

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

January 29, 2004
Date of Report (Date of earliest event reported)

VIAD CORP

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

001-11015
(Commission
file number)

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

1850 N. CENTRAL AVE., PHOENIX, ARIZONA 85077

(Address of principal executive offices) (Zip Code)

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

Item 7. FINANCIAL STATEMENTS AND EXHIBITS

(a) Not applicable.

(b) Not applicable.

(c) Exhibits

99.1 - Press release dated January 29, 2004, issued by Viad Corp.

Item 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On January 29, 2004, Viad Corp (the "Company") issued a press release announcing its unaudited financial results for the fourth quarter and 2003 fiscal year. A copy of the Company's press release is attached hereto as Exhibit 99.1 and is incorporated by reference herein.

The information in this current report on Form 8-K is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in this current report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

SIGNATURES

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

VIAD CORP
(Registrant)

January 29, 2004

By /s/ G. Michael Latta

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

Viad Corp Announces Fourth Quarter and Full Year 2003 Results; Income from Continuing Operations of \$0.30 Per Share for Fourth Quarter and \$1.29 for 2003

PHOENIX--(BUSINESS WIRE)--Jan. 29, 2004--

Viad Corp Continues Progress Toward Separation of Payment Services Business

Viad Corp (NYSE:VVI) today announced fourth quarter 2003 net income of \$0.30 per diluted share on revenue of \$349.1 million, segment operating income of \$34.9 million, and net income of \$26.2 million.

For full year 2003, income from continuing operations was \$1.29 per diluted share on revenue of \$1.57 billion, segment operating income was \$170.3 million and income from continuing operations was \$112.4 million. Diluted earnings per share was \$1.31 on net income of \$113.9 million including \$1.5 million (net of tax) of income from discontinued operations.

Included in Viad's fourth quarter and full year 2003 results were the following items:

- A \$4.6 million (\$2.9 million after-tax) reversal of interest expense related to favorable income tax settlements.
- A curtailment gain of \$3.8 million (\$2.3 million after-tax) that resulted from the freezing of Viad's defined benefit pension plan.
- Restructuring recoveries totaling \$3.5 million (\$2.1 million after-tax) in the fourth quarter and \$5.0 million (\$3.0 million after-tax) for the full year. These recoveries are the result of changes in estimates of future cash outflows, mainly related to favorable sublease income at restructured facilities.
- Expenses incurred in preparing for the spin-off of Travelers Express amounting to \$1.2 million after-tax in the fourth quarter and \$3.1 million after-tax for the full year.

Robert H. Bohannon, chairman, president and chief executive officer said, "Core results of operations for the quarter were in line with previous guidance. As compared to the 2002 fourth quarter, the convention and event companies delivered greater operating income, despite industry challenges. Our Payment Services segment continued to show solid growth in the global money transfer business." Bohannon added, "During the quarter, we further strengthened our balance sheet and made good progress toward the separation of our payment services company, Travelers Express."

Status of Proposed Spin-Off

On July 24, 2003, Viad announced that the board of directors authorized the company to pursue the separation of the Travelers Express business from the remaining Viad businesses by means of a tax-free spin-off. The transaction is subject to a number of conditions, including among other things, receipt of a satisfactory ruling from the Internal Revenue Service (IRS), confirmation that the long-term debt of Travelers Express will have an investment grade rating, availability of satisfactory banking and credit arrangements for each of the businesses, and final approval of the board of directors of Viad.

The company has also provided the following information with respect to the proposed transaction:

- On July 29, 2003, Viad announced that the company will tender for all of its public debt, pay off its commercial paper and redeem its preferred stock in connection with the transaction.
- On August 5, 2003, Viad filed a ruling request with the IRS regarding the proposed separation of Travelers Express. The ruling request is under review.
- On December 29, 2003, Viad announced that, effective with the spin-off, Travelers Express will operate under the new MoneyGram International, Inc. corporate name.
- On December 29, 2003, MoneyGram International, Inc. filed a preliminary registration statement on Form 10 with the Securities and Exchange Commission to register the common stock of MoneyGram International, Inc. to be distributed to shareholders in connection with the spin-off.

