

VIAD CORP

FORM 10-Q (Quarterly Report)

Filed 4/26/2000 For Period Ending 3/31/2000

Address	1850 NORTH CENTRAL AVE SUITE 800 PHOENIX, Arizona 85004-4545
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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 March 31, 2000
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 March 31, 2000, 93,699,554 shares of Common Stock (\$1.50 par value) were outstanding.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

**VIAD CORP
CONSOLIDATED BALANCE SHEETS**

(000 omitted, except number of shares)	March 31, 2000 (Unaudited)	December 31, 1999

ASSETS		
Current assets:		
Cash and cash equivalents	\$ 32,335	\$ 33,106
Short-term investments	73,889	95,545
Receivables	78,909	43,276
Inventories	89,806	73,687
Deferred income taxes	33,575	36,990
Other current assets	42,367	36,664
	-----	-----
Funds, agents' receivables and current maturities of investments restricted for payment service obligations, after eliminating \$37,500 and \$50,000 invested in Viad commercial paper	350,881	319,268
	-----	-----
Total current assets	919,498	922,161
Investments in securities	170,541	173,359
Investments restricted for payment service obligations	3,033,031	2,936,171
Property and equipment	308,310	313,623
Other investments and assets	109,731	121,159
Deferred income taxes	101,190	115,058
Intangibles	650,895	629,340
	-----	-----
	\$ 5,293,196	\$ 5,210,871
=====		
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term bank loans	\$ 13,803	\$ 13,855
Accounts payable	89,679	82,465
Other current liabilities	200,765	204,228
Current portion of long-term debt	27,823	32,814
	-----	-----
Payment service obligations	332,070	333,362
	-----	-----
Total current liabilities	3,928,283	3,921,196
Long-term debt	399,883	342,603
Pension and other benefits	71,537	71,402
Other deferred items and insurance liabilities	150,513	154,435
Minority interests	4,118	5,950
\$4.75 Redeemable preferred stock	6,644	6,640
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	266,893	289,798
Retained income	661,045	643,352
Unearned employee benefits and other	(104,251)	(129,818)
Accumulated other comprehensive income:		
Unrealized loss on securities classified as available for sale	(54,361)	(70,021)
Cumulative translation adjustments	(5,290)	(4,935)
Minimum pension liability adjustment	(1,674)	(1,674)
Common stock in treasury, at cost, 6,040,371 and 5,497,132 shares	(179,754)	(167,667)
	-----	-----
Total common stock and other equity	732,218	708,645
	-----	-----
	\$ 5,293,196	\$ 5,210,871
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See Notes to Consolidated Financial Statements.

VIAD CORP
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(000 omitted, except per share data)	Three months ended March 31,	
	2000	1999
<hr/>		
Revenues:		
Ongoing operations	\$ 408,219	\$ 362,477
Sold businesses		10,928
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Revenues from continuing operations	408,219	373,405
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Costs and expenses:		
Costs of sales and services	366,928	343,005
Corporate activities	4,761	5,153
Other investment income	(4,478)	
Interest expense	6,611	6,495
Minority interests	138	501
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	373,960	355,154
<hr/>		
Income before income taxes	34,259	18,251
Income taxes	8,206	3,401
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INCOME FROM CONTINUING OPERATIONS	26,053	14,850
Income from discontinued operations		5,535
<hr/>		
NET INCOME	\$ 26,053	\$ 20,385
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DILUTED NET INCOME PER COMMON SHARE:		
CONTINUING OPERATIONS	\$ 0.28	\$ 0.15
Discontinued operations		0.05
<hr/>		
Net income per share	\$ 0.28	\$ 0.20
<hr/>		
BASIC NET INCOME PER COMMON SHARE:		
Continuing operations	\$ 0.29	\$ 0.15
Discontinued operations		0.06
<hr/>		
Net income per share	\$ 0.29	\$ 0.21
<hr/>		
Average outstanding common shares	89,847	94,640
Additional dilutive shares related to stock-based compensation	2,358	3,812
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Average outstanding and potentially dilutive common shares	92,205	98,452
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Dividends declared per common share	\$ 0.09	\$ 0.08
<hr/>		
Preferred stock dividends	\$ 283	\$ 283
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See Notes to Consolidated Financial Statements.

