to Virginia law limitations on dividends, 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 BAX Group.

During the first three months of 1999 and 1998, the Board declared and the Company paid cash dividends of 6.00 cents per share of BAX Stock. Dividends paid on the Convertible Preferred Stock in each of the first three month periods of 1999 and 1998 were $0.9 million.

FORWARD LOOKING INFORMATION

Certain of the matters discussed herein, including statements regarding the readiness for Year 2000, projected capital spending, and the repayment of borrowings from the Minerals Group, involve forward looking information which is subject to known and unknown risks, uncertainties and contingencies, which could cause actual results, performance or achievements to differ materially from those which are anticipated. Such risks, uncertainties and contingencies, many of which are beyond the control of the BAX Group and the Company, 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, variations in costs or expenses, cash flow of the Minerals Group, changes in the scope of improvements to information systems and Year 2000 initiatives, delays or problems in the implementation of Year 2000 initiatives by the BAX Group and/or any public or private sector suppliers, service providers and customers, and delays or problems in the design and implementation of improvements to information systems.

PITTSTON MINERALS GROUP
BALANCE SHEETS
(IN THOUSANDS)

	March 31 1999	December 31 1998
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,172	942
Accounts receivable (net of estimated uncollectible amounts: 1999 - $2,310; 1998 - $2,275)	78,831	90,311
Receivable - Pittston Brink's Group/BAX Group, net	9,011	--
Inventories:		
Coal inventory	25,564	24,567
Other inventory	3,981	4,177
	29,545	28,744
Prepaid expenses and other current assets	8,180	6,574
Deferred income taxes	19,766	19,863
Total current assets	147,505	146,434
Property, plant and equipment, at cost (net of accumulated depreciation, depletion and amortization: 1999 - $164,446; 1998 - $159,459)	154,766	153,785
Deferred pension assets	87,327	86,897
Deferred income taxes	57,744	58,210
Intangibles, net of accumulated amortization	104,174	104,925
Coal supply contracts	19,395	21,965
Receivable - Pittston Brink's Group/BAX Group, net	19,143	16,298
Other assets	52,983	52,950
Total assets	$ 643,037	641,464
LIABILITIES AND SHAREHOLDER'S EQUITY Current liabilities:		
Short-term borrowings	$ 17,590	29,734
Current maturities of long-term debt	506	482
Accounts payable	36,042	33,987
Payable - Pittston Brink's Group/BAX Group, net	--	3,321
Accrued liabilities	88,032	87,737
Total current liabilities	142,170	155,261
Long-term debt, less current maturities	172,000	131,772
Postretirement benefits other than pensions	232,693	231,242
Workers' compensation and other claims	78,611	79,717
Mine closing and reclamation liabilities	31,911	33,147
Other liabilities	35,707	35,977
Commitments and contingent liabilities		
Shareholder's equity	(50,055)	(25,652)
Total liabilities and shareholder's equity	$ 643,037	641,464

See accompanying notes to financial statements.

PITTSTON MINERALS GROUP
STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
(Unaudited)

		Quarter Ended March 31 1999	1998
Net sales	$	108,753	149,898
Cost and expenses:			
Cost of sales		115,443	144,164
Selling, general and administrative expenses		6,924	9,087
Total costs and expenses		122,367	153,251
Other operating income, net		4,280	2,174
Operating loss		(9,334)	(1,179)
Interest income		472	301
Interest expense		(2,306)	(2,594)
Loss before income taxes		(11,168)	(3,472)
Credit for income taxes		(6,609)	(2,229)
Net loss		(4,559)	(1,243)
Preferred stock dividends, net (Note 6)		18,314	(864)
Net income (loss) attributed to common shares (Note 6)	$	13,755	(2,107)
Net income (loss) per common share (Note 6):			
Basic	$	1.61	(.26)
Diluted		(.45)	(.26)
Cash dividends per common share	$	.025	.1625
Weighted average common shares outstanding:			
Basic		8,570	8,225
Diluted		10,102	8,225
Comprehensive income (loss)	$	15,406	(1,778)

See accompanying notes to financial statements.

PITTSTON MINERALS GROUP
STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(Unaudited)

	Quarter Ended March 31 1999	1998
Cash flows from operating activities:		
Net loss	$ (4,559)	(1,243)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:		
Depreciation, depletion and amortization	8,825	8,933
Provision for deferred income taxes	237	1,612
Credit for pensions, noncurrent	(417)	(802)
Other operating, net	509	788
Change in operating assets and liabilities, net of effects of acquisitions and dispositions:		
Decrease (increase) in accounts receivable	11,334	(24,578)
(Increase) decrease in inventories	(759)	5,764
Decrease (increase) in prepaid expenses and other current assets	263	(2,452)
Increase in other assets	(682)	(222)
Decrease in accounts payable and accrued liabilities	(3,465)	(10,937)
Decrease in other liabilities	(1,145)	(1,215)
Decrease in workers' compensation and other claims, noncurrent	(1,106)	(2,394)
Other, net	--	44
Net cash provided (used) by operating activities	9,035	(26,702)
Cash flows from investing activities:		
Additions to property, plant and equipment	(6,368)	(4,460)
Proceeds from disposal of property, plant and equipment	11	229
Other, net	891	(1,939)
Net cash used by investing activities	(5,466)	(6,170)
Cash flows from financing activities:		
(Decrease) increase in short-term borrowings	(12,144)	8,086
Additions to long-term debt	41,381	40,344
Reductions of long-term debt	(1,184)	(3,162)
Payments to Brink's Group	(8,331)	(11,238)
Repurchase of stock	(20,980)	(269)
Dividends paid	(1,081)	(2,100)
Net cash (used) provided by financing activities	(2,339)	31,661
Net increase (decrease) in cash and cash equivalents	1,230	(1,211)
Cash and cash equivalents at beginning of period	942	3,394
Cash and cash equivalents at end of period	$ 2,172	2,183

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 specifically identified with operations of a particular segment. The Minerals Group's financial statements are prepared using the amounts included in the Company's consolidated financial statements. Corporate allocations reflected in these financial statements are determined based upon methods which management believes to provide a reasonable and equitable allocation of such items.