Viad Corp can give no assurance that any such transaction will be consummated. The transaction is not expected to be consummated any earlier than the beginning of the second quarter of 2004.

Fourth Quarter and Full Year 2003 Financial Highlights

Highlights of the 2003 fourth quarter and full year, compared to fourth quarter and full year 2002 results, are presented below.

	Q4 2003	Q4 2002	Change

	(\$ in millions)		
Revenue	\$349.1	\$ 362.2	-3.6%
Segment operating income	\$ 34.9	\$ 27.5	27.0%
Operating margins (1)	10.0%	7.6%	240 bps
Income from continuing operations	\$ 26.2	\$ 5.3	NM
Net income (2)	\$ 26.2	\$ 5.3	NM
EBITDA (3)	\$ 50.6	\$ 18.2	178.8%
Cash from operations	\$ 51.0	\$ 54.2	-6.0%
Free cash flow (3)	\$ 29.7	\$ 33.9	-12.6%

	2003	2002	Change

	(\$ in millions)		
Revenue	\$1,572.1	\$1,618.1	-2.8%
Segment operating income	\$ 170.3	\$ 176.9	-3.7%
Operating margins (1)	10.8%	10.9%	-10 bps
Income from continuing operations	\$ 112.4	\$ 95.6	17.5%
Net income (2)	\$ 113.9	\$ 57.9	96.8%
EBITDA (3)	\$ 216.2	\$ 196.0	10.3%
Cash from operations	\$ 192.8	\$ 219.2	-12.0%
Free cash flow (3)	\$ 110.4	\$ 146.8	-24.8%

NM = Not meaningful

(1) For operating margins, the change from the prior year period is presented in basis points.

(2) 2002 net income included a first quarter goodwill impairment charge related to the initial adoption of SFAS No. 142 of \$37.7 million (net of tax) and a fourth quarter restructuring charge of \$13.3 million (net of tax).

(3) EBITDA is defined by Viad as net income before interest expense, income taxes, depreciation and amortization, changes in accounting principles and the effects of discontinued operations. Free cash flow is defined by Viad as net cash provided by operating activities, less the change in payment service assets and obligations, capital expenditures, and dividends. EBITDA and free cash flow are supplemental to results presented under accounting principles generally accepted in the United States of America (GAAP) and may not be comparable to similarly titled measures presented by other companies. These non-GAAP measures are used by management to facilitate period to period comparisons and analysis of Viad's operating performance and liquidity. These non-GAAP measures are also used by management to assess the company's ability to service debt, fund capital expenditures and finance growth, and should be considered in addition to, but not as a substitute for, other measures of financial performance and liquidity reported in accordance with GAAP. Management believes these non-GAAP measures are useful to investors in benchmarking and trending the performance and value of Viad's business. See Table Two for a reconciliation of net income to EBITDA, and of net cash provided by operating activities to free cash flow.

Also, during the fourth quarter and full year 2003:

Fourth Quarter 2003	Full Year 2003
-- Debt was reduced by \$4.0 million to \$251.4 million compared to third quarter 2003.	-- Debt was reduced by \$110.2 million compared to December 31, 2002.
-- Cash and corporate investments were \$163.1 million, up \$10.5 million from the third quarter 2003.	-- Cash and corporate investments decreased by \$140.5 million compared to December 31, 2002 reflecting repayment of \$100 million of 6.625% medium term notes and acquisition of the minority interest in MoneyGram International Limited, somewhat offset by cash generated from operations.

Payment Services

Payment Services' revenue for the fourth quarter of \$205.2 million was up 4.1 percent compared to fourth quarter 2002 revenue of \$197.1 million. Segment operating income was up 12.1 percent to \$34.8 million compared with \$31.0 million in 2002, and operating margins for the quarter were 17.0 percent compared with 15.7 percent in the fourth quarter of 2002. For 2003, revenue was \$801.6 million, an increase of 3.6 percent compared to \$773.6 million for the comparable period in 2002. Segment operating income for the 2003 full year was \$115.0 million, down 8.4 percent from \$125.5 million in 2002.

In the fourth quarter 2003, money transfer transaction volume grew 31 percent and revenues grew 18.2 percent in comparison to the prior year fourth quarter. The worldwide agent base grew nearly 11 percent in comparison to the prior year quarter and now stands at approximately 63,000.

