

VIAD CORP

FORM 10-K (Annual Report)

Filed 3/25/1994 For Period Ending 12/31/1993

Address	1850 NORTH CENTRAL AVE SUITE 800 PHOENIX, Arizona 85004-4545
Telephone	(602) 207-4000
CIK	0000884219
Industry	Business Services
Sector	Services
Fiscal Year	12/31

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-K

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

For the Fiscal Year Ended December 31, 1993
Commission File Number 001-11015

THE DIAL CORP (Exact name of registrant as specified in its charter)

Delaware (State or Other Jurisdiction of Incorporation or
Organization)

36-1169950 (I.R.S. Employer Identification No.)

Dial Tower, Phoenix, Arizona (Address of principal executive offices)
85077 (Zip Code)

Registrant's telephone number, including area code: 602-207-4000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class -----	Name of each exchange on which registered -----
Common Stock, \$1.50 par value	New York Stock Exchange Pacific Coast Stock Exchange
\$4.75 Preferred Stock (stated value \$100 per share)	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No []

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

As of March 11, 1994, 46,005,354 shares of Common Stock (\$1.50 par value) were outstanding and the aggregate market value of the common Stock (based on its closing price per share on such date) held by nonaffiliates was approximately \$1.98 billion.

DOCUMENTS INCORPORATED BY REFERENCE

Documents -----	Where Incorporated -----
A portion of Proxy Statement for Annual Meeting of Shareholders to be held May 10, 1994	Part III

PART I

ITEM 1. BUSINESS

The Dial Corp ("Dial" or "Company"), conducts a consumer products and services business focused on North American markets producing annual revenues in excess of \$3 billion.

Dial's CONSUMER PRODUCTS segment operates through four divisions, as follows:

PERSONAL CARE, which manufactures and markets DIAL, TONE, SPIRIT, PURE & NATURAL and LIQUID DIAL soaps, and other soap and personal care products;

LAUNDRY, which manufactures and markets PUREX and PUREX ULTRA dry detergent, PUREX heavy duty liquid detergent, TREND, PUREX TOSS 'N SOFT and other laundry products;

HOUSEHOLD, which manufactures and markets RENUZIT air fresheners, BRILLO scouring pads, SNO BOL and SNO DROPS toilet bowl cleaners, PARSONS ammonia, BRUCE floor care products and other household items; and

FOOD, which processes and markets ARMOUR STAR chili, beef stew, corned beef hash and Vienna sausage, TREET luncheon meat and other shelf- stable canned foods, LUNCH BUCKET microwaveable meals and other food products.

Dial's SERVICES business operates in three principal business segments through subsidiary corporations of Dial, as follows:

AIRLINE CATERING AND OTHER FOOD SERVICES, which engages in airline catering operations, providing in-flight meals to more than 60 domestic and international airlines, and operates foodservice facilities ranging from cafeterias in manufacturing plants to corporate executive dining rooms to the food and beverage facilities of the America West Arena in Phoenix, Arizona;

CONVENTION SERVICES, which provides exhibit design and construction and exhibition preparation, installation, electrical, transportation and management services to major trade shows, manufacturers, museums and exhibit halls and other customers; and

TRAVEL AND LEISURE AND PAYMENT SERVICES, which engages in airplane fueling and ground handling, cruise line and hotel/resort operations, recreation and travel services, Canadian intercity bus transportation, and operation of duty-free shops on cruise ships and at international airports, and offers money orders, official checks and negotiable instrument clearing services through a national network of approximately 43,000 retail agents, mid-size bank customers and over 4,500 credit unions in the United States and Puerto Rico.

Dial subsidiaries operate service or production facilities and maintain sales and service offices in the United States, Canada and Mexico. The Company also conducts business in other foreign countries.

Dial had approximately 215 employees at its corporate center at December 31, 1993, providing management, financial and accounting, tax, administrative, legal and other services to its operating units and handling residual matters pertaining to businesses previously discontinued or sold by the Company. Dial is managed by a Board of Directors comprised of 10 nonemployee directors and one employee director and has an executive management team consisting of six Dial officers and seven principal executives of significant operating divisions or companies.

Dial's corporate headquarters and certain Consumer Products division and subsidiary activities are located in Phoenix, Arizona, in a modern high-rise building. A portion of the headquarters building is rented to unaffiliated tenants.

A description of each of the Dial business segments and recent developments in each follows.

CONSUMER PRODUCTS SEGMENT

CONSUMER PRODUCTS is a leading producer and marketer of personal care, laundry, household and shelf-stable food products. This segment is the outgrowth of the Dial personal care and shelf-stable canned meats unit of Armour and Company, expanded in recent years to include PUREX household and laundry products, BORAXO household and industrial specialty products, BRECK hair care products and RENUZIT air fresheners. The segment manufactures and markets a variety of products, including bar and liquid soaps, liquid and powdered detergents, antiperspirants, hairsprays, shampoos, hair conditioners, bleaches, fabric softeners, soap pads, air fresheners, floor care products, household cleaners, fabric sizing, laundry starch products, borax and industrial specialties products, microwaveable food products and canned meats.

PERSONAL CARE

Personal Care products are marketed under a number of brand names, including DIAL, MOUNTAIN FRESH DIAL, TONE, PURE & NATURAL, SPIRIT and FELS NAPHTHA soaps, LIQUID DIAL antibacterial soap, BORAXO powdered hand soap and DIAL antiperspirant. Personal Care also markets the BRECK line of hair care products, including hair sprays, shampoos and hair conditioners. DIAL bar soap is the nation's leading deodorant soap and LIQUID DIAL soap is the nation's leading antibacterial liquid soap. SPIRIT bar soap, a three-in-one

combination bar soap that cleans, moisturizes and provides deodorant protection, is now available nationally. In late 1993, DIAL PLUS soap, an antibacterial skin care bar soap with moisturizing ingredients was introduced nationally. Personal Care also markets hotel amenity products, including personal-size bar soaps under the DIAL, TONE and PURE & NATURAL labels, and industrial specialties products, including hand soaps and soap dispensers, sold under the BORAXO and LURON trademarks, hand and body surface cleaners for the medical market and hand cleaners for the automotive market.

LAUNDRY

Laundry products include brands such as PUREX liquid, powdered and ultra laundry detergents, TREND and ULTRA TREND dry detergents, DUTCH detergents, PUREX TOSS 'N SOFT and STA PUF fabric softeners, MAGIC sizing and starch, BORATEEM dry bleach, STA-FLO starch, and 20 MULE TEAM borax.

In 1993, Laundry introduced several new products and line extensions, including PUREX liquid detergent with bleach, RINSE 'N SOFT fabric softener, ULTRA TREND detergent and CLASSIC PUREX detergent and TREND detergent with bleach.

HOUSEHOLD

Household products include brands such as RENUZIT air fresheners, BRILLO soap pads, SNO BOL and SNO DROPS toilet bowl cleaners, CAMEO powdered cleanser, PARSONS and BO-PEEP ammonia and BRUCE floor care products.

The RENUZIT air freshener brand was acquired in the second quarter of 1993. RENUZIT, a leading brand in the air freshener category, currently offers products for the continuous-action and aerosol segments of the air freshener market, including RENUZIT Adjustable, RENUZIT Aerosol and ROOMMATE products and has completed its rollout of RENUZIT LONGLAST ELECTRIC product, the brand's entry into the electric subsegment of the air freshener category.

In 1993, Household introduced SNO BOL thick toilet bowl cleaner and a larger DOBIE scouring pad.

FOOD

In the shelf-stable food category, CONSUMER PRODUCTS processes and markets ARMOUR STAR and TREET canned meats, LUNCH BUCKET microwaveable meals, APPIAN WAY pizza mix, SUNRISE syrup and CREAM corn starch. ARMOUR STAR products maintain a leading market position in the canned meats category. ARMOUR STAR Vienna sausage, potted meat and dried beef lead their respective segments on a national basis. ARMOUR STAR canned meats now account for nearly one-fifth of all canned meat sales in the United States. During 1993, CONSUMER PRODUCTS introduced ARMOUR hot dog chili sauce, ARMOUR meatless sloppy joe sauce and ARMOUR western-style chili, and began test marketing VILLA LORENZO PASTA FOR ONE microwaveable meals, a seven item line of single-serving dry pastas with sauce pouches.

CUSTOMERS

CONSUMER PRODUCTS sells to over 15,000 customers, primarily in the United States, including supermarkets, drug stores, wholesalers, mass merchandisers, membership club stores and other outlets. These customers are served by a national sales organization of approximately 370 employees organized into 6 individual sales regions plus specialized sales operations which sell to large mass merchandisers, membership club stores, chain drug stores, vending and military customers.

RAW MATERIALS

Ample sources of raw materials are available with respect to all major products of the CONSUMER PRODUCTS segment.

COMPETITION

CONSUMER PRODUCTS competes primarily on the basis of price, brand advertising, customer service, product performance, and product identity and quality. Its operations must compete with numerous well-established local, regional and national companies, some of which are very large and act aggressively in obtaining and defending their products' market shares and brands. Principal competitors, in one or more categories, are Procter & Gamble, Colgate-Palmolive, Lever Brothers Co., American Home Food Products, G. A. Hormel & Co., The Clorox Company, Church & Dwight and S.C. Johnson & Son, Inc.

SERVICES SEGMENTS

SERVICES is built around several company groups which are leading competitors in their businesses, including companies engaged in airline catering (Dobbs International), contract foodservices (Restaura), convention services (GES Exposition Services and Exhibitgroup), payment services (Travelers Express), airplane fueling and ground handling (Aircraft Service International), Canadian intercity bus service (Greyhound Lines of Canada), family cruises (Premier Cruise Lines), airport and cruise ship duty-free businesses (Greyhound Leisure Services), and travel services (Jetsave and Crystal Holidays).

SERVICES provides specialized services to both the business and consumer markets, increasingly in the airline travel and leisure services areas. Its money order business, travel and tour operations, restaurants, fast food outlets, gift shops, national park hotel facilities, cruise ships, and duty-free shops located at airports and on cruise ships are directed primarily to the consumer market. Primarily for the business market, in major cities throughout the United States, SERVICES provides airline in-flight catering operations as well as contract foodservices in the form of cafeteria-style operations, private dining rooms, group catering and machine-vended services; performs services as decorating contractor at

various convention and trade show sites; designs, fabricates, ships and warehouses displays and exhibits for trade shows, conventions and other exhibitions; and engages in aircraft ground-handling services such as aircraft fueling, cleaning and baggage handling.

AIRLINE CATERING AND OTHER FOOD SERVICES

SERVICES conducts airline catering operations under the "Dobbs" name through the Dobbs International group of companies. Dobbs International, which has been conducting airline catering operations since 1941, will become the nation's largest domestic in-flight caterer as a result of its agreement made in November 1993 to acquire from United Airlines 15 in-flight catering kitchens at 12 domestic airports. The acquisition will be phased-in over a period ending in May 1994. Dobbs International will be United's exclusive in-flight caterer at the 12 locations where the kitchens are located. The company also recently expanded its presence in the United Kingdom by the acquisition in February 1994 of 4 catering kitchens in England and Scotland. In 1993, Dobbs International's in-flight catering operations provided in-flight meals to more than 60 domestic and international airlines at 44 airports in the United States plus Heathrow Airport, London, England, and Glasgow Airport, Scotland, and in 1994, as a result of the recent acquisitions, will provide in-flight meals to more than 60 domestic and international airlines at 51 airports. Dobbs International has been involved in a "Quality Improvement Process" for many years and has been recognized for its innovations by its customers and suppliers.

Other food services are provided through the Restaura group of companies. The contract foodservice division of Restaura serves meals to employees at approximately 200 locations, including employees of major companies such as General Motors, IBM and Ford, through cafeteria, executive dining rooms and vending operations. Restaura also acts as the prime concessionaire for all food and beverage services at the America West Arena in Phoenix, Arizona, and operates 7 historic lodges in and around Glacier National Park in Montana and Canada.

CONVENTION SERVICES

Convention services are provided by the Company's GES Exposition and Exhibitgroup companies. GES Exposition, the nation's leading supplier of convention services, provides decorating, exhibit preparation, installation, electrical, transportation and management services for conventions and tradeshow. During 1993 Convention services acquired United Exposition Services Co., Inc., a general-service convention contractor serving locations primarily in the eastern United States; Andrews, Bartlett & Associates, Inc., which has major operations in Chicago, Cleveland, Orlando, New Orleans, Washington, D.C. and Atlanta; and Gelco Convention Services, Inc., which operates principally in the southeastern United States. Exhibitgroup is a leading designer and builder of custom and rental convention exhibits and displays.

TRAVEL AND LEISURE AND PAYMENT SERVICES

Travel and leisure services directed to the consumer market are provided by the Premier Cruise Lines, Greyhound Leisure Services, Jetsave, Crystal Holidays and Greyhound Lines of Canada business units.

Premier Cruise Lines provides three and four-day BIG RED BOAT cruises from Port Canaveral, Florida, to the Bahamas and, commencing in April 1994, from Port Tampa, Florida, to Mexico and Key West, and offers a seven-day package which combines a cruise with a three or four-day vacation at Walt Disney World or Universal Studios and Sea World. Premier operates three cruise ships, the Star/Ship Oceanic, the Star/Ship Atlantic and the Star/Ship Majestic. Cruise destinations offer various underwater diving and snorkeling attractions, historical tours, sandy beaches and shopping opportunities. Premier has contracted with Warner Bros. for the right to use Warner Bros.' famous LOONEY TUNES characters (Bugs Bunny and others) commencing in April 1994 for entertainment on board Premier Cruise Lines' ships. Premier's status as Official Cruise Line of Walt Disney World will expire March 31, 1994.

Greyhound Leisure Services operates duty-free shipboard concessions on 56 cruise ships and also operates duty-free shops at the Chicago, Miami and Fort Lauderdale/Hollywood Florida international airports, and in Washington, D.C. Other recreation and travel services are provided under the Jetsave and Crystal Holidays names. Jetsave and Crystal Holidays are leading United Kingdom operators of tour packages and specialty tours throughout Europe, and from Europe to the United States, Canada and the Bahamas.

Greyhound Lines of Canada Ltd. ("GLOC"), a Canadian publicly traded company, is a 69%-owned subsidiary which operates the largest intercity bus transportation system for passengers, charter service and courier express in Canada. Routes connect with those of other intercity bus carriers, providing interconnecting service to areas of the United States and Canada not served directly by GLOC. GLOC owns and operates 465 intercity coaches. Brewster Transport Company, Ltd., a subsidiary of GLOC, operates tour and charter buses in the Canadian Rockies, engages in travel agency, hotel and snocoach tour operations and holds a joint venture interest in the Mt. Norquay ski attraction in Banff, Canada. Brewster owns and operates 87 intercity coaches, and 13 snocoaches which transport sightseers on tours of the Columbia Icefield.

The Aircraft Service International group of companies provides aircraft ground-handling services such as aircraft fueling, aircraft cleaning and baggage handling for major domestic and foreign airlines at 28 airports throughout the United States and in Freeport, Bahamas and London, England.

The Travelers Express group of companies engages in the sale of money orders to the public through approximately 43,000 agent locations in the United States and Puerto Rico. Travelers Express is the nation's leading issuer of money orders, issuing approximately 236 million money orders in 1993. The United States Postal Service, which is the second largest issuer, issued approximately 180 million money orders in 1993. Travelers Express also provides processing services for more than 4,500 credit unions and other financial institutions which offer share drafts (the credit union industry's version of a personal check) or official checks (used by financial institutions in place of their own bank check or teller check). Republic Money Order Company, a Travelers Express unit, is a leader in the issuance of money orders through chain convenience and supermarket stores and in money order-issuance technology.

Virtually all airport concessions operated by the Company, other than certain concessions at Hartsfield Atlanta International Airport, which are scheduled to expire September 30, 1994, were sold to Host International, Inc., during the second half of 1992.

COMPETITION

SERVICES companies generally compete on the basis of price, quality, convenience and service, and encounter substantial competition from a large number of providers of similar services, including numerous well-known local, regional and national companies, cruise lines, private money order companies and the U.S. Postal Service (money orders), many of which have greater resources than the Company. Dobbs International also competes on the basis of reliability, appearance of kitchen facilities, quality of truck fleet and on-time record. Caterair International Corporation, Sky Chefs, Inc., and Ogden Corporation are the principal competitors of Dobbs International. Freeman Decorating Company is the principal competitor of GES Exposition.

GLOC competes primarily on the basis of price and service. Principal competitors include airlines, private automobiles and other intercity bus lines.

PATENTS AND TRADEMARKS

United States trademark registrations are for a term of 10 years, renewable every 10 years so long as the trademarks are used in the regular course of trade; patents are granted for a term of 17 years. The Dial companies maintain a portfolio of trademarks representing substantial goodwill in the businesses using the marks, and own many patents which give them competitive advantages in the marketplace.

Many trademarks used by CONSUMER PRODUCTS, including DIAL, PURE & NATURAL, ARMOUR STAR, TONE, TREET, PARSONS, BRUCE, PUREX, DUTCH, RENUZIT, BRILLO, SNO BOL, BRECK, TREND, PUREX TOSS N' SOFT, STA PUF, FLEECY WHITE, 20 MULE TEAM, BORAXO, LUNCH BUCKET, and MAGIC trademarks, and by SERVICES, including the DOBBS, PREMIER CRUISE LINES, BIG RED BOAT and TRAVELERS EXPRESS service marks, have substantial importance and value. Use of the ARMOUR and ARMOUR STAR trademarks by CONSUMER PRODUCTS is permitted by a license expiring in 2043 granted by ConAgra, Inc. and use of the 20 MULE TEAM trademark is permitted by a perpetual license granted by U.S. Borax, Inc. In addition, certain subsidiaries within SERVICES use the Greyhound and the Image of the Running Dog marks in connection with their businesses. CONSUMER PRODUCTS also has the right, pursuant to license agreements, to operate under certain third-party patents covering specific technologies.

GOVERNMENT REGULATION

Substantially all of the operations of CONSUMER PRODUCTS and many of the operations of SERVICES are subject to various federal laws and agency regulation, in particular, the Food, Drug and Cosmetic Act, the Food and Drug Administration, the Department of Agriculture, the Federal Maritime Commission, and various state laws and regulatory agencies. In addition, other subsidiaries of Dial are subject to similar laws and regulations imposed by foreign jurisdictions. Both rates and routes of GLOC are regulated by federal and provincial authorities of Canada.

ENVIRONMENTAL

Dial and its subsidiaries are subject to various environmental laws and regulations in the United States, Canada and other foreign countries where they have operations or own real estate. Dial cannot accurately predict future expenses or liability which might be incurred as a result of such laws and regulations. However, Dial believes that any liabilities resulting therefrom, after taking into consideration Dial's insurance coverage and amounts previously provided, should not have any material adverse effect on Dial's financial position or results of operations.

EMPLOYEES

EMPLOYMENT AT DECEMBER 31, 1993

SEGMENT	APPROXIMATE NUMBER OF EMPLOYEES	EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS
Consumer Products	4,000	2,100
Airline Catering and Other Food Services	11,900	5,800
Convention Services	2,500	1,100
Travel and Leisure and Payment Services	7,600	3,200

Dial believes that relations with its employees are satisfactory and that collective bargaining agreements expiring in 1994 will be renegotiated in the ordinary course without adverse effect on Dial's operations.

SEASONALITY

The first quarter is normally the slowest quarter of the year for Dial. Consumption patterns, current marketing practices and competition cause CONSUMER PRODUCTS' revenues and operating income to be highest in the second and fourth quarters. Due to increased leisure travel during the summer and year-end holidays, Dial's airline catering, cruise ship and intercity bus travel operations experience peak activity at these times. Convention service companies generally experience increased activity during the first half of the year.

RESTRUCTURING MATTERS

On August 5, 1993, Dial completed the initial public offering of 20 million shares of common stock of Motor Coach Industries International, Inc. (NYSE:MCO), its transportation manufacturing and service parts subsidiary. The transaction followed the March 1992 spin-off of GFC Financial Corporation (NYSE:GFC), a corporation which comprised substantially all of the financial services and insurance businesses of Dial, and was the final step in Dial's restructuring plan to focus its financial and management resources on its consumer products and services

business.

See Note D of Notes to Consolidated Financial Statements for further information concerning the sale of the Company's transportation manufacturing and service parts segment and the spin-off of GFC Financial Corporation.

REINCORPORATION MERGER

At a special meeting of shareholders of The Dial Corp, an Arizona Corporation ("Arizona Dial"), held on March 3, 1992, shareholders of Arizona Dial approved a reincorporation merger proposal to change Arizona Dial's state of incorporation from Arizona to Delaware by means of a merger in which Arizona Dial would be merged with and into Dial. The merger was effected on March 3, 1992.

BUSINESS SEGMENTS

Principal business segment information is set forth in Annex A attached hereto and made a part hereof.

ITEM 2. PROPERTIES

During December 1993, a subsidiary of Dial acquired the corporation which owned the remaining 49% interest in a joint venture which owns Dial's headquarters building.

Dial owns a 200,000-square-foot facility in Scottsdale, Arizona, which is used by the CONSUMER PRODUCTS segment to conduct much of its research and certain other activities.

CONSUMER PRODUCTS operates 13 plants in the United States, 1 plant in Mexico, and 7 offices in 7 foreign countries. All of the plants are owned; 6 of the offices are leased. Principal manufacturing plants are as follows:

LOCATION - - - - -	SQ. FEET - - - - -	PRODUCTS MANUFACTURED - - - - -
Aurora, IL	425,000	Bar Soaps
Fort Madison, IA	453,000	Canned Meats, Microwaveable Meals
St. Louis, MO	475,000	Bleach, Ammonia, Fabric Softener, Laundry Detergents
Bristol, PA	253,700	Dry Detergents and Cleansers
Hazelton, PA	232,000	Liquid Detergents, Ammonia, Scouring Pads, Fabric Softener
Auburndale, FL	208,000	Bleach, Ammonia, Fabric Softener, Dishwashing Detergents
Memphis, TN	130,000	Dial Liquid Soap, Antiperspirants, Shampoos and Conditioners, Hotel Amenities (shampoos, conditioners and hand lotions)

AIRLINE CATERING AND OTHER FOOD SERVICES operates 14 offices, 53 catering kitchens, 37 foodservice facilities and 7 lodges with ancillary foodservice and recreational facilities. All of the properties are in the United States, except for 2 catering kitchens, 1 foodservice facility and 1 lodge which are located in foreign countries. Ten of the catering kitchens, 2 hotels and 3 of the foodservice facilities are owned; all other properties are leased. Five of the hotels are operated pursuant to a concessionaire agreement.

CONVENTION SERVICES operates 29 offices and 26 exhibit construction and warehouse facilities. All of the properties are in the United States. One of the offices and one of the warehouses are owned; all other properties are leased.

TRAVEL AND LEISURE AND PAYMENT SERVICES operates 54 offices, 191 duty-free shops, 3 cruise ships and 6 hotels with ancillary foodservice and recreational facilities. All of the properties are in the United States, except for 9 offices and 3 hotels, which are located in foreign countries. Travel and Leisure and Payment Services owns 2 of the hotels, leases 1 of the hotels, has a partial interest in the other hotel for which it is also the lessee and operator, and operates 2 of the hotels under management contract. One of the cruise ships is owned; all other properties are leased. Approximate passenger capacity of the cruise ships is 1600, 1500 and 1000 persons, respectively. This segment also operates certain airport concessions which, as discussed earlier, are scheduled to expire September 30, 1994.

GLOC operates 10 terminals and 7 garages in Canada. Five terminals and 6 garages are owned; the other properties are leased. In addition, bus stop facilities at approximately 600 locations in Canada are provided by commission agents. Principal properties of GLOC are as follows:

LOCATION - - - - -	SQ. FEET - - - - -	FUNCTION - - - - -
Calgary, Alberta	179,000	Terminal and Headquarters Office
Edmonton, Alberta	63,000	Terminal
London, Ontario	12,000	Terminal
Vancouver, British Columbia	23,000	Terminal
Winnipeg, Manitoba	21,000	Terminal
Edmonton, Alberta	23,000	Garage
Winnipeg, Manitoba	39,000	Garage
Toronto, Ontario	46,000	Garage
Vancouver, British Columbia	16,000	Garage
Calgary, Alberta	135,000	Maintenance and Overhaul Center

Of the property owned by Dial, only the facility in Auburndale, Florida, is subject to a mortgage with \$3,989,000 outstanding at December 31, 1993.

Management believes that Dial's facilities in the aggregate are adequate and suitable for their purposes and that capacity is sufficient for current needs.

ITEM 3. LEGAL PROCEEDINGS

During the fourth quarter of 1993, the Company settled the matter of John E. Washburn, Director of Insurance for the State of Illinois, as Liquidator of Pine Top Insurance Company vs. Ralph C. Batastini, et al. The net cost of the settlement is not material to the Company and is being charged against a previously provided reserve. The lawsuit was instituted June 20, 1988, in Circuit Court of Cook County, Illinois. Plaintiff alleged negligent management on the part of certain directors and officers of Pine Top Insurance Company ("PTIC"), a discontinued insurance operation.

On February 14, 1992, Transportation Manufacturing Corporation, a former subsidiary of Dial ("TMC"), filed a lawsuit against Chicago Transit Authority ("CTA") in the United States District Court for the District of New Mexico. The lawsuit arises from a contract between TMC and CTA for the manufacture and delivery of 491 wheelchair-lift transit buses. In addition to relief from any liquidated damages for late deliveries, TMC is seeking reimbursement for increased costs due to changes, delays and interferences TMC alleges were caused by CTA. TMC is also seeking treble damages under the New Mexico Unfair Trade Practices Act, alleging that CTA breached its covenant of good faith and fair dealing in the handling of this contract with TMC. TMC was divested by the Company in connection with its sale of MCII in August 1993, but the Company retained rights to certain recoveries, indemnified MCII against certain costs and damages and continued to direct the litigation pursuant to a Litigation Cooperation Agreement. On January 12, 1994, TMC and CTA agreed on a tentative settlement under which the Company would realize certain recoveries. Settlement documents are being finalized.

The Company and certain subsidiaries are parties either as plaintiffs or defendants to various other actions, proceedings and pending claims, certain of which are or purport to be class actions. The pending cases range from claims for additional employment benefits to cases involving accidents, injuries, product liability or business contract disputes, certain of which involve claims for compensatory, punitive or other damages in material amounts. Litigation is subject to many uncertainties and it is possible that some of the legal actions, proceedings or claims referred to above could be decided against Dial. Although the amount of liability at December 31, 1993, with respect to matters where Dial is defendant is not ascertainable, Dial believes that any resulting liability should not materially affect Dial's financial position or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITYHOLDERS.

No matters were submitted to a vote of securityholders during the fourth quarter of 1993.

OPTIONAL ITEM. EXECUTIVE OFFICERS OF REGISTRANT.

The names, ages and positions of the executive officers of the Company as of March 15, 1994, are listed below:

NAME	AGE	OFFICE	EXECUTIVE POSITION HELD SINCE
- - - - -	---	-----	-----
John W. Teets	60	Chairman, President and Chief Executive Officer and Director and Chairman of Executive Committee of Registrant	1982
Frederick G. Emerson	60	Vice President and Secretary of Registrant	1977
Joan F. Ingalls	45	Vice President-Human Resources of Registrant	1991
F. Edward Lake	59	Vice President-Finance of Registrant	1987
L. Gene Lemon	53	Vice President and General Counsel of Registrant	1979
Richard C. Stephan	54	Vice President- Controller of Registrant	1980
William L. Anthony	51	Executive Vice President-Administration and Controller, Consumer Products Group of Registrant	1987
Robert H. Bohannon	49	President and Chief Executive Officer of Travelers Express	1993

		Company, Inc., a subsidiary of Registrant	
Mark R. Shook	39	Executive Vice President-General Manager, Laundry and International Divisions, Consumer Products Group of Registrant	1994
Karen L. Hendricks	46	Executive Vice President-General Manager, Personal Care Division, Consumer Products Group of Registrant	1992
Frederick J. Martin	59	President of Dobbs International Services, Inc., a subsidiary of Registrant	1985
Andrew S. Patti	53	President and Chief Operating Officer of the Consumer Products Group of Registrant	1986
Norton D. Rittmaster	59	Chairman and Chief Executive Officer of GES Exposition Services, Inc., a subsidiary of Registrant	1983
Position currently vacant		Executive Vice President-General Manager, Food Division, Consumer Products Group of Registrant	

Each of the foregoing officers, with the exceptions set forth below, has served in the same, similar or other executive positions with Dial or its subsidiaries for more than the past five (5) years.

Ms. Ingalls has served in her current, or a similar, position since 1990, and prior thereto as Executive Director of Compensation and Benefits of the Registrant.

Mr. Bohannon was elected as President and Chief Executive Officer of Travelers Express Company, Inc. effective March 15, 1993. Prior thereto, he was a senior officer at Marine Midland Bank of Buffalo, New York.

Prior to 1992, Ms. Hendricks was employed at Procter & Gamble as Manager, Worldwide Strategic Planning, Health and Beauty Aids, and prior thereto, as General Manager, US Vidal Sassoon Hair Care Company.

Prior to March 1994, Mr. Shook was Executive Vice President- General Manager, Food and International Divisions, and prior thereto was Vice President and General Manager of the commercial markets business unit of Registrant's Consumer Products Group.

The term of office of the executive officers is until the next annual organization meetings of the Boards of Directors of Dial or appropriate subsidiaries, all of which are scheduled for April or May of this year.

The Directors of Dial are divided into three classes, with the terms of one class of Directors to expire at each Annual Meeting of Stockholders. The current term of office of John W. Teets is scheduled to expire at the 1994 Annual Meeting of Stockholders. Mr. Teets has been nominated for reelection at that meeting for a term expiring in May 1997.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The principal market on which the common stock of Dial is traded is the New York Stock Exchange. The common stock is also listed for trading on the Pacific Exchange, and admitted for trading on the Midwest, Philadelphia and Cincinnati Exchanges. The following tables summarize the high and low market prices as reported on the New York Stock Exchange Composite Tape and the cash dividends declared for the two years ended December 31, 1993:

SALES PRICE RANGE OF COMMON STOCK

CALENDAR QUARTERS	1993		1992	
	HIGH	LOW	HIGH	LOW
First	\$44 1/2	\$39	\$50 5/8(1)	\$37 3/8(1)
Second	43 7/8	36 7/8	39 3/8	33 3/8
Third	41 1/8	35 7/8	39 1/2	35 1/2
Fourth	42 1/4	36 3/4	42	37

DIVIDENDS DECLARED ON COMMON STOCK

CALENDAR QUARTERS	1993	1992(2)
February	\$.28	\$.35
May	.28	.28
August	.28	.28
November	.28	.28
TOTAL	\$1.12	\$1.19

(1) On March 18, 1992, the spin-off of GFC Financial Corporation to the Company's stockholders became effective. The closing price of Dial's shares immediately prior to the spin-off was \$49 and immediately after the spin-off was \$40, as a result of the special distribution. The high and low prices for the period January 1 through March 17, 1992, were \$50 5/8 and \$45 3/8, respectively. The high and low prices for the period March 18 through March 31, 1992, were \$40 1/4 and \$37 3/8, respectively.

(2) The decline in dividends declared per common share in 1992 and 1993 reflects the spin-off of GFC Financial Corporation.

Regular quarterly dividends have been paid on the first business day of January, April, July and October.

As of March 11, 1994, there were 49,576 holders of record of Dial's common stock.

ITEM 6. SELECTED FINANCIAL DATA.

Applicable information is included in Annex A.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

Applicable information is included in Annex A.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

1. Financial Statements--See Item 14 hereof.
2. Supplementary Data--See Condensed Consolidated Quarterly Results in Annex A.

ITEM 9. DISAGREEMENTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

The information regarding Directors of the Registrant is included in Dial's Proxy Statement for Annual Meeting of Shareholders to be held on May 10, 1994 ("Proxy Statement"), and is incorporated herein and made a part hereof. The information regarding executive officers of the Registrant is found as an Optional Item in Part I hereof.

ITEM 11. EXECUTIVE COMPENSATION.

The information is contained in the Proxy Statement and is incorporated herein and made a part hereof.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The information is contained in the Proxy Statement and is incorporated herein and made a part hereof.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

None.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a) List the following documents filed as a part of the report:

1. FINANCIAL STATEMENTS. The following are included in Annex A: Independent Auditors' Report and consolidated financial statements (Balance Sheet, Income, Cash Flows, Common Stock and Other Equity, and Notes to Financial Statements).

2. FINANCIAL STATEMENT SCHEDULES.

Independent Auditors' Report on Schedules to Consolidated Financial Statements of The Dial Corp is found on page F-1 of Annex A.

Schedule I--Marketable Securities --Other Security Investments is found on page F-2 of Annex A.

Schedule IX--Short-term Borrowings.

This information is included in
Management's Discussion and Analysis
of Results of Operations and
Financial Condition and Note G--
Short-Term Debt in Annex A and
is incorporated herein by
reference.

Schedule X--Supplementary Income Statement Information is found on page F-3 of Annex A.

3. EXHIBITS.

- | | |
|-----|--|
| 3.A | Copy of Restated Certificate of Incorporation of Dial, as amended through March 3, 1992, filed as Exhibit (3)(A) to Dial's 1991 Form 10-K, is hereby incorporated by reference. |
| 3.B | Copy of Bylaws of Dial, as amended through February 21, 1992, filed as Exhibit (3)(B) to Dial's 1991 Form 10-K, is hereby incorporated by reference. |
| 4.A | Instruments with respect to issues of long-term debt have not been filed as exhibits to this Annual Report on Form 10-K if the authorized principal amount of any one of such issues does not exceed 10% of total assets of the Company and its subsidiaries on a consolidated basis. The Company agrees to furnish a copy of each such instrument to the Securities and Exchange Commission upon request. |
| 4.B | Copy of Amended and Restated Credit Agreement dated as of December 15, 1993, among Dial, the Banks parties thereto, Bank of America National Trust and Savings Association as Agent and Reporting Agent and Citibank, N.A. as Agent and Funding Agent.* |

- 10.A Copy of Employment Agreement between Dial and John W. Teets dated April 14, 1987, filed as Exhibit (10)(A) to Dial's 1989 Form 10-K, is hereby incorporated by reference.+
- 10.B Sample forms of Contingent Agreements relating to funding of Supplemental Executive Pensions, filed as Exhibit (10)(T) to Dial's 1989 Form 10-K, is hereby incorporated by reference.+
- 10.C Copy of The Dial Corp Supplemental Pension Plan, amended and restated as of January 1, 1987, filed as Exhibit (10)(F) to Dial's 1986 Form 10-K, is hereby incorporated by reference.+
- 10.C1 Copy of amendment dated February 21, 1991, to The Dial Corp Supplemental Pension Plan, filed as Exhibit (10)(G)(i) to Dial's 1990 Form 10-K, is hereby incorporated by reference.+
- 10.D Copy of The Dial Corp 1992 Deferred Compensation Plan for Directors, adopted November 20, 1980, as amended through February 21, 1991, filed as Exhibit (10)(H) to Dial's 1990 Form 10-K, is hereby incorporated by reference.+
- 10.E Copy of The Dial Corp Management Incentive Plan.*+
- 10.F1 Copy of form of Executive Severance Agreement between Dial and three executive officers, filed as Exhibit (10)(G)(i) to Dial's 1991 Form 10-K, is hereby incorporated by reference.+
- 10.F2 Copy of forms of The Dial Corp Executive Severance Plans covering certain executive officers, filed as Exhibit (10)(G)(ii) to Dial's 1992 Form 10-K, is hereby incorporated by reference.+
- 10.G Copy of Travelers Express Company, Inc. Supplemental Pension Plan, filed as Exhibit (10)(L) to Dial's 1984 Form 10-K, is hereby incorporated by reference.+
- 10.H Copy of Greyhound Dial Corporation 1983 Stock Option and Incentive Plan, filed as Exhibit (28) to Dial's Registration Statement on Form S-8 (Registration No. 33-23713), is hereby incorporated by reference.+
- 10.I Copy of The Dial Corp 1992 Stock Incentive Plan, filed as Exhibit (10)(J) to Dial's 1991 Form 10-K, is hereby incorporated by reference.+
- 10.J Description of Spousal Income Continuation Plan, filed as Exhibit 10(Q) to Dial's 1985 Form 10-K, is hereby incorporated by reference.+
- 10.K Copy of The Dial Corp Director's Retirement Benefit Plan, filed as Exhibit (10)(R) to Dial's 1988 Form 10-K, is hereby incorporated by reference.+
- 10.L Copy of The Dial Corp Performance Unit Incentive Plan.*+
- 10.M Copy of The Dial Corp Supplemental Trim Plan, filed as Exhibit (10)(S) to Dial's 1989 Form 10-K, is hereby incorporated by reference.+
- 10.N Copy of Employment Agreement between Greyhound Exposition Services and Norton Rittmaster dated May 20, 1982, filed as Exhibit (10)(O) to Dial's 1992 Form 10-K, is hereby incorporated by reference.+
- 10.O Copy of Greyhound Exposition Services, Inc. Incentive Compensation Plan, filed as Exhibit (10)(P) to Dial's 1992 Form 10-K, is hereby incorporated by reference.+
- 10.P Copy of The Dial Corp Performance-Based Stock Plan.*+
- 10.Q Copy of The Dial Corp Deferred Compensation Plan.*+
- 11 Statement Re Computation of Per Share Earnings.*

Linda Johnson Rice
Dennis C. Stanfill
A. Thomas Young

Date: March 25, 1994

*By: /s/ Richard C. Stephan
Richard C. Stephan
Attorney-in-Fact*

ANNEX "A"

THE DIAL CORP

1993 FINANCIAL INFORMATION

THE DIAL CORP
 SELECTED FINANCIAL AND OTHER DATA
 Year ended December 31,

	1993	1992	1991	1990	1989
OPERATIONS (000 omitted)					
Revenues	\$ 3,000,342	\$ 2,874,088	\$ 2,827,849	\$ 2,851,535	\$ 2,744,611
Income from continuing operations (1)	\$ 110,273	\$ 74,351	\$ 25,755	\$ 75,418	\$ 40,990
Income (loss) from discontinued operations (2)	32,120	(45,125)	(83,363)	(59,045)	67,721
Income (loss) before extraordinary charge and cumulative effect of change in accounting principle	142,393	29,226	(57,608)	16,373	108,711
Extraordinary charge for early retirement of debt	(21,908)				
Cumulative effect of change in accounting principle - SFAS No. 106		(110,741)			
Net income (loss)	\$ 120,485	\$ (81,515)	\$ (57,608)	\$ 16,373	\$ 108,711
INCOME (LOSS) PER COMMON SHARE (dollars)					
Continuing operations (1)	\$ 2.56	\$ 1.74	\$ 0.62	\$ 1.87	\$ 1.02
Discontinued operations (2)	0.75	(1.07)	(2.09)	(1.49)	1.73
Income (loss) before extraordinary charge and cumulative effect of change in accounting principle	3.31	0.67	(1.47)	0.38	2.75
Extraordinary charge	(0.51)				
Cumulative effect of change in accounting principle		(2.64)			
Net income (loss) per common share	\$ 2.80	\$ (1.97)	\$ (1.47)	\$ 0.38	\$ 2.75
Dividends declared per common share (3)	\$ 1.12	\$ 1.19	\$ 1.40	\$ 1.36	\$ 1.32
Average outstanding common and equivalent shares (000 omitted)	42,703	42,013	39,911	39,625	39,128

FINANCIAL POSITION AT YEAR-END (000 omitted)

Total assets	\$ 3,281,088	\$ 3,156,998	\$ 3,493,656	\$ 3,417,956	\$ 3,411,862
Total debt	635,892	707,111	550,017	543,540	532,258
\$4.75 Redeemable preferred stock	6,624	6,620	6,615	6,610	6,605
Common stock and other equity (3)	469,688	390,395	940,721	1,027,382	1,074,969
	=====	=====	=====	=====	=====

PEOPLE

Stockholders of record	51,300	50,688	56,358	59,623	63,440
Employees of continuing businesses (average)	25,025	26,765	29,042	32,009	31,916
	=====	=====	=====	=====	=====

- (1) After deducting restructuring and other charges of \$19,800,000 (after-tax) or \$0.47 per share in 1992 and \$54,871,000 (after-tax) or \$1.37 per share in 1991. See Note C of Notes to Consolidated Financial Statements. Also after deducting \$9,128,000 (after-tax), or \$0.22 per share, in 1992 for increased ongoing expense following adoption of SFAS No. 106 effective as of January 1, 1992. Years prior to 1992 do not include such expenses.
- (2) See Note D of Notes to Consolidated Financial Statements.
- (3) The declines in dividends declared per common share in 1993 and 1992 and in common stock and other equity in 1992 reflect the spin-off of GFC Financial as discussed further in Note D of Notes to Consolidated Financial Statements.

