PITTSTON CO
Form 11-K
March 28, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 11-K

[X] ANNUAL REPORT PURSUANT TO SECTION 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE YEAR ENDED DECEMBER 31, 2002

OR

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

FOR THE TRANSITION PERIOD FROM ____________ TO _____________

COMMISSION FILE NUMBER 1-9148

1994 EMPLOYEE STOCK PURCHASE PLAN OF THE PITTSTON COMPANY
(FULL TITLE OF THE PLAN)

THE PITTSTON COMPANY
(NAME OF THE ISSUER OF SECURITIES HELD PURSUANT TO THE PLAN)

P.O. BOX 18100
1801 BAYBERRY COURT
RICHMOND, VIRGINIA 23226-8100

(ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)

INDEPENDENT AUDITORS' REPORT

The Participants of the 1994 Employee Stock
Purchase Plan of The Pittston Company:

We have audited the accompanying statements of financial condition of the 1994 Employee Stock Purchase Plan of The Pittston Company (the "Plan") as of December 31, 2002 and 2001, and the related statements of income and changes in plan equity for each of the years in the three-year period ended December 31, 2002. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the 1994 Employee Stock Purchase Plan of The Pittston Company as of December 31, 2002 and 2001, and the income and changes in plan equity for each of the years in the three-year period ended December 31, 2002, in conformity with accounting principles generally accepted in the United States of America.

/s/ KPMG LLP

KPMG LLP
Richmond, Virginia

March 17, 2003

1994 EMPLOYEE STOCK PURCHASE PLAN OF THE PITTSTON COMPANY

STATEMENTS OF FINANCIAL CONDITION

DECEMBER 31, 2002 AND 2001

	2002	2001
ASSETS:		

Contributions receivable from The Pittston Company	$	1,021,013	901,433
Total assets	$	1,021,013	901,433
LIABILITIES AND PLAN EQUITY:			
Share purchase obligations	$	1,021,013	901,433
Total liabilities and Plan equity	$	1,021,013	901,433

See accompanying notes to financial statements.

1994 EMPLOYEE STOCK PURCHASE PLAN OF THE PITTSTON COMPANY

STATEMENTS OF INCOME AND CHANGES IN PLAN EQUITY

YEARS ENDED DECEMBER 31, 2002, 2001 AND 2000

		2002	2001
INCOME:			
Participant contributions	$	1,986,262	1,651,51
		1,986,262	1,651,51
WITHDRAWALS:			
Contributions transferred or owed to participants' accounts		1,986,262	1,651,51
Increase (decrease) in Plan equity		-	
Plan equity-beginning of year		-	
Plan equity-end of year	$	-	

See accompanying notes to financial statements.

1994 EMPLOYEE STOCK PURCHASE PLAN OF THE PITTSTON COMPANY

STATEMENTS OF INCOME AND CHANGES IN PLAN EQUITY
(CONTINUED)

YEARS ENDED DECEMBER 31, 2002, 2001 AND 2000

		Other	Pittston Common Stock	Pittston BAX Group Common Stock
INCOME:				
Participant contributions	$	710,872	786,024	-
Dividend income		-	10,292	-
Unrealized appreciation on common stock		-	644,455	-
Realized loss on distributions		-	(2,570,749)	-
		710,872	(1,129,978)	-
WITHDRAWALS AND OTHER:				
Exchange of stock		-	(1,822,924)	1,384,239
Distribution to Plan participants, at market value		-	3,293,515	-
Contributions owed to participants' accounts		710,872	-	-
Decrease in Plan equity		-	(2,600,569)	(1,384,239)
Plan equity-beginning of year		-	2,600,569	1,384,239
Plan equity-end of year	$	-	-	-

See accompanying notes to financial statements.

1994 EMPLOYEE STOCK PURCHASE PLAN OF THE PITTSTON COMPANY

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF PLAN AND SIGNIFICANT ACCOUNTING POLICIES

The following description of the 1994 Employee Stock Purchase Plan of The Pittston Company (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions. The Plan is an "employee stock purchase plan" within the meaning of Section 423 of the Internal Revenue Code of 1986, as amended, (the "Code") covering all eligible employees of The Pittston Company and its subsidiaries. The Plan years begin on January 1 and end on December 31.

AMENDMENT OF THE PLAN

The Plan was amended on July 1, 2000 so that shares of Pittston Common Stock purchased by participants pursuant to the Plan are directly transferred from The Pittston Company Employee Benefits Trust to accounts maintained for each of the Plan participants by a recordkeeper selected by The Pittston Company. Transferred shares are not deemed to be assets of the Plan.

PURCHASE PRICE AND TRANSFERS OF COMMON STOCK

The purchase price (the "Purchase Price") for each share of common stock to be purchased under the Plan is 85% of the Fair Market Value (as defined in the Plan) of such share on either (a) the first day of each six-month period commencing on July 1 or January 1 (the "Offering Date") or (b) the last day of each six-month period from an Offering Date (the "Purchase Date"), whichever is less. The Fair Market Value with respect to shares of common stock is generally defined as the average of the high and low quoted sales price of a share of such stock on the applicable date as reported on the New York Stock Exchange Composite Transactions Tape.