VIAD CORP
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

(000 omitted)	Three months ended March 31,	
	2000	1999
Net income	\$ 26,053	\$ 20,385
Other comprehensive income (loss), net of tax:		
Unrealized gain (loss) on securities classified as available for sale:		
Holding gains (losses) arising during the period, net of tax provision (benefit) of \$10,106 and \$(2,651)	15,806	(4,147)
Reclassification adjustment for net realized gains included in net income, net of tax provision of \$94 and \$900	(146)	(1,407)
	15,660	(5,554)
Unrealized foreign currency translation adjustments:		
Holding (losses) gains arising during the period	(355)	181
Other comprehensive income (loss)	15,305	(5,373)
Comprehensive income	\$ 41,358	\$ 15,012
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See Notes to Consolidated Financial Statements.

VIAD CORP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(000 omitted)	Three months ended March 31,	
	2000	1999
<hr/>		
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES:		
Net income	\$ 26,053	\$ 20,385
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	16,121	15,120
Deferred income taxes	8,592	(4,984)
Income from discontinued operations		(5,535)
Other noncash items, net	1,133	619
Change in operating assets and liabilities:		
Receivables and inventories	(39,990)	(11,314)
Payment service assets and obligations, net	45,869	105,714
Accounts payable and accrued compensation	(15,864)	(17,110)
Other assets and liabilities, net	6,922	(815)
<hr/>		
Net cash provided by operating activities	48,836	102,080
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CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES:		
Capital expenditures	(7,307)	(10,346)
Acquisitions of businesses, net of cash acquired	(24,179)	(10,311)
Cash provided by discontinued operations		4,639
Proceeds from sales of businesses, property and other assets, net	104	52,797
Proceeds from sales and maturities of securities	432,925	330,850
Purchases of securities	(482,143)	(446,420)
<hr/>		
Net cash used by investing activities	(80,600)	(78,791)
<hr/>		
CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES:		
Payments on long-term borrowings	(30,161)	(141)
Net change in short-term borrowings	81,948	8,000
Dividends on common and preferred stock	(8,403)	(7,887)
Exercise of stock options	1,263	6,222
Common stock purchased for treasury	(13,654)	(9,493)
<hr/>		
Net cash provided (used) by financing activities	30,993	(3,299)
<hr/>		
Net (decrease) increase in cash and cash equivalents	(771)	19,990
Cash and cash equivalents, beginning of year	33,106	15,554
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CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 32,335	\$ 35,544
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See Notes to Consolidated Financial Statements.

VIAD CORP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

NOTE A -- BASIS OF PREPARATION

The Consolidated Financial Statements of Viad Corp ("Viad") include the accounts of 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 on Form 10-K for the year ended December 31, 1999.

Accounting policies utilized in the preparation of this interim financial information 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 March 31, 2000, and its results of operations and its cash flows for the three months ended March 31, 2000 and 1999 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 2000 presentation.

NOTE B -- ASSETS RESTRICTED FOR PAYMENT SERVICE OBLIGATIONS

Viad's Payment Services subsidiaries generate funds from the sale of money orders and other payment instruments, with the related liabilities classified as "Payment service obligations." Substantially all of the proceeds of such sales, along with certain additional subsidiary 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. In addition, certain funds and other investments and the fair value of off-balance-sheet swap agreements (described below) of Payment Services subsidiaries are available if necessary to meet such obligations. Accordingly, such assets of Payment Services subsidiaries are not available to satisfy working capital or other financing requirements of Viad.

As described in notes to Viad's annual financial statements, a Payment Services subsidiary hedges a substantial portion of the variable rate commission payments to its selling agents and the variable rate expense of selling receivables from its bill payment and money order agents through the purchase of swap agreements. The swap agreements effectively convert such variable rate payments to fixed rate payments. The fair value of such swap agreements, while not recorded on Viad's Consolidated Balance Sheets, normally increases when the fair values of fixed rate, long-term debt investments held by Payment Services subsidiaries decline (and vice versa).

