VIAD CORP

FORM 10-Q
(Quarterly Report)

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

FORM 10-Q

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

For the Quarterly Period Ended September 30, 1995
Commission file number 001-11015

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

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

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

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

Yes x No

As of October 31, 1995, 94,067,962 shares of Common Stock ($1.50 par value) were outstanding.

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

THE DIAL CORP
CONSOLIDATED BALANCE SHEET

(000 omitted)	September 30, 1995	December 31, 1994
ASSETS		
Current assets:		
Cash and cash equivalents	$ 17,479	$ 33,222
Receivables, less allowance of $18,950 and $20,453	183,887	232,932
Inventories	225,098	229,273
Deferred income taxes	50,329	42,517
Other current assets	49,014	46,565
	525,807	584,509
Funds, agents' receivables and current maturities of investments restricted for payment service obligations, after eliminating $90,000 and $80,000 invested in Dial commercial paper	601,540	659,708
Total current assets	1,127,347	1,244,217
Investments restricted for payment service obligations	812,813	692,818
Property and equipment	846,414	813,384
Other investments and assets	88,639	83,255
Deferred income taxes	163,489	126,787
Intangibles	803,011	820,435
	$ 3,841,713	$ 3,780,896

(000 omitted, except number of shares)	September 30, 1995	December 31, 1994
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term bank loans	$ 580	$ 931
Accounts payable	238,604	243,982
Accrued compensation	73,203	91,992
Other current liabilities	276,411	281,321
Current portion of long-term debt	77,822	22,830
	666,620	641,056
Payment service obligations	1,485,354	1,438,960
Total current liabilities	2,151,974	2,080,016
Long-term debt	730,763	721,718
Pension and other benefits	321,735	319,519
Other deferred items and insurance reserves	56,967	73,269
Minority interests	26,690	24,691
$4.75 Redeemable preferred stock	6,596	6,590
Common stock and other equity:		
Common stock, $1.50 par value, 200,000,000 shares authorized, 97,108,724 shares issued	145,663	145,663
Additional capital	330,540	308,350
Retained income	333,000	393,233
Cumulative translation adjustments	(16,272)	(20,910)
Unearned employee benefits	(184,153)	(176,201)
Unrealized loss on securities available for sale	(4,654)	(21,742)
Common stock in treasury, at cost, 3,480,040 and 4,319,624 shares	(57,136)	(73,300)
Total common stock and other equity	546,988	555,093
	$ 3,841,713	$ 3,780,896

See Notes to Consolidated Financial Statements.

THE DIAL CORP
STATEMENT OF CONSOLIDATED INCOME

Quarter ended September 30, (000 omitted, except per share data)	1995	1994
Revenues	$ 891,593	$ 912,523
Costs and expenses:		
Costs of sales and services	816,602	811,037
Restructuring charges and asset write-downs	191,100	
Unallocated corporate expense and other items, net	10,377	11,348
Interest expense	19,633	15,764
Minority interests	2,904	2,638
	1,040,616	840,787
Income (loss) before income taxes	(149,023)	71,736
Income taxes (benefit)	(59,286)	26,308
Net Income (Loss)	$ (89,737)	$ 45,428
Net Income (Loss) Per Common Share	$ (1.02)	$ 0.52
Dividends declared per common share	$ 0.16	$ 0.15
Average outstanding common and equivalent shares	88,760	86,888

See Notes to Consolidated Financial Statements.

THE DIAL CORP
STATEMENT OF CONSOLIDATED INCOME

Nine months ended September 30, (000 omitted, except per share data)	1995	1994
Revenues	$ 2,651,674	$ 2,629,373
Costs and expenses:		
Costs of sales and services	2,409,324	2,379,669
Restructuring charges and asset write-downs	191,100	
Unallocated corporate expense and other items, net	32,465	32,648
Interest expense	56,312	44,755
Minority interests	3,552	3,041
	2,692,753	2,460,113
Income (loss) before income taxes	(41,079)	169,260
Income taxes (benefit)	(20,315)	63,229
Net Income (Loss)	$ (20,764)	$ 106,031
Net Income (Loss) Per Common Share	$ (0.24)	$ 1.22
Dividends declared per common share	$ 0.46	$ 0.44
Average outstanding common and equivalent shares	88,394	86,488

See Notes to Consolidated Financial Statements.

THE DIAL CORP
STATEMENT OF RETAINED INCOME

Nine months ended September 30, (000 omitted)	1995	1994
Balance, beginning of year	$ 393,233	$ 304,481
Net income (loss)	(20,764)	106,031
Dividends on common and preferred shares	(40,686)	(38,246)
Other	1,217	422
Balance, end of period	$ 333,000	$ 372,688

See Notes to Consolidated Financial Statements.

THE DIAL CORP
STATEMENT OF CONSOLIDATED CASH FLOWS

Nine months ended September 30, (000 omitted)	1995	1994
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES:		
Net income (loss)	$ (20,764)	$ 106,031
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	84,072	84,091
Deferred income taxes	(55,594)	7,128
Restructuring charges and asset write-downs	191,100	
Other noncash items, net	845	4,221
Change in operating assets and liabilities:		
Receivables and inventories	36,526	2,366
Payment service assets and obligations, net	111,562	186,453
Accounts payable and accrued compensation	(29,576)	(24,640)
Other assets and liabilities, net	(73,185)	(49,520)
Net cash provided by operating activities	244,986	316,130
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES:		
Capital expenditures	(69,638)	(64,806)
Purchase of cruise ships previously leased	(111,103)	
Acquisitions of businesses and other assets, net of cash acquired	(48,292)	(146,678)
Proceeds from sales of property	9,864	6,770
Proceeds from sales and maturities of securities classified as available for sale	390,833	188,796
Purchases of securities classified as available for sale	(403,416)	(253,086)
Proceeds from sales and maturities of securities classified as held to maturity	12,201	
Purchases of securities classified as held to maturity	(103,976)	(107,897)
Other, net	(1,369)	(89)
Net cash used by investing activities	(324,896)	(376,990)
CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES:		
Proceeds from long-term borrowings	40,280	70,000
Payments on long-term borrowings	(2,218)	(2,163)
Net change in short-term borrowings	25,795	31,456
Dividends on common and preferred stock	(40,686)	(38,246)
Minority portion of subsidiary's special dividend		(9,761)
Proceeds from sales of treasury stock	25,505	24,291
Net change in receivables sold	25,000	
Cash payments on interest rate swaps	(9,509)	(9,317)
Net cash provided by financing activities	64,167	66,260
Net (decrease) increase in cash and cash equivalents	(15,743)	5,400
Cash and cash equivalents, beginning of year	33,222	10,659
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 17,479	$ 16,059

