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

FORM 10-Q

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

For the quarterly period ended September 30, 1998

[ ] 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 November 6, 1998, 40,961,415 shares of $1 par value Pittston Brink's Group Common Stock, 19,360,010 shares of $1 par value Pittston BAX Group Common Stock and 8,386,434 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)

	September 30 1998	December 31 1997
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 69,150	69,878
Short-term investments, at lower of cost or market	2,732	2,227
Accounts receivable (net of estimated amounts uncollectible: 1998 - $36,463; 1997 - $21,985)	609,026	531,317
Inventories, at lower of cost or market	39,931	40,174
Prepaid expenses	42,328	32,767
Deferred income taxes	51,667	50,442
Total current assets	814,834	726,805
Property, plant and equipment, at cost (net of accumulated depreciation, depletion and amortization: 1998 - $559,012; 1997 - $519,658)	819,139	647,642
Intangibles, net of accumulated amortization	343,353	301,395
Deferred pension assets	121,298	123,138
Deferred income taxes	57,287	47,826
Other assets	125,682	149,138
Total assets	$ 2,281,593	1,995,944
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings	$ 45,336	40,144
Current maturities of long-term debt	44,331	11,299
Accounts payable	290,652	281,411
Accrued liabilities	396,323	310,819
Total current liabilities	776,642	643,673
Long-term debt, less current maturities	332,150	191,812
Postretirement benefits other than pensions	237,536	231,451
Workers' compensation and other claims	97,285	106,378
Deferred income taxes	18,013	17,157
Other liabilities	116,292	119,855
Shareholders' equity:		
Preferred stock, par value $10 per share: Authorized: 2,000 shares $31.25 Series C Cumulative Convertible Preferred Stock; Issued and outstanding: 1998 - 113 shares; 1997 - 114 shares	1,134	1,138
Pittston Brink's Group Common Stock, par value $1 per share: Authorized: 100,000 shares; Issued and outstanding: 1998 - 40,961 shares; 1997 - 41,130 shares	40,961	41,130
Pittston BAX Group Common Stock, par value $1 per share: Authorized: 50,000 shares; Issued and outstanding: 1998 - 19,721 shares; 1997 - 20,378 shares	19,721	20,378
Pittston Minerals Group Common Stock, par value $1 per share: Authorized: 20,000 shares; Issued and outstanding: 1998 - 8,386 shares; 1997 - 8,406 shares	8,386	8,406
Capital in excess of par value	387,481	430,970
Retained earnings	373,434	359,940
Accumulated other comprehensive income - foreign currency translation	(49,639)	(41,762)
Employee benefits trust, at market value	(77,803)	(134,582)
Total shareholders' equity	703,675	685,618
Total liabilities and shareholders' equity	$ 2,281,593	1,995,944

See accompanying notes to consolidated financial statements.

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

	Three Months Ended September 30 1998	1997	Nine Months Ended September 30 1998	1997
Net sales	$ 126,567	150,998	410,873	467,693
Operating revenues	842,365	723,451	2,347,827	2,014,586
Net sales and operating revenues	968,932	874,449	2,758,700	2,482,279
Costs and expenses:				
Cost of sales	125,148	144,338	402,590	451,586
Operating expenses	694,506	586,975	1,948,957	1,659,228
Selling, general and administrative expenses (including a $15,723 write-off of long-lived assets in the 1998 periods)	141,690	85,478	343,678	255,576
Total costs and expenses	961,344	816,791	2,695,225	2,366,390
Other operating income, net	8,551	2,898	14,667	9,349
Operating profit	16,139	60,556	78,142	125,238
Interest income	1,377	1,067	3,625	3,077
Interest expense	(11,090)	(7,282)	(28,001)	(19,268)
Other income (expense), net	1,021	(810)	603	(5,098)
Income before income taxes	7,447	53,531	54,369	103,949
Provision for income taxes	7,236	17,194	20,568	31,608
Net income	211	36,337	33,801	72,341
Preferred stock dividends, net	(886)	(789)	(2,637)	(2,592)
Net (loss) income attributed to common shares	$ (675)	35,548	31,164	69,749
Pittston Brink's Group:				
Net income attributed to common shares	$ 20,008	19,372	57,615	52,417
Net income per common share:				
Basic	$ .52	.51	1.49	1.37
Diluted	.51	.50	1.47	1.35
Cash dividend per common share	$ .025	.025	.075	.075
Pittston BAX Group:				
Net (loss) income attributed to common shares	$ (21,835)	15,993	(23,812)	19,168
Net (loss) income per common share:				
Basic	$ (1.13)	.82	(1.22)	.99
Diluted	(1.13)	.80	(1.22)	.96
Cash dividends per common share	$ .06	.06	.18	.18
Pittston Minerals Group:				
Net income (loss) attributed to common shares	$ 1,152	183	(2,639)	(1,836)
Net income (loss) per common share:				
Basic	$ .14	.02	(.32)	(.23)
Diluted	.14	.02	(.32)	(.23)
Cash dividends per common share	$ .0250	.1625	.2125	.4875

See accompanying notes to consolidated financial statements.

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

	Nine Months Ended September 30 1998	1997
Cash flows from operating activities:		
Net income	$ 33,801	72,341
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	113,090	96,467
Non-cash charges and other write-offs	20,124	--
Provision for aircraft heavy maintenance	27,148	25,009
(Credit) provision for deferred income taxes	(6,615)	5,306
Provision for pension, noncurrent	543	725
Provision for uncollectible accounts receivable	17,915	6,837
Equity in loss of unconsolidated affiliates, net of dividends received	1,146	3,727
Other operating, net	6,187	7,454
Change in operating assets and liabilities, net of effects of acquisitions and dispositions:		
Increase in accounts receivable	(27,781)	(58,484)
Decrease (increase) in inventories	1,859	(15,532)
Increase in prepaid expenses	(5,949)	(4,984)
(Decrease) increase in accounts payable and accrued liabilities	(15,582)	16,389
Increase in other assets	(4,620)	(6,619)
Increase (decrease) in other liabilities	6,529	(5,630)
Decrease in workers' compensation and other claims, noncurrent	(7,457)	(6,377)
Other, net	(9,497)	(650)
Net cash provided by operating activities	150,841	135,979
Cash flows from investing activities:		
Additions to property, plant and equipment	(190,956)	(133,911)
Aircraft heavy maintenance expenditures	(26,708)	(24,790)
Proceeds from disposal of property, plant and equipment	23,094	5,455
Acquisitions, net of cash acquired, and related contingency payments	(34,361)	(65,271)
Dispositions of other assets and investments	8,482	--
Other, net	(4,695)	8,925
Net cash used by investing activities	(225,144)	(209,592)
Cash flows from financing activities:		
Additions to debt	161,761	144,137
Reductions of debt	(68,906)	(31,090)
Repurchase of stock of the Company	(16,860)	(12,373)
Proceeds from exercise of stock options	7,910	4,060
Dividends paid	(10,330)	(12,346)
Net cash provided by financing activities	73,575	92,388
Net (decrease) increase in cash and cash equivalents	(728)	18,775
Cash and cash equivalents at beginning of period	69,878	41,217
Cash and cash equivalents at end of period	$ 69,150	59,992

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 ("Coal Operations") and Pittston Mineral Ventures ("Mineral Ventures") operations of the Company. The Company's capital structure includes three issues of common stock: Pittston Brink's Group Common Stock ("Brink's Stock"), Pittston 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. Holders of Brink's Stock, BAX Stock and Minerals Stock are shareholders of the Company, which is responsible for all 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.

Effective May 4, 1998, the designation of Pittston Burlington Group Common Stock and the name of the Pittston Burlington Group were changed to Pittston BAX Group Common Stock and Pittston BAX Group, respectively. All rights and privileges of the holders of such Stock are otherwise unaffected by such changes. The stock continues to trade on the New York Stock Exchange under the symbol "PZX".

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

Brink's Group	Three Months Ended September 30 1998	1997	Nine Months Ended September 30 1998	1997
Numerator:				
Net income - Basic and diluted net income per share numerator	$ 20,008	19,372	57,615	52,417
Denominator:				
Basic weighted average common shares outstanding	38,797	38,309	38,664	38,243
Effect of dilutive securities:				
Employee stock options	383	566	491	487
Diluted weighted average common shares outstanding	39,180	38,875	39,155	38,730

Options to purchase 356 shares of Brink's Stock, at prices between $37.06 and $39.56 per share, and options to purchase 333 shares of Brink's Stock, at prices between $38.16 and $39.56 per share, were outstanding during the three and nine months ended September 30, 1998, respectively, 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 9 shares of Brink's Stock at $38.16 per share and options to purchase 410 shares of Brink's Stock, at prices between $31.56 and $38.16 per share, were outstanding during the three and nine months ended September 30, 1997, respectively, 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	Three Months Ended September 30 1998	1997	Nine Months Ended September 30 1998	1997
Numerator:				
Net (loss) income - Basic and diluted net (loss) income per share numerator	$ (21,835)	15,993	(23,812)	19,168
Denominator:				
Basic weighted average common shares outstanding	19,339	19,470	19,446	19,449
Effect of dilutive securities:				
Employee stock options	--	578	--	527
Diluted weighted average common shares outstanding	19,339	20,048	19,446	19,976

Options to purchase 2,229 and 2,478 shares of BAX Stock, at prices between $5.78 and $27.91 per share, were outstanding during the three and nine months ended September 30, 1998, respectively, but were not included in the computation of diluted net loss per share because the effect of all options would be antidilutive.

Options to purchase 7 shares of BAX Stock at $27.91 per share and options to purchase 511 shares of BAX Stock, at prices between $23.88 and $27.91 per share, were outstanding during the three and nine months ended September 30, 1997, respectively, 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.

Minerals Group	Three Months Ended September 30 1998	1997	Nine Month Ended September 30 1998	1997
Numerator:				
Net income (loss)	$ 2,038	972	(2)	756
Convertible Preferred Stock dividends, net	(886)	(789)	(2,637)	(2,592)
Net income (loss) - Basic and diluted net income (loss) attributed to common shares per share numerator	1,152	183	(2,639)	(1,836)
Denominator:				
Basic weighted average common shares outstanding	8,370	8,096	8,302	8,055
Effect of dilutive securities:				
Employee stock options	1	14	--	--
Diluted weighted average common shares outstanding	8,371	8,110	8,302	8,055

Options to purchase 625 shares of Minerals Stock, at prices between $5.63 and $25.74 per share, were outstanding during the three months ended September 30, 1998 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 787 shares of Minerals Stock, at prices between $4.19 and $25.74 per share, were outstanding during the nine months ended September 30, 1998 but were not included in the computation of diluted net loss per share because the effect of all options would be antidilutive.

Options to purchase 449 shares of Minerals Stock, at prices between $11.63 and $25.74 per share, were outstanding during the three months ended September 30, 1997 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 721 shares of Minerals Stock, at prices between $8.64 and $25.74 per share, were outstanding during the nine months ended September 30, 1997 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 1,764 shares of Minerals Stock has been excluded in the computation of diluted net income (loss) per share for the three and nine months ended September 30, 1998 because the effect of the assumed conversion would be antidilutive. The conversion of the Convertible Preferred Stock to 1,789 and 1,792 shares of Minerals Stock has been excluded in the calculation of diluted net income (loss) for the three and nine months ended September 30, 1997, respectively, because the effect of the assumed conversions would be antidilutive.

(3) Depreciation, depletion and amortization of property, plant and equipment totaled $33,564 and $95,724 in the third quarter and nine month periods of 1998, respectively, compared to $28,978 and $77,476 in the third quarter and nine month periods of 1997, respectively.

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

	Three Months Ended September 30		Nine Months Ended September 30	
	1998	1997	1998	1997
Interest	$ 10,891	7,146	27,206	19,424
Income taxes	$ 3,218	7,771	22,302	25,335

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. See further discussion in Note 5 below.

(5) In the first quarter of 1998, the Company purchased 62% (representing nearly all the remaining shares) of its Brink's affiliate in France ("Brink's S.A.") for payments aggregating US $39,000 over three years. The acquisition was funded through an initial payment made at closing of US $8,789 and a note to the seller for a principal amount of approximately the equivalent of US $27,500 payable in annual installments plus interest through 2001. The acquisition has been accounted for as a purchase and accordingly, the purchase price is being allocated to the underlying assets and liabilities based on their estimated fair value at date of acquisition. Based on a preliminary evaluation which is subject to additional review, the estimated fair value of the additional assets recorded, including goodwill, approximated US $161,800 and included US $9,200 in cash. Estimated liabilities assumed of US $125,700 included previously existing debt of approximately US $49,000, which includes borrowings of US $19,000 and capital leases of US $30,000. The excess of the purchase price over the estimated fair value of assets acquired and liabilities assumed is being amortized over 40 years. Brink's S.A. had annual 1997 revenues approximating the equivalent of US $220,000.

(6) During the second quarter of 1998, the Company's Coal Operations disposed of certain assets of its Elkay mining operation in West Virginia. The assets were sold for cash of approximately $18,000, resulting in a pre-tax loss of approximately $2,200.

(7) On April 30, 1998, the Company's BAX Global operation acquired the privately held Air Transport International LLC ("ATI") for a purchase price of approximately $29,000. The acquisition was funded through the revolving credit portion of the Company's bank credit agreement and was accounted for as a purchase. Based on a preliminary evaluation which is subject to additional review, the estimated fair value of the assets acquired and liabilities assumed approximated $33,000 and $4,000, respectively. The pro forma impact on the Company's total revenues, net income and net income per share had the ATI acquisition occurred as of the beginning of 1998 and 1997 would not have been material.

(8) During the third quarter of 1998, the Company incurred expenses of approximately $36,000, nearly all of which was recorded in selling, general and administrative expenses in the statement of operations. These expenses were comprised of several items. During the third quarter of 1998, the Company recorded write-offs for software costs included in property, plant and equipment in accordance with SFAS No. 121 of approximately $16 million. These write-offs consisted of the costs associated with certain in-process software development projects that were canceled during the quarter and unamortized costs of existing software applications which were determined by management to have no future service potential or value. It is management's belief at this time that the current ongoing information technology initiatives that originated from the previously mentioned BPI project are necessary and will be successfully completed and implemented. Provisions aggregating $13,000 were recorded on existing receivables during the quarter, primarily to reflect more difficult operating environments in Asia and Latin America. Approximately $7,000 was accrued for severance and other expenses primarily stemming from a realignment of BAX Global's organizational structure.

The additional IT and bad debt expenses are primarily non-cash items and are reflected in the statement of cash flows partially through the non-cash charges and other write-offs line item and the provision for uncollectible accounts receivable line item. Severance costs recorded in the third quarter of 1998 are cash items, which are expected to be paid by early to mid-1999.

(9) 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 and nine months ended September 30, 1998 by $1,608 and $4,519, respectively, and by $1,199 and $3,567, respectively, for the same periods of 1997. The effect of this change increased diluted net income per common share of the Brink's Group by $0.03 and $0.07 in the three and nine month periods ended September 30, 1998, respectively, and by $0.02 and $0.06, respectively, in the comparable periods of 1997.

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

(Dollars in millions)		Three Months Ended September 30 1998	Three Months Ended September 30 1997	Nine Months Ended September 30 1998	Nine Months Ended September 30 1997
Brink's Stock:					
Shares		35.4	--	149.5	166.0
Cost	$	1.2	--	5.6	4.3
BAX Stock:					
Shares		245.7	200.2	650.6	332.3
Cost	$	2.9	4.8	10.1	7.4
Convertible Preferred Stock:					
Shares		--	1.5	0.4	1.5
Cost	$	--	0.6	0.1	0.6
Excess carrying amount (a)	$	--	0.1	0.02	0.1

(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.

At September 30, 1998, the Company had the remaining authority to purchase over time 1,000 shares of Minerals Stock; 907 shares of Brink's Stock; 442 shares of BAX Stock and an additional $24,236 of its Convertible Preferred Stock. The remaining aggregate purchase cost limitation for all common stock was $9,189 at September 30, 1998.

In October 1998, the Company purchased an additional 361 shares of BAX Stock for $2,275. In November 1998, the Board authorized a revised common share repurchase authority program which allows for the purchase, from time to time, of up to 1,000 shares of Brink's Stock, up to 1,500 shares of BAX Stock and up to 1,000 shares of Minerals Stock, not to exceed an aggregate purchase price of $25,000; such shares are to be purchased from time to time in the open market or in private transactions, as conditions warrant.

(11) The Company adopted Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income," in the first quarter of 1998. SFAS No. 130 established standards for the reporting and display of comprehensive income and its components in financial statements. Comprehensive income generally represents all changes in shareholders' equity except those resulting from investments by or distributions to shareholders. Total comprehensive (loss) income, which is composed of net (loss) income attributable to common shares and foreign currency translation adjustments, for the three months ended September 30, 1998 and 1997 was ($3,898) and $28,574, respectively, and for the first nine months ended September 30, 1998 and 1997 was $23,287 and $56,135, respectively.

Effective January 1, 1998, the Company implemented AICPA Statement of Position ("SOP") No. 98-1 "Accounting for the Costs of Computer Software Developed for Internal Use". SOP No. 98-1 requires that certain costs related to the development or purchase of internal-use software be capitalized and amortized over the estimated useful life of the software.

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

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards for derivative instruments and hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. This statement is effective for the Company for the year beginning January 1, 2000, with early adoption encouraged. The Company is currently evaluating the timing of adoption, which may be as soon as the fourth quarter of 1998, and the effect that implementation of the new standard will have on its results of operations and financial position.

In April 1998, the AICPA issued 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. This SOP is effective for the Company for the year beginning January 1, 1999, with early application encouraged. Initial application of the SOP is required to be reported as a cumulative effect of a change in accounting principle as of the beginning of the year of adoption. The Company is currently evaluating the effect that implementation of the new statement will have on its results of operations and financial position.

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

(14) In the opinion of management, all adjustments have been made which are necessary for a fair presentation of results of operations and financial condition for the periods reported herein. All such adjustments, except as disclosed, are of a normal recurring nature.

THE PITTSTON COMPANY AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS
AND FINANCIAL CONDITION

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

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

RESULTS OF OPERATIONS

	Three Months Ended September 30		Nine Months Ended September 30	
(In thousands)	1998	1997	1998	1997
Net sales and operating revenues:				
Brink's	$ 329,701	234,004	901,375	667,753
BHS	51,796	46,071	150,267	132,481
BAX Global	460,868	443,376	1,296,185	1,214,352
Coal Operations	122,867	145,616	398,963	454,282
Mineral Ventures	3,700	5,382	11,910	13,411
Net sales and operating revenues	$ 968,932	874,449	2,758,700	2,482,279
Operating profit (loss):				
Brink's	$ 24,595	20,861	70,561	55,805
BHS	13,008	13,402	40,405	39,454
BAX Global	(21,285)	28,926	(14,576)	39,117
Coal Operations	5,854	2,640	6,642	7,495
Mineral Ventures	(1,084)	(347)	(1,409)	(2,112)
Segment operating profit	21,088	65,482	101,623	139,759
General corporate expense	(4,949)	(4,926)	(23,481)	(14,521)
Total operating profit	$ 16,139	60,556	78,142	125,238

In the third quarter of 1998, the Company reported net income of $0.2 million compared with $36.3 million in the third quarter of 1997. Operating profit totaled $16.1 million in the 1998 third quarter compared with $60.6 million in the prior year third quarter. Results for the third quarter were adversely affected by additional expenses of approximately $36 million at the Company's BAX Global operations (discussed below). Increased operating results at Brink's ($3.7 million) and Coal Operations ($3.2 million) were offset by a decrease in operating results at BAX Global ($50.2 million), Mineral Ventures ($0.7 million), and BHS ($0.4 million).

In the first nine months of 1998, the Company reported net income of $33.8 million including the previously discussed additional expenses compared with $72.3 million in the first nine months of 1997. Operating profit totaled $78.1 million in the first nine months of 1998 compared with $125.2 million in the prior year period. Increased operating results in the first nine months of 1998 at Brink's ($14.8 million), BHS ($1.0 million) and Mineral Ventures ($0.7 million) were offset by lower operating results at BAX Global ($53.7 million), and Coal Operations ($0.9 million) combined with higher general corporate expenses ($9.0 million).

The following is a discussion of the $36 million of additional expenses incurred by BAX Global in the three and nine month periods ended September 30, 1998.

During early 1997, BAX Global began an extensive review of the company's information technology ("IT") strategy. Through this review, senior management from around the world developed a new global strategy to improve business processes with an emphasis on new information systems intended to enhance productivity and improve the company's competitive position, as well as address and remediate the company's Year 2000 compliance issues. The company ultimately committed $120 million to be spent from 1997 to early 2000 to improve information systems and complete Year 2000 initiatives.

However, in conjunction with priorities established by BAX Global's new president and chief executive officer, who joined the company in June 1998, senior management re-examined this global IT strategy. It was determined that the critical IT objectives needed to be accomplished by the end of 1999 were Year 2000 compliance and the consolidation and integration of certain key operating and financial systems, supplemented by process improvement initiatives to enhance these efforts. As a result of this re-examination, senior management determined that certain non-critical, in-process IT software development projects that were begun in late 1997 under the BAX Process Innovation ("BPI") project would be terminated. Therefore, costs relating to these projects, which had previously been capitalized, were written off during the third quarter of 1998. Also as a result of this re-examination, certain existing software applications were found to have no future service potential or value. The combined carrying amount of these assets, which were written off, approximated $16 million as of September 30, 1998. It is management's belief at this time that the current ongoing information technology initiatives that originated from the previously mentioned BPI project are necessary and will be successfully completed and implemented. Such costs are included in selling, general and administrative expenses in the Company's Statement of Operations for the periods ended September 30, 1998.

The Company's BAX Global operations recorded provisions aggregating approximately $13 million related to accounts receivable in the third quarter of 1998. These provisions were needed primarily as the result of the deterioration of the economic and operating environments in certain international markets, primarily Asia/Pacific and Latin America. As a result of a comprehensive review of accounts receivables, undertaken in response to that deterioration, such accounts receivable were not considered cost-effective to pursue further and/or improbable of collection.

During the third quarter of 1998, the Company's BAX Global operations recorded severance and other expenses of approximately $7 million. The majority of these expenses related to an organizational realignment proposed by newly elected senior management which included a resource streamlining initiative that required the elimination, consolidation or restructuring of approximately 180 employee positions. The positions reside primarily in the USA and in BAX Global's Atlantic region and include administrative and management-level positions. The estimated costs of severance benefits for terminated employees are expected to be paid through early to mid- 1999. At this time management has no plans to institute further organizational changes which would require significant costs related to involuntary terminations. The related charge has been included in selling, general and administrative expenses in the Company's Statement of Operations for the three and nine months ended September 30, 1998.

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

(In thousands)	Three Months Ended September 30 1998	1997	Nine Months Ended September 30 1998	1997
Operating revenues:				
North America (United States & Canada)	$ 136,284	123,364	401,338	351,752
Europe	110,351	34,976	251,073	101,331
Latin America	76,983	68,663	229,823	194,522
Asia/Pacific	6,083	7,001	19,141	20,148
Total operating revenues	329,701	234,004	901,375	667,753
Operating expenses	262,484	184,974	719,769	527,471
Selling, general and administrative expenses	41,972	28,814	111,385	84,618
Total costs and expenses	304,456	213,788	831,154	612,089
Other operating (expense) income, net	(650)	645	340	141
Operating profit (loss):				
North America (United States & Canada)	13,167	10,784	35,099	28,195
Europe	10,039	3,392	17,252	5,059
Latin America	2,091	6,064	18,122	20,946
Asia/Pacific	(702)	621	88	1,605
Total operating profit	$ 24,595	20,861	70,561	55,805
Depreciation and amortization	$ 11,718	10,410	32,392	24,768
Cash capital expenditures	$ 25,969	15,520	53,679	35,625

Brink's consolidated revenues totaled $329.7 million in the third quarter of 1998 compared with $234.0 million in the third quarter of 1997. The revenue increase of $95.7 million (41%) was offset, in part, by increases in total costs and expenses of $90.7 million (42%). Brink's operating profit of $24.6 million in the third quarter of 1998 represented a $3.7 million (18%) increase over the $20.9 million operating profit reported in the prior year quarter. The increases in revenue were attributable to operations in Europe, North America and Latin America. Operating profit increases in Europe and North America were partially offset by decreases in operating results in Latin America and Asia/Pacific.

Revenues from North American operations (United States and Canada) increased $12.9 million (10%) to $136.3 million in the 1998 third quarter from $123.4 million in the prior year quarter. North American operating profit increased $2.4 million (22%) to $13.2 million in the current year quarter. The revenue and operating profit increases for 1998 primarily resulted from improved results across most product lines, particularly armored car operations, which include ATM services.

Revenues and operating profit from European operations amounted to $110.4 million and $10.0 million, respectively, in the third quarter of 1998. These amounts represented increases of $75.4 million and $6.6 million from the comparable quarter of 1997. The increase in revenues was primarily due to the acquisition, in the first quarter of 1998, of nearly all the remaining shares of Brink's affiliate in France (discussed in more detail below), 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 due to the improved results from operations in France as well as the increased ownership position.

In Latin America, revenues increased 12% to $77.0 million, due primarily to growth in Venezuela and Argentina. However, operating profits decreased from $6.1 million in the third quarter of 1997 to $2.1 million in the third quarter of 1998, largely the result of equity losses in the 20% owned Mexican affiliate and increased labor related costs in certain countries, a portion of which are non-recurring.

Revenues from Asia/Pacific operations decreased $0.9 million in the third quarter of 1998 to $6.1 million. Operating loss from Asia/Pacific subsidiaries and affiliates in the third quarter of 1998 was $0.7 million, compared to operating profit of $0.6 million in the prior year quarter. The operating loss was primarily due to additional expenses associated with an expansion of operations in Australia.

Brink's consolidated revenues totaled $901.4 million in the first nine months of 1998 compared with $667.8 million in the first nine months of 1997. The revenue increase of $233.6 million (35%) in 1998 was offset, in part, by an increase in total costs and expenses of $219.1 million (36%). Brink's operating profit of $70.6 million in the first nine months of 1998 represented a 26% increase over the $55.8 million operating profit reported in the prior year period.

Revenues from North American operations increased $49.6 million (14%) to $401.3 million in the first nine months of 1998 from $351.8 million in the same period of 1997. North American operating profit increased $6.9 million (24%) to $35.1 million in the current year period from $28.2 million in the same period of 1997. The revenues and operating profit improvement for the nine months of 1998 primarily resulted from improved armored car operations, which include ATM services.

Revenues and operating profit from European operations amounted to $251.1 million and $17.3 million, respectively, in the first nine months of 1998. These amounts represented increases of $149.7 million and $12.2 million from the comparable period of 1997. The increase in revenue was primarily due to the acquisition of nearly all the remaining shares of the Brink's affiliate in France in the first quarter of 1998. The increase in operating profits reflects improved results from operations in France, as well as the increased ownership. However, this improvement was partially offset by lower results in Belgium caused by industry-wide labor unrest in the armored car industry in that country which was resolved in the first quarter of 1998.

In Latin America, revenues increased 18% from $194.5 million to $229.8 million while operating profits decreased 13% from $20.9 in the first nine months of 1997 to $18.1 million in the first nine months of 1998. The improved operating profits were primarily attributable to the operations in Venezuela. However, the favorable impact from Venezuela was more than offset by costs associated with start-up operations in Argentina and equity losses from Brink's 20% owned affiliate in Mexico.

Revenues and operating profit from Asia/Pacific operations in the first nine months of 1998 were $19.1 million and $0.1 million, respectively, compared to $20.1 million and $1.6 million, respectively, in the first nine months of 1997. The decrease in operating profit was primarily due to additional expenses associated with the expansion of operations in Australia.

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

(Dollars in thousands)	Three Months Ended September 30 1998	Three Months Ended September 30 1997	Nine Months Ended September 30 1998	Nine Months Ended September 30 1997
Operating revenues	$ 51,796	46,071	150,267	132,481
Operating expenses	27,394	22,908	77,064	66,060
Selling, general and administrative expenses	11,394	9,761	32,798	26,967
Total costs and expenses	38,788	32,669	109,862	93,027
Operating profit:				
Monitoring and service	18,268	16,193	53,602	46,727
Net marketing, sales and installation	(5,260)	(2,791)	(13,197)	(7,273)
Total operating profit	$ 13,008	13,402	40,405	39,454
Depreciation and amortization	$ 9,577	7,880	27,482	21,662
Cash capital expenditures	$ 21,893	19,774	59,395	53,853
Monthly recurring revenues (a)			$ 14,512	12,460
Number of subscribers:				
Beginning of period	547,658	482,065	511,532	446,505
Installations	28,891	28,000	84,198	80,388
Disconnects	(10,330)	(9,691)	(29,511)	(26,519)
End of period	566,219	500,374	566,219	500,374

(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. Annualized recurring revenues as of September 30, 1998 and 1997 were $174,144 and $149,524, respectively.

Revenues for BHS increased by 12% to $51.8 million in the third quarter of 1998 from $46.1 million in the 1997 quarter. In the first nine months of 1998, revenues for BHS increased by $17.8 million (13%) to $150.3 million from $132.5 million in the first nine months of 1997. The increase in revenues was due to higher ongoing monitoring and service revenues, reflecting a 13% increase in the subscriber base as well as higher average monitoring fees. As a result of such growth, monthly recurring revenues at September 30, 1998 grew 16% over the amount in effect at the end of September 30, 1997. Installation revenue for the third quarter and first nine months of 1998 decreased 4% and 5%, respectively, over the same 1997 periods. While the number of new security system installations increased, the revenue per installation decreased in both the three and nine month periods ended September 30, 1998, as compared to the 1997 periods, in response to continuing competitive pressures.

Operating profit of $13.0 million in the third quarter of 1998 represented a decrease of $0.4 million (3%) compared to the $13.4 million earned in the 1997 third quarter. In the first nine months of 1998, operating profit increased 2% to $40.4 million from $39.5 million earned in the first nine months of 1997. These trends were favorably impacted by increases in operating profit generated from monitoring and service activities of $2.1 million (13%) and $6.9 million (15%) for the quarter and nine months ended September 30, 1998, respectively. The improvement during both of these periods was due to the growth in the subscriber base combined with the higher average monitoring fees. However, growth in overall operating profit was negatively impacted by the up front net cost of marketing, sales and installation related to gaining new subscribers which increased $2.5 million and $5.9 million during the third quarter and first nine months of 1998, respectively, as compared to the same periods of 1997. The increase in this up front net cost in both the quarter and year-to-date periods is due to higher levels of sales and marketing costs incurred and expensed combined with lower levels of installation revenue. Both of these factors are a consequence of the continuing competitive environment in the residential security market. It is anticipated that these trends will continue in the near term and that overall operating profit growth will, accordingly, be nominal for the year ending December 31, 1998 and into 1999. However, management anticipates that the cash margins generated from monitoring and servicing activities will continue to be strong during these same periods.

