VIAD CORP

FORM 10-Q
(Quarterly Report)

Filed 8/13/1998 For Period Ending 6/30/1998

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

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

For the Quarterly Period Ended June 30, 1998
Commission file number 001-11015

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

DELAWARE (State or other jurisdiction of incorporation or organization)	36-1169950 (I.R.S. Employer Identification No.)
1850 N. CENTRAL AVE., PHOENIX, ARIZONA (Address of principal executive offices)	85077 (Zip Code)

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

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

Yes x No

As of July 31, 1998, 99,508,287 shares of Common Stock ($1.50 par value) were outstanding.

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

VIAD CORP
CONSOLIDATED BALANCE SHEET

(000 omitted)	June 30, 1998	December 31, 1997
ASSETS		
Current assets:		
Cash and cash equivalents	$ 32,923	$ 12,341
Receivables, less allowance of $4,980 and $4,805	124,523	131,620
Inventories	106,682	105,331
Deferred income taxes	27,145	29,444
Other current assets	43,722	29,207
	334,995	307,943
Funds, agents' receivables and current maturities of investments restricted for a subsidiary's payment service obligations, after eliminating $90,000 of the subsidiary's funds invested in Viad commercial paper	621,978	617,887
Total current assets	956,973	925,830
Investments restricted for subsidiary's payment service obligations	2,005,482	1,615,464
Property and equipment	467,129	470,052
Other investments and assets	114,148	113,274
Deferred income taxes	88,149	74,659
Intangibles	861,995	531,034
	$ 4,493,876	$ 3,730,313

(000 omitted, except share data)	June 30, 1998	December 31, 1997
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 141,649	$ 145,641
Accrued compensation	87,434	75,589
Other current liabilities	164,480	134,477
Due to MoneyGram stockholders	93,903	
Current portion of long-term debt	35,425	32,291
	522,891	387,998
Payment service obligations	2,645,762	2,248,004
Total current liabilities	3,168,653	2,636,002
Long-term debt	531,103	377,849
Pension and other benefits	65,380	62,988
Other deferred items and insurance reserves	138,677	109,323
Minority interests	9,110	8,378
$4.75 Redeemable preferred stock	6,618	6,612
Common stock and other equity:		
Common stock, $1.50 par value, 200,000,000 shares authorized, 99,739,925 shares issued	149,610	149,610
Additional capital	321,714	291,414
Retained income	249,575	209,127
Unearned employee benefits and other	(151,518)	(121,968)
Unrealized gain on securities available for sale	14,005	13,625
Cumulative translation adjustments	(4,998)	(3,022)
Common stock in treasury, at cost, 191,582 and 516,926 shares	(4,053)	(9,625)
Total common stock and other equity	574,335	529,161
	$ 4,493,876	$ 3,730,313

See Notes to Consolidated Financial Statements.

VIAD CORP
STATEMENT OF CONSOLIDATED INCOME

Quarter ended June 30, (000 omitted, except per share data)	1998	1997
REVENUES	$ 657,071	$ 614,945
Costs and expenses:		
Costs of sales and services	591,142	556,299
Corporate activities and nonoperating items, net	5,735	7,519
Sale of trade accounts receivable expense	1,119	1,132
Interest expense	10,233	12,339
Nonrecurring items:		
Provision for payments previously received pursuant to patent litigation	10,642	
Gain on sale of business	(21,155)	
Minority interests	190	120
	597,906	577,409
Income before income taxes	59,165	37,536
Income taxes	18,543	10,861
NET INCOME	$ 40,622	$ 26,675
DILUTED NET INCOME PER COMMON SHARE	$ 0.41	$ 0.28
BASIC NET INCOME PER COMMON SHARE	$ 0.43	$ 0.29
Average outstanding common shares	94,419	90,522
Additional dilutive shares related to stock-based compensation	4,196	2,770
Average outstanding and potentially dilutive common shares	98,615	93,292
Dividends declared per common share	$ 0.08	$ 0.08
Preferred stock dividends	$ 282	$ 281

See Notes to Consolidated Financial Statements.

VIAD CORP
STATEMENT OF CONSOLIDATED INCOME

Six months ended June 30, (000 omitted, except per share data)	1998	1997
REVENUES	$ 1,259,851	$ 1,184,671
Costs and expenses:		
Costs of sales and services	1,152,990	1,087,315
Corporate activities and nonoperating items, net	11,940	15,502
Sale of trade accounts receivable expense	2,215	2,220
Interest expense	21,407	26,602
Nonrecurring items:		
Provision for payments previously received pursuant to patent litigation	10,642	
Gain on sale of business	(21,155)	
Minority interests	466	484
	1,178,505	1,132,123
Income before income taxes	81,346	52,548
Income taxes	25,345	15,353
INCOME BEFORE EXTRAORDINARY CHARGE	56,001	37,195
Extraordinary charge for early retirement of debt, net of tax benefit of $4,554		(8,458)
NET INCOME	$ 56,001	$ 28,737
DILUTED INCOME PER COMMON SHARE:		
Income before extraordinary charge	$ 0.56	$ 0.39
Extraordinary charge		(0.09)
Diluted net income per common share	$ 0.56	$ 0.30
BASIC INCOME PER COMMON SHARE:		
Income before extraordinary charge	$ 0.59	$ 0.40
Extraordinary charge		(0.09)
Basic net income per common share	$ 0.59	$ 0.31
Average outstanding common shares	94,199	90,283
Additional dilutive shares related to stock-based compensation	4,034	2,783
Average outstanding and potentially dilutive common shares	98,233	93,066
Dividends declared per common share	$ 0.16	$ 0.16
Preferred stock dividends	$ 564	$ 563

See Notes to Consolidated Financial Statements.

VIAD CORP
STATEMENT OF RETAINED INCOME

Six months ended June 30, (000 omitted)	1998	1997
Balance, beginning of year	$ 209,127	$ 146,664
Net income	56,001	28,737
Dividends on common and preferred shares	(15,713)	(15,110)
Adjust distribution of consumer products business to Viad stockholders for post-closing settlements		(1,216)
Other	160	107
Balance, end of period	$ 249,575	$ 159,182

See Notes to Consolidated Financial Statements.

VIAD CORP
STATEMENT OF COMPREHENSIVE INCOME

(000 omitted)	Quarter ended June 30, 1998	Quarter ended June 30, 1997	Six months ended June 30, 1998	Six months ended June 30, 1997
Net income	$ 40,622	$ 26,675	$ 56,001	$ 28,737
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments:				
Holding gains (losses) arising during the period	(2,632)	337	(2,027)	(416)
Reclassification adjustment for sale of investment in a foreign entity included in net income	51		51	
	(2,581)	337	(1,976)	(416)
Unrealized gain (loss) on securities classified as available for sale:				
Holding gains arising during the period	4,329	8,073	4,034	3,901
Reclassification adjustment for realized gains included in net income	(2,388)	(772)	(3,654)	(1,117)
	1,941	7,301	380	2,784
Other comprehensive income (loss)	(640)	7,638	(1,596)	2,368
Comprehensive income	$ 39,982	$ 34,313	$ 54,405	$ 31,105

See Notes to Consolidated Financial Statements.

VIAD CORP
STATEMENT OF CONSOLIDATED CASH FLOWS

Six months ended June 30, (000 omitted)	1998	1997
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES:		
Net income	$ 56,001	$ 28,737
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	40,881	39,017
Deferred income taxes	(8,136)	(4,598)
Extraordinary charge for early retirement of debt		8,458
Gains on sale of businesses and assets, net	(26,822)	(1,884)
Other noncash items, net	4,895	7,326
Change in operating assets and liabilities:		
Receivables and inventories	(9,953)	(71,310)
Payment service assets and obligations, net	385,301	150,918
Accounts payable and accrued compensation	15,416	(205)
Other assets and liabilities, net	(14,007)	(5,874)
Net cash provided by operating activities	443,576	150,585
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES:		
Capital expenditures	(41,964)	(39,347)
Purchase of asset previously leased		(20,997)
Acquisitions of businesses, net of cash acquired	(229,615)	(17,226)
Proceeds from sales of businesses and other assets, net	95,539	161,003
Investments restricted for payment service obligations:		
Proceeds from sales and maturities of securities classified as available for sale	442,260	326,102
Proceeds from maturities of securities classified as held to maturity	44,668	13,670
Purchases of securities classified as available for sale	(774,236)	(395,797)
Purchases of securities classified as held to maturity	(86,082)	(70,369)
Investments in and advances to discontinued operations, net		(21,319)
Net cash used by investing activities	(549,430)	(64,280)
CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES:		
Payments on long-term borrowings	(2,163)	(76,031)
Premium paid upon early retirement of debt		(13,012)
Net change in short-term borrowings classified as long-term debt	153,878	4,000
Dividends on common and preferred stock	(15,713)	(15,110)
Proceeds from issuances of treasury stock	8,342	12,713
Cash payments on swap agreements	(17,908)	(214)
Net cash provided (used) by financing activities	126,436	(87,654)
Net increase (decrease) in cash and cash equivalents	20,582	(1,349)
Cash and cash equivalents, beginning of year	12,341	4,422
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 32,923	$ 3,073

See Notes to Consolidated Financial Statements.

VIAD CORP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A--Basis of Preparation

The Consolidated Financial Statements of Viad Corp ("Viad") include the accounts for Viad and all of its subsidiaries. This information should be read in conjunction with the financial statements set forth in the Viad Corp Annual Report to Stockholders for the year ended December 31, 1997.

Effective April 1, 1998, Viad sold its Aircraft Services International Group ("ASIG"), which conducted fueling and ground handling operations. ASIG's operations were included in Viad's Airline Catering and Services segment until the date of sale.

Effective June 1, 1998, Viad acquired MoneyGram Payment Systems, Inc. ("MoneyGram"), a provider of consumer money wire transfer services. MoneyGram's operations are included in Viad's Payment Services results from the date of acquisition.

Accounting policies utilized in the preparation of the financial information herein presented are the same as set forth in Viad's annual financial statements except as modified for interim accounting policies which are within the guidelines set forth in Accounting Principles Board Opinion No. 28, "Interim Financial Reporting." The interim consolidated financial information is unaudited. In the opinion of management, all adjustments, consisting only of normal recurring accruals, necessary to present fairly Viad's financial position as of June 30, 1998, and its results of operations and its cash flows for the quarters and six months ended June 30, 1998 and 1997 have been included. Interim results of operations are not necessarily indicative of the results of operations for the full year.

Certain prior year amounts have been reclassified to conform with the 1998 presentation.

NOTE B--Fiduciary Assets Restricted for Payment Service Obligations

A Viad payment services subsidiary generates funds from the issuance of money orders and other payment instruments, with the related liability classified as "Payment service obligations." The funds are invested in permissible securities, principally debt instruments. Such investments, along with related cash and funds in transit, are restricted by state regulatory agencies for use by the subsidiary to satisfy the liability to pay, upon presentment, the face amount of such payment service obligations. Accordingly, such fiduciary assets are not available to satisfy working capital or other financing requirements of Viad.

Following is a summary of amounts related to the payment service obligations as of June 30, 1998, including excess funds:

(000 omitted)	
Fiduciary Assets:	
Funds, agents' receivables and current maturities of investments restricted for payment service obligations, including $90,000 invested in Viad commercial paper (1)	$ 711,978
Investments restricted for payment service obligations (2)	2,005,482
	2,717,460
Payment service obligations	2,645,762
Asset carrying amounts in excess of 1:1 funding coverage of payment service obligations (2)	$ 71,698

(1) See Note E of Notes to Consolidated Financial Statements for description of Viad's revolving bank credit agreement, which supports its commercial paper obligations.
(2) See Note C of Notes to Consolidated Financial Statements for a summary of investments and their classification and carrying amounts in accordance with SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities." As detailed therein, securities classified as "available for sale" are carried at fair value, and the fair value of securities classified as "held to maturity" exceeded carrying amounts by $12,551,000 at June 30, 1998.