The Company provides to holders of Pittston Minerals Group Common Stock ("Minerals Stock") separate financial statements, financial review, descriptions of business and other relevant information for the Minerals Group, in addition to consolidated financial information of the Company. Holders of Minerals Stock are shareholders of the Company, which continues to be responsible for all its liabilities. Financial impacts arising from the Pittston Brink's Group (the "Brink's Group"), the Pittston BAX Group (the "BAX Group") or the Minerals Group that affect the Company's financial condition could therefore affect the results of operations and financial condition of each of the Groups. Since financial developments within one Group could affect other Groups, all shareholders of the Company could be adversely affected by an event directly impacting only one Group. Accordingly, the Company's consolidated financial statements must be read in connection with the Minerals Group's financial statements.

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial reporting and with applicable quarterly reporting regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and notes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Certain prior period amounts have been reclassified to conform to the current period's financial statement presentation. Operating results for the interim periods of 1999 are not necessarily indicative of the results that may be expected for the year ending December 31, 1999. For further information, refer to the consolidated financial statements and related notes included in the Company's annual report on Form 10-K for the year ended December 31, 1998.

(2) The following is a reconciliation of the calculation of basic and diluted net income (loss) per share:

	Quarter Ended March 31 1999	1998
Minerals Group		
Numerator:		
Net loss	$ (4,559)	(1,243)
Convertible Preferred Stock dividends, net	18,314	(864)
Basic net income (loss) per share numerator	13,755	(2,107)
Effect of dilutive securities:		
Convertible Preferred Stock dividends, net	(18,314)	--
Diluted net loss per share numerator	(4,559)	(2,107)
Denominator:		
Basic weighted average common shares outstanding	8,570	8,225
Effect of dilutive securities:		
Assumed conversion of Convertible Preferred Stock	1,532	--
Diluted weighted average common shares outstanding	10,102	8,225

Options to purchase 692 shares of Minerals Stock, at prices between $1.91 and $25.74 per share, were outstanding during the three months ended March 31, 1999 but were not included in the computation of diluted net loss per share because the options' exercise price was greater than the average market price of the common shares and, therefore, the effect would be antidilutive.

Options to purchase 677 shares of Minerals Stock, at prices between $9.50 and $25.74 per share, were outstanding during the three months ended March 31, 1998 but were not included in the computation of diluted net loss per share because the effect of all options would be antidilutive.

The conversion of the Convertible Preferred Stock to 1,765 shares of Minerals Stock has been excluded in the computation of diluted net loss per share for the three months ended March 31, 1998 because the effect of the assumed conversion would be antidilutive.

(3) Depreciation, depletion and amortization of property, plant and equipment totaled $5,448 in the first quarter of 1999 compared to $5,739 in the first quarter of 1998.

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

		Quarter Ended March 31 1999	1998
Interest	$	1,577	3,466
Income taxes	$	111	(22)

(5) The cumulative impact of foreign currency translation deducted from shareholder's equity was $3,310 and $3,919 at March 31, 1999 and December 31, 1998, respectively.

The cumulative impact of cash flow hedges deducted from shareholder's equity were $1,001 and $2,020 at March 31, 1999 and December 31, 1998, respectively.

(6) Under the share repurchase programs authorized by the Board of Directors, the Company purchased shares in the periods presented as follows:

(In thousands)		Quarter Ended March 31 1999	1998
Convertible Preferred Stock:			
Shares		83.9	0.4
Cost	$	20,980	146
Excess carrying amount (a)	$	19,201	23

(a) The excess of the carrying amount of the Series C Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock") over the cash paid to holders for repurchases made during the periods. This amount is deducted from preferred dividends in the Minerals Group and the Company's Statement of Operations.

On March 12, 1999, the Board increased the authority to purchase its Convertible Preferred Stock by $4,300. On March 15, 1999, the Company purchased 83.9 shares (or 839 depositary shares) of its Convertible Preferred Stock for $20,980. The Convertible Preferred Stock is convertible into Minerals Stock and has an annual dividend rate of $31.25 per share. Preferred dividends included on the Company's Statement of Operations for the quarter ended March 31, 1999 are net of the $19,201, which is the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to the holders of the Convertible Preferred Stock. The cash flow requirements and proceeds and the costs of the Convertible Preferred Stock have been attributed

to the Minerals Group.

At March 31, 1999, the Company had the remaining authority to purchase over time 1,000 shares of Minerals Stock and an additional $7,556 of its Convertible Preferred Stock. The remaining aggregate purchase cost limitation for all common stock was $22,184 at March 31, 1999.

(7) As of January 1, 1999, the Minerals Group adopted AICPA Statement of Position ("SOP") No. 98-5, "Reporting on the Costs of Start-Up Activities." SOP No. 98-5, which provides guidance on the reporting of start-up costs and organization costs, requires that such costs be expensed as incurred. The Minerals Group has determined that capitalized mine development costs for its gold and coal mining operations relate to acquiring and constructing long-lived assets and preparing them for their intended use. Accordingly, the adoption of SOP No. 98-5 had no material impact on the results of operations for the Minerals Group.

