VIAD CORP

FORM 10-Q
(Quarterly Report)

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Sector	Services
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For the Quarterly Period Ended September 30, 2000
Commission file number 001-11015

VIAD 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.)
1850 N. CENTRAL AVE., 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 September 29, 2000, 92,237,850 shares of Common Stock ($1.50 par value) were outstanding.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

VIAD CORP
CONSOLIDATED BALANCE SHEETS

(000 omitted, except number of shares)	September 30, 2000 (Unaudited)	December 31, 1999
ASSETS		
Current assets:		
Cash and cash equivalents	$ 46,241	$ 33,106
Short-term investments	35,028	95,545
Receivables	120,913	43,276
Inventories	89,196	73,687
Deferred income taxes	35,829	36,990
Other current assets	39,905	36,664
	367,112	319,268
Funds, agents' receivables and current maturities of investments restricted for payment service obligations, after eliminating $12,500 and $50,000 invested in Viad commercial paper	678,952	602,893
Total current assets	1,046,064	922,161
Investments in securities	114,636	173,359
Investments restricted for payment service obligations	3,584,270	2,936,171
Property and equipment	288,254	313,623
Other investments and assets	100,424	121,159
Deferred income taxes	77,578	115,058
Intangibles	638,802	629,340
	$ 5,850,028	$ 5,210,871
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term bank loans	$ 9,270	$ 13,855
Accounts payable	86,760	82,465
Other current liabilities	215,315	204,228
Current portion of long-term debt	26,323	32,814
	337,668	333,362
Payment service obligations	4,122,060	3,587,834
Total current liabilities	4,459,728	3,921,196
Long-term debt	394,039	342,603
Pension and other postretirement benefits	71,417	71,402
Other deferred items and insurance liabilities	134,249	154,435
Minority interests	3,773	5,950
$4.75 Redeemable preferred stock	6,653	6,640
Common stock and other equity:		
Common stock, $1.50 par value, 200,000,000 shares authorized, 99,739,925 shares issued	149,610	149,610
Additional capital	269,441	289,798
Retained income	730,892	643,352
Unearned employee benefits and other	(106,828)	(129,818)
Accumulated other comprehensive income:		
Unrealized loss on securities classified as available for sale	(34,590)	(70,021)
Cumulative translation adjustments	(8,983)	(4,935)
Minimum pension liability adjustment	(1,674)	(1,674)
Common stock in treasury, at cost, 7,502,075 and 5,497,132 shares	(217,699)	(167,667)
Total common stock and other equity	780,169	708,645
	$ 5,850,028	$ 5,210,871

See Notes to Consolidated Financial Statements.

VIAD CORP
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(000 omitted, except per share data)	Quarter ended September 30, 2000	1999	Nine months ended September 30, 2000	1999
Revenues:				
Ongoing operations	$ 427,657	$ 384,724	$ 1,294,740	$ 1,149,361
Sold businesses	1,359	9,498	19,023	38,662
	429,016	394,222	1,313,763	1,188,023
Costs and expenses:				
Costs of sales and services	373,054	339,535	1,156,288	1,048,188
Corporate activities and minority interests	3,414	4,615	13,440	16,195
Net interest expense (income)	3,281	(1,822)	7,712	11,805
Nonrecurring income	(2,091)	(528)	(2,091)	(528)
	377,658	341,800	1,175,349	1,075,660
Income before income taxes	51,358	52,422	138,414	112,363
Income taxes	7,346	11,899	26,041	23,966
INCOME FROM CONTINUING OPERATIONS	44,012	40,523	112,373	88,397
Income from discontinued operations		202,276		218,954
NET INCOME	$ 44,012	$ 242,799	$ 112,373	$ 307,351
DILUTED INCOME PER COMMON SHARE:				
CONTINUING OPERATIONS	$ 0.48	$ 0.42	$ 1.22	$ 0.90
Discontinued operations		2.12		2.24
Net income per share	$ 0.48	$ 2.54	$ 1.22	$ 3.14
BASIC INCOME PER COMMON SHARE:				
Continuing operations	$ 0.49	$ 0.43	$ 1.25	$ 0.93
Discontinued operations		2.21		2.34
Net income per share	$ 0.49	$ 2.64	$ 1.25	$ 3.27
Average outstanding common shares	88,977	92,001	89,398	93,835
Additional dilutive shares related to stock-based compensation	2,310	3,421	2,349	3,625
Average outstanding and potentially dilutive common shares	91,287	95,422	91,747	97,460
Dividends declared per common share	$ 0.09	$ 0.09	$ 0.27	$ 0.26
Preferred stock dividends	$ 283	$ 283	$ 850	$ 848

See Notes to Consolidated Financial Statements.

VIAD CORP
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

(000 omitted)	Quarter ended September 30, 2000	1999	Nine months ended September 30, 2000	1999
Net income	$ 44,012	$ 242,799	$ 112,373	$ 307,351
Other comprehensive income (loss), net of tax:				
Unrealized gain (loss) on securities classified as available for sale:				
Holding gains (losses) arising during the period	19,658	(18,230)	36,494	(61,660)
Reclassification adjustment for realized gains included in net income	(244)	(1,766)	(1,063)	(3,975)
	19,414	(19,996)	35,431	(65,635)
Unrealized foreign currency translation adjustments:				
Holding gains (losses) arising during the period	(1,864)	(615)	(4,048)	588
Reclassification adjustment for sale of investment in a foreign entity included in net income		1,008		1,008
	(1,864)	393	(4,048)	1,596
Other comprehensive income (loss)	17,550	(19,603)	31,383	(64,039)
Comprehensive income	$ 61,562	$ 223,196	$ 143,756	$ 243,312

See Notes to Consolidated Financial Statements.