NOTE C--Investments Restricted for Payment Service Obligations

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

(000 omitted)	June 30, 1998	December 31, 1997
Securities available for sale, at fair value (amortized cost of $1,410,053 and $1,074,371)	$ 1,433,011	$ 1,096,706
Securities held to maturity, at amortized cost (fair value of $613,462 and $559,497)	600,911	548,773
	2,033,922	1,645,479
Less current maturities	(28,440)	(30,015)
	$ 2,005,482	$ 1,615,464

NOTE D--MoneyGram Acquisition

On May 26, 1998, Viad announced its successful cash tender offer for MoneyGram at $17.35 per share. Approximately 67 percent of MoneyGram shares outstanding were tendered, a sufficient number of shares to result in the acquisition of MoneyGram. The funding for the MoneyGram shares tendered was financed in early June 1998 with short-term borrowings. Payment for the remaining 33 percent of the outstanding MoneyGram shares was completed on July 10, 1998, with funds from additional short-term borrowings, following approval of an agreement and plan of merger by MoneyGram stockholders. Accordingly, at June 30, 1998, Viad classified its obligation to remaining MoneyGram stockholders in the Consolidated Balance Sheet under the caption, "Due to MoneyGram Stockholders."

MoneyGram's operations are included in Viad's Payment Services results beginning June 1, 1998. The acquisition was accounted for as a purchase. The purchase price, including acquisition costs, is being allocated to the net tangible and intangible assets acquired based on estimated fair values at the date of acquisition. Viad is still gathering certain information required to complete the allocation of the purchase price. Further adjustments may arise as a result of this analysis.

NOTE E--Debt

At June 30, 1998 and December 31, 1997, Viad classified as long- term debt $203,878,000 and $50,000,000, respectively, of short- term borrowings which, along with the $90,000,000 commercial paper issued to Viad's payment services subsidiary, are supported by unused commitments under a $300,000,000 long-term revolving bank credit agreement.

Viad sold ASIG effective April 1, 1998. The sale proceeds were used to repay short-term borrowings. In late May 1998, Viad announced its successful cash tender offer for MoneyGram at $17.35 per share. The funding for the initial tender of approximately 67 percent of MoneyGram's shares was financed in early June 1998 with short-term borrowings supported by Viad's long-term revolving bank credit agreement.

In late March 1997, Viad repurchased $58,414,000 par value of its 10.5 percent subordinated debentures at a premium, resulting in an extraordinary after-tax charge of $8,458,000.

NOTE F--Nonrecurring Items

Effective April 1, 1998, Viad sold its Aircraft Services International Group ("ASIG"), which conducted fueling and ground handling operations. ASIG's operations were included in Viad's Airline Catering and Services segment until the date of sale. After repaying short-term borrowings with proceeds of the sale, Viad terminated certain related interest rate swap agreements. The gain on the sale of ASIG, after deducting costs of sale and related expense provisions, was $21,155,000 ($13,201,000 after- tax).

Following protracted efforts, including formal mediation, to settle patent infringement litigation initiated by Viad's Payment Services subsidiary, Travelers Express Company, Inc. ("TECI"), against Integrated Payment Systems ("IPS"), a subsidiary of First Data Corporation, TECI petitioned the Federal District Court in May 1998 to set aside a settlement term sheet entered into more than three years previously because of the parties' failure to agree on final settlement terms. At the same time, TECI tendered back to IPS amounts which IPS had paid to TECI pursuant to the term sheet. The Court granted TECI's motion and set a trial date for its patent infringement lawsuit against IPS. While TECI expects a favorable outcome, the timing and amount of recovery pursuant to litigation cannot be assured. Accordingly, TECI recorded a one-time provision in the second quarter of 1998 for the payments received from IPS (which had been reported as income in prior years), plus interest thereon and related expenses totaling $10,642,000 ($6,917,000 after-tax).

NOTE G--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 six months ended June 30, is as follows:

(000 omitted)	1998	1997
Computed income taxes at statutory federal income tax rate of 35%	$ 28,471	$ 18,392
Nondeductible goodwill amortization	2,252	2,071
Minority interests	163	169
State income taxes	2,788	2,519
Tax-exempt income	(9,770)	(7,630)
Adjustment to estimated annual effective rate	1,500	1,175
Other, net	(59)	(1,343)
Provision for income taxes	$ 25,345	$ 15,353

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

	Quarter ended June 30,		Six months ended June 30,	
(000 omitted)	1998	1997	1998	1997
Revenues:				
Airline Catering and Services	$ 227,532	$ 230,989	$ 462,660	$ 442,818
Convention Services	228,585	222,340	438,172	431,667
Travel and Leisure and Payment Services (1)	200,954	161,616	359,019	310,186
	$ 657,071	$ 614,945	$ 1,259,851	$ 1,184,671
Operating Income:				
Airline Catering and Services (2)	$ 19,502	$ 21,299	$ 33,434	$ 34,446
Convention Services (2)	26,710	21,738	47,057	40,227
Travel and Leisure and Payment Services (1)(2):				
Before nonrecurring item	19,717	15,609	26,370	22,683
Nonrecurring item (3)	(10,642)		(10,642)	
	9,075	15,609	15,728	22,683
Total principal business segments (2)(3)	55,287	58,646	96,219	97,356
Corporate activities and nonoperating items, net (2)	(5,735)	(7,519)	(11,940)	(15,502)
Sale of trade accounts receivable expense	(1,119)	(1,132)	(2,215)	(2,220)
	$ 48,433	$ 49,995	$ 82,064	$ 79,634

(1) A Viad 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 $9,616,000 and $7,477,000 for the 1998 and 1997 quarters, respectively, and by $17,847,000 and $13,937,000 for the 1998 and 1997 six month periods, respectively.
(2) In 1998, Viad began charging its operating subsidiaries an increased allocation of Corporate expenses, which equaled about 75 percent of the reductions in expense for Corporate activities for the 1998 periods.
(3) A one-time provision totaling $10,642,000 was recorded in the second quarter of 1998 for payments previously received pursuant to patent litigation (which had been recorded as income in prior years), including interest thereon and related expenses. See Note F of Notes to Consolidated Financial Statements.

NOTE I--Impact of New Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133, which becomes effective in the year 2000 but may be adopted earlier, requires that entities record all derivatives as assets or liabilities, measured at fair value, with the change in fair value recognized in earnings or in other comprehensive income, depending on the use of the derivative and whether it qualifies for hedge accounting. SFAS No.

133 amends or supersedes several current accounting Statements. Viad is in the process of analyzing SFAS No. 133 and the impact on its consolidated financial position and results of operations.

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

RESULTS:

Effective April 1, 1998, Viad sold its Aircraft Services International Group ("ASIG"), which conducted fueling and ground handling operations. ASIG's operations were included in Viad's Airline Catering and Services segment until the date of sale.

Effective June 1, 1998, Viad acquired MoneyGram Payment Systems, Inc. ("MoneyGram"), a provider of consumer money wire transfer services, as the result of a successful cash tender offer. MoneyGram's operations are included in Viad's Payment Services results from the date of acquisition.

There were no other material changes in the nature of Viad's business, nor were there any other changes in the general characteristics of its operations as described and discussed in the first paragraph of the results section of Management's Discussion and Analysis of Results of Operations and Financial Condition presented in the Viad Corp Annual Report to Stockholders for the year ended December 31, 1997.

In 1998, Viad began charging its operating subsidiaries an increased allocation of Corporate expenses. The increased charges for Corporate expenses reduced 1998 operating income of Viad's segments, resulting in lower reported increases over 1997 segment operating income levels.

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

COMPARISON OF SECOND QUARTER OF 1998 TO THE SECOND QUARTER OF 1997:

In the second quarter of 1998, revenues increased $42.1 million, or 6.9 percent, to $657.1 million from $615.0 million in 1997. The 1998 second quarter operating income of Viad's principal business segments (excluding a $10.6 million provision for payments previously received pursuant to patent litigation, as discussed in Note F of Notes to Consolidated Financial Statements) increased $7.3 million, or 12.4 percent, over that of 1997. A payment services subsidiary continues to invest increasing amounts of its growing money order and official check funds in tax-exempt securities. On a fully taxable equivalent basis, and excluding the provision noted above and the effects of aircraft fueling and ground handling operations sold as of April 1, 1998, revenues rose 12.4 percent and operating income of Viad's principal business segments was up 20.2 percent (22.4 percent before the increased corporate allocation).

Net income for the second quarter of 1998 was $40.6 million, or $0.41 per share. Excluding the gain on sale of ASIG of $13.2 million (net of income taxes of $8.0 million), or $0.13 per share, and excluding the provision for payments previously received pursuant to patent litigation of $6.9 million (net of tax benefit of $3.7 million), or $0.07 per share, income for the second quarter of 1998 was $34.3 million, or $0.35 per share. Net income for the 1997 quarter was $26.7 million, or $0.28 per share.

There were 5.3 million more average common and equivalent shares outstanding in the 1998 quarter than in the 1997 quarter, due primarily to the acquisition of Game Financial Corporation in December 1997 (for approximately 2.6 million shares of Viad stock), stock option exercises over the past year and the effects of a higher Viad stock price on the calculation of additional common shares arising from unexercised stock options.

AIRLINE CATERING AND SERVICES.
The second quarter 1998 revenues of the Airline Catering and Services group were $227.5 million, a decrease of 1.5 percent from the 1997 second quarter revenues of $231.0 million. Excluding the effects of the sold aircraft fueling and ground handling operations (effective as of April 1, 1998), second quarter revenues increased 12.9 percent. On this same basis, operating income increased $1.5 million, or 8.2 percent (9.9 percent before the increased corporate allocation), over that of the 1997 second quarter. These results were driven by airline traffic growth, new business added over the past year (including expansion of American Airlines business to six additional cities late in the second quarter of 1997) and the June 1998 acquisition of a catering kitchen in Las Vegas. Excluding the fueling and ground handling operations, operating margins decreased slightly to 8.6 percent (8.7 percent before the increased corporate allocation) from 1997's 8.9 percent, as start-up costs associated with new accounts and kitchens affected the quarter.

CONVENTION SERVICES.
Convention Services second quarter 1998 revenues increased $6.3 million, or 2.8 percent, to $228.6 million from $222.3 million in the 1997 second quarter. GES Exposition Services ("GES") continued to eliminate low-margin business during the 1998 quarter, resulting in a disproportionately low revenue increase. Operating income increased $5.0 million, or 22.9 percent (25.4 percent before the increased corporate allocation), and operating margins increased from 9.8 percent in the 1997 quarter to 11.7 percent (11.9 percent before the increased corporate allocation). Both GES and Exhibitgroup/Giltspur had solid gains in operating income due to improved cost controls and higher margin business in the 1998 quarter. Both companies also benefited from acquisitions made during the second quarter of 1998.

TRAVEL AND LEISURE AND PAYMENT SERVICES.
Revenues of the Travel and Leisure and Payment Services companies were $201.0 million for the second quarter of 1998, up $39.3 million, or 24.3 percent, from 1997 second quarter revenues. Excluding the provision for payments previously received pursuant to patent litigation, which had been recorded as income in prior years, plus interest thereon and related expenses (see Note F of Notes to Consolidated Financial Statements), operating income increased 26.3 percent to $19.7 million. On the fully taxable equivalent basis, second quarter revenues and operating income would have been higher by $9.6 million and $7.5 million in 1998 and 1997, respectively, resulting in a 24.5 percent revenue

increase and a 27.1 percent (29.2 percent before the increased corporate allocation) operating income increase. The second quarter of 1998 included results from Game Financial Corporation ("Game," acquired in December 1997) and MoneyGram (acquired as of June 1, 1998). The second quarter of 1998 also included full operation of Restaura's concession operations at Bank One Ballpark, home of the new Arizona Diamondbacks major league baseball franchise. Operating margins on the fully taxable equivalent basis would be 13.9 percent (14.2 percent before the increased corporate allocation) in the second quarter of 1998, up from 13.7 percent in the 1997 second quarter.

