VIAD CORP

FORM 10-Q
(Quarterly Report)

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 1996
Commission file number 001-11015

THE DIAL CORP
(Exact Name of Registrant as Specified in its Charter)

DELAWARE (State or Other Jurisdiction of Incorporation or Organization)	36-1169950 (I.R.S. Employer Identification No.)
DIAL TOWER, PHOENIX, ARIZONA (Address of Principal Executive Offices)	85077 (Zip Code)

Registrant's Telephone Number, Including Area Code (602)207-4000

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

Yes x No

As of July 31, 1996, 95,267,143 shares of Common Stock ($1.50 par value) were outstanding.

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

THE DIAL CORP
CONSOLIDATED BALANCE SHEET

(000 omitted)	June 30, 1996	December 31, 1995
ASSETS		
Current assets:		
Cash and cash equivalents	$ 6,366	$ 16,133
Receivables, less allowance of $16,206 and $14,793	250,592	161,600
Inventories	97,418	84,462
Deferred income taxes	27,659	31,639
Other current assets	41,637	42,170
	423,672	336,004
Funds, agents' receivables and current maturities of investments restricted for payment service obligations, after eliminating $90,000 and $80,000 invested in Dial commercial paper	684,665	786,081
Total current assets	1,108,337	1,122,085
Investments restricted for payment service obligations	924,421	880,035
Property and equipment	596,339	597,488
Other investments and assets	103,061	103,508
Investments in discontinued operations	455,770	464,680
Deferred income taxes	58,133	50,633
Intangibles	527,409	519,332
	$ 3,773,470	$ 3,737,761

(000 omitted, except number of shares)	June 30, 1996	December 31, 1995
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 134,037	$ 118,212
Accrued compensation	55,793	64,918
Other current liabilities	255,378	235,081
Current portion of long-term debt	77,286	77,450
	522,494	495,661
Payment service obligations	1,706,679	1,739,508
Total current liabilities	2,229,173	2,235,169
Long-term debt	822,938	811,841
Pension and other benefits	85,322	82,588
Other deferred items and insurance reserves	35,557	33,044
Minority interests	8,242	20,353
$4.75 Redeemable preferred stock	6,601	6,597
Common stock and other equity:		
Common stock, $1.50 par value, 200,000,000 shares authorized, 97,108,724 shares issued	145,663	145,663
Additional capital	357,398	362,205
Retained income	332,328	322,439
Cumulative translation adjustments	(6,741)	(18,380)
Unearned employee benefits	(189,990)	(213,996)
Unrealized gain (loss) on securities available for sale	(7,329)	1,456
Common stock in treasury, at cost, 2,471,711 and 2,877,500 shares	(45,692)	(51,218)
Total common stock and other equity	585,637	548,169
	$ 3,773,470	$ 3,737,761

See Notes to Consolidated Financial Statements.

THE DIAL CORP
STATEMENT OF CONSOLIDATED INCOME

Quarter ended June 30, (000 omitted, except per share data)	1996	1995
REVENUES	$ 597,153	$ 506,123
Costs and expenses:		
Costs of sales and services	537,228	454,537
Unallocated corporate expense and other items, net	8,886	7,669
Spin-off transaction costs	12,000	
Interest expense	14,381	13,106
Minority interests	481	536
	572,976	475,848
Income before income taxes	24,177	30,275
Income taxes	11,579	8,999
INCOME FROM CONTINUING OPERATIONS	12,598	21,276
Income from discontinued operations	1,520	26,190
NET INCOME	$ 14,118	$ 47,466
INCOME PER COMMON SHARE:		
Continuing operations	$ 0.13	$ 0.24
Discontinued operations	0.02	0.30
NET INCOME PER COMMON SHARE	$ 0.15	$ 0.54
Dividends declared per common share	$ 0.16	$ 0.15
Average outstanding common and equivalent shares	90,911	88,348

See Notes to Consolidated Financial Statements.

THE DIAL CORP
STATEMENT OF CONSOLIDATED INCOME

Six months ended June 30, (000 omitted, except per share data)	1996	1995
REVENUES	$ 1,152,015	$ 997,429
Costs and expenses:		
Costs of sales and services	1,058,491	915,399
Unallocated corporate expense and other items, net	17,913	16,548
Spin-off transaction costs	12,000	
Interest expense	28,708	26,521
Minority interests	635	740
	1,117,747	959,208
Income before income taxes	34,268	38,221
Income taxes	14,556	11,721
INCOME FROM CONTINUING OPERATIONS	19,712	26,500
Income from discontinued operations	18,900	42,473
Income before cumulative effect of change in accounting principle	38,612	68,973
Cumulative effect, net of tax benefit of $7,554, to January 1, 1995, of initial application of SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of"		(17,696)
NET INCOME	$ 38,612	$ 51,277
INCOME (LOSS) PER COMMON SHARE		
Continuing operations	$ 0.21	$ 0.30
Discontinued operations	0.21	0.48
Income before cumulative effect of change in accounting principle	0.42	0.78
Cumulative effect of change in accounting principle		(0.20)
NET INCOME PER COMMON SHARE	$ 0.42	$ 0.58
Dividends declared per common share	$ 0.32	$ 0.30
Average outstanding common and equivalent shares	90,847	88,211

See Notes to Consolidated Financial Statements.