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 and nine months ended September 30, 1998 by $1.6 million and $4.5 million, respectively, and by $1.2 million and $3.6 million, respectively, for the same periods of 1997. The effect of this change increased diluted net income per common share of the Brink's Group by $0.03 and $0.07 in the three and nine month periods ended September 30, 1998, respectively, and by $0.02 and $0.06 in the comparable periods of 1997, respectively.

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

(In thousands - except per pound/shipment amounts)	Three Months Ended September 30 1998	Three Months Ended September 30 1997	Nine Months Ended September 30 1998	Nine Months Ended September 30 1997
Operating revenues:				
Intra-U.S.:				
Expedited freight services	$ 160,440	176,332	459,480	457,672
Other	1,384	1,761	3,623	5,372
Total Intra-U.S.	161,824	178,093	463,103	463,044
International:				
Expedited freight services (a)	232,984	220,291	658,872	631,740
Other (a)	66,060	44,992	174,210	119,568
Total International	299,044	265,283	833,082	751,308
Total operating revenues	460,868	443,376	1,296,185	1,214,352
Operating expenses	404,628	379,093	1,152,124	1,065,697
Selling, general and administrative expenses	77,281	35,708	158,734	111,397
Total costs and expenses	481,909	414,801	1,310,858	1,177,094
Other operating (expense) income, net	(244)	351	97	1,859
Operating (loss) profit:				
Intra-U.S. (b)	(2,095)	16,938	(4,990)	19,803
International (b)	(19,190)	11,988	(9,586)	19,314
Total operating (loss) profit	$ (21,285)	28,926	(14,576)	39,117
Depreciation and amortization	$ 9,268	7,458	25,662	21,457
Cash capital expenditures	$ 14,197	11,398	58,607	22,321
Expedited freight services shipment growth rate (c)	(26.9%)	41.8%	(10.4%)	13.5%
Expedited freight services weight growth rate (c):				
Intra-U.S.	(8.3%)	16.5%	2.1%	7.1%
International	7.5%	14.5%	8.1%	8.3%
Worldwide	(0.3%)	15.5%	5.2%	7.7%
Expedited freight services weight (millions of pounds)	417.0	418.1	1,201.0	1,141.2
Expedited freight services shipments (thousands)	1,343	1,836	3,978	4,441
Worldwide expedited freight services:				
Yield (revenue per pound) (a)	$ .943	.949	.931	.955
Revenue per shipment (a)	$ 293	216	281	245
Weight per shipment (pounds)	311	228	302	257

(a) Prior period's international expedited freight revenues have been reclassified to conform to the current period classification.
(b) The three and nine month periods ended September 30, 1998 include additional expenses of approximately $36 million (approximately $12 million Intra-U.S. and $24 million International) related to the termination or rescoping of certain information technology projects (approximately $16 million), increased provisions on existing accounts receivable (approximately $13 million) and approximately $7 million primarily related to severance expenses associated with BAX Global's redesign of its organizational structure. The nine month period ended September 30, 1997 includes $12.5 million of consulting expenses related to the redesign of BAX Global's business processes and new information systems architecture ($4.75 million Intra-U.S. and $7.75 million International).
(c) Compared to the same period in the prior year. 1997 results include a benefit from additional volume and shipments resulting from the effect of the United Parcel Service strike.

BAX Global's third quarter 1998 operating loss, including the previously discussed additional expenses of approximately $36 million, amounted to $21.3 million, a decrease of $50.2 million from the operating profit of $28.9 million reported in the third quarter of 1997 reflecting decreases in both intra-U.S. and international operating profits. Worldwide revenues increased 4% to $460.9 million from $443.4 million in the 1997 quarter. The $17.5 million growth in revenues resulted from a $20.7 million increase in non-expedited freight services revenues offset by a $3.2 million decrease in overall expedited freight services revenues reflecting a 0.3% decrease in worldwide expedited freight services pounds shipped, which was 417.0 million pounds in the third quarter of 1998, coupled with a 0.6% decrease in average yield on this volume. Increases in non-expedited freight services revenues reflect increases in ocean freight services, supply chain management revenues and revenues from the recently acquired Air Transport International LLC ("ATI") discussed in further detail below.

In the third quarter of 1998, BAX Global's intra-U.S. revenues decreased from $178.1 million in the 1997 third quarter to $161.8 million. This $16.3 million (9%) decrease was primarily due to a decrease of $15.9 million (9%) in intra-U.S. expedited freight services revenues. The lower level of intra-U.S. expedited freight services revenues in 1998 was due to an 8% decrease in weight shipped and a decrease in the average yield reflecting higher 1997 volumes and pricing due to the effects of the United Parcel Service ("UPS") strike during the third quarter of 1997. Intra-U.S. operating losses were $2.1 million for the 1998 quarter, including approximately $12 million of the previously discussed additional expenses, compared to an operating profit of $16.9 million in the third quarter a year ago which included a benefit from the UPS strike. While expedited freight gross margin as a percentage of revenue remained consistent between the quarters, other operating expenses and selling, general and administrative expenses increased due to the previously discussed additional expenses, higher information technology expenses including expenditures for Year 2000 initiatives and additional station operating costs associated with efforts to enhance service levels.

International revenues in the third quarter of 1998 increased $33.8 million (13%) to $299.0 million from the $265.3 million recorded in the third quarter of 1997. International expedited freight services revenues increased 6% to $233.0 million due to an increase in weight shipped of 8%, partially offset by lower yields (revenue per pound) reflecting a reduction in traffic to higher yielding Asian markets. Other international revenues, which consist primarily of supply chain management, ocean freight forwarding and customs brokerage, as well as revenues from Air Transport International LLC ("ATI"), an airline operation acquired in the second quarter of 1998, rose 47% to $66.1 million. The revenue increase was largely due to the acquisition of ATI and growth in both ocean freight forwarding and supply chain management activities. International operating losses were $19.2 million, including approximately $24 million of previously discussed additional expenses, for the 1998 third quarter compared to a $12.0 million operating profit in the third quarter of 1997. In addition, third quarter 1998 results were impacted by higher recurring IT expenses including expenditures for Year 2000 initiatives and higher initial ATI operating costs.

BAX Global's operating loss for the nine months ended September 30, 1998, including the previously discussed additional expenses of approximately $36 million, amounted to $14.6 million compared to an operating profit of $39.1 million reported in the 1997 nine month period which included $12.5 million of special consulting expenses. Worldwide revenues in the 1998 nine month period increased 7% to $1,296.2 million from $1,214.4 million in the 1997 period. The $81.8 million growth in revenues reflects a $28.9 million increase in expedited freight services revenues due to an increase in worldwide expedited freight services pounds shipped, which reached 1,201.0 million pounds in the nine months of 1998, offset by a 3% decrease in yield on this volume. In addition, non-expedited freight services revenues increased $52.9 million during the first nine months of 1998 as compared to 1997 as a result of increases in ocean freight services, supply chain management revenues and revenues from the recently acquired ATI discussed in further detail below.

For the first nine months of 1998, BAX Global's intra-US revenues increased slightly to $463.1 million compared to the same 1997 period due to an increase in intra-US expedited freight services revenues of $1.8 million mostly offset by a $1.7 million decrease in other intra-US revenues. The higher level of expedited freight services revenues was due to a 2% increase in weight shipped partially offset by lower average yields reflecting higher average pricing in 1997, due in part, to the UPS strike in the 1997 third quarter. For the first nine months of 1998 the intra-US operating loss was $5.0 million, including approximately $12 million of the previously discussed additional expenses compared to an operating profit of $19.8 million in the prior year which included the aforementioned special consulting expenses of $4.8 million. The decrease in operating profit after consideration of the previously discussed additional expenses is due to higher levels of transportation and operating costs incurred in anticipation of higher volumes combined with higher information technology ("IT") costs. While expedited freight gross margin as a percentage of revenues for the 1998 nine month period is below that of the comparable 1997 period, second and third quarter gross margins have shown substantial improvements over first quarter margins which were unfavorably impacted by service disruptions. Such service disruptions were mainly caused by equipment problems which were resolved during the first quarter.

For the first nine months of 1998, international revenues were $833.1 million, an 11% increase over $751.3 million a year earlier. International expedited freight services revenue increased $27.1 million (4%) due to an 8% increase in weight shipped offset by a 4% decrease in the average yield. The decrease in yield reflects a change in mix with less export traffic to higher yielding Asian markets, combined with the absence of third party carrier surcharges which existed in the 1997 period. International non-expedited freight services revenues increased $54.6 million (46%) in the first nine months of 1998 as compared to the same period in 1997. The increase primarily relates to growth in ocean freight and supply chain management services and revenues from the recently acquired ATI. For the first nine months of 1998, international operating losses totaled $9.6 million, including approximately $24 million of previously discussed additional expenses, compared to operating profits of $19.3 million in the first nine months of 1997 which included $7.75 million of the aforementioned special consulting expenses. In addition, the 1998 results were impacted by higher initial ATI operating costs and higher recurring IT expenses including expenditures for Year 2000 initiatives.

COAL OPERATIONS

The following are tables of selected financial data for Coal Operations on a comparative basis:

	Three Months Ended September 30		Nine Months Ended September 30	
(In thousands)	1998	1997	1998	1997
Net sales	$ 122,867	145,616	398,963	454,282
Cost of sales	122,374	140,287	394,076	440,170
Selling, general and administrative expenses	4,555	5,009	13,232	14,720
Total costs and expenses	126,929	145,296	407,308	454,890
Other operating income, net	9,916	2,320	14,987	8,103
Operating profit	$ 5,854	2,640	6,642	7,495
Coal sales (tons):				
Metallurgical	1,868	1,863	5,794	5,577
Steam	2,197	3,046	7,432	9,569
Total coal sales	4,065	4,909	13,226	15,146
Production/purchased (tons):				
Deep	1,340	1,320	4,097	3,746
Surface	1,551	2,594	5,361	7,991
Contract	182	352	624	1,090
	3,073	4,266	10,082	12,827
Purchased	834	769	2,845	3,072
Total	3,907	5,035	12,927	15,899

(In thousands, except per ton amounts)		Three Months Ended September 30 1998	1997	Nine Months Ended September 30 1998	1997
Net coal sales (a)	$	121,138	143,958	393,167	447,959
Current production costs of coal sold (a)		113,310	131,591	365,204	413,717
Coal margin		7,828	12,367	27,963	34,242
Non-coal margin		479	436	1,718	1,681
Other operating income, net		9,916	2,320	14,987	8,103
Margin and other income		18,223	15,123	44,668	44,026
Other costs and expenses:					
Idle equipment and closed mines		1,008	623	4,293	1,180
Inactive employee cost		6,806	6,851	20,501	20,631
Selling, general and administrative expenses		4,555	5,009	13,232	14,720
Total other costs and expenses		12,369	12,483	38,026	36,531
Operating profit	$	5,854	2,640	6,642	7,495
Coal margin per ton:					
Realization	$	29.80	29.33	29.72	29.58
Current production costs		27.87	26.81	27.61	27.32
Coal margin	$	1.93	2.52	2.11	2.26

(a) Excludes non-coal components.

Coal Operations generated an operating profit of $5.9 million in the third quarter of 1998 which included a $5.4 million gain on the sale of two idle coal properties in West Virginia and a loading dock in Kentucky and a $2.6 million gain on a litigation settlement. The third quarter operating profit compared to an operating profit of $2.6 million recorded in the 1997 third quarter. Sales volume of 4.1 million tons in the third quarter of 1998 was 17% less than the 4.9 million tons sold in the prior year quarter. Compared to the third quarter of 1997, steam coal sales in 1998 decreased by 0.8 million tons (28%), to 2.2 million tons, while metallurgical coal sales remained unchanged at 1.9 million tons. The lower steam coal sales in the 1998 third quarter were primarily due to the sale of certain Elkay Assets (discussed below) as well as an unplanned outage at a major steam coal utility customer. Steam coal sales represented 54% of total volume in 1998 and 62% in 1997.

Total coal margin of $7.8 million for the third quarter of 1998 represented a decrease of $4.5 million from the comparable 1997 period. The decrease in total coal margin reflects lower sales volume combined with a 23% decrease ($0.59 per ton) in coal margin per ton. The overall change in coal margin per ton during the 1998 quarter was predominantly impacted by the decrease in metallurgical coal margins. Metallurgical margins were negatively impacted in the three months ended September 30, 1998 by lower realizations per ton resulting from lower negotiated pricing with metallurgical customers for the new contract year which began April 1, 1998 as well as higher production costs per ton. Steam coal margin remained essentially unchanged in the 1998 third quarter as higher realizations per ton were offset by higher production costs per ton.

In addition to these factors, total coal margin per ton was impacted by a change in both the production and sales mix due to the sale of certain steam coal producing assets at the Coal Operation's Elkay mine ("Elkay Assets") discussed below. Despite the decreases in metallurgical coal realization per ton, overall realization increased $0.47 per ton as a greater proportion of coal sales came from metallurgical coal which generally has a higher realization per ton than steam coal. In addition, the current production cost of coal sold increased $1.06 per ton to $27.87 in the third quarter of 1998 from the third quarter of 1997 primarily due to a higher proportion of deep mine production which is generally more costly. Metallurgical sales in 1999 are expected to be lower as a result of the disadvantage caused by the relative strength of the U.S. dollar versus currencies of other metallurgical coal producing countries.

Production in the 1998 third quarter decreased 1.2 million tons over the 1997 third quarter to 3.1 million tons due to the sale of certain Elkay Assets (discussed below). Purchased coal remained constant at 0.8 million tons. Surface production accounted for 51% and 62% of the total production in the 1998 and 1997 third quarters, respectively. Productivity of 33.3 tons per man day in the 1998 third quarter decreased from the 38.7 tons per man day in the 1997 third quarter primarily due to the increased percentage of deep mine production.

Non-coal margin, which reflects earnings from the oil, gas and timber businesses, amounted to $0.5 million and $0.4 million in the third quarters of 1998 and 1997, respectively. Other operating income, which primarily includes gains and losses on sales of property and equipment and third party royalties, amounted to $9.9 million in the third quarter of 1998 as compared to $2.3 million in the comparable period of 1997. This increase was due to a $5.4 million gain on the sale of two idle coal properties in West Virginia and a loading dock in Kentucky, and a $2.6 million gain on a litigation settlement.

Idle equipment and closed mine costs increased $0.4 million in the 1998 third quarter from the comparable 1997 quarter due to additional costs at mines that were idled in the quarter. Inactive employee costs, which represent long-term employee liabilities for pension and retiree medical costs, were essentially unchanged at $6.8 million for the third quarter of 1998. Coal Operations anticipates that costs related to certain of these long-term benefit obligations will increase in 1999 due to reductions in the amortization of actuarial gains, a decrease in discount rates and higher premiums for the Coal Industry Retiree Health Benefit Act of 1992 ("Coal Act"). As a result of recent legal developments involving the Coal Act, and based on recent communications from representatives of the Coal Act's Combined Fund, the Company anticipates an increase in its assessments under the Coal Act for the twelve month period beginning October 1, 1998, approximating $1.7 million. This increase consists of charges for certain benefits which are provided for by the Coal Act, but which previously have been covered by other funding sources. As with all the Company's Coal Act assessments, this amount is to be paid in 12 equal monthly installments over the plan year beginning October 1, 1998. The Company is unable to determine at this time whether these or other additional amounts will apply in future plan years. Selling, general and administrative expenses decreased $0.5 million (9%) in the third quarter of 1998 from the 1997 third quarter due to continued Coal Operations cost control efforts.

In July 1998, Coal Operations completed the sale of two idle coal properties in West Virginia and a loading dock in Sandlick, Kentucky for a pre-tax gain of $5.4 million. These asset disposals, along with the sale of certain Elkay Assets (discussed below), continue the Coal Operations' program of disposing of idle and under-performing assets in order to improve overall returns, generate cash and reduce its reclamation activities. Later this year Coal Operations plans to begin to develop a major underground metallurgical coal mine on company-owned reserves in Virginia at an estimated total cost of $25 million to $30 million, most of which will be spent in 2000. At full production, scheduled for sometime in 2001, this mine is expected to produce average annual production of approximately 1.3 million tons from a proven and probable reserve of approximately 15.0 million tons.

During the first nine months of 1998, Coal Operations generated an operating profit of $6.6 million compared to $7.5 million in the corresponding 1997 period. The 1998 operating profit included a net benefit of approximately $6.0 million related to net gains on the sale of assets and from a gain on a litigation settlement. Sales volume of 13.2 million tons in this 1998 period was 1.9 million tons less than the 1997 period. Metallurgical coal sales increased by 0.2 million tons (4%) to 5.8 million tons and steam coal sales decreased by 2.1 million tons (22%) to 7.4 million tons compared to the prior year primarily due to the reduced production at the Elkay mine and the subsequent sale of certain Elkay Assets (discussed below). Steam coal sales represented 56% of the total 1998 sales volume as compared to 63% in 1997.

For the first nine months of 1998, coal margin was $28.0 million, a decrease of $6.3 million over the 1997 period. Coal margin per ton decreased to $2.11 per ton in the first nine months of 1998 from $2.26 per ton for the same period of 1997. This overall decrease in coal margin per ton during the first nine months of 1998 was due to a decrease in metallurgical coal margins which was amplified by a change in the sales and production mix as noted above in the discussion of the quarterly trends.

The current production cost of coal sold for the first nine months of 1998 was $27.61 per ton as compared to $27.32 per ton for 1997. While production cost per ton increased primarily due to a larger proportion of the higher cost deep mine production, these increases were partially offset by a $1.3 million benefit related to a favorable ruling issued by the U.S. Supreme Court on the unconstitutionality of the Harbor Maintenance Tax. Production for the year-to-date 1998 period totaled 10.1 million tons, a decrease from the 1997 period production of 12.8 million tons, due in large part to the reduced production at the Elkay mine and subsequent sale of certain Elkay Assets (discussed below.) Surface production accounted for 54% and 63% of the total production in the 1998 and 1997 periods, respectively. Productivity of 34.5 tons per man day during the period decreased from the 37.6 tons per man day in 1997 primarily due to the increased percentage of deep mine production.

The non-coal margin was $1.7 million for the first nine months of both 1998 and 1997. Other operating income increased $6.9 million for the 1998 period due to higher gains on sales of assets and litigation settlements in 1998.

Idle equipment and closed mine costs increased $3.1 million in the first nine months of 1998 as compared to 1997, primarily due to inventory writedowns of $2.0 million associated with the sale of certain Elkay Assets (discussed below), along with costs relating to mines that went idle in 1998. Inactive employee costs, which primarily represent long-term employee liabilities for pension and retiree medical costs, decreased slightly by $0.1 million to $20.5 million in the 1998 nine months. As discussed more fully in the above third quarter discussion of results, Coal Operations anticipates that costs related to certain of these long-term benefit obligations will increase in 1999 due to reductions in the amortization of actuarial gains, a decrease in discount rates and higher premiums for the Coal Industry Retiree Health Benefit Act of 1992. Selling, general and administrative expenses declined by $1.5 million (10%) in the nine months of 1998 as compared to the 1997 period, as a result of Coal Operations cost control efforts.

During the second quarter of 1998, Coal Operations disposed of certain assets, including a surface mine, coal supply contracts and limited coal reserves, of its Elkay mining operation in West Virginia. The referenced surface mine produced approximately 1 million tons of steam coal from January 1, 1998 through the end of April 1998, at which point coal production ceased. Total cash proceeds from the sale amounted to approximately $18 million, resulting in a pre-tax loss of approximately $2.2 million. This pre-tax book loss includes approximately $2.0 million of inventory writedowns related to coal which can no longer be blended with other coals produced from these disposed assets. This writedown has been included in Coal Operations cost of sales.

The Coal Operation's principal labor agreement with the UMWA is subject to termination after December 31, 1998. Informal discussions for a successor contract have begun and the Company believes a new agreement will be reached prior to that time.

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 nine months of 1998 for such costs:

(In thousands)		Mine and Plant Closure Costs	Employee Termination, Medical and Severance Costs	Total
Balance as of December 31, 1997	$	11,143	19,703	30,846
Payments		827	1,447	2,274
Other reductions (a)		999	--	999
Balance as of September 30, 1998	$	9,317	18,256	27,573

(a) Other reductions represent liabilities transferred in the sale of certain coal properties and assets in 1998.

MINERAL VENTURES

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

(Dollars in thousands, except per ounce data)	Three Months Ended September 30 1998	1997	Nine Months Ended September 30 1998	1997
Stawell Gold Mine:				
Gold sales	$ 3,691	5,396	11,864	13,395
Other revenue (expense)	9	(14)	46	16
Net sales	3,700	5,382	11,910	13,411
Cost of sales (a)	2,753	4,021	8,495	11,319
Selling, general and administrative expenses (a)	298	331	837	1,010
Total costs and expenses	3,051	4,352	9,332	12,329
Operating profit - Stawell Gold Mine	649	1,030	2,578	1,082
Other operating expense, net	(1,733)	(1,377)	(3,987)	(3,194)
Operating loss	$(1,084)	(347)	(1,409)	(2,112)
Stawell Gold Mine:				
Mineral Ventures' 50% direct share:				
Ounces sold	11,796	11,176	34,751	31,417
Ounces produced	11,848	11,516	34,747	31,782
Average per ounce sold (US$):				
Realization (b)	$ 313	483	341	426
Cash cost	205	263	210	318

(a) Excludes $21 and $19, and $1,241 and $3,211, of non-Stawell related cost of sales and selling, general and administrative expenses for the three and nine months ended September 30, 1998, respectively. Excludes $30 and $97, and $924 and $2,343, of non-Stawell related cost of sales and selling, general and administrative expenses for the three and nine months ended September 30, 1997, respectively. Such costs are included in the cost of sales and selling, general and administrative expenses in the Minerals Group Statement of Operations.
(b) Realization data for 1997 includes allocation of the proceeds from the liquidation of a gold forward sale hedge position in July 1997.

Mineral Ventures primarily consists of a 50% direct and a 17% indirect interest, through Mineral Ventures' 34.1% interest in Mining Project Investors ("MPI") in Australia, in the Stawell gold mine ("Stawell") in western Victoria, Australia. During the third quarter 1998, Mineral Ventures generated an operating loss of $1.1 million, an increase of $0.8 million compared to the loss of $0.3 million in the third quarter of 1997. Mineral Ventures' 50% direct interest in Stawell's operations generated net sales of $3.7 million in the third quarter of 1998 were lower than the $5.4 million of net sales in the 1997 period as the 1997 period included the benefits of above-market forward gold sales. Lower gold realizations were also affected by declining market prices partially offset by an increase in ounces of gold sold from 11.2 thousand ounces to 11.8 thousand ounces. The third quarter operating profit at Stawell of $0.6 million decreased $0.4 million over the prior year quarter reflecting a $58 per ounce decrease (22%) in the cash cost of gold sold, which was more than offset by a $170 per ounce decrease (35%) in average realization. Production costs were lower in the 1998 quarter due to a weaker Australian dollar. In addition, production costs in the 1997 quarter were adversely impacted by a $0.75 million write-off related to a collapse of a ventilation shaft during its construction.

During the first nine months of 1998, Mineral Ventures generated an operating loss of $1.4 million as compared to an operating loss of $2.1 million in the 1997 period. Mineral Ventures' 50% direct interest in Stawell's operations generated net sales of $11.9 million in the first nine months of 1998 compared to $13.4 million in the 1997 period. The $1.5 million decrease was primarily due to lower gold realizations resulting from declining market prices, offset by increases in the ounces of gold sold from 31.4 thousand ounces to 34.8 thousand ounces (11%). The operating profit at Stawell of $2.6 million was $1.5 million higher than operating profit in 1997 primarily the result of a $108 per ounce decrease (34%) in the cash cost of gold sold offset, in part, by a $85 per ounce decrease (20%) in the selling price of gold. Production costs were lower in 1998 primarily due to a weaker Australian dollar. In addition, Stawell's costs in 1997 were negatively impacted by temporary unfavorable ground conditions and the collapse of a new ventilation shaft during its construction resulting in lower production and higher costs.

As of September 30, 1998, approximately 21% of Mineral Ventures' share of the total proven and probable reserves had been sold forward under forward sales contracts that mature periodically through mid-2000. Based on contracts in place and current market conditions, full year 1998 average realizations are expected to be between $330 and $335 per ounce of gold sold. At September 30, 1998, remaining proven and probable gold reserves at the Stawell mine were estimated at 382 thousand ounces.

Other operating expense, net, was $1.7 million and $4.0 million in the three and nine months ended September 30, 1998, respectively, compared to $1.4 million and $3.2 million in the three and nine months ended September 30, 1997, respectively. It includes equity earnings from joint ventures, primarily consisting of Mineral Ventures' 17% indirect interest in Stawell's operations and gold exploration costs for all operations excluding Stawell.

In addition to its interest in Stawell, Mineral Ventures has a 17% indirect interest through MPI in the Silver Swan base metals property in Western Australia. In October 1998 MPI announced its intent to sell its 50% interest in the Black Swan Nickel Joint Venture (including the Silver Swan mine) to one of its shareholders, Outokumpu, subject to conditions precedent, for a combination of cash and Outokumpu's share holding in MPI. This transaction was completed in November 1998. As a result of this transaction, Mineral Ventures' 34.1% share of ownership in MPI has increased to approximately 45% on a fully diluted basis. MPI will continue its gold mining and exploration programs in Australia and North America.

FOREIGN OPERATIONS

A portion of the Company's financial results is derived from activities in foreign countries, each with a local currency other than the U.S. dollar. Because the financial results of the Company are reported in U.S. dollars, they are affected by the changes in the value of the various foreign currencies in relation to the U.S. dollar. The Company's international activities are not concentrated in any single currency, which mitigates the risks of foreign currency rate fluctuation. In addition, these rate fluctuations may adversely affect transactions which are denominated in currencies other than the functional currency. The Company routinely enters into such transactions in the normal course of its business. Although the diversity of its foreign operations limits the risks associated with such transactions, the Company uses foreign currency forward contracts to hedge the currency risks associated with such transactions. Realized and unrealized gains and losses on these contracts are deferred and recognized as part of the specific transaction hedged. In addition, translation adjustments relating to operations in countries with highly inflationary economies are included in net income, along with all transaction gains or losses for the period. A subsidiary in Venezuela and affiliates in Mexico operate in such highly inflationary economies. Prior to January 1, 1998, the economy in Brazil, in which the Company has subsidiaries, was considered highly inflationary.

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

Recent deterioration of economic conditions primarily in Latin America and Asia/Pacific have impacted the financial results of BAX Global through the accrual of additional provisions for receivables in those regions in the second and third quarters of 1998. The potential for further deterioration of the economies in those regions could again negatively impact the company's results of operations in the future.

CORPORATE EXPENSES

In the third quarters of 1998 and 1997, corporate expenses totaled $4.9 million. In the first nine months of 1998, corporate expenses increased $9.0 million from $14.5 million to $23.5 million. Corporate expenses in the first nine months of 1998 included costs associated with a severance agreement with a former member of the Company's senior management and $5.8 million of additional expenses relating to a retirement agreement between the Company and its former Chairman and CEO.

OTHER OPERATING INCOME, NET

Other operating income, net, includes the Company's share of net earnings or losses of unconsolidated affiliates, primarily Brink's equity affiliates, royalty income from Coal Operations, gains and losses from foreign currency exchange and from sales of coal assets. Other operating income, net for the three and nine months ended September 30, 1998 was $8.6 million and $14.7 million, respectively, compared to $2.9 million and $9.3 million in the three and nine months ended September 30, 1997, respectively. The higher level income in the quarter relates to gains from the sale of two idle coal properties and a coal loading dock totaling $5.4 million as well as a $2.6 million gain on a litigation settlement partially offset by higher equity losses at Brink's affiliates. In addition, other operating income for the first nine months of 1998 was impacted by lower foreign currency exchange gains.

NET INTEREST EXPENSE

Net interest expense increased $3.5 million and $8.2 million in the three and nine month periods ended September 30, 1998, respectively, as compared to the same periods in 1997. This increase is predominantly due to higher average borrowings related to capital expenditures and acquisitions of ATI and Brink's France, as well as higher average interest rates primarily associated with local currency borrowings in Venezuela.

OTHER INCOME/EXPENSE, NET

Other income/expense, net for the three and nine months ended September 30, 1998 was income of $1.0 million and $0.6 million, respectively, versus expense of $0.8 million and $5.1 million in the three and nine months ended September 30, 1997, respectively. The increase in other income/expenses, net in both the three and nine month periods was due to higher foreign translation gains, lower minority interest expense for Brink's consolidated affiliates and higher gains on sales of assets and investments.

INCOME TAXES

In the 1997 periods presented, the provision for income taxes was less than the statutory federal income tax rate of 35% due to the tax benefits of percentage depletion on Coal Operations and lower taxes on foreign income, partially offset by provisions for goodwill amortization and state income taxes. In the 1998 periods presented, the provision for income taxes was more than the statutory federal income tax rate of 35% since these periods are being impacted by higher than normal expense at the Company's BAX Global operations. The higher than normal expenses are causing non-deductible items (principally goodwill amortization) to be a more significant factor in calculating the effective tax rate.

FINANCIAL CONDITION

CASH FLOW REQUIREMENTS

Cash provided by operating activities during the first nine months of 1998 totaled $150.8 million compared with $136.0 million in the first nine months of 1997. This increase resulted from decreases in funding for working capital and higher noncash charges partially offset by lower net income in the first nine months of 1998. Non-cash charges and other write-offs primarily include costs, which had previously been capitalized, associated with the termination and re-scoping of certain in-process information technology initiatives at the Company's BAX Global operations. Cash generated from operations was not sufficient to fund investing activities, which primarily include capital expenditures, aircraft heavy maintenance and acquisitions. As a result of these items and funds used for share activities, the Company required additional net borrowings of $92.9 million, resulting in a decrease in cash and cash equivalents of $0.7 million compared to December 31, 1997.

