

# VIAD CORP

## FORM 8-K (Unscheduled Material Events)

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Industry	Business Services
Sector	Services
Fiscal Year	12/31

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

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report: June 13, 1996

**THE DIAL CORP**

(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction of  
incorporation or organization)

001-11015  
(Commission  
File Number)

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

DIAL TOWER, PHOENIX, ARIZONA  
(Address of principal executive offices)

85077  
(Zip Code)

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

## **Item 2. Acquisition or Disposition of Assets.**

On February 15, 1996, The Dial Corp ("Dial") announced that its Board of Directors had approved a proposal for a strategic restructuring which would separate Dial's consumer products and services businesses into two publicly traded companies. Common stockholders of Dial are expected to receive a special dividend of one share of the consumer products company for each Dial common share owned on the record date (the "Distribution"). Concurrently with the Distribution, the name of The Dial Corp will be changed to "Viad Corp" and the consumer products business will become an independent, publicly traded company under the name, "The Dial Corporation."

The Distribution is subject to final approval by the Dial Board of Directors and to certain conditions, including the receipt of a ruling from the Internal Revenue Service that the proposed transaction is tax-free and confirmation that each of the two separate companies will retain investment-grade credit ratings. The Distribution is expected to be completed later in 1996.

On May 29, 1996, shareholders of Greyhound Lines of Canada ("GLOC") voted to separate its intercity bus transportation business and its tourism business into two independent companies. GLOC minority shareholders also approved an automatic share exchange proposal whereby their ownership interests in the tourism business, aggregating 31.5 percent, were exchanged for Dial's 68.5 percent ownership interest in the intercity bus transportation business such that Dial became the owner of 100 percent of the tourism business in exchange for its ownership in the intercity bus transportation business (the "Disposition"). The separation and exchange of shares was effective May 31, 1996.

## **Item 7. Financial Statements and Exhibits.**

(b) Pro forma financial information.

The accompanying Pro Forma Consolidated Balance Sheet of Dial as of March 31, 1996 and Pro Forma Statements of Consolidated Income for the three months ended March 31, 1996 and 1995 and for the year ended December 31, 1995, have been prepared to reflect the historical financial position and results of continuing operations as adjusted for (1) reclassification of the consumer products and Canadian intercity bus transportation businesses as discontinued operations in light of the transactions described in Item 2 above and (2) to give effect to the Distribution of Dial's consumer products business and the Disposition of its Canadian intercity bus transportation business. The historical results of operations of the consumer products and the Canadian intercity bus transportation businesses up to their respective disposition dates and the loss (primarily transaction costs and recognition of previously unrealized foreign currency translation adjustments) on the disposition of the Canadian intercity bus transportation business will be reported as discontinued operations in Dial's subsequent financial statements.

In the opinion of management, all adjustments necessary to present fairly such pro forma financial statements have been made.

The Pro Forma Consolidated Balance Sheet has been prepared as if the Distribution and Disposition occurred on March 31, 1996; the Pro Forma Statements of Consolidated Income have been prepared as if the Distribution and Disposition occurred on the first day of the respective periods presented. The pro forma financial information is unaudited and is not necessarily indicative of the results that would have occurred if the transactions had been consummated as of March 31, 1996, or at the beginning of the respective periods presented.

The pro forma consolidated financial information should be read in conjunction with the accompanying Notes to Pro Forma Consolidated Financial Statements and the historical consolidated financial statements of The Dial Corp and the notes thereto.

THE DIAL CORP  
PRO FORMA CONSOLIDATED BALANCE SHEET  
MARCH 31, 1996  
(000 omitted)