MANAGEMENT'S REPORT ON RESPONSIBILITY FOR FINANCIAL REPORTING

The management of The Dial Corp and its subsidiaries has the responsibility for preparing and assuring the integrity and objectivity of the accompanying financial statements and other financial information in this report. The financial statements were developed using generally accepted accounting principles and appropriate policies, consistently applied, except for the change in 1992 to comply with new accounting requirements for postretirement benefits other than pensions as discussed in Note L of Notes to Consolidated Financial Statements. They reflect, where applicable, management's best estimates and judgments and include disclosures and explanations which are relevant to an understanding of the financial affairs of the Company.

The Company's financial statements have been audited by Deloitte & Touche, independent auditors elected by the stockholders. Management has made available to Deloitte & Touche all of the Company's financial records and related data, and has made appropriate and complete written and oral representations and disclosures in connection with the audit.

Management has established and maintains a system of internal control that it believes provides reasonable assurance as to the integrity and reliability of the financial statements, the protection of assets and the prevention and detection of fraudulent financial reporting. The system of internal control is believed to provide for appropriate division of responsibilities and is documented by written policies and procedures that are utilized by employees involved in the financial reporting process. Management also recognizes its responsibility for fostering a strong ethical climate. This responsibility is characterized and reflected in the Company's Code of Corporate Conduct, which is communicated to all of the Company's executives and managers.

The Company also maintains a comprehensive internal auditing function which independently monitors compliance and assesses the effectiveness of the internal controls and recommends possible improvements thereto. In addition, as part of their audit of the Company's financial statements, the independent auditors review and evaluate selected internal accounting and other controls to establish a basis for reliance thereon in determining the audit tests to be applied. There is close coordination of audit planning and coverage between the Company's internal auditing function and the independent auditors. Management has considered the recommendations of both internal auditing and the independent auditors concerning the Company's system of internal control and has taken actions believed to be cost-effective in the circumstances to implement appropriate recommendations and otherwise enhance controls. Management believes that the Company's system of internal control accomplishes the objectives discussed herein.

The Board of Directors oversees the Company's financial reporting through its Audit Committee, which regularly meets with management representatives and, jointly and separately, with the independent auditors and internal auditing management to review accounting, auditing and financial reporting matters.

/s/ Ermo S. Bartoletti
Ermo S. Bartoletti
Vice President - Internal Auditing

/s/ Richard C. Stephan
Richard C. Stephan
Vice President - Controller

INDEPENDENT AUDITORS' REPORT

To the Stockholders and Board of Directors of The Dial Corp:

We have audited the accompanying consolidated balance sheets of The Dial Corp as of December 31, 1993 and 1992, and the related consolidated statements of income, common stock and other equity and of cash flows for each of the three years in the period ended December 31, 1993. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of The Dial Corp as of December 31, 1993 and 1992, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1993 in conformity with generally accepted accounting principles.

As discussed in Note L of Notes to Consolidated Financial Statements, the Company changed its method of accounting for postretirement benefits other than pensions in 1992.

*/s/ Deloitte & Touche
Deloitte & Touche
Phoenix, Arizona
February 25, 1994*

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION OF THE DIAL CORP

RESULTS OF OPERATIONS:

Dial is a diversified company which sells products and provides services in many markets. Because of this diversity, components of net income are affected, some favorably, others unfavorably, by general economic conditions and other fluctuations which occur in the various markets each year. Inflation has not materially affected operations in recent years.

Dial sold its Transportation Manufacturing and Service Parts Group in 1993 and spun-off GFC Financial Corporation ("GFC Financial") in 1992. The Transportation Manufacturing and Service Parts Group and GFC Financial are presented as discontinued operations for all periods. Such dispositions are discussed further in Note D of Notes to Consolidated Financial Statements.

1993 VS. 1992:

Revenues for 1993 were \$3 billion compared with \$2.9 billion in 1992.

Income from continuing operations was \$110.3 million in 1993, or \$2.56 per share. Before restructuring and other charges, income from continuing operations in 1992 was \$94.2 million, or \$2.21 per share. After restructuring and other charges of \$19.8 million, or \$0.47 per share, Dial had income from continuing operations of \$74.4 million, or \$1.74 per share, in 1992.

Year ended December 31,	1993	1992
INCOME FROM CONTINUING OPERATIONS (000 omitted):		
BEFORE RESTRUCTURING AND OTHER CHARGES	\$ 110,273	\$ 94,151
Restructuring and other charges		(19,800)
INCOME FROM CONTINUING OPERATIONS	\$ 110,273	\$ 74,351
INCOME PER COMMON SHARE FROM CONTINUING OPERATIONS (dollars):		
BEFORE RESTRUCTURING AND OTHER CHARGES	\$ 2.56	\$ 2.21
Restructuring and other charges		(0.47)
INCOME PER COMMON SHARE FROM CONTINUING OPERATIONS	\$ 2.56	\$ 1.74

CONSUMER PRODUCTS. The Consumer Products Group's revenues were up \$144.7 million, or 11 percent from those in 1992. Operating income was up \$20.6 million, or 17 percent over 1992 amounts.

Personal Care Division revenues declined \$700,000 due primarily to a decline in the sales of Breck hair care products. Offsetting this decline were strong showings by all other personal care products, especially the Dial label products. Personal Care Division operating income increased by \$6.4 million due primarily to the increase in Dial product revenues and reduced manufacturing costs. The Breck decline was substantially offset by reduced marketing costs.

Food Division revenues increased \$11.6 million from those of 1992 due to increases in the canned meat line offset in part by a decline in microwaveable product revenue. Operating income increased by \$2.3 million primarily due to the favorable sales mix, the pricing of canned meats and reductions in manufacturing costs of microwaveable products.

Household and Laundry Division revenues increased \$130 million from 1992, led by strong performances in liquid detergents and liquid fabric softeners. The addition of Rinse 'n Soft as a new product in the liquid fabric softener category and the acquisition of Renuzit during the 1993 second quarter contributed to the favorable comparisons between periods. Operating income increased \$10.8 million over 1992 amounts, reflecting higher revenue and improved margins. Margins increased as a result of reduced marketing expenses associated with a modified everyday low pricing strategy.

International revenues and operating results increased \$3.8 million and \$1.1 million, respectively, from those of 1992 due primarily to an expansion program.

SERVICES. During 1993, Dial redefined its Services business into three principal segments for financial reporting purposes. Excluding certain airport concession operations, which were sold in September, 1992, and excluding the effects of \$30 million of restructuring charges in 1992, combined Services revenues and operating income increased \$109.6 million, or 8 percent, and \$11.3 million, or 9 percent, respectively.

AIRLINE CATERING AND OTHER FOOD SERVICES. Revenues of the Airline Catering and Other Food Services Group declined \$26.2 million from those of 1992, while operating income increased \$6.1 million. Airline catering revenues decreased \$21.4 million from those of 1992 due primarily to service cutbacks by major airlines and the effects of the air fare discounts which had boosted 1992 volume; however, operating income was up \$600,000 due to new customers and stringent cost controls. The contract food service companies' revenues were down \$4.8 million, due primarily to closing marginal locations in 1992. Operating income increased \$5.5 million from last year's results, due

primarily to a gain from curtailment of a postretirement benefit plan in 1993.

CONVENTION SERVICES. Convention Services Group revenues and operating income increased \$117.6 million and \$7.6 million, respectively, from those in 1992. Growth in existing business, the inclusion of operations of United Exposition Service Co., Inc. and Andrews, Bartlett and Associates, Incorporated, which were acquired during the second and fourth quarters, respectively, contributed to the increases.

TRAVEL AND LEISURE AND PAYMENT SERVICES. Revenues for the Travel and Leisure and Payment Services Group declined \$109.9 million, and, excluding the effects of \$30 million of restructuring charges in 1992, operating income declined \$11.7 million from 1992 results. The declines were primarily attributable to the sale, in late September 1992, of most of Dial's food and merchandise airport terminal concession operations; as a result, revenues and operating income of sold and miscellaneous operations declined \$113.9 million and \$6.8 million, respectively, from those in 1992.

Revenues and operating income for aircraft fueling and other ground-handling services declined \$3.7 million and \$100,000, respectively, due primarily to lower foreign exchange rates.

Revenues and operating income of the transportation services companies increased \$5.5 million and \$2.9 million, respectively, from those of 1992. Continued emphasis on cost control programs, the acquisition of a small transportation services company in late 1992 and a gradually recovering Canadian economy contributed to the improved operating results.

Cruise revenues were down \$20.4 million and operating results decreased \$8.3 million from those of 1992 due to lower passenger counts, increased competition, the major dry-dock of the Oceanic in the 1993 first quarter and the introduction of a new itinerary for the Majestic out of Port Everglades during the second quarter of 1993. Reductions in operating expenses from ongoing cost reduction programs helped limit the decline in operating results.

Travel tour service revenues and operating income decreased \$5 million and \$3.9 million, respectively, due to lower results from the U.K. tour operation which is suffering from a slowly recovering economy. In addition, passenger volume to Florida for 1993 was down 30% from the volume in 1992.

Duty Free and shipboard concession revenues were up \$34.5 million due primarily to new business. Operating income increased \$900,000 from that of 1992 despite start-up costs associated with a major new contract.

Payment service revenues decreased \$6.9 million due primarily to reduced money order revenues and lower investment income due to lower market interest rates and increased investment in tax-exempt securities. Operating income was \$2.7 million ahead of last year's results due primarily to terminating unprofitable business even though investment income was lower for the reasons stated above.

UNALLOCATED CORPORATE EXPENSE AND OTHER ITEMS, NET. Unallocated corporate expense and other items, net, increased \$6.5 million from that in 1992, due primarily to the expiration in early 1993 of subleases of buses and related amortization of deferred intercompany and sale-leaseback profit.

INTEREST EXPENSE. Interest expense was down \$6.1 million from that in 1992, due primarily to lower short-term interest rates and the prepayment of certain high-coupon, fixed-rate debt at the end of the third quarter of 1993.

1992 VS. 1991:

Revenues for 1992 were \$2.9 billion, compared to \$2.8 billion in 1991.

Income from continuing operations before restructuring and other charges described below, was \$94.2 million, or \$2.21 per share, compared with \$80.6 million, or \$1.99 per share, in 1991. After restructuring and other charges of \$19.8 million, or \$0.47 per share, Dial had income from continuing operations of \$74.4 million, or \$1.74 per share, for the year, compared with \$25.8 million, or \$0.62 per share, in 1991 after restructuring and other charges and spin-off transaction costs of \$54.9 million, or \$1.37 per share.

Year ended December 31,	1992	1991
	-----	-----
INCOME FROM CONTINUING OPERATIONS (000 omitted):		
BEFORE RESTRUCTURING AND OTHER CHARGES	\$ 94,151	\$ 80,626
Restructuring and other charges and, in 1991, spin-off transaction costs	(19,800)	(54,871)
	-----	-----
INCOME FROM CONTINUING OPERATIONS	\$ 74,351	\$ 25,755
	=====	=====
INCOME PER COMMON SHARE FROM		
CONTINUING OPERATIONS (dollars):		
BEFORE RESTRUCTURING AND OTHER CHARGES	\$ 2.21	\$ 1.99
Restructuring and other charges and, in 1991, spin-off transaction costs	(0.47)	(1.37)
	-----	-----

The adoption of Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" ("SFAS No. 106") was mandatory for all U.S. public companies beginning in 1993. The statement requires recognition of liabilities for postretirement benefits other than pensions over the period that services are provided by employees, but does not change the pattern of cash payments for such benefits. Dial adopted the new standard in 1992, and recorded the cumulative effect of such initial application rather than amortizing such amount over 20 years, as permitted by the statement. Accordingly, results for 1992 include a one-time charge as of January 1, 1992, for the cumulative effect of the initial application of SFAS No. 106 of \$110.7 million (after-tax), or \$2.64 per share, and an ongoing annual expense increase of \$9.1 million (after-tax), or \$0.22 per share.

RESTRUCTURING AND OTHER CHARGES. Dial recorded restructuring and other charges of \$19.8 million (after-tax), or \$0.47 per share, in the fourth quarter of 1992, attributable to the Travel and Leisure and Payment Services Group, primarily to provide for termination of an unfavorable airport concession contract and related matters, and to provide for costs to reposition the cruise line to compete more effectively in the Caribbean market.

In the fourth quarter of 1991, Dial provided for restructuring and other charges and spin-off transaction costs of \$54.9 million (after-tax), or \$1.37 per share. Of this amount, \$26 million (after-tax) was charged to the Travel and Leisure and Payment Services Group primarily to provide for estimated losses on an unfavorable airport concession contract and for losses as a result of the bankruptcy of a large money order agent in its payment services subsidiary. The remaining provision of \$28.9 million (after-tax) was made primarily to provide for transaction costs arising from the spin-off of GFC Financial and for certain income tax matters related to prior years.

CONSUMER PRODUCTS. The Consumer Products Group reported a \$78.9 million increase in revenues over 1991 amounts, and before the \$6.8 million ongoing expense increase for 1992 resulting from the adoption of SFAS No. 106, operating income increased \$14.8 million over 1991 amounts. The following comments exclude the effects of the ongoing expense increase for 1992 resulting from the adoption of SFAS No. 106.

Revenues and operating income of the Personal Care Division were up \$58.9 million and \$7 million, respectively, from those of 1991. The increases were due primarily to strong sales volume performance for Dial Soap and Liquid Dial.

The Food Division revenues declined \$25.9 million from those of 1991, due primarily to new pricing strategies for microwaveables to adopt everyday low prices, increased competition in the microwaveable meals category and lower meat prices. Operating income of the Food Division increased \$3.2 million as the decline in revenues was offset by lower ingredient costs and other efficiencies.

Household and Laundry Division revenues and operating income increased \$33.3 million and \$7.7 million, respectively, due to increased sales of higher margin detergent products.

International revenues increased \$12.6 million while operating income decreased \$3.1 million from 1991 amounts. The decline in operating results was due primarily to expansion and product introduction costs.

SERVICES. Combined Services companies reported a \$32.7 million decrease in revenues from those of 1991 due primarily to the sale of most airport concession operations in late September 1992. Excluding the effects of \$30 million and \$40 million of restructuring and other charges in 1992 and 1991, respectively, and before the \$1 million, \$700,000 and \$1.5 million expense increases for Airline Catering and Other Food Services, Convention Services, and Travel and Leisure and Payment Services, respectively, for 1992 resulting from the adoption of SFAS No. 106, combined Services operating income increased \$11.6 million over 1991 amounts. The following comments exclude the effects of restructuring and other charges and the ongoing expense increase for 1992 resulting from the adoption of SFAS No. 106.

AIRLINE CATERING AND OTHER FOOD SERVICES. Revenues of the Airline Catering and Other Food Services Group were down \$19.8 million, while operating income increased \$6.3 million from 1991. Airline catering revenues and operating income were up \$27.5 million and \$5.5 million, respectively, primarily as a result of new customers and growth from existing customers, aided in part by the traffic increase from the air fare discounts in the summer of 1992. Contract food service revenues declined \$47.3 million, while operating income increased \$800,000. The sale or closure of unprofitable locations in 1992 contributed to the reduction in contract food revenues.

CONVENTION SERVICES. Revenues and operating income of the Convention Services Group increased \$25.9 million and \$4.2 million, respectively, due primarily to growth in existing convention show services, new customers and somewhat improved margins.

TRAVEL AND LEISURE AND PAYMENT SERVICES. Revenues for the Travel and Leisure and Payment Services Group declined \$38.8 million and operating income increased \$1.1 million from 1991 amounts. The decline in revenues was attributable primarily to the sale, in late September, of most of Dial's food and merchandise airport terminal concession operations. Food and merchandise airport terminal concession and related operations revenues declined \$41.8 million due to the September sale, while operating income was up \$10.8 million from the prior year, aided by increased traffic from summer air fare discounts up to the sale date.

Aircraft fueling and other ground-handling services revenues and operating income increased \$8.2 million and \$1 million, respectively, due to

new customers and growth from existing customers.

Revenues and operating income of the transportation services companies were down \$16.2 million and \$2.2 million, respectively, from those of 1991, reflecting a decrease in ridership as the stagnant Canadian economy continued to lag behind the U.S. recovery. Cost reduction programs helped limit the decline in operating income.

Cruise revenues increased \$1.4 million from those of 1991 due primarily to increased onboard revenues, offset partially by lower passenger counts and per diems. Deep discounting in selling prices, resulting from continued sluggish demand, contributed to lower per diems. The heavy discounts in selling prices and higher promotional costs accounted for the \$1 million decrease in operating income from that of 1991.

Travel tour service revenues and operating income increased \$6.7 million and \$2.3 million, respectively, from 1991 results due primarily to the full-year inclusion of Crystal Holidays Limited which was acquired in mid-1991. In addition, 1991 results were depressed due to the Persian Gulf War and its aftereffects.

Duty Free and shipboard concession revenues and operating income were up \$8.9 million and \$600,000, respectively, from those in 1991 as airport terminal traffic increased and the revenue per passenger on vessels where duty free shops are operated increased.

Payment service revenues were down \$6 million due primarily to lower revenue on investments, money order fees and gains on sale of investments. Operating income was about even with that of 1991 as lower revenues were offset by lower expenses, due primarily to lower provisions for credit losses.

UNALLOCATED CORPORATE EXPENSE AND OTHER ITEMS, NET. Before the \$4.4 million ongoing expense increase for 1992 resulting from the adoption of SFAS No. 106, unallocated corporate expense and other items, net, decreased \$500,000 from that of 1991.

INTEREST EXPENSE. Interest expense was down \$700,000 from that in 1991, due primarily to lower short-term interest rates and the repayment of certain higher cost debt, partially offset by higher average short-term borrowings of commercial paper and promissory notes. Also, the 1991 period had benefited from a reduction of interest previously accrued for a federal tax audit.

LIQUIDITY AND CAPITAL RESOURCES:

Dial's total debt at December 31, 1993 was \$636 million compared to \$707 million at December 31, 1992. The debt to capital ratio was 0.55 to 1 and 0.62 to 1 at December 31, 1993 and December 31, 1992, respectively. Capital is defined as total debt plus minority interests, preferred stock and common stock and other equity.

During the third quarter of 1993, Dial utilized the proceeds from the sale of MCII to repurchase approximately 1,000,000 shares of common stock on the open market and to reduce outstanding short-term debt. Dial also prepaid \$187 million principal amount of long-term, fixed-rate debt having a weighted average interest rate of 10%. These prepayments resulted in an extraordinary charge for early extinguishment of debt of \$21.9 million (net of tax benefit of \$11.8 million).

During 1993, Dial filed a \$300 million Senior Debt Securities Shelf Registration with the Securities and Exchange Commission under which Dial could issue senior notes for various amounts and at various rates and maturities. During 1993, Dial issued \$230 million of debt under the program with maturities of five to eleven years. Subsequent to December 31, 1993, Dial issued the remaining \$70 million of debt under the senior note program with maturities of six to fifteen years.

With respect to working capital, in order to minimize the effects of borrowing costs on earnings, Dial strives to maintain current assets (principally cash, inventories and receivables) at the lowest practicable levels while at the same time taking advantage of the payment terms offered by trade creditors. These efforts notwithstanding, working capital requirements will fluctuate significantly from seasonal factors as well as changes in levels of receivables and inventories caused by numerous business factors.

Dial 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) and the sale of receivables. Short-term borrowings are supported by long-term revolving bank credit agreements or short-term lines of credit. At December 31, 1993, Dial had a \$500 million long-term revolving credit line in place, of which \$257 million was being used to support \$225 million of commercial paper and promissory notes and the guarantee of a \$32 million ESOP loan. Dial's subsidiaries have agreements to sell \$115 million of accounts receivable under which the purchaser has agreed to invest collected amounts in new purchases, providing a stable level of purchased accounts. The commitments to purchase accounts receivable, which are fully utilized, mature in January of each year, but are expected to be extended annually by mutual agreement. The agreements are currently extended to January 1995.

As discussed in Note I of Notes to Consolidated Financial Statements, in September 1992, Dial sold 5,245,900 shares of treasury stock to The Dial Corp Employee Equity Trust (the "Trust") at \$38.125 per share. This Trust is being used to fund certain existing employee compensation and benefit plans over the scheduled 15-year term of the Trust. The Trust acquired the shares of common stock from Dial for a promissory note valued at \$200 million at the date of sale. Proceeds from sales of shares released by the Trust are used to repay Dial's note and thereby satisfy benefit obligations. At December 31, 1993, a total of 3,923,933 shares remained in the Trust and are available to fund future benefit obligations.

Capital spending has been reduced by obtaining, where appropriate, equipment and other property under operating leases. Dial's capital asset needs and working capital requirements are expected to be financed primarily with internally generated funds. Generally, cash flows from operations and the proceeds from the sale of businesses during the past three years along with increased proceeds from the exercise of stock options have been sufficient to finance capital expenditures, the purchase of businesses and cash dividends to shareholders. Dial expects these trends to continue with operating cash flows and proceeds from stock issuances generally being sufficient to finance its business. Should financing requirements exceed such sources of funds, Dial believes it has adequate external financing sources available to cover any such shortfall.

As indicated in Note L of Notes to Consolidated Financial Statements, although Dial has paid the minimum funding required by applicable regulations, certain pension plans remain underfunded while others are overfunded. The deficiency in funding of the underfunded plans is expected to be reduced through the payment of the minimum funding requirement over a period of several years. Unfunded pension and other postretirement benefit plans require payments over extended periods of time. Such payments are not likely to materially affect Dial's liquidity.

As of December 31, 1993, Dial has recorded U.S. deferred income tax benefits under SFAS No. 109 totaling \$170 million, which Dial believes to be fully realizable in future years. The realization of such benefits will require average annual taxable income over the next 15 years (the current Federal loss carryforward period) of approximately \$30 million. Dial's average U.S. pretax reported income, exclusive of nondeductible goodwill amortization but after deducting restructuring and other charges, over the past three years has been approximately \$113 million. Furthermore, approximately \$112 million of the deferred income tax benefits relate to pensions and other postretirement benefits which will become deductible for income tax purposes as they are paid, which will occur over many years.

Dial is subject to various environmental laws and regulations of the United States as well as of the states in whose jurisdictions Dial operates. As is the case with many companies, Dial faces exposure to actual or potential claims and lawsuits involving environmental matters. Dial believes that any liabilities resulting therefrom should not have a material adverse effect on Dial's financial position or results of operations.

BUSINESS OUTLOOK AND RECENT DEVELOPMENTS:

In November 1993, Dial announced the finalization of an agreement to purchase 15 in-flight catering kitchens from United Airlines. Dial purchased the first four kitchens on December 30, with the remaining kitchens expected to be phased-in during the first and second quarters of 1994. In February 1994, Dial announced that it had reached an agreement to acquire the assets of Steels Aviation Services Limited, a British airline caterer that operates four airline catering kitchens in England and Scotland. Management anticipates financing the acquisitions through cash flow from operations and long-term debt.

The business outlook holds many uncertainties. Proposed legislation, health care costs, interest rates, tax law changes, environmental issues, competitive pressures from within the marketplace and the unpredictable economic environment, will all affect the growth and future of Dial. Dial remains aggressive in its commitment to monitor and reduce costs and expenses, positioning Dial to continue to produce positive results in the years ahead.

THE DIAL CORP CONSOLIDATED BALANCE SHEET

December 31, (000 omitted)	1993	1992
	-----	-----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 10,659	\$ 43,917
Receivables, less allowance of \$22,597 and \$28,708	199,996	126,536
Inventories	216,837	167,930
Deferred income taxes	46,373	46,142
Other current assets	43,082	29,963
	-----	-----
	516,947	414,488
 Funds and agents' receivables restricted for payment service obligations, after eliminating \$65,000 invested in Dial commercial paper	 535,657	 653,102
	-----	-----
Total current assets	1,052,604	1,067,590
Investments restricted for payment service obligations	574,094	376,078
Property and equipment	740,724	648,694
Other investments and assets	59,757	79,202
Investment in discontinued operations		248,664
Deferred income taxes	124,096	137,863
Intangibles	729,813	598,907
	-----	-----
	\$ 3,281,088	\$ 3,156,998
	=====	=====

December 31, (000 omitted)	1993	1992
	-----	-----
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term bank loans	\$ 8,935	\$ 2,492
Accounts payable	248,975	190,895
Accrued compensation	69,060	69,186
Other current liabilities	272,430	241,088
Current portion of long-term debt	2,295	20,936
	-----	-----
Payment service obligations	601,695	524,597
	1,147,063	1,085,042
	-----	-----
Total current liabilities	1,748,758	1,609,639
Long-term debt	624,662	683,683
Pension and other benefits	295,656	310,114
Other deferred items and insurance reserves	99,834	118,886
Commitments and contingent liabilities (Notes B, I, M, N and O)		
Minority interests	35,866	37,661
\$4.75 Redeemable preferred stock	6,624	6,620
Common stock and other equity:		
Common stock, \$1.50 par value, 200,000,000 shares authorized, 48,554,362 shares issued	72,832	72,832
Additional capital	378,814	390,790
Retained income	304,481	234,655
Cumulative translation adjustments	(9,889)	(11,341)
Unearned employee benefits related to:		
Employee Equity Trust	(158,429)	(211,571)
Guarantee of ESOP debt	(31,511)	(33,584)
Common stock in treasury, at cost, 2,536,354 and 1,647,493 shares	(86,610)	(51,386)
	-----	-----
Total common stock and other equity	469,688	390,395
	-----	-----
	\$ 3,281,088	\$ 3,156,998
	=====	=====

See Notes to Consolidated Financial Statements.

THE DIAL CORP STATEMENT OF CONSOLIDATED INCOME

Year ended December 31,

(000 omitted, except per share data)

	1993	1992	1991
	-----	-----	-----
REVENUES	\$ 3,000,342	\$ 2,874,088	\$ 2,827,849
	-----	-----	-----
Costs and expenses:			
Costs of sales and services	2,725,049	2,621,372	2,591,571
Restructuring and other charges		30,000	64,000
Unallocated corporate expense			
and other items, net	50,061	43,519	39,587
Interest expense	49,965	56,049	56,768
Minority interests	3,618	2,814	3,543
	-----	-----	-----
	2,828,693	2,753,754	2,755,469
	-----	-----	-----
Income before income taxes	171,649	120,334	72,380
Income taxes	61,376	45,983	46,625
	-----	-----	-----
INCOME FROM CONTINUING OPERATIONS	110,273	74,351	25,755
Income (loss) from discontinued operations	32,120	(45,125)	(83,363)
	-----	-----	-----
Income (loss) before extraordinary charge			
and cumulative effect of change in			
accounting principle	142,393	29,226	(57,608)
Extraordinary charge for early			
retirement of debt, net of			
tax benefit of \$11,833	(21,908)		
Cumulative effect, net of tax benefit			
of \$63,542, to January 1, 1992, of			
initial application of SFAS No. 106,			
"Employers' Accounting for Postretirement			
Benefits Other Than Pensions"		(110,741)	
	-----	-----	-----
NET INCOME (LOSS)	\$ 120,485	\$ (81,515)	\$ (57,608)
	=====	=====	=====
INCOME (LOSS) PER COMMON SHARE:			
Continuing operations	\$ 2.56	\$ 1.74	\$ 0.62
Discontinued operations	0.75	(1.07)	(2.09)
	-----	-----	-----
Income (loss) before extraordinary			
charge and cumulative effect of			
change in accounting principle	3.31	0.67	(1.47)
Extraordinary charge	(0.51)		
Cumulative effect to January 1, 1992,			
of initial application of SFAS No. 106		(2.64)	
	-----	-----	-----
NET INCOME (LOSS) PER COMMON SHARE	\$ 2.80	\$ (1.97)	\$ (1.47)
	=====	=====	=====
Dividends declared per common share	\$ 1.12	\$ 1.19	\$ 1.40
	=====	=====	=====
Average outstanding common			
and equivalent shares	42,703	42,013	39,911
	=====	=====	=====

See Notes to Consolidated Financial Statements.

THE DIAL CORP STATEMENT OF CONSOLIDATED CASH FLOWS

Year ended December 31, (000 omitted)	1993	1992	1991
	-----	-----	-----
CASH FLOWS PROVIDED (USED) BY			
OPERATING ACTIVITIES:			
Net income (loss)	\$ 120,485	\$ (81,515)	\$ (57,608)
Adjustments to reconcile net income (loss) to net cash provided (used) by operations:			
Depreciation and amortization	100,160	100,935	97,016
Deferred income taxes	35,943	18,915	(3,521)
Extraordinary charge for early retirement of debt	21,908		
Cumulative effect of change in accounting principle		110,741	
Restructuring and other charges		30,000	64,000
(Income) loss from discontinued operations	(32,120)	45,125	83,363
(Gain) loss on sale of businesses and property	(2,128)	310	(3,968)
Other noncash items, net	25,752	15,059	(5,538)
Change in operating assets and liabilities:			
Receivables	(49,657)	19,764	(30,097)
Inventories	(29,692)	(4,859)	3,213
Payment service assets and obligations, net	(41,717)	(38,425)	10,693
Accounts payable and accrued compensation	31,825	(22,692)	62
Other current liabilities	539	(78,222)	(56,163)
Other assets and liabilities, net	(11,991)	(38,369)	29,020
	-----	-----	-----
Net cash provided by operating activities	169,307	76,767	130,472
	-----	-----	-----
CASH FLOWS PROVIDED (USED) BY			
INVESTING ACTIVITIES:			
Capital expenditures	(114,624)	(109,131)	(126,260)
Acquisitions of businesses and other assets, net of cash acquired	(216,787)	(7,192)	(34,495)
Proceeds from sale of shares of the Transportation Manufacturing and Service Parts Group	245,700		
Proceeds from sale of businesses and property	19,459	54,891	24,777
Investment in and advances from discontinued operations, net	35,084	(138,563)	27,641
Other, net	(288)	(347)	(2,155)
	-----	-----	-----
Net cash used by investing activities	(31,456)	(200,342)	(110,492)
	-----	-----	-----
CASH FLOWS PROVIDED (USED) BY			
FINANCING ACTIVITIES:			
Proceeds from long-term borrowings	229,358		
Payments on long-term borrowings	(196,611)	(21,557)	(83,435)
Extraordinary charge for early retirement of debt	(21,908)		
Net change in short-term borrowings	(105,338)	178,255	94,740
Dividends on common and preferred stock	(48,345)	(50,180)	(56,597)
Proceeds from sale of treasury stock	43,286	57,949	27,932
Common stock purchased for treasury	(38,642)	(417)	(1,921)
Net change in receivables sold		26,800	(5,200)
Proceeds from interest rate swaps			38,257
Cash payments on interest rate swaps	(32,909)	(37,027)	(38,250)
	-----	-----	-----
Net cash provided (used) by financing activities	(171,109)	153,823	(24,474)
	-----	-----	-----
Net increase (decrease) in cash and cash equivalents	(33,258)	30,248	(4,494)
Cash and cash equivalents, beginning of year	43,917	13,669	18,163
	-----	-----	-----
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 10,659	\$ 43,917	\$ 13,669
	=====	=====	=====

See Notes to Consolidated Financial Statements.

THE DIAL CORP STATEMENT OF CONSOLIDATED COMMON STOCK AND OTHER EQUITY

Year ended December 31, (000 omitted)	1993	1992	1991
	-----	-----	-----
COMMON STOCK:			
Balance, beginning and end of year	\$ 72,832	\$ 72,832	\$ 72,832
	=====	=====	=====
ADDITIONAL CAPITAL:			
Balance, beginning of year	\$ 390,790	\$ 326,724	\$ 326,127
Treasury shares issued in connection with employee benefit plans	(5,300)	2,294	(876)
Net change in unamortized amount of restricted stock	2,063	1,195	1,473
Treasury shares sold to Employee Equity Trust		38,007	
Employee Equity Trust adjustment to market value	(8,723)	19,020	
Treasury shares sold to ESOP		1,701	
Other, net	(16)	1,849	
	-----	-----	-----
Balance, end of year	\$ 378,814	\$ 390,790	\$ 326,724
	=====	=====	=====
RETAINED INCOME:			
Balance, beginning of year	\$ 234,655	\$ 832,539	\$ 946,030
Net income (loss)	120,485	(81,515)	(57,608)
Dividends on common and preferred stock	(48,345)	(50,180)	(56,597)
SFAS No. 87 Employers' Accounting for Pensions adjustment	(2,966)	(269)	710
Distribution of GFC Financial to Dial stockholders		(467,291)	
Other, net	652	1,371	4
	-----	-----	-----
Balance, end of year	\$ 304,481	\$ 234,655	\$ 832,539
	=====	=====	=====
CUMULATIVE TRANSLATION ADJUSTMENTS:			
Balance, beginning of year	\$ (11,341)	\$ 2,083	\$ 4,809
Unrealized translation loss	(279)	(20,226)	(2,726)
Distribution of GFC Financial to Dial stockholders		6,802	
Disposition of Transportation Manufacturing and Service Parts Group	1,731		
	-----	-----	-----
Balance, end of year	\$ (9,889)	\$ (11,341)	\$ 2,083
	=====	=====	=====
UNEARNED EMPLOYEE BENEFITS RELATED TO EMPLOYEE EQUITY TRUST:			
Balance, beginning of year	\$ (211,571)	\$ -	\$ -
Unearned employee benefits		(200,000)	
Employee benefits funded	44,419	7,449	
Adjustment to market value	8,723	(19,020)	
	-----	-----	-----
Balance, end of year	\$ (158,429)	\$ (211,571)	\$ -
	=====	=====	=====
UNEARNED EMPLOYEE BENEFITS RELATED TO GUARANTEE OF ESOP DEBT:			
Balance, beginning of year	\$ (33,584)	\$ (35,414)	\$ (37,486)
Employee benefits earned	2,073	1,830	2,072
	-----	-----	-----
Balance, end of year	\$ (31,511)	\$ (33,584)	\$ (35,414)
	=====	=====	=====
COMMON STOCK IN TREASURY:			
Balance, beginning of year	\$ (51,386)	\$ (258,043)	\$ (284,930)
Purchase of shares	(38,642)	(417)	(1,921)
Shares issued in connection with employee benefit plans	4,167	38,078	28,808
Shares sold to Employee Equity Trust		161,993	
Shares sold to ESOP		8,430	
Other, net	(749)	(1,427)	
	-----	-----	-----
Balance, end of year	\$ (86,610)	\$ (51,386)	\$ (258,043)
	=====	=====	=====
COMMON STOCK AND OTHER EQUITY	\$ 469,688	\$ 390,395	\$ 940,721
	=====	=====	=====

See Notes to Consolidated Financial Statements.