Payment Services' total average float investment balances were \$6.6 billion for the quarter, down 3.0 percent from the prior year quarter, and

down 10 percent from third quarter. The decrease in the average float balance was expected and resulted from a decline in residential mortgage refinance activity. Net float income (float investment income less commission expense and net investment gains and losses) was \$24.5 million in the fourth quarter 2003, down \$3.5 million compared to the prior year fourth quarter. See Table Three for current and historical net float margins.

Robert Bohannon said, "Travelers Express' results reflect continued strength of the global money transfer business, particularly in internationally-originated money transfer and the domestic ExpressPayment product. Global money transfer annualized transaction growth has exceeded 25 percent for the last ten quarters, with international transfers and domestic ExpressPayment leading the way. Results for the full year 2003 were dampened by lower investment rates and unprecedented residential mortgage refinance activity, which caused mortgage securities to prepay."

Convention and Event Services

Convention and Event Services' revenue was \$138.9 million, a decrease of 13.4 percent from \$160.4 million in the fourth quarter 2002. The fourth quarter 2003 generated segment operating income of \$2.1 million as compared with a segment operating loss of \$1.3 million in the 2002 fourth quarter. The fourth quarter results reflect a seasonal business pattern of slower fourth quarter activity.

For 2003, revenue was \$717.3 million, an 8.8 percent decrease from revenue of \$786.2 million in 2002. Segment operating income for 2003 was \$44.9 million, up 19.3 percent from \$37.6 million in 2002.

Bohannon said, "Results for the convention and event businesses were as expected. We're pleased that operating income for the segment has increased this year, despite industry and economic pressure. This speaks to the effectiveness of management initiatives at GES and Exhibitgroup/Giltspur to improve performance, including restructuring efforts."

Travel and Recreation Services

Travel and Recreation Services' revenue for the 2003 fourth quarter was \$4.9 million, comparable to \$4.8 million in the fourth quarter 2002. Operating loss was \$2.0 million for the quarter, compared to the \$2.3 million loss in the fourth quarter 2002.

For 2003, revenue was \$53.2 million, down nearly 9 percent from revenue of \$58.3 million in 2002. Operating income for 2003 was \$10.5 million, down 23.8 percent from \$13.7 million in 2002. These results reflect lower bookings related to SARS and other travel related issues, as well as reduced occupancy due to forest fires in Glacier National Park, Montana and Alberta, Canada this summer.

2004 Outlook

Viad Corp provides the following guidance for the 2004 first quarter and full year. This guidance is subject to change as a variety of factors can affect actual operating results. These factors are identified in the safe harbor language at the end of this press release.

First Quarter 2004

Viad Corp diluted earnings per share is expected to be in the range of \$0.30 to \$0.33.

-- Payment Services segment revenue is expected to increase at a mid to high single-digit rate in comparison to first quarter 2003 revenue of \$189.0 million.

-- Payment Services segment operating income is expected to increase to \$28 million to \$30 million in comparison to first quarter 2003 segment operating income of \$20.1 million. Net float margin is expected to remain relatively stable compared to the 2003 fourth quarter margin.

-- Convention and Event Services segment revenue is expected to decrease at a mid to high single-digit rate in comparison to first quarter 2003 revenue of \$222.1 million.

-- Convention and Event Services segment operating income is expected to be relatively flat compared to the first quarter 2003 operating income of \$18.6 million.

-- Travel and Recreation Services results are expected to be in line with 2003 first quarter results.

Full Year 2004

The following guidance for the full year 2004 assumes no separation of Travelers Express from Viad Corp. If the separation occurs, there will be certain separation costs related to debt prepayment and preferred stock redemption and for legal, accounting and investment banking services, among others, as described in the Form 10.

-- Viad Corp diluted earnings per share is expected to be in the range of \$1.35 to \$1.40.

-- Payment Services segment revenue is expected to grow at a high single to low double-digit rate in comparison to 2003 revenue of \$801.6 million.

-- Payment Services segment operating income is expected to grow at a high single-digit to low teens rate from 2003 segment operating income of \$115.0 million. Our guidance assumes a net float margin in the range of 1.10 to 1.25 basis points. This range is dependent on a variety of factors including changes in interest rates, available yields on new investments, hedging strategies, prepayment speeds and other factors.