Under normal circumstances, the swap agreements will not be terminated prior to maturity, nor is there any requirement to sell long-term debt securities prior to maturity, as the funds flow from ongoing sales of money orders and other payment instruments and funds from maturing long-term and short-term investments are expected to be adequate to settle payment service items as they are presented.

The following is a summary of asset and liability carrying amounts related to the payment service obligations, including additional subsidiary funds and the fair value of related off-balance-sheet swap agreements:

(000 omitted)	March 31, 2000	December 31, 1999

Funds, agents' receivables and current maturities of investments restricted for payment service obligations, including \$37,500 and \$50,000 invested in Viad commercial paper (1)	\$ 606,117	\$ 652,893
Investments restricted for payment service obligations (2)	3,033,031	2,936,171
Other assets available for payment service obligations	7,801	3,009
Payment service obligations	(3,596,213)	(3,587,834)
Fair value of off-balance-sheet swap agreements (3)	65,199	56,708

Total	\$ 115,935	\$ 60,947
=====		

(1) The commercial paper is supported by Viad's revolving bank credit agreement (see Note D).

(2) Securities classified as "available for sale" are carried at market value and securities classified as "held to maturity" are carried at amortized cost in accordance with SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities." The decrease in the unrealized loss for the first quarter of 2000 was due principally to decreases in longer-term market interest rates (see Note C).

(3) The fair value represents the estimated amounts that Viad would receive from counterparties to terminate the swap agreements at March 31, 2000 and December 31, 1999. The increase in the fair value for the first quarter of 2000 was due principally to increases in short-term interest rates.

NOTE C -- INVESTMENTS RESTRICTED FOR PAYMENT SERVICE OBLIGATIONS

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

(000 omitted)	March 31, 2000	December 31, 1999

Securities classified as available for sale, at fair value (amortized cost of \$2,289,221 and \$2,278,793)	\$ 2,202,888	\$ 2,167,250
Securities classified as held to maturity, at amortized cost (fair value of \$842,775 and \$771,668)	851,452	788,068

	3,054,340	2,955,318
Less current maturities	(21,309)	(19,147)

	\$ 3,033,031	\$ 2,936,171
=====		

NOTE D -- DEBT

At March 31, 2000 and December 31, 1999, Viad classified as long-term debt \$126,000,000 and \$44,000,000, respectively, of short-term borrowings which, along with the \$37,500,000 and \$50,000,000, respectively, of commercial paper issued to a Viad Payment Services subsidiary, are supported by unused commitments under a \$300,000,000 long-term revolving bank credit agreement.

NOTE E -- 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 three months ended March 31, is as follows:

(000 omitted)	2000	1999
-----	-----	-----
Computed income taxes at statutory federal income tax rate of 35%	\$ 11,991	\$ 6,388
Nondeductible goodwill amortization	703	695
State income taxes	788	302
Tax-exempt income	(7,850)	(6,204)
Adjustment to estimated annual effective tax rate	2,500	2,500
Other, net	74	(280)
-----	-----	-----
Income taxes	\$ 8,206	\$ 3,401
=====	=====	=====

NOTE F -- SEGMENT INFORMATION

Viad measures profit and performance of its operations on the basis of operating income before nonrecurring items. Previously, Viad measured and presented profit and performance based on income from continuing operations after minority interests and income taxes, but before nonrecurring items. An adjustment is made to the Payment Services segment to present revenues and operating income on a fully taxable equivalent basis for income resulting from investments in tax-exempt securities. Intersegment sales and transfers are not significant. Corporate activities include expenses not allocated to operations. Consolidated revenues, operating income and interest expense reflect the elimination of intercompany interest payments on investments in Viad commercial paper by a Payment Services subsidiary.

Disclosures regarding Viad's reportable segments along with reconciliations to consolidated totals are presented below.

