

VIAD CORP

FORM 10-K405

(Annual Report (Regulation S-K, item 405))

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Sector	Services
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SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-K

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

For the Fiscal Year Ended December 31, 1995

Commission File Number 001-11015

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

Delaware (State or Other Jurisdiction of Incorporation or
Organization)

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

Dial Tower, Phoenix, Arizona (Address of principal executive offices)
85077 (Zip Code)

Registrant's telephone number, including area code: 602-207-4000 **Securities registered pursuant to Section 12(b) of the Act:**

Title of each class -----	Name of each exchange on which registered -----
Common Stock, \$1.50 par value	New York Stock Exchange Pacific Coast Stock Exchange
\$4.75 Preferred Stock (stated value \$100 per share)	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all 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 //

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. /X/

As of March 15, 1996, 94,345,996 shares of Common Stock (\$1.50 par value) were outstanding and the aggregate market value of the common Stock (based on its closing price per share on such date) held by nonaffiliates was approximately \$2.73 billion.

DOCUMENTS INCORPORATED BY REFERENCE

Documents -----	Where Incorporated -----
A portion of Proxy Statement for Annual Meeting of Shareholders to be held May 14, 1996	Part III

PART I

ITEM 1. BUSINESS.

The Dial Corp ("Dial" or "Corporation"), conducts a consumer products and services business primarily focused on North American markets producing annual revenues of approximately \$3.6 billion. Dial has announced plans for a strategic restructuring of these businesses which will separate Dial into two publicly-traded companies: one comprised of the consumer products business and the other of the services business. See "Restructuring Transactions and Dispositions."

Dial's CONSUMER PRODUCTS segment operates in four major categories, as follows:

PERSONAL CARE, which manufactures and markets DIAL, TONE, SPIRIT, PURE & NATURAL and LIQUID DIAL soaps, and other soap and personal care products;

DETERGENT, which manufactures and markets PUREX, TREND and BABY SOFT dry and liquid detergents, and other laundry detergent products;

HOUSEHOLD, which manufactures and markets RENUZIT air fresheners, DIAL dishwashing detergents, BRILLO scouring pads, SNO BOL toilet bowl cleaners, PARSONS and BO-PEEP ammonia, BRUCE floor care products, CAMEO powdered cleanser, PUREX TOSS 'N SOFT sheet fabric softeners, PUREX RINSE 'N SOFT and PUREX STA PUF liquid fabric softeners, and other household items; and

FOOD, which processes and markets ARMOUR STAR chili, beef stew, corned beef hash and Vienna sausage, TREET luncheon meat, LUNCH BUCKET microwaveable meals, and other shelf-stable canned and packaged foods.

Dial's SERVICES business operates in three principal business segments through subsidiary corporations of Dial, as follows:

AIRLINE CATERING AND SERVICES, which engages in airline catering operations, providing in-flight meals to domestic and international airlines, and provides airplane fueling and ground handling services;

CONVENTION SERVICES, which provides exhibit design and construction and exhibition preparation, installation, electrical, transportation and management services to major trade shows, manufacturers, museums, and exhibit halls and other customers; and

TRAVEL AND LEISURE AND PAYMENT SERVICES, which offers money orders through a national network of retail agents, provides official checks and negotiable instrument clearing services to mid-size bank customers and credit unions, and provides home banking and remote bill payment services; engages in cruise line and hotel/resort operations, recreation and travel services, Canadian intercity bus transportation, and operation of duty-free shops on cruise ships and at international airports; and operates restaurants, fast food outlets and contract foodservice facilities and concessions ranging from cafeterias in manufacturing plants to corporate executive dining rooms to the food and beverage facilities of the Phoenix, Arizona, America West Arena.

Dial subsidiaries operate service or production facilities and maintain sales and service offices in the United States, Canada, Guatemala and Mexico. The Corporation also conducts business in certain other foreign countries.

Dial had approximately 200 employees at its corporate center at December 31, 1995, providing management, financial and accounting, tax, administrative, legal and other services to its operating units and handling residual matters pertaining to businesses previously discontinued or sold by the Corporation. Dial is managed by a Board of Directors comprised of 9 nonemployee directors and two employee directors and has an executive management team consisting of seven Dial officers and eight principal executives of significant operating divisions or companies.

Dial's corporate headquarters and certain Consumer Products division and subsidiary activities are located in Phoenix, Arizona, in a modern high-rise building. A portion of the headquarters building is rented to unaffiliated tenants.

A description of each of the Dial business segments and recent developments in each follows.

CONSUMER PRODUCTS SEGMENT

CONSUMER PRODUCTS is a leading producer and marketer of personal care, detergent, household and shelf-stable food products. This segment originated as the grocery products division of Armour and Company, and has been expanded in recent years to include PUREX household and laundry products, BORAXO household and industrial specialty products, BRECK hair care products and RENUZIT air fresheners and other consumer products. The segment manufactures and markets a variety of products, including bar and liquid soaps, liquid and powdered detergents, antiperspirants, hairsprays, shampoos, hair conditioners, bleaches, fabric softeners, soap pads, air fresheners, floor care products, household cleaners, fabric sizing, laundry starch products, borax and industrial specialties products, microwaveable food products, canned meat products, and packaged food products.

PERSONAL CARE

Personal Care products are marketed under a number of brand names, including DIAL, MOISTURIZING DIAL PLUS, MOUNTAIN FRESH DIAL, DIAL FOR KIDS, TONE, PURE & NATURAL, SPIRIT and FELS NAPHTHA soaps, LIQUID DIAL antibacterial soap, BORAXO powdered hand soap and DIAL antiperspirant. Personal Care also markets the BRECK line of hair care products, including hairsprays, shampoos and hair conditioners. DIAL bar soap is the nation's leading deodorant soap and LIQUID DIAL soap is the nation's leading antibacterial liquid soap. SPIRIT bar soap, a three-in-one combination bar that cleans, moisturizes and provides deodorant protection, is distributed nationally, as is TONE, a complexion and moisturizing bar with cocoa butter, and many of the Corporation's other personal care products. In 1995, Personal Care introduced three new product lines: a Dial Ultra Skin Care line, including a bath bar, a body wash and a liquid hand soap; a complete line of Nature's Accents skin care products; and the K y line of hair care products. Several of the Dial Ultra Skin Care and Nature's Accent products are produced in Guatemala by ISC International Ltd. and its subsidiary companies which were acquired by Dial

in July 1995.

Personal Care also markets hotel amenity products, including personal-size bar soaps under the DIAL, TONE and PURE & NATURAL labels, and industrial specialties products, including hand soaps sold under the BORAXO and 20 MULE TEAM trademarks, hand and body cleansers for the medical market and hand cleaners for the automotive market.

DETERGENT

Detergent products include brands such as PUREX liquid and powder laundry detergents, TREND liquid and powder detergents, DUTCH and INSTANT FELS powder detergents, and PUREX BABY SOFT powder and liquid detergents. Nationally, PUREX is the second largest brand used in the detergent category.

In 1995, the PUREX BABY SOFT powder and liquid line of detergents was introduced on a national basis, and TREND liquid detergent was expanded nationally.

HOUSEHOLD

Household products include brands such as RENUZIT air fresheners, including RENUZIT Adjustable, RENUZIT Aerosol, RENUZIT ROOMMATE and RENUZIT LONGLAST ELECTRIC, BRILLO soap pads, SNO BOL toilet bowl cleaners, CAMEO powdered cleanser, PARSONS and BO-PEEP ammonia, PUREX TOSS 'N SOFT sheet fabric softeners, RINSE 'N SOFT and STA PUF liquid fabric softeners, MAGIC sizing and starch, STA-FLO starch, 20 MULE TEAM BORAX laundry additive and BRUCE floor care products.

During the fourth quarter of 1994, Household introduced a line of DIAL dishwashing detergents, consisting of DIAL dish powder and gel detergents for use in automatic dishwashers and a liquid DIAL dish soap which also kills germs on hands. In 1995, Household introduced RENUZIT NEW NATURALS, a line of aerosol air fresheners.

FOOD

In the shelf-stable food category, the Food division markets ARMOUR STAR and TREET canned meats, LUNCH BUCKET microwaveable meals and CREAM corn starch. ARMOUR STAR products maintain a strong market position in the canned meats category. ARMOUR STAR Vienna sausage, potted meat and sliced dried beef lead their respective segments on a national basis, and ARMOUR STAR canned meats now account for approximately one-sixth of all canned meat sales in the United States.

During 1995, Food introduced two line extensions, ULTIMATE CHILI LOVERS' CHILI and DELI STYLE Salads, and two new product lines, ARMOUR STAR BIG ONES MEAT STICKS and NO MORE LUMPS All-Purpose Thickener.

CUSTOMERS

CONSUMER PRODUCTS sells to thousands of customers, primarily in the United States, including supermarkets, drug stores, wholesalers, mass merchandisers, membership club stores, distributors and other outlets. These customers are served by a national sales organization of approximately 320 employees organized into 4 individual sales divisions plus specialized sales operations which sell to large mass merchandisers, membership club stores, chain drug stores, vending and military customers. In addition, customers are served by a national broker sales organization and a national retail merchandising organization.

RAW MATERIALS

Ample sources of raw materials are available with respect to all major products of the CONSUMER PRODUCTS segment.

COMPETITION

CONSUMER PRODUCTS competes primarily on the basis of brand equity, brand advertising, customer service, product performance, and product quality at competitive retail price points. Its operations must compete with numerous well-established local, regional and national companies, some of which are very large and act aggressively in obtaining and defending their products' market shares and brands. Principal competitors, in one or more categories, are The Procter & Gamble Company, Colgate-Palmolive Company, Lever Brothers Co., American Home Food Products, Hormel Foods Corp., The Clorox Company, Church & Dwight Co., Inc., and S.C. Johnson & Son, Inc.

SERVICES SEGMENTS

SERVICES is built around several company groups which are leading competitors in their businesses, including companies engaged in airline catering (Dobbs International Services), airplane fueling and ground handling (Aircraft Service International), convention services (GES Exposition Services and Exhibitgroup/Giltspur), payment services (Travelers Express), contract foodservices (Restaura), Canadian intercity bus passenger and package express service (Greyhound Lines of Canada), family cruises (Premier Cruise Lines), airport and cruise ship duty-free businesses (Greyhound Leisure Services), and travel services (Brewster Transport, Jetsave and Crystal Holidays).

AIRLINE CATERING AND SERVICES

Airline catering and aircraft fueling and other ground-handling operations are conducted through the Dobbs International Services and Aircraft

Service International groups of companies. Dobbs International, which has been conducting airline catering operations since 1941, is the second largest domestic in-flight caterer. At the end of 1995, Dobbs International's in-flight catering operations provided in-flight meals to more than 80 domestic and international airlines at 47 airports in the United States and 5 airports in foreign countries. Dobbs International has been involved in a "Quality Improvement Process" for many years and has been recognized for its innovations by its customers and suppliers. The Aircraft Service International group of companies provides aircraft ground-handling services such as aircraft fueling, aircraft cleaning and baggage handling for major domestic and foreign airlines at 37 airports throughout the United States and in Freeport, Bahamas and London, England.

Dobbs International and Aircraft Service International are focused on meeting the outsourcing needs of the airline industry, providing a lower-cost alternative to those airlines which are committed to reduce costs and operate more profitably.

CONVENTION SERVICES

Convention services are provided by the Corporation's GES Exposition and Exhibitgroup companies. GES Exposition, the nation's leading supplier of convention services, provides decorating, exhibit preparation, installation, electrical, transportation and management services for conventions and tradeshow.

In January 1995, GES Exposition acquired Panex Show Services Limited and Stampede Display and Convention Services Limited, two Canadian companies that provide tradeshow and exposition services in Toronto, Calgary and Edmonton. Another Canadian company, Exposervice Standard Inc., a Montreal based tradeshow and exposition service company, was acquired in January 1996. GES Exposition also acquired Concept Convention Services, Inc. in July 1995, and Badger Exposition Services, Inc. and related businesses in September 1995. Concept and Badger are regional exposition services companies headquartered in Phoenix, Arizona, and Milwaukee, Wisconsin, respectively. Exhibitgroup is a designer and builder of convention exhibits and displays, with manufacturing facilities in 15 U.S. cities and in Toronto, Canada. During 1995, Exhibitgroup expanded its operations by asset acquisition of All West Display Inc., a company headquartered in Portland, Oregon, and Displaymasters, Inc. and Deaton Museum Services, Inc., companies headquartered in Minneapolis, Minnesota. Exhibitgroup also acquired Giltspur Inc. and certain affiliated companies in October 1995. The combined businesses of Exhibitgroup and Giltspur are conducted under the trade name Exhibitgroup/Giltspur, and constitute the largest exhibit and display business in the nation.

TRAVEL AND LEISURE AND PAYMENT SERVICES

Travel and leisure services are provided by the Premier Cruise Lines, Greyhound Leisure Services, Jetsave, Crystal Holidays, Greyhound Lines of Canada and Brewster Transport business units.

Premier Cruise Lines provides three-day and four-day BIG RED BOAT cruises from Port Canaveral, Florida, to the Bahamas and specializes in seven-day vacations which combine a cruise with a three-day or four-day Orlando theme park vacation. Premier operates two cruise ships, the 38,772-ton Star/Ship Oceanic and the 35,143-ton Star/Ship Atlantic. Cruise destinations offer various underwater diving and snorkeling attractions, historical tours, sandy beaches and shopping opportunities. In February 1995, Premier Cruise Lines exercised its option to purchase the 17,042-ton Star/Ship Majestic, which had previously been leased and used to offer cruises from ports other than Port Canaveral, and leased it to a European cruise company under a 4-year bareboat charter agreement. In July 1995, Premier Cruise Lines also exercised its option to purchase the Star/Ship Atlantic, which had previously been leased by the Company.

Greyhound Leisure Services operates duty-free shopping concessions on 42 cruise ships and also operates duty-free shops at the Chicago, Miami and Fort Lauderdale/Hollywood Florida international airports. Other recreation and travel services are provided under the Jetsave and Crystal Holidays names. Jetsave and Crystal Holidays are leading United Kingdom operators of tour packages and specialty tours throughout Europe, and from Europe to the United States, Canada and the Bahamas.

Greyhound Lines of Canada Ltd. ("GLOC"), a Canadian publicly traded company, is a 69%-owned subsidiary which operates the largest intercity bus transportation system for passengers, charter service and package express in Canada. Routes connect with those of other intercity bus carriers, providing interconnecting service to areas of the United States and Canada not served directly by GLOC. GLOC owns and operates 425 intercity coaches. Brewster Transport Company, Ltd., a subsidiary of GLOC, operates tour and charter buses in the Canadian Rockies, and engages in travel agency, hotel and snocoach tour operations. In May 1995, Brewster acquired TransPacific Tours Limited, a package tour company with significant access to the Japanese marketplace, and in July 1995, disposed of its joint venture interest in the Mt. Norquay ski facility in Banff, Alberta, Canada. Brewster owns and operates 84 intercity coaches and 14 buses, as well as 14 snocoaches which transport sightseers on tours of the glaciers of the Columbia Icefield.

Dial's payment services business is conducted by the Travelers Express group of companies which engages in the sale of money orders to the public through approximately 43,000 agent locations in the United States and Puerto Rico. Travelers Express is the nation's leading issuer of money orders, processing over 249 million money orders in 1995. Travelers Express provides processing services for approximately 6,000 credit unions and other financial institutions which offer share drafts (the credit union industry's version of a personal check), official checks (used by financial institutions in place of their own bank check or cashier's check) or money orders. Republic Money Order Company, a Travelers Express unit, is a leader in the issuance of money orders through chain, convenience and supermarket stores and in money order-issuance technology. In December 1994, Travelers Express expanded its business, beginning operation of an automated bill payment product and related assets purchased from BUYPASS Corporation, a leading point-of-sale processing company, supported by an operating relationship with that company to provide an electronic processing service for in-person utility bill payment. In October 1995, Travelers also acquired PayMate, Inc., a supplier of home banking and remote bill payment services.

The Restaura group of companies' contract foodservice division serves meals to workers at approximately 200 locations, including employees of major companies such as General Motors, IBM and Ford, through cafeteria, executive dining room and vending operations. Restaura also acts as the prime concessionaire for all food and beverage services at the Phoenix, Arizona, America West Arena and operates 7 historic lodges in and around Glacier National Park in Montana and Canada.

COMPETITION

SERVICES companies generally compete on the basis of price, quality, convenience and service, and encounter substantial competition from a large number of providers of similar services, including numerous well-known local, regional and national companies, cruise lines, private payment service companies and the U.S. Postal Service (money orders), many of which have greater resources than the Corporation. Travelers Express also competes on the basis of business automation and technology and Dobbs International also competes on the basis of reliability, condition of kitchen facilities and truck fleet, and on-time record. The U.S. Postal Service and First Data Corporation are the principal competition of Travelers Express, and Caterair International/Sky Chefs is the principal competitor of Dobbs International. On a national basis, Freeman Decorating Company is the principal competitor of GES Exposition. GLOC competes primarily on the basis of price and service. Principal competitors include airlines, railroads, private automobiles and other intercity bus lines.

PATENTS AND TRADEMARKS

United States patents are currently granted for a term of 20 years from the date a patent application is filed. The Dial companies own a number of patents which give them competitive advantages in the marketplace, including a number of patents owned by Exhibitgroup/Giltspur covering exhibit systems and by Travelers Express for automated money order dispensing systems. The Travelers Express patents cover security, automated reporting and control, and other features which are important in the issuance of money orders. CONSUMER PRODUCTS also has the right, pursuant to license agreements, to operate under certain third-party patents covering specific technologies.

United States trademark registrations are for a term of 10 years, renewable every 10 years so long as the trademarks are used in the regular course of trade. The Dial companies maintain a portfolio of trademarks representing substantial goodwill in the businesses using the marks. Many trademarks used by CONSUMER PRODUCTS, including DIAL, PURE & NATURAL, ARMOUR STAR, TONE, TREET, PARSONS, BRUCE, CAMEO, PUREX, DUTCH, RENUZIT, BRILLO, SNO BOL, BRECK, TREND, PUREX TOSS N' SOFT, STA PUF, FLEECY WHITE, BABY SOFT, 20 MULE TEAM, BORAXO, LUNCH BUCKET, and MAGIC, and by SERVICES, including the DOBBS, PREMIER CRUISE LINES, BIG RED BOAT, GILTSPUR and TRAVELERS EXPRESS service marks, have substantial importance and value. Use of the ARMOUR and ARMOUR STAR trademarks by CONSUMER PRODUCTS is permitted by a perpetual license granted by ConAgra, Inc. and use of the 20 MULE TEAM trademark is permitted by a perpetual license granted by U.S. Borax, Inc. In addition, in connection with their businesses, certain subsidiaries within SERVICES use the Greyhound and the Image of the Running Dog marks, which are owned by the Corporation.

GOVERNMENT REGULATION

Substantially all of the operations of CONSUMER PRODUCTS and many of the operations of SERVICES are subject to various federal laws and agency regulations, in particular, the Food, Drug and Cosmetic Act, the Food and Drug Administration, the Department of Agriculture, the Federal Maritime Commission, and various state laws and regulatory agencies. In addition, other subsidiaries of Dial are subject to similar laws and regulations imposed by foreign jurisdictions. Both rates and routes of GLOC are regulated by federal and provincial authorities of Canada.

ENVIRONMENTAL

Dial is subject to various environmental laws and regulations of the United States as well as of the states and other countries in whose jurisdictions Dial has or had operations, and is subject to certain international agreements. As is the case with many companies, Dial faces exposure to actual or potential claims and lawsuits involving environmental matters. Although Dial is a party to certain environmental disputes, Dial believes that any liabilities resulting therefrom, after taking into consideration amounts already provided for, but exclusive of any potential insurance recovery, should not have a material adverse effect on Dial's financial position or results of operations.

EMPLOYEES

EMPLOYMENT AT DECEMBER 31, 1995

SEGMENT	APPROXIMATE NUMBER OF EMPLOYEES	EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS
-----	-----	-----
Consumer Products*	4,000	1,700
Airline Catering and Services	14,600	8,400
Convention Services	3,900	1,500
	Travel and Leisure and Payment Services 7,600	3,200

Dial believes that relations with its employees are satisfactory and that collective bargaining agreements expiring in 1996 will be renegotiated in the ordinary course of business without adverse effect on Dial's operations.

* Dial announced in the third quarter of 1995 that it intends to close six plants which would result in a reduction in workforce of approximately 700 employees. Approximately 100 of such employees were terminated prior to December 31, 1995.

SEASONALITY

The first quarter is normally the slowest quarter of the year for Dial. Consumption patterns, marketing practices and competition cause CONSUMER PRODUCTS' revenues and operating income to be highest in the second and fourth quarters. Due to increased leisure travel

during the summer and year-end holidays, Dial's airline catering, cruise ship and intercity bus travel operations experience peak activity at these times. Convention service companies generally experience increased activity during the first half of the year. As a result of these factors, Dial's 1995 quarterly earnings per share from continuing operations, excluding the \$1.32 per share for restructuring charges and asset write-downs (\$117,200,000, net of tax benefit of \$73,900,000) recorded in the third quarter of 1995, as a percentage of the full year's earnings on this same basis were approximately 18% (first quarter), 41% (second quarter), 23% (third quarter), and 18% (fourth quarter).

RESTRUCTURING TRANSACTIONS AND DISPOSITIONS

On February 15, 1996, Dial announced that its Board of Directors had approved in principle a proposal for a strategic restructuring which would separate Dial's consumer products and services businesses so that each will be an independent and more focused publicly traded company.

The proposed restructuring plan is subject to final approval by the 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 separation is expected to be completed by year end.

In addition to the proposed separation of CONSUMER PRODUCTS and SERVICES, in November 1995, GLOC announced a proposed transaction pursuant to which the GLOC transportation business and the Brewster tourism business would be separated. It was also announced at that time that GLOC was exploring an air services initiative that would link the GLOC bus transportation operations with an air service to form a low cost intermodal transportation system. Both GLOC matters continue under development at March 1, 1996.

These proposed separation transactions follow significant restructuring transactions implemented by Dial in 1992 and 1993. In August 1993, Dial completed the initial public offering of all of the stock of Motor Coach Industries International, Inc., formerly its transportation manufacturing and service parts segment. The sale followed the March 1992 spin-off of all of the stock of GFC Financial Corporation (now The FINOVA Group Inc.), a corporation which had comprised substantially all of the financial services and insurance businesses of Dial. See Notes A and D of Notes to Consolidated Financial Statements for further information concerning Restructuring Transactions and Dispositions.

RESTRUCTURING CHARGES AND ASSET WRITE-DOWNS

During the third quarter of 1995, Dial took restructuring charges and asset write-downs totaling \$117,200,000 (net of tax benefit of \$73,900,000), equal to \$1.32 per share. These charges provided for a business-based reorganization of Dial's consumer products group through plant closings, work-force reductions, and correction of certain product lines. In addition, carrying values of certain Premier Cruise Lines' assets and intangibles were written down, in light of current and anticipated conditions in its cruise market.

See Note C of Notes to Consolidated Financial Statements for further information concerning Restructuring Charges and Asset Write-Downs.

SHELF REGISTRATION

In July 1994, the Corporation filed a shelf registration with the Securities and Exchange Commission covering \$500 million of debt and equity securities. To date, no securities have been offered under the registration.

BUSINESS SEGMENTS

Principal business segment information is set forth in Exhibit 13 attached hereto and made a part hereof.

ITEM 2. PROPERTIES.

Dial's modern headquarters building, a 24-story, approximately 484,000 square foot building in Phoenix, Arizona, is owned by a joint venture between two subsidiaries of Dial. Dial owns a 200,000 square foot facility in Scottsdale, Arizona, which is used by the CONSUMER PRODUCTS segment to conduct much of its research, technical, administrative and other activities.

CONSUMER PRODUCTS operates 12 plants in the United States, 1 plant in Mexico, 1 plant in Guatemala and 1 plant in England, and 5 sales and administration offices in 5 foreign countries. Fourteen of the plants are owned; 1 plant and 3 of the offices are leased. Principal manufacturing plants are as follows:

LOCATION - - - - -	SQ. FEET - - - - -	PRODUCTS MANUFACTURED - - - - -
Aurora, IL	451,000	Bar Soaps
Fort Madison, IA Meals	447,000	Canned Meats, Microwaveable
St. Louis, MO Liquid	272,400	Fabric Softener, Dry and Laundry Detergents
Bristol, PA	261,800	Dry Detergents
Hazleton, PA	214,470	Liquid Detergents, Ammonia, Scouring Pads, Fabric Softener
and		Liquid Soaps
London, OH Softeners	140,000	Scouring Pads and Fabric
Guatemala	100,000	Translucent Bar Soaps

Auburndale, FL*	208,000	Bleach, Ammonia, Fabric Softener, Liquid Laundry Detergents
Memphis, TN*	130,000	Dial Liquid Soap, Shampoos and Conditioners, Antiperspirants, Hotel Amenities (shampoos, conditioners and hand lotions)

* Plant is expected to be closed in 1996 and production will be moved to other Dial plants or contract manufacturers.

AIRLINE CATERING AND SERVICES operates 8 administrative offices, 37 airline service locations and 66 catering kitchens. All of the properties are in the United States, except for 2 office/airline service locations and 5 catering kitchens which are located in foreign countries. Twelve of the catering kitchens are owned. Two of the catering kitchens and 10 of the airline service locations are provided by airlines to which services are rendered. All other properties are leased.

CONVENTION SERVICES operates 58 offices and 75 exhibit construction and warehouse facilities. All of the properties are in the United States, except for 4 offices and 4 warehouse facilities which are located in foreign countries. One of the offices and two of the warehouses are owned; all other properties are leased.

TRAVEL AND LEISURE AND PAYMENT SERVICES operates 28 offices, 26 foodservice facilities, 5 retail stores, 149 duty-free shops, 2 cruise ships, 12 warehouses and 9 hotels/lodges with ancillary foodservice and recreational facilities, and an icefield tour facility. In addition, 150 foodservice facilities are made available by firms to which services are provided. All of the properties are in the United States, except for 8 offices, 1 foodservice facility, 2 retail stores, the icefield tour facility and 2 hotels, which are located in foreign countries; approximately 125 duty-free shops are operated in international waters on board cruise ships. Travel and Leisure and Payment Services owns 3 hotels and has a partial interest in one hotel for which it is also the lessee and operator; 5 of the hotels are operated pursuant to a concessionaire agreement. The 2 cruise ships, 1 warehouse and 3 of the foodservice facilities are owned; all other properties are leased. Additionally, Travel and Leisure and Payment Services owns a cruise ship which is leased to a European cruise company under a 4-year bareboat charter agreement that expires in February 1999.

GLOC operates 10 terminals and 8 garages in Canada. Five terminals and 7 garages are owned; the other properties are leased. In addition, bus stop facilities at approximately 540 locations in Canada are provided by commission agents. Principal properties of GLOC are as follows:

LOCATION - - - - -	SQ. FEET - - - - -	FUNCTION - - - - -
Calgary, Alberta	179,000	Terminal and Headquarters Office
Edmonton, Alberta	63,000	Terminal
London, Ontario	12,000	Terminal
Vancouver, British Columbia	23,000	Terminal
Winnipeg, Manitoba	21,000	Terminal
Edmonton, Alberta	23,000	Garage
Winnipeg, Manitoba	39,000	Garage
Toronto, Ontario	46,000	Garage
Vancouver, British Columbia	16,000	Garage
Calgary, Alberta	135,000	Maintenance and Overhaul Center

Management believes that Dial's facilities in the aggregate are adequate and suitable for their purposes and that capacity is sufficient for current needs.

ITEM 3. LEGAL PROCEEDINGS.

Several shareholder derivative complaints were filed in the Delaware Court of Chancery in late December 1995 and early January 1996 against members of the Company's Board of Directors, and against the Company as a nominal defendant. A lawsuit also was filed in the United States District Court, District of Arizona, on December 21, 1995, against the same parties, against a former member of the Company's Board, and against certain officers of the Company. The complaints variously allege fraud, negligence, mismanagement, corporate waste, invasion of privacy, intentional infliction of emotional distress, and breaches of fiduciary duty, and seek equitable relief and recovery from or on behalf of the Company for compensatory and other damages incurred by the Company or the Arizona case plaintiff as a result of alleged payment of excessive compensation, improper investments, or other improper activities. Dial and its counsel believe the claims are without merit.

Dial also has been named defendant in multiple lawsuits (U.S. District Court, Eastern Division, Virginia (Norfolk Division) Spring 1993; Circuit Court of Kanawha County West Virginia, July 1995; District Court, Jefferson County, Texas, September 1995; Missouri Circuit Court, St. Louis, September 1995; U.S. District Court, New Mexico, October 1995; and Superior Court of California for the City of Los Angeles, July 1995) filed by several hundred former railroad workers claiming asbestos-related health conditions. Dial has tolling agreements in place with approximately 3,400 other claimants. The claims relate to former subsidiaries and their production of railroad equipment. Due to their preliminary nature, as well as potential insurance recoveries, the extent of the claims as they relate to Dial is not ascertainable at this time, however, Dial believes that any resulting liability will not materially affect its financial position or results of operations.

During 1995, a federal grand jury resumed an investigation, which began in early 1994 and was inactive for approximately one year, of Dial's

airline catering subsidiary's billing practices at several airport flight kitchen locations. The subsidiary has cooperated fully in the investigation, has identified certain mistakes made in invoices to certain airline customers and has tendered reimbursements as appropriate. Dial believes that the subsidiary and its employees did not intend to improperly invoice the airlines, that such invoicing was at worst an uncorrected mutual error by both the subsidiary and the airlines, and that any resulting liability, after taking into consideration amounts already provided for, will not materially affect its financial position or results of operations.

Dial and certain subsidiaries are parties either as plaintiffs or defendants to various other actions, proceedings and pending claims. Certain of these pending legal actions are or purport to be class actions. The pending cases range from claims for additional employment benefits to cases involving accidents, injuries, product liability or business contract disputes, certain of which involve claims for compensatory, punitive or other damages in material amounts. Litigation is subject to many uncertainties and it is possible that some of the legal actions, proceedings or claims referred to above could be decided against Dial. Although the amount of liability at December 31, 1995, with respect to these matters is not ascertainable, Dial believes that any resulting liability will not materially affect Dial's financial position or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITYHOLDERS.

No matters were submitted to a vote of securityholders during the fourth quarter of 1995.

OPTIONAL ITEM. EXECUTIVE OFFICERS OF REGISTRANT.

The names, ages and positions of the executive officers of the Corporation as of March 15, 1996, are listed below:

NAME -----	AGE ---	OFFICE -----	EXECUTIVE POSITION HELD SINCE -----
John W. Teets	62	Chairman and Chief Executive Officer and Director and Chairman of Executive Committee of Registrant	1982
Andrew S. Patti	55	President and Chief Operating Officer and Director of Registrant	1986
Frederick G. Emerson	62	Vice President and Secretary of Registrant	1977
L. Gene Lemon	55	Vice President- Administration of Registrant	1979
Ronald G. Nelson	54	Vice President-Finance and Treasurer of Registrant	1987
Peter J. Novak	56	Vice President and General Counsel of Registrant	1996
Richard C. Stephan	56	Vice President-Controller of Registrant	1980
William L. Anthony	53	Executive Vice President- Administration and Controller, Consumer Products Group of Registrant	1987
Ray Reed	39	Senior Vice President- General Manager, Food Division, Consumer Products Group of Registrant	1995
Robert H. Bohannon	51	President and Chief Executive Officer of Travelers Express Company, Inc., a subsidiary of Registrant	1993
John E. Greenwell	48	Executive Vice President- General Manager, Detergent Division, Consumer Products Group of Registrant	1994
Frederick J. Martin	61	President of Dobbs International Services, Inc., a subsidiary of Registrant	1985

Brent D. Bailey	43	Senior Vice President- General Manager, Household Division, Consumer Products Group of Registrant	1994
Norton D. Rittmaster	61	Chairman and Chief Executive Officer of GES Exposition Services, Inc., a subsidiary of Registrant	1983
Mark R. Shook	41	Executive Vice President- General Manager, Personal Care Division, Consumer Products Group of Registrant	1994

Each of the foregoing officers, with the exceptions set forth below, has served in the same, similar or other executive positions with Dial or its subsidiaries for more than the past five (5) years.

Prior to August 1995, Mr. Patti was President and Chief Operating Officer of the Consumer Products Group of Registrant or The Dial Corporation, a subsidiary of Registrant.

Prior to 1994, Mr. Bailey was Vice President Marketing (C.A.P.S. Division) of McGaw Inc. and prior thereto was Executive Vice President and General Manager of New Business Development (Personal Care Products) of Weyrhaeuser Company.

Prior to February 1996, Mr. Novak was Deputy General Counsel of Registrant, and prior to serving in that position was Group General Counsel of Registrant.

Mr. Bohannon was elected as President and Chief Executive Officer of Travelers Express Company, Inc. in 1993. Prior thereto, he was a senior officer at Marine Midland Bank of Buffalo, New York.

Since 1994, Mr. Greenwell has been an Executive or Senior Vice President of one or more divisions in Registrant's Consumer Products Group and prior thereto was Vice President Marketing of the Food Division and prior to that was Director of Marketing of the Household and Laundry Division of Registrant's Consumer Products Group.

Prior to September 1994, Mr. Reed was Product Manager or a General Manager of Weight Watchers Food Company and OreIda Foods, divisions of Heinz USA.

Since 1990, Mr. Shook has been an Executive Vice President-General Manager of one or more divisions in Registrant's Consumer Products Group.

The term of office of the executive officers is until the next annual organization meetings of the Boards of Directors of Dial or appropriate subsidiaries, all of which are scheduled for May or June of this year.