Pro Forma Adjustments

	Historical	Reclassification to Discontinued Operations	Recording of Disposition and Distribution	Pro Forma
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 26,219	\$ (5,377) (a)	\$	\$ 20,842
Receivables	234,338	(47,832) (a)		186,506
Inventories	252,721	(162,621) (a)		90,100
Deferred income taxes	65,006	(31,585) (a)		32,848
		(573) (b)		
Other current assets	44,411	(6,248) (a)		38,163
	622,695	(254,236)		368,459
Funds, agents' receivables and current maturities of investments restricted for payment service obligations, after eliminating \$90,000 invested in Dial commercial paper	556,750			556,750
<b>Total current assets</b>	<b>1,179,445</b>	<b>(254,236)</b>		<b>925,209</b>
<b>Investments restricted for payment service obligations</b>				
Property and equipment	877,655	(262,419) (a)		877,655
Other investments and assets	855,569	(5,505) (a)	12,938 (g)	593,150
Investments in discontinued operations:				
Consumer products business		499,244 (a)	(279,691) (c)	---
		(81,788) (b)	(3,750) (d)	
			(134,015) (e)	
Canadian intercity bus transportation business		55,369 (a)	(1,130) (f)	---
			(54,239) (g)	
Deferred income taxes	149,509	(27,860) (a)		58,007
		(63,642) (b)		
Intangibles	857,730	(341,828) (a)	14,681 (g)	530,583
	\$ 4,023,026	\$ (482,665)	\$ (445,206)	\$ 3,095,155

Pro Forma Adjustments

	Historical	Reclassification to Discontinued Operations	Recording of Disposition and Distribution	Pro Forma
	-----	-----	-----	-----
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Short-term bank loans	\$ 309	\$ (309) (a)	\$ \$	---
Accounts payable	248,935	(116,228) (a)		131,664
		(1,043) (b)		
Accrued compensation	66,049	(18,652) (a)		47,397
Other current liabilities	303,395	(73,393) (a)	11,250 (e)	239,738
		(2,705) (b)	1,191 (f)	
Current portion of long-term debt	77,338			77,338
	-----	-----	-----	-----
	696,026	(212,330)	12,441	496,137
Payment service obligations	1,528,140			1,528,140
	-----	-----	-----	-----
Total current liabilities	2,224,166	(212,330)	12,441	2,024,277
Long-term debt	822,733		(280,000) (c)	529,401
			309 (c)	
			(13,641) (g)	
Pension and other benefits	325,592	(105,024) (a)		78,313
		(142,255) (b)		
Other deferred items and insurance reserves	48,011	(12,492) (a)		35,519
Minority interests	30,220	(10,564) (a)	(742) (f)	7,956
			(10,958) (g)	
\$4.75 Redeemable preferred stock	6,599			6,599
Common stock and other equity	565,705		(15,000) (d)	413,090
			(134,015) (e)	
			(1,579) (f)	
			(2,021) (g)	
			(11,559) (g)	
			11,559 (g)	
	-----	-----	-----	-----
	\$ 4,023,026	\$ (482,665)	\$ (445,206)	\$ 3,095,155
	=====	=====	=====	=====

See notes to pro forma consolidated financial information.

**/TABLE**

THE DIAL CORP  
PRO FORMA STATEMENT OF CONSOLIDATED INCOME  
YEAR ENDED DECEMBER 31, 1995  
(000 omitted, except per share data)

Pro Forma Adjustments

	Historical	Reclassification to Discontinued Operations		Recording of Disposition and Distribution		Pro Forma
REVENUES	\$ 3,575,070	\$ (1,503,019)	(a)			\$ 2,072,051
Costs and expenses:						
Costs of sales and services	3,271,151	(1,379,607)	(a)	367	(h)	1,891,911
Restructuring charges and asset write-downs	191,100	(135,600)	(a)			55,500
Unallocated corporate expense and other items, net	43,194	(11,997)	(b)	(1,083)	(h)	30,114
Interest expense	75,994	(21,243)	(a)			54,751
Minority interests	4,346	(1,717)	(a)	(1,169)	(h)	1,460
	3,585,785	(1,550,164)		(1,885)		2,033,736
Income (loss) before income taxes	(10,715)	47,145		1,885		38,315
Income taxes (benefit)	(11,852)	13,448	(a)	483	(i)	6,630
		4,551	(b)			
Income from continuing operations (1)	\$ 1,137	\$ 29,146		\$ 1,402		\$ 31,685
Income from continuing operations per common share (1)	\$ 0.00					\$ 0.34
Average outstanding common and equivalent shares	88,707					88,707

(1) Pro forma income from continuing operations and income from continuing operations per common share is after deducting restructuring charges and asset write-downs of \$35,100,000 (after-tax) or \$0.40 per share.

See notes to pro forma consolidated financial information.

