Washington, D.C. 20549

SECURITIES AND EXCHANGE COMMISSION
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, 1994

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

For the transition period from ________ to ________

Commission file number 1-9148

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

VIRGINIA	54-1317776
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
P.O. BOX 120070 100 FIRST STAMFORD PLACE, STAMFORD, CONNECTICUT	06912-0070
(Address of principal executive offices)	(Zip Code)

(203) 978-5200
(Registrant's telephone number, including area code)

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 __

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

8,383,333 shares of $1 par value Pittston Services Group Common Stock and 41,699,240 shares of $1 par value Pittston Minerals Group Common Stock as of November 4, 1994.

Part I - FINANCIAL INFORMATION

THE PITTSTON COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)

ASSETS	Sep. 30, 1994	Dec. 31, 1993
Current assets:	(Unaudited)	
Cash and cash equivalents	$ 52,255	32,412
Short-term investments, at lower of cost or market	24,554	22,946
Accounts receivable (net of estimated amount uncollectible: 1994 - $16,963; 1993 - $16,040)	353,110	296,543
Inventories, at lower of cost or market	34,930	24,155
Prepaid expenses	28,979	27,493
Deferred income taxes	53,637	53,642
Total current assets	547,465	457,191
Property, plant and equipment, at cost (net of accumulated depreciation, depletion and amortization: 1994 - $378,669; 1993 - $412,533)	430,787	369,821
Intangibles, net of amortization	294,617	215,042
Deferred pension assets	118,834	117,066

Deferred income taxes	94,701	59,846
Coal supply contracts	92,627	35,462
Other assets	106,452	107,073
Total assets	$1,685,483	1,361,501

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Short-term borrowings	$ 14,871	9,546
Current maturities of long-term debt	8,027	7,908
Accounts payable	234,684	182,276
Accrued liabilities	291,548	237,714
Total current liabilities	549,130	437,444
Long-term debt, less current maturities	128,314	58,388
Postretirement benefits other than pensions	220,040	212,218
Workers' compensation and other claims	139,406	127,545
Deferred income taxes	23,031	15,847
Other liabilities	206,249	156,547
Shareholders' equity:		
Preferred stock, par value $10 per share: Authorized: 2,000 shares $31.25 Series C Cumulative Convertible Preferred Stock: Issued: 1994 - 153 shares	1,526	-
Pittston Services Group common stock, par value $1 per share: Authorized: 100,000 shares Issued: 1994 - 41,684 shares; 1993 - 41,429 shares	41,684	41,429
Pittston Minerals Group common stock, par value $1 per share: Authorized 20,000 shares Issued: 1994 - 8,348 shares; 1993 - 8,281 shares	8,348	8,281
Capital in excess of par value	426,013	354,911
Retained earnings	81,590	98,290
Equity adjustment from foreign currency translation	(14,463)	(18,381)
Employee benefits trust, at market value	(125,385)	(131,018)
Total shareholders' equity	419,313	353,512
Total liabilities and shareholders' equity	$1,685,483	1,361,501

See accompanying notes to consolidated financial statements.

THE PITTSTON COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	1994	1993	1994	1993
Net sales	$210,142	169,040	589,033	511,488
Operating revenues	483,712	400,398	1,352,116	1,144,357
Net sales and operating revenues	693,854	569,438	1,941,149	1,655,845
Cost of sales	199,372	158,975	578,197	481,473
Operating expenses	395,659	327,538	1,111,838	952,434
Restructuring and other charges	-	-	90,806	-
Selling, general and administrative	59,573	55,317	177,729	164,275
Total costs and expenses	654,604	541,830	1,958,570	1,598,182
Other operating income	7,630	5,021	18,465	15,846
Operating profit	46,880	32,629	1,044	73,509
Interest income	430	591	1,638	1,873
Interest expense	(2,745)	(2,233)	(7,954)	(8,134)
Other income (expense), net	(694)	(1,415)	(4,761)	(2,838)

Income (loss) before income taxes	43,871	29,572	(10,033)	64,410
Provision (credit) for income taxes	12,661	8,327	(5,713)	20,869
Net income (loss)	31,210	21,245	(4,320)	43,541
Preferred stock dividends	(541)	-	(2,804)	-
Net income (loss) attributed to common shares	$ 30,669	21,245	(7,124)	43,541
Pittston Services Group:				
Net income attributed to common shares	$ 25,014	15,313	56,813	31,697
Net income per common share	$ .66	.41	1.50	.86
Cash dividend per common share	$ .05	.05	.15	.141
Pittston Minerals Group:				
Net income (loss) attributed to common shares	$ 5,655	5,932	(63,937)	11,844
Net income (loss) per common share:				
Primary	$ .74	.80	(8.44)	1.61
Fully diluted	$ .61	.79	(8.44)	1.60
Cash dividends per common share	$ .1625	.1625	.4875	.4579

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	
	1994	1993
Cash flows from operating activities:		
Net income (loss)	$ (4,320)	43,541
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Noncash charges and other write-offs	46,793	11
Depreciation, depletion and amortization	71,988	57,386
Provision (credit) for deferred income taxes	(18,581)	2,834
Provision (credit) for pensions, noncurrent	(829)	(2,398)
Provision for uncollectible accounts receivable	3,150	4,953
Equity in earnings of unconsolidated affiliates, net of dividends received	(175)	(3,781)
Other operating, net	(973)	1,412
Change in operating assets and liabilities net of effects of acquisitions and dispositions:		
Increase in accounts receivable	(60,543)	(32,879)
Decrease (increase) in inventories	(4,961)	601
Increase in prepaid expenses	(3,797)	(4,967)
Increase in accounts payable and accrued liabilities	58,899	12,957
Decrease (increase) in other assets	5,103	(6,819)
Increase (decrease) in other liabilities	453	(4,107)
Increase (decrease) in workers' compensation and other claims, noncurrent	7,227	(10,281)
Other, net	(413)	1,063
Net cash provided by operating activities	99,021	59,526
Cash flows from investing activities:		
Additions to property, plant and equipment	(71,291)	(74,351)
Property, plant and equipment pending lease financing	1,822	(7,412)
Disposal of property, plant and equipment	5,849	3,766
Acquisitions and related contingent payments	(157,294)	(755)
Other, net	5,304	10,230
Net cash used by investing activities	(215,610)	(68,522)
Cash flows from financing activities:		
Additions to debt	109,327	25,017
Reductions of debt	(37,137)	(11,461)
Repurchases of stock of the Company	(7,191)	(1,105)
Proceeds from exercise of stock options	6,459	6,465
Proceeds from preferred stock issuance, net of cash expenses	77,359	-
Cost of Services Stock Proposal	(4)	(2,254)
Proceeds from the sale of stock to SIP	-	264
Dividends paid	(12,381)	(8,538)
Net cash provided by financing activities	136,432	8,388
Net increase (decrease) in cash and cash equivalents	19,843	(608)
Cash and cash equivalents at beginning of period	32,412	30,340
Cash and cash equivalents at end of period	$ 52,255	29,732

See accompanying notes to consolidated financial statements.

THE PITTSTON COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(In thousands, except per share amounts)

(1) On July 26, 1993, the shareholders of The Pittston Company (the "Company") approved the Services Stock Proposal, as described in the Company's proxy statement dated June 24, 1993, resulting in the reclassification of the Company's common stock into shares of Pittston Services Group Common Stock ("Services Stock") on a share-for-share basis. In addition, a second class of common stock, designated as Pittston Minerals Group Common Stock ("Minerals Stock") was distributed on a basis of one-fifth of one share of Minerals Stock for each share of the Company's previous common stock. The Pittston Services Group (the "Services Group") consists of the Burlington Air Express Inc. ("Burlington"), Brink's, Incorporated ("Brink's") and Brink's Home Security, Inc. ("BHS") operations of the Company. The Pittston Minerals Group (the "Minerals Group") consists of the Coal and Mineral Ventures operations of the Company. The approval of the Services Stock Proposal did not result in any transfer of assets and liabilities of the Company or any of its subsidiaries. The Company prepares separate financial statements for the Minerals and Services Groups in addition to consolidated financial information of the Company.

Due to the reclassification of the Company's common stock, all stock and per share data in the accompanying financial statements for the period prior to the reclassification have been restated from amounts previously reported. The primary impacts of this restatement are as follows:

* Net income per common share has been restated in the Consolidated Statements of Operations to reflect the two classes of stock, Services Stock and Minerals Stock, as if they were outstanding for all periods presented. For the purposes of computing net income per common share of Services Stock and Minerals Stock, the number of shares of Services Stock are assumed to be the same as the total corresponding number of shares of the Company's common stock. The number of shares of Minerals Stock are assumed to be one-fifth of the shares of the Company's common stock.

* All financial impacts of purchases and issuances of the Company's common stock prior to the effective date of the Services Stock Proposal have been attributed to each Group in relation of their respective common equity to the Company's common stock. Dividends paid by the Company were attributed to the Services and Minerals Groups in relation to the initial dividends paid on the Services Stock and the Minerals Stock.

The Company, at any time, has the right to exchange each outstanding share of Minerals Stock for shares of Services Stock having a fair market value equal to 115% of the fair market value of one share of Minerals Stock. In addition, upon the sale, transfer, assignment or other disposition, whether by merger, consolidation, sale or contribution of assets or stock or otherwise, of all or substantially all of the properties and assets of the Minerals Group to any person, entity or group (with certain exceptions), the Company is required to exchange each outstanding share of Minerals Stock for shares of Services Stock having a fair market value equal to 115% of the fair market value of one share of Minerals Stock. Shares of Services Stock are not subject to either optional or mandatory exchange.

Holders of Services Stock have one vote per share. Holders of Minerals Stock have one vote per share subject to adjustment on January 1, 1996, and on each January 1 every two years thereafter based upon the relative fair market values of one share of Minerals Stock and one share of Services Stock on each such date. Accordingly, beginning on January 1, 1996, each share of Minerals Stock may have more than, less than or continue to have exactly one vote. Holders of Services Stock and Minerals Stock vote together as a single voting group on all matters as to which all common shareholders are entitled to vote. In addition, as prescribed by Virginia law, certain amendments to the Company's Restated Articles of Incorporation affecting, among other things, the designation, rights, preferences or limitations of one class of common stock, or any merger or statutory share exchange, must be approved by the holders of such class of common stock, voting as a separate voting group, and, in certain circumstances, may also have to be approved by the holders of the other class of common stock, voting as a separate voting group.

In the event of a dissolution, liquidation or winding up of the Company, the holders of Services Stock and Minerals Stock will receive the funds remaining for distribution, if any, to the common shareholders on a per share basis in proportion to the total number of shares of Services Stock and Minerals Stock, respectively, then outstanding to the total number of shares of both classes of common stock then outstanding.

For 1993, all stock activity (including dividends) prior to the Services Stock Proposal has been attributed to the Services Group and the Minerals Group based on the methods described above.

(2) The number of shares used in the earnings per share computations were as follows:

	Third Quarter		Nine Months	
	1994	1993	1994	1993
Services Stock:	37,840	36,948	37,757	36,722
Minerals Stock:				
Primary	7,605	7,386	7,578	7,343
Fully diluted	10,080	7,544	7,578	7,424

Minerals Stock's fully diluted earnings per share computation for the nine months ended September 30, 1994, is the same as primary earnings per share because it is antidilutive, decreasing the loss per share. The shares of Services Stock and Minerals Stock held in the Company's Employee Benefits Trust which totalled 3,788 and 728, respectively, at September 30, 1994, were evaluated for inclusion in the calculation of net income (loss) per share under the treasury stock method and had no dilutive effect.

(3) The amounts of depreciation, depletion and amortization of property, plant and equipment in the 1994 third quarter and nine month periods were $17,660 ($16,468 in 1993) and $52,278 ($47,160 in 1993), respectively.

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

	Third Quarter		Nine Months	
	1994	1993	1994	1993
Interest	$2,966	3,030	8,782	8,965
Income taxes	$2,933	4,118	14,447	21,231

During the nine months ended September 30, 1994, the Company acquired one business for an aggregate purchase price of $157,231. See Note 5.

During the nine months ended September 30, 1994 and 1993, capital lease obligations of $2,315 and $1,245 respectively, were incurred for leases of property, plant and equipment.

In December 1993, the Company sold the majority of the assets of its captive mine supply company. Cash proceeds of $8,400 from the sale were received on January 2, 1994, and have been included in "Cash flow from investing activities: Other, net".

During the nine month period ended September 30, 1993, the Company sold a coal preparation plant and related interest in land, equipment and facilities for mineral reserves with a fair market value of $13,300 and cash of $10,700. The cash proceeds of $10,700 less $1,001 in expenses related to the transaction have been included in "Cash flow from investing activities: Other, net".

(5) On January 14, 1994, a wholly owned indirect subsidiary of the Company completed the acquisition of substantially all of the coal mining operations and coal sales contracts of Addington Resources, Inc. for $157,231. The acquisition has been accounted for as a purchase; accordingly, the purchase price has been allocated to the underlying assets and liabilities based on their respective estimated fair values at the date of acquisition. Based on preliminary estimates, subject to finalization by year-end, the fair value of assets acquired was $180,017 and liabilities assumed was $107,174. The excess of the purchase price over the fair value of the assets acquired and liabilities assumed was $84,388 and is being amortized over a period of forty years. The

results of operations of the acquired company have been included in the Company's results of operations since the date of acquisition.

The acquisition was financed by the issuance of $80,500 of a new series of the Company's preferred stock, convertible into Minerals Stock, and additional debt under existing credit facilities. This financing has been attributed to the Minerals Group. In March 1994, the additional debt incurred for this acquisition was refinanced with a five-year term loan.

The following pro forma results, however, assume that the acquisition and related financing had occurred at the beginning of the periods presented. The unaudited pro forma data below are not necessarily indicative of results that would have occurred if the transaction was in effect for the nine month periods ended September 30, 1994 and 1993 and the quarter ended September 30, 1993, nor are they indicative of the future results of operations of the Company.

	Pro Forma (Unaudited)		
	Three Months Ended September 30,	Nine Months Ended September 30,	
	1993	1994	1993
Net sales and operating revenues	$643,780	1,951,075	1,850,721
Net income (loss)	30,269	(3,896)	58,007
Pittston Services Group:			
Net income attributed to common shares	$ 15,313	56,813	31,697
Net income per common share	$ .41	1.50	.86
Average common shares outstanding	36,948	37,757	36,722
Pittston Minerals Group:			
Net income (loss) attributed to common shares:	$ 13,699	(63,765)	22,537
Net income (loss) per common share:			
Primary	$ 1.85	(8.41)	3.07
Fully diluted	$ 1.49	(8.41)	2.65
Average common shares outstanding:			
Primary	7,386	7,578	7,343
Fully diluted	10,046	7,578	9,926

(6) The Company has authority to issue up to 2,000 shares of preferred stock, par value $10 per share. In January 1994, the Company issued 161 shares of its $31.25 Series C Cumulative Convertible Preferred Stock, par value $10 per share (the "Convertible Preferred Stock"). The Convertible Preferred Stock pays an annual cumulative dividend of $31.25 per share payable quarterly, in cash, in arrears, out of all funds of the Company legally available therefor, when, as and if declared by the Board of Directors of the Company, and bears a liquidation preference of $500 per share, plus an amount equal to accrued and unpaid dividends thereon. Each share of the Convertible Preferred Stock is convertible at the option of the holder at any time after March 11, 1994, unless previously redeemed or, under certain circumstances, called for redemption, into shares of Minerals Stock at a conversion price of $32.175 per share of Minerals Stock, subject to adjustment in certain circumstances. Except under certain circumstances, the Convertible Preferred Stock is not redeemable prior to February 1, 1997. On and after such date, the Company may at its option, redeem the Convertible Preferred Stock, in whole or in part, for cash initially at a price of $521.875 per share, and thereafter at prices declining ratably annually on each February 1 to an amount equal to $500 per share on and after February 1, 2004, plus in each case an amount equal to accrued and

unpaid dividends on the date of redemption. Except under certain circumstances or as prescribed by Virginia law, shares of the Convertible Preferred Stock are nonvoting. Other than the Convertible Preferred Stock no shares of preferred stock are presently issued or outstanding. In July 1994, the Company repurchased 8 shares of Convertible Preferred Stock at a total cost of $3,366 under a repurchase program that authorizes repurchases of up to $15,000. The excess of the carrying value of the Convertible Preferred Stock over the purchase price was $632 and reduced the amount of preferred dividends deducted from net income to arrive at net income available to common shareholders.

(7) As a result of the continuing long-term decline in the metallurgical coal markets, which was evidenced by severe price reductions, the Minerals Group accelerated its strategy of decreasing its exposure to these markets by reducing its metallurgical coal production and increasing its production and sales of lower cost surface mineable steam coal. After a review of the economic viability of the remaining metallurgical coal assets, management determined that four underground mines were no longer economically viable and would be closed resulting in significant economic impairment to three related preparation plants. In addition, it was determined that one surface steam coal mine, the Heartland mine, which provides coal to Alabama Power under a long-term sales agreement, would be closed due to rising costs caused by unfavorable geological conditions.

As a result of these decisions, the Minerals Group incurred pre-tax charges of $90.8 million in the first quarter of 1994 which included a reduction in the carrying value of these assets and related accruals for mine closure costs. These charges included asset writedowns of $46.5 million which reduced the book carrying value of such assets to what management believes to be their net realizable value based on either estimated sales or leasing of such property to unrelated third parties. In addition, the charges included $3.8 million for required lease payments owed to lessors for machinery and equipment that would be idled as a result of the mine and facility closures. The charges also included $19.3 million for mine and plant closure costs which represented estimates for reclamation and other environmental costs to be incurred to bring the properties in compliance with federal and state mining and environmental laws. This accrual is required due to the premature closing of the mines. The accrual also included $21.2 million in contractually or statutorily required employee severance and other benefit costs associated with termination of employees at these facilities and costs associated with inactive employees at these facilities. Such employee benefits include severance payments, medical insurance, workers' compensation and other benefits and have been calculated in accordance with contractually (collective bargaining agreements signed by certain coal subsidiaries included in the Minerals Group) and legally required employee severance and other benefits. In the 1994 third quarter, the Minerals Group paid $3.4 million of these liabilities, of which $.9 million was for idled leased equipment; $1.2 million was for facility closure costs and $1.3 million was for terminated employee costs. In the first nine months of 1994, $8.5 million was paid, of which $1.3 million was for leased equipment; $2.9 million was for facility closure costs, and $4.3 million was for terminated employee costs.

Of the four underground mines, one has ceased coal production, one is expected to cease coal production in the 1994 fourth quarter, while the remaining two mines are expected to cease coal production next year. During the second quarter of 1994 the Minerals Group reached agreement with Alabama Power Company to transfer the coal sales contract currently serviced by the Heartland mine to another location in West Virginia. The Heartland mine ceased coal production during the 1994 third quarter and final reclamation and environmental work has begun. As of the beginning of this year, there were approximately 750 employees involved in operations at these facilities and other administrative support. To date, employment at these facilities has been reduced by 47% to approximately 400 employees.

Although coal production has or will cease at these mines, the Minerals Group will incur reclamation and environmental costs for several years to bring these properties into compliance with federal and state environmental laws. In addition, employee termination and medical costs will continue to be incurred for several years after the facilities have been closed. The significant portion of these employee liabilities is for statutorily provided workers' compensation costs for inactive employees. Such benefits include indemnity and medical costs as required under state workers' compensation laws. The long maturities are based on continued, and in some cases lifetime, indemnity and medical payments to injured former employees and their surviving spouses. Management believes that the charges incurred in the first quarter of 1994 should be sufficient to provide for these future costs and does not anticipate material additional future charges to operating earnings for these facilities, although continual cash funding will be required over the next several years.

(8) On April 15, 1994, the Company redeemed all of the $27,811 of 9.2% Convertible Subordinated Debentures due July 1, 2004, at a premium of $767. The premium and other charges related to the redemption have been included in the Consolidated Statement of Operations in Other income (expense), net.

(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 Company and the BHS segment for the first nine months of 1994 and 1993 by $3,114 and $2,526, respectively, and for the third quarter of 1994 and 1993 by $965 and $889, respectively. The effect of this change increased net income per share of the Services Group for the first nine months of 1994 and 1993 by $.05 and $.04, respectively, and for the third quarter of 1994 and 1993 by $.02 and $.01, respectively.

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

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

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

	Three Months Ended September 30		Nine Months Ended September 30	
	1994	1993	1994	1993
	(In thousands)			
Revenues:				
Burlington	$311,925	254,769	875,675	725,970
Brink's	143,879	123,026	395,827	353,418
BHS	27,908	22,603	80,614	64,969
Coal	205,831	165,790	577,627	500,106
Mineral Ventures	4,311	3,250	11,406	11,382
Consolidated revenues	$693,854	569,438	1,941,149	1,655,845
Operating profit (loss):				
Burlington	$ 22,248	15,111	52,028	24,563
Brink's	11,132	9,594	27,481	24,680
BHS	8,216	6,662	23,679	19,493
Coal	8,488	6,017	(90,956)	17,306
Mineral Ventures	786	(461)	854	(148)
Segment operating profit	50,870	36,923	13,086	85,894
General corporate expense	(3,990)	(4,294)	(12,042)	(12,385)
Consolidated operating profit	46,880	32,629	1,044	73,509
Interest income	430	591	1,638	1,873
Interest expense	(2,745)	(2,233)	(7,954)	(8,134)
Other income (expense), net	(694)	(1,415)	(4,761)	(2,838)
Income (loss) before income taxes	43,871	29,572	(10,033)	64,410
Provision (credit) for income taxes	12,661	8,327	(5,713)	20,869
Net income (loss)	$ 31,210	21,245	(4,320)	43,541

RESULTS OF OPERATIONS

In the third quarter of 1994, The Pittston Company (the "Company") reported net income of $31.2 million compared with $21.2 million in the third quarter of 1993. Net income in the third quarter of 1994 was positively impacted by increased results from each of the Company's business segments.

In the first nine months of 1994, the Company reported a net loss of $4.3 million compared with net income of $43.5 million in the first nine months of 1993. The decrease in 1994 was attributable to the Company's Coal segment, whose results included charges for asset writedowns and accruals for costs related to facilities which are being closed which in the aggregate reduced operating profit and net income by $90.8 million and $58.1 million, respectively. Net income in the first nine months of 1994 was positively impacted by improved results from each of the Company's services businesses and from the Company's mineral ventures business, partially offset by higher nonoperating expenses compared with the same period last year.

Burlington Air Express Inc. ("Burlington")

Operating profit in the third quarter of 1994 for Burlington aggregated $22.2 million, a $7.1 million increase compared with $15.1 million recorded in the third quarter of 1993. Worldwide revenues rose 22% to $311.9 million from $254.8 million in the prior year. The $57.1 million increase in revenues resulted primarily from higher volume in both domestic and international markets. Increased revenues from higher volumes were partially offset by lower average yields (revenues per pound). Total weight shipped worldwide increased 23% to 315.7 million pounds from 256.3 million pounds in the same period a year earlier. Global average yield decreased 1% or $.01 to $.99 per pound in the third quarter of 1994 compared with the same period a year earlier, whereas, total cost decreased 2% or $.02 to $.92 per pound for the same period. Operating expenses increased largely from the increased volume of business, while selling, general and administrative expenses decreased slightly compared to the same period last year.

Operating profit in the Americas' region benefitted from strong growth in the North American market for heavy airfreight, increased market share and a shift in mix towards Burlington's premium next-day service. Domestic weight shipped increased 20% over the third quarter of 1993. Domestic pricing remains below last year's level, but has stabilized partly as a result of the price increase program which was instituted in the first quarter of 1994. Export volumes also increased while pricing for U.S. exports continued to be negatively impacted by a highly competitive pricing environment.

During the 1994 third quarter, Burlington implemented a 20% expansion of its North American private fleet capacity, through the addition of five jet cargo aircraft, including three DC8's and two B727's, under relatively short-term leases. This expansion provides additional capacity in existing and new next morning markets. During the quarter, Burlington began next morning service to four new U.S. locations and increased service to fourteen other markets.