(000 omitted)	Three months ended March 31,	
	2000	1999

Revenues:		
Payment Services	\$ 151,850	\$ 131,135
Convention and Event Services	261,852	235,120

Reportable segments	413,702	366,255
Travel and recreation services	9,801	9,210

SUBTOTAL, ONGOING OPERATIONS	423,503	375,465
Sold travel & recreation businesses (1)		10,928
Intercompany interest elimination	(945)	(1,655)

Subtotal	422,558	384,738
Less taxable equivalent adjustment	(14,339)	(11,333)

	\$ 408,219	\$ 373,405
=====		
Operating income:		
Payment Services	\$ 29,746	\$ 24,130
Convention and Event Services	27,464	24,038

Reportable segments	57,210	48,168
Travel and recreation services	(635)	(1,572)

SUBTOTAL, ONGOING OPERATIONS	56,575	46,596
Sold travel & recreation businesses (1)		(3,208)
Corporate activities	(4,761)	(5,153)
Intercompany interest elimination	(945)	(1,655)

Subtotal	50,869	36,580
Less taxable equivalent adjustment	(14,339)	(11,333)

	36,530	25,247
Other investment income	4,478	
Interest expense	(6,611)	(6,495)
Minority interests	(138)	(501)

Income before income taxes	\$ 34,259	\$ 18,251
=====		

(1) The sold travel and recreation businesses category includes operating results up to the respective dates of sale for businesses which have not been classified as discontinued operations.

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

RESULTS:

Viad Corp ("Viad") focuses on two principal service businesses: Payment Services and Convention and Event Services.

There were no 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 "Results of Operations" section of Management's Discussion and Analysis of Results of Operations and Financial Condition presented in the Viad Corp Annual Report on Form 10-K for the year ended December 31, 1999.

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

COMPARISON OF FIRST QUARTER OF 2000 TO THE FIRST QUARTER OF 1999:

In the first quarter of 2000, revenues increased \$34.8 million, or 9.3 percent, to \$408.2 million from \$373.4 million in 1999. The 1999 revenues include \$10.9 million related to noncore travel and recreation businesses sold in the first quarter of 1999, but not classified as discontinued operations. Revenues of ongoing businesses on a fully taxable equivalent basis, excluding the sold travel and recreation businesses, rose 12.8 percent for the quarter.

Income from continuing operations for the first quarter of 2000 was \$26.1 million, or \$0.28 per share, an increase of 86.7 percent on a per share basis from the 1999 first quarter income from continuing operations of \$14.9 million, or \$0.15 per share. Net income for the 2000 quarter was also \$26.1 million, or \$0.28 per share, compared to \$20.4 million, or \$0.20 per share, in the 1999 quarter. The 1999 quarter included \$5.5 million, or \$0.05 per share, from discontinued operations, representing the operating results of Dobbs International Services, Inc. ("Dobbs"), sold July 1, 1999.

There were 6.2 million fewer average outstanding and potentially dilutive common shares in 2000 than in 1999, due primarily to stock repurchases made in 1999 and 2000. In addition, a lower Viad stock price in 2000 contributed to fewer additional dilutive shares related to unexercised stock options.

PAYMENT SERVICES. A Payment Services subsidiary invests substantial amounts of its growing money order and official check funds in tax-exempt securities, which have lower pre-tax yields but produce higher income on an after-tax basis than comparable taxable investments. On the fully taxable equivalent basis, first quarter revenues of the Payment Services segment were \$151.9 million, up \$20.7 million, or 15.8 percent from 1999 first quarter revenues. Operating income increased \$5.6 million, or 23.3 percent. Operating margins on the fully taxable equivalent basis were 19.6 percent in the first quarter of 2000, up from 18.4 percent in the 1999 first quarter. Results were driven by continued strong growth in money order, official check and Game Financial operations, with the addition of key new accounts contributing to the gains. Transaction volume for MoneyGram grew approximately 13 percent over the prior year, with strong growth in Latin America and international, offset partially by some softness in transaction volume in the Mexico corridor.