THE DIAL CORP
STATEMENT OF RETAINED INCOME

Six months ended June 30, (000 omitted)	1996	1995
Balance, beginning of year	$ 322,439	$ 393,233
Net income	38,612	51,277
Dividends on common and preferred shares	(28,913)	(26,445)
Other	190	1,219
Balance, end of period	$ 332,328	$ 419,284

See Notes to Consolidated Financial Statements.

THE DIAL CORP
STATEMENT OF CONSOLIDATED CASH FLOWS

Six months ended June 30, (000 omitted)	1996	1995
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES:		
Net income	$ 38,612	$ 51,277
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	42,014	38,510
Deferred income taxes	3,552	8,612
Discontinued operations	(18,900)	(42,473)
Cumulative effect of change in accounting principle		17,696
Spin-off transaction costs	12,000	
Other noncash items, net	2,875	2,784
Change in operating assets and liabilities:		
Receivables and inventories	(99,215)	(44,680)
Payment service assets and obligations, net	97,602	97,617
Accounts payable and accrued compensation	6,621	9,346
Other assets and liabilities, net	562	(41,890)
Net cash provided by operating activities	85,723	96,799
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES:		
Capital expenditures	(32,964)	(24,943)
Purchase of cruise ship previously leased		(39,447)
Acquisitions of businesses, net of cash acquired	(2,451)	(13,136)
Proceeds from sales of property and equipment	5,472	3,244
Investments restricted for payment service obligations:		
Proceeds from sales and maturities of securities classified as available for sale	261,927	276,816
Proceeds from maturities of securities classified as held to maturity	7,500	
Purchases of securities classified as available for sale	(232,424)	(309,537)
Purchases of securities classified as held to maturity	(126,475)	(61,697)
Investments in and advances from (to) discontinued operations, net	27,810	(12,912)
Other, net	(55)	(17)
Net cash used by investing activities	(91,660)	(181,629)
CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES:		
Proceeds from long-term borrowings		40,000
Payments on long-term borrowings	(2,260)	(2,163)
Net change in short-term borrowings	13,162	17,792
Dividends on common and preferred stock	(28,913)	(26,445)
Proceeds from sales of treasury stock	23,621	17,504
Net change in receivables sold	(5,797)	36,796
Cash payments on interest rate swaps	(3,643)	(7,810)
Net cash (used) provided by financing activities	(3,830)	75,674
Net decrease in cash and cash equivalents	(9,767)	(9,156)
Cash and cash equivalents, beginning of year	16,133	24,514
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 6,366	$ 15,358

See Notes to Consolidated Financial Statements.

THE DIAL CORP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A--Basis of Preparation

This information should be read in conjunction with the financial statements set forth in The Dial Corp Annual Report to Stockholders for the year ended December 31, 1995.

Accounting policies utilized in the preparation of the financial information herein presented are the same as set forth in The Dial Corp's ("Dial") annual financial statements except as modified for interim accounting policies which are within the guidelines set forth in Accounting Principles Board Opinion No. 28, "Interim Financial Reporting." The interim consolidated financial information is unaudited. In the opinion of management, all adjustments, consisting only of normal recurring accruals, necessary to present fairly Dial's financial position as of June 30, 1996, the results of operations for the quarters and six months ended June 30, 1996 and 1995, and the cash flows for the six months ended June 30, 1996 and 1995 have been included. Interim results of operations are not necessarily indicative of the results of operations for the full year.

On July 25, 1996, Dial's Board of Directors declared a dividend (the "Distribution") to effect the spin-off of the consumer products business. The dividend is payable August 15, 1996 to stockholders of record August 5, 1996. Each share of Dial's stock (to be renamed Viad Corp on August 15, 1996 and traded under the stock symbol VVI) will receive a dividend of one share of The Dial Corporation stock. The consumer products business, which will be conducted under the name The Dial Corporation, will be traded under the stock symbol DL. Dial has received a ruling from the Internal Revenue Service that the Distribution will qualify as a tax-free distribution. In connection with the Distribution, Dial will borrow approximately $280 million under a new $350 million bank credit facility and will use the proceeds to repay indebtedness of Dial. The credit facility and the related liability will then be assumed by The Dial Corporation, effectively transferring a portion of Dial's outstanding indebtedness to The Dial Corporation. Dial has also received assurances from its credit rating agencies that, following the Distribution and debt assumption, the senior debt of each of Viad Corp and The Dial Corporation will carry investment-grade ratings.

Effective May 31, 1996, shareholders of Greyhound Lines of Canada ("GLOC") voted to separate its intercity bus transportation business and its tourism business into two independent companies. GLOC minority shareholders also approved an automatic share exchange proposal whereby their ownership interests in the tourism business, aggregating 31.5 percent, were exchanged for Dial's 68.5 percent ownership interest in the intercity bus transportation business such that Dial became the owner of 100 percent of the tourism business in exchange for its ownership in the intercity bus transportation business.