Foreign operating results in the current year quarter remained comparable with the prior year quarter with results in the Pacific region decreasing slightly and results in the Atlantic region increasing slightly. Although foreign operations also benefitted from a 28% increase in international weight shipped, the impact of increased volumes was more than offset by lower yields and additional costs incurred in connection with providing complete global logistics services. Decreased yields continue to reflect intense competition with many freight forwarders seeking to maintain market share.

Operating profit in the first nine months of 1994 for Burlington was $52.0 million, a $27.4 million increase over the $24.6 million profit reported in the first nine months of 1993. Worldwide revenues rose 21% to $875.7 million in the current year period from $726.0 million in the first nine months of the prior year. The $149.7 million increase in revenues resulted principally from higher volume in both domestic and international markets. Increased revenues from higher volumes were partially offset by lower average yields. Total weight shipped worldwide increased 23% to 907.0 million pounds in the first nine months of 1994 from 734.5 million pounds in the same period a year earlier. Global average yield decreased 2% or $.02 to $.97 per pound in the first nine months of 1994 compared with the same period a year earlier, whereas, total cost decreased 5% or $.05 to $.91 per pound for the same period. Operating expenses and selling, general and administrative expenses also increased in the first nine months of 1994 compared with the first nine months of 1993 largely resulting from the increased volume of business.

Operating profit in the Americas' region for the nine months of 1994 benefitted from North American volume increases, a significant portion of which was from strong shipping levels. Higher volume, in part, also reflects the impact of the 24 day Teamsters strike which occurred during the second quarter of 1994. Export volumes also increased during the first nine months of 1994, while pricing for U.S. exports has been impacted by competitors' aggressive pricing on new business. Operating profit in the Americas region also benefitted from increased capacity as a result of the fourth quarter 1993 expansion of Burlington's airfreight hub in Toledo, Ohio, which assisted in increasing efficiency as well as the third quarter 1994 fleet expansion which provided additional capacity in existing and new next morning markets. Gains for Americas' operations from increased business volume and efficiencies were partially offset by decreased average yields in the first nine months of 1994. Average yields continue to reflect a highly competitive pricing environment. Although domestic pricing remains slightly below last years level, pricing has stabilized partly as a result of the price increase program which was instituted in the first quarter of 1994.

Foreign operating results in the first nine months of the current year decreased from the 1993 level. The benefit of increased volumes was more than offset by lower yields and additional costs incurred in connection with offering complete global logistics services.

Brink's, Incorporated ("Brink's")
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Brink's operating profit increased $1.5 million to $11.1 million in the third quarter of 1994 from $9.6 million in the third quarter of 1993 with an increase in revenues of $20.9 million, partially offset by increases in operating expenses and selling, general and administrative expenses of $18.6 million and a decrease in other operating income of $.8 million.

Operating results in North America continued at a strong pace in the 1994 third quarter, with revenue increasing $8.5 million or 11% to $85.7 million and operating profit increasing $.5 million to $6.2 million or 10% over the prior year's third quarter. The improvement principally reflected increased earnings from the armored car and coin businesses.

Revenue from international subsidiaries increased $12.3 million or 27% to $58.2 million in the third quarter of 1994, while operating earnings from international subsidiaries and affiliates increased $1.0 million or 25% to $5.0 million compared with the 1993 third quarter. The increase in international operating earnings for the quarter was primarily due to improved results reported by wholly-owned operations in Brazil. Brazil's increased earnings were due in large part to the significant volume of special shipments of the new Brazilian currency introduced on July 1, 1994. The large volume of special shipments will not continue beyond the third quarter. The current year third quarter also benefitted, to a lesser extent, from increased volume due to the growth of money in circulation and price increases obtained earlier in the year to defray the substantially higher security costs made necessary by the dramatic increase in attacks on the armored car industry in Brazil. In the 1994 third quarter operating profit from international subsidiaries and affiliates also included increases for operations in Israel (70% owned), Mexico (20% owned) and Colombia (46.5% owned), partially offset by lower operating results in Holland (65% owned), France (38% owned), Ireland (50% owned) and Chile (53.1% owned). Results for Brink's 20% owned Mexican affiliate reflected the benefits of cost-cutting efforts implemented in late 1993 and early 1994.

Brink's operating profit increased $2.8 million to $27.5 million in the first nine months of 1994 from $24.7 million in the first nine months of 1993 with an increase in revenues of $42.4 million, partially offset by increases in operating expenses and selling, general and administrative expenses of $37.5 million and a decrease in other operating income of $2.1 million.

The increase in revenues and operating profit in the first nine months of 1994 was largely due to North American operations. Revenue from North American operations increased $27.8 million or 13% to $247.5 million and operating profit increased $2.7 million or 21% to $15.6 million. The increase in operating profit was largely attributable to increases from air courier and armored car operations. Operating profit from North American based ATM, coin wrapping and diamond and jewelry operations also increased compared with 1993 results, but were partially offset by decreased results for currency processing operations.

Revenue from international subsidiaries increased $14.6 million or 11% to $148.3 million, while operating earnings from international subsidiaries and affiliates of $11.9 million remained comparable to earnings for the prior year period. Operating profit in the first nine months of 1994 was positively affected by increases for operations in Brazil, Israel and the United Kingdom, partially offset by declines reported in Holland, France, Mexico and Chile. Brazil's earnings were augmented by the large volume of special shipments of the new Brazilian currency as well as increased volume due to the growth of money in circulation during the third quarter of 1994. The nine month results for Brazil also included price increases obtained during the second quarter to defray the substantially higher security costs made necessary by the dramatic increase in attacks on the armored car industry in Brazil. Results for Brink's Mexican affiliate were impacted by the local economic recession, restructuring costs which included employee severance costs, and strengthening competition particularly during the first quarter of the year.

Brink's Home Security, Inc. ("BHS")

BHS operating profit increased $1.5 million to $8.2 million in the third quarter of 1994 from $6.7 million in the prior year quarter. In the first nine months of 1994, operating profit increased $4.2 million to $23.7 million from $19.5 million in the first nine months of 1993. The increase in operating profit for the third quarter and first nine months of 1994 compared to the similar periods in 1993 reflected higher monitoring revenues due to an average subscriber base that was 23% and 22% higher for the quarter and year to date 1994, respectively, compared to similar periods in 1993, slightly offset by higher account servicing and administrative costs. Net new subscribers totaled 13,500 and 43,600 in the third quarter and first nine months of 1994, respectively, compared with 10,900 and 30,500 in the third quarter and first nine months of 1993, respectively. Subscribers at September 30, 1994 totaled 303,200.

Coal

Coal Operations earned an operating profit of $8.5 million in the third quarter of 1994, a $2.5 million increase over the $6.0 million recorded in the year earlier quarter. The third quarter of 1994 included the operating results from substantially all the coal mining operations and coal sales contracts of Addington Resources, Inc. ("Addington"), which were acquired by the Minerals Group on January 14, 1994. Operating profit in the current year quarter benefitted from a $2.5 million gain on the sale of a natural gas pipeline to a production company.

Sales volume of 7.5 million tons for the third quarter of 1994 was 37% or 2.0 million tons higher than sales volume in the third quarter of 1993. Virtually all of the increased sales were attributable to steam coal with sales of 4.9 million tons (65% of total sales), up from 2.7 million tons (49% of total sales) in the third quarter of 1993, while metallurgical coal sales decreased 7% from 2.8 million tons in the third quarter of 1993 to 2.6 million tons for the third quarter of this year. Coal produced and purchased totaled 7.3 million tons in the 1994 third quarter, a 31% or 1.7 million ton increase over the same period of 1993. The increase in coal sales and coal produced/purchased in the third quarter of 1994 as compared with the third quarter of 1993 is largely attributable to the Addington operations.

In the 1994 third quarter, 29% of total production was derived from deep mines and 71% was derived from surface mines compared with 49% and 51% of deep and surface mine production, respectively, in the 1993 third quarter. During the 1994 third quarter operations commenced at three new surface operations in West Virginia, which are expected to produce low sulphur steam coal at a rate of three million tons per annum.

Average coal margin (realization less current production costs of coal sold), which was $2.09 per ton for the 1994 third quarter, decreased $.96 per ton from the prior year third quarter with a 7% or $2.15 per ton decrease in average realization partially offset by a 5% or $1.19 per ton decrease in average current production costs of coal sold. The higher percentage of steam coal sales and declines in export metallurgical coal prices contributed to the decline in average realization. The decrease in average cost is largely due to the shift to lower cost surface production.

Although average realization per ton in the 1994 third quarter was essentially the same as the 1994 second quarter, average coal margin decreased $.53 per ton on a quarter-to-quarter comparison due to higher average per ton costs. In the 1994 third quarter, operating costs were adversely impacted by, among other things, surface mine performance in Virginia due to the relocation of equipment to a lower cost and more productive mine, the delay in obtaining a mine permit and poor mining conditions at one mine as well as the continuing integration of the Addington operations. Management is reviewing its options of sources used to fulfill its coal sales agreements in order to prevent any further declines in margins.

Coal Operations had an operating loss totaling $91.0 million in the first nine months of 1994 compared with an operating profit of $17.3 million in the year earlier nine month period. The Coal operating loss in the first nine months of 1994 included $90.8 million of charges for asset writedowns and accruals for costs related to facilities which are being closed (further discussed below). In addition, the decrease compared with prior year's nine months operating results reflected the adverse impact of the severe winter weather in the 1994 first quarter which particularly hampered surface mine production and river transportation. Operating profit in the first nine months of 1993 was negatively impacted by a $1.8 million charge to settle litigation related to the moisture content of tonnage used to compute royalty payments to the UMWA pension and benefit funds during the period ending February 1, 1988.

Sales volume of 20.7 million tons for the first nine months of 1994 was 27% or 4.4 million tons higher than sales volume in the first nine months of 1993. The increased sales were attributable to steam coal with sales of 13.3 million tons (64% of total sales), up from 7.6 million tons (47% of total sales), while metallurgical coal sales decreased 15% from 8.7 million tons to 7.4 million tons. Coal produced and purchased totaled 20.8 million tons for first nine months of 1994, a 29% or 4.7 million ton increase over the first nine months of 1993. The increase in coal sales and coal produced/purchased in the first nine months of 1994 as compared with the first nine months of 1993 was largely attributable to the Addington operations.

In the first nine months of 1994, 32% of total production was derived from deep mines and 68% was derived from surface mines compared with 55% and 45% of deep and surface mine production, respectively, in the first nine months of 1993.

Production in the first nine months of 1994 was adversely impacted by the extreme cold weather and above-normal precipitation in the first quarter of the year which resulted in a large number of lost production days and interruptions which limited output efficiencies during periods of performance. Sales also suffered due to lost loading days and were impeded by restricted road accessibility, particularly during the first quarter of the year. Sales were further impacted by the lack of rail car availability and the disruption of river barge service initially due to frozen waterways and subsequently due to the heavy snow melt and rain, which raised the rivers above operational levels. The severe weather during the first quarter also reduced output from purchased coal suppliers, which hindered the ability to meet customer shipments during the period. In addition to weather related difficulties, operations in the 1994 first quarter were affected by lost business due to a utility customer's plant closure and production shortfalls due to the withdrawal of contract producers from the market.

Early in the year the metallurgical coal markets continued their long-term decline with price reductions of $3.85 per ton negotiated between Canadian and Australian producers and Japanese steel mills. During the 1994 second quarter Coal Operations reached agreement with its major Japanese steel customers for new three-year agreements (subject to annual price renegotiations) for metallurgical coal shipments. Such agreements replaced sales contracts which expired on March 31, 1994. Pricing under the new agreements for the coal year beginning April 1, 1994 was impacted by the price reductions accepted by foreign producers, but was largely offset by modifications in coal quality specification which allows the Coal Operation flexibility in sourcing and blending the coals. Sales of metallurgical coal are expected to continue to decrease.

As a result of the continuing long-term decline in the metallurgical coal markets, which was evidenced by the previously discussed severe price reductions, the Coal Operations accelerated its strategy of decreasing its exposure to these markets by reducing its metallurgical coal production and increasing its production and sales of lower cost surface mineable steam coal. After a review of the economic viability of the remaining metallurgical coal assets earlier this year, management determined that four underground mines were no longer economically viable and would be closed resulting in significant economic impairment to three related preparation plants. In addition, it was determined that one surface steam coal mine, the Heartland mine, which provides coal to Alabama Power under a long-term sales agreement, would be closed due to rising costs caused by unfavorable geological conditions.

As a result of these decisions, the Coal Operations incurred pre-tax charges of $90.8 million in the first quarter of 1994 which included a reduction in the carrying value of these assets and related accruals for mine closure costs. These charges included asset writedowns of $46.5 million which reduced the book carrying value of such assets to what management believes to be their net realizable value based on either estimated sales or leasing of such property to unrelated third parties. In addition, the charges included $3.8 million for required lease payments owed to lessors for machinery and equipment that would be idled as a result of the mine and facility closures. The charges also included $19.3 million for mine and plant closure costs which represented estimates for reclamation and other environmental costs to be incurred to bring the properties in compliance with federal and state mining and environmental laws. This accrual is required due to the premature closing of the mines. The accrual also included $21.2 million in contractually or statutorily required employee severance and other benefit costs associated with termination of employees at these facilities and costs associated with inactive employees at these facilities. Such employee benefits include severance payments, medical insurance, workers' compensation and other benefits and have been calculated in accordance with contractually (collective bargaining agreements signed by certain coal subsidiaries included in the Coal Operations) and legally required employee severance and other benefits. In the 1994 third quarter, the Company paid $3.4 million of these liabilities, of which $.9 million was for idled leased equipment; $1.2 million was for facility closure costs and $1.3 million was for terminated employee costs. In the first nine months of 1994, $8.5 million was paid, of which $1.3 million was for leased equipment; $2.9 million was for facility closure costs, and $4.3 million was for terminated employee costs.

Of the four underground mines, one has ceased coal production, one is expected to cease coal production in the 1994 fourth quarter, while the remaining two mines are expected to cease coal production next year. During the second quarter of 1994 the Coal Operations reached agreement with Alabama Power Company to transfer the coal sales contract currently serviced by the Heartland mine to another location in West Virginia. The Heartland mine ceased coal production during the 1994 third quarter and final reclamation and environmental work has begun. As of the beginning of this year, there were approximately 750 employees involved in operations at these facilities and other administrative support. To date, employment at these facilities has been reduced by 47% to approximately 400 employees.

As discussed previously, the effects of this strategy have been to decrease Coal Operations' exposure to the metallurgical coal markets and to increase its production and sales of lower cost surface mineable steam coal. For the third quarter and first nine months of 1994, steam coal sales have risen to approximately 65% of total coal sales up from slightly less than 50% for the comparable periods last year. In addition, production from surface mines has increased to 71% for the first nine months of 1994 as compared to 45% for the same period last year. Management expects this trend to continue due to the previously mentioned three new surface mines, which are expected to produce 3 million tons on an annual basis, that commenced operations in the third quarter of this year. In addition, on a year-to-date basis, metallurgical coal production has decreased to 4.7 million tons versus 6.8 million tons when comparing 1994 to 1993.

Although coal production has or will cease at these mines, the Coal Operations will incur reclamation and environmental costs for several years to bring these properties into compliance with federal and state environmental laws. In addition, employee termination and medical costs will continue to be incurred for several years after the facilities have been closed. The significant portion of these employee liabilities is for statutorily provided workers' compensation costs for inactive employees. Such benefits include indemnity and medical costs as required under state workers' compensation laws. The long maturities are based on continued, and in some cases lifetime, indemnity and medical payments to injured former employees and their surviving spouses. Management believes that the charges incurred in the first quarter of 1994 should be sufficient to provide for these future costs and does not anticipate material additional future charges to operating earnings for these facilities, although continual cash funding will be required over the next several years.

The following table analyzes the changes in liabilities during 1994 for closed facilities and follows with a discussion of their estimated maturities:

	Balance as of 12/31/93 (a)	1994 Additions (b)	1994 Cash Payments (c)	Balance as of 9/30/94
		(In millions)		
Leased machinery and equipment	3.1	3.8	2.6	4.3
Mine and plant closure costs	28.4	19.3	6.1	41.6
Employee termination, medical and severance costs	33.5	21.2	11.0	43.7
Total	65.0	44.3	19.7	89.6

(a) These amounts represent the remaining liabilities for closed facilities recorded in prior years. They relate principally to incremental facility closing costs, including reclamation and employee benefit costs, primarily workers' compensation, which will continue to be paid for several years.

(b) These amounts represent the previously discussed accruals during the first quarter of 1994.

(c) These amounts represent total cash payments made during the first nine months of 1994 for all liabilities related to these facilities. Of the total payments made, $11.2 million was for liabilities recorded in prior years.

During the next twelve months, payment of liabilities related to these closed facilities is expected to be approximately $21 million. The Coal Operations estimate that the remaining liability for leased machinery and equipment will be fully paid over the next two years. The liability for mine and plant closure costs is expected to be satisfied over the next ten years of which approximately 70% is expected to be paid over the first three years. The liability for employee related costs which is primarily workers' compensation is estimated to be 70% settled over the next five years with the balance paid during the following five to ten years.

For the third quarter 1994, Coal Operations' closed facilities (including those facilities for which the decision to close was made earlier this year) increased operating profit by $.6 million, whereas for the first nine months of 1994, these facilities incurred operating losses of $7.7 million. The first nine months of 1994 included losses of $6.7 million incurred in the first quarter of the year for the facilities designated for closure in 1994.

On June 21, 1994 a new collective bargaining agreement between the Coal Operations' union companies and the UMWA was ratified by such companies' union members. The new agreement, replaced the principal labor agreement which expired on June 30, 1994 and will remain in effect until December 31, 1998. This agreement continues the basic principles and provisions established in the predecessor 1990 Agreement with respect to areas of job security, work rules and scheduling. The new agreement provides, among other things, for wage increases of $.40 per hour on December 15 of each of the years 1994 to 1997 and includes improvements in certain employee benefit programs.

Mineral Ventures

Operating profit of Mineral Ventures increased $1.2 million in the 1994 third quarter to an operating profit of $.8 million, from an operating loss of $.4 million in the prior year third quarter. Operating profit in the 1994 third quarter was positively impacted by a significant increase in production at the Stawell gold mine. The Stawell gold mine in western Victoria, Australia, in which Mineral Ventures has a 67% interest, produced 21,700 ounces in the period compared to 16,900 ounces in the third quarter of 1993. The favorable change in operating profit for the 1994 third quarter compared to the same period of 1993 also reflected the fourth quarter 1993 closure of the Uley graphite property in Australia.

In the first nine months of 1994, operating profit of Mineral Ventures increased $1.0 million to $.9 million from a loss of $.1 million in the year earlier nine months. Operating results in the first nine months of 1993 included costs related to the Uley graphite property which was closed in the 1994 fourth quarter. Although gold production at the Stawell gold mine increased for the first nine months of 1994 compared with the same period a year ago, Mineral Ventures operating results for the first nine months of 1994 were impacted by increased exploration costs in Nevada as well as higher operating costs incurred during the 1994 first quarter as a result of an operator accident at Stawell. The Stawell gold mine produced 57,500 ounces in the first nine months of 1994 compared with 56,300 ounces in the comparable period of 1993. Successful exploration efforts indicate an increase of approximately 90,000 ounces of additional proven and probable gold reserves at the Stawell gold mine. At September 30, 1994, remaining proven and probable gold reserves are estimated at 307,300 ounces. Mineral Ventures is continuing gold exploration projects in Nevada and Australia with its joint venture partner.

Foreign Operations

A portion of the Company's financial results is derived from activities in several foreign countries, each with a local currency other than the U.S. dollar. Since the financial results of the Company are reported in U.S. dollars, they are affected by the changes in the value of the various foreign currencies in relation to the U.S. dollar. The Company's international activity is not concentrated in any single currency, which limits the risks of foreign rate fluctuations. In addition, foreign currency 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 exchange forward contracts to hedge the risks associated with certain transactions denominated in currencies other than the functional currency. Realized and unrealized gains and losses on these contracts are deferred and recognized as part of the specific transaction hedged. In addition, cumulative translation adjustments relating to operations in countries with highly inflationary economies are included in net income, along with all transaction gains or losses for the period. Brink's subsidiaries in Brazil and Israel operate in such highly inflationary economies.

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

Other Operating Income

Other operating income was $7.6 million and $18.5 million for the third quarter and first nine months of 1994, respectively, compared to other operating income of $5.0 million and $15.8 million the year earlier third quarter and nine months, respectively. Other operating income principally includes the Company's share of net income of unconsolidated affiliates, which are substantially attributable to equity affiliates of Brink's, and royalty income from coal and natural gas properties. The increase in both the current year quarter and nine month period compared to the same periods last year is largely due to the $2.5 million gain recognized in the 1994 third quarter from the sale of the natural gas pipeline. In addition, in both the quarter and nine month periods of 1994 compared with the same periods a year ago, royalty income from coal and natural gas properties increased, while income from earnings of unconsolidated affiliates decreased.

Corporate Expenses

General corporate expenses decreased $.3 million to $4.0 million for the 1994 third quarter from $4.3 million for the 1993 third quarter. In the first nine months of 1994, general corporate expenses decreased $.4 million to $12.0 million from $12.4 million in the year earlier nine months. Expenses in the third quarter and first nine months of 1993 included costs incurred for the Company's reclassification of its common stock into two classes.

Interest Expense

Interest expense for the third quarter of 1994 increased $.5 million to $2.7 million from $2.2 million the third quarter of 1993. In the first nine months of 1994, interest expense decreased $.1 million to $8.0 million from $8.1 million in the first nine months of 1993. Interest expense for the third quarter and first nine months of 1994 included increases due to higher average borrowings under revolving credit and term loan facilities resulting from the Addington acquisition and higher average interest rates, offset by a decrease resulting from the Company's redemption of its 9.2% Convertible Subordinated Debentures in April 1994. Interest expense in the first nine months of 1993 also included interest assessed on settlement of coal litigation related to the moisture content of tonnage used to compute royalty payments to UMWA pension and benefit funds.

Other Income (Expense), Net

Other net expense for the third quarter of 1994 decreased $.7 million to a net expense of $.7 million from $1.4 million in the third quarter of 1993. In the first nine months of 1994, other net expense increased $2.0 million to a net expense of $4.8 million from $2.8 million in the first nine months of 1993. The first nine months of 1994 included $1.2 million of expenses recognized on the Company's redemption of its 9.2% Convertible Subordinated Debentures.

FINANCIAL CONDITION

Cash Provided by Operations

Cash provided by operating activities during the first nine months of 1994 totaled $99.0 million compared with $59.5 million in the first nine months of 1993. Operations provided more cash in the 1994 period despite the integration of operating activities of Addington which required cash to finance initial working capital needs. Net income, noncash charges and changes in operating assets and liabilities in the first nine months of 1994 were significantly affected by after-tax special and other charges of $58.1 million which used cash of approximately $8.5 million in the first nine months of 1994. In addition, in the first nine months of 1994, $11.2 million was paid for facilities closed in prior periods. Of the total $90.8 million of 1994 pre-tax charges, $46.5 million was for noncash writedowns of assets and the remainder represents liabilities which are expected to be paid over the next several years. As discussed under Coal Operations, funding requirements for closed facilities are expected to be approximately $21 million during the next twelve months.

Capital Expenditures

Cash capital expenditures for the first nine months of 1994 totaled $71.3 million. Of that amount, $17.1 million was spent by Burlington, $11.3 million was spent by Brink's, $25.2 million was spent by BHS, $16.4 million was spent by Coal, $1.1 million was spent by Mineral Ventures and $.2 million was spent by the Corporate office. Expenditures incurred by BHS in the first nine months of 1994 were primarily for customer installations, representing the expansion in the subscriber base. For the full year 1994, capital expenditures are estimated to approximate $105 million. The foregoing amounts exclude equipment expenditures that have been or are expected to be financed through capital and operating leases, and any acquisition expenditures.

