VIAD CORP

FORM 10-Q
(Quarterly Report)

Filed 11/13/2003 For Period Ending 9/30/2003

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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, 2003
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 [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2).

Yes [x] No [ ]

As of October 31, 2003, 88,359,009 shares of Common Stock ($1.50 par value) were outstanding.

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PART I. Financial Information

Item 1. ***Financial Statements***

VIAD CORP
CONSOLIDATED BALANCE SHEETS

	September 30, 2003	December 31, 2002
	(unaudited) (in thousands, except share data)	
Assets		
Current assets:		
Cash and cash equivalents	$ 58,218	$ 57,219
Other investments in securities	94,401	246,338
Receivables, net	57,129	50,818
Inventories	35,170	41,839
Deferred income taxes	48,591	55,747
Other current assets	36,732	35,366
	330,241	487,327
Funds, agent receivables and current maturities of investments available or restricted for payment service obligations	2,112,587	1,904,015
Total current assets	2,442,828	2,391,342
Investments available or restricted for payment service obligations	6,526,057	6,268,080
Property and equipment, net	249,649	248,099
Other investments and assets	62,681	58,079
Deferred income taxes	106,502	125,894
Goodwill	651,015	549,461
Other intangible assets, net	33,977	34,474
Total Assets	$10,072,709	$9,675,429
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 50,041	$ 63,188
Other current liabilities	216,864	230,857
Current portion of long-term debt	1,218	103,995
	268,123	398,040
Payment service obligations	8,381,682	7,945,760
Total current liabilities	8,649,805	8,343,800
Long-term debt	254,194	257,662
Pension and other postretirement benefits	114,269	110,895
Derivative financial instruments	106,621	126,527
Other deferred items and insurance liabilities	133,946	133,288
$4.75 Preferred stock subject to mandatory redemption	6,725	6,704
Minority interests	3,711	18,659
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	215,583	215,872
Retained income	845,497	781,441
Unearned employee benefits and other	(62,560)	(66,143)
Accumulated other comprehensive income (loss):		
Unrealized gain on securities classified as available-for-sale	109,512	91,640
Unrealized loss on derivative financial instruments	(132,787)	(150,557)
Cumulative foreign currency translation adjustments	5,744	(9,655)
Minimum pension liability adjustment	(34,274)	(34,274)
Common stock in treasury, at cost, 11,381,623 and 11,638,090 shares	(292,887)	(300,040)
Total common stock and other equity	803,438	677,894

Total Liabilities and Stockholders’ Equity	$10,072,709	$9,675,429

See Notes to Consolidated Financial Statements.

VIAD CORP
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2003	2002	2003	2002
		(as restated, See Note 2)		(as restated, See Note 2)
	(in thousands, except per share data)			
Revenues:				
Convention show services	$ 92,498	$124,271	$ 428,951	$ 460,423
Payment services transaction fees	123,762	112,067	356,956	317,716
Payment services investment income	79,981	91,781	239,438	258,799
Exhibit design and construction	39,867	47,345	149,367	165,450
Hospitality and recreation services	32,703	37,185	48,278	53,484
Total revenues	368,811	412,649	1,222,990	1,255,872
Costs and expenses:				
Costs of services	286,796	313,899	938,171	945,907
Costs of products sold	43,267	48,132	149,382	160,560
Corporate activities and minority interests	5,185	6,390	11,886	18,241
Net interest expense	2,286	123	8,403	7,487
Restructuring recovery	(200)	(413)	(1,476)	(413)
Total costs and expenses	337,334	368,131	1,106,366	1,131,782
Income from continuing operations before income taxes	31,477	44,518	116,624	124,090
Income tax expense	8,185	12,261	30,433	33,722
Income from continuing operations	23,292	32,257	86,191	90,368
Income from discontinued operations, net of tax	1,544	—	1,544	—
Change in accounting principle, net of tax	—	—	—	(37,739)
Net income	$ 24,836	$ 32,257	$ 87,735	$ 52,629
Diluted income per common share				
Income from continuing operations	$ 0.27	$ 0.37	$ 0.99	$ 1.03
Income from discontinued operations, net of tax	0.02	—	0.02	—
Change in accounting principle, net of tax	—	—	—	(0.43)
Net income per common share	$ 0.29	$ 0.37	$ 1.01	$ 0.60
Average outstanding and potentially dilutive common shares	86,720	86,616	86,524	86,961
Basic income per common share				
Income from continuing operations	$ 0.27	$ 0.37	$ 0.99	$ 1.04
Income from discontinued operations, net of tax	0.02	—	0.02	—
Change in accounting principle, net of tax	—	—	—	(0.44)
Net income per common share	$ 0.29	$ 0.37	$ 1.01	$ 0.60
Average outstanding common shares	86,273	86,188	86,168	86,325
Dividends declared per common share	$ 0.09	$ 0.09	$ 0.27	$ 0.27

See Notes to Consolidated Financial Statements.

VIAD CORP
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2003	2002	2003	2002
		(as restated, See Note 2)		(as restated, See Note 2)
	(in thousands)			
Net income	$ 24,836	$ 32,257	$ 87,735	$ 52,629
Other comprehensive income (loss):				
Unrealized gains (losses) on available-for-sale securities:				
Reclassification of securities from held-to-maturity to available-for-sale, net of tax expense	—	—	30,222	—
Holding gains (losses) arising during the period, net of tax	(19,797)	40,235	(5,923)	77,126
Reclassification adjustment for net realized gains included in net income, net of tax expense	(1,951)	(4,864)	(6,427)	(8,317)
	(21,748)	35,371	17,872	68,809
Unrealized gains (losses) on derivative financial instruments:				
Holding losses arising during the period, net of tax benefit	(15,920)	(95,882)	(46,913)	(157,098)
Net reclassifications from other comprehensive income to net income, net of tax benefit	21,734	21,000	64,683	59,607
	5,814	(74,882)	17,770	(97,491)
Unrealized foreign currency translation gains (losses)	130	(3,440)	15,399	1,427
Other comprehensive income (loss)	(15,804)	(42,951)	51,041	(27,255)
Comprehensive income (loss)	$ 9,032	$(10,694)	$138,776	$ 25,374

See Notes to Consolidated Financial Statements.

VIAD CORP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended September 30, 2003	Nine months ended September 30, 2002 (as restated, See Note 2)
	(in thousands)	
Cash flows from operating activities:		
Net income	$ 87,735	$ 52,629
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	38,198	38,720
Deferred income taxes	2,747	6,037
Income from discontinued operations	(1,544)	—
Change in accounting principle	—	40,000
Investment impairment charges	20,813	15,637
Restructuring recovery	(1,476)	(413)
Realized gains on investments and other assets	(11,044)	(13,874)
Other noncash items, net	36,726	3,218
Change in operating assets and liabilities:		
Receivables	(8,045)	(440)
Inventories	6,669	10,205
Accounts payable	(13,147)	(7,911)
Other assets and liabilities, net	(15,775)	21,123
	141,857	164,931
Change in payment service assets and obligations, net	271,774	544,481
Net cash provided by operating activities	413,631	709,412
Cash flows from investing activities:		
Capital expenditures	(29,126)	(27,940)
Acquisition of minority interest, net of proceeds from disposals of property and other assets	(97,457)	650
Proceeds from sales and maturities of available-for-sale securities	3,672,790	1,717,398
Proceeds from maturities of held-to-maturity securities	283,690	463,234
Purchases of available-for-sale securities	(4,106,165)	(2,145,055)
Purchases of held-to-maturity securities	—	(648,293)
Net cash used in investing activities	(276,268)	(640,006)
Cash flows from financing activities:		
Payments on long-term borrowings	(103,469)	(1,386)
Net change in short-term borrowings	(3,000)	(15,457)
Dividends paid on common and preferred stock	(23,837)	(24,148)
Dividend paid to minority interest	(8,115)	—
Proceeds from exercise of stock options	3,033	10,119
Purchases of common stock for treasury	(976)	(28,309)
Net cash used in financing activities	(136,364)	(59,181)
Net increase in cash and cash equivalents	999	10,225
Cash and cash equivalents, beginning of year	57,219	46,593
Cash and cash equivalents, end of period	$ 58,218	$ 56,818

See Notes to Consolidated Financial Statements.

VIAD CORP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 – Basis of Preparation and Principles of Consolidation

The accompanying unaudited consolidated financial statements of Viad Corp (Viad or the Company) have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine months ended September 30, 2003 are not necessarily indicative of the results that may be expected for the year ended December 31, 2003. Certain prior period amounts have been reclassified to conform to the current period presentation.

For further information, refer to the consolidated financial statements and related footnotes for the year ended December 31, 2002, included in the Company's Form 10-K/A (File No. 001-11015), filed with the Securities and Exchange Commission on June 2, 2003.

The consolidated financial statements include the accounts of Viad and all of its subsidiaries. The consolidated financial statements also include the accounts of MoneyGram International Limited (MIL), which was a majority-owned subsidiary prior to the acquisition of the remaining minority interest by the Company in January 2003. See Note 4, "Acquisition of Minority Interest." All significant intercompany account balances and transactions between Viad and its subsidiaries have been eliminated in consolidation.

Viad's Payment Services segment participates in various trust arrangements (special-purpose entities) related to structured investments within its investment portfolio, official check processing agreements with financial institutions, and the sale of certain receivables. Certain structured investments owned by Viad represent beneficial interests in grantor trusts or other similar entities. These trusts typically contain an investment grade security, generally a U.S. Treasury strip, and an investment in the residual interest in a collateralized debt obligation (CDO equity), or in some cases, a limited partnership interest. For certain of these trusts, the Payment Services segment owns the majority of the beneficial interests, and therefore, consolidates those trusts by recording and accounting for the assets of the trust separately in Viad's consolidated financial statements.

In connection with its PrimeLink business, the Payment Services segment has established separate trust entities and processes that provide certain financial institution customers additional assurance of their ability to clear official checks. The assets, liabilities, revenues and expenses associated with these arrangements are consolidated in Viad's financial statements. Additionally, the Payment Services segment has an agreement to sell, on a periodic basis, undivided percentage ownership interests in certain receivables primarily from its money order agents. These receivables are sold to commercial paper conduits and represent a small percentage of the total assets in such conduits. Viad's rights and obligations are limited to the receivables transferred, and are accounted for as a sales transaction under Statement of Financial Accounting Standards No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." The assets and liabilities associated with the conduits, including the sold receivables, are not recorded or consolidated in Viad's financial statements.

See Note 15, "Recent Accounting Pronouncements," for further information regarding consolidation of variable interest entities.

Note 2 – Restatement of Financial Statements

Viad's Payment Services float portfolio of approximately $7.7 billion (consisting of $6.5 billion of "Investments available or restricted for payment service obligations" and $1.2 billion of cash and investments included under "Funds, agent receivables and current maturities of investments available or restricted for payment service obligations") consists primarily of mortgage-backed and other asset-backed securities, state and municipal government obligations and corporate debt securities. Included in other asset-backed securities are certain structured investments, which the Payment Services segment began purchasing in 1999. These structured investments are designed to be "principal-protected" and generally consist of a zero coupon U.S. Treasury or government agency strip security or in some cases an investment grade security combined with a CDO equity. In certain cases the structured investment consists of an investment grade security and a limited partnership interest. At maturity, the amount of the zero coupon or investment grade security generally equals the purchase price of the total structured investment. The structured investments are typically held in the form of a note issued by a trust, which had purchased the two underlying securities described above.

Payment Services routinely performs a review of the actual and projected cash flows related to the structured notes and historically applied the accounting treatment prescribed by Emerging Issues Task Force Issue No. 96-12, “Recognition of Interest Income and Balance Sheet Classification of Structured Notes” (EITF 96-12). Furthermore, these structured notes were accounted for as single debt instruments, representing the combined characteristics of the individual securities. The accounting treatment under EITF 96-12 generally provides for a level yield over the life of the investment and requires a retrospective adjustment to interest income upon a change in projected cash flows.

Subsequent to the issuance of the consolidated financial statements for the year ended December 31, 2002, and prior to the announcement of first quarter 2003 earnings, it was determined that the majority of the structured notes should have been accounted for under the provisions of Emerging Issues Task Force Issue No. 99-20, “Recognition of Interest Income and Impairment on Purchased and Retained Beneficial Interests in Securitized Financial Assets” (EITF 99-20). EITF 99-20 generally requires those applicable investments to be written down to fair value when an adverse change in actual or projected cash flows occurs.

It was also determined that certain of these structured notes should have been consolidated in the financial statements to the extent that Payment Services owned a majority of the beneficial interests in the trust which was formed to create the structured note. Consolidation of these trusts requires that the two components of the structured note be accounted for as separate securities in the financial statements in contrast to the single debt instrument approach previously taken. The effect of the consolidation is that increases in the market value of the U.S. Treasury strips cannot offset other-than-temporary impairment losses on the equity component. Also, CDO equity should have been accounted for under EITF 99-20, and the equity method of accounting should have been applied to the structured notes containing limited partnership interests. Under the equity method, a proportionate share of income or losses should be recorded as an adjustment to the original investment amount and reflected through earnings.

Based on the retroactive application of EITF 99-20, the equity method of accounting, and the consolidation of the individual securities within the structured notes for which Payment Services owns a majority of the related trust, it was determined that aggregate impairment losses and interest income adjustments of $60.0 million (pre-tax) related to the structured note investments should be recorded. Based on the timing of the changes in cash flows, and the effects of consolidating certain structured note investments, the impairment losses and adjustments did not relate exclusively to the first quarter of 2003, but also related to the 2002 and 2001 financial results. The impairment losses and interest income adjustments were recorded in the Consolidated Statements of Income under “Payment services investment income.” Furthermore, the CDO equity and limited partnership interests are classified in “Other asset-backed securities” and the zero coupon U.S. Treasury strips are classified as “U.S. government agencies.” See Note 5, “Assets and Investments Available or Restricted for Payment Service Obligations.”

Viad restated its 2002 and 2001 consolidated financial statements in June 2003 to reflect the adjustments described above.

A summary of the significant effects of the restatement on Viad's Consolidated Statements of Income and related segment data is presented below for the three and nine months ended September 30, 2002. Certain reclassifications have been made to the "as previously reported" amounts to conform to the current presentation. The change in accounting principle in 2002 reflects the retroactive application of Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" (SFAS 142).

	Three months ended September 30, 2002		Nine months ended September 30, 2002	
	(as previously reported)	(as restated)	(as previously reported)	(as restated)
	(in thousands)			
Total Company:				
Total revenues	$417,977	$412,649	$1,271,509	$1,255,872
Income before income taxes and change in accounting principle	$ 49,846	$ 44,518	$ 139,727	$ 124,090
Income tax expense	14,229	12,261	39,500	33,722
Income before change in accounting principle	35,617	32,257	100,227	90,368
Change in accounting principle, net of tax	—	—	(37,739)	(37,739)
Net income	$ 35,617	$ 32,257	$ 62,488	$ 52,629
Diluted income per common share:				
Income per share before change in accounting principle	$ 0.41	$ 0.37	$ 1.14	$ 1.03
Change in accounting principle, net of tax	—	—	(0.43)	(0.43)
Net income per common share	$ 0.41	$ 0.37	$ 0.71	$ 0.60
Basic income per common share:				
Income per share before change in accounting principle	$ 0.41	$ 0.37	$ 1.15	$ 1.04
Change in accounting principle, net of tax	—	—	(0.44)	(0.44)
Net income per common share	$ 0.41	$ 0.37	$ 0.71	$ 0.60
Payment Services segment:				
Revenue	$209,176	$203,848	$ 592,152	$ 576,515
Operating income	$ 39,088	$ 33,760	$ 110,126	$ 94,489

Note 3 – Stock-Based Compensation

As permitted by Statement of Financial Accounting Standards No. 123, “Accounting for Stock-Based Compensation” (SFAS 123), Viad uses the intrinsic value method of accounting for stock-based compensation awards prescribed by Accounting Principles Board Opinion No. 25, “Accounting for Stock Issued to Employees” (APB 25). Accordingly, Viad does not record an expense over the related service period based on the grant-date fair value of all stock-based awards. In accordance with the disclosure requirements of Statement of Financial Accounting Standards No. 148, “Accounting for Stock-Based Compensation – Transition and Disclosure,” the following table summarizes Viad’s net income and diluted and basic income per share both as reported and on a pro forma basis as if Viad had applied the expense recognition provisions of SFAS 123 for the periods indicated:

	Three months ended September 30,		Nine months ended September 30,	
	2003	2002	2003	2002
	(in thousands, except per share data)			
Net income, as reported	$24,836	$32,257	$87,735	$52,629
Plus: stock-based employee compensation expense recorded under APB 25, net of tax	—	—	248	—
Less: stock-based employee compensation expense determined under fair value based method, net of tax	(1,221)	(2,499)	(3,425)	(5,408)
Pro forma net income	$23,615	$29,758	$84,558	$47,221
Diluted income per share:				
As reported	$ 0.29	$ 0.37	$ 1.01	$ 0.60
Pro forma	$ 0.27	$ 0.35	$ 0.97	$ 0.54
Basic income per share:				
As reported	$ 0.29	$ 0.37	$ 1.01	$ 0.60
Pro forma	$ 0.28	$ 0.34	$ 0.98	$ 0.54

Note 4 – Acquisition of Minority Interest

In January 2003, MoneyGram Payment Systems, Inc. (MoneyGram), a subsidiary of Travelers Express Company, Inc. (a subsidiary of Viad), acquired the 49 percent minority interest in MIL from Travelex Group (Travelex). MIL provides international money transfer services primarily in Europe, Africa, Asia and Australia. Prior to the acquisition, MoneyGram owned a 51 percent interest in MIL. The acquisition gives MoneyGram total ownership of MIL.

As a majority-owned subsidiary, MIL’s financial results were consolidated in Viad’s financial statements prior and subsequent to the acquisition. The total consideration paid to Travelex included a $98.0 million cash payment by MoneyGram and a dividend paid by MIL of $8.1 million. At the acquisition date, additional goodwill of $97.5 million was recorded related to the Payment Services segment. The amount of goodwill expected to be deductible for tax purposes is not significant.

Note 5 – Assets and Investments Available or Restricted for Payment Service Obligations

Viad’s Payment Services subsidiaries generate funds from the sale of official checks, money orders and other payment instruments, with the related liabilities classified in the Consolidated Balance Sheets under “Payment service obligations.” Substantially all of the proceeds of such sales are invested in permissible securities, principally high-quality debt instruments. These investments, along with related cash and funds in transit, are restricted by the Payment Services segment to the extent that they represent proceeds from the sale of payment instruments to satisfy the liability to pay, upon presentment, the face amount of the payment service obligations. Such assets are not available to satisfy working capital or other financing requirements of Viad. Investment securities are included in the Consolidated Balance Sheets under, “Investments available or restricted for payment service obligations.” Certain additional assets of the Payment Services subsidiaries relating to payment service obligations, including cash, funds in transit from agents, and securities expected to be sold or maturing within one year, are included under, “Funds, agent receivables and current maturities of investments available or restricted for payment service obligations.”

At September 30, 2003, all investment securities available or restricted for payment service obligations were classified as available-for-sale as they are held for indefinite periods of time and include those securities which may be sold to assist in the clearing of payment service obligations or in the management of investments. These securities are reported at fair value with unrealized gains and losses, net of tax, included in the Consolidated Balance Sheets as a component of "Accumulated other comprehensive income (loss)."

Interest income, realized gains and losses on the disposition of investments and impairment losses are included in the Consolidated Statements of Income under "Payment services investment income." The specific identification method is used to determine the cost basis of securities sold.