PITTSTON MINERALS GROUP
MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS
AND FINANCIAL CONDITION

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 ("Pittston Coal") 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 specifically identified with operations of a particular 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 provide a reasonable and equitable estimate of the costs, assets and liabilities 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 its liabilities. Therefore, financial developments affecting the Minerals Group, the Pittston Brink's Group (the "Brink's Group") or the Pittston BAX Group that affect the Company's financial condition could therefore affect the results of operations and financial condition of each of the Groups. Accordingly, the Company's consolidated financial statements must be read in connection with the Minerals Group's financial statements.

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

RESULTS OF OPERATIONS

(In thousands)		Quarter Ended March 31 1999	1998
Net sales:			
Pittston Coal:			
Coal Operations	$	103,511	143,976
Allied Operations (a)		2,037	1,944
Total Pittston Coal		105,548	145,920
Mineral Ventures		3,205	3,978
Net sales	$	108,753	149,898
Operating profit (loss):			
Pittston Coal:			
Coal Operations	$	(8,342)	670
Allied Operations (a)		1,358	1,832
Total Pittston Coal		(6,984)	2,502
Mineral Ventures		(790)	(47)
Segment operating profit (loss)		(7,774)	2,455
General corporate expense		(1,560)	(3,634)
Operating loss	$	(9,334)	(1,179)

(a) Primarily consists of timber and natural gas operations.

SELECTED FINANCIAL DATA

(In thousands)		Quarter Ended March 31 1999	1998
Depreciation, depletion and amortization:			
Pittston Coal	$	8,057	8,218
Mineral Ventures		715	666
General corporate		53	49
Total depreciation, depletion and amortization	$	8,825	8,933
Cash capital expenditures:			
Pittston Coal	$	5,148	3,671
Mineral Ventures		1,218	700
General corporate		2	89
Total cash capital expenditures	$	6,368	4,460

The Minerals Group is primarily engaged in the mining, preparation and marketing of coal, the purchase of coal for resale, the sale or leasing of coal lands to others ("Coal Operations") and has interests in the timber and natural gas businesses ("Allied Operations") through Pittston Coal. The Minerals Group also explores for and acquires mineral assets, primarily gold, through its Mineral Ventures operations.

In the first quarter of 1999, the Minerals Group reported a net loss of $4.6 million compared to a net loss of $1.2 million in the first quarter of 1998. In the first quarter of 1999 the operating loss totaled $9.3 million as compared to an operating loss of $1.2 million in the 1998 quarter. Net sales during the first quarter of 1999 decreased $41.1 million (27%) compared to the corresponding 1998 quarter.

PITTSTON COAL

Net sales for Pittston Coal totaled $105.5 million in the first quarter of 1999 compared to $145.9 million in the prior year quarter. This decrease was primarily due to lower Coal Operations sales volume. Pittston Coal reported an operating loss of $7.0 million in the first quarter of 1999 compared to an operating profit of $2.5 million in 1998. This decline in operating results was primarily in Coal Operations, due to a reduction in coal margin and increases in idle and closed mine cost and inactive employee cost, offset by a gain on the settlement of litigation.

Selected financial data for Coal Operations on a comparative basis:

(In thousands)		Quarter Ended March 31 1999	1998
Coal margin	$	4,824	11,469
Other operating income		2,779	1,054
Margin and other income		7,603	12,523
Idle equipment and closed mines		1,821	703
Inactive employee cost		9,843	6,955
Selling, general and administrative		4,281	4,195
Total other costs and expenses		15,945	11,853
Total Coal Operations operating profit (loss)	$	(8,342)	670
Coal sales (tons):			
Metallurgical		1,536	1,931
Steam		1,926	2,923
Total coal sales		3,462	4,854

(In thousands)		Quarter Ended March 31 1999	1998
Production/purchased (tons):			
Deep		1,324	1,389
Surface		1,116	1,969
Contract		269	242
		2,709	3,600
Purchased		779	965
Total		3,488	4,565
Coal margin per ton:			
Realization	$	29.90	29.66
Current production costs		28.51	27.29
Coal margin	$	1.39	2.37

Coal Operations sales decreased $40.5 million in the first quarter of 1999 compared to the same period in 1998 largely as the result of reduced sales volume, which declined 1.4 million tons from the 4.9 million tons sold in the 1998 first quarter. Compared to the 1998 first quarter, steam coal sales in the first quarter of 1999 decreased by 1.0 million tons (34%), to 1.9 million tons and metallurgical coal sales declined by 0.4 million tons (20%), to 1.5 million tons. The steam sales reduction was due primarily to the sale of certain assets at the Elkay mining operation ("Elkay Assets") during 1998 and the closing of a surface mine in Kentucky in the third quarter 1998. The decline in metallurgical sales was primarily due to continued softness in market conditions resulting from lower worldwide steel production and a strong US dollar relative to the currencies of other coal exporting nations. Steam coal sales represented 56% and 60% of total volume in the first quarter of 1999 and 1998, respectively.

For the first quarter of 1999, Coal Operations generated an operating loss of $8.3 million as compared to an operating profit of $0.7 million for the same period in 1998. The lower results were primarily due to a $6.6 million decrease in total coal margin, offset by the net gain from the settlement of litigation ($2.4 million). In addition, idle and closed mine cost and inactive employee cost increased $1.1 million and $2.9 million, respectively, in the first quarter of 1999, compared to the same period in 1998, as discussed below.