Other Investing Activities

All other investing activities in the first nine months of 1994 used net cash of $144.3 million. In January 1994, the Company paid approximately $157 million in cash for the acquisition of substantially all the coal mining operations and coal sales contracts of Addington. The purchase price of the acquisition was financed through the issuance of $80.5 million of a new series of convertible preferred stock, which is convertible into Pittston Minerals Group Common Stock, and additional debt under credit agreements. Other investing activities also includes $8.4 million of cash received in 1994 from the December 1993 sale of the majority of the assets of a captive mine supply company.

Financing

The Company intends to fund its capital expenditure requirements during the remainder of 1994 primarily with anticipated cash flows from operating activities and through operating leases if the latter are financially attractive. Shortfalls, if any, will be financed through the Company's revolving credit agreements or short-term borrowing arrangements. In March 1994, the Company entered into a $350 million revolving credit agreement with a syndicate of banks (the "New Facility"), replacing the Company's previously existing $250 million of revolving credit agreements. The New Facility includes a $100 million five-year term loan, which matures in March 1999. The New Facility also permits additional borrowings, repayments and reborrowings of up to an aggregate of $250 million until March 1999. As of September 30, 1994, borrowings of $100 million were outstanding under the five-year term loan portion of the New Facility and no additional borrowings were outstanding under the remainder of the facility. In February 1994 the Company entered into a standard three year variable to fixed interest rate swap agreement. This agreement fixes the Company's interest rate at 5% on current borrowings of $40 million in principal. The principal amount for which the 5% interest rate is fixed declines periodically throughout the term of the agreement.

Debt

Outstanding debt, including borrowings under revolving credit agreements, aggregated $151.2 million at September 30, 1994, up from $75.8 million at year-end 1993. Cash generated from operating activities and net cash proceeds from the issuance of preferred stock were not sufficient to fund capital expenditures and the Addington acquisition, resulting in additional borrowings under the Company's credit agreements.

On April 15, 1994, the Company redeemed all outstanding 9.2% Convertible Subordinated Debentures due July 1, 2004. The principal amount outstanding was $27.8 million and the premium paid to call the debt totaled $.8 million. The Company used cash provided under its revolving credit agreements to redeem the debentures. The premium paid in addition to other charges related to the redemption are included in the Company's Consolidated Statement of Operations for the nine months ended September 30, 1994.

Capitalization

In January 1994, the Company issued $80.5 million (161,000 shares) of a new series of cumulative preferred stock, convertible into Minerals Stock. The cumulative convertible preferred stock, which is attributable to the Minerals Group, pays an annual cumulative dividend of $31.25 per share payable quarterly, in cash, in arrears, out of all funds of the Company legally available therefor, when, as and if declared by the Board of Directors of the Company, which commenced March 1, 1994, and bears a liquidation preference of $500 per share, plus an amount equal to accrued and unpaid dividends thereon.

In July 1994, the Board of Directors of the Company authorized the repurchase from time to time of up to $15 million of the new series of cumulative convertible preferred stock. As of September 30, 1994, 8,350 shares at a total cost of $3.4 million were repurchased.

As of September 30, 1994, debt as a percent of capitalization (total debt and shareholders' equity) was 27%, compared with 18% at December 31, 1993. The increase since December 1993 is largely due to the additional debt incurred under the New Facility to finance the Addington acquisition. The increase in equity as a result of the issuance of preferred stock was largely offset by the net loss incurred for the nine months ended September 30, 1994.

In 1993, the Board of Directors of the Company authorized the repurchase of up to 1,250,000 shares of Pittston Services Group Common Stock ("Services Stock") and 250,000 shares of Pittston Minerals Group Common Stock ("Minerals Stock"). As of September 30, 1994, a total of 142,500 shares of Services Stock and 38,500 shares of Minerals Stock had been acquired pursuant to the authorization. Of those amounts, 142,500 shares of Services Stock and 19,700 shares of Minerals Stock were repurchased in the first nine months of 1994 at an aggregate cost of $3.8 million.

Dividends

The Board of Directors intends to declare and pay dividends on Services Stock and Minerals Stock based on earnings, financial condition, cash flow and business requirements of the Services Group and the Minerals Group, respectively. Since the Company remains subject to Virginia law limitations on dividends and to dividend restrictions in its public debt and bank credit agreements, losses by one Group could affect the Company's ability to pay dividends in respect of stock relating to the other Group. Dividends on Minerals Stock are also limited by the Available Minerals Dividend Amount as defined in the Company's Articles of Incorporation.

During the first nine months of 1994, the Board of Directors declared and the Company paid cash dividends of 15 cents per share of Services Stock and 48.75 cents per share of Minerals Stock. On an equivalent basis, during the first nine months of 1993 the Company paid dividends of 14.1 cents per share and 45.79 cents per share for Services Stock and Minerals Stock, respectively. Dividends paid on the cumulative convertible preferred stock in the first nine months of 1994 totaled $3.0 million.

PITTSTON SERVICES GROUP
BALANCE SHEETS
(In thousands)

ASSETS	Sep. 30, 1994	Dec. 31, 1993
Current assets:	(Unaudited)	
Cash and cash equivalents	$ 46,183	30,271
Short-term investments, at lower of cost or market	2,037	1,881
Accounts receivable (net of estimated amount uncollectible: 1994 - $14,564; 1993 - $13,745)	254,221	211,565
Receivable - Pittston Minerals Group	10,930	-
Inventories, at lower of cost or market	4,095	3,235
Prepaid expenses	19,606	19,258
Deferred income taxes	25,064	22,919
Total current assets	362,136	289,129
Property, plant and equipment, at cost (net of accumulated depreciation and amortization: 1994 - $227,088; 1993 - $207,086)	210,469	188,076
Intangibles, net of amortization	210,246	213,634
Deferred pension assets	43,322	42,425
Deferred income taxes	1,869	839
Other assets	68,034	72,838

Total assets	$896,076	806,941

LIABILITIES AND SHAREHOLDER'S EQUITY

Current liabilities:		
Short-term borrowings	$ 14,871	9,546
Current maturities of long-term debt	7,668	7,878
Accounts payable	161,510	131,893
Payable - Pittston Minerals Group	-	19,098
Accrued liabilities	138,444	113,293
Total current liabilities	322,493	281,708
Long-term debt, less current maturities	50,882	58,109
Postretirement benefits other than pensions	5,721	4,802
Workers' compensation and other claims	9,015	9,043
Deferred income taxes	37,631	33,727
Payable - Pittston Minerals Group	7,927	14,709
Other liabilities	26,811	26,474
Shareholder's equity	435,596	378,369
Total liabilities and shareholder's equity	$896,076	806,941

See accompanying notes to financial statements.

PITTSTON SERVICES GROUP
STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	1994	1993	1994	1993
Operating revenues	$483,712	400,398	1,352,116	1,144,357
Operating expenses	395,659	327,538	1,111,838	952,434
Selling, general and administrative expenses	50,264	46,503	150,185	138,376
Total costs and expenses	445,923	374,041	1,262,023	1,090,810
Other operating income	1,537	2,545	6,114	8,112
Operating profit	39,326	28,902	96,207	61,659
Interest income	818	470	2,030	1,318
Interest expense	(1,488)	(2,149)	(4,663)	(6,829)
Other income (expense), net	(474)	(1,270)	(4,104)	(2,426)
Income before income taxes	38,182	25,953	89,470	53,722
Provision for income taxes	13,168	10,640	32,657	22,025
Net income	$ 25,014	15,313	56,813	31,697
Per Pittston Services Group common share:				
Net income	$ .66	.41	1.50	.86
Cash dividends	$ .05	.05	.15	.141
Average shares outstanding of Pittston Services Group Common Stock	37,840	36,948	37,757	36,722

See accompanying notes to financial statements.

PITTSTON SERVICES GROUP
STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended September 30	
	1994	1993
Cash flows from operating activities:		
Net income	$ 56,813	31,697
Adjustments to reconcile net income to net cash provided by operating activities:		
Noncash charges and other write-offs	306	11
Depreciation and amortization	40,853	36,725
Provision for deferred income taxes	914	1
Provision (credit) for pensions, noncurrent	42	(477)
Provision for uncollectible accounts receivable	3,018	4,435
Equity in earnings of unconsolidated affiliates, net of dividends received	(45)	(3,284)
Other operating, net	1,831	1,897
Change in operating assets and liabilities:		
Increase in accounts receivable	(45,674)	(14,627)
Increase in inventories	(860)	(483)
Increase in prepaid expenses	(2,338)	(2,966)
Increase (decrease) in accounts payable and accrued liabilities	60,142	(1,732)
Decrease (increase) in other assets	3,776	(5,535)
Decrease in other liabilities	(20)	(1,350)
Other, net	(210)	1,473
Net cash provided by operating activities	118,548	45,785
Cash flows from investing activities:		
Additions to property, plant and equipment	(53,677)	(57,500)
Property, plant and equipment pending lease financing	2,047	(3,963)
Disposal of property, plant and equipment	1,664	1,734
Acquisitions and related contingent payments	(63)	(736)
Other, net	(2,902)	295
Net cash used by investing activities	(52,931)	(60,170)
Cash flows from financing activities:		
Additions to debt	32,761	25,017
Reductions of debt	(36,755)	(11,461)
Payments (to) from - Minerals Group	(42,196)	1,998
Repurchase of common stock	(3,424)	(920)
Proceeds from exercise of stock options	5,248	5,407
Proceeds from the sale of stock to SIP	-	220
Proceeds from sale of stock to Minerals Group	322	128
Dividends paid	(5,659)	(5,177)
Cost of Services Stock Proposal	(2)	(1,109)
Net cash from the Company	-	896
Net cash provided (used) by financing activities	(49,705)	14,999
Net increase in cash and cash equivalents	15,912	614
Cash and cash equivalents at beginning of period	30,271	28,350
Cash and cash equivalents at end of period	$ 46,183	28,964

See accompanying notes to financial statements.

PITTSTON SERVICES GROUP
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(In thousands, except per share amounts)

(1) The approval on July 26, 1993 (the "Effective Date"), by the shareholders of The Pittston Company (the "Company") of the Services Stock Proposal, as described in the Company's proxy statement dated June 24, 1993,

resulted in the reclassification of the Company's common stock. The outstanding shares of Company common stock were redesignated as Pittston Services Group Common Stock ("Services Stock") on a share-for-share basis and a second class of common stock, designated as Pittston Minerals Group Common Stock ("Minerals Stock"), was distributed on the basis of one-fifth of one share of Minerals Stock for each share of the Company's previous common stock held by shareholders of record on July 26, 1993. Minerals Stock and Services Stock provide shareholders with separate securities reflecting the performance of the Pittston Minerals Group (the "Minerals Group") and the Pittston Services Group (the "Services Group") respectively, without diminishing the benefits of remaining a single corporation or precluding future transactions affecting either Group. Accordingly, all stock and per share data prior to the reclassification have been restated to reflect the reclassification. The primary impacts of this restatement are as follows:

* Net income per common share has been included in the Statements of Operations. For the purpose of computing net income per common share of Services Stock, the number of shares of Services Stock prior to the Effective Date are assumed to be the same as the total number of shares of the Company's common stock.

* All financial impacts of purchases and issuances of the Company's common stock have been attributed to each Group in relation of their respective common equity to the Company's common stock. Dividends paid by the Company were attributed to the Services and Minerals Groups in relation to the initial dividends paid on the Services Stock and the Minerals Stock.

The Company, at any time, has the right to exchange each outstanding share of Minerals Stock for shares of Services Stock having a fair market value equal to 115% of the fair market value of one share of Minerals Stock. In addition, upon the sale, transfer, assignment or other disposition, whether by merger, consolidation, sale or contribution of assets or stock or otherwise, of all or substantially all of the properties and assets of the Minerals Group to any person, entity or group (with certain exceptions), the Company is required to exchange each outstanding share of Minerals Stock for shares of Services Stock having a fair market value equal to 115% of the fair market value of one share of Minerals Stock. Shares of Services Stock are not subject to either optional or mandatory exchange.

Holders of Services Stock have one vote per share. Holders of Minerals Stock have one vote per share subject to adjustment on January 1, 1996, and on each January 1 every two years thereafter based upon the relative fair market values of one share of Minerals Stock and one share of Services Stock on each such date. Accordingly, beginning on January 1, 1996, each share of Minerals Stock may have more than, less than or continue to have exactly one vote. Holders of Services Stock and Minerals Stock vote together as a single voting group on all matters as to which all common shareholders are entitled to vote. In addition, as prescribed by Virginia law, certain amendments to the Company's Restated Articles of Incorporation affecting, among other things, the designation, rights, preferences or limitations of one class of common stock, or any merger or statutory share exchange, must be approved by the holders of such class of common stock, voting as a separate voting group, and, in certain circumstances, may also have to be approved by the holders of the other class of common stock, voting as a separate voting group.

In the event of a dissolution, liquidation or winding up of the Company, the holders of Services Stock and Minerals Stock will receive the funds remaining for distribution, if any, to the common shareholders on a per share basis in proportion to the total number of shares of Services Stock and Minerals Stock, respectively, then outstanding to the total number of shares of both classes of common stock then outstanding.

The financial statements of the Services Group include the balance sheets, results of operations and cash flows of the Burlington Air Express Inc. ("Burlington"), Brink's, Incorporated ("Brink's") and Brink's Home Security, Inc. ("BHS") operations of 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 Services Group's financial statements are prepared using the amounts included in the Company's consolidated financial statements. Corporate allocations reflected in these financial statements are determined based upon methods which management believes to be an equitable allocation of such expenses and credits.

The Company provides holders of Services Stock separate financial statements, financial reviews, descriptions of business and other relevant information for the Services Group in addition to consolidated financial information of the Company. Notwithstanding the attribution of assets and liabilities (including contingent liabilities) between the Minerals Group and the Services Group for the purpose of preparing their financial statements, this attribution and the change in the capital structure of the Company as a result of the approval of the Services Stock Proposal did not result in any transfer of assets and liabilities of the Company or any of its subsidiaries. Holders of Services Stock are shareholders of the Company, which continues to be responsible for all its liabilities. Therefore, financial developments affecting the Minerals Group or the Services Group that affect the Company's financial condition could affect the results of operations and financial condition of both Groups. Accordingly, the Company's consolidated financial statements must be read in connection with the Services Group's financial statements.

(2) As of January 1, 1992, BHS elected to capitalize categories of costs not previously capitalized for home security installations. The additional costs not previously capitalized consisted of costs for installation labor and related benefits for supervisory, installation scheduling, equipment testing and other support personnel and costs incurred in maintaining facilities and vehicles dedicated to the installation process. The effect of this change in accounting principle was to increase operating profit for the Services Group and the BHS segment for the first nine months of 1994 and 1993 by $3,114 and $2,526, respectively, and for the third quarter of 1994 and 1993 by $965 and $889, respectively. The effect of this change increased net income per share of the Services Group for the first nine months of 1994 and 1993 by $.05 and $.04, respectively and for the third quarter of 1994 and 1993 by $.02 and $.01, respectively.

(3) The amounts of depreciation and amortization of property, plant and equipment in the 1994 third quarter and nine month periods totaled $11,770 ($10,038 in 1993) and $34,076 ($29,746 in 1993), respectively.

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

	Third Quarter		Nine Months	
	1994	1993	1994	1993
Interest	$1,564	2,276	5,968	6,865
Income taxes	$8,430	2,592	27,317	21,354

In accordance with the tax allocation policy, cash income taxes included amounts paid to the Minerals Group for utilization of tax benefits generated by the Minerals Group totalling $5,689 and $13,489 for the quarter and nine months ended September 30, 1994, respectively. There were no such payments made to the Minerals Group for the quarter ended September 30, 1993, and for the nine months ended September 30, 1993, payments totalled $2,161.

During the nine month periods ended September 30, 1994 and 1993, capital lease obligations of $1,569 and $1,245, respectively, were incurred for leases of property, plant and equipment.

(5) On April 15, 1994, the Company redeemed all of the $27,811 9.2% Convertible Subordinated Debentures due July 1, 2004, at a premium of $767. This debt had been attributed to the Services Group. The premium and other charges related to the redemption have been included in the Services Group Statement of Operations in Other income (expense), net.

(6) In January 1994, 161 shares of convertible preferred stock (convertible into Minerals Stock) were issued to finance a portion of the acquisition of substantially all of the coal mining operations and coal sales contracts of Addington Resources, Inc. While the issuance of the preferred stock had no effect on the capitalization of the Services Group, commencing March 1, 1994, annual cumulative dividends of $31.25 per share of convertible preferred stock are payable quarterly, in cash, in arrears, from the date of original issue out of all funds of the Company legally available therefor, when, as and if declared by the Company's Board. A portion of the acquisition was also financed with additional debt under existing credit facilities. In March 1994, the additional debt incurred for this acquisition was refinanced with a five-year term loan. The acquisition and related financing have been attributed to the Minerals Group. In July 1994, the Company repurchased 8

shares of Convertible Preferred Stock at a total cost of $3,366 under a repurchase program that authorizes repurchases of up to $15,000.

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

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

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

The financial statements of the Pittston Services Group (the "Services Group") include the balance sheets, results of operations and cash flows of Burlington Air Express Inc. ("Burlington"), Brink's, Incorporated ("Brink's") and Brink's Home Security, Inc. ("BHS"), and a portion of The Pittston Company's (the "Company") corporate assets and liabilities and related transactions which are not separately identified with operations of a specific segment. The Services Group's financial statements are prepared using the amounts included in the Company's consolidated financial statements. Corporate allocations reflected in these financial statements are determined based upon methods which management believes to be an equitable allocation of such expenses and credits. The accounting policies applicable to the preparation of the Services Group's financial statements may be modified or rescinded at the sole discretion of the Company's Board of Directors (the "Board") without the approval of the shareholders, although there is no intention to do so.

The Company provides holders of Pittston Services Group Common Stock ("Services Stock") separate financial statements, financial reviews, descriptions of business and other relevant information for the Services Group in addition to consolidated financial information of the Company. Notwithstanding the attribution of assets and liabilities (including contingent liabilities) between the Pittston Minerals Group (the "Minerals Group") and the Services Group for the purpose of preparing their financial statements, this attribution and the change in the capital structure of the Company as a result of the approval of the Services Stock Proposal, as described in the Company's proxy statement dated June 24, 1993, did not result in any transfer of assets and liabilities of the Company or any of its subsidiaries. Holders of Services Stock are shareholders of the Company, which continues to be responsible for all its liabilities. Therefore, financial developments affecting the Minerals Group or the Services Group that affect the Company's financial condition could affect the results of operations and financial condition of both Groups. Accordingly, the Company's consolidated financial statements must be read in connection with the Services Group's financial statements.

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

SEGMENT INFORMATION
(In thousands)

	Three Months Ended September 30		Nine Months Ended September 30	
	1994	1993	1994	1993
Revenues:				
Burlington	$311,925	254,769	875,675	725,970
Brink's	143,879	123,026	395,827	353,418
BHS	27,908	22,603	80,614	64,969
Revenues	$483,712	400,398	1,352,116	1,144,357
Operating profit:				
Burlington	$ 22,248	15,111	52,028	24,563
Brink's	11,132	9,594	27,481	24,680
BHS	8,216	6,662	23,679	19,493

Segment operating profit	41,596	31,367	103,188	68,736
General corporate expense	(2,270)	(2,465)	(6,981)	(7,077)
Operating profit	39,326	28,902	96,207	61,659
Interest income	818	470	2,030	1,318
Interest expense	(1,488)	(2,149)	(4,663)	(6,829)
Other income (expense), net	(474)	(1,270)	(4,104)	(2,426)
Income before income taxes	38,182	25,953	89,470	53,722
Provision for income taxes	13,168	10,640	32,657	22,025
Net income	$ 25,014	15,313	56,813	31,697

RESULTS OF OPERATIONS

Net income totaled $25.0 million or $.66 per share in the third quarter of 1994 compared with $15.3 million or $.41 per share in the third quarter of 1993. Operating profit for the 1994 third quarter increased to $39.3 million from $28.9 million in the prior year quarter. The increase in net income and operating profit for the 1994 third quarter compared with the same period of 1993 was largely attributable to improved earnings for each of the services segments. In addition, net income for the 1994 third quarter was positively affected by lower net interest expense and lower other nonoperating expenses compared with the same period last year. The current year quarter also benefitted from a lower effective tax rate due to increased utilization of tax credits.

Revenues for the 1994 third quarter increased $83.3 million compared with the 1993 third quarter, of which $57.2 million was from Burlington, $20.8 million was from Brink's and $5.3 million was from BHS. Operating expenses and selling general and administrative expenses for the 1994 third quarter increased $71.9 million compared with the same period last year, of which $49.7 million was from Burlington, $18.6 million was from Brink's and $3.8 million was from BHS, partially offset by a $.2 million decrease in general corporate expenses.

Net income totaled $56.8 million or $1.50 per share in the first nine months of 1994 compared with $31.7 million or $.86 per share in the same period of 1993. Operating profit for the first nine months of 1994 increased to $96.2 million from $61.7 million in the prior year nine month period. The increase in net income and operating profit for the first nine months of 1994 compared with the same period of 1993 was largely attributable to improved earnings for each of the services segments. Net income also benefitted from lower net interest expense and a lower effective tax rate due to increased utilization of tax credits, partially offset by higher other nonoperating expenses compared with the same period last year.

Revenues for the first nine months of 1994 increased $207.8 million compared with the first nine months of 1993, of which $149.7 million was from Burlington, $42.4 million was from Brink's and $15.7 million was from BHS. Operating expenses and selling general and administrative expenses for the first nine months of 1994 increased $171.2 million compared with the same period last year, of which $122.4 million was from Burlington, $37.4 million was from Brink's and $11.5 million was from BHS, partially offset by a $.2 million decrease in general corporate expenses.

Burlington Air Express Inc. ("Burlington")

Operating profit in the third quarter of 1994 for Burlington aggregated $22.2 million, a $7.1 million increase compared with $15.1 million recorded in the third quarter of 1993. Worldwide revenues rose 22% to $311.9 million from $254.8 million in the prior year. The $57.1 million increase in revenues resulted primarily from higher volume in both domestic and international markets. Increased revenues from higher volumes were partially offset by lower average yields (revenues per pound). Total weight shipped worldwide increased 23% to 315.7 million pounds from 256.3 million pounds in the same period a year earlier. Global average yield decreased 1% or $.01 to $.99 per pound in the third quarter of 1994 compared with the same period a year earlier, whereas, total cost decreased 2% or $.02 to $.92 per pound for the same period. Operating expenses increased largely from the increased volume of business, while selling, general and administrative expenses decreased slightly compared to the same period last year.

Operating profit in the Americas' region benefitted from strong growth in the North American market for heavy airfreight, increased market share and a shift in mix towards Burlington's premium next-day service. Domestic weight shipped increased 20% over the third quarter of 1993. Domestic pricing remains below last year's level, but has stabilized partly as a result of the price increase program which was instituted in the first quarter of 1994. Export volumes also increased while pricing for U.S. exports continued to be negatively impacted by a highly competitive pricing environment.

During the 1994 third quarter, Burlington implemented a 20% expansion of its North American private fleet capacity, through the addition of five jet cargo aircraft, including three DC8's and two B727's, under relatively short-term leases. This expansion provides additional capacity in existing and new next morning markets. During the quarter, Burlington began next morning service to four new U.S. locations and increased service to fourteen other markets.

Foreign operating results in the current year quarter remained comparable with the prior year quarter with results in the Pacific region decreasing slightly and results in the Atlantic region increasing slightly. Although foreign operations also benefitted from a 28% increase in international weight shipped, the impact of increased volumes was more than offset by lower yields and additional costs incurred in connection with providing complete global logistics services. Decreased yields continue to reflect intense competition with many freight forwarders seeking to maintain market share.

Operating profit in the first nine months of 1994 for Burlington was $52.0 million, a $27.4 million increase over the $24.6 million profit reported in the first nine months of 1993. Worldwide revenues rose 21% to $875.7 million in the current year period from $726.0 million in the first nine months of the prior year. The $149.7 million increase in revenues resulted principally from higher volume in both domestic and international markets. Increased revenues from higher volumes were partially offset by lower average yields. Total weight shipped worldwide increased 23% to 907.0 million pounds in the first nine months of 1994 from 734.5 million pounds in the same period a year earlier. Global average yield decreased 2% or $.02 to $.97 per pound in the first nine months of 1994 compared with the same period a year earlier, whereas, total cost decreased 5% or $.05 to $.91 per pound for the same period. Operating expenses and selling, general and administrative expenses also increased in the first nine months of 1994 compared with the first nine months of 1993 largely resulting from the increased volume of business.