THE DIAL CORP NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 1993, 1992 and 1991

A. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION-The consolidated financial statements of The Dial Corp and subsidiaries ("Dial") include the accounts of Dial and all of its subsidiaries. Dial sold its Transportation Manufacturing and Service Parts Group in 1993 and spun-off GFC Financial Corporation ("GFC Financial") in 1992. The Transportation Manufacturing and Service Parts Group and GFC Financial are presented as discontinued operations for all periods. Such dispositions are discussed further in Note D of Notes to Consolidated Financial Statements.

The consolidated financial statements are prepared in accordance with generally accepted accounting principles. Intercompany accounts and transactions between Dial and its subsidiaries have been eliminated in consolidation. Certain reclassifications have been made to the prior years' financial statements to conform to 1993 classifications. Described below are those accounting policies particularly significant to Dial, including those selected from acceptable alternatives.

CASH EQUIVALENTS-Dial considers all highly liquid investments with original maturities of three months or less from date of purchase as cash equivalents.

INVENTORIES-Generally, inventories are stated at the lower of cost (first-in, first-out and average cost methods) or market.

PROPERTY AND EQUIPMENT-Property and equipment are stated at cost.

Depreciation is provided principally by use of the straight-line method at annual rates as follows:

Buildings	2% to 5%
Machinery and other equipment	5% to 33%
Leasehold improvements	Lesser of lease term or useful life

INVESTMENTS RESTRICTED FOR PAYMENT SERVICE

OBLIGATIONS-Investments restricted for payment service obligations include U.S. Treasury and Government agency

securities, obligations of states and political subdivisions, debt securities issued by foreign governments, corporate securities, a corporate note and other debt securities due beyond one year. These investments are stated at amortized cost, or at estimated realizable value when there is other than temporary impairment of value.

Marketable equity securities (common and preferred stocks) are stated at the lower of aggregate cost or market. A valuation allowance, representing the excess of cost over market of equity securities, is included as a reduction of common stock and other equity. The cost of investment securities sold is determined using the specific identification method. Realized gains and losses on the disposition of investment securities and adjustments to reflect other than temporary impairment of the value of investment securities are reflected in income.

INTANGIBLES-Intangibles (primarily goodwill) are carried at cost less accumulated amortization of \$113,453,000 at December 31, 1993 and \$99,602,000 at December 31, 1992. Intangibles of \$166,688,000, which arose prior to October 31, 1970, are not being amortized. Intangibles arising after October 31, 1970 are amortized on the straight-line method over the periods of expected benefit, but not in excess of 40 years. Dial evaluates the possible impairment of goodwill and other intangible assets at each reporting period based on the undiscounted projected operating income of the related business unit.

INCOME TAXES-Income taxes are provided based upon the provisions of SFAS No. 109, "Accounting for Income Taxes," which, among other things, requires that recognition of deferred income taxes be measured by the provisions of enacted tax laws in effect at the date of the financial statements.

PENSION AND OTHER BENEFITS-Trusteed, noncontributory pension plans cover substantially all employees. Benefits are based primarily on final average salary and years of service. Funding policies provide that payments to pension trusts shall be at least equal to the minimum funding required by applicable regulations.

Dial has defined benefit postretirement plans that provide medical and life insurance for eligible retirees and dependents. Until 1992, the cost of these benefits was generally expensed as claims were incurred.

Effective January 1, 1992, Dial adopted the method of accounting for postretirement benefits other than pensions prescribed by SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," which requires recognition of liabilities for such benefits over the period that services are provided by employees. Dial elected to record the cumulative effect of initial application of SFAS No. 106 rather than amortizing such amount over 20 years as permitted by the standard. See Note L of Notes to Consolidated Financial Statements for further information.

NET INCOME (LOSS) PER COMMON SHARE-Net income (loss) per common share is based on net income (loss) after preferred stock dividend requirements and the weighted average number of common shares outstanding during each year after giving effect to stock options considered to be dilutive common stock equivalents. Fully diluted net income (loss) per common share is not materially different from primary net income (loss) per common share. The average outstanding common and equivalent shares does not include 3,923,933 and 5,033,565 shares held by the Employee Equity Trust (the "Trust") at December 31, 1993 and 1992, respectively. Shares held by the Trust are not considered outstanding for net income (loss) per share calculations until the shares are released from the Trust.

B. ACQUISITIONS OF BUSINESSES AND OTHER ASSETS

Net cash paid, assets acquired and debt and other liabilities assumed in all acquisitions were as follows:

(000 omitted)	1993	1992	1991
	-----	-----	-----
Assets acquired:			
Before intangibles	\$ 140,468	\$ 9,488	\$ 11,935
Intangibles	142,724		34,824
Debt and other liabilities assumed	(66,405)	(2,296)	(12,264)
	-----	-----	-----
Net cash paid	\$ 216,787	\$ 7,192	\$ 34,495
	=====	=====	=====

During 1993, Dial purchased the Renuzit line of air fresheners and three convention services companies.

In November 1993, Dial announced the finalization of an agreement to purchase 15 in-flight catering kitchens from United Airlines. Dial purchased the first four kitchens on December 30, 1993. The remaining kitchens are expected to be phased-in during 1994, at a purchase price of approximately \$111,000,000.

In December 1993, Dial acquired the remaining 49% interest in a joint venture which constructed an office building in Phoenix, Arizona, that serves as its corporate headquarters complex.

Acquisitions of businesses were accounted for as purchases and the results of their operations have been included in the Statement of Consolidated Income from the dates of acquisition. The results of operations of the acquired companies from the beginning of the year to the dates of acquisition are not material.

C. RESTRUCTURING AND OTHER CHARGES-CONTINUING OPERATIONS

Dial recorded restructuring and other charges of \$30,000,000 (\$19,800,000 after-tax, or \$0.47 per share) in the fourth quarter of 1992, attributable to the Travel and Leisure and Payment Services Group primarily to provide for termination of an unfavorable airport concession contract and related matters, and to provide for costs to reposition the cruise line to compete more effectively in the Caribbean market.

In the fourth quarter of 1991, Dial provided for restructuring and other charges and spin-off transaction costs of \$64,000,000 (\$54,871,000 after-tax, or \$1.37 per share). Of this amount, \$40,000,000 (\$25,971,000 after-tax) was charged to the Travel and Leisure and Payment Services Group primarily to provide for estimated losses on an unfavorable airport concession contract and for losses as a result of the bankruptcy of a large money order agent in its payment services subsidiary. The remaining provision of \$24,000,000 (\$28,900,000 after-tax) was made primarily to provide for transaction costs arising from the spin-off of GFC Financial and for certain income tax matters related to prior years.

Such restructuring and other charges and spin-off transaction costs are summarized below:

(000 omitted)	1992	1991
Travel and Leisure and Payment Services	\$ 30,000	\$ 40,000
Corporate		10,000
Transaction costs		14,000
	-----	-----
Total pretax charges	30,000	64,000
Income tax benefit	(10,200)	(17,429)
Tax provision related to prior years		8,300
	-----	-----
Total after-tax charges	\$ 19,800	\$ 54,871
	=====	=====

D. DISCONTINUED OPERATIONS AND DISPOSITIONS

On August 12, 1993, Dial sold, through an initial public offering, 20 million shares of common stock of MCII, pursuant to an underwriting agreement dated August 4, 1993. Transportation Manufacturing Operations, Inc., Dial's Transportation Manufacturing and Service Parts subsidiary, was transferred to MCII in connection with the public offering of MCII shares. The disposition of MCII, the sale of the Canadian transit bus manufacturing business in June 1993, and the liquidation, completed in early 1993, of a trailer manufacturing and transport services company, concluded the disposal of the Transportation Manufacturing and Service Parts Group.

At a special meeting on March 3, 1992, shareholders of Dial approved the spin-off of GFC Financial, which comprised Dial's commercial lending and mortgage insurance subsidiaries. As a result of the spin-off, the holders of common stock of Dial received a Distribution (the "Distribution") of one share of common stock of GFC Financial for every two shares of Dial common stock.

In connection with the dispositions, special charges to earnings were made in 1992 and 1991 to cover restructuring of certain operations, provisions against Latin American and other loans, certain tax, spin-off transaction and other costs and, in 1993 and 1991, provisions related primarily to previously discontinued businesses. In addition, Greyhound Lines, Inc., which was sold in 1987 and filed for bankruptcy on June 4, 1990 as the result of a work stoppage and strike-related violence, emerged from bankruptcy in late 1991, resulting in a partial reversal of a loss provision made in 1990.

The caption "Income (loss) from discontinued operations" in the Statement of Consolidated Income for the years ended December 31 includes the following:

(000 omitted)	1993	1992	1991
	-----	-----	-----
Income (loss) from operations:			
Transportation Manufacturing and Service Parts Group, net of tax provision (benefit) of \$7,685, (\$17,666), and (\$5,191) (1)	\$ 10,193	\$ (46,364)	\$ (14,892)
GFC Financial, net of tax provision of \$1,798 and \$14,833 (2)		5,498	(52,471)
Gain on sale of Transportation Manufacturing and Service Parts Group, net of tax provision of \$47,393	40,151		
Cumulative effect, net of tax benefit of \$2,458, to January 1, 1992 of initial application of SFAS No. 106		(4,259)	
Provisions related to previously discontinued businesses, net of tax benefit of \$7,776 and \$36,065	(18,224)		(44,668)
Reversal of excess portion of Greyhound Lines 1990 loss provision, net of tax provision of \$14,768			28,668
	-----	-----	-----
	\$ 32,120	\$ (45,125)	\$ (83,363)
	=====	=====	=====

- (1) After deducting restructuring and other charges of \$59,400,000 (after-tax) and \$26,400,000 (after-tax) in 1992 and 1991, respectively.
- (2) After deducting restructuring and other charges of \$82,729,000 (after-tax) in 1991.

Businesses, other than those described above, with aggregate net assets of \$48,584,000 and \$3,713,000 were sold in 1992 and 1991, respectively.

E. INVENTORIES

Inventories at December 31 consisted of the following:

(000 omitted)	1993	1992
Raw materials	\$ 42,056	\$ 25,370
Work in process	13,930	13,166
Finished goods and supplies	160,851	129,394
Inventories	\$ 216,837	\$ 167,930

F. PROPERTY AND EQUIPMENT

Property and equipment at December 31 consisted of the following:

(000 omitted)	1993	1992
Land	\$ 76,577	\$ 67,594
Buildings and leasehold improvements	333,761	296,206
Machinery and other equipment	897,391	790,642
	1,307,729	1,154,442
Less accumulated depreciation	567,005	505,748
Property and equipment	\$ 740,724	\$ 648,694

G. SHORT-TERM DEBT

Dial satisfies its short-term borrowing requirements with bank lines of credit and by the issuance of commercial paper and promissory notes.

At December 31, 1993, outstanding commercial paper and promissory notes were supported by \$500,000,000 of credit commitments available under a long-term revolving bank credit agreement. At December 31, 1993, \$256,666,000 of the long-term revolving bank credit supported \$224,666,000 of commercial paper and promissory notes, and the guarantee of a \$32,000,000 ESOP loan.

Dial's foreign subsidiaries also maintain short-term bank lines in various currencies, which amount to approximately \$12,269,000, of which \$2,335,000 was outstanding at December 31, 1993. The short-term bank lines are subject to annual renewal and, in most instances, can be withdrawn at any time at the option of the banks.

The following information pertains to Dial's commercial paper and promissory notes (classified as long-term debt) and other short-term debt:

(000 omitted)	Balance at End of Year -----	Weighted Average Interest Rate at End of Year (1) -----	Maximum Amount Outstanding During Year -----	Average Amount Outstanding During Year -----	Weighted Average Interest Rate During Year (1) -----
1993:					
Commercial paper	\$ 58,666	3.6%	\$ 261,229	\$ 158,227	3.4%
Short-term borrowings from banks	174,935	3.8%	357,885	225,509	3.7%
1992:					
Commercial paper	122,043	4.2%	229,422	168,156	4.2%
Short-term borrowings from banks	216,896	4.2%	272,277	211,961	4.2%
1991:					
Commercial paper	92,191	6.2%	226,775	143,190	6.5%
Short-term borrowings from banks	68,493	5.4%	172,695	88,273	6.3%

(1) Exclusive of the cost of maintaining compensating balances and commitment fees on long-term revolving bank credit used to support such borrowings and the effects of interest rate swap agreements, as set forth in Note N of Notes to Consolidated Financial Statements.

H. LONG-TERM DEBT

Long-term debt at December 31 was as follows:

(000 omitted)	1993	1992
Senior debt:		
Short-term borrowings supported by long-term revolving bank credit:		
Commercial paper (net of \$65,000 issued to Dial's payment services subsidiary)	\$ 58,666	\$ 122,043
Promissory notes	166,000	214,404
Senior notes, 5.8% weighted average interest rate, due to 2004	279,390	139,216
Guarantee of ESOP debt, floating rate indexed to LIBOR, 2.9% at December 31, 1993, due to 2009	32,000	34,000
Real estate mortgages and other obligations, 4.8% weighted average interest rate, due to 2014	13,984	44,956
	550,040	554,619
Subordinated debt, 10.5% debentures, due 2006	76,917	150,000
	626,957	704,619
Less current portion	2,295	20,936
Long-term debt	\$ 624,662	\$ 683,683

Interest paid in 1993, 1992 and 1991 was approximately \$55,807,000, \$59,962,000 and \$69,218,000, respectively. As a result of Dial's management of its interest rate exposure through interest rate swap agreements as discussed further in Note N to the Consolidated Financial Statements, the effective interest rate on certain debt may differ from that disclosed above.

During the third quarter of 1993, Dial utilized the proceeds from the sale of MCII to repurchase approximately 1,000,000 shares of Dial's common stock on the open market and to reduce outstanding short-term debt. Dial also prepaid \$187,250,000 principal amount of long-term, fixed-rate debt, having a weighted average interest rate of 10%. These prepayments resulted in an extraordinary charge (after-tax) of \$21,908,000.

During 1993, Dial filed a \$300,000,000 Senior Debt Securities Shelf Registration with the Securities and Exchange Commission under which Dial could issue senior notes for various amounts and at various rates and maturities. During 1993, Dial issued \$230,000,000 of debt under the program with maturities of five to eleven years with a weighted average interest rate of 6.2%. Subsequent to December 31, 1993, Dial issued the remaining \$70,000,000 of debt under the senior note program with maturities of six to fifteen years with a weighted average interest rate of 6.1%.

A long-term revolving bank credit is available from participating banks under an agreement which provides for a total credit of \$500,000,000. Borrowings were available at December 31, 1993 on a revolving basis until June 30, 1997. Annually, at Dial's request and with the participating banks' consent, the terms of the agreement may be extended for a one-year period.

The interest rate applicable to borrowings under the agreement is, at Dial's option, indexed to the bank prime rate or the London Interbank Offering Rate ("LIBOR"), plus appropriate spreads over such indices during the period of the borrowing agreement. The agreement also provides for commitment fees. Such spreads and fees can change moderately should Dial's debt ratings change.

Dial, in the event that it becomes advisable, intends to exercise its right under the agreement to borrow for the purpose of refinancing short-term borrowings; accordingly, short-term borrowings totaling \$224,666,000 and \$336,447,000 at December 31, 1993 and 1992, respectively, have been classified as long-term debt.

Annual maturities of long-term debt due in the next five years will approximate \$2,295,000 (1994), \$22,185,000 (1995), \$32,167,000 (1996), \$226,714,000 (1997) and \$32,043,000 (1998). Included in 1997 is \$224,666,000 which represents the maturity of short-term borrowings assuming they had been refinanced utilizing the revolving credit facility and the term of the facility was not extended. However, Dial expects the term of the facility to be extended.

Canadian revolving credit loans are available to a Canadian Services subsidiary from banks under agreements which provide for credit of \$7,554,000.

Dial's long-term debt agreements include various restrictive covenants and require the maintenance of certain defined financial ratios with which Dial is in compliance.

I. PREFERRED STOCK AND COMMON STOCK AND OTHER EQUITY

At December 31, 1993, there were 48,554,362 shares of common stock issued and 46,018,008 shares outstanding. At December 31, 1993, 3,923,933 of the outstanding shares were held by The Dial Corp Employee Equity Trust.

Dial has 442,352 shares of \$4.75 Preferred Stock authorized, of which 388,352 shares are issued. The holders of the \$4.75 Preferred Stock are entitled to a liquidation preference of \$100 per share and to annual cumulative sinking fund redemptions of 6,000 shares. Dial presently holds 153,251 shares which will be applied to this sinking fund requirement; therefore, the 235,101 shares held by others are scheduled to be redeemed in the years 2019 to 2058. In addition, Dial has authorized 5,000,000 and 2,000,000 shares of Preferred Stock and Junior Participating Preferred Stock, respectively.

Dial has one Preferred Stock Purchase Right ("Right") outstanding on each outstanding share of its common stock. The Rights contain provisions to protect shareholders in the event of an unsolicited attempt to acquire Dial which is not believed by the Board of Directors to be in the best interest of shareholders. The Rights are represented by the common share certificates and are not exercisable or transferable apart from the common stock until such a situation arises. The Rights may be redeemed by Dial at \$0.05 per Right prior to the time any person or group has acquired 20% or more of Dial's shares. Dial has reserved 1,000,000 shares of Junior Participating Preferred Stock for issuance in connection with the Rights.

During 1989, Dial arranged to fund its matching contributions to employees' 401k plans through a leveraged Employee Stock Ownership Plan ("ESOP"). All eligible employees of Dial and its participating affiliates, other than certain employees covered by collective bargaining agreements that do not expressly provide for participation of such employees in an ESOP, may participate in the ESOP.

In June 1989, Dial sold 1,138,791 shares of treasury stock to the ESOP for \$35.125 per share. In connection with the spin-off of GFC Financial in March 1992, the ESOP received one share of common stock of GFC Financial for every two shares of Dial common stock held by the ESOP. The ESOP subsequently sold the shares of GFC Financial on the open market and used the proceeds to purchase 273,129 shares of Dial's common stock. ESOP shares are treated as outstanding for net income (loss) per share calculations.

The ESOP borrowed \$40,000,000 to purchase the 1,138,791 shares of treasury stock in 1989. The ESOP's obligation to repay this borrowing is guaranteed by Dial; therefore, the unpaid balance of the borrowing (\$32,000,000 at December 31, 1993) has been reflected in the accompanying balance sheet as long-term debt and the amount representing unearned employee benefits has been recorded as a deduction from common stock and other equity. The liability is being reduced as the ESOP repays the borrowing, and the amount in common stock and other equity is being reduced as the employee benefits are charged to expense. The ESOP intends to repay the loan (plus interest) using Dial contributions and dividends received on the shares of common stock held by the ESOP. Information regarding ESOP transactions for the years ended December 31 is as follows:

(000 omitted)	1993	1992	1991
Debt repayment	\$ 2,000	\$ 2,000	\$ 2,000
Interest	946	1,199	1,949
Amounts received from Dial for:			
Dividends	1,244	1,295	1,348
Capital contributions	1,696	2,026	2,601

Shares are released for allocation to participants based upon the ratio of the year's principal and interest payments to the sum of the total principal and interest payments over the life of the plan. Expense of the ESOP is recognized based upon the greater of cumulative cash payments to the plan or 80% of the cumulative expense that would have been recognized under the shares allocated method, in accordance with Statement of Position 76-3, "Accounting for Certain Employee Stock Ownership Plans" and Emerging Issues Task Force Abstract No. 89-8, "Expense Recognition for Employee Stock Ownership Plans". Under this method, Dial has recorded expense of \$1,782,000, \$2,210,000 and \$2,630,000 in 1993, 1992 and 1991, respectively.

ESOP shares at December 31 were as follows:

	1993	1992
Allocated shares	349,534	268,560
Shares not committed for allocation	1,062,386	1,143,360
	1,411,920	1,411,920
	=====	=====

In September 1992, Dial sold 5,245,900 shares of treasury stock to The Dial Corp Employee Equity Trust (the "Trust") for a promissory note valued at \$200,000,000 (\$38.125 per share). The Trust is being used to fund certain existing employee compensation and benefit plans over the scheduled 15-year term. Through December 31, 1993, the Trust had sold 1,321,967 shares to fund such benefits. The \$200,000,000, representing unearned employee benefits, was recorded as a deduction from common stock and other equity, and is being reduced as employee benefits are funded.

At December 31, 1993, retained income of \$75,687,000 was unrestricted as to payment of dividends by Dial.

J. STOCK OPTIONS

The Board of Directors approved and on March 3, 1992, the shareholders adopted the 1992 Stock Incentive Plan ("1992 Plan") for the grant of options and restricted stock to officers, directors and certain key employees. The Plan replaces the 1983 Stock Option and Incentive Plan ("1983 Plan"). No new awards will be made under the 1983 Plan except to provide for the adjustments hereafter described. In connection with the Distribution, each option, related Limited Stock Appreciation Right ("LSAR") and related Stock Appreciation Right ("SAR") held by an employee of Dial who remained an employee of Dial after the Distribution was adjusted so that the aggregate exercise price and the aggregate spread before the Distribution were preserved at the time of the Distribution. For each share of restricted stock held by a Dial employee who remained an employee of Dial after the Distribution, such employee received additional shares of restricted stock with a market value which compensated for the Distribution. Options and restricted stock held by an employee of Dial that became an employee of GFC Financial were surrendered in accordance with the related agreements.

The 1992 Plan provides for the following types of awards: (a) stock options (both incentive stock options and nonqualified stock options), (b) SARs, and (c) performance-based and restricted stock. The Plan authorized the issuance of options for up to 2 1/2% of the total number of shares of common stock outstanding as of the first day of each year; provided that any shares available for grant in a particular calendar year which are not, in fact, granted in such year shall not be added to shares available for grant in any subsequent calendar year. In addition to the limitation set forth above with respect to number of shares available for grant in any single calendar year, no more than 5,000,000 shares of common stock shall be cumulatively available for grant of incentive options over the life of the Plan. In addition, 500,000 shares of Preferred Stock are reserved for distribution under the 1992 Plan.

The stock options and SARs outstanding at December 31, 1993 are granted for terms of ten years; 50% become exercisable after one year and the balance become exercisable after two years from the date of grant. Stock options and appreciation rights are exercisable based on the market value at the date of grant. LSARs vest fully at date of grant and are exercisable only for a limited period (in the event of certain tenders or exchange offers for Dial's common stock). SARs and/or LSARs are issued in tandem with certain stock options and the exercise of one reduces, to the extent exercised, the number of shares represented by the other.

Information with respect to options granted and exercised for the three years ended December 31, 1993 is as follows:

	Shares	Average Option Price Per Share
	-----	-----
Options outstanding at December 31, 1990	3,938,658	\$ 31.81
Granted	817,690	35.43
Exercised	(644,748)	30.55
Cancelled (1)	(218,725)	32.29

Options outstanding at December 31, 1991	3,892,875	32.76
Pre spin-off of GFC Financial:		
Exercised	(623,889)	31.82
Cancelled (1)	(37,761)	33.84
Additional options due to the Distribution, net (2)	493,779	N/A
Post spin-off of GFC Financial:		
Granted	985,900	36.90
Exercised	(777,473)	25.82
Cancelled (1)	(279,330)	25.22

Options outstanding at December 31, 1992	3,654,101	29.52
Granted	970,700	39.70
Exercised	(315,979)	26.68
Cancelled (3)	(425,452)	35.39

Options outstanding at December 31, 1993	3,883,370	31.65
	=====	

- (1) Includes stock options which ceased to be exercisable due to the exercise of related SARs during 1992 and 1991 (at average exercise prices indicated) with respect to 134,890 shares (\$23.41) and 11,250 shares (\$29.85), respectively. Stock appreciation rights expense, equivalent to the difference between the option price and the average market price of Dial's stock on the date a right is exercised (included in the Statement of Consolidated Income under the caption "Unallocated corporate expense and other items, net"), totaled \$2,293,000 and \$150,000 in 1992 and 1991, respectively. There were no SARs exercised in 1993.
- (2) Net of options surrendered by employees of Dial who became employees of GFC Financial after the Distribution.
- (3) Includes options cancelled upon disposition of Transportation Manufacturing and Service Parts Group.

At December 31, 1993, stock options with respect to 3,883,370 common shares are outstanding at exercise prices ranging from \$18.35 to \$42.56 per share, of which 2,653,695 shares are exercisable at an average price of \$28.36 per share.

Performance-based stock awards (75,900 shares awarded in 1993) vest over a three-year period from the date of grant. The stock awarded vests only if performance targets relative to the S & P 500 stock index and Dial's proxy comparator group are achieved. Restricted stock awards (89,625 shares awarded in 1991) vest generally over periods not exceeding five years from the date of grant. There were no restricted stock awards in 1993 and 1992. However, 85,161 shares of restricted stock were allocated to employees of Dial in 1992 to compensate for the effect of the Distribution. A holder of the performance-based and restricted stock has the right to receive dividends and vote the shares but may not sell, assign, transfer, pledge or otherwise encumber the stock.

K. INCOME TAXES

Deferred income tax assets (liabilities) included in the Consolidated Balance Sheet at December 31 related to the following:

(000 omitted)	1993	1992
Property and equipment	\$ (55,954)	\$ (47,675)
Interest rate swaps		25,043
Pension and other employee benefits	111,797	113,674
Provisions for losses	51,872	57,850
Amortization of intangibles	4,114	(664)
Advertising and promotion costs capitalized for tax	14,729	
Foreign loss carryforward	3,551	2,438
Alternative minimum tax credits		10,148
Deferred state income taxes	11,405	9,219
Other deferred income tax assets	33,460	21,586
Other deferred income tax liabilities	(20,505)	(25,614)
	-----	-----
	154,469	166,005
Foreign deferred tax liabilities included above	16,000	18,000
	-----	-----
United States deferred tax assets	\$ 170,469	\$ 184,005
	=====	=====

Deferred income tax assets (liabilities) at December 31, 1993, relating to interest rate swaps, amortization of intangibles and advertising and promotion costs capitalized for tax, reflect adjustments in 1993 resulting from the settlement of Internal Revenue Service examinations for 1985 and 1986.

The consolidated provision (benefit) for income taxes on income from continuing operations for the years ended December 31 consisted of the following:

(000 omitted)	1993	1992	1991
Current:			
United States:			
Federal	\$ 12,226	\$ 13,644	\$ 36,538
State	7,855	8,289	6,784
Foreign	5,352	5,135	6,824
	-----	-----	-----
	25,433	27,068	50,146
Deferred:			
United States	33,271	16,997	(4,320)
Foreign	2,672	1,918	799
	-----	-----	-----
	35,943	18,915	(3,521)
	-----	-----	-----
Provision for income taxes	\$ 61,376	\$ 45,983	\$ 46,625
	=====	=====	=====

Income taxes paid in 1993, 1992 and 1991, amounted to \$12,206,000, \$35,160,000 and \$35,391,000, respectively.

Certain tax benefits related primarily to stock options and dividends paid to the ESOP are credited to common stock and other equity and amounted to \$1,913,000, \$5,382,000 and \$1,240,000 in 1993, 1992 and 1991, respectively.

Eligible subsidiaries (including MCII and GFC Financial and certain of their subsidiaries up to the sale and Distribution date, respectively) are included in the consolidated federal and other applicable income tax returns of Dial.

Certain benefits of tax losses and credits, which would not have been currently available to certain subsidiaries, or MCII and GFC Financial, on a separate return basis, have been credited to those subsidiaries, or MCII and GFC Financial, by Dial. These benefits are included in the determination of the income taxes of those subsidiaries and MCII and GFC Financial and this policy has been documented by written agreements.

A reconciliation of the provision for income taxes on income from continuing operations and the amount that would be computed using statutory federal income tax rates on income before income taxes for the years ended December 31 is as follows:

(000 omitted)	1993	1992	1991
Computed income taxes at statutory federal income	-----	-----	-----

tax rate of 35% (1993) and 34% (1992 and 1991)	\$ 60,077	\$ 40,914	\$ 24,609
Nondeductible goodwill amortization	3,122	3,140	3,192
Minority interests	1,266	957	1,205
State income taxes	4,303	5,231	4,479
Foreign tax differences	2,346	552	1,747
Tax-exempt income	(2,047)	(379)	(5)
Restructuring and other charges		(1,649)	13,060
Adjustment of deferred tax assets at January 1, 1993 for enacted change in tax rate	(4,386)		
Other, net	(3,305)	(2,783)	(1,662)
	-----	-----	-----
Provision for income taxes	\$ 61,376	\$ 45,983	\$ 46,625
	=====	=====	=====

United States and foreign income before income taxes from continuing operations for the years ended December 31 is as follows:

(000 omitted)	1993	1992	1991
	-----	-----	-----
United States	\$ 155,426	\$ 101,214	\$ 55,099
Foreign	16,223	19,120	17,281
	-----	-----	-----
Income before income taxes	\$ 171,649	\$ 120,334	\$ 72,380
	=====	=====	=====

In the first quarter of 1992, Dial adopted SFAS No. 109, "Accounting for Income Taxes," which had no material effect on the consolidated financial statements.

L. PENSIONS AND OTHER BENEFITS

PENSION BENEFITS

Net periodic pension cost for the three years ended December 31, 1993 included the following components:

	United States			Foreign		
	1993	1992	1991	1993	1992	1991
(000 omitted)						
Service cost benefits						
earned during the period	\$ 9,560	\$ 9,238	\$ 9,149	\$ 2,097	\$ 2,343	\$ 3,135
Interest cost on projected						
benefit obligation	19,323	17,647	16,938	6,106	6,238	5,533
Actual return on plan assets	(20,405)	(19,675)	(28,965)	(6,390)	(6,453)	(6,132)
Net amortization and deferral	4,415	4,869	14,505	122	205	(217)
Other items, primarily defined						
contribution and multiemployer						
plans	8,706	7,372	5,715	1,503	2,550	2,213
Net pension cost	\$ 21,599	\$ 19,451	\$ 17,342	\$ 3,438	\$ 4,883	\$ 4,532

Weighted average assumptions used were:

	United States			Foreign		
	1993	1992	1991	1993	1992	1991
December 31,						
Discount rate for obligation	7.75%	9.0%	9.0%	9.0%	9.0%	9.0%
Rate of increase						
in compensation levels	5.0%	6.0%	6.0%	7.0%	7.0-8.0%	7.0-8.0%
Long-term rate of return on assets	9.5%	9.5%	9.5%	9.0%	9.0%	9.0%

The following table indicates the plans' funded status and amounts recognized in Dial's consolidated balance sheet at December 31, 1993 and 1992:

	United States				Foreign	
	Overfunded Plans		Underfunded and Unfunded Plans		Overfunded Plans	
	1993	1992	1993	1992	1993	1992
(000 omitted)						
Actuarial present value of benefit obligations:						
Vested benefit obligation	\$ 124,833	\$ 94,249	\$ 80,767	\$ 62,634	\$ 49,007	\$ 51,818
Accumulated benefit obligation	\$ 136,544	\$ 102,545	\$ 85,700	\$ 67,066	\$ 50,900	\$ 54,010
Projected benefit obligation	\$ 175,389	\$ 140,591	\$ 91,658	\$ 72,610	\$ 69,174	\$ 70,083
Market value of plan assets, primarily equity and fixed income securities	177,902	167,384	60,837	27,587	70,684	71,041
Plan assets over (under) projected benefit obligation	2,513	26,793	(30,821)	(45,023)	1,510	958
Unrecognized transition (asset) obligation	(6,609)	(7,516)	4,987	5,840	(5,073)	(6,160)
Unrecognized prior service cost reduction	1,448	1,381	7,799	5,266	7,296	7,806
Unrecognized net (gain) loss	15,921	(1,086)	6,951	224	4,674	3,109
Additional minimum liability			(14,451)	(6,868)		
Prepaid (accrued) pension cost	\$ 13,273	\$ 19,572	\$ (25,535)	\$ (40,561)	\$ 8,407	\$ 5,713

Dial recorded an additional minimum liability of \$14,451,000, an intangible asset of \$8,587,000, a deferred tax asset of \$2,053,000 and a reduction of retained income of \$3,811,000 at December 31, 1993; and, an additional minimum liability of \$6,868,000, an intangible asset of \$5,587,000, a deferred tax asset of \$436,000 and a reduction of retained income of \$845,000 at December 31, 1992. There are restrictions on the use of excess pension plan assets in the event of a defined change in control of Dial.

POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

Dial and its subsidiaries have defined benefit postretirement plans that provide medical and life insurance for eligible employees, retirees and dependents. In addition, Dial retained the obligations for such benefits for eligible retirees of Greyhound Lines, Inc. (sold in 1987) and Armour and Company (sold in 1983). Benefits applicable to retirees of the businesses sold were recorded as accrued liabilities on an estimated present value basis at the respective dates of sale.

Effective January 1, 1992, Dial and its U.S. subsidiaries adopted the provisions of SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" ("OPEB") which requires that estimated OPEB benefits be accrued during the years the employees provide services. Dial elected to recognize the accumulated postretirement benefit obligation as a one-time charge to income. The accumulated postretirement benefit obligation is the aggregate amount that would have been accrued for OPEB benefits in the years prior to adoption of SFAS No. 106 had the new standard been in effect for those years. The adoption of SFAS No. 106 has no cash impact because the plans are not funded and the pattern of benefit payments did not change. Dial expects to adopt SFAS No. 106 for its foreign subsidiaries in 1995, and anticipates that the effect of such adoption will not be material to the consolidated financial statements.

The status of the plans as of December 31, was as follows:

(000 omitted)	1993	1992
	-----	-----
Accumulated postretirement benefit obligation:		
Retirees	\$ 221,847	\$ 209,741
Fully eligible active plan participants	25,107	22,608
Other active plan participants	54,369	49,387
	-----	-----
Accumulated postretirement benefit obligation	301,323	281,736
Unrecognized prior service cost	133	
Unrecognized net loss	(17,634)	
	-----	-----
Accrued postretirement benefit cost	\$ 283,822	\$ 281,736
	=====	=====
Discount rate for obligation	7.75%	9.0%

The assumed health care cost trend rate used in measuring the accumulated postretirement benefit obligation was 14.5% in 1993 gradually declining to 5.5% by the year 2002 and remaining at that level thereafter for retirees below age 65, and 11% in 1993 gradually declining to 5.5% by the year 2002 and remaining at that level thereafter for retirees above age 65. This is a 1/2% decrease from the trend rates used for 1993 and later years in 1992's valuations.

A one-percentage-point increase in the assumed health care cost trend rate for each year would increase the accumulated postretirement benefit obligation as of December 31, 1993 by approximately 11% and the ongoing annual expense by approximately 13%.

The net periodic postretirement benefit cost at December 31 includes the following components:

(000 omitted)	1993	1992
	-----	-----
Service cost benefits attributed to service during the period	\$ 4,233	\$ 4,624
Interest cost on the accumulated postretirement benefit obligation	23,413	23,658
Net amortization and deferral of unrecognized past service cost	(10)	
	-----	-----
Net periodic postretirement benefit cost (1)	\$ 27,636	\$ 28,282
	=====	=====
Curtailment gains due to termination of certain benefits	\$ (5,475)	
	=====	

- (1) Benefit costs applicable to retirees of sold businesses, which are included in the Statement of Consolidated Income under the caption, "Unallocated corporate expense and other items, net", totaled \$15,000,000 and \$14,700,000 for 1993 and 1992, respectively. Prior to the adoption of SFAS No. 106, the cost of medical and life insurance benefits for retirees was \$14,174,000 for 1991, including \$12,200,000 interest cost on the accrued liability for sold businesses.

M. LEASES

Certain airport and other retail facilities, cruise ships, plants, offices and equipment are leased. The leases expire in periods ranging generally from one to 30 years and some provide for renewal options ranging from one to 29 years. Also, certain leases contain purchase options. Leases which expire are generally renewed or replaced by similar leases.

At December 31, 1993, future minimum rental payments and related sublease rentals receivable with respect to noncancellable operating leases with terms in excess of one year were as follows:

(000 omitted)	Operating Leases			Rentals Receivable Under Subleases
	Cruise Ships	Other	Total	
1994	\$ 9,343	\$ 46,483	\$ 55,826	\$ 1,854
1995	9,632	41,137	50,769	486
1996	1,719	37,576	39,295	300
1997		27,354	27,354	140
1998		23,814	23,814	136
Thereafter		111,530	111,530	28
Total	\$ 20,694	\$ 287,894	\$ 308,588	\$ 2,944

At the end of the lease terms, Dial has options to purchase the cruise ships and certain other leased assets for an aggregate purchase price of \$136,250,000. If the purchase options are not exercised, Dial will make residual guarantee payments aggregating \$93,207,000 which are refundable to the extent that the lessors' subsequent sales prices exceed certain levels.