Viad's investments available or restricted for payment service obligations consist primarily of mortgage-backed securities, other asset-backed securities, state and municipal government obligations and corporate debt securities. Other asset-backed securities are collateralized by various types of loans and leases, including home equity, corporate, manufactured housing, credit card, and airline. Interest income on mortgage-backed and other asset-backed securities for which the risk of credit loss is deemed remote is recorded utilizing the level yield method. Changes in estimated cash flows, both positive and negative, are accounted for with retrospective changes to the carrying value of investments in order to maintain a level yield over the life of the investment.

Interest income on mortgage-backed and other asset-backed investments for which risk of credit loss is not deemed remote is recorded under the prospective method in accordance with EITF 99-20. EITF 99-20 requires that such changes be accounted for prospectively as adjustments of yield. Under EITF 99-20, investments are evaluated for impairment when an adverse cash flow change occurs. If the fair value of a security is less than its carrying value when an adverse cash flow change occurs, the investment is written down to fair value. Fair value is generally based on quoted market prices. However, certain investment securities are not readily marketable. As a result, the carrying value of these investments is based on cash flow projections which require a significant degree of management judgment as to default and recovery rates of the underlying investments. Any such impairment charges are included in the Consolidated Statements of Income under "Payment services investment income." Viad regularly monitors credit and market risk exposures and attempts to mitigate the likelihood of these exposures resulting in actual loss.

As described in Note 8, "Derivative Financial Instruments," Payment Services uses swap agreements to hedge a substantial portion of the variable rate commission payments to its financial institution customers of its PrimeLink product and the net proceeds from the sale of receivables primarily from money order agents. These swap agreements effectively convert such variable rates to fixed rates. The fair value of these swap agreements generally increases when market values of fixed rate, long-term debt investments decline and vice versa. Payment Services also uses swap agreements to hedge the fair value of some of its available-for-sale securities. These swap agreements effectively convert the fixed rates on the securities to variable rates. The reported fair value of these derivative financial instruments represents the estimated amount that Viad would pay to counterparties to terminate the swap agreements.

Normally, 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 short-term and long-term investments are expected to be adequate to settle payment service obligations as they are presented. In addition, Viad's Payment Services subsidiaries have various lines of credit, overdraft facilities and reverse repurchase agreements totaling $2.1 billion available to assist in the management of investments and the clearing of payment service obligations. Amounts outstanding under reverse repurchase agreements are required to be collateralized by securities. No amounts were outstanding under these arrangements at September 30, 2003 or December 31, 2002.

The following represents a summary of asset and liability carrying amounts related to the payment service obligations, along with the fair value of related swap agreements:

	September 30, 2003	December 31, 2002
	(in thousands)	
Funds, agent receivables and current maturities of investments available or restricted for payment service obligations	$ 2,112,587	$ 1,904,015
Investments available or restricted for payment service obligations (1)	6,524,640	6,268,080
Payment service obligations (1)	(8,269,294)	(7,825,954)
Fair value of derivative financial instruments (1)	(217,592)	(246,333)
Total	$ 150,341	$ 99,808

(1) The current liability portions of derivative financial instruments of $112.4 million and $119.8 million at September 30, 2003 and December 31, 2002, respectively, are included in the Consolidated Balance Sheets under "Payment service obligations." The long-term asset portion of derivative financial instruments of $1.4 million at September 30, 2003 is included in the Consolidated Balance Sheets under "Investments available or restricted for payment service obligations."

Securities Classified as Available-for-Sale. A summary of securities classified as available-for-sale at September 30, 2003 is presented below:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(in thousands)		
U.S. Government agencies	$ 335,312	$ 15,207	$ (167)	$ 350,352
Obligations of states and political subdivisions	1,131,884	80,994	(172)	1,212,706
Corporate debt securities	467,415	27,728	(559)	494,584
Mortgage-backed and other asset-backed securities	4,440,231	89,296	(33,768)	4,495,759
Debt securities issued by foreign governments	5,383	280	—	5,663
Preferred stock	86,593	1,587	(446)	87,734
Securities classified as available-for-sale	$6,466,818	$215,092	$(35,112)	$6,646,798

A summary of securities classified as available-for-sale at December 31, 2002 is presented below:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(in thousands)		
U.S. Government agencies	$ 197,459	$ 4,711	$ (1)	$ 202,169
Obligations of states and political subdivisions	715,149	44,420	(1)	759,568
Corporate debt securities	301,283	15,590	(927)	315,946
Mortgage-backed and other asset-backed securities	3,420,415	106,469	(16,415)	3,510,469
Debt securities issued by foreign governments	4,997	127	—	5,124
Preferred stock	97,074	583	(5,193)	92,464
Securities classified as available-for-sale	$4,736,377	$171,900	$(22,537)	$4,885,740

A summary of securities classified as held-to-maturity at December 31, 2002 is presented below:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(in thousands)		
U.S. Government agencies	$ 121,233	$11,781	$ (104)	$ 132,910
Obligations of states and political subdivisions	447,155	31,419	—	478,574
Corporate debt securities	18,038	1,212	—	19,250
Mortgage-backed and other asset-backed securities	859,850	28,097	(7,541)	880,406
Debt securities issued by foreign governments	5,416	63	—	5,479
Securities classified as held-to-maturity	$1,451,692	$72,572	$(7,645)	$1,516,619

On March 31, 2003, Viad reclassified securities in the Payment Services portfolio with an amortized cost of $1.2 billion from held-to-maturity to available-for-sale. During the first quarter 2003, management determined that it no longer had the positive intent to hold these securities for an indefinite period of time due to management's desire for increased flexibility in managing the investment portfolio. The gross unrealized gains and losses related to these securities were $55.3 million and $5.3 million, respectively, on the date of transfer. At September 30, 2003, no securities in the Payment Services portfolio were classified as held-to-maturity. As a result of the reclassification, the Company is prohibited from classifying securities as held-to-maturity for two years following the transfer.

Current maturities of investments available or restricted for payment service obligations at September 30, 2003 and December 31, 2002 were $122.2 million and $69.4 million, respectively.

Gross realized gains on sales of securities classified as available-for-sale for the three months ended September 30, 2003 and 2002 were $2.6 million and $8.0 million, respectively. Gross realized losses on sales of securities classified as available-for-sale were $1.3 million for the three months ended September 30, 2003. For the nine months ended September 30, 2003 and 2002, gross realized gains were $10.5 million and $16.2 million, respectively, while gross realized losses were $1.9 million and $2.6 million, respectively. Viad also recognized $20.8 million and $15.6 million in other-than-temporary impairments and adjustments for the nine months ended September 30, 2003 and 2002, respectively. For the three months ended September 30, 2002, $5.3 million of impairments were recognized. There were no impairments recorded during the third quarter 2003.

Impairment losses are recorded in the Consolidated Statements of Income under the caption “Payment services investment income.”

Note 6 – Goodwill and Other Intangible Assets

Upon adoption of SFAS 142, Viad completed the transitional impairment testing of its goodwill and intangible assets with indefinite lives. It was determined that no impairment existed for certain intangible assets but a transitional impairment loss of $40.0 million ($37.7 million after-tax) was recognized in the first quarter of 2002 upon the initial adoption of SFAS 142 related to goodwill at the Exhibitgroup/Giltspur reporting unit of the Convention and Event Services segment. The fair value of that reporting unit was estimated using the expected present value of future cash flows. The impairment resulted from a change in the criteria for measurement of impairment from an undiscounted to a discounted cash flow method. This impairment is included in the Consolidated Statements of Income under “Change in accounting principle.”

As described in Note 4, “Acquisition of Minority Interest,” upon the acquisition of the minority interest of MIL by MoneyGram, an additional $97.5 million of goodwill was recorded in the first quarter 2003 related to the Payment Services segment. The increase in goodwill from December 31, 2002 to September 30, 2003 of $101.6 million was due to the $97.5 million noted above and $4.1 million of foreign currency translation adjustments.

Note 7 – Debt and Other Obligations

At September 30, 2003 and December 31, 2002, Viad classified as long-term debt $170 million and $173 million, respectively, of short-term borrowings. These borrowings were supported by unused commitments under $475 million of long-term credit facilities at September 30, 2003, and $393 million of long-term credit facilities at December 31, 2002. The total long-term credit facilities were increased in August 2003 to $475 million through an amendment dated August 29, 2003 of the $168 million short-term 364 day revolving credit facility, which is considered part of the total long-term credit facilities. The total amount of the lenders’ commitments under the 364 day revolving credit facility was increased to $250 million and the commitment termination date of each eligible lender was extended to August 27, 2004. In addition, a provision was added which requires the absence of material adverse change as a condition of converting any outstanding borrowings to a term loan. The $225 million five-year facility portion of the total long-term credit facilities remained unchanged. In June 2003, Viad repaid $100 million related to the maturity of certain of its medium-term senior notes.

As of September 30, 2003, Viad had certain obligations under guarantees to third parties on behalf of its subsidiaries. These guarantees are not subject to liability recognition in the consolidated financial statements and primarily relate to leased facilities and credit or loan arrangements with banks, entered into by Viad’s subsidiary operations. Viad would generally be required to make payments to the respective third parties under these guarantees in the event that the related subsidiary could not meet its own payment obligations. The maximum potential amount of future payments that Viad would be required to make under all guarantees existing at September 30, 2003 is $55.0 million. There are no recourse provisions that would enable Viad to recover from third parties any payments made under the guarantees. Furthermore, there are no collateral or similar arrangements whereby Viad could recover payments.

Cash paid for interest was $10.8 million and $14.0 million for the nine months ended September 30, 2003 and 2002, respectively.

Note 8 – Derivative Financial Instruments

Viad uses derivative financial instruments as part of its risk management strategy to manage exposure to fluctuations in interest and foreign currency rates. Derivatives are not used for speculative purposes. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and of the hedged item attributable to the hedged risk are recognized in earnings. If the derivative is designated as a cash flow hedge, the effective portions of the change in the fair value of the derivative are recorded in accumulated other comprehensive income. Ineffective portions of the change in the fair value of cash flow hedges are recognized in earnings. For derivative instruments not designated as hedging instruments, changes in fair value are recognized in earnings in the current period.

A portion of Viad's Payment Services business involves the payment of variable-rate commissions to financial institution customers of its PrimeLink program. In addition, a Viad Payment Services subsidiary has agreements to sell, on a periodic basis, undivided percentage ownership interests in certain receivables primarily from money order agents in an amount not to exceed $450 million. The agreement expires in June 2006. The receivables, sold at a discount based on short-term variable interest rates, are sold in order to accelerate cash flow for investment in permissible securities. Variable-to-fixed derivative financial instruments (swap agreements) have been entered into to mitigate the effects of fluctuations primarily on commission expense and to a lesser extent on the net proceeds from the sale of agent receivables. The length of time over which future cash flows are hedged ranges up to ten years. Amounts receivable or payable under the derivative agreements designated as cash flow hedges are reclassified from other comprehensive income to net income as an adjustment to the expense of the related transaction. These amounts are included in the Consolidated Statements of Income under "Costs of services."

Viad uses fair value hedges to mitigate the risk of fluctuating interest rates on certain available-for-sale securities. Interest rate swaps are used to modify exposure to interest rate risk by converting fixed rate assets to a floating rate. All amounts have been included in earnings consistent with the hedged transaction, primarily as "Payment services investment income." The Company uses the "shortcut" method prescribed by Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133), and therefore assumes no ineffectiveness. The amount recognized in earnings due to the ineffectiveness of the cash flow hedges was not material. Realized gains of $1.9 million were recognized on fair value hedges discontinued during the nine months ended September 30, 2003. No cash flow or fair value hedges were discontinued during the nine months ended September 30, 2002.

Viad is also exposed to foreign currency exchange risk. Forward derivative contracts are used to hedge assets and liabilities denominated in foreign currencies. While these contracts economically hedge Viad's foreign currency risk, they are not designated as hedges for accounting purposes under SFAS 133. Accordingly, these contracts are recorded on the Consolidated Balance Sheets at fair value, with the change in fair value reflected in earnings. The effect of changes in foreign exchange rates on the foreign-denominated receivables and payables, net of the effect of the related forward contracts, is not significant.

Note 9 – Income Taxes

A reconciliation of the income tax expense on income from continuing operations and the amount that would be computed using statutory federal income tax rates for the nine months ended September 30, is as follows:

	2003		2002	
	(in thousands)			
Computed income taxes at statutory federal income tax rate	$ 40,818	35.0%	$ 43,432	35.0%
State income taxes	4,047	3.5%	4,900	4.0%
Other, net	2,495	2.1%	2,895	2.3%
	47,360	40.6%	51,227	41.3%
Tax-exempt income	(15,492)	(13.3%)	(16,505)	(13.3%)
Adjustment to estimated annual effective rate (1)	(1,435)	(1.2%)	(1,000)	(0.8%)
Income tax expense	$ 30,433	26.1%	$ 33,722	27.2%

(1) Accounting Principles Board Opinion No. 28 requires that income taxes be recorded based on the estimated effective tax rate expected to be applicable for the entire fiscal year.

Cash paid for income taxes was $13.3 million and $3.3 million for the nine months ended September 30, 2003 and 2002, respectively.

Note 10 – Income Per Share

A reconciliation of the numerators and denominators of diluted and basic per share computations for income from continuing operations is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2003	2002	2003	2002
	(in thousands, except per share data)			
Income from continuing operations	$23,292	$32,257	$86,191	$90,368
Preferred stock dividends (1)	—	(285)	(572)	(855)
Income available to common stockholders	$23,292	$31,972	$85,619	$89,513
Average outstanding common shares	86,273	86,188	86,168	86,325
Additional dilutive shares related to stock-based compensation	447	428	356	636
Average outstanding and potentially dilutive common shares	86,720	86,616	86,524	86,961
Diluted income per share from continuing operations	$ 0.27	$ 0.37	$ 0.99	$ 1.03
Basic income per share from continuing operations	$ 0.27	$ 0.37	$ 0.99	$ 1.04

(1) Effective July 1, 2003, Viad adopted Statement of Financial Accounting Standards No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity" (SFAS 150) which requires that the Company categorize its $4.75 preferred stock subject to mandatory redemption as a separate liability in its Consolidated Balance Sheets. In addition, dividends paid on preferred stock that were previously charged directly against retained income, effective third quarter 2003 were recorded as interest expense and thereby already included as a function of income from continuing operations. Consequently, no adjustment to income from continuing operations has been made related to the third quarter 2003. See Note 13, "$4.75 Preferred Stock Subject to Mandatory Redemption."

Options to purchase 3,498,000 and 1,215,000 shares of common stock were outstanding at September 30, 2003 and 2002, respectively, but were not included in the computation of diluted income per share because the effect would be antidilutive.

Note 11 – Restructuring Charges

In the fourth quarter of 2002, Viad approved a plan of restructuring related to the Convention and Event Services segment and recorded a charge totaling $20.5 million. The charge consisted of costs associated with the closure and consolidation of certain facilities, severance and other employee benefits and included a provision for the write-down (net of estimated proceeds) of certain inventories and fixed assets, facility closure and lease termination costs (less estimated sublease income) and other exit costs. At September 30, 2003, there was a remaining liability of $11.9 million, of which $2.7 million and $9.2 million were included in the Consolidated Balance Sheets under "Other current liabilities" and "Other deferred items and insurance liabilities," respectively. Viad expects to complete the restructuring activities by December 31, 2003, however, payments due under the long-term lease obligations will continue to be made over the remaining terms of the lease agreements. Additionally, payments of severance and benefits will continue to be made over the varying terms of the individual separation agreements.

A summary of the change in the 2002 restructuring charge liability balance at September 30, 2003 is as follows:

	Severance and Benefits	Facility Closure and Lease Termination	Total
		(in thousands)	
Balance at December 31, 2002	$ 2,911	$12,814	$15,725
Cash payments	(1,230)	(2,574)	(3,804)
Balance at September 30, 2003	$ 1,681	$10,240	$11,921

In the third quarter of 2001, Viad approved a plan of restructuring and recorded a charge totaling $66.1 million, of which 93 percent related to the Convention and Event Services segment. The restructuring charge was associated with the closure and consolidation of certain facilities, severance and other employee benefits. All facilities were closed or consolidated and all positions eliminated as of December 31, 2002. At September 30, 2003, there was a remaining liability of $14.9 million, of which $2.0 million and $12.9 million were included in the Consolidated Balance Sheets under "Other current liabilities" and "Other deferred items and insurance liabilities," respectively. Payments for severance and benefits as well as lease obligations will continue to be made over the varying terms of the individual separation agreements or remaining terms of the leases, respectively. In the third quarter 2003, Viad reversed $200,000 of anticipated severance costs that will not be incurred and in the second quarter 2003, $1.3 million of the 2001 restructuring charge was reversed as certain costs originally anticipated in the restructuring plan will not be incurred. The reversals are included in the Consolidated Statements of Income under the caption "Restructuring recovery."

A summary of the change in the 2001 restructuring charge liability balance at September 30, 2003 is as follows:

	Severance and Benefits	Facility Closure and Lease Termination	Total
		(in thousands)	
Balance at December 31, 2002	$ 882	$18,750	$19,632
Cash payments	(406)	(2,884)	(3,290)
Adjustment to severence liability	(200)	—	(200)
Adjustment to facility closure liability	—	(1,276)	(1,276)
Balance at September 30, 2003	$ 276	$14,590	$14,866

Note 12 – Segment Information

Viad measures profit and performance of its operations on the basis of operating income from continuing operations before restructuring charges (recoveries) and other items. Effective in 2003, Viad discontinued using the fully taxable equivalent basis for reporting revenue and operating income results. Prior year periods have been adjusted to reflect this change. Intersegment sales are eliminated in consolidation and intersegment transfers are not significant. Corporate activities include expenses not allocated to operations. Disclosures regarding Viad's reportable segments along with reconciliations to consolidated totals are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2003	2002	2003	2002
	(in thousands)			
Revenues:				
Payment Services	$203,743	$203,848	$ 596,394	$ 576,515
Convention and Event Services	132,365	171,616	578,318	625,873
Reportable segments	336,108	375,464	1,174,712	1,202,388
Hospitality and Recreation Services	32,703	37,185	48,278	53,484
	$368,811	$412,649	$1,222,990	$1,255,872
Segment operating income:				
Payment Services	$ 28,516	$ 33,760	$ 80,184	$ 94,489
Convention and Event Services	(1,054)	2,246	42,751	38,900
Reportable segments	27,462	36,006	122,935	133,389
Hospitality and Recreation Services	11,286	14,612	12,502	16,016
	38,748	50,618	135,437	149,405
Corporate activities and minority interests	(5,185)	(6,390)	(11,886)	(18,241)
	33,563	44,228	123,551	131,164
Other investment income	343	4,937	2,312	7,580
Interest expense	(2,629)	(5,060)	(10,715)	(15,067)
Restructuring recovery	200	413	1,476	413
Income from continuing operations before income taxes	$ 31,477	$ 44,518	$ 116,624	$ 124,090

Note 13 – $4.75 Preferred Stock Subject to Mandatory Redemption

At September 30, 2003, Viad had 442,352 authorized shares of $4.75 preferred stock subject to mandatory redemption provisions with a stated value of $100 per share, of which 328,352 shares were issued. Of the total shares issued, 234,983 were outstanding and 93,369 were held by Viad at a net carrying value of $6.7 million. The $4.75 preferred stock is subject to mandatory redemption provisions through annual cumulative sinking fund requirements of 6,000 shares per year, which are currently satisfied from the shares held by Viad. The outstanding shares held by others are scheduled for redemption in the years 2019 to 2058 and have a liquidation preference of $100 per share (aggregate liquidation preference of $23.5 million) in the event of any involuntary liquidation, dissolution or winding up of the Company. The $4.75 preferred stock may also be redeemed prior to scheduled redemption at the option of the Company expressed by resolution of the Board of Directors at a call price of $101 per share (aggregate redemption amount of $23.7 million).