VIAD CORP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(000 omitted)	Nine months ended September 30, 2000	1999
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES:		
Net income	$ 112,373	$ 307,351
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	51,121	45,481
Deferred income taxes	9,945	(14,016)
Income from discontinued operations		(218,954)
Gains on dispositions of businesses, property and other assets, net	(12,994)	(7,727)
Other noncash items, net	12,334	13,477
Change in operating assets and liabilities:		
Receivables and inventories	(85,088)	(12,265)
Payment service assets and obligations, net	455,167	580,537
Accounts payable and accrued compensation	(11,708)	(5,738)
Other assets and liabilities, net	678	(44,133)
Net cash provided by operating activities	531,828	644,013
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES:		
Capital expenditures	(30,955)	(39,309)
Acquisitions of businesses, net of cash acquired	(24,155)	(29,521)
Proceeds from dispositions of businesses, property and other assets, net	32,526	55,935
Proceeds from sales and maturities of securities	1,105,179	912,460
Purchases of securities	(1,565,738)	(1,977,365)
Cash provided by discontinued operations		739,044
Net cash used by investing activities	(483,143)	(338,756)
CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES:		
Payments on long-term borrowings	(31,073)	(3,290)
Net change in short-term borrowings	71,415	(122,000)
Dividends on common and preferred stock	(25,047)	(25,264)
Exercise of stock options	11,908	27,031
Common stock purchased for treasury	(62,753)	(178,961)
Net cash used by financing activities	(35,550)	(302,484)
Net increase in cash and cash equivalents	13,135	2,773
Cash and cash equivalents, beginning of year	33,106	15,554
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 46,241	$ 18,327

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE A - BASIS OF PREPARATION

The Consolidated Financial Statements of Viad Corp ("Viad") include the accounts of Viad and all of its subsidiaries. This information should be read in conjunction with the financial statements set forth in the Viad Corp Annual Report on Form 10-K for the year ended December 31, 1999.

On July 13, 2000, Viad sold its concession operations at America West Arena and Bank One Ballpark in Phoenix, Arizona. The sale of the concession operations was recorded in the third quarter of 2000 (see Note G).

Accounting policies utilized in the preparation of the financial information herein presented are the same as set forth in Viad's annual financial statements except as modified for interim accounting policies which are within the guidelines set forth in Accounting Principles Board ("APB") 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 Viad's financial position as of September 30, 2000, and its results of operations and its cash flows for the quarters and nine months ended September 30, 2000 and 1999 have been included. Interim results of operations are not necessarily indicative of the results of operations for the full year.

Certain prior year amounts have been reclassified to conform with the 2000 presentation.

NOTE B - ASSETS RESTRICTED FOR PAYMENT SERVICE OBLIGATIONS

Viad's Payment Services subsidiaries generate funds from the sale of money orders and other payment instruments, with the related liabilities classified as "Payment service obligations." Substantially all of the proceeds of such sales, along with certain additional subsidiary funds, are invested in permissible securities, principally debt instruments. Such investments, along with related cash and funds in transit, are restricted by state regulatory agencies for use by the subsidiary to satisfy the liability to pay, upon presentment, the face amount of such payment service obligations. In addition, certain funds and other investments and the fair value of off-balance-sheet swap agreements (described below) of Payment Services subsidiaries are available if necessary to meet such obligations. Accordingly, such assets of Payment Services subsidiaries are not available to satisfy working capital or other financing requirements of Viad.

As described in notes to Viad's annual financial statements, a Payment Services subsidiary hedges a substantial portion of the variable rate commission payments to its selling agents and the variable rate expense of selling receivables from its bill payment and money order agents through swap agreements. The swap agreements effectively convert such variable rate payments to fixed rate payments. The fair values of such swap agreements, while not recorded on Viad's Consolidated Balance Sheets, normally increase when the fair values of fixed rate, long-term debt investments held by Payment Services subsidiaries decline (and vice versa).

Under normal circumstances, the swap agreements will not be terminated prior to maturity, nor is there any requirement to sell long-term debt securities prior to maturity, as the funds flow from ongoing sales of money orders and other payment instruments and funds from maturing long-term and short-term investments are expected to be adequate to settle payment service items as they are presented.

The following is a summary of asset and liability carrying amounts related to the payment service obligations, including additional subsidiary funds and the fair value of related off-balance-sheet swap agreements:

(000 omitted)	September 30, 2000	December 31, 1999
Funds, agents' receivables and current maturities of investments restricted for payment service obligations, including $12,500 and $50,000 invested in Viad commercial paper (1)	$ 691,452	$ 652,893
Investments restricted for payment service obligations (2)	3,584,270	2,936,171
Other assets available for payment service obligations	25,904	3,009
Payment service obligations	(4,122,060)	(3,587,834)
Fair value of off-balance-sheet swap agreements (3)	25,966	56,708
Total	$ 205,532	$ 60,947

(1) The commercial paper is supported by Viad's revolving bank credit agreement (see Note D).

(2) Securities classified as "available for sale" are carried at market value, and securities classified as "held to maturity" are carried at amortized cost in accordance with Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities" (see Note C).

(3) The fair value represents the estimated amounts that Viad would receive from counterparties to terminate the swap agreements at September 30, 2000 and December 31, 1999.

NOTE C - INVESTMENTS RESTRICTED FOR PAYMENT SERVICE OBLIGATIONS

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

(000 omitted)	September 30, 2000	December 31, 1999
Securities classified as available for sale, at fair value (amortized cost of $2,515,750 and $2,278,793) (1)	$2,460,024	$2,167,250
Securities classified as held to maturity, at amortized cost (fair value of $1,136,707 and $771,668)	1,133,350	788,068
	3,593,374	2,955,318
Less current maturities	(9,104)	(19,147)
	$3,584,270	$2,936,171

(1) The decrease in the unrealized loss for the first nine months of 2000 was due principally to decreases in longer-term market interest rates.

NOTE D - DEBT

At September 30, 2000 and December 31, 1999, Viad classified as long-term debt $120,000,000 and $44,000,000, respectively, of short-term borrowings which, along with the $12,500,000 and $50,000,000, respectively, of commercial paper issued to a Viad Payment Services subsidiary, are supported by unused commitments under a $300,000,000 long-term revolving bank credit agreement.

NOTE E -- 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 taxes for the nine months ended September 30, is as follows:

(000 omitted)	2000	1999
Computed income taxes at statutory federal income tax rate of 35%	$ 48,445	$ 39,327
Nondeductible goodwill amortization	2,536	1,880
State income taxes	2,598	1,983
Tax-exempt income	(26,666)	(20,620)
Adjustment to estimated annual effective rate (1)	(1,500)	725
Other, net	628	671
Provision for income taxes	$ 26,041	$ 23,966

(1) Generally accepted accounting principles for interim financial reporting (APB Opinion No. 28) requires that income taxes be provided based on the estimated effective tax rate expected to be applicable for the entire fiscal year. Accordingly, the estimated tax rate for 2000 is lower than in prior periods due to higher than previously expected tax-exempt income in proportion to total pre-tax income, resulting from rapid growth in investments in tax-exempt securities in the Payment Services segment along with lower operating income in the Convention and Event Services segment.

NOTE F - SUPPLEMENTARY INFORMATION - REVENUES AND OPERATING INCOME

Viad measures profit and performance of its operations on the basis of operating income before nonrecurring items. An adjustment is made to the Payment Services segment to present revenues and operating income on a fully taxable equivalent basis for income resulting from investments in tax-exempt securities. Intersegment sales and transfers are not significant. Corporate activities include expenses not allocated to operations. Consolidated revenues, operating income and interest expense reflect the elimination of intercompany interest payments on investments in Viad commercial paper by a Payment Services subsidiary. Disclosures regarding Viad's reportable segments along with reconciliations to consolidated totals are presented below.