On the fully taxable equivalent basis and excluding the provision for patent infringement payments received, payment services revenues and operating income increased $39.0 million and $2.2 million, respectively, over those of the 1997 second quarter, as continuing strong growth in official check business was supplemented by results from the Game and MoneyGram acquisitions.

Duty Free and shipboard concession revenues and operating income increased $2.3 million and $400,000, respectively, over those of the 1997 second quarter, due primarily to increased sales at Miami International Airport.

Travel tour service revenues decreased $1.7 million from those of the 1997 second quarter, due primarily to the decline in Japanese and other Asian tourism into Canada. Operating income increased $300,000, as reductions in operating costs more than offset the effects of the revenue decline.

Restaura foodservice revenues and operating income increased $8.2 million and $2.5 million, respectively, over those of the 1997 second quarter, as the second quarter of 1998 included full operation of concessions at Bank One Ballpark and also benefited from reduced operating costs.

CORPORATE ACTIVITIES AND NONOPERATING ITEMS, NET.
Corporate activities and nonoperating items, net, decreased $1.8 million in the second quarter of 1998 compared to the second quarter of 1997. As discussed above, Viad began charging its operating subsidiaries an increased allocation of Corporate expenses in 1998. Approximately 75 percent of the second quarter decline in corporate expenses is due to the increased allocation to Viad's segments.

SALE OF TRADE ACCOUNTS RECEIVABLE EXPENSE.
Sale of trade accounts receivable expense in the second quarter of 1998 was essentially even with that of the 1997 second quarter, as the level of trade receivables sold was unchanged from the prior year.

INTEREST EXPENSE.
Interest expense decreased $2.1 million in the 1998 second quarter, primarily as a result of proceeds from the previously described sale of ASIG as of April 1, 1998, as well as debt repayment with proceeds of other sales of noncore assets and businesses in 1997, which more than offset the impact of new borrowings incurred in early June 1998 for the MoneyGram acquisition.

INCOME TAXES.
The effective tax rate in the 1998 second quarter was 31.3 percent. Excluding the effects of the $21.2 million gain on the sale of ASIG and the $10.6 million provision for payments previously received pursuant to patent litigation on the income tax provision, the effective tax rate for the second quarter of 1998 was 29.4 percent compared to 28.9 percent for the second quarter of 1997.

COMPARISON OF FIRST SIX MONTHS OF 1998 TO THE
FIRST SIX MONTHS OF 1997:

Revenues for the first six months of 1998 increased $75.2 million, or 6.3 percent, to $1.26 billion from $1.18 billion in the same period of 1997. Operating income of Viad's principal business segments (excluding the previously mentioned $10.6 million provision for payments previously received pursuant to patent litigation) increased $9.5 million, or 9.8 percent, over that of 1997. On the fully taxable equivalent basis, and excluding the provision noted above and the effects of aircraft fueling and ground handling operations sold as of April 1, 1998, revenues rose 9.5 percent and operating income was up 16.0 percent (18.5 percent before the increased corporate allocation).

Net income for the first six months of 1998 was $56.0 million, or $0.56 per share. Excluding the gain on sale of ASIG of $13.2 million (net of income taxes of $8.0 million), or $0.13 per share, and excluding the provision for payments previously received pursuant to patent litigation of $6.9 million (net of tax benefit of $3.7 million), or $0.07 per share, income for the first six months of 1998 was $49.7 million, or $0.50 per share. Net income for the first six months of 1997 was $28.7 million, or $0.30 per share. Excluding an extraordinary charge of $8.5 million (net of tax benefit of $4.6 million), or $0.09 per share, for the early retirement of debt, income for the first six months of 1997 was $37.2 million, or $0.39 per share.

There were 5.2 million more average common and equivalent shares outstanding in the 1998 six month period than in the same period of 1997 for the reasons previously discussed.

AIRLINE CATERING AND SERVICES.
Six month revenues of the Airline Catering and Services group were $462.7 million in 1998, a 4.5 percent increase from the 1997 first half revenues of $442.8 million. Excluding the effects of the sold aircraft fueling and ground handling operations (effective as of April 1, 1998), first half revenues increased 12.9 percent. On this same basis, operating income increased $2.4 million, or 8.4 percent (10.5 percent before the increased corporate allocation), over that of the 1997 first half. These results were accomplished primarily as a result of new business added

over the past year, including the acquisition of a flight kitchen in Miami in early 1997, expansion of American Airlines business to six new cities late in the second quarter of 1997, and the acquisition of a catering kitchen in Las Vegas in June 1998, as well as airline traffic growth. Excluding the fueling and ground handling operations, operating margins decreased slightly to 7.1 percent (7.2 percent before the increased corporate allocation)from 1997's 7.4 percent, due largely to start-up costs associated with new business and kitchens.

CONVENTION SERVICES.
Convention Services' first half 1998 revenues of $438.2 million were $6.5 million, or 1.5 percent, greater than the 1997 six month period. GES has concentrated on eliminating low-margin business during 1998, resulting in a disproportionately low revenue increase. Operating income for the segment increased $6.8 million, or 17.0 percent (19.7 percent before the increased corporate allocation), and operating margins increased to 10.7 percent (11.0 percent before the increased corporate allocation) from 9.3 percent in 1997. These increases were due to improved cost controls and higher margin business in 1998. Both GES and Exhibitgroup/Giltspur also benefited from acquisitions made during the second quarter of 1998.

TRAVEL AND LEISURE AND PAYMENT SERVICES.
For the first six months of 1998, revenues of the Travel and Leisure and Payment Services companies were $359.0 million, up $48.8 million, or 15.7 percent, from those of the 1997 first half. Excluding the provision for payments previously received pursuant to patent litigation, which had been recorded as income in prior years, plus interest thereon and related expenses (see Note F of Notes to Consolidated Financial Statements), operating income increased 16.3 percent to $26.4 million. On the fully taxable equivalent basis, six month revenues and operating income would have been higher by $17.8 million and $13.9 million in 1998 and 1997, respectively, resulting in a 16.3 percent revenue increase and a 20.7 percent (23.5 percent before the increased corporate allocation) operating income increase. The 1998 first half included results from Game (acquired in December 1997) and MoneyGram (acquired as of June 1, 1998). Operating margins on the fully taxable equivalent basis would be 11.7 percent (12.0 percent before the increased corporate allocation) in the 1998 first half, up from 11.3 percent in the comparable period of 1997.

On the fully taxable equivalent basis and excluding the provision for patent infringement payments received, payment services revenues and operating income increased $63.2 million and $4.9 million, respectively, over those of 1997's first six months, due primarily to increased investment income arising from larger investment balances, business generated from the Game and MoneyGram acquisitions, and continuing strong growth in official check business.

Duty Free airport and shipboard concession revenues and operating income increased $1.8 million and $600,000, respectively, over those of the first half of 1997. Increased sales at Miami International Airport and improved cost controls were partially offset by reduced revenues arising from fewer shipboard passenger days during the first quarter of 1998.

Travel tour service revenues decreased $2.0 million from those of the first six months of 1997, primarily as a result of weaker off- season package tour traffic in the first quarter of 1998 and a decline in Japanese and other Asian tourism into Canada. Operating income improved $300,000, as operating cost reductions more than offset the effects of the revenue decline.

Restaura foodservice revenues and operating income for the first half of 1998 increased $7.2 million and $1.8 million, respectively, from those of the same period in 1997, primarily due to the operation of concessions at Bank One Ballpark, which began late in the first quarter of 1998, as well as reduced operating costs.

CORPORATE ACTIVITIES AND NONOPERATING ITEMS, NET.
Corporate activities and nonoperating items, net, decreased $3.6 million in the first six months of 1998 compared to the same period in 1997. As discussed previously, Viad began charging its operating subsidiaries an increased allocation of Corporate expenses in 1998. Approximately 75 percent of the 1998 decline in corporate expenses is due to the increased allocation to Viad's segments.

SALE OF TRADE ACCOUNTS RECEIVABLE EXPENSE.
Expenses from the sale of trade accounts receivable in the first half of 1998 was essentially even with those of the 1997 first half, as the level of trade receivables sold was unchanged from the prior year.

INTEREST EXPENSE.
Interest expense for the first six months of 1998 decreased $5.2 million from that of the first half of 1997, primarily as a result of proceeds from the previously described sale of ASIG as of April 1, 1998, as well as debt repayment with proceeds of other sales of noncore assets and businesses in 1997 and the repurchase of $58.4 million par value of Viad's 10.5 percent subordinated debentures in March 1997, which more than offset the impact of new borrowings incurred in early June 1998 for the MoneyGram acquisition.

INCOME TAXES.
The effective tax rate for the first half of 1998 was 31.2 percent. Excluding the effects of the $21.2 million gain on the sale of ASIG and the $10.6 million provision for payments previously received pursuant to patent litigation on the income tax provision, the effective tax rate for the first six months of 1998 was 29.8 percent compared to 29.2 percent for the 1997 period. The effective tax rate for 1998 is expected to be slightly higher than the 1997 rate as the increase in tax-exempt income by Viad's payment services subsidiary is slowing relative to overall income growth, and nondeductible goodwill amortization is increasing.

LIQUIDITY AND CAPITAL RESOURCES:

Viad's total debt at June 30, 1998 was $566.5 million compared with $410.1 million at December 31, 1997. The debt-to-capital ratio at June 30, 1998 was 0.49 to 1 compared to 0.43 to 1 at December 31, 1997. As mentioned above, Viad sold ASIG in April 1998. The sale proceeds were used to repay short-term borrowings. In late May 1998, Viad announced its successful cash tender offer for MoneyGram at $17.35 per share. The funding for approximately 67 percent of MoneyGram shares tendered was financed in early June 1998 with short-term borrowings supported by Viad's long-term revolving bank credit agreement. Following approval of the agreement and plan of merger by the MoneyGram stockholders, payment for the remaining 33 percent of MoneyGram shares totaling $93.9 million was made in July 1998 with funds from additional short-term borrowings. If these additional borrowings had been made as of June 30, 1998 and approximately $30 million from available internal cash sources had been used to reduce short-term borrowings, the pro forma debt-to- capital ratio at June 30, 1998 would have been 0.52 to 1.

In June 1998, Viad's payment services subsidiary amended its agreement to sell undivided percentage ownership interests in certain receivables. The maximum amount to be sold under the agreement was increased from $250,000,000 to $400,000,000, and the expiration date was extended to June 30, 2003. The items included in the program were expanded to include receivables from bill payment agents as well as receivables from money order agents.

There were no other material changes in Viad's financial condition nor were there any substantive changes relative to matters discussed in the Liquidity and Capital Resources section of Management's Discussion and Analysis of Results of Operations and Financial Condition as presented in Viad Corp's Annual Report to Stockholders for the year ended December 31, 1997.

READINESS FOR THE YEAR 2000:

Viad has taken actions to understand the nature and extent of the work required and has commenced initiatives to make its systems, products and infrastructure "Year 2000" compliant on a timely basis, including replacing and/or updating certain systems. Viad is also communicating with key vendors, service providers, customers and other third parties with whom Viad conducts business to determine the nature of any impact of Year 2000 issues on Viad. Viad continues to evaluate the additional efforts and estimated costs associated with these changes. As a part of its Year 2000 initiative, Viad is developing contingency plans to mitigate the effects of problems which may be experienced by Viad or key vendors or service providers in the timely implementation of Year 2000 programs. While additional costs are involved, Viad believes, based on available information to date, that it will be able to manage its total Year 2000 transition by mid-1999, without any material adverse effect on its business operations, products, financial position or results of operations. However, due to the complexity and pervasiveness of the Year 2000 issue and in particular the uncertainty regarding the compliance programs of third parties, no assurance can be given for successful implementation, and if such changes are not completed timely, the Year 2000 issue could have a material impact on Viad's operations.