See Notes to Consolidated Financial Statements.

THE DIAL CORP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A--Basis of Preparation

This information should be read in conjunction with the financial statements set forth in The Dial Corp Annual Report to Stockholders for the year ended December 31, 1994.

Accounting policies utilized in the preparation of the financial information herein presented are the same as set forth in The Dial Corp's annual financial statements except as modified for interim accounting policies which are within the guidelines set forth in Accounting Principles Board Opinion No. 28. The interim consolidated financial information is unaudited. In the opinion of management, all adjustments, consisting only of normal recurring accruals, necessary to present fairly Dial's financial position as of September 30, 1995, and the results of operations for the quarters and nine months ended September 30, 1995 and 1994, and cash flows for the nine months ended September 30, 1995 and 1994 have been included. Interim results of operations are not necessarily indicative of the results of operations for the full year.

Certain reclassifications have been made to the prior year's financial statements to conform to 1995 classifications.

NOTE B--Investments Restricted for Payment Service Obligations

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

(000 omitted)	September 30, 1995	December 31, 1994
Securities available for sale, at fair value (amortized cost of $480,850 and $468,307)	$ 473,287	$ 433,150
Securities held to maturity, at amortized cost (fair value of $351,461 and $243,156)	355,602	264,861
	828,889	698,011
Less current maturities	(16,076)	(5,193)
	$ 812,813	$ 692,818

NOTE C--Debt

At September 30, 1995 and December 31, 1994, Dial classified as long-term debt $302 million and $275 million, respectively, of short-term borrowings supported by unused commitments under long- term revolving credit agreements.

NOTE D--Income Taxes

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

(000 omitted)	1995	1994
Computed income taxes at statutory federal income tax rate of 35%	$ (14,378)	$ 59,241
Nondeductible goodwill amortization	2,885	3,189
Minority interests	1,243	1,064
State income taxes	(676)	5,227
Tax-exempt income	(7,476)	(3,453)
Adjustment to estimated annual effective rate		(1,000)
Other, net	(1,913)	(1,039)
Provision for income taxes	$ (20,315)	$ 63,229

Note E--Restructuring Charges and Asset Write-Downs

In the third quarter of 1995, Dial announced that it would take restructuring and other one-time charges totaling approximately $211.5 million ($130 million after-tax) to provide for a business- based reorganization of its consumer products group through plant closings, workforce reductions, and correction of certain product lines. The consumer products group is closing six plants (Clearing, Illinois; Burlington, Iowa; Auburndale, Florida; Omaha, Nebraska; Memphis, Tennessee; and New Berlin, Wisconsin) and is reducing its workforce by approximately 15 percent, or 700 people, substantially all of whom are based in the affected plants. These actions are expected to be completed by the end of 1996. Future earnings are expected to benefit from efficiencies resulting from streamlining/consolidating product lines for the remaining facilities through increased volume and reduced costs. In addition to the restructuring of the consumer products group, the announced charges also provide for the write-down of certain Premier Cruise Lines' assets and intangibles, in light of current and anticipated conditions in its cruise market.

The final amount of charges recorded in the quarter ended September 30, 1995 was $211.5 million, of which $20.4 million was charged to cost of sales and $191.1 million ($117.2 million after-tax) was classified as restructuring charges and asset write-downs, as follows:

(000 omitted)	Consumer Products	Premier Cruise Lines	Total
Asset write-downs:			
Intangibles	$ 10,500	$ 28,000	$ 38,500
Other assets	87,000	27,500	114,500
Severance pay and benefits	14,800		14,800
Exit costs	23,300		23,300
	135,600	55,500	191,100
Tax benefit	(53,500)	(20,400)	(73,900)
	$ 82,100	$ 35,100	$ 117,200

In conjunction with the restructuring of its consumer products group, the recoverability of intangibles was evaluated based on current projections of the undiscounted operating income of the related business unit. Based upon these evaluations, it was determined that the carrying amount of certain consumer products intangibles, primarily trademarks, were determined to be impaired and were written off during the quarter.

Other asset write-downs of the consumer products group primarily represent the excess of the net book value of plants and other equipment to be disposed of over any estimated recovery. Severance pay and benefits and exit costs (primarily facility closure costs) have been recognized in accordance with Emerging Issues Task Force Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." As of September 30, 1995, exit costs totaling $10.2 million had been paid and charged against these reserves. Remaining severance and exit cost reserves are included in the Consolidated Balance Sheet under the caption, "Other Current Liabilities" and are believed to be adequate. These remaining obligations are expected to be paid by utilizing existing cash resources available to Dial.

The recoverability of other assets and related goodwill associated with Premier Cruise Lines was evaluated based on current projections of the undiscounted operating income of the cruise operations. Heightened competition in the three and four day cruise segment and in the Port Canaveral/Caribbean market, along with falling passenger counts industry-wide, caused management to lower its projections of future operating income. As a result, all goodwill was written off and the carrying value of the Star/Ship Majestic was reduced to its net realizable value in the third quarter.