Operating profit in the Americas' region for the nine months of 1994 benefitted from North American volume increases, a significant portion of which was from strong shipping levels. Higher volume, in part, also reflects the impact of the 24 day Teamsters strike which occurred during the second quarter of 1994. Export volumes also increased during the first nine months of 1994, while pricing for U.S. exports has been impacted by competitors' aggressive pricing on new business. Operating profit in the Americas region also benefitted from increased capacity as a result of the fourth quarter 1993 expansion of Burlington's airfreight hub in Toledo, Ohio, which assisted in increasing efficiency as well as the third quarter 1994 fleet expansion which provided additional capacity in existing and new next morning markets. Gains for Americas' operations from increased business volume and efficiencies were partially offset by decreased average yields in the first nine months of 1994. Average yields continue to reflect a highly competitive pricing environment. Although domestic pricing remains slightly below last years level, pricing has stabilized partly as a result of the price increase program which was instituted in the first quarter of 1994.

Foreign operating results in the first nine months of the current year decreased from the 1993 level. The benefit of increased volumes was more than offset by lower yields and additional costs incurred in connection with offering complete global logistics services.

Brink's, Incorporated ("Brink's")
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Brink's operating profit increased $1.5 million to $11.1 million in the third quarter of 1994 from $9.6 million in the third quarter of 1993 with an increase in revenues of $20.9 million, partially offset by increases in operating expenses and selling, general and administrative expenses of $18.6 million and a decrease in other operating income of $.8 million.

Operating results in North America continued at a strong pace in the 1994 third quarter, with revenue increasing $8.5 million or 11% to $85.7 million and operating profit increasing $.5 million to $6.2 million or 10% over the prior year's third quarter. The improvement principally reflected increased earnings from the armored car and coin businesses.

Revenue from international subsidiaries increased $12.3 million or 27% to $58.2 million in the third quarter of 1994, while operating earnings from international subsidiaries and affiliates increased $1.0 million or 25% to $5.0 million compared with the 1993 third quarter. The increase in international operating earnings for the quarter was primarily due to improved results reported by wholly-owned operations in Brazil. Brazil's increased earnings were due in large part to the significant volume of special shipments of the new Brazilian currency introduced on July 1, 1994. The large volume of special shipments will not continue beyond the third quarter. The current year third quarter also benefitted, to a lesser extent, from increased volume due to the growth of money in circulation and price increases obtained earlier in the year to defray the substantially higher security costs made necessary by the dramatic increase in attacks on the armored car industry in Brazil. In the 1994 third quarter operating profit from international subsidiaries and affiliates also included increases for operations in Israel (70% owned), Mexico (20% owned) and Colombia (46.5% owned), partially offset by lower operating results in Holland (65% owned), France (38% owned), Ireland (50% owned) and Chile (53.1% owned). Results for Brink's 20% owned Mexican affiliate reflected the benefits of cost-cutting efforts implemented in late 1993 and early 1994.

Brink's operating profit increased $2.8 million to $27.5 million in the first nine months of 1994 from $24.7 million in the first nine months of 1993 with an increase in revenues of $42.4 million, partially offset by increases in operating expenses and selling, general and administrative expenses of $37.5 million and a decrease in other operating income of $2.1 million.

The increase in revenues and operating profit in the first nine months of 1994 was largely due to North American operations. Revenue from North American operations increased $27.8 million or 13% to $247.5 million and operating profit increased $2.7 million or 21% to $15.6 million. The increase in operating profit was largely attributable to increases from air courier and armored car operations. Operating profit from North American based ATM, coin wrapping and diamond and jewelry operations also increased compared with 1993 results, but were partially offset by decreased results for currency processing operations.

Revenue from international subsidiaries increased $14.6 million or 11% to $148.3 million, while operating earnings from international subsidiaries and affiliates of $11.9 million remained comparable to earnings for the prior year period. Operating profit in the first nine months of 1994 was positively affected by increases for operations in Brazil, Israel and the United Kingdom, partially offset by declines reported in Holland, France, Mexico and Chile. Brazil's earnings were augmented by the large volume of special shipments of the new Brazilian currency as well as increased volume due to the growth of money in circulation during the third quarter of 1994. The nine month results for Brazil also included price increases obtained during the second quarter to defray the substantially higher security costs made necessary by the dramatic increase in attacks on the armored car industry in Brazil. Results for Brink's Mexican affiliate were impacted by the local economic recession, restructuring costs which included employee severance costs, and strengthening competition particularly during the first quarter of the year.

Brink's Home Security, Inc. ("BHS")

BHS operating profit increased $1.5 million to $8.2 million in the third quarter of 1994 from $6.7 million in the prior year quarter. In the first nine months of 1994, operating profit increased $4.2 million to $23.7 million from $19.5 million in the first nine months of 1993. The increase in operating profit for the third quarter and first nine months of 1994 compared to the similar periods in 1993 reflected higher monitoring revenues due to an average subscriber base that was 23% and 22% higher for the quarter and year to date 1994, respectively, compared to similar periods in 1993, slightly offset by higher account servicing and administrative costs. Net new subscribers totaled 13,500 and 43,600 in the third quarter and first nine months of 1994, respectively, compared with 10,900 and 30,500 in the third quarter and first nine months of 1993, respectively. Subscribers at September 30, 1994 totaled 303,200.

Foreign Operations

A portion of the Services Group's financial results is derived from activities in several foreign countries, each with a local currency other than the U.S. dollar. Since the financial results of the Services 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 Services Group's international activity is not concentrated in any single currency, which limits the risks of foreign rate fluctuations. In addition, foreign currency rate fluctuations may adversely affect transactions which are denominated in currencies other than the functional currency. The Services 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 Services Group, uses foreign exchange forward contracts to hedge the risks associated with certain transactions denominated in currencies other than the functional currency. Realized and unrealized gains and losses on these contracts are deferred and recognized as part of the specific transaction hedged. In addition, cumulative translation adjustments relating to operations in countries with highly inflationary economies are included in net income, along with all transaction gains or losses for the period. Brink's subsidiaries in Brazil and Israel operate in such highly inflationary economies.

Additionally, the Services Group is subject to other risks customarily associated with doing business in foreign countries, including economic conditions, controls on repatriation of earnings and capital, nationalization, expropriation and other forms of restrictive action by local governments. The future effects, if any, of such risks on the Services 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 Services Group based on utilization and other methods and criteria which management believes to be equitable and a reasonable estimate of such expenses as if the Services Group operated on a stand alone basis. These allocations were $2.3 million and $2.5 million for the third quarter of 1994 and 1993, respectively, and $7.0 million and $7.1 million for the first nine months of 1994 and 1993, respectively. General corporate expenses in the 1993 third quarter and nine month periods included costs incurred for the Company's reclassification of its common stock into two classes.

Other Operating Income

Other operating income decreased $1.0 million to $1.5 million in the 1994 third quarter from $2.5 million in the 1993 third quarter and decreased $2.0 million to $6.1 million in the first nine months of 1994 from $8.1 million in the first nine months of 1993. Other operating income consists primarily of equity earnings of foreign affiliates. These earnings, which are primarily attributable to equity affiliates of Brink's, amounted to $.8 million and $1.6 million for the third quarter of 1994 and 1993, respectively, and $4.2 million and $6.3 million for the first nine months of 1994 and 1993, respectively.

Interest Expense

Interest expense for the third quarter of 1994 decreased $.7 million to $1.5 million from $2.2 million in the third quarter of 1993 and decreased $2.1 million to $4.7 million in the first nine months of 1994 from $6.8 million in the first nine months of 1993. The decreases were primarily due to significantly lower average borrowings, a portion of which resulted from the redemption in April 1994 of the Company's 9.2% Convertible Subordinated Debentures.

Other Income (Expense), Net

Other net expense for the third quarter of 1994 decreased $.8 million to a net expense of $.5 million from $1.3 million in the third quarter of 1993 and for the first nine months of 1994 increased $1.7 million to a net expense of $4.1 million from $2.4 million in the first nine months of 1993. Other operating expense in the first nine months of 1994 included expenses of $1.2 million recognized in the 1994 first quarter on the Company's redemption of its 9.2% Convertible Subordinated Debentures.

FINANCIAL CONDITION

A portion of the Company's corporate assets and liabilities has been attributed to the Services Group based upon utilization of the shared services from which assets and liabilities are generated, which management believes to be equitable and a reasonable estimate of the asset and liabilities which would be generated if the Services Group operated on a stand alone basis.

Cash Provided by Operations

Cash provided by operating activities for the first nine months of 1994 totaled $118.5 million compared with $45.8 million in the first nine months of 1993. The increase in 1994 compared with 1993 was due to the increase in net income for the current year period and a significant increase in net cash provided by operating assets and liabilities. In accordance with the tax allocation policy, cash provided by operations in the first nine months of 1994 was net of $13.5 million of cash tax payments made by the Services Group to the Minerals Group for utilization of tax benefits generated by the Minerals Group.

Capital Expenditures

Cash capital expenditures for the first nine months of 1994 totaled $53.7 million, excluding equipment expenditures that have been or are expected to be financed through capital and operating leases, and any acquisition expenditures. Of the $53.7 million of cash capital expenditures for the first nine months of 1994, $17.1 million was made by Burlington, $11.3 million was made by Brink's, $25.2 million was made by BHS and $.1 million was attributed to the Services Group for corporate expenditures. Expenditures incurred by BHS in the first nine months of 1994 were primarily for customer installations, representing the expansion in the subscriber base. For the full year 1994, capital expenditures excluding expenditures that have been or are expected to be financed through capital and operating leases and acquisition expenditures, are estimated to approximate $75 million.

Financing

The Services Group intends to fund its capital expenditure requirements during the remainder of 1994 primarily with anticipated cash flows from operating activities and through operating and capital leases if the latter are financially attractive. Shortfalls, if any, will be financed through the Company's revolving credit agreements or short-term borrowing arrangements or borrowings from the Minerals Group. In March 1994, the Company entered into a $350 million revolving credit agreement with a syndicate of banks (the "New Facility"), replacing the Company's previously existing $250 million of revolving credit agreements. The New Facility includes a $100 million five-year term loan, which matures in March 1999. The New Facility also permits additional borrowings, repayments and reborrowings of up to an aggregate of $250 million until March 1999. As of September 30, 1994, borrowings of $100 million were outstanding under the five-year term loan portion of the New Facility with no additional borrowings outstanding under the remainder of the facility. Of the total amount outstanding under the New Facility $23.4 million was attributed to the Services Group.

Debt

Cash used for external debt repayments and net lending to the Minerals Group, net of borrowings totaled $46.2 million. The amount of the $100 million term loan attributed to the Services Group was $23.4 million at September 30, 1994. Net payments to the Minerals Group of $42.2 million represent repayment of the December 31, 1993 balance of $13.3 million and additional lending of $28.9 million to the Minerals Group.

On April 15, 1994, the Company redeemed all outstanding 9.2% Convertible Subordinated Debentures due July 1, 2004. Such debt had been attributed to the Services Group. The principal amount outstanding was $27.8 million and the premium paid to call the debt totaled $.8 million. The Company used cash provided under its revolving credit agreements to redeem the debentures. The premium paid in addition to other charges related to the redemption are included in the Statement of Operations for the nine months ended September 30, 1994.

Capitalization

Since the approval of the Services Stock Proposal, capitalization of the Services Group has been affected by all share activity related to Services Stock.

In 1993, the Board of Directors authorized a new share repurchase program under which up to 1,250,000 shares of Services Stock and 250,000 shares of Minerals Stock may be repurchased. As of September 30, 1994, a total of 142,500 shares of Services Stock had been acquired pursuant to the authorization, all of which was acquired in 1994 at an aggregate cost of $3.4 million.

Dividends

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

As a result of the Company's issuance in January 1994 of 161,000 shares of a new series of preferred stock, convertible into Minerals Stock, the Company pays an annual cumulative dividend of $31.25 per share payable quarterly, in cash, in arrears, out of all funds of the Company legally available therefor, when, and if declared by the Board of Directors of the Company which commenced March 1, 1994. Such stock, which is attributable to the Minerals Group, also bears a liquidation preference of $500 per share, plus an amount equal to accrued and unpaid dividends thereon.

During the first nine months of 1994, the Board of Directors declared and the Company paid cash dividends of 15 cents per share of Services Stock. On an equivalent basis, during the first nine months of 1993 the Company paid dividends of 14.1 cents per share of Services Stock.

Pittston Minerals Group
BALANCE SHEETS
(In thousands)

ASSETS	Sep. 30, 1994	Dec. 31, 1993
Current assets:	(Unaudited)	
Cash and cash equivalents	$ 6,072	2,141
Short-term investments, at lower of cost or market	22,517	21,065
Accounts receivable (net of estimated amount uncollectible: 1994 - $2,399; 1993 - $2,295)	98,889	84,978
Receivable - Pittston Services Group	-	19,098
Inventories, at lower of cost or market:		
Coal	25,984	18,649
Other	4,851	2,271
	30,835	20,920
Prepaid expenses	9,373	8,235
Deferred income taxes	28,573	30,723
Total current assets	196,259	187,160
Property, plant and equipment, at cost (net of accumulated depreciation, depletion and amortization: 1994 - $151,581; 1993 - $205,447)	220,318	181,745
Deferred pension assets	75,512	74,641
Deferred income taxes	112,829	76,887
Coal supply contracts	92,627	35,462
Intangibles, net	84,371	1,408
Receivable - Pittston Services Group	7,927	14,709
Other assets	38,418	34,235
Total assets	$828,261	606,247

LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Current maturities of long-term debt	$ 359	30
Accounts payable	73,174	50,383
Payable - Pittston Services Group	10,930	-
Accrued liabilities	153,104	124,421
Total current liabilities	237,567	174,834
Long-term debt, less current maturities	77,432	279
Postretirement benefits other than pensions	214,319	207,416
Workers' compensation and other claims	130,391	118,502
Deferred income taxes	5,397	-
Other liabilities	179,438	130,073
Shareholder's equity	(16,283)	(24,857)
Total liabilities and shareholder's equity	$828,261	606,247

See accompanying notes to financial statements.

PITTSTON MINERALS GROUP
STATEMENT OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	1994	1993	1994	1993
Net sales	$210,142	169,040	589,033	511,488
Cost of sales	199,372	158,975	578,197	481,473
Restructuring and other charges	-	-	90,806	-
Selling, general and administrative expenses	9,309	8,814	27,544	25,899
Total costs and expenses	208,681	167,789	696,547	507,372
Other operating income	6,093	2,476	12,351	7,734
Operating profit (loss)	7,554	3,727	(95,163)	11,850
Interest income	38	121	138	555
Interest expense	(1,683)	(84)	(3,821)	(1,305)
Other income (expense), net	(220)	(145)	(657)	(412)
Income (loss) before income taxes	5,689	3,619	(99,503)	10,688
Provision (credit) for income taxes	(507)	(2,313)	(38,370)	(1,156)
Net income (loss)	6,196	5,932	(61,133)	11,844
Preferred stock dividends	(541)	-	(2,804)	-
Net income (loss) attributed to common shares	$ 5,655	5,932	(63,937)	11,844
Per Pittston Minerals Group common share:				
Net income (loss):				
Primary	$ .74	.80	(8.44)	1.61
Fully diluted	$ .61	.79	(8.44)	1.60
Cash dividends	$ .1625	.1625	.4875	.4579
Average shares outstanding of Pittston Minerals Group Common Stock:				
Primary	7,605	7,386	7,578	7,343
Fully diluted	10,080	7,544	7,578	7,424

See accompanying notes to financial statements.

PITTSTON MINERALS GROUP
STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended September 30	
	1994	1993
Cash flows from operating activities:		
Net income (loss)	$ (61,133)	11,844
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Noncash charges and other write-offs	46,487	-
Depreciation, depletion and amortization	31,135	20,661
Provision (credit) for deferred income taxes	(19,495)	2,834
Credit for pensions, noncurrent	(871)	(1,921)
Provision for uncollectible accounts receivable	132	518
Equity in earnings of unconsolidated affiliates, net of dividends received	(130)	(497)
Other operating, net	(2,993)	(661)
Change in operating assets and liabilities net of effects of acquisitions and dispositions:		
Increase in accounts receivable	(14,869)	(18,252)
Decrease (increase) in inventories	(4,101)	1,084
Increase in prepaid expenses	(1,459)	(2,001)
Increase (decrease) in accounts payable and accrued liabilities	(1,243)	14,688
Decrease (increase) in other assets	1,327	(1,284)
Increase (decrease) in other liabilities	59	(2,882)
Increase (decrease) in workers' compensation and other claims, noncurrent	7,255	(10,156)
Other, net	(203)	(410)
Net cash provided (used) by operating activities	(20,102)	13,565
Cash flows from investing activities:		
Additions to property, plant and equipment	(17,614)	(16,695)
Property, plant and equipment pending lease financing	(225)	(3,449)
Disposal of property, plant and equipment	4,185	1,876
Acquisitions and related contingent payments	(157,231)	(19)
Other, net	8,206	9,935
Net cash used by investing activities	(162,679)	(8,352)
Cash flows from financing activities:		
Additions to debt	76,566	-
Reductions of debt	(382)	-
Payments (to) from - Services Group	42,196	(1,998)
Repurchase of stock	(3,767)	(185)
Proceeds from exercise of stock options	1,211	1,058
Proceeds from the sale of stock to SIP	-	44
Proceeds from sale of stock to Services Group	253	48
Proceeds from the issuance of preferred stock, net of cash expenses	77,359	-
Cost of Services Stock Proposal	(2)	(1,145)
Dividends paid	(6,722)	(3,361)
Net cash to the Company	-	(896)
Net cash provided (used) by financing activities	186,712	(6,435)
Net increase (decrease) in cash and cash equivalents	3,931	(1,222)
Cash and cash equivalents at beginning of period	2,141	1,990
Cash and cash equivalents at end of period	$ 6,072	768

See accompanying notes to financial statements.

PIITSTON MINERALS GROUP
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(In thousands, except per share amounts)

(1) The approval on July 26, 1993 (the "Effective Date"), by the shareholders of The Pittston Company (the "Company") of the Services Stock Proposal, as described in the Company's proxy statement dated June 24, 1993, resulted in the reclassification of the Company's common stock. The outstanding shares of Company common stock were redesignated as Pittston Services Group Common Stock ("Services Stock") on a share-for-share basis and a second class of common stock, designated as Pittston Minerals Group Common Stock ("Minerals Stock"), was distributed on the basis of one-fifth of one share of Minerals Stock for each share of the Company's previous common stock held by shareholders of record on July 26, 1993. Minerals Stock and Services Stock provide shareholders with separate securities reflecting the performance of the Pittston Minerals Group (the "Minerals Group") and the Pittston Services Group (the "Services Group") respectively, without diminishing the benefits of remaining a single corporation or precluding future transactions affecting either group. Accordingly, all stock and per share data prior to the reclassification have been restated to reflect the reclassification. The primary impacts of this restatement are as follows:

* Net income per common share has been included in the Statements of Operations. For the purpose of computing net income per common share of Minerals Stock, the number of shares of Minerals Stock are assumed to be one-fifth of the total number of shares of the Company's common stock.

* All financial impacts of purchases and issuances of the Company's common stock prior to the Effective Date have been attributed to each Group in relation of their respective common equity to the Company's common stock. Dividends paid by the Company were attributed to the Services and Minerals Groups in relation to the initial dividends paid on the Services Stock and the Minerals Stock.

The Company, at any time, has the right to exchange each outstanding share of Minerals Stock for shares of Services Stock having a fair market value equal to 115% of the fair market value of one share of Minerals Stock. In addition, upon the sale, transfer, assignment or other disposition, whether by merger, consolidation, sale or contribution of assets or stock or otherwise, of all or substantially all of the properties and assets of the Minerals Group to any person, entity or group (with certain exceptions), the Company is required to exchange each outstanding share of Minerals Stock for shares of Services Stock having a fair market value equal to 115% of the fair market value of one share of Minerals Stock. Shares of Services Stock are not subject to either optional or mandatory exchange.

Holders of Services Stock have one vote per share. Holders of Minerals Stock have one vote per share subject to adjustment on January 1, 1996, and on each January 1 every two years thereafter based upon the relative fair market values of one share of Minerals Stock and one share of Services Stock on each such date. Accordingly, beginning on January 1, 1996, each share of Minerals Stock may have more than, less than or continue to have exactly one vote. Holders of Services Stock and Minerals Stock vote together as a single voting group on all matters as to which all common shareholders are entitled to vote. In addition, as prescribed by Virginia law, certain amendments to the Company's Restated Articles of Incorporation affecting, among other things, the designation, rights, preferences or limitations of one class of common stock, or any merger or statutory share exchange, must be approved by the holders of such class of common stock, voting as a separate voting group, and, in certain circumstances, may also have to be approved by the holders of the other class of common stock, voting as a separate voting group.

In the event of a dissolution, liquidation or winding up of the Company, the holders of Services Stock and Minerals Stock will receive the funds remaining for distribution, if any, to the common shareholders on a per share basis in proportion to the total number of shares of Services Stock and Minerals Stock, respectively, then outstanding to the total number of shares of both classes of common stock then outstanding.

The financial statements of the Minerals Group include the balance sheets, results of operations and cash flows of the Coal and Mineral Ventures operations of 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 allocations reflected in these financial statements are determined based upon methods which management believes to be an equitable allocation of such expenses and credits.

The Company provides holders of 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. Notwithstanding the attribution of assets and liabilities (including contingent liabilities) between the Minerals Group and the Services Group for the purpose of preparing their financial statements, this attribution and the change in the capital structure of the Company as a result of the approval of the Services Stock Proposal did not result in any transfer of assets and liabilities of the Company or any of its subsidiaries. Holders of Minerals Stock are shareholders of the Company, which continues to be responsible for all its liabilities. Therefore, financial developments affecting the Minerals Group or the Services Group that affect the Company's financial condition could affect the results of operations and financial condition of both Groups. Accordingly, the Company's consolidated financial statements must be read in connection with the Minerals Group's financial statements.

(2) Minerals stock's fully diluted earnings per share computation for the nine months ended September 30, 1994, is the same as primary earnings per share because it is antidilutive, decreasing the loss per share.

(3) The amounts of depreciation, depletion and amortization of property, plant and equipment in the 1994 third quarter and nine month periods totaled $5,890 ($6,430 in 1993) and $18,202 ($17,414 in 1993), respectively.

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

	Third Quarter		Nine Months	
	1994	1993	1994	1993
Interest	$ 1,828	754	3,344	2,100
Income taxes	$(5,497)	1,526	(12,870)	(123)

In accordance with the tax allocation policy, cash income taxes paid was net of amounts received from the Services Group for utilization of tax benefits generated by the Minerals Group totalling $5,689 and $13,489 for the quarter and nine months ended September 30, 1994, respectively. There were no such receipts from the Services Group for the quarter ended September 30, 1993, and for the nine months ended September 30, 1993, receipts totalled $2,161.

During the nine months ended September 30, 1994, the Minerals Group acquired one business for an aggregate purchase price of $157,231. See Note 5.

During the nine months ended September 30, 1994, capital lease obligations of $746 were incurred for leases of property, plant and equipment.

In December 1993, the Minerals Group sold the majority of the assets of its captive mine supply company. Cash proceeds of $8,400 from the sale was received on January 2, 1994, and has been included in "Cash flow from investing activities: Other, net".

During the nine month period ended September 30, 1993, the Minerals Group sold a coal preparation plant and related interest in land, equipment and facilities for mineral reserves with a fair market value of $13,300 and cash of $10,700. The cash proceeds of $10,700 less $1,001 in expenses related to the transaction have been included in "Cash flow from investing activities: Other, net".