FORWARD-LOOKING STATEMENTS:

Statements made in this Quarterly Report on Form 10-Q, including those relating to expectations of or current trends in growth in air traffic, consumer demand, new business, improved cost controls and Year 2000 compliance issues, are forward-looking statements and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties which may cause results to differ materially from those set forth in those statements. Among other things, the rate of expansion of flights to new locations, consumer demand patterns, purchasing decisions related to customer demand for trade show services, additional competition from existing and new competitors, and consolidation and growth patterns within the industries in which Viad competes, may individually or in combination impact future results. In addition to the factors mentioned elsewhere, the economic, competitive, governmental, technological and other factors could affect the forward-looking statements contained in this filing.

PART II. OTHER INFORMATION

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

Results of the annual meeting of stockholders of Viad Corp held on May 12, 1998, were presented in the Form 10-Q for the quarterly period ended March 31, 1998. No other matters were submitted to a vote of security holders during the second quarter of 1998.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibit No. 10A - Copy of Viad Corp Omnibus Incentive Plan, as amended through May 12, 1998

Exhibit No. 10B - Copy of Viad Corp Performance Unit Incentive Plan (pursuant to 1992 Stock Incentive Plan), as amended through May 12, 1998

Exhibit No. 10C - Copy of Viad Corp Performance Unit Incentive Plan (pursuant to 1997 Omnibus Incentive Plan), as amended through May 12, 1998

Exhibit No. 10D - Copy of Viad Corp Performance Based Stock Plan, as amended and restated effective May 1998

Exhibit No. 27 - Financial Data Schedule

(b) The following reports on Form 8-K were filed by the registrant during the quarter for which this report is filed:

A report on Form 8-K dated April 10, 1998, reported under Items 5 and 7 Viad's press release announcement that Viad had commenced a cash tender offer, through the filing of Schedule 14D- 1 with the Securities and Exchange Commission, for all outstanding shares of MoneyGram Payment Systems, Inc., at a purchase price of $17 per share and, in a separate announcement, that Viad had sold Aircraft Services International Group.

A report on Form 8-K dated May 11, 1998, reported under Items 5 and 7 Viad's press release announcement that Viad had increased the MoneyGram cash tender offer to $17.35 per share and had extended the scheduled expiration date to May 22, 1998.

A report on Form 8-K dated May 22, 1998, reported under Items 5 and 7 Viad's press release announcement that Viad's tender offer for MoneyGram at $17.35 per share was successful.

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)

August 12, 1998

By /s/ Richard C. Stephan

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

Exhibit 10.A

**1997 VIAD CORP OMNIBUS INCENTIVE PLAN,
AS AMENDED THROUGH MAY 12, 1998**

SECTION 1. PURPOSE; DEFINITIONS.
The purpose of the Plan is to give the Company a significant advantage in attracting, retaining and motivating officers, employees and directors and to provide the Company and its subsidiaries with the ability to provide incentives more directly linked to the profitability of the Company's businesses and increases in stockholder value. It is the current intent of the Committee that the Plan shall replace the 1992 Stock Incentive Plan for purposes of new Awards and that the Viad Corp Management Incentive Plan, the Viad Corp Performance Unit Incentive Plan, and the Viad Corp Performance-Based Stock Plan continue under the auspices of Sections 7 and 8 hereof subject to the discretion of the Committee under the terms and conditions of this Plan.

For purposes of the Plan, the following terms are defined as set forth below:

(a) "AFFILIATE" means a corporation or other entity controlled by the Company and designated by the Committee as such.

(b) "AWARD" means an award of Stock Appreciation Rights, Stock Options, Restricted Stock or Performance-Based Awards.

(c) "AWARD CYCLE" will mean a period of consecutive fiscal years or portions thereof designated by the Committee over which Awards of Restricted Stock or Performance-Based Awards are to be earned.

(d) "BOARD" means the Board of Directors of the Company.

(e) "CAUSE" means (1) the conviction of a participant for committing a felony under federal law or the law of the state in which such action occurred, (2) dishonesty in the course of fulfilling a participant's employment duties or (3) willful and deliberate failure on the part of a participant to perform his employment duties in any material respect, or such other events as will be determined by the Committee. The Committee will have the sole discretion to determine whether "Cause" exists, and its determination will be final.

(f) "CHANGE IN CONTROL" and "CHANGE IN CONTROL PRICE" have the meanings set forth in Sections 9(b) and (c), respectively.

(g) "CODE" means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto.

(h) "COMMISSION" means the Securities and Exchange Commission or any successor agency.

(i) "COMMITTEE" means the Committee referred to in
Section 2.

(j) "COMMON STOCK" means common stock, par value $1.50 per share, of the Company.

(k) "COMPANY" means Viad Corp, a Delaware corporation.

(l) "COMPANY UNIT" means any subsidiary, group of subsidiaries, line of business or division of the Company, as designated by the Committee.

(m) "DISABILITY" means permanent and total disability as determined under procedures established by the Committee for purposes of the Plan.

(n) "EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto.

(o) "FAIR MARKET VALUE" means, as of any given date, the mean between the highest and lowest reported sales prices of the Stock on the New York Stock Exchange Composite Tape or, if not listed on such exchange, on any other national exchange on which the Stock is listed or on the Nasdaq Stock Market. If there is no regular public trading market for such Stock, the Fair Market Value of the Stock will be determined by the Committee in good faith. In connection with the administration of specific sections of the Plan, and in connection with the grant of particular Awards, the Committee may adopt alternative defi- nitions of "Fair Market Value" as appropriate.

(p) "INCENTIVE STOCK OPTION" means any Stock Option intended to be and designated as an "incentive stock option" within the meaning of Section 422 of the Code.

(q) "MIP" means the Company's Management Incentive Plan providing annual cash bonus awards to participating employees based upon predetermined goals and objectives.

(r) "NET INCOME" means the consolidated net income of the Company determined in accordance with GAAP before extraordinary, unusual and other non-recurring items.

(s) "NON-EMPLOYEE DIRECTOR" means a member of the Board who qualifies as a "Non-Employee Director" as defined in Rule 16b-3(b)(3), as promulgated by the Commission under the Exchange Act, or any successor definition adopted by the Commission.

(t) "NON-QUALIFIED STOCK OPTION" means any Stock Option that is not an Incentive Stock Option.

(u) "PERFORMANCE GOALS" means the performance goals estab- lished by the Committee in connection with the grant of Restricted Stock or Performance-Based Awards. In the case of Qualified Performance-Based Awards, such goals (1) will be based on the attainment of specified levels of one or more of the fol- lowing measures with respect to the Company or any Company Unit, as applicable: sales or revenues, costs or expenses, net profit after tax, gross profit, operating profit, base earnings, return on actual or pro forma equity or net assets or capital, net capital employed, earnings per share, earnings per share from continuing operations, operating income, operating income margin, net income, stockholder return including performance (total stockholder return) relative to the S&P 500 or similar index or performance (total stockholder return) relative to the proxy comparator group, in both cases as determined pursuant to Rule 402(l) of Regulation S-K promulgated under the Exchange Act, cash generation, unit volume and change in working capital and (2) will be set by the Committee within the time period prescribed by
Section 162(m) of the Code and related regulations.

(v) "PERFORMANCE-BASED AWARD" means an Award made pursuant to Section 8.

(w) "PERFORMANCE-BASED RESTRICTED STOCK AWARD" has the meaning set forth in Section 7(c)(1) hereof.

(x) "PLAN" means the 1997 Viad Corp Omnibus Incentive Plan, As Amended, as set forth herein and as hereafter amended from time to time.

(y) "PREFERRED STOCK" means preferred stock, par value $0.01, of the Company.

(z) "QUALIFIED PERFORMANCE-BASED AWARDS" means an Award of Restricted Stock or a Performance-Based Award designated as such by the Committee at the time of grant, based upon a determination that (1) the recipient is or may be a "covered employee" within the meaning of Section 162(m)(3) of the Code in the year in which the Company would expect to be able to claim a tax deduction with respect to such Restricted Stock or Performance-Based Award and
(2) the Committee wishes such Award to qualify for the exemption from the limitation on deductibility imposed by Section 162(m) of the Code that is set forth in Section 162(m)(4)(C).

(aa) "RESTRICTED STOCK" means an award granted under
Section 7.

(bb) "RETIREMENT" means retirement from active employment under a pension plan of the Company, any subsidiary or Affiliate, or under an employment contract with any of them, or termination of employment at or after age 55 under circumstances which the Committee, in its sole discretion, deems equivalent to retirement.

(cc) "RULE 16b-3" means Rule 16b-3, as promulgated by the Commission under Section 16(b) of the Exchange Act, as amended from time to time.

(dd) "STOCK" means the Common Stock or Preferred Stock.

(ee) "STOCK APPRECIATION RIGHT" means a right granted under
Section 6.

(ff) "STOCK OPTION" means an option granted under Section 5.

(gg) "TERMINATION OF EMPLOYMENT" means the termination of the participant's employment with the Company and any subsidiary or Affiliate. A participant employed by a subsidiary or an Affiliate will also be deemed to incur a Termination of Employment if the subsidiary or Affiliate ceases to be such a subsidiary or Affiliate, as the case may be, and the participant does not immediately thereafter become an employee of the Company or another subsidiary or Affiliate. Transfers among the Company and its subsidiaries and Affiliates, as well as temporary absences from employment because of illness, vacation or leave of absence, will not be considered a Termination of Employment.

In addition, certain other terms used herein have definitions given to them in the first place in which they are used.

SECTION 2. ADMINISTRATION.
The Plan will be administered by the Human Resources Committee of the Board pursuant to authority delegated by the Board in accordance with the Company's By-Laws. If at any time there is no such Human Resources Committee or such Human Resources Committee shall fail to be composed of at least two directors each of whom is a Non-Employee Director and is an "outside director" under Section 162(m)(4) of the

Code, the Plan will be administered by a Committee selected by the Board and composed of not less than two individuals, each of whom is such a Non-Employee Director and such an "outside director."

The Committee will have plenary authority to grant Awards pursuant to the terms of the Plan to officers, employees and directors of the Company and its subsidiaries and Affiliates, but the Committee may not grant MIP Awards larger than the limits provided in Section 3.

Among other things, the Committee will have the authority, subject to the terms of the Plan:

(a) to select the officers, employees and directors to whom Awards may from time to time be granted;

(b) to determine whether and to what extent Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock and Performance-Based Awards or any combination thereof are to be granted hereunder;

(c) to determine the number of shares of Stock or the amount of cash to be covered by each Award granted hereunder;

(d) to determine the terms and conditions of any Award granted hereunder (including, but not limited to, the option price (subject to Section 5 (a)), any vesting condition, restriction or limitation (which may be related to the performance of the participant, the Company or any subsidiary, Affiliate or Company Unit) and any rule concerning vesting acceleration or waiver of forfeiture regarding any Award and any shares of Stock relating thereto, based on such factors as the Committee will determine) provided, however, that the Committee will have no power to accelerate the vesting, or waive the forfeiture, regarding any Award and any shares of Stock relating thereto, except in connection with a "change of control" of the Company, the sale of a subsidiary or majority-owned affiliate of the Company (and then only with respect to participants employed by each such subsidiary or affiliate), the death or disability of a participant or termination of employment of a participant, and, further provided, however, that the Committee will have no power to accelerate the vesting, or waive the forfeiture, of any Qualified Performance-Based Awards;

(e) to modify, amend or adjust the terms and conditions, at any time or from time to time, of any Award, including but not limited to Performance Goals; provided, however, that the Committee may not adjust upwards the amount payable with respect to any Qualified Performance-Based Award or waive or alter the Performance Goals associated therewith and provided, further, however, that the Committee may not reprice Stock Options except for an amount of Stock Options representing not more than 10% of then outstanding Stock Options;

(f) to determine to what extent and under what circumstances Stock and other amounts payable with respect to an Award will be deferred; and

(g) to determine under what circumstances a Stock Option may be settled in cash or Stock under Section 5(j).

The Committee will have the authority to adopt, alter or re- peal such administrative rules, guidelines and practices governing the Plan as it from time to time deems advisable, to interpret the terms and provisions of the Plan and any Award issued under the Plan (and any agreement relating thereto) and to otherwise supervise the administration of the Plan.