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

(000 omitted)	Quarter ended September 30, 1995	Quarter ended September 30, 1994	Nine months ended September 30, 1995	Nine months ended September 30, 1994
Revenues:				
Consumer Products	$ 308,110	$ 363,399	$ 1,009,865	$ 1,101,854
Services:				
Airline Catering and Services	212,951	211,486	603,916	565,174
Convention Services	130,302	124,097	416,287	387,504
Travel and Leisure and Payment Services (1)	240,230	213,541	621,606	574,841
Total Services (1)	583,483	549,124	1,641,809	1,527,519
	$ 891,593	$ 912,523	$ 2,651,674	$ 2,629,373
Operating Income (Loss):				
Consumer Products (2)	$ (124,444)	$ 40,427	$ (39,508)	$ 120,557
Services:				
Airline Catering and Services	20,499	19,947	49,457	44,908
Convention Services (3)	9,896	11,539	41,526	38,888
Travel and Leisure and Payment Services (1)(2)	(22,060)	29,573	(225)	45,351
Total Services (1)(2)(3)	8,335	61,059	90,758	129,147
Total principal business segments	(116,109)	101,486	51,250	249,704
Unallocated corporate expense and other items, net	(10,377)	(11,348)	(32,465)	(32,648)
	$ (126,486)	$ 90,138	$ 18,785	$ 217,056

(1) Dial's payment services subsidiary is investing increasing amounts in tax-exempt securities. On a fully taxable equivalent basis, revenues and operating income would be higher by $4,129,000 for the 1995 quarter and $2,376,000 for the 1994 quarter, and by $11,501,000 and $5,312,000, respectively, for the 1995 and 1994 nine month periods.

(2) After deducting restructuring charges and asset write-downs of $135,600,000 for Consumer Products and $55,500,000 for Travel and Leisure and Payment Services in the quarter and nine months ended September 30, 1995 (see Note E of Notes to Consolidated Financial Statements).

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

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

Results:

There were no material changes in the nature of Dial's business, nor were there any other changes in the general characteristics of its operations as described and discussed in the first paragraph of the results section of Management's Discussion and Analysis of Results of Operations and Financial Condition presented in The Dial Corp Annual Report to Stockholders for the year ended December 31, 1994.

Comparison of Third Quarter of 1995 with Third Quarter of 1994:

In the third quarter of 1995, revenues decreased 2 percent to $891.6 million, down from $912.5 million in the 1994 quarter.

Dial reported a net loss of $89.7 million, or $1.02 per share, versus net income of $45.4 million, or $0.52 per share, last year. Included in the third quarter loss is an after-tax charge of $117.2 million associated with restructuring charges and asset write-downs described below. Excluding the after-tax charge of $117.2 million, Dial would have reported net income of $27.5 million. The decrease in net income, excluding the restructuring charges and asset write- downs, was primarily due to Dial's previously announced consumer products' program designed to effect reductions of trade customers' inventories during 1995, which was completed on an accelerated basis by September 30, 1995.

Restructuring Charges and Asset Write-Downs In the third quarter of 1995, Dial announced that it would take restructuring and other one-time charges totaling approximately $211.5 million ($130 million after-tax) to provide for a business- based reorganization of its consumer products group through plant closings, workforce reductions, and correction of certain product lines. The consumer products group is closing six plants (Clearing, Illinois; Burlington, Iowa; Auburndale, Florida; Omaha, Nebraska; Memphis, Tennessee; and New Berlin, Wisconsin) and is reducing its workforce by approximately 15 percent, or 700 people, substantially all of whom are based in the affected plants. These actions are expected to be completed by the end of 1996. Future earnings are expected to benefit from efficiencies resulting from streamlining/consolidating product lines for the remaining facilities through increased volume and reduced costs. In addition to the restructuring of the consumer products group, the announced charges also provide for the write-down of certain Premier Cruise Lines' assets and intangibles, in light of current and anticipated conditions in its cruise market. The final amount of charges recorded in the quarter ended September 30, 1995 was $211.5 million, of which $20.4 million was charged to cost of sales and $191.1 million ($117.2 million after-tax) was classified as restructuring charges and asset write-downs, as described in Note E of Notes to Consolidated Financial Statements.

In conjunction with the restructuring of its consumer products group, the recoverability of intangibles was evaluated based on current projections of the undiscounted operating income of the related business unit. Based upon these evaluations, it was determined that the carrying amounts of certain intangibles, primarily trademarks, were determined to be impaired and were written off during the third quarter.

Other asset write-downs of the consumer products group primarily represent the excess of the net book value of plants and other equipment to be disposed of over any estimated recovery. Severance pay and benefits and exit costs, primarily facility closure costs, have been recognized in accordance with Emerging Issues Task Force Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." Remaining obligations are expected to be paid utilizing existing cash resources available to Dial.

The recoverability of other assets and related goodwill associated with Premier Cruise Lines was evaluated based on current projections of the undiscounted operating income of the cruise operations. Heightened competition in the three and four day cruise segment and in the Port Canaveral/Caribbean market, along with falling passenger counts industry-wide, caused management to lower its projections of future operating income. As a result, all goodwill was written off and the carrying value of the Star/Ship Majestic was reduced to its net realizable value in the third quarter.

Consumer Products
The Consumer Products Group's revenues were down $55.3 million or 15 percent from those of the 1994 third quarter. The revenue decrease was due to the accelerated completion of the previously reported program to effect reductions of trade customers' inventories. This initiative, coupled with more rapid replenishment as consumers purchase the products off the shelf, addresses the retailers' increased emphasis on efficient consumer response. Consumer Products reported an operating loss of $124.4 million for the quarter, including the $135.6 million of restructuring charges and asset write-downs, versus operating income of $40.4 million in the 1994 third quarter. Excluding these charges, operating income for the 1995 third quarter was $11.2 million. Operating margins, on that same basis, declined to 3.6 percent from 11.1 percent in the 1994 quarter, due primarily to the accelerated completion of the inventory reduction program. The division comments below exclude the effects of the restructuring charges and asset write-downs.