On July 29, 2003, Viad announced its intention to redeem the $4.75 preferred stock concurrent with the proposed spin-off of the Payment Services business (see Note 16).

On July 1, 2003, Viad adopted SFAS 150 and, accordingly, the $4.75 preferred stock has been classified as a liability under the caption “$4.75 Preferred stock subject to mandatory redemption” in the Consolidated Balance Sheets. In addition, the third quarter dividend declared on the $4.75 preferred stock of $286,000 has been included as additional interest expense in the Consolidated Statements of Income. In periods prior to July 1, 2003, dividends on the $4.75 preferred stock were reported as an adjustment to income to compute income available to common stockholders.

Note 14 – Discontinued Operations

Viad has retained and provided for certain liabilities in conjunction with previously divested businesses. These liabilities primarily relate to various employee benefits arrangements, warranty obligations, certain workers compensation and general liability insurance programs and actual or potential claims or disputes involving environmental matters and are primarily included in the Consolidated Balance Sheets under the caption “Other deferred items and insurance liabilities.”

As part of the ongoing review of the liabilities associated with previously sold operations, Viad has determined that certain amounts accrued were in excess of currently estimated obligations. Accordingly, Viad reversed $2.5 million ($1.5 million after-tax) of those liabilities during the quarter ended September 30, 2003. The reversal was reported separately in the Consolidated Statements of Income under the caption “Income from discontinued operations, net of tax.”

Note 15 – Recent Accounting Pronouncements

In November 2002, the Emerging Issues Task Force reached a consensus on Issue No. 00-21, “Revenue Arrangements with Multiple Deliverables” (EITF 00-21), effective for Viad for revenue arrangements entered into in fiscal periods beginning after June 15, 2003. EITF 00-21 addresses certain aspects of the accounting by a vendor for arrangements under which it will perform multiple revenue-generating activities. Viad’s Convention and Event Services segment derives revenues primarily by providing show services to vendors at conventions and from the design and construction of exhibit booths. Exhibit design and construction revenue is generally accounted for using the completed contract method as contracts are typically completed within three months of contract signing. In certain circumstances, the application of EITF 00-21 may require that design services and exhibit booth construction be treated as separate units of accounting and that contract consideration be allocated to each unit. The revenue associated with these multiple deliverables would be recognized when the general conditions for revenue recognition have been met with respect to each unit of accounting. The adoption of EITF 00-21 did not have a material impact on Viad’s financial position or results of operations.

In November 2002, the Financial Accounting Standards Board (FASB) issued Interpretation No. 45, “Guarantor’s Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others” (FIN 45). This interpretation sets forth expanded disclosure requirements in the financial statements about a guarantor’s obligations under certain guarantees that it has issued. It also clarifies that, under certain circumstances, a guarantor is required to recognize a liability for the fair value of the obligation at the inception of the guarantee. Certain types of guarantees, such as product warranties, guarantees accounted for as derivatives, and guarantees related to parent-subsidiary relationships are excluded from the liability recognition provisions of FIN 45, however, they are subject to the disclosure requirements. The initial liability recognition provisions are applicable on a prospective basis to guarantees issued or modified after December 31, 2002. The disclosure requirements of FIN 45 are effective for financial statements for interim or annual periods ending after December 15, 2002. Viad’s guarantees principally relate to a parent’s guarantee of a subsidiary’s obligations to a third party and would, therefore, be excluded from liability recognition at inception. The adoption of FIN 45 did not have a material impact on Viad’s financial position or results of operations.

In January 2003, the FASB issued Interpretation No. 46, “Consolidation of Variable Interest Entities” (FIN 46), an interpretation of Accounting Research Bulletin No. 51, “Consolidated Financial Statements.” FIN 46 prescribes how to identify variable interest entities and how an enterprise assesses its interests in a variable interest entity to decide whether to consolidate that entity. This interpretation requires existing unconsolidated variable interest entities to be consolidated by their primary beneficiaries if the entities do not effectively disperse risks among parties involved. FIN 46 is effective immediately for variable interest entities created after January 31, 2003, and to variable interest entities in which an enterprise obtains an interest after that date. The interpretation originally applied in the first fiscal year or interim period beginning after June 15, 2003, to variable interest entities in which an enterprise holds a variable interest that it acquired before February 1, 2003. In October 2003, the FASB issued Staff Position 46-6, which delayed the effective application date of FIN 46 for those interests until the end of the first interim or annual period ending after December 15, 2003. The full adoption of FIN 46 is not expected to have a material effect on Viad’s financial position or results of operations.

In April 2003, the FASB issued Statement of Financial Accounting Standards No. 149, “Amendment of Statement 133 on Derivative Instruments and Hedging Activities” (SFAS 149). SFAS 149 is effective for Viad for contracts entered into or modified after June 30, 2003, and for hedging relationships designated after June 30, 2003. SFAS 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under SFAS 133. The adoption of SFAS 149 did not have a material impact on Viad’s financial position or results of operations.

In May 2003, the FASB issued SFAS 150 which is effective for Viad for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. The new rules establish standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. SFAS 150 requires that financial instruments within its scope be classified as liabilities. At September 30, 2003, Viad had 234,983 shares of $4.75 preferred stock subject to mandatory redemption outstanding at a recorded amount of $6.7 million. The $4.75 preferred stock is subject to mandatory redemption provisions through annual cumulative sinking fund requirements. The outstanding shares are scheduled for redemption in the years 2019 to 2058. On July 1, 2003, Viad adopted SFAS 150 and, accordingly, classified the $4.75 preferred stock subject to mandatory redemption ($6.7 million) as a long-term liability in the consolidated financial statements. In addition, the third quarter 2003 dividend on the $4.75 preferred stock subject to mandatory redemption of $286,000 was recorded as “Interest expense” in the Consolidated Statements of Income.

Note 16 – Proposed Spin-Off of Payment Services

On July 24, 2003, Viad announced that it intends to pursue the tax-free spin-off of its Payment Services business. The spin-off would result in two separate publicly-traded entities. The transaction would be subject to a number of conditions, including, among other things, receipt of a satisfactory ruling from the Internal Revenue Service, confirmation that the long-term debt of the Payment Services business would have an investment grade rating, availability of satisfactory banking and credit arrangements for each of the businesses, and final approval of the Board of Directors of Viad. Viad filed for the Internal Revenue Service ruling on August 5, 2003. The transaction is not expected to be consummated earlier than the first quarter of 2004, and no assurances can be given that any such transaction will be consummated.

As a result of the announcement on July 24, 2003 of Viad’s intention to spin-off its Payment Services business, the major ratings agencies put Viad on credit watch with negative implications as it is probable that the existing debt of Viad will not be rated investment grade following the separation of the Payment Services business. Viad plans to tender for all of its publicly held debt, repay its commercial paper and redeem all of its outstanding $4.75 preferred stock concurrent with the spin-off transaction.

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Item 2. *Management's Discussion and Analysis of Results of Operations and Financial Condition*

Overview:

Viad Corp (Viad) operates in two business segments as follows:

Payment Services - through Travelers Express Company, Inc. and related subsidiaries (Travelers Express), revenues are derived from transaction fees and investment and related income by providing services related to money orders, official checks, money transfers, same-day bill payment and cash access services. Fee revenues are driven by transaction volume and contract pricing through a network of agents and customers, including financial institutions. Investment and related income is generated through a float portfolio of investments.

Convention and Event Services - through GES Exposition Services, Inc. (GES), revenues are generated from providing convention and tradeshow services such as transportation, freight handling, installation, dismantling and management services to trade associations, show management companies and exhibitors. Exhibitgroup/Giltspur (Exhibitgroup) generates revenue through the design, construction, installation and warehousing of convention and tradeshow exhibits, primarily for corporate customers.

Viad also operates certain travel and recreation businesses.

On July 24, 2003, Viad announced that it intends to pursue the tax-free spin-off of its Payment Services business. The spin-off would result in two separate publicly-traded entities. The transaction would be subject to a number of conditions, including, among other things, receipt of a satisfactory ruling from the Internal Revenue Service, confirmation that the long-term debt of Travelers Express would have an investment grade rating, availability of satisfactory banking and credit arrangements for each of the businesses, and final approval of the Board of Directors of Viad. Viad filed for the Internal Revenue Service ruling on August 5, 2003. In addition, Viad plans to tender for all of its publicly held debt, repay its commercial paper and redeem all of its outstanding $4.75 preferred stock concurrent with the spin-off transaction. The transaction is not expected to be consummated earlier than the first quarter of 2004, and no assurances can be given that any such transaction will be consummated.

As discussed in Note 2, the consolidated financial statements for the three and nine months ended September 30, 2002 were restated in June 2003. The accompanying "Management's Discussion and Analysis of Results of Operations and Financial Condition" reflects this restatement.

In January 2003, Payment Services completed the acquisition of the remaining minority interest of an international money transfer business for $98.0 million in cash and a dividend of $8.1 million.

Financial Highlights:

The following are financial highlights of the third quarter 2003 as compared to the third quarter 2002 (except as noted):

Viad Corp (Consolidated)

– Total revenues of $368.8 million, a decrease of 10.6%

– Net income of $24.8 million versus $32.3 million, a decrease of 23.0%

– Net income per share of $0.29 versus $0.37

– EBITDA of $47.5 million, a decrease of 24.0%

– Cash and corporate investments decreased $151 million to $153 million from the fourth quarter 2002

– Debt decreased $106 million to $255 million from the fourth quarter 2002

Payment Services

- Revenues of $203.7 million, even with the third quarter 2002
- Segment operating income of $28.5 million, a decrease of 15.5%

Convention and Event Services

- Revenues of $132.4 million, a decrease of 22.9%
- Segment operating loss of $1.1 million, compared to segment operating income of $2.2 million in the third quarter 2002

Non-GAAP Measures:

Certain information included in the following discussion is presented using methods management utilizes to measure profit and performance of its operations. The information is supplemental to results presented under accounting principles generally accepted in the United States of America (GAAP) and may not be comparable to similarly titled measures used by other companies. These non-GAAP measures are used by management to assess Viad's ability to service debt, fund capital expenditures and finance growth, and should be considered in addition to, but not a substitute for, other measures of financial performance and liquidity reported in accordance with GAAP. This supplemental information includes EBITDA which is defined by Viad as income from continuing operations before interest expense, income taxes, depreciation and amortization, and changes in accounting principles.

A reconciliation of EBITDA to net income is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2003	2002	2003	2002
	(in thousands)			
EBITDA as presented	$ 47,510	$ 62,545	$165,537	$177,877
Less:				
Interest expense	(2,629)	(5,060)	(10,715)	(15,067)
Income taxes	(8,185)	(12,261)	(30,433)	(33,722)
Depreciation and amortization	(13,404)	(12,967)	(38,198)	(38,720)
Change in accounting principle	—	—	—	(37,739)
Income from discontinued operations	1,544	—	1,544	—
Net income	$ 24,836	$ 32,257	$ 87,735	$ 52,629

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Results of Operations:

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

Comparison of Third Quarter of 2003 to the Third Quarter of 2002

In the third quarter 2003, revenues decreased 10.6 percent to $368.8 million from $412.6 million in the 2002 third quarter primarily due to negative show rotation and decreased new construction builds in the Convention and Event Services segment. Income from continuing operations before income taxes was $31.5 million for the 2003 third quarter compared with $44.5 million for the 2002 third quarter (down 29.3 percent).

Net income for the third quarter 2003 was $24.8 million, or $0.29 per share, compared to $32.3 million, or $0.37 per share, for the third quarter 2002, down 21.6 percent on a per share basis. Net income included the reversal of certain discontinued operations reserves of $2.5 million ($1.5 million after-tax, or $0.02 per share).

Payment Services . Revenues of the Payment Services segment were $203.7 million for the third quarter 2003, essentially even with the third quarter 2002 revenues of $203.8 million. Segment operating income decreased 15.5 percent to $28.5 million from the third quarter 2002 amount of $33.8 million. Operating margins decreased to 14.0 percent in the third quarter 2003 compared with 16.6 percent in the third quarter 2002. Included in the third quarter 2002 operating results are $5.3 million of other-than-temporary impairment charges and other adjustments associated with certain structured notes held in the float portfolio. There were no such charges or adjustments in the third quarter 2003.

Payment Services revenues for the quarter were led by continued growth of MoneyGram. MoneyGram continued to show strong results with transaction volume growing 32 percent, led by international money transfer and same-day bill payment volume. Internationally originated transactions grew by 31 percent and domestically originated transactions, including the same-day bill product, grew by 43 percent. In addition, MoneyGram’s agent base expanded by 11 percent over the third quarter 2002.

The money order business continued to contribute significantly to operating margin and cash flow. However, money order volume declined 9 percent and the related average investable balances were lower. Contributing to the decline was the loss of certain agents in the chain segment partially offset by strong growth in money order sales at Wal-Mart.

Total average investable funds for the third quarter 2003 were $7.4 billion, up 19 percent from 2002 levels, driven by the PrimeLink business which had an increase of average investable balances of 25 percent. The PrimeLink increase was driven primarily by the mortgage refinance activity. Average investable balances in the PrimeLink business are expected to decline during the fourth quarter as the mortgage refinance activity declines. Total float income (investment income from the investment portfolio) represented 39 percent of total Payment Services revenue in the third quarter 2003 compared with 45 percent for 2002. Float income is affected by the level of investment balances and the yield on investments.

Float income (excluding gains, losses and impairments) and expense associated with the Payment Services segment's investment portfolio for the three months ended September 30 were as follows:

	2003			2002		
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
			(in thousands)			
Investments available or restricted for payment service obligations (1)	$7,390,634	$76,783	4.12%	$6,184,759	$88,827	5.70%
Payment service obligations (2)	$6,034,968	59,408	3.91%	$4,778,993	62,541	5.19%
Net float income and margin		$17,375	0.93%		$26,286	1.69%

(1) Payment services investment income of $80.0 million for the three months ended September 30, 2003 is comprised of $76.8 million of income from investments available or restricted for payment service obligations and realized gains and losses of $3.2 million. For the same period in 2002, Payment services investment income of $91.8 million is comprised of $88.8 million of income from investments available or restricted for payment service obligations, realized gains of $8.0 million less impairment charges of $5.0 million.

(2) Commissions are paid to financial institution customers based upon average outstanding balances generated by the sale of PrimeLink products only. The expense reported includes those payments made to financial institution customers, costs associated with swaps and the sale of receivables program. The average balance in the table reflects only the payment service obligations for which commissions are paid and does not include the average balance of the sold receivables ($428 million and $440 million for third quarter 2003 and 2002, respectively) as these are not recorded on the Consolidated Balance Sheets. Commission expense is classified as "Costs of services" in the Consolidated Statements of Income.

Float income was $76.8 million in the third quarter 2003 compared to $88.8 million in 2002, a decrease of 13.6 percent. The decline was due to lower interest rates on the float portfolio balances. The continued decline of interest rates decreased float income by $29.4 million; however, this was partially offset by an increase of $17.3 million attributable to the growth in balances. The average investment yield on the portfolio was 4.12 percent for the third quarter 2003, or a 158 basis point decline from 5.70 percent in 2002.

The Payment Services segment typically maintains between $400 million and $750 million in short-term, liquid balances in order to fulfill its payment service obligations. The average balance for the third quarter 2003 was $812 million compared to $577 million for the same period in 2002. Mortgage refinancing activity continued to drive the significant increase in the sale of official checks resulting in higher average float balances which were invested at the lower rates. The refinancing activity also continued to drive a significant increase in the prepayments of mortgage-backed debt securities, resulting in the reinvestment of these funds at lower interest rates.

Commission expense was $59.4 million in the third quarter 2003, a decrease of $3.1 million, or 5.0 percent, from 2002. The commission expense decrease attributable to lower interest rates was $19.6 million and was partially offset by higher average balances resulting in higher expense of $16.4 million, reflecting an average commission rate of 3.91 percent in the third quarter 2003, or a 128 basis point decline from 5.19 percent in 2002. Commission expense includes amounts paid to financial institution customers based upon average outstanding balances generated by the sale of PrimeLink products as well as the discount on the sale of receivables. Commissions paid to customers generally are variable based on short-term interest rates, however, a portion of the commission expense has been fixed through the use of interest rate swap agreements.

Net float income (float income less commission expense) was $17.4 million in the third quarter 2003, down $8.9 million or 33.9 percent from 2002, due to lower interest rates on the float portfolio balances. The net float income increase due to balance growth was $5.1 million and was offset by a decrease of $14.0 million due to a decline in the net float rate reflecting a net float margin of 0.93 percent, or a 76 basis point decline from 1.69 percent in 2002. As mentioned above, refinancing activities caused an increase in the sale of official checks and, therefore, an increase in float balances. However, a substantial portion of these balances were invested at short-term interest rates equal to or less than the interest rates paid out in commissions to financial institution customers, thus reducing net float margin. Although commissions and the discount on the sale of receivables program benefited from lower short-term interest rates, the fixed rate derivatives mitigated the benefits of reduced interest rates. Operating income and margins were reduced as the pay-fixed interest rate swaps used to hedge variable rate commissions to official check banks matured at a slower rate than investments in mortgage-backed securities that are prepaying more rapidly than expected. Approximately $600 million (notional amount) of interest rate swaps will mature over the remainder of 2003 and through the first quarter 2004. Also contributing to the margin decline was a change in product mix reflecting higher overall growth in the PrimeLink business, which has lower net float margins than the balances generated by the money order business.

The impact of changes in average investable balances and interest rates on the float income and commission expense associated with the investment portfolio for the three months ended September 30 was as follows:

	2003			2002		
	Balance (1)	Yield/ Rate (1)	Total	Balance (1)	Yield/ Rate (1)	Total
			(in thousands)			
Float income	$17,319	$(29,363)	$(12,044)	$16,641	$(6,474)	$10,167
Commission expense	$16,437	$(19,570)	$ (3,133)	$17,118	$(7,421)	$ 9,697
Net float income	$ 5,125	$(14,036)	$ (8,911)	$ 5,462	$(4,992)	$ 470

(1) Net float income for the “balance” and “yield/rate” columns is not the net of “float income” and “commission expense” as each of these amounts is calculated independently.

The fair value of Viad’s derivative positions fluctuates with interest rate changes. These changes are reflected as increases or decreases to a component of stockholders’ equity. Changes in the value of the available-for-sale investment portfolio also are reflected as increases or decreases to a component of stockholders’ equity. The change in the fair value of the derivative liability for the third quarter 2003 resulted in a net increase of $5.8 million in stockholders’ equity, and the net change in the fair value of the available-for-sale investment portfolio resulted in a net decrease of $21.7 million in stockholders’ equity. Changes in the value of the available-for-sale investment portfolio will generally move in the opposite direction of the derivative values although they will rarely offset exactly.

Convention and Event Services. Revenues of the Convention and Event Services segment were $132.4 million in the third quarter 2003, a decrease of 22.9 percent from third quarter 2002 revenues of $171.6 million. The segment operating loss was $1.1 million in the third quarter 2003 compared to segment operating income of $2.2 million in the third quarter 2002.

Revenues in the convention show services business declined 25.6 percent in the third quarter 2003 to $92.5 million from $124.3 million in 2002. The decrease in revenues largely reflects negative show rotation during the quarter. The unfavorable show rotation primarily related to the International Manufacturing Technology Show which is one of the largest tradeshows in the world and occurs every other year (re-signed by the Company and scheduled for 2004). Although the convention show services business has a diversified revenue base (show portfolio), revenue growth is dependent on general economic and industry-specific conditions as well as show rotation. There continues to be weakness in the number of shows held and the size of existing shows, particularly in the technology industry. Furthermore, threats of terrorism could continue to impact travel and adversely affect the tradeshow industry.