The Committee may act only by a majority of its members then in office, except that the members thereof may (1) delegate to designated officers or employees of the Company such of its powers and authorities under the Plan as it deems appropriate (provided that no such delegation may be made that would cause Awards or other transactions under the Plan to fail to be exempt from Section 16(b) of the Exchange Act or that would cause Qualified Performance-Based Awards to cease to so qualify) and
(2) authorize any one or more members or any designated officer or employee of the Company to execute and deliver documents on behalf of the Committee.

Any determination made by the Committee or pursuant to del- egated authority pursuant to the provisions of the Plan with respect to any Award will be made in the sole discretion of the Committee or such delegates at the time of the grant of the Award or, unless in contravention of any express term of the Plan, at any time thereafter. All decisions made by the Committee or any appropriately delegated officer(s) or employee(s) pursuant to the provision of the Plan will be final and binding on all persons, including the Company and Plan participants.

Notwithstanding anything to the contrary in the Plan, the Committee will have the authority to modify, amend or adjust the terms and conditions of any Award as appropriate in the event of or in connection with any reorganization, recapitalization, stock split, stock dividend, combination or exchange of shares, merger, consolidation or any change in the capital structure of the Company.

SECTION 3. STOCK SUBJECT TO PLAN AND LIMITS ON AWARDS.
(a) Subject to adjustment as provided herein, the number of shares of Common Stock of the Company available for grant under the Plan in each calendar year (including partial calendar years) during which the Plan is in effect shall be equal to two percent (2.0%) of the total number of shares of Common Stock of the Company outstanding as of the first day of each such year for which the Plan is in effect; provided that any shares available for grant in a particular calendar year (or partial calendar year) which are not, in fact, granted in such year shall be added to the shares available for grant in any subsequent calendar year.

(b) Subject to adjustment as provided herein, the number of shares of Stock covered by Awards granted to any one participant will not exceed 750,000 shares for any consecutive three-year period and the aggregate dollar amount for Awards denominated solely in cash will not exceed

$7.5 million for any such period.

(c) In addition, and subject to adjustment as provided herein, no more than 7.5 million shares of Common Stock will be cumulatively available for the grant of Incentive Stock Options over the life of the Plan.

(d) Shares subject to an option or award under the Plan may be authorized and unissued shares or may be "treasury shares." In the event of any merger, reorganization, consolidation, re- capitalization, spin-off, stock dividend, stock split, extraor- dinary distribution with respect to the Stock or other change in corporate structure affecting the Stock, such substitution or adjustments will be made in the aggregate number and kind of shares reserved for issuance under the Plan, in the aggregate limit on grants to individuals, in the number, kind, and option price of shares subject to outstanding Stock Options and Stock Appreciation Rights, in the number and kind of shares subject to other outstanding Awards granted under the Plan and/or such other equitable substitutions or adjustments as may be determined to be appropriate by the Committee or the Board, in its sole discretion; provided, however, that the number of shares subject to any Award will always be a whole number.

(e) Awards under the MIP may not exceed in the case of (i) the Company's Chief Executive Officer, one and one-half percent (1.5%) of net income as defined; (ii) a president of any of the Company's operating companies, whether or not incorporated, six-tenths of one percent (0.6%) of net income as defined; and (iii) all other executive officers of the Company individually, one-half of one percent (0.5%) of net income as defined.

SECTION 4. ELIGIBILITY.
Officers, employees and directors of the Company, its subsidiaries and Affiliates who are responsible for or contribute to the management, growth and profitability of the business of the Company, its subsidiaries and Affiliates are eligible to be granted Awards under the Plan.

SECTION 5. STOCK OPTIONS.
Stock Options may be granted alone or in addition to other Awards granted under the Plan and may be of two types: Incentive Stock Options and Non-Qualified Stock Options. Any Stock Option granted under the Plan will be in such form as the Committee may from time to time approve.

The Committee will have the authority to grant any optionee Incentive Stock Options, Non-Qualified Stock Options or both types of Stock Options (in each case with or without Stock Appreciation Rights). Incentive Stock Options may be granted only to employees of the Company and its subsidiaries (within the meaning of Section 424(f) of the Code). To the extent that any Stock Option is not designated as an Incentive Stock Option or even if so designated does not qualify as an Incentive Stock Option, it will be deemed to be a Non-Qualified Stock Option.

Stock Options will be evidenced by option agreements, the terms and provisions of which may differ. An option agreement will indicate on its face whether it is an agreement for an Incentive Stock Option or a Non-Qualified Stock Option. The grant of a Stock Option will occur on the date the Committee by resolution selects an individual to be a participant in any grant of a Stock Option, determines the number of shares of Stock to be subject to such Stock Option to be granted to such individual and specifies the terms and provisions of the Stock Option. The Company will notify a participant of any grant of a Stock Option, and a written option agreement or agreements will be duly executed and delivered by the Company to the participant.

Anything in the Plan to the contrary notwithstanding, no term of the Plan relating to Incentive Stock Options will be interpreted, amended or altered nor will any discretion or au- thority granted under the Plan be exercised so as to disqualify the Plan under Section 422 of the Code or, without the consent of the optionee affected, to disqualify any Incentive Stock Option under such Section 422.

Stock Options granted under the Plan will be subject to the following terms and conditions and will contain such additional terms and conditions as the Committee will deem desirable:

(a) OPTION PRICE. The option price per share of Stock pur- chasable under a Stock Option will be determined by the Committee and set forth in the option agreement, and will not be less than the Fair Market Value of the Stock subject to the Stock Option on the date of grant.

(b) OPTION TERM. The term of each Stock Option will be fixed by the Committee, but no Incentive Stock Option may be exercisable more than 10 years after the date the Incentive Stock Option is granted.

(c) EXERCISABILITY. Except as otherwise provided herein, Stock Options will be exercisable at such time or times and subject to such terms and conditions as will be determined by the Committee. If the Committee provides that any Stock Option is exercisable only in installments, the Committee may, subject to the provisions of Section 2(d) hereof, at any time waive such installment exercise provisions, in whole or in part, based on such factors as the Committee may determine. In addition, the Committee may, subject to the provisions of Section 2(d) hereof, at any time accelerate the exercisability of any Stock Option.

(d) METHOD OF EXERCISE. Subject to the provisions of this
Section 5, Stock Options may be exercised, in whole or in part, at any time during the option term by giving written notice of exercise to the Company specifying the number of shares of Stock subject to the Stock Option to be purchased.

Such notice must be accompanied by payment in full of the purchase price by certified or bank check or such other instrument as the Company may accept. An option agreement may provide that, if approved by the Committee, payment in full or in part or payment of tax liability, if any, relating to such exercise may also be made in the form of unrestricted Stock al- ready owned by the optionee of the same class as the Stock sub- ject to the Stock Option and, in the case of the exercise of a Non-Qualified Stock Option, Restricted Stock subject to an Award hereunder which is of the same class as the Stock subject to the Stock Option (in both cases based on the Fair Market Value of the Stock on the date the Stock Option is exercised); provided, however, that, in the case of an Incentive Stock Option, the right to make a payment in the form of already owned shares of Stock of the same class as the Stock subject to the Stock Option may be authorized only at the time the Stock Option is granted. In addition, an option agreement may provide that, in the discretion of the Committee, payment for any shares subject to a Stock Option or tax liability associated therewith may also be made by instruction to the Committee to withhold a number of such shares having a Fair Market Value on the date of exercise equal to the aggregate exercise price of such Stock Option.

If payment of the option exercise price of a Non-Qualified Stock Option is made in whole or in part in the form of Restricted Stock, the number of shares of Stock to be received upon such exercise equal to the number of shares of Restricted Stock used for payment of the option exercise price will be subject to the same forfeiture restrictions to which such Restricted Stock was subject, unless otherwise determined by the Committee.

No shares of Stock will be issued until full payment therefor has been made. Subject to any forfeiture restrictions that may apply if a Stock Option is exercised using Restricted Stock, an optionee will have all of the rights of a stockholder of the Company holding the class or series of Stock that is subject to such Stock Option (including, if applicable, the right to vote the shares and the right to receive dividends), when the optionee has given written notice of exercise, has paid in full for such shares and, if requested, has given the representation described in Section 12(a).

(e) NONTRANSFERABILITY OF STOCK OPTIONS. (1) No Stock Option will be transferable by the optionee other than (A) by will or by the laws of descent and distribution or (B) in the case of a Non-Qualified Stock Option, pursuant to a qualified domestic relations order (as defined in the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended, or the rules thereunder). All Stock Options will be exercisable, during the optionee's lifetime, only by the optionee or by the guardian or legal representative of the optionee, it being understood that the terms "holder" and "optionee" include the guardian and legal representative of the optionee named in the option agreement and any person to whom a Stock Option is transferred by will or the laws of descent and distribution or pursuant to a qualified domestic relations order.

(2) Notwithstanding Section 5(e)(1) above, the Committee may grant Stock Options that are transferable, or amend outstanding Stock Options to make them transferable, by the optionee (any such Stock Option so granted or amended a "Transferable Option") to one or more members of the optionee's immediate family, to partnerships of which the only partners are members of the optionee's immediate family, or to trusts established by the optionee for the benefit of one or more members of the optionee's immediate family. For this purpose the term "immediate family" means the optionee's spouse, children or grandchildren. Consideration may not be paid for the transfer of a Transferable Option. A transferee described in this Section 5(e)(2) shall be subject to all terms and conditions applicable to the Transferable Option prior to its transfer. The option agreement with respect to a Transferable Option shall set forth its transfer restrictions, such option agreement shall be approved by the Committee, and only Stock Options granted pursu- ant to a stock option agreement expressly permitting transfer pursuant to this Section 5 (e)(2) shall be so transferable.

(f) TERMINATION BY DEATH. If an optionee's employment terminates by reason of death, any Stock Option held by such optionee may thereafter be exercised, to the extent then exercisable, or on such accelerated basis as the Committee may determine, for a period of one year (or such other period as the Committee may specify in the option agreement) from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is the shorter.

(g) TERMINATION BY REASON OF DISABILITY. If an optionee's employment terminates by reason of Disability, any Stock Option held by such optionee may thereafter be exercised by the optionee, to the extent it was exercisable at the time of termination, or on such accelerated basis as the Committee may determine, for a period of three years (or such shorter period as the Committee may specify in the option agreement) from the date of such termination of employment or until the expiration of the stated term of such Stock Option, whichever period is the shorter; provided, however, that if the optionee dies within such three-year period (or such shorter period), any unexercised Stock Option held by such optionee will, notwithstanding the expiration of such three-year (or such shorter) period, continue to be exer- cisable to the extent to which it was exercisable at the time of death for a period of 12 months from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is the shorter. In the event of termination of employment by reason of Disability, if an Incentive Stock Option is exercised after the expiration of the exercise periods that apply for purposes of Section 422 of the Code, such Stock Option will thereafter be treated as a Non-Qualified Stock Option.

(h) TERMINATION BY REASON OF RETIREMENT. If an optionee's employment terminates by reason of Retirement, any Stock Option held by such optionee may thereafter be exercised by the optionee, to the extent it was exercisable at the time of termination, or on such accelerated basis as the Committee may determine, for a period of five years (or such shorter period as the Committee may specify in the option agreement) from the date of such termination of employment or until the expiration of the stated term of such Stock Option, whichever period is the shorter; provided, however, that if the optionee dies within such five-year period (or such shorter period), any unexercised Stock Option held by such optionee will, notwithstanding such five-year (or such shorter) period, continue to be exercisable to the extent to which it was exercisable at the time of death for a pe- riod of 12 months from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is the shorter. In the event of termination of employment by reason of Retirement, if an Incentive Stock Option is exercised after the expiration of the exercise periods that apply for purposes of Section 422 of the Code, such Stock Option will thereafter be treated as a Non-Qualified Stock Option.