-- Convention and Event Services segment revenue is expected to improve slightly from 2003 revenue of \$717.3 million.

-- Convention and Event Services segment operating income is expected to increase at a high single to low double-digit rate as compared to 2003 segment operating income of \$44.9 million.

-- Travel and Recreation Services revenue is expected to grow at a mid-teens rate from 2003 revenue of \$53.2 million. Operating income is expected to increase by 30 percent to 40 percent from 2003 operating income of \$10.5 million.

Bohannon concluded, "We believe 2004 will be a better year than 2003 for all of our operating companies. Early signs of improvement in business spending should be of benefit to our convention businesses. However, we will remain cautious in our outlook for the convention businesses until we see evidence that increased corporate spending is translating into increased marketing and event budgets. We believe Travelers Express will continue to show strong growth in international and domestic money transfers and will begin to grow past the challenges presented in 2003."

Bohannon added, "We're making good progress in our efforts to complete the spin-off of Travelers Express. With the filing of the Form 10 in late December we have reached another milestone toward the completion of this transaction."

Viad is a \$1.6 billion revenue S&P MidCap 400 company. Major subsidiaries include Travelers Express/MoneyGram of Minneapolis, GES Exposition Services of Las Vegas, Exhibitgroup/Giltspur of Chicago, Brewster Transport Company Limited of Banff, Alberta, Canada, and Glacier Park, Inc. of Phoenix. For more information, visit the company's Web site at www.viad.com.

Forward Looking Statements

As provided by the safe harbor provision under the "Private Securities Litigation Reform Act of 1995" Viad cautions readers that, in addition to historical information contained herein, this press release includes certain information, assumptions and discussions that may constitute forward-looking statements. These forward-looking statements are not historical facts, but reflect current estimates, projections, or expectations or trends concerning future growth, operating cash flows, availability of short-term borrowings, consumer demand, new business, investment policies, productivity improvements, ongoing cost reduction efforts, efficiency, competitiveness, tax rates, interest rates, restructuring plans (including timing and realization of cost savings), investment yield impairment, and market risk. Actual results could differ materially from those projected in the forward-looking statements. Viad's businesses can be affected by a host of risks and uncertainties. Among other things natural disasters, gains and losses of customers, consumer demand patterns, labor relations, purchasing decisions related to customer demand for convention and event services, existing and new competition, industry alliances, consolidation, and growth patterns within the industries in which Viad competes and any further deterioration in the economy may individually or in combination impact future results. In addition to factors mentioned elsewhere, economic, competitive, governmental, technological, capital marketplace and other factors, including further terrorist activities or war, could affect the forward-looking statements in this press release.

Information about Viad Corp obtained from sources other than the company may be out-of-date or incorrect. Please rely only on company press releases, SEC filings and other information provided by the company.

VIAD CORP AND SUBSIDIARIES
TABLE ONE - QUARTERLY AND FULL YEAR RESULTS
(UNAUDITED)

(000 omitted, except per share data)	Quarter Ended December 31,		
	2003	2002	%
Revenues (Note A)	\$ 349,103	\$ 362,233	-3.6%
Segment operating income (Note A)	\$ 34,877	\$ 27,472	27.0%
Restructuring (charges) recoveries (Note B)	3,539	(20,515)	117.3%
Corporate activities and minority interests (Note C)	(795)	(4,509)	82.4%
Net interest income (expense) (Note D)	2,548	(1,250)	NM
Income before income taxes	40,169	1,198	NM
Income tax (expense) benefit	(14,002)	4,059	NM
Income from continuing operations	26,167	5,257	NM
Income from discontinued operations (Note E)	-	-	NM
Change in accounting principle (Note F)	-	-	NM