(000 omitted)	Quarter ended September 30, 2000	Quarter ended September 30, 1999	Nine months ended September 30, 2000	Nine months ended September 30, 1999
Revenues:				
Payment Services	$ 173,533	$ 152,180	$ 493,018	$ 425,160
Convention and Event Services	228,276	200,902	785,766	695,853
Reportable segments	401,809	353,082	1,278,784	1,121,013
Travel and Recreation Services	43,825	46,462	66,740	70,737
SUBTOTAL, ONGOING OPERATIONS	445,634	399,544	1,345,524	1,191,750
Sold travel and recreation businesses (1)	1,359	9,498	19,023	38,662
Intercompany interest elimination	(452)	(1,397)	(2,074)	(4,723)
Less taxable equivalent adjustment	(17,525)	(13,423)	(48,710)	(37,666)
	$ 429,016	$ 394,222	$ 1,313,763	$ 1,188,023
Operating income before nonrecurring items:				
Payment Services	$ 43,566	$ 34,648	$ 111,622	$ 89,100
Convention and Event Services	12,803	18,423	73,593	75,753
Reportable segments	56,369	53,071	185,215	164,853
Travel and Recreation Services	17,260	15,199	20,577	16,843
SUBTOTAL, ONGOING OPERATIONS	73,629	68,270	205,792	181,696
Sold travel and recreation businesses (1)	310	1,237	2,467	528
Corporate activities	(2,510)	(4,302)	(12,028)	(14,596)
Intercompany interest elimination	(452)	(1,397)	(2,074)	(4,723)
Less taxable equivalent adjustment	(17,525)	(13,423)	(48,710)	(37,666)
	53,452	50,385	145,447	125,239
Interest expense	(5,923)	(6,323)	(18,575)	(19,950)
Interest income (2)	2,642	8,145	10,863	8,145
Nonrecurring income (3)	2,091	528	2,091	528
Minority interests	(904)	(313)	(1,412)	(1,599)
Income before income taxes	$ 51,358	$ 52,422	$ 138,414	$ 112,363

(1) On July 13, 2000, Viad sold its concession operations at America West Arena and Bank One Ballpark in Phoenix, Arizona. The sold travel and recreation businesses category includes revenues and operating results of the concession operations and other businesses sold in early 1999 and not classified as discontinued operations up to their respective dates of sale. The sale of the concession operations was recorded in the third quarter of 2000 (see Note G).

(2) Represents income related to investment of a portion of the proceeds from the sale of Dobbs International Services, Inc. (sold July 1, 1999). These securities are included in the Consolidated Balance Sheets under the caption, "Investments in securities" with the current portion and investments with original maturities of three months or less included under the caption, "Short-term investments."

(3) See Note G.

NOTE G - NONRECURRING INCOME

Nonrecurring income of $2,091,000 ($877,000, or $0.01 per share, after-tax) was recorded in the 2000 third quarter. The nonrecurring income included a gain of $10,256,000 ($5,655,000 after-tax) on the July 13, 2000 sale of Viad's concession operations, after deducting costs of sale and related expense provisions. Also included in this item was a charge of $8,165,000 ($4,778,000 after-tax) taken to streamline and consolidate certain operations in Viad's Convention and Event Services segment. In addition to costs related to reductions in headcount, the charge included the write-down of certain fixed assets and facility closure costs.

Nonrecurring income of $528,000 ($224,000 after-tax, or less than $0.01 per share) was recorded in 1999's third quarter. This included a gain of $7,925,000 ($4,945,000 after-tax) for adjustment of a previously reported gain on sale of a business upon resolution of contingencies, offset by a noncash charge of $7,397,000 ($4,721,000 after-tax), related to an investment.

NOTE H - LITIGATION, CLAIMS AND OTHER CONTINGENCIES

On August 18, 2000, Key3Media Group, Inc. ("Key3Media"), a company spun off by Ziff-Davis Inc. ("ZD"), terminated a long-term agreement with GES Exposition Services, Inc. ("GES") to produce trade shows, including the November Comdex show in Las Vegas. GES and Key3Media are currently in litigation. Viad believes that the contract was wrongfully terminated and claims significant damages, including recovery of receivables and prepayments made to ZD in an aggregate amount totaling approximately $35 million plus additional damages for loss of future profits. Management intends to vigorously enforce its rights under this agreement and believes that the ultimate outcome of the litigation is not likely to have a material effect on Viad's financial statements.

NOTE I - RECENT ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities." In June 2000, the FASB issued SFAS No. 138, an amendment to SFAS No. 133. Viad will adopt these statements effective January 1, 2001. The statements require that entities record all derivatives as assets or liabilities, measured at fair value, with the change in fair value recognized in earnings or in other comprehensive income, depending on the use of the derivative and whether it qualifies for hedge accounting. Viad has a team in place to address the adoption and implementation of the statements. The adoption of SFAS No. 133 and SFAS No. 138 is not expected to have a material effect on Viad's consolidated results of operations or cash flows. However, as discussed in Note B and in "Quantitative and Qualitative Disclosures About Market Risk," the fair value of swap agreements is currently not recorded on the Consolidated Balance Sheets. If the statements had been adopted January 1, 2000, total assets and other comprehensive income at September 30, 2000 would have been higher by $15.8 million.

In December 1999, the Securities and Exchange Commission ("SEC") released Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" ("SAB 101"), that summarizes the SEC's views in applying generally accepted accounting principles to revenue recognition in financial statements. Adoption of SAB 101 is not expected to have a material effect on Viad's financial statements.

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

RESULTS:

Viad Corp ("Viad") focuses on two principal service businesses: Payment Services and Convention and Event Services.

On July 13, 2000, Viad sold its concession operations at America West Arena and Bank One Ballpark in Phoenix, Arizona. The sale of the concession operations was recorded in the third quarter of 2000.

There were no other material changes in the nature of Viad's business, nor were there any other changes in the general characteristics of its operations as described and discussed in the "Results of Operations" section of Management's Discussion and Analysis of Results of Operations and Financial Condition presented in the Viad Corp Annual Report on Form 10-K for the year ended December 31, 1999.

All per share figures discussed are stated on the diluted basis.

COMPARISON OF THIRD QUARTER OF 2000 TO THE THIRD QUARTER OF 1999:

In the third quarter of 2000, revenues increased $34.8 million, or 8.8 percent, to $429.0 million from $394.2 million in 1999. Revenues of ongoing operations on a fully taxable equivalent basis, excluding the sold travel and recreation businesses, rose 11.5 percent for the quarter.