In the first quarter of 1998, Brink's purchased 62% (representing nearly all the remaining shares) of its French affiliate ("Brink's S.A.") for payments aggregating US $39 million over three years. The acquisition was funded through an initial payment made at closing of US $8.8 million and a note to the seller for a principal amount of US $27.5 million payable in annual installments plus interest through 2001. In addition, borrowings of approximately US $19 million and capital leases of approximately US $30 million were assumed.

On April 30, 1998, the Company acquired the privately held ATI for a purchase price of approximately $29 million. The acquisition was funded through the revolving credit portion of the Company's bank credit agreement and was accounted for as a purchase.

During the second quarter of 1998, the Company's Coal Operations disposed of certain assets of its Elkay mining operation in West Virginia. The assets were sold for cash of approximately $18 million, resulting in a pre-tax loss of $2.2 million.

CAPITAL EXPENDITURES

Cash capital expenditures for the first nine months of 1998 totaled $191.0 million, $57.1 million higher than in the comparable period in 1997. Of the 1998 amount of cash capital expenditures, $53.7 million was spent by Brink's, $59.4 million was spent by BHS, $58.6 million was spent by BAX Global, $16.3 million was spent by Coal Operations and $2.4 million was spent by Mineral Ventures. For full year 1998, company-wide cash capital expenditures are projected to range between $235 and $255 million. The foregoing amounts exclude expenditures that have been or are expected to be financed through capital and operating leases, and any acquisition expenditures.

FINANCING

The Company intends to fund 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.

Total outstanding debt amounted to $421.8 million at September 30, 1998, up from the $243.3 million at year-end 1997. The $178.5 million increase reflects debt associated with both the Brink's France and BAX Global's ATI acquisitions (as previously discussed), as well as additional cash 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 September 30, 1998 and December 31, 1997 borrowings of $100.0 million were outstanding under the term loan portion of the Facility and $103.1 million and $25.9 million, respectively, of additional borrowings were outstanding under the remainder of the Facility.

OFF-BALANCE SHEET INSTRUMENTS

Fuel contracts - The Company, on behalf of the BAX Group, has hedged a portion of its jet fuel requirements through several commodity option transactions that are intended to protect against significant changes in jet fuel prices. As of September 30, 1998, these transactions aggregated 32 million gallons and mature periodically throughout the remainder of 1998 and mid-1999. The fair value of these fuel hedge transactions may fluctuate over the course of the contract period due to changes in the supply and demand for oil and refined products. Thus, the economic gain or loss, if any, upon settlement of the contracts may differ from the fair value of the contracts at an interim date. At September 30, 1998, the fair value adjustment for all outstanding contracts to hedge jet fuel requirements was $0.6 million.

The Company, on behalf of the Minerals Group, has hedged a portion of its diesel fuel requirements through several commodity option transactions that are intended to protect against significant increases in diesel fuel prices. At September 30, 1998, these transactions aggregated 3.1 million gallons and mature periodically throughout 1999. The fair value of these fuel hedge transactions may fluctuate over the course of the contract period due to changes in the supply and demand of oil and refined products. Thus, the economic gain or loss, if and upon settlement of the contracts may differ from the fair value of the contracts at an interim date. At September 30, 1998 the fair value adjustment of these contracts was not significant.

Interest rate contracts - The Company has three interest rate swap agreements that effectively convert a portion of the interest on its $100.0 million variable rate term loan to fixed rates. The first fixes the interest rate at 5.84% on $20.0 million in face amount of debt, the second fixes the interest rate at 5.86% on $20.0 million in face amount of debt, and the third fixes the interest rate at 5.80% on $20.0 million in face amount of debt. The first two agreements mature in May 2001, while the third agreement matures in May 2000. As of September 30, 1998, the fair value adjustment of all of these agreements was ($1.4) million.

Foreign currency forward contracts - The Company, on behalf of its Mineral Ventures operation, enters into foreign currency forward contracts, from time to time, with a maturity of up to two years as a hedge against liabilities denominated in the Australian dollar. These contracts minimize the exposure to exchange rate movements related to cash requirements of Australian operations denominated in Australian dollars. At September 30, 1998, the notional value of foreign currency forward contracts outstanding was $14.4 million and the fair value adjustment approximated ($1.9) million.

The Company, on behalf of its BAX Global operations, enters into foreign currency forward contracts with a maturity of up to two years as a hedge against liabilities denominated in various currencies. These contracts minimize the exposure to exchange rate movements related to cash requirements of foreign operations denominated in various currencies. At September 30, 1998, the total notional value of foreign currency forward contracts outstanding was $6.5 million. As of such date, the fair value of the foreign currency forward contracts approximated the notional value.

Gold contracts - In order to protect itself against downward movements in gold prices, the Company, on behalf of its Mineral Ventures operation, hedges a portion of its share of gold sales from the Stawell gold mine primarily through forward sales contracts. At September 30, 1998, 41,000 ounces of gold, representing approximately 21% of the Mineral Venture's share of Stawell's proven and probable reserves, were sold forward under forward sales contracts that mature periodically through mid-2000. Because only a portion of its future production is currently sold forward, the Minerals Group can take advantage of increases and is exposed to decreases in the spot price of gold. At September 30, 1998, the fair value of the forward sales contracts was ($0.7) million.

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:

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 September 30, 1998, BHS has completed the assessment and remediation/replacement phases. The testing phase is currently underway with the integration phase planned to begin in the first quarter of 1999. BHS plans to have completed all phases of its Year 2000 readiness program on a timely basis prior to Year 2000. As of September 30, 1998, at least 75% of BHS' IT and non-IT assets systems have been tested and verified as Year 2000 ready.

Brink's Inc.

The Brink's Inc., 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 Inc. 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 testing and implementation phases. The implementation phase of the core operational systems is expected to be completed by the first quarter of 1999, by which time the integration/testing phase will have already begun. Non-IT systems, including armored vehicles, closed circuit televisions, videocassette recorders and certain currency processing equipment, are in the assessment phase. The renovation and validation phases for non-IT systems are expected to begin in the fourth quarter of 1998 and continue through the first quarter of 1999. As of September 30, 1998, most of Brink's North America IT and non-IT systems have been identified and tested as to their Year 2000 readiness.

Brink's International

All international affiliates have been provided with an implementation plan, prepared by the North American 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 from operations in each country. International operations are in varying phases of the Year 2000 readiness program. 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.

BAX Global

The BAX Global Year 2000 Project Team has divided its Year 2000 readiness programs five phases: (I) inventory, (ii) assess and test, (iii) renovate, (iv) test and verify and (v) implement. At September 30, 1998, on a global basis, the inventory phase has been completed in the US and is substantially complete internationally. 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 September 30, 1998, less than 25% of the BAX Global's IT and non-IT assets systems have been tested and verified as Year 2000 ready.

Coal Operations and Mineral Ventures

The Coal Operations 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 September 30, 1998, 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 the second quarter of 1999, with testing and integration to begin concurrently. Coal Operations and Mineral Ventures plan to have completed all phases of their Year 2000 readiness program on a timely basis prior to Year 2000. As of September 30, 1998, approximately 75% and 50% of Coal Operations' hardware systems and embedded systems, respectively, 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 are 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 government agencies (particularly the Federal Aviation Administration), utility companies, telecommunication service companies and other service providers outside of its control. 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 fully 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 Company anticipates that the costs of its Year 2000 identification, assessment, remediation and testing will approximate $35.0 million, most of which will be incurred by Brink's Inc. and BAX Global. In addition, the Company will incur approximately $29 million for 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 which will be incurred by Brink's Inc. and BAX Global. Of the total anticipated Year 2000 costs of approximately $64 million, $25.0 million was incurred through September 30, 1998 with the remainder to be incurred though the end of 1999.

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:

BHS

In the fourth quarter of 1998, BHS will begin 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.

Brink's

Brink's, Inc. believes its most reasonably likely worse 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, Inc. 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, Brink's Inc. is vulnerable to significant suppliers', customers' and other third parties inability to remedy their own Year 2000 issues. As Brink's cannot fully 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.

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.

Coal Operations and Mineral Ventures

Coal Operations 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, liquidity or financial condition of either company. Coal Operations 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 their 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 descriptionof the Company's contingency plans for each of its operating units:

BHS

BHS has not yet developed a contingency plan for dealing with the most reasonably likely worst case scenario, and such scenario has not yet been clearly identified. During the first quarter of 1999, BHS will begin developing a contingency plan.

Brink's Inc.

A contingency planning document, which was developed with the assistance of an external facilitator, is being finalized for Brink's North American operations. Brink's, Inc. provides a number of different services to our 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. Brinks may experience some additional personnel expenses related to any Year 2000 failures, but they are not expected to be material. This contingency planning document is being 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.

BAX Global

BAX Global has not yet developed a contingency plan for dealing with the most reasonably likely worse case scenario, and such scenario has not yet been clearly identified. BAX Global will begin developing a contingency plan. The foundation for BAX Global's Year 2000 readiness program is to ensure that all mission-critical systems are renovated/replaced and tested at least six months prior to when a Year 2000 failure might occur if the program were not undertaken.

Coal Operations and Mineral Ventures

Coal Operations and Mineral Ventures have not yet developed contingency plans for dealing with their most likely worse case scenarios. Coal Operations and Mineral Ventures are expected to develop contingency plans. The foundation for their 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 programs were not undertaken. In addition, as a normal course of business, Coal Operations 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.

EURO CONVERSION

As part of the European Economic and Monetary Union (EMU), a single currency (the "Euro") will replace the national currencies of most of the European countries in which the Company conducts business. The conversion rates between the Euro and the participating nations' currencies will be fixed irrevocably as of January 1, 1999, with the participating national currencies being removed from circulation between January 1 and June 30, 2002 and replaced by Euro notes and coinage. The Company expects to be able to receive Euro denominated payments and to invoice in Euro as requested by vendors and suppliers by January 1, 1999 in the affected countries. Full conversion of all affected country operations to the Euro is expected to be completed by the time national currencies are removed from circulation. Phased conversion to the Euro is currently underway and the effects on revenues, costs and various business strategies are being assessed.

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 Coal Operations 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.

Effective May 4, 1998, the designation of Pittston Burlington Group Common Stock and the name of the Pittston Burlington Group were changed to Pittston BAX Group Common Stock and Pittston BAX Group, respectively. All rights and privileges of the holders of such Stock are otherwise unaffected by such changes. The stock continues to trade on the New York Stock Exchange under the symbol "PZX".

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

		Three Months Ended September 30		Nine Months Ended September 30	
(Dollars in millions)		1998	1997	1998	1997
Brink's Stock:					
Shares		35.4	--	149.5	166.0
Cost	$	1.2	--	5.6	4.3
BAX Stock:					
Shares		245.7	200.2	650.6	332.3
Cost	$	2.9	4.8	10.1	7.4
Convertible Preferred Stock:					
Shares		--	1.5	0.4	1.5
Cost	$	--	0.6	0.1	0.6
Excess carrying amount (a)	$	--	0.1	0.02	0.1

(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.

The Company's remaining repurchase authority with respect to the Convertible Preferred Stock as of September 30, 1998 was $24.2 million. As of September 30, 1998, the Company had remaining authority to purchase over time 0.9 million shares of Brink's Stock; 0.4 million shares of BAX Stock; and 1.0 million shares of Minerals Stock. The remaining aggregate purchase cost limitation for all common stock was $9.2 million as of September 30, 1998.

In October 1998, the Company purchased additional 0.4 million common shares of BAX stock for $2.3 million. In November 1998, the Board authorized a revised common share repurchase authority program which allows for the purchase, from time to time, of up to 1.0 million shares of Brink's Stock, up to 1.50 million shares of BAX Stock and up to 1.0 million shares of Minerals Stock, not to exceed an aggregate purchase price of $25.0 million; such shares are to purchased from time to time in the open market or in private transactions, as conditions warrant.

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. At September 30, 1998, the Available Minerals Dividend Amount was at least $10.5 million.

During the first nine months of 1998 and 1997, the Board declared and the Company paid cash dividends of 7.50 cents per share of Brink's Stock and 18.00 cents per share of BAX Stock, as well as 21.25 cents and 48.75 cents per share, respectively, of Minerals Stock. Dividends paid on the Convertible Preferred Stock in each of the first nine months of 1998 and 1997 were $2.7 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. Cash made available, if any, from this lower dividend rate will be used to either reinvest, as suitable opportunities arise, in the Minerals Group companies or to pay down debt, with a view towards maximizing long-term shareholder value.

ACCOUNTING CHANGES

The Company adopted Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income", in the first quarter of 1998. SFAS No. 130 establishes standards for the reporting and display of comprehensive income and its components in financial statements. Comprehensive income generally represents all changes in shareholders' equity except those resulting from investments by or distributions to shareholders. Total comprehensive (loss) income, which is composed of net income (loss) attributable to common shares and foreign currency translation adjustments, for the quarters ended September 30, 1998 and 1997 was ($3.9) million and $28.5 million, respectively, and for the nine months ended September 30, 1998 and 1997 was $23.3 million and $56.1 million, respectively.

Effective January 1, 1998, the Company implemented AICPA Statement of Position ("SOP") No. 98-1 "Accounting for the Costs of Computer Software Developed for Internal Use". SOP No. 98-1 requires that certain costs related to the development or purchase of internal-use software be capitalized and amortized over the estimated useful life of the software.

PENDING ACCOUNTING CHANGES

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

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards for derivative instruments and hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. This statement is effective for the Company for the year beginning January 1, 2000, with early adoption encouraged. The Company is currently evaluating the timing of adoption, which may be as soon as the fourth quarter of 1998, and the effect that implementation of the new standard will have on its results of operations and financial position.

In April 1998, the AICPA issued 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. This SOP is effective for the Company for the year beginning January 1, 1999, with early application encouraged. Initial application of the SOP is required to be reported as a cumulative effect of a change in accounting principle as of the beginning of the year of adoption. The Company is currently evaluating the effect that implementation of the new statement will have on its results of operations and financial position.

FORWARD LOOKING INFORMATION

Certain of the matters discussed herein, including statements regarding the home security business, severance benefits, effective tax rates, the continuation of information technology initiatives, the economies of Latin America and Asia/Pacific, the conversion to the Euro, projected capital spending, labor relations with the UMWA, Coal Act expenses and expectations with regard to future realizations from metallurgical coal mine development, coal and gold 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, delays in discussions for a successor UMWA contact, new government regulations and/or legislative initiatives, variations in costs or expenses, variations in the spot prices of coal and gold, the successful integration of the ATI acquisition, the ability of counterparties to perform, changes in the scope of improvements to information systems and Year 2000 and/or Euro initiatives, delays or problems in the implementation of Year 2000 and/or Euro 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)

	September 30 1998	December 31 1997
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 33,251	37,694
Short-term investments, at lower of cost or market	2,732	2,227
Accounts receivable (net of estimated uncollectible amounts: 1998 - $15,275; 1997 - $9,660)	240,529	160,912
Receivable - Pittston Minerals Group	--	8,003
Inventories, at lower of cost or market	9,266	3,469
Prepaid expenses	23,116	16,672
Deferred income taxes	23,618	18,147
Total current assets	332,512	247,124
Property, plant and equipment, at cost (net of accumulated depreciation and amortization: 1998 - $309,177; 1997 - $276,457)	468,108	346,672
Intangibles, net of accumulated amortization	60,740	18,510
Investment in and advances to unconsolidated affiliates	17,357	28,169
Deferred pension assets	30,089	31,713
Deferred income taxes	5,008	3,612
Other assets	18,224	16,530
Total assets	$ 932,038	692,330
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Short-term borrowings	$ 12,696	9,073
Current maturities of long-term debt	40,681	7,576
Accounts payable	47,905	36,337
Accrued liabilities	192,585	125,362
Payable - Pittston Minerals Group	4,414	--
Total current liabilities	298,281	178,348
Long-term debt, less current maturities	91,146	38,682
Postretirement benefits other than pensions	4,273	4,097
Workers' compensation and other claims	11,229	11,277
Deferred income taxes	45,101	45,324
Payable - Pittston Minerals Group	7,230	391
Other liabilities	15,292	8,929
Minority interests	25,626	24,802
Shareholder's equity	433,860	380,480
Total liabilities and shareholder's equity	$ 932,038	692,330

See accompanying notes to financial statements.

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

	Three Months Ended September 30 1998	Three Months Ended September 30 1997	Nine Months Ended September 30 1998	Nine Months Ended September 30 1997
Operating revenues	$ 381,497	280,075	1,051,642	800,234
Costs and expenses:				
Operating expenses	289,878	207,882	796,833	593,531
Selling, general and administrative expenses	55,095	40,287	152,355	116,646
Total costs and expenses	344,973	248,169	949,188	710,177
Other operating (expense) income, net	(650)	645	340	141
Operating profit	35,874	32,551	102,794	90,198
Interest income	913	639	2,401	1,845
Interest expense	(6,427)	(2,971)	(15,292)	(7,874)
Other income (expense), net	1,416	(422)	1,563	(3,527)
Income before income taxes	31,776	29,797	91,466	80,642
Provision for income taxes	11,768	10,425	33,851	28,225
Net income	$ 20,008	19,372	57,615	52,417
Net income per common share:				
Basic	$ .52	.51	1.49	1.37
Diluted	.51	.50	1.47	1.35
Cash dividends per common share	$ .025	.025	.075	.075
Weighted average common shares outstanding:				
Basic	38,797	38,309	38,664	38,243
Diluted	39,180	38,875	39,155	38,730

See accompanying notes to financial statements.

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

	Nine Months Ended September 30 1998	1997
Cash flows from operating activities:		
Net income	$ 57,615	52,417
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	60,050	46,787
(Credit) provision for deferred income taxes	(3,164)	1,605
Provision for pensions, noncurrent	2,913	1,401
Provision for uncollectible accounts receivable	6,918	3,690
Equity in earnings of unconsolidated affiliates, net of dividends received	371	2,701
Other operating, net	5,617	6,776
Change in operating assets and liabilities, net of effects of acquisitions and dispositions:		
Increase in accounts receivable	(27,488)	(18,055)
(Increase) decrease in inventories	(3,213)	109
Increase in prepaid expenses	(2,392)	(557)
Increase (decrease) in accounts payable and accrued liabilities	6,356	(2,075)
Increase in other assets	(2,607)	(3,007)
(Decrease) increase in other liabilities	(316)	1,593
Other, net	(8,823)	(185)
Net cash provided by operating activities	91,837	93,200
Cash flows from investing activities:		
Additions to property, plant and equipment	(113,274)	(89,577)
Proceeds from disposal of property, plant and equipment	4,366	1,372
Acquisitions, net of cash acquired, and related contingency payments	(5,526)	(55,349)
Other, net	(2,038)	7,110
Net cash used by investing activities	(116,472)	(136,444)
Cash flows from financing activities:		
Additions to debt	11,534	54,574
Reductions of debt	(7,749)	(13,472)
Payments from Minerals Group	19,418	20,300
Proceeds from exercise of stock options	6,103	2,250
Dividends paid	(2,768)	(2,658)
Repurchase of common stock	(6,346)	(4,347)
Net cash provided by financing activities	20,192	56,647
Net (decrease) increase in cash and cash equivalents	(4,443)	13,403
Cash and cash equivalents at beginning of period	37,694	20,012
Cash and cash equivalents at end of period	$ 33,251	33,415

See accompanying notes to financial statements.

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

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

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

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

Brink's Group	Three Months Ended September 30 1998	1997	Nine Months Ended September 30 1998	1997
Numerator:				
Net income - Basic and diluted net income per share numerator	$ 20,008	19,372	57,615	52,417
Denominator:				
Basic weighted average common shares outstanding	38,797	38,309	38,664	38,243
Effect of dilutive securities:				
Employee stock options	383	566	491	487
Diluted weighted average common shares outstanding	39,180	38,875	39,155	38,730

Options to purchase 356 shares of Brink's Stock, at prices between $37.06 and $39.56 per share, and options to purchase 333 shares of Brink's Stock, at prices between $38.16 and $39.56 per share, were outstanding during the three and nine months ended September 30, 1998, respectively, 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 9 shares of Brink's Stock at $38.16 per share and options to purchase 410 shares of Brink's Stock, at prices between $31.56 and $38.16 per share, were outstanding for the three and nine months ended September 30, 1997, respectively, 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) 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 and nine months ended September 30, 1998 by $1,608 and $4,519, respectively, and by $1,199 and $3,567, respectively, for the same periods of 1997. The effect of this change increased diluted net income per common share of the Brink's Group by $0.03 and $0.07 in the three and nine month periods ended September 30, 1998, respectively, and by $0.02 and $0.06, respectively, in the comparable periods of 1997.

(4) Depreciation and amortization of property, plant and equipment totaled $20,799 and $58,590 in the third quarter and nine month periods of 1998, respectively, compared to $17,145 and $43,453 in the third quarter and nine month periods of 1997, respectively.

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

		Three Months Ended September 30		Nine Months Ended September 30	
		1998	1997	1998	1997
Interest	$	5,575	2,947	14,038	7,878
Income taxes	$	6,644	10,545	31,679	31,130

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. See further discussion in Note 6 below.

(6) In the first quarter of 1998, the Brink's Group purchased 62% (representing nearly all the remaining shares) of its Brink's affiliate in France ("Brink's S.A.") for payments aggregating US $39,000 over three years. The acquisition was funded through an initial payment made at closing of US $8,789 and a note to the seller for a principal amount of approximately the equivalent of US $27,500 payable in annual installments plus interest through 2001. The acquisition has been accounted for as a purchase and accordingly, the purchase price is being allocated to the underlying assets and liabilities based on their estimated fair value at date of acquisition. Based on a preliminary evaluation which is subject to additional review, the estimated fair value of the additional assets recorded, including goodwill, approximated US $161,800 and included US $9,200 in cash. Estimated liabilities assumed of US $125,700 included previously existing debt of approximately US $49,000, which includes borrowings of US $19,000 and capital leases of US $30,000. The excess of the purchase price over the estimated fair value of assets acquired and liabilities assumed is being amortized over 40 years. Brink's S.A. had annual 1997 revenues approximating the equivalent of US $220,000.

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

		Three Months Ended September 30		Nine Months Ended September 30	
(Dollars in millions)		1998	1997	1998	1997
Brink's Stock:					
Shares		35.4	--	149.5	166.0
Cost	$	1.2	--	5.6	4.3
Convertible Preferred Stock:					
Shares		--	1.5	0.4	1.5
Cost	$	--	0.6	0.1	0.6
Excess carrying amount (a)	$	--	0.1	0.02	0.1

(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.

At September 30, 1998, the Company had the remaining authority to purchase over time 907 shares of Brink's Stock and an additional $24,236 of its Convertible Preferred Stock. The remaining aggregate purchase cost limitation for all common stock was $9,189 at September 30, 1998.

In November 1998, the Board authorized a revised common share repurchase authority program which allows for the purchase, from time to time, of up to 1,000 shares of Brink's Stock, with an aggregate purchase cost limitation for all common stock of $25,000; such shares are to be purchased from time to time in the open market or in private transactions, as conditions warrant.

(8) The Brink's Group adopted Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income," in the first quarter of 1998. SFAS No. 130 established standards for the reporting and display of comprehensive income and its components in financial statements. Comprehensive income generally represents all changes in shareholders' equity except those resulting from investments by or distributions to shareholders. Total comprehensive income, which is composed of net income and foreign currency translation adjustments, for the three months ended September 30, 1998 and 1997 was $15,867 and $16,701, respectively. Total comprehensive income for the nine months ended September 30, 1998 and 1997 was $49,668 and $45,757, respectively.

Effective January 1, 1998, the Brink's Group implemented AICPA Statement of Position ("SOP") No. 98-1 "Accounting for the Costs of Computer Software Developed for Internal Use". SOP No. 98-1 requires that certain costs related to the development or purchase of internal-use software be capitalized and amortized over the estimated useful life of the software.

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

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards for derivative instruments and hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. This statement is effective for the Brink's Group for the year beginning January 1, 2000, with early adoption encouraged. The Brink's Group is currently evaluating the timing of adoption, which may be as soon as the fourth quarter of 1998, and the effect that implementation of the new standard will have on its results of operations and financial position.

In April 1998, the AICPA issued 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. This SOP is effective for the Brink's Group for the year beginning January 1, 1999, with early application encouraged. Initial application of the SOP is required to be reported as a cumulative effect of a change in accounting principle as of the beginning of the year of adoption. The Brink's Group is currently evaluating the effect that implementation of the new statement will have on its results of operations and financial position.

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

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

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

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

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

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

RESULTS OF OPERATIONS

	Three Months Ended September 30		Nine Months Ended September 30	
(In thousands)	1998	1997	1998	1997
Operating revenues:				
Brink's	$ 329,701	234,004	901,375	667,753
BHS	51,796	46,071	150,267	132,481
Total operating revenues	$ 381,497	280,075	1,051,642	800,234
Operating profit:				
Brink's	$ 24,595	20,861	70,561	55,805
BHS	13,008	13,402	40,405	39,454
Segment operating profit	37,603	34,263	110,966	95,259
General corporate expense	(1,729)	(1,712)	(8,172)	(5,061)
Total operating profit	$ 35,874	32,551	102,794	90,198

The Brink's Group net income totaled $20.0 million ($0.51 per share) in the third quarter of 1998 compared with $19.4 million ($0.50 per share) in the third quarter of 1997. Operating profit for the 1998 third quarter increased to $35.9 million from $32.6 million in the third quarter of 1997. Revenues for the 1998 third quarter increased $101.4 million compared with the 1997 third quarter, of which $95.7 million was from Brink's and $5.7 million was from BHS. Total costs and expenses for the 1998 third quarter increased $96.8 million compared with the same period last year, of which $90.7 million was from Brink's and $6.1 million was from BHS. Net interest expense during the third quarter of 1998 increased $3.2 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 (discussed in more detail below).

In the first nine months of 1998, net income totaled $57.6 million ($1.47 per share) compared with $52.4 million ($1.35 per share) in the first nine months of 1997. Operating profit for the first nine months of 1998 increased to $102.8 million from $90.2 million in the same period of 1997. Revenues for the first nine months of 1998 increased $251.4 million compared with the first nine months of 1997, of which $233.6 million was from Brink's and $17.8 million was from BHS. Total costs and expenses for the first nine months of 1998 increased $239.0 million compared with the same period last year, of which $219.1 million was from Brink's and $16.8 million was from BHS. Net interest expense increased $6.9 million during the first nine months of 1998 as compared to 1997 due largely to higher average borrowings related to the acquisitions of Brink's affiliates in Venezuela and France in early 1997 and 1998, respectively, as well as higher average interest rates on these borrowings, especially in Venezuela.

BRINK'S

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

	Three Months Ended September 30		Nine Months Ended September 30	
(In thousands)	1998	1997	1998	1997
Operating revenues:				
North America (United States & Canada)	$ 136,284	123,364	401,338	351,752
Europe	110,351	34,976	251,073	101,331
Latin America	76,983	68,663	229,823	194,522
Asia/Pacific	6,083	7,001	19,141	20,148
Total operating revenues	329,701	234,004	901,375	667,753
Operating expenses	262,484	184,974	719,769	527,471
Selling, general and administrative expenses	41,972	28,814	111,385	84,618
Total costs and expenses	304,456	213,788	831,154	612,089
Other operating (expense) income, net	(650)	645	340	141
Operating profit (loss):				
North America (United States & Canada)	13,167	10,784	35,099	28,195
Europe	10,039	3,392	17,252	5,059
Latin America	2,091	6,064	18,122	20,946
Asia/Pacific	(702)	621	88	1,605
Total operating profit	$ 24,595	20,861	70,561	55,805
Depreciation and amortization	$ 11,718	10,410	32,392	24,768
Cash capital expenditures	$ 25,969	15,520	53,679	35,625

Brink's consolidated revenues totaled $329.7 million in the third quarter of 1998 compared with $234.0 million in the third quarter of 1997. The revenue increase of $95.7 million (41%) was offset, in part, by increases in total costs and expenses of $90.7 million (42%). Brink's operating profit of $24.6 million in the third quarter of 1998 represented a $3.7 million (18%) increase over the $20.9 million operating profit reported in the prior year quarter. The increases in revenue were attributable to operations in Europe, North America and Latin America. Operating profit increases in Europe and North America were partially offset by decreases in operating results in Latin America and Asia/Pacific.

Revenues from North American operations (United States and Canada) increased $12.9 million (10%) to $136.3 million in the 1998 third quarter from $123.4 million in the prior year quarter. North American operating profit increased $2.4 million (22%) to $13.2 million in the current year quarter. The revenue and operating profit increases for 1998 primarily resulted from improved results across most product lines, particularly armored car operations, which include ATM services.

Revenues and operating profit from European operations amounted to $110.4 million and $10.0 million, respectively, in the third quarter of 1998. These amounts represented increases of $75.4 million and $6.6 million from the comparable quarter of 1997. The increase in revenues was primarily due to the acquisition, in the first quarter of 1998, of nearly all the remaining shares of Brink's affiliate in France (discussed in more detail below), 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 due to the improved results from operations in France as well as the increased ownership position.

In Latin America, revenues increased 12% to $77.0 million, due primarily to growth in Venezuela and Argentina. However, operating profits decreased from $6.1 million in the third quarter of 1997 to $2.1 million in the third quarter of 1998, largely the result of equity losses in the 20% owned Mexican affiliate and increased labor related costs in certain countries, a portion of which are non-recurring.

Revenues from Asia/Pacific operations decreased $0.9 million in the third quarter of 1998 to $6.1 million. Operating loss from Asia/Pacific subsidiaries and affiliates in the third quarter of 1998 was $0.7 million, compared to operating profit of $0.6 million in the prior year quarter. The operating loss was primarily due to additional expenses associated with an expansion of operations in Australia.

Brink's consolidated revenues totaled $901.4 million in the first nine months of 1998 compared with $667.8 million in the first nine months of 1997. The revenue increase of $233.6 million (35%) in 1998 was offset, in part, by an increase in total costs and expenses of $219.1 million (36%). Brink's operating profit of $70.6 million in the first nine months of 1998 represented a 26% increase over the $55.8 million operating profit reported in the prior year period.

Revenues from North American operations increased $49.6 million (14%) to $401.3 million in the first nine months of 1998 from $351.8 million in the same period of 1997. North American operating profit increased $6.9 million (24%) to $35.1 million in the current year period from $28.2 million in the same period of 1997. The revenues and operating profit improvement for the nine months of 1998 primarily resulted from improved armored car operations, which include ATM services.