The accompanying financial statements have been prepared to reflect the historical financial position and results of operations as adjusted for the reclassification of the consumer products and Canadian intercity bus transportation businesses as discontinued operations. See Note F of Notes to Consolidated Financial Statements.

NOTE B--Investments Restricted for Payment Service Obligations

Investments restricted for payment service obligations include the following debt and equity securities:

(000 omitted)	June 30, 1996	December 31, 1995
Securities available for sale, at fair value (amortized cost of $669,353 and $701,143)	$ 658,011	$ 703,450
Securities held to maturity, at amortized cost (fair value of $302,002 and $191,186)	309,113	190,271
	967,124	893,721
Less current maturities	(42,703)	(13,686)
	$ 924,421	$ 880,035

NOTE C--Debt

At June 30, 1996 and December 31, 1995, Dial classified as long- term debt $390 million and $377 million, respectively, of short- term borrowings supported by unused commitments under a long-term revolving bank credit agreement. See Note A of Notes to Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations-- Liquidity and Capital Resources.

NOTE D--Income Taxes

A reconciliation of the provision for income taxes and the amount that would be computed using statutory federal income tax rates on income before income taxes for the six months ended June 30, is as follows:

(000 omitted)	1996	1995
Computed income taxes at statutory federal income tax rate of 35%	$ 11,994	$ 13,377
Nondeductible goodwill amortization	1,966	1,710
Minority interests	222	259
State income taxes	1,912	1,313
Tax-exempt income	(5,868)	(4,792)
Spin-off transaction costs	4,200	
Other, net	130	(146)
Provision for income taxes	$ 14,556	$ 11,721

NOTE E--Supplementary Information--Revenues and Operating Income

(000 omitted)	Quarter ended June 30, 1996	Quarter ended June 30, 1995	Six months ended June 30, 1996	Six months ended June 30, 1995
Revenues:				
Airline Catering and Services	$ 214,719	$ 206,509	$ 407,982	$ 390,965
Convention Services	192,904	131,588	387,916	285,985
Travel and Leisure and Payment Services (1)	189,530	168,026	356,117	320,479
	$ 597,153	$ 506,123	$ 1,152,015	$ 997,429
Operating Income:				
Airline Catering and Services	$ 19,478	$ 17,932	$ 31,269	$ 28,958
Convention Services (2)	18,669	16,629	35,803	31,630
Travel and Leisure and Payment Services (1)	21,778	17,025	26,452	21,442
	59,925	51,586	93,524	82,030
Unallocated corporate expense and other items, net	(8,886)	(7,669)	(17,913)	(16,548)
Spin-off transaction costs	(12,000)		(12,000)	
	$ 39,039	$ 43,917	$ 63,611	$ 65,482

(1) Dial's payment services subsidiary is investing increasing amounts in tax-exempt securities. On a fully taxable equivalent basis, revenues and operating income would be higher by $4,672,000 and $3,929,000 for the 1996 and 1995 quarter, respectively, and by $9,027,000 and $7,372,000 for the 1996 and 1995 six month periods, respectively.

(2) Operating income for the quarter and six months ended June 30, 1995 includes a one-time gain of $3,477,000 (pre-tax) due to the curtailment of certain postretirement medical benefits in a convention services subsidiary.

/TABLE

NOTE F--Discontinued Operations

The caption, "Income from discontinued operations" presented in the Statement of Consolidated Income includes the following, after income taxes where applicable:

(000 omitted)	Quarter ended June 30, 1996	Quarter ended June 30, 1995	Six months ended June 30, 1996	Six months ended June 30, 1995
Consumer products business:				
Income from operations before spin-off transaction costs (1)	$ 21,701	$ 25,985	$ 39,349	$ 42,480
Spin-off transaction costs (2)	(4,000)		(4,000)	
	17,701	25,985	35,349	42,480
Canadian intercity bus transportation business, net of minority interests:				
Income (loss) from operations	(315)	205	(583)	(7)
Spin-off and exchange transaction costs and loss on disposition (3)	(3,600)		(3,600)	
Recognition of previously unrealized foreign currency translation losses (3)	(12,266)		(12,266)	
	(16,181)	205	(16,449)	(7)
Discontinued operations	$ 1,520	$ 26,190	$ 18,900	$ 42,473

(1) In conjunction with the spin-off of Dial's consumer products business, certain liabilities and deferred income tax assets related to specified pension and postretirement plans of former employees of Armour and Company, which was previously a subsidiary of Dial, were transferred to and assumed by the consumer products business. Income from operations of the consumer products business is net of expenses arising from such items.

(2) In connection with the spin-off of Dial's consumer products business, estimated spin-off transaction costs totaling $16,000,000 (without tax benefit) were recorded in the second quarter of 1996, of which $4,000,000 was allocated to the consumer products business.