(5) On January 14, 1994, a wholly owned indirect subsidiary of the Minerals Group completed the acquisition of substantially all of the coal mining operations and coal sales contracts of Addington Resources, Inc. for $157,231. The acquisition has been accounted for as a purchase; accordingly, the purchase price has been allocated to the underlying assets and liabilities based on their respective estimated fair values at the date of acquisition. Based on preliminary estimates, subject to finalization

by year-end, the fair value of assets acquired was $180,017 and liabilities assumed was $107,174. The excess of the purchase price over the fair value of the assets acquired and liabilities assumed was $84,388 and is being amortized over a period of 40 years. The results of operations of the acquired company have been included in the Minerals Group's results of operations since the date of acquisition.

The acquisition was financed by the issuance of $80,500 of a new series of the Company's preferred stock, convertible into Minerals Stock, and additional debt under existing credit facilities. This financing has been attributed to the Minerals Group. In March 1994, the additional debt incurred for this acquisition was refinanced with a five-year term loan.

The following pro forma results, however, assume that the acquisition and related financing had occurred at the beginning of the periods presented. The unaudited pro forma data below are not necessarily indicative of results that would have occurred if the transaction were in effect for the nine month periods ended September 30, 1994 and 1993 and the quarter ended September 30, 1993, nor are they indicative of the future results of operations of the Minerals Group.

	Pro Forma (Unaudited)		
	Three Months Ended September 30,	Nine Months Ended September 30,	
	1993	1994	1993
Net sales and operating revenues	$243,382	598,959	706,364
Net income (loss)	14,956	(60,709)	26,310
Pittston Minerals Group:			
Net income (loss) attributed to common shares:	$ 13,699	(63,765)	22,537
Net income (loss) per common share:			
Primary	$ 1.85	(8.41)	3.07
Fully diluted	$ 1.49	(8.41)	2.65
Average common shares outstanding:			
Primary	7,386	7,578	7,343
Fully diluted	10,046	7,578	9,926

(6) The Company has authority to issue up to 2,000 shares of preferred stock, par value $10 per share. In January 1994, the Company issued 161 shares of its $31.25 Series C Cumulative Convertible Preferred Stock, par value $10 per share (the "Convertible Preferred Stock"). The Convertible Preferred Stock pays an annual cumulative dividend of $31.25 per share payable quarterly, in cash, in arrears, out of all funds of the Company legally available therefor, when, as and if declared by the Board of Directors of the Company, and bears a liquidation preference of $500 per share, plus an amount equal to accrued and unpaid dividends thereon. Each share of the Convertible Preferred Stock is convertible at the option of the holder at any time after March 11, 1994, unless previously redeemed or, under certain circumstances, called for redemption, into shares of Minerals Stock at a conversion price of $32.175 per share of Minerals Stock, subject to adjustment in certain circumstances. Except under certain circumstances, the Convertible Preferred Stock is not redeemable prior to February 1, 1997. On and after such date, the Company may at its option, redeem the Convertible Preferred Stock, in whole or in part, for cash initially at a price of $521.875 per share, and thereafter at prices declining ratably annually on each February 1 to an amount equal to $500 per share on and after February 1, 2004, plus in each case an amount equal to accrued and unpaid dividends on the date of redemption. Except under certain circumstances or as prescribed by Virginia law, shares of the Convertible Preferred Stock are nonvoting. Other than the Convertible Preferred Stock no shares of preferred stock are presently issued or outstanding. In July 1994, the Company repurchased 8 shares of Convertible Preferred Stock at a

total cost of $3,366 under a repurchase program that authorizes repurchases of up to $15,000. The excess of the carrying value of the Convertible Preferred Stock over the purchase price was $632 and reduced the amount of preferred dividends deducted from net income to arrive at net income available to common shareholders.

(7) As a result of the continuing long-term decline in the metallurgical coal markets, which was evidenced by severe price reductions, the Minerals Group accelerated its strategy of decreasing its exposure to these markets by reducing its metallurgical coal production and increasing its production and sales of lower cost surface mineable steam coal. After a review of the economic viability of the remaining metallurgical coal assets, management determined that four underground mines were no longer economically viable and would be closed resulting in significant economic impairment to three related preparation plants. In addition, it was determined that one surface steam coal mine, the Heartland mine, which provides coal to Alabama Power under a long-term sales agreement, would be closed due to rising costs caused by unfavorable geological conditions.

As a result of these decisions, the Minerals Group incurred pre-tax charges of $90.8 million in the first quarter of 1994 which included a reduction in the carrying value of these assets and related accruals for mine closure costs. These charges included asset writedowns of $46.5 million which reduced the book carrying value of such assets to what management believes to be their net realizable value based on either estimated sales or leasing of such property to unrelated third parties. In addition, the charges included $3.8 million for required lease payments owed to lessors for machinery and equipment that would be idled as a result of the mine and facility closures. The charges also included $19.3 million for mine and plant closure costs which represented estimates for reclamation and other environmental costs to be incurred to bring the properties in compliance with federal and state mining and environmental laws. This accrual is required due to the premature closing of the mines. The accrual also included $21.2 million in contractually or statutorily required employee severance and other benefit costs associated with termination of employees at these facilities and costs associated with inactive employees at these facilities. Such employee benefits include severance payments, medical insurance, workers' compensation and other benefits and have been calculated in accordance with contractually (collective bargaining agreements signed by certain coal subsidiaries included in the Minerals Group) and legally required employee severance and other benefits. In the 1994 third quarter, the Minerals Group paid $3.4 million of these liabilities, of which $.9 million was for idled leased equipment; $1.2 million was for facility closure costs and $1.3 million was for terminated employee costs. In the first nine months of 1994, $8.5 million was paid, of which $1.3 million was for leased equipment; $2.9 million was for facility closure costs, and $4.3 million was for terminated employee costs.

Of the four underground mines, one has ceased coal production, one is expected to cease coal production in the 1994 fourth quarter, while the remaining two mines are expected to cease coal production next year. During the second quarter of 1994 the Minerals Group reached agreement with Alabama Power Company to transfer the coal sales contract currently serviced by the Heartland mine to another location in West Virginia. The Heartland mine ceased coal production during the 1994 third quarter and final reclamation and environmental work has begun. As of the beginning of this year, there were approximately 750 employees involved in operations at these facilities and other administrative support. To date, employment at these facilities has been reduced by 47% to approximately 400 employees.

Although coal production has or will cease at these mines, the Minerals Group will incur reclamation and environmental costs for several years to bring these properties into compliance with federal and state environmental laws. In addition, employee termination and medical costs will continue to be incurred for several years after the facilities have been closed. The significant portion of these employee liabilities is for statutorily provided workers' compensation costs for inactive employees. Such benefits include indemnity and medical costs as required under state workers' compensation laws. The long maturities are based on continued, and in some cases lifetime, indemnity and medical payments to injured former employees and their surviving spouses. Management believes that the charges incurred in the first quarter of 1994 should be sufficient to provide for these future costs and does not anticipate material additional future charges to operating earnings for these facilities, although continual cash funding will be required over the next several years.

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

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

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

The financial statements of the Pittston Minerals Group (the "Minerals Group") include the balance sheets, results of operations and cash flows of the Coal and 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 allocations reflected in these financial statements are determined based upon methods which management believes to be an equitable allocation of such expenses and credits. The accounting policies applicable to the preparation of the Minerals Group's financial statements may be modified or rescinded at the sole discretion of the Company's Board of Directors (the "Board") without the approval of the shareholders, although there is no intention to do so.

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. Notwithstanding the attribution of assets and liabilities (including contingent liabilities) between the Minerals Group and the Pittston Services Group (the "Services Group") for the purpose of preparing their financial statements, this attribution and the change in the capital structure of the Company as a result of the approval of the Services Stock Proposal, as described in the Company's proxy statement dated June 24, 1993, did not result in any transfer of assets and liabilities of the Company or any of its subsidiaries. Holders of Minerals Stock are shareholders of the Company, which continues to be responsible for all its liabilities. Therefore, financial developments affecting the Minerals Group or the Services Group that affect the Company's financial condition could affect the results of operations and financial condition of both 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 should be read in conjunction with the financial statements and related notes of the Company.

SEGMENT INFORMATION
(In thousands)

	Three Months Ended September 30		Nine Months Ended September 30	
	1994	1993	1994	1993
Net sales:				
Coal	$205,831	165,790	577,627	500,106
Mineral Ventures	4,311	3,250	11,406	11,382
Net sales	$210,142	169,040	589,033	511,488
Operating profit (loss):				
Coal	$ 8,488	6,017	(90,956)	17,306
Mineral Ventures	786	(461)	854	(148)
Segment operating profit (loss)	9,274	5,556	(90,102)	17,158
General corporate expense	(1,720)	(1,829)	(5,061)	(5,308)
Operating profit (loss)	7,554	3,727	(95,163)	11,850
Interest income	38	121	138	555
Interest expense	(1,683)	(84)	(3,821)	(1,305)
Other income (expense), net	(220)	(145)	(657)	(412)

Income (loss) before income taxes	5,689	3,619	(99,503)	10,688
Provision (credit) for income taxes	(507)	(2,313)	(38,370)	(1,156)
Net income (loss)	$ 6,196	5,932	(61,133)	11,844

RESULTS OF OPERATIONS

In the third quarter of 1994, the Minerals Group reported net income of $6.2 million or $.74 per share ($.61 per share on a fully diluted basis) compared with net income of $5.9 million or $.80 per share ($.79 per share on a fully diluted basis) in the third quarter of 1993. Operating profit for the 1994 third quarter totaled $7.6 million, or $3.9 million greater than the $3.7 million operating profit reported in the same period of last year. Operating profit increased for both the Coal and Mineral Ventures segment with only a slight decrease in general corporate operating expenses. Net income for the 1994 third quarter was negatively impacted by increased net interest expense compared with the same period of last year.

For the first nine months of 1994, the Minerals Group reported a net loss of $61.1 million or $8.44 per share and an operating loss of $95.2 million compared with net income of $11.8 million or $1.61 per share and operating profit of $11.9 million for the first nine months of 1993. The decrease in both net income and operating profit for the current nine month period compared with the same period of last year was attributable to the Coal segment whose results included charges for asset writedowns, accruals for costs related to facilities which are being closed and operating losses incurred related to these facilities, which in the aggregate reduced operating profit and net income by $90.8 million and $58.1 million, respectively. Mineral Ventures operations reported an increase in operating profit in the first nine months of 1994 and general corporate expenses decreased $.2 million for the same period compared to the prior year period. The first nine months of 1993 was adversely affected by a one-time coal litigation charge and corporate charges related to the Company's then proposed reclassification of its common stock into two classes. Net income for the first nine months of 1994 was also affected by greater net interest expense compared to the same period of last year.

Coal

Coal Operations earned an operating profit of $8.5 million in the third quarter of 1994, a $2.5 million increase over the $6.0 million recorded in the year earlier quarter. The third quarter of 1994 included the operating results from substantially all the coal mining operations and coal sales contracts of Addington Resources, Inc. ("Addington"), which were acquired by the Minerals Group on January 14, 1994. Operating profit in the current year quarter benefitted from a $2.5 million gain on the sale of a natural gas pipeline to a production company.

Sales volume of 7.5 million tons for the third quarter of 1994 was 37% or 2.0 million tons higher than sales volume in the third quarter of 1993. Virtually all of the increased sales were attributable to steam coal with sales of 4.9 million tons (65% of total sales), up from 2.7 million tons (49% of total sales) in the third quarter of 1993, while metallurgical coal sales decreased 7% from 2.8 million tons in the third quarter of 1993 to 2.6 million tons for the third quarter of this year. Coal produced and purchased totaled 7.3 million tons in the 1994 third quarter, a 31% or 1.7 million ton increase over the same period of 1993. The increase in coal sales and coal produced/purchased in the third quarter of 1994 as compared with the third quarter of 1993 is largely attributable to the Addington operations.

In the 1994 third quarter, 29% of total production was derived from deep mines and 71% was derived from surface mines compared with 49% and 51% of deep and surface mine production, respectively, in the 1993 third quarter. During the 1994 third quarter operations commenced at three new surface operations in West Virginia, which are expected to produce low sulphur steam coal at a rate of three million tons per annum.

Average coal margin (realization less current production costs of coal sold), which was $2.09 per ton for the 1994 third quarter, decreased $.96 per ton from the prior year third quarter with a 7% or $2.15 per ton decrease in average realization partially offset by a 5% or $1.19 per ton decrease in average current production costs of coal sold. The higher percentage of steam coal sales and declines in export metallurgical coal prices contributed to the decline in average realization. The decrease in average cost is largely due to the shift to lower cost surface production.

Although average realization per ton in the 1994 third quarter was essentially the same as the 1994 second quarter, average coal margin decreased $.53 per ton on a quarter-to-quarter comparison due to higher average per ton costs. In the 1994 third quarter, operating costs were adversely impacted by, among other things, surface mine performance in Virginia due to the relocation of equipment to a lower cost and more productive mine, the delay in obtaining a mine permit and poor mining conditions at one mine as well as the continuing integration of the Addington operations. Management is reviewing its options of sources used to fulfill its coal sales agreements in order to prevent any further declines in margins.

Coal Operations had an operating loss totaling $91.0 million in the first nine months of 1994 compared with an operating profit of $17.3 million in the year earlier nine month period. The Coal operating loss in the first nine months of 1994 included $90.8 million of charges for asset writedowns and accruals for costs related to facilities which are being closed (further discussed below). In addition, the decrease compared with prior year's nine months operating results reflected the adverse impact of the severe winter weather in the 1994 first quarter which particularly hampered surface mine production and river transportation. Operating profit in the first nine months of 1993 was negatively impacted by a $1.8 million charge to settle litigation related to the moisture content of tonnage used to compute royalty payments to the UMWA pension and benefit funds during the period ending February 1, 1988.

Sales volume of 20.7 million tons for the first nine months of 1994 was 27% or 4.4 million tons higher than sales volume in the first nine months of 1993. The increased sales were attributable to steam coal with sales of 13.3 million tons (64% of total sales), up from 7.6 million tons (47% of total sales), while metallurgical coal sales decreased 15% from 8.7 million tons to 7.4 million tons. Coal produced and purchased totaled 20.8 million tons for first nine months of 1994, a 29% or 4.7 million ton increase over the first nine months of 1993. The increase in coal sales and coal produced/purchased in the first nine months of 1994 as compared with the first nine months of 1993 was largely attributable to the Addington operations.

In the first nine months of 1994, 32% of total production was derived from deep mines and 68% was derived from surface mines compared with 55% and 45% of deep and surface mine production, respectively, in the first nine months of 1993.

Production in the first nine months of 1994 was adversely impacted by the extreme cold weather and above-normal precipitation in the first quarter of the year which resulted in a large number of lost production days and interruptions which limited output efficiencies during periods of performance. Sales also suffered due to lost loading days and were impeded by restricted road accessibility, particularly during the first quarter of the year. Sales were further impacted by the lack of rail car availability and the disruption of river barge service initially due to frozen waterways and subsequently due to the heavy snow melt and rain, which raised the rivers above operational levels. The severe weather during the first quarter also reduced output from purchased coal suppliers, which hindered the ability to meet customer shipments during the period. In addition to weather related difficulties, operations in the 1994 first quarter were affected by lost business due to a utility customer's plant closure and production shortfalls due to the withdrawal of contract producers from the market.

Early in the year the metallurgical coal markets continued their long-term decline with price reductions of $3.85 per ton negotiated between Canadian and Australian producers and Japanese steel mills. During the 1994 second quarter Coal Operations reached agreement with its major Japanese steel customers for new three-year agreements (subject to annual price renegotiations) for metallurgical coal shipments. Such agreements replaced sales contracts which expired on March 31, 1994. Pricing under the new agreements for the coal year beginning April 1, 1994 was impacted by the price reductions accepted by foreign producers, but was largely offset by modifications in coal quality specification which allows the Coal Operation flexibility in sourcing and blending the coals. Sales of metallurgical coal are expected to continue to decrease.

As a result of the continuing long-term decline in the metallurgical coal markets, which was evidenced by the previously discussed severe price reductions, the Coal Operations accelerated its strategy of decreasing its exposure to these markets by reducing its metallurgical coal production and increasing its production and sales of lower cost surface mineable steam coal. After a review of the economic viability of the remaining metallurgical coal assets earlier this year, management determined that four underground mines were no longer economically viable and would be closed resulting in significant economic impairment to three related preparation plants. In addition, it was determined that one surface steam coal mine, the Heartland mine, which provides coal to Alabama Power under a long-term sales agreement, would be closed due to rising costs caused by unfavorable geological conditions.

As a result of these decisions, the Coal Operations incurred pre-tax charges of $90.8 million in the first quarter of 1994 which included a reduction in the carrying value of these assets and related accruals for mine closure costs. These charges included asset writedowns of $46.5 million which reduced the book carrying value of such assets to what management believes to be their net realizable value based on either estimated sales or leasing of such property to unrelated third parties. In addition, the charges included $3.8 million for required lease payments owed to lessors for machinery and equipment that would be idled as a result of the mine and facility closures. The charges also included $19.3 million for mine and plant closure costs which represented estimates for reclamation and other environmental costs to be incurred to bring the properties in compliance with federal and state mining and environmental laws. This accrual is required due to the premature closing of the mines. The accrual also included $21.2 million in contractually or statutorily required employee severance and other benefit costs associated with termination of employees at these facilities and costs associated with inactive employees at these facilities. Such employee benefits include severance payments, medical insurance, workers' compensation and other benefits and have been calculated in accordance with contractually (collective bargaining agreements signed by certain coal subsidiaries included in the Coal Operations) and legally required employee severance and other benefits. In the 1994 third quarter, the Company paid $3.4 million of these liabilities, of which $.9 million was for idled leased equipment; $1.2 million was for facility closure costs and $1.3 million was for terminated employee costs. In the first nine months of 1994, $8.5 million was paid, of which $1.3 million was for leased equipment; $2.9 million was for facility closure costs, and $4.3 million was for terminated employee costs.

Of the four underground mines, one has ceased coal production, one is expected to cease coal production in the 1994 fourth quarter, while the remaining two mines are expected to cease coal production next year. During the second quarter of 1994 the Coal Operations reached agreement with Alabama Power Company to transfer the coal sales contract currently serviced by the Heartland mine to another location in West Virginia. The Heartland mine ceased coal production during the 1994 third quarter and final reclamation and environmental work has begun. As of the beginning of this year, there were approximately 750 employees involved in operations at these facilities and other administrative support. To date, employment at these facilities has been reduced by 47% to approximately 400 employees.

As discussed previously, the effects of this strategy have been to decrease Coal Operations' exposure to the metallurgical coal markets and to increase its production and sales of lower cost surface mineable steam coal. For the third quarter and first nine months of 1994, steam coal sales have risen to approximately 65% of total coal sales up from slightly less than 50% for the comparable periods last year. In addition, production from surface mines has increased to 71% for the first nine months of 1994 as compared to 45% for the same period last year. Management expects this trend to continue due to the previously mentioned three new surface mines, which are expected to produce 3 million tons on an annual basis, that commenced operations in the third quarter of this year. In addition, on a year-to-date basis, metallurgical coal production has decreased to 4.7 million tons versus 6.8 million tons when comparing 1994 to 1993.

Although coal production has or will cease at these mines, the Coal Operations will incur reclamation and environmental costs for several years to bring these properties into compliance with federal and state environmental laws. In addition, employee termination and medical costs will continue to be incurred for several years after the facilities have been closed. The significant portion of these employee liabilities is for statutorily provided workers' compensation costs for inactive employees. Such benefits include indemnity and medical costs as required under state workers' compensation laws. The long maturities are based on continued, and in some cases lifetime, indemnity and medical payments to injured former employees and their surviving spouses. Management believes that the charges incurred in the first quarter of 1994 should be sufficient to provide for these future costs and does not anticipate material additional future charges to operating earnings for these facilities, although continual cash funding will be required over the next several years.

The following table analyzes the changes in liabilities during 1994 for closed facilities and follows with a discussion of their estimated maturities:

	Balance as of 12/31/93 (a)	1994 Additions (b)	1994 Cash Payments (c)	Balance as of 9/30/94

		(In millions)		
Leased machinery and equipment	3.1	3.8	2.6	4.3
Mine and plant closure costs	28.4	19.3	6.1	41.6
Employee termination, medical and severance costs	33.5	21.2	11.0	43.7
Total	65.0	44.3	19.7	89.6

(a) These amounts represent the remaining liabilities for closed facilities recorded in prior years. They relate principally to incremental facility closing costs, including reclamation and employee benefit costs, primarily workers' compensation, which will continue to be paid for several years.

(b) These amounts represent the previously discussed accruals during the first quarter of 1994.

(c) These amounts represent total cash payments made during the first nine months of 1994 for all liabilities related to these facilities. Of the total payments made, $11.2 million was for liabilities recorded in prior years.

During the next twelve months, payment of liabilities related to these closed facilities is expected to be approximately $21 million. The Coal Operations estimate that the remaining liability for leased machinery and equipment will be fully paid over the next two years. The liability for mine and plant closure costs is expected to be satisfied over the next ten years of which approximately 70% is expected to be paid over the first three years. The liability for employee related costs which is primarily workers' compensation is estimated to be 70% settled over the next five years with the balance paid during the following five to ten years.

For the third quarter 1994, Coal Operations' closed facilities (including those facilities for which the decision to close was made earlier this year) increased operating profit by $.6 million, whereas for the first nine months of 1994, these facilities incurred operating losses of $7.7 million. The first nine months of 1994 included losses of $6.7 million incurred in the first quarter of the year for the facilities designated for closure in 1994.

On June 21, 1994 a new collective bargaining agreement between the Coal Operations' union companies and the UMWA was ratified by such companies' union members. The new agreement, replaced the principal labor agreement which expired on June 30, 1994 and will remain in effect until December 31, 1998. This agreement continues the basic principles and provisions established in the predecessor 1990 Agreement with respect to areas of job security, work rules and scheduling. The new agreement provides, among other things, for wage increases of $.40 per hour on December 15 of each of the years 1994 to 1997 and includes improvements in certain employee benefit programs.

Mineral Ventures

Operating profit of Mineral Ventures increased $1.2 million in the 1994 third quarter to an operating profit of $.8 million, from an operating loss of $.4 million in the prior year third quarter. Operating profit in the 1994 third quarter was positively impacted by a significant increase in production at the Stawell gold mine. The Stawell gold mine in western Victoria, Australia, in which Mineral Ventures has a 67% interest, produced 21,700 ounces in the period compared to 16,900 ounces in the third quarter of 1993. The favorable change in operating profit for the 1994 third quarter compared to the same period of 1993 also reflected the fourth quarter 1993 closure of the Uley graphite property in Australia.

In the first nine months of 1994, operating profit of Mineral Ventures increased $1.0 million to $.9 million from a loss of $.1 million in the year earlier nine months. Operating results in the first nine months of 1993 included costs related to the Uley graphite property which was closed in the 1994 fourth quarter. Although gold production at the Stawell gold mine increased for the first nine months of 1994 compared with the same period a year ago, Mineral Ventures operating results for the first nine months of 1994 were impacted by increased exploration costs in Nevada as well as higher operating costs incurred during the 1994 first quarter as a result of an operator accident at Stawell. The Stawell gold mine produced 57,500 ounces in the first nine months of 1994 compared with 56,300 ounces in the comparable period of 1993. Successful exploration efforts indicate an increase of approximately 90,000 ounces of additional proven and probable gold reserves at the Stawell gold mine. At September 30, 1994, remaining proven and probable gold reserves are estimated at 307,300 ounces. Mineral Ventures is continuing gold exploration projects in Nevada and Australia with its joint venture partner.

Other Operating Income

Other operating income for the third quarter of 1994 increased $3.6 million to $6.1 million from $2.5 million recognized in the year earlier quarter and increased $4.7 million to $12.4 million in the first nine months of 1994 from $7.7 million in the first nine months of last year. Other operating income principally includes royalty income from coal and natural gas properties and gains and losses attributable to sales of property and equipment. The increase in both the current year quarter and nine month period compared to the same periods last year is largely due to the $2.5 million gain recognized in the 1994 third quarter from the sale of the natural gas pipeline and increased coal and natural gas royalties.