During the third quarter, Consumer Products reorganized its product lines for reporting purposes. All non-detergent products have been reclassified from the Laundry division to the Household division. The remaining Laundry division has been renamed the Detergent division. A small number of miscellaneous products were categorized with Skin Care to form Personal Care. All prior years have been restated to give effect to the reclassifications.

Personal Care division's revenues and operating income declined $700,000 and $9.4 million, respectively, from those of 1994's third quarter. Sales volumes were down as a result of the planned inventory reduction program. Operating income decreased in conjunction with the revenue decrease and the accelerated completion of the inventory reduction program. In addition, consumer marketing spending was increased to strengthen the Dial soap brand name.

The Food division's revenues declined $16.7 million from the 1994 quarter, due to a planned reduction of microwaveable meals and the accelerated completion of the trade inventory reduction program. Operating income decreased $5.0 million from that of last year's quarter, due to lower sales and the inventory reduction program, offset partially by lower manufacturing and administrative costs.

The Household division's 1995 third quarter revenues and operating income decreased $8.7 and $9.7 million, respectively, due mainly to the accelerated completion of the inventory reduction program. In addition, heavy promotional expenditures were made for Renuzit and Dial Dishwashing Detergent. Fabric softeners and other products also faced intensive price and promotion competition.

Third quarter revenues of the Detergent division decreased $31.3 million, as the planned inventory reduction program was accelerated for completion in the third quarter of 1995. Operating income declined $6.6 million due to the reduced volume.

International division's revenues and operating income improved $2.1 million and $1.4 million, respectively, over those of the 1994 third quarter. The increases are primarily due to an acquisition early in the third quarter of 1995. In addition, there has been an increase in Canadian exports, as Purex Heavy Duty Liquid Detergent is the leading liquid laundry detergent in three Canadian provinces.

Services
Combined Services revenues were $583.5 million, $34.4 million (6 percent) greater than the 1994 third quarter's amounts. Combined Services reported operating income of $8.3 million for the quarter, including the $55.5 million write-down of Premier Cruise Lines' assets described previously. Excluding the asset write-downs, combined Services posted third quarter operating income of $63.8 million, a 5 percent increase.

Airline Catering and Services. The third quarter revenues of the Airline Catering and Services Group were $213 million, a 1 percent increase from the 1994 quarter, with operating income increasing $500,000, or 3 percent, as the contribution from new contracts awarded in 1995 exceeded the effects of airline meal service cutbacks on certain domestic flights of short duration. Operating margins improved to 9.6 percent from 1994's 9.4 percent.

Convention Services. Convention Services revenues increased $6.2 million (5 percent). Operating income declined 14 percent as operating margins declined from 9.3 percent in the third quarter of 1994 to 7.6 percent in the 1995 quarter. Operating income and margins were impacted by higher costs and less efficient operations in some locales.

Travel and Leisure and Payment Services. Revenues of these companies were up $26.7 million (13 percent) to $240.2 million. For the quarter, these companies reported an operating loss of $22.1 million, including the previously described $55.5 million write-down of Premier Cruise Lines' assets. Excluding the asset write-downs, operating income for the third quarter would have been $33.4 million, or $3.9 million higher than the operating income in the 1994 period. Dial's payment services subsidiary continues to invest increasing amounts in tax-exempt securities. On a fully taxable equivalent basis, 1995 third quarter revenues and operating income were higher by $4.1 million, while 1994's third quarter revenues and operating income would have been $2.4 million higher. Operating margins, on the fully taxable equivalent basis, increased to 15.4 percent from 14.8 percent.

Canadian transportation services companies' revenues and operating income increased $20.7 million and $1.4 million, respectively, during the third quarter. Revenue and operating income increases are attributed to a tour operator acquired in the second quarter of 1995, strong growth in existing package tour operations, increases in average hotel room rates, and higher sightseeing and snowfield revenues, partially offset by a decrease in passenger and charter revenues.

Duty Free and shipboard concession revenues declined $1.3 million from the third quarter of 1994, due primarily to the loss of a major shipboard concession in late 1994 and fewer passenger days for continuing business. Operating income improved $100,000 as a result of lower operating expenses and sales of higher gross margin products.

Cruise revenues declined $100,000 from 1994's third quarter. Loss of passenger revenues from the Star/Ship Majestic, which was taken out of service as Dial commenced a four-year charter arrangement in February 1995, were largely offset by revenue increases on the Star/Ship Atlantic and the Star/Ship Oceanic. Excluding the $55.5 million of asset write-downs taken in the third quarter, operating results improved $1.5 million due to cost reduction efforts, operating one less vessel, and reduced lease expense following the purchases of the Star/Ship Majestic in February 1995 and the Star/Ship Atlantic in July 1995.

Travel tour service revenues and operating income improved $1.6 million and $700,000, respectively, over those of the 1994 third quarter, driven by an increase in passenger volumes, improved margins per passenger, and contributions from a tour service acquired during the second quarter of 1995.

Revenues and operating income of the food service companies increased $1,200,000 and $300,000, respectively, from those of the 1994 third quarter. The increase in revenues is attributable to new dining service business and additional revenues at Glacier Park, offset partially by lost revenues from the sale of a non-core operation in the second quarter of 1995. Operating income increased as a result of the increased revenues as well as reduced operational overhead.

On a fully taxable equivalent basis, revenues of payment services increased $8.5 million over the 1994 third quarter. The revenue increase is attributed principally to new product lines and increased investment income due to higher rates, greater funds invested and increased realized securities gains. Operating income, on a fully taxable equivalent basis, increased $5 million, including the increased realized investment gains, moderated by higher commission expense for official checks and other volume related costs.