Revenues and operating profit from European operations amounted to $251.1 million and $17.3 million, respectively, in the first nine months of 1998. These amounts represented increases of $149.7 million and $12.2 million from the comparable period of 1997. The increase in revenue was primarily due to the acquisition of nearly all the remaining shares of the Brink's affiliate in France in the first quarter of 1998. The increase in operating profits reflects improved results from operations in France, as well as the increased ownership. However, this improvement was partially offset by lower results in Belgium caused by industry-wide labor unrest in the armored car industry in that country which was resolved in the first quarter of 1998.

In Latin America, revenues increased 18% from $194.5 million to $229.8 million while operating profits decreased 13% from $20.9 in the first nine months of 1997 to $18.1 million in the first nine months of 1998. The improved operating profits were primarily attributable to the operations in Venezuela. However, the favorable impact from Venezuela was more than offset by costs associated with start-up operations in Argentina and equity losses from Brink's 20% owned affiliate in Mexico.

Revenues and operating profit from Asia/Pacific operations in the first nine months of 1998 were $19.1 million and $0.1 million, respectively, compared to $20.1 million and $1.6 million, respectively, in the first nine months of 1997. The decrease in operating profit was primarily due to additional expenses associated with the expansion of operations in Australia.

BHS

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

	Three Months Ended September 30		Nine Months Ended September 30	
(Dollars in thousands)	1998	1997	1998	1997
Operating revenues	$ 51,796	46,071	150,267	132,481
Operating expenses	27,394	22,908	77,064	66,060
Selling, general and administrative expenses	11,394	9,761	32,798	26,967
Total costs and expenses	38,788	32,669	109,862	93,027
Operating profit:				
Monitoring and service	18,268	16,193	53,602	46,727
Net marketing, sales and installation	(5,260)	(2,791)	(13,197)	(7,273)
Total operating profit	$ 13,008	13,402	40,405	39,454
Depreciation and amortization	$ 9,577	7,880	27,482	21,662
Cash capital expenditures	$ 21,893	19,774	59,395	53,853
Monthly recurring revenues (a)			$ 14,512	12,460
Number of subscribers:				
Beginning of period	547,658	482,065	511,532	446,505
Installations	28,891	28,000	84,198	80,388
Disconnects	(10,330)	(9,691)	(29,511)	(26,519)
End of period	566,219	500,374	566,219	500,374

(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. Annualized recurring revenues as of September 30, 1998 and 1997 were $174,144 and $149,524, respectively.

Revenues for BHS increased by 12% to $51.8 million in the third quarter of 1998 from $46.1 million in the 1997 quarter. In the first nine months of 1998, revenues for BHS increased by $17.8 million (13%) to $150.3 million from $132.5 million in the first nine months of 1997. The increase in revenues was due to higher ongoing monitoring and service revenues, reflecting a 13% increase in the subscriber base as well as higher average monitoring fees. As a result of such growth, monthly recurring revenues at September 30, 1998 grew 16% over the amount in effect at the end of September 30, 1997. Installation revenue for the third quarter and first nine months of 1998 decreased 4% and 5%, respectively, over the same 1997 periods. While the number of new security system installations increased, the revenue per installation decreased in both the three and nine month periods ended September 30, 1998, as compared to the 1997 periods, in response to continuing competitive pressures.

Operating profit of $13.0 million in the third quarter of 1998 represented a decrease of $0.4 million (3%) compared to the $13.4 million earned in the 1997 third quarter. In the first nine months of 1998, operating profit increased 2% to $40.4 million from $39.5 million earned in the first nine months of 1997. These trends were favorably impacted by increases in operating profit generated from monitoring and service activities of $2.1 million (13%) and $6.9 million (15%) for the quarter and nine months ended September 30, 1998, respectively. The improvement during both of these periods was due to the growth in the subscriber base combined with the higher average monitoring fees. However, growth in overall operating profit was negatively impacted by the up front net cost of marketing, sales and installation related to gaining new subscribers which increased $2.5 million and $5.9 million during the third quarter and first nine months of 1998, respectively, as compared to the same periods of 1997. The increase in this up front net cost in both the quarter and year-to-date periods is due to higher levels of sales and marketing costs incurred and expensed combined with lower levels of installation revenue. Both of these factors are a consequence of the continuing competitive environment in the residential security market. It is anticipated that these trends will continue in the near term and that overall operating profit growth will, accordingly, be nominal for the year ending December 31, 1998 and into 1999. However, management anticipates that the cash margins generated from monitoring and servicing activities will continue to be strong during these same periods.

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 and nine months ended September 30, 1998 by $1.6 million and $4.5 million, respectively, and by $1.2 million and $3.6 million, respectively, for the same periods of 1997. The effect of this change increased diluted net income per common share of the Brink's Group by $0.03 and $0.07 in the three and nine month periods ended September 30, 1998, respectively, and by $0.02 and $0.06 in the comparable periods of 1997, respectively.

FOREIGN OPERATIONS

A portion of the Brink's Group's financial results is derived from activities in foreign countries, each with a local currency other than the U.S. dollar. Because the financial results of the Brink's Group are reported in U.S. dollars, they are affected by the changes in the value of the various foreign currencies in relation to the U.S. dollar. The Brink's Group's international activities are not concentrated in any single currency, which mitigates the risks of foreign currency rate fluctuations. In addition, these rate fluctuations may adversely affect transactions which are denominated in currencies other than the functional currency. The Brink's Group routinely enters into such transactions in the normal course of its business. Although the diversity of its foreign operations limits the risks associated with such transactions, the Company, on behalf of the Brink's Group, from time to time, uses foreign currency forward contracts to hedge the risks associated with such transactions. Realized and unrealized gains and losses on these contracts are deferred and recognized as part of the specific transaction hedged. In addition, translation adjustments relating to operations in countries with highly inflationary economies are included in net income, along with all transaction gains or losses for the period. A subsidiary in Venezuela and an affiliate in Mexico operate in such highly inflationary economies. Prior to January 1, 1998, the economy in Brazil, in which the Brink's Group has a subsidiary, was 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, controls on repatriation of earnings and capital, nationalization, political instability, expropriation and other forms of restrictive action by local governments. The future effects, if any, of such risks on the Brink's Group cannot be predicted.

CORPORATE EXPENSES

A portion of the Company's corporate general and administrative expenses and other shared services has been allocated to the Brink's Group based on utilization and other methods and criteria which management believes to provide a reasonable and equitable estimate of the costs attributable to the Brink's Group. These attributions were $1.7 million for both the third quarter of 1998 and 1997, and were $8.2 million and $5.1 million for the first nine months of 1998 and 1997, respectively. Corporate expenses in the nine months 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 have been attributed to the Brink's Group. Corporate expenses in the 1998 year-to-date period also include costs associated with a severance agreement with a former member of the Company's senior management.

OTHER OPERATING INCOME AND EXPENSE, NET

Other operating income and expense, net consists primarily of net equity earnings of Brink's foreign affiliates. These net equity earnings amounted to an expense of $0.9 million and income of $0.6 million for the third quarters of 1998 and 1997, respectively, and an expense of $0.1 million in each of the first nine month periods of 1998 and 1997. The decrease in net equity earnings in the third quarter of 1998 is primarily due to the level of equity losses of Brink's 20% owned affiliate in Mexico, as compared to equity earnings of this affiliate in the 1997 quarter. Due to the acquisition of the remaining shares of Brink's affiliate in France (discussed in more detail below), equity earnings in the nine month period ended September 30, 1998 include only two months of the results of this now consolidated subsidiary, which contributed a substantial portion of equity losses in the comparable 1997 period.

NET INTEREST EXPENSE

Net interest expense increased $3.2 million and $6.9 million during the three and nine month periods ended September 30, 1998, respectively. These increases are predominantly due to higher average borrowings related to acquisitions in France and Germany as well as unusually high interest rates in Venezuela associated with local currency borrowings in that country.

OTHER INCOME/EXPENSE, NET

Other income/expense, net which generally includes foreign translation gains and losses and minority interest earnings or losses of Brink's subsidiaries, increased for the third quarter and nine month periods of 1998 by $1.8 million and $5.1 million, respectively. The 1998 periods reflect higher foreign translation gains, lower minority ownership expense and higher gains on sale of assets.

INCOME TAXES

The effective tax rate in the third quarter and first nine months of 1998 was 37%. This is an increase from the comparable periods in 1997 which had an effective tax rate of 35%. The 1997 rate was lower due to 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 costs attributable to the Brink's Group.

CASH FLOW REQUIREMENTS

Cash provided by operating activities amounted to $91.8 million in the first nine months of 1998, which is $1.4 million lower than the 1997 level of $93.2 million. Significant sources of cash flow primarily include net income and noncash charges offset by funds used to finance working capital. Cash generated from operating activities was not sufficient to fully fund investing activities, primarily capital expenditures. Despite additional borrowings and payments from the Minerals Group, cash and cash equivalents decreased $4.4 million in the first nine months of 1998.

In the first quarter of 1998, Brink's purchased 62% (representing nearly all the remaining shares) of its French affiliate ("Brink's S.A.") for payments aggregating US $39 million over three years. The acquisition was funded through an initial payment made at closing of US $8.8 million and a note to the seller for a principal amount of US $27.5 million payable in annual installments plus interest through 2001. In addition, borrowings of approximately US $19 million and capital leases of approximately US $30 million were assumed.

CAPITAL EXPENDITURES

Cash capital expenditures for the nine months of 1998 totaled $113.3 million, of which $59.4 million was spent by BHS and $53.7 million was spent by Brink's. Cash capital expenditures totaled $89.6 million in the first nine months of 1997. Expenditures incurred by BHS in 1998 were primarily for customer installations, representing the expansion in the subscriber base, while expenditures incurred by Brink's were primarily for expansion, replacement or maintenance of ongoing business operations. For full year 1998, cash capital expenditures are expected to range between $140 million and $150 million.

FINANCING

The Brink's Group 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 or repayments from the Minerals Group.

Total outstanding debt at September 30, 1998 was $144.5 million, $89.2 million higher than the $55.3 million reported at December 31, 1997. The increase in debt is primarily attributable to debt associated with the acquisition of Brink's affiliate in France as previously discussed.

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 September 30, 1998 and December 31, 1997, borrowings of $100.0 million were outstanding under the term loan portion of the Facility and $103.1 million and $25.9 million, respectively, of additional borrowings were outstanding under the remainder of the Facility. No portion of the total amount outstanding under the Facility at September 30, 1998 or December 31, 1997, was attributable to the Brink's Group.

RELATED PARTY TRANSACTIONS

At September 30, 1998, under an interest bearing borrowing arrangement, the Minerals Group owed the Brink's Group $7.6 million, a decrease of $19.4 million from the $27.0 million owed at December 31, 1997.

At September 30, 1998, the Brink's Group owed the Minerals Group $19.2 million compared to the $19.4 million owed at December 31, 1997 for tax payments representing the Minerals Group's tax benefits utilized by the Brink's Group in accordance with the Company's tax sharing policy. Of the total tax benefits owed to the Minerals Group at September 30, 1998, $12.0 million is expected to be paid within one year.

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 Inc. 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

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 September 30, 1998, BHS has completed the assessment and remediation/replacement phases. The testing phase is currently underway with the integration phase planned to begin in the first quarter of 1999. BHS plans to have completed all phases of its Year 2000 readiness program on a timely basis prior to Year 2000. As of September 30, 1998, at least 75% of BHS' IT and non-IT assets systems have been tested and verified as Year 2000 ready.

Brink's Inc.

The Brink's Inc., 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 Inc. 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 testing and implementation phases. The implementation phase of the core operational systems is expected to be completed by the first quarter of 1999, by which time the integration/testing phase will have already begun. Non-IT systems, including armored vehicles, closed circuit televisions, videocassette recorders and certain currency processing equipment, are in the assessment phase. The renovation and validation phases for non-IT systems are expected to begin in the fourth quarter of 1998 and continue through the first quarter of 1999. As of September 30, 1998, most of Brink's North America IT and non-IT systems have been identified and tested as to their Year 2000 readiness.

Brink's International

All international affiliates have been provided with an implementation plan, prepared by the North American 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 from operations in each country. International operations are in varying phases of the Year 2000 readiness program. 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.

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. 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 its assessment of the risk that any such problems may have a material adverse impact on its operations.

Further, the Brink's Group relies upon government agencies, 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 fully 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 that the costs of its Year 2000 identification, assessment, remediation and testing will approximate $14 million, the majority of which will be incurred by Brink's, Inc. In addition, the Brink's Group will incur approximately $6 million for costs to purchase and/or development and implement certain information technology systems whose implementation have been accelerated as a result of the Year 2000 readiness issue. Again the majority of these costs will be incurred by Brink's, Inc. Of the total anticipated Brink's Group Year 2000 costs of approximately $20 million, $10 million was incurred through September 30, 1998 with the remainder to be incurred through the end of 1999.

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.

In the fourth quarter of 1998, BHS will begin 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.

Brink's, Inc. believes its most reasonably likely worse 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, Inc. 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 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 fully 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.

READINESS FOR YEAR 2000 : CONTINGENCY PLAN

BHS has not yet developed a contingency plan for dealing with the most reasonably likely worst case scenario, and such scenario has not yet been clearly identified. During the first quarter of 1999, BHS will begin developing a contingency plan.

A contingency planning document, which was developed with the assistance of an external facilitator, is being finalized for Brink's North American operations. Brink's, Inc. provides a number of different services to our 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 is being 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.

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's 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 from 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.

EURO CONVERSION

As part of the European Economic and Monetary Union (EMU), a single currency (the "Euro") will replace the national currencies of most of the European countries in which the Company conducts business. The conversion rates between the Euro and the participating nations' currencies will be fixed irrevocably as of January 1, 1999, with the participating national currencies being removed from circulation between January 1 and June 30, 2002 and replaced by Euro notes and coinage. The Company expects to be able to receive Euro denominated payments and to invoice in Euro as requested by vendors and suppliers by January 1, 1999 in the affected countries. Full conversion of all affected country operations to Euro is expected to be completed by the time national currencies are removed from circulation. Phased conversion to the Euro is currently underway and the effects on revenues, costs and various business strategies are being assessed.

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 ("Coal Operations") 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.

Effective May 4, 1998, the designation of Pittston Burlington Group Common Stock and the name of the Pittston Burlington Group were changed to Pittston BAX Group Common Stock and Pittston BAX Group, respectively. All rights and privileges of the holders of such Stock are otherwise unaffected by such changes. The stock continues to trade on the New York Stock Exchange under the symbol "PZX".

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)		Three Months Ended September 30 1998	1997	Nine Months Ended September 30 1998	1997
Brink's Stock:					
Shares		35.4	--	149.5	166.0
Cost	$	1.2	--	5.6	4.3
Convertible Preferred Stock:					
Shares		--	1.5	0.4	1.5
Cost	$	--	0.6	0.1	0.6
Excess carrying amount (a)	$	--	0.1	0.02	0.1

(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.

The Company's remaining repurchase authority with respect to the Convertible Preferred Stock as of September 30, 1998 was $24.2 million. As of September 30, 1998, the Company had remaining authority to purchase over time 0.9 million shares of Brink's Stock. The remaining aggregate purchase cost limitation for all common stock was $9.2 million as of September 30, 1998.

In November 1998, the Board authorized a revised common share repurchase authority program which allows for the purchase, from time to time, of up to 1.0 million shares of Brink's Stock, with an aggregate purchase price cost limitation for all common stock of $25.0 million; such shares are to purchased from time to time in the open market or in private transactions, as conditions warrant.

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 nine months of 1998 and 1997, the Board declared and the Company paid cash dividends of 7.50 cents per share of Brink's Stock. Dividends paid on the Convertible Preferred Stock in each of the first nine month periods of 1998 and 1997 were $2.7 million.

ACCOUNTING CHANGES

The Brink's Group adopted Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income", in the first quarter of 1998. SFAS No. 130 establishes standards for the reporting and display of comprehensive income and its components in financial statements. Comprehensive income generally represents all changes in shareholders' equity except those resulting from investments by or distributions to shareholders. Total comprehensive income, which is composed of net income and foreign currency translation adjustments, for the three months ended September 30, 1998 and 1997 was $15.9 million and $16.6 million, respectively, and for the nine months ended September 30, 1998 and 1997 was $49.7 million and $45.7 million, respectively.

Effective January 1, 1998, the Brink's Group implemented AICPA Statement of Position ("SOP") No. 98-1 "Accounting for the Costs of Computer Software Developed for Internal Use". SOP No. 98-1 requires that certain costs related to the development or purchase of internal-use software be capitalized and amortized over the estimated useful life of the software.

PENDING ACCOUNTING CHANGES

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

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards for derivative instruments and hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. This statement is effective for the Brink's Group for the year beginning January 1, 2000, with early adoption encouraged. The Brink's Group is currently evaluating the timing of adoption, which may be as soon as the fourth quarter of 1998, and the effect that implementation of the new standard will have on its results of operations and financial position.

In April 1998, the AICPA issued 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. This SOP is effective for the Brink's Group for the year beginning January 1, 1999, with early application encouraged. Initial application of the SOP is required to be reported as a cumulative effect of a change in accounting principle as of the beginning of the year of adoption. The Brink's Group is currently evaluating the effect that implementation of the new statement will have on its results of operations and financial position.

FORWARD LOOKING INFORMATION

Certain of the matters discussed herein, including statements regarding the home security business, the readiness for Year 2000 and the conversion to the Euro, 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, new government regulations and/or legislative initiatives and/or Euro, variations in costs or expenses, changes in the scope of Year 2000 initiatives and/or Euro, and delays or problems in the implementation of Year 2000 initiatives by the Brink's Group and/or any public or private sector suppliers, service providers and customers.

PITTSTON BAX GROUP
BALANCE SHEETS
(IN THOUSANDS)

	September 30 1998	December 31 1997
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 32,707	28,790
Accounts receivable (net of estimated uncollectible amounts: 1998 - $18,920; 1997 -$10,110)	299,558	306,806
Inventories, at lower of cost or market	5,043	1,359
Prepaid expenses	12,299	11,050
Deferred income taxes	7,780	7,159
Total current assets	357,387	355,164
Property, plant and equipment, at cost (net of accumulated depreciation and amortization: 1998 - $94,250; 1997 - $78,815)	198,102	128,632
Intangibles, net of accumulated amortization	176,937	174,791
Deferred pension assets	5,053	7,600
Deferred income taxes	27,979	19,814
Other assets	15,080	15,442
Total assets	$ 780,538	701,443
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Short-term borrowings	$ 32,640	31,071
Current maturities of long-term debt	3,253	3,176
Accounts payable	203,886	194,489
Payable - Pittston Minerals Group	9,000	4,966
Accrued liabilities	113,568	78,363
Total current liabilities	362,347	312,065
Long-term debt, less current maturities	103,711	37,016
Postretirement benefits other than pensions	3,845	3,518
Deferred income taxes	2,474	1,447
Payable - Pittston Minerals Group	6,097	13,239
Other liabilities	9,021	10,448
Shareholder's equity	293,043	323,710
Total liabilities and shareholder's equity	$ 780,538	701,443

See accompanying notes to financial statements.

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

	Three Months Ended September 30 1998	Three Months Ended September 30 1997	Nine Months Ended September 30 1998	Nine Months Ended September 30 1997
Operating revenues	$ 460,868	443,376	1,296,185	1,214,352
Costs and expenses:				
Operating expenses	404,628	379,093	1,152,124	1,065,697
Selling, general and administrative expenses (including a $15,723 write-off of long-lived assets in the 1998 periods)	78,996	37,423	166,873	116,446
Total costs and expenses	483,624	416,516	1,318,997	1,182,143
Other operating (expense) income, net	(244)	351	97	1,859
Operating (loss) profit	(23,000)	27,211	(22,715)	34,068
Interest income	261	124	744	599
Interest expense	(2,417)	(1,558)	(5,757)	(3,570)
Other expense, net	(395)	(390)	(961)	(671)
(Loss) income before income taxes	(25,551)	25,387	(28,689)	30,426
(Credit) provision for income taxes	(3,716)	9,394	(4,877)	11,258
Net (loss) income	$ (21,835)	15,993	(23,812)	19,168
Net (loss) income per common share:				
Basic	$ (1.13)	.82	(1.22)	.99
Diluted	(1.13)	.80	(1.22)	.96
Cash dividends per common share	$ .06	.06	.18	.18
Weighted average common shares outstanding:				
Basic	19,339	19,470	19,446	19,449
Diluted	19,339	20,048	19,446	19,976

See accompanying notes to financial statements.

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

	Nine Months Ended September 30	
	1998	1997
Cash flows from operating activities:		
Net (loss) income	$ (23,812)	19,168
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	25,840	21,637
Non-cash charges and other write-offs	20,124	--
Provision for aircraft heavy maintenance	27,148	25,009
Credit for deferred income taxes	(8,242)	(1,436)
(Credit) provision for pensions, noncurrent	(62)	1,403
Provision for uncollectible accounts receivable	10,936	3,134
Equity in loss of unconsolidated affiliates, net of dividends received	--	263
Other operating, net	3,058	1,597
Change in operating assets and liabilities, net of effects of acquisitions and dispositions:		
Decrease (increase) in accounts receivable	4,804	(47,109)
(Increase) decrease in inventories	(2,550)	505
Increase in prepaid expenses	(1,537)	(613)
Increase in accounts payable and accrued liabilities	2,067	16,863
Decrease (increase) in other assets	1,329	(2,395)
Increase in other liabilities	4,416	1,661
Other, net	(1,373)	(263)
Net cash provided by operating activities	62,146	39,424
Cash flows from investing activities:		
Additions to property, plant and equipment	(58,773)	(22,420)
Proceeds from disposal of property, plant and equipment	399	471
Aircraft heavy maintenance expenditures	(26,708)	(24,790)
Acquisitions, net of cash acquired, and related contingency payments	(28,835)	(9,131)
Other, net	(1,199)	2,664
Net cash used by investing activities	(115,116)	(53,206)
Cash flows from financing activities:		
Additions to debt	85,786	37,984
Reductions of debt	(17,187)	(17,246)
Payments from Minerals Group	--	6,949
Proceeds from exercise of stock options	1,807	1,786
Dividends paid	(3,313)	(3,449)
Repurchase of common stock	(10,206)	(7,407)
Net cash provided by financing activities	56,887	18,617
Net increase in cash and cash equivalents	3,917	4,835
Cash and cash equivalents at beginning of period	28,790	17,818
Cash and cash equivalents at end of period	$ 32,707	22,653

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 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 is responsible for all liabilities. Therefore, financial developments affecting the BAX Group, the Pittston Brink's Group (the "Brink's Group") and the Pittston Minerals Group (the "Minerals Group") that affect the Company's financial condition could affect the results of operations and financial condition of each of the Groups. Accordingly, the Company's consolidated financial statements must be read in connection with the BAX Group's financial statements.

Effective May 4, 1998, the designation of Pittston Burlington Group Common Stock and the name of the Pittston Burlington Group were changed to Pittston BAX Group Common Stock and Pittston BAX Group, respectively. All rights and privileges of the holders of such Stock are otherwise unaffected by such changes. The stock continues to trade on the New York Stock Exchange under the symbol "PZX".

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

BAX Group	Three Months Ended September 30 1998	1997	Nine Months Ended September 30 1998	1997
Numerator:				
Net (loss) income - Basic and diluted net (loss) income per share numerator	$ (21,835)	15,993	(23,812)	19,168
Denominator:				
Basic weighted average common shares outstanding	19,339	19,470	19,446	19,449
Effect of dilutive securities:				
Employee stock options	--	578	--	527
Diluted weighted average common shares outstanding	$ 19,339	20,048	19,446	19,976

Options to purchase 2,229 and 2,478 shares of BAX Stock, at prices between $5.78 and $27.91 per share, were outstanding during the three and nine months ended September 30, 1998, respectively, but were not included in the computation of diluted net loss per share because the effect of all options would be antidilutive.

Options to purchase 7 shares of BAX Stock at $27.91 per share and options to purchase 511 shares of BAX Stock, at prices between $23.88 and $27.91 per share, were outstanding for the three and nine months ended September 30, 1997, respectively, 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 $7,525 and $20,551 in the third quarter and nine month period of 1998, respectively, compared to $5,847 and $16,679 in the third quarter and nine month period of 1997, respectively.

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

		Three Months Ended September 30		Nine Months Ended September 30	
		1998	1997	1998	1997
Interest	$	2,733	1,284	5,611	3,536
Income taxes	$	1,101	3,285	7,139	12,024

(5) On April 30, 1998, BAX Global acquired the privately held Air Transport International LLC ("ATI") for a purchase price of approximately $29,000. The acquisition was funded through the revolving credit portion of the Company's bank credit agreement and was accounted for as a purchase. Based on a preliminary evaluation which is subject to additional review, the estimated fair value of the assets acquired and liabilities assumed approximated $33,000. and $4,000, respectively. The pro forma impact on the BAX Group's total revenues, net income and net income per share had the ATI acquisition occurred as of the beginning of 1998 and 1997 would not have been material.

(6) During the third quarter of 1998, the BAX Group incurred expenses of approximately $36,000, nearly all of which was recorded in selling, general and administrative expenses in the statement of operations. These expenses were comprised of several items. During the third quarter of 1998, BAX Global recorded write-offs for software costs included in property, plant and equipment in accordance with SFAS No. 121 of approximately $16 million. These write-offs consisted of the costs associated with certain in-process software development projects that were canceled during the quarter and unamortized costs of existing software applications which were determined by management to have no future service potential or value. It is management's belief at this time that the current ongoing information technology initiatives that originated from the previously mentioned BPI project are necessary and will be successfully completed and implemented. Provisions aggregating $13,000 were recorded on existing receivables during the quarter, primarily to reflect more difficult operating environments in Asia and Latin America. Approximately $7,000 was accrued for severance and other expenses primarily stemming from a realignment of BAX Global's organizational structure.

The additional IT and bad debt expenses are primarily non-cash items and are reflected in the statement of cash flows partially through the non-cash charges and other write-offs line item and the provision for uncollectible accounts receivable line item. Severance costs recorded in the third quarter of 1998 are cash items, which are expected to be paid by early to mid-1999.

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

(Dollars in millions)		Three Months Ended September 30 1998	1997	Nine Months Ended September 30 1998	1997
BAX Stock:					
Shares		245.7	200.2	650.6	332.3
Cost	$	2.9	4.8	10.1	7.4
Convertible Preferred Stock:					
Shares		--	1.5	0.4	1.5
Cost	$	--	0.6	0.1	0.6
Excess carrying amount (a)	$	--	0.1	0.02	0.1

(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.

At September 30, 1998, the Company had the remaining authority to purchase over time 442 shares of BAX Stock and an additional $24,236 of its Convertible Preferred Stock. The remaining aggregate purchase cost limitation for all common stock was $9,189 at September 30, 1998.

In October 1998, the Company purchased an additional 361 shares of BAX Stock for $2,275. In November 1998, the Board authorized a revised common share repurchase authority program which allows for the purchase, from time to time, of up to 1,000 shares of Brink's Stock, up to 1,500 shares of BAX Stock and up to 1,000 shares of Minerals Stock, not to exceed an aggregate purchase price of $25,000; such shares are to be purchased from time to time in the open market or in private transactions, as conditions warrant.

(8) The BAX Group adopted Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income," in the first quarter of 1998. SFAS No. 130 established standards for the reporting and display of comprehensive income and its components in financial statements. Comprehensive income generally represents all changes in shareholders' equity except those resulting from investments by or distributions to shareholders. Total comprehensive (loss) income, which is composed of net (loss) income and foreign currency translation adjustments, for the three months ended September 30, 1998 and 1997 was ($20,174) and $12,479, respectively. Total comprehensive (loss) income for the nine months ended September 30, 1998 and 1997 was ($22,160) and $14,021, respectively.

Effective January 1, 1998, the BAX Group implemented AICPA Statement of Position ("SOP") No. 98-1 "Accounting for the Costs of Computer Software Developed for Internal Use". SOP No. 98-1 requires that certain costs related to the development or purchase of internal-use software be capitalized and amortized over the estimated useful life of the software. As a result of the implementation of SOP No. 98-1, net loss for the three months ended September 30, 1998, included a benefit of $363 or $0.02 per share and the net loss for the nine months ended September 30, 1998, included a benefit of approximately $1,803 million or $0.09 per share for costs capitalized during those periods which would have been expensed prior to the implementation of SOP No. 98-1.

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

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards for derivative instruments and hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. This statement is effective for the BAX Group for the year beginning January 1, 2000 with early adoption encouraged. The BAX Group is currently evaluating the timing of adoption, which may be as soon as the fourth quarter of 1998, and the effect that implementation of the new standard will have on its results of operations and financial position.

In April 1998, the AICPA issued 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. This SOP is effective for the BAX Group for the year beginning January 1, 1999, with early application encouraged. Initial application of the SOP is required to be reported as a cumulative effect of a change in accounting principle as of the beginning of the year of adoption. The BAX Group is currently evaluating the effect that implementation of the new statement will have on its results of operations and financial position.

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

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

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.

Effective May 4, 1998, the designation of Pittston Burlington Group Common Stock and the name of the Pittston Burlington Group were changed to Pittston BAX Group Common Stock and Pittston BAX Group, respectively. All rights and privileges of the holders of such Stock are otherwise unaffected by such changes. The stock continues to trade on the New York Stock Exchange under the symbol "PZX".

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

	Three Months Ended September 30		Nine Months Ended September 30	
(In thousands)	1998	1997	1998	1997
Operating revenues:				
BAX Global	$ 460,868	443,376	1,296,185	1,214,352
Operating (loss) profit:				
BAX Global	$ (21,285)	28,926	(14,576)	39,117
General corporate expense	(1,715)	(1,715)	(8,139)	(5,049)
Operating (loss) profit	$ (23,000)	27,211	(22,715)	34,068

In the third quarter of 1998, the BAX Group reported a net loss of $21.8 million ($1.13 per share) as compared to net income of $16.0 million ($0.80 per share) in the third quarter of 1997. Results for the quarter were adversely affected by additional expenses of approximately $36 million (as discussed below) combined with a decrease in the effective tax rate which resulted in a lower tax benefit. Revenues increased to $460.9 million or (4%) compared with the 1997 third quarter. Operating expenses and selling, general and administrative expenses for the 1998 quarter, including the previously discussed additional expenses of approximately $36 million, increased $67.1 million (16%) compared with the same quarter last year. The operating loss in the third quarter 1998 totaled $23.0 million compared to operating profit of $27.2 million in the prior year quarter, which included a benefit from additional volumes due to a strike at United Parcel Service ("UPS").