Total coal margin for the first quarter of 1999 decreased compared to the 1998 first quarter due to lower sales volume combined with a decrease in coal margin per ton. Coal margin per ton decreased to $1.39 per ton in the first quarter of 1999 from $2.37 per ton for the 1998 first quarter. This overall change was due to a decrease in the metallurgical coal margins. Metallurgical coal margins were negatively impacted in the first quarter of 1999 by lower realizations per ton primarily resulting from the previously mentioned soft market conditions. Despite the decreases in metallurgical coal realization per ton over the prior year, overall realization per ton increased slightly as a greater proportion of coal sales came from metallurgical coal, which generally has a higher realization per ton than steam coal. Overall, current production cost per ton of coal sold increased primarily due to a correspondingly higher proportion of deep mine production which is generally more costly than surface mine production. In addition, coal margin per ton in the 1998 first quarter included a $0.27 per ton benefit related to a favorable ruling issued by the US Supreme Court on the unconstitutionality of the Harbor Maintenance Tax while the first quarter of 1999 included the $0.17 per ton benefit of the judgment rendered by the US District Court for the Eastern District of Virginia, regarding the constitutionality of the federal black lung excise tax, since Coal Operations no longer had to accrue the tax (as more fully discussed below).

Metallurgical sales in 1999 are expected to continue to be lower than 1998 levels, due to market conditions, as well as the disadvantage caused by the relative strength of the US dollar versus currencies of other metallurgical coal producing countries. In addition, this currency disadvantage has negatively impacted 1999 contract negotiations for the contract year that commenced April 1, 1999.

Production in the first quarter of 1999 decreased 0.9 million tons over the comparable period in 1998, while purchased coal declined from 1.0 million tons to 0.8 million tons for the first quarter of 1998 and 1999, respectively. Surface production accounted for 45% and 56% of total production in the first quarter of 1999

and 1998, respectively, and reflected the sale of Elkay Assets as well as the closing of a surface mine in Kentucky.

Other operating income, which primarily includes gains and losses on sales of property and equipment and third party royalties, amounted to $2.8 million in the first quarter of 1999 as compared to $1.1 million in the comparable period of 1998. This increase was primarily due to a $2.4 million gain from the settlement of litigation.

Idle and closed mine costs increased $1.1 million during the first quarter of 1999. The increase was due to the first quarter 1999 idlement of a deep mine producing metallurgical coal, in response to the previously mentioned weak market conditions, as well as additional costs at other idle mines. Such costs are expected to continue at these higher levels into the next quarter. Barring significant improvements in these market conditions, rising inventory levels could result in further review of capacity requirements.

Inactive employee costs, which primarily represent long-term employee liabilities for pension and retiree medical costs, increased 42% primarily due to higher costs related to certain long-term benefit obligations as a result of reductions in the amortization of actuarial gains, a decrease in discount rates used to calculate the present value of the liabilities and higher premiums for the Coal Industry Retiree Benefit Act of 1992. Coal Operations anticipates that costs related to certain of these long-term benefit obligations will continue at these higher levels during 1999. Also impacting inactive employee costs were laidoff medical benefits accrued for the idlement of a metallurgical mine.

On February 10, 1999, the US District Court for the Eastern District of Virginia entered a final judgment in favor of certain of the Company's subsidiaries, ruling that the federal black lung excise tax ("FBLET") imposed under Section 4121 of the Internal Revenue Code is unconstitutional as applied to export coal sales and ordering a refund to the subsidiaries of approximately $0.7 million (plus interest) for the FBLET that those companies paid for the quarter ended March 31, 1997. The government did not appeal the judgment before the April 12, 1999 deadline for noting an appeal. The Company will seek refunds of the FBLET it paid on export coal sales for all open statutory periods. The ultimate amounts and timing of such refunds, if any, cannot be determined at the present time. The benefit of this judgment as applied to export coal sales for the first quarter of 1999 is reflected in the production costs of coal sold ($0.6 million), since Coal Operations no longer had to accrue the tax.

Revenues and operating profit from the Allied Operations increased $0.1 million and decreased $0.5 million, respectively, for the first quarter of 1999 as compared to the same period in 1998. The revenue increase is due to increased sales volume, although depressed natural gas prices and related royalties have caused a decrease in operating profit.

A controversy involving an unrelated party with respect to a method of mining called "mountaintop removal" that began in mid-1998 in West Virginia has resulted in a suspension in the issuance of several mining permits, including those unrelated to mountaintop removal. Due to the broadness of the suspension, there has been a delay in Vandalia Resources, Inc., a wholly-owned subsidiary of Pittston Coal, being issued, in a timely fashion, mining permits necessary for its uninterrupted mining. For the immediate future Vandalia will require the issuance of two permits to insure for uninterrupted production in 1999. Vandalia obtained the first permit on April 15, 1999. It is essential that the second permit be issued by the end of the second quarter in order to avoid production interruptions. Management believes that the regulatory agencies are in the process of establishing a functional review process to expedite permit approvals. Affected employees have been notified of potential production interruptions. During the year ended December 31, 1998, the mining operation which is pursuing these permits produced approximately 2.7 million tons of coal resulting in revenues of approximately $81.8 million and contributed significantly to coal margin.

Coal Operations continues cash funding for charges recorded in prior years for facility closure costs recorded as restructuring and other charges in the Statement of Operations. The following table analyzes the changes in liabilities during the first quarter of 1999 for such costs:

(In thousands)	Mine and Plant Closure Costs	Employee Termination, Medical and Severance Costs	Total
Balance as of December 31, 1998	$ 8,906	16,307	25,213
Payments	575	319	894
Balance as of March 31, 1999	$ 8,331	15,988	24,319

MINERAL VENTURES

	Quarter Ended March 31 1999	1998
Stawell Gold Mine:		
Mineral Ventures' 50% direct share:		
Ounces sold	11,078	11,146
Ounces produced	10,653	11,156
Average per ounce sold (US$):		
Realization	$ 289	355
Cash cost	261	206

Mineral Ventures primarily consists of a 50% direct interest in the Stawell gold mine ("Stawell") in Western Victoria, Australia. The remaining 50% interest in Stawell is owned by Mining Project Investors ("MPI"). In addition, Mineral Ventures had a 51.5% ownership interest in its joint venture partner MPI (45% on a fully diluted basis). Recently, MPI has sold additional shares to a new investor, reducing Mineral Ventures' ownership in MPI to a 45% interest (40% on a fully diluted basis).