(3) Spin-off and exchange transaction costs totaling $1,579,000, associated with the May 31, 1996 disposition of the Canadian intercity bus transportation business, were recorded in the second quarter of 1996, along with a noncash loss on the disposition of $2,021,000 and the recognition of previously unrealized foreign currency translation losses of $12,266,000. The translation losses had previously been deducted from common stock and other equity in accordance with SFAS No. 52.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS:

On July 25, 1996, Dial's Board of Directors declared a dividend (the "Distribution") to effect the spin-off of the consumer products business from Dial's services business. The dividend is payable August 15, 1996 to stockholders of record August 5, 1996. Each share of Dial's stock (to be renamed Viad Corp on August 15, 1996 and traded under the stock symbol VVI) will receive a dividend of one share of The Dial Corporation stock. The consumer products business, which will be conducted under the name The Dial Corporation, will be traded under the stock symbol DL. Dial has received a ruling from the Internal Revenue Service that the Distribution will qualify as a tax-free distribution. In connection with the Distribution, Dial will borrow approximately $280 million under a new $350 million bank credit facility and will use the proceeds to repay indebtedness of Dial. The credit facility and the related liability will then be assumed by The Dial Corporation, effectively transferring a portion of Dial's outstanding indebtedness to The Dial Corporation. Dial has also received assurances from its credit rating agencies that, following the Distribution and debt assumption, the senior debt of each of Viad Corp and The Dial Corporation will carry investment-grade ratings.

Effective May 31, 1996, shareholders of Greyhound Lines of Canada ("GLOC") voted to separate its intercity bus transportation business and its tourism business into two independent companies. GLOC minority shareholders also approved an automatic share exchange proposal whereby their ownership interests in the tourism business, aggregating 31.5 percent, were exchanged for Dial's 68.5 percent ownership interest in the intercity bus transportation business such that Dial became the owner of 100 percent of the tourism business in exchange for its ownership in the intercity bus transportation business.

The accompanying financial statements have been prepared to reflect the historical financial position and results of operations as adjusted for the reclassification of the consumer products and Canadian intercity bus transportation businesses as discontinued operations.

COMPARISON OF SECOND QUARTER OF 1996 TO THE SECOND QUARTER OF 1995:

In the second quarter of 1996, revenues increased $91.0 million, or 18.0 percent, to $597.2 million. Excluding the 1995 second quarter one-time gain of $3.5 million (pre-tax) on curtailment of certain postretirement medical benefits in the convention services segment, 1996 second quarter operating income of Dial's principal business segments increased $11.8 million, or 25 percent, over that of the 1995 second quarter.

Income from continuing operations for the second quarter of 1996 was $12.6 million, or $0.13 per share, after deducting a one-time provision for estimated spin-off transaction costs of $12.0 million, or $0.13 per share. Income from continuing operations for the second quarter of 1995 was $21.3 million, or $0.24 per share, which included the curtailment gain of $2.3 million, or $0.03 per share, after-tax.

Net income for the second quarter of 1996 was $14.1 million, or $0.15 per share, compared to net income of $47.5 million, or $0.54 per share in the 1995 second quarter. The 1996 second quarter included income from discontinued operations of $1.5 million while the 1995 second quarter included $26.2 million income from discontinued operations. See Note F of Notes to Consolidated Financial Statements.

AIRLINE CATERING AND SERVICES.

The second quarter 1996 revenues of the Airline Catering and Services group were $214.7 million, a 4.0 percent increase from the 1995 second quarter revenues of $206.5 million. Operating income increased $1.5 million, or 8.6 percent, over that of the 1995 second quarter, and operating margins improved to 9.1 percent from 1995's 8.7 percent. The increase in revenues and operating income is attributed primarily to new business, including an eight-city airline catering contract with a major airline being phased in starting in March 1996.

CONVENTION SERVICES.

Convention Services second quarter 1996 revenues increased $61.3 million, or 46.6 percent, to $192.9 million from $131.6 million in the 1995 second quarter, as the 1996 period benefitted from the acquisition of Giltspur Inc. in October 1995. Excluding a one-time gain on curtailment of certain postretirement medical benefits of $3.5 million (pre-tax) in the second quarter of 1995, operating income increased $5.5 million, or 41.9 percent, as a result of the Giltspur acquisition and improved cost controls. On this same basis, operating margins declined from 10.0 percent in the second quarter of 1995 to 9.7 percent in the 1996 quarter, due to the change in the mix of convention business as a result of the addition of Giltspur.

TRAVEL AND LEISURE AND PAYMENT SERVICES.

Revenues of the Travel and Leisure and Payment Services companies were $189.5 million for the second quarter of 1996, up $21.5 million (12.8 percent) from those of the 1995 second quarter. Operating income increased 27.9 percent to $21.8 million. Dial's payment services subsidiary continues to invest increasing amounts in tax-exempt securities. On a fully taxable equivalent basis, second quarter revenues and operating income would have been higher by $4.7 million and $3.9 million in 1996 and 1995, respectively. Operating margins on the fully taxable equivalent basis would have been 13.6 percent in the second quarter of 1996, up from 12.2 percent in the 1995 second quarter.

On the fully taxable equivalent basis, payment services revenues and operating income increased $2.8 million and $1.6 million, respectively, over those of 1995's second quarter, primarily as a result of increased investment income arising from greater fund balances.