The Directors of Dial are divided into three classes, with the terms of one class of Directors to expire at each Annual Meeting of Stockholders. The current terms of office of John W. Teets and Andrew S. Patti are scheduled to expire at the 1997 Annual Meeting of Stockholders.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

The principal market on which the common stock of Dial is traded is the New York Stock Exchange. The common stock is also listed for trading on the Pacific Exchange, and admitted for trading on the Midwest, Philadelphia and Cincinnati Exchanges. The following tables summarize the high and low market prices as reported on the New York Stock Exchange Composite Tape and the cash dividends declared for the two years ended December 31, 1995:

SALES PRICE RANGE OF COMMON STOCK

CALENDAR QUARTERS	1995		1994(1)	
	HIGH	LOW	HIGH	LOW
First	\$26.125	\$21.50	\$22.6875	\$19.75
Second	26.375	23.50	24.00	20.25
Third	25.625	20.875	23.75	19.75
Fourth	30.375	22.50	23.25	19.25

DIVIDENDS DECLARED ON COMMON STOCK

	1995	1994(1)
	----	-----
February	\$.15	\$.14
May	.15	.15
August	.16	.15
November	.16	.15
	-----	-----
TOTAL	\$0.62	\$0.59

(1) On May 10, 1994, the Corporation's Board of Directors declared a 2-for-1 stock split which was paid on July 1, 1994, to stockholders of record as of June 1, 1994. All Dial common stock sales price and dividend information has been restated to reflect the stock split.

Regular quarterly dividends have been paid on the first business day of January, April, July and October. As of March 15, 1996, there were 94,345,996 holders of record of Dial's common stock.

ITEM 6. SELECTED FINANCIAL DATA.

Applicable information is included in Exhibit 13.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

Applicable information is included in Exhibit 13.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

1. Financial Statements--See Item 14 hereof.

2. Supplementary Data--See Condensed Consolidated Quarterly Results in Exhibit 13.

ITEM 9. DISAGREEMENTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

The information regarding Directors of the Registrant is included in Dial's Proxy Statement for Annual Meeting of Shareholders to be held on May 14, 1996 ("Proxy Statement"), and is incorporated herein and made a part hereof. The information regarding executive officers of the Registrant is found as an Optional Item in Part I hereof.

ITEM 11. EXECUTIVE COMPENSATION.

The information is contained in the Proxy Statement and is incorporated herein and made a part hereof.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The information is contained in the Proxy Statement and is incorporated herein and made a part hereof.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

None.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a) The following documents are filed as a part of the report:

FINANCIAL STATEMENTS.

The following are included in Exhibit 13: Independent Auditors' Report and consolidated financial statements (Balance Sheet, Income, Cash Flows, Common Stock and Other Equity, and Notes to Financial Statements).

EXHIBITS.

- 3.A Copy of Restated Certificate of Incorporation of Dial, as amended through March 3, 1992.*
- 3.B Copy of Bylaws of Dial, as amended through February 13, 1996.*
- 4.A Instruments with respect to issues of long-term debt have not been filed as exhibits to this Annual Report on Form 10-K if the authorized principal amount of any one of such issues does not exceed 10% of total assets of the Corporation and its subsidiaries on a consolidated basis. The Corporation agrees to furnish a copy of each such instrument to the Securities and Exchange Commission upon request.
- 4.B Copy of Amended and Restated Credit Agreement dated as of December 15, 1993, among Dial, the Banks parties thereto, Bank of America National Trust and Savings Association as Agent and Reporting Agent and Citibank, N.A. as Agent and Funding Agent, filed as Exhibit 4.B to Dial's 1993 Form 10-K, is hereby incorporated by reference.
- 4.B1 Copy of First Amendment to Amended and Restated Credit Agreement dated as of September 23, 1994 filed as Exhibit 4.B1 to Dial's 1994 Form 10-K, is hereby incorporated by reference.
- 4.B2 Copy of Second Amendment to Amended and Restated Credit Agreement dated as of November 8, 1995.*
- 10.A Copy of Employment Agreement between Dial and John W. Teets dated June 20, 1995, filed as Exhibit 10.A to Dial's Second Quarter 1995 Form 10-Q is hereby incorporated by reference.+
- 10.B Sample forms of Contingent Agreements relating to funding of Supplemental Executive Pensions, filed as Exhibit (10)(T) to Dial's 1989 Form 10-K, is hereby incorporated by reference.+
- 10.C Copy of Dial's Supplemental Pension Plan, amended and restated as of January 1, 1987, filed as Exhibit (10)(F) to Dial's 1986 Form 10-K, is hereby incorporated by reference.+
- 10.C1 Copy of amendment dated February 21, 1991, to Dial's Supplemental Pension Plan, filed as Exhibit (10)(G)(i) to Dial's 1990 Form 10-K, is hereby incorporated by reference.+
- 10.C2 Copy of amendment dated August 18, 1993, to Dial's Supplemental Pension Plan, filed as Exhibit 10.C to Dial's Second Quarter 1995 Form 10-Q, is hereby incorporated by reference.+
- 10.D Copy of Dial's Deferred Compensation Plan for Directors, adopted November 20, 1980, as amended through February 21, 1991, filed as Exhibit (10)(H) to Dial's 1990 Form 10-K, is hereby incorporated by reference.+
- 10.E Copy of The Dial Corp Management Incentive Plan, filed as Exhibit 10.E to Dial's First Quarter 1995 Form 10-Q, is hereby incorporated by reference.+
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- 10.F2 Copy of forms of The Dial Corp Executive Severance Plans covering certain executive officers, filed as Exhibit (10)(G)(ii) to Dial's 1992 Form 10-K, is hereby incorporated by reference.+
- 10.G Copy of Travelers Express Company, Inc. Supplemental Pension Plan amended and restated on June 12, 1995, filed as Exhibit 10.G to Dial's Third Quarter 1995 Form 10-Q, is hereby incorporated by reference.+
- 10.H1 Copy of Dial's 1983 Stock Option and Incentive Plan,

- filed as Exhibit (28) to Dial's Registration Statement on Form S-8 (Registration No. 33-41870), is hereby incorporated by reference.+
- 10.H2 Copy of amendment, effective August 1, 1994, to Dial's 1983 Stock Option and Incentive Plan, filed as Exhibit 10.H2 to Dial's 1994 Form 10-K, is hereby incorporated by reference.+
- 10.I1 Copy of The Dial Corp 1992 Stock Incentive Plan, filed as Exhibit (10)(J) to Dial's 1991 Form 10-K, is hereby incorporated by reference.+
- 10.I2 Copy of amendment, effective August 1, 1994, to The Dial Corp 1992 Stock Incentive Plan, filed as Exhibit 10.I2 to Dial's 1994 Form 10-K, is hereby incorporated by reference.+
- 10.J Description of Spousal Income Continuation Plan, filed as Exhibit 10(Q) to Dial's 1985 Form 10-K, is hereby incorporated by reference.+
- 10.K Copy of Dial's Director's Retirement Benefit Plan, filed as Exhibit (10)(R) to Dial's 1988 Form 10-K, is hereby incorporated by reference.+
- 10.L Copy of The Dial Corp Performance Unit Incentive Plan, filed as Exhibit 10.L to Dial's First Quarter 1995 Form 10-Q, is hereby incorporated by reference.+
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- 10.N Copy of Employment Agreement between GES Exposition Services and Norton Rittmaster dated May 20, 1982, filed as Exhibit (10)(O) to Dial's 1992 Form 10-K, is hereby incorporated by reference.+
- 10.O Copy of GES Exposition Services' Incentive Compensation Plan, filed as Exhibit (10)(P) to Dial's 1992 Form 10-K, is hereby incorporated by reference.+
- 10.P Copy of The Dial Corp Performance-Based Stock Plan, filed as Exhibit 10.P to Dial's 1993 Form 10-K, is hereby incorporated by reference.+
- 10.Q Copy of The Dial Corp Deferred Compensation Plan, filed as Exhibit 10.Q to Dial's 1993 Form 10-K, is hereby incorporated by reference.+
- 10.R Copy of form of The Dial Corp 1983 Stock Option and Incentive Plan Amended and Restated Restricted Stock Agreements dated August 12, 1994, between Dial and six executive officers, filed as Exhibit 10.R to Dial's 1994 Form 10-K, is hereby incorporated by reference.+
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- 10.T Copy of The Dial Corp Director's Charitable Award Program as amended through March 15, 1996.*+
- 10.U Copy of Employment Agreement between The Dial Corp and Andrew S. Patti, dated February 16, 1996.*+
- 10.V Copy of GES Exposition Services, Inc. Supplemental Executive Retirement Plan effective August 1, 1995.*+
- 11 Statement Re Computation of Per Share Earnings.*
- 13 Financial Information set forth in Annual Report to Securityholders.*
- 21 List of Subsidiaries of Dial.*
- 23 Consent of Independent Auditors to the incorporation by reference into specified registration statements on Form S-3 or on Form S-8 of their reports contained in

	or incorporated by reference into this report.*
24	Power of Attorney signed by directors of Dial.*
27	Financial Data Schedule.*

*Filed herewith.

+Management contract or compensation plan or arrangement.

Note: The 1995 Annual Report to Securityholders will be furnished to the Commission when, or before, it is sent to securityholders.

(b) REPORTS ON FORM 8-K. The Corporation filed no reports on Form 8-K during the last quarterly period covered by this report. A report on Form 8-K dated February 15, 1996, was filed by the Registrant on February 21, 1996. The Form 8-K reported under Item 5 a proposal to separate the Consumer Products and Services businesses into two publicly traded companies. The related Dial Press Release was filed as Exhibit 99 in Item 7 of the Form 8-K.

SIGNATURES

Pursuant to the requirements of Section 13 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, in Phoenix, Arizona, on the 20th day of March, 1996.

THE DIAL CORP

By: /s/ John W. Teets
Chairman and
Chief Executive
Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Principal Executive Officer

Date: March 20, 1996 By: /s/ John W. Teets
Director; Chairman
and Chief
Executive Officer

Principal Financial Officer

Date: March 20, 1996 By: /s/ Ronald G. Nelson
Vice President-
Finance and
Treasurer

Principal Accounting Officer

Date: March 20, 1996 By: /s/ Richard C. Stephan
Vice President-
Controller

Directors

Joe T. Ford
Thomas L. Gossage
Donald E. Guinn
Jess Hay
Judith K. Hofer
Andrew S. Patti
Jack F. Reichert
Linda Johnson Rice
Dennis C. Stanfill
A. Thomas Young

Date: March 20, 1996 By: /s/ Richard C. Stephan
Attorney-in-Fact

EXHIBIT INDEX

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24 Power of Attorney signed by directors of Dial.*
27 Financial Data Schedule.*

*Filed herewith.

+Management contract or compensation plan or arrangement.

Note: The 1995 Annual Report to Securityholders will be furnished to the Commission when, or before, it is sent to securityholders.

EXHIBIT 3.A

RESTATED CERTIFICATE OF INCORPORATION OF THE NEW DIAL CORP.

1. The name of the corporation (which is hereinafter referred to as the Corporation) is "The New Dial Corp."
2. The original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on December 16, 1991, under the name The New Dial Corp.
3. This Restated Certificate of Incorporation has been duly proposed by resolutions adopted and declared advisable by the Board of Directors of the Corporation, duly adopted by written consent of the sole stockholder of the Corporation in lieu of a meeting and vote and duly executed and acknowledged by the officers of the Corporation in accordance with the provisions of Sections 103, 228, 242 and 245 of the General Corporation Law of the State of Delaware and, upon filing with the Secretary of State in accordance with Section 103 shall thenceforth supersede the original Certificate of Incorporation and shall, as it may thereafter be amended in accordance with its terms and applicable law, be the Certificate of Incorporation of the Corporation.
4. The text of the Certificate of Incorporation of the Corporation is hereby amended and restated to read in its entirety as follows:

ARTICLE I

The name of the corporation (which is hereinafter referred to as the "Corporation") is:

The New Dial Corp.

ARTICLE II

The address of the Corporation's registered office in the State of Delaware is The Corporation Trust Center, 1209 Orange Street in the City of Wilmington, County of New Castle. The name of the Corporation's registered agent at such address is The Corporation Trust Company.

ARTICLE III

The purpose of the Corporation shall be to engage in any lawful act or activity for which corporations may be organized and incorporated under the General Corporation Law of the State of Delaware (the "GCL").

ARTICLE IV

(A) Authorized Stock. The total number of shares of stock which the Corporation shall have authority to issue is 207,442,352, consisting of (i) Two Hundred Million (200,000,000) shares of Common Stock, par value \$1.50 per share (hereinafter referred to as "Common Stock"), (ii) Four Hundred Forty-Two Thousand Three Hundred Fifty-Two (442,352) shares of Series \$4.75 Preferred Stock, without par value but with a stated value of One Hundred Dollars (\$100) per share (hereinafter referred to as "\$4.75 Preferred Stock"), (iii) Five Million (5,000,000) shares of Preferred Stock, par value \$.01 per share (hereinafter referred to as "Preferred Stock") and (iv) Two Million (2,000,000) shares of Junior Participating Preferred Stock, par value \$.01 per share (hereinafter referred to as "Junior Preferred Stock").

(B) \$4.75 Preferred Stock. The qualifications, limitations or restrictions of the \$4.75 Preferred Stock shall be as follows:

(i) The holders of the \$4.75 Preferred Stock shall be entitled to receive, when and as declared by the Board of Directors, out of any assets of the Corporation legally available for dividends, cumulative dividends in cash, payable on January 15, April 15, July 15, and October 15 in each year, beginning in the year 1992, at the annual rate of \$4.75 per share, and no more, with the first payment to accrue from January 15, 1992 and be made on April 15, 1992.

(ii) In the event of any liquidation, dissolution or winding up of the Corporation, the holders of the \$4.75 Preferred Stock shall be entitled to receive out of the assets of the Corporation available for distribution to shareholders an amount equal to \$100 per share if such liquidation, dissolution or winding up be involuntary or, if such liquidation, dissolution or winding up be voluntary, an amount equal to \$101 per share, plus, in each case, a further amount equal to all unpaid cumulative dividends on the \$4.75 Preferred Stock accrued to the date when such payment shall be made available to the holders thereof, before any distribution of assets shall be made to the holders of the Common Stock or other shares ranking junior to the \$4.75 Preferred Stock with respect to liquidation rights. After such amounts shall have been paid or irrevocably set aside for payment in full to the holders of the \$4.75 Preferred Stock, they shall be entitled to no further payment or distribution other than from any such fund irrevocably set aside. If, upon such liquidation, dissolution or winding up, the assets thus distributable to the holders of the \$4.75 Preferred Stock shall be insufficient to permit the payment to such holders of the preferential amounts aforesaid, then such assets shall be distributed ratably among the holders of the \$4.75 Preferred Stock according to the number of shares held by each.

The liquidation, dissolution or winding up of the Corporation, as such terms are used in the foregoing paragraph, shall not be deemed to include any consolidation or merger of the Corporation with or into any one or more other corporations, or the sale of all or any of the assets of the Corporation.

(iii) The \$4.75 Preferred Stock may be redeemed at any time, or from time to time, in whole or in part, at the option of the Corporation, expressed by resolution of the Board of Directors. The redemption price per share of the \$4.75 Preferred Stock shall be \$101, plus an amount equal to all unpaid cumulative dividends accrued on the shares to be redeemed to the date fixed for redemption.

Notice of every such redemption shall be given at least thirty days prior to the date fixed for such redemption to the holders of record of the shares so to be redeemed, and shall be sufficiently given if the Corporation shall cause a copy thereof to be mailed to such holders of record at their respective addresses as shown by the books of the Corporation by first class mail, postage prepaid; provided, however, that the failure to mail such notice to one or more of such holders shall not affect the validity of such redemption as to the other such holders.

In case of redemption of a part only of the \$4.75 Preferred Stock at the time outstanding, the Corporation shall select by lot the shares so to be redeemed. The Board of Directors shall have full power and authority to prescribe the manner in which the selection by lot shall be conducted and, subject to the limitations and provisions herein contained, the terms and conditions upon which the \$4.75 Preferred Stock shall be redeemed from time to time.

If such notice of redemption shall have been duly given, and if on or before the redemption date specified therein all funds necessary for such redemption shall be and continue to be available for payment on and after the redemption date upon surrender of the certificates for the shares so called for redemption, then, notwithstanding that any certificate for shares so called for redemption shall not have been surrendered for cancellation, the shares so called for redemption shall on and after such redemption date no longer be deemed to be outstanding, and all rights with respect to such shares shall forthwith on such redemption date terminate, except only the right of the holders of the certificates therefor, upon surrender thereof, to receive the amount payable on redemption thereof, without interest.

If such notice of redemption shall have been duly given, or if the Corporation shall have granted to the bank or trust company, hereinafter referred to, irrevocable authorization promptly to give or complete such notice, and if on or before the redemption date specified therein the funds necessary for such redemption shall have been deposited in trust for the pro rata benefit of the holders of the shares so called for redemption with a bank or trust company in good standing, designated in such notice, having capital, surplus and undivided profits aggregating at least \$25,000,000 according to its then latest published statement of condition, then, notwithstanding that such deposit shall have been made less than thirty days after the notice of redemption, and that any certificates for shares so called for redemption shall not have been surrendered for cancellation, from and after such deposit (or from and after the redemption date if such notice of redemption shall fail to state that the holders of the shares so called for redemption may receive their redemption price at any time after such deposit) all shares of \$4.75 Preferred Stock with respect to which such deposit shall have been made shall no longer be deemed to be outstanding and all rights with respect to such shares shall forthwith terminate, except only the right of the holders of the certificates therefor, upon surrender thereof, to receive the redemption price thereof out of the funds so deposited, without interest. Any funds so deposited, and unclaimed at the end of six years from the redemption date, shall be released or repaid to the Corporation, after which the certificate holders entitled thereto shall look only to the Corporation for payment thereof, without interest.

The shares of \$4.75 Preferred Stock which shall have been redeemed as aforesaid shall be retired, and shall be returned to the status of authorized but unissued Series \$4.75 Preferred Stock.

(iv) So long as any shares of \$4.75 Preferred Stock shall be outstanding, the Corporation (which for purposes of this subparagraph shall be deemed to include any predecessor issuer of \$4.75 Preferred Stock which shall have merged into the Corporation) shall, on or before September 1 in each year, beginning in the year 1983, pay to a bank or trust company (hereinafter called the Sinking Fund Agent) appointed from time to time by the Corporation and being a bank or trust company meeting the requirements of paragraph

(iii) above, as and for a sinking fund for the \$4.75 Preferred Stock a sum sufficient for the redemption in such year, in accordance with the provisions of this paragraph

(iv) of 6,000 shares of \$4.75 Preferred Stock (hereinafter referred to as the sinking fund payment). As and for all or any part of any sinking fund payment, the Corporation may, on or before September 1 of each year, beginning in the year 1983, deliver to the Sinking Fund Agent certificates for \$4.75 Preferred Stock (which shall be in canceled form) theretofore issued by the Corporation or any such predecessor by merger to the Corporation and which were repurchased by it or by such corporation merging into the Corporation or redeemed otherwise than through the operation of the sinking fund provided for in this paragraph (iv), and receive credit upon such sinking fund payment, with respect to a sum sufficient for the redemption, in accordance with the provisions of this paragraph (iv), of the number of shares of \$4.75 Preferred Stock so delivered. Any moneys in the sinking fund for the \$4.75 Preferred Stock on September 1 of any year shall be applied by the Sinking Fund Agent to the redemption on October 1 of such year of shares of \$4.75 Preferred Stock at the sinking fund redemption price consisting of \$100 per share plus an amount equal to all unpaid cumulative dividends accrued to the date fixed for redemption on each share so to be redeemed. Such redemption shall be effected by lot in such manner as the Sinking Fund Agent shall determine, and the Sinking Fund Agent is authorized to effect such redemption in the name of the Corporation in the manner and with the effect provided by paragraph (iii) above, except that the notice of redemption shall state that the shares are being redeemed for the sinking fund; provided, however, that if the amount of the sinking fund payment in any year shall be less than \$25,000, such amount may, at the option of the Corporation, remain in the sinking fund and be applied as part of the next succeeding sinking fund payment. Shares of \$4.75 Preferred Stock which shall be delivered to the Sinking Fund Agent by the Corporation as a credit upon a sinking fund payment or which shall be called for redemption through the operation of the sinking fund shall be retired, and, until all shares of Series \$4.75 Preferred Stock outstanding at the time of such retirement have been redeemed or otherwise acquired by the Corporation, shall not be delivered for credit upon any sinking fund payment, and such shares shall be returned to the status of authorized but unissued Series \$4.75 Preferred Stock.

If any sinking fund payment would be required at a time when dividends upon the \$4.75 Preferred Stock shall be in arrears, the Corporation shall not be required to make a sinking fund payment at that time, but shall nevertheless be considered, for the purposes hereof, to be in default with respect to its sinking fund obligations and shall be required to make such defaulted sinking fund payment at the earliest time thereafter when dividends upon the \$4.75 Preferred Stock shall not be in arrears. Within forty days after the Corporation shall have made any such defaulted sinking fund payment, the Sinking Fund Agent shall apply the same to redemption of \$4.75 Preferred Stock in the manner and at the price above in this paragraph (iv) provided.

(v) So long as any shares of \$4.75 Preferred Stock shall be outstanding, no dividends, other than dividends payable in junior shares, shall be paid or declared, nor shall any distribution be made, on any junior shares nor shall any junior shares be acquired for a consideration by the Corporation or by any subsidiary, unless:

(a) Full cumulative dividends on the \$4.75 Preferred Stock for all the then past and for the then current dividend periods shall have been paid, or declared and set apart for payment, except as otherwise provided in the last sentence of paragraph (i) above and

(b) All sinking fund payments required by paragraph (iv) above to have been made shall have been made in full.

(vi) So long as any shares of \$4.75 Preferred Stock shall be outstanding, the Corporation shall not, without the affirmative vote of the holders of at least two-thirds of the shares of \$4.75 Preferred Stock at the time outstanding, given in person or by proxy, either at a special meeting called for the purpose or at any annual meeting of shareholders if appropriate notice of such proposed action is given, at which the \$4.75 Preferred Stock shall vote separately as a single class, or, alternatively, without the written consent of the holders of all the shares of \$4.75 Preferred Stock at the time outstanding

(a) Amend or repeal any provision of or add any provision to this Certificate of Incorporation, or take any other action, so as to alter materially any existing provision of the \$4.75 Preferred Stock; or

(b) Authorize, or increase, or issue, any class or series of any class of the shares of the Corporation ranking prior to the \$4.75 Preferred Stock, or increase the authorized amount of the \$4.75 Preferred Stock; provided, however, that no vote or consent of the holders of the \$4.75 Preferred Stock shall be required to issue any shares, regardless of priority, for the purpose of redeeming or otherwise retiring the \$4.75 Preferred Stock if, prior to or contemporaneously with the issuance thereof, provision has been made in accordance with the provisions of paragraph (iii) above for the redemption of all \$4.75 Preferred Stock at the time outstanding; or

(c) Sell, lease or convey all or substantially all the property or business of the Corporation, or voluntarily liquidate or dissolve the Corporation, or consolidate or merge the Corporation with or into any other corporation; provided, however, that no such vote or consent of the holders of the \$4.75 Preferred Stock shall be required for a consolidation or merger of the Corporation if each holder of shares of \$4.75 Preferred Stock immediately prior to such consolidation or merger shall, upon the occurrence thereof, possess the same or equivalent number of shares of the resulting corporation (which may be the Corporation or another corporation) having substantially the same terms and provisions as the shares of \$4.75 Preferred Stock and the resulting corporation will have, immediately after such consolidation or merger, no other shares either authorized or outstanding ranking prior to or on a parity with such shares.

(vii) So long as any shares of \$4.75 Preferred Stock shall be outstanding, the Corporation shall not, without the affirmative vote of the holders of at least a majority of the shares of \$4.75 Preferred Stock at the time outstanding, given in person or by proxy, either at a special meeting called for the purpose or at any annual meeting of shareholders if appropriate notice of such proposed action is given, at which the \$4.75 Preferred Stock shall vote separately as a single class, or, alternatively, without the written consent of the holders of all the shares of \$4.75 Preferred Stock at the time outstanding, authorize, or increase, or issue, any class or series of any class of shares of the Corporation ranking on a parity with the \$4.75 Preferred Stock; provided, however, that no vote or consent of the holders of the \$4.75 Preferred Stock shall be required to issue any shares, regardless of parity, for the purpose of redeeming or otherwise retiring the \$4.75 Preferred Stock, if prior to or contemporaneously with the issuance thereof, provision has been made in accordance with the provisions of paragraph (iii) above for the redemption of all the \$4.75 Preferred Stock at the time outstanding.

(viii) For the purposes hereof the term "ranking prior to" the \$4.75 Preferred Stock shall have reference to a class or series of a class of shares which is preferential to the \$4.75 Preferred Stock with respect of dividends or liquidation rights; the term "ranking on a parity with" the \$4.75 Preferred Stock shall have reference to a class or series of a class of shares which is equal to the \$4.75 Preferred Stock with respect to dividends or liquidation rights and the term "junior shares" shall mean the Common Stock and any other class or series of a class of shares of the Corporation not ranking prior to or on a parity with the \$4.75 Preferred Stock.

(ix) The holders of \$4.75 Preferred Stock shall have no right to vote except as otherwise herein or by statute specifically provided.

If and when the Corporation shall be in default in the payment in whole or in part, of each of six quarterly dividends (whether or not consecutive) accrued on the \$4.75 Preferred Stock, whether or not earned or declared, the holders of the outstanding \$4.75 Preferred Stock, voting separately as a single class, shall become entitled to elect two directors of the Corporation to serve in addition to the directors elected pursuant to Article VIII of this Certificate of Incorporation. Such right to elect additional directors may be exercised at any annual meeting of shareholders, or, within the limitations hereinafter provided, at a special meeting of shareholders held for such purpose. If such default shall occur more than ninety days preceding the date of the next annual meeting of shareholders as fixed by the Bylaws of the Corporation, then a special meeting of the holders of the \$4.75 Preferred Stock shall be called by the Secretary of the Corporation upon the written request of the holders of not less than 10% of the \$4.75 Preferred Stock then outstanding, such meeting to be held within sixty days after the delivery to the

Secretary of such request. Such additional directors, whether elected at an annual or a special meeting, shall serve until the next annual meeting and until their successors shall be duly elected and qualified, unless their term shall sooner terminate pursuant to the provisions of this paragraph (ix). At any meeting for the purpose of electing such additional directors, the holders of 35% of the \$4.75 Preferred Stock then outstanding shall constitute a quorum, and any such meeting shall be valid notwithstanding that a quorum of the outstanding shares of any other class or classes shall not be present or represented thereat. At the time of any such meeting at which a quorum shall be present, the number of directors constituting the whole Board of Directors shall be deemed to be increased by two. If a vacancy shall occur in the Board of Directors by reason of the death, resignation or inability to act of any such additional director, such vacancy shall be filled only by the vote of the holders of the \$4.75 Preferred Stock, voting separately as a single class, at a special meeting of the holders of the \$4.75 Preferred Stock requested, called and held in the same manner as the special meeting hereinabove referred to. If and when all dividends in default on the \$4.75 Preferred Stock shall be paid or irrevocably set aside for payment, the right of the holders of the \$4.75 Preferred Stock as a class to elect directors shall then cease, and if any directors were elected by the holders of the \$4.75 Preferred Stock as a class, the term of such directors shall terminate, and the number of directors constituting the whole Board of Directors shall be reduced by the number of such additional directors. The above provisions for the vesting of such voting right in the holders of the \$4.75 Preferred Stock as a class shall apply, however, in case of any subsequent default under this paragraph (ix).

Except as may be required by law, the holders of \$4.75 Preferred Stock shall not be entitled to receive notice of any meeting of shareholders at which they are not entitled to vote or consent.

Except as in this Certificate of Incorporation or in a Preferred Stock Designation (as herein defined) or by statute specifically provided, the holders of the Common Stock shall have the exclusive right to vote for the election of directors and for all other purposes. The total number of directors may be increased without any vote or consent of the holders of \$4.75 Preferred Stock.

(x) No holder of \$4.75 Preferred Stock, as such, shall have any preemptive right to subscribe to share obligations, warrants, rights to subscribe to shares or other securities of the Corporation of any kind or class, whether now or hereafter authorized.

(xi) The \$4.75 Preferred Stock shall rank prior to all other classes and/or series of stock of the Corporation, both as to payment of dividends and as to distribution of assets upon liquidation, dissolution, or winding up of the Corporation, whether voluntary or involuntary.

(C) Preferred Stock. The Preferred Stock may be issued from time to time in one or more series. The Board of Directors is hereby authorized to provide for the issuance of shares of Preferred Stock in series and, by filing a certificate pursuant to the applicable law of the State of Delaware (hereinafter, along with any similar designation relating to any other class of stock which may hereafter be authorized, referred to as a "Preferred Stock Designation"), to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations and restrictions thereof. The authority of the Board of Directors with respect to each series shall include, but not be limited to, determination of the following:

(i) The designation of the series, which may be by distinguishing number, letter or title.

(ii) The number of shares of the series, which number the Board of Directors may thereafter (except where otherwise provided in the Preferred Stock Designation) increase or decrease (but not below the number of shares thereof then outstanding).

(iii) Whether dividends, if any, shall be cumulative or noncumulative and the dividend rate of the series.

(iv) Dates at which dividends, if any, shall be payable.

(v) The redemption rights and price or prices, if any, for shares of the series.

(vi) The terms and amount of any sinking fund provided for the purchase or redemption of shares of the series.

(vii) The amounts payable on and the preferences, if any, of shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

(viii) Whether the shares of the series shall be convertible into shares of any other class or series, or any other security, of the Corporation or any other corporation, and, if so, the specification of such other class or series of such other security, the conversion price or prices or rate or rates, any adjustments thereof, the date or dates at which such shares shall be convertible and all other terms and conditions upon which such conversion may be made.

(ix) Restrictions on the issuance of shares of the same series or of any other class or series.

(x) The voting rights, if any, of the holders of shares of the series.

All shares of any series of Preferred Stock shall be subordinate to the \$4.75 Preferred Stock, with respect to the payment of dividends as well as the distribution of assets upon liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

(D) Junior Preferred Stock. The qualifications, limitations or restrictions of the Junior Preferred Stock shall be as follows:

Section 1. Amount. The number of shares constituting the Junior Preferred Stock shall be as set forth in paragraph (A) of this Article IV.

Section 2. Dividends and Distributions.

(a) Subject to the rights of the holders of any shares of \$4.75 Preferred Stock or any shares of any series of Preferred Stock (or any similar stock) ranking prior and superior to the Junior Preferred Stock with respect to dividends, the holders of shares of Junior Preferred Stock, in preference to the holders of Common Stock and of any other junior stock, shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the first day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Junior Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (i) \$1 or (ii) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Junior Preferred Stock. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Junior Preferred Stock were entitled immediately prior to such event under clause (ii) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) The Corporation shall declare a dividend or distribution on the Junior Preferred Stock as provided in paragraph (a) of this Section immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$1 per share on the Junior Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(c) Dividends shall begin to accrue and be cumulative on outstanding shares of Junior Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Junior Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Junior Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Junior Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be not more than 60 days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. The holders of shares of Junior Preferred Stock shall have the following voting rights:

(a) Subject to the provision for adjustment hereinafter set forth, each share of Junior Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Junior Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) Except as provided in this Certificate of Incorporation, in any Preferred Stock Designation or in any certificate of designations creating any similar stock, or by law, the holders of shares of Junior Preferred Stock and the holders of shares of Common Stock and any other capital stock of the Corporation having general voting rights shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(c) Except as set forth herein, or as otherwise provided by law, holders of Junior Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. Certain Restrictions.

(a) Whenever quarterly dividends or other dividends or distributions payable on the Junior Preferred Stock as provided in Section 2 are in

arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Junior Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends, or make any other distributions, on any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Junior Preferred Stock;

(ii) declare or pay dividends, or make any other distributions, on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Junior Preferred Stock, except dividends paid ratably on the Junior Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Junior Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such junior stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Junior Preferred Stock; or

(iv) redeem or purchase or otherwise acquire for consideration any shares of Junior Preferred Stock or any shares of stock ranking on a parity with the Junior Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(b) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (a) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Reacquired Shares. Any shares of Junior Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired promptly after the acquisition thereof. All such shares shall upon their retirement become authorized but unissued shares of Junior Preferred Stock and may be reissued as part of a new series of Junior Preferred Stock subject to the conditions and restrictions on issuance set forth herein or in any Certificate of Designations creating a series of Preferred Stock or any similar stock or as otherwise required by law.

Section 6. Liquidation, Dissolution or Winding Up. Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made (1) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Junior Preferred Stock unless, prior thereto, the holders of shares of Junior Preferred Stock shall have received \$100 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, provided that the holders of shares of Junior Preferred Stock shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount to be distributed per share to holders of shares of Common Stock, or (2) to the holders of shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Junior Preferred Stock, except distributions made ratably on the Junior Preferred Stock and all such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Junior Preferred Stock were entitled immediately prior to such event under the proviso in clause (1) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case each share of Junior Preferred Stock shall at the same time be similarly exchanged or changed into an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Junior Preferred Stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. No Redemption. The shares of Junior Preferred Stock shall not be redeemable.

Section 9. Rank. The Junior Preferred Stock shall rank, with respect to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, junior to the \$4.75 Preferred Stock and to all series of the Corporation's Preferred Stock.

Section 10. Amendment. The Certificate of Incorporation of the Corporation shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Junior Preferred Stock so as to affect them adversely without the affirmative vote of the holders of at least two-thirds of the outstanding shares of Junior Preferred Stock, voting together as a single class.

(E) Common Stock. The Common Stock shall be subject to the express terms of the \$4.75 Preferred Stock, the Junior Preferred Stock and the Preferred Stock and any series thereof. Each share of Common Stock shall be equal to each other share of Common Stock. The holders of shares of Common Stock shall be entitled to one vote for each such share upon all questions presented to the stockholders.

(F) Vote. Except as may be provided in this Certificate of Incorporation or in a Preferred Stock Designation, or as may be required by law, the Common Stock shall have the exclusive right to vote for the election of directors and for all other purposes, and holders of \$4.75 Preferred Stock, Junior Preferred Stock and Preferred Stock shall not be entitled to receive notice of any meeting of stockholders at which they are not entitled to vote.