Mineral Ventures generated net sales during the first quarter of 1999 of $3.2 million, a 19% decrease from the $4.0 million reported in the first quarter of 1998. The decrease in net sales was the result of the continued deterioration of gold prices in the market. Operating loss for the first quarter of 1999 was $0.8 million compared to break-even results in the same period last year. The operating loss during the first quarter of 1999 was not only negatively impacted by lower realization, but also by increased production costs due to a high percentage of low grade ore milled, partially offset by increased equity income from MPI. The cash cost per ounce of gold sold increased from $206 in the first quarter of 1998 to $261 in the first quarter of 1999.

FOREIGN OPERATIONS
A portion of Mineral Ventures' financial results is derived from activities in Australia, which has a local currency other than the US dollar. Because the financial results of Mineral Ventures are reported in US dollars, they are affected by changes in the value of the foreign currency in relation to the US dollar. Rate fluctuations may affect transactions that are denominated in the Australian dollar. Mineral Ventures, from time to time, uses foreign currency forward contracts to hedge a portion of the currency risks associated with these transactions. Mineral Ventures routinely enters into such transactions in the normal course of its business.

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

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 equitable estimate of the costs attributable to the Minerals Group. These attributions were $1.6 million for the first quarter of 1999 and $3.6 million for the first quarter of 1998. Corporate expenses in the first quarter of 1998 include additional expenses of approximately $5.8 million related to a retirement agreement between the Company and its former Chairman and CEO. Approximately $1.8 million of this $5.8 million of expenses were attributed to the Minerals Group.

OTHER OPERATING INCOME, NET
Other operating income, net which primarily includes gains and losses on sales of property and equipment and royalties, amounted to $4.3 million in the first quarter of 1999 as compared to $2.2 million in the comparable period of 1998. This increase was due to a $2.4 million gain from the settlement of litigation.

INTEREST EXPENSE, NET
Interest expense, net for the first three months of 1999 and 1998 was approximately $1.8 million and $2.3 million, respectively, primarily the result of lower interest rates.

INCOME TAXES
In both the 1999 and 1998 periods presented, a credit for income taxes was recorded due primarily to pre-tax losses and the benefits of percentage depletion.

FINANCIAL CONDITION

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

CASH FLOW REQUIREMENTS
Cash provided by operating activities approximated $9.0 million in the first quarter of 1999 as compared to cash used of $26.7 million in the prior year. Lower cash earnings were more than offset by a decrease in the amount required to fund operating assets and liabilities, largely due to fluctuations in accounts receivable. These fluctuations primarily relate to reduced coal sales (due to the sale of Elkay Assets) and, to a lesser extent, improved collections.

Financing activities included the repurchase of 0.08 million shares (or 0.8 million depositary shares) of the Company's Series C Convertible Preferred Stock for approximately $21.0 million. This repurchase was funded through the Facility, as defined below.

INVESTING ACTIVITIES
Cash capital expenditures for the first three months of 1999 and 1998 totaled $6.4 million and $4.5 million, respectively. During the 1999 period, Pittston Coal and Mineral Ventures spent $5.1 million and $1.2 million, respectively. For the remainder of 1999, the Minerals Group's cash capital expenditures are expected to approximate $25 million. The foregoing amounts exclude expenditures that have been or are expected to be financed through capital leases and any acquisition expenditures.

FINANCING
The Minerals Group intends to fund cash capital expenditures through anticipated cash flow from operating activities or through operating leases if the latter are financially attractive. Shortfalls, if any, will be financed through the Company's revolving credit agreements, other borrowing arrangements or borrowings from the Brink's Group.

Cash used in financing activities was $2.3 million for the first quarter of 1999, compared with cash provided by financing activities of $31.7 million for the same period in 1998. The 1998 levels reflect additional borrowings primarily required to fund operations.

The 1999 period includes additional borrowings under the Facility (as defined below), primarily used to finance the purchase of the Company's Preferred Stock (discussed in more detail below).

The Company has a $350.0 million credit agreement with a syndicate of banks (the "Facility"). The Facility includes a $100.0 million term loan and also permits additional borrowings, repayments and reborrowings of

up to an aggregate of $250.0 million. As of March 31, 1999 and December 31, 1998, borrowings of $100.0 million were outstanding under the term loan portion of the Facility and $130.5 million and $91.6 million, respectively, of additional borrowings were outstanding under the remainder of the Facility. Of the outstanding amounts under the Facility at March 31, 1999, and December 31, 1998, $171.0 million and $130.7 million, respectively, were attributed to the Minerals Group.

RELATED PARTY TRANSACTIONS

At March 31, 1999, under interest bearing borrowing arrangements, the Minerals Group owed the Brink's Group $12.0 million, a decrease of $8.3 million from the amount owed at December 31, 1998. The Minerals Group did not owe any amounts to the BAX Group at March 31, 1999 or December 31, 1998.

At March 31, 1999, the Brink's Group owed the Minerals Group $17.3 million versus $12.9 million at December 31, 1998 for tax benefits. Approximately $12 million is expected to be paid within one year. Also at March 31, 1999, the BAX Group owed the Minerals Group $22.8 million versus $20.4 million at December 31, 1998 for tax benefits. Approximately $9 million is expected to be paid within one year.