In the first nine months of 1998, the BAX Group reported a net loss of $23.8 million ($1.22 per share) including additional expenses of approximately $36 million (as discussed below) compared to net income in the 1997 period of $19.2 million ($0.96 per share), which included a $12.5 million pre-tax charge for special consulting expenses. For the first nine months of 1998, worldwide revenues increased 7% to $1,296.2 million compared to $1,214.4 million for the comparable period in 1997. Operating expenses and selling, general and administrative expenses for the nine months ended September 30, 1998 increased $136.9 million (12%) from the comparable 1997 period. The operating loss in the 1998 nine month period totaled $22.7 million compared to operating profit of $34.1 million in 1997.

Increased expenses during the quarter are expected to reduce full year 1998 results such that nondeductible items (principally goodwill amortization) have become a more significant factor in calculating the expected annual effective tax rate. Accordingly, the calculation of expected tax benefits on the pretax loss for the 1998 third quarter has been determined using an effective tax rate of 14.5% rather than the 37.0% rate in previous quarters. Although a similar rate is expected to be used to calculate taxes for the fourth quarter of 1998, thereafter it is anticipated that the effective tax rate will return to more historic levels.

The following is a discussion of the $36 million of additional expenses incurred by BAX Global in the three and nine month periods ended September 30, 1998.

During early 1997, BAX Global began an extensive review of the company's information technology ("IT") strategy. Through this review, senior management from around the world developed a new global strategy to improve business processes with an emphasis on new information systems intended to enhance productivity and improve the company's competitive position, as well as address and remediate the company's Year 2000 compliance issues. The company ultimately committed $120 million to be spent from 1997 to early 2000 to improve information systems and complete Year 2000 initiatives.

However, in conjunction with priorities established by BAX Global's new president and chief executive officer, who joined the company in June 1998, senior management re-examined this global IT strategy. It was determined that the critical IT objectives needed to be accomplished by the end of 1999 were Year 2000 compliance and the consolidation and integration of certain key operating and financial systems, supplemented by process improvement initiatives to enhance these efforts. As a result of this re-examination, senior management determined that certain non-critical, in-process IT software development projects that were begun in late 1997 under the BAX Process Innovation ("BPI") project would be terminated. Therefore, costs relating to these projects, which had previously been capitalized, were written off during the third quarter of 1998. Also as a result of this re-examination, certain existing software applications were found to have no future service potential or value. The combined carrying amount of these assets, which were written off, approximated $16 million as of September 30, 1998. It is management's belief at this time that the current ongoing information technology initiatives that originated from the previously mentioned BPI project are necessary and will be successfully completed and implemented. Such costs are included in selling, general and administrative expenses in the BAX Group's Statement of Operations for the periods ended September 30, 1998.

The BAX Group recorded provisions aggregating approximately $13 million related to accounts receivable in the third quarter of 1998. These provisions were needed primarily as the result of the deterioration of the economic and operating environments in certain international markets, primarily Asia/Pacific and Latin America. As a result of a comprehensive review of accounts receivables, undertaken in response to that deterioration, such accounts receivable were not considered cost-effective to pursue further and/or improbable of collection.

During the third quarter of 1998, BAX Global recorded severance and other expenses of approximately $7 million. The majority of these expenses related to an organizational realignment proposed by newly elected senior management which included a resource streamlining initiative that required the elimination, consolidation or restructuring of approximately 180 employee positions. The positions reside primarily in the USA and in BAX Global's Atlantic region and include administrative and management-level positions. The estimated costs of severance benefits for terminated employees are expected to be paid through early to mid- 1999. At this time management has no plans to institute further organizational changes which would require significant costs related to involuntary terminations. The related charge has been included in selling, general and administrative expenses in the BAX Group's Statement of Operations for the three and nine months ended September 30, 1998.

BAX GLOBAL

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

(In thousands - except per pound/shipment amounts)	Three Months Ended September 30 1998	Three Months Ended September 30 1997	Nine Months Ended September 30 1998	Nine Months Ended September 30 1997
Operating revenues:				
Intra-U.S.:				
Expedited freight services	$ 160,440	176,332	459,480	457,672
Other	1,384	1,761	3,623	5,372
Total Intra-U.S.	161,824	178,093	463,103	463,044
International:				
Expedited freight services (a)	232,984	220,291	658,872	631,740
Other (a)	66,060	44,992	174,210	119,568
Total International	299,044	265,283	833,082	751,308
Total operating revenues	460,868	443,376	1,296,185	1,214,352
Operating expenses	404,628	379,093	1,152,124	1,065,697
Selling, general and administrative expenses	77,281	35,708	158,734	111,397
Total costs and expenses	481,909	414,801	1,310,858	1,177,094
Other operating (expense) income, net	(244)	351	97	1,859
Operating (loss) profit:				
Intra-U.S. (b)	(2,095)	16,938	(4,990)	19,803
International (b)	(19,190)	11,988	(9,586)	19,314
Total operating (loss) profit	$ (21,285)	28,926	(14,576)	39,117
Depreciation and amortization	$ 9,268	7,458	25,662	21,457
Cash capital expenditures	$ 14,197	11,398	58,607	22,321
Expedited freight services shipment growth rate (c)	(26.9%)	41.8%	(10.4%)	13.5%
Expedited freight services weight growth rate (c):				
Intra-U.S.	(8.3%)	16.5%	2.1%	7.1%
International	7.5%	14.5%	8.1%	8.3%
Worldwide	(0.3%)	15.5%	5.2%	7.7%
Expedited freight services weight (millions of pounds)	417.0	418.1	1,201.0	1,141.2
Expedited freight services shipments (thousands)	1,343	1,836	3,978	4,441
Worldwide expedited freight services:				
Yield (revenue per pound) (a)	$ .943	.949	.931	.955
Revenue per shipment (a)	$ 293	216	281	245
Weight per shipment (pounds)	311	228	302	257

(a) Prior period's international expedited freight revenues have been reclassified to conform to the current period classification.
(b) The three and nine month periods ended September 30, 1998 include additional expenses of approximately $36 million (approximately $12 million Intra-U.S. and $24 million International) related to the termination or rescoping of certain information technology projects (approximately $16 million), increased provisions on existing accounts receivable (approximately $13 million) and approximately $7 million primarily related to severance expenses associated with BAX Global's redesign of its organizational structure. The nine month period ended September 30, 1997 includes $12.5 million of consulting expenses related to the redesign of BAX Global's business processes and new information systems architecture ($4.75 million Intra-U.S. and $7.75 million International).
(c) Compared to the same period in the prior year. 1997 results include a benefit from additional volume and shipments resulting from the effect of the United Parcel Service strike.

BAX Global's third quarter 1998 operating loss, including the previously discussed additional expenses of approximately $36 million, amounted to $21.3 million, a decrease of $50.2 million from the operating profit of $28.9 million reported in the third quarter of 1997 reflecting decreases in both intra-U.S. and international operating profits. Worldwide revenues increased 4% to $460.9 million from $443.4 million in the 1997 quarter. The $17.5 million growth in revenues resulted from a $20.7 million increase in non-expedited freight services revenues offset by a $3.2 million decrease in overall expedited freight services revenues reflecting a 0.3% decrease in worldwide expedited freight services pounds shipped, which was 417.0 million pounds in the third quarter of 1998, coupled with a 0.6% decrease in average yield on this volume. Increases in non-expedited freight services revenues reflect increases in ocean freight services, supply chain management revenues and revenues from the recently acquired Air Transport International LLC ("ATI") discussed in further detail below.

In the third quarter of 1998, BAX Global's intra-U.S. revenues decreased from $178.1 million in the 1997 third quarter to $161.8 million. This $16.3 million (9%) decrease was primarily due to a decrease of $15.9 million (9%) in intra-U.S. expedited freight services revenues. The lower level of intra-U.S. expedited freight services revenues in 1998 was due to an 8% decrease in weight shipped and a decrease in the average yield reflecting higher 1997 volumes and pricing due to the effects of the United Parcel Service ("UPS") strike during the third quarter of 1997. Intra-U.S. operating losses were $2.1 million for the 1998 quarter, including approximately $12 million of the previously discussed additional expenses, compared to an operating profit of $16.9 million in the third quarter a year ago which included a benefit from the UPS strike. While expedited freight gross margin as a percentage of revenue remained consistent between the quarters, other operating expenses and selling, general and administrative expenses increased due to the previously discussed additional expenses, higher information technology expenses including expenditures for Year 2000 initiatives and additional station operating costs associated with efforts to enhance service levels.

International revenues in the third quarter of 1998 increased $33.8 million (13%) to $299.0 million from the $265.3 million recorded in the third quarter of 1997. International expedited freight services revenues increased 6% to $233.0 million due to an increase in weight shipped of 8%, partially offset by lower yields (revenue per pound) reflecting a reduction in traffic to higher yielding Asian markets. Other international revenues, which consist primarily of supply chain management, ocean freight forwarding and customs brokerage, as well as revenues from Air Transport International LLC ("ATI"), an airline operation acquired in the second quarter of 1998, rose 47% to $66.1 million. The revenue increase was largely due to the acquisition of ATI and growth in both ocean freight forwarding and supply chain management activities. International operating losses were $19.2 million, including approximately $24 million of previously discussed additional expenses, for the 1998 third quarter compared to a $12.0 million operating profit in the third quarter of 1997. In addition, third quarter 1998 results were impacted by higher recurring IT expenses including expenditures for Year 2000 initiatives and higher initial ATI operating costs.

BAX Global's operating loss for the nine months ended September 30, 1998, including the previously discussed additional expenses of approximately $36 million, amounted to $14.6 million compared to an operating profit of $39.1 million reported in the 1997 nine month period which included $12.5 million of special consulting expenses. Worldwide revenues in the 1998 nine month period increased 7% to $1,296.2 million from $1,214.4 million in the 1997 period. The $81.8 million growth in revenues reflects a $28.9 million increase in expedited freight services revenues due to an increase in worldwide expedited freight services pounds shipped, which reached 1,201.0 million pounds in the nine months of 1998, offset by a 3% decrease in yield on this volume. In addition, non-expedited freight services revenues increased $52.9 million during the first nine months of 1998 as compared to 1997 as a result of increases in ocean freight services, supply chain management revenues and revenues from the recently acquired ATI discussed in further detail below.

For the first nine months of 1998, BAX Global's intra-US revenues increased slightly to $463.1 million compared to the same 1997 period due to an increase in intra-US expedited freight services revenues of $1.8 million mostly offset by a $1.7 million decrease in other intra-US revenues. The higher level of expedited freight services revenues was due to a 2% increase in weight shipped partially offset by lower average yields reflecting higher average pricing in 1997, due in part, to the UPS strike in the 1997 third quarter. For the first nine months of 1998 the intra-US operating loss was $5.0 million, including approximately $12 million of the previously discussed additional expenses compared to an operating profit of $19.8 million in the prior year which included the aforementioned special consulting expenses of $4.8 million. The decrease in operating profit after consideration of the previously discussed additional expenses is due to higher levels of transportation and operating costs incurred in anticipation of higher volumes combined with higher information technology ("IT") costs. While expedited freight gross margin as a percentage of revenues for the 1998 nine month period is below that of the comparable 1997 period, second and third quarter gross margins have shown substantial improvements over first quarter margins which were unfavorably impacted by service disruptions. Such service disruptions were mainly caused by equipment problems which were resolved during the first quarter.

For the first nine months of 1998, international revenues were $833.1 million, an 11% increase over $751.3 million a year earlier. International expedited freight services revenue increased $27.1 million (4%) due to an 8% increase in weight shipped offset by a 4% decrease in the average yield. The decrease in yield reflects a change in mix with less export traffic to higher yielding Asian markets, combined with the absence of third party carrier surcharges which existed in the 1997 period. International non-expedited freight services revenues increased $54.6 million (46%) in the first nine months of 1998 as compared to the same period in 1997. The increase primarily relates to growth in ocean freight and supply chain management services and revenues from the recently acquired ATI. For the first nine months of 1998, international operating losses totaled $9.6 million, including approximately $24 million of previously discussed additional expenses, compared to operating profits of $19.3 million in the first nine months of 1997 which included $7.75 million of the aforementioned special consulting expenses. In addition, the 1998 results were impacted by higher initial ATI operating costs and higher recurring IT expenses including expenditures for Year 2000 initiatives.

FOREIGN OPERATIONS

A portion of the BAX Group's financial results is derived from activities in foreign countries, each with a local currency other than the U.S. dollar. Because the financial results of the BAX Group are reported in U.S. dollars, they are affected by the changes in the value of the various foreign currencies in relation to the U.S. dollar. The BAX Group's international activities are not concentrated in any single currency, which mitigates the risks of foreign currency rate fluctuations. In addition, these rate fluctuations may adversely affect transactions which are denominated in currencies other than the functional currency. The BAX Group routinely enters into such transactions in the normal course of its business. Although the diversity of its foreign operations limits the risks associated with such transactions, the Company, on behalf of the BAX Group, uses foreign currency forward contracts to hedge the risks associated with such transactions. Realized and unrealized gains and losses on these contracts are deferred and recognized as part of the specific transaction hedged. In addition, translation adjustments relating to operations in countries with highly inflationary economies are included in net income, along with all transaction gains or losses for the period. A subsidiary in Mexico operates in such a highly inflationary economy. Prior to January 1, 1998, the economy in Brazil, in which the BAX Group has a subsidiary, was considered highly inflationary.

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

Recent deterioration of economic conditions primarily in Latin America and Asia/Pacific have impacted the financial results of BAX Global through the accrual of additional provisions for receivables in those regions in the second and third quarter of 1998. The potential for further deterioration of the economies in those regions could again negatively impact the company's results of operations in the future.

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 $1.7 million for the third quarter of 1998 and 1997, and $8.1 million and $5.0 million for the first nine months of 1998 and 1997, respectively. Corporate expenses in the nine months 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 have been attributed to the BAX Group. Corporate expenses in the 1998 year-to-date period also include costs associated with a severance agreement with a former member of the Company's senior management.

OTHER OPERATING EXPENSE/INCOME, NET

Other operating expense/income, net decreased $0.6 million and $1.8 million in the three and nine month periods ended September 30, 1998, respectively, as compared to the same periods in 1997. Other operating income, 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

Net interest expense increased $0.7 million and $2.0 million in the three and nine month periods ended September 30, 1998, respectively, as compared to the same periods in 1997. The increase is primarily due to higher levels of debt associated with recent acquisitions and increased information technology expenditures.

INCOME TAXES

In the 1998 periods presented, the provision for income taxes was more than the statutory federal income tax rate of 35% since these periods are being impacted by significantly higher expenses which are causing non-deductible items (principally goodwill amortization) to be a more significant factor in calculating the effective tax rate. Accordingly, the calculation of expected tax benefits on the pre-tax loss for the 1998 third quarter has been determined using an effective tax rate of 14.5% rather than the 37.0% rate in previous quarters. Although a similar rate is expected to be used to calculate taxes for the fourth quarter of 1998, thereafter it is anticipated that the effective tax rate will return to more historic levels.

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 nine months of 1998 totaled $62.1 million as compared to the $39.4 million generated in the first nine months of 1997. The higher level of cash generated from operating activities was due to a decrease in the funding requirements for net operating assets and liabilities and higher non-cash charges offset by lower income. Non-cash charges and other write-offs primarily include costs, which had previously been capitalized, associated with the termination and rescoping of certain in-process information technology initiatives. Cash generated from operating activities was not sufficient to fund investing activities, which primarily include capital expenditures, aircraft heavy maintenance and payments for the ATI acquisition discussed above. Additional net borrowings of $68.6 million were incurred and cash and cash equivalents increased $3.9 million.

On April 30, 1998, the Company acquired the privately held ATI for a purchase price of approximately $29 million. The acquisition was funded through the revolving credit portion of the Company's bank credit agreement and was accounted for as a purchase.

CAPITAL EXPENDITURES

Cash capital expenditures for the first nine months of 1998 and 1997 totaled $58.8 million and $22.4 million, respectively, reflecting higher levels of investment in information technology systems. For the full year 1998, cash capital expenditures are expected to range between $70 million and $75 million. These projected expenditures include those related to BAX Global's information technology initiatives, as well as those related to planned expansion for new facilities.

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.

Total outstanding debt was $139.6 million at September 30, 1998, an increase of $68.3 million from the $71.3 million reported at December 31, 1997. The net increase in debt primarily reflects borrowings to fund the acquisition of ATI, as well as incremental information technology expenditures, including those relating to Year 2000 compliance initiatives.

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 September 30, 1998 and December 31, 1997, borrowings of $100.0 million were outstanding under the term loan portion of the Facility and $103.1 million and $25.9 million, respectively, of additional borrowings were outstanding under the remainder of the Facility. Of the total outstanding amount under the Facility at September 30, 1998 and December 31, 1997, $66.8 million and $10.9 million, respectively, were attributed to the BAX Group.

RELATED PARTY TRANSACTIONS

At September 30, 1998 and December 31, 1997, the Minerals Group had no borrowings from the BAX Group. At September 30, 1998, the BAX Group owed the Minerals Group $15.1 million versus $18.2 million at December 31, 1997 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 September 30, 1998, $9.0 million is expected to be paid within one year.

OFF-BALANCE SHEET INSTRUMENTS

Fuel contracts - The Company, on behalf of the BAX Group, has hedged a portion of its jet fuel requirements through several commodity option transactions that are intended to protect against significant changes in jet fuel prices. As of September 30, 1998, these transactions aggregated 32.0 million gallons and mature periodically throughout the remainder of 1998 and mid-1999. The fair value of these fuel hedge transactions may fluctuate over the course of the contract period due to changes in the supply and demand for oil and refined products. Thus, the economic gain or loss, if any, upon settlement of the contracts may differ from the fair value of the contracts at an interim date. At September 30, 1998, the fair value adjustment for all outstanding contracts to hedge jet fuel requirements ($0.6) million.

Interest rate contracts - The Company has entered into three interest rate swap agreements that effectively convert a portion of the interest on its $100.0 million variable rate term loan to fixed rates. The first fixes the interest rate at 5.84% on $20.0 million in face amount of debt, the second fixes the interest rate at 5.86% on $20.0 million in face amount of debt, and the third fixes the interest rate at 5.80% on $20.0 million in face amount of debt. The first two agreements mature in May 2001, while the third agreement matures in May 2000. As of September 30, 1998, the fair value adjustment of all of these agreements was ($1.4) million.

Foreign currency forward contracts - The Company, on behalf of the BAX Group, enters into foreign currency forward contracts with a maturity of up to two years as a hedge against liabilities denominated in various currencies. These contracts minimize the exposure to exchange rate movements related to cash requirements of foreign operations denominated in various currencies. At September 30, 1998, the total notional value of foreign currency forward contracts outstanding was $6.5 million. As of such date, the fair value of the foreign currency forward contracts approximated the notional value.

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 Y2K 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 readiness and verify and (v) implement. At September 30, 1998, on a global basis, the inventory phase has been completed in the US and is substantially complete internationally. 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 September 30, 1998, less than 25% of the 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 customers. 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 government agencies (particularly the Federal Aviation Administration), utility companies, telecommunication service companies and other service providers outside of its control. 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 fully control the conduct of its 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 OF ADDRESS

The BAX Group anticipates that the costs of its Year 2000 identification, assessment, remediation and testing will approximate $20 million. In addition, the BAX Group will incur approximately $22 million for costs to purchase and/or develop and implement certain information technology systems whose implementation have been accelerated as a result of the Year 2000 compliance issue. Of the total anticipated BAX Group Year 2000 costs of approximately $42 million, $14 million was incurred through September 30, 1998 with the remainder to be incurred though the end of 1999.

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

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.

READINESS FOR YEAR 2000: CONTINGENCY PLAN

The BAX Group has not yet developed a contingency plan for dealing with the most reasonably likely worse case scenario, and such scenario has not yet been clearly identified. The BAX Group will begin developing a contingency plan. The foundation for the BAX Group's Year 2000 readiness program is to ensure that all mission-critical systems are renovated/replaced and tested at least six months 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, 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 BAX Group and/or any public or private sector suppliers and service providers and customers.

EURO CONVERSION

As part of the European Economic and Monetary Union (EMU), a single currency (the "Euro") will replace the national currencies of most of the European countries in which the Company conducts business. The conversion rates between the Euro and the participating nations' currencies will be fixed irrevocably as of January 1, 1999, with the participating national currencies being removed from circulation between January 1 and June 30, 2002 and replaced by Euro notes and coinage. The Company expects to be able to receive Euro denominated payments and to invoice in Euro as requested by vendors and suppliers by January 1, 1999 in the affected countries. Full conversion of all affected country operations to Euro is expected to be completed by the time national currencies are removed from circulation. Phased conversion to the Euro is currently underway and the effects on revenues, costs and various business strategies are being assessed.

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 ("Coal Operations") 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.

As previously mentioned, effective May 4, 1998, the designation of Pittston Burlington Group Common Stock and the name of the Pittston Burlington Group were changed to Pittston BAX Group Common Stock and Pittston BAX Group, respectively. All rights and privileges of the holders of such Stock are otherwise unaffected by such changes. The stock continues to trade on the New York Stock Exchange under the symbol "PZX".

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)		Three Months Ended September 30 1998	1997	Nine Months Ended September 30 1998	1997
BAX Stock:					
Shares		245.7	200.2	650.6	332.3
Cost	$	2.9	4.8	10.1	7.4
Convertible Preferred Stock:					
Shares		--	1.5	0.4	1.5
Cost	$	--	0.6	0.1	0.6
Excess carrying amount (a)	$	--	0.1	0.02	0.1

(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.

The Company's remaining repurchase authority with respect to the Convertible Preferred Stock as of September 30, 1998 was $24.2 million. As of September 30, 1998, the Company had remaining authority to purchase over time 0.4 million shares of BAX Stock. The remaining aggregate purchase cost limitation for all common stock was $9.2 million as of September 30, 1998.

In October 1998, the Company purchased additional 0.4 million common shares of BAX Stock for $2.3 million. In November 1998, the Board authorized a revised common share repurchase authority program which allows for the purchase, from time to time, of up to 1.5 million shares of BAX Stock, with an aggregate purchase cost limitation for all common stock of $25.0 million; such shares are to be purchased from time to time in the open market or in private transactions, as conditions warrant.

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 nine months of 1998 and 1997, the Board declared and the Company paid cash dividends of 18.00 cents per share of BAX Stock. Dividends paid on the Convertible Preferred Stock in each of the first nine month periods of 1998 and 1997 were $2.7 million.

ACCOUNTING CHANGES

The BAX Group adopted Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income", in the first quarter of 1998. SFAS No. 130 establishes standards for the reporting and display of comprehensive income and its components in financial statements. Comprehensive income generally represents all changes in shareholders' equity except those resulting from investments by or distributions to shareholders. Total comprehensive (loss) income which is composed of net (loss) income and foreign currency translation adjustments, for the three months ended September 30, 1998 and 1997 was

($20.2) million and $12.5 million, respectively, and ($22.2) million and $14.0 million for the nine months ended September 30, 1998 and 1997, respectively.

Effective January 1, 1998, the BAX Group implemented AICPA Statement of Position ("SOP") No. 98-1 "Accounting for the Costs of Computer Software Developed for Internal Use." SOP No. 98-1 requires that certain costs related to the development or purchase of internal-use software be capitalized and amortized over the estimated useful life of the software. As a result of the implementation of SOP No. 98-1, net loss for the three months ended September 30, 1998, included a benefit of approximately $0.4 million ($0.02 per share) and the net loss for the nine months ended September 30, 1998, included a benefit of approximately $1.8 million ($0.09 per share) for costs capitalized during those periods which would have been expensed prior to the implementation of SOP No. 98-1.

PENDING ACCOUNTING CHANGES

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

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards for derivative instruments and hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. This statement is effective for the BAX Group for the year beginning January 1, 2000, with early adoption encouraged. The BAX Group is currently evaluating the timing of adoption, which may be as soon as the fourth quarter of 1998, and the effect that implementation of the new standard will have on its results of operations and financial position.

In April 1998, the AICPA issued 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. This SOP is effective for the BAX Group for the year beginning January 1, 1999, with early application encouraged. Initial application of the SOP is required to be reported as a cumulative effect of a change in accounting principle as of the beginning of the year of adoption. The BAX Group is currently evaluating the effect that implementation of the new statement will have on its results of operations and financial position.

FORWARD LOOKING INFORMATION

Certain of the matters discussed herein, including statements regarding severance benefits effective tax rates, the readiness for Year 2000 and conversion to the Euro, the economies of Latin America and Asia/Pacific projected capital spending, and the continuation of information technology iniatives 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, new government regulations and/or legislative initiatives, the successful integration of the ATI acquisition, variations in costs or expenses, changes in the scope of improvements to information systems and Year 2000 initiatives and/or the Euro, delays or problems in the implementation of Year 2000 initiatives and/or the Euro 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)

	September 30 1998	December 31 1997
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,192	3,394
Accounts receivable (net of estimated uncollectible amounts: 1998 - $2,267; 1997 - $2,215)	68,939	63,599
Inventories, at lower of cost or market:		
Coal inventory	22,020	31,644
Other inventory	3,602	3,702
	25,622	35,346
Receivable - Pittston Brink's Group/BAX Group, net	13,414	--
Prepaid expenses	6,913	5,045
Deferred income taxes	20,269	25,136
Total current assets	138,349	132,520
Property, plant and equipment, at cost (net of accumulated depreciation, depletion and amortization: 1998 - $155,585; 1997 - $164,386)	152,929	172,338
Deferred pension assets	86,156	83,825
Deferred income taxes	54,853	54,778
Coal supply contracts, net of accumulated amortization	24,710	41,703
Intangibles, net of accumulated amortization	105,676	108,094
Receivable - Pittston Brink's Group/BAX Group, net	13,327	13,630
Other assets	50,311	47,294
Total assets	$ 626,311	654,182
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Current maturities of long-term debt	$ 397	547
Accounts payable	38,861	50,585
Payable - Pittston Brink's Group/BAX Group, net	--	3,038
Accrued liabilities	90,170	107,094
Total current liabilities	129,428	161,264
Long-term debt, less current maturities	137,293	116,114
Postretirement benefits other than pensions	229,418	223,836
Workers' compensation and other claims	83,603	92,857
Mine closing and reclamation	38,195	47,546
Other liabilities	31,602	31,137
Shareholder's equity	(23,228)	(18,572)
Total liabilities and shareholder's equity	$ 626,311	654,182

See accompanying notes to financial statements.

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

	Three Months Ended September 30 1998	1997	Nine Months Ended September 30 1998	1997
Net sales	$ 126,567	150,998	410,873	467,693
Cost and expenses:				
Cost of sales	125,148	144,338	402,590	451,586
Selling, general and administrative expenses	7,599	7,768	24,450	22,484
Total costs and expenses	132,747	152,106	427,040	474,070
Other operating income, net	9,445	1,902	14,230	7,349
Operating profit (loss)	3,265	794	(1,937)	972
Interest income	323	361	937	978
Interest expense	(2,366)	(2,810)	(7,409)	(8,169)
Other income (expense), net	--	2	1	(900)
Income (loss) before income taxes	1,222	(1,653)	(8,408)	(7,119)
Credit for income taxes	(816)	(2,625)	(8,406)	(7,875)
Net income (loss)	2,038	972	(2)	756
Preferred stock dividends, net	(886)	(789)	(2,637)	(2,592)
Net income (loss) attributed to common shares	$ 1,152	183	(2,639)	(1,836)
Net income (loss) per common share:				
Basic	$ .14	.02	(.32)	(.23)
Diluted	.14	.02	(.32)	(.23)
Cash dividends per common share	$ .0250	.1625	.2125	.4875
Weighted average common shares outstanding:				
Basic	8,370	8,096	8,302	8,055
Diluted	8,371	8,110	8,302	8,055

See accompanying notes to financial statements.

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

	Nine Months Ended September 30 1998	1997
Cash flows from operating activities:		
Net (loss) income	$ (2)	756
Adjustments to reconcile net (loss) income to net cash (used) provided by operating activities:		
Depreciation, depletion and amortization	27,200	28,043
Provision for deferred income taxes	4,791	5,137
Credit for pensions, noncurrent	(2,308)	(2,079)
Gain on sale of property, plant and equipment and other assets	(4,108)	(1,676)
Provision for uncollectible accounts receivable	61	12
Equity in loss of unconsolidated affiliates, net of dividends received	775	763
Other operating, net	1,620	758
Change in operating assets and liabilities, net of effects of acquisitions and dispositions:		
(Increase) decrease in accounts receivable	(5,097)	6,680
Decrease (increase) in inventories	7,622	(16,146)
Increase in prepaid expenses	(2,020)	(3,814)
(Decrease) increase in accounts payable and accrued liabilities	(24,005)	1,601
Increase in other assets	(3,342)	(1,217)
Increase (decrease) in other liabilities	2,429	(8,884)
Decrease in workers' compensation and other claims, noncurrent	(6,577)	(6,719)
Other, net	(181)	140
Net cash (used) provided by operating activities	(3,142)	3,355
Cash flows from investing activities:		
Additions to property, plant and equipment	(18,909)	(21,913)
Proceeds from disposal of property, plant and equipment	18,329	3,612
Proceeds from disposition of assets	6,772	--
Acquisitions, net of cash acquired, and related contingency payments	--	(791)
Other, net	252	(850)
Net cash provided (used) by investing activities	6,444	(19,942)
Cash flows from financing activities:		
Additions to debt	64,441	51,579
Reductions of debt	(43,970)	(372)
Payments to Brink's Group	(19,418)	(20,300)
Payments to BAX Group	--	(6,949)
Repurchase of stock	(308)	(617)
Proceeds from exercise of stock options	--	22
Dividends paid	(4,249)	(6,239)
Net cash (used) provided by financing activities	(3,504)	17,124
Net (decrease) increase in cash and cash equivalents	(202)	537
Cash and cash equivalents at beginning of period	3,394	3,387
Cash and cash equivalents at end of period	$ 3,192	3,924

See accompanying notes to financial statements.