(G) Record Holders. The Corporation shall be entitled to treat the person in whose name any share of its stock is registered as the owner thereof for all purposes and shall not be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether or not the Corporation shall have notice thereof, except as expressly provided by applicable law.

ARTICLE V

The Board of Directors is hereby authorized to create and issue, whether or not in connection with the issuance and sale of any of its stock or other securities or property, rights entitling the holders thereof to purchase from the Corporation shares of stock or other securities of the Corporation or any other corporation. The times at which and the terms upon which such rights are to be issued will be determined by the Board of Directors and set forth in the contracts or instruments that evidence such rights. The authority of the Board of Directors with respect to such rights shall include, but not be limited to, determination of the following:

(A) The initial purchase price per share or other unit of the stock or other securities or property to be purchased upon exercise of such rights.

(B) Provisions relating to the times at which and the circumstances under which such rights may be exercised or sold or otherwise transferred, either together with or separately from, any other stock or other securities of the Corporation.

(C) Provisions which adjust the number or exercise price of such rights or amount or nature of the stock or other securities or property receivable upon exercise of such rights in the event of a combination, split or recapitalization of any stock of the Corporation, a change in ownership of the Corporation's stock or other securities or a reorganization, merger, consolidation, sale of assets or other occurrence relating to the Corporation or any stock of the Corporation, and provisions restricting the ability of the Corporation to enter into any such transaction absent an assumption by the other party or parties thereto of the obligations of the Corporation under such rights.

(D) Provisions which deny the holder of a specified percentage of the outstanding stock or other securities of the Corporation the right to exercise such rights and/or cause the rights held by such holder to become void.

(E) Provisions which permit the Corporation to redeem or exchange such rights.

(F) The appointment of a rights agent with respect to such rights.

ARTICLE VI

(A) In furtherance of, and not in limitation of, the powers conferred by law, the Board of Directors is expressly authorized and empowered:

(i) to adopt, amend or repeal the Bylaws of the Corporation; provided, however, that the Bylaws adopted by the Board of Directors under the powers hereby conferred may be amended or repealed by the Board of Directors or by the stockholders having voting power with respect thereto, provided further that in the case of amendments by stockholders, the affirmative vote of the holders of at least 80 percent of the voting power of the then outstanding Voting Stock, voting together as a single class, shall be required to alter, amend or repeal any provision of the Bylaws; and

(ii) from time to time to determine whether and to what extent, and at what times and places, and under what conditions and regulations, the accounts and books of the Corporation, or any of them, shall be open to inspection of stockholders; and, except as so determined, or as expressly provided in this Certificate of Incorporation or in any Preferred Stock Designation, no stockholder shall have any right to inspect any account, book or document of the Corporation other than such rights as may be conferred by applicable law.

(B) The Corporation may in its Bylaws confer powers upon the Board of Directors in addition to the foregoing and in addition to the powers and authorities expressly conferred upon the Board of Directors by applicable law. Notwithstanding anything contained in this Certificate of Incorporation to the contrary, the affirmative vote of the holders of at least 80 percent of the voting power of the then outstanding Voting Stock, voting together as a single class, shall be required to amend, repeal or adopt any provision inconsistent with subparagraph (i) of paragraph (A) of this Article VI. For the purposes of this Certificate of Incorporation, "Voting Stock" shall mean the outstanding shares of

capital stock of the Corporation entitled to vote generally in the election of directors.

ARTICLE VII

Subject to the rights of the holders of \$4.75 Preferred Stock, any series of Preferred Stock or any other series or class of stock as set forth in the Certificate of Incorporation, to elect additional directors under specific circumstances, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing in lieu of a meeting of such stockholders. Notwithstanding anything contained in this Certificate of Incorporation to the contrary, the affirmative vote of at least 80 percent of the voting power of the then outstanding Voting Stock, voting together as a single class, shall be required to amend, repeal or adopt any provision inconsistent with this Article VII.

ARTICLE VIII

(A) Subject to the rights of the holders of \$4.75 Preferred Stock, any series of Preferred Stock or any other series or class of stock as set forth in the Certificate of Incorporation, to elect additional directors under specific circumstances, the number of directors of the Corporation shall be fixed by the Bylaws of the Corporation and may be increased or decreased from time to time in such a manner as may be prescribed by the Bylaws.

(B) Unless and except to the extent that the Bylaws of the Corporation shall so require, the election of directors of the Corporation need not be by written ballot.

(C) The directors, other than those who may be elected by the holders of the \$4.75 Preferred Stock, any series of Preferred Stock or any other series or class of stock as set forth in the Certificate of Incorporation, shall be divided into three classes, as nearly equal in number as possible. One class of directors shall be initially elected for a term expiring at the annual meeting of stockholders to be held in 1992, another class shall be initially elected for a term expiring at the annual meeting of stockholders to be held in 1993, and another class shall be initially elected for a term expiring at the annual meeting of stockholders to be held in 1994. Members of each class shall hold office until their successors are elected and qualified. At each succeeding annual meeting of the stockholders of the Corporation, the successors of the class of directors whose term expires at that meeting shall be elected by a plurality vote of all votes cast at such meeting to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election.

(D) Subject to the rights of the holders of \$4.75 Preferred Stock, any series of Preferred Stock or any other series or class of stock as set forth in the Certificate of Incorporation, to elect additional directors under specific circumstances, any director may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least 80 percent of the voting power of the then outstanding Voting Stock, voting together as a single class.

(E) Notwithstanding anything contained in this Certificate of Incorporation to the contrary, the affirmative vote of the holders of at least 80 percent of the voting power of the then outstanding Voting Stock, voting together as a single class, shall be required to amend, repeal or adopt any provision inconsistent with this Article VIII.

ARTICLE IX

Section 1. Vote Required for Certain Business Combinations.

(A) Higher Vote for Certain Business Combinations. In addition to any affirmative vote required by law or this Certificate of Incorporation, and except as otherwise expressly provided in Section 2 of this Article IX:

(i) any merger or consolidation of the Corporation or any Subsidiary (as hereinafter defined) with (a) any Interested Stockholder (as hereinafter defined), or (b) any other corporation (whether or not itself an Interested Stockholder) which is, or after such merger or consolidation would be, an Affiliate (as hereinafter defined) of an Interested Stockholder; or

(ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions) to or with any Interested Stockholder, including all Affiliates of the Interested Stockholder, of any assets of the Corporation or any Subsidiary having an aggregate Fair Market Value (as hereinafter defined) of \$10,000,000 or more; or

(iii) the issuance or transfer by the Corporation or any Subsidiary (in one transaction or a series of transactions) of any securities of the Corporation or any Subsidiary to any Interested Stockholder, including all Affiliates of the Interested Stockholder, in exchange for cash, securities or other property (or a combination thereof) having an aggregate Fair Market Value of \$10,000,000 or more; or

(iv) the adoption of any plan or proposal for the liquidation or dissolution of the Corporation proposed by or on behalf of an Interested Stockholder or any Affiliates of an Interested Stockholder; or

(v) any reclassification of securities (including any reverse stock split), or recapitalization of the Corporation, or any merger or consolidation of the Corporation with any of its Subsidiaries or any other transaction (whether or not an Interested Stockholder is a party thereto) which has the

effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of equity or convertible securities of the Corporation or any Subsidiary which are directly or indirectly owned by any Interested Stockholder or one or more Affiliates of the Interested Stockholder;

shall require the affirmative vote of the holders of at least 66 2/3% of the voting power of the then outstanding Voting Stock, voting together as a single class, including the affirmative vote of the holders of at least 66 2/3% of the voting power of the then outstanding Voting Stock not owned directly or indirectly by any Interested Stockholder or any Affiliate of any Interested Stockholder. Such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that a lesser percentage may be permitted, by law or in any agreement with any national securities exchange or otherwise.

(B) Definition of "Business Combination." The term "Business Combination" as used in this Article IX shall mean any transaction described in any one or more of clauses (i) through (v) of paragraph (A) of this Section 1.

Section 2. When Higher Vote is Not Required. The provisions of Section I of this Article IX shall not be applicable to any particular Business Combination, and such Business Combination shall require only such affirmative vote as is required by law or any other provision of this Certificate of Incorporation, if the conditions specified in either of the following paragraphs (A) or (B) are met:

(A) Approval by Continuing Directors. The Business Combination shall have been approved by a majority of the Continuing Directors (as hereinafter defined).

(B) Price and Procedure Requirements. All of the following conditions shall have been met:

(i) The aggregate amount of the cash and the Fair Market Value (as hereinafter defined) as of the date of the consummation of the Business Combination of consideration other than cash, to be received per share by holders of Common Stock in such Business Combination, shall be at least equal to the highest of the following:

(a) (if applicable) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by the Interested Stockholder for any shares of Common Stock acquired by it (1) within the two-year period immediately prior to the first public announcement of the proposal of such Business Combination (the "Announcement Date"), or (2) in the transaction in which it became an Interested Stockholder, whichever is higher;

(b) the Fair Market Value per share of Common Stock on the Announcement Date or on the date on which the Interested Stockholder became an Interested Stockholder (the "Determination Date"), whichever is higher; and

(c) (if applicable) the price per share equal to the Fair Market Value per share of Common Stock determined pursuant to paragraph (B)(i)(b) above, multiplied by the ratio of (1) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by the Interested Stockholder for any shares of Common Stock acquired by it within the two-year period immediately prior to the Announcement Date to (2) the Fair Market Value per share of Common Stock on the first day in such two-year period upon which the Interested Stockholder acquired any shares of Common Stock.

(ii) The aggregate amount of the cash and the Fair Market Value as of the date of the consummation of the Business Combination of consideration other than cash to be received per share by holders of shares of any other class, other than Common Stock or Excluded Preferred Stock, of outstanding Voting Stock shall be at least equal to the highest of the following (it being intended that the requirements of this paragraph (B)(ii) shall be required to be met with respect to every such class of outstanding Voting Stock whether or not the Interested Stockholder has previously acquired any shares of a particular class of Voting Stock):

(a) (if applicable) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by the Interested Stockholder for any shares of such class of Voting Stock acquired by it (1) within the two-year period immediately prior to the Announcement Date, or (2) in the transaction in which it became an Interested Stockholder, whichever is higher;

(b) (if applicable) the highest preferential amount per share to which the holders of shares of such class of Voting Stock are entitled in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation;

(c) the Fair Market Value per share of such class of Voting Stock on the Announcement Date or on the Determination Date, whichever is higher; and

(d) (if applicable) the price per share equal to the Fair Market Value per share of such class of Voting Stock determined pursuant to paragraph (B)(ii)(c) above, multiplied by the ratio of (1) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by the Interested Stockholder for any shares of such class of Voting Stock acquired by it within the two-year period immediately prior to the Announcement Date to (2) the Fair Market Value per share of such class of Voting Stock on the first day in such two-year period upon which the Interested Stockholder acquired any shares of such class of Voting Stock.

(iii) The consideration to be received by holders of a particular class of outstanding Voting Stock (including Common Stock and other than Excluded Preferred Stock) shall be in cash or in the same form as the Interested Stockholder has previously paid for shares of such class of Voting Stock. If the Interested Stockholder has paid for shares of any class of Voting Stock with varying forms of consideration, the form of consideration for such class of Voting Stock shall be either cash or the form used to acquire the largest number of shares of such class of Voting Stock previously acquired by it.

(iv) After such Interested Stockholder has become an Interested Stockholder and prior to the consummation of such Business Combination: (a) there shall have been no failure to declare and pay at the regular date therefor any full quarterly dividends (whether or not cumulative) on any outstanding preferred stock, except as approved by a majority of the Continuing Directors; (b) there shall have been no reduction in the annual rate of dividends paid on the Common Stock (except as necessary to reflect any subdivision of the Common Stock), except as approved by a majority of the Continuing Directors; (c) there shall have been an increase in the annual rate of dividends as necessary fully to reflect any recapitalization (including any reverse stock split), reorganization or any similar reorganization which has the effect of reducing the number of outstanding shares of the Common Stock, unless the failure so to increase such annual rate is approved by a majority of the Continuing Directors; and (d) such Interested Stockholder shall not have become the Beneficial Owner of any additional Voting Stock except as part of the transaction which results in such Interested Stockholder becoming an Interested Stockholder.

(v) After such Interested Stockholder has become an Interested Stockholder, such Interested Stockholder shall not have received the benefit, directly or indirectly (except proportionately as a shareholder), of any loans, advances, guarantees, pledges or other financial assistance or any tax credits or other tax advantages provided by the Corporation, whether in anticipation of or in connection with such Business Combination or otherwise.

(vi) A proxy or information statement describing the proposed Business Combination and complying with the requirements of the Securities Exchange Act of 1934 and the rules and regulations thereunder (or any subsequent provisions replacing such Act, rules or regulations) shall be mailed to shareholders of the Corporation at least thirty (30) days prior to the consummation of such Business Combination (whether or not such proxy or information statement is required to be marked pursuant to such Act or subsequent provisions).

Section 3. Certain Definitions. For purposes of this Article IX:

(A) "Person" shall mean any individual, firm, corporation or other entity.

(B) "Interested Stockholder" shall mean any Person (other than the Corporation or any Subsidiary) who or which:

(i) itself, or along with its Affiliates, is the Beneficial Owner, directly or indirectly, of more than 10% of the then outstanding Voting Stock; or

(ii) is an Affiliate of the Corporation and at any time within the two-year period immediately prior to the date in question was itself, or along with its Affiliates, the Beneficial Owner, directly or indirectly, of 10% or more of the then outstanding Voting Stock; or

(iii) is an assignee of or has otherwise succeeded to any Voting Stock which was at any time within the two-year period immediately prior to the date in question beneficially owned by any Interested Stockholder, if such assignment or succession shall have occurred in the course of a transaction or series of transactions not involving a public offering within the meaning of the Securities Act of 1933.

(C) "Beneficial Owner" shall have the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations of the Securities Exchange Act of 1934, as in effect on February 1, 1992. In addition, a Person shall be the "Beneficial Owner" of any Voting Stock which such Person or any of its Affiliates or Associates has (a) the right to acquire (whether such right is exercisable immediately or only after the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, or (b) the right to vote pursuant to any agreement, arrangement or understanding (but neither such Person nor any such Affiliate or Associate shall be deemed to be the Beneficial Owner of any shares of Voting Stock solely by reason of a revocable proxy granted for a particular meeting of stockholders, pursuant to a public solicitation of proxies for such meeting, and with respect to which shares neither such Person nor any such Affiliate or Associate is otherwise deemed the Beneficial Owner).

(D) For the purpose of determining whether a Person is an Interested Stockholder pursuant to paragraph (B) of this Section 3, the number of shares of Voting Stock deemed to be outstanding shall include shares deemed owned through application of paragraph (C) of this Section 3 but shall not include any other shares of Voting Stock which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options or otherwise.

(E) "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as in effect on February 1, 1992.

(F) "Subsidiary" shall mean any corporation of which a majority of any share of equity security is owned, directly or indirectly, by the Corporation; provided, however, that for the purposes of the definition of Interested Stockholder set forth in paragraph (B) of this Section 3, the term "Subsidiary" shall mean only a corporation of which a majority of each share of equity security is owned, directly or indirectly, by the Corporation.

(G) "Continuing Director" shall mean any member of the Board of Directors of the Corporation (the "Board") who is unaffiliated with the Interested Stockholder and was a member of the Board prior to the time that the Interested Stockholder became an Interested Stockholder, and any director who is thereafter chosen to fill any vacancy on the Board or who is elected and who, in either event, is unaffiliated with the Interested Stockholder and in connection with his or her initial assumption of office is recommended for appointment or election by a majority of Continuing Directors then on the Board.

(H) "Fair Market Value" shall mean (i) in the case of stock, the highest closing sale price during the 30-day period immediately preceding the date in question of a share of such stock on the Composite Tape for New York Stock Exchange listed stocks, or, if such stock is not quoted on the Composite Tape, on the New York Stock Exchange, or, if such stock is not listed on such exchange, on the principal United States securities exchange registered under the Securities Exchange Act of 1934 on which such is listed, or, if such stock is not listed on any such exchange, the highest closing bid quotation with respect to a share of such stock during the 30-day period preceding the date in question on the National Association of Securities Dealers, Inc. Automated Quotations System or any system then in use in its stead, or if no such quotations are available, the fair market value on the date in question of a share of such stock as determined by the Board in accordance with Section 4 of this Article IX; and (ii) in the case of property other than cash or stock, the fair market value of such property on the date in question as determined by the Board in accordance with Section 4 of this Article IX.

(I) In the event of any Business Combination in which the Corporation survives, the phrase "other consideration to be received" as used in paragraphs (B)(i) and (ii) of Section 2 of this Article IX shall include the shares of Common Stock and/or the shares of any other class of outstanding Voting Stock retained by the holders of such shares.

(J) "Excluded Preferred Stock" means any series of Preferred Stock with respect to which a majority of the Continuing Directors have approved a Preferred Stock Designation creating such series that expressly provides that the provisions of this Article IX shall not apply.

Section 4. The Continuing Directors of the Corporation shall have the power and duty to determine for the purposes of this Article IX, on the basis of information known to them after reasonable inquiry, all facts necessary to determine compliance with this Article IX, including, without limitation (i) whether a Person is an Interested Stockholder, (ii) the number of shares of Voting Stock beneficially owned by any Person, (iii) whether a Person is an Affiliate or Associate of another, (iv) whether the applicable conditions set forth in paragraph (B) of Section 2 of this Article IX have been met with respect to any Business Combination, (v) the Fair Market Value of stock or other property in accordance with paragraph (H) of Section 3 of this Article IX, and (vi) whether the assets which are the subject of any Business Combination have, or the consideration to be received for the issuance or transfer of securities by the Corporation or any Subsidiary in any Business Combination has, an aggregate Fair Market Value of \$10,000,000 or more.

Section 5. No Effect on Fiduciary Obligations of Interested Stockholders. Nothing contained in this Article IX shall be construed to relieve any Interested Stockholder from any fiduciary obligation imposed by law.

Section 6. Amendment, Repeal, etc. Notwithstanding any other provisions of this Certificate of Incorporation or the Bylaws of the Corporation (and notwithstanding the fact that a lesser percentage may be permitted by law, this Certificate of Incorporation or the Bylaws of the Corporation), but in addition to any affirmative vote of the holders of any particular class of the Voting Stock required by law or this Certificate of Incorporation, the affirmative vote of the holders of 66 2/3% of the voting power of the shares of the then outstanding Voting Stock voting together as a single class, including the affirmative vote of the holders of 66 2/3% of the voting power of the then outstanding Voting Stock not owned directly or indirectly by any Interested Stockholder or any Affiliate of any Interested Stockholder, shall be required to amend or repeal, or adopt any provisions inconsistent with, this Article IX of this Certificate of Incorporation.

ARTICLE X

Each person who is or was or had agreed to become a director or officer of the Corporation, or each such person who is or was serving or who had agreed to serve at the request of the Board of Directors or an officer of the Corporation as an employee or agent of the Corporation or as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (including the heirs, executor, administrators or estate of such person), shall be indemnified by the Corporation, in accordance with the Bylaws of the Corporation, to the fullest extent permitted from time to time by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment) or any other applicable laws as presently or hereafter in effect. Without limiting the generality or the effect of the foregoing, the Corporation may enter into one or more agreements with any person which provide for indemnification greater or different than that provided in this Article X. Any amendment or repeal of this Article X shall not adversely affect any right or protection existing hereunder in respect of any act or omission occurring prior to such amendment or repeal.

ARTICLE XI

A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law of the State of Delaware, or (iv) for any transaction from which the director derived an improper personal benefit. Any amendment or repeal of this Article XI shall not adversely affect any right or protection of a director of the Corporation existing hereunder in respect of any act or omission occurring prior to such amendment or repeal.

ARTICLE XII

Except as may be expressly provided in this Certificate of Incorporation, the Corporation reserves the right at any time and from time to time to amend, alter, change or repeal any provision contained in this Certificate of Incorporation or a Preferred Stock Designation, and any other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed herein or by applicable law, and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the right reserved in this Article XII; provided, however, that any amendment or repeal of Article X or Article XI of this Certificate of Incorporation shall not adversely affect any right or protection existing hereunder in respect of any act or omission occurring prior to such amendment or repeal; and provided further that no Preferred Stock Designation shall be amended after the issuance of any shares of the series of Preferred Stock created thereby, except in accordance with the terms of such Preferred Stock Designation and the requirements of applicable law; and provided further that paragraph (D) of Article IV hereof shall not be amended after the issuance of any shares of Junior Preferred Stock, except in accordance with the terms of such paragraph (D) and the requirements of applicable law.

IN WITNESS WHEREOF, said The New Dial Corp. has caused this Restated Certificate of Incorporation to be signed by its President and attested by its Secretary and has caused its corporate seal to be affixed, this 24th day of February, 1992.

THE NEW DIAL CORP.

By: /s/ John W. Teets
President

Attest: /s/ F.G. Emerson
Secretary

**CERTIFICATE OF MERGER
OF
THE DIAL CORP
INTO
THE NEW DIAL CORP.**

(Under Section 252 of The General

Corporation Law of the State of Delaware)

The New Dial Corp., a corporation organized and existing under and by virtue of the laws of the State of Delaware, DOES HEREBY CERTIFY THAT:

1. The name and state of incorporation of each of the constituent corporations are:

(a) The Dial Corp, an Arizona corporation; and

(b) The New Dial Corp., a Delaware corporation.

2. An agreement of merger has been approved, adopted, certified, executed and acknowledged by The Dial Corp and by The New Dial Corp. in accordance with the provisions of subsection (c) of Section 252 of the General Corporation Law of the State of Delaware.

3. The name of the surviving corporation of the merger is The New Dial Corp.

4. The certificate of incorporation of The New Dial Corp. shall be the certificate of incorporation of the surviving corporation, except that at the effective time of the merger Article I of the certificate of incorporation of The New Dial Corp. shall be amended to read in its entirety as follows:

I. The name of the Corporation is The Dial Corp.

5. The surviving corporation is a corporation of the State of Delaware.

6. The executed agreement of merger is on file at the principal place of business of The New Dial Corp. at 1850 North Central Avenue, Phoenix, Arizona 85077.

7. A copy of the agreement of merger will be furnished by The New Dial Corp., on request and without cost, to any stockholder of The Dial Corp or The New Dial Corp.

8. The authorized capital stock of The Dial Corp is 100,000,000 shares of common stock, par value \$1.50 per share, 5,000,000 shares of preference stock, without par value, of which 442, 352 shares have been designated Series \$4.75 Preferred Stock and 600,000 shares have been designated Junior Participating Preference Stock, and 5,000,000 shares of second preference stock, without par value.

IN WITNESS WHEREOF, The New Dial Corp. has caused this certificate to be executed by Richard C. Stephan, its Vice President, and attested by F.G. Emerson, its Secretary, on this 3rd day of March, 1992.

THE NEW DIAL CORP.

*By: /s/ Richard C. Stephan
Vice President*

ATTEST:

By: /s/ F.G. Emerson

Secretary

EXHIBIT 3.B

BYLAWS OF THE DIAL CORP

Incorporated under the Laws of the State of Delaware As Amended Through February 16, 1996

ARTICLE I

OFFICES AND RECORDS

Section 1.1. Delaware Office. The principal office of the Corporation in the State of Delaware shall be located in the City of Wilmington, County of New Castle, and the name and address of its registered agent is The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware.

Section 1.2. Other Offices. The Corporation may have such other offices, either within or without the State of Delaware, as the Board of Directors may designate or as the business of the Corporation may from time to time require.

Section 1.3. Books and Records. The books and records of the Corporation may be kept at the Corporation's headquarters in Phoenix, Arizona or at such other locations as may from time to time be designated by the Board of Directors.

ARTICLE II

STOCKHOLDERS

Section 2.1. Annual Meeting. The annual meeting of the stockholders of the Corporation shall be held on the second Tuesday in May of each year, if not a legal holiday, and if a legal holiday then on the next succeeding business day, at 9:00 a.m., local time, at the principal executive offices of the Corporation, or at such other date, place and/or time as may be fixed by resolution of the Board of Directors.

Section 2.2. Special Meeting. Subject to the rights of the holders of the Series \$4.75 Preferred Stock, without par value but with a stated value of \$100 per share (the "\$4.75 Preferred Stock"), any series of preferred stock, par value \$.01 per share (the "Preferred Stock"), or any other series or class of stock as set forth in the Certificate of Incorporation of the Corporation to elect additional directors under specified circumstances, special meetings of the stockholders may be called only by the Chairman of the Board or by the Board of Directors pursuant to a resolution adopted by a majority of the total number of directors which the Corporation would have if there were no vacancies (the "Whole Board").

Section 2.3. Place of Meeting. The Board of Directors may designate the place of meeting for any meeting of the stockholders. If no designation is made by the Board of Directors, the place of meeting shall be the principal office of the Corporation.

Section 2.4. Notice of Meeting. Written or printed notice, stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called, shall be prepared and delivered by the Corporation not less than ten days nor more than sixty days before the date of the meeting, either personally, or by mail, to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid, addressed to the stockholder at his address as it appears on the stock transfer books of the Corporation. Such further notice shall be given as may be required by law. Meetings may be held without notice if all stockholders entitled to vote are present, or if notice is waived by those not present. Any previously scheduled meeting of the stockholders may be postponed by resolution of the Board of Directors upon public notice given prior to the time previously scheduled for such meeting of stockholders.

Section 2.5. Quorum and Adjournment. Except as otherwise provided by law or by the Certificate of Incorporation, the holders of a majority of the voting power of the outstanding shares of the Corporation entitled to vote generally in the election of directors (the "Voting Stock"), represented in person or by proxy, shall constitute a quorum at a meeting of stockholders, except that when specified business is to be voted on by a class or series voting as a class, the holders of a majority of the shares of such class or series shall constitute a quorum for the transaction of such business. The chairman of the meeting or a majority of the voting power of the shares of Voting Stock so represented may adjourn the meeting from time to time, whether or not there is such a quorum (or in the case of specified business to be voted on a class or series, the chairman or a majority of the shares of such class or series so represented may adjourn the meeting with respect to such specified business). No notice of the time and place of adjourned meetings need be given except as required by law. The stockholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 2.6. Proxies. At all meetings of stockholders, a stockholder may vote by proxy executed in writing by the stockholder or as otherwise permitted by law, or by his duly authorized attorney-in-fact. Such proxy must be filed with the Secretary of the Corporation or his representative at or before the time of the meeting.

Section 2.7. Notice of Stockholder Business and Nominations.

(A) Annual Meetings of Stockholders. (1) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (a) pursuant to the Corporation's notice of meeting delivered pursuant to Section 2.4 of these Bylaws, (b) by or at the direction of the Chairman or the Board of Directors or (c) by any stockholder of the Corporation who is entitled to vote at the meeting, who complied with the notice procedures set forth in clauses (2) and (3) of this paragraph (A) and this Bylaw and who was a stockholder of record at the time such notice is delivered to the Secretary of the Corporation.

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (c) of paragraph (A) (1) of this Bylaw, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not less than seventy days nor more than ninety days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than twenty days, or delayed by more than seventy days, from such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the ninetieth day prior to such annual meeting and not later than the close of business on the later of the seventieth day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made. Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner and (ii) the class and number of shares of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner.

(3) Notwithstanding anything in the second sentence of paragraph (A) (2) of this Bylaw to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Corporation at least eighty days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Bylaw shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which such public announcement is first made by the Corporation.

(B) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting pursuant to Section 2.4 of these Bylaws. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (a) by or at the direction of the Board of Directors or (b) by any stockholder of the Corporation who is entitled to vote at the meeting, who complies with the notice procedures set forth in this Bylaw and who is a stockholder of record at the time such notice is delivered to the Secretary of the Corporation. Nominations by stockholders of persons for election to the Board of Directors may be made at such a special meeting of stockholders if the stockholder's notice as required by paragraph (A) (2) of this Bylaw shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the ninetieth day prior to such special meeting and not later than the close of business on the later of the seventieth day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting.

(C) General. (1) Only persons who are nominated in accordance with the procedures set forth in this Bylaw shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Bylaw. Except as otherwise provided by law, the Restated Certificate of Incorporation or these Bylaws, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this Bylaw and, if any proposed nomination or business is not in compliance with this Bylaw, to declare that such defective proposal or nomination shall be disregarded.

(2) For purposes of this Bylaw, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(3) Notwithstanding the foregoing provisions of this Bylaw, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Bylaw. Nothing in this Bylaw shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

Section 2.8. Procedure for Election of Directors. Election of directors at all meetings of the stockholders at which directors are to be elected shall be by written ballot, and, except as otherwise set forth in the Certificate of Incorporation with respect to the right of the holders of the \$4.75 Preferred Stock, any series of Preferred Stock or any other series or class of stock to elect additional directors under specified

circumstances, a plurality of the votes cast thereat shall elect. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, all matters other than the election of directors submitted to the stockholders at any meeting shall be decided by a majority of the votes cast with respect thereto.

Section 2.9. Inspectors of Elections; Opening and Closing the Polls.

(A) The Board of Directors by resolution shall appoint one or more inspectors, which inspector or inspectors may include individuals who serve the Corporation in other capacities, including, without limitation, as officers, employees, agents or representatives of the Corporation, to act at the meeting and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act, or if all inspectors or alternates who have been appointed are unable to act, at a meeting of stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall have the duties prescribed by the General Corporation Law of the State of Delaware.

(B) The chairman of the meeting shall fix and announce at the meeting the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting.

Section 2.10. No Stockholder Action by Written Consent. Subject to the rights of the holders of the \$4.75 Preferred Stock, any series of Preferred Stock or any other series or class of stock as set forth in the Certificate of Incorporation to elect additional directors under specific circumstances, any action required or permitted to be taken by the stockholders of the Corporation must be effected at an annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

ARTICLE III

BOARD OF DIRECTORS

Section 3.1. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of its Board of Directors. In addition to the powers and authorities by these Bylaws expressly conferred upon them, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law or by the Certificate of Incorporation or by these Bylaws required to be exercised or done by the stockholders.

Section 3.2. Number, Tenure and Qualifications. Subject to the rights of the holders of the \$4.75 Preferred Stock, any series of Preferred Stock, or any other series or class of stock as set forth in the Certificate of Incorporation, to elect directors under specified circumstances, the number of directors shall be fixed from time to time exclusively pursuant to a resolution adopted by a majority of the Whole Board, but shall consist of not more than seventeen nor less than three directors. The directors, other than those who may be elected by the holders of the \$4.75 Preferred Stock, any series of Preferred Stock, or any other series or class of stock as set forth in the Certificate of Incorporation, shall be divided, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible, with the term of office of the first class to expire at the 1992 annual meeting of stockholders, the term of office of the second class to expire at the 1993 annual meeting of stockholders and the term of office of the third class to expire at the 1994 annual meeting of stockholders. Each director shall hold office until his or her successor shall have been duly elected and qualified. At each annual meeting of stockholders, commencing with the 1992 annual meeting, (i) directors elected to succeed those directors whose terms then expire shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders after their election, with each director to hold office until his or her successor shall have been duly elected and qualified, and (ii) if authorized by a resolution of the Board of Directors, directors may be elected to fill any vacancy on the Board of Directors, regardless of how such vacancy shall have been created.

Notwithstanding the foregoing, no outside director shall be nominated by the Board of Directors for election as a director for another term of office unless such term of office shall begin before he attains age 70, provided, however, that any outside director who had attained age 65 on May 10, 1983 may be nominated by the Board of Directors for election as a director for another term of office unless such term of office shall begin before he attains age 72; and no inside director's term of office shall continue after he attains age 65 or after the termination of his services as an officer or employee of the Corporation, unless such continuance is approved by a majority of the outside directors on the Board of Directors at the time the disqualifying event occurs and each time thereafter that such inside director is nominated for reelection. The term "outside director" means any person who has never served as an officer or employee of the Corporation or an affiliate and the term "inside director" means any director who is not an "outside director." Any person who is ineligible for re-election as a director under this paragraph may, by a majority vote of the Board of Directors, be designated as a "Director Emeritus" and as such shall be entitled to receive notice of, and to attend meetings of, the Board of Directors, but shall not vote at such meetings.

Section 3.3. Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after, and at the same place as, each annual meeting of stockholders. The Board of Directors may, by resolution, provide the time and place for the holding of additional regular meetings without other notice than such resolution.

Section 3.4. Special Meetings. Special meetings of the Board of Directors shall be called at the request of the Chairman of the Board, the President or a majority of the Board of Directors. The person or persons authorized to call special meetings of the Board of Directors may fix the place and time of the meetings.

Section 3.5. Notice. Notice of any special meeting shall be given to each director at his business or residence in writing or by telegram or by

telephone communication. If mailed, such notice shall be deemed adequately delivered when deposited in the United States mails so addressed, with postage thereon prepaid, at least five days before such meeting. If by telegram, such notice shall be deemed adequately delivered when the telegram is delivered to the telegraph company at least twenty-four hours before such meeting. If by facsimile transmission, such notice shall be transmitted at least twenty-hours before such meeting. If by telephone, the notice shall be given at least twelve hours prior to the time set for the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting, except for amendments to these Bylaws as provided under Section 7.1 of Article VII hereof. A meeting may be held at any time without notice if all the directors are present or if those not present waive notice of the meeting in writing, either before or after such meeting.

Section 3.6. Quorum. A whole number of directors equal to at least a majority of the Whole Board shall constitute a quorum for the transaction of business, but if at any meeting of the Board of Directors there shall be less than a quorum present, a majority of the directors present may adjourn the meeting from time to time without further notice. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. The directors present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum.

Section 3.7. Vacancies. Subject to the rights of the holders of the \$4.75 Preferred Stock, any series of Preferred Stock or any other series or class of stock, as set forth in the Certificate of Incorporation, to elect additional directors under specified circumstances, and unless the Board of Directors otherwise determines, vacancies resulting from death, resignation, retirement, disqualification, removal from office or other cause, and newly created directorships resulting from any increase in the authorized number of directors, may be filled only by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors, and directors so chosen shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which they have been elected expires and until such director's successor shall have been duly elected and qualified. No decrease in the number of authorized directors constituting the Whole Board shall shorten the term of any incumbent director.