MARKET RISKS AND HEDGING AND DERIVATIVE ACTIVITIES

Mineral Ventures has activities in Australia, which has a local currency other than the US dollar. These activities subject Mineral Ventures to certain market risks, including the effects of changes in foreign currency exchange rates. In addition, the Minerals Group consumes and sells certain commodities in its businesses, exposing it to the effects of changes in the prices of such commodities. These financial and commodity exposures are monitored and managed by Mineral Ventures as an integral part of its overall risk management program, which seeks to reduce the potentially adverse effects that the volatility of these markets may have on its operating results. The Minerals Group has not had any material changes in its market risk exposures since December 31, 1998.

READINESS FOR YEAR 2000: SUMMARY

The Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. If not corrected, many date-sensitive applications could fail or create erroneous results by or in the year 2000. The Minerals Group understands the importance of having systems and equipment operational through the year 2000 and beyond and is committed to addressing these challenges while continuing to fulfill its business obligations to its customers and business partners. Both Pittston Coal and Mineral Ventures have established Year 2000 Project Teams intended to make their information technology assets, including embedded microprocessors ("IT assets"), non-IT assets, products, services and infrastructure Year 2000 ready.

READINESS FOR YEAR 2000: STATE OF READINESS

The Minerals Group Year 2000 Project Team has divided its Year 2000 readiness program into four phases: (i) assessment, (ii) remediation/replacement, (iii) testing, (iv) integration. At March 31, 1999, the majority of the Group's core IT assets are either already Year 2000 ready or in the testing or integration phases. Those assets that are not yet Year 2000 ready are scheduled to be remediated or replaced by year-end 1999, with testing and integration to begin concurrently. The Minerals Group plans to have completed all phases of its Year 2000 readiness program on a timely basis prior to Year 2000. As of March 31, 1999, approximately 90% of hardware systems and embedded systems have been tested and verified as Year 2000 ready.

As part of its Year 2000 project, Pittston Coal and Mineral Ventures have sent comprehensive questionnaires to significant suppliers (particularly suppliers of energy and transportation services), customers and others with which they do business, regarding their Year 2000 readiness and is attempting to identify significant problem areas with respect to these business partners. As of March 31, 1999, based on questionnaire responses to date, no potential problems have been identified that would adversely affect Minerals Group operations. The Minerals Group is relying on such third parties representations regarding their own readiness for Year 2000. The extent to which any of these potential problems may have a material adverse impact on the Minerals Group's operations is being assessed and will continue to be assessed throughout 1999.

Further, the Minerals Group relies upon government agencies, utility companies, rail carriers, telecommunication service companies and other service providers outside of the Minerals Group's control. As with most companies, the companies of the Minerals Group are vulnerable to significant suppliers' inability

to remedy their own Year 2000 issues. As the Minerals Group cannot control the conduct of its customers, suppliers and other third parties, there can be no guarantee that Year 2000 problems originating with a supplier or another third party will not occur.

READINESS FOR YEAR 2000: COSTS TO ADDRESS
The Minerals Group anticipates incurring remediation and acceleration costs for its Year 2000 readiness programs. Remediation includes the identification, assessment, remediation and testing phases of the Year 2000 readiness program. Remediation costs include both the costs of modifying existing software and hardware as well as purchases that replace existing hardware and software that is not Year 2000 ready. Acceleration includes costs to purchase and/or develop and implement certain information technology systems whose implementation have been accelerated as a result of the Year 2000 readiness issue.

Total anticipated remediation and acceleration costs are detailed in the table below:

(Dollars in millions)

ACCELERATION	Capital	Expense	Total
Total anticipated Year 2000 costs	$ 1.6	0.2	1.8
Incurred through March 31, 1999	1.1	0.2	1.3
Remainder	$ 0.5	--	0.5

REMEDIATION	Capital	Expense	Total
Total anticipated Year 2000 costs	$ --	0.2	0.2
Incurred through March 31, 1999	--	--	--
Remainder	$ --	0.2	0.2

TOTAL	Capital	Expense	Total
Total anticipated Year 2000 costs	$ 1.6	0.4	2.0
Incurred through March 31, 1999	1.1	0.2	1.3
Remainder	$ 0.5	0.2	0.7

READINESS FOR YEAR 2000: THE RISKS OF THE YEAR 2000 ISSUE
The Minerals Group believes that its internal information technology systems will be renovated successfully prior to year 2000. All mission critical systems have been identified that would cause the greatest disruption to the organization. The failure to correct a material Year 2000 problem could result in an interruption in, or a failure of, certain normal business activities or operations. Such failures should have no material or significant adverse effect on the results of operations, liquidity or financial condition of the Minerals Group.

The Minerals Group believes it has identified its likely worst case scenario. The Minerals Group's likely worst case scenario, assuming no external failures such as power outages or delays in railroad transportation services, could be delays in invoicing customers and payment of vendors. This likely worst case scenario, should it occur, is not expected to result in a material impact on the Minerals Group's financial statements. The Minerals Group production of coal and gold is not heavily dependent on computer technology and would continue with limited impact.

READINESS FOR YEAR 2000: CONTINGENCY PLAN
The Minerals Group has not yet developed a contingency plan for dealing with the most likely worst case scenario. The foundation for the Minerals Group's Year 2000 Program is to ensure that all mission critical systems are renovated/ replaced and tested at least three months prior to when a Year 2000 failure might occur if the program were not undertaken. As of March 31, 1999, all mission critical systems, with the exception of human resources-related systems, have been tested and verified as Year 2000 ready. These human resources-related systems are not Year 2000 ready and as a safeguard are scheduled to be remediated by mid-1999. These systems will subsequently be replaced by year-end 1999. Year 2000 is the number one priority within the Minerals Group's IT organization with full support of the Group's executive management. In addition, as a normal course of business, the Minerals Group maintains and deploys contingency plans designed to address various other potential business interruptions. These plans

may be applicable to address the interruption of support provided by third parties resulting from their failure to be Year 2000 ready.