Including the nonrecurring income described in Note G of Notes to Consolidated Financial Statements, income from continuing operations for the third quarter of 2000 was $44.0 million, or $0.48 per share, compared to $40.5 million, or $0.42 per share, for the third quarter of 1999. Income from continuing operations before nonrecurring income increased 12 percent on a per share basis to $43.1 million, or $0.47 per share, compared with comparable income of $40.3 million, or $0.42 per share, in the 1999 quarter.

(000 omitted, except per share data)	Quarter ended September 30, 2000	1999
INCOME FROM CONTINUING OPERATIONS, BEFORE NONRECURRING INCOME	$ 43,135	$ 40,299
Nonrecurring income	877	224
Income from continuing operations	$ 44,012	$ 40,523
DILUTED INCOME PER COMMON SHARE:		
INCOME FROM CONTINUING OPERATIONS, BEFORE NONRECURRING INCOME	$ 0.47	$ 0.42
Nonrecurring income	0.01	
Income from continuing operations	$ 0.48	$ 0.42

Cash earnings per share on the diluted basis, defined as income from continuing operations before nonrecurring income plus after-tax goodwill amortization, was $0.51, up 13 percent from the 1999 third quarter. Cash earnings per share does not represent a measure of cash flows from operations as defined by generally accepted accounting principles, and may not be comparable to similarly titled measures reported by other companies.

Net income for the third quarter of 2000 was also $44.0 million, or $0.48 per share, compared to $242.8 million, or $2.54 per share, in the third quarter of 1999. The third quarter of 1999 included income from discontinued operations of $202.3 million, or $2.12 per share, comprised primarily of the gain on sale of Dobbs International Services, Inc. ("Dobbs").

There were 4.1 million fewer average outstanding and potentially dilutive common shares in the third quarter of 2000 than in the third quarter of 1999, due primarily to stock repurchases made in 2000. In addition, a lower average Viad stock price in 2000 contributed to fewer additional dilutive shares related to unexercised stock options.

PAYMENT SERVICES. A Payment Services subsidiary invests substantial amounts of its growing money order and official check funds in tax-exempt securities, which have lower pre-tax yields but produce higher income on an after-tax basis than comparable taxable investments. On the fully taxable equivalent basis, third quarter 2000 revenues of the Payment Services segment were $173.5 million, up $21.4 million, or 14.0 percent, from 1999 third quarter revenues. On the same basis, operating income increased $8.9 million, or 25.7 percent. Operating margins on the fully taxable equivalent basis were 25.1 percent in the third quarter of 2000, up from 22.8 percent in the 1999 third quarter. Results were driven by continuing strong growth in all product lines, including the ongoing rollout of several key new accounts. Average invested funds grew over 20 percent from the 1999 quarter, resulting in higher investment income. Transaction volume growth for MoneyGram was more than 25 percent for the quarter (excluding the U.S.-to-Mexico corridor), led by strong growth in Latin America and international money transfers. Weakness in the U.S.-to-Mexico corridor continued during the quarter. The number of MoneyGram agent locations grew more than 25 percent year-over-year with over 45 percent growth in international locations.

CONVENTION AND EVENT SERVICES. Convention and Event Services revenues increased $27.4 million, or 13.6 percent, to $228.3 million in the third quarter of 2000. Operating income for the segment decreased $5.6 million, or 30.5 percent from the third quarter of 1999. Operating margins were 5.6 percent in the third quarter of 2000 compared with 9.2 percent in the third quarter of 1999. Exhibitgroup/Giltspur reported strong gains in both revenues and operating income. GES Exposition Services, Inc. ("GES") also reported higher revenues for the quarter, but continuing higher labor costs, resulting from the tight labor market and compressed move-in and move-out schedules, as well as increases in certain show production costs, resulted in lower operating income compared to the 1999 quarter. Pressure on operating margins will continue as GES continues to focus on cost reduction efforts. As described in Note H of Notes to Consolidated Financial Statements, Key3Media Group, Inc. ("Key3Media"), a company spun off by Ziff-Davis Inc., terminated a long-term agreement with GES to produce trade shows. Viad believes that the contract was wrongfully terminated, and GES and Key3Media are currently in litigation. The loss of the Key3Media shows will impact the fourth quarter 2000 and full year 2001 revenues by approximately $15 million and $40 million, respectively, but Viad's operating income for such periods is not expected to be materially impacted. The impact on the third quarter of 2000 was not material.

TRAVEL AND RECREATION SERVICES. Revenues of the ongoing travel and recreation businesses were $43.8 million for the third quarter of 2000, down $2.6 million, or 5.7 percent, from 1999 third quarter revenues, while operating income was up $2.1 million, or 13.6 percent, in the third quarter of 2000. The decrease in revenue relates primarily to the discontinuance of a lower margin package tour business, along with an overall decrease in traffic from U.S. and Canadian tourists. Operating income increased due to higher margins and cost reductions.

CORPORATE ACTIVITIES. Corporate activities decreased $1.8 million in the third quarter of 2000 compared to the third quarter of 1999, primarily as a result of ongoing corporate cost reduction efforts and lower expenses associated with achievement under Viad's incentive plans, resulting from a lower stock price.

NET INTEREST EXPENSE (INCOME). Interest income of $2.6 million and $8.1 million in the third quarter of 2000 and 1999, respectively, was generated from the investment of the cash proceeds remaining from the July 1, 1999 sale of Dobbs. The decline in interest income is due primarily to the use of investment proceeds for the repurchase of treasury shares and the funding of acquisitions. Interest expense in the third quarter of 2000 decreased $400,000 from that in the 1999 third quarter

INCOME TAXES. The effective tax rate for continuing operations excluding nonrecurring items in the 2000 third quarter was 12.4 percent compared to 22.3 percent for the third quarter 1999. The relatively low effective tax rate compared to the statutory federal rate is primarily attributable to tax-exempt income from Viad's Payment Services businesses. APB Opinion No. 28 requires that income taxes be provided based on the estimated effective tax rate expected to be applicable for the entire fiscal year, with an adjustment of the annual rate made each quarter. During the third quarter, Viad determined that the estimated annual tax rate for 2000 is expected to be lower than in prior periods due to higher than previously expected tax-exempt income in proportion to total pre-tax income, resulting from rapid growth in investments in tax-exempt securities in the Payment Services segment along with lower operating income in the Convention and Event Services Segment. Accordingly, the adjustment of the rate was made in the third quarter of 2000.