Section 3.8. Executive Committee. The Board of Directors, immediately following each annual meeting of stockholders or a special meeting of the same held in lieu of the annual meeting for the election of directors, shall meet and shall appoint from its number an Executive Committee of such number of members as from time to time may be selected by the Board, to serve until the next annual or special meeting at which a majority of directors is elected or until the respective successor of each is duly appointed. The Executive Committee shall possess and may exercise all the powers and authority of the Board of Directors in the management and direction of the business and affairs of the Corporation, except as limited by law and except for the power to change the membership or to fill vacancies in the Board or said Committee. The Board shall have the power at any time to change the membership of said Committee, to fill vacancies in it or to make rules for the conduct of its business.

Section 3.9. Removal. Subject to the rights of the holders of the \$4.75 Preferred Stock, any series of Preferred Stock or any other series or class of stock, as set forth in the Certificate of Incorporation, to elect additional directors under specified circumstances, any director, or the entire Board of Directors, may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least 80 percent of the voting power of the then outstanding Voting Stock, voting together as a single class.

ARTICLE IV

OFFICERS

Section 4.1. Elected Officers. The elected officers of the Corporation shall be a Chairman of the Board, a President, a Secretary, a Treasurer, and such other officers as the Board of Directors from time to time may deem proper. The Chairman of the Board shall be chosen from the directors. All officers chosen by the Board of Directors shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this Article IV. Such officers shall also have such powers and duties as from time to time may be conferred by the Board of Directors or by any committee thereof.

Section 4.2. Election and Term of Office. The elected officers of the Corporation shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors held after each annual meeting of the stockholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Subject to Section 4.7 of these Bylaws, each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign.

Section 4.3. Chairman of the Board. The Chairman of the Board shall preside at all meetings of the stockholders and of the Board of Directors. The Chairman of the Board shall be responsible for the general management of the affairs of the Corporation and shall perform all duties incidental to his office which may be required by law and all such other duties as are properly required of him by the Board of Directors. Except where by law the signature of the President is required, the Chairman of the Board shall possess the same power as the President to sign all certificates, contracts, and other instruments of the Corporation which may be authorized by the Board of Directors. He shall make reports to the Board of Directors and the stockholders, and shall perform all such other duties as are properly required of him by the Board of Directors. He shall see that all orders and resolutions of the Board of Directors and of any committee thereof are carried into effect.

Section 4.4. President. The President shall act in a general executive capacity and shall assist the Chairman of the Board in the administration and operation of the Corporation's business and general supervision of its policies and affairs. The President shall, in the absence of or because of the inability to act of the Chairman of the Board, perform all duties of the Chairman of the Board and preside at all meetings of stockholders and of the Board of Directors. The President may sign, alone or with the Secretary, or an Assistant Secretary, or any other proper officer of the

Corporation authorized by the Board of Directors, certificates, contracts, and other instruments of the Corporation as authorized by the Board of Directors.

Section 4.5. Secretary. The Secretary shall give, or cause to be given, notice of all meetings of stockholders and Directors and all other notices required by law or by these Bylaws, and in case of his absence or refusal or neglect so to do, any such notice may be given by any person thereunto directed by the Chairman of the Board or the President, or by the Board of Directors, upon whose request the meeting is called as provided in these Bylaws. He shall record all the proceedings of the meetings of the Board of Directors, any committees thereof and the stockholders of the Corporation in a book to be kept for that purpose, and shall perform such other duties as may be assigned to him by the Board of Directors, the Chairman of the Board or the President. He shall have the custody of the seal of the Corporation and may affix the same to all instruments requiring it, and attest to the same.

Section 4.6. Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate account of receipts and disbursements in books belonging to the Corporation. The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, the Chairman of the Board, or the President, taking proper vouchers for such disbursements. The Treasurer shall render to the Chairman of the Board, the President and the Board of Directors, whenever requested, an account of all his transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, the Treasurer shall give the Corporation a bond for the faithful discharge of his duties in such amount and with such surety as the Board of Directors shall prescribe.

Section 4.7. Removal. Any officer elected by the Board of Directors may be removed by a majority of the members of the Whole Board whenever, in their judgment, the best interests of the Corporation would be served thereby. No elected officer shall have any contractual rights against the Corporation for compensation by virtue of such election beyond the date of the election of his successor, his death, his resignation or his removal, whichever event shall first occur, except as otherwise provided in an employment contract or an employee plan.

Section 4.8. Vacancies. A newly created office and a vacancy in any office because of death, resignation, or removal may be filled by the Board of Directors for the unexpired portion of the term at any meeting of the Board of Directors.

ARTICLE V

STOCK CERTIFICATES AND TRANSFERS

Section 5.1. Stock Certificates and Transfers.

(A) The interest of each stockholder of the Corporation shall be evidenced by certificates for shares of stock in such form as the appropriate officers of the Corporation may from time to time prescribe. The shares of the stock of the Corporation shall be transferred on the books of the Corporation by the holder thereof in person or by his attorney, upon surrender for cancellation of certificates for the same number of shares, with an assignment and power of transfer endorsed thereon or attached thereto, duly executed, with such proof of the authenticity of the signature as the Corporation or its agents may reasonably require.

(B) The certificates of stock shall be signed, countersigned and registered in such manner as the Board of Directors may by resolution prescribe, which resolution may permit all or any of the signatures on such certificates to be in facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.1. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January and end on the thirty-first day of December of each year.

Section 6.2. Dividends. The Board of Directors may from time to time declare, and the Corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and its Restated Certificate of Incorporation.

Section 6.3. Seal. The corporate seal shall be in circular form and shall have inscribed thereon the name of the Corporation and the words "Corporate Seal--Delaware 1991."

Section 6.4. Waiver of Notice. Whenever any notice is required to be given to any stockholder or director of the Corporation under the provisions of the General Corporation Law of the State of Delaware, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the stockholders of the Board of Directors need be specified in any waiver of

notice of such meeting.

Section 6.5. Audits. The accounts, books and records of the Corporation shall be audited upon the conclusion of each fiscal year by an independent certified public accountant selected by the Board of Directors, and it shall be the duty of the Board of Directors to cause such audit to be made annually.

Section 6.6. Resignations. Any director or any officer, whether elected or appointed, may resign at any time by serving written notice of such resignation on the Chairman of the Board, the President or the Secretary, and such resignation shall be deemed to be effective as of the close of business on the date said notice is received by the Chairman of the Board, the President, or the Secretary or at such later date as is stated therein. No formal action shall be required of the Board of Directors or the stockholders to make any such resignation effective.

Section 6.7. Indemnification and Insurance. (A) Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit, or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she or a person of whom he or she is the legal representative is or was a director, officer or employee of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of any other corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including, without limitation, attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that except as provided in paragraph (B) of this Bylaw with respect to proceedings seeking to enforce rights to indemnification, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation.

(B) If a claim under paragraph (A) of this Bylaw is not paid in full by the Corporation within thirty days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel or stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel or stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(C) Following any "change in control" of the Corporation of the type required to be reported under Item 1 of Form 8-K promulgated under the Exchange Act, any determination as to entitlement to indemnification shall be made by independent legal counsel selected by the claimant, which independent legal counsel shall be retained by the Board of Directors on behalf of the Corporation.

(D) The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Bylaw shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

(E) The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the General Corporation Law of the State of Delaware.

(F) The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, and rights to be paid by the Corporation the expenses incurred in defending any proceeding in advance of its final disposition, to any agent of the Corporation to the fullest extent of the provisions of this Bylaw with respect to the indemnification and advancement of expenses of directors, officers and employees of the Corporation.

(G) The right to indemnification conferred in this Bylaw shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that if the General Corporation Law of the State of Delaware requires, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the Corporation of an undertaking by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Bylaw or otherwise.

(H) Any amendment or repeal of this Article VI shall not adversely affect any right or protection existing hereunder in respect of any act or omission occurring prior to such amendment or repeal.

Section 6.8. Election not to be subject to Arizona Control Share Acquisitions Statute. The Corporation elects not to be subject to Title 10, Chapter 23, Article 2 of the Arizona Revised Statutes, relating to "Control Share Acquisitions."

ARTICLE VII

AMENDMENTS

Section 7.1. Amendments. These Bylaws may be amended, added to, rescinded or repealed at any meeting of the Board of Directors or of the stockholders, provided notice of the proposed change was given in the notice of the meeting and, in the case of a meeting of the Board of Directors, in a notice given no less than twenty-four hours prior to the meeting; provided, however, that, in the case of amendments by stockholders, notwithstanding any other provisions of these Bylaws or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of stock required by law, the Certificate of Incorporation or these Bylaws, the affirmative vote of the holders of at least 80 percent of the voting power of the then outstanding Voting Stock, voting together as a single class, shall be required to alter, amend or repeal any provision of

these Bylaws.

EXHIBIT 4.B2

THE DIAL CORP

**SECOND AMENDMENT
TO
AMENDED AND RESTATED
CREDIT AGREEMENT**

This SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT is dated as of November 8, 1995 (this "Amendment") and is entered into by and among The Dial Corp, a Delaware corporation (the "Borrower"), the Banks listed on the signature pages hereof (the "Banks"), Bank of America National Trust and Savings Association and Citibank, N.A., as agents (the "Agents") for the Banks, Citibank, as the funding agent for the Banks (the "Funding Agent"), and Bank of America National Trust and Savings Association, as reporting agent for the Banks (the "Reporting Agent"), and is made with reference to that certain Amended and Restated Credit Agreement dated as of December 15, 1993, as amended by that certain First Amendment to Amended and Restated Credit Agreement dated as of September 23, 1994 (as so amended, the "Agreement"). Capitalized terms used herein without definitions have the respective meanings assigned to them in the Agreement.

PRELIMINARY STATEMENT

The Borrower has requested, and the Banks and the Agents are willing, to amend the Agreement on the terms and conditions set forth in this Amendment.

AGREEMENT

IN CONSIDERATION of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Borrower, the Banks, the Funding Agent, the Reporting Agent and the Agents hereby agree as follows:

SECTION 1. AMENDMENTS TO THE AGREEMENT.

1.1 Amendment to Section 1.01.

A. Section 1.01 of the Agreement is hereby amended by deleting the definition of "Net Worth" therefrom in its entirety and substituting the following therefor:

"'Net Worth' means minority interests, preferred stock and common stock and other equity, as shown on the consolidated balance sheet of the Borrower and its Subsidiaries, provided, that, there shall be excluded from the calculation of Net Worth any unrealized gains or losses (net of taxes) on securities available for sale."

1.2 Amendment to Section 5.02(a)(ii).

Section 5.02(a)(ii) of the Agreement is hereby amended by deleting such section in its entirety and substituting the following therefor.

"(i) Liens on accounts receivable resulting from the sale of such accounts receivable by the Borrower or a Subsidiary of the Borrower, so long as, at any time, the aggregate outstanding amount of cash advanced to the Borrower or such Subsidiary, as the case may be, and attributable to the sale of such accounts receivable does not exceed \$300,000,000;"

1.3 Amendment to Section 5.02(f).

Section 5.02(f) of the Agreement is hereby amended by deleting such section in its entirety and substituting the following therefor:

"(f) Maximum Leverage. The Borrower will not permit Leverage in any period referred to below to be greater than the amounts set forth below for the

corresponding period:

September 30, 1995 through December 30, 1996	0.62 to 1.00
December 31, 1996 through December 30, 1997	0.60 to 1.00
December 31, 1997 through December 30, 1998	0.575 to 1.00

1.4 Amendment to Section 5.02(g).

Section 5.02(g) of the Agreement is hereby amended by deleting such section in its entirety and substituting the following therefor:

"(g) Minimum Net Worth. The Borrower will not permit at any time Net Worth to be less than the sum of (1) \$500 million and (ii) 25% of Net Income (if a positive number) from October 1, 1995 to the then most recent June 30 or December 31 and (iii) all Additions to Capital from October 1, 1995 to the then most recent June 30 or December 31."

1.5 Substitution of Exhibit.

Exhibit F to the Agreement is hereby amended by deleting said Exhibit F in its entirety and substituting in place thereof a new Exhibit F in the form of Annex I to this Amendment.

SECTION 2. CONDITIONS TO EFFECTIVENESS.

Section 1 of this Amendment shall become effective only upon the satisfaction of all of the following conditions precedent (the date of satisfaction or waiver of such conditions being referred to herein as the "Second Amendment Effective Date") and the receipt by the Agents of all of the following (with sufficient originally executed copies, where appropriate, for each Bank and the Agents), in form and substance satisfactory to the Agents and their counsel and, unless otherwise noted, dated the Second Amendment Effective Date: (i) resolutions of the Borrower's board of directors approving and authorizing the execution, delivery, and performance of this Amendment, certified as of the Second Amendment Effective Date by its corporate secretary or an assistant secretary as being in full force and effect without modification or amendment, (ii) executed copies of this Amendment, (iii) signature and incumbency certificates of the Borrower's officers executing this Amendment and (iv) such other evidence as the Agents may reasonably request to establish the consummation of the transactions contemplated hereby, the taking of all corporate proceedings in connection with this Amendment and the compliance with the conditions set forth herein. On the Second Amendment Effective Date, this Amendment shall be deemed effective as of September 30, 1995.

SECTION 3. BORROWER'S REPRESENTATIONS AND WARRANTIES.

The Borrower represents and warrants to the Agents and the Banks that the following statements are true, correct and complete:

(a) Organization and Powers. The Borrower has all requisite corporate power and authority to enter into this Amendment and to carry out the transactions contemplated by, and perform its obligations under, the Agreement, as amended hereby (the Agreement, as so amended, the "Amended Agreement").

(b) Authorization of Agreement. The execution and delivery of this Amendment have been duly authorized by all necessary corporate actions by the Borrower. This Amendment has been duly executed and delivered by the Borrower.

(c) No Conflict. The execution and delivery by the Borrower of this Amendment and the performance by the Borrower of the Amended Agreement do not and will not (i) violate any provision of any law, rule or regulation applicable to the Borrower, the charter or bylaws of the Borrower or any order, judgment or decree of any court or other agency of government binding on the Borrower, (ii) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any indenture or loan or credit agreement or any other agreement, lease or instrument to which the Borrower is a party or by which it is or its properties may be bound or affected, (iii) result in or require the creation or imposition of any Lien upon any of its properties or assets, or (iv) require any approval of stockholders or any approval or consent of any natural person, corporation, partnership, association, trust, bank or other organization, whether or not a legal entity, that is a party to any indenture or loan or credit agreement or any other agreement, lease or instrument to which the Borrower is a party or by which it or any of its properties may be bound or affected.

(d) Governmental Consents. The execution and delivery by the Borrower of this Amendment and the performance by the Borrower of the Amended Agreement do not and will not require any registration with, consent or approval of, or notice to, or other action of, with or by, any Federal, state or other governmental authority or regulatory body.

(e) Binding Obligation. This Amendment and the Amended Agreement are the legally valid and binding obligations of the Borrower, enforceable against it in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

(f) Incorporation of Representations and Warranties From Agreement. The representations and warranties contained in the Amended Agreement are and will be true, correct and complete in all material respects on and as of the Second Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties were true, correct and complete in all material respects on and as of such earlier date.

(g) Absence of Default. No event has occurred and is continuing or will result from the consummation of the transactions contemplated by this Amendment which constitute an Event of Default or that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

SECTION 4. MISCELLANEOUS.

(a) Reference to and Effect on the Agreement.

(i) On and after the Second Amendment Effective Date, each reference in the Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import, shall mean and be a reference to the Agreement, as amended hereby.

(ii) Except as specifically amended hereby, the terms, conditions and provisions of the Agreement shall remain in full force and effect and are hereby ratified and confirmed.

(iii) The execution, delivery and performance of this Amendment shall not, except as expressly provided herein, (x) constitute a waiver or modification of any provisions of, or operate as a waiver of any right, power or remedy of the Banks or the Agents under, the Agreement or (y) prejudice any right or remedy that the Banks or the Agents may now have or may have in the future under or in connection with the Agreement or any instrument or agreement referred to herein.

(b) Execution in Counterparts; Effectiveness. This Amendment may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. This Amendment shall become effective upon the execution hereof by Requisite Lenders, the Agents and the Borrower and receipt by the Borrower and the Agents of written notification of such execution and authorization of delivery thereof and upon satisfaction of the conditions set forth in Section 2 hereof.

(c) Costs, Expenses and Taxes. The Borrower acknowledges that all costs, fees, and expenses as described in subsection 8.04 of the Agreement incurred by the Agents and their counsel with respect to this Amendment and the documents and transactions contemplated hereby shall be for the account of the Borrower.

(d) GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(e) Headings. Section and subsection headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

ANNEX I

EXHIBIT F

(FORM OF COMPLIANCE CERTIFICATE)

The undersigned certifies that: (i) this Certificate is as of _____ and pertains to the period from _____ to _____, (ii) the undersigned has reviewed the terms of the Amended and Restated Credit Agreement, dated as of December 15, 1993, among The Dial Corp, the Banks named therein, Bank of America National Trust and Savings Association and Citibank, N.A., as Agents, Citibank, N.A., as Funding Agent, and Bank of America National Trust and Savings Association, as Reporting Agent, as amended by that certain First Amendment to Amended and Restated Credit Agreement dated as of September 23, 1994, and that certain Second Amendment to Amended and Restated Credit Agreement dated as of November 8, 1995 (as so amended and as it may be amended from time to time, the "Credit Agreement") and has made, or caused to be made under the undersigned's supervision, a review in reasonable detail of the transactions and condition of the Borrower and its Subsidiaries during the period set forth above and (iii) such review has not disclosed the existence during or at the end of such period, and the undersigned does not have knowledge of the existences as of the date of this Certificate, of any condition or event that constitutes an Event of Default or Potential Event of Default.¹ Capitalized terms used herein shall have the meanings set forth in the Credit Agreement.

A. CASH FLOW COVERAGE.

For the Borrower and its Subsidiaries:

1. consolidated net income plus provision for taxes (excluding extraordinary, unusual, or nonrecurring gains or losses) \$
2. interest expense \$
3. net operating lease expense (net of operating sublease income) \$

If any event or condition that constitutes an Event of Default or Potential Event of Default exists, the Certificate should include the nature and period of existence of such event or condition and what action the Borrower has taken, is taking and proposes to take with respect thereto.

4. depreciation and amortization of \$ intangibles

5. capital expenditures (excluding the cost of acquisitions) \$

6. Total of (1) plus (2) plus (3) plus
(4) minus (5) \$

7. net operating lease expense (net of

operating sublease income)	\$
8. interest expense	\$
9. Total of (7) plus (8)	\$
10. Cash Flow Coverage [(6) divided by (9)]	____:1.00
11. Minimum Cash Flow Coverage required under Credit Agreement	1.25:1.00

B. LEVERAGE.

For the Borrower and its Subsidiaries:

1. indebtedness for borrowed money or for the deferred purchase price of property or services \$

2. obligations as lessee under leases which shall have been or should be, in accordance with GAAP, recorded as capital leases \$

3. obligations under guarantees in respect of indebtedness or obligations of others of the kinds referred to in clauses (1) and (2) of this Section B \$

4. Funded Debt [(1) plus (2) plus (3)] \$

5. Cash \$

6. Cash Equivalents \$

7. total of (4) minus (5) minus (6) \$

8. Net Worth (excluding any unrealized gains or losses (net of taxes) on securities available for sale) \$

9. "Employee Equity Trust" contra

account	\$
10. "Guaranty of ESOP Debt" contra account	\$
11. Shareholders Equity [(8) plus (9) plus (10)]	\$
12. Total of (4) minus (5) minus (6) plus (11)	\$
13. Leverage [(7) divided by (12)]	____:1.00
14. Maximum Leverage permitted under Credit Agreement [0.62:1.00 for September 30, 1995 - December 30, 1996; 9.60:1.00 for December 31, 1996 - December 30, 1997; 0.575:1.00 for December 31, 1997 - December 30, 1998; 0.55:1.00 for December 31, 1998 and thereafter]	____:1.00

C. NET WORTH

For the Borrower and its Subsidiaries:

1. Net Income (excluding losses) from

October 1, 1995 to most recent June 30 or December 31 \$

2. aggregate net proceeds, including cash and the fair market value of property other than cash, received by the Borrower from the issue or sale of capital stock of the Borrower from October 1, 1995 to the most recent June 30 or December 31 \$

3. aggregate of 25% of the after tax gains realized from unusual, extraordinary, and major nonrecurring items from October 1, 1995 to the most recent June 30 or December 31 \$

4. Additions to Capital [(2) plus (3)] \$

5. 25% multiplied by (1) \$

6. Minimum Net Worth permitted under Credit Agreement [\$500 million plus (4) plus (5)] \$

7. Net Worth (excluding any unrealized gains or losses (net of taxes) on securities available for sale) \$

By:

Title:

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the date first above written.

THE DIAL CORP

By: /s/ Ronald G. Nelson
Vice President-
Finance and
Treasurer

By: /s/ Richard C. Stephan
Vice President-
Controller

**BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION, as
Agent and Reporting Agent**

By: /s/ R.W. Troutman
Managing Director

CITIBANK, N.A., as Agent and Funding Agent

By: /s/ Marjorie Futornick
Vice President

Commitment:

\$36,000,000

Bank:

BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION

By: /s/ R.W. Troutman
Managing Director

\$41,000,000

CITIBANK, N.A.

By: /s/ Marjorie Futornick
Vice President

\$24,000,000

BANK OF MONTREAL

By: /s/ Donald Higgins
Managing Director

\$24,000,000

THE CHASE MANHATTAN BANK, N.A.

By: /s/ Ellen L. Gertzog
Vice President

\$29,000,000

CHEMICAL BANK

By: /s/ Mary E. Cameron
Vice President

\$29,000,000

CIBC INC.

By: /s/ Dean J. Decker
Associate Director

\$24,000,000

BANK OF AMERICA ILLINOIS

By: /s/ R.W. Troutman
Managing Director

\$29,000,000 NATIONSBANK OF TEXAS, N.A.
By: /s/ Frank M. Johnson
Senior Vice
President

\$24,000,000 ROYAL BANK OF CANADA
By: /s/ Tom J. Oberaigner
Manager

\$20,000,000 BANK ONE, ARIZONA, N.A.
By: /s/ Clifford A. Payson
Vice President

\$24,000,000 FIRST INTERSTATE BANK OF
ARIZONA, N.A.
By: /s/ Kevin C. Halloran
Vice President

\$24,000,000 THE FIRST NATIONAL BANK OF
CHICAGO
By: /s/ L. Gene Beube
Senior Vice
President

\$20,000,000 THE INDUSTRIAL BANK OF JAPAN,
LIMITED, LOS ANGELES AGENCY
By: /s/ Steven Savoldelli
Vice President

\$20,000,000 THE LONG-TERM CREDIT BANK OF
JAPAN, LTD., LOS ANGELES
AGENCY
By: /s/ Genichi Imai
Joint General
Manager

By: /s/ T. Morgan Edwards, II
Vice President and
Manager

\$20,000,000 MELLON BANK, N.A.
By: /s/ Gary J. Gegick
Vice President

\$24,000,000 THE MITISUI TRUST & BANKING
CO., LTD. LOS ANGELES AGENCY
By: /s/ Ken Takahashi
General Manager
& Agent

\$24,000,000 MORGAN GUARANTY TRUST COMPANY
OF NEW YORK
By: /s/ Diana H. Imhof

Vice President

\$24,000,000

NBD BANK, N.A.

By: /s/ James B. Junker
Second Vice
President

\$20,000,000

THE NORTHERN TRUST COMPANY

By: /s/ Martin G. Alston
Vice President

\$20,000,000

UNION BANK

By: /s/ Cary Moore
Vice President

By: /s/ Lisa Wenier
Credit Officer

EXHIBIT 10.T

THE DIAL CORP

DIRECTOR'S CHARITABLE AWARD PROGRAM

1. PURPOSE OF THE PROGRAM.

The Dial Corp Director's Charitable Award Program (the "Program") allows each eligible Director of The Dial Corp (the "Corporation") to recommend that the Corporation make a donation of \$1,000,000 to the eligible tax-exempt organization(s) (the "Donee(s)") selected by the Director, with the donation to be made, in the Director's name, in ten equal annual installments, with the first installment to be made as soon as is practicable after the Director's death. The purpose of the Program is to recognize the interest of the Corporation and its Directors in supporting worthy educational institutions and other charitable organizations.

2. ELIGIBILITY.

All persons serving as Directors of the Corporation as of February 15, 1995, shall be eligible to participate in the Program. All Directors who join the Corporation's Board of Directors after that date shall be immediately eligible to participate in the Program upon election to the Board.

3. RECOMMENDATION OF DONATION.

When a Director becomes eligible to participate in the Program, he or she shall make a written recommendation to the Corporation, on a form approved by the Corporation for this purpose, designating the Donee(s) which he or she intends to be the recipient(s) of the Corporation donation to be made on his or her behalf. Unless he or she elects to make the recommendation irrevocable, a Director may revise or revoke any such recommendation prior to his or her death by signing a new recommendation form and submitting it to the Corporation.

4. AMOUNT AND TIMING OF DONATION.

Each eligible Director may choose one organization to receive a corporate donation of \$1,000,000, or two or more organizations to receive donations aggregating \$1,000,000. Each recommended organization must be recommended to receive a donation of at least \$100,000. The donation will be made by the Corporation in ten equal annual installments, with the first installment to be made as soon as is practicable after the Director's death. If a Director recommends more than one organization to receive a donation, each will receive a prorated portion of each annual installment. Each annual installment payment will be divided among the recommended organizations in the same proportions as the total donation amount has been allocated among the organizations by the Director.

5. DONEES.

In order to be eligible to receive a donation, a recommended organization must initially, and at the time a donation is to be made, qualify to receive tax-deductible donations under the Internal Revenue Code, and be reviewed and approved by the Corporate Contributions Committee. A recommendation will be approved unless it is determined, in the exercise of good faith judgment, that a donation to the organization would be detrimental to the best interests of the Corporation. A Director's private foundation or a donor advised fund in a community fund (or a similar entity) is not eligible to receive donations under the Program. If an organization recommended by a Director ceases to qualify as a Donee, and if the Director does not submit a form to change the recommendation before his or her death, the amount recommended to be donated to the organization will instead be donated to the Director's remaining recommended qualified Donee(s) on a prorated basis. If none of the recommended organizations qualify, the donation will be made to the organization(s) selected by the Corporation.

6. VESTING.

A Director will be vested in the Program when he or she completes five years of Board service, or in the event (a) he or she dies or becomes disabled while serving as a Director, (b) if not an employee of the Corporation, he or she retires at the mandatory retirement age for non-employee directors, (c) if an employee of the Corporation, he or she retires on or after his or her normal retirement date, or (d) there is a Change of Control of the Corporation. For persons serving as Directors on February 15, 1995, Board service prior to that date will count as vesting service. If a Director terminates Board service (other than due to death, disability or mandatory retirement) before becoming vested, no donation will be made on his or her behalf.

7. FUNDING AND PROGRAM ASSETS.

The Corporation may fund the Program or it may choose not to fund the Program. If the Corporation elects to fund the Program in any manner, neither the Directors nor their recommended Donee(s) shall have any rights or interests in any assets of the Corporation identified for such purpose. Nothing contained in the Program shall create, or be deemed to create, a trust, actual or constructive, for the benefit of a Director or any Donee recommended by a Director to receive a donation, or shall give, or be deemed to give, any Director or recommended Donee any interest in any assets of the Program or the Corporation. If the Corporation elects to fund the Program through life insurance policies, a participating Director agrees to cooperate and fulfill the enrollment requirements necessary to obtain insurance on his or her life.

8. AMENDMENT OR TERMINATION.

The Board of Directors of the Corporation may, at any time, without the consent of the Directors participating in the Program, amend, suspend, or terminate the Program. However, once a Director becomes vested in the Program, the Program may not be amended, suspended or terminated with respect to such Director without his or her consent; provided, the Board can elect, unless a change of control of the Corporation has occurred, to terminate the Program with respect to any Director whose Board service is terminated as a result of a felony conviction, or a conviction of a crime involving moral turpitude, fraud or dishonesty, whether or not he or she is vested.

9. ADMINISTRATION.

The Program shall be administered by the Executive Compensation Committee of the Board of Directors of the Corporation. The Committee shall have plenary authority in its discretion, but subject to the provisions of the Program, to prescribe, amend, and rescind rules, regulations and procedures relating to the Program. The determinations of the Committee on the foregoing matters shall be conclusive and binding on all interested parties.

10. CHANGE OF CONTROL.

If there is a Change of Control of the Corporation, all participants serving as Directors at the time of the Change of Control shall become immediately vested in the Program, and, notwithstanding the provisions of Section 8, the Program shall not thereafter be amended or terminated with respect to any person participating in the Program at the time of the Change of Control. For the purpose of the Program, the term "Change of Control" shall have the same meaning as is defined for that term in The Dial Corp 1992 Stock Incentive Plan.

11. GOVERNING LAW.

The Program shall be construed and enforced according to the laws of State of Arizona, and all provisions thereof shall be administered according to the laws of said state.

12. EFFECTIVE DATE.

The Program effective date is February 15, 1995. The recommendation of a Director will not be effective until he or she completes the Program enrollment requirements.

EXHIBIT 10.U

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT entered into this 16th day of February, 1996, between THE DIAL CORP, a Delaware corporation (hereinafter called "Employer"), and ANDREW S. PATTI (hereinafter called "Employee"),

WITNESSETH:

1. **EMPLOYMENT.** Employer hereby employs Employee and Employee hereby agrees to serve Employer in the capacity hereinafter described for the employment term hereinafter set forth. Employee presently is elected to the Board of Directors of The Dial Corp; in addition he shall be the President and Chief Operating Officer of The Dial Corp, as it presently exists, at its headquarters in Phoenix, Arizona, and President and Chief Operating Officer of The Dial Corp-Consumer Products Group. Employee agrees (a) to serve in such position or in any other senior executive position to which he may be elected or appointed by Employer's Board of Directors during the term of this Agreement, (b) to devote his best efforts, energies, skill and all of his working time to the discharge of the duties and responsibilities as President and COO of The Dial Corp-Consumer Products Group, and (c) to perform his tasks to Employer's reasonable satisfaction.

2. **COMPENSATION AND BENEFITS.** As remuneration for services performed hereunder, Employee shall continue to receive the salary, benefits and incentive compensation that he currently enjoys.

3. **TERM.** This Agreement shall become effective immediately and shall terminate on May 31, 1997.

4. **TERMINATION.** Employer may terminate this Agreement at any time if:

(a) Employee, by reason of physical or mental illness, shall have been unable to perform satisfactorily the services to be rendered by him hereunder for a consecutive period of one hundred eighty (180) days. Should such incapacity occur, Employee shall be entitled to the retirement benefits of Schedule A attached; or

(b) Employee should be convicted of a felony or a crime involving moral turpitude, fraud, or dishonesty, or commit an act which, in the judgment of a majority of Company's Board of Directors, as evidenced by action recorded in the official minutes of a meeting of such Directors, subjects Employer, Company or Subsidiaries to public disrespect, scandal or ridicule or adversely affects the utility of your services to Employer or Company.

If the Employee terminates this Agreement prior to its termination date, for any reason other than by 4(a) above, he will not be entitled to the retirement benefits of Schedule A attached; rather, he will be entitled to the schedule of retirement benefits which he now enjoys.

5. **SEPARATE ENTITIES.**

Should The Dial Corp and The Dial Corp-Consumer Products Group become independent entities prior to the termination date of this Agreement, it is agreed that the Board of Directors of The Dial Corp will give good faith consideration to Employee as a candidate for the position of President and Chief Operating Officer of newly created consumer products company (hereinafter "New Dial"). In the event he is offered and accepts such position, it will be with the understanding that he will be the successor to the position of Chief Executive Officer of New Dial. If he is not offered the position of President and Chief Operating Officer of New Dial, he shall be entitled to the retirement benefits as stated in Schedule A attached.

IN WITNESS WHEREOF, the parties hereto have caused this Employment Agreement to be executed as of the 16th day of February, 1996.