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 equitable and a reasonable estimate of such expenses as if the Minerals Group operated on a stand alone basis. These allocations were $1.7 million and $1.8 million for the third quarter of 1994 and 1993, respectively, and $5.1 million and $5.3 million for the first nine months of 1994 and 1993, respectively. General corporate expenses in the third quarter and first nine months of 1993 included costs incurred for the Company's reclassification of its common stock into two classes.

Interest Expense

Interest expense for the third quarter of 1994 increased $1.6 million to $1.7 million from $.1 million in the third quarter of 1993 and increased $2.5 million to $3.8 million in the first nine months of 1994 from $1.3 million in the first nine months of 1993. Interest expense in the third quarter and first nine months of 1994 included interest incurred on borrowings used to finance the Addington acquisition and initial working capital requirements. Interest expense in the first nine months of 1993 included interest assessed on settlement of coal litigation related to the moisture content of tonnage used to compute royalty payments to UMWA pension and benefit funds.

FINANCIAL CONDITION

A portion of the Company's corporate assets and liabilities has been attribut-ed to the Minerals Group based upon utilization of the shared services from which assets and liabilities are generated, which management believes to be equitable and a reasonable estimate of the asset and liabilities which would be generated if the Minerals Group operated on a stand alone basis.

Cash Provided by Operations

Operating activities for the first nine months of 1994 used cash of $20.1 million, while operations in the first nine months of 1993 provided cash of $13.6 million. Operations provided less cash in the 1994 period largely due to the integration of operating activities of Addington which required cash to finance initial working capital needs. Net income, noncash charges and changes in operating assets and liabilities in the first nine months of 1994 were significantly affected by after-tax special and other charges of $58.1 million which used cash of approximately $8.5 million in the first nine months of 1994. In addition, in the first nine months of 1994, $11.2 million was paid for facilities closed in prior periods. Of the total $90.8 million of the 1994 pre-tax charges, $46.5 million was for noncash writedowns of assets and the remainder represents liabilities which are expected to be paid over the next several years. As discussed under Coal Operations, funding require-ments for closed facilities are expected to be approximately $21 million during the next twelve months. In accordance with the tax allocation policy, cash provided by operations in the first nine months of 1994 included $13.5 million of cash received from the Services Group for utilization of tax benefits generated by the Minerals Group.

Capital Expenditures

Cash capital expenditures for the first nine months of 1994 totaled $17.6

million, excluding equipment expenditures that have been or are expected to be financed through capital and operating leases, and any acquisition expenditures. For the full year 1994, capital expenditures, excluding expenditures that have been or are expected to be financed through capital and operating leases and acquisition expenditures, are estimated to approximate $30 million.

Other Investing Activities
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All other investing activities in the first nine months of 1994 used net cash of $145.1 million. In January 1994, the Company paid approximately $157 million in cash for the acquisition of substantially all the coal mining operations and coal sales contracts of Addington. The purchase price of the acquisition was subsequently financed through the issuance of $80.5 million of a new series of preferred stock, convertible into Pittston Minerals Group Common Stock, and additional debt under revolving credit agreements. Other investing activities also includes $8.4 million of cash received in 1994 from the December 1993 sale of the majority of the assets of a captive mine supply company.

Financing
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The Minerals Group intends to fund its capital expenditure requirements during the remainder of 1994 primarily with anticipated cash flows from operating activities and through operating and capital leases if the latter are financially attractive. Shortfalls, if any, will be financed through the Company's revolving credit agreements or short-term borrowing arrangements or borrowings from the Services Group. In March 1994, the Company entered into a $350 million revolving credit agreement with a syndicate of banks (the "New Facility"), replacing the Company's previously existing $250 million of revolving credit agreements. The New Facility includes a $100 million five-year term loan, which matures in March 1999. The New Facility also permits additional borrowings, repayments and reborrowings of up to an aggregate of $250 million until March 1999. As of September 30, 1994, borrowings of $100 million were outstanding under the five-year term loan portion of the New Facility with no additional borrowings outstanding under the remainder of the facility. Of the total amount outstanding under the New Facility, $76.6 million was attributed to the Minerals Group, the entire portion of which related to the term-loan portion of the facility.

Debt
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Net cash proceeds from external outstanding debt and net lending from the Services Group totaled $118.3 million for the first nine months of 1994, including borrowings under the New Facility which were attributed to the Minerals Group aggregating $76.6 million at September 30, 1994. Cash proceeds from the issuance of preferred stock was not sufficient to fund current operating activities, capital expenditures, other net investing activities and net costs related to share activity during the first nine months of 1994, resulting in additional borrowings under the Company's revolving credit agreements. Net payments from the Services Group of $42.2 million represents repayment of the December 31, 1993 balance of $13.3 million and additional lending from the Services Group of $28.9 million.

Capitalization
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Since the creation of Minerals Stock upon approval of the Services Stock Proposal, capitalization of the Minerals Group has been affected by all share activity related to Minerals Stock.

In January 1994, the Company issued $80.5 million (161,000 shares) of a new series of preferred stock, convertible into Minerals Stock, to finance a portion of the Addington acquisition. Such stock has been attributed to the Minerals Group.

In July 1994, the Board of Directors of the Company authorized the repurchase from time to time of up to $15 million of the new series of cumulative convertible preferred stock. As of September 30, 1994, 8,350 shares at a total cost of $3.4 million were repurchased.

In 1993, the Board of Directors of the Company authorized a new share repurchase program under which up to 1,250,000 shares of Services Stock and 250,000 shares of Minerals Stock may be repurchased. As of September 30, 1994, a total of 38,500 shares of Minerals Stock had been acquired pursuant to the authorization. Of that amount, 19,700 shares of Minerals Stock were repurchased in the first nine months of 1994 at an aggregate cost of $.4 million.

Dividends

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The Board of Directors intends to declare and pay dividends on Services Stock and Minerals Stock based on earnings, financial condition, cash flow and business requirements of the Services Group and the Minerals Group, respectively. Since the Company remains subject to Virginia law limitations on dividends and to dividend restrictions in its public debt and bank credit agreements, losses by one Group could affect the Company's ability to pay dividends in respect of stock relating to the other Group. Dividends on Minerals Stock are also limited by the Available Minerals Dividend Amount as defined in the Company's Articles of Incorporation.

As a result of the Company's issuance in January 1994 of 161,000 shares of a new series of preferred stock, convertible into Minerals Stock, the Company pays an annual cumulative dividend of $31.25 per share payable quarterly, in cash, in arrears, out of all funds of the Company legally available therefor, when, and if declared by the Board of Directors of the Company which commenced March 1, 1994. Such stock which is attributable to the Minerals Group, also bears a liquidation preference of $500 per share, plus an amount equal to accrued and unpaid dividends thereon.

During the first nine months of 1994, the Board of Directors declared and the Company paid cash dividends of 48.75 cents per share of Minerals Stock. On an equivalent basis, during the first half of 1993 the Company paid dividends of 45.79 cents per share of Minerals Stock. Dividends paid on the cumulative convertible preferred stock in the first nine months of 1994 totaled $3.0 million.

Part II - OTHER INFORMATION

Item 5. Other Information
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In 1988 the trustees of certain pension and benefit trust funds (the "Funds") established under collective bargaining agreements with the United Mine Workers of America (the "UMWA") brought an action (the so-called "Evergreen Case") against the Company and a number of its coal subsidiaries in the United States District Court for the District of Columbia, claiming that the defendants are obligated to contribute to the Funds in accordance with the provisions of the 1988 National Bituminous Coal Wage Agreement (the "1988 NBCWA"), to which neither the Company nor any of its subsidiaries is a signatory. In January 1992 the District Court issued an order granting summary judgment on the issue of liability which was thereafter affirmed by the Court of Appeals. In June 1993 the United States Supreme Court denied a petition for a writ of certiorari. The case has been remanded to the District Court, and damage and other issues remain to be decided. In September 1993 the Company filed a motion seeking relief from the District Court's grant of summary judgment to plaintiffs based on, among other things, the Company's allegation that plaintiffs improperly withheld evidence that directly refutes plaintiffs' representations to the District Court and the Court of Appeals in this case. In December 1993 that motion was denied. On May 23, 1994, the trustees filed a Motion for Entry of Final Judgment seeking approximately $71.1 million in delinquent contributions, interest and liquidated damages through May 31, 1994, plus approximately $17.4 thousand additional interest and liquidated damages for each day between May 31, 1994 and the date final judgment is entered plus ongoing contributions to the 1974 Pension Plan. The Company has opposed this motion.

In furtherance of its ongoing effort to identify other available legal options for seeking relief from what it believes to be an erroneous finding of liability in the Evergreen Case, the Company has filed suit against the Bituminous Coal Operators Association and others to hold them responsible for any damages sustained by the Company as a result of the Evergreen Case. Although the Company is continuing that effort, the Company, following the District Court's ruling in December 1993, recorded in the Company's financial statements an accrual for the potential liability that may result from an adverse judgment in the Evergreen Case. In any event, any final judgment in the Evergreen Case will be subject to appeal.

As a result of the Coal Industry Retiree Health Benefit Act of 1992, there is no continuing liability in this case in respect of health benefit funding after February 1, 1993.

Item 6. Exhibits and Reports on Form 8-K
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(a) Exhibits:

Exhibit
Number

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10(a)* Amendment dated as of September 16, 1994, to The Registrant's Pension Equalization Plan, as previously amended.

10(b)* Form of Amendment No. 2 dated as of September 16, 1994, to Employment agreement dated as of May 1, 1993, as amended by Amendment No. 1 thereto dated March 18, 1994, between the Registrant and Joseph C. Farrell.

10(c)* Form of Letter Agreement dated as of September 16, 1994, amending Employment agreement dated as of June 1, 1994, between the Registrant and D. L. Marshall.

10(d)* Form of letter agreement dated as of September 16, 1994, between the Registrant and R. D. Duke.

10(e)* Form of letter agreement dated as of September 16, 1994, between the Registrant and J. M. Sturman.

10(f)* Form of letter agreement dated as of September 16, 1994, between the Registrant and Participants pursuant to the Pension Equalization Plan.

10(g)* Amendment dated as of September 16, 1994, to Retirement Plan for Non-Employee Directors, as previously amended.

10(h)* Form of letter agreement dated as of September 16, 1994, between the Registrant and its Non-Employee Directors pursuant to Retirement Plan for Non-Employee Directors.

10(i)* Trust Agreement under the Pension Equalization Plan, Retirement Plan for Non-Employee Directors and Certain Contractual Arrangements of The Pittston Company made as of September 16, 1994, by and between the Registrant and Chase Manhattan Bank (National Association), as Trustee.

11 Statement re Computation of Per Share Earnings.

27 Financial Data Schedule.

(b) No reports on Form 8-K were filed during the third quarter of 1994.

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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 14, 1994

By G. R. Rogliano

(G. R. Rogliano)
Vice President -
Controllership and Taxes
(Duly Authorized Officer and
Chief Accounting Officer)

Exhibit 10(a)

THE PITTSTON COMPANY

PENSION EQUALIZATION PLAN

Introduction

In August 1985 the Board of Directors of The Pittston Company (the "Company") adopted a Pension Equalization Plan (the "Equalization Plan") to assure that the aggregate pension benefits provided to employees covered by the Pension-Retirement Plan of The Pittston Company and Its Subsidiaries (which Plan, as now in effect and as hereafter amended, is hereinafter referred to as the "Pension Plan") would not be reduced as a result of limitations imposed under Section 415 of the Internal Revenue Code of 1986, as amended (the "Code"). At its meeting in July 1989, the Board determined that the Equalization Plan should be amended so as to provide, among other things, for the payment thereunder of additional amounts equal to the benefits that would have been payable under the Pension Plan in the absence of the then applicable annual limit on compensation under Section 401(a)(17) of the Code. Pursuant to the authority under the Equalization Plan, on July 7, 1994 the Pension Committee further amended the Equalization Plan (i) to reflect the lower annual limit imposed by the 1993 amendment of such Section 401(a)(17), and (ii) to assure that such aggregate pension benefits will not be adversely affected by deferrals made pursuant to the Key Employees Deferred Compensation Program as originally approved by the shareholders of the Company on May 1, 1992, or as amended with shareholder approval effective as of July 1, 1994 (the "Deferral Program"). In view of the recommendation of the Pension Committee that the Equalization Plan be further amended so as to provide additional assurance to Participants and their beneficiaries that benefits under the Equalization Plan will be paid to them in the event of a Change in Control as hereinafter defined, the Board has further amended the Equalization Plan so as to read in its entirety as follows:

1. Definitions. As used herein:

"Benefit Limitations" means the limitations, if any, on benefits payable to or in respect of an employee under the Pension Plan (i) pursuant to Section 415 or Section 401(a)(17) of the Code and any regulations promulgated with respect thereto or (ii) resulting from any exclusion from Basic Earnings (as defined in the Pension Plan) attributable to the deferral, pursuant to the Deferral Program, by such employee of Cash Incentive Payments (as defined in the Deferral Program) or Salary (as defined in the Deferral Program) otherwise payable currently.

"Participant" means any employee referred to in Section 2 hereof.

"Participating Company" means the Company and any subsidiary of the Company which is a "Participating Company" under the Pension Plan, unless the Board shall determine that such subsidiary shall not be a Participating Company hereunder.

Except as herein otherwise provided, terms defined in the Pension Plan are used herein with the meanings ascribed to them in said Plan.

2. Coverage. The Equalization Plan shall apply to or in respect of each employee of any Participating Company whose benefits under the Pension Plan are limited by the Benefit Limitations.

3. Benefits. Supplementing the benefits provided by the Pension Plan and subject to all terms and conditions thereof not inconsistent herewith, each Participant and his beneficiary or beneficiaries shall be paid under the Equalization Plan such additional amounts as are equal to the benefits that would have been payable under the Pension Plan in the absence of the Benefit Limitations applicable to such Participant.

Benefits payable to any person under this Section

3 shall be payable at the same time and in the same manner as the benefits payable to such person under the Pension Plan. Unless the Pension Committee otherwise determines upon request of a Participant, the beneficiary or beneficiaries of such Participant under the Pension Plan shall also be his beneficiary or beneficiaries under the Equalization Plan.

The obligations of any Participating Company under the Equalization Plan shall not be funded in any manner for purposes of the Code or ERISA. Actions taken in conformity with Section 8 hereof shall not constitute funding for such purposes.

4. Administration. The Equalization Plan shall be administered by the Pension Committee and the Administrative Committee (subject to such directions as the Pension Committee may determine to be appropriate) substantially in accordance with the comparable procedures and rules applicable to the Committee which administers corresponding provisions of the Pension Plan, including establishing and maintaining a claims procedure (similar to the claims procedure under the Pension Plan) pursuant to which any Participant or beneficiary under the Equalization Plan whose claim for benefits under the Equalization Plan has been denied shall be given (i) notice in writing of such denial, including the reasons therefor, and (ii) a reasonable opportunity to have a full review of such denial. Notwithstanding any other provision of the Equalization Plan the Pension Committee shall have full authority (i) in its sole discretion to determine the amounts payable under the Equalization Plan and the time of any such payments so as to conform with the intent as well as the terms of the Equalization Plan, (ii) to construe any of the provisions of the Equalization Plan and (iii) to adopt rules and regulations for the implementation of such provisions.

5. Amendment and Termination. The Equalization Plan may at any time be amended or terminated by the Board or the Pension Committee, provided that no such amendment or termination of the Equalization Plan shall adversely affect the benefits accrued or payable hereunder or under any trust agreement referred to in Section 8 hereof on account of any Participant (or any beneficiary) in respect of service rendered prior to such amendment or termination.

6. Assignability. No right to payment or any other interest under the Equalization Plan shall be assignable or subject to attachment, execution or levy of any kind.

7. No Employment Rights. Nothing in the Equalization Plan shall be construed as giving any Participant the right to be retained in the service of any Participating Company or as interfering with the right of any such Company to discharge any Participant at any time without regard to the effect which such discharge shall have upon his rights or potential rights, if any, under the Equalization Plan.

8. Change in Control. The provisions of this Section 8 shall be controlling, anything in the other provisions of the Equalization Plan to the contrary notwithstanding.

(a) In the event that a Change in Control (as hereinafter defined in paragraph (b) of this Section 8) shall occur or the Board shall in its discretion determine that a Change in Control is anticipated within 90 days from the date of such determination, the Company shall forthwith take such action as shall be necessary or appropriate to activate the trust agreement dated as of September 16, 1994 between the Company and The Chase Manhattan Bank (National Association), as trustee, by the payment in cash to the trustee under such trust agreement of the aggregate amount which A. Foster Higgins & Co. Inc. (or another nationally recognized firm of actuaries selected by the Board) shall determine, on the basis of mortality and other assumptions at the time applicable under the Pension Plan, to be required to provide all projected benefit obligations to Participants and their beneficiaries under the Equalization Plan as of the date the Change in Control occurs or as of the date of such determination, as the case may be. All expenses and income and other taxes in connection with the establishment and operation of such trust shall be paid by the Company.

(b) A Change in Control shall be deemed to occur if either (i) any person, or any two or more persons acting as a group, and all affiliates of such person or persons, shall own beneficially more than 20% of the total voting power in the election of directors of the Company of shares of all classes of Common Stock of the Company outstanding (exclusive of shares held by any corporation of which shares representing at least 50% of the ordinary voting power are owned, directly or indirectly by the Company) pursuant to a tender offer, exchange offer or series of purchases or other acquisitions, or any combination of those transactions, or (ii) there shall be a change in the composition of the Board at any time within two years after any tender offer, exchange offer, merger, consolidation, share exchange, sale of assets or contested election, or any combination of those transactions (a "Transaction"), so that (i) the persons who were directors of the Company immediately before the first such Transaction cease to constitute a majority of the board of directors of the corporation which shall thereafter be in control of the companies or other entities that were parties to or otherwise involved in such first Transaction, or (ii) the number of persons who shall thereafter be directors of such corporation shall be fewer than two-thirds of the number of directors of the Company immediately prior to such first Transaction. A Change in Control shall be deemed to take place upon the first to occur of the events specified in the foregoing clauses (i) and (ii).

(c) In addition to all other rights under applicable law, any individual who shall be a Participant or beneficiary at the date on which a Change in Control shall occur or be anticipated as provided in paragraph (b) above shall from and after that date have the right to bring an action, either individually or on behalf of all Participants and beneficiaries, to enforce the provisions of this Section 8 by seeking injunctive relief and/or damages, and the Company shall be obligated to pay or reimburse each such Participant or beneficiary who shall prevail, in whole or in substantial part, for all reasonable expenses, including attorney's fees, in connection with such action.

(d) The foregoing provisions of this Section 8 shall be construed liberally to the end that accrued benefits under the Equalization Plan shall be assured to the fullest extent practicable; provided, however, that nothing in the Equalization Plan shall be construed in a manner that would subject any Participant or beneficiary to current taxation on establishment of the trust.

(e) Nothing in this Section 8 shall of itself be deemed to increase the amount of any accrued benefits to which any Participant or beneficiary shall have become entitled under the Equalization Plan. The establishment and activation of the trust agreement referred to in paragraph (a) of this Section 8 shall not be deemed to relieve the Company of its obligations under the Equalization Plan to Participants and beneficiaries except pro tanto to the extent that amounts in respect thereof are paid under such trust agreement to such Participants and beneficiaries.

9. Agreements with Participants. The Company shall enter into an agreement with each Participant incorporating the provisions of the Equalization Plan and containing such other provisions, consistent with the Equalization Plan, as may be mutually acceptable.

10. Successors. The Equalization Plan shall inure to the benefit of and be binding upon the Company and its successors (including, without limitation, each person

or group referred to in the definition of Change of Control and each affiliate of such person or group). Each such successor shall be obligated to enter into an agreement with each Participant, in form and substance satisfactory to such Participant, by which such successor shall expressly assume and agree to perform its obligations under the Equalization Plan in the same manner and to the same extent as the Company would be required to perform if no succession had taken place. The Company shall cause each such successor to comply with its obligations to enter into such agreement.

11. Governing Law. This Equalization Plan and all actions taken hereunder shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

As amended September 16, 1994
Effective as of May 1, 1992

Exhibit 10(b)

AMENDMENT No. 2 dated as of September 16, 1994 to Employment Agreement dated as of May 1, 1993 as amended by Amendment No. 1 thereto dated March 18, 1994 (said Employment Agreement as so amended being hereinafter called the "Employment Agreement"), between The Pittston Company, a Virginia corporation (the "Company"), and Joseph C. Farrell, residing at 53 Londonderry Drive, Greenwich, Connecticut 06830 (the "Employee").

The Company and the Employee desire to further amend the Employment Agreement so as to provide additional assurance that the Supplemental Retirement Benefit under Paragraph 3(c) thereof will be paid in the event of a Change in Control as hereinafter defined.

Accordingly, the Company and the Employee agree as follows:

1. The Employment Agreement is hereby amended by inserting the following Paragraph 3A immediately before Paragraph 4 of the Employment Agreement:

3A. Supplemental Retirement Benefit; Change in Control. The provisions of this Paragraph 3A shall be controlling, anything in the other provisions of this Agreement to the contrary notwithstanding.

(a) In the event that a Change in Control (as hereinafter defined in subparagraph (b) of this Paragraph 3A) shall occur or the Company's Board of Directors shall in its discretion determine that a Change in Control is anticipated within 90 days from the date of such determination, the Company shall forthwith take such action as shall be necessary or appropriate to activate the trust agreement dated as of September 16, 1994 between the Company and The Chase Manhattan Bank (National Association), as trustee, by the payment in cash to the trustee under such trust agreement of the aggregate amount which A. Foster Higgins & Co. Inc. (or another nationally recognized firm of actuaries selected by the Board) shall determine, on the basis of mortality and other assumptions at the time applicable under the Pittston Pension Plan, to be required to provide all projected benefit obligations to the Employee (or his beneficiary) under Paragraph 3(c) of this Agreement, as of the date the Change in Control occurs or as of the date of such determination, as the case may be. All expenses and income and other taxes in connection with the establishment and operation of such trust shall be paid by the Company.

(b) For purposes of this Paragraph 3A, a Change in Control shall be deemed to occur if either (i) any person, or any two or more persons acting as a group, and all affiliates of such person or persons, shall own beneficially more than 20% of the total voting power in the election of directors of the Company of shares of all classes of Common Stock of the Company outstanding (exclusive of shares held by any corporation of which shares representing at least 50% of the ordinary voting power are owned, directly or indirectly by the Company) pursuant to a tender offer, exchange offer or series of purchases or other acquisitions, or any combination of those transactions, or (ii) there shall be a change in the composition of the Company's Board of Directors at any time within two years after any tender offer, exchange offer, merger, consolidation, share exchange, sale of assets or contested election, or any combination of those transactions (a "Transaction"), so that (i) the persons who were directors of the Company immediately before the first such Transaction cease to constitute a majority of the board of directors of the corporation which shall thereafter be in control of the companies or other entities that were parties to or otherwise involved in such first Transaction, or (ii) the number of persons who shall thereafter be directors of such corporation shall be fewer than two-thirds of the number of directors of the Company immediately prior to such first Transaction. A Change in Control shall be deemed to take place upon the first to occur of the events specified in the foregoing clauses (i) and (ii).

(c) In addition to all other rights under applicable law, the Employee shall, from and after the date on which a Change in Control shall occur or be anticipated as provided in subparagraph (b) above, have the right to bring an action to enforce the provisions of this Paragraph 3A by seeking injunctive relief and/or damages, and the Company shall be obligated to pay or reimburse the Employee to the extent that he prevails, in whole or in substantial part, for all reasonable expenses, including attorney's fees, in connection with such action.

(d) The foregoing provisions of this Paragraph 3A shall be construed liberally to the end that accrued benefits under this Paragraph 3A shall be assured to the fullest extent practicable; provided, however, that nothing in this Paragraph 3A shall be construed in a manner that would subject the Employee to current taxation on establishment of the trust.