Net income	\$ 26,167	\$ 5,257	NM
	=====	=====	=====
Diluted income per common share:			
Income from continuing operations	\$ 0.30	\$ 0.06	NM
Income from discontinued operations	-	-	NM
Change in accounting principle	-	-	NM
	-----	-----	-----
Net income per share	\$ 0.30	\$ 0.06	NM
	=====	=====	=====
Basic income per common share:			
Income from continuing operations	\$ 0.30	\$ 0.06	NM
Income from discontinued operations	-	-	NM
Change in accounting principle	-	-	NM
	-----	-----	-----
Net income per share	\$ 0.30	\$ 0.06	NM
	=====	=====	=====
Common shares treated as outstanding for net income per share calculations:			
Average outstanding shares	86,387	85,738	0.8%
	=====	=====	=====
Average outstanding and potentially dilutive shares	86,891	86,068	1.0%
	=====	=====	=====
	Year Ended December 31,		

(000 omitted, except per share data)	2003	2002	%

Revenues (Note A)	\$1,572,093	\$1,618,105	-2.8%
	=====	=====	=====
Segment operating income (Note A)	\$ 170,314	\$ 176,877	-3.7%
Restructuring (charges) recoveries (Note B)	5,015	(20,102)	124.9%
Corporate activities and minority interests (Note C)	(12,681)	(22,750)	44.3%
Net interest income (expense) (Note D)	(5,855)	(8,737)	33.0%
	-----	-----	-----
Income before income taxes	156,793	125,288	25.1%
Income tax (expense) benefit	(44,435)	(29,663)	-49.8%
	-----	-----	-----
Income from continuing operations	112,358	95,625	17.5%
Income from discontinued operations (Note E)	1,544	-	NM
Change in accounting principle (Note F)	-	(37,739)	NM
	-----	-----	-----
Net income	\$ 113,902	\$ 57,886	96.8%
	=====	=====	=====
Diluted income per common share:			
Income from continuing operations	\$ 1.29	\$ 1.09	18.3%
Income from discontinued operations	0.02	-	NM
Change in accounting principle	-	(0.44)	NM
	-----	-----	-----
Net income per share	\$ 1.31	\$ 0.65	101.5%
	=====	=====	=====
Basic income per common share:			
Income from continuing operations	\$ 1.29	\$ 1.10	17.3%
Income from discontinued operations	0.02	-	NM
Change in accounting principle	-	(0.44)	NM
	-----	-----	-----
Net income per share	\$ 1.31	\$ 0.66	98.5%
	=====	=====	=====
Common shares treated as outstanding for net income per share calculations:			
Average outstanding shares	86,223	86,178	0.1%
	=====	=====	=====
Average outstanding and potentially dilutive shares	86,619	86,716	-0.1%

NM = not meaningful

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VIAD CORP AND SUBSIDIARIES
TABLE ONE - NOTES TO QUARTERLY AND FULL YEAR RESULTS
(UNAUDITED)

(A) Reportable Segments

(000 omitted)	Quarter Ended December 31,			Year Ended December 31,		
	2003	2002	%	2003	2002	%
Revenues:						
Payment Services	\$205,231	\$197,104	4.1%	\$801,625	\$773,619	3.6%
Convention and Event Services	138,947	160,360	-13.4%	717,265	786,233	-8.8%
Reportable segments	344,178	357,464	-3.7%	1,518,890	1,559,852	-2.6%
Travel and Recreation Services	4,925	4,769	3.3%	53,203	58,253	-8.7%
Total revenues	\$349,103	\$362,233	-3.6%	\$1,572,093	\$1,618,105	-2.8%
Segment operating income:						
Payment Services	\$ 34,788	\$ 31,031	12.1%	\$ 114,972	\$ 125,520	-8.4%
Convention and Event Services	2,116	(1,286)	NM	44,867	37,614	19.3%
Reportable segments	36,904	29,745	24.1%	159,839	163,134	-2.0%
Travel and Recreation Services	(2,027)	(2,273)	10.8%	10,475	13,743	-23.8%
	\$ 34,877	\$ 27,472	27.0%	\$ 170,314	\$ 176,877	-3.7%

NM = not meaningful

(B) Restructuring Charges and Recoveries -- In the third quarter 2001 and fourth quarter 2002, Viad recorded restructuring charges totaling \$66.1 million (\$39.9 million after-tax) and \$20.5 million (\$13.3 million after-tax), respectively, consisting of costs associated with the closure and consolidation of certain facilities, severance and other employee benefits primarily in the Convention and Event Services segment. In 2002, \$413,000 (\$249,000 after-tax) of the reserves associated with the 2001 restructuring were reversed. Additionally, in 2003, \$5.0 million, or \$3.0 million after-tax (including \$3.5 million, or \$2.1 million after-tax, in the fourth quarter 2003) of the reserves were also reversed as certain costs originally anticipated in the restructuring plan will not be incurred.