THE DIAL CORP

By: /s/ Jack F. Reichert
For the Board of Directors

A T T E S T:

By: /s/ Frederick G. Emerson
Secretary

/s/ Andrew S. Patti

Attachment

THE DIAL CORP SUPPLEMENTAL PENSION PLAN

(Amended and Restated as of January 1, 1987)

1. **PURPOSE.** The purpose of The Dial Corp Supplemental Pension Plan (hereinafter referred to as the "Plan") is to provide deferred compensation to Eligible Employees (as defined in paragraph 2) on and after January 1, 1976. It is the intention of The Dial Corp (hereinafter called the "Company") that Eligible Employees are those employees designated by the Company, or the Chief Executive Officer of the Company, pursuant to paragraph 2, from a select group of management of highly-compensated employees of the Company, or any of its subsidiaries or affiliates (hereinafter referred to as "Subsidiaries") and that the Plan continue to be eligible for exemptions under Parts 1, 2, 3 and 4 of Title I of ERISA and U.S. Department of Labor regulations. It also is the intention of the Company that the Plan be unfunded, that any Eligible Employee's rights under the Plan are those of a general creditor only, and that there be no elections with respect to any benefits under the Plan by Eligible Employees. Subject to rights and benefits expressly fixed by the terms hereof, the Company also intends that the Plan may be amended or terminated and that benefits may be reduced or eliminated as the Board of Directors of the Company determines from time to time and that individuals' rights may be altered.
2. **PARTICIPATION.** An employee of the Company (or any of its Subsidiaries) may become eligible to participate in the Plan (referred to herein as "Eligible Employee") when approved by the Board of Directors of the Company (or a committee thereof), or by the Chief Executive Officer of the Company, as specifically designated in each Schedule of Benefits (which is attached hereto, and by this reference made a part hereof). A list of Eligible Employees with respect to each Schedule of Benefits is correspondingly denominated and attached as an exhibit to the Plan (referred to herein as "Exhibit") and each such Exhibit shall be periodically updated.
3. **FUNDING.** No fund shall be established to provide for payment of benefits under the Plan. No trust, other than one which will not cause the Plan to be "funded" under current Internal Revenue Service and U.S. Department of Labor regulations and rulings, shall be created. Any rights of an Eligible Employee or any other person claiming by or through him or her shall be those of a general creditor of the Company only. The Company may create book reserves or take such other steps as it deems appropriate to provide for its expected liabilities under the Plan.
4. **CATEGORIES OF BENEFIT PAYMENTS TO ELIGIBLE EMPLOYEES.** Benefits shall be payable by the Company in accordance with the terms and conditions of the Plan and as described in each Schedule of Benefits to the Eligible Employees described in each such Schedule of Benefits and its corresponding Exhibit.
5. **RETIREMENT BENEFITS.** Except, as otherwise expressly provided in the Plan or in a Schedule of Benefits, the Plan shall make monthly payments to an Eligible Employee at the same time such Eligible Employee receives or would be deemed to receive under any Schedule of Benefits his or her pension benefits under the pension plan(s) sponsored by the Company, or any of its Subsidiaries (herein, and in any Schedule of Benefits, referred to for the purposes of the Plan as "the time of his or her retirement"), but in no event shall monthly payments begin before such Eligible Employee has attained the age of 55 and has actually left the employ of the Company or its Subsidiaries. Unless otherwise expressly stated in a Schedule of Benefits, such monthly payments shall be equal to the amount by which the sum of the monthly pension benefits payable to the Eligible Employee from all pension plans sponsored by the Company or any of its Subsidiaries, other than this Plan and a plan qualified under Internal Revenue Code Section 401(k) (hereinafter called "Pension Plans"), is less than the aggregate amount(s) determined under the applicable Schedule(s) of Benefits. In making this determination, the amount(s) from such Pension Plan(s) shall be determined prior to the election of any payment options (such as joint and survivor elections) and without regard to Internal Revenue Code Section 415 or any other law or regulation which would limit benefit amounts from such Pension Plan(s). In addition, when an Eligible Employee is a participant in more than one Pension Plan and benefits under any one of such Pension Plans are not available immediately on account of early retirement eligibility provisions; then, for the purposes of the Plan, such benefits shall be taken into account as though payable immediately on an actuarially equivalent basis, as reasonably determined by the Committee in its sole discretion.
6. **FINAL AVERAGE EARNINGS.** Final Average Earnings for purposes of Schedules A, B and C shall be as defined in the Dial Companies Retirement Income Plan plus amounts that were not included in Final Average Earnings because such amounts were deferred and the average of the highest five calendar years of Management Incentive Plan (or its predecessor or successor Plan) awards (whether paid or deferred) made to him or her while in continuous service. Any deferrals included in Final Average Earnings by reason hereof shall only be used once in calculating such Final Average Earnings.
7. **OPTIONAL FORMS.** If any pension benefit is payable to an Eligible Employee from a Pension Plan, and an optional form of payment is elected under that Pension Plan, then a similar election will be deemed made under the Plan. If two or more such pensions are payable from such other Pension Plans, then the option selected for the Pension Plan generating the largest monthly pension payment (including the beneficiary designation in connection with such option and benefits, if applicable) shall prevail for the purposes of the Plan. Notwithstanding the foregoing, no lump sum distributions shall occur or be permitted hereunder.
8. **LISTING OF ELIGIBLE EMPLOYEES.** A listing of Eligible Employees shall be maintained in the form of the Exhibits to the Plan. Exhibit A shall contain those covered under Schedule A, and so on for B, C and D. If an employee is incorrectly included or excluded from an Exhibit, actual entitlement to participation and benefits under the Plan shall be reasonably determined by the Dial Retirement Committee ("Committee") in its sole discretion.

9. SURVIVOR'S BENEFIT. If while covered by this program, for purposes other than a terminated vested benefit, an Eligible Employee dies and if on the date of his or her death such Eligible Employee is:

- a) Covered by Schedule A and has 10 or more years of service;
- b) Covered by Schedule B, C or D and has 20 or more years of service; or
- c) 55 years of age or older,

Then his or her Eligible Spouse, as defined in the Dial Companies Retirement Income Plan, shall be entitled to a survivor's benefit. This survivor's benefit shall be calculated by assuming that the Eligible Employee (i) was 55 years of age (or his actual age if older) on the date of death; (ii) retired under the Dial Companies Retirement Income Plan on the first day of the month following his or her death; and (iii) elected a Single Life Annuity. The Eligible Spouse will be entitled to receive 1/2 of this benefit which shall be further reduced by 1/6 of 1% for each month the Eligible Spouse is more than 60 months younger than the Eligible Spouse.

The survivor's benefit under this paragraph 9 shall be reduced by any spousal survivor's benefit payable from any qualified plan (other than a Section 401(k) plan) sponsored by the Company when such benefit becomes payable, as reasonably determined by the Committee in its sole discretion.

10. VESTING. In addition to all the terms and conditions of the Plan, no Eligible Employee or beneficiary shall be entitled to a benefit under the Plan unless such Eligible Employee has actually attained fully vested status in a Pension Plan which is qualified under Internal Revenue Code Section 401 and which is mentioned in any Schedule of Benefits covering the Eligible Employee, as reasonably determined by the Committee in its sole discretion. Notwithstanding any other provision hereof, any Eligible Employee hereunder who has accumulated ten years of service with the Company and its Subsidiaries taken as a whole, ignoring breaks in service, shall be fully vested and entitled to benefits hereunder.

11. ADMINISTRATION, AMENDMENT, MODIFICATION, AND TERMINATION OF THE PLAN. The Board of Directors of the Company may terminate the Plan or any Schedule of Benefits at any time. Any amounts vested under the Plan prior to any such termination shall continue to be subject to the terms, conditions, and elections in effect under the Plan when the Plan is terminated. The Plan may be amended at any time or from time to time by the Board of Directors of the Company. The Company shall have full power and authority to interpret and administer the Plan, to promulgate rules of Plan administration, to adopt a claims procedure, to conclusively settle any disputes as to rights or benefits arising from the Plan, and to make such decisions or take such actions as the Company, in its sole discretion, reasonably deems necessary or advisable to aid in the proper administration and maintenance of the Plan.

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

SCHEDULE A

The benefits payable under this Schedule of Benefits are in lieu of, not in addition to, any other benefit provided for in this Plan, it being the intent of the Company that (i) benefits shall be payable under this Schedule of Benefits only if it generates the largest monthly benefits when compared to other benefits to which the Eligible Employee is otherwise entitled under the Plan, and (ii) benefits payable under this Schedule of Benefits shall be the only benefits payable to an Eligible Employee under the Plan. The provisions of this Schedule A shall not be construed to modify or limit the provisions of any other Schedule of Benefits to the extent such other Schedule of Benefits deems certain facts to be true for the purposes of the Plan.

Benefits may be payable under this Schedule of Benefits in respect of persons employed by the Company who are selected by the Board of Directors for inclusion under this Schedule of Benefits. The amount used to determine the monthly benefit payable to any Eligible Employee under paragraph 5 of the Plan is as follows:

A monthly Pension calculated as though the selected person was a member of the Dial Companies Retirement Income Plan and based on the rules of that Plan applicable at the time of his or her retirement, except that the following Table of retirement benefits expressed as a percentage of Final Average Earnings shall be used. For purposes of this Schedule of Benefits, Final Average Earnings shall be as defined in paragraph 6 of the Plan.

YEARS OF SERVICE	% OF FAE	% OF SOC. SEC.	YEARS OF SERVICE	% OF FAE	% OF SOC. SEC.
1	3	2.5	11	33	27.5
2	6	5.0	12	36	30.0
3	9	7.5	13	39	32.5
4	12	10.0	14	42	35.0
5	15	12.5	15	45	37.5
6	18	15.0	16	48	40.0
7	21	17.5	17	51	42.5
8	24	20.0	18	54	45.0
9	27	22.5	19	57	47.5
10	30	35.0	20	60	50.0

Notwithstanding the foregoing, in the event the term Final Average Earnings is amended in the Dial Companies Retirement Income Plan to include awards under the Management Incentive Plan, such awards shall be counted only once for purposes of this Schedule of Benefits, but on the basis generating the largest Final Average Earnings.

The benefit derived from this Table of Benefits shall be payable on the later of the first day of the month following termination of employment or the first day of the month following the month in which the participant attains age 55. The benefit shall not be subject to any reduction resulting from the Eligible Employee's election to retire prior to his or her normal retirement date. If the Eligible Employee is married on the date of his or her retirement, the benefit shall be paid in the form of a 50% Joint Survivorship Annuity and shall not be reduced to reflect such form of payment.

If the Eligible Employee elects any other optional form of payment under the Dial Companies Retirement Income Plan, then the reduction in such optional form of benefit shall be based on the unreduced, 50% Joint & Survivorship Annuity benefit.

Eligible Employees under this Schedule are listed on Exhibit

A to this Plan.

EXHIBIT 10.V

GES EXPOSITION SERVICES, INC.

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

1. EFFECTIVE DATE AND PURPOSE.

This GES Exposition Services, Inc. Supplemental Executive Retirement Plan (hereinafter referred to as the "Plan") is established effective August 1, 1995, for the purpose of providing post-retirement income to Eligible Employees (as defined in Section 2) who are selected for participation and who continue to be employed as Eligible Employees on or after January 1, 1996. No person who ceases to be an Eligible Employee prior to January 1, 1996, shall be entitled to receive any benefit under this Plan. It is the intention of GES Exposition Services, Inc. (hereinafter called the "Company") that Eligible Employees shall be those selected by the Company from time to time such that the Plan continues to be eligible for exemption under Parts 2, 3, and 4 of Title 1 of ERISA. In order to further that intent, all Eligible Employees must fulfill at least the following requirements:

- A. His or Her basic earnings should exceed the Social Security Wage Base, for purposes other than Medicare, applicable in his or her year of enrollment by 25% and
- B. He or she should be exempt from the provision of the Fair Labor Standards Act and
- C. His or her duties should be those of supervisory or management personnel and
- D. Eligible Employees shall be restricted to Officers of GES Exposition Services, Inc. or any of its subsidiaries or affiliates whose title shall be one of the following:

Vice President
Senior Vice President
Executive Vice President
President
Chairman of the Board and Chief Executive Officer

2. PARTICIPATION.

Employees of the Company including its subsidiaries or affiliates identified on Schedule A become eligible for the Plan when approved by the Board of Directors of GES Exposition Services, Inc. A list of Eligible Employees with respect to each Schedule of Benefits is attached (Schedule B) to the Plan and such exhibit shall be periodically updated when additional employees become eligible.

3. FUNDING.

No fund shall be established to provide for the payment of benefits under this Plan. Such payments shall be made only when an Eligible Employee retires and shall be payable by the Company at such time.

4. CATEGORIES OF BENEFIT PAYMENTS TO ELIGIBLE EMPLOYEES.

Benefits shall be payable by the Company in accordance with the terms and conditions of the Plan and as described in each Schedule of Benefits to the Eligible Employees described in Schedule B.

5. RETIREMENT BENEFIT.

The Plan shall pay a monthly benefit on retirement from the Company, after attainment of age 65, or age 55 with 10 or more years of service, equal to the amount by which the sum of the monthly pension benefits payable to the Eligible Employee from all qualified defined benefit plans maintained by the Dial Corp or any of its subsidiaries or its affiliates (hereinafter called the "Corporation") is less than that monthly benefit based on the provisions described in the Schedule of Benefits in this Plan in which the Eligible Employee is enrolled. In calculating the monthly benefit based on the Schedule of Benefits in this Plan, the following rules shall apply:

(a) Credited Service shall be determined from the later of January 1, 1980 or the Eligible Employee's date of hire with the Company to the calculation date for the benefit. Such determination of Credited Service shall be made using the definition of Credited Service under the Dial Companies Retirement Income Plan and the Greyhound Exposition Services, Inc. Appendix thereto (hereinafter referred to collectively as the "GES DCRIP Appendix"), but ignoring the curtailment in the GES DCRIP Appendix that prevents any additional Credited Service attributable to periods after July 31, 1995, from being taken into account.

(b) Compensation, Covered Compensation, and Average Monthly Compensation shall be determined by using the definitions in the GES DCRIP Appendix, but including the additional item of bonuses awarded under the Company's Management Incentive Plan (counting the bonuses in the month in which they are awarded) and ignoring the curtailment in the GES DCRIP Appendix that prevents any additional Compensation, Covered Compensation, or Average Monthly Compensation attributable to periods after July 31, 1995, from being taken into account.

Notwithstanding the foregoing, the limits of Internal Revenue Code Section 401(a) (17) and 415 shall not apply when making this calculation based on the rules of such Dial Companies Retirement Income Plan appendix. Also in making this determination, the amounts from such other Corporation pension plans shall be determined prior to the election of any options (such as joint and survivor elections).

6. OPTIONAL FORMS.

If any pension is payable to an Eligible Employee from a pension plan maintained by the Corporation and an optional form of payment is elected under that plan, then a similar election will be assumed under this Plan. If two or more such pensions are payable from other plans, then the option selected for the largest pension shall prevail in the Plan.

7. VESTING.

Notwithstanding any other provision hereof, any Eligible Employee hereunder who has accumulated five years of service with the Corporation and its subsidiaries taken as a whole, ignoring breaks in service, shall be fully vested and entitled to benefits hereunder.

8. DEATH BENEFIT.

If an Eligible Employee dies prior to retirement and their spouse would be eligible for a benefit under the Dial Companies Retirement Income Plan, then the spouse will receive a benefit under this Plan equal to:

(a) the benefit that would be provided by the Dial Companies Retirement Income Plan, but based on the benefit formula adjustments described in the Plan Schedule under which the Eligible Employee is covered; reduced by

(b) the sum of all retirement benefits payable to the surviving spouse from all other defined benefit plans sponsored by The Dial Corp or any of its subsidiaries.

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

The Board of Directors of the Company may terminate the Plan or any Schedule of Benefits at any time. Any amounts vested under the Plan prior to any such termination shall continue to be subject to the terms, conditions, and elections in effect under the Plan when the Plan is terminated. The Plan may be amended at any time or from time to time by the Board of Directors of the Company. The Company shall have full power and authority to interpret and administer the Plan, including, but not limited to, the authority to appoint an administrative committee, to promulgate rules of Plan administration, to adopt a claims procedure, to conclusively settle any disputes as to rights or benefits arising from the Plan, and to make such decisions or take such actions as the Company, in its sole discretion, reasonably deems necessary or advisable to aid in the proper administration and maintenance of the Plan.

10. MISCELLANEOUS.

The Plan, and any determination made by the Company, or any committee appointed by the Company to administer the Plan, in connection therewith, shall be binding upon each Eligible Employee, his or her beneficiary or beneficiaries, heirs, executors, administrators, successors and assigns.

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

GES Exposition Services, Inc. Supplemental Executive Retirement Plan

Schedule A List of participating Employers

Participating Company Effective Date

GES Exposition Services, Inc. August 1, 1995

GES Exposition Services, Inc. Supplemental Executive Retirement

Plan

Schedule B List of participating employees

Name			Benefit	Schedule
John Jakubek	167	44	4129	C
Willis Jones Jr.	554	44	3984	C
Robert Kneesel	353	44	6243	C
Marcia Martin	279	42	9847	C
John Patronski	327	42	6164	C
Norton Rittmaster	486	36	0613	C
Edward Stewart	496	32	6963	C
James Whitsell	373	42	4416	C
Gerald Zwick	374	42	0112	C
Bonnie Aaron	296	36	2088	D
Mark Anderson	553	08	3752	D
Harold Bartlett	273	42	3484	D
Gerald Benford	355	34	0354	D
Daryl Clove	530	40	7451	D
Joanne Langager	573	98	4768	D
Hugh MacLean	549	54	8635	D
Kenneth McAvoy Jr.	318	36	4795	D
Brent Rawlings	530	42	6881	D
William Suszko	490	50	7117	D
James Thompson	317	50	1980	D
Randall Wight	520	52	9057	D
Norman Yahraus	282	30	8401	D

GES Exposition Services, Inc. Supplemental Executive Retirement Plan

Benefit Schedule C

Benefits may be payable based on the benefit formula below in respect of persons employed by the Company who are selected by the Board of Directors of the Company for coverage under this Schedule of Benefits. The amount used for this Schedule of Benefits under section 5 of the Plan in determining the monthly benefit payable to a covered Eligible Employee is equal to the sum of (1) plus (2) below, multiplied by all years of the Eligible Employee's Credited Service up to a maximum of 30 years:

- 1) 1.25 percent of the lesser of the Eligible Employee's Average Monthly Compensation or his Covered Compensation.
- 2) 1.75 percent of the excess, if any, of the Eligible Employee's Average Monthly Compensation over his Covered Compensation.

GES Exposition Services, Inc. Supplemental Executive Retirement Plan

Benefit Schedule D

Benefits may be payable based on the benefit formula below in respect of persons employed by the Company who are selected by the Board of Directors of the Company for coverage under this Schedule of Benefits. The amount used for this Schedule of Benefits under section 5 of the plan in determining the monthly benefit payable to a covered Eligible Employee is equal to the sum of (1) plus (2) below, multiplied by all years of the Eligible Employee's Credited Service up to a maximum of 30 years:

- 1) 0.90 percent of the lesser of the Eligible Employee's Average Monthly Compensation or his Covered Compensation.
- 2) 1.40 percent of the excess, if any, of the Eligible Employee's Average Monthly Compensation over his Covered Compensation.

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

	Year ended December 31,		
	1995	1994	1993
PRIMARY:			
Net income (loss)	\$ (16,559)	\$ 140,311	\$ 120,485
Less: Preferred stock dividends	(1,124)	(1,123)	(1,122)
Subsidiary dilutive securities		(9)	
	\$ (17,683)	\$ 139,179	\$ 119,363
Weighted average common shares outstanding before common equivalents			
	86,865	85,069	84,004
Common equivalent stock options	1,842	1,577	1,402
	88,707	86,646	85,406
Net income (loss) per share (dollars)			
	\$ (0.20)	\$ 1.61	\$ 1.40
FULLY DILUTED:			
Adjusted net income (loss) per above	\$ (17,683)	\$ 139,179	\$ 119,363
Less: Additional dilution due to outstanding options of subsidiaries considered common stock equivalents			(9)
	\$ (17,683)	\$ 139,179	\$ 119,354
Average common and equivalent shares per above			
	88,707	86,646	85,406
Common equivalent stock options	934		84
	89,641	86,646	85,490
Net income (loss) per share (dollars)			
	\$ (0.20)	\$ 1.61	\$ 1.40

THE DIAL CORP SELECTED FINANCIAL AND OTHER DATA

Year ended December 31,	1995	1994	1993	1992	1991
OPERATIONS (000 omitted)					
Revenues	\$ 3,575,070	\$ 3,546,847	\$ 3,000,342	\$ 2,874,088	\$ 2,827,849
Income from continuing operations (1)	\$ 1,137	\$ 140,311	\$ 110,273	\$ 74,351	\$ 25,755
Income (loss) from discontinued operations (2)			32,120	(45,125)	(83,363)
Income (loss) before extraordinary charge and cumulative effect of changes in accounting principle	1,137	140,311	142,393	29,226	(57,608)
Extraordinary charge for early retirement of debt			(21,908)		
Cumulative effect of changes in accounting principle (3)	(17,696)			(110,741)	
Net income (loss)	\$ (16,559)	\$ 140,311	\$ 120,485	\$ (81,515)	\$ (57,608)
INCOME (LOSS) PER COMMON SHARE (dollars)					
Continuing operations (1)	\$ 0.00	\$ 1.61	\$ 1.28	\$ 0.87	\$ 0.31
Discontinued operations (2)			0.38	(0.53)	(1.05)
Income (loss) before extraordinary charge and cumulative effect of changes in accounting principle	0.00	1.61	1.66	0.34	(0.74)
Extraordinary charge			(0.26)		
Cumulative effect of changes in accounting principle (3)	(0.20)			(1.32)	
Net income (loss) per common share	\$ (0.20)	\$ 1.61	\$ 1.40	\$ (0.98)	\$ (0.74)
Dividends declared per common share (4)	\$ 0.62	\$ 0.59	\$ 0.56	\$ 0.60	\$ 0.70
Average outstanding common and equivalent shares (000 omitted)	88,707	86,646	85,406	84,026	79,822
FINANCIAL POSITION AT YEAR-END (000 Omitted)					
Total assets	\$ 4,225,186	\$ 3,780,896	\$ 3,281,088	\$ 3,156,998	\$ 3,493,656
Total debt	892,611	745,479	635,892	707,111	550,017
\$4.75 Redeemable preferred stock	6,597	6,590	6,586	6,586	6,610
Common stock and other equity (4)	548,169	555,093	469,688	390,395	940,721
PEOPLE					
Stockholders of record	63,925	55,241	51,300	50,688	56,358
Employees of continuing businesses (average)	31,356	32,519	25,025	26,765	29,042

(1) After deducting restructuring and other charges of \$117,200,000 (after-tax) or \$1.32 per share in 1995, \$19,800,000 (after-tax) or \$0.24 per share in 1992 and \$54,871,000 (after-tax) or \$0.69 per share in 1991. Also after deducting \$9,128,000 (after-tax), or \$0.11 per share, in 1992 for increased ongoing expenses (above 1991 levels) resulting from the adoption of SFAS No. 106 effective as of January 1, 1992.

(2) Income (loss) from discontinued operations for 1991 to 1993 includes the gain on sale (1993) and income (loss) from operations of the Transportation Manufacturing and Service Parts segment, which was sold in 1993 (see Note D of Notes to Consolidated Financial Statements), and the income (loss) from operations, for 1991 and 1992, of GFC Financial Corporation, now The FINOVA Group Inc. ("FINOVA"), which was spun-off in 1992.

(3) Initial application of SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" in 1995 and SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" in 1992.

(4) Dial's quarterly dividend increased from \$0.15 to \$0.16 with the October 2, 1995 payment and from \$0.14 to \$0.15 with the July 1, 1994 payment. The declines in dividends declared per common share in 1993 and 1992 and in common stock and other equity in 1992 reflect the spin-off of FINOVA. FINOVA's initial dividend rate after the spin-off early in 1992 maintained the 1991 annual dividend rate for stockholders who

retained their FINOVA shares following the spin-off.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION OF THE DIAL CORP

RESULTS OF OPERATIONS:

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 so that each will be an independent and more focused publicly traded company.

Under the proposal, Dial's consumer products business will become an independent, publicly traded company, under the Dial name, and is expected to be accorded a price/earnings multiple competitive with that of its industry peers. This is expected to increase its financial flexibility and give it greater access to capital markets, which should allow it to better pursue acquisitions and fulfill other growth opportunities. Common stockholders are expected to receive a dividend of one share of the consumer products company for each Dial common share they own on the record date.

The services company, which will be named later in the year, will consist of the airline catering and services, convention services, and travel and leisure and payment services businesses, and will be free to more aggressively pursue acquisition opportunities in the various markets in which it operates without upsetting the balance between consumer products and services in Dial's existing mix of businesses.

The proposed restructuring plan, which was approved in principle, is subject to final approval by the 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 separation is expected to be completed by year-end.

The accompanying Consolidated Financial Statements of Dial include the accounts of Dial and all of its subsidiaries.

As discussed further in Note D of Notes to Consolidated Financial Statements, Dial's Transportation Manufacturing and Service Parts segment was sold in 1993 and is presented as a discontinued operation for all periods.

1995 VS. 1994:

Revenues for 1995 were \$3.6 billion compared with \$3.5 billion in 1994.

Dial reported a net loss of \$16.6 million, or \$0.20 per share, compared with net income of \$140.3 million, or \$1.61 per share, in 1994. The net loss is after deducting a one-time charge of \$17.7 million (net of tax benefit of \$7.6 million) or \$0.20 per share to record the cumulative effect to January 1, 1995, of the initial application of SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." As discussed further in Note C of Notes to Consolidated Financial Statements, the SFAS No. 121 adjustment is a non-cash charge for assets held for disposal at January 1, 1995. In the fourth quarter of 1995, Dial elected early adoption of the new accounting standard as encouraged by the Financial Accounting Standards Board.

For the year, income before the cumulative effect of change in accounting principle was \$1.1 million, which resulted in a break-even on a per share basis, compared to income of \$140.3 million or \$1.61 per share in 1994.

The 1995 income is after deducting a charge of \$117.2 million (net of tax benefit of \$73.9 million) associated with restructuring charges and asset write-downs described below. Excluding the restructuring charges and asset write-downs of \$117.2 million and the \$17.7 million for the cumulative effect of change in accounting principle, Dial would have reported income of \$118.3 million, compared to income of \$140.3 million in 1994. The decrease in income was due primarily to Dial's previously announced Consumer Products' program designed to effect reductions of trade customers' inventories during 1995 and to a fourth quarter sales shortfall in the Consumer Products segment.

Restructuring Charges and Asset Write-Downs. In the third quarter of 1995, Dial announced that it would take restructuring and other charges totaling approximately \$211.5 million (\$130 million after-tax) to provide for a business-based reorganization of its Consumer Products segment through plant closings, workforce reductions, and correction of certain product lines. The Consumer Products segment is closing six plants (Clearing, Illinois; Burlington, Iowa; Auburndale, Florida; Omaha, Nebraska; Memphis, Tennessee; and New Berlin, Wisconsin) and is reducing its workforce by approximately 15 percent, or 700 people, substantially all of whom are based in the affected plants. As of December 31, 1995, the Clearing plant had been closed and sold, and the Consumer Products workforce had been reduced by approximately 100 employees. The remaining actions are expected to be completed by the end of 1996. Future earnings are expected to benefit from efficiencies resulting from streamlining/consolidating product lines for the remaining facilities through increased volume and reduced costs. In addition to the restructuring of the Consumer Products segment, the announced charges also provide for the write-down of certain Premier Cruise Lines' assets and intangibles, in light of current and anticipated conditions in its cruise market. The total amount of charges recorded in the quarter ended September 30, 1995 was \$211.5 million, of which \$20.4 million was charged to cost of sales and \$191.1 million (\$117.2 million after-tax) was classified as restructuring charges and asset write-downs.

In conjunction with the restructuring of the Consumer Products segment, the recoverability of intangibles was evaluated based on current projections of the undiscounted operating income of the related business unit. Based upon these evaluations, the carrying amounts of certain Consumer Products intangibles, primarily trademarks, were determined to be impaired and were written off as part of the third-quarter charge.

Other asset write-downs of the Consumer Products segment primarily represent the excess of the net book value of plants and equipment to be

disposed of over estimated net recoveries. Severance pay and benefits and exit costs, primarily facility closure costs, have been recognized in accordance with Emerging Issues Task Force Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." Remaining severance and exit cost reserves of \$24.8 million at December 31, 1995 are believed to be adequate and are expected to be paid utilizing existing cash resources available to Dial.

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

See Note C of Notes to Consolidated Financial Statements for further information.

Consumer Products. The Consumer Products segment's revenues of \$1.4 billion were down \$146.1 million or 10 percent from those of 1994. The revenue decrease was due to the completion of the previously reported program to effect reductions of trade customers' inventories. This initiative, coupled with more rapid replenishment as consumers purchase the products off the shelf, addresses the retailers' increased emphasis on efficient consumer response. In addition, a sales shortfall of \$54.1 million in the fourth quarter of 1995 resulted from a softness in orders due to the effects of reduced promotional programs in connection with the planned trade inventory reduction initiative, as well as certain orders received late in the fourth quarter that were deferred and shipped in the first quarter of 1996 to achieve efficiency in the distribution network. A planned reduction of microwaveable meals volume and other low margin products discontinued also contributed to the variance. Consumer Products reported an operating loss of \$23.7 million for the year, after deducting \$135.6 million of restructuring charges and asset write-downs, versus operating income of \$160 million in 1994. Excluding these charges, operating income for 1995 was \$111.9 million. Operating margins, on that same basis, declined to 8.2 percent in 1995 from 10.6 percent in 1994, as the effects of the volume shortfall discussed above more than offset the initial cost savings from the inventory reduction program. The division comments below exclude the effects of the restructuring charges and asset write-downs.

During the third quarter of 1995, Consumer Products reorganized its product lines for reporting purposes. All non-detergent products have been reclassified from the Laundry division to the Household division. The remaining Laundry division has been renamed the Detergent division. A small number of miscellaneous products were categorized with Skin Care to form Personal Care. All prior years' results have been restated to give effect to the reclassifications.

Personal Care division's 1995 revenues and operating income declined \$42.1 million and \$9.3 million, respectively, from those of 1994. Sales volumes were down as a result of 1995's planned trade inventory reduction program. Loss in marketplace consumption on Dial Bar and other brands was partially offset by growth in Dial for Kids and revenues from new products such as the Ultra Skin Care line. Operating income decreased from the effects of the aforementioned revenue decrease.

The Food division's 1995 revenues declined \$43.1 million from those of 1994, due to a planned reduction of microwaveable meals, lower sales of chili and stew, and the trade inventory reduction program. Operating income decreased \$6.3 million from that of 1994 from the effects of the aforementioned lower sales volumes, offset partially by lower manufacturing costs.

The Household division's 1995 revenues decreased \$10.9 million from those of 1994. Increased revenues from Dial Dishwashing Detergent and new Renuzit products were offset by volume softness in fabric care and the impact of the trade inventory reduction initiative. Fabric softeners and other products faced intensive price and promotion competition during 1995. Operating income decreased \$18.1 million from 1994 to 1995, due to the effects of the aforementioned revenue decreases and heavy promotional expenses for Dial Dishwashing Detergent and Renuzit.

Revenues of the Detergent division decreased \$53.7 million from 1994 levels, due to volume softness in dry detergents and the planned inventory reduction program. Operating income declined \$17 million from the effects of the aforementioned reduced sales volume and increased marketing and distribution expenditures.

International division's 1995 revenues and operating income improved \$3.8 million and \$2.6 million, respectively, over those of 1994. The increases were due principally to an acquisition made early in the third quarter of 1995, offset partially by the effect of a devaluation of the Mexican peso in the first quarter of 1995. In addition, exports to Canada increased in 1995, as Purex Heavy Duty Liquid Detergent has become the leading liquid laundry detergent in three Canadian provinces and Dial soap market share has reached all-time highs in British Columbia.

Services. Combined Services revenues were \$2.2 billion in 1995, up \$174.3 million, or 9 percent, from those of 1994. Combined Services reported operating income of \$136.5 million for the year, after deducting the \$55.5 million write-down of Premier Cruise Lines' assets and including a \$3.5 million gain on the curtailment of certain postretirement medical benefits in the Convention Services segment. Excluding the asset write-downs and the gain on curtailment of benefits, Combined Services posted an 11 percent increase in operating income from 1994 to 1995.

Airline Catering and Services. Revenues of the Airline Catering and Services segment increased \$36.7 million or 5 percent from 1994 to 1995, with operating income increasing \$5 million, or 8 percent. The increase is primarily attributed to having the United Airline flight kitchens acquired in the first half of 1994 operational throughout 1995. Seven new aircraft service locations and other new business from continuing locations also contributed to the increase, partially offset by the effect of further airline meal service cutbacks on certain domestic flights of

short duration. Operating margins improved to 8.3 percent from 1994's 8.1 percent, as the former United flight kitchens reached normal efficiency levels during 1995 versus the start-up and training period in 1994.

Convention Services. Convention Services' 1995 revenues of \$589 million were up \$66.3 million, or 13 percent, from those of the 1994 period, due primarily to acquisitions in 1995, including Giltspur, Inc., in the fourth quarter of 1995. Excluding the one-time curtailment gain described above, operating income increased \$500,000, or 1 percent, while operating margins decreased to 8.7 percent in 1995 from 9.7 percent in 1994. Operating income and margins were impacted by certain shows not repeated each year and by higher costs of staging shows in certain locales, which more than offset the fourth quarter 1995 contribution from Giltspur.

Travel and Leisure and Payment Services. Revenues of the Travel and Leisure and Payment Services segment were \$820.5 million in 1995, up \$71.3 million, or 10 percent, over those of 1994. These companies reported operating income of \$15.3 million, after deducting the previously described \$55.5 million write-down of Premier Cruise Lines' assets. Excluding the asset write-downs, operating income for 1995 would have been \$70.8 million, up \$12.8 million, or 22 percent, from that of 1994. Dial's payment services subsidiary continues to invest increasing amounts in tax-exempt securities. On a fully taxable equivalent basis, revenues and operating income would be higher by \$16 million and \$7.9 million for 1995 and 1994, respectively. Operating margins on the fully taxable equivalent basis would be 10.4 percent in 1995, up from 8.7 percent in 1994.

Canadian transportation services companies' 1995 revenues increased \$40.5 million over those of 1994 while operating income increased \$4.4 million. Revenue increases from the acquisition of a tour operator in the second quarter of 1995, strong growth in existing package tour operations, improved hotel occupancy, and higher courier express, sightseeing and icefield revenues were partially offset by a decrease in charter revenues as a result of redeployment of the bus fleet to passenger route acquisitions in mid-1994. Operating income increases were attributed to the revenue increases as well as to cost savings from a route rationalization program, which more than offset the expense of terminating a small joint venture in the second quarter of 1995.

Duty Free airport and shipboard concession revenues declined \$1.4 million from 1994 to 1995, due primarily to 1994 including revenues of a major shipboard concession phased-out over the first ten months of 1994 and fewer passenger days for continuing business, which were offset in part by revenues from a revised airport concession arrangement late in 1995. Operating income improved \$700,000, due mostly to lower operating expenses and the effect of higher revenue per passenger day.