As discussed in Note B of Notes to Consolidated Financial Statements, in November 1993, Dial entered into an agreement to purchase 15 in-flight catering kitchens from United Airlines. Future minimum rental payments for leases related to the kitchens expected to be phased in during 1994 are as follows: \$3,875,000 (1994), \$4,267,000 (1995), \$4,265,000 (1996), \$4,275,000 (1997), \$4,265,000 (1998), and \$90,135,000 thereafter. These amounts are not included in the table of future minimum rental payments at December 31, 1993.

Information regarding net operating lease rentals for the three years ended December 31 is as follows:

(000 omitted)	1993	1992	1991
	-----	-----	-----
Minimum rentals	\$ 115,386	\$ 147,492	\$ 156,215
Contingent rentals	35,292	31,451	25,612
Sublease rentals	(25,713)	(46,644)	(48,371)
	-----	-----	-----
Total rentals, net (1)	\$ 124,965	\$ 132,299	\$ 133,456
	=====	=====	=====

(1) Includes net rentals of \$7,700,000, \$9,419,000 and \$8,300,000 for 1993, 1992 and 1991, respectively, for Dial's corporate headquarters which was leased from a joint venture up to December 1993, when Dial acquired the remaining interest in the joint venture.

Contingent rentals on operating leases are based primarily on sales and revenues for buildings and leasehold improvements and usage for other equipment.

Dial is a 50% partner in a joint venture which owns a resort and conference hotel in Oakbrook, Illinois. Dial has leased the hotel through September 1, 2002, and the future rental payments are included in the table of future minimum rental payments. In addition, Dial and a third party have agreed to lend the joint venture \$10,000,000 and \$5,000,000, respectively, at 8 3/4% on July 1, 1997 to be secured by a second mortgage on the property to prepay \$15,000,000 of the joint venture's nonrecourse first mortgage obligation. If the joint venture is unable to repay or refinance the first mortgage note, Dial has an option to purchase the note from the lender on September 30, 2002, its due date, at its then unpaid principal amount which is expected to be approximately \$24,650,000. If the purchase option is not exercised, Dial will make residual guarantee payments equal to the greater of \$5,000,000 or 150% of any shortfall in fair market value of the hotel compared to the unpaid principal amount of the note on such date.

N. FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND FAIR VALUE OF FINANCIAL INSTRUMENTS

FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK

Dial is a party to financial instruments with off-balance-sheet risk which are entered into in the normal course of business to meet its financing needs and to manage its exposure to fluctuations in interest and foreign exchange rates. These financial instruments include revolving sale of receivable agreements, interest rate swap agreements and foreign exchange forward contracts. The instruments involve, to a varying degree, elements of credit, interest rate and exchange rate risk in addition to amounts recognized in the financial statements.

At December 31, 1993, Dial's subsidiaries have agreements to sell up to \$115,000,000 of accounts receivable with a major financial institution under which the financial institution has agreed to invest collected amounts in new purchases, providing a stable level of purchased accounts. The agreements to purchase accounts receivable, which were fully utilized at December 31, 1993 and December 31, 1992, mature in January of each year, but are expected to be extended annually by mutual agreement. They are currently extended to January 1995. Average monthly proceeds from the sale of accounts receivable were \$103,700,000, \$91,200,000 and \$90,900,000 during 1993, 1992 and 1991, respectively. Dial's exposure to credit loss for receivables sold is represented by the recourse provision under which Dial is obligated to repurchase uncollectible receivables sold subject to certain limitations.

Dial enters into interest rate swap agreements as a means of managing its interest rate exposure. The agreements are with major financial institutions which are expected to fully perform under the terms of the agreements thereby mitigating the credit risk from the transactions. The agreements are contracts to exchange fixed and floating interest rate payments periodically over the life of the agreements without the exchange of the underlying notional amounts. The notional amounts of such agreements are used to measure interest to be paid or received and do not represent the amount of exposure to credit loss. The amounts to be paid or received under the interest rate swap agreements are accrued consistent with the terms of the agreements and market interest rates.

At December 31, 1993, Dial had \$140,000,000 notional amount of interest rate swap agreements in effect which exchange floating rate interest payments for fixed rate interest payments with a weighted average interest rate of 9.3%. These swap agreements expire as follows: \$100,000,000 (1995), and \$40,000,000 (1998). Dial also had \$250,000,000 notional amount of interest rate swap agreements in effect at December 31, 1993, which exchange fixed rate interest payments with a weighted average interest rate of 5.6% for floating rate interest payments. These swap agreements, which were entered into during 1993, expire as follows: \$50,000,000 (1994), and \$200,000,000 (2003).

In addition, Dial had \$332,600,000 notional amount of interest rate swap agreements in effect at December 31, 1993 which were counterswapped, fixing the future net payments owed by Dial against the cash proceeds received by Dial when the swap agreements were entered, at discount rates ranging from 7.1% to 10.4%. The swap and related counterswap agreements expire as follows: \$65,000,000 (1994), \$67,600,000 (1995), and \$200,000,000 (1996), except for \$67,600,000 expiring in 1995 and \$100,000,000 expiring in 1996, for which the related counterswap agreement expires in 2000. Following the period that the swap agreements expire through 2000, Dial will pay a fixed rate of interest in exchange for a floating rate.

Cash consideration received on the swaps is amortized as an offset to expense from future net swap payments over the life of the related swap. Net expense of \$13,999,000, \$18,856,000 and \$14,048,000 for 1993, 1992 and 1991, respectively, is included in the Statement of Consolidated Income under the caption, "Unallocated corporate expense and other items, net." The unamortized balance (\$37,780,000 and \$57,709,000 at December 31, 1993 and 1992, respectively) of such consideration is included in the Consolidated Balance Sheet under the caption, "Other deferred items and insurance reserves."

Dial also enters into foreign exchange forward contracts to hedge foreign currency transactions. These contracts are purchased to reduce the impact of foreign currency fluctuations on operating results. Dial does not engage in foreign currency speculation. The contracts do not subject Dial to risk due to exchange rate movements as gains and losses on the contracts offset gains and losses on the transactions being hedged. At December 31, 1993, Dial had approximately \$125,000,000 of foreign exchange forward contracts outstanding. Dial's theoretical risk in these transactions is the cost of replacing, at current market rates, these contracts in the event of default by the other party. Management believes the risk of incurring such losses is remote as the contracts are entered into with major financial institutions.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The following disclosure of the estimated fair value of financial instruments is made in accordance with the requirements of SFAS No. 107, "Disclosures About Fair Value of Financial Instruments." The estimated fair value amounts have been determined by Dial using available market information and valuation methodologies described below. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented herein may not be indicative of the amounts that Dial could realize in a current market exchange. The use of different market assumptions or valuation methodologies may have a material effect on the estimated fair value amounts.

The carrying values of cash and cash equivalents, receivables, accounts payable and payment service obligations approximate fair values due to the short-term maturities of these instruments. The carrying amounts and estimated fair values of Dial's other financial instruments at December 31, 1993 are as follows:

(000 omitted)	Carrying Amount	Fair Value
	-----	-----
Investments restricted for payment service obligations (1)	\$ 1,109,751	\$ 1,105,788
Equity and debt investments and notes receivable	16,456	31,423
Total debt	(635,892)	(654,971)
Interest rate swaps	(37,780)	(63,778)
Foreign exchange forward contracts	-	(1,436)

(1) Includes \$506,941,000 of cash and cash equivalents which are assumed to approximate fair values due to their short-term maturities.

The methods and assumptions used to estimate the fair values of the financial instruments are summarized as follows:

Investments restricted for payment service obligations and equity and debt investments and notes receivable-The fair values of investments were estimated using either quoted market prices or, to the extent there are no quoted market prices, market prices of investments of a similar nature. For notes receivable, the carrying amounts approximate fair values because the rates on such notes are floating rates.

Debt-The fair value of debt was estimated by discounting the future cash flows using rates currently available for debt of similar terms and maturity. The carrying values of short-term bank loans, commercial paper and promissory notes were assumed to approximate fair values due to their short-term maturities.

Interest rate swaps-The fair values were estimated by discounting the expected cash flows using rates currently available for interest rate swaps of similar terms and maturities. The fair value represents the estimated amount that Dial would pay to the dealer to terminate the swap agreement at December 31, 1993.

Foreign exchange forward contracts (used for hedging purposes)- The fair value is estimated using quoted exchange rates.

O. LITIGATION AND CLAIMS

Dial and certain subsidiaries are plaintiffs or defendants to various actions, proceedings and pending claims. Certain of these pending legal actions are or purport to be class actions. Some of the foregoing involve, or may involve, compensatory, punitive or other damages in material amounts. Litigation is subject to many uncertainties and it is possible that some of the legal actions, proceedings or claims referred to above could be decided against Dial. Although the amount of liability at December 31, 1993 with respect to these matters is not ascertainable, Dial believes that any resulting liability should not materially affect Dial's financial condition or results of operations.

Dial is subject to various environmental laws and regulations of the United States as well as of the states in whose jurisdictions Dial operates. As is the case with many companies, Dial faces exposure to actual or potential claims and lawsuits involving environmental matters. It is Dial's policy to accrue environmental and clean-up costs when it is probable that a liability has been incurred and the amount of the liability is reasonably estimable. Although Dial is a party to certain environmental disputes, Dial believes that any liabilities resulting therefrom, after taking into consideration Dial's insurance coverage and amounts already provided for, should not have a material adverse effect on Dial's financial position or results of operations.

P. PRINCIPAL BUSINESS SEGMENTS

For 1993, Dial's Services companies, previously reported as a single principal business segment, were separated into three principal business segments for financial reporting purposes. Prior year data have been restated to reflect this change. The business activities included in each segment are set forth elsewhere in this Annual Report.

Operating income by segment represents revenues less costs of sales and services before unallocated corporate and other items, net, interest expense, minority interests and income taxes.

Year ended December 31, (000 omitted)	1993	1992	1991	1990	1989
Revenues:					
Consumer Products	\$ 1,420,173	\$ 1,275,447	\$1,196,499	\$ 1,122,726	\$ 1,083,179
Services:					
Airline Catering and Other Food Services	583,487	609,662	629,474	636,225	638,290
Convention Services	356,267	238,694	212,828	208,408	184,634
Travel and Leisure and Payment Services	640,415	750,285	789,048	884,176	838,508
Total Services	1,580,169	1,598,641	1,631,350	1,728,809	1,661,432
	\$ 3,000,342	\$ 2,874,088	\$ 2,827,849	\$ 2,851,535	\$ 2,744,611
Operating Income (1):					
Consumer Products	\$ 139,213	\$ 118,616	\$ 110,605	\$ 96,554	\$ 80,522
Services:					
Airline Catering and Other Food Services	44,724	38,605	33,263	24,945	24,752
Convention Services	27,849	20,281	16,795	18,786	9,560
Travel and Leisure and Payment Services	63,507	45,214	35,615	99,424	88,871
Total Services	136,080	104,100	85,673	143,155	123,183
Total principal business segments	275,293	222,716	196,278	239,709	203,705
Unallocated corporate expense and other items, net	(50,061)	(43,519)	(63,587)	(41,916)	(52,218)
	\$ 225,232	\$ 179,197	\$ 132,691	\$ 197,793	\$ 151,487

- (1) After deducting restructuring and other charges of \$30,000,000 and \$40,000,000 for Travel and Leisure and Payment Services in 1992 and 1991, respectively, and \$24,000,000 charged to unallocated corporate expense in 1991. Also after deducting \$6,800,000, \$965,000, \$749,000, \$1,486,000 and \$4,400,000 in 1992 for Consumer Products, Airline Catering and Other Food Services, Convention Services, Travel and Leisure and Payment Services and Unallocated corporate expense, respectively, for increased ongoing expense following the adoption of SFAS No. 106 effective as of January 1, 1992. Years prior to 1992 do not include such expenses.

(000 omitted)	Services						
	Consumer Products	Airline Catering and Other Food Services	Convention Services	Travel and Leisure and Payment Services	Total Services	Corporate and Other	Total
1993:							
Assets at year end:							
Before intangibles and restricted assets	\$ 513,293	\$ 176,481	\$ 118,467	\$ 326,432	\$ 621,380	\$ 306,851	\$ 1,441,524
Assets restricted for payment service obligations				1,109,751	1,109,751		1,109,751
Intangibles	340,831	239,116	80,806	62,910	382,832	6,150	729,813
	\$ 854,124	\$ 415,597	\$ 199,273	\$ 1,499,093	\$ 2,113,963	\$ 313,001	\$ 3,281,088
Capital expenditures	\$ 40,605	\$ 21,685	\$ 11,838	\$ 38,859	\$ 72,382	\$ 1,637	\$ 114,624
Depreciation and amortization:							
Depreciation	\$ 28,071	\$ 16,019	\$ 8,181	\$ 26,444	\$ 50,644	\$ 3,785	\$ 82,500
Amortization of intangibles	5,512	7,168	743	4,237	12,148		17,660
	\$ 33,583	\$ 23,187	\$ 8,924	\$ 30,681	\$ 62,792	\$ 3,785	\$ 100,160
1992:							
Assets at year end:							
Before intangibles, restricted assets and discontinued operations	\$ 413,224	\$ 158,593	\$ 58,639	\$ 337,581	\$ 554,813	\$ 312,210	\$ 1,280,247
Assets restricted for payment service obligations				1,029,180	1,029,180		1,029,180
Investment in discontinued operations						248,664	248,664
Intangibles	265,281	246,181	15,933	66,877	328,991	4,635	598,907
	\$ 678,505	\$ 404,774	\$ 74,572	\$ 1,433,638	\$ 1,912,984	\$ 565,509	\$ 3,156,998
Capital expenditures	\$ 45,508	\$ 20,718	\$ 7,336	\$ 34,815	\$ 62,869	\$ 754	\$ 109,131
Depreciation and amortization:							
Depreciation	\$ 25,036	\$ 15,662	\$ 4,466	\$ 33,237	\$ 53,365	\$ 4,189	\$ 82,590
Amortization of intangibles	6,506	7,100	241	4,498	11,839		18,345
	\$ 31,542	\$ 22,762	\$ 4,707	\$ 37,735	\$ 65,204	\$ 4,189	\$ 100,935
1991:							
Assets at year end:							
Before intangibles, restricted assets and discontinued operations	\$ 400,536	\$ 157,792	\$ 54,889	\$ 436,918	\$ 649,599	\$ 288,318	\$ 1,338,453
Assets restricted for payment service obligations				960,426	960,426		960,426
Investment in discontinued operations						580,699	580,699
Intangibles	268,960	252,574	16,174	71,362	340,110	5,008	614,078
	\$ 669,496	\$ 410,366	\$ 71,063	\$ 1,468,706	\$ 1,950,135	\$ 874,025	\$ 3,493,656
Capital expenditures	\$ 53,398	\$ 17,261	\$ 5,294	\$ 41,420	\$ 63,975	\$ 8,887	\$ 126,260
Depreciation and amortization:							
Depreciation	\$ 22,526	\$ 15,800	\$ 4,177	\$ 31,559	\$ 51,536	\$ 4,710	\$ 78,772
Amortization of intangibles	6,802	7,227	261	3,954	11,442		18,244
	\$ 29,328	\$ 23,027	\$ 4,438	\$ 35,513	\$ 62,978	\$ 4,710	\$ 97,016

Q. CONDENSED CONSOLIDATED QUARTERLY RESULTS (UNAUDITED)

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
	1993	1992	1993	1992	1993	1992	1993	1992
(000 omitted)								
Revenues:								
Consumer Products	\$ 293,183	\$ 269,880	\$ 385,140	\$ 351,940	\$ 345,260	\$ 304,783	\$ 396,590	\$ 348,844
Services:								
Airline Catering and Other Food Services	143,584	145,019	145,420	151,877	152,522	170,878	141,961	141,888
Convention Services	68,112	66,112	81,583	57,881	89,944	47,672	116,628	67,029
Travel and Leisure and Payment Services	133,177	184,656	161,852	204,537	182,675	219,835	162,711	141,257
Total Services	344,873	395,787	388,855	414,295	425,141	438,385	421,300	350,174
	\$ 638,056	\$ 665,667	\$ 773,995	\$ 766,235	\$ 770,401	\$ 743,168	\$ 817,890	\$ 699,018
Operating Income:								
Consumer Products	\$ 25,659	\$ 22,910	\$ 43,443	\$ 38,094	\$ 35,442	\$ 30,050	\$ 34,669	\$ 27,562
Services:								
Airline Catering and Other Food Services	6,411	5,298	10,674	9,030	13,584	14,315	14,055	9,962
Convention Services	5,988	7,390	7,419	4,562	4,972	517	9,470	7,812
Travel and Leisure and Payment Services (1)	4,910	3,022	17,923	19,916	29,375	35,730	11,299	(13,454)
Total Services	17,309	15,710	36,016	33,508	47,931	50,562	34,824	4,320
Total principal business segments	42,968	38,620	79,459	71,602	83,373	80,612	69,493	31,882
Unallocated corporate expense and other items, net	(12,480)	(10,220)	(12,982)	(11,293)	(12,401)	(10,939)	(12,198)	(11,067)
	\$ 30,488	\$ 28,400	\$ 66,477	\$ 60,309	\$ 70,972	\$ 69,673	\$ 57,295	\$ 20,815
Income (Loss):								
Continuing operations (2)	\$ 11,159	\$ 9,934	\$ 33,379	\$ 29,603	\$ 37,184	\$ 32,334	\$ 28,551	\$ 2,480
Discontinued operations (3)	3,472	2,641	6,294	3,486	22,354	116		(51,368)
Extraordinary charge					(21,908)			
Cumulative effect of change in accounting principle		(110,741)						
Net income (loss)	\$ 14,631	\$ (98,166)	\$ 39,673	\$ 33,089	\$ 37,630	\$ 32,450	\$ 28,551	\$ (48,888)
Income (Loss) per Common Share (dollars):								
Continuing operations (2)	\$ 0.25	\$ 0.24	\$ 0.77	\$ 0.71	\$ 0.87	\$ 0.76	\$ 0.67	\$ 0.03
Discontinued operations (3)	0.08	0.06	0.15	0.08	0.52			(1.21)
Extraordinary charge					(0.51)			
Cumulative effect of change in accounting principle		(2.64)						
Net income (loss) per common share	\$ 0.33	\$ (2.34)	\$ 0.92	\$ 0.79	\$ 0.88	\$ 0.76	\$ 0.67	\$ (1.18)

(1) After deducting restructuring and other charges of \$30,000,000 in the fourth quarter of 1992.

(2) After deducting restructuring and other charges of \$19,800,000 (after-tax) or \$0.47 per share in the fourth quarter of 1992.

(3) The third quarter of 1993 includes income from operations of the Transportation Manufacturing and Service Parts

Group of \$427,000, or \$0.01 per share, and a gain of \$40,151,000, or \$0.94 per share, attributable to the sale of the Transportation Manufacturing and Service Parts Group, and is after deducting \$18,224,000, or \$0.43 per share, for provisions related to previously discontinued businesses. The first quarter of 1992 includes income from operations of \$1,402,000, or \$0.03 per share, and \$5,498,000, or \$0.13 per share, for Transportation Manufacturing and Service Parts Group and GFC Financial, respectively, and is after deducting \$4,259,000, or \$0.10 per share, for the cumulative effect of initial application of SFAS No. 106. The fourth quarter of 1992 is after deducting restructuring and other charges of \$59,400,000, or \$1.41 per share.

INDEPENDENT AUDITORS' REPORT

To the Stockholders and Board of Directors of The Dial Corp:

We have audited the consolidated financial statements of The Dial Corp as of December 31, 1993 and 1992, and for the three years in the period ended December 31, 1993, and have issued our report thereon dated February 25, 1993; such report is included elsewhere in this Form 10-K. Our audits also included the financial statement schedules of The Dial Corp listed in Item 14. These financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.

*/s/ Deloitte & Touche
Deloitte & Touche
Phoenix, Arizona
February 25, 1994*

THE DIAL CORP
 MARKETABLE SECURITIES--
 OTHER SECURITY INVESTMENTS
 (000 omitted)

December 31, 1993

Name of Issue and Title of Each Issue	Par Value	Cost	Market Value	Book Value
U. S. Government agencies	\$ 5,000	\$ 5,127	\$ 5,126	\$ 5,124
Obligations of states and political subdivisions	240,175	245,531	246,280	245,330
Corporate securities	156,750	163,904	159,823	163,755
Mortgage-backed and other asset-backed securities	72,896	87,035	73,530	74,393
Other debt securities and corporate note	94,820	80,939	81,799	85,492
Investments restricted for payment service obligations				----- \$ 574,094 =====

December 31, 1992

Name of Issue and Title of Each Issue	Par Value	Cost	Market Value	Book Value
U. S. Government agencies	\$ 11,598	\$ 11,787	\$ 12,177	\$ 11,748
Obligations of states and political subdivisions	71,465	74,318	74,944	74,289
Corporate securities	54,400	55,211	54,129	53,970
Mortgage-backed and other asset-backed securities	171,904	328,117	211,262	225,921
Other debt securities	10,150	10,150	10,150	10,150
Investments restricted for payment service obligations				----- \$ 376,078 =====

THE DIAL CORP
SUPPLEMENTARY INCOME STATEMENT INFORMATION
(000 omitted)

	Year Ended December 31,		
	1993	1992	1991
Maintenance and repairs	\$ 47,223	\$ 45,457	\$ 49,108
Advertising costs	120,188	123,697	107,391

All other required items are presented elsewhere in this document or are less than 1% of revenues.

EXHIBIT 4.B

U.S. \$500,000,000

**AMENDED AND RESTATED
CREDIT AGREEMENT**

Dated as of December 15, 1993

Among

THE DIAL CORP

as Borrower

and

THE BANKS NAMED HEREIN

as Lenders

and

**BANK OF AMERICA
NATIONAL TRUST AND SAVINGS ASSOCIATION**

and

CITIBANK, N.A.

as Agents

and

CITIBANK, N.A.

as Funding Agent

and

**BANK OF AMERICA
NATIONAL TRUST AND SAVINGS ASSOCIATION**

as Reporting Agent

TABLE OF CONTENTS

	Page
ARTICLE I	
DEFINITIONS AND ACCOUNTING TERMS.	2
SECTION 1.01. Certain Defined Terms.	2
SECTION 1.02. Computation of Time Periods.	14
SECTION 1.03. Accounting Terms	14
ARTICLE II	
AMOUNTS AND TERMS OF THE ADVANCES.	14
SECTION 2.01. The Advances	14
SECTION 2.02. Making the Advances.	14
SECTION 2.03. Fees	17
SECTION 2.04. Termination and Reduction of the Commitments	18
SECTION 2.05. Repayment and Prepayment of Advances.	19
SECTION 2.06. Interest on Advances	20
SECTION 2.07. Interest Rate Determination.	21
SECTION 2.08. Voluntary Conversion or Continuation of Advances.	21
SECTION 2.09. Increased Costs.	22
SECTION 2.10. Payments and Computations.	23
SECTION 2.11. Taxes.	24
SECTION 2.12. Sharing of Payments, Etc	26
SECTION 2.13. Evidence of Debt	27
SECTION 2.14. Use of Proceeds.	27
SECTION 2.15. Extension of the Commitment Termination Date.	28
SECTION 2.16. Substitution of Lenders.	29
ARTICLE III	
CONDITIONS OF LENDING.	29
SECTION 3.01. Condition Precedent to Effective Date.	29
SECTION 3.02. Conditions Precedent to Each Borrowing	31
ARTICLE IV	
REPRESENTATIONS AND WARRANTIES	31
SECTION 4.01. Representations and Warranties of the Borrower.	31
ARTICLE V	
COVENANTS OF THE BORROWER.	35
SECTION 5.01. Affirmative Covenants.	35
SECTION 5.02. Negative Covenants	39
ARTICLE VI	
EVENTS OF DEFAULT.	42
SECTION 6.01. Events of Default.	42
ARTICLE VII	
THE FUNDING AGENT AND THE AGENTS.	45
SECTION 7.01. Authorization and Action	45
SECTION 7.02. Agents' Reliance, Etc.	45
SECTION 7.03. Citibank, B of A and Affiliates.	46
SECTION 7.04. Lender Credit Decision	46
SECTION 7.05. Indemnification.	47
SECTION 7.06. Successor Agent.	47
ARTICLE VIII	
MISCELLANEOUS.	48
SECTION 8.01. Amendments, Etc.	48
SECTION 8.02. Notices, Etc	48

SECTION 8.03.	No Waiver; Remedies	49
SECTION 8.04.	Costs, Expenses and Indemnification	49
SECTION 8.05.	Right of Set-off	50
SECTION 8.06.	Binding Effect	51
SECTION 8.07.	Assignments and Participations	51
SECTION 8.08.	Confidentiality.	54
SECTION 8.09.	Governing Law.	54
SECTION 8.10.	Execution in Counterparts.	54
SECTION 8.11.	Consent to Jurisdiction; Waiver of Immunities.	55
SECTION 8.12.	Waiver of Trial by Jury.	55

Schedule I	- List of Applicable Lending Offices
Exhibit A	- Notice of Borrowing
Exhibit B	- Assignment and Acceptance
Exhibit C	- Form of Opinion of Counsel for the Borrower
Exhibit D	- Form of Opinion of Counsel to the Agents
Exhibit E	- Form of Extension Request
Exhibit F	- Form of Compliance Certificate
Exhibit G	- Form of Note

**AMENDED AND RESTATED
CREDIT AGREEMENT**

Dated as of December 15, 1993

This Amended and Restated Credit Agreement is among The Dial Corp, a Delaware corporation (the "Borrower"), the banks (the "Banks") listed on the signature pages hereof, Bank of America National Trust and Savings Association ("B of A") and Citibank, N.A. ("Citibank") as agents for the Lenders hereunder (individually referred to herein as an "Agent" and collectively as the "Agents" which term shall also include Citibank in its capacity as the Funding Agent), Citibank as funding agent for the Lenders hereunder (in such capacity, the "Funding Agent"), and Bank of America National Trust and Savings Association as reporting agent for the Lenders hereunder (in such capacity, the "Reporting Agent").

PRELIMINARY STATEMENT

The Borrower, certain of the Banks, certain of the Exiting Banks (as defined below), and Citibank, as Agent, are parties to that certain Credit Agreement dated as of October 31, 1987, as such agreement has been amended from time to time (the "Citibank Existing Agreement") and the Borrower, certain of the Banks, certain of the Exiting Banks and B of A, as Agent, are parties to that certain amended and restated credit agreement, dated October 1, 1987, as such agreement has been amended from time to time (the "B of A Existing Agreement", and together with the Citibank Existing Agreement, the "Existing Agreements").

The Borrower, the Banks, and the Agents desire to amend and restate the Existing Agreements in their entirety and to combine the Existing Agreements into one agreement.

Each bank that is a party to an Existing Agreement that is not a party to this Agreement (an "Exiting Bank") and the Borrower have agreed, pursuant to those certain letter agreements dated as of December 15, 1993, that all funding obligations and other obligations of the Exiting Banks under the Existing Agreements have been terminated and, except as set forth in such letter agreements, all payment obligations and other obligations of the Borrower with respect to the Exiting Banks under the Existing Agreements have been satisfied.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Additions to Capital" means the sum of (i) the aggregate net proceeds, including cash and the fair market value of property other than cash (as determined in good faith by the Board of Directors of the Borrower as evidenced by a Board resolution), received by the Borrower from the issue or sale (other than to a Subsidiary) of capital stock of the Borrower and (ii) the aggregate of 25% of the after tax gain realized from unusual, extraordinary, and major nonrecurring items including, but not limited to, the sale, transfer, or other disposition of (x) any of the stock of any of the Borrower's Subsidiaries or (y) substantially all of the assets of any geographic or other division or line of business of the Borrower or any of its Subsidiaries (but excluding any after tax loss realized on any such unusual, extraordinary, and major nonrecurring items to the extent they exceed any after tax gains on such items).

"Adjusted Eurodollar Rate" means, for any Interest Period for each Eurodollar Rate Advance comprising part of the same Borrowing, an interest rate per annum equal to the rate per annum obtained by dividing (a) the average (rounded upward to the nearest whole multiple of 1/16 of 1% per annum, if such average is not such a multiple) of the rate per annum at which deposits in U.S. dollars are offered by the principal office of each of the Reference Banks in London, England to prime banks in the London interbank market at 11:00 A.M. (London time) two Business Days before the first day of such Interest Period in an amount substantially equal to the respective Reference Bank's Eurodollar Rate Advance comprising part of such Borrowing and for a period equal to such Interest Period by (b) a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage. The Adjusted Eurodollar Rate for any Interest Period for each Eurodollar Rate Advance comprising part of the same Borrowing shall be determined by the Funding Agent on the basis of applicable rates furnished to and received by the Funding Agent from the Reference Banks two Business Days before the first day of such Interest Period, subject, however, to the provisions of Section 2.07.

"Advance" means an advance by a Lender to the Borrower as part of a Borrowing and refers to a Base Rate Advance or a Eurodollar Rate Advance, each of which shall be a "Type" of Advance.

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person.

"Agent" or "Agents" has the meaning specified in the introductory paragraph of this Agreement; provided, that, for purposes of Sections 7.02, 7.04, 7.05, 8.04, 8.07(b)(iv) and 8.12 of this Agreement the term "Agent" or "Agents", as the case may be, shall include BA Securities, Inc., Citicorp Securities, Inc., and the Reporting Agent.

"Agreement" means this Amended and Restated Credit Agreement as it may be amended, supplemented or otherwise modified from time to time.

"Applicable Lending Office" means, with respect to each Lender, such Lender's Domestic Lending Office in the case of a Base Rate Advance, and such Lender's Eurodollar Lending Office in the case of a Eurodollar Rate Advance.

"Applicable Margin" means, for any period for which any interest payment is to be made with respect to any Advance, the interest rate per annum derived by dividing (i) the sum of the Daily Margins for each of the days included in such period by (ii) the number of days included in such period.

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Funding Agent, in substantially the form of Exhibit B hereto.

"Base Rate" means, for any period, a fluctuating interest rate per annum as shall be in effect from time to time which rate per annum shall at all times be equal to the highest of:

(a) the rate of interest announced publicly by Citibank in New York, New York, from time to time, as Citibank's base rate (which is a rate set by Citibank based upon various factors including Citibank's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate);

(b) the sum of (A) 1/2 of one percent per annum plus (B) the rate obtained by dividing (x) the latest three-week moving average of secondary market morning offering rates in the United States for three-month certificates of deposit of major United States money market banks (such three-week moving average being determined weekly by Citibank on the basis of such rates reported by certificate of deposit dealers to and published by the Federal Reserve Bank of New York or, if such publication shall be suspended or terminated, on the basis of quotations for such rates received by Citibank, in either case adjusted to the nearest 1/4 of one percent or, if there is no nearest 1/4 of one percent, to the next higher 1/4 of one percent), by (y) a percentage equal to 100% minus the average of the daily percentages specified during such three-week period by the Board of Governors of the Federal Reserve System for determining the maximum reserve requirement (including, but not limited to, any marginal reserve requirements for Citibank in respect of liabilities consisting of or including (among other liabilities) three-month nonpersonal time deposits of at least \$100,000), plus (C) the average during such three-week period of the daily net annual assessment rates estimated by Citibank for determining the current annual assessment payable by Citibank to the Federal Deposit Insurance Corporation for insuring three-month deposits in the United States; or

(c) 1/2 of one percent per annum above the Federal Funds Rate.

"Base Rate Advance" means an Advance which bears interest as provided in Section 2.06(a).

"Borrowing" means a borrowing consisting of Advances of the same Type made on the same day pursuant to the same Notice of Borrowing by each of the Lenders pursuant to Section 2.01.

"Business Day" means a day of the year on which banks are not required or authorized to close in New York City or Los Angeles and, if the applicable Business Day relates to any Eurodollar Rate Advances, on which dealings are carried on in the London interbank market.

"Capital Lease" means, with respect to any Person, any lease of any property by that Person as lessee which would, in conformity with GAAP, be required to be accounted for as a capital lease on the balance sheet of that Person.

"Cash" means money, currency or a credit balance in a deposit account.

"Cash Equivalents" means (a) marketable direct obligations issued or unconditionally guaranteed by the United States government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition thereof, (b) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having the highest rating generally obtainable from either S&P or Moody's, (c) commercial paper maturing no more than one year from the date of creation thereof and, at the time of acquisition, having a rating of A-1 or higher from S&P or P-1 or higher from Moody's, and (d) certificates of deposit or bankers' acceptances maturing within one year from the date of acquisition thereof issued by any lender.

"Cash Flow Coverage" means a ratio of

(a) consolidated net income plus provision for taxes of the Borrower and its Subsidiaries (excluding extraordinary, unusual, or nonrecurring gains or losses), plus interest expense of the Borrower and its Subsidiaries, plus net operating lease expense (net of operating sublease income) of the Borrower and its Subsidiaries, plus depreciation and amortization of intangibles of the Borrower and its Subsidiaries, less capital

expenditures (excluding the cost of acquisitions and the purchase of the partnership interest in Dial Tower) of the Borrower and its Subsidiaries, divided by (b) net operating lease expense (net of operating sublease income) of the Borrower and its Subsidiaries plus interest expense of the Borrower and its Subsidiaries, as determined on a consolidated basis in conformity with GAAP.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commitment" has the meaning specified in Section 2.01.

"Commitment Termination Date" means, with respect to any Lender, June 30, 1997, or such later date to which the Commitment Termination Date of such Lender may be extended from time to time pursuant to Section 2.15 (or if any such date is not a Business Day, the next preceding Business Day).

"Compliance Certificate" means a certificate substantially in the form of Exhibit F hereto, delivered to the Lenders by the Borrower pursuant to Section 5.10(b)(iii).

"Convert," "Conversion" and "Converted" each refers to a conversion of Advances of one Type into Advances of another Type pursuant to Section 2.08.

"Daily Margin" means, for any date of determination, for the designated Level, Utilization Ratio applicable to such date of determination and Type of Advance, the following interest rates per annum:

	Daily Margin when Utilization Ratio is less than 0.50:1.00		Daily Margin when Utilization Ratio is greater than or equal to 0.50:1.00	
	TYPE OF ADVANCE		TYPE OF ADVANCE	
	Base Rate Advance	Eurodollar Rate Advance	Base Rate Advance	Eurodollar Rate Advance
Level 1	0%	0.4375%	0%	0.5000%
Level 2	0%	0.5000%	0%	0.5625%
Level 3	0%	0.6250%	0%	0.6875%
Level 4	0.25%	1.0000%	0.25%	1.1250%

For purposes of this definition, (a) "Utilization Ratio" means, as of any date of determination, the ratio of (1) the aggregate outstanding principal amount of all Advances as of such date to (2) the aggregate amount of all Commitments in effect as of such date (whether used or unused), (b) if any change in the rating established by S&P, Moody's or Duff & Phelps with respect to Long-Term Debt shall result in a change in the Level, the change in the Daily Margin shall be effective as of the date on which such rating change is publicly announced, and (c) if the ratings established by any two of S&P, Moody's or Duff & Phelps with respect to Long-Term Debt are unavailable for any reason for any day, then the applicable level for such day shall be deemed to be Level 4 (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).

"Debt" means (i) indebtedness for borrowed money or for the deferred purchase price of property or services, (ii) obligations as lessee under Capital Leases, (iii) obligations under guarantees in respect of indebtedness or obligations of others of the kinds referred to in clause (i) or (ii) above, (iv) liabilities in respect of unfunded vested benefits under Single Employer Plans, and (v) Withdrawal Liability incurred under ERISA by the Borrower or any of its ERISA Affiliates to any Multi-employer Plans; provided that "Debt" shall not include payment obligations in the ordinary course of the business of Travelers Express Company, Inc. ("Travelers Express") arising from (x) payments made by banks on checks or money orders issued by Travelers Express and presented to such banks and (y) contingent obligations of Travelers Express to banks which have issued official checks drawn on Travelers Express and have paid to Travelers Express the amounts of such official checks, to repay to such banks such amounts if such official checks are not negotiated.

"Domestic Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Domestic Lending Office" opposite its name on Schedule I hereto or in the Assignment and Acceptance pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Agents.

"Duff & Phelps" means Duff & Phelps Inc.

"Effective Date" means the date, on or before December 21, 1993, on which the conditions precedent set forth in Section 3.01 have been satisfied.

"Eligible Assignee" means (i) a commercial bank organized under the laws of the United States, or any state thereof, and having a combined

capital and surplus of at least \$100,000,000; (ii) a commercial bank organized under the laws of any other country which is a member of the Organization for Economical Cooperation and Development (the "OECD"), or a political subdivision of any such country and having a combined capital and surplus of at least \$100,000,000, provided that such bank is acting through a branch or agency located in the country in which it is organized or another country which is also a member of the OECD; and (iii) any Person engaged primarily in the business of commercial banking and that is a Subsidiary of a Lender or of a Person of which a Lender is a Subsidiary.

"Environmental Law" means any and all statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions of any federal, state or local governmental authority within the United States or any State or territory thereof and which relate to the environment or the release of any materials into the environment.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" means any Person who for purposes of Title IV of ERISA is a member of the Borrower's controlled group, or under common control with the Borrower, within the meaning of Section 414 of the Code and the regulations promulgated and rulings issued thereunder.