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

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

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

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

	Three Months Ended September 30		Nine Months Ended September 30	
Minerals Group	1998	1997	1998	1997
Numerator:				
Net income (loss)	$ 2,038	972	(2)	756
Convertible Preferred Stock dividends, net	(886)	(789)	(2,637)	(2,592)
Net income (loss) - Basic and diluted net income (loss) attributed to common shares per share numerator	1,152	183	(2,639)	(1,836)
Denominator:				
Basic weighted average common shares outstanding	8,370	8,096	8,302	8,055
Effect of dilutive securities:				
Employee stock options	1	14	--	--
Diluted weighted average common shares outstanding	8,371	8,110	8,302	8,055

Options to purchase 625 shares of Minerals Stock, at prices between $5.63 and $25.74 per share, were outstanding during the three months ended September 30, 1998 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 787 shares of Minerals Stock, at prices between $4.19 and $25.74 per share, were outstanding during the nine months ended September 30, 1998 but were not included in the computation of diluted net loss per share because the effect of all options would be antidilutive.

Options to purchase 449 shares of Minerals Stock, at prices between $11.63 and $25.74 per share, were outstanding during the three months ended September 30, 1997 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 721 shares of Minerals Stock, at prices between $8.64 and $25.74 per share, were outstanding during the nine months ended September 30, 1997 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 1,764 shares of Minerals Stock has been excluded in the computation of diluted net income (loss) per share for the three and nine months ended September 30, 1998 because the effect of the assumed conversions would be antidilutive. The conversion of the Convertible Preferred Stock to 1,789 and 1,792 shares of the Minerals Stock has been excluded in the calculation of diluted net income (loss) for the three and nine months ended September 30, 1997, respectively, because the effect of the assumed conversions would be antidilutive.

(3) Depreciation, depletion and amortization of property, plant and equipment totaled $5,240 and $16,583 in the third quarter and nine month period of 1998, respectively, compared to $5,986 and $17,344 in the third quarter and nine month period of 1997, respectively.

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

		Three Months Ended September 30		Nine Months Ended September 30	
		1998	1997	1998	1997
Interest	$	2,703	2,973	8,014	8,356
Income taxes	$	(4,527)	(6,059)	(16,516)	(17,819)

(5) During the second quarter of 1998, Coal Operations disposed of certain assets of its Elkay mining operation in West Virginia. The assets were sold for cash of approximately $18,000, resulting in a pre-tax loss of approximately $2,200.

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

		Three Months Ended September 30		Nine Months Ended September 30	
(Dollars in millions)		1998	1997	1998	1997
Convertible Preferred Stock:					
Shares		--	1.5	0.4	1.5
Cost	$	--	0.6	0.1	0.6
Excess carrying amount (a)	$	--	0.1	0.02	0.1

(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.

At September 30, 1998, the Company had the remaining authority to purchase over time 1,000 shares of Minerals Stock and an additional $24,236 of its Convertible Preferred Stock. The remaining aggregate purchase cost limitation for all common stock was $9,189.

In November 1998, the Board authorized a revised common share repurchase authority program which allows for the purchase, from time to time, of up to 1,000 shares of Minerals Stock, with an aggregate purchase cost limitation for all common stock of $25,000; such shares are to purchased from time to time in the open market or in private transactions, as conditions warrant.

(7) The Minerals Group adopted Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income," in the first quarter of 1998. SFAS No. 130 established standards for the reporting and display of comprehensive income and its components in financial statements. Comprehensive income generally represents all changes in shareholders' equity except those resulting from investments by or distributions to shareholders. Total comprehensive income (loss), which is composed of net income (loss) attributable to common shares and foreign currency translation adjustments, for the three months ended September 30, 1998 and 1997 was $411 and ($606), respectively. Total comprehensive loss for the nine months ended September 30, 1998 and 1997 was $4,219 and $3,643, respectively.

Effective January 1, 1998, the Company implemented AICPA Statement of Position ("SOP") No. 98-1 "Accounting for the Costs of Computer Software Developed for Internal Use". SOP No. 98-1 requires that certain costs related to the development or purchase of internal-use software be capitalized and amortized over the estimated useful life of the software.

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

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards for derivative instruments and hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. This statement is effective for the Minerals Group for the year beginning January 1, 2000, with early adoption encouraged. The Minerals Group is currently evaluating the timing of adoption, which may be as soon as the fourth quarter of 1998, and the effect that implementation of the new standard will have on its results of operations and financial position.

In April 1998, the AICPA issued 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. This SOP is effective for the Minerals Group for the year beginning January 1, 1999, with early application encouraged. Initial application of the SOP is required to be reported as a cumulative effect of a change in accounting principle as of the beginning of the year of adoption. The Minerals Group is currently evaluating the effect that implementation of the new statement will have on its results of operations and financial position.

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

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

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

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

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

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

RESULTS OF OPERATIONS

(In thousands)	Three Months Ended September 30 1998	1997	Nine Months Ended September 30 1998	1997
Net Sales:				
Coal Operations	$ 122,867	145,616	398,963	454,282
Mineral Ventures	3,700	5,382	11,910	13,411
Net sales	$ 126,567	150,998	410,873	467,693
Operating profit (loss):				
Coal Operations	$ 5,854	2,640	6,642	7,495
Mineral Ventures	(1,084)	(347)	(1,409)	(2,112)
Segment operating profit	4,770	2,293	5,233	5,383
General corporate expense	(1,505)	(1,499)	(7,170)	(4,411)
Operating profit (loss)	$ 3,265	794	(1,937)	972

In the third quarter of 1998, the Minerals Group reported net income of $2.0 million compared to net income of $1.0 million in the third quarter of 1997. In the third quarter of 1998 operating profit totaled $3.3 million (including a $5.4 million gain on the sale of two idle coal properties in West Virginia and a loading dock in Kentucky and a $2.6 million gain on a litigation settlement) as compared to operating profit of $0.8 million in the 1997 quarter. Net sales during the third quarter of 1998 decreased $24.4 million (16%) compared to the corresponding 1997 quarter.

In the first nine months of 1998, the Minerals Group reported break-even results compared to net income of $0.8 million during 1997. The operating loss in the nine months ended September 30, 1998 was $1.9 million compared to an operating profit of $1.0 million in the corresponding 1997 period. The 1998 operating profit included a net benefit of approximately $6.0 million related to net gains on the sale of assets and from a gain on a litigation settlement. Net sales during the nine month period of 1998 decreased $56.8 million (12%) compared to the 1997 period.

COAL OPERATIONS

The following are tables of selected financial data for Coal Operations on a comparative basis:

	Three Months Ended September 30		Nine Months Ended September 30	
(In thousands)	1998	1997	1998	1997
Net sales	$ 122,867	145,616	398,963	454,282
Cost of sales	122,374	140,287	394,076	440,170
Selling, general and administrative expenses	4,555	5,009	13,232	14,720
Total costs and expenses	126,929	145,296	407,308	454,890
Other operating income, net	9,916	2,320	14,987	8,103
Operating profit	$ 5,854	2,640	6,642	7,495
Coal sales (tons):				
Metallurgical	1,868	1,863	5,794	5,577
Steam	2,197	3,046	7,432	9,569
Total coal sales	4,065	4,909	13,226	15,146
Production/purchased (tons):				
Deep	1,340	1,320	4,097	3,746
Surface	1,551	2,594	5,361	7,991
Contract	182	352	624	1,090
	3,073	4,266	10,082	12,827
Purchased	834	769	2,845	3,072
Total	3,907	5,035	12,927	15,899

(In thousands, except per ton amounts)	Three Months Ended September 30 1998	1997	Nine Months Ended September 30 1998	1997
Net coal sales (a)	$ 121,138	143,958	393,167	447,959
Current production costs of coal sold (a)	113,310	131,591	365,204	413,717
Coal margin	7,828	12,367	27,963	34,242
Non-coal margin	479	436	1,718	1,681
Other operating income, net	9,916	2,320	14,987	8,103
Margin and other income	18,223	15,123	44,668	44,026
Other costs and expenses:				
Idle equipment and closed mines	1,008	623	4,293	1,180
Inactive employee cost	6,806	6,851	20,501	20,631
Selling, general and administrative expenses	4,555	5,009	13,232	14,720
Total other costs and expenses	12,369	12,483	38,026	36,531
Operating profit	$ 5,854	2,640	6,642	7,495
Coal margin per ton:				
Realization	$ 29.80	29.33	29.72	29.58
Current production costs	27.87	26.81	27.61	27.32
Coal margin	$ 1.93	2.52	2.11	2.26

(a) Excludes non-coal components.

Coal Operations generated an operating profit of $5.9 million in the third quarter of 1998 which included a $5.4 million gain on the sale of two idle coal properties in West Virginia and a loading dock in Kentucky and a $2.6 million gain on a litigation settlement. The third quarter operating profit compared to an operating profit of $2.6 million recorded in the 1997 third quarter. Sales volume of 4.1 million tons in the third quarter of 1998 was 17% less than the 4.9 million tons sold in the prior year quarter. Compared to the third quarter of 1997, steam coal sales in 1998 decreased by 0.8 million tons (28%), to 2.2 million tons, while metallurgical coal sales remained unchanged at 1.9 million tons. The lower steam coal sales in the 1998 third quarter were primarily due to the sale of certain Elkay Assets (discussed below) as well as an unplanned outage at a major steam coal utility customer. Steam coal sales represented 54% of total volume in 1998 and 62% in 1997.

Total coal margin of $7.8 million for the third quarter of 1998 represented a decrease of $4.5 million from the comparable 1997 period. The decrease in total coal margin reflects lower sales volume combined with a 23% decrease ($0.59 per ton) in coal margin per ton. The overall change in coal margin per ton during the 1998 quarter was predominantly impacted by the decrease in metallurgical coal margins. Metallurgical margins were negatively impacted in the three months ended September 30, 1998 by lower realizations per ton resulting from lower negotiated pricing with metallurgical customers for the new contract year which began April 1, 1998 as well as higher production costs per ton. Steam coal margin remained essentially unchanged in the 1998 third quarter as higher realizations per ton were offset by higher production costs per ton.

In addition to these factors, total coal margin per ton was impacted by a change in both the production and sales mix due to the sale of certain steam coal producing assets at the Coal Operation's Elkay mine ("Elkay Assets") discussed below. Despite the decreases in metallurgical coal realization per ton, overall realization increased $0.47 per ton as a greater proportion of coal sales came from metallurgical coal which generally has a higher realization per ton than steam coal. In addition, the current production cost of coal sold increased $1.06 per ton to $27.87 in the third quarter of 1998 from the third quarter of 1997 primarily due to a higher proportion of deep mine production which is generally more costly. Metallurgical sales in 1999 are expected to be lower as a result of the disadvantage caused by the relative strength of the U.S. dollar versus currencies of other metallurgical coal producing countries.

Production in the 1998 third quarter decreased 1.2 million tons over the 1997 third quarter to 3.1 million tons due to the sale of certain Elkay Assets (discussed below). Purchased coal remained constant at 0.8 million tons. Surface production accounted for 51% and 62% of the total production in the 1998 and 1997 third quarters, respectively. Productivity of 33.3 tons per man day in the 1998 third quarter decreased from the 38.7 tons per man day in the 1997 third quarter primarily due to the increased percentage of deep mine production.

Non-coal margin, which reflects earnings from the oil, gas and timber businesses, amounted to $0.5 million and $0.4 million in the third quarters of 1998 and 1997, respectively. Other operating income, which primarily includes gains and losses on sales of property and equipment and third party royalties, amounted to $9.9 million in the third quarter of 1998 as compared to $2.3 million in the comparable period of 1997. This increase was due to a $5.4 million gain on the sale of two idle coal properties in West Virginia and a loading dock in Kentucky, and a $2.6 million gain on a litigation settlement.

Idle equipment and closed mine costs increased $0.4 million in the 1998 third quarter from the comparable 1997 quarter due to additional costs at mines that were idled in the quarter. Inactive employee costs, which represent long-term employee liabilities for pension and retiree medical costs, were essentially unchanged at $6.8 million for the third quarter of 1998. Coal Operations anticipates that costs related to certain of these long-term benefit obligations will increase in 1999 due to reductions in the amortization of actuarial gains, a decrease in discount rates and higher premiums for the Coal Industry Retiree Health Benefit Act of 1992 ("Coal Act"). As a result of recent legal developments involving the Coal Act, and based on recent communications from representatives of the Coal Act's Combined Fund, the Company anticipates an increase in its assessments under the Coal Act for the twelve month period beginning October 1, 1998, approximating $1.7 million. This increase consists of charges for certain benefits which are provided for by the Coal Act, but which previously have been covered by other funding sources. As with all the Company's Coal Act assessments, this amount is to be paid in 12 equal monthly installments over the plan year beginning October 1, 1998. The Company is unable to determine at this time whether these or other additional amounts will apply in future plan years. Selling, general and administrative expenses decreased $0.5 million (9%) in the third quarter of 1998 from the 1997 third quarter due to continued Coal Operations cost control efforts.

In July 1998, Coal Operations completed the sale of two idle coal properties in West Virginia and a loading dock in Sandlick, Kentucky for a pre-tax gain of $5.4 million. These asset disposals, along with the sale of certain Elkay Assets (discussed below), continue the Coal Operations' program of disposing of idle and under-performing assets in order to improve overall returns, generate cash and reduce its reclamation activities. Later this year Coal Operations plans to begin to develop a major underground metallurgical coal mine on company-owned reserves in Virginia at an estimated total cost of $25 million to $30 million, most of which will be spent in 2000. At full production, scheduled for sometime in 2001, this mine is expected to produce average annual production of approximately 1.3 million tons from a proven and probable reserve of approximately 15.0 million tons.

During the first nine months of 1998, Coal Operations generated an operating profit of $6.6 million compared to $7.5 million in the corresponding 1997 period. The 1998 operating profit included a net benefit of approximately $6.0 million related to net gains on the sale of assets and from a gain on a litigation settlement. Sales volume of 13.2 million tons in this 1998 period was 1.9 million tons less than the 1997 period. Metallurgical coal sales increased by 0.2 million tons (4%) to 5.8 million tons and steam coal sales decreased by 2.1 million tons (22%) to 7.4 million tons compared to the prior year primarily due to the reduced production at the Elkay mine and the subsequent sale of certain Elkay Assets (discussed below). Steam coal sales represented 56% of the total 1998 sales volume as compared to 63% in 1997.

For the first nine months of 1998, coal margin was $28.0 million, a decrease of $6.3 million over the 1997 period. Coal margin per ton decreased to $2.11 per ton in the first nine months of 1998 from $2.26 per ton for the same period of 1997. This overall decrease in coal margin per ton during the first nine months of 1998 was due to a decrease in metallurgical coal margins which was amplified by a change in the sales and production mix as noted above in the discussion of the quarterly trends.

The current production cost of coal sold for the first nine months of 1998 was $27.61 per ton as compared to $27.32 per ton for 1997. While production cost per ton increased primarily due to a larger proportion of the higher cost deep mine production, these increases were partially offset by a $1.3 million benefit related to a favorable ruling issued by the U.S. Supreme Court on the unconstitutionality of the Harbor Maintenance Tax. Production for the year-to-date 1998 period totaled 10.1 million tons, a decrease from the 1997 period production of 12.8 million tons, due in large part to the reduced production at the Elkay mine and subsequent sale of certain Elkay Assets (discussed below.) Surface production accounted for 54% and 63% of the total production in the 1998 and 1997 periods, respectively. Productivity of 34.5 tons per man day during the period decreased from the 37.6 tons per man day in 1997 primarily due to the increased percentage of deep mine production.

The non-coal margin was $1.7 million for the first nine months of both 1998 and 1997. Other operating income increased $6.9 million for the 1998 period due to higher gains on sales of assets and litigation settlements in 1998.

Idle equipment and closed mine costs increased $3.1 million in the first nine months of 1998 as compared to 1997, primarily due to inventory writedowns of $2.0 million associated with the sale of certain Elkay Assets (discussed below), along with costs relating to mines that went idle in 1998. Inactive employee costs, which primarily represent long-term employee liabilities for pension and retiree medical costs, decreased slightly by $0.1 million to $20.5 million in the 1998 nine months. As discussed more fully in the above third quarter discussion of results, Coal Operations anticipates that costs related to certain of these long-term benefit obligations will increase in 1999 due to reductions in the amortization of actuarial gains, a decrease in discount rates and higher premiums for the Coal Industry Retiree Health Benefit Act of 1992. Selling, general and administrative expenses declined by $1.5 million (10%) in the nine months of 1998 as compared to the 1997 period, as a result of Coal Operations cost control efforts.

During the second quarter of 1998, Coal Operations disposed of certain assets, including a surface mine, coal supply contracts and limited coal reserves, of its Elkay mining operation in West Virginia. The referenced surface mine produced approximately 1 million tons of steam coal from January 1, 1998 through the end of April 1998, at which point coal production ceased. Total cash proceeds from the sale amounted to approximately $18 million, resulting in a pre-tax loss of approximately $2.2 million. This pre-tax book loss includes approximately $2.0 million of inventory writedowns related to coal which can no longer be blended with other coals produced from these disposed assets. This writedown has been included in Coal Operations cost of sales.

The Coal Operation's principal labor agreement with the UMWA is subject to termination after December 31, 1998. Informal discussions for a successor contract have begun and the Company believes a new agreement will be reached prior to that time.

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 nine months of 1998 for such costs:

(In thousands)		Mine and Plant Closure Costs	Employee Termination, Medical and Severance Costs	Total
Balance as of December 31, 1997	$	11,143	19,703	30,846
Payments		827	1,447	2,274
Other reductions (a)		999	--	999
Balance as of September 30, 1998	$	9,317	18,256	27,573

(a) Other reductions represent liabilities transferred in the sale of certain coal properties and assets in 1998.

MINERAL VENTURES

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

(Dollars in thousands, except per ounce data)	Three Months Ended September 30 1998	1997	Nine Months Ended September 30 1998	1997
Stawell Gold Mine:				
Gold sales	$ 3,691	5,396	11,864	13,395
Other revenue (expense)	9	(14)	46	16
Net sales	3,700	5,382	11,910	13,411
Cost of sales (a)	2,753	4,021	8,495	11,319
Selling, general and administrative expenses (a)	298	331	837	1,010
Total costs and expenses	3,051	4,352	9,332	12,329
Operating profit - Stawell Gold Mine	649	1,030	2,578	1,082
Other operating expense, net	(1,733)	(1,377)	(3,987)	(3,194)
Operating loss	$(1,084)	(347)	(1,409)	(2,112)
Stawell Gold Mine:				
Mineral Ventures' 50% direct share:				
Ounces sold	11,796	11,176	34,751	31,417
Ounces produced	11,848	11,516	34,747	31,782
Average per ounce sold (US$):				
Realization (b)	$ 313	483	341	426
Cash cost	205	263	210	318

(a) Excludes $21 and $19, and $1,241 and $3,211, of non-Stawell related cost of sales and selling, general and administrative expenses for the three and nine months ended September 30, 1998, respectively. Excludes $30 and $97, and $924 and $2,343, of non-Stawell related cost of sales and selling, general and administrative expenses for the three and nine months ended September 30, 1997, respectively. Such costs are included in the cost of sales and selling, general and administrative expenses in the Minerals Group Statement of Operations.
(b) Realization data for 1997 includes allocation of the proceeds from the liquidation of a gold forward sale hedge position in July 1997.

Mineral Ventures primarily consists of a 50% direct and a 17% indirect interest, through Mineral Ventures' 34.1% interest in Mining Project Investors ("MPI") in Australia, in the Stawell gold mine ("Stawell") in western Victoria, Australia. During the third quarter 1998, Mineral Ventures generated an operating loss of $1.1 million, an increase of $0.8 million compared to the loss of $0.3 million in the third quarter of 1997. Mineral Ventures' 50% direct interest in Stawell's operations generated net sales of $3.7 million in the third quarter of 1998 which were lower than the $5.4 million of net sales in the 1997 period as the 1997 period included the benefits of above-market forward gold sales. Lower gold realizations were also affected by declining market prices partially offset by an increase in ounces of gold sold from 11.2 thousand ounces to 11.8 thousand ounces. The third quarter operating profit at Stawell of $0.6 million decreased $0.4 million over the prior year quarter reflecting a $58 per ounce decrease (22%) in the cash cost of gold sold, which was more than offset by a $170 per ounce decrease (35%) in average realization. Production costs were lower in the 1998 quarter due to a weaker Australian dollar. In addition, production costs in the 1997 quarter were adversely impacted by a $0.75 million write-off related to a collapse of a ventilation shaft during its construction.

During the first nine months of 1998, Mineral Ventures generated an operating loss of $1.4 million as compared to an operating loss of $2.1 million in the 1997 period. Mineral Ventures' 50% direct interest in Stawell's operations generated net sales of $11.9 million in the first nine months of 1998 compared to $13.4 million in the 1997 period. The $1.5 million decrease was primarily due to lower gold realizations resulting from declining market prices, offset by increases in the ounces of gold sold from 31.4 thousand ounces to 34.8 thousand ounces (11%). The operating profit at Stawell of $2.6 million was $1.5 million higher than operating profit in 1997 primarily the result of a $108 per ounce decrease (34%) in the cash cost of gold sold offset, in part, by a $85 per ounce decrease (20%) in the selling price of gold. Production costs were lower in 1998 primarily due to a weaker Australian dollar. In addition, Stawell's costs in 1997 were negatively impacted by temporary unfavorable ground conditions and the collapse of a new ventilation shaft during its construction resulting in lower production and higher costs.

As of September 30, 1998, approximately 21% of Mineral Ventures' share of the total proven and probable reserves had been sold forward under forward sales contracts that mature periodically through mid-2000. Based on contracts in place and current market conditions, full year 1998 average realizations are expected to be between $330 and $335 per ounce of gold sold. At September 30, 1998, remaining proven and probable gold reserves at the Stawell mine were estimated at 382 thousand ounces.

Other operating expense, net, was $1.7 million and $4.0 million in the three and nine months ended September 30, 1998, respectively, compared to $1.4 million and $3.2 million in the three and nine months ended September 30, 1997, respectively. It includes equity earnings from joint ventures, primarily consisting of Mineral Ventures' 17% indirect interest in Stawell's operations and gold exploration costs for all operations excluding Stawell.

In addition to its interest in Stawell, Mineral Ventures has a 17% indirect interest through MPI in the Silver Swan base metals property in Western Australia. In October 1998 MPI announced its intent to sell its 50% interest in the Black Swan Nickel Joint Venture (including the Silver Swan mine) to one of its shareholders, Outokumpu, subject to conditions precedent, for a combination of cash and Outokumpu's share holding in MPI. This transaction was completed in November 1998. As a result of this transaction Mineral Ventures' current 34.1% share of ownership in MPI has increased to approximately 45% on a fully diluted basis. MPI will continue its gold mining and exploration programs in Australia and North America.

FOREIGN OPERATIONS

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

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 $1.5 million for the third quarter of both 1998 and 1997 and $7.2 million and $4.4 million for the first nine months of 1998 and 1997, respectively. Corporate expenses in the nine months 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 have been attributed to the Minerals Group. Corporate expenses in the 1998 year-to-date period also include costs associated with a severance agreement with a former member of the Company's senior management.

OTHER OPERATING INCOME, NET

Other operating income, net increased $7.5 million and $6.9 million for the three and nine month periods ended September 30, 1998, respectively. Other operating income, net principally includes equity in earnings of unconsolidated affiliates, royalty income and gains and losses from sales of coal property and equipment. The increase in the third quarter of 1998 relates to a $5.4 million gain on the sale of idle coal properties and a loading dock facility, combined with a $2.6 million gain on a favorable litigation settlement. The increase in the nine month period of 1998 is due to higher gains on asset sales and litigation settlements.

NET INTEREST EXPENSE

Net interest expense decreased $0.4 million and $0.7 million in the three and nine month periods ended September 30, 1998 and 1997, respectively. The decrease is due to lower average borrowings during the 1998 periods.

INCOME TAXES

In all the 1998 and 1997 periods presented, a credit for income taxes was recorded, due primarily to tax benefits of percentage depletion coupled with the benefits of pre-tax losses in certain of those periods.

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

Operating activities for the first nine months of 1998 used cash of $3.1 million, compared to cash provided of $3.4 million of cash provided in 1997. In the 1998 period, cash flow from operations declined due to lower earnings combined with an increase in the amount required to fund operating assets and liabilities. Offsetting these operating requirements was approximately $23 million in cash proceeds from the sales of Elkay Assets, idle coal properties and the loading dock facility discussed previously. Additional requirements for capital expenditures and other investing activities, repayments to the Brink's Group and net costs of share activity, partially offset with additional net borrowings, resulted in a decrease in cash and cash equivalents of $0.2 million.

CAPITAL EXPENDITURES

Cash capital expenditures for the first nine months of 1998 and 1997 totaled $18.9 million and $21.9 million, respectively. During the 1998 period, Coal Operations and Mineral Ventures spent $16.3 million and $2.4 million, respectively. For full year 1998, the Minerals Group's cash capital expenditures are expected to approximate $25 million to $30 million, including expenditures related to the new underground metallurgical coal mine previously discussed.

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.

Total debt outstanding at September 30, 1998 was $137.7 million, an increase of $21.0 million from the $116.7 million outstanding at December 31, 1997. These increased borrowings, which funded cash flow requirements including repayment of amounts owed to the Brink's Group, were made primarily under the credit agreement discussed 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 September 30, 1998 and December 31, 1997, borrowings of $100.0 million were outstanding under the term loan portion of the Facility and $103.1 million and $25.9 million, respectively, of additional borrowings were outstanding under the remainder of the Facility. Of the outstanding amounts under the Facility at September 30, 1998, and December 31, 1997, $136.3 million and $115.0 million, respectively, were attributed to the Minerals Group.

RELATED PARTY TRANSACTIONS

At September 30, 1998, under interest bearing borrowing arrangements, the Minerals Group owed the Brink's Group $7.6 million, a decrease of $19.4 million from the $27.0 million owed at December 31, 1997. The Minerals Group did not owe any amounts to the BAX Group at September 30, 1998 or December 31, 1997.

At September 30, 1998, the Brink's Group owed the Minerals Group $19.2 million versus $19.4 million at December 31, 1997 for tax benefits. Approximately $12.0 million is expected to be paid within one year. Also at September 30, 1998, the BAX Group owed the Minerals Group $15.1 million versus $18.2 million at December 31, 1997 for tax benefits. Approximately $9.0 million is expected to be paid within one year.

OFF-BALANCE SHEET INSTRUMENTS

Interest rate contracts - The Company has three interest rate swap agreements that effectively convert a portion of the interest on its $100.0 million variable rate term loan to fixed rates. The first fixes the interest rate at 5.84% on $20.0 million in face amount of debt, the second fixes the interest rate at 5.86% on $20.0 million in face amount of debt, and the third fixes the interest rate at 5.80% on $20.0 million in face amount of debt. The first two agreements mature in May 2001, while the third agreement matures in May 2000. As of September 30, 1998, the fair value adjustment of all of these agreements was ($1.4 million).

The Company, on behalf of the Minerals Group, has hedged a portion of its diesel fuel requirements through several commodity option transactions that are intended to protect against significant increases in diesel fuel prices. At September 30, 1998, these transactions aggregated 3.1 million gallons and mature periodically throughout 1999. The fair value of these fuel hedge transactions may fluctuate over the course of the contract period due to changes in the supply and demand of oil and refined products. Thus, the economic gain or loss, if and upon settlement of the contracts may differ from the fair value of the contracts at an interim date. At September 30, 1998 the fair value adjustment of these contracts was not significant.

Foreign currency forward contracts - The Company, on behalf of the Minerals Group, enters into foreign currency forward contracts, from time to time, with a maturity of up to two years as a hedge against liabilities denominated in the Australian dollar. These contracts minimize the Minerals Group's exposure to exchange rate movements related to cash requirements of Australian operations denominated in Australian dollars. At September 30, 1998, the notional value of foreign currency forward contracts outstanding was $14.4 million and the fair value adjustment approximated ($1.9) million.

Gold contracts - In order to protect itself against downward movements in gold prices, the Company, on behalf of the Minerals Group, hedges a portion of its share of gold sales from the Stawell gold mine primarily through forward sales contracts. At September 30, 1998, 41,000 ounces of gold, representing approximately 21% of the Minerals Group's share of Stawell's proven and probable reserves, were sold forward under forward sales contracts that mature periodically through mid-2000. Because only a portion of its future production is currently sold forward, the Minerals Group can take advantage of increases and is exposed to decreases in the spot price of gold. At September 30, 1998, the fair value of the Minerals Group's forward sales contracts was ($0.7) million.

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 Coal Operations 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 programs into four phases: (I) assessment, (ii) remediation/replacement, (iii) testing, and (iv) integration. At September 30, 1998, 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 the second quarter of 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 September 30, 1998, approximately 75% and 50% of the Minerals Group's hardware systems and embedded systems, respectively, have been tested and verified as Year 2000 ready.

As part of their Year 2000 projects, Coal Operations and PMV have sent questionnaires to significant suppliers, 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. 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 fully control the conduct of its suppliers, 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 that the costs of Year 2000 identification, assessment, remediation and testing will approximate $1.0 million, the majority of which will be incurred by Coal Operations. In addition, the Minerals Group will incur approximately $0.9 million for costs to purchase and/or development and implement certain information technology systems whose implementation have been accelerated as a result of the Year 2000 readiness issue. Again, the majority of these costs will be incurred by Coal Operations. Of the total anticipated Minerals Group Year 2000 costs of approximately $1.9 million, $1.0 million was incurred through September 30, 1998 with the remainder to be incurred through the end of 1999.

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

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 its most likely worse case scenario. The Minerals Group is expected to develop a contingency plan. 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. 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 vent of such worst case scenarios and the impact on the Minerals Group's 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, 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 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.

Effective May 4, 1998, the designation of Pittston Burlington Group Common Stock and the name of the Pittston Burlington Group were changed to Pittston BAX Group Common Stock and Pittston BAX Group, respectively. All rights and privileges of the holders of such Stock are otherwise unaffected by such changes. The stock continues to trade on the New York Stock Exchange under the symbol "PZX".

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)		Three Months Ended September 30 1998	Three Months Ended September 30 1997	Nine Months Ended September 30 1998	Nine Months Ended September 30 1997
Convertible Preferred Stock:					
Shares		--	1.5	0.4	1.5
Cost	$	--	0.6	0.1	0.6
Excess carrying amount (a)	$	--	0.1	0.02	0.1

(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.

The Company's remaining repurchase authority with respect to the Convertible Preferred Stock as of September 30, 1998 was $24.2 million. As of September 30, 1998, the Company had remaining authority to purchase over time 1.0 million shares of Minerals Stock. The remaining aggregate purchase cost limitation for all common stock was $9.2 million as of September 30, 1998.