Cruise revenues declined \$1 million in 1995 compared with 1994 levels. Heightened competition in the Port Canaveral/Caribbean three-night and four-night cruise market and falling passenger counts industry-wide continued to negatively impact results. In addition, two ships were in drydock for repairs for a total of 44 ship days during the first quarter of 1995, and Dial commenced a four-year charter arrangement in February 1995 to lease one of its vessels, the Star/Ship Majestic, to a European operator, thereby decreasing total passenger service revenues. Excluding the \$55.5 million of asset write-downs taken in the third quarter of 1995, operating results improved \$4.6 million from those of 1994 due to lower operating expenses resulting from taking one vessel out of operation, reduced rent expense following the purchases during 1995 of two ships previously leased, and other cost reduction efforts.

Travel tour service revenues and operating income improved \$4.6 million and \$1.3 million, respectively, from 1994 levels, due primarily to improved passenger volumes, favorable foreign exchange rates, and the acquisition of a new tour operator in Ireland in June 1995.

Food service revenues improved \$3.1 million from those of 1994. Increased business at General Motors locations and at the America West Arena was offset by closed fast food outlets and the sale of a non-core operation in the second quarter of 1995. Operating income of the food service companies increased \$100,000 from 1994 to 1995 as operating income generated from higher revenues was offset by certain one-time costs associated with the sale of the non-core operation.

On a fully taxable equivalent basis, 1995 revenues of payment services would be \$41.9 million higher than those of 1994, due principally to increased investment income, revenues from new product lines and increased realized investment gains. Investment income increased due to higher investment yields and greater fund balances in 1995 than in 1994. On a fully taxable equivalent basis, operating income would be \$12.4 million above 1994, as the higher revenues more than offset higher commission expense for official checks and other volume-related costs.

Unallocated Corporate Expense and Other Items, Net. Unallocated corporate expense and other items, net, decreased \$744,000 or 2 percent from that of 1994.

Interest Expense. Interest expense for 1995 increased \$14.8 million over that of 1994, as both debt levels and interest rates on floating-rate debt were higher in 1995 than in 1994. Debt level increases are due primarily to the purchase of the Star/Ship Majestic in February 1995, the purchase of the Star/Ship Atlantic in July 1995 (both ships were previously leased), and the acquisition of Giltspur in October 1995.

Income Taxes. Excluding the effects of the restructuring charges and asset write-downs, the 1995 effective tax rate was 34.4 percent, down from 36.7 percent in 1994. This reduction in the effective tax rate resulted primarily from the increased use of tax-exempt investments by Dial's payment services subsidiary.

1994 VS. 1993:

Revenues for 1994 were \$3.5 billion compared with \$3 billion in 1993.

Net income and income from continuing operations for 1994 were \$140.3 million or \$1.61 per share, compared with income from continuing operations in 1993 of \$110.2 million or \$1.28 per share.

Consumer Products. The Consumer Products segment's revenues of \$1.5 billion were up \$91.2 million or 6 percent from those of 1993. Operating income of \$160 million was up \$20.8 million or 15 percent over 1993 amounts. Operating margins improved to 10.6 percent from 1993's 9.8 percent.

Personal Care division's revenues and operating income were down \$28.7 million and \$2.3 million, respectively, as sales of bar and liquid soaps to distributors were down from 1993 levels. However, Dial's market share for bar soap was up from that of 1993, reflecting continuing high consumer acceptance of Dial products. Lower raw material costs and marketing expenses partially offset the effect of the volume declines.

Detergent division's revenues and operating income were up \$52 million and \$4.1 million compared to 1993 levels, led by strong volume increases of liquid detergents which more than offset volume decreases in dry detergents due to changing consumer preferences.

Household division's revenues and operating income were up \$59 million and \$11.2 million, respectively, from 1993 levels. The Renuzit product line, acquired in May of 1993, accounted for most of the improvement. Other household product lines contributed to the increased operating income with lower costs and expenses, while ammonia products followed industry trends with lower sales and operating income.

Food division's revenues and operating income were up \$4.2 million and \$2.4 million, respectively, from 1993 levels. Higher revenue and operating income due to increased sales volume of most food categories more than offset reductions in the microwaveable category. Lower raw material and other production costs contributed to the increase in operating income.

International's revenues were up \$4.7 million from 1993 levels, driven by higher volume in Mexico, Canada and Germany. A \$5.4 million increase in operating results was due mostly to eliminating unprofitable operations, plus contributions from the higher revenue.

Services. Combined Services revenues were \$2 billion, up \$455.3 million or 29 percent, while operating income of \$170.2 million increased \$34.1 million or 25 percent, over 1993 amounts. Revenue and operating income comparisons were aided by the 1993 acquisitions of convention services businesses and the 1994 phase-in of flight kitchens acquired from United Airlines.

Airline Catering and Services. Revenues of the Airline Catering and Services segment increased \$260.9 million or 52 percent from 1993 to 1994, while operating income increased \$20.1 million or 49 percent over the same period. Operating margins of the group declined slightly to 8.1 percent from 1993's 8.2 percent, as the newly acquired flight kitchens went through their start-up phase in 1994. Airline catering revenues and operating income increased \$251.1 million and \$18.3 million, respectively, primarily because of the acquisition and integration of fifteen airline catering kitchens from United Airlines in the U.S. and four airline catering kitchens in England and Scotland acquired from a British airline caterer. These acquisitions added significantly to airline catering's kitchens at international and major U.S. airports with a large number of longer domestic and international flights which require more meal service than average. Revenues and operating income of the airline services companies increased \$9.8 million and \$1.8 million, respectively, due primarily to new contracts.

Convention Services. Convention Services segment revenues for 1994 increased \$166.4 million or 47 percent over those of 1993, while operating income increased \$22.8 million or 82 percent. These increases were due to the inclusion of businesses acquired during 1993 for the full year of 1994 and the achievement of planned operating efficiencies for the merged operations, as indicated by the improvement in operating margins to 9.7 percent in 1994 from 7.8 percent in 1993.

Travel and Leisure and Payment Services. Revenues of the Travel and Leisure and Payment Services segment were up \$28 million or 4 percent from those of 1993, while operating income was down \$8.8 million or 13 percent from that of 1993. Dial's payment services subsidiary is investing increasing amounts in tax-exempt securities. On a fully taxable equivalent basis, revenues would be up \$31.9 million while the operating income decline would be \$3.9 million less, or \$4.9 million. Operating margins, on a fully taxable equivalent basis, declined to 8.7 percent in 1994 from 9.8 percent in 1993.

Transportation services companies' 1994 revenues and operating income declined \$3.5 million and \$300,000, respectively, from those of 1993, due mostly to the 5.2 percent decline in the average Canadian-currency exchange rate over the same period. In Canadian dollars, revenues increased \$7.6 million as revenues from newly purchased routes and higher courier express and sightseeing, charter, and snowfield operations more than offset decreases in passenger ridership. Passenger ridership was adversely affected by general economic uncertainties and low airfares on medium and long haul destinations. Operating income in Canadian dollars was up slightly from that of 1993.

Duty Free airport and shipboard concession operations achieved increases of \$13.8 million in revenue and \$1.5 million in operating income over 1993 levels, due mostly to new business and higher passenger volumes, offset partially by the phase-out of a major shipboard concession over the first ten months of 1994, the loss of an airport contract in the spring of 1994 and the reduction of international flights at two other airports.

Cruise revenues declined \$7.6 million in 1994 compared with 1993 levels due to lower Florida tourism and increased competition, while higher ship leasing costs due to higher interest rates offset ongoing cost reductions and contributed to the \$7.3 million decline in operating results. In February 1995, Dial exercised its option to purchase the previously leased Star/Ship Majestic and commenced a four-year charter arrangement to lease the ship to a European operator, returning Premier Cruise Lines to a two ship operation sailing from Port Canaveral to the Bahamas.

The contract food service group's 1994 revenues increased \$13.4 million due to increased production at auto manufacturing plants and new business, offset somewhat by loss of revenue from the closing of marginal locations. Excluding a \$5 million one-time gain from the curtailment of a postretirement benefit plan in 1993, operating income was up \$700,000 from 1993 levels.

On a fully taxable equivalent basis, payment services' 1994 revenues would be \$5.1 million more than those of 1993, due to higher interest income from an increase in funds invested and higher dispenser fee and service charge revenue, offset somewhat by cancellation of certain money order agents who presented undue credit risks. Lower operating expenses also contributed to the increase in operating income, which would be \$4.3 million higher than that of 1993 on a fully taxable equivalent basis.

Unallocated Corporate Expense and Other Items, Net. Unallocated corporate expense and other items, net, increased \$1.2 million or 3 percent from that of 1993.

Interest Expense. Interest expense in 1994 was \$3.9 million higher than in 1993. Higher average debt levels related to expenditures for acquisitions in the consumer products, airline catering and convention services businesses and the effects of higher floating interest rates, adjusted by the impact of interest rate swap agreements as discussed in Note I of Notes to Consolidated Financial Statements, combined to more than offset the reduction resulting from the prepayment of high-coupon, fixed-rate debt during the third quarter of 1993.

Income Taxes. The 1994 effective tax rate declined by 1.6 percentage points to 36.7 percent from 1993's 38.3 percent (excluding from 1993 the \$4.4 million, or \$0.05 per share, favorable impact on deferred tax assets at January 1, 1993, from accounting for the effects of a one percent increase in the U.S. corporate income tax rate under the Omnibus Budget Reconciliation Act of 1993, which was signed into law on August 10, 1993). This reduction in the effective tax rate results primarily from the increased use of tax-exempt investments by Dial's payment services subsidiary.

LIQUIDITY AND CAPITAL RESOURCES:

As discussed in Note B of Notes to Consolidated Financial Statements, during 1995 Dial purchased for \$111.1 million two cruise ships which were previously leased, completed several business acquisitions for an aggregate purchase price of \$117.4 million and made other capital expenditures totaling \$103.7 million. These expenditures were funded with operating cash flow and incremental debt of \$147.1 million. As a result, Dial's total debt at December 31, 1995 increased to \$892.6 million from \$745.5 million at December 31, 1994. The debt to capital ratio was 0.60 to 1 and 0.56 to 1 at December 31, 1995 and December 31, 1994, respectively. Capital is defined as total debt plus minority interests, preferred stock and common stock and other equity.

In July 1994, a Shelf Registration filed with the Securities and Exchange Commission became effective. Under the Shelf Registration, Dial can issue up to an aggregate \$500 million of debt and equity securities. No debt has been issued under the program and there is no intention to issue any equity securities at the present time. The filing increases Dial's future financing options.

Dial's payment service operations generate funds from the sale of money orders and other payment instruments (classified as "Payment service obligations"). The proceeds of such sales are invested by Dial's payment services subsidiary, in accordance with applicable state laws, in highly liquid debt instruments (classified, along with cash on hand and cash in transit from agents, as "Funds, agents' receivables and current maturities of investments restricted for payment service obligations"), which before consolidating eliminations included investment-grade commercial paper issued by Dial and supported along with the rest of Dial's outstanding commercial paper by a credit commitment under a long-term revolving bank credit agreement, as described in Note I of Notes to Consolidated Financial Statements; and in a portfolio of high-quality investments (approximately 99 percent have ratings of A- or higher or are collateralized by federal agency securities), including federal, state and municipal obligations, asset-backed securities and corporate debt securities (classified as "Investments restricted for payment service obligations"). These investments are restricted by state regulatory agencies for use by Dial's payment services subsidiary to satisfy the liability to pay, upon presentment, the face amount of such payment service obligations, and accordingly such assets are not available to satisfy working capital or other financing requirements of Dial. Fluctuations in the balances of payment service assets and obligations result from varying levels of sales of money orders and other payment instruments, the timing of the collections of agents' receivables and the timing of the presentment of such instruments.

With respect to working capital, in order to minimize the effects of borrowing costs on earnings, Dial strives to maintain current assets (principally cash, inventories and receivables) at the lowest practicable levels while at the same time taking advantage of the payment terms offered by trade creditors. These efforts notwithstanding, working capital requirements fluctuate significantly from seasonal factors as well as changes in levels of receivables and inventories caused by numerous business factors.

Dial satisfies a portion of its working capital and other financing requirements with short-term borrowings (through commercial paper, bank note programs and bank lines of credit) and the sale of receivables. As discussed in Note I of Notes to Consolidated Financial Statements, short-term borrowings are supported by a \$500 million long-term revolving bank credit agreement. It is anticipated that appropriate modifications of certain financing and other agreements, including putting in place separate long-term revolving bank credit agreements, will be completed before the spin-off of Dial's consumer products business becomes final.

In addition, Dial has an agreement to sell up to \$140 million of accounts receivable under which the purchaser has agreed to invest collected amounts in new purchases. The accounts receivable sold totaled \$137.5 million at December 31, 1995. The agreement has a maturity date of the earlier of February 1997 or the date on which Dial's consumer products business becomes a new publicly traded company, unless separate replacement agreements are put in place, similar to the discussion of the bank credit agreement above.

As discussed in Note J of Notes to Consolidated Financial Statements, in September 1992 Dial sold 10,491,800 shares of treasury stock to The Dial Corp Employee Equity Trust (the "Trust") at \$19.06 per share. This Trust is used to fund certain existing employee compensation and benefit plans over the scheduled 15-year term of the Trust. The Trust acquired the shares of common stock from Dial for a \$200 million promissory note at the date of sale. For financial reporting purposes, the Trust is consolidated with Dial. The fair market value of the shares held by the Trust, representing unearned employee benefits, was recorded as a deduction from common stock and other equity, and is reduced as employee benefits are funded. At December 31, 1995, a total of 6,279,342 shares remained in the Trust and are available to fund future benefit obligations.

Capital spending has been reduced by obtaining, where appropriate, equipment and other property under operating leases. Dial's capital asset needs and working capital requirements are expected to be financed primarily with internally generated funds. Except as noted herein, cash flows from operations and the proceeds from the sale of businesses during the past three years along with proceeds from the exercise of stock options have been sufficient to finance capital expenditures, the purchase of businesses and cash dividends to shareholders. Dial expects these trends to continue with operating cash flows and proceeds from the sale of Trust shares and other treasury stock generally being sufficient to finance its business. Should financing requirements exceed such sources of funds, Dial believes it has adequate external financing sources available, including Dial's \$500 million Shelf Registration, to cover any such shortfall.

As indicated in Note M of Notes to Consolidated Financial Statements, although Dial has paid the minimum funding required by applicable regulations, certain pension plans remain underfunded while others are overfunded. The deficiency in the underfunded plans is expected to be reduced through the payment of the minimum funding requirement over a period of several years. Unfunded pension and other postretirement benefit plans require payments over extended periods of time. Such payments are not likely to materially affect Dial's liquidity.

As of December 31, 1995, Dial has recorded U.S. deferred income tax assets totaling \$210 million, which Dial believes to be fully realizable in future years. The realization of such benefits will require average annual taxable income over the next 15 years (the current Federal loss carryforward period) of approximately \$40 million. Dial's average U.S. pretax income, exclusive of nondeductible goodwill amortization but after deducting restructuring charges and asset write-downs, over the past three years has been approximately \$119 million (\$183 million before deducting restructuring charges and asset write-downs). Furthermore, approximately \$112 million of the deferred income tax benefits relate to pensions and other employee benefits which will become deductible for income tax purposes as they are paid, which will occur over many years.

Dial is subject to various environmental laws and regulations of the United States as well as of the states and other countries in whose jurisdictions Dial has or had operations and is subject to certain international agreements. As is the case with many companies, Dial faces exposure to actual or potential claims and lawsuits involving environmental matters. Dial believes that any liabilities resulting therefrom, after taking into consideration amounts already provided for, but exclusive of any potential insurance recovery, should not have a material adverse effect on Dial's financial position or results of operations.

BUSINESS OUTLOOK AND RECENT DEVELOPMENTS:

Dial is entering a new stage in its ongoing evolution. Dial's recently announced proposal to restructure its consumer products and services businesses into two independent, more focused publicly traded companies will enable both companies to continue to be major participants in their industries, allowing them to pursue opportunities and placing them on an aggressive new growth track. It is believed that this latest transaction, which is subject to final approval by the Board of Directors and certain other 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 resulting companies will retain investment-grade credit ratings, is in the best interest of the businesses, and can also result in the creation of significant stockholder wealth, as it will enable each company to maximize its earnings and growth potential. In 1992, Dial completed a similar spin-off of GFC Financial Corporation (since renamed FINOVA) to Dial stockholders, which has proven very successful. Using Dial's stock price just before the late 1991 announcement of the spin-off of FINOVA as the base, Dial's cumulative total stockholder returns (assuming reinvestments of dividends) have significantly outperformed the S & P 500 stock index. Since its spin-off in early 1992, FINOVA's returns have also outperformed the S & P 500 stock index by a wide margin.

The challenges for Dial's businesses going into 1996 and beyond are many. Responding to ongoing competitive challenges from within the marketplace and the uncertainties of the unpredictable economic environment will require that Dial continue to focus on monitoring and reducing costs and expenses in addition to emphasizing revenue growth. Dial remains aggressive in its commitment to continue to enhance stockholder value in the years ahead.

As provided by the "Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995," which became law in late December 1995, Dial cautions readers that, in addition to the historical information contained herein, this annual report includes certain forward-looking statements, assumptions and discussions which involve risks and uncertainties, including, but not limited to, economic, competitive and capital marketplace factors which affect Dial's operations, markets, products, services and prices and could cause Dial's future results and stockholder values to differ materially from those expressed in any forward-looking comments made by, or on behalf of, Dial.

MANAGEMENT'S REPORT ON RESPONSIBILITY FOR FINANCIAL REPORTING

The management of The Dial Corp has the responsibility for preparing and assuring the integrity and objectivity of the accompanying financial statements and other financial information in this report. The financial statements were developed using generally accepted accounting principles and appropriate policies, consistently applied except for the change in 1995 to comply with new accounting requirements for impairment of long-lived assets as discussed in Note C of Notes to Consolidated Financial Statements. They reflect, where applicable, management's best estimates and judgments and include disclosures and explanations which are relevant to an understanding of the financial affairs of the Company.

The Company's financial statements have been audited by Deloitte & Touche LLP, independent auditors elected by the stockholders. Management has made available to Deloitte & Touche LLP all of the Company's financial records and related data, and has made appropriate and complete written and oral representations and disclosures in connection with the audit.

Management has established and maintains a system of internal control that it believes provides reasonable assurance as to the integrity and reliability of the financial statements, the protection of assets and the prevention and detection of fraudulent financial reporting. The system of internal control is believed to provide for appropriate division of responsibilities and is documented by written policies and procedures that are utilized by employees involved in the financial reporting process. Management also recognizes its responsibility for fostering a strong ethical climate. This responsibility is characterized and reflected in the Company's Code of Corporate Conduct, which is communicated to all of the Company's executives and managers.

The Company also maintains a comprehensive internal auditing function which independently monitors compliance and assesses the effectiveness of the internal controls and recommends potential improvements thereto. In addition, as part of their audit of the Company's financial statements, the independent auditors review and evaluate selected internal accounting and other controls to establish a basis for reliance thereon in determining the audit tests to be applied. There is close coordination of audit planning and coverage between the Company's internal auditing function and the independent auditors. Management has considered the recommendations of both internal auditing and the independent auditors concerning the Company's system of internal control and has taken actions believed to be cost-effective in the circumstances to implement appropriate recommendations and otherwise enhance controls. Management believes that the Company's system of internal control accomplishes the objectives discussed herein.

The Board of Directors oversees the Company's financial reporting through its Audit Committee, which regularly meets with management representatives and, jointly and separately, with the independent auditors and internal auditing management to review accounting, auditing and financial reporting matters.

/s/ Ermo S. Bartoletti
Ermo S. Bartoletti
Vice President--Internal Auditing

/s/ Richard C. Stephan
Richard C. Stephan
Vice President--Controller

INDEPENDENT AUDITORS' REPORT

To the Stockholders and Board of Directors of The Dial Corp:

We have audited the accompanying consolidated balance sheets of The Dial Corp as of December 31, 1995 and 1994, and the related consolidated statements of income, common stock and other equity and of cash flows for each of the three years in the period ended December 31, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of The Dial Corp as of December 31, 1995 and 1994, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1995 in conformity with generally accepted accounting principles.

As discussed in Note C of Notes to Consolidated Financial Statements, the Company changed its method of accounting for impairment of long-lived assets in 1995.

/s/ Deloitte & Touche LLP

*Deloitte & Touche LLP
Phoenix, Arizona
February 23, 1996*

THE DIAL CORP CONSOLIDATED BALANCE SHEET

December 31, (000 omitted, except share data)

	1995	1994
	-----	-----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 23,370	\$ 33,222
Receivables, less allowance of \$18,895 and \$20,453	210,290	239,921
Inventories	241,338	229,273
Deferred income taxes	64,514	42,517
Other current assets	46,420	38,032
	-----	-----
	585,932	582,965
 Funds, agents' receivables and current maturities of investments restricted for payment service obligations, after eliminating \$90,000 and \$80,000 invested in Dial commercial paper	 786,081	 661,252
	-----	-----
Total current assets	1,372,013	1,244,217
Investments restricted for payment service obligations	880,035	678,550
Property and equipment	857,884	813,384
Other investments and assets	106,590	97,523
Deferred income taxes	145,500	126,787
Intangibles	863,164	820,435
	-----	-----
	\$ 4,225,186	\$ 3,780,896
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Short-term bank loans	\$ 317	\$ 931
Accounts payable	233,253	243,982
Accrued compensation	85,949	91,992
Other current liabilities	312,254	281,321
Current portion of long-term debt	78,000	22,830
	-----	-----
Payment service obligations	709,773	641,056
	1,739,508	1,438,960
	-----	-----
Total current liabilities	2,449,281	2,080,016
Long-term debt	814,294	721,718
Pension and other benefits	325,416	319,519
Other deferred items and insurance reserves	50,459	73,269
Commitments and contingent liabilities (Notes J, N, O and P)		
Minority interests	30,970	24,691
\$4.75 Redeemable preferred stock	6,597	6,590
Common stock and other equity:		
Common stock, \$1.50 par value, 200,000,000 shares authorized, 97,108,724 shares issued	145,663	145,663
Additional capital	362,205	308,350
Retained income	322,439	393,233
Cumulative translation adjustments	(18,380)	(20,910)
Unearned employee benefits	(213,996)	(176,201)
Unrealized gain (loss) on securities available for sale, net of tax	1,456	(21,742)
Common stock in treasury, at cost, 2,877,500 and 4,319,624 shares	(51,218)	(73,300)
	-----	-----
Total common stock and other equity	548,169	555,093
	-----	-----
	\$ 4,225,186	\$ 3,780,896
	=====	=====

See Notes to Consolidated Financial Statements.

THE DIAL CORP STATEMENT OF CONSOLIDATED INCOME

Year ended December 31, (000 omitted, except per share data)

	1995	1994	1993
	-----	-----	-----
REVENUES	\$ 3,575,070	\$ 3,546,847	\$ 3,000,342
	-----	-----	-----
Costs and expenses:			
Costs of sales and services	3,271,151	3,216,627	2,725,049
Restructuring charges and asset write-downs	191,100		
Unallocated corporate expense and other items, net	43,194	43,938	42,734
Interest expense	75,994	61,195	57,292
Minority interests	4,346	3,392	3,618
	-----	-----	-----
	3,585,785	3,325,152	2,828,693
	-----	-----	-----
Income (loss) before income taxes	(10,715)	221,695	171,649
Income taxes (benefit)	(11,852)	81,384	61,376
	-----	-----	-----
INCOME FROM CONTINUING OPERATIONS	1,137	140,311	110,273
Income from discontinued operations			32,120
	-----	-----	-----
Income before extraordinary charge and cumulative effect of change in accounting principle	1,137	140,311	142,393
Extraordinary charge for early retirement of debt, net of tax benefit of \$11,833			(21,908)
Cumulative effect, net of tax benefit of \$7,554, to January 1, 1995, of initial application of SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of"	(17,696)		
	-----	-----	-----
NET INCOME (LOSS)	\$ (16,559)	\$ 140,311	\$ 120,485
	=====	=====	=====
INCOME (LOSS) PER COMMON SHARE:			
Continuing operations	\$ 0.00	\$ 1.61	\$ 1.28
Discontinued operations			0.38
	-----	-----	-----
Income before extraordinary charge and cumulative effect of change in accounting principle	0.00	1.61	1.66
Extraordinary charge			(0.26)
Cumulative effect, to January 1, 1995, of initial application of SFAS No. 121	(0.20)		
	-----	-----	-----
NET INCOME (LOSS) PER COMMON SHARE	\$ (0.20)	\$ 1.61	\$ 1.40
	=====	=====	=====
Dividends declared per common share	\$ 0.62	\$ 0.59	\$ 0.56
	=====	=====	=====
Average outstanding common and equivalent shares	88,707	86,646	85,406
	=====	=====	=====

See Notes to Consolidated Financial Statements.

THE DIAL CORP STATEMENT OF CONSOLIDATED CASH FLOWS

Year ended December 31, (000 omitted)

	1995	1994	1993
	-----	-----	-----
CASH FLOWS PROVIDED (USED)			
BY OPERATING ACTIVITIES:			
Net income (loss)	\$ (16,559)	\$ 140,311	\$ 120,485
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	114,936	109,861	100,160
Deferred income taxes	(41,265)	19,391	35,943
Extraordinary charge for early retirement of debt			21,908
Cumulative effect of change in accounting principle	17,696		
Restructuring charges and asset write-downs	191,100		
Income from discontinued operations			(32,120)
Other noncash items, net	686	6,411	24,071
Change in operating assets and liabilities:			
Receivables and inventories	38,766	(47,284)	(85,482)
Payment service assets and obligations, net	172,643	179,601	130,731
Accounts payable and accrued compensation	(38,080)	14,496	31,825
Other assets and liabilities, net	(83,330)	1,609	(37,689)
	-----	-----	-----
Net cash provided by operating activities	356,593	424,396	309,832
	-----	-----	-----
CASH FLOWS PROVIDED (USED)			
BY INVESTING ACTIVITIES:			
Capital expenditures	(103,715)	(108,592)	(114,624)
Purchases of cruise ships previously leased	(111,103)		
Acquisitions of businesses and other assets, net of cash acquired	(117,361)	(152,271)	(216,787)
Proceeds from sales of property and equipment	20,540	8,403	19,442
Investments restricted for payment service obligations:			
Proceeds from sales and maturities of securities classified as available for sale	485,664	237,972	
Proceeds from sales and maturities of securities classified as held to maturity	22,201		
Proceeds from sales and maturities of investments			626,527
Purchases of securities classified as available for sale	(577,884)	(341,716)	
Purchases of securities classified as held to maturity	(103,553)	(105,023)	
Purchases of investments			(767,035)
Proceeds from sale of shares of MCII			245,700
Advances from discontinued operations			35,084
Other, net	(317)	(190)	(288)
	-----	-----	-----
Net cash used by investing activities	(485,528)	(461,417)	(171,981)
	-----	-----	-----
CASH FLOWS PROVIDED (USED)			
BY FINANCING ACTIVITIES:			
Proceeds from long-term borrowings	40,000	70,000	229,358
Payments on long-term borrowings	(2,805)	(2,238)	(196,611)
Extraordinary charge for early retirement of debt			(21,908)
Net change in short-term			

borrowings classified primarily as long-term debt	100,689	42,233	(105,338)
Dividends on common and preferred stock	(55,024)	(51,401)	(48,345)
Minority portion of subsidiary's special dividend		(9,761)	
Proceeds from sales of treasury stock	32,062	28,546	43,286
Common stock purchased for treasury			(38,642)
Net change in receivables sold	22,507		
Cash payments on interest rate swaps	(18,346)	(17,795)	(32,909)
	-----	-----	-----
Net cash provided (used) by financing activities	119,083	59,584	(171,109)
	-----	-----	-----
Net (decrease) increase in cash and cash equivalents	(9,852)	22,563	(33,258)
Cash and cash equivalents, beginning of year	33,222	10,659	43,917
	-----	-----	-----
Cash and Cash Equivalents, End of Year	\$ 23,370	\$ 33,222	\$ 10,659
	=====	=====	=====

See Notes to Consolidated Financial Statements.

THE DIAL CORP STATEMENT OF CONSOLIDATED COMMON STOCK AND OTHER EQUITY

Year ended December 31, (000 omitted)

	1995	1994	1993
	-----	-----	-----
COMMON STOCK:			
Balance, beginning of year	\$ 145,663	\$ 72,832	\$ 72,832
Two-for-one stock split		72,831	
	-----	-----	-----
Balance, end of year	\$ 145,663	\$ 145,663	\$ 72,832
	=====	=====	=====
ADDITIONAL CAPITAL:			
Balance, beginning of year	\$ 308,350	\$ 378,814	\$ 390,790
Two-for-one stock split		(72,831)	
Treasury shares issued in connection with employee benefit plans	(752)	(2,763)	(5,850)
Treasury shares issued in connection with dividend reinvestment plan	2,949	1,175	550
Net change in unamortized amount of performance-based and restricted stock awards	2,428	(4,456)	2,063
Employee Equity Trust adjustment to market value	54,484	8,635	(8,723)
Treasury shares issued in connection with acquisition of subsidiary	(5,202)		
Other, net	(52)	(224)	(16)
	-----	-----	-----
Balance, end of year	\$ 362,205	\$ 308,350	\$ 378,814
	=====	=====	=====
RETAINED INCOME:			
Balance, beginning of year	\$ 393,233	\$ 304,481	\$ 234,655
Net income (loss)	(16,559)	140,311	120,485
Dividends on common and preferred stock	(55,024)	(51,401)	(48,345)
Other, net	789	(158)	(2,314)
	-----	-----	-----
Balance, end of year	\$ 322,439	\$ 393,233	\$ 304,481
	=====	=====	=====
CUMULATIVE TRANSLATION ADJUSTMENTS:			
Balance, beginning of year	\$ (20,910)	\$ (9,889)	\$ (11,341)
Unrealized translation gain (loss)	2,530	(11,021)	(279)
Disposition of Transportation Manufacturing and Service Parts segment			1,731
	-----	-----	-----
Balance, end of year	\$ (18,380)	\$ (20,910)	\$ (9,889)
	=====	=====	=====
UNEARNED EMPLOYEE BENEFITS:			
Balance, beginning of year	\$ (176,201)	\$ (189,940)	\$ (245,155)
Employee benefits earned	16,689	22,374	46,492
Adjustment of Employee Equity Trust to market value	(54,484)	(8,635)	8,723
	-----	-----	-----
Balance, end of year	\$ (213,996)	\$ (176,201)	\$ (189,940)
	=====	=====	=====
UNREALIZED GAIN (LOSS) ON SECURITIES AVAILABLE FOR SALE:			
Balance, beginning of year	\$ (21,742)	\$ ---	\$ ---
Unrealized loss on securities available for sale at January 1, 1994, due to adoption of SFAS No. 115		(1,369)	
Net change in unrealized gain (loss)	23,198	(20,373)	
	-----	-----	-----
Balance, end of year	\$ 1,456	\$ (21,742)	\$ ---
	=====	=====	=====
COMMON STOCK IN TREASURY:			
Balance, beginning of year	\$ (73,300)	\$ (86,610)	\$ (51,386)
Purchase of shares			(38,642)
Shares issued in connection with employee benefit plans	8,448	4,794	1,934
Shares issued in connection with dividend reinvestment plan	6,368	4,866	2,233
Shares issued in connection with acquisition of subsidiary	5,131		
Other, net	2,135	3,650	(749)

Balance, end of year	\$ (51,218)	\$ (73,300)	\$ (86,610)
	=====	=====	=====
COMMON STOCK AND OTHER EQUITY	\$ 548,169	\$ 555,093	\$ 469,688
	=====	=====	=====

See Notes to Consolidated Financial Statements.

THE DIAL CORP NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 1995, 1994 and 1993

A. SIGNIFICANT ACCOUNTING POLICIES

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 so that each will be an independent and more focused publicly traded company.

Under the proposal, Dial's consumer products business will become an independent, publicly traded company, under the Dial name. Common stockholders are expected to receive a dividend of one share of the consumer products company for each Dial common share they own on the record date.

The services company, which will be named later in the year, will consist of the airline catering and services, convention services, and travel and leisure and payment services businesses.

The proposed restructuring plan, which was approved in principle, is subject to final approval by the 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 separation is expected to be completed by year end.

The accompanying Consolidated Financial Statements of Dial include the accounts of Dial and all of its subsidiaries.

The Consolidated Financial Statements are prepared in accordance with generally accepted accounting principles, which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Intercompany accounts and transactions between Dial and its subsidiaries have been eliminated in consolidation. Certain reclassifications have been made to the prior years' financial statements to conform to 1995 classifications. Described below are those accounting policies particularly significant to Dial, including those selected from acceptable alternatives.

Cash Equivalents. Dial considers all highly liquid investments with original maturities of three months or less from date of purchase as cash equivalents.

Inventories. Generally, inventories are stated at the lower of cost (first-in, first-out and average cost methods) or market.

Funds and Agents' Receivables and Investments Restricted for Payment Service Obligations. Dial's payment service operations generate funds from the sale of money orders and other payment instruments (classified as "Payment service obligations"). The proceeds of such sales are invested by Dial's payment services subsidiary, in accordance with applicable state laws, in highly liquid debt instruments, (classified, along with cash on hand and cash in transit from agents, as "Funds, agents' receivables and current maturities of investments restricted for payment service obligations"), which before consolidating eliminations, included investment-grade commercial paper issued by Dial and supported along with the rest of Dial's outstanding commercial paper by a credit commitment under a long-term revolving bank credit agreement, as described in Note I of Notes to Consolidated Financial Statements; and in a portfolio of high-quality investments (approximately 99 percent have ratings of A- or higher or are collateralized by federal agency securities), including federal, state and municipal obligations, asset-backed securities and corporate debt securities (classified as "Investments restricted for payment service obligations"). These investments are restricted by state regulatory agencies for use by Dial's payment services subsidiary to satisfy the liability to pay, upon presentment, the face amount of such payment service obligations and, accordingly such assets are not available to satisfy working capital or other financing requirements of Dial.

Effective January 1, 1994, Dial adopted Statement of Financial Accounting Standards ("SFAS") No. 115, "Accounting for Certain Investments in Debt and Equity Securities." As required by SFAS No. 115, Dial classifies securities at acquisition into one of three categories: available for sale, held to maturity, or trading, with different reporting requirements for each classification. See Note F of Notes to Consolidated Financial Statements for a discussion of the classification and reporting of these securities.