Interest Expense
Interest expense increased $3.9 million from 1994's third quarter, primarily because both debt levels and interest rates on floating- rate debt were higher in 1995 than in 1994. Increased debt levels were principally due to the purchases of the Star/Ship Majestic in February 1995 and the Star/Ship Atlantic in July 1995, both of which had previously been leased.

Income Taxes
The effective tax rate in the 1995 third quarter was 39.8 percent. Excluding the effects of the restructuring charges and asset write- downs, the effective tax rate was 34.7 percent, down from 36.7 percent in 1994. On this basis, the reduction in the effective tax rate results primarily from the increased use of tax-exempt investments by Dial's payment services subsidiary.

Comparison of First Nine Months of 1995 to the First Nine Months of 1994:

Revenues for the first nine months of 1995 increased 1 percent to $2.7 billion from $2.6 billion in the same period of 1994.

For the first nine months of 1995, Dial reported a net loss of $20.8 million, or $0.24 per share. Included in the 1995 loss is the after-tax charge of $117.2 million associated with restructuring and asset write-downs described previously. Exclusive of the after-tax charge, Dial would have reported net income of $96.4 million versus net income of $106 million, or $1.22 per share, for the first nine months of 1994. The decrease in net income, excluding the restructuring charges and asset write-downs, was attributable primarily to Dial's previously announced consumer products' program designed to effect reductions of trade customers' inventories during 1995, which was completed on an accelerated basis by September 30, 1995.

Consumer Products
For the first nine months of 1995, the Consumer Products Group's revenues of $1 billion were down $92 million or 8 percent from those of the 1994 period. The revenue decrease was primarily due to the accelerated completion of the previously reported program to effect reductions of trade customers' inventories. For the first nine months of 1995, Consumer Products reported an operating loss of $39.5 million, including the $135.6 million of restructuring charges and asset write-downs, versus operating income of $120.6 million in the 1994 period. Excluding these charges, operating income for the first nine months of 1995 was $96.1 million, down $24.5 million or 20 percent from the operating income of the 1994 period. Operating margins decreased to 9.5 percent from 10.9 percent in the 1994 period due primarily to the acceleration of the inventory reduction program. The division comments below exclude the effects of the restructuring charges and asset write-downs.

Personal Care division's revenues declined $17.9 million while operating income increased $2.1 million compared to the first nine months of 1994. Sales volumes were down as a result of the accelerated completion of the inventory reduction program. Operating income increased as a result of reductions in trade spending, marketing expenditures and other cost reduction programs.

The Food division's revenues declined $31.7 million from the first nine months in 1994 due to a planned reduction of microwaveable meals, lower sales of chili and stew, and the trade inventory reduction program. Operating income decreased $4 million as a result of the lower sales volumes and accelerated completion of the inventory reduction program, offset partially by lower manufacturing and administrative costs.

The Household division's first nine months' revenues and operating income decreased $2.6 million and $9.2 million, respectively, over the same period in 1994, due primarily to the accelerated completion of the inventory reduction program. In addition, heavy promotional expenditures were made for Renuzit and Dial Dish in the third quarter of 1995. Fabric softeners and other products also faced intensive price and promotion competition.

Revenues of the Detergent division for the first nine months of 1995 decreased $40.2 million due to high sales to trade customers in the fourth quarter of 1994, volume softness in dry detergents, and a planned inventory reduction program accelerated for completion in the third quarter of 1995. Operating income declined $15.5 million as a result of the reduced volume, higher raw material costs, and increased marketing and distribution expenditures.

International division's revenues increased $400,000 compared to the first nine months of 1994, due principally to an acquisition made early in the third quarter of 1995 which was partially offset by the devaluation of the Mexican peso in the first quarter of 1995. Operating income increased $2.1 million due to a more profitable sales mix.

Services
Combined Services revenues for the first nine months of 1995 were $1.6 billion, $114.3 million (7 percent) greater than that of the 1994 period. Combined Services reported operating income of $90.8 million for the first nine months, after deducting the $55.5 million write-down of Premier Cruise Lines' assets and including a $3.5 million gain on the curtailment of certain postretirement medical benefits in the Convention Services segment. Excluding the asset write-downs and the gain on curtailment of benefits, Combined Services posted an 11 percent increase in operating income.

Airline Catering and Services. These companies' revenues and operating income of $603.9 million and $49.5 million, respectively, were up

$38.7 million (7 percent) and $4.6 million (10 percent), respectively, from those of 1994's first nine months. The increase was due to having all United flight kitchens acquired during 1994 fully operational this year as the start-up of newly acquired flight kitchens continued during the 1994 first half. Seven new aircraft service locations and other new business from continuing locations also contributed to the increase, partially offset by the effect of further airline meal service cutbacks on certain domestic flights of short duration. Operating margins improved to 8.2 percent from 1994's 8 percent, as the United flight kitchens reached normal efficiency levels during 1995 versus the start-up and training period in 1994.

Convention Services. Convention Services' nine month revenues of $416.3 million were 7 percent greater than the 1994 period, primarily due to new locations. Excluding the one-time curtailment gain described above, operating income decreased 2 percent to $38 million. Operating margins decreased to 9.1 percent from 10 percent, due largely to the effects of shows not repeated each year and by higher costs of staging shows in certain locales.

Travel and Leisure and Payment Services. For the first nine months of 1995, revenues of these companies were $621.6 million, up $46.8 million (8 percent). For the first nine months, these companies reported an operating loss of $200,000, including the previously described $55.5 million write-down of Premier Cruise Lines' assets. Excluding the asset write-downs, operating income for the first nine months would have ben $55.3 million, up 22 percent from that in the 1994 period. Dial's payment services subsidiary continues to invest increasing amounts in tax-exempt securities. On a fully taxable equivalent basis, revenues and operating income were higher by $11.5 million and $5.3 million, respectively, for the 1995 and 1994 nine month periods. Operating margins, on the fully taxable equivalent basis, increased to 10.6 percent from 8.7 percent in the 1994 nine month period.