(i) OTHER TERMINATION. Unless otherwise determined by the Committee, if an optionee incurs a Termination of Employment for any reason other than death, Disability or Retirement or Cause, any Stock Option held by such optionee will thereupon terminate, except that such Stock Option, to the extent then exercisable, or subject to the provisions of Section 2(d) hereof, on such accelerated basis as the Committee may determine, may be exercised for the lesser of three months from the date of such Termination of Employment or the balance of such Stock Option's term; provided, however, that if the optionee dies within such three-month period, any unexercised Stock Option held by such optionee will, notwithstanding the expiration of such three-month period, continue to be exercisable to the extent to which it was exercisable at the time of death for a period of 12 months from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is the shorter. In the event of Termination of Employment, if an Incentive Stock Option is exercised after the expiration of the exercise periods that apply for purposes of Section 422 of the Code, such Stock Option will thereafter be treated as a Non-Qualified Stock Option.

(j) CASHING OUT OF STOCK OPTION. On receipt of written notice of exercise, the Committee may elect to cash out all or part of the shares of Stock for which a Stock Option is being exercised by paying the optionee an amount, in cash or Stock, equal to the excess of the Fair Market Value of the Stock over the option price times the number of shares of Stock for which the Option is being exercised on the effective date of such cash-out.

(k) CHANGE IN CONTROL CASH-OUT. Subject to Section 12(h), but notwithstanding any other provision of the Plan, during the 60-day period from and after a Change in Control (the "Exercise Period"), unless the Committee determines otherwise at the time of grant, an optionee will have the right, whether or not the Stock Option is fully exercisable and in lieu of the payment of the exercise price for the shares of Stock being purchased under the Stock Option and by giving notice to the Company, to elect (within the Exercise Period) to surrender all or part of the Stock Option to the Company and to receive cash, within 30 days of such notice, in an amount equal to the amount by which the Change in Control Price per share of Stock on the date of such election will exceed the exercise price per share of Stock under the Stock Option (the "Spread") multiplied by the number of shares of Stock granted under the Stock Option as to which the right granted under this Section 5(k) will have been exercised.

SECTION 6. STOCK APPRECIATION RIGHTS.
(a) GRANT AND EXERCISE. Stock Appreciation Rights may be granted in conjunction with all or part of any Stock Option granted under the Plan. In the case of a Non-Qualified Stock Option, such rights may be granted either at or after the time of grant of such Stock Option. In the case of an Incentive Stock Option, such rights may be granted only at the time of grant of such Stock Option. A Stock Appreciation Right will terminate and no longer be exercisable upon the termination or exercise of the related Stock Option.

A Stock Appreciation Right may be exercised by an optionee in accordance with Section 6(b) by surrendering the applicable portion of the related Stock Option in accordance with procedures established by the Committee. Upon such exercise and surrender, the optionee will be entitled to receive an amount determined in the manner prescribed in Section 6(b). Stock Options which have been so surrendered will no longer be exercisable to the extent the related Stock Appreciation Rights have been exercised.

(b) TERMS AND CONDITIONS. Stock Appreciation Rights will be subject to such terms and conditions as will be determined by the Committee, including the following:

(1) Stock Appreciation Rights will be exercisable only at such time or times and to the extent that the Stock Options to which they relate are exercisable in accordance with the provisions of Section 5 and this Section 6;

(2) Upon the exercise of a Stock Appreciation Right, an optionee will be entitled to receive an amount in cash, shares of Stock or both equal in value to the excess of the Fair Market Value of one share of Stock as of the date of exercise over the option price per share specified in the related Stock Option multiplied by the number of shares in respect of which the Stock Appreciation Right has been exer- cised, with the Committee having the right to determine the form of payment;

(3) Stock Appreciation Rights will be transferable only to permitted transferees of the underlying Stock Option in accordance with Section 5(e).

SECTION 7. RESTRICTED STOCK.
(a) ADMINISTRATION. Shares of Restricted Stock may be awarded either alone or in addition to other Awards granted under the Plan. The Committee will determine the individuals to whom and the time or times at which grants of Restricted Stock will be awarded, the number of shares to be awarded to any participant, the conditions for vesting, the time or times within which such Awards may be subject to forfeiture and any other terms and con- ditions of the Awards, in addition to those contained in Section 7(c).

(b) AWARDS AND CERTIFICATES. Shares of Restricted Stock will be evidenced in such manner as the Committee may deem appropriate, including book-entry registration or issuance of one or more stock certificates. Except as otherwise set forth in a Restricted Stock Agreement, any certificate issued in respect of shares of Restricted Stock will be registered in the name of such participant and will bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Award, substantially in the following form:

"The transferability of this certificate and the shares of stock represented hereby are subject to the terms and con- ditions (including forfeiture) of the 1997 Incentive Plan and a Restricted Stock Agreement. Copies of such Plan and Agreement are on file at the offices of Viad Corp, Viad Tower, Phoenix, Arizona."

The Committee may require that the certificates evidencing such shares be held in custody by the Company until the restrictions thereon have lapsed and that, as a condition of any Award of Restricted Stock, the participant has delivered a stock power, endorsed in blank, relating to the Stock covered by such Award.

(c) TERMS AND CONDITIONS. Shares of Restricted Stock will be subject to the following terms and conditions:

(1) The Committee may, prior to or at the time of grant, designate an Award of Restricted Stock as a Qualified Performance-Based Award, in which event it will condition the grant or vesting, as applicable, of such Restricted Stock upon the attainment of Performance Goals. If the Com- mittee does not designate an Award of Restricted Stock as a Qualified Performance-Based Award, it may also condition the grant or vesting thereof upon the attainment of Performance Goals or such other performance-based criteria as the Committee shall establish (such an Award, a "Performance-Based Restricted Stock Award"). Regardless of whether an Award of Restricted Stock is a Qualified Performance-Based Award or a Performance-Based Restricted Stock Award, the Committee may also condition the grant or vesting upon the continued service of the participant. The provisions of Re- stricted Stock Awards (including the conditions for grant or vesting and any applicable Performance Goals) need not be the same with respect to each recipient. The Committee may at any time, in its sole discretion, subject to the provisions of Section 7(c)(10), accelerate or waive, in whole or in part, any of the foregoing restrictions; provided, however, that in the case of Restricted Stock that is a Qualified Performance-Based Award, the applicable Performance Goals have been satisfied.

(2) Subject to the provisions of the Plan and the Restricted Stock Agreement referred to in Section 7(c)(8), during the period set by the Committee, commencing with the date of such Award for which such participant's continued service is required (the "Restriction Period") and until the later of (A) the expiration of the Restriction Period and (B) the date the applicable Performance Goals (if any) are satisfied, the participant will not be permitted to sell, assign, transfer, pledge or otherwise encumber shares of Restricted Stock.

(3) Except as provided in this paragraph (3) and Sections 7(c)(1) and (2) and the Restricted Stock Agreement, the participant will have, with respect to the shares of Re- stricted Stock, all of the rights of a stockholder of the Company holding the class or series of Stock that is the subject of the Restricted Stock, including, if applicable, the right to vote the shares and the right to receive any dividends. If so determined by the Committee in the ap- plicable Restricted Stock Agreement and subject to Section 12(f) of the Plan, (A) dividends consisting of cash, stock or other property (other than Stock) on the class or series of Stock that is the subject of the Restricted Stock shall be automatically deferred and reinvested in additional Restricted Stock (in the case of stock or other property, based on the fair market value thereof, and the Fair Market Value of the Stock, in each case as of the record date for the dividend) held subject to the vesting of the underlying Restricted Stock, or held subject to meeting any Performance Goals applicable to the underlying Restricted Stock, and (B) dividends payable in Stock shall be paid in the form of Restricted Stock of the same class as the Stock with which such dividend was paid and shall be held subject to the vesting of the underlying Restricted Stock, or held subject to meeting any Performance Goals applicable to the underlying Restricted Stock.

(4) Except to the extent otherwise provided in the applicable Restricted Stock Agreement, Section 7(c)(1),
7(c)(2), 7(c)(5) or 9(a)(2), upon a participant's Termi- nation of Employment for any reason during the Restriction Period or before any applicable Performance Goals are met, all shares still subject to restriction will be forfeited by the participant.

(5) Except to the extent otherwise provided in Section 9(a)(2) and Sections 7(c)(9) and (10), in the event that a participant retires or such participant's employment is involuntarily terminated (other than for Cause), the Commit- tee will have the discretion to waive in whole or in part any or all remaining restrictions (other than, in the case of Restricted Stock which is a Qualified Performance-Based Award, satisfaction of the applicable Performance Goals unless the participant's employment is terminated by reason of death or Disability) with respect to any or all of such participant's shares of Restricted Stock.

(6) Except as otherwise provided herein or as required by law, if and when any applicable Performance Goals are satisfied and the Restriction Period expires without a prior forfeiture of the Restricted Stock, unlegended certificates for such shares will be delivered to the participant upon surrender of legended certificates.

(7) Awards of Restricted Stock, the vesting of which is not conditioned upon the attainment of Performance Goals or other performance-based criteria, is limited to twenty percent (20%) of the number of shares of Common Stock of the Corporation available for grant under the Plan in each calendar year.

(8) Each Award will be confirmed by, and be subject to the terms of, a Restricted Stock Agreement.

(9) Performance-Based Restricted Stock will be subject to a minimum one-year performance period and Restricted Stock which is not performance-based will be subject to a minimum three-year vesting period.

(10) There will be no vesting acceleration, or waiver of forfeiture regarding any Award and any shares of Stock relating thereto, except in connection with a "change of control" of the Company, the sale of a subsidiary or majority-owned affiliate of the Company (and then only with respect to participants employed by each subsidiary or affiliate), the death or disability of a participant, or termination of employment of a participant.

SECTION 8. PERFORMANCE-BASED AWARDS.
(a) ADMINISTRATION. Performance-Based Awards may be award- ed either alone or in addition to other Awards granted under the Plan. Subject to the terms and conditions of the Plan, the Committee shall determine the officers and employees to whom and the time or times at

which Performance-Based Awards will be awarded, the number or amount of Performance-Based Awards to be awarded to any participant, whether such Performance-Based Award shall be denominated in a number of shares of Stock, an amount of cash, or some combination thereof, the duration of the Award Cycle and any other terms and conditions of the Award, in addition to those contained in Section 8(b).

(b) TERMS AND CONDITIONS. Performance-Based Awards will be subject to the following terms and conditions:

(1) The Committee may, prior to or at the time of the grant, designate Performance-Based Awards as Qualified Performance-Based Awards, in which event it will condition the settlement thereof upon the attainment of Performance Goals. If the Committee does not designate Performance-Based Awards as Qualified Performance-Based Awards, it may also condition the settlement thereof upon the attainment of Performance Goals or such other performance-based criteria as the Committee shall establish. Regardless of whether Performance-Based Awards are Qualified Performance-Based Awards, the Committee may also condition the settlement thereof upon the continued service of the participant. The provisions of such Performance-Based Awards (including without limitation any applicable Performance Goals) need not be the same with respect to each recipient. Subject to the provisions of the Plan and the Performance-Based Award Agreement referred to in Section 8(b)(5), Performance-Based Awards may not be sold, assigned, transferred, pledged or otherwise encumbered during the Award Cycle.

(2) Unless otherwise provided by the Committee (A) from time to time pursuant to the administration of particular Award programs under this Section 8, such as the Viad Corp Management Incentive Plan, the Viad Corp Performance Unit Incentive Plan or the Viad Corp Performance-Based Stock Plan or (B) in any agreement relating to an Award, and except as provided in Section 8(b)(3), upon a participant's Termination of Employment for any reason prior to the payment of an Award under this Section 8, all rights to receive cash or Stock in settlement of the Award shall be forfeited by the participant.

(3) In the event that a participant's employment is terminated (other than for Cause), or in the event a par- ticipant retires, the Committee shall have the discretion to waive, in whole or in part, any or all remaining payment limitations (other than, in the case of Awards that are Qualified Performance-Based Awards, satisfaction of the applicable Performance Goals unless the participant's employment is terminated by reason of death or Disability) with respect to any or all of such participant's Awards.