Impairment of Long-Lived Assets. As discussed further in Note C of Notes to Consolidated Financial Statements, in the fourth quarter of 1995, Dial elected the early adoption of SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." SFAS No. 121 establishes the accounting standards for the impairment of long-lived assets, certain identifiable intangibles, and goodwill related to those assets which are to be held and used and for long-lived assets and certain identifiable intangibles which are to be disposed of.

In accordance with the provisions of SFAS No. 121, Dial reviews the carrying values of its long-lived assets and identifiable intangibles for possible impairment whenever events or changes in circumstances indicate that the carrying amount of assets to be held and used may not be recoverable. SFAS No. 121 requires that for assets to be held and used, if the sum of the expected future undiscounted cash flows is less than the carrying amount of the asset, an impairment loss should be recognized, measured as the amount by which the carrying amount exceeds the fair value of the asset. For assets to be disposed of, Dial reports long-lived assets and certain identifiable intangibles at the lower of carrying amount or fair value less cost to sell.

Property and Equipment. Property and equipment are stated at cost, net of impairment write-downs.

Depreciation is provided principally by use of the straight-line method at annual rates as follows:

Buildings	2% to 5%
Machinery and other equipment	5% to 33%
Leasehold improvements	Lesser of lease term or useful life

Intangibles. Intangibles are carried at cost less accumulated amortization. Intangibles which arose prior to November 1, 1970, are not being amortized. Intangibles arising on or after November 1, 1970 are amortized on the straight-line method over the estimated lives or periods of expected benefit, but not in excess of 40 years. Dial evaluates the carrying value of goodwill and other intangible assets at each reporting period for possible impairment in accordance with the provisions of SFAS No. 121 described above. Prior to the adoption of SFAS No. 121, Dial evaluated the possible impairment of goodwill and other intangible assets based on the undiscounted projected operating income of the related business unit.

Pension and Other Benefits. Trusteed, noncontributory pension plans cover substantially all employees, with benefit levels supplemented in most cases by defined matching company stock contributions to employees' 401(k) plans. Defined benefits are based primarily on final average salary and years of service. Funding policies provide that payments to defined benefit pension trusts shall be at least equal to the minimum funding required by applicable regulations.

Dial has defined benefit postretirement plans that provide medical and life insurance for eligible retirees and dependents. The related postretirement benefit liabilities are recognized over the period that services are provided by employees.

Foreign Currency Translation. In accordance with SFAS No. 52, the assets and liabilities of Dial's foreign subsidiaries are translated into U.S. dollars at exchange rates in effect at the balance sheet date, with resulting unrealized translation gains and losses accumulated in a separate component of common stock and other equity. Income and expense items are converted into U.S. dollars at average rates of exchange prevailing during the year.

Derivatives. Amounts receivable or payable under interest rate derivatives are accrued as interest rates change and are recognized as an adjustment to the expense of the related hedged transaction as discussed in Notes I and O of Notes to Consolidated Financial Statements. Gains and losses from foreign exchange forward contracts which hedge identifiable foreign currency commitments are deferred and are recognized in income in the same period as the hedged transaction.

Stock-Based Compensation. In October 1995, the Financial Accounting Standards Board issued SFAS No. 123, "Accounting for Stock-Based Compensation." The Statement defines a fair value based method of accounting for an employee stock option or similar equity instrument. As permitted by the Statement, Dial has elected to continue to measure cost for its stock-based compensation plans using the intrinsic value based method of accounting prescribed by APB Opinion No. 25, "Accounting for Stock Issued to Employees." Accordingly, beginning with Dial's 1996 Annual Report, Dial will be required to make pro forma disclosures of net income and earnings per share for 1995 and 1996, as if the fair value based method of accounting defined in SFAS No. 123 had been applied.

Net Income (Loss) Per Common Share. Net income (loss) per common share is based on net income (loss) after preferred stock dividend requirements and the weighted average number of common shares outstanding during each year after giving effect to stock options considered to be dilutive common stock equivalents. Fully diluted net income (loss) per common share is not materially different from primary net income (loss) per common share. Employee Stock Ownership Plan ("ESOP") shares are treated as outstanding for net income (loss) per share calculations. The average outstanding common and equivalent shares does not include shares held by the Employee Equity Trust (the "Trust"). Shares held by the Trust are not considered outstanding for net income (loss) per share calculations until the shares are released from the Trust.

B. ACQUISITIONS OF BUSINESSES AND OTHER ASSETS During 1995, Dial acquired a soap manufacturer and several services companies, including Giltspur, Inc., an exhibit construction and services company.

Also during 1995, Dial acquired all of the common stock of a payment services company in exchange for approximately 300,000 shares of Dial's common stock. The acquisition was accounted for as a pooling of interests. Prior period financial statements have not been restated, as the results of the acquired company are not significant to the consolidated results of operations. The accompanying financial statements include the accounts and results of operations from the date of acquisition.

During 1994, Dial completed its acquisition of the final eleven of fifteen airline catering kitchens from United Airlines ("UAL") and also acquired several small services companies. The first four UAL flight catering kitchens were purchased by Dial on December 30, 1993. Also in December 1993, Dial acquired the remaining 49% interest in a joint venture which owns the office building in Phoenix, Arizona, that serves as Dial's corporate headquarters complex. During 1993, Dial also purchased a consumer products line and three convention services companies.

Except for the pooling of interests described above, all other acquisitions were accounted for as purchases. The purchase prices, including acquisition costs, were allocated to the net tangible and intangible assets acquired based on estimated fair values at the dates of the acquisitions.

The difference between the purchase prices and the related fair values of net assets acquired represents goodwill which is being amortized on a straight-line basis over 40 years. The fair value of patents and other intangible assets included in the acquisitions is amortized over their estimated useful lives. The results of the acquired operations have been included in the Statement of Consolidated Income from the dates of acquisition. The results of operations of the acquired companies from the beginning of the year to the dates of acquisition are not material.

Net cash paid, assets acquired and debt and other liabilities assumed in all acquisitions of businesses accounted for as purchases for the years ended December 31 were as shown in the table below.

In February 1995, Dial exercised its option to purchase a cruise ship, previously under a lease agreement, for \$39,447,000. Dial has entered into a four-year charter arrangement to lease the ship to a European operator. In July 1995, Dial exercised its option to purchase its other leased cruise ship for a purchase price of \$71,656,000.

1995

(000 omitted)	Consumer Products	Convention Services	Other	Total
Assets acquired:				
Property and equipment	\$ 4,766	\$ 17,161	\$ 511	\$ 22,438
Intangibles, primarily goodwill	10,515	77,139	6,511	94,165
Other assets	10,361	52,761	3,593	66,715
Debt and other liabilities assumed	(2,084)	(60,964)	(2,909)	(65,957)
Net cash paid	\$ 23,558	\$ 86,097	\$ 7,706	\$ 117,361

1994

	Airline Catering and Services	Other	Total
Assets acquired:			
Property and equipment	\$ 67,452	\$ 6,042	\$ 73,494
Intangibles, primarily goodwill	59,147	16,029	75,176
Other assets	7,342	2,130	9,472
Debt and other liabilities assumed		(5,871)	(5,871)
Net cash paid	\$ 133,941	\$ 18,330	\$ 152,271

1993

	Headquarters Building Joint Venture Interest	Convention Services	Other	Total
Assets acquired:				
Property and equipment	\$ 63,086	\$ 17,128	\$ 13,722	\$ 93,936
Intangibles, primarily goodwill		95,646	77,450	173,096
Other assets		37,773	14,687	52,460
Debt and other liabilities assumed		(85,155)	(17,550)	(102,705)
Net cash paid	\$ 63,086	\$ 65,392	\$ 88,309	\$ 216,787

C. IMPAIRMENT OF LONG-LIVED ASSETS, RESTRUCTURING CHARGES AND ASSET WRITE-DOWNS

Impairment of Long-Lived Assets. In the fourth quarter of 1995, Dial elected the early adoption of SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." The initial application of SFAS No. 121 to long-lived assets held for disposal at January 1, 1995, resulted in a non-cash charge of \$17,696,000 (net of tax benefit of \$7,554,000) and is reported in the Statement of Consolidated Income as a cumulative effect of a change in accounting principle. The charge represents the adjustment required to remeasure such assets at the lower of carrying amount or fair value less cost to sell. Long-lived assets held for disposal consist principally of miscellaneous real estate remaining from businesses previously disposed of by Dial, including former bus terminal properties retained primarily upon disposition of Greyhound Lines, Inc. in 1987, land parcels retained primarily upon the spin-off of FINOVA in 1992, and other non-operating properties. These assets had a total carrying value of \$22,642,000 at December 31, 1995. While these assets are being actively marketed, Dial expects the period of disposal to exceed one year for most of the assets.

Restructuring Charges and Asset Write-Downs. In the third quarter of 1995, Dial announced that it would take restructuring and other charges totaling approximately \$211,500,000 (\$130,000,000 after-tax) to provide for a business-based reorganization of its Consumer Products segment through plant closings, workforce reductions, and correction of certain product lines. The Consumer Products segment is closing six plants (Clearing, Illinois; Burlington, Iowa; Auburndale, Florida; Omaha, Nebraska; Memphis, Tennessee; and New Berlin, Wisconsin) and is reducing its workforce by approximately 15 percent, or 700 people, substantially all of whom are based in the affected plants. As of December 31, 1995, the Clearing plant had been closed and sold, and the Consumer Products workforce had been reduced by approximately 100 employees. The remaining actions are expected to be completed by the end of 1996. Future earnings are expected to benefit from efficiencies resulting from streamlining/consolidating product lines for the remaining facilities through increased volume and reduced costs. In addition to the restructuring of the Consumer Products segment, the announced charges also provide for the write-down of certain Premier Cruise Lines' assets and intangibles, in light of current and anticipated conditions in its cruise market.

In conjunction with the restructuring of the Consumer Products segment, the recoverability of intangibles was evaluated based on current projections of the undiscounted operating income of the related business unit. Based upon these evaluations, the carrying amount of certain Consumer Products intangibles, primarily trademarks, were determined to be impaired and were written off as part of the third-quarter charge.

Other asset write-downs of the Consumer Products segment primarily represent the excess of the net book value of plants and equipment to be disposed of over estimated net recoveries. Severance pay and benefits and exit costs (primarily facility closure costs) have been recognized in accordance with Emerging Issues Task Force Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." As of December 31, 1995, severance and exit costs totaling \$1,800,000 and \$11,500,000, respectively, had been paid and charged against these reserves. Remaining severance and exit cost reserves of \$24,800,000 are included in the Consolidated Balance Sheet under the caption, "Other current liabilities" and are believed to be adequate. These remaining obligations are expected to be paid by utilizing existing cash resources available to Dial.

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

The total amount of charges recorded in the quarter ended September 30, 1995 was \$211,500,000 (before tax benefit), of which \$20,400,000 was charged to cost of sales and \$191,100,000 was classified in the Statement of Consolidated Income under the caption, "Restructuring charges and asset write-downs," as follows:

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

D. DISCONTINUED OPERATIONS

On August 12, 1993, Dial sold, through an initial public offering, 20 million shares of common stock of Motor Coach Industries International, Inc. ("MCII"), pursuant to an underwriting agreement dated August 4, 1993. Transportation Manufacturing Operations, Inc., Dial's Transportation Manufacturing and Service Parts subsidiary, was transferred to MCII in connection with the public offering of MCII shares. The disposition of MCII, the sale of the Canadian transit bus manufacturing business in June 1993, the sale of certain bus installment sale receivables in early 1993 and the liquidation, completed in early 1993, of a trailer manufacturing and transport services company, concluded

the disposal of the Transportation Manufacturing and Service Parts segment.

The caption "Income from discontinued operations" in the Statement of Consolidated Income for the year ended December 31, 1993, includes the following:

(000 omitted)		
Income from operations of Transportation Manufacturing and Service Parts segment, net of tax provision of \$7,685	\$	10,193
Gain on sale of Transportation Manufacturing and Service Parts segment, net of tax provision of \$42,040		40,151
Provisions related to previously discontinued businesses, net of tax benefit of \$7,776		(18,224)

Income from discontinued operations	\$	32,120
		=====

E. INVENTORIES

Inventories at December 31 consisted of the following:

(000 omitted)		1995		1994
		-----		-----
Raw materials	\$	42,837	\$	38,250
Work in process		28,367		23,705
Finished goods and supplies		170,134		167,318
		-----		-----
Inventories	\$	241,338	\$	229,273
		=====		=====

F. INVESTMENTS IN DEBT AND EQUITY SECURITIES

Effective January 1, 1994, Dial adopted SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities." SFAS No. 115 requires the classification of securities at acquisition into one of three categories: available for sale, held to maturity, or trading. Dial has no securities classified in the trading category. Securities are included in the Consolidated Balance Sheet under the caption, "Investments restricted for payment service obligations" except for those securities expected to be sold or maturing within one year which are included under the caption, "Funds, agents' receivables and current maturities of investments restricted for payment service obligations."

Although Dial's investment portfolio exposes Dial to certain credit risks, Dial believes the high quality of its investments (approximately 99% of the investments at December 31, 1995 have ratings of A- or higher or are collateralized by federal agency securities) reduces this risk substantially. Dial regularly monitors credit and market risk exposures and takes steps to mitigate the likelihood of these exposures resulting in actual loss.

Securities Available for Sale. Securities that are being held for indefinite periods of time, including those securities which may be sold in response to needs for liquidity or changes in interest rates, are classified as securities available for sale and are carried at fair value, with the net, after-tax, unrealized holding gain or loss reported as a separate component of common stock and other equity, with no effect on current results of operations. The net unrealized gain of \$1,456,000 (net of deferred tax liability of \$851,000) at December 31, 1995 and the net unrealized loss of \$21,742,000 (net of deferred tax asset of \$13,415,000) at December 31, 1994, are included in the Consolidated Balance Sheet as a separate component of common stock and other equity under the caption, "Unrealized gain (loss) on securities available for sale." The unrealized gain during 1995 was due principally to decreases in market interest rates, while the increase in the unrealized loss during 1994 was due principally to increases in market interest rates.

A summary of securities available for sale at December 31, 1995 is set forth below:

(000 omitted)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	-----	-----	-----	-----
U.S. Government Agencies	\$ 49,852	\$ 366	\$ 64	\$ 50,154
Obligations of states and political subdivisions	424,860	5,681	1,049	429,492
Corporate debt securities	101,313	1,116	695	101,734
Mortgage-backed and other asset-backed securities	92,478	427	3,180	89,725
Debt securities issued by foreign governments	10,261		61	10,200
Preferred stock	22,379	43	277	22,145
	-----	-----	-----	-----
Securities available for sale	\$ 701,143	\$ 7,633	\$ 5,326	\$ 703,450
	=====	=====	=====	=====

A summary of securities available for sale at December 31, 1994 is set forth below:

(000 omitted)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	-----	-----	-----	-----
U.S. Government Agencies	\$ 5,174	\$ ---	\$ 129	\$ 5,045
Obligations of states and political subdivisions	283,112	278	20,597	262,793
Corporate debt securities	63,263		6,325	56,938
Mortgage-backed and other asset-backed securities	100,630		7,469	93,161
Debt securities issued by foreign governments	16,007		915	15,092
Preferred stock	121			121
	-----	-----	-----	-----
Securities available for sale	\$ 468,307	\$ 278	\$ 35,435	\$ 433,150
	=====	=====	=====	=====

Maturities of securities available for sale at December 31, 1995 were as follows:

(000 omitted)	Amortized Cost	Fair Value
	-----	-----
Due in:		
1996	\$ 8,650	\$ 8,665
1997-2000	174,386	173,536
2001-2005	188,061	191,108
2006 and later	215,189	218,271
Mortgage-backed and other asset-backed securities	92,478	89,725
Preferred stock	22,379	22,145
	-----	-----
	\$ 701,143	\$ 703,450
	=====	=====

Actual maturities may differ from contractual maturities because the borrowers have the right to call or prepay certain obligations, sometimes without penalties.

Gross gains of \$5,150,000 and \$2,472,000 were realized during 1995 and 1994, respectively. Gross losses of \$11,000 and \$481,000 were realized during 1995 and 1994, respectively. Gross gains and losses are based on the specific identification method of determining cost.

Securities Held to Maturity. Securities classified as held to maturity, which consist of securities that management has the ability and intent to hold to maturity, are carried at amortized cost, and are summarized as follows at December 31, 1995:

(000 omitted)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	-----	-----	-----	-----
U.S. Government Agencies	\$ 27,458	\$ 62	\$ 98	\$ 27,422
Obligations of states and political subdivisions	82,291	1,570	161	83,700
Corporate debt securities	71,919	32	687	71,264
Other securities	8,603	241	44	8,800
	-----	-----	-----	-----
Securities held to maturity	\$ 190,271	\$ 1,905	\$ 990	\$ 191,186
	=====	=====	=====	=====

A summary of securities held to maturity at December 31, 1994, is set forth below:

(000 omitted)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	-----	-----	-----	-----
U.S. Government Agencies	\$ 59,637	\$ ---	\$ 3,750	\$ 55,887
Obligations of states and political subdivisions	54,545		4,545	50,000
Corporate debt securities	128,145		12,310	115,835
Other securities	8,266		1,100	7,166
	-----	-----	-----	-----
Securities held to maturity	\$ 250,593	\$ ---	\$ 21,705	\$ 228,888
	=====	=====	=====	=====

Maturities of securities held to maturity at December 31, 1995 were as follows:

(000 omitted)	Amortized Cost	Fair Value
	-----	-----
Due in:		
1996	\$ 5,021	\$ 4,978
1997-2000	81,698	81,024
2001-2005	37,487	37,566
2006 and later	66,065	67,618
	-----	-----
	\$ 190,271	\$ 191,186
	=====	=====

Actual maturities may differ from contractual maturities because the borrowers have the right to call or prepay certain obligations, sometimes without penalties. During 1995, Dial's payment services subsidiary sold a \$6,846,000 security (amortized cost) classified as held to maturity in response to an issuer's tender offer to call its outstanding bonds. State money order regulations require that defined amounts of securities held by Dial's payment services subsidiary maintain an investment-grade rating to be classified as permissible investments. The security was sold as Dial's payment services subsidiary believed that any remaining investment outstanding after the tender offer would go unrated, thus jeopardizing the security's classification as a permissible investment. The sale was an isolated and unusual event that Dial's payment services subsidiary could not have reasonably anticipated when the security was classified as held to maturity. There was no gain or loss realized on the sale.

A one-time reclassification was made effective December 31, 1995 upon reassessment of the appropriateness of the classifications of all securities held, as permitted by the Financial Accounting Standards Board in its November 1995 "Guide to Implementation of Statement 115 on Accounting for Certain Investments in Debt and Equity Securities." Securities with an amortized cost of \$140,884,000 were transferred from securities classified as held to maturity to securities classified as available for sale. The related net unrealized gains on these securities totaling \$972,000 (net of deferred taxes of \$597,000) are included in the Consolidated Balance Sheet under the caption, "Unrealized gain (loss) on securities available for sale," along with net unrealized gains on securities previously classified as available for sale.

There were no other sales or transfers of securities classified as held to maturity during 1995 and 1994.

G. PROPERTY AND EQUIPMENT

Property and equipment at December 31 consisted of the following:

(000 omitted)	1995	1994
	-----	-----
Land	\$ 68,090	\$ 83,751
Buildings and leasehold improvements	392,517	401,743
Machinery and other equipment	1,024,977	948,892
	-----	-----
	1,485,584	1,434,386
Less accumulated depreciation	627,700	621,002
	-----	-----
Property and equipment	\$ 857,884	\$ 813,384
	=====	=====

H. INTANGIBLES

Intangibles at December 31 consisted of the following:

(000 omitted)	1995	1994
	-----	-----
Goodwill (1)	\$ 791,078	\$ 736,320
Other intangibles	235,422	230,863
	-----	-----
	1,026,500	967,183
Less accumulated amortization	163,336	146,748
	-----	-----
Intangibles	\$ 863,164	\$ 820,435
	=====	=====

(1) Includes \$166,688,000 of goodwill which arose prior to November 1, 1970, and is not being amortized.

I. DEBT

Long-term debt at December 31 was as follows:

(000 omitted)	1995	1994
	-----	-----
Senior debt: (1)		

Short-term borrowings:		
Commercial paper (net of \$90,000 and \$80,000 issued to Dial's payment services subsidiary), 5.9% (1995) and 6.2% (1994) weighted average interest rate at December 31	\$ 115,888	\$ 94,903
Promissory notes, 6.0% (1995) and 6.3% (1994) weighted average interest rate at December 31	261,000	180,000
Senior notes, 6.2% (1995) and 6.3% (1994) weighted average interest rate at December 31, due to 2009	389,519	349,454
Guarantee of ESOP debt, floating rate indexed to LIBOR, 4.6% (1995) and 5.3% (1994) at December 31, due to 2009	28,000	30,000
Real estate mortgages and other obligations, 6.2% (1995 and 1994) weighted average interest rate at December 31, due to 2014	20,970	13,274
	-----	-----
	815,377	667,631
Subordinated debt, 10.5% debentures, due 2006	76,917	76,917
	-----	-----
	892,294	744,548
Less current portion	78,000	22,830
	-----	-----
Long-term debt	\$ 814,294	\$ 721,718
	=====	=====

(1) Rates shown are exclusive of the effects of commitment fees and other costs of long-term revolving bank credit used to support short-term borrowings, and exclusive of the effects of interest rate swap agreements on certain short-term and long-term borrowings.

Interest paid in 1995, 1994 and 1993 was approximately \$67,416,000, \$53,524,000 and \$55,807,000, respectively.

In July 1994, a Shelf Registration filed with the Securities and Exchange Commission became effective. Under the Shelf Registration, Dial can issue up to an aggregate \$500,000,000 of debt and equity securities. No debt has been issued under the program and there is no intention to issue any equity securities at the present time. The filing increases Dial's future financing options.

As discussed further in Note O of Notes to Consolidated Financial Statements, Dial has entered into (a) interest rate swap agreements which convert floating interest rates on existing and anticipated short-term borrowings into fixed interest rates ("pay-fixed swaps") and (b) interest rate swap agreements which convert fixed interest rates on a portion of the Senior notes and other debt into floating interest rates ("receive-fixed swaps"). The net effect of interest rate swap agreements was to increase interest expense by \$4,671,000, \$2,863,000 and \$6,112,000 for 1995, 1994 and 1993, respectively. The weighted average interest rate on total debt, inclusive of the effect of interest rate swap agreements, was 7.5%, 6.6% and 7.5% for 1995, 1994 and 1993, respectively.

Dial satisfies its short-term borrowing requirements with bank lines of credit and by the issuance of commercial paper and promissory notes. Outstanding commercial paper and promissory notes are supported by a \$500,000,000 credit commitment available under a long-term revolving bank credit agreement. Borrowings under the agreement were available at December 31, 1995 on a revolving basis until June 30, 2000. Annually, at Dial's request and with the participating banks' consent, the terms of the agreement may be extended for a further one-year period. It is anticipated that appropriate modifications of certain financing and other agreements, including putting in place separate long-term revolving bank credit agreements, will be completed before the spin-off of Dial's consumer products business becomes final.

The interest rate applicable to borrowings under the \$500,000,000 credit commitment discussed above is, at Dial's option, indexed to the bank prime rate or the London Interbank Offering Rate ("LIBOR"), plus appropriate spreads over such indices during the period of the credit agreement. The agreement also provides for commitment fees. Such spreads and fees will change moderately should Dial's debt ratings change. Dial, in the event that it becomes advisable, intends to exercise its right under the agreement to borrow for the purpose of refinancing short-term borrowings; accordingly, short-term borrowings totaling \$376,888,000 and \$274,903,000 at December 31, 1995 and 1994, respectively, have been classified as long-term debt.

Annual maturities of long-term debt due in the next five years will approximate \$78,000,000 (1996), \$2,811,000 (1997), \$32,767,000 (1998), \$17,506,000 (1999), \$379,389,000 (2000) and \$381,821,000 thereafter. Included in the 2000 amount is \$376,888,000 which represents the maturity of short-term borrowings assuming they had been refinanced utilizing the revolving credit facility and the term of the facility was not extended. However, Dial expects the term of the facility to be extended.

Canadian revolving credit loans are available to a Canadian Services subsidiary from banks under agreements which provide for credit of

\$38,111,000 (stated in U.S. dollar equivalent).

Dial's long-term debt agreements include various restrictive covenants and require the maintenance of certain defined financial ratios with which Dial is in compliance.

J. PREFERRED STOCK AND COMMON STOCK AND OTHER EQUITY At December 31, 1995, there were 97,108,724 shares of common stock issued and 94,231,224 shares outstanding. At December 31, 1995, a total of 6,279,342 of the outstanding shares were held by The Dial Corp Employee Equity Trust.

Dial has 442,352 shares of \$4.75 Preferred Stock authorized, of which 376,352 shares are issued. The holders of the \$4.75 Preferred Stock are entitled to a liquidation preference of \$100 per share and to annual cumulative sinking fund redemptions of 6,000 shares. Dial presently holds 141,305 shares which will be applied to this sinking fund requirement; the 235,047 shares held by others are scheduled to be redeemed in the years 2019 to 2058. In addition, Dial has authorized 5,000,000 and 2,000,000 shares of Preferred Stock and Junior Participating Preferred Stock, respectively.

Dial has one Preferred Stock Purchase Right ("Right") outstanding on each outstanding share of its common stock. The Rights contain provisions to protect stockholders in the event of an unsolicited attempt to acquire Dial which is not believed by the Board of Directors to be in the best interest of stockholders. The Rights are represented by the common share certificates and are not exercisable or transferable apart from the common stock until such a situation arises. The Rights may be redeemed by Dial at \$0.05 per Right prior to the time any person or group has acquired 20% or more of Dial's shares. Dial has reserved 1,000,000 shares of Junior Participating Preferred Stock for issuance in connection with the Rights.

Dial funds a portion of its matching contributions to employees' 401(k) plans through a leveraged ESOP. All eligible employees of Dial and its participating affiliates, other than certain employees covered by collective bargaining agreements that do not expressly provide for participation of such employees in an ESOP, may participate in the ESOP.

The ESOP borrowed \$40,000,000 to purchase treasury shares in 1989. The ESOP's obligation to repay this borrowing is guaranteed by Dial; therefore, the unpaid balance of the borrowing (\$28,000,000 and \$30,000,000 at December 31, 1995 and 1994, respectively) has been reflected in the accompanying balance sheet as long-term debt and the amount representing unearned employee benefits (\$27,971,000 and \$29,611,000 at December 31, 1995 and 1994, respectively) has been recorded as a deduction from common stock and other equity. The liability is reduced as the ESOP repays the borrowing, and the amount in common stock and other equity is reduced as the employee benefits are charged to expense. The ESOP intends to repay the loan (plus interest) using Dial contributions and dividends received on the shares of common stock held by the ESOP. Information regarding ESOP transactions for the years ended December 31 was as follows:

(000 omitted)	1995	1994	1993
	-----	-----	-----
Amounts paid by ESOP for:			
Debt repayment	\$ 2,000	\$ 2,000	\$ 2,000
Interest	1,491	1,161	946
Amounts received from Dial as:			
Dividends	1,185	1,218	1,244
Capital contributions	2,178	1,785	1,696

Shares are released for allocation to participants based upon the ratio of the year's principal and interest payments to the sum of the total principal and interest payments over the life of the plan. Expense of the ESOP is recognized based upon the greater of cumulative cash payments to the plan or 80% of the cumulative expense that would have been recognized under the shares allocated method, in accordance with Statement of Position 76-3, "Accounting for Certain Employee Stock Ownership Plans" and Emerging Issues Task Force Abstract No. 89-8, "Expense Recognition for Employee Stock Ownership Plans." Under this method, Dial has recorded expense of \$1,817,000, \$1,684,000 and \$1,782,000 in 1995, 1994 and 1993, respectively.

ESOP shares at December 31 were as follows:

	1995	1994
	-----	-----
Allocated shares	1,016,374	851,589
Shares not committed for allocation	1,807,466	1,972,251
	-----	-----
	2,823,840	2,823,840
	=====	=====

In September 1992, Dial sold 10,491,800 shares of treasury stock to The Dial Corp Employee Equity Trust (the "Trust") for a \$200,000,000 (\$19.06 per share) promissory note. The Trust is used to fund certain existing employee compensation and benefit plans over the scheduled 15-year term. Through December 31, 1995, the Trust had issued 4,212,458 shares to fund such benefits. For financial reporting purposes, the Trust is consolidated with Dial. The fair market value of the shares held by the Trust, representing unearned employee benefits, is recorded as a deduction from common stock and other equity, and is reduced as employee benefits are funded. Unearned employee benefits at December 31, 1995 and 1994 were \$186,025,000 and \$146,590,000, respectively.

At December 31, 1995, retained income of \$72,248,000 was unrestricted as to payment of dividends by Dial.

K. STOCK OPTIONS

Dial's 1992 Stock Incentive Plan ("1992 Plan") provides for the grant of options and restricted stock, including performance-based stock, to officers, directors and certain key employees. The 1992 Plan replaced the 1983 Stock Option and Incentive Plan.

The 1992 Plan provides for the following types of awards: (a) stock options (both incentive stock options and nonqualified stock options), (b) Stock Appreciation Rights ("SARs") and (c) restricted stock, including performance-based stock. The Plan authorizes the issuance of options for up to 2 1/2% of the total number of shares of common stock outstanding as of the first day of each year; provided that any shares available for grant in a particular calendar year which are not, in fact, granted in such year shall not be added to shares available for grant in any subsequent calendar year. In addition to the limitation set forth above with respect to the number of shares available for grant in any single calendar year, no more than 10,000,000 shares of common stock shall be cumulatively available for grant of incentive options over the life of the Plan. In addition, 1,000,000 shares of Preferred Stock are reserved for distribution under the 1992 Plan.

The stock options, SARs and Limited SARs ("LSARs") outstanding at December 31, 1995 are granted for terms of ten years; 50% become exercisable after one year and the balance become exercisable after two years from the date of grant. Stock options and appreciation rights are exercisable based on the market value at the date of grant. LSARs vest fully at date of grant and are exercisable only for a limited period (in the event of certain tenders or exchange offers for Dial's common stock). SARs and/or LSARs are issued in tandem with certain stock options and the exercise of one reduces, to the extent exercised, the number of shares represented by the other(s).

Information with respect to options granted and exercised for the years ended December 31 is as follows:

	Shares	Average Option Price Per Share
Options outstanding at December 31, 1992	7,308,202	\$ 14.76
Granted	1,941,400	19.85
Exercised	(631,958)	13.34
Canceled (1)	(850,904)	17.70

Options outstanding at December 31, 1993	7,766,740	15.83
Granted	1,449,800	22.98
Exercised	(839,124)	14.31
Canceled (2)	(205,728)	19.59

Options outstanding at December 31, 1994	8,171,688	17.18
Granted	1,378,000	24.57
Exercised	(1,068,428)	15.29
Canceled	(205,336)	21.35

Options outstanding at December 31, 1995	8,275,924	18.55
=====		

(1) Includes options canceled upon disposition of Transportation Manufacturing and Service Parts segment.

(2) Includes stock options which ceased to be exercisable due to the exercise of 28,852 related SARs during 1994 (at an average exercise price of \$13.60). Stock appreciation rights expense, equivalent to the difference between the option exercise price and the average market price of Dial's stock on the date a right is exercised (included in the Statement of Consolidated Income under the caption "Unallocated corporate expense and other items, net"), totaled \$240,000 in 1994. There were no SARs exercised in 1995 or 1993.

At December 31, 1995, stock options with respect to 6,274,649 shares are exercisable at an average price of \$16.79 per share.

Performance-based stock awards (149,500, 184,100 and 151,800 shares awarded in 1995, 1994 and 1993, respectively) vest over a three-year period from the date of grant. The stock awarded vests only if performance targets relative to the S & P 500 stock index and Dial's proxy comparator group are achieved. Restricted stock awards (266,352 shares awarded in 1994) vest over periods not exceeding five years from the date of grant. There were no restricted stock awards in 1995 or 1993. Holders of the performance-based and restricted stock have the right to receive dividends and vote the shares but may not sell, assign, transfer, pledge or otherwise encumber the stock.

L. INCOME TAXES

Deferred income tax assets (liabilities) included in the Consolidated Balance Sheet at December 31 related to the following:

(000 omitted)	1995	1994
Property and equipment	\$ (42,502)	\$ (62,209)
Pension and other employee benefits	112,479	108,736
Provisions for losses	68,083	53,287

Amortization of intangibles	16,892	4,016
Unrealized (gain) loss on securities available for sale	(851)	13,415
Advertising and promotion costs capitalized for tax	9,791	11,423
Deferred state income taxes	13,850	8,529
Other deferred income tax assets	54,078	42,511
Other deferred income tax liabilities	(39,806)	(27,404)
	-----	-----
	192,014	152,304
Foreign deferred tax liabilities included above	18,000	17,000
	-----	-----
United States deferred tax assets	\$ 210,014	\$ 169,304
	=====	=====

The consolidated provision (benefit) for income taxes on income from continuing operations for the years ended December 31 consisted of the following:

(000 omitted)	1995	1994	1993
	-----	-----	-----
Current:			
United States:			
Federal	\$ 15,603	\$ 48,550	\$ 13,730
State	1,057	8,000	7,855
Foreign	12,753	5,443	3,848
	-----	-----	-----
	29,413	61,993	25,433
	-----	-----	-----
Deferred:			
United States	(38,651)	17,179	33,271
Foreign	(2,614)	2,212	2,672
	-----	-----	-----
	(41,265)	19,391	35,943
	-----	-----	-----
Provision (benefit) for income taxes	\$ (11,852)	\$ 81,384	\$ 61,376
	=====	=====	=====

Income taxes paid in 1995, 1994 and 1993 amounted to \$23,652,000, \$62,127,000 and \$12,206,000, respectively.