Revenues in the exhibit design and construction business declined 15.8 percent in the third quarter 2003 to $39.9 million from $47.3 million in 2002. Revenues were reduced by negative show rotation including the Farnborough Air Show in Europe which occurs every two years. In addition, the overall demand for new exhibit construction remains weak reflecting continued low levels of corporate spending.

The segment experienced an operating loss of $1.1 million during the third quarter 2003 primarily due to decreased revenues as a result of negative show rotation. The impact of the 2002 restructuring plan is expected to result in cost savings in the range of $8 million to $9 million in 2003. Approximately $4 million of cost savings from the restructuring activities were realized in the third quarter 2003.

In the 2001 third quarter, Viad recorded restructuring charges totaling $66.1 million consisting of costs associated with the closure and consolidation of certain facilities, severance and other employee benefits primarily in the Convention and Event Services segment. In the 2003 third quarter, $200,000 of the accrued liability was reversed as certain costs originally anticipated in the 2001 restructuring plan will not be incurred.

Travel and Recreation Services. Revenues of the travel and recreation businesses were $32.7 million, a decrease of 12.1 percent from $37.2 million in the third quarter 2002. Operating income was $11.3 million for the third quarter 2003, compared with $14.6 million in 2002. Wildfires in and around Glacier National Park during the peak season had a negative impact on operating results for the third quarter 2003. The 2003 results also reflect the negative impacts of political instability in the Middle East, the SARS outbreak in Canada and Asia, and on-going threats of terrorism. These events have had an affect on the travel and recreation industry as a whole, leading to increased competition among destinations. These factors may continue to dampen future results.

Corporate Activities and Minority Interests. Corporate activities and minority interests decreased $1.2 million primarily due to a decrease in minority interest expense in the third quarter of 2003. This was driven by the Payment Services segment’s acquisition of the remaining 49 percent minority interest in MoneyGram International Limited (MIL) in the first quarter 2003.

Net Interest Expense. Net interest expense increased to $2.3 million in the third quarter 2003 from $123,000 in the third quarter 2002. In the 2002 quarter net interest expense had been reduced by $3.5 million in interest income related to a Federal tax refund and higher interest income from investments. Without this refund, net interest expense would have decreased due to lower outstanding debt balances and declining average interest rates.

Income Taxes. The effective tax rate in the 2003 third quarter was 26.0 percent compared to 27.5 percent for the third quarter 2002. The relatively low effective tax rate compared to the statutory federal rate was primarily attributable to tax-exempt income from the Payment Services businesses. The decrease in the effective tax rate was due to a higher proportion of tax-exempt income to pre-tax income in 2003 as compared to 2002.

Comparison of First Nine Months of 2003 to the First Nine Months of 2002

Revenues for the first nine months of 2003 decreased 2.6 percent to $1.22 billion from $1.26 billion in 2002. The decline was primarily driven by lower sales in the Convention and Event Services segment due to negative show rotation and weaker demand for the design and construction of new exhibits. Income from continuing operations before income taxes was $116.6 million for the nine months ended September 30, 2003 compared with $124.1 million for the comparable period in 2002 (down 6.0 percent). The decrease was primarily driven by lower net interest margin on the float portfolio reflecting the lower interest rate environment as well as other-than-temporary impairment charges and other adjustments in the Payment Services segment. This decrease was partially offset by margin improvements in the Convention and Event Services segment resulting from increased efficiencies and cost reductions. See Note 12 of Notes to Consolidated Financial Statements for segment information.

Net income for the first nine months of 2003 was $87.7 million, or $1.01 per share, compared to $52.6 million, or $0.60 per share, for the first nine months of 2002. Net income included the reversal of certain discontinued operations reserves of $2.5 million ($1.5 million after-tax).

Payment Services . Revenues of the Payment Services segment were $596.4 million for the first nine months of 2003, a 3.4 percent increase from comparable 2002 revenues of $576.5 million. Segment operating income decreased to $80.2 million from the first nine months of 2002 of $94.5 million (down 15.1 percent). Operating margins decreased to 13.4 percent for the 2003 nine month period compared with 16.4 percent for the comparable period in 2002.

The segment operating income and margin declines were driven by the impact of the lower interest rate environment on the float portfolio as well as other-than-temporary impairment charges and other adjustments of $20.8 million as compared to $15.6 million in the same period of 2002. These charges related to certain structured notes held in the float portfolio.

Segment operating income was driven by continued growth in the MoneyGram business. MoneyGram continued to show strong results with transaction volume growing 32 percent, led by strong international money transfer and same-day bill payment volume. Internationally originated transactions grew by 36 percent and domestically originated transactions, including the same-day bill product, grew by 47 percent. In January 2003, Payment Services acquired the minority interest in MoneyGram International Limited (MIL) which provides money transfer services primarily in Europe, Africa, Asia and Australia.

The money order business continues to contribute significantly to operating margin and cash flows. However, money order volume was down 9 percent compared to 2002 due to the loss of certain agents partially offset by strong growth in sales at Wal-Mart.

Factors which could impact Payment Services’ revenue and segment operating income include a tightening credit environment, which slows new agent signings, and could also necessitate the elimination of certain agents. Additionally, competitive pricing pressures could negatively impact the MoneyGram domestic business.

Total average investable funds for the first nine months of 2003 were $7.1 billion, up 20 percent from 2002 levels, primarily driven by the PrimeLink business which had an increase of average investable balances of 27 percent. Although PrimeLink was not a strong driver of revenue and operating income due to the impairment charges and lower interest rates, it continued to show growth in balances and new signings. Total float income (investment income from the investment portfolio) represented 40 percent of total Payment Services revenue for the first nine months of 2003 compared with 45 percent for 2002. Float income is affected by the level of investment balances and the yield on investments.

Float income (excluding gains, losses and impairments) and expense associated with the Payment Services segment's investment portfolio for the nine months ended September 30 were as follows:

	2003			2002		
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
			(in thousands)			
Investments available or restricted for payment service obligations (1)	$7,090,293	$245,439	4.63%	$5,891,404	$259,442	5.89%
Payment service obligations (2)	$5,723,746	179,136	4.18%	$4,456,885	176,236	5.29%
Net float income and margin		$ 66,303	1.25%		$ 83,206	1.89%

(1) Payment services investment income of $239.4 million for the nine months ended September 30, 2003 is comprised of $245.4 million of income from investments available or restricted for payment service obligations, realized gains and losses of $10.5 million less impairment charges of $16.5 million. For the same period in 2002, Payment services investment income of $258.8 million is comprised of $259.4 million of income from investments available or restricted for payment service obligations, realized gains and losses of $13.6 million less impairment charges of $14.2 million.

(2) Commissions are paid to financial institution customers based upon average outstanding balances generated by the sale of PrimeLink products only. The expense reported includes those payments made to financial institution customers, costs associated with swaps and the sale of receivables program. The average balance in the table reflects only the payment service obligations for which commissions are paid and does not include the average balance of the sold receivables ($434 million and $443 million for first nine months of 2003 and 2002, respectively) as these are not recorded on the Consolidated Balance Sheets. Commission expense is classified as "Costs of services" in the Consolidated Statements of Income.

Float income was $245.4 million for the first nine months of 2003 compared to $259.4 million in 2002. The float income decrease attributable to the balance growth was $52.8 million and was offset by a decrease of $66.8 million due to declining interest rates, reflecting an average investment yield of 4.63 percent, or a 126 basis point decline from 5.89 percent in 2002. During the same period, short-term interest rates declined by 61 basis points and the 5-year U.S. Treasury note declined 134 basis points.

The Payment Services segment typically maintains between $400 million and $750 million in short-term, liquid balances in order to fulfill its payment service obligations. The average balance for the first nine months of 2003 was $682 million compared to $458 million for 2002. Unprecedented mortgage refinancing activity drove an increase in the sale of official checks resulting in higher average float balances. These higher balances were invested at lower rates compared to 2002. The refinancing activity also drove a significant increase in the prepayments of mortgage-backed debt securities, resulting in the reinvestment of these funds at lower interest rates as well. If the unprecedented mortgage refinancing activity continues, future results could be affected similarly.

Commission expense was $179.1 million for the first nine months of 2003, an increase of $2.9 million, or 1.6 percent from 2002. The commission expense increase attributable to the lower interest rates was $47.2 million and was partially offset by higher average balances of $50.1 million, reflecting an average commission rate of 4.18 percent for the first nine months of 2003, or a 111 basis point decline from 5.29 percent in 2002. Commission expense includes amounts paid to financial institution customers based upon average outstanding balances generated by the sale of PrimeLink products as well as the discount on the sale of receivables. Commissions paid to customers generally are variable based on short-term interest rates, however, a portion of the commission expense has been fixed through the use of interest rate swap agreements.

Net float income (float income less commission expense) was $66.3 million for the first nine months of 2003, down $16.9 million or 20.3 percent from 2002, primarily due to lower interest rates. The net float income increase due to balance growth was $16.9 million and was offset by a decrease of $33.8 million due to a decline in the net float rate reflecting a net float margin of 1.25 percent, or a 64 basis point decline from 1.89 percent in 2002. As mentioned above, refinancing activities led to an increase in the sale of official checks and, therefore, an increase in float balances. However, a substantial portion of these balances were invested at short-term interest rates equal to or less than the interest rates paid out in commissions to financial institution customers, thus reducing net float margin. Although commissions and the discount on the sale of receivables program benefited from lower short-term interest rates, the fixed rate derivatives mitigated the benefits of reduced interest rates. Operating income and margins were negatively impacted as the pay-fixed interest rate swaps used to hedge variable rate commissions to official check banks matured at a slower rate than investments in mortgage-backed securities that are prepaying more rapidly than expected. Approximately $600 million (notional amount) of interest rate swaps will mature over the remainder of 2003 and through the first quarter 2004. Also contributing to the margin decline was a change in product mix reflecting higher overall growth in the PrimeLink business, which has lower net float margins than the balances generated by the money order business. If interest rates remain low and refinancing activity continues to be strong, revenue and operating income growth could continue to be constrained.

The impact of changes in average investable balances and interest rates on the float income and commission expense associated with the investment portfolio for the nine months ended September 30 was as follows:

	2003			2002		
	Balance (1)	Yield/ Rate (1)	Total	Balance (1)	Yield/ Rate (1)	Total
			(in thousands)			
Float income	$52,796	$(66,799)	$(14,003)	$52,489	$(15,580)	$36,909
Commission expense	$50,095	$(47,195)	$ 2,900	$56,618	$(33,575)	$23,043
Net float income	$16,932	$(33,835)	$(16,903)	$16,355	$ (2,489)	$13,866

(1) Net float income for the “balance” and “yield/rate” columns is not the net of “float income” and “commission expense” as each of these amounts is calculated independently.

The fair value of Viad’s derivative positions fluctuate with interest rate changes. These changes are reflected as increases or decreases to a component of stockholders’ equity. Changes in the value of the available-for-sale investment portfolio also are reflected as increases or decreases to a component of stockholders’ equity. The change in the fair value of the derivative liability for the first nine months of 2003 resulted in a net increase of $17.8 million in stockholders’ equity, and the net change in the fair value of the available-for-sale investment portfolio resulted in a net increase of $17.9 million in stockholders’ equity. Of this change, $30.2 million related to the transfer of $1.2 billion in investments from held-to-maturity to available-for-sale in the first quarter 2003. Changes in the value of the available-for-sale investment portfolio will generally move in the opposite direction of the derivative values although they will rarely offset exactly.

Convention and Event Services. Revenues of the Convention and Event Services segment were $578.3 million for the first nine months of 2003, a decrease of 7.6 percent from the 2002 amount of $625.9 million. Segment operating income grew to $42.8 million in the first nine months of 2003 from $38.9 million in the first nine months of 2002, up 9.9 percent. Operating margins increased to 7.4 percent from 6.2 percent in the first nine months of 2002.

Revenues in the convention show services business for the first nine months of 2003 were $429.0 million, a decrease of 6.8 percent from the revenues for the first nine months of 2002 of $460.4 million. The decrease in revenues largely reflects negative show rotation and continued weakness in the number of shows held and the size of existing shows, particularly in the technology industry. Although the convention show services business has a diversified revenue base (show portfolio), revenue growth is dependent on general economic and industry-specific conditions. Furthermore, threats of terrorism could continue to impact travel and adversely affect the tradeshow industry.

The exhibit design and construction business experienced a 9.7 percent decrease in revenues in the first nine months of 2003 to $149.4 million compared with the same period in 2002 of $165.5 million. Revenues were reduced by weaker demand for the design and construction of new exhibits and negative show rotation. Future operating income could be lessened if there is continued weakness in corporate spending for exhibit construction, despite management's implementation of restructuring plans to reduce costs.

In the fourth quarter 2002, Viad recorded a restructuring charge of $20.5 million related to the Convention and Event Services segment. Viad expects that the restructuring plan will result in cost savings in the range of $8 million to $9 million in 2003 based on the timing of activities pursuant to the restructuring plan. Approximately $7 million of cost savings from the restructuring plan has been realized in the first nine months of 2003.

In the 2001 third quarter, Viad recorded restructuring charges totaling $66.1 million consisting of costs associated with the closure and consolidation of certain facilities, severance and other employee benefits primarily in the Convention and Event Services segment. In the first nine months of 2003, $1.5 million of the accrued liability was reversed as certain costs originally anticipated in the restructuring plan will not be incurred.

Travel and Recreation Services. Revenues of the travel and recreation businesses were $48.3 million, a decrease of 9.7 percent from $53.5 million in the first nine months of 2002. Operating income was $12.5 million for the first nine months of 2003, compared with $16.0 million for the first nine months of 2002. The SARS health issue, threats of terrorism and the war in Iraq have negatively impacted the travel and recreation industry as a whole. These factors may continue to adversely affect the operating results for the fourth quarter 2003. Results were also impacted by the wildfires in and around Glacier National Park.

Corporate Activities and Minority Interests. Corporate activities decreased $2.7 million primarily due to a decrease in certain administrative expenses for the first nine months of 2003 as compared to the same period in 2002 as well as higher outside services costs in connection with the 2002 proposed initial public offering of Travelers Express. Minority interest expense decreased $3.6 million in the first nine months of 2003 due to the Payment Services segment's acquisition of the remaining 49 percent minority interest in MIL.

Net Interest Expense. Net interest expense increased to $8.4 million in the first nine months of 2003 from $7.5 million in the first nine months of 2002. In the 2002 period net interest expense had been reduced by $3.5 million in interest income related to a Federal tax refund and higher interest income from investments. Without this refund, net interest expense would have decreased due to lower outstanding debt balances and declining average interest rates.

Income Taxes. The effective tax rate for the first nine months of 2003 was 26.1 percent compared to 27.2 percent for the comparable 2002 period. The relatively low effective tax rate compared to the statutory federal rate was primarily attributable to tax-exempt income from the Payment Services businesses. The decrease in the effective tax rate period over period is due to a higher proportion of tax-exempt income to pre-tax income in 2003 as compared to 2002.

Liquidity and Capital Resources:

Cash and corporate investments were $152.6 million at September 30, 2003 as compared to $303.6 million at December 31, 2002, with the decrease primarily due to the repayment of $100 million related to certain medium-term senior notes that matured and a capital contribution to a Payment Services subsidiary to acquire the minority interest share of MIL described below, partially offset by cash generated from operations. Corporate investments are included in the Consolidated Balance Sheets under “Other investments in securities.”

Viad’s total debt at September 30, 2003 was $255.4 million compared with $361.7 million at December 31, 2002. The debt-to-capital ratio was 0.24 to 1 at September 30, 2003, compared with 0.34 to 1 at December 31, 2002. Capital is currently defined as total debt (excluding $4.75 preferred stock) plus minority interests and common stock and other equity.

In January 2003, MoneyGram Payment Systems, Inc. (MoneyGram), a subsidiary of Travelers Express, acquired the 49 percent minority interest in MIL from Travelex Group (Travelex). MIL, a London-based joint venture between MoneyGram and Travelex, provides international money transfer services primarily in Europe, Africa, Asia and Australia. Prior to the acquisition, MoneyGram owned a 51 percent interest in MIL. In connection with the transaction, MoneyGram paid $98.0 million to Travelex. In addition, MIL paid a dividend to Travelex of $8.1 million concurrent with the transaction.

Viad satisfies a portion of its working capital and other financing requirements with short-term borrowings (through commercial paper, bank note programs and bank lines of credit). Viad has credit facilities to support short-term borrowings. Under these facilities, short-term borrowings were supported by a $168 million short-term 364-day revolving credit facility (with a one-year term out provision, at Viad’s option, in the event a new facility is not established) and a $225 million five-year facility. On August 29, 2003, Viad’s $168 million short-term 364 day revolving credit facility was amended, with the total amount of the lenders’ commitments being increased to $250 million and the commitment termination date of each eligible lender being extended to August 27, 2004. In addition, a provision was added which requires the absence of material adverse change as a condition of converting any outstanding borrowings to a term loan. Short-term borrowings totaling $170 million at September 30, 2003 and $173 million at December 31, 2002, have been classified as long-term debt, pursuant to the unused commitments under the applicable long-term and short-term credit facilities. Unused commitments (net of amounts used to support short-term borrowings and letters of credit) under the facilities totaled $226.6 million at September 30, 2003. Borrowings under the facilities are subject to various covenants, including standard equity and other financial ratio calculations, among others. The borrowings are also subject to increases in borrowing costs if debt ratings are not maintained at current levels. Default under the covenants relating to any of Viad’s debt agreements could result in cross defaults to other debt agreements.

As a result of the announcement on July 24, 2003 of Viad’s intention to spin-off Travelers Express, the ratings agencies put Viad on credit watch with negative implications as it is probable that the existing debt of Viad will not be rated investment grade following the separation of Travelers Express. Viad has announced that it will tender for all public debt, pay off all commercial paper and redeem its preferred stock concurrent with a spin-off transaction. Because the commercial paper market is ratings driven, regardless of the reason for the credit watch, this action may result in increased borrowing costs for Viad in the future.

Under a Shelf Registration filed in 1994 with the Securities and Exchange Commission, Viad can issue up to an aggregate $500 million of debt and equity securities. In 2002, Viad filed an amended Shelf Registration with the Securities and Exchange Commission to update disclosures in the original registration and to maintain Viad’s financial flexibility. No securities have been issued under the program.

Off-Balance-Sheet Arrangements:

Viad has certain arrangements and transactions which are not recorded on the Consolidated Balance Sheets and could materially affect liquidity or require the use of capital resources. As of September 30, 2003, these arrangements include aggregate operating lease commitments of $167.8 million, aggregate guarantees of $55.0 million (representing parent guarantees of subsidiary obligations) and funding commitments related to collateralized private equity obligations of $19.0 million.

The Payment Services segment has an agreement to sell, on a periodic basis, undivided percentage ownership interests in certain receivables primarily from its money order agents in an amount not to exceed $450 million. These receivables are sold to commercial paper conduits sponsored by a financial institution and represent a small percentage of the total assets in such conduits. Viad's rights and obligations are limited to the receivables transferred, and are accounted for as a sales transaction under Statement of Financial Accounting Standards No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." The agreement expires in June 2006.

Critical Accounting Policies and Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities in the consolidated financial statements and related notes. These estimates and assumptions are evaluated on an ongoing basis and are based upon many factors including historical experience, economic trends and management judgment. Actual results could differ from these estimates and reported amounts could be materially affected if different assumptions or conditions were to prevail.

Viad's critical accounting policies and estimates are defined as those that are most important to the portrayal of Viad's results of operations and financial condition, and that require management to make its most difficult, complex or subjective judgements, often as a result of the need to make estimates of matters that are inherently uncertain. These critical accounting policies and estimates are discussed in "Management's Discussion and Analysis of Results of Operations and Financial Condition" in Viad's Annual Report on Form 10-K/A for the year ended December 31, 2002.