(C) Corporate Activities and Minority Interests -- The fourth quarter 2003 includes a \$1.4 million (\$887,000 after-tax) curtailment gain associated with the freezing of Viad's defined benefit pension plan (the Payment Services segment also recorded a related curtailment gain of \$2.4 million or \$1.4 million after-tax shown in Payment Services segment operating income). Additionally, fourth quarter 2003 minority interest expense was \$2.0 million (\$1.2 million after-tax) lower as the minority share of MoneyGram International Limited was purchased during 2003.

(D) Net Interest Expense -- In the fourth quarter 2003, Viad reversed \$4.6 million (\$2.9 million after-tax) of interest expense related to favorable income tax settlements. In the third quarter 2002, interest income of \$3.5 million (\$2.2 million after-tax) was recorded related to Federal tax refunds.

(E) Income from Discontinued Operations -- In the third quarter 2003, it was determined that certain amounts accrued related to previously sold businesses were in excess of current obligations resulting in a reversal of \$2.5 million (\$1.5 million after-tax).

(F) Change in Accounting Principle -- In June 2002, in accordance with Viad's adoption of SFAS No. 142, a transitional impairment test for goodwill was completed. This test resulted in a \$40.0 million (\$37.7 million after-tax) impairment of goodwill associated with the Exhibitgroup/Giltspur reporting unit of the Convention and Event Services segment. This impairment was retroactively restated to the first quarter of 2002 as a cumulative effect of a change in accounting principle in accordance with SFAS No. 142.

VIAD CORP AND SUBSIDIARIES
TABLE TWO - EBITDA AND FREE CASH FLOW
(UNAUDITED)

(000 omitted)	Quarter Ended December 31,		
	2003	2002	%
EBITDA:			
Net income	\$ 26,167	\$ 5,257	NM
Change in accounting principle	-	-	NM
Income from discontinued operations	-	-	NM
<hr/>			
Income from continuing operations	26,167	5,257	NM
Interest expense	(1,938)	4,201	146.1%
Income tax expense (benefit)	14,002	(4,059)	NM
Depreciation and amortization	12,411	12,763	2.8%
<hr/>			
EBITDA	\$ 50,642	\$ 18,162	178.8%
	=====	=====	=====

(000 omitted)	Quarter Ended December 31,		
	2003	2002	%
Free Cash Flow:			
Net cash provided by (used in) operating activities	\$(586,515)	\$ 303,985	NM
Change in payment service assets and obligations	637,477	(249,762)	NM
<hr/>			
Subtotal	50,962	54,223	-6.0%
Less:			
Capital expenditures	(13,537)	(12,287)	-10.2%
Dividends paid	(7,766)	(8,001)	2.9%
Dividend paid to minority interest	-	-	NM
<hr/>			
Free cash flow	\$ 29,659	\$ 33,935	-12.6%
	=====	=====	=====

(000 omitted)	Year Ended December 31,		
	2003	2002	%
EBITDA:			
Net income	\$ 113,902	\$ 57,886	96.8%
Change in accounting principle	-	37,739	NM
Income from discontinued operations	(1,544)	-	NM
<hr/>			
Income from continuing operations	112,358	95,625	17.5%
Interest expense	8,777	19,268	54.4%
Income tax expense (benefit)	44,435	29,663	-49.8%
Depreciation and amortization	50,609	51,483	1.7%
<hr/>			
EBITDA	\$ 216,179	\$ 196,039	10.3%
	=====	=====	=====

(000 omitted)	Year Ended December 31,		
	2003	2002	%
Free Cash Flow:			
Net cash provided by (used in) operating activities	\$(172,884)	\$1,013,397	-117.1%
Change in payment service assets and obligations	365,703	(794,243)	146.0%
<hr/>			
Subtotal	192,819	219,154	-12.0%
Less:			
Capital expenditures	(42,663)	(40,227)	-6.1%