Canadian transportation services companies' revenues increased $34.4 million over the 1994 nine month period while operating income increased $3.1 million. Revenue increases from the acquisition of a tour operator in the second quarter of 1995, strong growth in existing package tour operations, improved hotel occupancy and average room rates, and higher Courier Express, sightseeing and snowfield revenues were partially offset by a decrease in charter revenues as a result of redeployment of the bus fleet to passenger route acquisitions in mid-1994. Operating income increases are attributed to the revenue increases as well as cost reduction programs, which more than offset the expense of terminating a small joint venture in the second quarter of 1995.

Duty Free airport and shipboard concession revenues declined $8.2 million from the first nine months of 1994, due primarily to the loss of a major shipboard concession in 1994 and fewer passenger days for continuing business. Operating income improved $300,000, due mostly to lower operating expenses and the effect of higher passenger per day revenue.

Cruise revenues were down $2.6 million from 1994's first nine months due to having two ships in drydock for repairs for a total of 44 ship days during the first quarter of 1995. In addition, the Star/Ship Majestic was taken out of service in February as Dial commenced a four-year charter arrangement to lease the ship to a European operator. Excluding the $55.5 million of asset write-downs taken in the third quarter, operating results improved $4.3 million due to lower expenses resulting from cost reduction efforts and operating one less vessel.

Travel tour service revenues and operating income improved $3.9 million and $1.5 million, respectively, over the first nine months of 1994, due primarily to improved passenger volumes, favorable foreign exchange rates, and the acquisition of a new tour operator in Ireland in June 1995.

Food service revenues improved $700,000 over the first nine months of 1994. Increased business at General Motors and at America West Arena was offset by closed fast food outlets and the sale of a non- core operation in the second quarter of 1995. Operating income of the food service companies declined $300,000 from the same period in 1994. Operating income generated from higher revenues was offset by certain one-time costs associated with the sale of the non-core operation.

On a fully taxable equivalent basis, revenues of payment services increased $26.5 million over those of 1994's first nine months, due principally to increased investment income, revenues from new product lines and increased realized investment gains. Investment income increased due to higher rates and greater funds invested than in 1994. On a fully taxable equivalent basis, operating income increased $11.9 million, including the increased realized investment gains, moderated principally by higher commission expense for official checks and other volume related costs.

Interest Expense
Interest expense for the first nine months of 1995 increased $11.6 million over the first nine months of 1994, as both debt levels and interest rates on floating-rate debt were higher than in 1994. Debt level increases are primarily due to the purchase of the Star/Ship Majestic in February 1995 and the Star/Ship Atlantic in July 1995.

Income Taxes
The effective tax rate for the first nine months of 1995 was 49.5 percent. Excluding the effects of the restructuring charges and asset write-downs, the effective tax rate was 35.7 percent, down from 37.4 percent in the comparable period of 1994. On this basis, the reduction in the effective tax rate results primarily from the increased use of tax-exempt investments by Dial's payment services subsidiary.

Liquidity and Capital Resources:

The Dial Corp's total debt at September 30, 1995 was $809.2 million compared with $745.5 million at December 31, 1994. The debt-to- capital ratios at September 30, 1995 and December 31, 1994 were 0.58 to 1 and 0.56 to 1, respectively. The increase in the debt-to- capital ratio was due primarily to higher debt and the impact of restructuring charges and asset write-downs. The increase in debt was attributable primarily to the purchases of two cruise ships which were previously leased: the Star/Ship Majestic in February 1995 and the Star/Ship Atlantic in July 1995.

There were no other material changes in The Dial Corp's financial condition nor were there any substantive changes relative to matters discussed in the Liquidity and Capital Resources section of Management's Discussion and Analysis of Results of Operations and Financial Condition as presented in The Dial Corp Annual Report to Stockholders for the year ended December 31, 1994.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

There were no material developments in the lawsuits described in Item 1, "Legal Proceedings," of Dial's Form 10-Q for the quarterly period ended June 30, 1995.

Item 4. Submission of Matters to a Vote of Security Holders

No matters were submitted to a vote of security holders during the third quarter of 1995.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibit No. 10.G - Copy of Travelers Express Company, Inc. Supplemental Pension Plan amended and restated on June 12, 1995.

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

Exhibit No. 27 - Financial Data Schedule

(b) A Report on Form 8-K dated September 26, 1995 was filed by the registrant during the quarter for which this report is filed. The Form 8-K reported under Item 5 a plan to take restructuring and other one-time charges of approximately $130 million after-tax in the third quarter of 1995. The related Dial Press Release was filed as Exhibit 20 in Item 7 of the Form 8-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE DIAL CORP
(Registrant)

November 14, 1995	*By /s/ Richard C. Stephan*

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

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

	Quarter ended September 30,	
Primary:	1995	1994
Net income (loss)	$ (89,737)	$ 45,428
Less: Preferred stock dividends	(281)	(281)
Subsidiary dilutive securities		(17)
	$ (90,018)	$ 45,130
Average common shares outstanding before common equivalents	87,030	85,275
Common equivalent stock options	1,730	1,613
	88,760	86,888
Net income (loss) per share (dollars)	$ (1.02)	$ 0.52

	Quarter ended September 30,			
	1995		1994	
Fully Diluted:	Common Shares	Income (Loss)	Common Shares	Income
Average common and equivalent shares and net income (loss) per above	88,760	$ (90,018)	86,888	$ 45,130
Common equivalent stock options	129			
	88,889	$ (90,018)	86,888	$ 45,130
Net income (loss) per share (dollars)		$ (1.02)		$ 0.52