"ERISA Event" means (i) the occurrence of a reportable event, within the meaning of Section 4043 of ERISA, unless the 30-day notice requirement with respect thereto has been waived by the PBGC; (ii) the provision by the administrator of any Pension Plan of a notice of intent to terminate such Pension Plan pursuant to Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA); (iii) the cessation of operations at a facility in the circumstances described in Section 4062(e) of ERISA; (iv) the withdrawal by the Borrower or an ERISA Affiliate from a Multiple Employer Plan during a plan year for which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (v) the failure by the Borrower or any ERISA Affiliate to make a payment to a Pension Plan required under Section 302(f)(1) of ERISA, which Section imposes a lien for failure to make required payments; (vi) the adoption of an amendment to a Pension Plan requiring the provision of security to such Pension Plan, pursuant to Section 307 of ERISA; or (vii) the institution by the PBGC of proceedings to terminate a Pension Plan, pursuant to Section 4042 of ERISA, or the occurrence of any event or condition which, in the reasonable judgment of the Borrower, might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, a Pension Plan.

"Eurocurrency Liabilities" has the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Eurodollar Lending Office" means, with respect to any Lender, the office of such Lender specified as its "Eurodollar Lending Office" opposite its name on Schedule I hereto or in the Assignment and Acceptance pursuant to which it became a Lender (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Funding Agent.

"Eurodollar Rate Advance" means an Advance which bears interest as provided in Section 2.06(b).

"Eurodollar Rate Reserve Percentage" for any Interest Period for any Eurodollar Rate Advance means the reserve percentage applicable during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirements (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for member banks in the Federal Reserve System with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Interest Period.

"Events of Default" has the meaning specified in Section 6.01.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Funding Agent from three Federal funds brokers of recognized standing selected by it.

"Funded Debt" means outstanding Debt of the Borrower and its Subsidiaries of the kind described in clauses (i), (ii) and (iii) of the definition of Debt.

"Funding Agent" means Citibank, or any Person serving as its successor agent.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, which are applicable to

the circumstances as of the date of determination.

"Insufficiency" means, with respect to any Pension Plan, the amount, if any, of its unfunded benefit liabilities, as defined in Section 4001(a)(18) of ERISA.

"Interest Period" means, for each Eurodollar Rate Advance comprising part of the same Borrowing, the period commencing on the date of such Eurodollar Rate Advance, or on the date of continuation of such Advance as a Eurodollar Rate Advance upon expiration of successive Interest Periods applicable thereto, or on the date of Conversion of a Base Rate Advance into a Eurodollar Rate Advance, and ending on the last day of the period selected by the Borrower pursuant to the provisions below. The duration of each such Interest Period shall be one, two, three or six months, as the Borrower may select in the Notice of Borrowing or the Notice of Conversion/Continuation for such Advance; provided, however, that:

(i) the Borrower may not select any Interest Period which ends after the earliest Commitment Termination Date of any Lender then in effect;

(ii) Interest Periods commencing on the same date for Advances comprising part of the same Borrowing shall be of the same duration; and

(iii) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided, that if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day.

"Lenders" means the Banks listed on the signature pages hereof and each Eligible Assignee that shall become a party hereto pursuant to Section 8.07.

"Level" means Level 1, Level 2, Level 3 or Level 4, as the case may be.

"Level 1" means that, as of any date of determination, the Borrower's Long-term Debt rating is equal to or higher than at least two of the following:
BBB+ from S&P, Baa1 from Moody's and/or BBB+ from Duff & Phelps.

"Level 2" means that, as of any date of determination, the Borrower's Long-term Debt rating is equal to at least two of the following: BBB from S&P, Baa2 from Moody's and/or BBB from Duff & Phelps.

"Level 3" means that, as of any date of determination, the Borrower's Long-term Debt rating is equal to at least two of the following: BBB- from S&P, Baa3 from Moody's and/or BBB- from Duff & Phelps.

"Level 4" means that, as of any date of determination, the Borrower's Long-term Debt rating is lower than at least two of the following: BBB- from S&P, Baa3 from Moody's and/or BBB- from Duff & Phelps.

"Leverage" means (i)(a) Funded Debt minus (b) Cash and Cash Equivalents; divided by (ii) (x) Funded Debt minus (y) Cash and Cash Equivalents plus (z) Shareholders Equity.

"Lien" means any lien, mortgage, pledge, security interest, charge or encumbrance of any kind (including any conditional sale or other title retention agreement and any lease in the nature thereof).

"Loan Documents" means this Agreement and the related documents.

"Long-Term Debt" means senior, unsecured, long term debt securities of the Borrower.

"Margin Stock" has the meaning assigned to that term in Regulation U promulgated by the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Material Subsidiary" means any Subsidiary of the Borrower having total assets in excess of \$10,000,000.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA to which the Borrower or any ERISA Affiliate of the Borrower is making, or is obligated to make, contributions or has within any of the preceding six plan years been obligated to make or accrue contributions.

"Multiple Employer Plan" means a single employer plan, as defined in Section 4001(a)(15) of ERISA, which

(i) is maintained for employees of the Borrower or an ERISA Affiliate and at least one Person other than the Borrower and its ERISA Affiliates or (ii) was so maintained and in respect of which the Borrower or an ERISA Affiliate could have liability under Section 4063, 4064 or 4069 of

ERISA in the event such plan has been or were to be terminated.

"Net Income" means net income in accordance with **GAAP**.

"Net Worth" means minority interests, preferred stock and common stock and other equity, as shown on the consolidated balance sheet of the Borrower and its Subsidiaries.

"Notice of Borrowing" has the meaning specified in Section 2.02(a).

"Notice of Conversion/Continuation" has the meaning specified in Section 2.08.

"PBGC" means the U.S. Pension Benefit Guaranty Corporation.

"Pension Plan" means a Single Employer Plan or a Multiple Employer Plan or both.

"Person" means an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

"Potential Event of Default" means a condition or event which, after notice or lapse of time or both, would constitute an Event of Default if that condition or event were not cured or removed within any applicable grace or cure period.

"Reference Banks" means, B of A, Citibank, Chemical Bank and Bank of Montreal.

"Reporting Agent" means B of A, or any Person serving as its successor agent.

"Register" has the meaning specified in Section 8.07(c).

"Requisite Lenders" means at any time Lenders holding at least 66-2/3% of the then aggregate unpaid principal amount of the Advances held by Lenders, or, if no such principal amount is then outstanding, Lenders having at least 66-2/3% of the Commitments (provided that, for purposes hereof, neither the Borrower, nor any of its Affiliates, if a Lender, shall be included in (i) the Lenders holding such amount of the Advances or having such amount of the Commitments or (ii) determining the aggregate unpaid principal amount of the Advances or the total Commitments).

"S&P" means Standard & Poor's Corporation.

"SEC" means the Securities and Exchange Commission and any successor agency.

"Shareholders Equity" means Net Worth plus the "Employee Equity Trust" contra account and "Guaranty of ESOP Debt" contra account as set forth on the consolidated balance sheet of the Borrower and its Subsidiaries.

"Single Employer Plan" means a single employer plan, as defined in Section 4001(a)(15) of ERISA, which (i) is maintained for employees of the Borrower or any ERISA Affiliate and no Person other than the Borrower and its ERISA Affiliates or (ii) was so maintained and in respect of which the Borrower or an ERISA Affiliate could have liability under Section 4062 or 4069 of ERISA in the event such plan has been or were to be terminated.

"Subsidiary" of any Person means any corporation, association, partnership or other business entity of which at least 50% of the total voting power of shares of stock or other securities entitled to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof.

"Termination Date" means, with respect to any Lender, the earlier of (i) the Commitment Termination Date of such Lender and (ii) the date of termination in whole of the Commitments of all Lenders pursuant to Section 2.04 or 6.01.

"Type" means, with reference to an Advance, a Base Rate Advance or a Eurodollar Rate Advance.

"Withdrawal Liability" has the meaning given such term under Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding".

SECTION 1.03. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP. All computations determining compliance with financial covenants or terms, including definitions used therein, shall be prepared in accordance with generally accepted accounting principles in effect at the time of the preparation of, and in conformity with those used to prepare, the historical financial statements delivered to the Lenders pursuant to Section 4.01(e). If at any time the computations for determining compliance with financial covenants or provisions relating thereto utilize generally accepted accounting principles different than those then being utilized in the financial statements being delivered to the Lenders, such financial statements shall be accompanied by a reconciliation statement.

ARTICLE II

AMOUNTS AND TERMS OF THE ADVANCES

SECTION 2.01. The Advances. Each Lender severally agrees, on the terms and conditions hereinafter set forth, to make Advances to the Borrower from time to time on any Business Day during the period from the Effective Date until the Termination Date of such Lender in an aggregate amount not to exceed at any time outstanding the amount set opposite such Lender's name on the signature pages hereof or, if such Lender has entered into any Assignment and Acceptance, set forth for such Lender in the Register maintained by the Funding Agent pursuant to Section 8.07(c), as such amount may be reduced pursuant to Section

2.04 (such Lender's "Commitment"). Each Borrowing shall be in an aggregate amount not less than \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof and shall consist of Advances of the same Type made on the same day by the Lenders ratably according to their respective Commitments. Within the limits of each Lender's Commitment, the Borrower may from time to time borrow, prepay pursuant to Section 2.05(c) and reborrow under this Section 2.01.

SECTION 2.02. Making the Advances. (a) Each Borrowing shall be made on notice, given not later than

(x) 11:00 A.M. (New York City time) on the date of a proposed Borrowing consisting of Base Rate Advances and

(y) 11:00 A.M. (New York City time) on the third Business Day prior to the date of a proposed Borrowing consisting of Eurodollar Rate Advances, by the Borrower to the Funding Agent, which shall give to each Lender prompt notice thereof by telecopier, telex or cable. Each such notice of a Borrowing (a "Notice of Borrowing") shall be by telecopier, telex or cable, confirmed immediately in writing, in substantially the form of Exhibit A hereto, specifying therein the requested (i) date of such Borrowing, (ii) Type of Advances comprising such Borrowing, (iii) aggregate amount of such Borrowing, and (iv) in the case of a Borrowing comprised of Eurodollar Rate Advances, the initial Interest Period for each such Advance. The Borrower may, subject to the conditions herein provided, borrow more than one Borrowing on any Business Day. Each Lender shall, before 2:00 P.M. (New York City time) in the case of a Borrowing consisting of Base Rate Advances and before 11:00

A.M. (New York City time) in the case of a Borrowing consisting of Eurodollar Rate Advances, in each case on the date of such Borrowing, make available for the account of its Applicable Lending Office to the Funding Agent at its address referred to in Section 8.02, in same day funds, such Lender's ratable portion of such Borrowing. After the Funding Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Funding Agent will make such funds available to the Borrower at the Funding Agent's aforesaid address.

(b) Anything in subsection (a) above to the contrary notwithstanding,

(i) the Borrower may not select Eurodollar Rate Advances for any Borrowing or with respect to the Conversion or continuance of any Borrowing if the aggregate amount of such Borrowing or such Conversion or continuance is less than \$5,000,000;

(ii) there shall be no more than five Interest Periods relating to Eurodollar Rate Advances outstanding at any time;

(iii) if any Lender shall, at least one Business Day before the date of any requested Borrowing, notify the Funding Agent that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or that any central bank or other governmental authority asserts that it is unlawful, for such Lender or its Eurodollar Lending Office to perform its obligations hereunder to make Eurodollar Rate Advances or to fund or maintain Eurodollar Rate Advances hereunder, the Commitment of such Lender to make Eurodollar Rate Advances or to Convert all or any portion of Base Rate Advances shall forthwith be suspended until the Funding Agent shall notify the Borrower that such Lender has determined that the circumstances causing such suspension no longer exist and such Lender's then outstanding Eurodollar Rate Advances, if any, shall be Base Rate Advances; to the extent that such affected Eurodollar Rate Advances become Base Rate Advances, all payments of principal that would have been otherwise applied to such Eurodollar Rate Advances shall be applied instead to such Lender's Base Rate Advances; provided that if Requisite Lenders are subject to the same illegality or assertion of illegality, then the right of the Borrower to select Eurodollar Rate Advances for such Borrowing or any subsequent Borrowing or to Convert all or any portion of Base Rate Advances shall forthwith be suspended until the Funding Agent shall notify the Borrower that the circumstances causing such suspension no longer exist, and each Advance comprising such Borrowing shall be a Base Rate Advance;

(iv) if fewer than two Reference Banks furnish timely information to the Funding Agent for determining the Adjusted Eurodollar Rate for any Eurodollar Rate Advances comprising any requested Borrowing, the right of the Borrower to select Eurodollar Rate Advances for such Borrowing or any subsequent Borrowing shall be suspended until the Funding Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist, and each Advance comprising such Borrowing shall be made as a Base Rate Advance; and

(v) if the Requisite Lenders shall, at least one Business Day before the date of any requested Borrowing, notify the Funding Agent that the Adjusted Eurodollar Rate for Eurodollar Rate Advances comprising such Borrowing will not adequately reflect the cost to such Requisite Lenders of making, funding or maintaining their respective Eurodollar Rate Advances for such Borrowing, the right of the Borrower to select

Eurodollar Rate Advances for such Borrowing or any subsequent Borrowing shall be suspended until the Funding Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist, and each Advance comprising such Borrowing shall be made as a Base Rate Advance.

(c) Each Notice of Borrowing shall be irrevocable and binding on the Borrower. In the case of any Borrowing which the related Notice of Borrowing specifies is to be comprised of Eurodollar Rate Advances, the Borrower shall indemnify each Lender against any loss, cost or expense incurred by such Lender by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Advance to be made by such Lender as part of such Borrowing or by reason of the termination of hedging or other similar arrangements, in each case when such Advance is not made on such date (other than by reason of a breach of a Lender's obligations hereunder), including without limitation, as a result of any failure to fulfill on or before the date specified in such Notice of Borrowing for such Borrowing the applicable conditions set forth in Article III.

(d) Unless the Funding Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Funding Agent such Lender's ratable portion of such Borrowing, the Funding Agent may assume that such Lender has made such portion available to the Funding Agent on the date of such Borrowing in accordance with subsection (a) of this Section 2.02 and the Funding Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Funding Agent, such Lender and the Borrower severally agree to repay to the Funding Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Funding Agent, at (i) in the case of the Borrower, the interest rate applicable at the time to Advances comprising such Borrowing and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Funding Agent such corresponding amount, such amount so repaid shall constitute such Lender's Advance as part of such Borrowing for purposes of this Agreement.

(e) The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Advance on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

SECTION 2.03. Fees. (a) **Commitment Fees.** The Borrower agrees to pay to the Funding Agent for the account of each Lender a commitment fee on the average daily unused portion of such Lender's Commitment, from the Effective Date in the case of each Lender and from the effective date specified in the Assignment and Acceptance pursuant to which it became a Lender in the case of each other Lender until the Termination Date of such Lender, payable in arrears on the last day of each March, June, September and December during the term of such Lender's Commitment, commencing December 31, 1993, and on the Termination Date of such Lender, in an amount equal to the product of (i) the average daily unused portion of such Lender's Commitment in effect during the period for which such payment that is to be made times (ii) the weighted average rate per annum that is derived from the following rates: (a) a rate of 0.175% 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 0.200% per annum with respect to each day during such period that such ratings were at Level 2, (c) a rate of 0.250% per annum with respect to each day during such period that such ratings were at Level 3, and (d) a rate of 0.375% per annum with respect to each day during such period that such ratings were at Level 4. If any change in the rating established by S&P, Moody's or Duff & Phelps 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 Duff & Phelps 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 4 (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). For purposes of this Section 2.03, the Commitments shall be deemed to be used only to the extent of Advances actually made.

(b) **Closing Fee.** The Borrower agrees to pay to each Bank on the Effective Date the fees payable to each Bank pursuant to that certain fee letter dated December 15, 1993 among the Borrower and the Agents on behalf of the Banks.

(c) **Agents' Fees.** The Borrower agrees to pay to the Agents the fees payable to the Agents pursuant to that certain fee letter dated as of December 9, 1993 among the Borrower and the Agents, in the amounts and at the times specified in such letter.

SECTION 2.04. Termination and Reduction of the Commitments.

(a) **Mandatory Termination.** In the event that a mandatory prepayment in full of the Advances is required by the Requisite Lenders pursuant to Section 2.05(b) (whether or not there are Advances outstanding), the Commitments of the Lenders shall immediately terminate.

(b) **Optional Reductions.** The Borrower shall have the right, upon at least four Business Days' notice to the Funding Agent, to terminate in whole or reduce ratably in part the unused portions of the respective Commitments of the Lenders, provided that each partial reduction shall be in the aggregate amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof.

SECTION 2.05. Repayment and Prepayment of Advances.

(a) **Mandatory Repayment on Termination Date.** The Borrower shall repay the outstanding principal amount of each Advance made by each Lender on the Termination Date of such Lender.

(b) Mandatory Prepayment in Certain Events. If any one of the following events shall occur:

(i) any Person or Persons acting in concert shall acquire beneficial ownership of more than 40% of the Borrower's voting stock; or

(ii) during any period of up to 12 months, individuals who at the beginning of such period were directors of the Borrower shall cease to constitute a majority of the Borrower's board of directors; or

(iii) any Debt which is outstanding in a principal amount of at least \$15,000,000 in the aggregate (but excluding Debt arising under this Agreement) of the Borrower or any of its Subsidiaries (as the case may be) shall be required to be prepaid (other than by a regularly scheduled required prepayment or by a required prepayment of insurance proceeds or by a required prepayment as a result of formulas based on asset sales or excess cash flow), redeemed, purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof (other than as set forth in Section 6.01(d));

then, and in any such event, if the Funding Agent shall have received notice from the Requisite Lenders that they elect to have the Advances prepaid in full and the Funding Agent shall have provided notice to the Borrower that the Advances are to be prepaid in full, the Borrower shall immediately prepay in full the Advances, together with interest accrued to the date of prepayment and will reimburse the Lenders in respect thereof pursuant to Section 8.04(b).

(c) Voluntary Prepayments of Borrowings. The Borrower shall have no right to prepay any principal amount of any Advances other than as provided in this subsection

(c). The Borrower may, upon notice to the Funding Agent on the day the Borrower proposes to prepay Advances in the case of Base Rate Advances and at least three Business Days' notice to the Funding Agent in the case of Eurodollar Rate Advances stating the proposed date and aggregate principal amount of the prepayment, and if such notice is given the Borrower shall, prepay the outstanding principal amounts of the Advances comprising part of the same Borrowing in whole or ratably in part; provided, however, that (x) each partial prepayment shall be in an aggregate principal amount not less than \$5,000,000 and integral multiples of \$1,000,000 in excess thereof and (y) in the case of any such prepayment of any Eurodollar Rate Advance, the Borrower shall pay all accrued interest to the date of such prepayment on the portion of such Eurodollar Rate Advance being prepaid and shall be obligated to reimburse the Lenders in respect thereof pursuant to Section 8.04(b).

SECTION 2.06. Interest on Advances. The Borrower shall pay interest accrued on the principal amount of each Advance outstanding from time to time from the date of such Advance until such principal amount shall be paid in full, at the following rates per annum:

(a) Base Rate Advances. If such Advance is a Base Rate Advance, a rate per annum equal at all times to the Base Rate in effect from time to time plus the Applicable Margin, if any, payable in arrears on the last day of each March, June, September and December during the term of this Agreement, commencing December 31, 1993, and on the Termination Date of the applicable Lender; 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 2% per annum above the Base Rate in effect from time to time.

(b) Eurodollar Rate Advances. If such Advance is a Eurodollar Rate Advance, a rate per annum equal at all times during the Interest Period for such Advance to the sum of the Adjusted Eurodollar Rate for such Interest Period plus the Applicable Margin, payable in arrears on the last day of such Interest Period and, if such Interest Period has a duration of more than three months, on the day which occurs during such Interest Period three months from the first day of such Interest Period; 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) 2% per annum above the Base Rate in effect from time to time 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, 2% per annum above the Base Rate in effect from time to time.

SECTION 2.07. Interest Rate Determination.

(a) Each Reference Bank agrees to furnish to the Funding Agent timely information for the purpose of determining each Adjusted Eurodollar Rate. If any one or more of the Reference Banks shall not furnish such timely information to the Funding Agent for the purpose of determining any such interest rate, the Funding Agent shall determine such interest rate on the basis of timely information furnished by the remaining Reference Banks, subject to Section 2.02(b)(iv).

(b) The Funding Agent shall give prompt notice to the Borrower and the Lenders of the applicable interest rate determined by the Funding Agent for purposes of Section 2.06(a) or 2.06(b), and the applicable rate, if any, furnished by each Reference Bank for the purpose of determining the applicable interest rate under Section 2.06(b).

SECTION 2.08. Voluntary Conversion or Continuation of Advances.

(a) The Borrower may on any Business Day, upon notice given to the Funding Agent not later than 12:00 noon (New York City time) on the third Business Day prior to the date of the proposed Conversion or continuance (a "Notice of Conversion/Continuation") and subject to the provisions of

Section 2.02(b), (1) Convert all Advances of one Type comprising the same Borrowing into Advances of another Type and (2) upon the expiration of any Interest Period applicable to Advances which are Eurodollar Rate Advances, continue all (or, subject to Section 2.02(b), any portion of) such Advances as Eurodollar Rate Advances and the succeeding Interest Period(s) of such continued Advances shall commence on the last day of the Interest Period of the Advances to be continued; provided, however, that any Conversion of any Eurodollar Rate Advances into Advances of another Type shall be made on, and only on, the last day of an Interest Period for such Eurodollar Rate Advances. Each such Notice of Conversion/Continuation shall, within the restrictions specified above, specify (i) the date of such continuation or Conversion, (ii) the Advances (or, subject to Section 2.02(b), any portion thereof) to be continued or Converted, (iii) if such continuation is of, or such Conversion is into, Eurodollar Rate Advances, the duration of the Interest Period for each such Advance and (iv) in the case of a continuation of or a Conversion into a Eurodollar Rate Advance, that no Potential Event of Default or Event of Default has occurred and is continuing.

(b) If upon the expiration of the then existing Interest Period applicable to any Advance which is a Eurodollar Rate Advance, the Borrower shall not have delivered a Notice of Conversion/Continuation in accordance with this Section 2.08, then such Advance shall upon such expiration automatically be Converted to a Base Rate Advance.

(c) After the occurrence of and during the continuance of a Potential Event of Default or an Event of Default, the Borrower may not elect to have an Advance be made or continued as, or Converted into, a Eurodollar Rate Advance after the expiration of any Interest Rate then in effect for that Advance.

SECTION 2.09. Increased Costs. (a) If, due to either (i) the introduction of or any change (other than any change by way of imposition or increase of reserve requirements in the case of Eurodollar Rate Advances included in the Eurodollar Rate Reserve Percentage) in or in the interpretation of any law or regulation or (ii) the compliance with any guideline or request from any central bank or other governmental authority (whether or not having the force of law), there shall be any increase in the cost to any Lender of agreeing to make or making, funding or maintaining Eurodollar Rate Advances, then the Borrower shall from time to time, upon demand by such Lender (with a copy of such demand to the Funding Agent), pay to the Funding Agent for the account of such Lender additional amounts sufficient to compensate such Lender for such increased cost. A reasonably detailed certificate as to the amount and manner of calculation of such increased cost, submitted to the Borrower and the Funding Agent by such Lender, shall be conclusive and binding for all purposes, absent manifest error.

(b) If any Lender determines that compliance with any law or regulation or any guideline or request from any central bank or other governmental authority (whether or not having the force of law) affects or would affect the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender and that the amount of such capital is increased by or based upon the existence of such Lender's commitment to lend hereunder and other commitments of this type, then, upon demand by such Lender (with a copy of such demand to the Funding Agent), the Borrower shall immediately pay to the Funding Agent for the account of such Lender, from time to time as specified by such Lender, additional amounts sufficient to compensate such Lender or such corporation in the light of such circumstances, to the extent that such Lender reasonably determines such increase in capital to be allocable to the existence of such Lender's commitment to lend hereunder. A reasonably detailed certificate as to such amounts and the manner of calculation thereof submitted to the Borrower and the Funding Agent by such Lender shall be conclusive and binding for all purposes, absent manifest error.

(c) If a Lender shall change its Applicable Lending Office, such Lender shall not be entitled to receive any greater payment under Sections 2.09 and 2.11 than the amount such Lender would have been entitled to receive if it had not changed its Applicable Lending Office, unless such change was made at the request of the Borrower or at a time when the circumstances giving rise to such greater payment did not exist.

SECTION 2.10. Payments and Computations. (a) The Borrower shall make each payment hereunder not later than 1:00 P.M. (New York City time) on the day when due in U.S. dollars to the Funding Agent at its address referred to in Section 8.02 in same day funds. Subject to the immediately succeeding sentence, the Funding Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest or commitment fees ratably (other than amounts payable pursuant to Section 2.09 or 2.11 or, to the extent the Termination Date is not the same for all Lenders, pursuant to Section 2.05(a)) to the Lenders for the account of their respective Applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon receipt of principal or interest paid after an Event of Default and an acceleration or a deemed acceleration of amounts due hereunder, the Funding Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest ratably in accordance with each Lender's outstanding Advances (other than amounts payable pursuant to Section 2.09 or 2.11) to the Lenders for the account of their respective Applicable Lending Offices. Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section 8.07(d), from and after the effective date specified in such Assignment and Acceptance, the Funding Agent shall make all payments hereunder in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) All computations of interest based on the Base Rate shall be made by the Funding Agent on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on the Adjusted Eurodollar Rate or the Federal Funds Rate and of commitment fees shall be made by the Funding Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or such fees are payable. Each determination by the Funding Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(c) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or commitment

fee, as the case may be; provided, however, if such extension would cause payment of interest on or principal of Eurodollar Rate Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(d) Unless the Funding Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Lenders hereunder that the Borrower will not make such payment in full, the Funding Agent may assume that the Borrower has made such payment in full to the Funding Agent on such date and the Funding Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent that the Borrower shall not have so made such payment in full to the Funding Agent, each Lender shall repay to the Funding Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Funding Agent, at the Federal Funds Rate.

SECTION 2.11. Taxes. (a) Any and all payments by the Borrower hereunder shall be made, in accordance with Section 2.10, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding (i) in the case of each Lender and each Agent, taxes imposed on its income, and franchise taxes imposed on it, by the jurisdiction under the laws of which such Lender or such Agent (as the case may be) is organized or any political subdivision thereof or in which its principal office is located, (ii) in the case of each Lender taxes imposed on its net income, and franchise taxes imposed on it, by the jurisdiction of such Lender's Applicable Lending Office or any political subdivision thereof and (iii) in the case of each Lender and each Agent, taxes imposed by the United States by means of withholding at the source if and to the extent that such taxes shall be in effect and shall be applicable on the date hereof in the case of each Bank and on the effective date of the Assignment and Acceptance pursuant to which it became a Lender in the case of each other Lender, on payments to be made to the Agents or such Lender's Applicable Lending Office (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder to any Lender or either Agent,

(i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.11) such Lender or such Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, the Borrower agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from the execution, delivery or registration of, or otherwise with respect to, this Agreement (hereinafter referred to as "Other Taxes").

(c) The Borrower will indemnify each Lender and each Agent for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.11) paid by such Lender or such Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. This indemnification shall be made within 30 days from the date such Lender or such Agent (as the case may be) makes written demand therefor.

(d) Within 30 days after the date of any payment of Taxes, the Borrower will furnish to the Funding Agent, at its address referred to in Section 8.02, the original or a certified copy of a receipt evidencing payment thereof.

(e) Each Lender organized under the laws of a jurisdiction outside the United States, on or prior to the date of its execution and delivery of this Agreement in the case of each Bank and on the date of the Assignment and Acceptance pursuant to which it becomes a Lender in the case of each other Lender, and from time to time thereafter if requested in writing by the Borrower (but only so long as such Lender remains lawfully able to do so), shall provide the Borrower with Internal Revenue Service form 1001 or 4224, as appropriate, or any successor form prescribed by the Internal Revenue Service, certifying that such Lender is entitled to benefits under an income tax treaty to which the United States is a party which reduces the rate of withholding tax on payments of interest or certifying that the income receivable pursuant to this Agreement is effectively connected with the conduct of a trade or business in the United States. If the form provided by a Lender at the time such Lender first becomes a party to this Agreement indicates a United States interest withholding tax rate in excess of zero, withholding tax at such rate shall be considered excluded from "Taxes" as defined in Section 2.11(a).

(f) For any period with respect to which a Lender has failed to provide the Borrower with the appropriate form described in Section 2.11(e) (other than if such failure is due to a change in law occurring subsequent to the date on which a form originally was required to be provided, or if such form otherwise is not required under the first sentence of subsection (e) above), such Lender shall not be entitled to indemnification under Section 2.11(a) with respect to Taxes imposed by the United States; provided, however, that should a Lender become subject to Taxes because of its failure to deliver a form required hereunder, the Borrower shall, at the expense of such Lender, take such steps as the Lender shall reasonably request to assist the Lender to recover such Taxes.

(g) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Section 2.11 shall survive the payment in full of principal and interest hereunder.

SECTION 2.12. Sharing of Payments, Etc. If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Advances made by it (other than pursuant to Section 2.09 or 2.11 or, to the extent the Termination Date is not the same for all Lenders, pursuant to Section 2.05(a)) in excess of its ratable share of payments on account of the

Advances obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participations in the Advances made by them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them, provided, however, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of

(i) the amount of such Lender's required repayment to

(ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.12 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

SECTION 2.13. Evidence of Debt.

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Advance owing to such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b) The Register maintained by the Funding Agent pursuant to Section 8.07(c) shall include a control account, and a subsidiary account for each Lender, in which accounts (taken together) shall be recorded (i) the date, amount and tenor, as applicable, of each Borrowing, the Type of Advances comprising such Borrowing and the Interest Period applicable thereto, (ii) the terms of each Assignment and Acceptance delivered to and accepted by it, (iii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder, and (iv) the amount of any sum received by the Funding Agent from the Borrower hereunder and each Lender's share thereof.

(c) The entries made in the Register shall be conclusive and binding for all purposes, absent manifest error.

(d) Any Lender may at any time request that the Borrower execute and deliver to such Lender a Note, substantially in the form of Exhibit G annexed hereto, to evidence such Lender's Advances hereunder. The Borrower agrees promptly upon its receipt of any such request from a Lender to execute and deliver a Note to such Lender.

SECTION 2.14. Use of Proceeds.

(a) Advances shall be used by the Borrower for commercial paper backup and for general corporate purposes.

(b) No portion of the proceeds of any Advances under this Agreement shall be used by the Borrower or any of its Subsidiaries in any manner which might cause the Advances or the application of such proceeds to violate, or require any Lender to make any filing or take any other action under, Regulation G, Regulation U, Regulation T, or Regulation X of the Board of Governors of the Federal Reserve System or any other regulation of such Board or to violate the Securities Exchange Act of 1934, in each case as in effect on the date or dates of such Advances and such use of proceeds.

SECTION 2.15. Extension of the Commitment Termination Date. The Borrower may not more than once in any calendar year and not later than 13 months prior to the then existing Commitment Termination Date of the Eligible Lenders (as defined below), request that the Commitment Termination Date of all Eligible Lenders be extended for a period of one year by delivering to the Agents a signed copy of an extension request (an "Extension Request") in substantially the form of Exhibit E hereto; provided, that, if such request is made no earlier than 15 months prior to (and no later than 13 months prior to) the then existing Commitment Termination Date of the Eligible Lenders, the Borrower may request that the Commitment Termination Date of all Eligible Lenders be extended for a period of two years. The Reporting Agent on behalf of the Agents shall promptly notify each Eligible Lender of its receipt of such Extension Request. On or prior to June 20 of each calendar year in which there has been an Extension Request (the "Determination Date"), each Eligible Lender shall notify each Agent and the Borrower of its willingness or unwillingness to extend its Commitment Termination Date hereunder. Any Eligible Lender that shall fail to so notify each Agent and the Borrower on or prior to the Determination Date shall be deemed to have declined to so extend. In the event that, on or prior to the Determination Date, Eligible Lenders representing 66-2/3% or more of the aggregate amount of the Commitments of all Eligible Lenders then in effect shall consent to such extension, upon confirmation by the Agents of such consent, the Reporting Agent on behalf of the Agents shall so advise the Lenders and the Borrower, and, subject to execution of documentation evidencing such extension and consents, the Commitment Termination Date of each Eligible Lender (each a "Consenting Lender") that has consented on or prior to the Determination Date to so extend shall be extended to the date one year or two years, as applicable, after the Commitment Termination Date of such Eligible Lender in existence on the date of the related Extension Request. Thereafter, (i) for each Consenting Lender, the term "Commitment Termination Date" shall at all times refer to such date, unless it is later extended pursuant to this Section 2.15, and (ii) for each Lender that is not an Eligible Lender and for each Eligible Lender that either has declined on or prior to the Determination Date to so extend or is deemed to have so declined, the term "Commitment Termination Date" shall at all times refer to the date which was the Commitment Termination Date of such Lender immediately prior to the delivery to the Agents of such Extension Request. In the event that, as of the Determination Date, the Consenting Lenders represent less than 66-2/3% of the aggregate amount of the Commitments of all Eligible Lenders then in effect, and the Agents confirm the same, the Reporting Agent on behalf of the Agents shall so advise the Lenders and the Borrower, and none of the Lenders' Commitment Termination Dates shall be extended to the date indicated in the Extension Request and each Lender's Commitment Termination Date shall continue to be the date which was the Commitment Termination Date of such Lender immediately prior to the delivery to the Agents of such Extension Request. For purposes of this Section 2.15, the term "Eligible Lenders" means, with respect to any

Extension Request, (i) all Lenders if no Lender's Commitment Termination Date had been extended pursuant to this Section 2.15 prior to the delivery to the Agents of such Extension Request, and (ii) in all other cases, those Lenders which had extended their Commitment Termination Date in the most recent extension of any Commitment Termination Date effected pursuant to this Section 2.15.

SECTION 2.16. Substitution of Lenders. If any Lender requests compensation from the Borrower under Section 2.09(a) or (b) or Section 2.11 or if any Lender declines to extend its Commitment Termination Date pursuant to Section 2.15, the Borrower shall have the right, with the assistance of the Agents, to seek one or more Eligible Assignees (which may be one or more of the Lenders) reasonably satisfactory to the Agents and the Borrower to purchase the Advances and assume the Commitments of such Lender, and the Borrower, the Agents, such Lender, and such Eligible Assignees shall execute and deliver an appropriately completed Assignment and Acceptance pursuant to Section 8.07(a) hereof to effect the assignment of rights to and the assumption of obligations by such Eligible Assignees; provided that such requesting Lender shall be entitled to compensation under Section 2.09 and 2.11 for any costs incurred by it prior to its replacement.

ARTICLE III

CONDITIONS OF LENDING

SECTION 3.01. Condition Precedent to Effective Date. The obligation of each Lender to make its initial Advance is subject to the condition precedent that (a) the Agents shall have received on or before the Effective Date the following, each dated the Effective Date unless otherwise indicated, and each in form and substance satisfactory to the Agents and in sufficient copies for each Lender:

- (i) Copies of resolutions of the Board of Directors of the Borrower (or its Executive Committee, together with evidence of the authority of the Executive Committee) approving this Agreement, and of all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to this Agreement, certified as of a recent date prior to the Effective Date.
 - (ii) A certificate of the Secretary or an Assistant Secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign this Agreement and the other documents to be delivered by the Borrower hereunder.
 - (iii) Certified copies of the Borrower's Certificate of Incorporation, together with good standing certificates from the state of Delaware and the jurisdiction of the Borrower's principal place of business, each to be dated a recent date prior to the Effective Date;
 - (iv) Copies of the Borrower's Bylaws, certified as of the Effective Date by their respective Secretary or an Assistant Secretary;
 - (v) Executed originals of this Agreement and the other documents to be delivered by the Borrower hereunder;
 - (vi) A favorable opinion of the General Counsel of the Borrower, substantially in the form of Exhibit C hereto;
 - (vii) A favorable opinion of O'Melveny & Myers, counsel for the Agents, substantially in the form of Exhibit D hereto;
 - (viii) The Borrower's form 8-K dated October 1, 1993, which includes restated audited financial statements as of December 31, 1992 to present the Borrower's transportation manufacturing and service parts group as a discontinued operation, in the form sent to the Securities and Exchange Commission; and
 - (ix) A certificate of an authorized officer of the Company to the effect that since December 31, 1992, there has been no material adverse change in the operations, business or financial or other condition or properties of the Borrower and its Subsidiaries, taken as a whole; and
- (b) the Agents shall have received the fees set forth in Section 2.03 (b) and (c) if such fees are payable to the Agents and the Banks on the Effective Date.

SECTION 3.02. Conditions Precedent to Each Borrowing. The obligation of each Lender to make an Advance on the occasion of each Borrowing (including the initial Borrowing) shall be subject to the further conditions precedent that (x) the Funding Agent shall have received a Notice of Borrowing with respect thereto in accordance with Section 2.02 and (y) on the date of such Borrowing (a) the following statements shall be true (and each of the giving of the applicable Notice of Borrowing and the acceptance by the Borrower of the proceeds of such Borrowing shall constitute a representation and warranty by the Borrower that on the date of such Borrowing such statements are true):

- (i) The representations and warranties of the Borrower contained in Section 4.01 are correct on and as of the date of such Borrowing, before and after giving effect to such Borrowing and to the application of the proceeds therefrom, as though made on and as of such date, except to the extent that any such representation or warranty expressly relates only to an earlier date, in which case they were correct as of such earlier date; and
- (ii) No event has occurred and is continuing, or would result from such Borrowing or from the application of the proceeds therefrom, which constitutes an Event of Default, or a Potential Event of Default;

and (b) the Agents shall have received such other approvals, opinions or documents as the Requisite Lenders through the Agents may reasonably request.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Borrower. The Borrower represents and warrants as follows:

(a) Due Organization, etc. The Borrower and each Material Subsidiary is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation. The Borrower and each of its Material Subsidiaries are qualified to do business in and are in good standing under the laws of each jurisdiction in which failure to be so qualified would have a material adverse effect on the Borrower and its Subsidiaries, taken as a whole.