(4) At the expiration of the Award Cycle, the Com- mittee will evaluate the Company's performance in light of any Performance Goals for such Award, and will determine the extent to which a Performance-Based Award granted to the participant has been earned, and the Committee will then cause to be delivered to the participant, as specified in the grant of such Award: (A) a number of shares of Stock equal to the number of shares determined by the Committee to have been earned or (B) cash equal to the amount determined by the Committee to have been earned or (C) a combination of shares of Stock and cash if so specified in the Award.

(5) No Performance-Based Award may be assigned, transferred, or otherwise encumbered except, in the event of the death of a participant, by will or the laws of descent and distribution.

(6) Each Award will be confirmed by, and be subject to, the terms of a Performance-Based Award Agreement.

(7) Performance-Based Awards will be subject to a minimum one-year performance period.

SECTION 9. CHANGE IN CONTROL PROVISIONS.
(a) IMPACT OF EVENT. Notwithstanding any other provision of the Plan to the contrary, in the event of a Change in Control:

(1) Any Stock Options and Stock Appreciation Rights outstanding as of the date such Change in Control is determined to have occurred and not then exercisable and vested will become fully exercisable and vested to the full extent of the original grant;

(2) The restrictions and conditions to vesting applicable to any Restricted Stock will lapse, and such Re- stricted Stock will become free of all restrictions and become fully vested and transferable to the full extent of the original grant;

(3) Performance-Based Awards will be considered to be earned and payable to the extent, if any, and in an amount, if any, and otherwise, in accordance with the provisions of the agreement relating to such Awards.

(b) DEFINITION OF CHANGE IN CONTROL. For purposes of the Plan, a "Change in Control" will mean the happening of any of the following events:

(1) An acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of twenty percent (20%) or more of either (A) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (B) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); excluding, however, the following: (i) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (iv) any acquisition by any corporation pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (3) of this Section 9(b); or

(2) A change in the composition of the Board such that the individuals who, as of February 20, 1997, constitute the Board (such Board will be hereinafter referred to as the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, for purposes of this
Section 9(b), that any individual who becomes a member of the Board subsequent to February 20, 1997, whose election, or nomi- nation for election by the Company's stockholders, was approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) will be considered as though such individual were a member of the Incum- bent Board; but, provided further, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board will not be so considered as a member of the Incumbent Board; or

(3) The approval by the stockholders of the Company of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company ("Corporate Transaction") (or, if consummation of such Corporate Transaction is subject, at the time of such approval by stockholders, to the consent of any government or governmental agency, the earlier of the obtaining of such consent or the consummation of the Corporate Transaction); excluding, however, such a Corporate Transaction pursuant to which (A) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than sixty percent (60%) of, respectively, the outstanding shares of common stock, and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (B) no Person (other than the Company, any employee benefit plan (or related trust) of the Company or such corporation resulting from such Corporate Transaction) will beneficially own, directly or indirectly, twenty percent (20%) or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors except to the extent that such ownership existed prior to the Corporate Transaction and (C) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

(4) The approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(c) CHANGE IN CONTROL PRICE. For purposes of the Plan, "Change in Control Price" means the higher of (1) the highest reported sales price, regular way, of a share of Stock in any transaction reported on the New York Stock Exchange Composite Tape or other national exchange on which such shares are listed or on The Nasdaq Stock Market during the 60-day period prior to and including the date of a Change in Control or (2) if the Change in Control is the result of a tender or exchange offer or a Corporate Transaction, the highest price per share of Stock paid in such tender or exchange offer or Corporate Transaction; provided, however, that in the case of Incentive Stock Options and Stock Appreciation Rights relating to Incentive Stock Options, the Change in Control Price will be in all cases the Fair Market Value of the Stock on the date such Incentive Stock Option or Stock Appreciation Right is exercised. To the extent that the consideration paid in any such transaction described above consists all or in part of securities or other non-cash consideration, the value of such securities or other non-cash consideration will be determined in the sole discretion of the Board.

SECTION 10. TERM, AMENDMENT AND TERMINATION.
The Plan will terminate May 31, 2007, but may be terminated sooner at any time by the Board, provided that no Incentive Stock Options shall be granted under the Plan after February 19, 2007. Awards outstanding as of the date of any such termination will not be affected or impaired by the termination of the Plan.

The Board may amend, alter, or discontinue the Plan, but no amendment, alteration or discontinuation will be made which would (a) impair the rights of an optionee under a Stock Option or a recipient of a Stock Appreciation Right, Restricted Stock Award or Performance-Based Award theretofore granted without the optionee's or recipient's consent, except such an amendment which is necessary to cause any Award or transaction under the Plan to qualify, or to continue to qualify, for the exemption provided by Rule 16b-3, or (b) disqualify any Award or transaction under the Plan from the exemption provided by Rule 16b-3. In addition, no such amendment may be made without the approval of the Company's stockholders to the extent such approval is required by law or agreement.

The Committee may amend the terms of any Stock Option or other Award theretofore granted, prospectively or retroactively, but no such amendment will (1) impair the rights of any holder without the holder's consent except such an amendment which is necessary to cause any Award or transaction under the Plan to qualify, or to continue to qualify, for the exemption provided by Rule 16b-3 or (2) amend any Qualified Performance-Based Award in such a way as to cause it to cease to qualify for the exemption set forth in Section 162(m)(4)(C). The Committee may also substitute new Stock Options for previously granted Stock Options, including previously granted Stock Options having higher option prices; provided, however, that the Committee may take such action only with respect to Stock Options representing not more than 10% of then outstanding Stock Options.

Subject to the above provisions, the Board will have authority to amend the Plan to take into account changes in law and tax and accounting rules, as well as other developments and to grant Awards which qualify for beneficial treatment under such rules without stockholder approval.

SECTION 11. UNFUNDED STATUS OF PLAN.

It is presently intended that the Plan constitute an "unfunded" plan for incentive and deferred compensation. The Committee may authorize the creation of trusts or other arrange- ments to meet the obligations created under the Plan to deliver Stock or make payments; provided, however, that, unless the Com- mittee otherwise determines, the existence of such trusts or other arrangements is consistent with the "unfunded" status of the Plan.

SECTION 12. GENERAL PROVISIONS.
(a) The Committee may require each person purchasing or receiving shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring any shares without a view to the distribution thereof. The certificates for such shares may include any legend which the Committee deems appropriate to reflect any restrictions on trans- fer.

All certificates for shares of Stock or other securities delivered under the Plan will be subject to such stock transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the Commission, any stock exchange upon which the Stock is then listed and any applicable federal or state securities law, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

Notwithstanding any other provision of the Plan or agreements made pursuant thereto, the Company shall not be re- quired to issue or deliver any certificate or certificates for shares of Stock under the Plan prior to fulfillment of all of the following conditions:

(1) Listing or approval for listing upon notice of issuance, of such shares on the New York Stock Exchange, Inc., or such other securities exchange as may at the time be the principal market for the Stock;

(2) Any registration or other qualification of such shares of the Company under any state or federal law or regulation, or the maintaining in effect of any such registration or other qualification which the Committee shall, in its absolute discretion upon the advice of counsel, deem necessary or advisable; and

(3) Obtaining any other consent, approval, or permit from any state or federal governmental agency which the Committee shall, in its absolute discretion after receiving the advice of counsel, determine to be necessary or advisable.

(b) Nothing contained in the Plan will prevent the Company or any subsidiary or Affiliate from adopting other or additional compensation arrangements for its employees.

(c) The adoption of the Plan will not confer upon any employee any right to continued employment nor will it interfere in any way with the right of the Company or any subsidiary or Affiliate to terminate the employment of any employee at any time.

(d) No later than the date as of which an amount first becomes includible in the gross income of the participant for Federal income tax purposes with respect to any Award under the Plan, the participant will pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount. Un- less otherwise determined by the Company, withholding obligations may be settled with Stock, including Stock that is part of the Award that gives rise to the withholding requirement. The obligations of the Company under the Plan will be conditional on such payment or arrangements, and the Company and its Affiliates will, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the participant. The Committee may establish such procedures as it deems appropriate, including the making of irrevocable elections, for the settlement of withholding obligations with Stock.

(e) At the time of grant, the Committee may provide in connection with any grant made under the Plan that the shares of Stock received as a result of such grant will be subject to a right of first refusal pursuant to which the participant will be required to offer to the Company any shares that the participant wishes to sell at the then Fair Market Value of the Stock, sub- ject to such other terms and conditions as the Committee may specify at the time of grant.

(f) The reinvestment of dividends in additional Restricted Stock at the time of any dividend payment will only be permissible if sufficient shares of Stock are available under
Section 3 for such reinvestment (taking into account then outstanding Stock Options and other Awards).

(g) The Committee will establish such procedures as it deems appropriate for a participant to designate a beneficiary to whom any amounts payable in the event of the participant's death are to be paid or by whom any rights of the participant, after the participant's death, may be exercised.

(h) Notwithstanding any other provision of the Plan or any agreement relating to any Award hereunder, if any right granted pursuant to this Plan would make a Change in Control transaction ineligible for pooling-of-interests-accounting under APB No. 16 that, but for the nature of such grant, would otherwise be eligible for such accounting treatment, the Committee will have the ability, in its sole discretion, to substitute for the cash payable pursuant to such grant Common Stock with a Fair Market Value equal to the cash that would otherwise be payable hereunder.

(i) The Plan and all Awards made and actions taken thereunder will be governed by and construed in accordance with the laws of the State of Delaware.

SECTION 13. EFFECTIVE DATE OF PLAN.
The Plan will be effective on the later of (a) the time it is approved by the Board and (b) the time certain provisions of the Plan are approved by stockholders for tax purposes.

SECTION 14. DIRECTOR STOCK OPTIONS.
(a) Each director of the Company who is not otherwise an employee of the Company or any of its subsidiaries or Affiliates, will (1) on the date of his or her first election as a director of the Company (such initial grant being an "Initial Grant"), and
(2) annually on the Monday preceding the second Tuesday of May, during such director's term (the "Annual Grant"), automatically be granted Non-Qualified Stock Options to purchase Common Stock having an exercise price per share of Common Stock equal to 100% of Fair Market Value per share of Common Stock at the date of grant of such Non-Qualified Stock Option. The number of shares subject to each such Initial Grant, and each such Annual Grant, will be equal to the annual retainer fee in effect at the date of grant for non-employee directors of the Company divided by an amount equal to one-third (1/3) of the Fair Market Value of the Common Stock at the date of grant, rounded to the nearest 100 shares. A non-employee director who is first elected as a director of the Company during the course of a year (i.e., on a date other than the date of the Annual Grant) will, in addition to the Initial Grant, receive upon election a grant of Non-Qualified Stock Options prorated to reflect the number of months served in the initial year of service, with the number of shares of Common Stock subject to such Stock Option being equal to (1) the number of shares subject to the Initial Grant multiplied by
(2) a fraction the numerator of which will be the number of months from the date of such election through the date of the next Annual Grant and the denominator of which will be twelve (12).

(b) An automatic director Stock Option will be granted hereunder only if as of each date of grant the director (1) is not otherwise an employee of the Company or any of its sub- sidiaries or Affiliates, (2) has not been an employee of the Company or any of its subsidiaries or Affiliates for any part of the preceding fiscal year, and (3) has served on the Board continuously since the commencement of his term.

(c) Except as expressly provided in this Section 14, any Stock Option granted hereunder will be subject to the terms and conditions of the Plan as if the grant were made pursuant to
Section 5 hereof including, without limitation, the rights set forth in Section 5(j) hereof.

Exhibit 10.B

VIAD CORP

PERFORMANCE UNIT INCENTIVE PLAN

AS AMENDED THROUGH MAY 12, 1998

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 Viad Corp.

"Code" - The Internal Revenue Code of 1986, as amended, or its successor general income tax law of the United States.