COMPARISON OF FIRST NINE MONTHS OF 2000 TO THE FIRST NINE MONTHS OF 1999:

Revenues for the first nine months of 2000 increased $125.7 million, or 10.6 percent, to $1.3 billion from $1.2 billion in 1999. Revenues of ongoing operations on a fully taxable equivalent basis, excluding the sold travel and recreation businesses, rose 12.9 percent.

Income from continuing operations for the first nine months of 2000 was $112.4 million, or $1.22 per share, compared to $88.4 million, or $0.90 per share, for the same period in 1999. Excluding nonrecurring income of $877,000 ($0.01 per share) and $224,000 (less than $0.01 per share) for the first nine months of 2000 and 1999, respectively, described in Note G of Notes to Consolidated Financial Statements, the first nine months 2000 income from continuing operations was $111.5 million, or $1.21 per share compared to $88.2 million, or $0.90 per share for the first nine months of 1999, an increase of 34 percent on a per share basis. Cash earnings per share, as defined above, was $1.33 for the first nine months of 2000, up 34 percent from the 1999 period.

Net income for the first nine months of 2000 was also $112.4 million, or $1.22 per share, compared to $307.4 million, or $3.14 per share, in the first nine months of 1999. The first nine months of 1999 included $219.0 million, or $2.24 per share, from discontinued operations, which included the operating results of Dobbs through June 30, 1999 and the gain on sale of Dobbs recorded in the third quarter of 1999.

There were 5.7 million fewer average outstanding and potentially dilutive common shares in the first nine months of 2000 than in the first nine months of 1999, due primarily to stock repurchases made in 2000. In addition, a lower average Viad stock price in 2000 contributed to fewer additional dilutive shares related to unexercised stock options.

PAYMENT SERVICES. On the fully taxable equivalent basis, revenues of the Payment Services segment for the first nine months of 2000 were $493.0 million, up $67.9 million, or 16.0 percent, from 1999 nine month revenues, while operating income increased $22.5 million, or 25.3 percent. Operating margins on the fully taxable equivalent basis were 22.6 percent for the first nine months of 2000, up from 21.0 percent in the first nine months of 1999. Results were driven by continuing strong growth in money order, official check and Game Financial operations, with the ramp up of key new accounts contributing to the gains. The nine months of 2000 was impacted by continued weakness in the U.S.-to-Mexico corridor for MoneyGram.

CONVENTION AND EVENT SERVICES. Convention and Event Services revenues increased $89.9 million, or 12.9 percent, to $785.8 million from $695.9 million in the 1999 nine month period. Operating income for the segment was $73.6 million compared to $75.8 million for the 1999 nine month period. Operating margins were 9.4 percent compared with 10.9 percent in 1999. Exhibitgroup/Giltspur reported strong gains in both revenue and operating income. GES also reported higher revenues for the period, but higher labor and show production costs and slower than anticipated profit generation on start-up products resulted in lower operating income and margins compared to the first nine months of 1999. Pressure on operating margins will continue as GES continues to focus on cost reduction efforts. As described in Note H of Notes to Consolidated Financial Statements, Key3Media terminated a long-term agreement with GES to produce trade shows. Viad believes that the contract was wrongfully terminated, and GES and Key3Media are currently in litigation. The loss of the Key3Media shows will impact the fourth quarter 2000 and full year 2001 revenues by approximately $15 million and $40 million, respectively, but Viad's operating income for such periods is not expected to be materially impacted.

TRAVEL AND RECREATION SERVICES. For the first nine months of 2000, revenues of the ongoing travel and recreation businesses were $66.7 million, down $4.0 million, or 5.7 percent, from the first nine months of 1999, while operating income increased $3.7 million for the same period. The decrease in revenue relates primarily to the discontinuance of a lower margin package tour business, along with increased competition in the charter and sightseeing business. Operating income increased due to higher margins and cost reductions.

CORPORATE ACTIVITIES. Corporate activities decreased $2.6 million in the first nine months of 2000 compared to the first nine months of 1999, primarily as a result of ongoing corporate cost reduction efforts.

NET INTEREST EXPENSE (INCOME). Interest income of $10.9 million and $8.1 million in the first nine months of 2000 and 1999, respectively, was generated from the investment of the cash proceeds remaining from the July 1, 1999 sale of Dobbs. Interest expense for the first nine months of 2000 was $18.6 million compared to $20.0 million for the comparable period of 1999. Lower average borrowings during 2000 were partially offset by the effects of an increase in short-term interest rates.

INCOME TAXES. The effective tax rate for continuing operations excluding nonrecurring items for the first nine months of 2000 was 18.2 percent compared to 21.2 percent for the first nine months of 1999. As discussed previously, the relatively low effective tax rate compared to the statutory federal rate is primarily attributable to tax-exempt income from Viad's Payment Services businesses. APB Opinion No. 28 requires that income taxes be provided based on the estimated effective tax rate expected to be applicable for the entire fiscal year. Accordingly, the estimated annual tax rate for 2000 is lower than in prior periods due to higher than previously expected tax-exempt income in proportion to total pre-tax income, resulting from rapid growth in investments in tax-exempt securities in the Payment Services segment along with lower operating income in the Convention and Event Services Segment.

LIQUIDITY AND CAPITAL RESOURCES:

Viad's total debt at September 30, 2000 was $429.6 million compared with $389.3 million at December 31, 1999. The debt-to-capital ratio was 0.35 to 1 at September 30, 2000 and at December 31, 1999. The sale of trade accounts receivable program was terminated in August 2000, resulting in a $50 million increase in both accounts receivable and debt.

During the first nine months of 2000, Viad repurchased approximately 2.4 million treasury shares for $62.8 million under Viad's stock repurchase programs. Net proceeds from the exercise of stock options, including tax benefits, totaled $11.9 million during the first nine months of 2000.

The balance of the investments in securities arising from the July 1, 1999 sale of Dobbs totaled $149.7 million at September 30, 2000. The balance declined $119.2 million since December 31, 1999, primarily as a result of funding acquisitions and the repurchase of treasury shares.

EBITDA is a measure of Viad's ability to service debt, fund capital expenditures and finance growth, and should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with generally accepted accounting principles. EBITDA is defined by Viad as income from continuing operations before interest expense, income taxes, nonrecurring income, depreciation and amortization and includes the fully taxable equivalent adjustment. EBITDA for the first nine months of 2000 was $254.7 million, an increase of 18.5 percent over that of the comparable 1999 period.

There were no other material changes in Viad'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 Viad Corp's Annual Report on Form 10-K for the year ended December 31, 1999.