(b) Due Authorization, etc. The execution, delivery and performance by the Borrower of this Agreement and the other Loan Documents are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the Borrower's Certificate of Incorporation or (ii) applicable law or any material contractual restriction binding on or affecting the Borrower.

(c) 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 Borrower of this Agreement and the other Loan Documents.

(d) Validity. This Agreement is the legal, valid and binding obligation of the Borrower enforceable against the Borrower 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.

(e) Condition of the Borrower. The balance sheet of the Borrower and its Subsidiaries as at December 31, 1992, and the related statements of income and retained earnings of the Borrower and its Subsidiaries for the fiscal year then ended, copies of which have been furnished to each Bank pursuant to Section 3.01(a)(viii), fairly present the 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 period ended on such date, 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, 1992.

(f) Litigation. (i) There is no pending action or proceeding against the Borrower or any of its Subsidiaries before any court, governmental agency or arbitrator, and (ii) to the knowledge of the Borrower, there is no pending or threatened action or proceeding affecting the Borrower or any of its Subsidiaries before any court, governmental agency or arbitrator, which in either case, in the reasonable judgement of the Borrower could reasonably be expected to materially adversely affect the financial condition or operations of the Borrower and its Subsidiaries, taken as a whole, or with respect to actions of third parties which purports to affect the legality, validity or enforceability of this Agreement.

(g) Margin Regulations. The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System), and no proceeds of any Advance will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock in any manner that violates, or would cause a violation of, Regulation G, Regulation T, Regulation U or Regulation X. Less than 25 percent of the fair market value of the assets of (i) the Borrower or (ii) the Borrower and its Subsidiaries consists of Margin Stock.

(h) Payment of Taxes. The Borrower and each of its Subsidiaries have filed or caused to be filed all material tax returns (federal, state, local and foreign) required to be filed and paid all material amounts of taxes shown thereon to be due, including interest and penalties, except for such taxes as are being contested in good faith and by proper proceedings and with respect to which appropriate reserves are being maintained by the Borrower or any such Subsidiary, as the case may be.

(i) Governmental Regulation. The Borrower is not subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Interstate Commerce Act or the Investment Company Act of 1940, each as amended, or to any Federal or state statute or regulation limiting its ability to incur indebtedness for money borrowed. No Subsidiary of the Borrower is subject to any regulation that would limit the ability of the Borrower to enter into or perform its obligations under this Agreement.

(j) ERISA.

(i) No ERISA Event which might result in liability of the Borrower or any of its ERISA Affiliates in excess of \$10,000,000 (or, in the case of an event described in clause (v) of the definition of ERISA Event, \$750,000) (other than for premiums payable under Title IV of ERISA) has occurred or is reasonably expected to occur with respect to any Pension Plan.

(ii) Schedule B (Actuarial Information) to the most recently completed annual report prior to the Effective Date (Form 5500 Series) for each Pension Plan, copies of which have been filed with the Internal Revenue Service and furnished to the Agents, is complete and, to the best

knowledge of the Borrower, accurate, and since the date of such Schedule B there has been no material adverse change in the funding status of any such Pension Plan.

(iii) Neither the Borrower nor any ERISA Affiliate has incurred, or, to the best knowledge of the Borrower, is reasonably expected to incur, any Withdrawal Liability to any Multiemployer Plan which has not been satisfied or which is or might be in excess of \$10,000,000.

(iv) Neither the Borrower nor any ERISA Affiliate has been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or has been terminated, within the meaning of Title IV of ERISA, and, to the best knowledge of the Borrower, no Multiemployer Plan is reasonably expected to be in reorganization or to be terminated within the meaning of Title IV of ERISA.

(k) Environmental Matters. (i) The Borrower and each of its Subsidiaries is in compliance in all material respects with all Environmental Laws the non-compliance with which could reasonably be expected to have a material adverse effect on the financial condition or operations of the Borrower and its Subsidiaries, taken as a whole, and (ii) there has been no "release or threatened release of a hazardous substance" (as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 et seq.) or any other release, emission or discharge into the environment of any hazardous or toxic substance, pollutant or other materials from the Borrower's or its Subsidiaries' property other than as permitted under applicable Environmental Law and other than those which would not have a material adverse effect on the financial condition or operations of the Borrower and its Subsidiaries, taken as a whole. Other than disposals for which the Borrower has been indemnified in full, all "hazardous waste" (as defined by the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (1976) and the regulations thereunder, 40 CFR Part 261 ("RCRA")) generated at the Borrower's or any Subsidiaries' properties have in the past been and shall continue to be disposed of at sites which maintain valid permits under RCRA and any applicable state or local Environmental Law.

ARTICLE V

COVENANTS OF THE BORROWER

SECTION 5.01. Affirmative Covenants. So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will, unless the Requisite Lenders shall otherwise consent in writing:

(a) **Compliance with Laws, Etc.** Comply, and cause each of its Subsidiaries to comply, with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, (i) complying with all Environmental Laws and (ii) paying before the same become delinquent all taxes, assessments and governmental charges imposed upon it or upon its property except to the extent contested in good faith, except where failure to so comply would not have a material adverse effect on the business, condition (financial or otherwise), operations or properties of the Borrower and its Subsidiaries, taken as a whole.

(b) **Reporting Requirements.** Furnish to the Reporting Agent (in sufficient quantity for delivery to each Lender) for prompt distribution by the Reporting Agent to the Lenders and furnish to Citibank (and in the case of clause (xii), to the Funding Agent):

(i) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Borrower, consolidated balance sheets as of the end of such quarter and consolidated statements of source and application of funds of the Borrower and its Subsidiaries and consolidated statements of income and retained earnings of the Borrower and its Subsidiaries for such quarter and the period commencing at the end of the previous fiscal year and ending with the end of such quarter and certified by the chief financial officer or chief accounting officer of the Borrower;

(ii) as soon as available and in any event within 120 days after the end of each fiscal year of the Borrower, a copy of the annual audit report for such year for the Borrower and its Subsidiaries, containing financial statements (including a consolidated balance sheet and consolidated statement of income and cash flows of the Borrower and its Subsidiaries) for such year, certified by and accompanied by an opinion of Deloitte & Touche or other nationally recognized independent public accountants. The opinion shall be unqualified (as to going concern, scope of audit and disagreements over the accounting or other treatment of offsets) and shall state that such consolidated financial statements present fairly in all material respects the financial position of the Borrower and its Subsidiaries as at the dates indicated and the results of their operations and cash flow for the periods indicated in conformity with GAAP and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards;

(iii) together with each delivery of the report of the Borrower and its Subsidiaries pursuant to subsections (i) and (ii) above, a Compliance Certificate for the year executed by the chief financial officer or treasurer of the Borrower demonstrating in reasonable detail compliance during and at the end of such accounting periods with the restrictions contained in Section 5.02(e), (f) and (g) (and setting forth the arithmetical computation required to show such compliance) and stating that the signer has reviewed the terms of this Agreement and has made, or caused to be made under his or her supervision, a review in reasonable detail of the transactions and condition of the Borrower and its Subsidiaries during the accounting period covered by such financial statements and that such review has not disclosed the existence during or at the end of such accounting period, and that the signer does not have knowledge of the existence as at the date of the compliance certificate, of any condition or event that constitutes an Event of Default or Potential Event of Default or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Borrower has taken, is taking and proposes to take with respect thereto;

(iv) as soon as possible and in any event within five days after the occurrence of each Event of Default and each 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 of Default or event and the action which the Borrower has taken and proposes to take with respect thereto;

(v) promptly after any material change in accounting policies or reporting practices, notice and a description in reasonable detail of such change;

(vi) promptly and in any event within 30 days after the Borrower or any ERISA Affiliate knows or has reason to know that any ERISA Event referred to in clause (i) of the definition of ERISA Event with respect to any Pension Plan has occurred which might result in liability to the PBGC a statement of the chief accounting officer of the Borrower describing such ERISA Event and the action, if any, that the Borrower or such ERISA Affiliate has taken or proposes to take with respect thereto;

(vii) promptly and in any event within 15 days after the Borrower or any ERISA Affiliate knows or has reason to know that any ERISA Event (other than an ERISA Event referred to in (vi) above) with respect to any Pension Plan has occurred which might result in liability to the PBGC in excess of \$100,000, a statement of the chief accounting officer of the Borrower describing such ERISA Event and the action, if any, that the Borrower or such ERISA Affiliate has taken or proposes to take with respect thereto;

(viii) promptly and in any event within five Business Days after receipt thereof by the Borrower or any ERISA Affiliate from the PBGC, copies of each notice from the PBGC of its intention to terminate any Pension Plan or to have a trustee appointed to administer any Pension Plan;

(ix) promptly and in any event within 15 days after receipt thereof by the Borrower or any ERISA Affiliate from the sponsor of a Multiemployer Plan, a copy of each notice received by the Borrower or any ERISA Affiliate concerning (w) the imposition of Withdrawal Liability by a Multiemployer Plan in excess of \$100,000, (x) the determination that a Multiemployer Plan is, or is expected to be, in reorganization within the meaning of Title IV of ERISA, (y) the termination of a Multiemployer Plan within the meaning of Title IV of ERISA or (z) the amount of liability incurred, or expected to be incurred, by the Borrower or any ERISA Affiliate in connection with any event described in clause (w), (x) or (y) above;

(x) promptly after the commencement thereof, notice of all material actions, suits and proceedings before any court or government department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting the Borrower or any of its Subsidiaries, of the type described in Section 4.01(f);

(xi) promptly after the occurrence thereof, notice of (A) any event which makes any of the representations contained in Section 4.01(k) inaccurate in any material respect or (B) the receipt by the Borrower of any notice, order, directive or other communication from a governmental authority alleging violations of or noncompliance with any Environmental Law which could reasonably be expected to have a material adverse effect on the financial condition of the Borrowers and its Subsidiaries, taken as a whole;

(xii) promptly after any change in the rating established by S&P, Moody's or Duff & Phelps, as applicable, with respect to Long-Term Debt, a notice of such change, which notice shall specify the new rating, the date on which such change was publicly announced, and such other information with respect to such change as any Lender through either Agent may reasonably request;

(xiii) promptly after the sending or filing thereof, copies of all reports which the Borrower sends to any of its public security holders, and copies of all reports and registration statements which the Borrower files with the SEC or any national security exchange;

(xiv) promptly after the Borrower or any ERISA Affiliate creates any employee benefit plan to provide health or welfare benefits (through the purchase of insurance or otherwise) for any retired or former employee of the Borrower or any of its ERISA Affiliates (except as provided in Section 4980B of the Code and except as provided under the terms of any employee welfare benefit plans provided pursuant to the terms of collective bargaining agreements) under the terms of which the Borrower and/or any of its ERISA Affiliates are not permitted to terminate such benefits, a notice detailing such plan; and

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

(c) Corporate Existence, Etc. The Borrower will, and will cause each of its Subsidiaries to, at all times preserve and maintain its fundamental business and preserve and keep in full force and effect its corporate existence (except as permitted under Section 5.02(b) hereof) and all rights, franchises and licenses necessary or desirable in the normal conduct of its business; provided, however, that this paragraph (c) shall not apply in any case when, in the good faith business judgment of the Borrower, such preservation or maintenance is neither necessary nor appropriate for the prudent management of the business of the Borrower.

(d) Inspection. The Borrower will permit and will cause each of its Subsidiaries to permit any authorized representative designated by either Agent or any Lender at the expense of such Agent or such Lender, to visit and inspect any of the properties of the Lender or any of its Subsidiaries, including its and their financial and accounting records, and to take copies and to take extracts therefrom, and discuss its and their affairs, finances and accounts with its and their officers and independent public accountants, all during normal hours, upon reasonable notice and as often as may be reasonably requested.

(e) Insurance. The Borrower will maintain and will cause each of its Subsidiaries to maintain insurance to such extent and covering such risks as is usual for companies engaged in the same or similar business and on request will advise the Lenders of all insurance so carried.

SECTION 5.02. Negative Covenants. So long as any Advance shall remain unpaid or any Lender shall have any Commitment hereunder, without the written consent of the Requisite Lenders:

(a) Liens, Etc. The Borrower will not create or suffer to exist, or permit any of its Subsidiaries to create or suffer to exist, any Lien, upon or with respect to any of its properties, whether now owned or hereafter acquired, or assign, or permit any of its Subsidiaries to assign, any right to receive income, in each case to secure or provide for the payment of any Debt of any Person, unless the Borrower's obligations hereunder shall be secured equally and ratably with, or prior to, any such Debt; provided however that the foregoing restriction shall not apply to the following Liens which are permitted:

(i) Liens on assets of any Subsidiary of the Borrower existing at the time such Person becomes a Subsidiary (other than any such Lien created in contemplation of becoming a Subsidiary);

(ii) Liens on accounts receivable resulting from the sale of such accounts receivable, so long as, at any time, the aggregate outstanding amount of cash advanced to the Borrower and attributable to the sale of such accounts receivable does not exceed \$200,000,000;

(iii) purchase money Liens upon or in any property acquired or held by the Borrower or any Subsidiary in the ordinary course of business to secure the purchase price of such property or to secure Debt incurred solely for the purpose of financing the acquisition of such property (provided that the amount of Debt secured by such Lien does not exceed 100% of the purchase price of such property and transaction costs relating to such acquisition) and Liens existing on such property at the time of its acquisition (other than any such Lien created in contemplation of such acquisition); and the interest of the lessor thereof in any property that is subject to a Capital Lease;

(iv) any Lien securing Debt that was incurred prior to or during construction or improvement of property for the purpose of financing all or part of the cost of such construction or improvement, provided that the amount of Debt secured by such Lien does not exceed 100% of the fair market value of such property after giving effect to such construction or improvement;

(v) any Lien securing Debt of a Subsidiary owing to the Borrower;

(vi) Liens resulting from any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any Debt secured by any Lien referred to in clauses (i), (iii) and (iv) above so long as (x) the aggregate principal amount of such Debt shall not increase as a result of such extension, renewal or replacement and (y) Liens resulting from any such extension, renewal or replacement shall cover only such property which secured the Debt that is being extended, renewed or replaced; and

(vii) Liens other than Liens described in clauses (i) through (vi) hereof, whether now existing or hereafter arising, securing Debt in an aggregate amount not exceeding \$50,000,000.

(b) Restrictions on Fundamental Changes. The Borrower will not, and will not permit any of its Material Subsidiaries to, merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or a substantial portion of its assets (whether now owned or hereafter acquired) to any Person, or enter into any partnership, joint venture, syndicate, pool or other combination, unless no Event of Default or Potential Event of Default has occurred and is continuing or would result therefrom and, in the case of a merger or consolidation of the Borrower,

(i) the Borrower is the surviving entity or (ii) the surviving entity assumes all of the Borrower's obligations under this Agreement in a manner satisfactory to the Requisite Lenders.

(c) Plan Terminations. The Borrower will not, and will not permit any ERISA Affiliate to, terminate any Pension Plan so as to result in liability of the Borrower or any ERISA Affiliate to the PBGC in excess of \$15,000,000, or permit to exist any occurrence of an event or condition which reasonably presents a material risk of a termination by the PBGC of any Pension Plan with respect to which the Borrower or any ERISA Affiliate would, in the event of such termination, incur liability to the PBGC in excess of \$15,000,000.

(d) Margin Stock. The Borrower will not permit 25% or more of the fair market value of the assets of

(i) the Borrower or (ii) the Borrower and its Subsidiaries to consist of Margin Stock.

(e) Minimum Cash Flow Coverage. The Borrower will not permit Cash Flow Coverage for the twelve-month period ending on the last day of each fiscal quarter to be less than 1.25 to 1.00.

(f) Maximum Leverage. The Borrower will not permit at any time Leverage to be greater than 0.55 to 1.00.

(g) Minimum Net Worth. The Borrower will not permit at any time Net Worth to be less than the sum of (i) \$410 million and (ii) 25% of Net Income (excluding losses) from October 1, 1993 to the then most recent June 30 or December 31 and (iii) all Additions to Capital from October 1, 1993 to the then most recent June 30 or December 31.

ARTICLE VI

EVENTS OF DEFAULT

SECTION 6.01. Events of Default. If any of the following events ("Events of Default") shall occur and be continuing:

- (a) The Borrower shall fail to pay any principal of any Advance when the same becomes due and payable or the Borrower shall fail to pay any interest on any Advance or any fees or other amounts payable hereunder within five days of the date due; or
- (b) Any representation or warranty made or deemed made by the Borrower herein or by the Borrower pursuant to this Agreement (including any notice, certificate or other document delivered hereunder) shall prove to have been incorrect in any material respect when made; or
- (c) The Borrower shall fail to perform or observe
 - (i) any term, covenant or agreement contained in this Agreement (other than any term, covenant or agreement contained in Section 5.01(b)(iv), 5.01(c) or 5.02) on its part to be performed or observed and the failure to perform or observe such other term, covenant or agreement shall remain unremedied for 30 days after the Borrower obtains knowledge of such breach or
 - (ii) any term, covenant or agreement contained in Section 5.02 and either of the Agents or the Requisite Lenders shall have notified the Borrower that an Event of Default has occurred, or
 - (iii) any term, covenant or agreement contained in Section 5.01(b)(iv) or 5.01(c); or
- (d) The Borrower or any of its Subsidiaries shall fail to pay any principal of or premium or interest on any Debt which is outstanding in a principal amount of at least \$15,000,000 in the aggregate (but excluding Debt arising under this Agreement) of the Borrower or such Subsidiary (as the case may be), when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or other- wise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or the Borrower or any of its Subsidiaries shall fail to perform or observe any other agreement, term or condition contained in any agreement or instrument relating to any such Debt (or if any other event or condition of default under any such agreement or instrument shall exist) and such failure, event or condition shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such failure, event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt; or any such Debt shall be declared to be due and payable as a result of such failure, event or condition; or
- (e) The Borrower or any of its Material Subsidiaries shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower or any of its Material Subsidiaries seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for a substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Borrower or any of its Material Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this subsection (e); or
- (f) Any judgment or order for the payment of money in excess of \$25,000,000 shall be rendered against the Borrower or any of its Material Subsidiaries and either (i) enforcement proceedings shall have been commenced by any creditor upon a final or nonappealable judgment or order or (ii) there shall be any period of 10 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect;
- (g) (i) Any ERISA Event with respect to a Pension Plan shall have occurred and, 30 days after notice thereof shall have been given to the Borrower by either of the Agents, (x) such ERISA Event shall still exist and (y) the sum (determined as of the date of occurrence of such ERISA Event) of the Insufficiency of such Pension Plan and the Insufficiency of any and all other Pension Plans with respect to which an ERISA Event shall have occurred and then exist (or in the case of a Pension Plan with respect to which an ERISA Event described in clause (iii) through (vi) of the definition of ERISA Event shall have occurred and then exist, the liability related thereto) is equal to or greater than \$25,000,000; or
 - (ii) The Borrower or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that it has incurred an aggregate Withdrawal Liability for all years to such Multiemployer Plan in an amount that, when aggregated with all other amounts then required to be paid to Multiemployer Plans by the Borrower and its ERISA Affiliates as Withdrawal Liability (determined as of the date of such notification), exceeds \$25,000,000 and it is reasonably likely that all amounts then required to be paid to Multiemployer Plans by the Borrower and its ERISA Affiliates as Withdrawal Liability will exceed \$25,000,000; or
 - (iii) The Borrower or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or is being terminated, within the meaning of Title IV or ERISA, and it is reasonably likely that as a result of such reorganization or termination the aggregate annual contributions of the Borrower and its ERISA Affiliates to all Multiemployer Plans that are then in reorganization or being terminated have been or will be increased over the amounts contributed to such Multiemployer Plans for the plan year of such Multiemployer Plan immediately preceding the plan year in which the reorganization or termination occurs by an amount exceeding \$25,000,000;

then, and in any such event, either of the Agents (i) shall at the request, or may with the consent, of the Requisite Lenders, by notice to the Borrower, declare the obligation of each Lender to make Advances to be terminated, whereupon the same shall forthwith terminate, and (ii) shall at the request, or may with the consent, of the Requisite Lenders, by notice to the Borrower, declare the Advances, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Advances, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; provided, however, that in the event of an actual or deemed entry of an order for relief with respect to the Borrower or any of its Subsidiaries under the Federal Bankruptcy Code, (A) the obligation of each Lender to make Advances shall automatically be terminated and (B) the Advances, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

ARTICLE VII

THE FUNDING AGENT AND THE AGENTS

SECTION 7.01. Authorization and Action. Each Lender hereby appoints and authorizes Citibank and B of A to act as Agents under this Agreement, Citibank to act as Funding Agent under this Agreement and B of A to act as Reporting Agent under this Agreement and authorizes each Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to each Agent by the terms hereof, together with such powers as are reasonably incidental thereto. As to any matters not expressly provided for by the Loan Documents (including, without limitation, enforcement or collection of the Advances and other amounts owing hereunder), no Agent shall be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Requisite Lenders, and such instructions shall be binding upon all Lenders; provided, however, that no Agent shall be required to take any action which exposes such Agent to personal liability or which is contrary to any of the Loan Documents or applicable law. Each Agent agrees to give to each Lender prompt notice of each notice given to it by the Borrower pursuant to the terms of the Loan Documents.

SECTION 7.02. Agents' Reliance, Etc. Neither the Agents nor any of their respective directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with any of the Loan Documents, except for its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, the Agents: (i) may treat the payee of any Advance as the holder thereof until the Funding Agent receives and accepts an Assignment and Acceptance entered into by the Lender which is the payee of such Advance, as assignor, and an Eligible Assignee, as assignee, as provided in Section 8.07; (ii) may consult with legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (iii) make no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations (whether written or oral) made in or in connection with any of the Loan Documents; (iv) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of any of the Loan Documents on the part of the Borrower or to inspect the property (including the books and records) of the Borrower; (v) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of any of the Loan Documents or any other instrument or document furnished pursuant hereto; and (vi) shall incur no liability under or in respect of any of the Loan Documents by acting upon any notice, consent, certificate or other instrument or writing (which may be by telecopier, telegram, cable or telex) believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 7.03. Citibank, B of A and Affiliates. With respect to its respective Commitment and the respective Advances made by it, Citibank and B of A shall each have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not an Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include B of A and Citibank respectively in its individual capacity. B of A or Citibank and their respective affiliates may accept deposits from, lend money to, act as trustee under indentures of, and generally engage in any kind of business with, the Borrower, any of its subsidiaries and any Person who may do business with or own securities of the Borrower or any such subsidiary, all as if B of A or Citibank, as the case may be was not Agent and without any duty to account therefor to the Lenders.

SECTION 7.04. Lender Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon either the Agents or any other Lender and based on the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agents or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

SECTION 7.05. Indemnification. The Lenders agree to indemnify each Agent (to the extent not reimbursed by the Borrower), ratably according to the respective principal amounts of the Advances then held by each of them (or if no Advances are at the time outstanding or if any Advances are held by Persons which are not Lenders, ratably according to the respective amounts of their Commitments), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against such Agent in any way relating to or arising out of any of the Loan Documents or any action taken or omitted by such Agent under any of the Loan Documents, provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from any Agent's gross negligence or willful misconduct. Without limitation of the foregoing, each Lender agrees to reimburse each Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including counsel fees) incurred by such Agent in connection with the preparation, execution, delivery, administration, syndication, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, the Loan Documents, to the extent that such Agent is

not reimbursed for such expenses by the Borrower.

SECTION 7.06. Successor Agent. Each Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower and may be removed at any time with or without cause by the Requisite Lenders. Upon any such resignation or removal, the Requisite Lenders shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed by the Requisite Lenders, and shall have accepted such appointment, within 30 days after the retiring Agent's giving of notice of resignation or the Requisite Lenders' removal of the retiring Agent, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent which shall be a commercial bank organized under the laws of the United States of America or of any State thereof or any Bank and, in each case having a combined capital and surplus of at least \$50,000,000. Upon the acceptance of any appointment as an Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under the Loan Documents. After any retiring Agent's resignation or removal hereunder as Agent, the provisions of this Article VII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under the Loan Documents.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01. Amendments, Etc. No amendment or waiver of any provision of this Agreement, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Requisite Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by all the Lenders, do any of the following:

(a) waive any of the conditions specified in Section 3.01,

(b) increase the Commitments of the Lenders or subject the Lenders to any additional obligations, (c) reduce the principal of, or interest on, the Advances or any fees or other amounts payable hereunder, (d) postpone any date fixed for any payment of principal of, or interest on, the Advances or any fees or other amounts payable hereunder,

(e) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Advances, or the number of Lenders, which shall be required for the Lenders or any of them to take any action hereunder or (f) amend

Section 2.15 or this Section 8.01; and provided, further, that no amendment, waiver or consent shall, unless in writing and signed by an Agent in addition to the Lenders required above to take such action, affect the rights or duties of such Agent under this Agreement.

SECTION 8.02. Notices, Etc. All notices and other communications provided for hereunder shall be in writing (including telecopier, telegraphic, telex or cable communication) and mailed, telecopied, telegraphed, telexed, cabled or delivered, if to the Borrower, at its address at Dial Tower, Phoenix, Arizona 85077-2343, Attn: Treasurer; if to any Bank, at its Domestic Lending Office specified opposite its name on Schedule I hereto; if to any other Lender, at its Domestic Lending Office specified in the Assignment and Acceptance pursuant to which it became a Lender; if to the Funding Agent at its address at Citicorp Bank Loan Syndications Operations, 1 Court Square, Long Island City, New York 11120; if to Citibank as Agent c/o Citicorp North America, Inc., One Sansome Street, San Francisco, California 94104, Attn: Rosanna Bartolazo and if to B of A as either Agent or Reporting Agent at its address at 1455 Market Street, San Francisco, California 94103, Global Agency, No. 5596; or, as to the Borrower or either Agent, at such other address as shall be designated by such party in a written notice to the other parties and, as to each other party, at such other address as shall be designated by such party in a written notice to the Borrower and the Agents. All such notices and communications shall, when personally delivered, mailed, telecopied, telegraphed, telexed or cabled, be effective when personally delivered, after five (5) days after being deposited in the mails, when confirmed by telecopy response, when delivered to the telegraph company, when confirmed by telex answerback or when delivered to the cable company, respectively, except that notices and communications to any Agent pursuant to Article II or VII shall not be effective until received by such Agent.

SECTION 8.03. No Waiver; Remedies. No failure on the part of any Lender or either Agent to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8.04. Costs, Expenses and Indemnification. (a) The Borrower agrees to pay promptly on demand all reasonable costs and out-of-pocket expenses of the Agents in connection with the preparation, execution, delivery, administration, syndication, modification and amendment of this Agreement, and the other documents to be delivered hereunder or thereunder, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Agents (including the allocated time charges of each Agent's legal departments, as their respective internal counsel) with respect thereto and with respect to advising the Agents as to their rights and responsibilities under this Agreement. The Borrower further agrees to pay promptly on demand all costs and expenses of the Agents and of each Lender, if any (including, without limitation, reasonable counsel fees and out-of-pocket expenses), in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement and the other documents to be delivered hereunder or thereunder, including, without limitation, reasonable counsel fees and out-of-pocket expenses in connection with the enforcement of rights under this Section 8.04(a).

(b) If any payment of principal of any Eurodollar Rate Advance is made other than on the last day of the interest period for such Advance, as a result of a payment pursuant to Section 2.05 or acceleration of the maturity of the Advances pursuant to Section 6.01 or for any other reason, the Borrower shall, upon demand by any Lender (with a copy of such demand to the Funding Agent), pay to the Funding Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses which it may reasonably incur as a result of such payment, including, without limitation, any loss, cost or expense incurred by reason of the liquidation or reemployment of

deposits or other funds acquired by any Lender to fund or maintain such Advance.

(c) The Borrower agrees to indemnify and hold harmless each Agent, each Lender and each director, officer, employee, agent, attorney and affiliate of each Agent and each Lender (each an "indemnified person") in connection with any expenses, losses, claims, damages or liabilities to which an Agent, a Lender or such indemnified persons may become subject, insofar as such expenses, losses, claims, damages or liabilities (or actions or other proceedings commenced or threatened in respect thereof) arise out of the transactions referred to in this Agreement or arise from any use or intended use of the proceeds of the Advances, or in any way arise out of activities of the Borrower that violate Environmental Laws, and to reimburse each Agent, each Lender and each indemnified person, upon their demand, for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating, defending or participating in any such loss, claim, damage, liability, or action or other proceeding, whether commenced or threatened (whether or not such Agent, such Lender or any such person is a party to any action or proceeding out of which any such expense arises). Notwithstanding the foregoing, the Borrower shall have no obligation hereunder to an indemnified person with respect to indemnified liabilities which have resulted from the gross negligence, bad faith or willful misconduct of such indemnified person.

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 Agents 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 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.

SECTION 8.06. Binding Effect. This Agreement shall be deemed to have been executed and delivered when it shall have been executed by the Borrower and the Agents and when the Agents shall have been notified by each Bank that such Bank has executed it and thereafter shall be binding upon and inure to the benefit of the Borrower, each Agent and each Lender and their respective successors and permitted assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of all Lenders.

SECTION 8.07. Assignments and Participations.

(a) Each Lender may assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the Advances owing to it); provided, however, that (i) each such assignment shall be of a constant, and not a varying, percentage of all rights and obligations under this Agreement, (ii) after giving effect to any such assignment, (1) the assigning Lender shall no longer have any Commitment or (2) the amount of the Commitment of both the assigning Lender and the Eligible Assignee party to such assignment (in each case determined as of the date of the Assignment and Acceptance with respect to such assignment) shall not be less than the lesser of (A) \$10,000,000 and (B) the quotient derived from dividing the product of (x) \$10,000,000 times (y) the aggregate amount of all Commitments (determined as of the date of the Assignment and Acceptance with respect to such assignment) by \$500,000,000, (iii) each such assignment shall be to an Eligible Assignee, (iv) the parties to each such assignment shall execute and deliver to the Funding Agent and the Reporting Agent, for its acceptance and recording in the Register, an Assignment and Acceptance, and a processing and recordation fee of \$1,250 to the Funding Agent and \$1,250 to the Reporting Agent, and (v) the Borrower and the Agents shall have consented to such assignment, which consent shall not be unreasonably withheld. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance,

(x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and

(y) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto). Any Lender may at any time pledge or assign all or any portion of its rights hereunder to a Federal Reserve Bank; provided, that no such pledge or assignment shall release such Lender from any of its obligations hereunder.

(b) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with any of the Loan Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of any of the Loan Documents or any other instrument or document furnished pursuant hereto or thereto; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under any of the Loan Documents or any other instrument or document furnished pursuant hereto or thereto; (iii) such assignee confirms that it has received a copy of the Loan Documents, together with copies of the financial statements referred to in

Section 4.01 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance;

(iv) such assignee will, independently and without reliance upon the Agents, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents; (v) such assignee confirms that it is an Eligible Assignee; (vi) such assignee appoints and authorizes each Agent to take such action as agent on its behalf and to exercise such powers under the Loan Documents as are delegated to such Agent by the terms

hereof, together with such powers as are reasonably incidental thereto; and
(vii) such assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

(c) The Funding Agent shall maintain at its address referred to in Section 8.02 a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and the Commitment of, the Commitment Termination Date of, and principal amount of the Advances owing to, each Lender from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower, the Agents and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of the Loan Documents. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Within five days of its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee representing that it is an Eligible Assignee (together with a processing and recordation fee of \$2,500 with respect thereto) and upon evidence of consent of the Borrower and the Agents thereto, which consent shall not be unreasonably withheld, the Funding Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit B hereto, (1) accept such Assignment and Acceptance and (2) record the information contained therein in the Register. All communications with the Borrower with respect to such consent of the Borrower shall be either sent pursuant to Section 8.02.

(e) Each Lender may sell participations to one or more banks or other entities in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the Advances owing to it; provided, however, that (i) such Lender's obligations under this Agreement (including, without limitation, its Commitment to the Borrower hereunder) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender shall remain the holder of any such Advance for all purposes of this Agreement, (iv) the Borrower, the Agents and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under the Loan Documents, (v) no Lender shall grant any participation under which the participant shall have rights to require such Lender to take or omit to take any action hereunder or under the other Loan Documents or approve any amendment to or waiver of this Agreement or the other Loan Documents, except to the extent such amendment or waiver would: (A) extend the Termination Date of such Lender; or (B) reduce the interest rate or the amount of principal or fees applicable to Advances or the Commitment in which such participant is participating or change the date on which interest, principal or fees applicable to Advances or the Commitment in which such participant is participating are payable, (vi) such Lender shall notify the Borrower of the sale of the participation, and (vii) the Person purchasing such participation shall agree to customary provisions relating to the confidentiality of non- public information received by such Person in connection with its purchase of the participation.

(f) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 8.07, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; provided that, prior to any such disclosure, the assignee or Participant or proposed assignee or participant shall agree to preserve the confidentiality of any confidential information relating to the Borrower received by it from such Lender.

SECTION 8.08. Confidentiality. Each Lender agrees, insofar as is legally possible, to use its best efforts to keep in confidence all financial data and other information relative to the affairs of the Borrower heretofore furnished or which may hereafter be furnished to it pursuant to the provisions of this Agreement; provided, however, that this Section 8.08 shall not be applicable to information otherwise disseminated to the public by the Borrower; and provided further that such obligation of each Bank shall be subject to each Bank's (a) obligation to disclose such information pursuant to a request or order under applicable laws and regulations or pursuant to a subpoena or other legal process, (b) right to disclose any such information to bank examiners, its affiliates (including, without limitation, in the case of B of A, BA Securities, Inc. and in the case of Citibank, Citicorp Securities, Inc.), bank, auditors, accountants and its counsel and other Banks, and (c) right to disclose any such information, (i) in connection with the transactions set forth herein including assignments and sales of participation interests pursuant to Section 8.07 hereof or

(ii) in or in connection with any litigation or dispute involving the Banks and the Borrower or any transfer or other disposition by such Bank of any of its Advances or other extensions of credit by such Bank to the Borrower or any of its Subsidiaries, provided that information disclosed pursuant to this proviso shall be so disclosed subject to such procedures as are reasonably calculated to maintain the confidentiality thereof.

SECTION 8.09. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 8.10. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 8.11. Consent to Jurisdiction; Waiver of Immunities. The Borrower hereby irrevocably submits to the jurisdiction of any New York state or Federal court sitting in New York, New York in any action or proceeding arising out of or relating to this Agreement, and the Borrower hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such New York state or Federal court. The Borrower hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. The Borrower agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section 8.11 shall affect the right of any Lender or Agent to serve legal process in any other manner permitted by law or affect the right of any Lender or Agent to bring any action or proceeding against the Borrower or its property in the courts of any other jurisdiction.