As of the Purchase Date, with respect to each six-month period from an Offering Date to and including the Purchase Date (the "Offering Period"), the amount then in a participant's account is applied to the purchase of the number of whole shares of common stock determined by dividing such amount by the applicable Purchase Price. Any amounts remaining at the end of an offering period are accumulated and used to purchase shares during the next offering period.

The maximum number of shares of Pittston Common Stock which may be issued or allocated pursuant to the Plan is 984,905 of which 739,993 shares had been issued as of December 31, 2002.

ELIGIBILITY

Generally, any employee of The Pittston Company or a designated subsidiary (a "Subsidiary") is eligible to participate in the Plan if he or she is customarily employed for at least 20 hours per week; provided, however, that in the case of an employee who is covered by a collective bargaining agreement, he or she shall not be considered an eligible employee unless and until the labor organization representing such individual has accepted the Plan on behalf of the employees in the collective bargaining unit. Any eligible employee shall continue to be an eligible employee during an approved leave of absence provided such employee's right to continue employment with The Pittston Company or a Subsidiary upon expiration of such employee's leave of absence is guaranteed either by statute or by contract with or a policy of The Pittston Company or a Subsidiary. At December 31, 2002 and 2001, the Plan had a total of 919 and 952 participants, respectively.

PARTICIPANT CONTRIBUTIONS

Participants can elect to contribute any whole percentage from 1% up to and including 10% of their annual base rate of pay, including commissions, but generally excluding overtime or premium pay ("Compensation"), up to a maximum of $12,750 per calendar year, provided that the amount withheld by a participant during the Offering Period does not exceed 50% of such participant's Compensation determined on the Offering Date. A participant may reduce (but not increase) the rate of payroll withholding during an Offering Period at any time prior to the end of such Offering Period for which such reduction is to be effective. Not more than one reduction may be made in any Offering Period unless otherwise determined by nondiscriminatory rules. A participant may elect to cease active participation in the Plan at any time up to the end of an Offering Period by filing the appropriate form with the committee that administers the Plan. A participant who elects to cease participation in the Plan may not resume participation in the Plan until after the expiration of the then current Offering Period.

No participant shall have a right to purchase shares of common stock if (a) such participant, immediately after electing to purchase such shares, would own common stock possessing 5% or more of the total combined voting power or value of the stock of The Pittston Company or of any Subsidiary, or (b) the rights of such participant to purchase common stock under the Plan would accrue at a rate that exceeds $25,000 of Fair Market Value of such common stock (determined at the time or times such rights are granted) for each calendar year for which such rights are outstanding at any time.

REFUND TO PARTICIPANTS IF TERMINATED

In the event of the termination of a participant's employment for any reason, including retirement or death, or the failure of a participant to remain eligible under the terms of the Plan, any amounts credited to such participant's account will be refunded, without interest, to such individual or, in the event of his or her death, to his or her legal representative.

TERMINATION OR AMENDMENT OF THE PLAN

The Plan will remain in effect until June 30, 2007, unless extended pursuant to shareholder approval.

The Board of Directors of The Pittston Company may, at any time and from time to time, amend (including, but not limited to, amendments to the Plan to increase the Purchase Price), modify or terminate the Plan, but no such amendment or modification without the approval of the shareholders shall: (a) increase the maximum number of shares of common stock which may be issued pursuant to the Plan; (b) permit the issuance of any shares of common stock at a purchase price less than that provided in the Plan as approved by the shareholders; (c) extend the term of the Plan; or (d) cause the Plan to fail to meet the requirements of an "employee stock purchase plan" under the Code.

BASIS OF ACCOUNTING

The accompanying financial statements are prepared on the accrual basis of accounting.

USE OF ESTIMATES

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ materially from those estimates.

INVESTMENT VALUATION AND INCOME RECOGNITION

Prior to July 1, 2000, the investments in Pittston Common Stock, Brink's Stock, BAX Stock and Minerals Stock were valued at their quoted market price. Purchases and sales of stock until July 1, 2000 were recorded on a trade-date basis.

Dividends were recorded on the ex-dividend date.

DISTRIBUTIONS
Prior to July 2000, distributions were recognized when payable and were recorded at the fair market value of shares dispersed.

INCOME TAXES
The Plan, and the rights of participants to make purchases thereunder, is intended to qualify as an

"employee stock purchase plan" under Section 423 of the Code. The Plan is not qualified under Section 401(a) of the Code. Pursuant to Section 423 of the Code, no income (other than dividends) will be taxable to a participant until disposition of the shares purchased under the Plan. Upon the disposition of the shares, the participant will generally be subject to tax and the amount and character of the tax will depend upon the holding period. Dividends received on shares held by the Plan on behalf of a participant are taxable to the participant as ordinary income. Therefore, the Plan does not provide for income taxes.