Viad's investments consist primarily of mortgage-backed securities, other asset-backed securities, state and municipal government obligations and corporate debt securities. Investments are considered to be impaired when a decline in fair value is judged to be other-than-temporary. Viad employs a methodology that considers available evidence in evaluating potential impairment of its investments including the duration and extent to which the fair value is less than book value; Viad's ability and intent to hold the investment; the security rating; the underlying collateral and other factors that influence projected future cash flows. When an other-than-temporary impairment occurs, investments are written down to fair value. Subsequent increases in value are treated as an adjustment of yield.

As discussed elsewhere in this quarterly report, for the nine months ended September 30, 2003 Viad recorded other-than-temporary impairment losses and adjustments of $20.8 million related to certain structured notes held in its Payment Services investment portfolio during the period. The impact of changes in cash flow projections and the related default and recovery rate assumptions on certain structured notes and collateralized debt obligations (CDO equity) could result in additional impairment. Furthermore, adverse changes in actual or projected cash flows on other investments could result in impairment losses to the extent that the recorded value of such investments exceeds fair value.

Recent Accounting Pronouncements

In November 2002, the Emerging Issues Task Force reached a consensus on Issue No. 00-21, "Revenue Arrangements with Multiple Deliverables" (EITF 00-21), effective for Viad for revenue arrangements entered into in fiscal periods beginning after June 15, 2003. EITF 00-21 addresses certain aspects of the accounting by a vendor for arrangements under which it will perform multiple revenue-generating activities. Viad's Convention and Event Services segment derives revenues primarily by providing show services to vendors at conventions and from the design and construction of exhibit booths. Exhibit design and construction revenue is generally accounted for using the completed contract method as contracts are typically completed within three months of contract signing. In certain circumstances, the application of EITF 00-21 may require that design services and exhibit booth construction be treated as separate units of accounting and that contract consideration be allocated to each unit. The revenue associated with these multiple deliverables would be recognized when the general conditions for revenue recognition have been met with respect to each unit of accounting. The adoption of EITF 00-21 did not have a material impact on Viad's financial position or results of operations.

In November 2002, the Financial Accounting Standards Board (FASB) issued Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" (FIN 45). This interpretation sets forth expanded disclosure requirements in the financial statements about a guarantor's obligations under certain guarantees that it has issued. It also clarifies that, under certain circumstances, a guarantor is required to recognize a liability for the fair value of the obligation at the inception of the guarantee. Certain types of guarantees, such as product warranties, guarantees accounted for as derivatives, and guarantees related to parent-subsidiary relationships are excluded from the liability recognition provisions of FIN 45, however, they are subject to the disclosure requirements. The initial liability recognition provisions are applicable on a prospective basis to guarantees issued or modified after December 31, 2002. The disclosure requirements of FIN 45 are effective for financial statements for interim or annual periods ending after December 15, 2002. Viad's guarantees principally relate to a parent's guarantee of a subsidiary's obligations to a third party and would, therefore, be excluded from liability recognition at inception. The adoption of FIN 45 did not have a material impact on Viad's financial position or results of operations.

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities" (FIN 46), an interpretation of Accounting Research Bulletin No. 51, "Consolidated Financial Statements." FIN 46 prescribes how to identify variable interest entities and how an enterprise assesses its interests in a variable interest entity to decide whether to consolidate that entity. This interpretation requires existing unconsolidated variable interest entities to be consolidated by their primary beneficiaries if the entities do not effectively disperse risks among parties involved. FIN 46 is effective immediately for variable interest entities created after January 31, 2003, and to variable interest entities in which an enterprise obtains an interest after that date. The interpretation originally applied in the first fiscal year or interim period beginning after June 15, 2003, to variable interest entities in which an enterprise holds a variable interest that it acquired before February 1, 2003. In October 2003, the FASB issued Staff Position 46-6, which delayed the effective application date of FIN 46 for those interests until the end of the first interim or annual period ending after December 15, 2003. The full adoption of FIN 46 is not expected to have a material effect on Viad's financial position or results of operations.

In April 2003, the FASB issued Statement of Financial Accounting Standards No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities" (SFAS 149). SFAS 149 is effective for Viad for contracts entered into or modified after June 30, 2003, and for hedging relationships designated after June 30, 2003. SFAS 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under SFAS 133. The adoption of SFAS 149 did not have a material impact on Viad's financial position or results of operations.

In May 2003, the FASB issued SFAS 150 which is effective for Viad for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. The new rules establish standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. SFAS 150 requires that financial instruments within its scope be classified as liabilities. At September 30, 2003, Viad had 234,983 shares of $4.75 preferred stock subject to mandatory redemption outstanding at a recorded amount of $6.7 million. The $4.75 preferred stock is subject to mandatory redemption provisions through annual cumulative sinking fund requirements. The outstanding shares are scheduled for redemption in the years 2019 to 2058. On July 1, 2003, Viad adopted SFAS 150 and, accordingly, classified the $4.75

preferred stock subject to mandatory redemption ($6.7 million) as a long-term liability in the consolidated financial statements. In addition, the third quarter 2003 dividend on the $4.75 preferred stock subject to mandatory redemption of $286,000 was recorded as “Interest expense” in the Consolidated Statements of Income.

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 information, assumptions and discussions that may constitute forward-looking statements. These forward-looking statements are not historical facts, but reflect current estimates, projections, or expectations or trends concerning future growth, operating cash flows, availability of short-term borrowings, consumer demand, new business, investment policies, productivity improvements, ongoing cost reduction efforts, efficiency, competitiveness, tax rates, restructuring plans (including timing and realization of cost savings), yield impairment and market risk. Actual results could differ materially from those projected in forward-looking statements. Viad’s businesses can be affected by a host of risks and uncertainties. Among other things, gains and losses of customers, consumer demand patterns, labor relations, 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 and any further deterioration in the economy may individually or in combination impact future results. In addition to the factors mentioned elsewhere, economic, competitive, governmental, technological, capital marketplace and other factors including further terrorist activities or war could affect the forward-looking statements contained in this quarterly report.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

Viad's market risk exposures relate to fluctuations in interest rates and, to a lesser degree, to fluctuations in foreign exchange rates. Interest rate risk is the risk that changing interest rates will adversely affect the market value and earnings of Viad. Foreign exchange risk is the risk that fluctuating exchange rates will adversely affect earnings. Viad's exposure to these risks is primarily associated with its Payment Services business. Certain derivative financial instruments are used as part of Viad's risk management strategy to manage these exposures. Derivatives are not used for speculative purposes. Viad has exposure to changing rates related to its pension assumptions (including the expected return on plan assets and the discount rate) and the health care cost trend rate.

Viad is exposed to foreign exchange risk as it has certain receivables and payables denominated in foreign currencies. Viad primarily utilizes forward contracts to hedge its exposure to fluctuations in foreign exchange rates. Forward contracts relating to Payment Services' wire transfer transactions generally have maturities less than thirty days, and forward contracts relating to other receivables or payables generally have maturities less than ninety days. The forward contracts are recorded on the Consolidated Balance Sheets, and the effect of changes in foreign exchange rates on the foreign-denominated receivables and payables, net of the effect of the related forward contracts, is not significant.

A portion of Viad's Payment Services segment involves the payment of commissions to financial institution customers of its PrimeLink program described in Note 8, "Derivative Financial Instruments," of Notes to Consolidated Financial Statements. A Payment Services subsidiary also has entered into agreements to sell receivables primarily from its money order agents. The commissions and net proceeds from the agent receivables sales 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 the variable rate risk through swap agreements which convert the variable rate payments to fixed rates.

Stockholders' equity can be adversely affected by changing interest rates, as after-tax changes in the fair value of securities classified as available-for-sale and in the fair value of derivative financial instruments are included as a component of stockholders' equity. The fair value of derivative financial instruments generally increases when the market value of fixed rate, long-term debt investments decline and vice versa. However, an increase or decrease in stockholders' equity related to changes in the fair value of securities classified as available-for-sale, may not be offset, in whole or in part, by the decrease or increase in stockholders' equity related to changes in the fair value of derivative financial instruments.

Viad is also exposed to short-term interest rate risk on certain of its debt obligations. Viad currently does not use derivative financial instruments to hedge cash flows for such obligations.

Earnings Sensitivity to Interest Rate Changes. 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 paid to selling agents, growth in new business, the effects of the swap agreements and the expected borrowing level of variable-rate debt, the decrease in pre-tax income would be approximately $1.0 million. A hypothetical 10 percent proportionate decrease in interest rates, based on the same set of assumptions, would result in an increase in pre-tax income of approximately $1.0 million. These amounts are estimated based on a certain set of assumptions about interest rates and portfolio balance growth and do not represent expected results. In addition, refer to "Management's Discussion and Analysis of Results of Operations and Financial Condition" for a discussion of Viad's results of operations and the financial impact of interest rate fluctuations.

Fair Value Sensitivity to Interest Rate Changes. The fair value of securities classified as available-for-sale, derivative financial instruments and fixed-rate debt is 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 $38.8 million (reflected as an after-tax decrease in accumulated other comprehensive income of approximately $23.6 million), an estimated increase in the fair value of derivative financial instruments of approximately $17.0 million (reflected as an after-tax increase in accumulated other comprehensive income of approximately $10.4 million) and an estimated off-balance-sheet decrease in the fair value of fixed-rate debt of approximately $213,000 at September 30, 2003. 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 $37.1 million (reflected as an after-tax increase in accumulated other comprehensive income of approximately $22.6 million), an estimated decrease in the fair value of derivative financial instruments of approximately $17.5 million (reflected as an after-tax decrease in accumulated other comprehensive income of approximately $10.7 million) and an estimated off-balance-sheet increase in the fair value of fixed-rate debt of approximately $214,000 at September 30, 2003. These amounts are estimated based on a certain set of assumptions about interest rates and portfolio balance growth and are not necessarily indicative of actual current period factors.

Risk Management. Viad has established several levels of risk management oversight and control. An investment committee, comprised of senior officers of Viad and Payment Services, and reporting to the Chief Executive Officer of Viad, routinely reviews investment and risk management strategies and results. Viad maintains formal procedures for entering into derivative transactions and management regularly monitors and reports to the Audit Committee of the Board of Directors on such activity. Derivative agreements are with major financial institutions which are currently expected to perform fully under the terms of the agreements, thereby mitigating the credit risk from the transactions in the event of nonperformance by the counterparties. In addition, Viad regularly monitors the credit ratings of the counterparties, and the likelihood of default is considered remote.

Item 4. ***Controls and Procedures***

Under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, the effectiveness of the design and operation of disclosure controls and procedures has been evaluated as of the end of the period covered by this quarterly report, and, based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these controls and procedures are effective. There were no significant changes in internal controls or in other factors that could significantly affect these controls subsequent to the date of that evaluation.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in the reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in such reports is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decision regarding required disclosure.

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 2003.

Item 6 . ***Exhibits and Reports on Form 8-K***

(a)	Exhibit No. 4.A	Copy of Second Amendment to Credit Agreement (Short-Term Revolving Credit Facility) dated as of August 29, 2003.*
	Exhibit No. 4.B	Letter Agreement dated August 29, 2003, between Citicorp USA, Inc., as Agent and Viad Corp and Greyhound Canada Holdings, Inc.*
	Exhibit No. 10.A	Copy of Viad Corp Deferred Compensation Plan, Amended and Restated as of August 20, 2003.*
	Exhibit No. 10.B	Copy of Deferred Compensation Plan for Directors of Viad Corp, as Amended and Restated August 20, 2003.*
	Exhibit No. 10.C	Copy of Viad Corp Supplemental TRIM Plan, as Amended and Restated August 20, 2003.*

Exhibit No. 31.1	Exhibit of Certification of Chief Executive Officer of Viad Corp pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. A signed original of this written statement required by Section 302 has been provided to Viad Corp and will be retained by Viad Corp and furnished to the Securities and Exchange Commission or its staff upon request. *
Exhibit No. 31.2	Exhibit of Certification of Chief Financial Officer of Viad Corp pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. A signed original of this written statement required by Section 302 has been provided to Viad Corp and will be retained by Viad Corp and furnished to the Securities and Exchange Commission or its staff upon request. *
Exhibit No. 32.1	Additional Exhibit of Certification of Chief Executive Officer of Viad Corp pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. A signed original of this written statement required by Section 906 has been provided to Viad Corp and will be retained by Viad Corp and furnished to the Securities and Exchange Commission or its staff upon request. *
Exhibit No. 32.2	Additional Exhibit of Certification of Chief Financial Officer of Viad Corp pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. A signed original of this written statement required by Section 906 has been provided to Viad Corp and will be retained by Viad Corp and furnished to the Securities and Exchange Commission or its staff upon request. *

(b) Reports on Form 8-K filed by the Registrant in the third quarter 2003.

A report on Form 8-K dated July 24, 2003, was filed July 24, 2003 by the Registrant. The Form 8-K reported under item 9 (provided under item 12), that on July 24, 2003, Viad Corp issued a press release announcing its unaudited financial results for the second quarter 2003 and revised full year guidance. Viad also announced that it intends to pursue the spin-off of its Payment Services business, subject to various conditions.

A report on Form 8-K dated July 30, 2003, was filed July 30, 2003 by the Registrant. The Form 8-K reported under item 5, that on July 29, 2003, Viad Corp issued a press release announcing that in addition to repaying its existing public debt, it intends to repay all of its outstanding commercial paper and redeem all outstanding $4.75 preferred stock subject to mandatory redemption concurrent with the spin-off of Travelers Express Company.

* Filed herewith.

+ Management contract or compensation plan or arrangement.

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)

November 13, 2003

By /s/ G. Michael Latta

G. Michael Latta
Vice President – Controller
(Chief Accounting Officer
and Authorized Officer)

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EXHIBIT INDEX

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* Filed herewith.

Exhibit 4.A

SECOND AMENDMENT TO CREDIT AGREEMENT
(SHORT TERM REVOLVING CREDIT FACILITY)

Dated as of August 29, 2003

Among

VIAD CORP
as Borrower

And

THE BANKS NAMED HEREIN
as Lenders

and

CITICORP USA, INC.
as Administrative Agent

and

BANK OF AMERICA, N.A. and WACHOVIA BANK, NATIONAL ASSOCIATION
as Co-Documentation Agents

and

BANK ONE, NA and KEYBANK NATIONAL ASSOCIATION
as Co-Syndication Agents

and

WELLS FARGO BANK, N.A., ABN AMRO BANK N.V., BRANCH BANKING AND TRUST CO., US BANK NATIONAL ASSOCIATION, CREDIT LYONNAIS NEW YORK BRANCH, ROYAL BANK OF SCOTLAND PLC, SUNTRUST BANK, BNP PARIBAS, JPMORGAN CHASE BANK and MELLON BANK, N.A.
as Senior Managing Agents

and

LEHMAN BROTHERS BANK, FSB, ROYAL BANK OF CANADA and SUMITOMO MITSUI BANKING CORPORATION
as Co-Agents

Arranger:

CITIGROUP GLOBAL MARKETS INC.

SECOND AMENDMENT
TO CREDIT AGREEMENT
(Short Term Revolving Credit Facility)

This **SECOND AMENDMENT TO CREDIT AGREEMENT (Short Term Revolving Credit Facility)** (this **"Amendment"**) is dated as of August 29, 2003 and entered into by and among VIAD CORP, a Delaware corporation (the **"Company"**), as Borrower, the financial institutions (the **"Lenders"**) listed on the signature pages hereof, and Citicorp USA, Inc. **("CUSA")** , as administrative agent (the **"Administrative Agent"**) for the Lenders, and is made with reference to that certain Credit Agreement (Short Term Revolving Credit Facility) dated as of August 31, 2001, as amended by the First Amendment to Credit Agreement (Short Term Revolving Credit Facility) dated as of August 30, 2002 (as amended, the **"Existing Credit Agreement"**), by and among the Company, the lenders listed on the signature pages thereof, and the Administrative Agent. Capitalized terms used herein without definition shall have the same meanings herein as set forth in the Existing Credit Agreement.

RECITALS

WHEREAS , the Company, the Administrative Agent and the Lenders desire to amend the Existing Credit Agreement (a) to extend the Commitment Termination Date for an additional 364-day period terminating on August 27, 2004, (b) to evidence, as set forth on Annex II hereto, the Commitment of each Lender on August 29, 2003, reflecting, in each case on such date, the termination of the Commitments of certain Lenders, the reallocation of portions of such terminated Commitments to certain other Lenders, and the increase in the aggregate amount of the Commitments to $250,000,000 and (c) in certain other respects, all as more specifically set forth below, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

Section 1. AMENDMENTS TO THE EXISTING CREDIT AGREEMENT

1.1 Amendments to Article I: Definitions and Accounting Terms

A. Section 1.01 of the Existing Credit Agreement is hereby amended by adding the following definitions, which shall be inserted in proper alphabetical order:

"Effective Date" means August 29, 2003.

"Mandatory Prepayment Event" has the meaning specified in Section 2.06(b).

B. Section 1.01 of the Existing Credit Agreement is hereby further amended by deleting, in the definition of "Commitment Termination Date," the date "August 29, 2003" and substituting in lieu thereof the date "August 27, 2004."

C. Section 1.01 of the Existing Credit Agreement is hereby further amended by deleting the definition of "Arranger" in its entirety and substituting the following therefor:

"Arranger" means Citigroup Global Markets Inc.

D. Section 1.01 of the Existing Credit Agreement is hereby further amended by deleting the definition of "Lenders" in its entirety and substituting the following therefor:

"Lenders" means (i) the Banks listed on the signature pages of the Agreement or any amendments hereto, (ii) each Eligible Assignee that shall become a party hereto pursuant to Section 8.07 and (iii) except when used in reference to a Committed Advance, a Committed Borrowing, a Commitment or a related term, each Designated Bidder.

E. Section 1.01 of the Existing Credit Agreement is hereby further amended by deleting the definition of "Reference Banks" in its entirety and substituting the following therefor:

"Reference Banks" means Citibank, Bank One, NA and KeyBank National Association.

1.2 Amendments to Article II. Amounts and Terms of the Advances

A. Section 2.04 of the Existing Credit Agreement is hereby amended by deleting clause (a) in its entirety and substituting the following therefor:

"(a) Facility Fees. The Borrower agrees to pay to the Administrative Agent for the account of each Lender (other than the Designated Bidders), from the date such Lender becomes party to this Agreement, a facility fee (i) on such Lender's daily average Commitment, whether used or unused and without giving effect to any Bid Reduction, in each case until the Termination Date of such Lender, and (ii) in the event the Borrower elects to convert outstanding Advances into the Term Loan pursuant to Section 2.18, on the amount of such Lender's Term Loan, in each case until the date upon which the Term Loan is paid in full. The facility fees shall be calculated on the basis of a 360-day year and payable quarterly in arrears on the last day of each March, June, September and December during the term of such Lender's Commitment, or after termination of the Commitments, during the term of the Term Loan, commencing on the date such Lender becomes party to this Agreement and ending on the Termination Date of such Lender, or, in the event the Borrower elects to convert outstanding Advances into the Term Loan pursuant to Section 2.18, the date upon which the Term Loan is paid in full, in each case in an amount equal to the product of (i) (a) during the term of such Lender's Commitment, such Lender's daily average Commitment, whether used or unused and without giving effect to any Bid Reduction, in effect during the period for which such payment that is to be made or (b) after termination of the Commitments, the amount of such Lender's Term Loan times (ii) the weighted average rate per annum that is derived from the following rates: (a) a rate of 0.085% per annum with respect to each day during such period that the ratings with respect to Long-Term Debt were at Level 1, (b) a rate of 0.100% per annum with respect to each day during such period that such ratings were at Level 2, (c) a rate of 0.125% per annum with respect to each day during such period that such ratings were at Level 3, (d) a rate of 0.175% per annum with respect to each day during such period that such ratings were at Level 4, and (e) at the rate of 0.2500% per annum with respect to each day during such period that such ratings were at Level 5. If any change in the rating established by S&P, Moody's or Fitch with respect to Long-Term Debt shall result in a change in the Level, the change in the commitment fee shall be effective as of the date on which such rating change is publicly announced. If the ratings established by any two of S&P, Moody's or Fitch with respect to Long-Term Debt are unavailable for any reason for any day, then the applicable level for purposes of calculating the commitment fee for such day shall be deemed to be Level 5 (or, if the Requisite Lenders consent in writing, such other Level as may be reasonably determined by the Requisite Lenders from a rating with respect to Long-Term Debt for such day established by another rating agency reasonably acceptable to the Requisite Lenders)."