(e) Nothing in this Paragraph 3A shall of itself be deemed to increase the amount of any accrued benefits to which the Employee shall have become entitled under Paragraph 3(c) of this Agreement. The establishment and activation of the trust agreement referred to in subparagraph (a) of this Paragraph 3A shall not be deemed to relieve the Company of its obligations to the Employee under such Paragraph 3(c) except pro tanto to the extent that amounts in respect thereof are paid under such trust agreement to the Employee.

2. Except as hereinabove provided, the Employment Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of September 16, 1994.

THE PITTSTON COMPANY

By________________________
Vice President, General
Counsel and Secretary

APPROVED:

____
Robert H. Spilman
Chairman, Compensation and
Benefits Committee of the
Board of Directors

____
Joseph C. Farrell

Exhibit 10(c)

As of September 16, 1994

Mr. David L. Marshall
28 Glenmoor Place
Hilton Head
South Carolina 29926

Dear Dave:

With reference to the letter agreement with you dated as of June 1, 1994 (the "Agreement"), providing among other things, for your Supplemental Retirement Benefit and for your continued participation in the Company's Pension Equalization Plan, this confirms that The Pittston Company (the "Company") has agreed with you to provide additional assurance that benefits thereunder will be paid in the event of a Change in Control as hereinafter defined. Accordingly, the Agreement is hereby amended by inserting the following Paragraph 3A immediately before Paragraph 4 of the Agreement:

> 3A. Supplemental Retirement Benefits; Change in Control. The provisions of this Paragraph 3A shall be controlling, anything in the other provisions of this Agreement to the contrary notwithstanding.
>
> (a) In the event that a Change in Control (as hereinafter defined in subparagraph (b) of this Paragraph 3A shall occur or the Company's Board of Directors shall in its discretion determine that a Change in Control is anticipated within 90 days from the date of such determination, the Company shall forthwith take such action as shall be necessary or appropriate to activate the trust agreement dated as of September 15, 1994 between the Company and The Chase Manhattan Bank (National Association), as trustee, by the payment in cash to the trustee under such trust agreement of the aggregate amountwhich A. Foster Higgins & Co. Inc. (or another nationally recognized firm of actuaries selected by the Board) shall determine, on the basis of mortality and other assumptions at the time applicable under the Pittston Pension Plan, to be required to provide all projected benefit obligations to you (or your beneficiary) under Paragraph 3(c) of this Agreement, as of the date the Change in Control occurs or as of the date of such determination, as the case may be. All expenses and income and other taxes in connection with the establishment and operation of such trust shall be paid by the Company.
>
> (b) For purposes of this Paragraph 3A, a Change in Control shall be deemed to occur if either (i) any person, or any two or more persons acting as a group, and all affiliates of such person or persons, shall own beneficially more than 20% of the total voting power in the election of directors of the Company of shares of all classes of Common Stock of the Company outstanding (exclusive of shares held by any corporation of which shares representing at least 50% of the ordinary voting power are owned, directly or indirectly by the Company) pursuant to a tender offer, exchange offer or series of purchases or other acquisitions, or any combination of those transactions, or (ii) there shall be a change in the composition of

the Company's Board of Directors at any time within two years after any tender offer, exchange offer, merger, consolidation, share exchange, sale of assets or contested election, or any combination of those transactions (a "Transaction"), so that (i) the persons who were directors of the Company immediately before the first such Transaction cease to constitute a majority of the board of directors of the corporation which shall thereafter be in control of the companies or other entities that were parties to or otherwise involved in such first Transaction, or (ii) the number of persons who shall thereafter be directors of such corporation shall be fewer than two-thirds of the number of directors of the Company immediately prior to such first Transaction. A Change in Control shall be deemed to take place upon the first to occur of the events specified in the foregoing clauses (i) and (ii).

(c) In addition to all other rights under applicable law, you shall, from and after the date on which a Change in Control shall occur or be anticipated as provided in subparagraph (b) above, have the right to bring an action to enforce the provisions of this Paragraph 3A by seeking injunctive relief and/or damages, and the Company shall be obligated to pay or reimburse you to the extent that you prevail, in whole or in substantial part, for all reasonable expenses, including attorney's fees, in connection with such action.

(d) The foregoing provisions of this Paragraph 3A shall be construed liberally to the end that accrued benefits under this Paragraph 3A shall be assured to the fullest extent practicable; provided, however, that nothing in this Paragraph 3A shall be construed in a manner that would subject you to current taxation on establishment of the trust.

(e) Nothing in this Paragraph 3A shall of itself be deemed to increase the amount of any accrued benefits to which you shall have become entitled under Paragraph 3 (c) of this Agreement. The establishment and activation of the trust agreement referred to in subparagraph (a) of this Paragraph 3A shall not be deemed to relieve the Company of its obligations to you under such Paragraph 3 (c) except pro tanto to the extent that amounts in respect thereof are paid under such trust agreement to you.

2. Except as hereinabove provided, the Agreement shall remain in full force and effect.

Please confirm that the foregoing is in accordance with our agreement.

Very truly yours,

THE PITTSTON COMPANY

By______________________
Chairman

I hereby confirm that the foregoing is in accordance with our agreement.

____
David L. Marshall

APPROVED:

Robert H. Spilman
Chairman, Compensation and
Benefits Committee of the
Board of Directors

Exhibit 10(d)

As of September 16, 1994

Robert D. Duke, Esq.
67 Ridgefield Road
Wilton, CT 06897

Dear Bob:

With reference to the letter agreement with you dated as of November 1, 1993 (the "Agreement"), providing, among other things, for pension and related payments under the Company's Pension Equalization Plan and under your agreement with the Company dated as of October 1, 1989, this confirms that the Company has agreed with you to provide additional assurance that such payments will be made in the event of a Change in Control as hereinafter defined. Accordingly, the Agreement is hereby amended by inserting the following Section 3A immediately before Section 4 of the Agreement:

3A. Supplemental Retirement Benefit; Change in Control. The provisions of this Paragraph 3A shall be controlling, anything in the other provisions of this Agreement to the contrary notwithstanding.

(a) In the event that a Change in Control (as hereinafter defined in subparagraph (b) of this Paragraph 3A shall occur or the Company's Board of Directors shall in its discretion determine that a Change in Control is anticipated within 90 days from the date of such determination, the Company shall forthwith take such action as shall be necessary or appropriate to activate the trust agreement dated as of September 15, 1994 between the Company and The Chase Manhattan Bank (National Association), as trustee, by the payment in cash to the trustee under such trust agreement of the aggregate amount which A. Foster Higgins & Co. Inc. (or another nationally recognized firm of actuaries selected by the Board) shall determine, on the basis of mortality and other assumptions at the time applicable under the Pittston Pension Plan, to be required to provide all projected benefit obligations to you (or your beneficiary) under Paragraph 3(c) of this Agreement, as of the date the Change in Control occurs or as of the date of such determination, as the case may be. All expenses and income and other taxes in connection with the establishment and operation of such trust shall be paid by the Company.

(b) For purposes of this Paragraph 3A, a Change in Control shall be deemed to occur if either (i) any person, or any two or more persons acting as a group, and all affiliates of such person or persons, shall own beneficially more than 20% of the total voting power in the election of directors of the Company of shares of all classes of Common Stock of the Company outstanding (exclusive of shares held by any corporation of which shares representing at least 50% of the ordinary voting power are owned, directly or indirectly by the Company) pursuant to a tender offer, exchange offer or series of purchases or other acquisitions, or any combination of those transactions, or (ii) there shall be a change in the composition of the Company's Board of Directors at any time within two years after any tender offer, exchange offer, merger, consolidation, share exchange, sale of assets or contested election, or any combination of those transactions (a "Transaction"), so that (i) the persons who were directors of the Company immediately before the first such Transaction cease to constitute a majority of the board of directors of the corporation which shall thereafter be in control of the companies or other entities that were parties to or otherwise involved in such first Transaction, or (ii) the number of persons who shall thereafter be directors of such corporation shall be fewer than two-thirds of the number of directors of the Company immediately prior to such first Transaction. A Change in Control shall be deemed to take place upon the first to occur of the events specified in the fore going clauses (i) and (ii).

(c) In addition to all other rights under applicable law, you shall, from and after the date on which a Change in Control shall occur or be anticipated as provided in sub-paragraph (b) above, have the right to bring an action to enforce the provisions of this Paragraph 3A by seeking injunctive relief and/or damages, and the Company shall be obligated to pay or reimburse you to the extent that you prevail, in whole or in substantial part, for all reasonable expenses, including attorney's fees, in connection with such action.

(d) The foregoing provisions of this Paragraph 3A shall be construed liberally to the end that accrued benefits under this Paragraph 3A shall be assured to the fullest extent practicable; provided, however, that nothing in this Paragraph 3A shall be construed in a manner that would subject you to current taxation on establishment of the trust.

(e) Nothing in this Paragraph 3A shall of itself be deemed to increase the amount of any accrued benefits to which you shall have become entitled under Paragraph 3 of this Agreement. The establishment and activation of the trust agreement referred to in subparagraph (a) of this Paragraph 3A shall not be deemed to relieve the Company of its obligations to you under such Paragraph 3 except pro tanto to the extent that amounts in respect thereof are paid under such trust agreement to you.

2. Except as hereinabove provided, the Agreement shall remain in full force and effect.

Please confirm that the foregoing is in accordance with our agreement.

Very truly yours,

THE PITTSTON COMPANY

By________________________
Chairman

I hereby confirm that the foregoing is in accordance with our agreement.

____
Robert D. Duke

Exhibit 10(e)

As of September 16, 1994

Mr. Jonathan M. Sturman
23 Oakwood Drive
Weston, CT 06883

Dear Jon:

With reference to the letter agreement with you dated as of October 1, 1988 (the "Agreement") providing for your Supplemental Retirement benefit, this confirms that The Pittston Company (the "Company") has agreed with you to provide additional assurance that such benefit will be paid in the event of a Change in Control as hereinafter defined. Accordingly, the Agreement is hereby amended by inserting the following paragraph 1A immediately before paragraph 2 thereof:

1A. Supplemental Retirement Benefit; Change in Control. The provisions of this Paragraph 1A shall be controlling, anything in the other provisions of this Agreement to the contrary notwithstanding.

(a) In the event that a Change in Control (as hereinafter defined in subparagraph (b) of this paragraph 1A shall occur or the Company's Board of Directors shall in its discretion determine that a Change in Control is anticipated within 90 days from the date of such determination, the Company shall forthwith take such action as shall be necessary or appropriate to activate the trust agreement dated as of September 15, 1994 between the Company and The Chase Manhattan Bank (National Association), as trustee, by the payment in cash to the trustee under such trust agreement of the aggregate amount which A. Foster Higgins & Co. Inc. (or another nationally recognized firm of actuaries selected by the Board) shall determine, on the basis of mortality and other assumptions at the time applicable under the Pittston Pension Plan, to be required to provide all projected benefit obligations to you (or your beneficiary) under paragraph 1 of this Agreement, as of the date the Change in Control occurs or as of the date of such determination, as the case may be. All expenses and income and other taxes in connection with the establishment and operation of such trust shall be paid by the Company.

(b) For purposes of this paragraph 1A, a Change in Control shall be deemed to occur if either (i) any person, or any two or more persons acting as a group, and all affiliates of such person or persons, shall own beneficially more than 20% of the total voting power in the election of directors of the Company of shares of all classes of Common Stock of the Company outstanding (exclusive of shares held by any corporation of which shares representing at least 50% of the ordinary voting power are owned, directly or indirectly by the Company) pursuant to a tender offer, exchange offer or series of purchases or other acquisitions, or any combination of those transactions, or (ii) there shall be a change in the composition of the Company's Board of Directors at any time within two years after any tender offer, exchange offer, merger, consolidation, share exchange, sale of assets or contested election, or any combination of those transactions (a "Transaction"), so that (i) the persons who were directors of the Company immediately before the first such Transaction cease to constitute a majority of the board of directors of the corporation which shall thereafter be in control of the companies or other entities that were parties to or otherwise involved in such first Transaction, or (ii) the number of persons who shall thereafter be directors of such corporation shall be fewer than two-thirds of the number of directors of the Company immediately prior to such first Transaction. A Change in Control shall be deemed to take place upon the first to occur of the events specified in the foregoing clauses (i) and (ii).

(c) In addition to all other rights under applicable law, you shall, from and after the date on which a Change in Control shall occur or be anticipated as provided in subparagraph (b) above, have the right to bring an action to enforce the provisions of this paragraph 1A by seeking injunctive relief and/or damages, and the Company shall be obligated to pay or reimburse you to the extent that you prevail, in whole or in substantial part, for all reasonable expenses, including attorney's fees, in connection with such action.

(d) The foregoing provisions of this paragraph 1A shall be construed liberally to the end that accrued benefits under this paragraph 1A shall be assured to the fullest extent practicable; provided, however, that nothing in this paragraph 1A shall be construed in a manner that would subject you to current taxation on establishment of the trust.

(e) Nothing in this paragraph 1A shall of itself be deemed to increase the amount of any accrued benefits to which you shall have become entitled under paragraph 1 of this Agreement. The establishment and activation of the trust agreement referred to in subparagraph (a) of this paragraph 1A shall not be deemed to relieve the Company of its obligations to you under such Paragraph 1 except pro tanto to the extent that amounts in respect thereof are paid under such trust agreement to you.

2. Except as hereinabove provided, the Agreement shall remain in full force and effect.

Please confirm that the foregoing is in accordance with our agreement.

Very truly yours,

THE PITTSTON COMPANY

By________________________
Chairman

I hereby confirm that the foregoing is in accordance with our agreement.

____
Jonathan M. Sturman

Exhibit 10(f)

[Form of letter agreement pursuant
to Pension Equalization Plan]

As of September 16, 1994

Mr.

Dear :

Pursuant to the Pension Equalization Plan (the "Plan") as amended as of September 16, 1994, a copy of which is attached hereto as Annex 1, this will confirm that, in consideration of your services rendered and to be rendered to The Pittston Company (the "Company") and for other good and valuable consideration, the Company and you have agreed, and do hereby agree, that you shall be entitled to participate in the Plan and have enforceable rights to all benefits thereunder and under related trust and other agreements, subject to and in accordance with their respective terms.

Notices and other communications and payments in relation to this agreement, the plan or such trust and other agreements shall be sent to you at the above address or at such other address as you shall from time to time designate in writing to the Company.

Please confirm this agreement by signing and returning to the Company at its address set forth above the enclosed duplicate original of this letter.

Very truly yours,
THE PITTSTON COMPANY

By____________________
Chairman

Confirmed and agreed:

____

Exhibit 10(g)

THE PITTSTON COMPANY

Retirement Plan for Non-Employee Directors

A resolution (the "1981 Resolution") adopted by the Board of Directors (the "Board") of The Pittston Company on March 31, 1981 provides for payments to certain Directors upon their retirement from the Board after at least five years of service and after attaining certain ages.

On November 3, 1989 the Board amended the 1981 Resolution by adopting this Retirement Plan for Non-Employee Directors (the "Plan") which (a) incorporates the substantive provisions of the 1981 resolution, (b) provides for payments in case of retirement after a "Change in Control" (as hereinafter defined) and (c) provides for contractual arrangements between the Company and individual Directors establishing their rights under the Plan.

The Board has determined to further amend the Plan so as to provide additional assurance that benefits thereunder will be paid in the event of a "Change in Control" as hereinafter defined.

Definitions.

1. As used herein:

"Pension Plan" means the Pension-Retirement Plan of The Pittston Company and Its Subsidiaries.

"Non-Employee Director" means any Director of the Company who does not participate in the Pension-Retirement Plan of The Pittston Company and Its Subsidiaries or in any other retirement plan for employees of the Company or any of its subsidiaries.

A "Change in Control" shall be deemed to have occurred if (i) any person, or any two or more persons acting as a group, and all affiliates of such person or persons, shall own beneficially more than 20% of the total voting power in the election of directors of the Company of shares of all classes of Common Stock outstanding (exclusive of shares held by any corporation of which shares representing at least 50% of the ordinary voting power are owned, directly or indirectly, by the Company) pursuant to a tender offer, exchange offer or series of purchases or other acquisitions, or any combination of those transactions, or (ii) there shall be change in the composition of the Board at any time within two years after any tender offer, exchange offer, merger, consolidation, share exchange, sale of assets or contested election, or any combination of those transactions (a "Transaction"), so that (A) the persons who were directors of the Company immediately before the first such Transaction cease to constitute a majority of the board of directors of the company which shall thereafter be in control of the companies or other entities which were parties to or otherwise involved in the first such Transaction, or (B) the number of persons who shall be directors of such company shall be fewer than two-thirds of the number of directors of the Company immediately prior to such first Transaction. A Change in Control shall be deemed to take place upon the first to occur of the events specified in the foregoing clauses (i) and (ii).

"Retirement" or "retires" means ceasing to be a Director for any reason other than death or removal for Cause.

"Cause" means an act of dishonesty constituting a felony which results in substantial personal enrichment at the expense of the Company.

2. Coverage. The Plan shall apply to each person who was a Non-Employee Director on March 31, 1981 or who became a Non-Employee Director at any time thereafter.

3. Benefits. Benefits shall be payable under the Plan as hereinafter provided to each Non-Employee Director who has five years of service as a Director of the Company and who

(a) retires as a Director upon or after attaining age 72; or

(b) retires prior to age 72 in anticipation of attaining that age during what would otherwise be such Non-Employee Director's next following term of office as a Director; or

(c) retires as a Director prior to age 72 but after age 65 for reasons such as health, relocation (whether residence or principal place of business), or similar considerations; or

(d) retires as a Director at any time after a Change in Control, regardless of age.

Benefits shall be payable during the lifetime of each such Non-Employee Director at an annual rate equal to the product obtained by multiplying the applicable percentage (based on the number of full years of service) specified below, by the amount of the annual retainer fee (i.e., exclusive of attendance and other fees) payable at the date of retirement or as of a date six months prior to a Change in Control, whichever is greater:

Years of Service	Percentage of Annual Retainer Fee
5	50%
6	60%
7	70%
8	80%
9	90%
10 or more	100%

Such benefits shall be payable in advance in installments. The first of such installments shall be paid on such Non-Employee Director's date of retirement for the period ending on the last day of the calendar quarter in which such date falls, and each succeeding installment shall be paid on the first day of the relevant calendar quarter. Notwithstanding the foregoing, benefits payable to any Non-Employee Director shall in no event commence prior to the date on which such Director attains age 65.

The obligations of the Company under the Plan shall not be funded in any manner for purposes of the Internal Revenue Code or the Employee Retirement Income Security Act of 1974. Actions taken in conformity with Section 5 hereof shall not constitute funding for such purposes.

4. Amendment and Termination. The Plan may at any time be amended or terminated by the Board, provided that no such amendment or termination of the Plan shall adversely affect the benefits accrued or payable hereunder on account of any present or former Non-Employee Director in respect of service rendered prior to such amendment or termination.

5. Change in Control. The provisions of this Section 5 shall be controlling, anything in the other provisions of the Plan to the contrary notwithstanding.

(a) In the event that a Change in Control shall occur or the Board shall in its discretion determine that a Change in Control is anticipated within 90 days from the date of such determination, the Company shall forthwith take such action as shall be necessary or appropriate to activate the trust agreement dated as of September 16, 1994 between the Company and The Chase Manhattan Bank (National Association), as trustee, by the payment in cash to the trustee under such trust agreement of the aggregate amount which A. Foster Higgins & Co. Inc. (or another nationally recognized firm of actuaries selected by the Board) shall determine, on the basis of mortality and other assumptions at the time applicable under the Pension Plan, to be required to provide all projected benefit obligations to Non-Employee Directors under the Plan as of the date the Change in Control occurs or as of the date of such determination, as the case may be. All expenses and income and other taxes in connection with the establishment and operation of such trust shall be paid by the Company.

(b) In addition to all other rights under applicable law, any individual who shall be a Non-Employee Director at the date on which a Change in Control shall occur or be anticipated as provided in paragraph (b) above shall from and after that date have the right to bring an action, either individually or on behalf of all Non-Employee Directors, to enforce the provisions of this Section 5 by seeking injunctive relief and/or damages, and the Company shall be obligated to pay or reimburse each such Non-Employee Director who shall prevail, in whole or in substantial part, for all reasonable expenses, including attorney's fees, in connection with such action.

(c) The foregoing provisions of this Section 5 shall be construed liberally to the end that accrued benefits under the Plan shall be assured to the fullest extent practicable; provided, however, that nothing in the Plan shall be construed in a manner that would subject any Non-Employee Director to current taxation on establishment of the trust.

(d) Nothing in this Section 5 shall of itself be deemed to increase the amount of any accrued benefits to which any Non-Employee Director shall have become entitled under the Plan. The establishment and activation of the trust agreement referred to in paragraph (a) of this Section 5 shall not be deemed to relieve the Company of its obligations under the Plan to Non-Employee Directors except pro tanto to the extent that amounts in respect thereof are paid under such trust agreement to such Non-Employee Directors.

6. Agreements with Non-Employee Directors. The Company shall enter into an agreement with each of its Non-Employee Directors incorporating the provisions of the Plan and containing such other provisions, consistent with the Plan, as may be mutually acceptable.

7. Successors. The Plan shall inure to the benefit of and be binding upon the Company and its successors (including, without limitation, each person or group referred to in the definition of Change in Control and each affiliate of such person or group). Each such successor shall be obligated to enter into an agreement in form and substance satisfactory to each Non-Employee Director by which such successor shall expressly assume and agree to perform this agreement in the same manner and to the same extent as the Company would be required to perform if no succession had taken place. The Company shall cause each such successor to comply with its obligation to enter into such agreement.

8. Governing Law. The Plan and all actions taken hereunder shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

As amended September 16, 1994

Exhibit 10(h)

[Form of letter agreement pursuant
to Non-Employee Directors Retirement Plan]

As of September 16, 1994

Mr.

Dear :

Pursuant to the Retirement Plan for Non-Employee Directors (the "Plan"), as amended as of September 16, 1994, a copy of which is attached hereto as Annex 1, this will confirm that, in consideration of your services rendered and to be rendered to The Pittston Company (the "Company") and for other good and valuable consideration, the Company and you have agreed, and do hereby agree, that you shall be entitled to participate in the Plan and have enforceable rights to all benefits thereunder and under related trust and other agreements, subject to and in accordance with their respective terms.

Notices and other communications and payments in relation to this agreement, the plan or such trust and other agreements shall be sent to you at the above address or at such other address as you shall from time to time designate in writing to the Company.

Please confirm this agreement by signing and returning to the Company at its address set forth above the enclosed duplicate original of this letter.

Very truly yours,
THE PITTSTON COMPANY

By___________________
Chairman

Confirmed and agreed:

____

Trust under the Pension Equalization
Plan, Retirement Plan for Non-Employee
Directors and Certain Contractual
Arrangements of The Pittston Company

TRUST AGREEMENT made as of this 16th day of September, 1994, by and between THE PITTSTON COMPANY (the "Company") and THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION), as Trustee (the "Trustee").

WHEREAS, the Company has (i) entered into contractual arrangements with the individuals listed on Exhibit A to provide supplemental pension payments based on periods of employment prior to employment with the Company (collectively, the "Contracts"), (ii) adopted the Pension Equalization Plan and (iii) adopted the Retirement Plan for Non-Employee Directors (collectively, the plans referred to in clauses (ii) and (iii) are referred to as the "Plans"); and

WHEREAS, the Company has incurred or expects to incur liability under the terms of the Plans and the Contracts with respect to the individuals participating in the Plans or covered by the Contracts; and

WHEREAS, the Company wishes to establish a trust (the "Trust") and to contribute to the Trust assets that shall be held therein, subject to the claims of the Company's creditors in the event of the Company's Insolvency (as hereinafter defined) until paid to Participants and their Beneficiaries (as hereinafter defined) in such manner and at such times as specified in the Plans and/or Contracts; and

WHEREAS, it is the intention of the parties that this Trust shall constitute an unfunded arrangement and shall not affect the status of the Plans as unfunded plans maintained for the purpose of providing deferred compensation for a select group of management or highly compensated employees for purposes of Title I of the Employee Retirement Income Security Act of 1974; and

WHEREAS, it is the intention of the Company to make contributions to the Trust to provide itself with a source of funds to assist it in the meeting of its liabilities under the Contracts and Plans.