ADMINISTRATIVE COSTS
All administrative costs incurred by the Plan are paid by The Pittston Company.

NOTE 2. COMMON STOCK

After the July 1, 2000 amendment of the Plan, shares of Pittston Common Stock purchased by participants pursuant to the Plan are directly transferred from the Pittston Employee Benefits Trust of The Pittston Company to accounts maintained for each of the Plan participants and are not deemed to be assets of the Plan.

The cost values of investments (through June 30, 2000) under the Plan are calculated using an average cost methodology.

NOTE 3. UNREALIZED APPRECIATION (DEPRECIATION) ON COMMON STOCK

After the July 1, 2000 amendment of the Plan, shares of Pittston Common Stock are not deemed to be assets of the Plan.

Changes in unrealized appreciation and depreciation during 2000 (through June 30, 2000) on common stock of the Plan were as follows:

		2000		
		Pittston Common Stock	BAX Stock	Minerals Stock
Unrealized appreciation (depreciation)				
Beginning of year	$	(119,103)	(115,014)	(410,338
Converted in the Exchange				
BAX Stock		(115,014)	115,014	-
Minerals Stock		(410,338)	-	410,338
Change in unrealized appreciation (depreciation)	$	644,455	-	-
End of year		-	-	-

NOTE 4. REALIZED LOSS ON DISTRIBUTIONS

The realized loss on distributions of common stock during 2000 (through June 30, 2000) as a result of distributions to Plan participants was as follows:

2000		Pittston Common Stock
Value of shares distributed:		
Market value	$	3,381,726
Cost basis		5,952,475
Realized loss on distribution of shares to participants	$	(2,570,749)

Participant withdrawals for the six months ended June 30, 2000 consisted of 283,285 shares of Pittston Common Stock recorded at fair market value on the day distributed.

NOTE 5. THE 2000 EXCHANGE

On December 6, 1999, The Pittston Company announced that its Board of Directors approved the elimination of the tracking stock capital structure by an exchange (the "Exchange") of all outstanding shares of BAX Group Common Stock ("BAX Stock") and Minerals Group Common Stock ("Minerals Stock") for Brink's Group Common Stock ("Brink's Stock"). The Exchange took place on January 14, 2000 (the "Exchange Date"). On the Exchange Date, holders of BAX Stock received 0.4848 shares of Brink's Stock for each share of their BAX Stock; and holders of Minerals Stock received 0.0817 shares of Brink's Stock for each share of their Minerals Stock. The exchange ratios for the BAX Stock and the Minerals Stock were calculated pursuant to the formula fixed and approved by shareholders of The Pittston Company at the time of the creation of the three classes of tracking stock in 1993 and 1996. The formula provides that shareholders of BAX Stock and Minerals Stock are entitled to receive Brink's Stock with a Fair Market Value equal to 115% of the Fair Market Value of BAX Stock and Minerals Stock, as applicable. The "Fair Market Value" of each class of common stock was determined by taking the average of the closing prices of that class of common stock on the New York Stock Exchange for the 10 trading days beginning 30 business days prior to the first public announcement of the exchange proposal, which occurred on December 6, 1999. From and after the Exchange Date, Brink's Stock is the only outstanding class of common stock of The Pittston Company and continues to trade under the symbol "PZB". Shares of Brink's Stock after the Exchange are referred to as "Pittston Common Stock."

Pursuant to the Exchange, the Plan was amended to provide that all future issues or allocations to the Plan would be made solely in Pittston Common Stock and that all stock held in the Plan would be converted to shares of Pittston Common Stock. On the Exchange Date, a total of 102,479 shares of BAX Stock and a total of 211,409 shares of Minerals Stock, were converted to 49,681 and 17,272, shares, respectively, of Pittston Common Stock.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

1994 Employee Stock Purchase Plan
of The Pittston Company

(Name of Plan)

/s/ Frank T. Lennon

(Frank T. Lennon
Vice President - Human Resources
and Administration)

March 28, 2003

CONSENT OF INDEPENDENT AUDITORS

The Participants of the 1994 Employee Stock
Purchase Plan of The Pittston Company:

We consent to incorporation by reference in the registration statement (Nos. 333-70758 and 333-78631) on Form S-8 of The Pittston Company of our report dated March 17, 2003, relating to the statements of financial condition of the 1994 Employee Stock Purchase Plan of The Pittston Company as of December 31, 2002 and 2001, and the related statements of income and changes in plan equity for each of the years in the three-year period ended December 31, 2002, which report appears in the 2002 Annual Report on Form 11-K of the 1994 Employee Stock Purchase Plan of The Pittston Company.

/s/ KPMG LLP

KPMG LLP
Richmond, Virginia

March 28, 2003