"Committee" - The Human Resources Committee of the Board.

"Corporation" - Viad 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 from continuing operations, 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).

Return on Equity calculations 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).

Return on Equity calculations 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 VIAD RETURN ON COMMON STOCKHOLDERS' EQUITY.

Return on common stockholders' equity calculations will be made for Viad 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 VIAD EARNINGS PER SHARE GROWTH.

A realistic "Earnings Per Share" from continuing operations target for Viad 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.

F. ESTABLISHING TARGETS.

The appropriate targets, range of values above and below such 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 no later than 90 days after the beginning of each new Performance Period during the life of the Plan, after giving consideration to the recommendations of the Chief Executive Officer of Viad 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 Viad 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 Viad 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 achieve the targets notwithstanding the effects of such items.

Incentives to be paid under this Plan must be deducted from the 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. Notwithstanding the foregoing, 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%, as may be designated by the Committee; however, the Committee may, when appropriate, adjust such ranges upward or downward. 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 Earnings 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				
Return	100%	125%	150%	175%	200%
on	75%	100%	125%	150%	175%
Equity	50%	75%	100%	125%	150%
	25%	50%	75%	100%	125%
	0%	25%	50%	75%	100%

Improvement in Real Earnings

8. PARTICIPANT ELIGIBILITY.

Personnel will be eligible for participation as recommended by Viad Corp Chief Executive Officer for approval by the Committee no later than 90 days after 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 Viad Corp for approval by the Committee annually no later than 90 days after 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.

Any recapitalization, reclassification, stock split, stock dividend, sale of assets, combination or merger not otherwise provided for herein which affects the outstanding shares of Common Stock of the Corporation or any other change in the capitalization of the Corporation affecting the Common Stock shall be appropriately adjusted for by the Committee or the Board, and any such adjustments shall be final, conclusive and binding.

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 ten trading day period beginning on the day following public announcement of the Corporation's year-end financial results following the Performance Period. 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 Viad Corp.

Exhibit 10.C

VIAD CORP

PERFORMANCE UNIT INCENTIVE PLAN

PURSUANT TO THE VIAD 1997 OMNIBUS INCENTIVE PLAN

AS AMENDED THROUGH MAY 12, 1998

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 Viad Corp.

"Code" - The Internal Revenue Code of 1986, as amended, or its successor general income tax law of the United States.

"Committee" - The Human Resources Committee of the Board.

"Corporation" - Viad 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. The first goal for CORPORATE and TRAVELERS EXPRESS COMPANY Participants is Average Three-Year Return on Equity and for other Subsidiary Participants is Average Three-Year Return on Capital (Assets). A minimum (threshold) Return on Capital (Assets) or Return on Equity target will be established and must be met or exceeded before the Net Income Growth target can produce earned awards. Further, there cannot be a year when a Subsidiary's net income is down from the prior year or the threshold will not be met.

The second goal for each SUBSIDIARY Participant principally emphasizes growth in Average Three-Year Net Income.

The second goal for Corporate Participants also emphasizes Growth in Average Three-Year Net Income but the target will be based on income per share from continuing operations, the most appropriate measure in increasing shareholder value.

5. DETERMINATION OF TARGETS.
A. AVERAGE THREE-YEAR SUBSIDIARY RETURN ON CAPITAL (ASSETS) (EXCEPT TRAVELERS EXPRESS).

Return on Capital (Assets) calculations 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), total assets. Consideration will be given to any known or anticipated changes, and an appropriate weighted average annual Return on Capital (Assets) 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, including year-by-year Return on Capital (Assets) (on the same basis as previously described), overall Corporate objectives and, where appropriate, other circumstances. Intercompany amounts will be excluded from Capital (Assets). Cash and marketable securities will be included, except for Brewster Transport's investments on behalf of its Canadian parent companies. Accounts receivable sold will be reinstated as Capital (Assets) so that all accounts receivables are included and returns will not be affected by fluctuations in sold receivables. Capitalized value of leases entered into during the Performance Period for major assets (whether a sale- leaseback or a new lease) will be added to Capital (Assets) to properly include such assets, whether owned or leased. Major construction in process projects, which qualify for capitalization of interest under FASB rules, shall not be included in Capital (Assets) until operational (e.g. Banc One Ballpark - Restaura). Finally, classifications of assets must be consistent with previous years' practices.

B. AVERAGE THREE-YEAR RETURN ON EQUITY (TRAVELERS EXPRESS).

Return on Equity calculations 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 data, and an appropriate 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. Unplanned changes in unrealized securities gains and losses, an element of stockholder's equity pursuant to SFAS No. 115, are to be excluded in determining equity amounts to be used in the calculation of actual Return on Equity hereunder.

C. AVERAGE THREE-YEAR VIAD RETURN ON COMMON STOCKHOLDERS' EQUITY.

Return on common stockholders' equity calculations will be made for Viad 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 relevant industry data, and an appropriate 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. Similar to the Travelers Express Return on Equity definition above, unplanned changes in unrealized securities gains and losses are to be excluded in calculating actual Viad return on Equity hereunder, along with unplanned changes in unrealized foreign currency translation adjustments.

D. AVERAGE THREE-YEAR GROWTH IN SUBSIDIARY EARNINGS.

An appropriate average three-year net income 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 GROWTH IN THREE-YEAR VIAD INCOME PER SHARE.

An appropriate average three-year "Income Per Share" from continuing operations target for Viad Corp will be established after considering historical income 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.

F. ESTABLISHING TARGETS.

The appropriate targets, range of values above and below such 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 no later than 90 days after the beginning of each new Performance Period during the life of the Plan, after giving consideration to the recommendations of the Chief Executive Officer of Viad Corp. Performance Units will be earned based upon (1) achieving the minimum (threshold) Return on Equity or Capital (Assets) Target and (2) the degree of achievement of the net income or income per share target over the Performance Period following the date of grant. Earned Units can range, based on operating performance, from 0% to 200% of the target Units.

6. OTHER PLAN PROVISIONS.

Subsidiary net income and Viad income per share from continuing operations are determined before extraordinary items, effects of changes in accounting principles or a change in federal income tax rates after the target has been set. (For example, new FASB release on Earnings per share to be effective for periods after December 15, 1997 but not considered when targets were set). Reclassification of a major business unit to discontinued operations status after targets have been set would also require adjustment because of effect on Viad continuing operations results. While gains on disposition of a business would normally not be included in determining income per share, in the event of the sale of a subsidiary or major business unit, a portion of gain would be included for the difference between the sold unit's planned net income for the performance period and actual results to date of sale plus calculated interest savings on proceeds for the balance of the performance period, so that actual results are not penalized for selling a business.

There will be an addback to actual net income for any additional intercompany interest cost (net of tax) incurred by a subsidiary as the result of any special dividend paid (in excess of 100% of net income for a year) during the applicable performance period. In addition, an addback to actual net income will be allowed for any increased cost to a subsidiary for an increase in the formula allocation of corporate overhead over amounts included in the Plan/Forecast at the beginning of the applicable performance period.

Incentives to be paid under this Plan must be deducted from the subsidiary 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. RANGE OF PERFORMANCE AWARDS.

The range of values for the Corporation's or a Subsidiary Company's net income or income per share performance is set at a minimum of 80% of target for threshold and capped at 120% of the target. Notwithstanding the foregoing, 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%, as may be designated by the Committee; however, the Committee may, when appropriate, adjust such ranges upward or downward.

Performance Units will be earned based upon meeting or exceeding the minimum (threshold) Return target and the degree of achievement of the pre-defined net income (subsidiary) or income per share from continuing operations (Viad Corp) goals.

PERFORMANCE UNIT AWARD ILLUSTRATION:

RETURN THRESHOLD MET	NO(1)	YES	YES	YES	YES	YES	YES	YES	YES
% of Net Income/Income per Share Target Achieved (Illustration Assumes Target at 100% reflects 10% compounded annual growth) (2)	(1)	95.5%	97.0%	98.5%	100%	102%	104%	106%	108%
Percent of Award Earned	0% (1)	25%	50%	75%	100%	125%	150%	175%	200%

(1) Unless performance period Return threshold has been met, and for subsidiaries, each year's net income exceeds prior year, no award can be earned regardless of achievement against average income target.

(2) Percent of award earned will be interpolated when falling between the 25% increments.

8. PARTICIPANT ELIGIBILITY.

Personnel will be eligible for participation as recommended by the Viad Corp, Chief Executive Officer for approval by the Committee no later than 90 days after 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 Viad Corp for approval by the Committee annually no later than 90 days after 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.

Any recapitalization, reclassification, stock split, stock dividend sale of assets, combination or merger not otherwise provided for herein which affects the outstanding shares of Common Stock of the Corporation or any other change in the capitalization of the Corporation affecting the Common Stock shall be appropriately adjusted for by the Committee or the Board, and any such adjustments shall be final, conclusive and binding.

11. PAYMENTS 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 ten trading day period beginning on the day following public announcement of the Corporation's year-end financial results following the Performance Period. Distribution of the Award will be made within ninety (90) days following the close of the Performance Period. For those Executive Officers affected by Section 162(m) of the Internal Revenue Code, awards will be subject to discretionary downward adjustment 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.

The Plan shall be effective January 1, 1997, provided however, that any Award made under this Plan is subject to the approval of the Viad 1997 Omnibus Incentive Plan by the stockholders of Viad Corp.

Exhibit 10.D

PERFORMANCE-BASED STOCK PLAN

VIAD CORP

As Amended and Restated
Effective May 1998

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 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 X TARGET AWARD

```
Percentage Value          Stock     $150,000 x 15%
of Performance-     x     Price =   --------------
Based Stock                         77% x $43.00   = 680
                                                     Shares
```

Performance Period: -- Performance Period will be measured over a three-year period, with the initial grant beginning April 1, 1993, and ending March 31, 1996. A new three-year 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 schedules below:

1995 AND PRIOR AWARDS

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%

1996 AND 1997 AWARDS

PERFORMANCE (TSR) RELATIVE TO S&P MIDCAP 400	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%

1998 AND FUTURE AWARDS

PERFORMANCE (TSR) RELATIVE TO S&P MIDCAP 400	PERCENT OF SHARES EARNED	PERFORMANCE (TSR) RELATIVE TO PROXY COMPARATOR GROUP	PERCENT OF SHARES EARNED

105%	50.0%	105%	50.0%
100%	37.5%	100%	37.5%
95%	30.0%	95%	30.0%
90%	20.0%	90%	20.0%

-- 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:

-- The common stock price used for determining awards based on achievement of performance goals and targets shall be calculated based on the average of the daily means of the market prices of the common stock of the Company, during (i) the ten trading day period ending on the last day of the month immediately preceding the beginning of the applicable performance period and (ii) the ten trading day period ending on the last day of such performance period, respectively.

-- 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.

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM VIAD CORP'S FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JUNE 30, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

MULTIPLIER: 1,000 Exhibit 27 VIAD CORP FINANCIAL DATA SCHEDULE

FISCAL YEAR END	DEC 31 1998
PERIOD END	JUN 30 1998
PERIOD TYPE	6 MOS
CASH	32,923
SECURITIES	0
RECEIVABLES	129,503
ALLOWANCES	4,980
INVENTORY	106,682
CURRENT ASSETS	956,973
PP&E	832,426
DEPRECIATION	365,297
TOTAL ASSETS	4,493,876
CURRENT LIABILITIES	3,168,653
BONDS	531,103
COMMON	149,610
PREFERRED MANDATORY	6,618
PREFERRED	0
OTHER SE	424,725
TOTAL LIABILITY AND EQUITY	4,493,876
SALES	0
TOTAL REVENUES	1,259,851
CGS	0
TOTAL COSTS	1,163,632
OTHER EXPENSES	14,155
LOSS PROVISION	0
INTEREST EXPENSE	21,407
INCOME PRETAX	81,346
INCOME TAX	25,345
INCOME CONTINUING	56,001
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	56,001
EPS PRIMARY	0.59
EPS DILUTED	0.56

End of Filing