Duty Free and shipboard concession revenues increased $14.0 million over those of the 1995 second quarter, due primarily to revision of an airport concession contract in December 1995 as well as an increase in the number of shipboard passenger days. Operating income improved

$700,000 as the revenue increases were largely offset by additional expenses of the revised airport concession contract.

Cruise revenues increased $2.1 million over those of the 1995 second quarter due to increased occupancy and higher revenue yield per passenger day. Operating results increased $5.0 million over that of 1995 due to the increased revenues and lower lease expense resulting from the 1995 purchase of a cruise ship previously leased.

Travel tour service revenues and operating income improved $3.7 million and $200,000, respectively, over those of the 1995 second quarter. Revenues were augmented by tour operations acquired later in 1995 as well as increased hotel occupancy and icefield revenues in 1996. The 1995 second quarter included the expense of terminating a small joint venture, while the 1996 second quarter included off-season operating losses of the acquired tour operations.

Food service companies revenues and operating income declined $500,000 and $100,000, respectively, from those of the 1995 second quarter due primarily to the closure of two fast food locations and a lower occupancy rate at Glacier Park hotels caused by poor spring weather.

UNALLOCATED CORPORATE EXPENSE AND OTHER ITEMS, NET.
There was an increase of $1.2 million over 1995 in these expenses.

INTEREST EXPENSE.
Interest expense increased $1.3 million over 1995's second quarter. The effect of increased debt over 1995 levels was partially offset by lower interest rates on floating-rate debt. The increased debt levels were due to expenditures for acquisitions in 1995, including Giltspur in October 1995 and purchase of the previously leased Star/Ship Atlantic in July 1995.

INCOME TAXES.
Excluding the effects of the $12.0 million one-time provision for estimated spin-off transaction costs without tax benefit, the effective tax rate in the 1996 second quarter was 32.0 percent, up from 29.7 percent in 1995.

COMPARISON OF FIRST SIX MONTHS OF 1996 TO THE FIRST SIX MONTHS OF 1995:

Revenues for the first six months of 1996 increased $154.6 million, or 15.5 percent, to $1.2 billion from $1.0 billion in the same period of 1995. Excluding the 1995 second quarter one-time gain of $3.5 million (pre-tax) on curtailment of certain postretirement medical benefits in the convention services segment, 1996 six month operating income of Dial's principal business segments increased $15.0 million, or 19.1 percent, over that of the 1995 six month period.

Income from continuing operations for the first six months of 1996 was $19.7 million, or $0.21 per share, after deducting a one-time provision for estimated spin-off transaction costs of $12.0 million, or $0.13 per share. Income from continuing operations for the first six month of 1995 was $26.5 million, or $0.30 per share, which included the curtailment gain of $2.3 million, or $0.03 per share, after-tax.

For the first six months of 1996, net income was $38.6 million, or $0.42 per share, compared to net income of $51.3 million, or $0.58 per share, for the first six months of 1995. The 1996 and 1995 six month periods included income from discontinued operations of $18.9 million and $42.5 million, respectively. See Note F of Notes to Consolidated Financial Statements. The 1995 period also included a one-time noncash charge of $17.7 million, or $0.20 per share, to record the cumulative effect to January 1, 1995, of the initial application of SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of."

There were 2.6 million more average common and equivalent shares outstanding in 1996 than in 1995, due primarily to the effects of stock option exercises and other issuances related to employee benefit and dividend reinvestment plans.

AIRLINE CATERING AND SERVICES.
Six month revenues of the Airline Catering and Services companies were $408.0 million, a $17.0 million or 4.4 percent increase from those of the first six months of 1995, while operating income increased $2.3 million or 8.0 percent to $31.3 million. New business, including an eight-city airline catering contract with a major airline, offset the adverse impact from severe weather conditions in the Southeast and on the East Coast which hampered operations and airline schedules during the first quarter of 1996. Operating margins improved to 7.7 percent from 1995's 7.4 percent.

CONVENTION SERVICES.
Convention Services' first half revenues of $387.9 million were $101.9 million, or 35.6 percent, greater than the 1995 six month period, as 1996 benefitted from the acquisition of Giltspur in October 1995. Excluding the one-time curtailment gain described above, operating income increased 27.2 percent to $35.8 million, as a result of the Giltspur acquisition and improved cost controls. Operating margins decreased to 9.2 percent from 9.8 percent, as the mix of convention business changed with the addition of Giltspur.

TRAVEL AND LEISURE AND PAYMENT SERVICES.
For the first six months of 1996, revenues of the Travel and Leisure and Payment Services companies were $356.1 million, up $35.6 million, or 11.1 percent, from those of the 1995 first half, while operating income increased 23.4 percent to $26.5 million. Dial's payment services subsidiary continues to invest increasing amounts in tax-exempt securities. On a fully taxable equivalent basis, revenues and operating income

would have been $9.0 million and $7.4 million higher in 1996 and 1995, respectively. Operating margins on the fully taxable equivalent basis would be 9.7 percent in the 1996 first half, up from 8.8 percent in the comparable period of 1995.

On the fully taxable equivalent basis, revenues and operating income of payment services increased $8.3 million and $3.5 million, respectively, over those of 1995's first six months, due principally to increased investment income arising from greater fund balances.