SECTION 8.12. Waiver of Trial by Jury. THE BORROWER, THE BANKS, THE AGENTS AND, BY ITS ACCEPTANCE OF THE BENEFITS HEREOF, OTHER LENDERS EACH HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT. The scope of this waiver is intended to be all-encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including without limitation contract claims, tort claims, breach of duty claims and all other common law and statutory claims. The Borrower, the Banks, the Agents and, by its acceptance of the benefits hereof, other Lenders each

(i) acknowledges that this waiver is a material inducement for the Borrower, the Lenders and the Agents to enter into a business relationship, that the Borrower, the Lenders and the Agents have already relied on this waiver in entering into this Agreement or accepting the benefits thereof, as the case may be, and that each will continue to rely on this waiver in their related future dealings and (ii) further warrants and represents that each has reviewed this waiver with its legal counsel, and that each knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

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

THE DIAL CORP, a Delaware corporation

*By: /s/ R.G. Nelson
Title: Vice President-
Treasurer*

**BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION,
as Agent and Reporting Agent**

*By: /s/ Kay S. Warren
Title: Vice President*

CITIBANK, N.A., as Agent and Funding Agent

*By: /s/ Barbara A. Cohen
Title: Vice President*

\$36,000,000

*BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION
By: /s/ Robert Troutman
Title: Vice President*

\$36,000,000

*CITIBANK, N.A.
By: /s/ Barbara A. Cohen
Title: Vice President*

\$24,000,000

*BANK OF MONTREAL
By: /s/ J. Donald Higgins
Title: Managing Director*

\$24,000,000

*THE CHASE MANHATTAN BANK, N.A.
By: /s/ Elyse O'Hora
Title: Managing Director*

\$24,000,000

*CHEMICAL BANK
By: /s/ Jeffrey Howe
Title: Vice President*

\$24,000,000

*CIBC, INC.
By: /s/ R.A. Mendoza
Title: Vice President*

\$24,000,000

*CONTINENTAL BANK, N.A.
By: /s/ Wyatt Ritchie
Title: Vice President*

\$24,000,000	NATIONSBANK OF TEXAS, N.A. By: /s/ Frank M. Johnson Title: Vice President
\$24,000,000	ROYAL BANK OF CANADA By: /s/ Tom Oberaigner Title: Manager
\$20,000,000	BANK ONE, ARIZONA, N.A. By: /s/ Clifford Payson Title: Vice President
\$20,000,000	CREDIT SUISSE By: /s/ Steve Flynn Title: MOSM (Member of Senior Management) By: /s/ Eric Noyes Title: Assoc.
\$20,000,000	FIRST INTERSTATE BANK OF ARIZONA, N.A. By: /s/ Gary Frandson Title: Vice President
\$20,000,000	THE FIRST NATIONAL BANK OF CHICAGO By: /s/ L. Gene Beube Title: Senior Vice President
\$20,000,000	THE INDUSTRIAL BANK OF JAPAN, LIMITED, LOS ANGELES AGENCY By: /s/ Steven Savoldelli Title: Senior Vice President Executed: December 30, 1993
\$20,000,000	THE LONG-TERM CREDIT BANK OF JAPAN, LTD., LOS ANGELES AGENCY By: /s/ Hiroshi Norizuki Title: Deputy General Manager By: /s/ T. Morgan Edwards Title: Vice President
\$20,000,000	MARINE MIDLAND BANK, N.A. By: /s/ William M. Holland Title: Vice President
\$20,000,000	MELLON BANK, N.A. By: /s/ V. Charles Jackson Title: Senior Vice President
\$20,000,000	THE MITSUI TRUST & BANKING CO., LTD. LOS ANGELES AGENCY By: /s/ Yusaku Otani Title: General Manager & Agent
\$10,000,000	MORGAN GUARANTY TRUST COMPANY OF NEW YORK By: /s/ Diana H. Imhof Title: Associate
\$10,000,000	J.P. MORGAN DELAWARE By: /s/ Philip S. Detjens Title: Vice President
\$20,000,000	NBD BANK, N.A. By: /s/ Jack J. Csernits Title: Vice President

\$20,000,000

THE NORTHERN TRUST COMPANY
By: /s/ Michelle D. Griffin
Title: Vice President

\$20,000,000

UNION BANK
By: /s/ Ali Moghaddan
Title: Vice President

SCHEDULE I
LIST OF APPLICABLE LENDING OFFICES

Name of Bank
Domestic Lending Office
Eurodollar Lending Office

**BANK OF AMERICA NATIONAL
TRUST AND SAVINGS
ASSOCIATION**

1850 Gateway Blvd.
Concord, CA 94520
Attn: Barbara Garibaldi
1850 Gateway Blvd.
Concord, CA 94520
Attn: Barbara Garibaldi

CITIBANK, N.A.

c/o Citicorp Securities,
Inc.
One Court Square
Long Island City, NY 11120
Attn: Barbara Kobalt
c/o Citicorp Securities,
Inc.
One Court Square
Long Island City, NY 11120
Attn: Barbara Kobalt

BANK OF MONTREAL

601 S. Figueroa Street
Suite 4900
Los Angeles, CA 90017
Attn: Alberta Rosby
601 S. Figueroa Street
Suite 4900
Los Angeles, CA 90017
Attn: Alberta Rosby

CIBC, INC.

Two Paces Pelling Road
#1200
Atlanta, Georgia 30331
Attn: Anita Williams
Two Paces Pelling Road
#1200
Atlanta, Georgia 30331
Attn: Anita Williams

**THE CHASE MANHATTAN BANK,
N.A.**

1 Chase Manhattan Plaza
5th Floor
New York, New York 10081
Attn: Stephen McArdle

1 Chase Manhattan Plaza
5th Floor
New York, New York 10081
Attn: Stephen McArdle

CHEMICAL BANK

270 Park Avenue
New York, New York 10017
Attn: Abigail Garcia

270 Park Avenue
New York, New York 10017
Attn: Abigail Garcia

CONTINENTAL BANK, N.A.

231 S. LaSalle Street
Chicago, IL 60697
Attn: Sandy Kramer
231 S. LaSalle Street
Chicago, IL 60697
Attn: Sandy Kramer

NATIONSBANK OF TEXAS, N.A.

c/o NationsBank
901 Main Street
67th Floor
Dallas, TX 75202
Attn: Karen Puente
c/o NationsBank
901 Main Street
67th Floor
Dallas, TX 75202
Attn: Karen Puente

ROYAL BANK OF CANADA

Pierrepoint Plaza
300 Cadman Plaza West
14th Floor
Brooklyn, NY 11201-2701
Attn: Liz Gonzales
Pierrepoint Plaza
300 Cadman Plaza West
14th Floor
Brooklyn, NY 11201-2701
Attn: Liz Gonzales

BANK ONE, ARIZONA, N.A.

P.O. Box 71
Phoenix, AZ 95001

241 N. Central Avenue
11th Floor
Phoenix, Arizona 95004
Attn: Lisa Martina
P.O. Box 71
Phoenix, AZ 95001

241 N. Central Avenue
11th Floor
Phoenix, Arizona 95004
Attn: Lisa Martina

CREDIT SUISSE

500 Wilshire Blvd.
Los Angeles, CA 90017
Attn: Rita Asa
500 Wilshire Blvd.
Los Angeles, CA 90017
Attn: Rita Asa

**FIRST INTERSTATE BANK OF
ARIZONA, N.A.**

P.O. Box 29742
Phoenix, AZ 85038-9742
Attn: Jacqueline Cox

P.O. Box 29742
Phoenix, AZ 85038-9742
Attn: Jacqueline Cox

**THE INDUSTRIAL BANK OF
JAPAN, LIMITED, LOS ANGELES
AGENCY**

350 S. Grand Ave., Suite
1500

Los Angeles, CA 90071
Attn: Jane Chang/Jeanie
Song

350 S. Grand Ave., Suite
1500

Los Angeles, CA 90071
Attn: Jane Chang/Jeanie
Song

**THE LONG-TERM CREDIT BANK OF
JAPAN, LTD.**

444 S. Flower St., Suite
3700

Los Angeles, CA 90071
Attn: Diane Hoyen/Cindy Ly

444 S. Flower St., Suite
3700

Los Angeles, CA 90071
Attn: Diane Hoyen/Cindy Ly

MELLON BANK, N.A.

Three Mellon Bank Center
Room 2303

Pittsburgh, PA 15259

Attn: Janine Moriarity

Three Mellon Bank Center
Room 2303

Pittsburgh, PA 15259

Attn: Janine Moriarity

NBD BANK, N.A.

611 Woodward Avenue
Detroit, MI 48226

Attn: Kristi Williams

611 Woodward Avenue

Detroit, MI 48226

Attn: Kristi Williams

**THE FIRST NATIONAL BANK OF
CHICAGO**

One First National Plaza
0634/1-10

Chicago, Illinois 60670

Attn: Marilyn Fisher

One First National Plaza

0634/1-10

Chicago, Illinois 60670

Attn: Marilyn Fisher

MARINE MIDLAND BANK, N.A

140 Broadway, 6th Floor
New York, NY 10005-1180

Attn: Cornelia Hurt

140 Broadway, 6th Floor

New York, NY 10005-1180

Attn: Cornelia Hurt

**THE MITSUI TRUST & BANKING
CO. LTD., LOS ANGELES AGENCY**

611 W. Sixth St., Suite 3800
Los Angeles, CA 90017
Attn: Bonjai Kulapalanont
611 W. Sixth St., Suite 3800
Los Angeles, CA 90017
Attn: Bonjai Kulapalanont

**MORGAN GUARANTY TRUST
COMPANY OF NEW YORK**

60 Wall Street
New York, NY 10060-0060
Attn: Loan Department
Nassau, Bahamas Office
c/o J.P. Morgan Services,
Inc.
Loan Operations - 3rd Floor
500 Stanton - Christiana
Road
Newark, Delaware 19713

J.P. MORGAN DELAWARE

500 Stanton-Christiana Road
Newark, DE 19713-2107
Attn: Loan Department
500 Stanton-Christiana Road
Newark, DE 19713-2107
Attn: Loan Department

THE NORTHERN TRUST COMPANY

50 S. La Salle
Chicago, IL 60675
Attn: Linda Honda
50 S. La Salle
Chicago, IL 60675
Attn: Linda Honda

UNION BANK

445 S. Figueroa Street
15th Floor
Los Angeles, CA 90071
Attn: Wendy Frear
445 S. Figueroa Street
15th Floor
Los Angeles, CA 90071
Attn: Wendy Frear

EXHIBIT A

[FORM OF NOTICE OF BORROWING]

NOTICE OF BORROWING

Citibank, N.A., as Funding Agent
for the Lenders party
to the Credit Agreement
referred to below

c/o Citicorp Bank Loan
Syndications Operations
One Court Square
Long Island City, New York 11120
[Date]

Attention: [_____]

Gentlemen:

Each of the undersigned and The Dial Corp (the "Borrower") refers to the Amended and Restated Credit Agreement dated as of December 15, 1993 (as amended from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), among the Borrower, certain Lenders party thereto, Bank of America National Trust and Savings Association and Citibank, N.A., as Agents for said Lenders, Citibank, N.A., as Funding Agent for said Lenders and Bank of America National Trust and Savings Association, as Reporting Agent for said Lenders. The Borrower hereby gives you notice, irrevocably, pursuant to Section 2.02 of the Credit Agreement, that the Borrower hereby requests a Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the "Proposed Borrowing") as required by Section 2.02(a) of the Credit Agreement:

(i) The Business Day of the Proposed Borrowing is _____, 19__.

(ii) The Type of Advances comprising the Proposed Borrowing is [Base Rate Advances] [Eurodollar Rate Advances].

(iii) The aggregate amount of the Proposed Borrowing is \$_____.

(iv) If the Type of Advances comprising the Proposed Borrowing is Eurodollar Rate Advances, the Interest Period for each Advance made as part of the Proposed Borrowing is _____ month[s].

Each of the undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(A) the representations and warranties contained in Section 4.01 of the Credit Agreement are correct, before and after giving effect to the Proposed Borrowing and to the application of the proceeds therefrom, as though made on and as of such date, except to the extent that any such representation or warranty expressly relates only to an earlier date, in which case they were correct as of such earlier date; and

(B) no event has occurred and is continuing, or will result from such Proposed Borrowing or from the application of the proceeds therefrom, which constitutes an Event of Default or a Potential Event of Default.

Very truly yours,

THE DIAL CORP

By: _____

Title:

EXHIBIT B

[FORM OF ASSIGNMENT AND ACCEPTANCE]

ASSIGNMENT AND ACCEPTANCE

Dated _____, 19__

Reference is made to the Amended and Restated Credit Agreement dated as of December 15, 1993 (as amended from time to time, the "Credit Agreement") among The Dial Corp (the "Borrower"), the Lenders (as defined in the Credit Agreement), Bank of America National Trust and Savings Association and Citibank, N.A., as Agents for the Lenders, Citibank, N.A., as Funding Agent for the Lenders and Bank of America National Trust and Savings Association, as Reporting Agent for the Lenders. Terms defined in the Credit Agreement and not defined herein are used herein with the same meaning.

_____ (the "Assignor") and _____ (the "Assignee") agree as follows:

1. The Assignor hereby sells and assigns without recourse to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, that interest in and to all of the Assignor's rights and obligations under the Credit Agreement as of the Effective Date which represents the percentage interest specified on Schedule 1 of all outstanding rights and obligations under the Credit Agreement, including, without limitation, such interest in the Assignor's Commitment and the Advances owing to the Assignor. After giving effect to such sale and assignment, the Assignee's Commitment, the amount of the Advances owing to the Assignee, and the Commitment Termination Date of the Assignee will be as set forth in Section 2 of Schedule 1. In consideration of Assignor's assignment, Assignee hereby agrees to pay to Assignor, on the Effective Date, the amount of \$_____ in immediately available funds by wire transfer to Assignor's office at _____.
2. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto; and (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under the Credit Agreement or any other instrument or document furnished pursuant thereto.
3. The Assignee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.01 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Agents, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) confirms that it is an Eligible Assignee; (iv) appoints and authorizes each Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to such Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (v) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender; and (vi) specifies as its Domestic Lending Office (and address for notices) and Eurodollar Lending Office the offices set forth beneath its name on the signature pages hereof [and (vii) attaches the forms prescribed by the Internal Revenue Service of the United States certifying as to the Assignee's status for purposes of determining exemption from United States withholding taxes with respect to all payments to be made to the Assignee under the Credit Agreement or such other documents as are necessary to indicate that all such payments are subject to such rates at a rate reduced by an applicable tax treaty].
4. Following the execution of this Assignment and Acceptance by the Assignor and the Assignee, it will be delivered to the Funding Agent for acceptance and recording by the Funding Agent. The effective date of this Assignment and Acceptance shall be the date of acceptance thereof by the Funding Agent, unless otherwise specified on Schedule 1 hereto (the "Effective Date").
5. Upon such acceptance and recording by the Funding Agent, as of the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.
6. Upon such acceptance and recording by the Funding Agent, from and after the Effective Date, the Funding Agent shall make all payments under the Credit Agreement in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and fees with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Agreement for periods prior to the Effective Date directly between themselves.
7. This Assignment and Acceptance shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective officers thereunto duly authorized, as of the date first above written, such execution being made on Schedule 1 hereto.

Section 1.

Percentage Interest: _____%

Section 2.

Assignee's Commitment: \$_____

Aggregate Outstanding Principal \$_____

Amount of Advances owing to the Assignee: \$_____

Advances payable to the Assignee

Principal amount: _____

Advances payable to the Assignor

Principal amount: _____

Assignee's Commitment Termination Date: _____, 199_

Section 3.

Effective Date*: _____, 199_

[NAME OF ASSIGNOR]

By: _____

Title:

[NAME OF ASSIGNEE]

By: _____

Title:

Domestic Lending Office (and
address for notices):

[Address]

Eurodollar Lending Office:

[Address]

Accepted this ____ day
of _____, 199_

CITIBANK, N.A., as Funding Agent

By: _____

Title:

**BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION, as Reporting Agent**

By: _____

Title:

THE DIAL CORP

By: _____

Title:

* This date should be no earlier than the date of acceptance by the Funding Agent.

EXHIBIT C

[FORM OF OPINION OF COUNSEL TO BORROWER]

[EFFECTIVE DATE]

Bank of America National Trust and Savings Association, as Agent and Reporting Agent and Citibank, N.A., as Agent and Funding Agent under the Credit Agreement (as hereinafter defined), and each of the lending institutions party to the Credit Agreement and listed on Schedule I attached hereto

(collectively, the "Banks")

[Address]

Re: Amended and Restated Credit Agreement dated as of December 15, 1993, among The Dial Corp, the Banks, Bank of America National Trust and Savings Association, as Agent and Reporting Agent and Citibank, N.A., as Agent and Funding Agent

Ladies and Gentlemen:

I am Vice President and General Counsel of The Dial 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 Amended and Restated Credit Agreement dated as of December 15, 1993 (the "Credit Agreement") among the Borrower, the Banks, Bank of America National Trust and Savings Association and Citibank, N.A., as Agents, Citibank, N.A., as Funding Agent and Bank of America National Trust and Savings Association, as Reporting Agent. Terms defined in the Credit Agreement and not otherwise defined herein are used herein as therein defined.

This opinion is delivered to you pursuant to Section 3.01(a)(vi) of the Credit Agreement. I have examined the Credit Agreement 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 the Federal Laws of the United States of America, the General Corporation Law of the State of Delaware and to the extent necessary for the opinions below, the laws of the State of New York.

Based upon the foregoing and having regard to legal consideration 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 Credit Agreement.
2. The Credit Agreement 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. The Credit 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 Credit 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 by-laws, each as in effect on the date hereof. Neither the execution and delivery by the Borrower of the Credit 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. Neither the making of the Advances on the Effective Date pursuant to, nor application of the proceeds thereof in accordance with, the Credit Agreement, will violate Regulations G, T, U or X promulgated by the Board of Governors of the Federal Reserve System.

5. 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 Credit 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.

6. The Borrower is not an "investment company" or a Person directly or indirectly "controlled" by or "acting on behalf of" an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

This opinion is delivered to the Agents and the Banks as of the date hereof in connection with the Credit Agreement, and may not be relied upon by any person other than the Agents 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 Credit Agreement, or (v) in connection with the assignment of or sale of participations in the Advances.

Very truly yours,

SCHEDULE I

Bank of America National Trust
and Savings Association
Citibank, N.A.
Bank of Montreal
Bank One, Arizona, N.A.
The Chase Manhattan Bank, N.A.
Chemical Bank
CIBC, Inc.
Continental Bank, N.A.
Credit Suisse
First Interstate Bank of Arizona, N.A.
The First National Bank of Chicago
The Industrial Bank of Japan Limited,
Los Angeles Agency
J.P. Morgan Delaware NBD Bank, N.A.
The Long-Term Credit Bank of Japan Ltd., Los Angeles Agency
Marine Midland Bank, N.A.
Mellon Bank, N.A.
The Mitsui Trust & Banking Co., Ltd.
Los Angeles Agency
Morgan Guaranty Trust Company of New York Nationsbank of Texas, N.A.
NBD Bank, N.A.
The Northern Trust Company
Royal Bank of Canada
Union Bank

EXHIBIT D

[FORM OF OPINION OF O'MELVENY & MYERS]

[EFFECTIVE DATE]

Bank of America National Trust
and Savings Association, as Agent
and Reporting Agent
1455 Market Street
San Francisco, California 94103

Citibank, N.A., as Agent and Funding Agent One Sansome Street
San Francisco, California 94104

and

The Banks Party to the Credit Agreement
Referred to Below

Re: Amended and Restated Credit Agreement dated as of December 15, 1993 among The Dial Corp, the Banks named therein, Bank of America National Trust and Savings Association, as Agent and Reporting Agent and Citibank, N.A., as Agent and Funding Agent

Gentlemen:

We have participated in the preparation of the Amended and Restated Credit Agreement dated as of December 15, 1993 (the "Credit Agreement"; capitalized terms defined therein and not otherwise defined herein are used herein as therein defined) among The Dial Corp (the "Borrower"), the Banks named therein (the "Banks"), Bank of America National Trust and Savings Association, as Agent, Citibank, N.A., as Agent, Citibank, N.A., as Funding Agent and Bank of America National Trust and Savings Association, as Reporting Agent, and have acted as special counsel for the Agents for the purpose of rendering this opinion pursuant to Section 3.01(a)(vii) of the Credit Agreement.

We have participated in various conferences and telephone conferences with representatives of the Borrower and the Agents and conferences and telephone calls with counsel to the Borrower, and with your representatives, during which the Credit Agreement and related matters have been discussed, and we have also participated in the meeting held on the date hereof (the "Closing") incident to the effectiveness of the Credit Agreement. We have reviewed the forms of the Credit Agreement and the exhibits thereto, and the opinion of L. Gene Lemon, General Counsel of the Borrower (the "Opinion"), and officers' certificates and other documents delivered at the Closing. We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals or copies, the due authority of all persons executing the same, and we have relied as to factual matters on the documents which we have reviewed.

Although we have not independently considered all of the matters covered by the Opinion to the extent necessary to enable us to express the conclusions therein stated, we believe that the Credit Agreement and the exhibits thereto are in substantially acceptable legal form.

Respectfully submitted,

EXHIBIT E

[FORM OF EXTENSION REQUEST]

THE DIAL CORP

**REQUEST FOR EXTENSION OF COMMITMENT
TERMINATION DATE**

[Date]

[Name and Address of Eligible Lender]

Pursuant to that certain Amended and Restated Credit Agreement dated as of December 15, 1993 (as amended from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined) among The Dial Corp (the "Borrower"), certain Lenders party thereto, Bank of America National Trust and Savings Association and Citibank, N.A., as Agent for said Lenders, Citibank, N.A., as Funding Agent for said Lenders and Bank of America National Trust and Savings Association, as Reporting Agent for said Lenders, this represents the Borrower's request to extend the Commitment Termination Date of each Eligible Lender to [1] pursuant to Section 2.15 of the Credit Agreement.

The Borrower hereby certifies that the following statements are true on the date hereof, and will be true on the date of the effectiveness of the extension requested hereby ("Proposed Extension"):

(a) the representations and warranties contained in Section 4.01 of the Credit Agreement are correct, before and after giving effect to the Proposed Extension;

(b) no event has occurred and is continuing, or would result from the Proposed Extension, which constitutes an Event of Default or a Potential Event of Default; and

(c) the balance sheet of the Borrower and its Subsidiaries as at _____, 199_[2], and the related statements of income and retained earnings of the Borrower and its Subsidiaries for the fiscal year then ended, copies of each of which have been furnished to each Lender, fairly present the financial condition of the Borrower and its Subsidiaries as at such applicable date and the results of the operations of the Borrower and its Subsidiaries for the fiscal year ended on such applicable date, all in accordance with GAAP consistently applied, and since _____, 199_[2], 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.

Please indicate your consent to such extension of the Commitment Termination Date by signing the attached copy of this request in the space provided below and returning the same to the undersigned.

Very truly yours,

THE DIAL CORP

By _____
Title:

The undersigned Eligible Lender hereby consents to the extension of its Commitment Termination Date as requested above. This consent is subject to the terms of Section 2.15 of the Credit Agreement.

DATED: _____

[ELIGIBLE LENDER]

By: _____
Title: _____

[1] Insert date which is one year or two years after the latest Commitment Termination Date in effect.

[2] Insert date of the most recent audited balance sheet of the Borrower and its Subsidiaries.

EXHIBIT F

[FORM OF COMPLIANCE CERTIFICATE]

The undersigned certifies that: (i) this Certificate is as of _____ and pertains to the period from _____ to _____, (ii) the undersigned has reviewed the terms of the Amended and Restated Credit Agreement, dated as of December 15, 1993, among The Dial Corp, the Banks named therein, Bank of America National Trust and Savings Association and Citibank, N.A., as Agents, Citibank, N.A., as Funding Agent, and Bank of America National Trust and Savings Association, as Reporting Agent (as it may be amended from time to time, the "Credit Agreement") and has made, or caused to be made under the undersigned's supervision, a review in reasonable detail of the transactions and condition of the Borrower and its Subsidiaries during the period set forth above and (iii) such review has not disclosed the existence during or at the end of such period, and the undersigned does not have knowledge of the existences as of the date of this Certificate, of any condition or event that constitutes an Event of Default or Potential Event of Default.[1] Capitalized terms used herein shall have the meanings set forth in the Credit Agreement.

A. Cash Flow Coverage.

For the Borrower and its Subsidiaries:

(i) consolidated net income plus \$ _____ provision for taxes (excluding) extraordinary, unusual, or nonrecurring gains or losses

(ii) interest expense \$ _____

(iii) net operating lease expense \$ _____
(net of operating sublease income)

(iv) depreciation and amortization of \$ _____ intangibles

(v) capital expenditures (excluding \$ _____ the cost of acquisitions

(vi) total of (i) plus (ii) plus (iii) \$ _____ plus (iv) minus (v)

(vii) net operating lease expense (net \$ _____ of operating sublease income)

(viii) interest expense \$ _____

(ix) total of (vii) plus (viii) \$ _____

(x) Cash Flow Coverage [(vi) divided \$ _____ by (ix)]

(xi) Minimum Cash Flow Coverage required \$ _____ under Credit Agreement

B. Leverage.

For the Borrower and its Subsidiaries:

(i) indebtedness for borrowed money \$ _____ or for the deferred purchase price of property or services

(ii) obligations as lessee under leases \$ _____ which shall have been or should be, in accordance with GAAP, recorded as capital leases

(iii) obligations under guarantees in \$ _____ respect of indebtedness or obligations of others of the kinds referred to in clauses (i) and (ii) of this Section B

(iv) Funded Debt [(i) plus (ii) \$ _____ plus (iii)]

(v) Cash \$ _____

(vi) Cash Equivalents \$ _____

(vii) Total of (iv) minus (v) minus (vi) \$ _____

(viii) Net Worth \$ _____

(ix) "Employee Equit Trust" contra \$_____ account

(x) "Guaranty of ESOP Debt" contra \$_____ account

(xi) Shareholders Equity [(viii) plus \$_____
(ix) plus (x)]

(xii) Total of (iv) minus (v) minus (vi) \$_____ plus (xi)

(xiii) Leverage [(vii) divided by (xii)] ____:1.00

(xiv) Maximum Leverage permitted under 0.55:1.00 Credit Agreement

C. Net Worth.

For the Borrower and its Subsidiaries:

(i) Net Income (excluding losses) from \$_____ October 1, 1993 to most recent June 30 or December 31

(ii) aggregate net proceeds, including \$_____ cash and the fair market value of property other than cash, received by the Borrower from the issue or sale of capital stock of the Borrower from October 1, 1993 to the most recent June 30 or December 31

(iii) aggregate of 25% of the after tax \$_____ gains realized from unusual, extraordinary, and major nonrecurring items from October 1, 1993 to the most recent June 30 or December 31

(iv) Additions to Capital [(ii) plus \$_____ (iii)]

(v) 25% multiplied (i) \$_____

(vi) Minimum Net Worth permitted under \$_____ Credit Agreement [\$410 million plus (iv) plus (v)]

(vii) Net Worth \$_____

By: _____ Title: _____

[1] If any event or condition that constitutes an Event of Default or Potential Event of Default exists, the Certificate should include the nature and period of existence of such event or condition and what action the Borrower has taken, is taking and proposes to take with respect thereto.

EXHIBIT G

[FORM OF NOTE]

**THE DIAL CORP
PROMISSORY NOTE**

New York, New York
_____, 19__

For value received, The Dial Corp, a Delaware corporation (the "Borrower"), hereby promises to pay to the order of _____ (the "Lender"), for the account of its Applicable Lending Office, the unpaid principal amount of each Advance made by the Lender to the Borrower pursuant to the Credit Agreement referred to below on the Termination Date of the Lender. The Borrower promises to pay interest on the unpaid principal amount of each such Advance on the dates and at the rate or rates provided for in the Credit Agreement. All such payments of principal and interest shall be made in United States dollars in same day funds at the Funding Agent's office, as specified in the Credit Agreement.

All Advances made by the Lender, the respective maturities thereof and all repayments of principal thereof shall be recorded by the Lender and, prior to any transfer hereof, appropriate notations to evidence the foregoing information with respect to each such Advance then outstanding shall be endorsed by the Lender on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof, or in the records of such Lender in accordance with its usual practice; provided that the failure of the Lender to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Credit Agreement.

This promissory note is one of the promissory notes referred to in Section 2.13(d) of the Credit Agreement dated as of December 15, 1993, among the Borrower, the Lenders named therein, Bank of America National Trust and Savings Association as Agent and Reporting Agent and Citibank, N.A., as Agent and Funding Agent (said Credit Agreement, as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"). Terms defined in the Credit Agreement are used herein with the same meanings. Reference is hereby made to the Credit Agreement for provisions relating to this promissory note, including, without limitation, the mandatory and optional prepayment hereof and the acceleration of the maturity hereof.

THE DIAL CORP

By _____
Title:

EXHIBIT 10.E

THE DIAL CORP MANAGEMENT INCENTIVE PLAN

I. PURPOSE:

The purpose of The Dial Corp Management Incentive Plan (Plan) is to provide key executives of The Dial Corp and its subsidiaries with an incentive to achieve goals as set forth under this Plan for each calendar year (Plan Year) for their respective companies and to provide effective management and leadership to that end.

II. PHILOSOPHY:

The Plan will provide key executives incentive bonuses based upon appropriately weighted pre-defined net income, net capital employed or other cash flow measure (in the case of subsidiaries), and return on actual or pro forma equity or similar measures of performance.

III. SUBSIDIARIES, SUBSIDIARY GROUPS, AND DIVISIONS:

A. Each subsidiary, subsidiary group, line of business or division listed below is a "Company" for the purposes of this Plan:

Name of Company

Aircraft Service International group Brewster Transport Company Limited Consumer Products group
Food Division
Household Division
International Division
Laundry Division
Soap Division
Crystal Holidays, Limited
Dobbs International Services, Inc. group Exhibitgroup, Inc.
Greyhound Exposition Services, Inc. group* Greyhound Leisure Services, Inc. group Greyhound Lines of Canada Ltd. Jetsave Inc. group
Premier Cruise Lines, Inc.
Restaura, Inc. group
Travelers Express Company, Inc. group

The Dial Corp may, by action of its Board of Directors, add or remove business units on the list of participant companies from time to time.

*For purposes of group and Corporate accruals only.

B. PERFORMANCE GOALS:

1. BASE EARNINGS:

A realistic "base earnings" target for the plan year for each Company will be recommended by the Chief Executive Officer of The Dial Corp to the Executive Compensation Committee of The Dial Corp Board of Directors (Committee) for approval taking into account historical income, plan year financial plan income (on the same basis as determined below), overall corporate objectives, and, if appropriate, other circumstances.

Income for subsidiary base earnings determination and for calculating the bonus pool of each Company shall mean net income (after deducting charges against income for all incentives earned, including those earned under this Plan) adjusted to appropriately exclude the effects of gains and losses from the sale or other disposition of capital assets other than equipment utilized in rental or leasing operations and vehicles. Further, there will be a deduction from (addition to) actual net income for the amount by which a Company's excess of 90-day and over receivables over its allowance for doubtful accounts has increased (decreased) during the year.

Special treatment of any other significant unusual or non-recurring items (for purposes of base earnings and/or return on equity and/or net capital employed or other cash flow calculations) arising after a subsidiary's targets are set may be recommended by the Chief Executive Officer of The Dial Corp to the Committee for approval, including, for example, appropriate adjustment of base earnings and/or return on equity and/or net capital employed targets to reflect planned effects of an acquisition approved after targets are set. Other examples include extraordinary items, effects of a change in accounting principles or a change in federal income tax rates. In certain extreme cases, unplanned effects of major litigation, remediation of environmental matters, significant uninsured losses or a significant restructuring, or the bankruptcy of a major vendor or customer are further examples of the types of items which could be (but are not required to be) considered for possible special treatment.

2. RETURN ON THE DIAL CORP PRO FORMA EQUITY (Except Travelers Express Company, Inc. group):

A return on equity calculation for each Company will be made by dividing each year's net earnings after tax by the average quarterly (beginning of year and each quarter-end, including year-end) pro forma equity. For purposes of this calculation, pro forma equity shall be deemed to be 65% of the sum of each Company's actual equity plus its debt, including intercompany accounts payable less intercompany accounts receivable (net capital employed) and net income shall be adjusted (1) to exclude 65% of intercompany interest income and (2) to deduct (or add) 65% of the pro forma interest, calculated at 8% per annum, on the excess (or deficiency) of 35% of the average beginning and ending balance of net capital employed over the average beginning and ending balance of outstanding debt (pro forma additional or excess debt), so that each Company's return on equity is based on a pro forma 65% equity and 35% debt structure (equivalent to a debt/equity ratio of .54 to 1 or a debt/capital ratio of 35%) for the net capital employed by it. A realistic return on equity target for the Plan Year will be recommended by the Chief Executive Officer of The Dial Corp for approval to the Committee, taking into account historical return on equity data, plan year financial plan return on equity (on the same basis as previously described), overall corporate objectives, and, where appropriate, other circumstances.

3. RETURN ON THE DIAL CORP EQUITY (Travelers Express Company, Inc. group):

A return on equity calculation for the Travelers Express Company, Inc. group will be made by dividing each year's net income after taxes by the average quarterly (beginning of year and each quarter-end, including year-end) equity. A realistic return on equity target for the Plan Year will be recommended by the Chief Executive Officer of The Dial Corp for approval to the Committee, taking into account historical return on equity data, plan year financial plan return on equity (on the same basis as previously described), overall corporate objectives, and, where appropriate, other circumstances.

4. NET CAPITAL EMPLOYED (or other cash flow measure):

Realistic monthly net capital employed (as defined in [2] above) targets for the Plan Year will be recommended by the Chief Executive Officer of The Dial Corp for approval to the Committee, taking into account planned capital expenditures and working capital levels, overall corporate objectives, and, where appropriate, other circumstances. The effects of any major unplanned sale of assets, acquisition, or capital expenditures will be considered on an individual basis in determining performance as compared to target.

5. ESTABLISHING TARGETS:

The actual targets for base earnings, return on equity and net capital employed will be established by the Committee after receiving the recommendations of the Chief Executive Officer of The Dial Corp.

C. PARTICIPANT ELIGIBILITY:

The Committee will select the Executive Officers as defined under Section 16b of the Securities Exchange Act eligible for participation prior to the beginning of the year. Other personnel will be eligible for participation as designated by each Company President or Chief Executive Officer and recommended to the Chief Executive Officer of The Dial Corp for approval, limited only to those executives who occupy a position in which they can significantly affect operating results as pre-defined by appropriate and consistent criteria, i.e., base salary not less than \$49,000 per year, or base salary not less than 50% of the Company's Chief Executive Officer, or position not more than the third organizational level below the Company Chief Executive Officer or another applicable criteria.

NOTE: Individuals not qualifying under the criteria established for the Plan Year who were included in the previous year will be grandfathered (continue as qualified participants until retirement, reassignment, or termination of employment) if designated by the Company President or Chief Executive Officer, and approved by the Chief Executive Officer of The Dial Corp.

D. TARGET BONUSES:

Target bonuses will be approved by the Committee for each Executive Officer in writing within the following parameters prior to the beginning of the Plan Year and will be expressed as a percentage of salary. Target bonuses for other eligible personnel will be established in writing within the following parameters subject to approval by the Chief Executive Officer of The Dial Corp.

Actual bonus awards will be dependent on Company performance versus the targets established prior to the beginning of the year. A threshold performance will be required before any bonus award is earned. Awards will also be capped when stretch performance levels are achieved.

SUBSIDIARY POSITIONS	AS A PERCENTAGE OF SALARY		
	THRESHOLD**	TARGET	CAP***
Chief Executive Officer/President*	22.5%	45%	76.5%
	20.0%	40%	68.0%
Executive Vice President, Senior Vice President,			

and Other Operating Executives	20.0%	40%	68.0%
Vice Presidents*	17.5%	35%	59.5%
	15.0%	30%	51.0%
Key Management Reporting to Officers*	12.5%	25%	42.5%
	10.0%	20%	34.0%
Staff Professionals*	7.5%	15%	25.5%
	5.0%	10%	17.0%

* Target Bonus, as determined by the Committee, is dependent upon organizational reporting relationships.

** Reflects minimum achievement of both performance targets.

Threshold could be one-half of this amount if minimum achievement of only one performance target is met.

*** Cap could be up to 105% of amounts shown if net capital employed (or other cash flow measure) targets are achieved.

E. BONUS POOL TARGET:

1. The "Bonus Pool Target" will be initially established prior to the beginning of the Plan Year and will be adjusted to equal the sum of the target bonuses of all designated participants in each Company based upon actual Plan Year salaries, as outlined in paragraph D above, plus 15% for Special Achievement Awards.

2. The bonus pool will accrue ratably such that

a) on 50% of the sum of target bonuses:

i) no bonus will be earned if less than 80% of the base earnings target is achieved;

ii) 50% to 100% will be earned if 80% to 100% of the base earnings target is achieved;

iii) 100% to 170% will be earned if 100% to 120% of the base earnings target is achieved; and

iv) the bonus pool earned shall be subject to a further calculation whereby 90%, 95%, 100%, 105%, or 110% of such base earnings bonus pool otherwise accruable will be the final bonus pool hereunder, depending on the average of the twelve months' achievement against net capital employed (or other cash flow) targets.

b) on 50% of the sum of target bonuses:

i) no bonus will be earned if less than 80% of the return on equity target is achieved;

ii) 50% to 100% will be earned if 80% to 100% of the return on equity target is achieved; and

iii) 100% to 170% will be earned if 100% to 120% of the return on equity target is achieved.

c) Notwithstanding 2. a) i), ii), and iii); and

b) i), ii), and iii); of this paragraph E, the ratable accrual of either or both targets may be established for threshold within the range of above 80% up to and including 95% and for maximum within the range of below 120% down to 110%, for certain subsidiaries of this Company as may be designated by the Committee after considering the recommendations of the Chief Executive Officer of The Dial Corp.

3. Bonus pool accruals not paid out shall not be carried forward to any succeeding year.

F. INDIVIDUAL BONUS AWARDS:

1. Indicated bonus awards will be equal to the product of the target bonus percentage times the weighted average percentage of bonus pool accrued as determined in paragraph E above times the individual's actual base salary earnings during the Plan Year, subject to adjustments as follows:

a) discretionary upward or downward adjustment of formula bonus awards by the Committee after considering the recommendation of the Company President or Chief Executive Officer with the approval of the Chief Executive Officer of The Dial Corp, and

b) discretionary downward adjustment of awards by the Committee for those executive officers affected by Section 162(m) of the Internal Revenue Code, and

c) no individual award may exceed the individual's capped target award and the aggregate recommended bonuses may not exceed the bonus pool accrued for other than Special Achievement Awards.

2. Bonuses awarded to the participating management staff of subsidiary groups may be paid from funds accrued based upon the bonus pool target for such participants times the weighted average performance of the Companies in the subsidiary group, subject to adjustments as above.

IV. THE DIAL CORP CORPORATE STAFF:

A. PERFORMANCE GOALS:

1. BASE EARNINGS PER SHARE:

A realistic "base earnings per share" from continuing operations target for The Dial Corp will be recommended by the Chief Executive Officer of The Dial Corp to the Committee for approval after considering historical earnings per share from continuing operations, plan year financial plan income, overall corporate objectives, and, if appropriate, other circumstances.

Special treatment of any significant unusual or non-recurring items (for purposes of base earnings per share and/or return on equity calculations) arising after targets are set for Corporate staff may be recommended by the Chief Executive Officer of The Dial Corp for approval by the Committee, including appropriate adjustment of base earnings per share and/or return on equity targets to reflect planned effects of a major acquisition or change in capital structure approved after targets are set. Other examples include extraordinary items, one time gains or losses arising from discontinued operations, effects of a change in accounting principles or a change in federal income tax rates. Reclassification of a major business unit to discontinued operations status after targets have been set would also require adjustment because of effect on continuing operations results. Generally, restructuring charges, gain or loss on sale of a smaller subsidiary, or other one-time income or loss items mentioned in the subsidiary section would not be considered for special treatment for corporate staff, as the corporate mission is to successfully manage the effects of such items.