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

	Nine months ended September 30,	
Primary:	1995	1994
Net income (loss)	$ (20,764)	$ 106,031
Less: Preferred stock dividends	(843)	(842)
Subsidiary dilutive securities		(17)
	$ (21,607)	$ 105,172
Average common shares outstanding before common equivalents	86,567	84,833
Common equivalent stock options	1,827	1,655
	88,394	86,488
Net income (loss) per share (dollars)	$ (0.24)	$ 1.22

Fully Diluted:	1995 Common Shares	1995 Income (Loss)	1994 Common Shares	1994 Income
	Nine months ended September 30,			
Average common and equivalent shares and net income (loss) per above	88,394	$ (21,607)	86,488	$ 105,172
Common equivalent stock options	99			
	88,493	$ (21,607)	86,488	$ 105,172
Net income (loss) per share (dollars)		$ (0.24)		$ 1.22

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE DIAL CORP'S FORM 10-Q FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 1995 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

MULTIPLIER: 1,000 Exhibit 27 Page 1 of 2 THE DIAL CORP FINANCIAL DATA SCHEDULE

FISCAL YEAR END	DEC 31 1995
PERIOD END	SEP 30 1995
PERIOD TYPE	9 MOS
CASH	17,479
SECURITIES	0
RECEIVABLES	202,837
ALLOWANCES	18,950
INVENTORY	225,098
CURRENT ASSETS	1,127,347
PP&E	1,477,974
DEPRECIATION	631,560
TOTAL ASSETS	3,841,713

Exhibit 27 Page 2 of 2

CURRENT LIABILITIES	2,151,974
BONDS	730,763
COMMON	145,663
PREFERRED MANDATORY	6,596
PREFERRED	0
OTHER SE	401,325
TOTAL LIABILITY AND EQUITY	3,841,713
SALES	1,009,865
TOTAL REVENUES	2,651,674
CGS	1,049,373
TOTAL COSTS	2,600,424
OTHER EXPENSES	32,465
LOSS PROVISION	0
INTEREST EXPENSE	56,312
INCOME PRETAX	(41,079)
INCOME TAX	(20,315)
INCOME CONTINUING	(20,764)
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	(20,764)
EPS PRIMARY	(0.24)
EPS DILUTED	(0.24)

TRAVELERS EXPRESS COMPANY, INC.
SUPPLEMENTAL PENSION PLAN

1. PURPOSE.

The purpose of the Travelers Express Company, Inc. Supplemental Pension Plan (hereinafter referred to as the "Plan") is to provide deferred compensation to Eligible Employees (as defined in paragraph 2) on and after January 1, 1994. Participants and former Participants who terminated employment prior to January 1, 1994 remain subject to the terms of the prior Plan in which they participated at the time of their termination, but any benefits remaining to be paid under the prior Plan shall be paid from this Plan. It is the intention of the Travelers Express Company, Inc. (hereinafter called the "Company") that Eligible Employees are those employees designated by the Board of Directors of the Company, from a select group of management or highly compensated employees of the Company, and that the Plan continue to be eligible for exemptions under Parts 1, 2, 3 and 4 of Title 1 of ERISA and U.S. Department of Labor regulations. It also is the intention of the Company that the plan be unfunded, that no trust be created, that any Eligible Employee's rights under the plan are those of a general creditor only, that there be no elections with respect to any benefits under the Plan by Eligible Employees, and that the amounts deferred and any earnings thereon shall remain the unrestricted assets of the Company. Subject to rights and benefits expressly fixed by the terms hereof, the Company also intends that the Plan may be amended or terminated and that benefits may be reduced or eliminated as the Board of Directors of the Company determines from time to time and that individuals' rights may be altered. The terms used in the Plan shall have the same meaning as set forth in the Travelers Express Company, Inc. appendix to The Dial Companies Retirement Income Plan, unless the context clearly requires otherwise.

2. PARTICIPATION.

An employee of the Company or a subsidiary of the Company (hereinafter a "Subsidiary") may become eligible to participate in the Plan (referred to herein as "Eligible Employee") when approved by the Board of Directors of the Company. A list of Eligible Employees is attached as Exhibit A to the plan, and such Exhibit shall be periodically updated.

3. FUNDING.

No fund shall be established to provide for the payment of benefits under the Plan. No trust shall be created. Any rights of an Eligible Employee or any other person claiming by or through him shall be those of a general creditor of the Company only. The Company may create book reserves or take such other steps as it deems appropriate to provide for its expected liabilities under the Plan. Any funds, and the proceeds therefrom, utilized by the Company to provide for its expected liabilities under the Plan shall remain the unrestricted assets of the Company.

4. RETIREMENT BENEFITS.

(a) The Company shall provide, subject to all the terms and conditions of the Plan, a monthly benefit as of the Eligible Employs 65th birthdate (the "Normal Retirement Date") payable in the manner set forth in paragraph 5 of the Plan in an amount equal to:

(1) the product of (A) and (B) less the product of (b) and
(C) plus the "special benefit", if any, provided in subparagraph (B) of this paragraph where:

(A) is 2% of the Eligible Employee's actual Average Monthly Compensation under the Travelers Express Company, Inc. appendix to the Dial Companies Retirement Income Plan;

(B) is the number of full years of actual Credited Service under the Travelers Express Company, Inc. appendix to the Dial Companies Retirement Income Plan, but not to exceed 25 years; and

(C) is 2% of the Primary Social Security entitlement of the Eligible Employee (as such term is defined in the Dial Companies Retirement Income Plan);

reduced by

(2) the amount of monthly pension benefits actually paid or payable to the Eligible Employee from the Travelers Express Company, Inc. appendix to the Dial Companies Retirement Income Plan or any other qualified pension plan, which DOES NOT INCLUDE contributions described in Internal Revenue Code 401(k) or 401(m), sponsored by the Company or a Subsidiary (hereinafter "Qualified Pension Plan"). In addition, when an Eligible Employee is a participant in more than one Qualified Pension Plan and benefits under any one of such Qualified Pension Plans are not available immediately on account of early retirement eligibility or other provisions, then, for the purposes of the Plan, such benefits shall be taken into account as though payable immediately on an actuarially equivalent basis, as reasonably determined by the Company in its sole discretion.