Dividends paid	(31,603)	(32,149)	1.7%
Dividend paid to minority interest	(8,115)	-	NM
Free cash flow	\$ 110,438	\$ 146,778	-24.8%

NM = not meaningful

VIAD CORP AND SUBSIDIARIES
TABLE THREE - NET FLOAT INCOME AND MARGIN
(UNAUDITED)

Analysis of Average Balances, Float and Average Yields and Interest Rates:

Quarter Ended December 31,						

2003						

2002						

(000 omitted)	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate

Investments available or restricted for payment service obligations (1)	\$6,646,112	\$ 77,659	4.64%	\$6,850,369	\$ 91,889	5.32%
Payment service obligations (2)	\$5,291,010	53,200	3.99%	\$5,454,641	63,916	4.65%
Net float income and margin		\$ 24,459	1.46%		\$ 27,973	1.62%
		=====			=====	

Year Ended December 31,						

2003						

2002						

(000 omitted)	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate

Investments available or restricted for payment service obligations (1)	\$6,979,248	\$323,098	4.63%	\$6,131,145	\$351,331	5.73%
Payment service obligations (2)	\$5,615,562	232,336	4.14%	\$4,706,324	240,152	5.10%
Net float income and margin		\$ 90,762	1.30%		\$111,179	1.81%
		=====			=====	

Changes in Float Income and Commission Expense -- Due to Changes in Average Investable Balances and Interest Rates:

Quarter Ended December 31,						

2003 vs. 2002						

2002 vs. 2001						

(000 omitted)	Balance (3)	Yield/Rate (3)	Total	Balance (3)	Yield/Rate (3)	Total

Float income	\$(2,740)	\$(11,490)	\$(14,230)	\$17,679	\$ (9,402)	\$ 8,277
Commission expense	\$(1,917)	\$(8,799)	\$(10,716)	\$16,481	\$ (7,645)	\$ 8,836
Net float income	\$ (834)	\$ (2,680)	\$ (3,514)	\$ 6,033	\$ (6,592)	\$ (559)

Year Ended December 31,

(000 omitted)	2003 vs. 2002			2002 vs. 2001		
	Balance (3)	Yield/Rate (3)	Total	Balance (3)	Yield/Rate (3)	Total
Float income	\$48,599	\$(76,832)	\$(28,233)	\$70,091	\$(24,905)	\$45,186
Commission expense	\$46,396	\$(54,212)	\$(7,816)	\$72,567	\$(40,688)	\$31,879

Net float income \$15,379 \$(35,796) \$(20,417) \$22,408 \$ (9,101) \$13,307

(1) See table on the next page for a reconciliation of float income to payment services investment income.

(2) Commissions are paid to financial institution customers based upon average outstanding balances generated by the sale of official check products only. The expense reported includes those payments made to financial institution customers, costs associated with swaps and the sale of receivables program. The average balance in the table reflects only the payment service obligations for which commissions are paid and does not include the average balance of the sold receivables (\$411 million and \$433 million for fourth quarter 2003 and 2002, respectively, and \$428 million and \$440 million for the year ended December 31, 2003 and 2002, respectively) as these sold receivables are not recorded on the Consolidated Balance Sheets. Commission expense is classified as "Costs of services" in the Consolidated Statements of Income.

(3) Net float income for the "Balance" and "Yield/Rate" columns is not the net of "Float income" and "Commission expense" as each of these amounts is calculated independently.

Reconciliation of Float Income to Payment Services Investment Income:

(000 omitted)	Quarter Ended December 31,		Year Ended December 31,	
	2003	2002	2003	2002
Float income (1)	\$77,659	\$91,889	\$323,098	\$351,331
Net investment gains and losses (2)	1,124	(8,633)	(4,877)	(9,276)
Payment Services investment income	\$78,783	\$83,256	\$318,221	\$342,055

(1) Float income is defined as payment services investment income before net investment gains and losses. Float income is used by management to analyze the effects that factors such as interest rates and average investment balances have on overall investment portfolio performance. Management believes that the presentation of float income is a useful supplemental measure for investors to consider when evaluating the portfolio management effectiveness with respect to the Payment Services segment.

(2) Includes both realized gains and losses and other-than-temporary impairments.

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