2. RETURN ON COMMON STOCKHOLDERS' EQUITY:

A return on common stockholders' equity calculation will be made by dividing each year's net income (after taxes) from continuing operations, less preferred stock dividend requirements, by the monthly average of common stockholders' equity (return on common equity). Consideration will be given to any known or anticipated changes in equity structure and appropriate industry averages, and a realistic return on common stockholders' equity target for the Plan Year will be recommended by the Chief Executive Officer of The Dial Corp to the Committee for approval, taking into account historical return on common stockholders' equity data, Plan Year financial plan return on common stockholders' equity (on the same basis as previously described), overall corporate objectives, and, if appropriate, other circumstances.

B. PARTICIPANT ELIGIBILITY:

The Committee will select the Executive Officers as defined under Section 16b of the Securities Exchange Act eligible for participation prior to the beginning of the year. Other personnel will be eligible for participation as recommended by the appropriate staff Vice President and as approved by the Chief Executive Officer of The Dial Corp, limited only to those executives who occupy a position in which they can significantly affect operating results as defined by the following criteria:

- a) Salary grade 25 and above; and
- b) Not more than Organizational Level Four below the Chief Executive Officer.

NOTE: Individuals not qualifying under the criteria established for the Plan Year who were included in the previous year will be grandfathered (continue as qualified participants until retirement, reassignment, or termination of employment) if designated by the appropriate Vice President and approved by the Chief Executive Officer of The Dial Corp.

C. TARGET BONUSES:

Target bonuses will be approved by the Committee for each Executive Officer in writing within the following parameters prior to the beginning of the Plan Year and will be expressed as a percentage of salary. Target bonuses for other eligible personnel will be established in writing within the following parameters subject to approval by the Chief Executive Officer of The Dial Corp.

Actual bonus awards will be dependent on Company performance versus the targets established prior to the beginning of the year. A threshold performance will be required before any bonus award is earned. Awards also will be capped when stretch performance levels are achieved.

CORPORATE POSITIONS -----	AS A PERCENTAGE OF SALARY		
	THRESHOLD** -----	TARGET -----	CAP*** -----
Chairman, President & Chief Executive Officer	30.00%	60%	102.0%
Senior Advisory Group	22.50%	45%	76.5%
Corporate Staff Officers	20.00%	40%	68.0%
Staff Directors*	17.50%	35%	59.5%
	15.00%	30%	51.0%
	12.50%	25%	42.5%
	10.00%	20%	34.0%
Staff Professionals*	7.50%	15%	25.5%
	5.00%	10%	17.0%

* Target Bonus, as determined by the Committee, is dependent upon Organizational Reporting Relationships.

** Reflects minimum of achievement of both performance targets.

Threshold could be one-half of this amount if minimum achievement of only one performance target is met.

D. BONUS POOL TARGET

1. The "Bonus Pool Target" will be established prior to the beginning of the Plan Year and will be adjusted to equal the sum of the target bonuses of all qualified participants based upon actual Plan Year base salaries, as outlined in paragraph C above, plus 15% for Special Achievement Awards.

2. The bonus pool will accrue ratably such that

a) on 50% of the sum of the target bonuses:

i) no bonus will be earned if less than 80% of earnings per share target is achieved;

ii) 50% to 100% will be earned if 80% to 100% of earnings per share target is achieved; and

iii) 100% to 170% will be earned if 100% to 120% of earnings per share target is achieved.

b) on 50% of the sum of target bonuses:

i) no bonus will be earned if less than 80% of the return on equity target is achieved;

ii) 50% to 100% will be earned if 80% to 100% of the return on equity target is achieved; and

iii) 100% to 170% will be earned if 100% to 120% of the return on equity target is achieved

provided no less than an amount equal to 12.5% of the actual bonus accruals earned under section III of this Plan or any spin-off Line of Business Incentive Plan established after 1984, for participants under section III herein will be earned hereunder, up to an aggregate maximum of 170% of Bonus Pool Target and transferred by the companies covered in section III, herein, to The Dial Corp. For purposes of this determination only, the 170% (plus up to 8.5% upward cash flow adjustment) upper limit shall not apply on such actual bonus accrual calculations for subsidiaries, subsidiary groups and divisions.

c) Notwithstanding 2. a)i),ii) and iii); and

b)i),ii), and iii); of this paragraph D, the ratable accrual of either or both targets may be established for threshold within the range of 80% up to and including 95% and for maximum within the range of below 120% down to 105% as may be designated by the Committee.

3. Bonus pool accruals not paid out shall not be carried forward to any succeeding year.

E. INDIVIDUAL BONUS AWARDS:

Indicated bonus awards will be equal to the product of the target bonus percentage times the weighted average percentage of bonus pool accrued as determined in paragraph D above times the individual's actual Plan Year base salary earnings, subject to adjustments as follows:

- a) discretionary upward or downward adjustment of formula awards by the Committee after considering the recommendations of the Chief Executive Officer of The Dial Corp,
- b) discretionary downward adjustment of awards by the Committee for those Executive Officers affected by Section 162(m) of the Internal Revenue Code, and
- c) no individual award may exceed the individual's capped target award and the aggregate recommended bonuses may not exceed the bonus pool accrued for other than Special Achievement Awards.

V. SPECIAL ACHIEVEMENT AWARDS:

Special bonuses of up to 15% of base salary for exceptional performance to exempt employees who are not participants in this Plan, including newly hired employees, may be recommended at the discretion of the Chief Executive Officer to the Committee from the separate funds for discretionary awards provided for under paragraphs III E and IV D. Special Achievement Awards may be granted to participants in exceptional cases from any funds accrued under this Plan, as recommended by the Chief Executive Officer to the Committee for approval.

VI. APPROVAL AND DISTRIBUTION:

The individual incentive bonus amounts and the terms of payment thereof will be fixed following the close of the Plan Year by the Committee. Any award made under this Plan is subject to the approval of this Plan by the stockholders of The Dial Corp.

VII. COMPENSATION ADVISORY COMMITTEE:

The Compensation Advisory Committee is appointed by the Chief Executive Officer of The Dial Corp to assist the Committee in the implementation and administration of this Plan. The Compensation Advisory Committee shall propose administrative guidelines to the Committee to govern interpretations of this Plan and to resolve ambiguities, if any, but the Compensation Advisory Committee will not have the power to terminate, alter, amend, or modify this Plan or any actions hereunder in any way at any time.

VIII. SPECIAL COMPENSATION STATUS:

All bonuses paid under this Plan shall be deemed to be special compensation and, therefore, unless otherwise provided for in another plan or agreement, will not be included in determining the earnings of the recipients for the purposes of any pension, group insurance or other plan or agreement of a Company or of The Dial Corp. Participants in this Plan shall not be eligible for any contractual or other short-term (sales, productivity, etc.) incentive plan except in those cases where participation is weighted between this Plan and any such other short-term incentive plan.

IX. DEFERRALS:

Participants subject to taxation of income by the United States may submit to the Committee, prior to November 15 of the year in which the bonus is being earned a written request that all or a portion, but not less than \$1,000, of their bonus awards to be determined, if any, be irrevocably deferred substantially in accordance with the terms and conditions of a deferred compensation plan approved by the Board of Directors of The Dial Corp or, if applicable, one of its subsidiaries. Participants subject to taxation of income by other jurisdictions may submit to the Committee a written request that all or a portion of their bonus awards be deferred in accordance with the terms and conditions of a plan which is adopted by the Board of Directors of a participant's Company. Upon the receipt of any such request, the Committee thereunder shall determine whether such request should be honored in whole or in part and shall forthwith advise each participant of its determination on such request.

X. PLAN TERMINATION:

This Plan shall continue in effect until such time as it may be canceled or otherwise terminated by action of the Board of Directors of The Dial Corp and will not become effective with respect to any Company unless and until its Board of Directors adopts a specific plan for such Company. While it is contemplated that incentive awards from the Plan will be made, the Board of Directors of The Dial Corp, or any other Company hereunder, may terminate, amend, alter, or modify this Plan at any time and from time to time. Participation in the Plan shall create no right to participate in any future year's Plan.

XI. EMPLOYEE RIGHTS:

No participant in this Plan shall be deemed to have a right to any part or share of this 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. Except as provided for in administrative guidelines, a participant who is not an employee of The Dial Corp or

one of its subsidiaries on the date bonuses are paid will not receive a bonus payment.

EXHIBIT 10.L

THE DIAL CORP

PERFORMANCE UNIT INCENTIVE PLAN

1. PURPOSE:

The purpose of the Plan is to promote the long-term interests of the Corporation and its shareholders by providing a means for attracting and retaining designated key executives of the Corporation and its Affiliates through a system of cash rewards for the accomplishment of long-term predefined objectives.

2. DEFINITIONS:

The following definitions are applicable to the Plan:

"Affiliate" - Any "Parent Corporation" or "Subsidiary Corporation" of the Corporation as such terms are defined in Section 425(e) and (f), or the successor provisions, if any, respectively, of the Code (as defined herein).

"Award" - The grant by the Committee of a Performance Unit or Units as provided in the Plan.

"Board" - The Board of Directors of The Dial Corp.

"Code" - The Internal Revenue Code of 1986, as amended, or its successor general income tax law of the United States.

"Committee" - The Executive Compensation Committee of the Board.

"Corporation" - The Dial Corp.

"Participant" - Any executive of the Corporation or any of its Affiliates who is selected by the Committee to receive an Award.

"Performance Period" - The period of time selected by the Committee for the purpose of determining performance goals and measuring the degree of accomplishment. Generally, the Performance Period will be a period of three successive fiscal years of the Corporation.

"Performance Unit Award" - An Award.

"Plan" - The Performance Unit Incentive Plan of the Corporation.

"Unit" - The basis for any Award under the Plan.

3. ADMINISTRATION:

The Plan shall be administered by the Committee. Except as limited by the express provisions of the Plan, the Committee shall have sole and complete authority and discretion to (i) select Participants and grant Awards; (ii) determine the number of Units to be subject to Awards generally, as well as to individual Awards granted under the Plan; (iii) determine the targets that must be achieved in order for the Awards to be payable and the other terms and conditions upon which Awards shall be granted under the Plan; (iv) prescribe the form and terms of instruments evidencing such grants; and (v) establish from time to time regulations for the administration of the Plan, interpret the Plan, and make all determinations deemed necessary or advisable for the administration of the Plan.

4. PERFORMANCE GOALS:

The Performance Unit Incentive Plan is intended to provide Participants with a substantial incentive to achieve or surpass two pre-defined long-range financial goals which have been selected because they are key factors (goals) in increasing shareholder value. One of the key goals for CORPORATE and SUBSIDIARY Participants is Average Three-Year Return on Equity, utilizing a pro forma return on equity calculation for subsidiaries (other than Travelers Express) which effectively adjusts each to the overall financial objective of a capital structure of 35% debt and 65% equity.

The second goal for each SUBSIDIARY Participant principally emphasizes Average Three-Year Real Earnings Growth. The targets for this goal will take several different forms in recognition of the need to tailor the target to the most important factors for the unit (as well as to overall corporate objectives). For example, while operating income is normally the best indicator of earnings growth, the target will be based on net income when tax- exempt income (Travelers Express) or income from equity in joint ventures (Dobbs International, GLSI) come into

play, as operating income would not give the full picture in such circumstances. Goals for subsidiaries should be meaningful, easily understood and consistent with the overall objectives.

The second goal for CORPORATE Participants also emphasizes Average Three-Year Real Earnings Growth but the target will be based on earnings per share, the most appropriate measure in increasing shareholder value.

5. DETERMINATION OF TARGETS:

A. Average Three-Year Subsidiary Pro Forma Return on Equity (Except Travelers Express Company, Inc., group)

A Return on Equity calculation for each Subsidiary Company except Travelers Express will be made by dividing each year's net earnings after tax by the average quarterly (beginning of year and each quarter-end, including year-end) pro forma equity. For purposes of this calculation, pro forma equity shall be deemed to be 65% of the sum of each Subsidiary Company's actual equity plus its debt, including intercompany accounts payable less intercompany accounts receivable (net capital employed). Net income shall be adjusted (1) to exclude the after-tax effect of intercompany interest expense and the after-tax effect of intercompany interest income and (2) to deduct the after-tax effect of the pro forma interest, calculated at 8% per annum, on the excess of 35% of the average beginning and ending balance of net capital employed over the average beginning and ending balance of outstanding debt (pro forma debt), so that each company's Return on Equity is based on a pro forma 65% equity and 35% debt structure for the net capital employed by it. In all cases, the after-tax calculations are to be made using the statutory federal income tax rate applicable to such year. In establishing a realistic weighted average annual Return on Equity target for the Performance Period, consideration will be given to industry averages whenever known as well as the Performance Period Financial Plan year-by-year Return on Equity (on the same basis as previously described), overall Corporate objectives and, where appropriate, other circumstances. An appropriate range of values above and below such target will then be selected to measure achievement above or below the target.

B. Average Three-Year Return on Equity (Travelers Express)

A Return on Equity calculation for Travelers Express will be made by dividing each year's net income after taxes by the average quarterly (beginning of year and each quarter-end, including year-end) equity. Consideration will then be given to any known or anticipated changes in equity structure and available industry averages, and a realistic weighted average annual Return on Equity target for the three-year Performance Period will be established, taking into account all factors mentioned as well as the three-year Performance Period Financial Plan year-by-year Return on Equity (on the same basis as previously described), overall Corporate objectives and, where appropriate, other circumstances. An appropriate range of values above and below such target will then be selected to measure achievement above or below the target.

C. Average Three-Year Dial Return on Common Stockholders' Equity

A return on common stockholders' equity calculation will be made for The Dial Corp by dividing each year's net income after taxes less preferred dividend requirements by the year's monthly average of common stockholders' equity (return on common equity). Consideration will then be given to any known or anticipated changes in equity structure and to appropriate industry averages, and a realistic weighted average annual Return on Equity target for the three-year Performance Period will be established taking into account all factors mentioned as well as the three-year Performance Period Financial Plan year-by-year return on equity (on the same basis as previously described), overall Corporate objectives and, where appropriate, other circumstances. An appropriate range of values above and below such target will then be selected to measure achievement above or below the target.

D. Average Three-Year Subsidiary Earnings Growth

A realistic average three-year earnings target for the Performance Period for each Subsidiary Company will be established taking into account historical income, financial plan income for the Performance Period, overall Corporate objectives, and if appropriate, other circumstances. An appropriate range of values above and below such target will then be selected to measure achievement above or below the target.

E. Average Three-Year Dial Earnings Per Share Growth

A realistic "Earnings Per Share" from continuing operations target for The Dial Corp will be established after considering historical earnings per share from continuing operations, financial plan income for the Performance Period, overall Corporate objectives and, if appropriate, other circumstances. An appropriate range of values above and below such target will then be selected to measure achievement above or below the target.

The appropriate targets and the Performance Period to be used as a basis for the measurement of performance for Awards under the Plan will be determined by the Committee after giving consideration to the recommendations of the Chief Executive Officer of The Dial Corp. Performance Units will be earned based upon the degree of achievement of the pre-defined targets over the Performance Period following the date of grant. Earned Units can range, based on operating company performance using an award matrix, from 0% to 200% of the target Units.

6. OTHER PLAN PROVISIONS:

Special treatment of any significant unusual or non-recurring items (for purposes of earnings and/or Return on Equity calculation) arising after targets are set may be recommended by the Chief Executive Officer of The Dial Corp to the Committee for approval including revision to either or both targets in the event of any significant acquisition or divestiture made during the Performance Period to give effect, as appropriate, to planned effects of such acquisition or divestiture during the Performance Period. Other examples include extraordinary items, gains or losses arising from discontinued operations, effects of a change in accounting principles or a change in federal income tax rates. Reclassification of a major business unit to discontinued operations status after targets have been set would also require adjustment because of effect on continuing operations results.

For subsidiaries, in certain extreme cases, unplanned effects of major litigation, remediation of environmental matters, significant uninsured losses, a significant restructuring or the bankruptcy of a major vendor or customer are further examples of the types of items which could be (but are not required to be) considered by the Chief Executive Officer of The Dial Corp for recommendation to the Committee for possible special treatment.

Conversely, the general rule for Corporate measurements is that restructuring charges affecting years after 1992, gain or loss on sale of a smaller subsidiary or other one-time income or loss items mentioned above regarding subsidiaries would not be considered for special treatment as the Corporate mission is to successfully manage the effects of such items.

Incentives to be paid under this plan must be provided out of corporation's earnings during the Performance Period (generally in the third year, when the amounts to be paid can be reasonably estimated). Goals must be achieved after deducting from actual results all incentive compensation applicable to such performance periods, including those incentives earned under this plan.

7. AWARD MATRIX:

The range of values for the Corporation's or a Subsidiary Company's performance is set at a minimum of 80% of target for threshold and capped at 120% of the target. Targets may be established for threshold within the range of above 80% up to and including 95% and for maximum within the range of below 120% down to 105% for certain Subsidiary Companies. The Return on Equity target and range of values will be entered on the vertical axis of the appropriate Performance Unit Award Matrix. The weighted average annual Return on Equity target for the Performance Period will represent a meaningful improvement over average historical returns except in extremely unusual circumstances. Actual weighted average annual Return on Equity performance for each Participant will be determined at the end of the three-year Performance Period based on the appropriate definition set forth above. Similarly, the average three-year Real Earning Growth target and range of values will be entered on the horizontal axis of the Performance Unit Award Matrix, and actual results will be determined at the end of the three-year Performance Period based on the appropriate definition.

Performance Units will be earned based upon the degree of achievement of the pre-defined goals using the Performance Unit Award Matrix.

PERFORMANCE UNIT AWARD MATRIX:

	Percent of Award Earned				
	100%	125%	150%	175%	200%
Return on Equity	75%	100%	125%	150%	175%
	50%	75%	100%	125%	150%
	25%	50%	75%	100%	125%
	0%	25%	50%	75%	100%

Improvement in Net Income

8. PARTICIPANT ELIGIBILITY:

Personnel will be eligible for participation as recommended by The Dial Corp Chief Executive Officer for approval by the Committee prior to the beginning of each new Performance Period during the life of the Plan, limited only to those key executives who contribute in a substantial measure to the successful performance of the Corporation or its Affiliates. The Chief Executive Officer will recommend for approval by the Committee which Affiliates among its Affiliates should be included in the Plan.

9. AWARD DETERMINATION:

The number of Units to be awarded will be determined, generally, by multiplying a factor times the Participant's annual base salary in effect at the time the Award is granted and dividing the result by the average of the high and low of the Corporation's Common Stock on the date of approval of the grant by the Committee. The Award factor will be recommended by the Chief Executive Officer of The Dial Corp for approval by the Committee annually prior to the beginning of each new performance period. The Committee may adjust the number of Units awarded in its discretion.

10. GENERAL TERMS AND CONDITIONS:

The Committee shall have full and complete authority and discretion, except as expressly limited by the Plan, to grant Units and to provide the terms and conditions (which need not be identical among Participants) thereof. Without limiting the generality of the foregoing, the Committee may specify a Performance Period of not less than two years or not more than five years, rather than the three-year Performance Period provided for above, and such time period will be substituted as appropriate to properly effect the specified Performance Period. No Participant or any person claiming under or through such person shall have any right or interest, whether vested or otherwise, in the Plan or in any Award thereunder, contingent or otherwise, unless and until all the terms, conditions, and provisions of the Plan and its approved administrative requirements that affect such Participant or such other person shall have been complied with. Nothing contained in the Plan or its Administrative Guidelines shall (i) require the Corporation to segregate cash or other property on behalf of any Participant or (ii) affect the rights and power of the Corporation or its Affiliates to dismiss and/or discharge any Participant at any time.

11. PAYMENT OF AWARDS:

(a) Performance Unit Awards which may become payable under this Plan shall be calculated as determined by the Committee but any resulting Performance Unit Award payable shall be subject to the following calculation:

each Unit payable shall be multiplied by the average of the daily means of the market prices of the Corporation's Common Stock during the month following the Performance Period. Performance Unit Awards earned will be determined as of the third Thursday of February following the close of the Performance Period and distribution of the Award will be made within ninety (90) days following the close of the Performance Period. Awards will be subject to discretionary downward adjustment, for those executive officers affected by Section 162(m) of the Internal Revenue Code, by the Committee.

(b) Performance Unit Awards granted under this Plan shall be payable during the lifetime of the Participant to whom such Award was granted only to such Participant; and, except as provided in (d) and (e) of this Section 7, no such Award will be payable unless at the time of payment such Participant is an employee of and has continuously since the grant thereof been an employee of, the Corporation or an Affiliate. Neither absence on leave, if approved by the Corporation, nor any transfer of employment between Affiliates or between an Affiliate and the Corporation shall be considered an interruption or termination of employment for purposes of this Plan.

(c) Prior to the expiration of the Performance Period, all Participants will be provided an irrevocable option to defer all or a portion of any earned Performance Unit Award, if there be one, but not less than \$1,000, in written form as prescribed by the Board under the provisions of a deferred compensation plan for executives of the Corporation and its Affiliates, if one be adopted.

(d) If a Participant to whom a Performance Unit Award was granted shall cease to be employed by the Corporation or its Affiliate for any reason (other than death, disability, or retirement) prior to the completion of any applicable Performance Period, said Performance Unit Award will be withdrawn and subsequent payment in any form at any time will not be made.

(e) If a Participant to whom a Performance Unit Award was granted shall cease to be employed by the Corporation or its Affiliate due to early, normal, or deferred retirement, or in the event of the death or disability of the Participant, during the Performance Period stipulated in the Performance Unit Award, such Award shall be prorated for the period of time from date of grant to date of retirement, disability or death, as applicable, and become payable within ninety (90) days following the close of the Performance Period to the Participant or the person to whom interest therein is transferred by will or by the laws of descent and distribution. Performance Unit Awards shall be determined at the same time and in the same manner (except for applicable proration) as described in Section 11(a).

(f) There shall be deducted from all payment of Awards any taxes required to be withheld by any Federal, State, or local government and paid over to any such government in respect to any such payment.

12. ASSIGNMENTS AND TRANSFERS:

No Award to any Participant under the provisions of the Plan may be assigned, transferred, or otherwise encumbered except, in the event of death of a Participant, by will or the laws of descent and distribution.

13. AMENDMENT OR TERMINATION:

The Board may amend, suspend, or terminate the Plan or any portion thereof at any time provided, however, that no such amendment, suspension, or termination shall invalidate the Awards already made to any Participant pursuant to the Plan, without his consent.

14. EFFECTIVE DATE AND TERM OF PLAN:

The Plan shall be effective January 1, 1994, provided however, that any Award made under this Plan is subject to the approval of this Plan by the stockholders of The Dial Corp.

EXHIBIT 10.P

PERFORMANCE-BASED STOCK PLAN

THE DIAL CORP

MARCH, 1993

PLAN SPECIFICATIONS.

Purpose of the Plan:

Focus management on value creation as measured by returns to shareholders.

Reward sustained performance on a relative basis.

Provide an additional vehicle for linking compensation to company success over a longer time frame.

Retain management team.

Provide a means for building stock ownership by executives.

Concept:

Company makes grant of common stock subject to restrictions based on both performance that is measured on pre-specified dates and continued employment.

If performance goals are not met, a smaller number of shares (or none) may be delivered.

Eligibility:

A select group of key managers, as recommended by the Chairman and CEO and approved by the Executive Compensation Committee, will participate in the Plan.

Target Award Amounts:

An example of target award sizes follows, expressed as a percentage of base salary. Final targets should be adjusted periodically to maintain the desired long-term incentive grant mix and total compensation objectives.

Example of targets:

SALARY RANGE (\$000)	TARGET AWARD AS % OF SALARY
Over \$400	50% - 60%
\$300 - \$400	25% - 35%
\$200 - \$299	20% - 35%
\$150 - \$199	10% - 30%
\$100 - \$149	7% - 20%

Individuals having salaries within the same range may have different award sizes, due to the extent of their participation in other incentive plans.

DETERMINATION OF INITIAL GRANT SIZE.

The actual number of shares granted to each participant is determined by dividing the target-award dollar amount by the value of the performance-based shares.

Example:

Salary of participant:	\$150,000
Target award:	15% of salary

Stock price: \$43.00

Economic value of performance-based stock: 77% of fair market value

Number of shares: 680 (see calculation below)

(Base Salary times Target Award)

divided by (Percentage Value of Performance-Based Stock times Stock Price) = (\$150,000 x 15%) divided by (77% x \$43.00) = 680 shares

Performance Period:

Performance Period will be measured over a three-year period, beginning April 1, 1993 and ending March 31, 1996. A new performance cycle will begin each year.

Grant Frequency:

Grants will usually be recommended each year.

Performance Measurement:

The shares will be delivered based upon the schedule below:

Performance (TSR) Relative to S&P 500	Percent of Shares Earned	Performance (TSR) Relative to Proxy Comparator Group	Percent of Shares Earned
120%	50%	120%	50%
110%	40%	110%	40%
100%	30%	100%	30%
90%	15%	90%	15%
Below 90%	0%	Below 90%	0%

If performance is not at threshold, no shares will be delivered. Any shares not delivered are forfeited at the end of the performance period.

Payout:

Within 30 days of the end of the performance period, the Company will provide the participant with the amount of shares that have been earned over the performance period. Participants will receive dividends paid currently on the entire initial grant until the end of the performance period.

Tax Treatment:

The participant recognizes ordinary income on the fair market value of the earned shares at the date on which the shares are delivered. Any dividend amounts received must be recognized as compensation income as well.

The Company incurs no tax liability at the date of grant. It recognizes deductible compensation expense for tax purposes at the same time as, and in the same amount as, the participant realizes taxable income. The Company is required to withhold income taxes to receive the deduction.

Accounting Treatment:

The Company must recognize a compensation expense that takes into account increases in market value after the grant date to the extent that the performance goals have been achieved.

Under the proposed changes to the accounting rules for stock-based compensation, a modified grant-date approach will apply to this performance-based stock plan. That is, the compensation expense will be based on both the stock price on the date of grant and an estimate of the outcome of service- and performance-related conditions. Subsequent adjustments will be made for expected changes in the service- and performance-related factors, but not for changes in the stock price.

EXHIBIT 10.Q

THE DIAL CORP

DEFERRED COMPENSATION PLAN

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 The Dial 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 The Dial 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 plans of The Dial Corp and its subsidiaries (the Plans) including the Management Incentive Plan, The Dial Corp Performance Unit Incentive Plan, and any other bonus or bonuses or similar or successor plans, 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) If a participant in the Plan shall 1) sever his employment with the Corporation or one of its subsidiaries, 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 account as of the date such participation is terminated.

(c) The Corporation and each participating subsidiary shall be solely liable for maintenance of deferred incentive accounts pursuant to paragraph 6 and payment of any benefits with respect to its own employees who participate in the Plan. In the event a participant leaves the employ of the Corporation, or a participating subsidiary ("former employer") and is subsequently employed by another employer, the Corporation or another subsidiary of the Corporation ("new employer"), the former employer may agree to transfer and the new employer may agree to assume the benefit liability reflected in such participant's deferred incentive account, without the consent of such participant and subject to the approval of the Committee, in its sole discretion. In the event of such a transfer and assumption of liability, the former employer shall have no further liability for any benefit under the Plan to its former employee or otherwise with respect to such transferred account.

4. Requests for Deferral.

All requests for deferral of incentive awards must be made in writing prior to November 15 of the year in which the bonus is being earned and shall be in such form and shall contain such terms and conditions as the Committee may determine. Each such request shall specify the dollar amount or the percentage to be deferred of incentive award which would otherwise be received in the following calendar year, but in no event shall the amount to be deferred be less than \$1,000. 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, and 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. 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 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, 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 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.

6. 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.

(b) In addition, 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 shall be a 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, unless and until otherwise determined.

(c) 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.

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 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.

8. 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.

9. 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.

10. 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 Section 11 below.

11. 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.

12. 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.

12. Effective Date.

The Plan shall become effective on the date of its approval by the Executive Compensation Committee of the Dial Corp Board of Directors or on such other date as the Executive Compensation 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.

THE DIAL CORP
 STATEMENT RE COMPUTATION OF NET INCOME (LOSS)
 PER COMMON SHARE
 (000 omitted)

	Year Ended December 31,		
	1993	1992	1991
PRIMARY:			
Net income (loss)	\$120,485	\$(81,515)	\$(57,608)
Less: Preferred stock dividends	(1,122)	(1,122)	(1,123)
Dilution due to outstanding options of subsidiaries considered common stock equivalents			(17)
	\$119,363	\$(82,637)	\$(58,748)
	=====	=====	=====
Weighted average common shares outstanding before common equivalents	42,002	41,163	39,578
Common equivalent stock options	701	850	333
	-----	-----	-----
Average common and equivalent shares	42,703	42,013	39,911
	=====	=====	=====
Net income (loss) per share (dollars)	\$ 2.80	\$ (1.97)	\$ (1.47)
	=====	=====	=====
FULLY DILUTED:			
Adjusted net income (loss) per above	\$119,363	\$(82,637)	\$(58,748)
Less: Additional dilution due to outstanding options of subsidiaries considered common stock equivalents			(9)
	\$119,354	\$(82,637)	\$(58,748)
	=====	=====	=====
Average common and equivalent shares per above	42,703	42,013	39,911
Common equivalent stock options	42		
	-----	-----	-----
Average common and equivalent shares	42,745	42,013	39,911
	=====	=====	=====
Net income (loss) per share (dollars)	\$ 2.79	\$ (1.97)	\$ (1.47)
	=====	=====	=====

EXHIBIT 22

THE DIAL CORP ACTIVE AND INACTIVE (I) SUBSIDIARIES AND AFFILIATES* AS OF MARCH 15, 1994

AIRLINE CATERING & OTHER FOOD SERVICES GROUP

Dobbs International (U.K.) Limited (United Kingdom) Faber Enterprises, Inc. (Delaware)
Faber Drug Co., Inc. (Illinois) (70%) Franklin Ventures, Inc. (Illinois)
Greyhound-Dobbs Incorporated (Delaware)
Carson International Inc. (Delaware)+ Dobbs Houses, Inc. (Delaware)+
Dobbs-Paschal Midfield Corporation (Georgia) (75%)+
DOBBS INTERNATIONAL SERVICES, INC. (Delaware)

Dobbs Houses International, Inc. (Delaware)

RESTAURA, INC. (Michigan)
Glacier Park, Inc. (Arizona) (80%)
Waterton Transport Company, Limited (Alberta)

CONSUMER PRODUCTS GROUP

Andora, S.A. (Mexico)
Ardison Properties, Inc. (Delaware)
Armour Foods (U.K.) Ltd. (United Kingdom) Armour International Limited (United Kingdom)
ARMOUR INTERNATIONAL COMPANY (Arizona)
AIC Foreign Sales Corporation (Virgin Islands) Armour-Dial del Ecuador, S.A. (Ecuador) Armour Foods (Benelux) N.V. (Belgium) Armour Foods (Canada) Limited (Ontario) Armour Foods (Deutschland) GmbH (Germany) The Dial Corp. (Deutschland) mbH (Germany) The Dial Corporation (Panama), S.A. (Panama) The Dial Corp. (Korea) Ltd. (Korea)
The Dial Corporation (Hong Kong) Limited (Hong Kong) The Dial Corporation Mexico, S.A. de C.V. (Mexico) The Dial Corporation (Puerto Rico), Inc. (Arizona) The Dial Corporation (Thailand) Limited (Thailand) Ft. Madison Dial, Inc. (Iowa)
Purex de Panama, S.A. (Panama)

CONVENTION SERVICES GROUP

EXHIBITGROUP INC. (Delaware)
Exhibitgroup (Canada) Ltd. (Canada) David H. Gibson Company, Inc. (Texas) Longchamp International, Inc. (Nevada) (50%)
GES EXPOSITION SERVICES, INC. (Nevada)
Andrews, Bartlett & Associates, Inc. (Ohio) Classic Decorating, Inc. (Oregon)
Gelco Convention Services, Inc. (Florida) Gelco Convention Services of Orlando, Inc. (Florida) Rowan Northwestern Decorators, Inc. (Washington) United Exposition Service Co., Inc. (Texas) Apollo Moving & Storage, Inc. (Nevada) Concourse Graphics, Inc. (Delaware) (50%) Expo-Tech Electrical & Plumbing Services, Inc.

(California)

Las Vegas Transfer & Storage, Inc. (Texas) United Exposition Service Redevelopment Corporation

(Missouri)

Las Vegas Convention Service Co. (Nevada)

CORPORATE AND OTHER

Dialcor Realty Inc. (Arizona)
Greyhound Realty of Texas Inc. (Texas) Essex Place Inc. (Arizona)
GCMC Inc. (Arizona)
Grey Gateway Realty Corporation (Arizona) GRT Inc. (Arizona)
GDC Insurance Company Ltd. (Bermuda)

TRAVEL & LEISURE & PAYMENT SERVICES GROUP

Air Agency, Inc. (Florida)

AIRCRAFT SERVICE INTERNATIONAL, INC. (Delaware)

ASII Holding GmbH (Germany)

Omni Aircraft Service GmbH (Germany) (50%) Aircraft Service Limited (United Kingdom) Bahamas Airport Services Limited (Bahama)

Freeport Flight Services Limited (Bahama) Dispatch Services, Inc. (Florida)

Florida Aviation Fueling Company, Inc. (Florida)

GREYHOUND LEISURE SERVICES, INC. (Florida)

European Cruise Shops Limited (Cayman Islands) (51%) Greyhound-ANA Venture Company (Florida) (51%) International Cruise Shops, Ltd.

(Cayman Islands) Greyhound World Travel GmbH (Germany)

JETSAVE INC. (Florida)

Jetsave Travel Limited (United Kingdom)

Crystal Holidays, Limited (United Kingdom) Charles Grimsey Associates Limited (United Kingdom) Greyhound World Travel Limited

(United Kingdom) Jetsave Limited (United Kingdom)

Jetsave Transatlantic Limited (United Kingdom) PREMIER CRUISE LINES, LTD. (Cayman Islands)

TRANSPORTATION LEASING CO. (California)~~

GCCP, Inc. (Delaware)~~

Greyhound Canada Holdings, Inc. (Alberta)~~ The Dial Corporation (Canada) Ltd. (Alberta)#

GREYHOUND LINES OF CANADA LTD. (Canada) (69%)

A-1 Bus Line Pick-Up Ltd. (British Columbia)

BREWSTER TRANSPORT COMPANY LIMITED (Alberta)

Banff Norquay Ski Corporation (Alberta) (50%)**

Gray Coach Lines Inc. (Ontario) Greyhound Courier Express Ltd. (British Columbia)

TRAVELERS EXPRESS COMPANY, INC. (Minnesota)

CAG Inc. (Nevada)

RM/BS GP Inc. (Minnesota)

Travelers Express Co. (P.R.) Inc. (Puerto Rico)

* Parent-subsidiary or affiliate relationships are shown by marginal indentation. State, province or country of incorporation and ownership percentage are shown in parentheses following name, except that no ownership percentage appears for subsidiaries owned 100% (in the aggregate) by The Dial Corp. List does not include companies in which the aggregate direct and indirect interest of The Dial Corp is less than 50%.

Indicates a Consumer Products Group Subsidiary. ~~ Indicates a Corporate and Other Subsidiary.

+ Indicates a Travel & Leisure & Payment Services Group Subsidiary. ** Through partnership.

EXHIBIT 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in The Dial Corp's Registration Statements No.'s 33-41870, 33-57630, 33-65420, 33- 10150 and 33-65424 on Form S-8 and No.'s 33-57346 and 33-55360 on Form S-3, of our reports dated February 25, 1994 on the consolidated financial statements and schedules of The Dial Corp appearing in this Annual Report on Form 10-K of The Dial Corp for the year ended December 31, 1993.

*/s/Deloitte & Touche
Deloitte & Touche
March 25, 1994
Phoenix, Arizona*

EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each director whose signature appears below constitutes and appoints Richard C. Stephan and John W. Teets, and each of them severally, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign the Form 10-K Annual Report of The Dial Corp for the fiscal year ended December 31, 1993, and any and all amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection herewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or either of them, or their or his or her substitutes or substitute, may lawfully do or cause to be done by virtue hereof.

<i>/s/ Joe T. Ford</i>	<i>February 17, 1994</i>
<i>/s/ Thomas L. Gossage</i>	<i>February 17, 1994</i>
<i>/s/ Donald E. Guinn</i>	<i>February 17, 1994</i>
<i>/s/ Jess Hay</i>	<i>February 17, 1994</i>
<i>/s/ Judith K. Hofer</i>	<i>February 17, 1994</i>
<i>/s/ Jack F. Reichert</i>	<i>February 17, 1994</i>
<i>/s/ Linda Johnson Rice</i>	<i>February 17, 1994</i>
<i>/s/ Dennis C. Stanfill</i>	<i>February 17, 1994</i>
<i>/s/ A. Thomas Young</i>	<i>February 17, 1994</i>
<i>/s/ James E. Cunningham</i>	<i>February 17, 1994</i>

End of Filing

Powered By **EDGAR**
Online

© 2005 | EDGAR Online, Inc.