Duty Free airport and shipboard concession revenues increased $27.7 million over those of the first half of 1995, due primarily to a revised airport concession contract as well as an increase in the number of shipboard passenger days. Operating income improved $700,000 as the revenue increases were offset by additional expenses of the revised airport concession contract.

Cruise revenues for the first six months of 1996 were $4.0 million higher than those of 1995, as drydocks for ship repairs impacted 1995 revenues. Operating results improved $7.9 million due to the increased revenues as well as lower lease expense resulting from the 1995 purchase of two cruise ships previously leased.

Travel tour service revenues improved $6.3 million over the first six months of 1995, while operating results declined $900,000. The revenue increases are attributed to tour operations acquired in 1995. Operating results decreased due to the off-season fixed expenses of the acquired tour operations.

Revenues and operating income of the food service companies for the first half of 1996 were down $1.5 million and $1.6 million, respectively, from the same period in 1995. A General Motors strike in March 1996 temporarily closed plants served by Restaura's contract foodservice operation. In addition, two fast food locations were closed and poor spring weather affected the occupancy rate at Glacier Park hotels.

UNALLOCATED CORPORATE EXPENSE AND OTHER ITEMS, NET.
These items increased $1.4 million over those of 1995.

INTEREST EXPENSE.
Interest expense for the first six months of 1996 increased $2.2 million over the first six months of 1995. The effect of increased debt over 1995 levels was partially offset by lower interest rates on floating-rate debt. The increased debt levels were due to expenditures for acquisitions in 1995, including Giltspur in October 1995 and purchases of the Star/Ship Majestic in February 1995 and the Star/Ship Atlantic in July 1995 (both ships were previously leased).

INCOME TAXES.
Excluding the effects of the $12.0 million one-time provision for estimated spin-off transaction costs without tax benefit, the effective tax rate for the first six months of 1996 was 31.5 percent, up from 30.7 percent in the comparable period of 1995.

LIQUIDITY AND CAPITAL RESOURCES:

The Dial Corp's total debt at June 30, 1996 was $900.2 million compared with $889.3 million at December 31, 1995. The debt-to- capital ratio at June 30, 1996 and December 31, 1995 was 0.60 to 1 and 0.61 to 1, respectively. On a pro forma basis, after giving effect to the Distribution of the consumer products business, total debt is expected to be reduced by approximately $280 million as discussed in Note A of Notes to Consolidated Financial Statements which, together with the reduction of equity upon the Distribution, would result in a debt-to-capital ratio of approximately 0.58 to 1 at June 30, 1996. Dial's short-term borrowings are supported by unused commitments under a $500 million long-term revolving bank credit agreement. Following the Distribution, Viad Corp's reduced borrowings will be supported by unused commitments under a $400 million long-term revolving bank credit agreement.

Dial has received assurances from its credit rating agencies that, following the Distribution, the senior debt of each of Viad Corp and The Dial Corporation will carry investment-grade ratings.

Fluctuations in the balances of payment service assets and obligations result from varying levels of sales of money orders and other payment instruments, the timing of the collections of agents' receivables and the timing of the presentment of such instruments.

Other than the Distribution of Dial's consumer products business and the Disposition of its Canadian intercity bus transportation business described earlier, there were no material changes in The Dial Corp's financial condition nor were there any substantive changes relative to matters discussed in the Liquidity and Capital Resources section of Management's Discussion and Analysis of Results of Operations and Financial Condition as presented in The Dial Corp Annual Report to Stockholders for the year ended December 31, 1995.

PART II. OTHER INFORMATION

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

(a) The annual meeting of stockholders of The Dial Corp was held May 14, 1996.

(b) Not applicable--(i) proxies for the meeting were solicited pursuant to Regulation 14 under the Securities Exchange Act of 1934, (ii) there was no solicitation in opposition to management's nominees as listed in the proxy statement, and (iii) all such nominees were elected.

(c) Matters voted upon at the annual meeting for which proxies were solicited pursuant to Regulation 14 under the Securities Exchange Act of 1934:

1. The election of Directors as follows:

Donald E. Guinn	
Affirmative Vote................	73,503,744
Against.........................	0
Withheld........................	1,381,974
Abstentions.....................	0
Broker non-votes................	0
Judith K. Hofer	
Affirmative Vote................	73,509,092
Against.........................	0
Withheld........................	1,376,626
Abstentions.....................	0
Broker non-votes................	0
Jack F. Reichert	
Affirmative Vote................	73,492,402
Against.........................	0
Withheld........................	1,393,316
Abstentions.....................	0
Broker non-votes................	0

2. The appointment of Deloitte & Touche LLP to audit the accounts of Dial and its subsidiaries for the fiscal year 1996.

Affirmative Vote................	73,397,929
Against.........................	1,223,319
Withheld........................	0
Abstentions.....................	264,470
Broker non-votes................	0

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibit No. 11 - Statement Re Computation of Per Share Earnings.