CONVENTION AND EVENT SERVICES. Convention and Event Services revenues increased \$26.7 million, or 11.4 percent, to \$261.9 million in the first quarter of 2000. Operating income for the segment increased 14.3 percent to \$27.5 million in the 2000 first quarter. Operating margins increased to 10.5 percent, up from 10.2 percent in the 1999 first quarter, with continued focus on productivity improvements and cost reductions. Both GES Exposition Services and Exhibitgroup/Giltspur reported solid gains in revenues and operating income.

TRAVEL AND RECREATION SERVICES. Revenues of the travel and recreation businesses increased 6.4 percent from those in the 1999 first quarter, primarily as a result of higher room rates at hotels operated in Canada. The seasonal operating loss for the first quarter declined due to the increase in revenues. The first and fourth quarters are historically the slowest for these businesses.

CORPORATE ACTIVITIES. Expenses of corporate activities decreased 7.6 percent in the first quarter of 2000 compared to the first quarter of 1999.

OTHER INVESTMENT INCOME. Other investment income of \$4.5 million in the 2000 first quarter was generated from the investment of the cash proceeds remaining from the July 1, 1999 sale of Dobbs after repayment of short-term borrowings, repurchase of treasury shares and the funding of acquisitions.

INTEREST EXPENSE. Interest expense increased slightly in the 2000 first quarter over that of the first quarter of 1999, but decreased \$300,000 from interest expense in the fourth quarter of 1999. Lower average borrowings during the quarter were partially offset by the effects of an increase in short-term interest rates.

INCOME TAXES. The effective tax rate in the 2000 first quarter was 24.0 percent compared to 18.6 percent for the first quarter of 1999 and 20.5 percent for the 1999 full year. The relatively low effective tax rate is primarily attributable to tax-exempt investment income from Viad's Payment Services businesses. The tax rate is expected to increase as tax-exempt investment income becomes a lower proportion of pre-tax income from continuing operations.

LIQUIDITY AND CAPITAL RESOURCES:

Viad's total debt at March 31, 2000 was \$441.5 million compared with \$389.3 million at December 31, 1999. The debt-to-capital ratio at March 31, 2000 was 0.37 to 1, compared with 0.35 to 1 at December 31, 1999. The increase since year-end was primarily attributable to a seasonal increase in working capital and the repurchase of treasury shares.

During the first quarter of 2000, Viad repurchased 586,000 treasury shares for \$13.7 million under Viad's stock repurchase programs. Net proceeds from the exercise of stock options, including tax benefits on stock option exercises, totaled \$1.3 million during the quarter.

The balance of the investments in securities arising from the July 1, 1999 sale of Dobbs totaled \$244.4 million at March 31, 2000. The balance declined \$24.5 million during the 2000 first quarter, primarily as a result of funding strategic acquisitions.

EBITDA is a measure of Viad's ability to service debt, fund capital expenditures and finance growth, and should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with generally accepted accounting principles. EBITDA is defined by Viad as income from continuing operations before interest expense, income taxes, depreciation and amortization and includes the fully taxable equivalent adjustment. EBITDA was \$71.3 million in the first quarter of 2000, an increase of 39.3 percent over that of the 1999 quarter.

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, 1999.

FORWARD-LOOKING STATEMENTS:

As provided by the safe harbor provision under the "Private Securities Litigation Reform Act of 1995," Viad cautions readers that, in addition to the historical information contained herein, this Quarterly Report on Form 10-Q includes certain forward-looking statements, assumptions and discussions, including those relating to expectations of or current trends in future growth, productivity improvements, consumer demand, new business, investment policies, cost reduction efforts and market risk disclosures. Such statements involve risks and uncertainties which may cause results to differ materially from those set forth in those statements. Among other things, consumer demand patterns, purchasing decisions related to customer demand for convention and event services, existing and new competition, industry alliances and consolidation and growth patterns within the industries in which Viad competes may individually or in combination impact future results. In addition to the factors mentioned elsewhere, economic, competitive, governmental, technological, capital marketplace and other factors could affect the forward-looking statements contained in this filing.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As described in Note B, debt and equity securities classified as "available for sale" are carried at fair value, with the net unrealized holding gain or loss included in the Consolidated Balance Sheets as a component of "Accumulated other comprehensive income." A portion of Viad's Payment Services business involves the payment of commissions to selling agents of its official check program. A Viad Payment Services subsidiary has also entered into agreements to sell receivables from its bill payment and money order agents. The agent commissions and expense of selling receivables are computed based on short-term variable interest rates that subject Viad to risk arising from changes in such rates. Viad has hedged a substantial portion of this risk through the purchase of swap agreements which convert the variable rate payments to fixed rates. Viad is also exposed to short-term interest rate risk on certain of its debt obligations and trade accounts receivable sales.

Based on a hypothetical 10 percent proportionate increase in interest rates from the average level of interest rates during the last twelve months, and taking into consideration expected investment positions, commissions payable to selling agents, growth in new business, the effects of the swap agreements and the expected borrowing level of variable-rate debt, the annual decrease in pre-tax income would be approximately \$2.0 million. A hypothetical 10 percent proportionate decrease in interest rates, based on the same set of assumptions, would result in an annual increase in pre-tax income of approximately \$2.1 million.

The fair value of securities classified as available for sale, the fair value of the swap agreements and the fair value of fixed-rate debt are sensitive to changes in interest rates. A 10 percent proportionate increase in interest rates would result in an estimated decrease in the fair value of securities classified as available for sale of approximately \$82.2 million (along with an after-tax decrease in accumulated other comprehensive income of approximately \$50.2 million), an estimated off-balance-sheet increase in the fair value of Viad's swap agreements of approximately \$39.1 million and an estimated off-balance-sheet decrease in the fair value of Viad's fixed-rate debt of approximately \$3.3 million. A 10 percent proportionate decrease in interest rates would result in an estimated increase in the fair value of securities classified as available for sale of approximately \$78.5 million (along with an after-tax increase in accumulated other comprehensive income of approximately \$47.9 million), an estimated off-balance-sheet decrease in the fair value of Viad's swap agreements of approximately \$39.1 million and an estimated off-balance-sheet increase in the fair value of Viad's fixed-rate debt of approximately \$3.4 million.

PART II. OTHER INFORMATION

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

No matters were submitted to a vote of security holders during the first quarter of 2000.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibit No. 27 - Financial Data Schedule

(b) No reports on Form 8-K were filed by the registrant during the quarter for which this report is filed.

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)

By /s/ Catherine L. Stevenson

*Catherine L. Stevenson
Vice President - Controller
(Chief Accounting Officer
and Authorized Officer)*

April 26, 2000

INDEX TO EXHIBITS

EXHIBIT
NUMBER

DESCRIPTION OF EXHIBITS

27

Financial Data Schedule

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM VIAD CORP'S FORM 10-Q FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2000 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

MULTIPLIER: 1,000

PERIOD TYPE	3 MOS
FISCAL YEAR END	DEC 31 2000
PERIOD END	MAR 31 2000
CASH	32,335
SECURITIES	73,889
RECEIVABLES	81,396
ALLOWANCES	2,487
INVENTORY	89,806
CURRENT ASSETS	919,498
PP&E	573,876
DEPRECIATION	265,566
TOTAL ASSETS	5,293,196
CURRENT LIABILITIES	3,928,283
BONDS	399,883
PREFERRED MANDATORY	6,644
PREFERRED	0
COMMON	149,610
OTHER SE	582,608
TOTAL LIABILITY AND EQUITY	5,293,196
SALES	0
TOTAL REVENUES	408,219
CGS	0
TOTAL COSTS	366,928
OTHER EXPENSES	4,761
LOSS PROVISION	0
INTEREST EXPENSE	6,611
INCOME PRETAX	34,259
INCOME TAX	8,206
INCOME CONTINUING	26,053
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	26,053
EPS BASIC	.29
EPS DILUTED	.28

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