READINESS FOR YEAR 2000: FORWARD LOOKING INFORMATION
This discussion of the Minerals Group's readiness for Year 2000, including statements regarding anticipated completion dates for various phases of the Minerals Group's Year 2000 project, estimated costs for Year 2000 readiness, the determination of likely worst case scenarios, actions to be taken in the event of such worst case scenarios and the impact on the Minerals Group of any delays or problems in the implementation of Year 2000 initiatives by the Minerals Group and/or any public or private sector suppliers and service providers and customers involve forward looking information which is subject to known and unknown risks, uncertainties, and contingencies which could cause actual results, performance or achievements, to differ materially from those which are anticipated. Such risks, uncertainties and contingencies, many of which are beyond the control of the Minerals Group, include, but are not limited to, government regulations and/or legislative initiatives, variation in costs or expenses relating to the implementation of Year 2000 initiatives, changes in the scope of improvements to Year 2000 initiatives and delays or problems in the implementation of Year 2000 initiatives by the Minerals Group and/or any public or private sector suppliers and service providers and customers.

CAPITALIZATION The Company has three classes of common stock: Minerals Stock; Pittston Brink's Group Common Stock ("Brink's Stock") and Pittston BAX Group Common Stock ("BAX Stock") which were designed to provide shareholders with separate securities reflecting the performance of the Minerals Group, Brink's Group and BAX 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 BAX 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 BAX Groups in addition to consolidated financial information of the Company.

Under the share repurchase programs authorized by the Board of Directors (the "Board"), the Company purchased the following shares in the periods presented:

(Dollars in millions, shares in thousands)	Quarter Ended March 31 1999	1998
Convertible Preferred Stock:		
Shares	83.9	0.4
Cost	$ 21.0	0.1
Excess carrying amount (a)	$ 19.2	0.0

(a) The excess of the carrying amount of the Series C Convertible Preferred Stock (the "Convertible Preferred Stock") over the cash paid to holders for repurchases made during the periods. This amount is deducted from preferred dividends in the Company's Statement of Operations.

On March 12, 1999, the Board increased the remaining authority to purchase its Convertible Preferred Stock by $4.3 million. On March 15, 1999, the Company purchased .08 million shares (or .8 depositary shares) of its Convertible Preferred Stock for $21.0 million. The Convertible Preferred Stock is convertible into Minerals Stock and has an annual dividend rate of $31.25 per share. Preferred dividends included on the Company's Statement of Operations for the quarter ended March 31, 1999 are net of the $19.2 million, which is the excess of the carrying amount of the Convertible Preferred Stock over the cash paid to the holders of the Convertible Preferred Stock. The cash flow requirements and proceeds and the costs of the Convertible Preferred Stock have been attributed to the Minerals Group.

As of March 31, 1999, the Company had remaining authority to purchase over time 1.0 million shares of Minerals Stock and an additional $7.6 million of its Convertible Preferred Stock. The remaining aggregate purchase cost limitation for all common stock was $22.2 million as of March 31, 1999.

DIVIDENDS

The Board intends to declare and pay dividends, if any, on Minerals Stock based on the earnings, financial condition, cash flow and business requirements of the Minerals Group. Since the Company remains subject to Virginia law limitations on dividends, losses by the Brink's or the BAX 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. The Available Minerals Dividend Amount may be reduced by activity that reduces shareholder's equity or the fair value of net assets of the Minerals Group. Such activity includes net losses by the Minerals Group, dividends paid on the Minerals Stock and the Convertible Preferred Stock, repurchases of Minerals Stock and the Convertible Preferred Stock, and foreign currency translation losses. As a result of recent performance of the Minerals Group and coal industry conditions. as well as consideration of financial condition, cash flow and business requirements, including the Available Minerals Dividend Amount, the Board declined to declare a quarterly dividend on Minerals Stock at its May 1999 meeting. Dividends on the remaining Convertible Preferred Stock were declared.

During the first three months of 1999 and 1998, the Board declared and the Company paid cash dividends of 2.50 cents and 16.25 cents, respectively, per share of Minerals Stock. Dividends paid on the Convertible Preferred Stock in each of the first three month periods of 1999 and 1998 were $0.9 million. In May 1998, the Company reduced the dividend rate on Minerals Stock to 10.00 cents per year per share for shareholders as of the May 15, 1998 record date.

ACCOUNTING CHANGES

As of January 1, 1999, the Company adopted AICPA Statement of Position ("SOP") No. 98-5, "Reporting on the Costs of Start-Up Activities." SOP No. 98-5, which provides guidance on the reporting of start-up costs and organization costs, requires that such costs be expensed as incurred. The Minerals Group has determined that capitalized mine development costs for its gold and coal mining operations relate to acquiring and constructing long-lived assets and preparing them for their intended use. Accordingly, the adoption of SOP No. 98-5 had no material impact on the results of operations.

FORWARD LOOKING INFORMATION

Certain of the matters discussed herein, including statements regarding coal sales, metallurgical market conditions, idle equipment and closed mine costs, review of capacity requirements, cost of long-term employee liabilities, expedition of mining permit approvals, readiness for Year 2000 and repayment of borrowings to the Minerals Group, involve forward looking information which is subject to known and unknown risks, uncertainties and contingencies which could cause actual results, performance and achievements, to differ materially from those which are anticipated. Such risks, uncertainties and contingencies, many of which are beyond the control of the Minerals Group and the Company, 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/or legislative initiatives, variations in the spot prices of coal, the ability of counter parties to perform, changes in the scope of Year 2000 initiatives and delays or problems in the implementation of Year 2000 initiatives by the Minerals Group and/or any public or private sector suppliers, service providers and customers.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

Exhibit Number	
3(b)	The Registrant's Bylaws, as amended through May 7, 1999.
27	Financial Data Schedule.