B. Section 2.05 of the Existing Credit Agreement is hereby amended by deleting the phrase "by the Requisite Lenders" in clause (a) thereof.

C. Section 2.06 of the Existing Credit Agreement is hereby amended by deleting the first sentence of clause (b) and substituting the following therefor:

"If any of the following events (each, a "Mandatory Prepayment Event") shall occur:"

D. Section 2.06(b) of the Existing Credit Agreement is hereby further amended by adding a new clause (v) therein as follows:

"(v) the occurrence of the date on which the Borrower consummates all or a substantial part of the tax-free distribution to shareholders announced on July 24, 2003 (the "Spin-Off")."

D. Section 2.07 of the Existing Credit Agreement is hereby amended by deleting the proviso at the end of clause (a) in its entirety and substituting the following therefor:

"provided that any amount of principal, interest, fees and other amounts payable under this Agreement (including, without limitation, the principal amount of Base Rate Advances, but excluding the principal amount of Eurodollar Rate Advances) which is not paid when due (whether at stated maturity, by acceleration or otherwise) shall bear interest from the date on which such amount is due until such amount is paid in full, payable on demand, at a rate per annum equal at all times to the Base Rate in effect from time to time plus the Applicable Margin."

E. Section 2.07 of the Existing Credit Agreement is hereby further amended by deleting the proviso at the end of clause (b) in its entirety and substituting the following therefor:

"provided that any principal amount of any Eurodollar Rate Advance which is not paid when due (whether at stated maturity, by acceleration or otherwise) shall bear interest from the date on which such amount is due until such amount is paid in full, payable on demand, at a rate per annum equal at all times to (A) during the Interest Period applicable to such Eurodollar Rate Advance, the greater of (x) the Base Rate in effect from time to time plus the Applicable Margin and (y) 2% per annum above the rate per annum required to be paid on such amount immediately prior to the date on which such amount became due and (B) after the expiration of such Interest Period, the Base Rate in effect from time to time plus the Applicable Margin.

F. Section 2.16 of the Existing Credit Agreement is hereby amended by deleting all references to "60" and "45" therein and substituting "45" and "30," respectively, therefor.

G. Article II of the Existing Credit Agreement is hereby amended by deleting Section 2.18 in its entirety and substituting the following therefor:

"SECTION 2.18 Term Loan.

(a) Each Lender severally agrees on the terms and conditions set forth in this Agreement to make Advances to the Borrower (upon request of the Borrower pursuant to this Agreement) on the Commitment Termination Date in an amount up to the sum of (i) the outstanding principal amount of the Advances made by such Lender to the Borrower and outstanding as of the opening of business on the Commitment Termination Date plus (ii) the amount available to be borrowed as Advances from such Lender as of the opening of business on the Commitment Termination Date. The aggregate of such Advances is collectively called the "Term Loan".

(b) The Term Loan shall be made upon the irrevocable written notice (including notice via facsimile confirmed immediately by a telephone call) of the Borrower in the form of a Notice of Term Loan Borrowing (a "Notice of Term Loan Borrowing"), in substantially the form of Exhibit A-3 hereto (which notice must be received by the Administrative Agent not later than 11:00 A.M. New York City time not less than three (3) Business Days prior to the Commitment Termination Date), specifying: (A) the amount of the Term Loan which shall be in a principal amount not more than the sum of (i) the aggregate principal amount of the Advances which will be outstanding as of the opening of business on the Commitment Termination Date, plus (ii) the amount available to be borrowed from the Lenders as of the opening of business on the Commitment Termination Date; (B) whether the Term Loan is to be comprised of Base Rate Advances or Eurodollar Rate Advances, and the amount of such Advances; and (C) the Interest Period(s) applicable to the Advances included in such notice; provided that the Term Loan shall be made only if (a) the Borrower, in accordance with Section 2.16, shall have requested that the then current Commitment Termination Date be extended and (b) on and as of the date on which the Term Loan is made (i) there has been no material adverse change in the business, condition (financial or otherwise), operations or properties of the Borrower and its Subsidiaries since December 31, 2002 and (ii) the statements in 3.02(i) and (ii) are true and correct; provided, further, that if the Term Loan is made no Commitment Termination Date of any Lender shall be extended.

(c) The proceeds of the Term Loan made by the Lenders, to the extent required, will be used to pay the principal amount of the Advances made by the Lenders outstanding as of the opening of business on the Commitment Termination Date."

H. Article II of the Existing Credit Agreement is hereby amended by deleting Section 2.19 in its entirety.

1.3 Amendments to Article III. Conditions to Effectiveness and Lending

A. Section 3.02 of the Existing Credit Agreement is hereby amended by deleting clause (ii) in its entirety and substituting the following therefor:

"(ii) No event has occurred and is continuing, or would result from such Borrowing or from the application of the proceeds therefrom, which constitutes a Mandatory Prepayment Event, an Event of Default, or a Potential Event of Default."

B. Section 3.03 of the Existing Credit Agreement is hereby amended by deleting clause (ii) in its entirety and substituting the following therefor:

"(ii) No event has occurred and is continuing, or would result from such Borrowing or from the application of the proceeds therefrom, which constitutes a Mandatory Prepayment Event, an Event of Default, or a Potential Event of Default."

1.4 Amendments to Article IV. Representations and Warranties

A. Section 4.01 of the Existing Credit Agreement is hereby amended by deleting clause (e) in its entirety and substituting the following therefor:

"(e) Condition of the Borrower. The consolidated balance sheet of the Borrower and its Subsidiaries as at December 31, 2002, and the related consolidated statements of income and retained earnings of the Borrower and its Subsidiaries for the fiscal year then ended, copies of which have been previously furnished to each Bank, and the consolidated balance sheet of the Borrower and its Subsidiaries as at June 30, 2003 and the statements of consolidated income of the Borrower and its Subsidiaries for the six months then ended, all of which financial statements may have been delivered electronically, fairly present the consolidated financial condition of the Borrower and its Subsidiaries as at such date and the results of the operations of the Borrower and its Subsidiaries for the periods ended on such dates, and, where applicable, as restated by the Borrower in its Form 10-K/A filed with the SEC on June 2, 2003, all in accordance with GAAP consistently applied, and as of the Effective Date, there has been no material adverse change in the business, condition (financial or otherwise), operations or properties of the Borrower and its Subsidiaries, taken as a whole, since December 31, 2002."

B. Section 4.01 of the Existing Credit Agreement is hereby further amended by adding a new subsection (o) at the end thereof as follows:

"(o) Tax Shelter Reporting. The Borrower does not intend to treat the Advances and related transactions as being a "reportable transaction" (within the meaning of

Treasury Regulation Section 1.6011-4). In the event the Borrower determines to take any action inconsistent with such intention, it will promptly notify the Administrative Agent thereof. If the Borrower so notifies the Administrative Agent, the Borrower acknowledges that one or more of the Lenders may treat its Advances as part of a transaction that is subject to Treasury Regulation Section 301.6112-1, and such Lender or Lenders, as applicable, will maintain the lists and other records required by such Treasury Regulation."

1.5 Amendments to Article V. Covenants of the Borrower

A. Section 5.01(b) of the Existing Credit Agreement is hereby amended by deleting clause (iv) thereof in its entirety and substituting the following therefor:

"(iv) as soon as possible and in any event within five days after the occurrence of each Mandatory Prepayment Event, Event of Default and Potential Event of Default continuing on the date of such statement, a statement of an authorized financial officer of the Borrower setting forth details of such event and any action which the Borrower has taken and proposes to take with respect thereto;"

B. Section 5.01(b) of the Existing Credit Agreement is hereby further amended by deleting clause (xv) thereof in its entirety and substituting the following therefor:

"(xv) promptly after the Borrower has notified the Administrative Agent of any intention by the Borrower to treat the Advances and related transactions as being a "reportable transaction" (within the meaning of Treasury Regulation Section 1.6011-4), a duly completed copy of IRS Form 8886 or any successor form; and

(xvi) such other information respecting the condition or operations, financial or otherwise, of the Borrower or any of its Subsidiaries as any Lender through the Administrative Agent may from time to time reasonably request."

1.6 Amendments to Article VIII. Miscellaneous

A. Article VIII of the Existing Credit Agreement is hereby amended by deleting Section 8.05 in its entirety and substituting the following therefor:

"SECTION 8.05 Right of Set-off. Upon (i) the occurrence and during the continuance of any Event of Default and (ii) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Administrative Agent to declare the Advances due and payable pursuant to the provisions of Section 6.01, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (time or demand, provisional or final, or general, but not special) at any time held and other indebtedness at any time owing by such Lender or an Affiliate of a Lender to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement that are then due and payable, whether or not such Lender shall have made any demand under this Agreement. Each Lender agrees promptly to notify the Borrower after any such set-off and application made by such Lender; provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) which such Lender may have."

B. Section 8.07(a) of the Existing Credit Agreement is hereby amended by deleting the reference to "$3,000" therein and substituting "$3,500" therefor.

C. Section 8.08 of the Existing Credit Agreement is hereby amended by adding the following statement at the end thereof:

"Notwithstanding anything herein to the contrary, "confidential information" shall not include, and any party to this Agreement may disclose without limitation of any kind, any information with respect to the "tax treatment" and "tax structure" (in each case, within the meaning of Treasury Regulation Section 1.6011-4) of the transactions contemplated hereby and all materials of any kind (including opinions or other tax analyses) that are provided to such party relating to such tax treatment and tax structure; provided that with respect to any document or similar item that in either case contains information concerning the tax treatment or tax structure of the transaction as well as other information, this sentence shall only apply to such portions of the document or similar item that relate to the tax treatment or tax structure of the Advances and transactions contemplated hereby."

D. Article VIII of the Existing Credit Agreement is hereby further amended further by adding a new Section 8.13 at the end thereof as follows:

"SECTION 8.13 Website Communications.

(a) The Borrower hereby agrees that it will provide to the Administrative Agent all information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to the Loan Documents, including, without limitation, all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (i) relates to a request for a new, or a conversion of an existing, borrowing or other extension of credit (including any election of an interest rate or interest period relating thereto), (ii) relates to the payment of any principal or other amount due under the Agreement prior to the scheduled date therefor, (iii) provides notice of any default or event of default under the Agreement or (iv) is required to be delivered to satisfy any condition precedent to the effectiveness of the Agreement and/or any borrowing or other extension of credit thereunder (all such non-excluded communications being referred to herein collectively as "Communications"), by transmitting the Communications in an electronic/soft medium in a format acceptable to the Administrative Agent to oploanswebadmin@citigroup.com. In addition, the Borrower agrees to continue to provide the Communications to the Administrative Agent in the manner specified in the Loan Documents but only to the extent requested by the Administrative Agent.

(b) The Borrower further agrees that the Administrative Agent may make the Communications available to the Lenders by posting the Communications on IntraLinks, Fixed Income Direct or a substantially similar electronic transmission system (the "Platform"). The Borrower acknowledges that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution.

(c) THE PLATFORM IS PROVIDED “AS IS” AND “AS AVAILABLE”. THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE AGENT PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT OR ANY OF ITS AFFILIATES OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ADVISORS OR REPRESENTATIVES (COLLECTIVELY, “AGENT PARTIES”) HAVE ANY LIABILITY TO THE BORROWER, ANY LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF THE BORROWER’S OR THE ADMINISTRATIVE AGENT’S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET, EXCEPT TO THE EXTENT THE LIABILITY OF ANY AGENT PARTY IS FOUND IN A FINAL NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED PRIMARILY FROM SUCH AGENT PARTY’S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

(d) The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Loan Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender agrees (i) to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender’s e-mail address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such e-mail address.

(e) Nothing herein shall prejudice the right of the Administrative Agent or any Lender to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.”

1.7 Amendments to Schedules

A. Schedule I to the Existing Credit Agreement is hereby amended by deleting said Schedule I in its entirety and substituting in place thereof a new Schedule I in the form of Annex I to this Amendment.

B. Schedule II to the Existing Credit Agreement is hereby amended by deleting said Schedule II in its entirety and substituting in place thereof a new Schedule II in the form of Annex II to this Amendment.

Section 2. CONDITIONS TO EFFECTIVENESS

This Amendment shall become effective upon receipt by the Administrative Agent of all of the following, in form and substance satisfactory to the Administrative Agent and the Lenders (the date of satisfaction of such condition being referred to herein as the **"Second Amendment Effective Date"**):

A. Documents. On or before the Second Amendment Effective Date, Company shall deliver to the Lenders (or to the Administrative Agent for the Lenders with sufficient originally executed copies, where appropriate, for each Lender and its counsel) a certificate of a Secretary or an Assistant Secretary of the Company, dated the Second Amendment Effective Date, certifying (a) the correctness and completeness of the copies of the Company's Certificate of Incorporation and Bylaws previously delivered to the Administrative Agent, (b) the names and true signatures of the officers of the Company authorized to sign this Amendment and the other documents to be delivered by the Company hereunder, and (c) the correctness and completeness of the copies of the resolutions of the Board of Directors of the Company (or the Executive Committee of the Company together with evidence of the authority of the Executive Committee of the Company) previously delivered to the Administrative Agent.

B. Execution of Amendment. This Amendment executed by each party hereto.

C. Legal Opinion. A favorable opinion of Scott E. Sayre, Esq., General Counsel of the Company, substantially in the form of Exhibit 1 hereto.

Section 3. THE COMPANY'S REPRESENTATIONS AND WARRANTIES

In order to induce the Administrative Agent and the Lenders to enter into this Amendment and to amend the Existing Credit Agreement as described herein, the Company represents and warrants to the Administrative Agent and each Lender that the following statements are true, correct and complete on and as of the Second Amendment Effective Date:

A. Due Authorization, etc. The execution, delivery and performance by the Company of this Amendment and the Existing Credit Agreement, as amended by this Amendment (the "Amended Agreement"), are within the Company's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the Company's certificate of incorporation or bylaws or (ii) law or any material contractual restriction binding on or affecting the Company.

B. Governmental Consent. No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Company of this Amendment or the Amended Agreement.

C. Validity. This Amendment has been duly executed and delivered by the Company, and each of this Amendment and the Amended Agreement is the legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject to the effect of applicable bankruptcy, insolvency, arrangement, moratorium and other similar laws affecting creditors' rights generally and to the application of general principles of equity.

D. Incorporation of Representations and Warranties From the Amended Agreement. The representations and warranties contained in Section 4.01 of the Amended Agreement are true, correct and complete in all material respects on and as of the Second Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true, correct and complete in all material respects on and as of such earlier date.

E. Absence of Default. No event has occurred and is continuing or will result from the consummation of the transactions contemplated by this Amendment that would constitute an Event of Default or a Potential Event of Default.

Section 4. MISCELLANEOUS

A. Effect of this Amendment. The execution, delivery and performance of this Amendment shall not, except as expressly provided herein, constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Administrative Agent or any Lender under, the Amended Agreement.

B. Headings. Section and subsection headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

C. Applicable Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

D. Counterparts; Effectiveness. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. This Amendment (other than Section 1 hereof, the effectiveness of which is governed by Section 2 hereof) shall become effective upon the execution of a counterpart hereof by the Company, the Lenders, and the Administrative Agent and receipt by the Administrative Agent of written or telephonic notification of such execution and authorization of delivery thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

VIAD CORP , a Delaware corporation,
as the Borrower

By /s/ Robert H. Bohannon

Name: Robert H. Bohannon
Title: Chairman fo the Baord, President &Chief Executive Officer

By /s/ Ellen Ingersoll

Name: Ellen M. Ingersoll
Title: Chief Financial Officer

CITICORP USA, INC. , as the Administrative Agent and as a Lender

By /s/ John Wetzler

Name: John Wetzler
Title: Managing Director

S-2

JPMORGAN CHASE BANK , as Senior Managing Agent and as a Lender

By /s/ William Rindfuss

Name: William Rindfuss
Title: Vice President

S-3

KEY BANK NATIONAL ASSOCIATION , as Co-Syndication Agent and as a Lender

By /s/ James Teichman

Name: James Teichman
Title: Portfolio Manager

S-4

BANK ONE, NA , as Co-Syndication Agent and as a Lender

By /s/ Sabir Hashmy

Name: Sabir Hashmy
Title: Director
S-5

BANK OF AMERICA, N.A. , as Co-Documentation Agent and as a Lender

By /s/ Russell McClymont

Name: Russell A. McClymont
Title: Vice President
S-6

WACHOVIA BANK, NATIONAL ASSOCIATION , as Co-Documentation Agent and as a Lender

By /s/ Daniel Evans

Name: Daniel Evans
Title: Managing Director
S-7

WELLS FARGO BANK, N.A. , as Senior Managing Agent and as a Lender

By /s/ Vanessa Sheh Meyer

Name: Vanessa Sheh Meyer
Title: Senior Relationship Manager
S-8

ABN AMRO BANK N.V. , as Senior Managing Agent and as a Lender

By /s/ Angela Noïque

Name: Angela Noïque
Title: Group Vice President

By /s/ John M. Pastore

Name: John M. Pastore
Title: Vice President

MELLON BANK, N.A. , as Senior Managing Agent and as a Lender

By /s/ L. C. Ivey

Name: Lawrence C. Ivey
First Vice President
Title:

LEHMAN BROTHERS BANK, FSB , as Co-Agent and as a Lender

By /s/ Gary T. Taylor

Name: Gary T. Taylor
Title: Vice President

SUMITOMO MITSUI BANKING CORPORATION , as Co-Agent and as a Lender

By /s/ Al Galluzzo

Name: Al Galluzzo
Title: Senior Vice President

CREDIT LYONNAIS NEW YORK BRANCH , as Senior Managing Agent and as a Lender

By /s/ F. Frank Herrera

Name: F. Frank Herrera
Title: Vice President
S-13

BNP PARIBAS , as Senior Managing Agent and as a Lender

By /s/ Sean Conlon

Name: Sean Conlon
Title: Managing Director

By /s/ Clive Bettles

Name: Clive Bettles
Title: Managing Director
S-14

BRANCH BANKING AND TRUST CO. , as Senior Managing Agent and as a Lender

By /s/ Roberts A Bass

Name: Roberts A. Bass
Title: Senior Vice President
S-15

SUNTRUST BANK , as Senior Managing Agent and as a Lender

By /s/ Brian K. Peters

Name: Brian K. Peters
Title: Managing Director
S-16

US BANK NATIONAL ASSOCIATION , as Senior Managing Agent and as a Lender

By /s/ Karen S. Paris

Name: Karen S. Paris
Title: Senior Vice President
S-17

ROYAL BANK OF SCOTLAND PLC , as Senior Managing Agent and as a Lender

By /s/ Julian Dakin

Name: Julian Dakin
Title: Senior Vice President
S-18

ROYAL BANK OF CANADA , as Co-Agent and as a Lender

By /s/ Tom J. Oberaigner

Name: Tom J. Oberaigner
Title: Attorney-in-Fact
S-19

ANNEX I
SCHEDULE I
APPLICABLE LENDING OFFICES

Bank	Domestic Lending Office:	Eurodollar Lending Office
CITICORP USA, INC.	Citicorp USA, Inc. Citibank Agency Services 2 Penns Way, Suite 200 New Castle, DE 19720 Attention: Janet Wallace Telephone: (302) 894-6029 Facsimile: (302) 894-6120	Citicorp USA, Inc. Citibank Agency Services 2 Penns Way, Suite 200 New Castle, DE 19720 Attention: Janet Wallace Telephone: (302) 894-6029 Facsimile: (302) 894-6120
JPMORGAN CHASE BANK	JPMorgan Chase Bank 560 Mission Street, 18/F San Francisco, CA 94105 Attn: William Rindfuss Telephone: (415) 315-8232 Facsimile: (415) 315-8586	JPMorgan Chase Bank 560 Mission Street, 18/F San Francisco, CA 94105 Attn: William Rindfuss Telephone: (415) 315-8232 Facsimile: (415) 315-8586
BANK ONE, NA	Bank One, NA One Bank One Plaza Chicago, Illinois 60670 Attn: John Geresi Facsimile: (213) 576-1565	Bank One, NA One Bank One Plaza Chicago, Illinois 60670 Attn: John Geresi Facsimile: (213) 576-1565
BANK OF AMERICA, N.A.	Bank of America, N.A. 1850 Gateway Blvd., Mail Code: CA4-706-05-11 Concord, California 94520-3282 Attn: Pamela S Greer-Tillman Phone: (925) 675-8453 Fax: (888) 969-2786	Bank of America, N.A. 1850 Gateway Blvd., Mail Code: CA4-706-05-11 Concord, California 94520-3282 Attn: Pamela S. Greer-Tillman Phone: (925) 675-8453 Fax: (888) 969-2786
WACHOVIA BANK, NATIONAL ASSOCIATION	Wachovia Bank, National Association 191 Peachtree Street Atlanta, Georgia 30303 Attn: Christopher Borin Facsimile: (404) 332-4048	N/A

Bank	Domestic Lending Office:	Eurodollar Lending Office
WELLS FARGO BANK, N.A	Wells Fargo Bank, N.A. 201 3 rd Street MAC A0187-080 San Francisco, California 94103 Attn: Ginnie Padgett Phone: (415) 477-5374 Fax: (415) 512-1943 (primary) (415) 979-0675 (secondary)	Wells Fargo Bank, N.A. 201 3 rd Street MAC A0187-080 San Francisco, California 94103 Attn: Ginnie Padgett Phone: (415) 477-5374 Fax: (415) 512-1943 (primary) (415) 979-0675 (secondary)
ABN AMRO BANK N.V.	ABN AMRO Bank N.V 208 South LaSalle Street, Suite 1500 Chicago, Illinois 60604-1003 Attn: Lorraine West Phone: (312) 992-5152 Fax: (312) 992-5158	ABN AMRO Bank N.V. 208 South LaSalle Street, Suite 1500 Chicago, Illinois 60604-1003 Attn: Lorraine West Phone: (312) 992-5152 Fax: (312) 992-5158
MELLON BANK, N.A.	Mellon Bank, N.A. Three Mellon Bank, Rm. 2300 Pittsburgh, Pennsylvania 15259 Attn: Barbara Gago Phone: (412) 209-6114 Fax: (412) 234-4710	Mellon Bank, N.A. Three Mellon Bank, Rm. 2300 Pittsburgh, Pennsylvania 15259 Attn: Barbara Gago Phone: (412) 209-6114 Fax: (412) 234-4710
LEHMAN BROTHERS BANK, FSB	Lehman Brothers Bank, FSB 745 Seventh Avenue, 19 th Floor New York, NY 10019 Attn: Michele Swanson Phone: (212) 526-0330 Fax: (212) 526-0242	Lehman Brothers Bank, FSB 745 Seventh Avenue, 19 th Floor New York, NY 10019 Attn: Michele Swanson Phone: (212) 526-0330 Fax: (212) 526-0242
SUMITOMO MITSUI BANKING CORPORATION	Sumitomo Mitsui Banking Corporation 277 Park Avenue New York, New York 10172 Attn: Deal Administration, Paul Kane Fax: (212) 224-5488	Sumitomo Mitsui Banking Corporation 277 Park Avenue New York, New York 10172 Attn: Deal Administration, Paul Kane Fax: (212) 224-5488

Bank	Domestic Lending Office:	Eurodollar Lending Office
ROYAL BANK OF CANADA	Royal Bank of Canada New York Branch One Liberty Plaza, 3 rd Floor New York, NY 10006-1404 Attn: Compton Singh, Liability Officer Phone: (212) 428-6332 Fax: (212) 428-2372	Royal Bank of Canada One Liberty Plaza, 3 rd Floor New York, NY 10006-1404 Attn: Compton Singh, Liability Officer Phone: (212) 428-6332 Fax: (212) 428-2372
BRANCH BANKING AND TRUST CO.	Branch Banking and Trust Co. 200 W. Second St. 16 th Floor Winston-Salem, NC 27104	Branch Banking and Trust Co. 200 W. Second St. 16 th Floor Winston-Salem, NC 27104
US BANK NATIONAL ASSOCIATION	US Bank National Association U.S. Bancorp Center 800 Nicollet Mall BC-MN-H03P Minneapolis, MN 55402 Attn: Karen Paris Phone: (612) 303-3822 Fax: (612) 303-2264	US Bank National Association U.S. Bancorp Center 800 Nicollet Mall BC-MN-H03P Minneapolis, MN 55402 Attn: Karen Paris Phone: (612) 303-3822 Fax: (612) 303-2264
KEYBANK NATIONAL ASSOCIATION	KeyBank National Association 601 108 th Ave. N.E., 5 th Floor Mail Code: WA-31-18-0512 Bellevue, WA 98009 Attn: James Teichman Phone: (425) 709-4574 Fax: (425) 709-4587	KeyBank National Association 601 108 th Ave. N.E., 5 th Floor Mail Code: WA-31-18-0512 Bellevue, WA 98009 Attn: James Teichman Phone: (425) 709-4574 Fax: (425) 709-4587
CREDIT LYONNAIS NEW YORK BRANCK	Credit Lyonnais New York Branch 515 South Flower Street Suite 2200 Los Angeles, CA 90071 Attn: Ron Moore Phone: (213) 362-5952 Fax: (213) 623-3437	Credit Lyonnais New York Branch 515 South Flower Street Suite 2200 Los Angeles, CA 90071 Attn: Ron Moore Phone: (213) 362-5952 Fax: (213) 623-3437

Bank	Domestic Lending Office:	Eurodollar Lending Office
THE ROYAL BANK OF SCOTLAND PLC	The Royal Bank of Scotland plc 101 Park Avenue New York, NY 10178 Attn: Julian Dakin Phone: (212) 401-3467 Fax: (212) 401-3456	The Royal Bank of Scotland plc 101 Park Avenue New York, NY 10178 Attn: Julian Dakin Phone: (212) 401-3467 Fax: (212) 401-3456
SUNTRUST BANK	SunTrust Bank 303 Peachtree Street, 3 rd Floor Mail Code 1921 Atlanta, GA 30303 Attn: Brian Peters Phone: (404) 827-6118 Fax: (404) 588-8833	SunTrust Bank 303 Peachtree Street, 3 rd Floor Mail Code 1921 Atlanta, GA 30303 Attn: Brian Peters Phone: (404) 827-6118 Fax: (404) 588-8833
BNP PARIBAS	BNP Paribas One Front Street, 23 rd Floor San Francisco, CA 94111 Attn: Sean Conlon – Managing Director Phone: (213) 688-6431 Fax: (213) 488-9602	BNP Paribas One Front Street, 23 rd Floor San Francisco, CA 94111 Attn: Sean Conlon – Managing Director Phone: (213) 688-6431 Fax: (213) 488-9602

ANNEX II
SCHEDULE II

COMMITMENTS

Lender	Commitment
Citicorp USA, Inc.	$ 22,250,000
Bank One, NA	$ 15,000,000
KeyBank National Association	$ 15,000,000
Bank of America, N.A.	$ 15,000,000
Wachovia Bank, National Association	$ 15,000,000
Credit Lyonnais New York Branch	$ 13,250,000
BNP Paribas	$ 13,250,000
Branch Banking and Trust Co.	$ 13,250,000
Mellon Bank, N.A.	$ 13,250,000
SunTrust Bank	$ 13,250,000
US Bank National Association	$ 13,250,000
Wells Fargo Bank, N.A.	$ 13,250,000
JPMorgan Chase Bank	$ 13,250,000
ABN AMRO Bank, N.V.	$ 13,250,000
Royal Bank of Scotland plc	$ 13,250,000
Lehman Brothers Bank, FSB	$ 11,750,000
Royal Bank of Canada	$ 11,750,000
Sumitomo Mitsui Banking Corporation	$ 11,750,000
TOTAL	**$250,000,000**

EXHIBIT 1

FORM OF OPINION

VIAD

Scott E. Sayre
Vice President – General Counsel and Secretary
(602) 207-5626
Fax (602) 207-5480

Viad Corp
1850 North Central Avenue
Phoenix, AZ 85077-1012

August 29, 2003

Citicorp USA, Inc., as Administrative Agent
1 Court Square
Long Island City, New York 11120

and

Each of the financial institutions listed
as Lenders on the signature pages of the
Second Amendment to Credit Agreement
Referred to Below

Re: Second Amendment to Credit Agreement (Short Term Revolving Credit Facility) dated as of August 29, 2003, among Viad Corp, the Banks named therein and Citicorp USA, Inc. as Administrative Agent

Ladies and Gentlemen:

I am Vice President and General Counsel of Viad Corp, a Delaware corporation (the "Borrower"), and as such have acted as counsel to the Borrower in connection with the negotiation, execution and delivery by the Borrower of the Second Amendment to Credit Agreement (Short Term Revolving Credit Facility) dated as of August 29, 2003 (the "Credit Agreement") among the Borrower, the financial institutions listed therein as Lenders and Citicorp USA, Inc. as Administrative Agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings given them in the Amended Agreement (as defined below).

This opinion is delivered to you pursuant to Section 2C of the Amendment. I, or attorneys supervised by me, have examined the Amendment and that certain Credit Agreement (Short Term Revolving Credit Facility) dated as of August 31, 2001, as amended by the First Amendment to Credit Agreement (Short Term Revolving Credit Facility) dated as of August 30, 2002 (as amended by the Second Amendment, the "Amended Agreement"), by and among the Company, the lenders listed on the signature pages thereof, and the Administrative Agent, and I have examined or am familiar with originals or copies, the authenticity of which has been established to my satisfaction of such other documents, corporate records, agreements and instruments, and certificates of public officials and of officers of the Borrower as I have deemed necessary or appropriate to enable me to express the opinions set forth below. As to questions of fact material to such opinions, I have, when relevant facts were not independently established, relied upon certification by officers of the Borrower, which I believe to be reliable.

The opinions hereinafter expressed are subject to the fact that I am a member of the State Bar of Arizona and do not hold myself out as an expert on the laws of other states or jurisdictions except (i) the federal law of the United States of America, (ii) the General Corporation Law of the State of Delaware, and (iii) the laws of New York relevant to the opinions herein expressed.

Based upon the foregoing and having regard to legal considerations which I have deemed relevant, it is my opinion that:

1. The Borrower is a corporation validly existing and in good standing under the laws of the State of Delaware and is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions which require such qualification, except to the extent that failure to so qualify would not have a material adverse effect on the Borrower. The Borrower has all requisite corporate power and authority to own and operate its properties, to conduct its business as presently conducted, and to execute, deliver and perform its obligations under the Amendment and the Amended Agreement.

2. The Amendment has been duly authorized by all necessary corporate action on the part of the Borrower and has been duly executed and delivered by the Borrower. Each of the Amendment and the Amended Agreement constitutes the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency and reorganization laws and other similar laws governing the enforcement of lessors' or creditors' rights and by the effects of specific performance, injunctive relief and other equitable remedies.

3. Neither the execution and delivery by the Borrower of the Amendment and the Amended Agreement, nor consummation of the transactions contemplated thereby, nor compliance on or prior to the date hereof with the terms and conditions thereof by the Borrower conflicts with or is a violation of, its certificate of incorporation or bylaws, each as in effect on the date hereof. Neither the execution and delivery by the Borrower of the Amendment and the Amended Agreement, nor the consummation of the transactions contemplated thereby, nor compliance on or prior to the date hereof with the terms and conditions thereof by the Borrower will result in a violation of any applicable federal or New York law, governmental rule or regulation or of the Corporation Law of the State of Delaware or conflicts with, will result in a breach of, or constitutes a default under, any provision of any indenture, agreement or other instrument to which the Borrower is a party or any of its properties may be bound ("Material Agreements"), or any order, judgment or decree to which the Borrower or any of its assets are bound ("Judicial Orders"), or will result

in the creation or imposition of any lien upon any property or assets of the Borrower pursuant to any Material Agreement or Judicial Order.

4. No consent, approval or authorization of, and no registration, declaration or filing with, any administrative, governmental or other public authority of the United States of America or the State of New York or under the Corporation Law of the State of Delaware is required by law to be obtained or made by the Borrower for the execution, delivery and performance by the Borrower of the Amendment or the Amended Agreement, except such filings as may be required in the ordinary course to keep in full force and effect rights and franchises material to the business of the Borrower and in connection with the payment of taxes.

This opinion is delivered to the Administrative Agent and the Banks as of the date hereof in connection with the Amendment, and may not be relied upon by any person other than the Administrative Agent and the Banks and their permitted assignees, or by them in any other context, and may not be furnished to any other person or entity without my prior written consent, provided that each Bank and its permitted assignees may provide this opinion (i) to bank examiners and other regulatory authorities should they so request or in connection with their normal examination, (ii) to the independent auditors and attorneys of such Bank, (iii) pursuant to order or legal process of any court or governmental agency, (iv) in connection with any legal action to which the Bank is a party arising out of the transactions contemplated by the Amendment and the Credit Agreement, or (v) in connection with the assignment of or sale of participations in the Advances.

Very truly yours,

/s/ Scott E. Sayre
Vice President – General Counsel
and Secretary

Exhibit 4.B

Viad Corp
Viad Tower, Sta. 0810
1850 N. Central Ave.
Phoenix, Arizona 85077-0810

August 29, 2003

Citicorp USA, Inc., as Agent
c/o Citibank, N.A.
Global Loans Operations
2 Penns Way, Suite 200
New Castle, Delaware, 19720
Attn: Brian Maxwell

Re: Termination of Amended And Restated Credit Agreement (Long Term Revolving Credit Facility)

Reference is hereby made to that certain Second Amendment to Credit Agreement (Short Term Revolving Credit Facility) (the " **Second Amendment** "), dated as of the date hereof, among Viad Corp (the " **Company** "), the financial institutions listed on the signature pages thereof as lenders (the " **Lenders** "), and Citicorp USA, Inc. (" **Citicorp** "), as administrative agent for Lenders (in such capacity, the " **Agent** "), and to that certain Amended and Restated Credit Agreement (Long Term Revolving Credit Facility) (the " **Long Term Facility** ") dated as of August 31, 2001, as amended by that certain First Amendment to Amended and Restated Credit Agreement (Long Term Revolving Credit Facility) dated as of October 3, 2001 by and among the Company, Greyhound Canada Holdings, Inc. (the " **Canadian Borrower** ," and together with the Company, collectively the " **Borrowers** "), the financial institutions listed therein as lenders (the " **Long Term Lenders** "), Citicorp as the administrative agent for the Long Term Lenders, and Citibank Canada, as special administrative agent for the Canadian Long Term Lenders. Capitalized terms used but not defined herein shall have the meanings set forth in the Long Term Facility.

By the execution of this letter agreement, the Borrowers hereby agree, for the benefit of the Long Term Lenders, that, in consideration of and to induce the Lenders and the Agent to execute and deliver the Second Amendment, on the date the Company consummates all or a substantial part of the tax-free distribution to shareholders announced on July 24, 2003 (the " **Spin-Off** "), the Spin-Off will be an event of mandatory prepayment under Section 2.06(b) of the Long Term Facility which requires, if the Administrative Agent receives a notice from any Lender, that: (i) the Borrowers will immediately prepay in full all Advances outstanding under the Long Term Facility, together with interest accrued to the date on which the Spin-Off is consummated, and will pay or reimburse the Long Term Lenders in respect of any costs and expenses pursuant to Section 9.04 of the Long Term Facility, (ii) the Company will immediately cash collateralize the Letters of Credit pursuant to Section 6.02 of the Long Term Facility and

(iii) all Commitments under the Long Term Facility will immediately terminate. The Company intends to have in place a new long term credit facility substantially equivalent to the Long Term Facility on the date the Company consummates all or a substantial part of the Spin-Off.

THIS LETTER AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

In order to confirm and acknowledge that the foregoing is in accordance with our agreement, please sign and return to the Company the enclosed original copy of this letter. This letter may be signed in counterparts.

Very truly yours,

VIAD CORP

By /s/ Robert H. Bohannon

Title: Chairman of the Board, President
And Chief Executive Officer

By /s/ Ellen Ingersoll

Title: Chief Financial Officer

GREYHOUND CANADA HOLDINGS, INC.

By /s/ Ellen Ingersoll

Title: Vice President & Treasurer

ACKNOWLEDGED AND AGREED:

CITICORP USA, INC. , as Agent, for itself, the other Lenders and the other Long Term Lenders

By: John Wetzler

Name: John Wetzler
Title: Managing Director

Exhibit 10.A

VIAD CORP
DEFERRED COMPENSATION PLAN
AMENDED AND RESTATED AS OF AUGUST 20, 2003

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.

(e) Notwithstanding any other provision of the Plan, if the Corporation effects a spin-off or other distribution to its shareholders (a "Spin-off") of any of its subsidiaries (such subsidiary, "Spinco"), the Spin-off shall not be considered to result in the termination of employment of any participants who are employed with either the Corporation and its remaining subsidiaries or with Spinco and its subsidiaries immediately following the spinoff. Furthermore, with respect to participants who are employed with Spinco and its subsidiaries immediately following the Spin-off, all references in the Plan to termination of employment shall be deemed to include employment with Spinco and its subsidiaries; provided, that such participants shall not be eligible to continue to defer compensation under the Plan (although they may be permitted to do so under a successor or similar plan of Spinco).

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 last closing price of the Corporation's Common Stock (as reported for the New York State Exchange-Composite transactions) prior to 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.

Exhibit 10.B

DEFERRED COMPENSATION PLAN
FOR DIRECTORS OF
VIAD CORP

AS AMENDED AND RESTATED
AUGUST 20, 2003

1. ESTABLISHMENT AND CONTINUATION OF PLAN.

There was heretofore established, in recognition of the valuable services provided to Greyhound Dial Corporation by the individuals who serve as members of its Board of Directors, an unfunded plan of voluntary deferred compensation known as the "Directors Deferred Compensation Plan" (Plan). The Dial Corp, a Delaware corporation and successor by operation of law to Greyhound Dial Corporation, intends to distribute to its stockholders (the Spin-Off) one share of common stock, $0.01 par value, of The Dial Corporation, its wholly-owned subsidiary (Consumer Products) which will own and operate its consumer products business (Consumer Products Common Stock). Following the Spin-Off, The Dial Corp will change its name to "Viad Corp". All references herein to the "Corporation" mean The Dial Corp, prior to the Spin-Off, and Viad Corp, following the Spin-Off. All Directors of the Corporation, except Directors receiving a regular salary as an employee of the Corporation or one of its subsidiaries, are eligible to participate in this Plan. All Directors who become directors of Consumer Products and cease to be directors of the Corporation in connection with the Spin-Off will no longer be eligible to participate in this Plan, and all obligations accrued prior to the date of the Spin-Off under this Plan with respect to such individuals will be assumed by Consumer Products. A Director may elect to defer under this Plan any retainer or meeting attendance fee otherwise payable to him or her (Compensation) by the Corporation or by domestic subsidiaries of this Corporation (subsidiaries).