FORWARD-LOOKING STATEMENTS:

As provided by the safe harbor provision under the "Private Securities Litigation Reform Act of 1995," Viad cautions readers that, in addition to the historical information contained herein, this Quarterly Report on Form 10-Q includes certain forward-looking statements, assumptions and discussions, including those relating to expectations of or current trends in future growth, productivity improvements, consumer demand, new business, investment policies, cost reduction efforts and market risk disclosures. Such statements involve risks and uncertainties which may cause results to differ materially from those set forth in those statements. Among other things, gains and losses of customers, consumer demand patterns, purchasing decisions related to customer demand for convention and event services, existing and new competition, industry alliances and consolidation and growth patterns within the industries in which Viad competes may individually or in combination impact future results. In addition to the factors mentioned elsewhere, economic, competitive, governmental, technological, capital marketplace and other factors could affect the forward-looking statements contained in this filing.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As described in Note B, debt and equity securities classified as "available for sale" are carried at fair value, with the net unrealized holding gain or loss included in the Consolidated Balance Sheets as a component of "Accumulated other comprehensive income." A portion of Viad's Payment Services business involves the payment of commissions to selling agents of its official check program. A Viad Payment Services subsidiary has also entered into agreements to sell receivables from its bill payment and money order agents. The agent commissions and expense of selling receivables are computed based on short-term variable interest rates that subject Viad to risk arising from changes in such rates. Viad has hedged a substantial portion of this risk through swap agreements which convert the variable rate payments to fixed rates. Viad is also exposed to short-term interest rate risk on certain of its debt obligations and trade accounts receivable sales.

Based on a hypothetical 10 percent proportionate increase in interest rates from the average level of interest rates during the last twelve months, and taking into consideration expected investment positions, commissions payable to selling agents, growth in new business, the effects of the swap agreements and the expected borrowing level of variable-rate debt, the annual decrease in pre-tax income would be approximately $2.2 million. A hypothetical 10 percent proportionate decrease in interest rates, based on the same set of assumptions, would result in an annual increase in pre-tax income of approximately $2.4 million.

The fair value of securities classified as available for sale, the fair value of the swap agreements and the fair value of fixed-rate debt are sensitive to changes in interest rates. A 10 percent proportionate increase in interest rates would result in an estimated decrease in the fair value of securities classified as available for sale of approximately $94.9 million (along with an after-tax decrease in accumulated other comprehensive income of approximately $57.8 million), an estimated off-balance-sheet increase in the fair value of Viad's swap agreements of approximately $49.8 million and an estimated off-balance-sheet decrease in the fair value of Viad's fixed-rate debt of approximately $2.9 million. A 10 percent proportionate decrease in interest rates would result in an estimated increase in the fair value of securities classified as available for sale of approximately $90.9 million (along with an after-tax increase in accumulated other comprehensive income of approximately $55.5 million), an estimated off-balance-sheet decrease in the fair value of Viad's swap agreements of approximately $49.8 million and an estimated off-balance-sheet increase in the fair value of Viad's fixed-rate debt of approximately $2.9 million.

PART II. OTHER INFORMATION

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

No matters were submitted to a vote of security holders during the third quarter of 2000.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibit No. 10A - Copy of Compensation Plan Amended and Restated as of August 15, 2000.

Exhibit No. 27 - Financial Data Schedule

(b) No reports on Form 8-K were filed by the registrant during the quarter for which this report is filed.

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.

VIAD CORP
(Registrant)

October 24, 2000

By /s/ Catherine L. Stevenson

Catherine L. Stevenson
Vice President - Controller
(Chief Accounting Officer
and Authorized Officer)

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION OF EXHIBIT
10A	Copy of Compensation Plan Amended and Restated as of August 15, 2000
27	Financial Data Schedule

EXHIBIT 10A

VIAD CORP
DEFERRED COMPENSATION PLAN
AMENDED AND RESTATED AS OF AUGUST 15, 2000

1. PURPOSE OF THE PLAN. The purpose of the Deferred Compensation Plan (the Plan) is to provide a select group of management or highly compensated employees of Viad Corp (the Corporation) and its subsidiaries with an opportunity to defer the receipt of incentive compensation awarded to them under the Management Incentive Plan, the Performance Unit Incentive Plan and certain other incentive plans of Viad Corp and its subsidiaries (the Incentive Plans) and thereby enhance the long-range benefits and purposes of the incentive awards. Each plan year shall extend from January 1 through December 31 of each calendar year.

2. ADMINISTRATION OF THE PLAN. The Plan shall be administered by the Compensation Advisory Committee (the Committee). Subject to the express provisions of the Plan, and the Incentive Plans, the Committee shall have the authority to adopt, amend and rescind such rules and regulations, and to make such determinations and interpretations relating to the Plan, which it deems necessary or advisable for the administration of the Plan, but it shall not have the power to amend, suspend or terminate the Plan. All such rules, regulations, determinations and interpretations shall be conclusive and binding on all parties.

3. PARTICIPATION IN THE PLAN.
(a) Participation in the Plan shall be restricted to a select group of management or highly compensated employees of the Corporation or one of its subsidiaries who are participants in certain Incentive Plans, including the Management Incentive Plan, Viad Corp Performance Unit Incentive Plan, and any other bonus or bonuses or similar or successor plans, who have been selected in writing by the Chief Executive Officer of the Corporation to participate in the Plan, and whose timely written requests to defer the receipt of all or a portion of any incentive compensation which may be awarded to them, are honored in whole or in part by the Committee. Any individual whose request for deferral is not accepted or honored by the Committee, whether for failure of timely submission or for any other reason, shall not become a participant in the Plan, and the Committee's determination in this regard shall be conclusive and binding.

(b) Participants may defer incentive compensation into a cash account and, if designated by the Committee, into a stock unit account.

(c) If a participant in the Plan shall 1) sever, voluntarily or involuntarily, his employment with the Corporation or one of its subsidiaries other than as a result of disability or retirement, 2) engage in any activity in competition with the Corporation or any of its subsidiaries during or following such employment, or 3) remain in the employ of a corporation which for any reason ceases to be a subsidiary of the Corporation, the Committee may at any time thereafter direct, in its sole and exclusive discretion, that his participation in the Plan shall terminate, and that he be paid in a lump sum the aggregate amount credited to his deferred incentive cash account as of the date such participation is terminated and that he be paid shares of the Corporation's Common Stock equal to the aggregate number of stock units credited to his deferred stock unit account as of the date such participation is terminated (with any fractional unit being settled by cash payment). The Committee is authorized to establish and implement a policy and procedures for administration of this paragraph, including, but not limited to, a policy regarding small account balance cash-outs.