NOW, THEREFORE, the parties do hereby establish the Trust and agree that the Trust shall be comprised, held and disposed of as follows:

Section 1. Definitions. As used in this Trust Agreement, the following words and terms shall have the meanings specified below:

"Beneficiary" means the beneficiary or beneficiaries last designated by the Participant in writing under the Plans or Contracts. In the absence of an effective designation or if the final surviving designated beneficiary has predeceased the Participant, the Beneficiary shall be the Participant's estate. In the event the Participant is survived by a Beneficiary who dies after payments to the Beneficiary have commenced but before receiving all amounts due him or her under the Plan or Contract, any remaining amounts shall be paid to an alternate beneficiary designated by the Participant or, in the absence of an alternative surviving Beneficiary, to the estate of the last surviving Beneficiary.

"Change of Control" shall be deemed to occur if either (a) any person, or any two or more persons acting as a group, and all affiliates of such person or persons, shall own beneficially shares of stock of the Company entitled to more than 20% of the total combined voting power in the election of directors of the Company (exclusive of shares held by any corporation of which shares representing at least 50% of the ordinary voting power are owned, directly or indirectly, by the Company) pursuant to a tender offer, exchange offer or series of purchases or other acquisitions, or any combination of those transactions, or (b) there shall be a change in the composition of the Board at any time within two years after any tender offer, exchange offer, merger, consolidation, share exchange, sale of assets or contested election, or any combination of those transactions (a "Transaction"), so that (i) the persons who were directors of the Company immediately before the first such Transaction cease to constitute a majority of the board of directors of the corporation which shall thereafter be in control of the companies or other entities that were parties to or otherwise involved in such first Transaction, or (ii) the number of persons who shall thereafter be directors of such corporation shall be fewer than two-thirds of the number of directors of the Company immediately prior to such first Transaction. A Change of Control shall be deemed to take place upon the first to occur of the events specified in the foregoing clauses (a) and (b).

"Insolvent" means (a) the inability of the Company to pay its debts as they become due or (b) the Company being subject to a pending proceeding as a debtor under the United States Bankruptcy Code.

"Participant" means an individual who is entitled to a benefit under the Plans or who is a party to one of the Contracts.

Section 2. Establishment Of Trust.

(a) The Company hereby deposits with the Trustee in trust the sum of $1,000.00, which shall become the principal of the Trust to be held, administered and disposed of by the Trustee as provided in this Trust Agreement.

(b) The Trust hereby established is revocable by the Company until there shall occur a Change of Control, at which time it shall become irrevocable.

(c) The Trust is intended to be a grantor trust, of which the Company is the grantor, within the meaning of subpart E, part I, subchapter J, chapter 1, subtitle A of the Internal Revenue Code of 1986, as amended, and shall be construed accordingly.

(d) The principal of the Trust and any earnings thereon shall be held separate and apart from other funds of Company and shall be used exclusively for the uses and purposes of Participants and general creditors as herein set forth. Participants and their Beneficiaries shall have no preferred claim on, or any beneficial ownership interest in, any assets of the Trust. Any rights created under the Plans, Contracts and this Trust Agreement shall be unsecured contractual rights of Participants and their Beneficiaries against the Company. Any assets held by the Trust will be subject to the claims of the Company's general creditors under federal and state law in the event the Company becomes Insolvent.

(e) The Company, in its sole discretion, may at any time, or from time to time, make additional deposits of cash or other property, which property shall be acceptable to the Trustee, in trust with the Trustee to augment the principal to be held, administered and disposed of by the Trustee as provided in this Trust Agreement. Neither the Trustee nor any Participant or Beneficiary under the Plans or Contracts shall have any right hereunder to compel such additional deposits.

(f) Anything in this Agreement notwithstanding, upon a Change of Control, the Company shall, as soon as possible, but in no event later than 90 days following the Change of Control make an irrevocable contribution to the Trust in an amount sufficient to pay each Participant or Beneficiary the benefits to which they would be entitled pursuant to the terms of the Contracts and Plans as in effect on the date on which the Change of Control occurred.

Section 3. Payments to Participants and Their Beneficiaries.

(a) No payment shall be made from this Trust prior to a Change of Control. Following a Change of Control, the Company shall deliver periodically to the Trustee a schedule (the "Payment Schedule") that indicates the amounts payable in respect of each Participant (and his or her Beneficiaries) and provides a formula or other instructions acceptable to the Trustee for determining the amounts so payable, the form in which such amount is to be paid (as provided for or available under the Contracts or Plans) and the time of commencement of payment of such amounts. Except as otherwise provided herein, the Trustee shall make payments to the Participants and their Beneficiaries in accordance with such Payment Schedule. The Payment Schedule may periodically be amended by the Company to reflect additional retirements of Participants, changes in their marital status, terminations as a result of disability and such other matters as may result in a change in the form or amount of benefits payable to Participants. The Trustee shall make provision for reporting and withholding of any federal, state or local taxes that may be required to be withheld with respect to the payment of benefits pursuant to the terms of the Plans and/or Contracts and shall pay amounts withheld to the appropriate taxing authorities or determine that such amounts have been reported, withheld and paid by the Company.

(b) The entitlement of a Participant or Beneficiary to benefits under the Plans or Contracts shall be determined by the Company or such party as it shall designate under the Plans or Contracts, and any claim for such benefits shall be considered and reviewed under the procedures set out in the Plans or Contracts.

(c) The Company may make payment of benefits directly to Participants or their Beneficiaries under the Plans or Contracts as they become due under the terms of the Plans or Contracts. Following a Change of Control, the Company shall notify the Trustee of its decision to make payment of benefits directly prior to the time amounts are payable to Participants or their Beneficiaries, and a revised Payment Schedule reflecting such direct payments shall promptly be delivered by the Company to the Trustee. In addition, if the principal of the Trust, and any earnings thereon, are not sufficient to make payments of benefits in accordance with the terms of the Plans and Contracts, the Company shall make the balance of each such payment as it falls due. The Trustee shall notify the Company when principal and earnings are not sufficient. The establishment and funding of the Trust shall not relieve the Company from its obligations to provide the benefits under the Plans except pro tanto to the extent that amounts are paid to Participants and Beneficiaries from the Trust.

Section 4. Trustee Responsibility Regarding Payments to Trust Beneficiary When Company Is Insolvent.

(a) The Trustee shall cease payment of benefits to Participants and their Beneficiaries if the Company is Insolvent.

(b) At all times during the continuance of this Trust, as provided in paragraph (d) of Section 2 hereof, the principal and income of the Trust shall be subject to claims of general creditors of the Company under federal and state law as set forth below:

(1) The Board of Directors and the Chief Executive Officer of the Company shall have the duty to inform the Trustee in writing of the Company's Insolvency. If a person claiming to be a creditor of the Company alleges in writing to the Trustee that the Company has become Insolvent, the Trustee shall determine whether the Company is Insolvent and, pending such determination, the Trustee shall discontinue payment of benefits to Participants or their Beneficiaries.

(2) Unless the Trustee has actual knowledge of the Company's Insolvency, or has received notice from the Company or a person claiming to be a creditor alleging that the Company is Insolvent, the Trustee shall have no duty to inquire whether the Company is Insolvent. The Trustee may in all events rely on such evidence concerning the Company's solvency as may be furnished to the Trustee and that provides the Trustee with a reasonable basis for making a determination concerning the Company's solvency.

(3) If at any time the Trustee has determined that the Company is Insolvent, the Trustee shall discontinue payments to Participants or their Beneficiaries and shall hold the assets of the Trust for the benefit of the Company's general creditors. Nothing in this Trust Agreement shall in any way diminish any rights of Participants or their Beneficiaries to pursue their rights as general creditors of the Company with respect to benefits due under the Plans, Contracts or otherwise.

(4) The Trustee shall resume the payment of benefits to Participants or their Beneficiaries in accordance with Section 3 of this Trust Agreement only after the Trustee has determined that the Company is not Insolvent

(or is no longer Insolvent).

(c) Provided that there are sufficient assets, if the Trustee discontinues the payment of benefits from the Trust pursuant to paragraph (b) of Section 4 hereof and subsequently resumes such payments, the first payment following such discontinuance shall include the aggregate amount of all payments due to Participants or their Beneficiaries under the terms of the Plans and Contracts for the period of such discontinuance, less the aggregate amount of any payments made to such Participants or their Beneficiaries by the Company in lieu of the payments provided for hereunder during any such period of discontinuance.

Section 5. Payments to Company.

Except as provided in Section 4 hereof, after the Trust has become irrevocable, the Company shall have no right or power to direct the Trustee to return to the Company or to divert to others any of the Trust assets before all payment of benefits have been made to Participants and their Beneficiaries pursuant to the terms of the Plans and Contracts.

Section 6. Investment Authority.

(a) The Trustee shall invest the assets of the Trust in the manner directed by the Company. The Company agrees to indemnify the Trustee for, and to hold it harmless against, any and all liabilities, losses, costs or expenses (including reasonable legal fees and expenses) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against the Trustee at any time by reason of actions taken in accordance with such directions by the Company or omitted because no such directions are given, including, without limitation, any acquisition, retention or disposition of any stock or other securities of the Company.

(b) To the extent directed by the Company, the Trustee shall have the following investment powers:

(i) To purchase or subscribe for any property whatsoever (including stock or rights to acquire stock) and to retain in trust such securities or other property. The Trustee may invest in securities (including stock or rights to acquire stock) or obligations issued by the Company.

(ii) To sell for cash or on credit, to grant options, convert, redeem, exchange for other securities or other property, or otherwise to dispose of any securities or other property at any time held.

(iii) To exercise any conversion privilege and/or subscription right available in connection with any securities or other property at any time held; to oppose or to consent to the reorganization, consolidation, merger or readjustment of the finances of any corporation, company or association or to the sale, mortgage, pledge or lease of the property of any corporation, company or association any of the securities of which may at any time be held and to do any act with reference thereto, including the exercise of options, the making of agreements or subscriptions, which may be deemed necessary or advisable in connection therewith; and to hold and retain any securities or other property so acquired.

(iv) To exercise, personally or by general or by limited power of attorney, any right, including the right to vote (other than with respect to the stock of the Company), appurtenant to any securities or other property held at any time.

(v) To hold part or all of the Trust uninvested.

(vi) To register any securities held hereunder in the name of the Trustee or in the name of a nominee with or without the addition of words indicating that such securities are held in a fiduciary capacity, and to hold any securities in bearer form.

All rights associated with assets of the Trust shall be exercised by the Trustee or the person designated by the Trustee except that voting rights with respect to stock of the Company shall be exercised by the Company, and shall in no event be exercisable by or rest with Participants or their Beneficiaries. The Company shall have the right in its sole discretion at any time, and from time to time, to substitute assets of equal fair market value for any asset held by the Trust. This right is exercisable by the Company in a nonfiduciary capacity without the approval or consent of any person in a fiduciary capacity.

Section 7. Disposition of Income.

During the term of this Trust, all income received by the Trust, net of expenses and taxes, shall be accumulated and reinvested.

Section 8. Accounting by Trustee.

The Trustee shall keep accurate and detailed records of all investments, receipts, disbursements and other transactions required to be made, including such specific records as shall be agreed upon in writing between the Company and the Trustee. Within 90 days following the close of each calendar year and within 90 days after the removal or resignation of the Trustee, the Trustee shall deliver to the Company a written account of its administration of the Trust during such year or during the period from the close of the last preceding year to the date of such removal or resignation, setting forth all investments, receipts, disbursements and other transactions effected by it, including a description of all securities and investments purchased and sold with the cost or net proceeds of such purchases or sales (accrued interest paid or receivable being shown separately), and showing all cash, securities and other property held in the Trust at the end of such year or as of the date of such removal or resignation, as the case may be. Unless protested by written notice to the Trustee within 120 days of receipt thereof by the Company, any such written account shall be deemed accepted and approved by the Company, and the Trustee shall be relieved and discharged, as if such account had been settled and allowed by a judgment or decree of a court of competent jurisdiction, in an action or proceeding in which the Company and all persons having a beneficial interest in the Trust were parties.

Nothing contained in this Agreement shall deprive the Trustee or the Company of the right to have a judicial settlement of its accounts. In any proceeding for a judicial settlement of the Trustee's accounts, or for instructions in connection with the Trust, the only necessary party thereto in addition to the Trustee shall be the Company. If the Trustee or the Company so elects, it may bring in as a defendant party or parties any other person or persons.

Section 9. Responsibility of Trustee.

(a) The Trustee shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. In the event of a dispute between the Company and a party, the Trustee may apply to a court of competent jurisdiction to resolve the dispute.

(b) Whenever in the administration of the Trust a certification is required to be given to the Trustee, or the Trustee shall deem it necessary that a matter be proved prior to taking, suffering or omitting any action hereunder, such certification shall be duly made and said matter may be deemed to be conclusively proved by an instrument, signed in the name of the Company, by its President, a Vice President or by any other person specified in writing by the Company. The Company shall file with the Trustee a certified list of the names and specimen signatures of the persons authorized to act for the Company. The Trustee may rely on any such certification purporting to have been signed by or on behalf of such person or persons that the Trustee believes in good faith to have been signed thereby. The Trustee shall have no responsibility for reasonably relying upon any certification believed by the Trustee in good faith to have been so signed by a duly authorized officer or agent of the Company.

(c) The Trustee may make any payment required to be made by it hereunder by mailing its check in the amount hereof by first class mail in a sealed envelope addressed to the person to whom such payment is to be made. The Trustee shall not be required to make any investigation to determine the identity or mailing address of any person entitled to benefits under this Agreement and shall be entitled to withhold making payments until the identity and mailing addresses of persons entitled to benefits are certified to it. In the event that any dispute shall arise as to the identity or rights of persons entitled to benefits hereunder, the Trustee may withhold payment of benefits until such dispute shall have been determined by arbitration or by a court of competent jurisdiction or shall have been settled by written stipulation of the parties concerned.

(d) If the Trustee undertakes or defends any litigation arising in connection with this Trust, the Company agrees to indemnify the Trustee against the Trustee's costs, expenses and liabilities (including, without limitation, reasonable attorneys' fees and expenses) relating thereto and to be primarily liable for such payments. If the Company does not pay such costs, expenses and liabilities in a reasonably timely manner, the Trustee may obtain payment from the Trust.

(e) The Trustee may consult with legal counsel (who may also be counsel for the Company generally) with respect to any of its duties or obligations hereunder.

(f) The Trustee may hire agents, accountants, actuaries, investment advisors, financial consultants or other professionals to assist it in performing any of its duties or obligations hereunder. Prior to a Change of Control, to the extent approved by the Company, the Company shall be responsible for payment of these expenses, and if not paid by the Company, such authorized expenses shall be paid by the Trust. Following a Change of Control, the Company shall be responsible for payment of these expenses, and if not paid by the Company, such expenses shall be paid by the Trust.

(g) The Trustee shall have, without exclusion, all powers conferred on trustees by applicable law, unless expressly provided otherwise herein, provided, however, that if an insurance policy is held as an asset of the Trust, the Trustee shall have no power to name a Beneficiary of the policy other than the Trust, to assign the policy (as distinct from conversion of the policy to a different form) other than to a successor Trustee or to loan to any person the proceeds of any borrowing against such policy.

(h) A third party dealing with the Trustee shall not be required to make any inquiry whether the Company or a Participant has instructed the Trustee, or the Trustee is otherwise authorized to take or omit any action; or to follow the application by the Trustee of any money or property which may be paid or delivered to the Trustee.

(i) The liability of the Trustee to make the payments specified by the Plan shall be limited to the funds which have come into its hands as Trustee hereunder, including all income therefrom and increment thereof.

(j) The Company shall indemnify and hold harmless the Trustee for any liability or expenses, including without limitation, reasonable attorneys' fees reasonably incurred by the Trustee with respect to any action undertaken with the consent of the Company in good faith hereunder or pursuant to the Plans other than on account of the Trustee's negligence or willful misconduct.

(k) Notwithstanding any powers granted to the Trustee pursuant to this Trust Agreement or applicable law, the Trustee shall not have any power that could give this Trust the objective of carrying on a business and deriving the gains therefrom, within the meaning of section 301.7701-2 of the Procedure and Administrative Regulations promulgated pursuant to the Internal Revenue Code.

Section 10. Compensation and Expenses of Trustees.

The Trustee shall receive for its services compensation in accordance with Schedule A, which can be amended upon the agreement of the Company and Trustee. After a Change of Control of the Company, the Trustee may increase its rate of compensation as reasonably necessary.

The Company shall pay all administrative and Trustee's fees and expenses. If not so paid, the fees and expenses shall be paid from the Trust.

Section 11. Resignation and Removal of Trustee.

(a) The Trustee may resign at any time by written notice to the Company, which shall be effective 90 days after receipt of such notice unless the Company and the Trustee agree otherwise.

(b) Except as provided in paragraph (c) of this Section 11, the Trustee may be removed by the Company on 90 days' notice or upon shorter notice accepted by the Trustee.

(c) Upon a Change of Control, the Trustee may not be removed by the Company for five years.

(d) If the Trustee resigns or is removed within ten years of a Change of Control, as defined herein, the

Trustee shall select a successor Trustee in accordance with the provisions of paragraph (b) of Section 12 hereof whose appointment shall be effective at the effective time of the Trustee's resignation or removal. The Trustee shall be compensated for the reasonable costs of selecting a successor as provided in Sections 10 and 12.

(e) Upon resignation or removal of the Trustee and appointment of a successor Trustee, all assets shall subsequently be transferred to the successor Trustee. The transfer shall be completed within 90 days after receipt of notice of resignation, removal or transfer, unless the Company extends the time limit.

(f) If the Trustee resigns or is removed, a successor shall be appointed, in accordance with Section 12 hereof, by the effective date of resignation or removal under paragraph (a) or (b) of this Section 11. If no such appointment has been made, the Trustee may apply to a court of competent jurisdiction for appointment of a successor or for instructions. All expenses of the Trustee in connection with the proceeding shall be allowed as administrative expenses of the Trust.

Section 12. Appointment of Successor.

(a) Subject to the provisions of paragraph (b) of this Section 12, if the Trustee resigns or is removed in accordance with paragraph (a) or (b) of Section 11 hereof, the Company shall appoint any third party, such as a bank trust department or other party that may be granted corporate trustee powers under state law, as a successor to replace the trustee upon resignation or removal. The appointment shall be effective when accepted in writing by the new trustee, who shall have all of the rights and powers of the former Trustee, including ownership rights in the Trust assets. The former Trustee shall execute any instrument necessary or reasonably requested by the Company or the successor trustee to evidence the transfer.

(b) If the Trustee resigns or is removed pursuant to the provisions of paragraph (d) of Section 11 hereof, the Trustee shall appoint any third party, such as a bank trust department or other party that may be granted corporate trustee powers under state law, as successor trustee. The appointment of a successor trustee shall be effective when accepted in writing by the new trustee. The new trustee shall have all the rights and powers of the former Trustee, including ownership rights in Trust assets. The former Trustee shall execute any instrument necessary or reasonably requested by the successor trustee to evidence the transfer.

(c) The successor trustee need not examine the records and acts of any prior Trustee and may retain or dispose of existing Trust assets, subject to Sections 8 and 9 hereof. The successor trustee shall not be responsible for and the Company shall indemnify and defend the successor trustee from any claim or liability resulting from any action or inaction of any prior Trustee or from any other past event, or any condition existing at the time it becomes trustee.

Section 13. Amendment or Termination. (a) This Trust Agreement may be amended by a written instrument executed by the Trustee and the Company. Notwithstanding the foregoing, no such amendment shall conflict with the terms of the Plans or Contracts or shall make the Trust revocable after it has become irrevocable in accordance with paragraph (b) of Section 2 hereof.

(b) Unless sooner revoked in accordance with paragraph (b) of Section 2 hereof, the Trust shall not terminate until the date on which Participants and their Beneficiaries are no longer entitled to benefits pursuant to the terms of the Plans and Contracts. Upon termination of the Trust, any assets remaining in the Trust shall be returned to the Company.

(c) Upon written approval of Participants or Beneficiaries entitled to payment of benefits pursuant to the terms of the Plans and Contracts, the Company may terminate this Trust prior to the time all benefit payments under the Plans and Contracts have been made. All assets in the Trust at termination shall be returned to the Company.

(d) Paragraph (f) of Section 2, Section 3, paragraph (c) or (d) of Section 11 and paragraph (b) of Section 12 of this Trust Agreement may not be amended by Company for ten years following a Change of Control.

Section 14. Miscellaneous. (a) Any provision of this Trust Agreement prohibited by law shall be ineffective to the extent of any such prohibition, without invalidating the remaining provisions hereof.

(b) Benefits payable to Participants and their Beneficiaries under this Trust Agreement may not be anticipated, assigned (either at law or in equity), alienated, pledged, encumbered or subjected to attachment, garnishment, levy, execution or other legal or equitable process.

(c) This Trust Agreement shall be governed by and construed in accordance with the laws of the State of New York.

Section 15. Effective Date.

The effective date of this Trust Agreement shall be the 16th day of September, 1994.

THE PITTSTON COMPANY,

by s/Frank T. Lennon

____

THE CHASE MANHATTAN BANK
(NATIONAL ASSOCIATION),
Trustee

by s/Edward L. Berman

____

[Title]

Exhibit A

Individuals Covered by Contractual Arrangements with
The Pittston Company

Robert D. Duke

Joseph Farrell

David Marshall

Jonathan Sturman

EXHIBIT 11

THE PITTSTON COMPANY AND SUBSIDIARIES
COMPUTATION OF EARNINGS PER COMMON SHARE
(In thousands, except per share amounts)

FULLY DILUTED EARNINGS PER COMMON SHARE: (a)

	Three Months Ended September 30		Nine Months Ended September 30	
	1994	1993	1994	1993
PITTSTON SERVICES GROUP:				
Net income attributed to common shares	$25,014	15,313	56,813	31,697
Average common shares outstanding	37,840	36,948	37,757	36,722
Incremental shares of stock options	464	559	492	330
Pro forma common shares outstanding	38,304	37,507	38,249	37,052
Fully diluted earnings per common share:	$ .65	.41	1.49	.86
PITTSTON MINERALS GROUP:				
Net income (loss) attributed to common shares	$ 6,196	5,932	(61,133)	11,844
Preferred stock dividends	(541)	-	(2,804)	-
Fully diluted net income (loss) attributed to common shares	$ 5,655	5,932	(63,937)	11,844
Average common shares outstanding	7,605	7,386	7,578	7,343
Incremental shares of stock options	90	158	88	81
Conversion of preferred stock	2,385	-	2,299	-
Pro forma common shares outstanding	10,080	7,544	9,965	7,424
Fully diluted earnings (loss) per common share:	$ .61	.79	(8.44)(b)	1.60

(a) On July 26, 1993, the outstanding shares of The Pittston Company's common stock were redesignated as Pittston Services Group common stock on a share-for-share and a second class of stock, designated as Pittston Minerals Group common stock ("Minerals Stock") was distributed on a basis of one-fifth of one share of Minerals Stock for each share of The Pittston Company's common stock. Accordingly, all common share, stock options and per share data prior to the redesignation has been restated to reflect the new equity structure of The Pittston Company.

(b) Antidilutive, therefore the same as primary.

Primary Earnings Per Share:

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

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This schedule contains summary financial information extracted from The Pittston Company Form 10Q for the quarterly period ended September 30, 1994, and is qualified in its entirety by reference to such financial statements.

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9-MOS
DEC-31-1994
SEP-30-1994
52,255
24,554
337,122
16,963
34,930
547,465
809,456
378,669
1,685,483
549,130
128,314
50,032
0
1,526
367,755
1,685,483
589,033
1,941,149
578,197
1,690,035
90,806
3,150
7,954
(10,033)
(5,713)
(4,320)
0
0
0
(4,320)
0
0

Pittston Services Group - Primary - 1.50
Pittston Minerals Group - Primary - (8.44)
Pittston Services Group - Diluted - 1.50
Pittston Minerals Group - Diluted - (8.44)