In November 1998, the Board authorized a revised common share repurchase authority program which allows for the purchase, from time to time, of up to 1.0 million shares of Minerals Stock, with an aggregate purchase cost limitation for all common stock of $25.0 million, such shares are to be purchased from time to time in the open market or in private transactions, as conditions warrant.

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. At September 30, 1998, the Available Minerals Dividend Amount was at least $10.5 million.

During the first nine months of 1998 and 1997, the Board declared and the Company paid cash dividends of 21.25 cents and 48.75 cents, respectively, per share of Minerals Stock. Dividends paid on the Convertible Preferred Stock in each of the first nine month periods of 1998 and 1997 were $2.7 million.

In May 1998, the Company reduced the annual dividend rate on Minerals Stock to 10.00 cents per year per share for shareholders as of the May 15, 1998 record date. Cash made available, if any, from this lower dividend rate will be used to either reinvest, as suitable opportunities arise, in the Minerals Group companies or to pay down debt, with a view towards maximizing long-term shareholder value.

ACCOUNTING CHANGES

The Minerals Group adopted Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income", in the first quarter of 1998. SFAS No. 130 establishes standards for the reporting and display of comprehensive income and its components in financial statements. Comprehensive income generally represents all changes in shareholders' equity except those resulting from investments by or distributions to shareholders. Total comprehensive income (loss), which is composed of net income (loss) attributable to common shares and foreign currency translation adjustments, for the quarter ended September 30, 1998 and 1997, respectively, was $0.4 million and ($0.6) million and for the nine months ended September 30, 1998 and 1997 was ($4.2) million and ($3.6) million, respectively.

Effective January 1, 1998, the Minerals Group implemented AICPA Statement of Position ("SOP") No. 98-1 "Accounting for the Costs of Computer Software Developed for Internal Use". SOP No. 98-1 requires that certain costs related to the development or purchase of internal-use software be capitalized and amortized over the estimated useful life of the software.

PENDING ACCOUNTING CHANGES

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

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards for derivative instruments and hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. This statement is effective for the Minerals Group for the year beginning January 1, 2000, with early adoption encouraged. The Minerals Group is currently evaluating the timing of adoption, which may be soon as the fourth quarter of 1998, and the effect that implementation of the new standard will have on its results of operations and financial position.

In April 1998, the AICPA issued 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. This SOP is effective for the Minerals Group for the year beginning January 1, 1999, with early application encouraged. Initial application of the SOP is required to be reported as a cumulative effect of a change in accounting principle as of the beginning of the year of adoption. The Minerals Group is currently evaluating the effect that implementation of the new statement will have on its results of operations and financial position.

FORWARD LOOKING INFORMATION

Certain of the matters discussed herein, including statements regarding projected capital spending, labor relations with the UMWA, Coal Act expenses readiness for Year 2000, repayment of borrowings to the Minerals Group and expectations with regard to future realizations from metallurgical coal mine development and coal and gold sales 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, delays in discussions for a successor UMWA contract, geological conditions, pricing, and other competitive factors in the industry, new government regulations and/or legislative initiatives, variations in the spot prices of coal and gold, 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	
10(a)*	Employment Agreement, dated as of May 4, 1998, between the Registrant and Michael T. Dan
10(b)*	Executive Agreement, dated as of May 4, 1998, between the Registrant and Michael T. Dan
10(c)*	Executive Agreement, dated as of August 7, 1998, between the Registrant and Robert T. Ritter
10(d)*	Severance Agreement, dated as of August 7, 1998, between the Registrant and Robert T. Ritter
27	Financial Data Schedules

(b) The following reports on Form 8-K were filed during the third quarter of 1998:

Report on Form 8-K/A filed on July 13, 1998, filed as an amendment to the Report on Form 8-K filed on May 14, 1998, regarding BAX Global's acquisition of Air Transport International LLC ("ATI"), reporting the Registrant's determination that ATI is not a significant subsidiary, as defined by Regulation S-X, Rule 1-02(w);

Report on Form 8-K filed on July 29, 1998, with respect to second quarter 1998 earnings for each of Pittston Brink's Group Common Stock, Pittston BAX Group Common Stock and Pittston Minerals Group Common Stock; and

Report on Form 8-K filed on September 15, 1998, with respect to certain anticipated information technology and organizational structure expenses by BAX Global during the third quarter of 1998.

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*Management contract or compensatory plan or arrangement.

SIGNATURE

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

THE PITTSTON COMPANY

November 16, 1998

By /s/ Robert T. Ritter

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

Exhibit 10(a)

EMPLOYMENT AGREEMENT

AGREEMENT, dated May 4, 1998, between The Pittston Company, a Virginia corporation (the "Company") and Michael T. Dan, residing at 3206 Monument Avenue, Richmond, Virginia (the "Executive").

The Company and the Executive agree as follows:

1. Position; Term of Employment. The Company agrees to employ the Executive, and the Executive agrees to serve the Company, as its President and Chief Executive Officer. The parties intend that the Executive shall continue to so serve in the aforesaid capacity throughout the term of this employment agreement (the "Agreement"). The Company will cause the Executive to be nominated as a member of the Board of Directors of the Company ("Board") so long as he shall serve in the aforesaid capacity.

The term of this Agreement shall commence on February 6, 1998 and shall continue through February 5, 2003 (the "Term"). This Agreement shall replace the existing Employment Agreement dated November 1, 1996, (the "Prior Agreement") between Brink's Incorporated ("Brink's") and the Executive, and effective upon the execution and delivery of this Agreement, the Prior Agreement shall terminate. In the event of any conflict between the provisions of this Agreement and the Executive Agreement of even date herewith, the provisions of the Executive Agreement shall govern.

2. Duties. The Executive throughout the Term of this Agreement shall devote his full time and undivided attention during normal business hours to the business and affairs of the Company and its affiliates ("Affiliates"), except for reasonable vacations and except for illness or incapacity, but nothing in this Agreement shall preclude the Executive from serving as a director or a member of an advisory committee of any organization involving no conflict of interest with the Company (subject to prior approval of his appointment to such position in certain cases as provided in the last sentence of this Paragraph 2), from engaging in charitable and community activities, and from managing his personal investments, provided that such activities do not materially interfere with the performance of his duties and responsibilities under this

Agreement. The Executive shall not accept any proposed appointment to serve as a director, trustee or the equivalent of any business organization of which the Executive is not a director, trustee, or the equivalent on the date hereof, without the prior approval of the Chairman of the Nominating Committee of the Company's Board.

3. Compensation.

(a) Salary. The Company shall pay to the Executive a salary at the minimum rate of five hundred twenty-five thousand ($525,000) dollars per year, payable in equal installments not less frequently than monthly. Such salary shall be reviewed at least annually, with any increases taking into account, among other factors, corporate and individual performance and increases, if any, in relevant cost of living indices.

(b) Benefit Plans. The Executive shall be entitled to participate on a basis commensurate with his duties and responsibilities as Chief Executive Officer and President in all applicable retirement and employee benefit plans of the Company, including the Pension-Retirement Plan, the Pension Equalization Plan, the Savings-Investment Plan, the 1988 Stock Option Plan, the Key Executives' Deferred Compensation Program, the Employee Stock Purchase Plan, the Executive Salary Continuation Plan, the Key Employees' Incentive Plan, The Pittston Company Tax Planning-Tax Return Preparation and Certification Program, the Company's charitable matching program and any new incentive plans and such other plans as may be adopted from time to time during his employment with the Company.

(c) Business Expenses. During the Term, the Company shall, in accordance with policies then in effect with respect to payments of expenses, pay or reimburse the Executive for all reasonable out-of-pocket travel and other expenses (other than ordinary commuting expenses) incurred by the Executive in performing services hereunder. All such expenses shall be accounted for in such reasonable detail as the Company may require.

4. Termination.

(a) Death. In the event of the death of the Executive during the Term of this Agreement, his salary for the month in which his death occurs shall be

paid to his designated beneficiary, or in the absence of such designation, to the estate or other legal representative of the Executive. Any other death benefits will be determined in accordance with the terms of the Company's benefit programs and plans.

(b) Disability. In the event of the Executive's Disability, as hereinafter defined, the employment of the Executive may be terminated by the Company. In such event the Executive shall be entitled to compensation in accordance with the Company's disability compensation practices for senior executives, but in no event will he receive an amount less than the following:

(i) for the first six months following termination of employment due to Disability as herein provided, the salary provided for in Paragraph 3(a), above, at the rate in effect at the time of the commencement of the Disability; and

(ii) following the period referred to in Subparagraph (i) of this Paragraph 4(b), 50 percent of the salary, as in effect immediately prior to commencement of the period of Disability, for so long as such Disability continues, such Disability benefits to be made monthly, to February 6, 2003. Any amounts provided for in this Paragraph 4(b) shall be offset by other long-term disability benefits provided to the Executive by the Company or under Worker's Compensation or similar laws, during such period of Disability. During the period of Disability hereunder or, if shorter, the period ending with the scheduled expiration date of this Agreement, the Executive shall be entitled to continued benefit coverage, benefit credits, and perquisites to the extent available under the benefit programs referred to in Paragraph 3(b). Actual benefits due under various benefit programs and plans of the Company shall be determined in accordance with the terms and provisions of such programs and plans.

"Disability," for purposes of this Agreement, shall mean the Executive's incapacity due to physical or mental illness causing his absence from his duties, as defined in Paragraph 2, on a full-time basis for a consecutive period of more than six months. Any determination of the Executive's Disability made in good faith by the Board shall be conclusive and binding on the

Executive. During a period in which salary continuation or Disability payments are being made pursuant to this Paragraph 4(b), the Executive will, at the request of the Company, undergo reasonable periodic medical examinations to confirm the continuation of his Disability.

(c) Termination by the Company for Due Cause. Nothing herein shall prevent the Company from terminating the Executive's employment for Due Cause. The Executive shall continue to receive the salary provided for in this Agreement only through the period ending with the date of such termination as provided in this Paragraph 4(c). Any rights and benefits he may have under employee benefit plans and programs of the Company shall be determined in accordance with the terms of such plans and programs. The term "Due Cause," as used herein, shall mean (i) an act or acts of dishonesty on the Executive's part which are intended to result in the Executive's substantial personal enrichment at the expense of the Company or (ii) repeated material violations by the Executive of the Executive's obligations hereunder (1) which are demonstrably willful and deliberate on the Executive's part, (2) which are not due to the Disability of the Executive (within the meaning of Paragraph 4(c) but without regard to the requirement that it continue for more than six months and provided that any determination of the Executive's Disability is made in good faith by the Executive's physician) and (3) which have not been cured by the Executive within a reasonable time after written notice to the Executive specifying the nature of such violations. Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated for Due Cause without (1) reasonable notice to the Executive setting forth the reasons for the Company's intention to terminate for Due Cause, (2) an opportunity for the Executive, together with his counsel, to be heard before the Board, and (3) delivery to the Executive of a Notice of Termination from the Board finding that in the good faith opinion of three-quarters (3/4) of the Board the Executive was guilty of conduct set forth above in clause (i) or (ii) hereof, and specifying the particulars thereof in detail.

(d) Termination by the Company Other than for Due Cause. The foregoing notwithstanding, the Company may terminate the Executive's employment for whatever reasons it deems appropriate; provided, however, that in the event such

termination is not due to Disability as provided in Paragraph 4(b) or based on Due Cause as provided in Paragraph 4(c), above, the Executive shall be entitled either (x) if the Operative Date under the Executive Agreement shall have occurred, to payments from time to time owing to him under the provisions of the Executive Agreement, or (y) in all other cases, to a Termination Payment as hereinafter defined. The term "Termination Payment" shall mean a lump-sum cash payment equal to (i) his annual salary, as in effect immediately prior to such termination, multiplied by three plus (ii) the bonus, if any, paid to him in respect of the immediately preceding fiscal year multiplied by three, plus (iii) a reasonable sum reflecting the economic equivalent of those employee benefit programs referred to in Paragraph 3(b) for a three-year period commencing with his date of termination (but excluding the 1979, 1985 and 1988 Stock Option Plans, any successor stock option plan and any incentive plan). Actual benefits due under the various benefit programs and plans shall be determined in accordance with the terms and provisions of such programs and plans. Following the Executive's termination of employment under this Paragraph 4(d) the Executive will have no further obligation to provide services to the Company pursuant to Paragraphs 1 and 2.

(e) Constructive Termination of Employment by the Company Without Due Cause. Termination by the Company without Due Cause under Paragraph 4(d) shall be deemed to have occurred upon the occurrence of any of the following events if the Executive elects to terminate his employment as a result thereof: (i) material breach by the Company of this Agreement, including without limitation, reduction of the Executive's salary below that level provided in Paragraph 3 (a); (ii) a material diminution in the nature or scope of the authorities, powers, duties, or responsibilities attached to the Executive's position as described in Paragraphs 1 and 2 as in effect immediately prior to such change in the nature or scope of the Executive's authorities, powers, duties or responsibilities or (iii) a requirement by the Company that the Executive, without his consent, be assigned in such a manner as to require him to move from the residence he maintains in Richmond, Virginia, on the date hereof.

(f) Voluntary Termination. In the event that the Executive terminates his

employment at his own volition prior to the expiration of the Term (except as provided in Paragraph 4(e) above), such termination shall constitute a "Voluntary Termination" and in such event the Executive shall be limited to the same rights and benefits as provided in connection with a termination for Due Cause under Paragraph 4(c), above; provided, however, that in the event of such Voluntary Termination the Executive shall remain liable to the Company for damages suffered by the Company as a result of the Executive's breach of his obligations under this Agreement.

(g) Notice of Termination; Resignation. Any termination by the Company for Due Cause or for Disability or by the Executive or pursuant to a constructive termination shall be communicated by Notice of Termination to the other party hereto given in accordance with Paragraph 12. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the termination date is other than the date of receipt of such Notice, specifies the termination date (which date shall not be prior to the date of such notice or more than 15 days after the giving of such Notice). Notwithstanding anything in this Agreement to the contrary, in order to be eligible to receive any payments or benefits hereunder as a result of the termination of the Executive's employment for any reason, in addition to fulfilling all other conditions precedent to such receipt, the Executive (if he has the legal capacity to do so) must resign as a member of the Board and as an officer and employee of the Company and all Affiliates.

5. Covenant Not to Compete. The Executive agrees that during the Term while he is employed by the Company, and during the period ending one year after a Voluntary Termination or a termination by the Company for Due Cause or any other reason (the "Non-Compete Period"), he shall not compete with any business then conducted by the Company or any of its Affiliates. For purposes of this Agreement, the term "compete" shall mean engaging in a business as a more than ten (10) percent stockholder, an officer, a director, an employee, a partner, an agent, a consultant, or any other individual or representative capacity if it

involves:

(i) engaging in the minerals, security, air, ocean or ground freight transportation or logistics businesses in competition with the Company in any State or Territory of the United States or in any other country or jurisdiction in which the Company or any of its Affiliates (which shall mean for purposes of this Paragraph 5 any entity in which the Company owns, directly or indirectly, an equity interest of twenty percent (20%) or more) operates at any time during the Non-Compete Period; or

(ii) rendering services or advice pertaining to the minerals, security, air, ocean or ground freight transportation or logistics industries to or on behalf of any person, firm or corporation which is in competition with the Company at any time during the Non-Compete Period in any State or Territory of the United States or in any other country or jurisdiction in which the Company or any of its Affiliates operates during the Non-Compete Period.

In the event the restrictions against engaging in a competitive activity contained in this Paragraph 5 shall be determined by any court of competent jurisdiction to be unenforceable by reason of extending for too great a period of time or over too great a geographic area or by reason of being too extensive in any other respect, such restrictions shall be interpreted to extend only over the maximum period of time for which they may be enforceable, and over the maximum geographic area as to which they may be enforceable and to the maximum extent in all other respects as to which they may be enforceable, all as determined by such court in such action.

Clauses (i) and (ii), above, are intended by the Company as separate and divisible provisions, and if for any reason any one is held to be invalid or unenforceable, neither the validity nor the enforceability of the other shall thereby be affected.

6. Protection of Confidential Information, Etc. The Executive acknowledges that his employment by the Company will, throughout the Term of this Agreement, bring him into close contact with many confidential affairs of the Company, including information about costs, profits, markets, sales, products, key personnel, pricing policies, operational methods, technical processes and know-how and other business affairs and methods and other information not

readily available to the public, and plans for future developments. The Executive further acknowledges that the services to be performed under this Agreement are of a special and unique character. In recognition of the foregoing, the Executive covenants and agrees that except as required in connection with enforcing or defending any rights or claims related to his employment by the Company, this Agreement or any other agreement between the Executive and the Company:

(i) during the Term while the Executive is employed by the Company, and for a period of one year following any Voluntary Termination or a termination by the Company for Due Cause or any other reason, the Executive shall not, without the prior written consent of the Board or a person authorized thereby, disclose to any person other than as required by law or court order, or other than to an employee of the Company or its Affiliates, or to a person to whom disclosure is appropriate in connection with the performance by the Executive of his duties as an executive of the Company (e.g., disclosure to the Company's outside lawyers, accountants or bankers of financial data properly requested by such persons) any confidential information obtained by him while in the employ of the Company with respect to any of the Company's products, services, customers, suppliers, marketing techniques, methods, or future plans, the disclosure of which will be damaging to the Company; provided, however, that confidential information shall not include any information known generally to the public (other than as a result of unauthorized disclosure by the Executive);

(ii) he will deliver promptly to the Company on termination of his employment, or at any other time the Company may reasonably so request, at its expense, all memoranda, notes, records, reports, and other documents (and all copies thereof) relating to the Company's business, which he obtained while employed by, or otherwise serving or acting on behalf of, the Company and which he may then possess or have under his control other than any agreements or plans related to the Executive's employment by the Company; and

(iii) he will transfer and assign to the Company, all rights of every kind and character, in perpetuity, in and to any material and/or ideas written,

suggested or submitted by the Executive which relate to the business of the Company and all other results and proceeds of the Executive's service hereunder. The Executive agrees to execute and deliver to the Company such assignments or other instruments as the Company may require from time to time to evidence its ownership of the results and proceeds of the Executive's service.

7. Injunctive Relief. The Executive acknowledges that a breach of the restrictions against engaging in a competitive activity contained in Paragraph 5 and the disclosure of confidential information contained in Paragraph 6 will cause irreparable damage to the Company, the exact amount of which will be difficult to ascertain, and that the remedies at law for any such breach will be inadequate. Accordingly, the Executive and the Company agree that if the Executive breaches the restrictions on engaging in a competitive activity or on the disclosure of confidential information contained in Paragraphs 5 and 6, then the Company shall be entitled to injunctive relief, without posting bond or other security.

8. Successors and Assigns.

(a) Assignment by the Company. This Agreement shall be binding upon and inure to the benefit of the Company or any corporation or other entity to which the Company may transfer all or substantially all of its assets and business and to which the Company may assign this Agreement, in which case the term "Company," as used herein, shall mean such corporation or other entity, provided that no such assignment shall relieve the Company from any obligations hereunder, whether arising prior to or after such assignment.

(b) Assignment by the Executive. The Executive may not assign this Agreement or any part hereof without the prior written consent of the Company; provided, however, that nothing herein shall preclude the Executive from designating one or more beneficiaries to receive any amount that may be payable following occurrence of his legal incompetency or his death and shall not preclude the legal representative of his estate from assigning any right hereunder to the person or persons entitled thereto under his will or, in the case of intestacy, to the person or persons entitled thereto under the laws of intestacy applicable

to his estate. The term "beneficiaries," as used in this Agreement, shall mean a beneficiary or beneficiaries so designated to receive any such amount or, if no beneficiary has been so designated, the legal representative of the Executive (in the event of his incompetency) or the Executive's estate.

9. Governing Law. This Agreement shall be governed by the laws of the Commonwealth of Virginia.

10. Entire Agreement. This Agreement and the Executive Agreement contain all of the understandings and representations between the parties hereto pertaining to the matters referred to herein, and supersede all undertakings and agreements, whether oral or in writing, previously entered into by them with respect thereto, including, without limitation, the Prior Agreement. This Agreement and the Executive Agreement may only be modified by an instrument in writing.

11. Waiver of Breach. The waiver by any party of a breach of any condition or provision of this Agreement to be performed by such other party shall not operate or be construed to be a waiver of a similar or dissimilar provision or condition at the same or any prior or subsequent time.

12. Notices. Any notice to be given hereunder shall be in writing and delivered personally, or sent by certified mail, postage prepaid, return receipt requested, addressed to the party concerned at the address indicated below or to such other address as such party may subsequently give notice of hereunder in writing:

If to the Company:

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

Attention: Corporate Secretary

If to the Executive:

Michael T. Dan
3206 Monument Avenue
Richmond Virginia 23221

13. Arbitration. Any controversy or claim arising out of or relating to this Agreement, or any breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association then in effect in the Commonwealth of Virginia and judgment upon such award rendered by the

arbitrators may be entered in any court having jurisdiction thereof. The board of arbitrators shall consist of one arbitrator to be appointed by the Company, one by the Executive, and one by the two arbitrators so chosen. The arbitration shall be held at such place as may be agreed upon at the time by the parties to the arbitration. The cost of arbitration shall be borne among the parties to the arbitration as determined by the arbitrators. It is the intention of the parties that to the extent the Executive's position is upheld, his expenses (including cost of witnesses, evidence, and attorneys), as determined by the arbitrators, shall be reimbursed to him by the Company.

14. Employment at Will. This Agreement does not affect the at will status of the Executive's employment with the Company and either the Executive or the Company may terminate the Executive's employment with the Company at any time subject to the terms of this Agreement.

15. Withholding. Anything to the contrary notwithstanding, all payments required to be made by the Company hereunder to the Executive or his estate or beneficiaries shall be subject to the withholding of such amounts relating to taxes as the Company may reasonably determine it should withhold pursuant to any applicable law or regulation. In lieu of withholding such amounts, in whole or in part, the Company may, in its sole discretion, accept other provisions for payment of taxes and withholdings as required by law, provided it is satisfied that all requirements of law affecting its responsibilities to withhold have been satisfied.

16. Severability. In the event that any provision or portion of this Agreement shall be determined to be invalid or unenforceable for any reason, the remaining provisions or portions of this Agreement shall be unaffected thereby and shall remain in full force and effect to the fullest extent permitted by law.

17. Titles. Titles to the paragraphs in this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the title of any paragraph.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

THE PITTSTON COMPANY

By /s/ Frank T. Lennon
Frank T. Lennon
Vice President - Human Resources and Administration

BRINK'S, INCORPORATED

By /s/ Mari Jo Flanagan

Mari Jo Flanagan
Vice President

MICHAEL T. DAN

/s/ Michael T. Dan

EXHIBIT 10(b)

EMPLOYMENT AGREEMENT

AGREEMENT, dated May 4, 1998, between The Pittston Company, a Virginia corporation (the "Company"), Brink's Incorporated, a Delaware corporation ("Brink's") and Michael T. Dan, residing at 3206 Monument Avenue, Richmond, Virginia (the "Executive").

The Company and the Executive agree as follows:

1. Position; Term of Employment. The Company agrees to employ the Executive, and the Executive agrees to serve the Company, as its President and Chief Executive Officer. The parties intend that the Executive shall continue to so serve in the aforesaid capacity throughout the term of this employment agreement (the "Agreement"). The Company will cause the Executive to be nominated as a member of the Board of Directors of the Company ("Board") so long as he shall serve in the aforesaid capacity.

The term of this Agreement shall commence on February 6, 1998 and shall continue through February 5, 2003 (the "Term"). This Agreement shall replace the existing Employment Agreement dated November 1, 1996, (the "Prior Agreement") between Brink's and the Executive, and effective upon the execution and delivery of this Agreement, the Prior Agreement shall terminate. In the event of any conflict between the provisions of this Agreement and the Executive Agreement of even date herewith, the provisions of the Executive Agreement shall govern.

2. Duties. The Executive throughout the Term of this Agreement shall devote his full time and undivided attention during normal business hours to the business and affairs of the Company and its affiliates ("Affiliates"), except for reasonable vacations and except for illness or incapacity, but nothing in this Agreement shall preclude the Executive from serving as a director or a member of an advisory committee of any organization involving no conflict of interest with the Company (subject to prior approval of his appointment to such position in certain cases as provided in the last sentence of this Paragraph 2), from engaging in charitable and community activities, and from managing his personal investments, provided that such activities do not materially interfere with the performance of his duties and responsibilities under this Agreement. The Executive shall not accept any proposed appointment to serve as a director, trustee or the equivalent of any business organization of which the Executive is not a director, trustee, or the equivalent on the date hereof, without the prior approval of the Chairman of the Nominating Committee of the Company's Board.

3. Compensation.

(a) Salary. The Company shall pay to the

Executive a salary at the minimum rate of five hundred twenty-five thousand ($525,000) dollars per year, payable in equal installments not less frequently than monthly. Such salary shall be reviewed at least annually, with any increases taking into account, among other factors, corporate and individual performance and increases, if any, in relevant cost of living indices.

(b) Benefit Plans. The Executive shall be entitled to participate on a basis commensurate with his duties and responsibilities as Chief Executive Officer and President in all applicable retirement and employee benefit plans of the Company, including the Pension-Retirement Plan, the Pension Equalization Plan, the Savings-Investment Plan, the 1988 Stock Option Plan, the Key Executives' Deferred Compensation Program, the Employee Stock Purchase Plan, the Executive Salary Continuation Plan, the Key Employees' Incentive Plan, The Pittston Company Tax Planning-Tax Return Preparation and Certification Program, the Company's charitable matching program and any new incentive plans and such other plans as may be adopted from time to time during his employment with the Company.

(c) Business Expenses. During the Term, the Company shall, in accordance with policies then in effect with respect to payments of expenses, pay or reimburse the Executive for all reasonable out-of-pocket travel and other expenses (other than ordinary commuting expenses) incurred by the Executive in performing services hereunder. All such expenses shall be accounted for in such reasonable detail as the Company may require.

4. Termination.

(a) Death. In the event of the death of the Executive during the Term of this Agreement, his salary for the month in which his death occurs shall be paid to his designated beneficiary, or in the absence of such designation, to the estate or other legal representative of the Executive. Any other death benefits will be determined in accordance with the terms of the Company's benefit programs and plans.

(b) Disability. In the event of the Executive's Disability, as hereinafter defined, the employment of the Executive may be terminated by the Company. In such event the Executive shall be entitled to compensation in accordance with the Company's disability compensation practices for senior executives, but in no event will he receive an amount less than the following:

(i) for the first six months following termination of employment due to Disability as herein provided, the salary provided for in Paragraph 3(a), above, at the rate in effect at the time of the commencement of the Disability; and

(ii) following the period referred to in Subparagraph (i) of this Paragraph 4(b),

50 percent of the salary, as in effect immediately prior to commencement of the period of Disability, for so long as such Disability continues, such Disability benefits to be made monthly, to February 6, 2003.

Any amounts provided for in this Paragraph 4(b) shall be offset by other long-term disability benefits provided to the Executive by the Company or under Worker's Compensation or similar laws, during such period of Disability. During the period of Disability hereunder or, if shorter, the period ending with the scheduled expiration date of this Agreement, the Executive shall be entitled to continued benefit coverage, benefit credits, and perquisites to the extent available under the benefit programs referred to in Paragraph 3(b). Actual benefits due under various benefit programs and plans of the Company shall be determined in accordance with the terms and provisions of such programs and plans.

"Disability," for purposes of this Agreement, shall mean the Executive's incapacity due to physical or mental illness causing his absence from his duties, as defined in Paragraph 2, on a full-time basis for a consecutive period of more than six months. Any determination of the Executive's Disability made in good faith by the Board shall be conclusive and binding on the Executive. During a period in which salary continuation or Disability payments are being made pursuant to this Paragraph 4(b), the Executive will, at the request of the Company, undergo reasonable periodic medical examinations to confirm the continuation of his Disability.

(c) Termination by the Company for Due Cause. Nothing herein shall prevent the Company from terminating the Executive's employment for Due Cause. The Executive shall continue to receive the salary provided for in this Agreement only through the period ending with the date of such termination as provided in this Paragraph 4(c). Any rights and benefits he may have under employee benefit plans and programs of the Company shall be determined in accordance with the terms of such plans and programs. The term "Due Cause," as used herein, shall mean (i) an act or acts of dishonesty on the Executive's part which are intended to result in the Executive's substantial personal enrichment at the expense of the Company or (ii) repeated material violations by the Executive of the Executive's obligations hereunder (1) which are demonstrably willful and deliberate on the Executive's part, (2) which are not due to the Disability of the Executive (within the meaning of Paragraph 4(c) but without regard to the requirement that it continue for more than six months and provided that any determination of the Executive's Disability is made in good faith by the Executive's physician) and (3) which have not been cured by the Executive within a reasonable time after written notice to the Executive specifying the nature of such violations. Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated for Due Cause without (1) reasonable notice to the Executive setting forth the reasons for the Company's intention to

terminate for Due Cause, (2) an opportunity for the Executive, together with his counsel, to be heard before the Board, and (3) delivery to the Executive of a Notice of Termination from the Board finding that in the good faith opinion of three-quarters (3/4) of the Board the Executive was guilty of conduct set forth above in clause (i) or (ii) hereof, and specifying the particulars thereof in detail.

(d) Termination by the Company Other than for Due Cause. The foregoing notwithstanding, the Company may terminate the Executive's employment for whatever reasons it deems appropriate; provided, however, that in the event such termination is not due to Disability as provided in Paragraph 4(b) or based on Due Cause as provided in Paragraph 4(c), above, the Executive shall be entitled either (x) if the Operative Date under the Executive Agreement shall have occurred, to payments from time to time owing to him under the provisions of the Executive Agreement, or (y) in all other cases, to a Termination Payment as hereinafter defined. The term "Termination Payment" shall mean a lump-sum cash payment equal to (i) his annual salary, as in effect immediately prior to such termination, multiplied by three plus (ii) the bonus, if any, paid to him in respect of the immediately preceding fiscal year multiplied by three, plus (iii) a reasonable sum reflecting the economic equivalent of those employee benefit programs referred to in Paragraph 3(b) for a three-year period commencing with his date of termination (but excluding the 1979, 1985 and 1988 Stock Option Plans, any successor stock option plan and any incentive plan). Actual benefits due under the various benefit programs and plans shall be determined in accordance with the terms and provisions of such programs and plans. Following the Executive's termination of employment under this Paragraph 4(d) the Executive will have no further obligation to provide services to the Company pursuant to Paragraphs 1 and 2.