(d) The Corporation and each participating subsidiary shall be solely liable for payment of any benefits and, except as may be otherwise determined by the Committee, for maintenance of deferred incentive accounts pursuant to paragraph 7, with respect to its own employees who participate in the Plan. In the event a participant leaves the employ of the Corporation or a participating subsidiary ("former employer") and is subsequently employed by another employer, the Corporation or another subsidiary of the Corporation ("new employer"), the former employer may agree to transfer and the new employer may agree to assume the benefit liability reflected in such participant's deferred incentive account, without the consent of such participant and subject to the approval of the Committee, in its sole discretion. In the event of such a transfer and assumption of liability, the former employer shall have no further liability for any benefit under the Plan to its former employee or otherwise with respect to such transferred account.

4. REQUESTS FOR DEFERRAL. All requests for deferral of incentive awards must be made in writing prior to November 15 of the year in which the bonus is being earned and shall be in such form and shall contain such terms and conditions as the Committee may determine. Each such request shall specify the dollar amount or the percentage to be deferred of incentive award which would otherwise be received in the following calendar year, but the deferral amount must be in an amount equal to or greater than the lesser of $10,000 or 25% of the incentive award. Each such request shall also specify 1) the date (no later than the employee's actual retirement date) when payment of the aggregate amount credited to the deferred incentive account is to commence, 2) whether such payment is then

to be made in a lump sum or in quarterly or annual installments, 3) if payment is to be made in installments, the period of time (not in excess of ten years) over which the installments are to be paid, and 4) if the participant is permitted to defer incentive compensation into a stock unit account, the portion of the deferred incentive compensation which shall be treated as a cash account under paragraph 7(b) and the portion which shall be treated as a stock unit account under paragraph 7(c). If the participant has requested that a portion of the deferred incentive compensation be placed in a stock unit account, such request shall also include acknowledgment that such stock unit account will be settled in Common Stock of the Corporation, and that such stock unit account cannot be converted to a cash account in the future. The Committee shall, under no circumstances, accept any request for deferral of less than $1,000 of an incentive award or any request which is not in writing or which is not timely submitted.

5. DEFERRAL AND PAYMENT OF INCENTIVE AWARDS. The Committee shall, prior to December 15 of the year in which the bonus is being earned, notify each individual who has submitted a request for deferral of an incentive award whether or not such request has been accepted and honored. If the request has been honored in whole or in part, the Committee shall advise the participant of the dollar amount or percentage of his incentive compensation which the Committee has determined to be deferred. The Committee shall further advise the participant of its determination as to the date when payment of the aggregate amount credited to the participant's deferred incentive account is to commence, whether payment of the amount so credited as of that date will then be made in a lump sum or in quarterly or annual installments, if payment is to be made in installments, the period of time over which the installments will be paid, and if the participant is permitted to defer incentive compensation into a stock unit account, whether the deferred incentive account shall be treated as a cash account or a stock unit account or split between cash and stock units. Upon subsequently being advised of the existence of special circumstances which are beyond the participant's control and which impose an unforeseen severe financial hardship on the participant or his beneficiary, the Committee may, in its sole and exclusive discretion, modify the deferral arrangement established for that participant to the extent necessary to remedy such financial hardship.

If the participant has elected to defer incentive compensation in the form of cash, the Corporation shall distribute a sum in cash to such participant, pursuant to his or her election provided for in paragraph 4. If the participant has elected to defer incentive compensation in the form of stock units, the Corporation shall distribute to such participant, pursuant to his or her election provided for in paragraph 4, shares of Common

Stock of the Corporation equal to the number of stock units being settled in such installment (with any fractional unit being settled by cash payment).

6. CONVERSION OF CASH ACCOUNT BALANCE. Each participant who is permitted to defer incentive compensation into a stock unit account may, not more than once a year or such other period as is determined by the Committee, by written notice delivered to the Committee, convert the aggregate balance or any portion thereof in his or her deferred compensation cash account (either before or after installment payments from the account may have commenced) from an account in the form of cash to an account in the form of stock units in an amount equal to the cash balance or specified portion thereof divided by the closing price of the Common Stock of the Corporation (as reported for the New York Stock Exchange-Composite Transactions) on the last trading day of the quarter in which such notice is given, said account to then accrue dividend equivalents as set forth in paragraph 7(c) below; provided however, that no such notice of conversion ("Conversion Notice") (a) may be given within six months following the date of an election by such participant, if an Executive Officer of the Corporation, with respect to any plan of the Corporation, that effected a Discretionary Transaction (as defined in Rule 16b-3(f) under the Securities Exchange Act of 1934) that was a disposition or (b) may be given after an individual ceases to be an employee of the Corporation. The stock unit account will be settled in Common Stock of the Corporation and such stock unit account cannot be converted to a cash account in the future.

7. DEFERRED INCENTIVE ACCOUNT.
(a) A deferred incentive account shall be maintained by his employer for each participant in the Plan, and there shall be credited to each participant's account, on the date incentive compensation is paid, the incentive award, or portion thereof, which would have been paid to such participant on said date if the receipt thereof had not been deferred. If the account is to be a stock unit account, the incentive compensation award shall be converted into stock units by dividing the closing price of the Corporation's Common Stock (as reported for the New York Stock Exchange Composite Transactions) on the day such incentive award is payable into such incentive award.

(b) If the participant has elected to defer incentive compensation in the form of cash, there shall be credited on the last day of the quarter to each participant's account, an interest credit on his deferred incentive award at the interest rates determined by the Committee to be payable during each calendar year, or portion thereof, prior to the termination of such participant's deferral period or, if the amount then credited to his deferred incentive account is to be paid in installments, prior to the termination of such installment period. Interest will be paid on a prorated basis for amounts withdrawn from the account during the quarter, with the remaining balance accruing interest for the duration of the quarter. The interest credit for the following quarter shall be a rate equal to the yield as of March 31, June 30, September 30, and December 31 on Merrill Lynch Taxable Bond Index - Long Term Medium Quality (A3) Industrial Bonds, unless and until otherwise determined.

(c) If a participant has elected to defer incentive compensation in the form of stock units, then, in the event of a dividend paid in cash, stock of the Corporation (other than Common Stock) or property, additional credits (dividend equivalents) shall be made to the participant's stock unit account consisting of a number of stock units equal to the amount of such dividend per share (or the fair market value, on the date of payment, of dividends paid in stock or property), multiplied by the aggregate number of stock units credited to such participant's deferred compensation account on the record date for the payment of such dividend, divided by the closing price of the Corporation's Common Stock (as reported for the New York State Exchange-Composite transactions) on the date such dividend is payable to stockholders. After payment of deferred compensation commences, dividend equivalents shall accrue on the unpaid balance thereof in the same manner until all such deferred compensation has been paid.