(b) For the purposes of determining the monthly benefit set forth in subparagraph (a) of this paragraph 4, the following rules shall apply. First, the compensation taken into account and the benefit calculated under the formula in subparagraph (a) above shall not be limited as provided in Internal Revenue Code section 401(a)(17) or 415. Second, Eligible Employees who have 25 or more full years of actual Credited Service under the Travelers Express appendix to the Dial Companies Retirement Income Plan (without regard to the 25 year Credited Service limitation in that appendix) shall include in the determination of their benefit a "special benefit" equal to 1/2 of 1% of their Average Monthly Compensation under the Travelers Express Company, Inc. appendix to the Dial Companies Retirement Income Plan for each such additional full year of such Credited Service earned after such 25 years up to 30 full years of Credited Service. In no event shall this "special benefit" exceed 2 1/2% of Average Monthly Compensation.

5. FORM OF PAYMENT.

The benefit derived from the formula contained in paragraph 4 and 6 of the Plan shall be payable at the same time and in the same form or forms as available and actually elected by the eligible employee under the Travelers Express Company, Inc. appendix to the Dial Companies Retirement Income Plan or any other Qualified Pension Plan. If benefits under two or more Qualified Pension Plans are payable, then the options selected for the Qualified Pension Plan generating the largest monthly pension payment (including the beneficiary designation in connection with such option and benefits, if applicable) shall prevail for the purposes of the plan. Notwithstanding the foregoing, no lump sum distributions shall occur or be permitted hereunder.

6. EARLY RETIREMENT BENEFIT.

In the event benefits under the Plan are to commence as of a date prior to the Eligible Employee's Normal Retirement Date, the monthly benefit described in paragraph 4 of the Plan shall be reduced by 1/2 of 1% of such benefit for each month that the actual retirement date precedes the Eligible Employee's 65th birthdate; except that if the Eligible Employee has 30 full years or more of actual Credited Service under the Travelers Express Company, Inc. appendix to the Dial Companies Retirement Income Plan (without regard to the 25 year Credited Service limitation in that appendix) and benefits under the Plan are to commence on or after the Eligible Employee's 60th birthdate, there shall be no such reduction.

7. SURVIVOR'S BENEFIT.

A survivor's benefit equal to 1/2 of the amount the Eligible Employee would have been entitled to receive under the Plan had he or she retired on the date of his or her death, determined in accordance with paragraphs 4, 5 and 6 of the Plan, shall be payable to the Eligible Employee's surviving spouse, or minor child or children, but only if upon the Eligible Employee's death any such spouse or child is actually entitled to or is deemed by the Company to be entitled to a pre-retirement Death Benefit described in the Travelers Express Company, Inc. appendix to the Dial Companies Retirement Income Plan. If the spouse is the beneficiary, the survivor's benefit shall be further reduced by 1/2 of 1% for each month in excess of 60 that the spouse's birthdate follows that of the deceased Eligible Employee.

8. VESTING.

An Eligible employee who has accumulated 10 years of service, in the aggregate, with the Company, a Subsidiary or The Dial Corp or its subsidiaries, shall, subject to all other terms and conditions set forth in the Plan, be vested and entitled to a benefit hereunder. Prior to vesting in accordance with this paragraph 8, no benefit shall be payable under the Plan to the Eligible Employee or any person claiming a benefit by or through him or her.

9. ADMINISTRATION, AMENDMENT, MODIFICATION, AND TERMINATION OF THE PLAN.

The Board of Directors of the Company may terminate the Plan at any time. Any amounts vested under the Plan and based on the actual Credited Service under the Travelers Express Company, Inc. prior to any such termination shall continue to be subject to the terms, conditions, and elections in effect under the plan when the Plan is terminated. The Plan may be amended at any time or from time to time by the Board of Directors of the Company. The Company shall have full power and authority to interpret and administer the Plan, to promulgate rules of Plan administration, to adopt a claims procedure, to conclusively settle any disputes as to rights or benefits arising from the plan, and to make such decisions or take such actions as the Company, in its sole discretion, reasonably deems necessary or advisable to aid in the proper administration and maintenance of the Plan. The Company may, in its sole discretion, appoint a committee (the "Committee") to carry out some or all of the administrative activities set forth in the preceding sentence on its behalf.

10. MISCELLANEOUS.

The Plan, and any determination made by the Company or the Committee in connection therewith, shall be binding upon each Eligible Employee, his or her beneficiary or beneficiaries, heirs, executors, administrators, successors and assignees. Notwithstanding the foregoing sentence, no benefit under the Plan may be sold, assigned, transferred, conveyed, hypothecated, encumbered, anticipated or otherwise disposed of, and any attempt to do so shall be void. No such benefit payment shall, prior to actual receipt thereof by the Eligible Employee, or his or her beneficiary or beneficiaries, as the case may be, be in any manner subject to the debts, contracts, liabilities or engagements of such Eligible Employee or beneficiary(ies). The Plan shall not constitute, nor be deemed to constitute, a contract of employment between the Company, or any of its subsidiaries, and any Eligible Employee, nor shall any provision hereof restrict the right of the Company or any of its subsidiaries to discharge any Eligible Employee from his or her employment, with or without cause.

/s/ Robert H. Bohannon	5/26/95
Robert H. Bohannon	Date
President and CEO	

/s/	*Shirley Kerfoot*	*5/26/95*
	Shirley Kerfoot	*Date*
	V.P. Human Resources/	
	Corp Services	

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