2. EFFECTIVE DATE.

This Plan became effective on January 1, 1981.

3. ELECTION TO PARTICIPATE IN THE PLAN.

A. (i) A Director of this Corporation may elect to defer the receipt of all or a specified part of the Compensation otherwise payable to him or her during a calendar year by the Corporation or its subsidiaries. Any person who shall become a Director during any calendar year, and who was not a Director of the Corporation or its subsidiaries on the preceding December 31, may elect before the Director's term begins to defer such Compensation. Such election shall also specify whether the account shall be treated as a cash account under

Section 4A or a stock unit account under Section 4B; provided that an election to defer Compensation into a stock unit account must be specifically approved by the Board of Directors of the Corporation. If the account is to be a cash account, the Compensation, if it is a meeting attendance fee, shall be payable on the date of each applicable meeting, and, if it is a retainer, shall be payable on the last trading day of each applicable quarter. If the account is to be a stock unit account, the Compensation 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 Compensation is payable into such Compensation, which, in the case of a meeting attendance fee or a retainer, is the last trading day of each applicable quarter.

(ii) In connection with the Spin-Off, the Dial Director's Retirement Plan (the "Retirement Plan") will be terminated. As of the Distribution Date, the Corporation will credit, to an existing or newly-established, stock unit account for each Director eligible to participate in this Plan who is a participant under the Retirement Plan (and who does not elect to continue to receive cash payments under the Retirement Plan) a number of stock units equal to (A) the present value of such Director's vested accrued benefits under the Retirement Plan divided by (B) the closing price of the Corporation's Common Stock (as reported for the New York Stock Exchange-Composite Transactions) as of the first trading day following the Distribution Date. Such stock unit account shall thereafter be maintained in accordance with this Plan.

B. Any election under this Plan, unless otherwise provided therein, shall be made by delivering a signed request to the Secretary of the Corporation on or before December 31 with respect to the following calendar year, or, for a new Director, on or before his or her term begins. An election shall continue from year to year, unless specifically limited, until terminated by a signed request in the same manner in which an election is made. However, any such termination shall not become effective until the end of the calendar year in which notice of termination is given.

C. Each Director may, by notice delivered to the Secretary of the Corporation, convert: (i) the aggregate balance in his or her deferred compensation account (either before or after payments from the account may have commenced) from an account in the form of stock units to an account in the form of cash in an amount equal to such stock units balance multiplied 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 accrue interest as set forth in Section 4 below, or (ii) convert the aggregate balance in his or her deferred compensation 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 cash balance 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 accrue dividend equivalents as set forth in Section 4 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 Director, 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 an acquisition (if the Conversion Notice is pursuant to clause (i)) or a disposition (if the Conversion Notice is pursuant to clause (ii)) or (b) may be given after an individual ceases to be a Director.

4. ACCRUAL OF INTEREST OR DIVIDEND EQUIVALENTS.

A. If a Director has elected to defer Compensation in the form of cash, then interest on the unpaid balance of such Director's deferred compensation account, consisting of both accumulated Compensation and interest, if any, will be credited on the last day of each quarter based upon the yield on Merrill Lynch Taxable Bond Index-Long Term Medium Quality (A3) Industrial Bonds in effect at the beginning of such quarter, said interest to commence with the date such compensation was otherwise payable. After payment of deferred Compensation commences, interest shall accrue on the unpaid balance thereof in the same manner until all such deferred Compensation has been paid.

B. If a Director has elected to defer 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 Director'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 Director's deferred compensation account on the record date for the payment of such dividend, divided by the last closing price of the Corporation's Common Stock (as reported for the New York State Exchange-Composite transactions) prior to the date such dividend is payable to stockholders. Furthermore, additional credits (dividend equivalents) shall be made to the Director'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 incremental number of stock units credited to such Director's deferred compensation account, on the last business day prior to the date such dividend is payable to stockholders, attributable to meeting attendance fee(s), divided by the last closing price of the Corporation's Common Stock (as reported for the New York State Exchange-Composite transactions) prior to 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.

C. In the event of a dividend of Common Stock declared and paid by the Corporation, an additional credit shall be made to the Director's stock unit account of a number of stock units equal to the number of shares of the Corporation's Common Stock which the Director 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.

D. Notwithstanding and in lieu of the foregoing, in the case of the dividend distribution by the Corporation of the Consumer Products Common Stock in the Spin-Off, a new stock unit and cash account (the Special Account) will be established for each Director (in addition to any existing stock unit account) which will be credited with a number of units representing Consumer Products Common Stock equal to the number of stock units in such Director's account immediately prior to the Spin-Off. From and after the Spin-Off, the Corporation will credit the Special Account with amount(s) denominated in cash, representing all dividends paid by Consumer Products on the Consumer Products Common Stock, whether paid in cash, Consumer Products Common Stock, other stock or property, in an amount equal to the amount of such dividend per share of Consumer Products Common Stock (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 Director's Special Account on the record date for payment of such dividend. The amount credited as cash shall thereafter accrue interest in accordance with Section 4A. A Director may convert the stock unit portion of the Special Account into an account in the form of cash by using the notice procedures in Section 3C without regard to the six months restriction set forth in the proviso thereto (it being understood that the closing price of the Consumer Products Common Stock, instead of Corporation Common Stock, will be used for such conversion). Section 3C may not, however, be used to convert a cash account into additional units of Consumer Products Common Stock in the Special Account.

5. ACCOUNTING.

No fund or escrow deposit shall be established by any deferred Compensation payable pursuant to this Plan, and the obligation to pay deferred Compensation hereunder shall be a general unsecured obligation of the Corporation, payable out of its general account, and deferred Compensation shall accrue to the general account of the Corporation. However, the Controller of the Corporation shall maintain an account and properly credit Compensation to each such account, and keep a record of all sums which each participating Director has elected to have paid as deferred Compensation and of interest or dividend equivalents accrued thereon. Within sixty (60) days after the close of each calendar year the Controller shall furnish each Director who has participated in the Plan a statement of all sums and stock units, including interest and dividend equivalents, which have accrued to the account of such Director as of the end of such calendar year.

6. PAYMENT FROM DIRECTORS' ACCOUNTS.

A. After a Director ceases to be a director of the Corporation, the aggregate amount of deferred compensation credited to a Director's account, either in the form of cash or stock units, together with interest or dividend equivalents accrued thereon, shall be paid in a lump sum or, if the Director elects, in substantially equal quarterly, semi-annual, or annual installments over a period of years, not greater than ten (10), specified by the Director. Such election must be made by written notice delivered to the Secretary of the Corporation prior to December 31 of the year preceding the year in which, and at least six months prior to the date on which, the Director ceases to be a director. The first installment (or the lump sum payment) shall be made promptly following the date on which the Director ceases to be a Director of the Corporation, and any subsequent installments shall be paid promptly at the beginning of each succeeding specified period until the entire amount credited to the Director's account shall have been paid. To the extent installment payments are elected, and the Director's account consists of cash as well as stock units, a pro rata portion of the cash, and the cash equivalent of a pro rata portion of the stock units, shall be paid with each installment. If the participating Director dies before receiving the balance of his or her deferred compensation account, then payment shall be made in a lump sum to any beneficiary or beneficiaries which may be designated, as provided in paragraph B of this Section 6, or in the absence of such designation, or, in the event that the beneficiary designated by such Director shall have predeceased such Director, to such Director's estate.

B. Each Director who elects to participate in this Plan may file with the Secretary of the Corporation a notice in writing designating one or more beneficiaries to whom payment shall be made in the event of such Director's death prior to receiving payment of any or all of the deferred Compensation hereunder.

C. If the Director has elected to defer Compensation in the form of cash, the Corporation shall distribute a sum in cash to such Director, pursuant to his or her election provided for in paragraph A of this Section 6. If the Director has elected to defer Compensation in the form of stock units, the Corporation shall distribute to such Director, pursuant to his or her election provided for in paragraph A of this Section 6, the cash equivalent of the portion of the stock units being distributed in such installment which will be calculated by multiplying (i) the average of the month-end closing prices of the Corporation's Common Stock (or Consumer Products Common Stock, in the case of stock units in the Special Account) for the last 12 months preceding the date of each distribution, as reported for the New York Stock Exchange-Composite Transactions, by (ii) the number of stock units being distributed in such installment.

7. 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 Director participating in the Plan of the aggregate current balance of his or her deferred compensation account accrued to the Director's deferred compensation account on the date of the Change of Control, notwithstanding any other provision herein. If the Director has elected to defer Compensation in the form of stock units, the Corporation shall distribute to such Director the sum in cash equal to the closing price of the Corporation's Common Stock on the day preceding the date of the Change of Control (as reported for the New York Stock Exchange-Composite Transactions) multiplied by the number of stock units in such account. Any notice by a Director to change or terminate his or her election to defer Compensation 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, sale of assets, combination or merger not otherwise provided for herein which affects the outstanding shares of Common Stock of the Corporation (or the stock subject to the Special Account) or any other relevant change in the capitalization of the Corporation (or, in the case of the Special Account, Consumer Products) shall be appropriately adjusted for by the Board of Directors of this Corporation, and any such adjustments shall be final, conclusive and binding.

8. NONALIENATION OF BENEFITS.

No right or benefit under this Plan shall be subject to anticipation, alienation, sale, assignment, pledge, encumbrance or charge, and any attempt to alienate, sell, assign, pledge, encumber or charge the same shall be void. To the extent permitted by law, no right or benefit hereunder shall in any manner be attachable for or otherwise available to satisfy the debts, contracts, liabilities or torts of the person entitled to such right or benefit.

9. APPLICABLE LAW.

The Plan will be construed and enforced according to the laws of the State of Delaware; provided that the obligations of the Corporation shall be subject to any applicable law relating to the property interests of the survivors of a deceased person and to any limitations on the power of the person to dispose of his or her interest in the deferred Compensation.

10. AMENDMENT OR TERMINATION OF PLAN.

The Board of Directors of the Corporation may amend or terminate this Plan at any time, provided, however, any amendment or termination of this Plan shall not affect the rights of participating Directors or beneficiaries to payments, in accordance with Section 6 or 7, of amounts accrued to the credit of such Directors or beneficiaries at the time of such amendment or termination.

11. EFFECT OF SPIN-OFF.

Notwithstanding any other provision of the Plan, if at any time after August 20, 2003, the Corporation effects a spin-off or other distribution to its shareholders (a “Future Spin-off”) of any of its subsidiaries (such subsidiary, “Spinco”), the Future Spin-off shall not be considered to result in any Director’s ceasing to be a director of the Corporation if that Director is a non-employee director of Spinco immediately following the Future Spin-off. Furthermore, with respect to each such Director who is a non-employee director of Spinco immediately following the Future Spin-off, a participant shall not be considered, for purposes of the Plan, to have ceased to be a Director unless he or she is neither a Director of Spinco nor a Director of the Corporation; provided, that any such Director who does not continue as a Director of the Corporation shall not be eligible to continue to defer compensation under the Plan (although he or she may be permitted to do so under a successor or similar plan of Spinco).

Exhibit 10.C

VIAD CORP
SUPPLEMENTAL TRIM PLAN
(As amended and restated August 20, 2003)

1. Purpose of the Plan

The purpose of Supplemental TRIM Plan (the Plan) is to provide a select group of management or highly compensated employees who are officers and key employees of Viad Corp (the Company) and its subsidiaries with an opportunity to accumulate pre-tax savings for retirement.

2. Administration of the Plan

The Plan shall be administered by the Compensation Advisory Committee (the Committee) the members of which shall be appointed by the Chief Executive Officer of Viad Corp. Subject to the express provisions of the Plan, 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 those officers and key employees of the Company and its subsidiaries whose pre-tax, elective deferrals to Viad Corp Capital Accumulation Plan ("TRIM") are actually limited by the elective deferral limitations contained in Section 402 of the Internal Revenue Code to the extent such deferrals do not reach the maximum employer-matchable percentage of their base salary under the TRIM plan and whose timely written requests to defer the receipt of compensation, which may be owed to them for services rendered, are honored in whole or in part by the Committee, in its sole discretion. The Committee may, in its discretion, offer to any employee who is part of the select group of management or highly compensated employees who does not meet the requirements of the preceding sentence, the opportunity to participate in the Plan. A written request for deferral under paragraph 4 shall not be timely in any event unless it is duly submitted to the Committee before the services to which the base salary to be deferred is related have been rendered. No deferral of compensation need be made by a participant in the Plan as a condition to entitlement to the benefit described in paragraph 6(a)(iii).

(b) If a participant in the Plan shall (1) sever his or her employment with the Company or one of its subsidiaries during or following such employment, (2) engage in any activity in competition with the Company 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 Company, his or her participation in the Plan shall automatically terminate, and the Committee may direct, in its sole discretion, that he or she be paid in a lump sum the aggregate amount credited to his or her deferred compensation account as of the date his or her employment is severed or the Committee determines that he or she has engaged in such competitive activity or that his or her employer is no longer a subsidiary of the Company.

(c) Notwithstanding any other provision of the Plan, if the Company effects a spin-off or other distribution to its shareholders (a "Spin-off") of any of its subsidiaries (such subsidiary, "Spinco"), the Spin-off shall not be considered to result in the termination of employment of any participants who are employed with either the Company and its remaining subsidiaries or with Spinco and its subsidiaries immediately following the spin-off. Furthermore, with respect to participants who are employed with Spinco and its subsidiaries immediately following the Spin-off, all references in the Plan to termination of employment shall be deemed to include employment with Spinco and its subsidiaries; provided, that such participants shall not be eligible to continue to defer compensation under the Plan (although they may be permitted to do so under a successor or similar plan of Spinco).

4. Requests for Deferral

All requests for deferral of compensation must be made in writing 30 days prior to the beginning of each quarter and shall be in such form and shall contain such terms and conditions as the Committee may determine. Each such request shall specify the percentage or dollar amount of base salary if any, but in no event shall the amount to be deferred in a Plan year be greater than the lesser of (i) $35,000, or the amount specified by the Internal Revenue Service under Code Section 415, Defined Contribution Annual Maximum, less the total amount of all contributions of whatever nature, to the Participant's TRIM account during the same time period, or (ii) 12% of the participant's base salary in the Plan year. Each such request shall also specify (1) the date when payment of the aggregate amount credited to the deferred compensation account is to commence (which shall not be earlier than age 55 nor later than the actual retirement date) and (2) whether such payment is then to be made in a lump sum or in quarterly or annual installments, and the period of time (not in excess of ten years) over which the installments are to be paid. The Committee shall not, under any circumstances, accept any request for deferral greater than the limits defined above, or any request *which is* not in writing or *which is* not timely submitted.

5. Deferral of Compensation

The Committee shall notify each individual who has submitted a request for deferral of compensation 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 percentage of his or her 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 compensation 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, and if payment is to be made in installments, the period of time over which the installments will be paid. Upon subsequently being advised of the existence of special circumstances which are beyond the participant's control and which impose a severe financial hardship on the participant or his or her 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.

6. Deferred Compensation Account

(a) A deferred compensation account shall be maintained for each participant of this Plan by his or her employer. The employer shall credit to each participant's account the following amounts, as appropriate:

(i) The deferral duly elected under this Plan on the date the participant would have received such deferral as base salary;

(ii) Based on the provision of the TRIM Plan in effect at the time, an amount with respect to the deferrals in (1), above, calculated on the same basis as the employer's then current matching contribution on elective deferrals under the TRIM Plan on the first day of each quarter. In no event shall this amount exceed the maximum amount of matching contributions which would be available, assuming the participant elects the maximum deferrals allowed under TRIM and the limitations on elective deferrals contained in Code Section 402 do not apply, less the amount of actual matching contributions made by the employer to the participant's TRIM account, if any, for the same period;

(iii) Based on the provisions of the TRIM Plan in effect at the time, and not withstanding the amount, if any, of deferrals in (i) above, an amount equal to the employer matching contributions which would have been made to the participant's TRIM Plan account based on the amount of elective deferrals actually made by said participant to the TRIM Plan, but for the application of Code Section 401(a)(17) or any other similar law on the first day of each quarter; and

(iv) Interest on the participant account balance at a per annum rate equal to the yield as of January 1, April 1, July 1, and October 1 on Merrill Lynch Taxable Bond Index-Long Term Medium Quality (A3) Industrial Bonds or such other rate the Committee may determine in its sole discretion, credited quarterly prior to the termination of the participant's deferral period, or if the deferred compensation account is to be paid in installments, prior to the termination of such installment period.

(b) The Company or employer, as the case may be, shall not be required to physically segregate any amounts of money or property or otherwise provide for funding of any amounts credited to the deferred compensation accounts of participants in the Plan. Participants have no claim, interest or right to any particular funds or property that the Company or any employer may choose to reserve or otherwise use to provide for its liabilities under this Plan and the participants of this Plan shall have the rights of general creditor only with respect to their interests in the Plan.

7. 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 or her deferred compensation account shall be made in the event of his or her 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.

8. Nonassignability of Participant 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 or her death, nor shall any such right, interest or benefit be subject to or liable for any debt, obligation, liability or default of any participant. In the event of any attempt to assign or transfer any right, interest or benefit under the Plan, or to subject any such right, interest or benefit to a debt, obligation, liability or default of a participant, his or her participation in the Plan shall terminate on the date such an attempt is made, and he or she shall be paid in a lump sum the aggregate amount credited to his or her deferred compensation account as of that date.

9. Rights of Participants

A participant in the Plan shall have only those rights, interest or benefits as are expressly provided in the Plan. This Plan does not create for any employee or participant any right to be retained in service by any Company nor affect the right of any such Company to discharge any employee or participant from employment.

10. Amendment, Suspension or Termination of the Plan

(a) The Board of Directors of the Company (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 consent of a participant, adversely affect such participant's right to receive payment of the entire amount credited to his or her deferred compensation 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 or her account either in a lump sum or in accordance with the Committee's prior determination regarding the method of payment.

(b) Any action by Viad Corp under the Plan may be by resolution of its Board of Directors, or by any person or persons duly authorized by resolution of said Board to take such action.

11. Effective Date

The Plan shall become effective on the date of its approval by the Board or on such other date as the Board may direct. The Plan year is January 1 to December 31.

Exhibit 31.1

CERTIFICATION

I, Robert H. Bohannon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Viad Corp;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2003

By /s/ Robert H. Bohannon

Robert H. Bohannon
Chairman of the Board, President
and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Ellen M. Ingersoll, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Viad Corp;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2003

By /s/ Ellen M. Ingersoll

Ellen M. Ingersoll
Chief Financial Officer

Exhibit 32.1

Certification Pursuant To
18 U.S.C. Section 1350,
As Adopted Pursuant To
Section 906 of the Sarbanes-Oxley Act of 2002

I, Robert H. Bohannon, Chief Executive Officer of Viad Corp, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. the quarterly report on Form 10-Q of Viad Corp for the fiscal quarter ended September 30, 2003 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Viad Corp.

Dated: November 13, 2003

By /s/ Robert H. Bohannon

Robert H. Bohannon
Chief Executive Officer

Exhibit 32.2

Certification Pursuant To
18 U.S.C. Section 1350,
As Adopted Pursuant To
Section 906 of the Sarbanes-Oxley Act of 2002

I, Ellen M. Ingersoll, Chief Financial Officer of Viad Corp, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. the quarterly report on Form 10-Q of Viad Corp for the fiscal quarter ended September 30, 2003 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Viad Corp.

Dated: November 13, 2003

By /s/ Ellen M. Ingersoll

Ellen M. Ingersoll
Chief Financial Officer

End of Filing