(d) In the event of a dividend of Common Stock declared and paid by the Corporation, an additional credit shall be made to the participant's stock unit account of a number of stock units equal to the number of shares of the Corporation's Common Stock which the participant would have received as a stock dividend had he or she been the owner on the record date for the payment of such stock dividend of the number of shares of Common Stock equal to the number of units in such stock unit account on such date. After payment of deferred compensation commences, additional credits for stock dividends shall accrue on the unpaid balance thereof in the same manner until all such deferred compensation has been paid.

(e) The Plan shall at all times be unfunded. The Corporation shall not be required to segregate physically any amounts of money or otherwise provide funding or security for any amounts credited to the deferred incentive accounts of participants in the Plan.

8. CHANGE OF CONTROL OR CHANGE IN CAPITALIZATION.
(a) If a tender offer or exchange offer for shares of Common Stock of the Corporation (other than such an offer by the Corporation) is commenced, or if the stockholders of the Corporation shall approve an agreement providing either for a

transaction in which the Corporation will cease to be an independent publicly owned corporation or for a sale or other disposition of all or substantially all the assets of the Corporation (Change of Control), a lump sum cash payment shall be made to each participant participating in the Plan of the aggregate current balance of his or her deferred compensation cash account accrued on the date of the Change of Control, notwithstanding any other provision herein. If the participant has elected to defer compensation in the form of stock units, the Corporation shall distribute to such participant shares of Common Stock of the Corporation equal to the number of stock units in such participant's stock unit account on the day preceding the date of the Change of Control (with any fractional unit being settled by cash payment). Any notice by a participant to change or terminate his or her election to defer Compensation on or before the date of the Change of Control shall be effective as of the date of the Change of Control, notwithstanding any other provision herein.

(b) Any recapitalization, reclassification, split-up, spin-off, sale of assets, combination or merger not otherwise provided for herein which affects the outstanding shares of Common Stock of the Corporation or any other relevant change in the capitalization of the Corporation shall be appropriately adjusted for by the Board of Directors of this Corporation, and any such adjustments shall be final, conclusive and binding.

9. DESIGNATION OF BENEFICIARY. Each participant in the Plan shall deliver to the Committee a written instrument, in the form provided by the Committee, designating one or more beneficiaries to whom payment of the amount credited to his deferred incentive account shall be made in the event of his death. Unless the Committee shall otherwise determine, such payments shall be made in such amounts and at such times as they would otherwise have been paid to the participant if he had survived.

10. NONASSIGNABILITY OF PARTICIPATION RIGHTS. No right, interest or benefit under the Plan shall be assignable or transferable under any circumstances other than to a participant's designated beneficiary in the event of his death, nor shall any such right, interest or benefit be subject to or liable for any debt, obligation, liability or default of any participant. The payments, benefits or rights arising by reason of this Plan shall not in any way be subject to a participant's debts, contracts or engagements, and shall not be subject to attachment, garnishment, levy, execution or other legal or equitable process.

11. RIGHTS OF PARTICIPANTS. A participant in the Plan shall have only those rights, interests or benefits as are expressly provided in the Plan and in the Incentive Plans. The Plan shall be deemed to be ancillary to the Incentive Plans and the rights of participants in the Plan shall be limited as provided in the Incentive Plans.

12. CLAIMS FOR BENEFITS. Claims for benefits under the Plan shall be filed with the Committee. Written notice of the disposition of a claim shall be furnished the claimant within 60 days after the application therefor is filed. In the event the claim is denied, the reasons for the denial shall be specifically set forth. Pertinent provisions of this Plan shall be cited. In addition, the written notice shall describe any additional material or information necessary for the claimant to perfect the claim (along with an explanation of why such material or information is needed), and the written notice will fully describe the claim review procedures of paragraph 13 below.

13. CLAIM REVIEW. Any claimant who has been denied a benefit shall be entitled, upon request to the Committee, to receive a written notice of such action, together with a full and clear statement of the reasons for the action. The claimant may also review this Plan if he chooses. If the claimant wishes further consideration of his position, he may request a hearing. The request, together with a written statement of the claimant's position, shall be filed with a Committee member no later than 60 days after receipt of the written notification provided for above. The Committee shall schedule an opportunity for a full and fair hearing of the issue within the next 60 days. The decision following the hearing shall be made within 60 days and shall be communicated in writing to the claimant. If the claimant requests, the hearing may be waived, in which case the Committee's decision shall be made within 60 days from the date on which the hearing is waived and shall be communicated in writing to the claimant.

14. AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN. The Board of Directors of the Corporation (the Board) may from time to time amend, suspend or terminate the Plan, in whole or in part, and if the Plan is suspended or terminated, the Board may reinstate any or all provisions of the Plan, except that no amendment, suspension or termination of the Plan shall, without the consent of a participant, adversely affect such participant's right to receive payment of the entire amount credited to his deferred incentive account on the date of such Board action. In the event the Plan is suspended or terminated, the Board may, in its discretion, direct the Committee to pay to each participant the amount credited to his account either in a lump sum or in

accordance with the Committee's prior determination regarding the method of payment.

15. EFFECTIVE DATE. The Plan shall become effective on the date of its approval by the Human Resources Committee of the Viad Corp Board of Directors or on such other date as the Human Resources Committee may direct, but the Plan shall become operative with respect to a select group of management or highly compensated employees of each subsidiary only upon the adoption of the Plan by that subsidiary's Board of Directors.

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM VIAD CORP'S FORM 10-Q FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2000 AND IS QUALIFIED IN ITS ENTIRETY BE REFERENCE TO SUCH FINANCIAL STATEMENTS.

MULTIPLIER: 1,000

PERIOD TYPE	9 MOS
FISCAL YEAR END	DEC 31 2000
PERIOD END	SEP 30 2000
CASH	46,241
SECURITIES	35,028
RECEIVABLES	123,825
ALLOWANCES	2,912
INVENTORY	89,196
CURRENT ASSETS	1,046,064
PP&E	559,624
DEPRECIATION	271,370
TOTAL ASSETS	5,850,028
CURRENT LIABILITIES	4,459,728
BONDS	394,039
PREFERRED MANDATORY	6,653
PREFERRED	0
COMMON	149,610
OTHER SE	630,559
TOTAL LIABILITY AND EQUITY	5,850,028
SALES	0
TOTAL REVENUES	1,313,763
CGS	0
TOTAL COSTS	1,156,288
OTHER EXPENSES	12,028
LOSS PROVISION	0
INTEREST EXPENSE	18,575
INCOME PRETAX	138,414
INCOME TAX	26,041
INCOME CONTINUING	112,373
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	112,373
EPS BASIC	1.25
EPS DILUTED	1.22