(e) Constructive Termination of Employment by the Company Without Due Cause. Termination by the Company without Due Cause under Paragraph 4(d) shall be deemed to have occurred upon the occurrence of any of the following events if the Executive elects to terminate his employment as a result thereof: (i) material breach by the Company of this Agreement, including without limitation, reduction of the Executive's salary below that level provided in Paragraph 3 (a); (ii) a material diminution in the nature or scope of the authorities, powers, duties, or responsibilities attached to the Executive's position as described in Paragraphs 1 and 2 as in effect immediately prior to such change in the nature or scope of the Executive's authorities, powers, duties or responsibilities or (iii) a requirement by the Company that the Executive, without his consent, be assigned in such a manner as to require him to move from the residence he maintains in Richmond, Virginia, on the date hereof.

(f) Voluntary Termination. In the event that the Executive terminates his employment at his own volition prior to the expiration of the Term (except as

provided in Paragraph 4(e) above), such termination shall constitute a "Voluntary Termination" and in such event the Executive shall be limited to the same rights and benefits as provided in connection with a termination for Due Cause under Paragraph 4(c), above; provided, however, that in the event of such Voluntary Termination the Executive shall remain liable to the Company for damages suffered by the Company as a result of the Executive's breach of his obligations under this Agreement.

(g) Notice of Termination; Resignation. Any termination by the Company for Due Cause or for Disability or by the Executive or pursuant to a constructive termination shall be communicated by Notice of Termination to the other party hereto given in accordance with Paragraph 12. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the termination date is other than the date of receipt of such Notice, specifies the termination date (which date shall not be prior to the date of such notice or more than 15 days after the giving of such Notice). Notwithstanding anything in this Agreement to the contrary, in order to be eligible to receive any payments or benefits hereunder as a result of the termination of the Executive's employment for any reason, in addition to fulfilling all other conditions precedent to such receipt, the Executive (if he has the legal capacity to do so) must resign as a member of the Board and as an officer and employee of the Company and all Affiliates.

5. Covenant Not to Compete. The Executive agrees that during the Term while he is employed by the Company, and during the period ending one year after a Voluntary Termination or a termination by the Company for Due Cause or any other reason (the "Non-Compete Period"), he shall not compete with any business then conducted by the Company or any of its Affiliates. For purposes of this Agreement, the term "compete" shall mean engaging in a business as a more than ten (10) percent stockholder, an officer, a director, an employee, a partner, an agent, a consultant, or any other individual or representative capacity if it involves:

(i) engaging in the minerals, security, air, ocean or ground freight transportation or logistics businesses in competition with the Company in any State or Territory of the United States or in any other country or jurisdiction in which the Company or any of its Affiliates (which shall mean for purposes of this Paragraph 5 any entity in which the Company owns, directly or indirectly, an equity interest of twenty percent (20%) or more) operates at any time during the Non-Compete Period; or

(ii) rendering services or advice pertaining to the minerals, security, air, ocean or ground freight transportation or logistics industries to

or on behalf of any person, firm or corporation which is in competition with the Company at any time during the Non-Compete Period in any State or Territory of the United States or in any other country or jurisdiction in which the Company or any of its Affiliates operates during the Non-Compete Period.

In the event the restrictions against engaging in a competitive activity contained in this Paragraph 5 shall be determined by any court of competent jurisdiction to be unenforceable by reason of extending for too great a period of time or over too great a geographic area or by reason of being too extensive in any other respect, such restrictions shall be interpreted to extend only over the maximum period of time for which they may be enforceable, and over the maximum geographic area as to which they may be enforceable and to the maximum extent in all other respects as to which they may be enforceable, all as determined by such court in such action. Clauses (i) and (ii), above, are intended by the Company as separate and divisible provisions, and if for any reason any one is held to be invalid or unenforceable, neither the validity nor the enforceability of the other shall thereby be affected.

6. Protection of Confidential Information, Etc. The Executive acknowledges that his employment by the Company will, throughout the Term of this Agreement, bring him into close contact with many confidential affairs of the Company, including information about costs, profits, markets, sales, products, key personnel, pricing policies, operational methods, technical processes and know-how and other business affairs and methods and other information not readily available to the public, and plans for future developments. The Executive further acknowledges that the services to be performed under this Agreement are of a special and unique character. In recognition of the foregoing, the Executive covenants and agrees that except as required in connection with enforcing or defending any rights or claims related to his employment by the Company, this Agreement or any other agreement between the Executive and the Company:

(i) during the Term while the Executive is employed by the Company, and for a period of one year following any Voluntary Termination or a termination by the Company for Due Cause or any other reason, the Executive shall not, without the prior written consent of the Board or a person authorized thereby, disclose to any person other than as required by law or court order, or other than to an employee of the Company or its Affiliates, or to a person to whom disclosure is appropriate in connection with the performance by the Executive of his duties as an executive of the Company (e.g., disclosure to the Company's outside lawyers, accountants or bankers of financial data properly requested by such persons) any confidential information obtained by him while in the employ of the Company with respect to any of

the Company's products, services, customers, suppliers, marketing techniques, methods, or future plans, the disclosure of which will be damaging to the Company; provided, however, that confidential information shall not include any information known generally to the public (other than as a result of unauthorized disclosure by the Executive);

(ii) he will deliver promptly to the Company on termination of his employment, or at any other time the Company may reasonably so request, at its expense, all memoranda, notes, records, reports, and other documents (and all copies thereof) relating to the Company's business, which he obtained while employed by, or otherwise serving or acting on behalf of, the Company and which he may then possess or have under his control other than any agreements or plans related to the Executive's employment by the Company; and

(iii) he will transfer and assign to the Company, all rights of every kind and character, in perpetuity, in and to any material and/or ideas written, suggested or submitted by the Executive which relate to the business of the Company and all other results and proceeds of the Executive's service hereunder. The Executive agrees to execute and deliver to the Company such assignments or other instruments as the Company may require from time to time to evidence its ownership of the results and proceeds of the Executive's service.

7. Injunctive Relief. The Executive acknowledges that a breach of the restrictions against engaging in a competitive activity contained in Paragraph 5 and the disclosure of confidential information contained in Paragraph 6 will cause irreparable damage to the Company, the exact amount of which will be difficult to ascertain, and that the remedies at law for any such breach will be inadequate. Accordingly, the Executive and the Company agree that if the Executive breaches the restrictions on engaging in a competitive activity or on the disclosure of confidential information contained in Paragraphs 5 and 6, then the Company shall be entitled to injunctive relief, without posting bond or other security.

8. Successors and Assigns.

(a) Assignment by the Company. This Agreement shall be binding upon and inure to the benefit of the Company or any corporation or other entity to which the Company may transfer all or substantially all of its assets and business and to which the Company may assign this Agreement, in which case the term "Company," as used herein, shall mean such corporation or other entity, provided that no such assignment shall relieve the Company from any obligations hereunder, whether arising prior to or after such assignment.

(b) Assignment by the Executive. The Executive may not assign this Agreement or any part hereof without the prior written consent of the Company; provided, however, that nothing herein shall preclude the Executive from designating one or more beneficiaries to receive any amount that may be payable following occurrence of his legal incompetency or his death and shall not preclude the legal representative of his estate from assigning any right hereunder to the person or persons entitled thereto under his will or, in the case of intestacy, to the person or persons entitled thereto under the laws of intestacy applicable to his estate. The term "beneficiaries," as used in this Agreement, shall mean a beneficiary or beneficiaries so designated to receive any such amount or, if no beneficiary has been so designated, the legal representative of the Executive (in the event of his incompetency) or the Executive's estate.

9. Governing Law. This Agreement shall be governed by the laws of the Commonwealth of Virginia.

10. Entire Agreement. This Agreement and the Executive Agreement contain all of the understandings and representations between the parties hereto pertaining to the matters referred to herein, and supersede all undertakings and agreements, whether oral or in writing, previously entered into by them with respect thereto, including, without limitation, the Prior Agreement. This Agreement and the Executive Agreement may only be modified by an instrument in writing.

11. Waiver of Breach. The waiver by any party of a breach of any condition or provision of this Agreement to be performed by such other party shall not operate or be construed to be a waiver of a similar or dissimilar provision or condition at the same or any prior or subsequent time.

12. Notices. Any notice to be given hereunder shall be in writing and delivered personally, or sent by certified mail, postage prepaid, return receipt requested, addressed to the party concerned at the address indicated below or to such other address as such party may subsequently give notice of hereunder in writing:

If to the Company:

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

Attention: Corporate Secretary

If to the Executive:

Michael T. Dan
3206 Monument Avenue
Richmond Virginia 23221

13. Arbitration. Any controversy or claim arising out of or relating to this Agreement, or any breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association then in effect in the Commonwealth of Virginia and judgment upon such award rendered by the arbitrators may be entered in any court having jurisdiction thereof. The board of arbitrators shall consist of one arbitrator to be appointed by the Company, one by the Executive, and one by the two arbitrators so chosen. The arbitration shall be held at such place as may be agreed upon at the time by the parties to the arbitration. The cost of arbitration shall be borne among the parties to the arbitration as determined by the arbitrators. It is the intention of the parties that to the extent the Executive's position is upheld, his expenses (including cost of witnesses, evidence, and attorneys), as determined by the arbitrators, shall be reimbursed to him by the Company.

14. Employment at Will. This Agreement does not affect the at will status of the Executive's employment with the Company and either the Executive or the Company may terminate the Executive's employment with the Company at any time subject to the terms of this Agreement.

15. Withholding. Anything to the contrary notwithstanding, all payments required to be made by the Company hereunder to the Executive or his estate or beneficiaries shall be subject to the withholding of such amounts relating to taxes as the Company may reasonably determine it should withhold pursuant to any applicable law or regulation. In lieu of withholding such amounts, in whole or in part, the Company may, in its sole discretion, accept other provisions for payment of taxes and withhold- ings as required by law, provided it is satisfied that all requirements of law affecting its responsibilities to withhold have been satisfied.

16. Severability. In the event that any provision or portion of this Agreement shall be determined to be invalid or unenforceable for any reason, the remaining provisions or portions of this Agreement shall be unaffected thereby and shall remain in full force and effect to the fullest extent permitted by law.

17. Titles. Titles to the paragraphs in this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the title of any paragraph.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

THE PITTSTON COMPANY

By /s/ Frank T. Lennon
Frank T. Lennon
Vice President - Human
Resources and

Administration

BRINK'S, INCORPORATED

By /s/ Mari Jo Flanagan
Mari Jo Flanagan
Vice President

MICHAEL T. DAN

/s/ Michael T. Dan

EXECUTIVE AGREEMENT
dated as of August 7, 1998,
between The Pittston Company,
a Virginia corporation ("the Company"),
and Robert T. Ritter (the "Executive").

The Company and the Executive agree as follows:

SECTION 1. Definitions. As used in this Agreement:

(a) "Affiliate" has the meaning ascribed thereto in Rule 12b-2 pursuant to the Securities Exchange Act of 1934, as amended (the "Act").

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

(c) "Cause" means (i) an act or acts of dishonesty on the Executive's part which are intended to result in the Executive's substantial personal enrichment at the expense of the Company or (ii) repeated material violations by the Executive of the Executive's obligations under Section 3 or Section 11 which are demonstrably willful and deliberate on the Executive's part and which have not been cured by the Executive within a reasonable time after written notice to the Executive specifying the nature of such violations. Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated for Cause without (1) reasonable notice to the Executive setting forth the reasons for the Company's intention to terminate for Cause, (2) an opportunity for the Executive, together with his counsel, to be heard before the Board, and (3) delivery to the Executive of a Notice of Termination, as defined in Section 4(d) hereof, from the Board finding that in the good faith opinion of three-quarters (3/4) of the Board the Executive was guilty of conduct set forth above in clause (i) or (ii) hereof, and specifying the particulars thereof in detail.

(d) A "Change in Control" shall be deemed to occur (1) upon the approval of the shareholders of the Company (or if such approval is not required, the approval of the Board) of (A) any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which the shares of all classes of the Company's Common Stock would be converted into cash, securities or other property other than a consolidation or merger in which holders of the total voting power in the election of directors of the Company of all classes of Common Stock outstanding (exclusive of shares held by the Company's Affiliates) (the "Total Voting Power") immediately prior to the consolidation or merger will have the same proportionate ownership of the total voting power in the election of directors of the surviving corporation immediately after the consolidation or merger, or (B) any

sale, lease, exchange or other transfer (in one transaction or a series of transactions) of all or substantially all the assets of the Company, (2) when any "person" (as defined in Section 13(d) of the Act), other than the Company, its Affiliates or an employee benefit plan or trust maintained by the Company or its Affiliates, shall become the "beneficial owner" (as defined in Rule 13d-3 under the Act), directly or indirectly, of more than 20% of the Total Voting Power or (3) if at any time during a period of two consecutive years, individuals who at the beginning of such period constituted the Board shall cease for any reason to constitute at least a majority thereof, unless the election by the Company's shareholders of each new director during such two-year period was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such two-year period.

(e) "Good Reason" means:

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

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

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

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

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

(g) "Operative Date" means the date on which a Change in Control shall have occurred.

SECTION 2. Employment Period. The Company hereby agrees to continue the Executive in its employ, and the Executive hereby agrees to remain in the employ of the Company subject to the terms and conditions of this Agreement, for the period commencing on the Operative Date and

ending on the third anniversary of such date (the "Employment Period").

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

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

(b) Compensation. (i) Salary and Bonus. During the first year of the Executive's Employment Period the Executive will receive compensation at an annual rate equal to the sum of (A) a salary ("Annual Base Salary") not less than the Executive's annualized salary in effect immediately prior to the Operative Date, plus (B) a bonus ("Annual Bonus") not less than the aggregate amount of the Executive's highest bonus award under the Key Employees Incentive Plan or any substitute or successor plan for the last three calendar years preceding the Operative Date. During the Employment Period, on each anniversary of the Operative Date the Executive's compensation in effect on such anniversary date shall be increased for the remaining Employment Period by not less than the higher of (A) 5% or (B) 80% of the percentage change in the Consumer Price Index (All Urban Consumers) for the twelve month period ended immediately prior to the month in which such anniversary date occurs.

(ii) Incentive, Savings and Retirement Plans. During the Employment Period, the Executive will be entitled to (A) continue to participate in all incentive, savings and retirement plans and programs generally applicable to full-time officers or employees of the Company, including, without limitation, the Company's Pension-Retirement Plan, Pension Equalization Plan, Savings-Investment Plan, Employee Stock Purchase Plan and Key Employees Deferred Compensation Program, or (B) participate in incentive, savings and

retirement plans and programs of a successor to the Company which have benefits that are not less favorable to the Executive.

(iii) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family or beneficiary, as the case may be, shall be eligible to (A) participate in and shall receive all benefits under welfare benefit plans and programs generally applicable to full-time officers or employees of the Company, including, without limitation, medical, disability, group life, accidental death and travel accident insurance plans and programs, or (B) participate in welfare benefit plans and programs of a successor to the Company which have benefits that are not less favorable to the Executive.

(iv) Business Expenses. During the Employment Period the Company shall, in accordance with policies then in effect with respect to the payment of expenses, pay or reimburse the Executive for all reasonable out-of-pocket travel and other expenses (other than ordinary commuting expenses) incurred by the Executive in performing services hereunder. All such expenses shall be accounted for in such reasonable detail as the Company may require.

(v) Vacations. The Executive shall be entitled to periods of vacation not less than those to which the Executive was entitled immediately prior to the Operative Date.

SECTION 4. Termination of Employment.

(a) Death or Incapacity. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. The Executive's employment shall cease and terminate on the date of determination by the Board that the Incapacity of the Executive has occurred during the Employment Period ("Incapacity Effective Date").

(b) Cause. The Company may terminate the Executive's employment for Cause, as defined herein, pursuant to the Board passing a resolution that such Cause exists.

(c) Good Reason. The Executive may terminate his or her employment for Good Reason, as defined herein.

(d) Notice of Termination. Any termination by the Company for Cause or Incapacity, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 12 of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated, (iii) in the case of termination by the Company for Cause or for Incapacity, confirms that such termination is pursuant

to a resolution of the Board, and (iv) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than 30 days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason, Incapacity or Cause shall not serve to waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

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

SECTION 5. Obligations of the Company Upon Termination. (a) Termination for Good Reason or for Reasons Other Than for Cause, Death or Incapacity. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause or Incapacity or the Executive shall terminate his or her employment for Good Reason:

(i) the Company shall pay to the Executive in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

(A) the sum of (1) the Executive's currently effective Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the currently effective Annual Bonus and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 and (3) any compensation previously deferred by the Executive (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2), and (3) shall be hereinafter referred to as the "Accrued Obligations"); and

(B) the amount equal to the product of (1) three and (2) the sum of (x) the Executive's Annual Base Salary and (y) his or her Annual Bonus;

(ii) in addition to the retirement benefits to which the Executive is entitled under the Company's

Pension-Retirement Plan and Pension Equalization Plan or any successor plans thereto (collectively, the "Pension Plans"), the Company shall pay the Executive the excess of (x) the retirement pension which the Executive would have accrued under the terms of the Pension Plans (without regard to any amendment to the Pension Plans made subsequent to a Change in Control and on or prior to the Date of Termination, which amendment adversely affects in any manner the computation of retirement benefits thereunder), determined as if the Executive were fully vested thereunder and had accumulated (after the Date of Termination) thirty-six additional months of Benefit Accrual Service credit (as such term is defined in the Pension Plans) thereunder and treating the amounts paid under clause (i)(B) of this Section 5(a) as compensation paid during a thirty-six month period for purposes of calculating Average Salary and benefits under the Pension Plans, over (y) the retirement pension which the Executive had then accrued pursuant to the provisions of the Pension Plans, such pension benefits to thereafter be paid and funded in accordance with the terms of the Pension Plans and the Trust Agreement dated as of September 16, 1994, by and between the Company and The Chase Manhattan Bank (N.A.), as Trustee;

(iii) for three years after the Executive's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Company shall continue benefits to the Executive and/or the Executive's family at least equal to those which would have been provided to them in accordance with benefit plans, programs, practices and policies, including, without limitation, those described in Section 3(b)(iii) of this Agreement if the Executive's employment had not been terminated or, if more favorable to the Executive, as in effect generally at any time thereafter, provided, however, that if the Executive becomes reemployed with another employer and is eligible to receive medical benefits under another employer-provided plan, the medical benefits shall be secondary to those provided under such other plan during such applicable period of eligibility and further provided, however, that the rights of the Executive and/or the Executive's family under Section 4980B(f) of the Code shall commence at the end of such three-year period;

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

(v) the Company shall pay in cash, at the request of the Executive, the spread between the option price and market value with respect to all unexercised stock options granted before the Date of Termination, whether or not such options are exercisable on the date of such

request. Market value shall be deemed to be the last closing price for the stock subject to such option on the New York Stock Exchange on the Date of Termination or, should the stock cease to be listed on such Exchange prior to the Date of Termination, on the last date on which such stock was traded; and

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

(b) Death or Incapacity. If the Executive's employment is terminated by reason of the Executive's death or Incapacity during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than for (i) timely payment of Accrued Obligations and (ii) provision by the Company of death benefits or disability benefits for termination due to death or Incapacity, respectively, in accordance with Section 3(b)(iii) as in effect at the Operative Date or, if more favorable to the Executive, at the Executive's Date of Termination.

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

SECTION 6. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its Affiliates and for which the Executive may qualify, nor, subject to Section 15(c), shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its Affiliates. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its Affiliates at or subsequent to the Date of Termination shall be payable in accordance

with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

SECTION 7. No Mitigation. The Company agrees that, if the Executive's employment is terminated during the term of this Agreement for any reason, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive hereunder. Further, except as provided in Section 5(a)(iii) hereof, the amount of any payment or benefit provided hereunder shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

SECTION 8. Full Settlement. Subject to full compliance by the Company with all of its obligations under this Agreement, this Agreement shall be deemed to constitute the settlement of such claims as the Executive might otherwise be entitled to assert against the Company by reason of the termination of the Executive's employment for any reason during the Employment Period. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced, except as explicitly provided in Section 5(a)(iii), whether or not the Executive obtains other employment. The Company agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof.

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

portion of the Gross-Up Payment equal to the Excise Tax.

SECTION 10. Successors; Binding Agreement.

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

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

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

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

If to the Executive: Mr. Robert T. Ritter
1348 Cumberland Drive
Harrisonburg, VA 22801

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

Attention of Corporate Secretary

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

SECTION 13. Operation of Agreement. (a) This Agreement shall be effective immediately upon its execution and continue to be effective so long as the Executive is employed by the Company or any of its Affiliates. The provisions of this Agreement do not take effect until the Operative Date.

(b) Notwithstanding anything in Section 13(a) to the contrary, this Agreement shall, unless extended by written agreement of the parties hereto, terminate, without further action by the parties hereto, on the tenth anniversary of the date of this Agreement if a Change in Control shall not have occurred prior to such tenth anniversary date.

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

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

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

(c) Except as provided herein, this Agreement shall not be construed to affect in any way any rights or obligations in relation to the Executive's employment by the Company or any of its Affiliates prior to the Operative Date or subsequent to the end of the Employment Period.

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

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

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

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

THE PITTSTON COMPANY,

By /s/ Michael T. Dan
Michael T. Dan
President and Chief
Executive Officer

/s/ Robert T. Ritter
Robert T. Ritter

Exhibit 10(d)

SEVERANCE AGREEMENT

SEVERANCE AGREEMENT dated as of August 7, 1998, between THE PITTSTON COMPANY, a Virginia corporation ("the Company"), and Robert T. Ritter (the "Executive").

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

SECTION 1. Definitions. As used in this Agreement:

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

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

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

terminated by reason of death or Incapacity, the Date of Termination shall be the date of death of the Executive or the effective date of the Incapacity, as the case may be.

(d) "Disposition Date" means the earlier of (i) the date of sale, lease, exchange or other direct or indirect transfer to a person unaffiliated with the Company of greater than fifty (50%) percent of the assets or shares of Brink's, Incorporated, Brink's Home Security, Inc., Pittston Coal Company, BAX Global Inc. or Pittston Mineral Ventures Company, any direct or indirect parent company of any of the aforementioned companies, or any successor to any such company or parent company, (ii) the date of the first public announcement of any such sale, lease, exchange or other transfer which is subsequently completed, and (iii) the Operative Date (as defined in the Executive Agreement dated as of August 7, 1998, between the Company and the Executive, as the same may from time to time be amended).

(e) "Good Reason" means:

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

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

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

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

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

SECTION 2. Term of Employment Period. This Agreement shall commence on the date hereof and shall continue in effect for so long as the Executive shall be employed by the Company or any of its affiliates(the "Employment Period"). In the event a Change in Control (as defined in the Executive Agreement dated as of August 7, 1998, between the Company and the Executive, as the same may

from time to time be amended) shall occur during the Employment Period, this Agreement shall be unaffected thereby (except as provided in Section 1(d) and Sections 4(a)(i)(B), 4(a)(ii) and 4(a)(iii)), it being the intention of the parties hereto that their rights and obligations shall be governed by the terms of both such agreements such that, in the event of a conflict in terms, the benefits most favorable to the Executive shall apply; provided that there shall be no duplication of benefits as a result of the operation of both agreements.

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

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

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

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

(A) the sum of (1) the Executive's currently effective annual base salary through the Date of

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

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

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

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

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

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

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

(b) Death or Incapacity. If the Executive's employment is terminated by reason of the Executive's death or Incapacity during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than for (i) timely payment of Accrued Obligations and (ii) provision by the Company of death benefits or dis-

ability benefits for termination due to death or Incapacity, respectively, as in effect at the date hereof or, if more favorable to the Executive, at the Executive's Date of Termination.

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

SECTION 5.

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

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

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

be owed by the Executive to the Company, or otherwise.

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

SECTION 8. Full Settlement and Form of Release.

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

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

SECTION 9. Certain Additional Payments by the Company. Anything in this Agreement to the contrary

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

SECTION 10. Successors; Binding Agreement.

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

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

SECTION 11. Non-assignability. This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other, assign or transfer this Agreement or any rights or obligations hereunder, except as provided in Section 10 hereof. Without limiting the foregoing, the Executive's right to receive payments hereunder shall not be assignable or transferable, whether by pledge, creation of a security interest or otherwise, other than a transfer by his or her will or by the laws of descent or distribution, and, in the event of any attempted assignment

or transfer by the Executive contrary to this Section, the Company shall have no liability to pay any amount so attempted to be assigned or transferred.

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

If to the Executive: Robert T. Ritter
1348 Cumberland Drive
Harrisonburg, VA 22801

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

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

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

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

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

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

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

Executive Agreement referred to in Section 2 hereof, the Executive remains an employee at the will of the Company.

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

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

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

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

THE PITTSTON COMPANY,

by /s/ Michael T. Dan
Michael T. Dan
President and Chief
Executive Officer

/s/ Robert T. Ritter
Robert T. Ritter

EXHIBIT A

RELEASE dated as of ___________________, between Robert T. Ritter, residing in the Commonwealth of Virginia (the "Executive") and THE PITTSTON COMPANY, a Virginia corporation (the "Company").

Subject to the provisions of the penultimate paragraph of this Release, for good and valuable consideration, receipt of which is hereby acknowledged, the Executive hereby releases and forever discharges the Company and its affiliates, absolutely and forever, of and from any and all claims, acts, damages, demands, benefits, accounts, liabilities, obligations, liens, costs, rights of action, claims for relief and causes of action of every nature and kind whatsoever, in law and in equity, both known and unknown, which the Executive ever had, now has or might in the future have against the Company and/or its affiliates,

including, but not limited to any and all claims, acts, damages, demands, benefits, accounts, liabilities, obligations, liens, costs, rights of actions, claims for relief and causes of action in any way connected with, related to and/or resulting from the Executive's employment with the Company and its affiliates, the termination of such employment, possible rights or claims arising under the Age Discrimination in Employment Act of 1967, and the compensation, calculation, determination and payment under any and all stock and benefit plans and termination agreements operative between the Executive and the Company, including but not limited to claims for bonus or other incentive compensation, salary, severance, "fringe" benefits, vacation, stock benefits, retirement benefits, worker's compensation benefits, and unemployment benefits. In addition, the Executive agrees not to support or participate in the commencement of any suit or proceeding of any kind against the Company and its affiliates or against their directors, officers, agents or employees with respect to any act, event or occurrence or any alleged failure to act, occurring up to and including the date of the execution of this Release.

The Executive hereby represents that he has not taken any action, directly or indirectly, at any time on or prior to the date hereof, nor will he take any such action for two (2) years after the date hereof, to do any of the following:

(a) initiate, seek, offer, propose, participate in, encourage or otherwise facilitate (i) any acquisition of any securities or assets of the Company (as defined below) (other than upon the exercise of the Executive's stock options), (ii) any tender or exchange offer, merger or other extraordinary transaction with respect to the Company or (iii) any solicitation of proxies or consents to vote any voting securities of the Company;

(b) otherwise act, alone or with others, to seek to control or influence the management, board of directors or policies of the Company (other than in accordance with the instructions of the Chief Executive Officer of the Company); or

(c) make any comments to third parties, the public or the media that could reasonably be expected to portray the Company in an adverse light or cause injury to the businesses and/or reputation of the Company;

provided, however, that nothing in this paragraph shall affect the obligations of the Executive with respect to confidential information under Section 7 of the Severance Agreement to which this Release was an Exhibit.

As used herein, the Executive refers to and includes the Executive and his heirs, executors, administrators, representatives, legatees, devisees, agents, family predecessors, attorneys, and the successors and

assigns of each of them. As used herein, references to the Company and to the Company and/or its affiliates refer to and include The Pittston Company, a Virginia corporation, and all past and present subsidiaries, divisions, parent companies, affiliated and/or commonly controlled corporations, companies, and enterprises, ventures, and projects, and all past and present officers, directors, trustees, employees, representatives, agents and attorneys thereof, and the successors and assigns of each of them.

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

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

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

The Executive agrees that he has entered into this Release after having had the opportunity to consult the advisor of his choice, including an attorney, with such consultation as he deemed appropriate and has a full understanding of his

rights and of the effect of executing this Release, namely, that he waives any and all non-excluded claims or causes of action against the Company regarding his employment or termination of employment, including the waiver of claims set forth above. The Executive further acknowledges that his execution of this Release is made voluntarily and with full understanding of its consequences and has not been coerced in any way. This Release may not be changed orally. Capitalized terms not defined herein shall be as defined in the Agreement.

THE PITTSTON COMPANY

By:___________________________

____
Robert T. Ritter

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

On this ____ day of _______________ before me personally came Robert T. Ritter, to me known and known to me to be the individual described in and who executed the foregoing Release, and duly acknowledged to me that he executed the same.

____
Notary Public

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

On this ___ day of _______________ before me personally came _________________, to me known and known to me to be the officer who executed the foregoing Release on behalf of THE PITTSTON COMPANY, and he duly acknowledged to me that he executed the same.

____

Notary Public

This schedule contains summary financial information from The Pittston Company Form 10Q for the nine months ended September 30, 1998, and is qualified in its entirety by reference to such financial statements.

1,000

9-MOS
DEC-31-1998
SEP-30-1998
69,150
2,732
602,090
36,463
39,931
814,834
1,378,151
559,012
2,281,593
776,642
332,150
69,068
0
1,134
633,473
2,281,593
410,873
2,758,700
402,590
2,695,225
0
17,915
28,001
54,369
20,568
33,801
0
0
0
33,801
0
0

Pittston Brink's Group - Basic - 1.49
Pittston BAX Group - Basic - (1.22)
Pittston Minerals Group - Basic - (0.32)
Pittston Brink's Group - Diluted - 1.47
Pittston BAX Group - Diluted - (1.22)
Pittston Minerals Group - Diluted - (0.32)

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

1,000

9-MOS
DEC-31-1997
SEP-30-1997
59,992
1,662
536,602
18,734
52,743
754,922
1,150,117
513,828
2,016,047
622,285
269,146
0
1,138
69,914
582,296
2,016,047
467,693
2,482,279
451,586
2,366,390
0
6,838
19,268
103,949
31,608
72,341
0
0
0
72,341
0
0

Pittston Brink's Group - Basic - 1.37
Pittston BAX Group - Basic - 0.99
Pittston Minerals Group - Basic - (0.23)
Pittston Brink's Group - Diluted - 1.35
Pittston BAX Group - Diluted - 0.96
Pittston Minerals Group - Diluted - (0.23)