(b) The following reports on Form 8-K were filed during the first quarter of 1999:

(i) Report on Form 8-K filed on January 4, 1999, with respect to the election of Thomas W. Garges, Jr. as President and Chief Executive Officer of Pittston Coal Company; and

(ii) Report on Form 8-K filed on March 16, 1999, with respect to the Registrant's repurchase of 839,200 depositary shares of its Series C Cumulative Convertible Preferred Stock.

SIGNATURE

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

THE PITTSTON COMPANY

May 13, 1999

By /s/ Robert T. Ritter

Robert T. Ritter
(Vice President -
Chief Financial Officer)

Exhibit 3(b)

THE PITTSTON COMPANY

BYLAWS
(As amended through May 7, 1999)

ARTICLE I

NAME

The name of the corporation is The Pittston Company.

ARTICLE II

OFFICES

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

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

ARTICLE III

CORPORATE SEAL

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

ARTICLE IV

MEETINGS OF SHAREHOLDERS

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

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

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

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

when received by the Secretary or other officer or agent of the corporation authorized to tabulate votes.

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

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

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

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

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

10. Subject to the rights of holders of shares of the Preferred Stock of the corporation, nominations for the election of directors shall be made by the Board of Directors or by any shareholder entitled to vote in elections of directors. However, any shareholder entitled to vote in

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

11. To be properly brought before an annual meeting of shareholders, business must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (ii) otherwise properly brought before the meeting by or at the direction of the Board of Directors or (iii) otherwise properly brought before the annual meeting by a shareholder. In addition to any other applicable requirements, for business to be properly brought before a meeting by a shareholder, the shareholder must have given timely notice thereof in writing to the Secretary of the corporation. To be timely, a shareholder's notice must be given, either by personal delivery

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

ARTICLE V

DIRECTORS

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

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

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

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

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

6. The Board of Directors, at its first meeting after the annual meeting of shareholders, shall choose a Chairman of the Board from among the directors.

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

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

9. In case of the absence of the Chairman of the Board, the Board member with the longest tenure on the Board shall preside at meetings of the shareholders and of the Board of Directors. He shall have such other powers and duties as may be delegated to him by the Chairman of the Board.

ARTICLE VI

COMMITTEES OF DIRECTORS

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

ARTICLE VII

COMPENSATION OF DIRECTORS

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

ARTICLE VIII

MEETINGS OF DIRECTORS; ACTION WITHOUT A MEETING

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

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

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

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

quorum shall be present the affirmative vote of a majority of the directors present shall be the act of the Board.

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

ARTICLE IX

OFFICERS

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

2. The Board of Directors, at its first meeting after the annual meeting of shareholders, shall choose the officers, who need not be members of the Board.

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

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

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

ARTICLE X

CHIEF EXECUTIVE OFFICER

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

ARTICLE XI

PRESIDENT

The President shall be the chief operating officer of the corporation and shall perform such duties as may be prescribed by these bylaws, or by the Chief Executive Officer. The President shall, in case of the absence or inability of the Chief Executive Officer to act, have the powers and perform the duties of the Chief Executive Officer.

ARTICLE XII

EXECUTIVE VICE PRESIDENTS,
SENIOR VICE PRESIDENTS
AND VICE PRESIDENTS

1. The Executive Vice Presidents, the Senior Vice Presidents and the Vice Presidents shall have such powers and duties as may be delegated to them by the Chief Executive Officer.

ARTICLE XIII

GENERAL COUNSEL

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

ARTICLE XIV

TREASURER

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

ARTICLE XV

CONTROLLER

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

ARTICLE XVI

SECRETARY

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

ARTICLE XVII

TRANSFER AGENTS AND REGISTRARS; CERTIFICATES OF STOCK

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

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

ARTICLE XVIII

TRANSFERS OF STOCK

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

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

3. To the extent that any provision of the Amended and Restated Rights Agreement dated as of January 19, 1996, between the corporation and Chemical Bank, as Rights Agent (the "Rights Agreement"), or the Amendment thereto, dated as of July 31, 1997, between the corporation and BankBoston, N.A., as successor rights agent, imposes a restriction on the transfer of any securities of the corporation, including, without limitation, the Rights, as defined in the Amended and Restated Rights Agreement, such restriction is hereby authorized.

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

ARTICLE XIX

FIXING RECORD DATE

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

of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting and any adjournment thereof, or entitled to express such consent, or entitled to receive payment of such dividend or other distribution or allotment of rights, or entitled to exercise such rights in respect of change, conversion or exchange, or to take such other action, as the case may be, notwithstanding any transfer of shares on the share transfer books of the corporation after any such record date fixed as aforesaid.

ARTICLE XX

REGISTERED SHAREHOLDERS

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

ARTICLE XXI

CHECKS

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

ARTICLE XXII

FISCAL YEAR

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

ARTICLE XXIII

NOTICES AND WAIVER

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

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

ARTICLE XXIV

BYLAWS

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

This schedule contains summary financial information from The Pittston Company
Form 10Q for the three months ended March 31, 1999, and is qualified in its
entirety by reference to such financial statements.

1,000

3-MOS
DEC-31-1999
MAR-31-1999
78,796
1,842
575,581
31,607
45,097
817,001
1,438,177
581,792
2,326,404
806,087
318,632
70,872
0
296
650,297
2,326,404
108,753
954,886
115,443
935,431
0
2,944
10,197
16,166
3,506
12,660
0
0
0
12,660
0
0

Pittston Brink's Group - Basic - 0.43
Pittston BAX Group - Basic - 0.02
Pittston Minerals Group - Basic - 1.61
Pittston Brink's Group - Diluted - 0.43
Pittston BAX Group - Diluted - 0.02
Pittston Minerals Group - Diluted - (0.45)