Exhibit No. 27 - Financial Data Schedule

(b) A report on Form 8-K dated June 13, 1996 was filed by the registrant during the quarter for which this report is filed. The Form 8-K reported under Item 2 a) a proposal for a strategic restructuring which would separate Dial's consumer products and services businesses into two publicly traded companies and b) the disposition of Dial's 68.5 percent ownership interest in the Canadian intercity bus transportation business. Pro forma financial statements reflecting the historical financial position and results of continuing operations as adjusted for reclassification of the consumer products and Canadian intercity bus transportation businesses as discontinued operations were filed under Item 7(b).

SIGNATURES

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 DIAL CORP
(Registrant)

August 13, 1996	*By /s/Richard C. Stephan*

	Richard C. Stephan
	Vice President-Controller
	(Chief Accounting Officer
	and Authorized Officer)

THE DIAL CORP
STATEMENT RE COMPUTATION OF PER SHARE EARNINGS
(000 omitted)

Primary:	Quarter ended June 30, 1996	Quarter ended June 30, 1995
Net income	$ 14,118	$ 47,466
Less: Preferred stock dividends	(281)	(281)
	$ 13,837	$ 47,185
Weighted average common shares outstanding before common equivalents	88,712	86,562
Common equivalent stock options	2,199	1,904
	90,911	88,466
Net income per share (dollars)	$ 0.15	$ 0.54

	Quarter ended June 30, 1996		1995	
Fully Diluted:	Common Shares	Net Income	Common Shares	Net Income
Weighted average common and equivalent shares and net income per above	90,911	$ 13,837	88,466	$ 47,185
Common equivalent stock options				
	90,911	$ 13,837	88,466	$ 47,185
Net income per share (dollars)		$ 0.15		$ 0.54

THE DIAL CORP
STATEMENT RE COMPUTATION OF PER SHARE EARNINGS
(000 omitted)

Primary:	Six months ended June 30, 1996	1995
Net income	$ 38,612	$ 51,277
Less: Preferred stock dividends	(562)	(562)
	$ 38,050	$ 50,715
Weighted average common shares outstanding before common equivalents	88,494	86,335
Common equivalent stock options	2,353	1,876
	90,847	88,211
Net income per share (dollars)	$ 0.42	$ 0.58

	Six months ended June 30,			
	1996		1995	
Fully Diluted:	Common Shares	Net Income	Common Shares	Net Income
Weighted average common and equivalent shares and net income per above	90,847	$ 38,050	88,211	$ 50,715
Common equivalent stock options			84	
	90,847	$ 38,050	88,295	$ 50,715
Net income per share (dollars)		$ 0.42		$ 0.57

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE DIAL CORP'S FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JUNE 30, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

MULTIPLIER: 1,000 Exhibit 27 THE DIAL CORP FINANCIAL DATA SCHEDULE

FISCAL YEAR END	DEC 31 1996
PERIOD END	JUN 30 1996
PERIOD TYPE	6 MOS
CASH	6,366
SECURITIES	0
RECEIVABLES	266,798
ALLOWANCES	16,206
INVENTORY	97,418
CURRENT ASSETS	1,108,337
PP&E	1,004,372
DEPRECIATION	408,033
TOTAL ASSETS	3,773,470
CURRENT LIABILITIES	2,229,173
BONDS	822,938
COMMON	145,663
PREFERRED MANDATORY	6,601
PREFERRED	0
OTHER SE	439,974
TOTAL LIABILITY AND EQUITY	3,773,470
SALES	0
TOTAL REVENUES	1,152,015
CGS	0
TOTAL COSTS	1,058,491
OTHER EXPENSES	29,913
LOSS PROVISION	0
INTEREST EXPENSE	28,708
INCOME PRETAX	34,268
INCOME TAX	14,556
INCOME CONTINUING	19,712
DISCONTINUED	18,900
EXTRAORDINARY	0
CHANGES	0
NET INCOME	38,612
EPS PRIMARY	0.42
EPS DILUTED	0.42

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE DIAL CORP'S FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 1995 AND FROM THE DIAL CORP'S FORM 8-K DATED JUNE 13, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS. THE ANNUAL STATEMENTS THE YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993 HAVE BEEN RESTATED TO REFLECT THE HISTORICAL FINANCIAL POSITION AND RESULTS OF OPERATIONS AS ADJUSTED FOR THE RECLASSIFICATION OF THE CONSUMER PRODUCTS AND CANADIAN INTERCITY BUS TRANSPORTATION BUSINESSES AS DISCONTINUED OPERATIONS.

RESTATED:

MULTIPLIER: 1,000 Exhibit 27 THE DIAL CORP RESTATED FINANCIAL DATA SCHEDULE

FISCAL YEAR END	DEC 31 1995	DEC 31 1994	DEC 31 1993
PERIOD END	DEC 31 1995	DEC 31 1994	DEC 31 1993
PERIOD TYPE	YEAR	YEAR	YEAR
CASH	16,133	24,514	48,727
SECURITIES	0	0	0
RECEIVABLES	176,393	155,349	146,456
ALLOWANCES	14,793	16,210	18,262
INVENTORY	84,462	70,226	58,789
CURRENT ASSETS	1,122,085	947,626	831,223
PP&E	980,546	840,518	737,570
DEPRECIATION	383,058	337,122	309,382
TOTAL ASSETS	3,737,761	3,262,332	2,740,038
CURRENT LIABILITIES	2,235,169	1,833,476	1,473,329
BONDS	811,841	718,774	620,673
COMMON	145,663	145,663	72,832
PREFERRED MANDATORY	6,597	6,590	6,586
PREFERRED	0	0	0
OTHER SE	402,506	409,430	396,856
TOTAL LIABILITY AND EQUITY	3,737,761	3,262,332	2,740,038
SALES	0	0	0
TOTAL REVENUES	2,072,051	1,902,853	1,441,822
CGS	0	0	0
TOTAL COSTS	1,947,039	1,741,265	1,316,238
OTHER EXPENSES	31,197	32,594	29,710
LOSS PROVISION	0	0	0
INTEREST EXPENSE	54,751	47,247	50,175
INCOME PRETAX	36,435	79,468	43,797
INCOME TAX	6,147	25,873	14,658
INCOME CONTINUING	30,288	53,599	29,139
DISCONTINUED	(29,151)	86,712	112,947
EXTRAORDINARY	0	0	(21,601)
CHANGES	(17,696)	0	0
NET INCOME	(16,559)	140,311	120,485
EPS PRIMARY	(0.20)	1.61	1.40
EPS DILUTED	(0.20)	1.61	1.40

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE DIAL CORP'S FORMS 10-Q FOR THE QUARTERLY PERIODS ENDED MARCH 31, 1996, SEPTEMBER 30, 1995, JUNE 30, 1995, AND MARCH 31, 1995 AND FROM THE DIAL CORP'S FORM 8-K DATED JUNE 13, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS. THE INTERIM STATEMENTS FOR THE QUARTERLY PERIODS ENDED MARCH 31, 1996, SEPTEMBER 30, 1995, JUNE 30, 1995 AND MARCH 31, 1995 HAVE BEEN RESTATED TO REFLECT THE HISTORICAL FINANCIAL POSITION AND RESULTS OF OPERATIONS AS ADJUSTED FOR THE RECLASSIFICATION OF THE CONSUMER PRODUCTS AND CANADIAN INTERCITY BUS TRANSPORTATION BUSINESSES AS DISCONTINUED OPERATIONS. THE SEPTEMBER 30, 1995 AND JUNE 30, 1995 INTERIM STATEMENTS HAVE ALSO BEEN RESTATED TO REFLECT THE EARLY ADOPTION (ADOPTED IN THE FOURTH QUARTER OF 1995) OF SFAS NO. 121, "ACCOUNTING FOR THE IMPAIRMENT OF LONG-LIVED ASSETS AND FOR LONG-LIVED ASSETS TO BE DISPOSED OF."

RESTATED:

MULTIPLIER: 1,000 Exhibit 27 THE DIAL CORP RESTATED FINANCIAL DATA SCHEDULE

FISCAL YEAR END	DEC 31 1996	DEC 31 1995	DEC 31 1995	DEC 31 1995
PERIOD END	MAR 31 1996	SEP 30 1995	JUN 30 1995	MAR 31 1995
PERIOD TYPE	3 MOS	9 MOS	6 MOS	3 MOS
CASH	20,842	10,902	15,358	8,364
SECURITIES	0	0	0	0
RECEIVABLES	202,494	152,276	158,683	173,975
ALLOWANCES	15,988	14,806	15,710	16,220
INVENTORY	90,100	70,319	74,920	70,952
CURRENT ASSETS	924,483	886,082	851,212	815,336
PP&E	989,829	952,255	888,228	879,565
DEPRECIATION	396,679	368,287	355,525	344,877
TOTAL ASSETS	3,543,755	3,364,286	3,349,902	3,226,757
CURRENT LIABILITIES	2,010,223	1,961,453	1,829,046	1,713,520
BONDS	822,733	728,338	750,347	765,079
COMMON	145,663	145,663	145,663	145,663
PREFERRED MANDATORY	6,599	6,596	6,594	6,592
PREFERRED	0	0	0	0
OTHER SE	420,042	383,629	473,050	421,807
TOTAL LIABILITY AND EQUITY	3,543,755	3,364,286	3,349,902	3,226,757
SALES	0	0	0	0
TOTAL REVENUES	554,862	1,540,104	997,429	491,306
CGS	0	0	0	0
TOTAL COSTS	521,263	1,455,758	915,399	460,862
OTHER EXPENSES	9,027	22,857	16,548	8,879
LOSS PROVISION	0	0	0	0
INTEREST EXPENSE	14,327	40,618	26,521	13,415
INCOME PRETAX	10,091	18,198	38,221	7,946
INCOME TAX	2,977	3,820	11,721	2,722
INCOME CONTINUING	7,114	14,378	26,500	5,224
DISCONTINUED	17,380	(35,142)	42,473	16,283
EXTRAORDINARY	0	0	0	0
CHANGES	0	(17,696)	(17,696)	(17,696)
NET INCOME	24,494	(38,460)	51,277	3,811
EPS PRIMARY	0.27	(0.44)	0.58	0.04
EPS DILUTED	0.27	(0.44)	0.57	0.04