/TABLE

THE DIAL CORP  
PRO FORMA STATEMENT OF CONSOLIDATED INCOME  
THREE MONTHS ENDED MARCH 31, 1996  
(000 omitted, except per share data)

Pro Forma Adjustments

	Historical	Reclassification to Discontinued Operations		Recording of Disposition and Distribution		Pro Forma
REVENUES	\$ 936,413	\$ (381,551)	(a)	\$		\$ 554,862
Costs and expenses:						
Costs of sales and services	866,591	(345,328)	(a)	92	(h)	521,355
Unallocated corporate expense and other items, net	11,640	(2,613)	(b)	(271)	(h)	8,756
Interest expense	19,955	(5,628)	(a)			14,327
Minority interests	31	123	(a)	252	(h)	406
	898,217	(353,446)		73		544,844
Income before income taxes	38,196	(28,105)		(73)		10,018
Income taxes	13,702	(11,716)	(a)	121	(i)	3,098
		991	(b)			
Income from continuing operations	\$ 24,494	\$ (17,380)		\$ (194)		\$ 6,920
Income from continuing operations per common share	\$ 0.27					\$ 0.07
Average outstanding common and equivalent shares	90,783					90,783

See notes to pro forma consolidated financial information.

/TABLE

THE DIAL CORP  
PRO FORMA STATEMENT OF CONSOLIDATED INCOME  
THREE MONTHS ENDED MARCH 31, 1995  
(000 omitted, except per share data)

Pro Forma Adjustments

	Historical	Reclassification to Discontinued Operations		Recording of Disposition and Distribution	Pro Forma
REVENUES	\$ 858,197	\$ (366,891)	(a)	\$	\$ 491,306
Costs and expenses:					
Costs of sales and services	794,337	(333,475)	(a)	92 (h)	460,954
Unallocated corporate expense and other items, net	11,149	(2,270)	(b)	(271) (h)	8,608
Interest expense	18,427	(5,012)	(a)		13,415
Minority interests	63	141	(a)	199 (h)	403
	823,976	(340,616)		20	483,380
Income before income taxes	34,221	(26,275)		(20)	7,926
Income taxes	12,714	(10,853)	(a)	121 (i)	2,843
		861	(b)		
Income from continuing operations	\$ 21,507	\$ (16,283)		\$ (141)	\$ 5,083
Income from continuing operations per common share	\$ 0.24				\$ 0.05
Average outstanding common and equivalent shares	87,956				87,956

See notes to pro forma consolidated financial information.  
**/TABLE**



## THE DIAL CORP

### NOTES TO PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

#### Pro Forma Adjustments:

##### Reclassification to Discontinued Operations:

- (a) To reclassify to investment in discontinued operations the assets and liabilities of the consumer products and Canadian intercity bus transportation businesses and to eliminate the operating accounts of such businesses from continuing operations.
- (b) To reclassify to investment in discontinued operations the assumption by the consumer products business of certain Dial liabilities and related deferred income tax assets along with the related expenses arising from such items.

##### Recording of Disposition and Distribution:

- (c) To record the effective transfer of approximately \$280 million of Dial's outstanding indebtedness to the consumer products business as follows: In conjunction with the Distribution, Dial will borrow approximately \$280 million under a new \$350 million bank credit facility and will use the proceeds to repay outstanding indebtedness of Dial. The credit facility and the related liability will then be assumed by the consumer products business.
- (d) To record estimated transaction costs of the Distribution of the consumer products business.
- (e) To record the Distribution of the consumer products business to Dial shareholders.
- (f) To record the transaction costs associated with the Disposition of the Canadian intercity bus transportation business.
- (g) To record the assumption of approximately \$13.6 million of Dial's outstanding indebtedness by the Canadian intercity bus transportation business, the receipt by Dial of notes totaling approximately \$13 million from the Canadian intercity bus transportation business, and the exchange of Dial's shares of the Canadian intercity bus transportation business for the minority shares in the Canadian tourism business coincident with the separation of the Canadian intercity bus transportation business from the Canadian tourism business, resulting in a loss on Disposition of approximately \$2.0 million, and the recognition of previously unrealized foreign currency translation losses of approximately \$11.5 million.
- (h) To record the ongoing income statement impact of the exchange described in (g).
- (i) To record the income tax impact of the pro forma income statement adjustments.

## SIGNATURES

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

### THE DIAL CORP

By: s/ Richard C. Stephan

Richard C. Stephan Vice President-Controller

DATE: June 13, 1996

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**End of Filing**

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