Certain tax benefits related primarily to stock options and dividends paid to the ESOP are credited to common stock and other equity and amounted to \$2,536,000, \$1,939,000 and \$1,913,000 in 1995, 1994 and 1993, respectively.

Eligible subsidiaries (including MCII and certain of its subsidiaries up to the sale date) are included in the consolidated federal and other applicable income tax returns of Dial.

Certain benefits of tax losses and credits, which would not have been currently available to certain subsidiaries or MCII on a separate return basis, have been credited to those subsidiaries or MCII by Dial. These benefits are included in the determination of the income taxes of those subsidiaries and MCII, and this policy has been documented by written agreements.

A reconciliation of the provision for income taxes on income (loss) from continuing operations and the amount that would be computed using statutory federal income tax rates for the years ended December 31 was as follows:

(000 omitted)	1995	1994	1993
	-----	-----	-----
Computed income taxes (benefit) at statutory federal income tax rate of 35%	\$ (3,750)	\$ 77,593	\$ 60,077
Nondeductible goodwill amortization	3,960	4,094	3,122
Minority interests	1,521	1,187	1,266
State income taxes	(814)	6,191	4,328
Tax-exempt income	(10,400)	(5,133)	(2,579)
Adjustment of deferred tax assets at January 1, 1993 for enacted change in tax rate			(4,386)
Other, net	(2,369)	(2,548)	(452)
	-----	-----	-----
Provision (benefit) for income taxes	\$ (11,852)	\$ 81,384	\$ 61,376

United States and foreign income (loss) before income taxes from continuing operations for the years ended December 31 was as follows:

(000 omitted)	1995	1994	1993
United States	\$ (39,847)	\$ 198,836	\$ 155,346
Foreign	29,132	22,859	16,303
Income (loss) before income taxes	\$ (10,715)	\$ 221,695	\$ 171,649

M. PENSION AND OTHER BENEFITS

Pension Benefits. Net periodic pension cost for the years ended December 31 included the following components:

(000 omitted)	United States			Foreign		
	1995	1994	1993	1995	1994	1993
Service cost benefits earned during the period	\$ 10,097	\$ 11,632	\$ 9,560	\$ 2,053	\$ 2,052	\$ 2,097
Interest cost on projected benefit obligation	21,906	20,434	19,323	6,446	6,147	6,106
Actual return on plan assets	(44,883)	(1,388)	(20,405)	(7,501)	(6,849)	(6,390)
Net amortization and deferral	22,894	(18,708)	4,415	136	97	122
Other items, primarily defined contribution and multiemployer plans	14,387	11,490	11,532	1,004	1,830	1,503
Net pension cost	\$ 24,401	\$ 23,460	\$ 24,425	\$ 2,138	\$ 3,277	\$ 3,438

Weighted average assumptions used were:

December 31,	United States			Foreign		
	1995	1994	1993	1995	1994	1993
Discount rate for obligation	8.0%	8.5%	7.75%	9.0%	9.0%	9.0%
Rate of increase in compensation levels	5.0%	5.0%	5.0%	7.0%	7.0%	7.0%
Long-term rate of return on assets	9.5%	9.5%	9.5%	9.0%	9.0%	9.0%

The following table indicates the plans' funded status and amounts recognized in Dial's consolidated balance sheet at December 31:

(000 omitted)	United States				Foreign	
	Overfunded Plans		Underfunded and Unfunded Plans		Overfunded Plans	
	1995	1994	1995	1994	1995	1994
Actuarial present value of benefit obligations:						
Vested benefit obligation	\$ 151,218	\$ 127,574	\$ 89,626	\$ 79,029	\$ 57,654	\$ 50,156
Accumulated benefit obligation	\$ 163,065	\$ 138,803	\$ 94,085	\$ 83,990	\$ 59,093	\$ 52,424
Projected benefit obligation	\$ 202,824	\$ 172,148	\$ 106,723	\$ 90,153	\$ 73,250	\$ 67,610
Market value of plan assets, primarily equity and fixed income securities	202,221	171,334	67,678	58,014	82,606	79,968
Plan assets over (under) projected benefit obligation	(603)	(814)	(39,045)	(32,139)	9,356	12,358
Unrecognized transition (asset) obligation	(5,010)	(5,820)	3,174	4,374	(3,880)	(4,294)
Unrecognized prior service cost (reduction)	(357)	(601)	10,948	7,670	6,303	6,512
Unrecognized net (gain) loss	7,035	11,520	6,094	6,123	3,207	(3,422)
Additional minimum						

liability (1)	-----	-----	(11,742)	(13,010)	-----	-----
Prepaid (accrued)						
pension cost	\$ 1,065	\$ 4,285	\$ (30,571)	\$ (26,982)	\$ 14,986	\$ 11,154
	=====	=====	=====	=====	=====	=====

(1) Dial recorded an additional minimum liability for pensions of \$11,742,000, an intangible asset of \$5,230,000, a deferred tax asset of \$2,279,000 and a reduction of retained income of \$4,233,000 at December 31, 1995; and, an additional minimum liability for pensions of \$13,010,000, an intangible asset of \$6,084,000, a deferred tax asset of \$2,424,000 and a reduction of retained income of \$4,502,000 at December 31, 1994. There are restrictions on the use of certain excess pension plan assets in the event of a defined change in control of Dial.

Postretirement Benefits Other Than Pensions. Dial and its subsidiaries have defined benefit postretirement plans that provide medical and life insurance for eligible employees, retirees and dependents. In addition, Dial retained the obligations for such benefits for eligible retirees of Greyhound Lines, Inc. (sold in 1987) and Armour and Company (sold in 1983).

Effective January 1, 1992, Dial and its U.S. subsidiaries adopted the provisions of SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" ("OPEB") which requires that estimated OPEB benefits be accrued during the years the employees provide services. Dial adopted SFAS No. 106 for its foreign subsidiaries in 1995; the effect of such adoption was not material to the consolidated financial statements.

The status of the plans as of December 31 was as follows:

(000 omitted)	1995	1994
Accumulated postretirement benefit obligation:		
Retirees	\$ 182,770	\$ 199,609
Fully eligible active plan participants	24,964	22,245
Other active plan participants	48,081	50,343
Accumulated postretirement benefit obligation	255,815	272,197
Unrecognized prior service (cost) reduction	3,697	(43)
Unrecognized net gain	32,607	18,750
Accrued postretirement benefit cost	\$ 292,119	\$ 290,904
Discount rate for obligation	8.0%	8.5%

The assumed health care cost trend rate used in measuring the 1995 accumulated postretirement benefit obligation was 12% gradually declining to 5% by the year 2002 and remaining at that level thereafter for retirees below age 65, and 8.5% gradually declining to 5% by the year 2002 and remaining at that level thereafter for retirees above age 65. This is a 1/2% decrease from the trend rates used for 1995 and later years in 1994's valuations.

A one-percentage-point increase in the assumed health care cost trend rate for each year would increase the accumulated postretirement benefit obligation as of December 31, 1995 by approximately 11% and the ongoing annual expense by approximately 14%.

The net periodic postretirement benefit cost for the years ended December 31 includes the following components:

(000 omitted)	1995	1994	1993
Service cost-benefits attributed to service during the period	\$ 4,040	\$ 5,416	\$ 4,233
Interest cost on the accumulated postretirement benefit obligation	20,550	21,537	23,413
Net amortization and deferral	(1,109)	3	(10)
Net periodic postretirement benefit cost (1)	\$ 23,481	\$ 26,956	\$ 27,636
Curtailment gains due to termination of certain benefits	\$ 3,477	\$ 500	\$ 5,475

(1) Includes benefit costs applicable to retirees of sold businesses, which are classified in the Statement of Consolidated Income under the caption, "Unallocated corporate expense and other items, net," totaling \$11,200,000, \$12,800,000 and \$15,000,000 for 1995, 1994 and 1993, respectively.

N. LEASES

Certain retail facilities, plants, offices and equipment are leased. The leases expire in periods ranging generally from one to 51 years and some provide for renewal options ranging from one to 37 years. Leases which expire are generally renewed or replaced by similar leases.

At December 31, 1995, Dial's future minimum rental payments and related sublease rentals receivable with respect to noncancellable operating leases with terms in excess of one year were as follows:

Rental	Rentals Receivable Under
--------	--------------------------------

(000 omitted)	Payments	Subleases
	-----	-----
1996	\$ 56,053	\$ 2,928
1997	43,691	2,204
1998	36,841	1,928
1999	30,656	1,313
2000	21,455	1,131
Thereafter	180,007	9,126
	-----	-----
Total	\$ 368,703	\$ 18,630
	=====	=====

At the end of the lease terms, Dial has options to purchase certain leased assets for an aggregate purchase price of \$27,900,000. If the purchase options are not exercised, Dial will make residual guarantee payments aggregating \$18,500,000 which are refundable to the extent that the lessors' subsequent sales prices exceed certain levels.

Information regarding net operating lease rentals for the years ended December 31 was as follows:

(000 omitted)	1995	1994	1993
	-----	-----	-----
Minimum rentals	\$ 70,010	\$ 71,313	\$ 101,268
Contingent rentals	4,407	7,463	4,297
Sublease rentals	(2,983)	(2,010)	(23,204)
	-----	-----	-----
Total rentals, net (1)	\$ 71,434	\$ 76,766	\$ 82,361
	=====	=====	=====

(1) Includes rentals of \$5,100,000, \$10,800,000 and \$9,200,000 for 1995, 1994 and 1993, respectively, for the two cruise ships purchased in 1995 as discussed in Note B of Notes to Consolidated Financial Statements. Also includes net rentals of \$7,700,000 for 1993 for Dial's corporate headquarters building which was leased from a joint venture up to December 1993, when Dial acquired the remaining interest in the joint venture, as discussed in Note B of Notes to Consolidated Financial Statements.

Contingent rentals on operating leases are based primarily on sales and revenues for buildings and leasehold improvements and usage for other equipment.

Dial is a 50% partner in an unconsolidated joint venture which owns a resort and conference hotel in Oakbrook, Illinois. Dial has leased the hotel through September 1, 2002, and the future rental payments are included in the table of future minimum rental payments. In addition, Dial and a third party have agreed to lend the joint venture \$10,000,000 and \$5,000,000, respectively, at 8 3/4% on July 1, 1997 to be secured by a second mortgage on the property to prepay \$15,000,000 of the joint venture's nonrecourse first mortgage obligation. If the joint venture is unable to repay or refinance the first mortgage note, Dial has an option to purchase the note from the lender on September 30, 2002, its due date, at its then unpaid principal amount which is expected to be approximately \$24,650,000. If the purchase option is not exercised, Dial will make residual guarantee payments equal to the greater of \$5,000,000 or 150% of any shortfall in fair market value of the hotel compared to the unpaid principal amount of the note on such date. Dial accounts for its interest in the joint venture using the equity method.

O. FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial Instruments with Off-Balance-Sheet Risk. Dial is a party to financial instruments with off-balance-sheet risk which are entered into in the normal course of business to meet its financing needs and to manage its exposure to fluctuations in interest rates and foreign exchange rates. These financial instruments include a revolving sale of receivables agreement, interest rate swap agreements and foreign exchange forward contracts. The instruments involve, to a varying degree, elements of credit, market, interest rate and exchange rate risk in addition to amounts recognized in the financial statements. Dial does not hold or issue financial instruments for trading purposes.

At December 31, 1995, Dial has an agreement to sell undivided participating interests in a defined pool of trade accounts receivable from customers of Dial's Consumer Products and Airline Catering and Services subsidiaries in an amount not to exceed \$140,000,000 as a means of accelerating cash flow. From time to time, as collections reduce accounts receivable included in the pool, Dial sells participating interests in new receivables. Dial's expense of selling receivables amounted to approximately \$4,500,000, \$4,900,000 and \$4,000,000 in 1995, 1994 and 1993, respectively. Such amounts are deducted in arriving at operating income. Under the terms of the agreement Dial has retained substantially the same risk of credit loss as if the receivables had not been sold as Dial is obligated to replace uncollectible receivables with new accounts receivable. The accounts receivable sold totaled \$137,507,000 and \$115,000,000 at December 31, 1995 and December 31, 1994, respectively. The agreement has a maturity date of the earlier of February 1997 or the date on which Dial's consumer products business becomes a new publicly traded company, unless separate replacement agreements are put in place. The average balance of proceeds from the sale of accounts receivable was \$65,100,000, \$101,700,000 and \$103,700,000 during 1995, 1994 and 1993, respectively.

Dial enters into interest rate swap agreements as a means of managing its interest rate exposure. The agreements are contracts to exchange fixed and floating interest rate payments periodically over the life of the agreements without the exchange of the underlying notional amounts. The notional amounts of such agreements are used to measure amounts to be paid or received and do not represent the amount of exposure to credit loss. The amounts to be paid or received under the interest rate swap agreements are accrued consistently with the terms of the agreements and market interest rates. Dial maintains formal procedures for entering into interest rate swap transactions and management

regularly monitors and reports to the audit committee of the Board of Directors on interest rate swap activity. The agreements are with major financial institutions which are currently expected to fully perform under the terms of the agreements, thereby mitigating the credit risk from the transactions in the event of nonperformance by the counterparties. In addition, Dial continuously monitors the credit ratings of the counterparties and the likelihood of default is considered remote.

The following table indicates the types of interest rate swap agreements used as hedges of debt as described in Note I of Notes to Consolidated Financial Statements and their weighted average interest rates in effect at December 31. The floating rate portion of the interest rate swaps is based on LIBOR. Changes in the LIBOR interest rates could significantly affect the floating rate information and future cash flows.

	1995	1994
	-----	-----
Pay-fixed swaps:(1)		
Notional amount (000 omitted)	\$ 172,600	\$ 205,000
Average pay rate	8.2%	8.3%
Average receive rate	5.7%	6.0%
Receive-fixed swaps:(1)		
Notional amount (000 omitted)	\$ 245,000	\$ 295,000
Average pay rate	5.7%	6.1%
Average receive rate	5.7%	5.4%

(1) The pay-fixed swap agreements expire as follows: \$65,000,000 (1997), \$40,000,000 (1998) and \$67,600,000 (2000). The receive-fixed swap agreements expire as follows: \$15,000,000 (1997), \$30,000,000 (2002) and \$200,000,000 (2003).

Dial has also entered into certain interest rate swap agreements in which Dial agreed to pay or receive an "off-market" fixed interest rate. The discounted present value of this rate "premium" or "discount" was paid to Dial in cash at inception of the agreements. Dial has been amortizing these cash proceeds over the term of the swaps. Dial entered into such agreements to provide for an alternative cash source and for income tax planning purposes. In every case, Dial simultaneously entered into an exactly paired (with identical notional amount and term) agreement in which it agreed to receive a fixed rate. The result in each case was a pair of offsetting swaps which fixed, at a market discount rate, the future net interest payments to be made by Dial. The use of these paired swaps has not created any unusual risk to Dial.

On December 22, 1995, \$67,600,000 of certain paired interest rate swap agreements which were in effect at December 31, 1994, expired. However, one side of the paired swap agreements had been extended, which resulted in additional pay-fixed swaps with a total notional amount of \$67,600,000 at December 31, 1995. These swaps will expire in 2000 and are included in the table above.

On December 31, 1995, Dial had \$200,000,000 notional amount remaining of the paired interest rate swap agreements which fixed the future net payments owed by Dial against the cash proceeds received by Dial when the swap agreements were entered, at discount rates ranging from 7.1% to 10.2% over the original terms of the paired agreements, which expire in 1996. The terms of one of these agreements has been extended, which will result in an additional pay-fixed swap of \$100,000,000 commencing in 1996 and expiring in 2000. This swap will have a pay rate of 8.34% and a receive rate, based on LIBOR at December 31, 1995, of 5.5%.

Cash consideration received on the paired swaps is amortized as an offset to expense from net swap payments over the life of the related swap. Net expense related to these paired swaps of \$2,900,000, \$7,500,000 and \$6,700,000 for 1995, 1994 and 1993, respectively, is included in the Statement of Consolidated Income under the caption, "Unallocated corporate expense and other items, net." The unamortized balance of the cash consideration received on the paired swaps (\$11,400,000 and \$22,300,000 at December 31, 1995 and 1994, respectively) is included in the Consolidated Balance Sheet under the caption, "Other deferred items and insurance reserves."

Dial's payment services subsidiary enters into interest rate swap agreements to mitigate the effects of interest rate fluctuations on commissions paid to selling agents of its official check program. At December 31, 1995, the subsidiary had \$275,000,000 notional amounts of such swap agreements, consisting of a \$200,000,000 notional amount with a fixed pay rate of 5.5% and a variable receive rate of 5.8%, and a \$75,000,000 notional amount with a variable pay rate of 5.1% and a variable receive rate of 4.8%. The net effect of these swap agreements on 1995 income was not material.

Dial also enters into foreign exchange forward contracts to hedge identifiable foreign currency commitments including intercompany transactions with Dial's foreign subsidiaries. These contracts are purchased to reduce the impact of foreign currency fluctuations on operating results. Dial does not engage in foreign currency speculation. While the hedging instruments are subject to the risk of loss from changes in exchange rates, these losses would generally be offset by gains on the exposures being hedged. Gains and losses on those hedging instruments that are designated and effective as hedges of firmly committed foreign currency transactions are deferred and recognized in income in the same period as the hedged transaction. Dial's theoretical risk in these transactions is the cost of replacing, at current market rates, these contracts in the event of default by the other party. Management believes the risk of incurring such losses is remote as the contracts are entered into with major financial institutions.

The following table summarizes by major currency the contractual amounts (stated in U.S. dollar equivalent) to purchase foreign currencies at December 31, 1995. The contracts mature through September 1996, with approximately 40% of such contracts expiring in January 1996. Contracts to sell foreign currencies are not material.

(000 omitted)		
French franc	\$	32,936
Canadian dollar		26,286
British pound		23,569
Italian lira		22,854
Austrian schilling		19,304
Other		8,182

	\$	133,131
		=====

Fair Value of Financial Instruments. The following disclosure of the estimated fair value of financial instruments is made in accordance with the requirements of SFAS No. 107, "Disclosures About Fair Value of Financial Instruments." The estimated fair value amounts have been determined by Dial using available market information and valuation methodologies described below. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented herein may not be indicative of the amounts that Dial could realize in a current market exchange. The use of different market assumptions or valuation methodologies may have a material effect on the estimated fair value amounts.

The carrying values of cash and cash equivalents, receivables, accounts payable and payment service obligations approximate fair values due to the short-term maturities of these instruments. The amortized cost and fair value of investments in debt and equity securities are disclosed in Note F of Notes to Consolidated Financial Statements. The carrying amounts and estimated fair values of Dial's other financial instruments at December 31 are as follows:

(000 omitted)	1995		1994	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Total debt	\$ (892,611)	\$ (916,642)	\$ (745,479)	\$ (716,631)
Interest rate swaps (1)	(12,781)	(38,836)	(24,561)	(63,392)
Foreign exchange forward contracts	---	2,680	---	(1,094)

(1) Carrying amount represents accrued interest and the unamortized cash proceeds.

The methods and assumptions used to estimate the fair values of the financial instruments are summarized as follows:

Debt--The fair value of debt was estimated by discounting the future cash flows using rates currently available for debt of similar terms and maturity. The carrying values of short-term bank loans, commercial paper and promissory notes were assumed to approximate fair values due to their short-term maturities.

Interest rate swaps--The fair values were estimated by discounting the expected cash flows using rates currently available for interest rate swaps of similar terms and maturities. The fair value represents the estimated amount that Dial would pay to the dealer to terminate the swap agreement at December 31.

Foreign exchange forward contracts--The fair value is estimated using quoted exchange rates of these or similar instruments.

P. LITIGATION AND CLAIMS

Several shareholder derivative complaints were filed in the Delaware Court of Chancery in late December 1995 and early January 1996 against members of Dial's Board of Directors, and against Dial as a nominal defendant. A lawsuit also was filed in the United States District Court, District of Arizona, on December 21, 1995, against the same parties, against a former member of Dial's Board, and against certain officers of Dial. The complaints variously allege fraud, negligence, mismanagement, corporate waste, invasion of privacy, intentional infliction of emotional distress, breaches of fiduciary duty, and seek equitable relief and recovery from or on behalf of Dial for compensatory and other damages incurred by Dial or the Arizona case plaintiff as a result of alleged payment of excessive compensation, improper investments or other improper activities. Dial and its counsel believe the claims are without merit. In addition, Dial and certain subsidiaries are plaintiffs or defendants to various other actions, proceedings and pending claims, including those matters discussed in more detail below. Certain of these pending legal actions are or purport to be shareholder or class actions. Some of the foregoing involve, or may involve, compensatory, punitive or other damages in material amounts. Litigation is subject to many uncertainties and it is possible that some of the legal actions, proceedings or claims referred to above could be decided against Dial. Although the amount of liability at December 31, 1995, with respect to these matters is not ascertainable, Dial believes that any resulting liability will not materially affect Dial's financial position or results of operations.

Dial also has been named defendant in multiple lawsuits filed by several hundred former railroad workers claiming asbestos-related health conditions. Dial has tolling agreements in place with approximately 3,400 other claimants. The claims relate to former subsidiaries and their production of railroad equipment. Due to their preliminary nature as well as potential insurance recoveries, the extent of the claims as they relate to Dial is not ascertainable at this time, however, Dial believes that any resulting liability will not materially affect its financial position or results of operations.

During 1995, a federal grand jury resumed an investigation, which began in early 1994 and was inactive for approximately one year, of Dial's airline catering subsidiary's billing practices at several airport flight kitchen locations. The subsidiary has cooperated fully in the investigation, has identified certain mistakes made in invoices to certain airline customers and has tendered reimbursements as appropriate. Dial believes that the subsidiary and its employees did not intend to improperly invoice the airlines, that such invoicing was at worst an uncorrected mutual error by both the subsidiary and the airlines, and that any resulting liability, after taking into consideration amounts already provided for, will not materially affect its financial position or results of operations.

Dial is subject to various environmental laws and regulations of the United States as well as of the states and other countries in whose jurisdictions Dial has or had operations and is subject to certain international agreements. As is the case with many companies, Dial faces exposure to actual or potential claims and lawsuits involving environmental matters. Although Dial is a party to certain environmental disputes, Dial believes that any liabilities resulting therefrom, after taking into consideration amounts already provided for, but exclusive of any potential insurance recoveries, will not have a material adverse effect on Dial's financial position or results of operations.

Q. PRINCIPAL BUSINESS SEGMENTS AND GEOGRAPHIC INFORMATION Dial conducts a consumer products and services business focused predominately on North American markets. Dial's Consumer Products segment operates through four major divisions: Personal Care, Household, Detergent and Food. Through the four divisions, the Consumer Products segment manufactures and markets an array of brand-name products such as the Dial family of soap products, Breck hair-care products, Renuzit air fresheners, Brillo cleaning pads, Purex detergents, and Armour Star canned meats, among others.

Dial's Services business operates in three principal business segments. Dial's Airline Catering and Services engages in airline catering operations, providing in-flight meals to domestic and international airlines as well as providing airplane fueling and ground handling services. The Convention Services business provides a variety of exhibit design and construction services to major trade shows and other customers. Dial's Travel and Leisure and Payment Services business offers money orders throughout the nation and performs official checks and negotiable instrument clearing services for banks and credit unions; operates contract foodservice facilities; engages in certain cruise line and hotel/resort operations and recreation and travel services; and owns a majority stake in a Canadian intercity bus transportation business.

Year ended December 31, (000 omitted)	1995	1994	1993	1992	1991
Revenues:					
Consumer Products	\$ 1,365,290	\$ 1,511,362	\$ 1,420,173	\$ 1,275,447	\$ 1,196,499
Services:					
Airline Catering and Services	800,338	763,658	502,775	527,832	492,151
Convention Services	588,978	522,683	356,267	238,694	212,828
Travel and Leisure and Payment Services (1)	820,464	749,144	721,127	832,115	926,371
Total Services (1)	2,209,780	2,035,485	1,580,169	1,598,641	1,631,350
	\$ 3,575,070	\$ 3,546,847	\$ 3,000,342	\$ 2,874,088	\$ 2,827,849
Operating Income: (2)					
Consumer Products (3)	\$ (23,656)	\$ 160,008	\$ 139,213	\$ 118,616	\$ 110,605
Services:					
Airline Catering and Services	66,555	61,533	41,385	40,783	34,444
Convention Services (3)	54,593	50,614	27,849	20,281	16,795
Travel and Leisure and Payment Services (1)(3)	15,327	58,065	66,846	43,036	34,434
Total Services (1)(3)	136,475	170,212	136,080	104,100	85,673
Total principal business segments	112,819	330,220	275,293	222,716	196,278
Unallocated corporate expense and other items, net (3)	(43,194)	(43,938)	(42,734)	(36,198)	(60,412)
	\$ 69,625	\$ 286,282	\$ 232,559	\$ 186,518	\$ 135,866

Assets at Year End

(000 omitted)	1995	1994	1993
United States	\$ 3,969,510	\$ 3,570,196	\$ 3,089,467
Foreign	255,676	210,700	191,621
Total	\$ 4,225,186	\$ 3,780,896	\$ 3,281,088

Revenues

(000 omitted)	1995	1994	1993
United States	\$ 3,222,730	\$ 3,253,009	\$ 2,744,197
Foreign	352,340	293,838	256,145
Total	\$ 3,575,070	\$ 3,546,847	\$ 3,000,342

Operating Income (2)

(000 omitted)	1995	1994	1993
United States	\$ 39,276 (4)	\$ 262,963	\$ 216,213
Foreign	30,349	23,319	16,346
Total	\$ 69,625 (4)	\$ 286,282	\$ 232,559

(1) Dial's payment services subsidiary is investing increasing amounts in tax-exempt securities. On a fully taxable equivalent basis, revenues and operating income would be higher by \$16,000,000, \$7,897,000, \$3,967,000 and \$982,000 for 1995, 1994, 1993 and 1992, respectively.

(2) Operating income by segment represents revenues less costs of sales and services. Unallocated corporate and other items, net, are then deducted from total operating income of principal business segments to arrive at total operating income.

(3) After deducting restructuring and other charges of \$135,600,000 for Consumer Products in 1995, \$55,500,000, \$30,000,000 and \$40,000,000 for Travel and Leisure and Payment Services in 1995, 1992 and 1991, respectively, and \$24,000,000 charged to unallocated corporate expense in 1991. Also after deducting a total of \$14,400,000 comprised of \$6,800,000, \$749,000, \$2,451,000 and \$4,400,000 in 1992 for Consumer Products, Convention Services, Travel and Leisure and Payment Services and Unallocated corporate expense, respectively, for increased ongoing expenses (above 1991 levels) resulting from the adoption of SFAS No. 106 effective January 1, 1992.

(4) After deducting restructuring charges and asset write-downs of \$191,100,000.

(000 omitted)	Services						
	Consumer Products	Airline Catering and Services	Convention Services	Travel and Leisure and Payment Services	Total Services	Corporate	Total
1995:							
Assets at year end:							
Before intangibles and restricted assets	\$ 463,697	\$ 212,887	\$ 198,209	\$ 541,683	\$ 952,779	\$ 279,430	\$ 1,695,906
Assets restricted for payment service obligations				1,666,116	1,666,116		1,666,116
Intangibles	334,708	282,599	186,298	55,309	524,206	4,250	863,164
	<u>\$ 798,405</u>	<u>\$ 495,486</u>	<u>\$ 384,507</u>	<u>\$ 2,263,108</u>	<u>\$ 3,143,101</u>	<u>\$ 283,680</u>	<u>\$ 4,225,186</u>
Capital expenditures (1)	\$ 27,214	\$ 15,185	\$ 15,035	\$ 44,285	\$ 74,505	\$ 1,996	\$ 103,715
Depreciation and amortization:							
Depreciation	\$ 22,406	\$ 21,461	\$ 10,306	\$ 33,173	\$ 64,940	\$ 5,242	\$ 92,588
Amortization of intangibles	6,712	8,775	3,706	3,155	15,636		22,348
	<u>\$ 29,118</u>	<u>\$ 30,236</u>	<u>\$ 14,012</u>	<u>\$ 36,328</u>	<u>\$ 80,576</u>	<u>\$ 5,242</u>	<u>\$ 114,936</u>
1994:							
Assets at year end:							
Before intangibles and restricted assets	\$ 550,013	\$ 231,417	\$ 127,191	\$ 415,721	\$ 774,329	\$ 296,317	\$ 1,620,659
Assets restricted for payment service obligations				1,339,802	1,339,802		1,339,802
Intangibles	337,360	291,337	112,870	74,102	478,309	4,766	820,435
	<u>\$ 887,373</u>	<u>\$ 522,754</u>	<u>\$ 240,061</u>	<u>\$ 1,829,625</u>	<u>\$ 2,592,440</u>	<u>\$ 301,083</u>	<u>\$ 3,780,896</u>
Capital expenditures	\$ 37,471	\$ 22,214	\$ 11,415	\$ 34,613	\$ 68,242	\$ 2,879	\$ 108,592
Depreciation and amortization:							
Depreciation	\$ 29,192	\$ 20,125	\$ 8,370	\$ 27,878	\$ 56,373	\$ 4,982	\$ 90,547
Amortization of intangibles	5,718	8,362	2,748	2,486	13,596		19,314
	<u>\$ 34,910</u>	<u>\$ 28,487</u>	<u>\$ 11,118</u>	<u>\$ 30,364</u>	<u>\$ 69,969</u>	<u>\$ 4,982</u>	<u>\$ 109,861</u>
1993:							
Assets at year end:							
Before intangibles and restricted assets	\$ 513,293	\$ 143,085	\$ 118,467	\$ 427,919	\$ 689,471	\$ 306,851	\$ 1,509,615
Assets restricted for payment service obligations				1,041,660	1,041,660		1,041,660
Intangibles	340,713	240,684	79,928	62,338	382,950	6,150	729,813
	<u>\$ 854,006</u>	<u>\$ 383,769</u>	<u>\$ 198,395</u>	<u>\$ 1,531,917</u>	<u>\$ 2,114,081</u>	<u>\$ 313,001</u>	<u>\$ 3,281,088</u>
Capital expenditures	\$ 40,605	\$ 16,125	\$ 11,838	\$ 44,419	\$ 72,382	\$ 1,637	\$ 114,624
Depreciation and amortization:							
Depreciation	\$ 28,071	\$ 14,222	\$ 8,181	\$ 28,241	\$ 50,644	\$ 3,785	\$ 82,500
Amortization of intangibles	5,512	7,041	743	4,364	12,148		17,660
	<u>\$ 33,583</u>	<u>\$ 21,263</u>	<u>\$ 8,924</u>	<u>\$ 32,605</u>	<u>\$ 62,792</u>	<u>\$ 3,785</u>	<u>\$ 100,160</u>

(1) Excluding the purchases of two cruise ships (which were previously leased) by Travel and Leisure and Payment Services for a purchase price of \$111,103,000 (See Note B of Notes to Consolidated Financial Statements).

R. CONDENSED CONSOLIDATED QUARTERLY RESULTS (UNAUDITED)

(000 omitted)

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
	1995	1994	1995	1994	1995	1994	1995	1994
Revenues:								
Consumer Products	\$ 337,862	\$ 330,340	\$ 363,893	\$ 408,115	\$ 308,110	\$ 363,399	\$ 355,425	\$ 409,508
Services:								
Airline Catering and Services	184,456	151,463	206,509	202,225	212,951	211,486	196,422	198,484
Convention Services	154,397	127,671	131,588	135,736	130,302	124,097	172,691	135,179
Travel and Leisure and Payment Services(1)	181,482	175,428	199,894	185,872	240,230	213,541	198,858	174,303
Total Services(1)	520,335	454,562	537,991	523,833	583,483	549,124	567,971	507,966
	\$ 858,197	\$ 784,902	\$ 901,884	\$ 931,948	\$ 891,593	\$ 912,523	\$ 923,396	\$ 917,474
Operating Income (Loss):								
Consumer Products(2)	\$ 33,802	\$ 30,152	\$ 51,134	\$ 49,978	\$ (124,444)	\$ 40,427	\$ 15,852	\$ 39,451
Services:								
Airline Catering and Services	11,026	8,421	17,932	16,540	20,499	19,947	17,098	16,625
Convention Services(3)	15,001	12,392	16,629	14,957	9,896	11,539	13,067	11,726
Travel and Leisure and Payment Services(1)(2)	4,031	1,974	17,804	13,804	(22,060)	29,573	15,552	12,714
Total Services(1)	30,058	22,787	52,365	45,301	8,335	61,059	45,717	41,065
Total principal business segments(2)	63,860	52,939	103,499	95,279	(116,109)	101,486	61,569	80,516
Unallocated corporate expense and other items, net	(11,149)	(10,748)	(10,939)	(10,552)	(10,377)	(11,348)	(10,729)	(11,290)
	\$ 52,711	\$ 42,191	\$ 92,560	\$ 84,727	\$ (126,486)	\$ 90,138	\$ 50,840	\$ 69,226
Income (Loss):								
Continuing operations	\$ 21,507	\$ 17,210	\$ 47,466	\$ 43,393	\$ (89,737)	\$ 45,428	\$ 21,901	\$ 34,280
Cumulative effect of change in accounting principle(4)	(17,696)							
Net income (loss)	\$ 3,811	\$ 17,210	\$ 47,466	\$ 43,393	\$ (89,737)	\$ 45,428	\$ 21,901	\$ 34,280
Income (Loss) per Common Share (dollars):								
Continuing operations	\$ 0.24	\$ 0.20	\$ 0.54	\$ 0.50	\$ (1.02)	\$ 0.52	\$ 0.24	\$ 0.39
Cumulative effect of change in accounting principle(4)	(0.20)							
Net income (loss) per common share	\$ 0.04	\$ 0.20	\$ 0.54	\$ 0.50	\$ (1.02)	\$ 0.52	\$ 0.24	\$ 0.39

(1) Dial's payment services subsidiary is investing increasing amounts in tax-exempt securities. On a fully taxable equivalent basis, revenues and operating income would be higher by the following amounts:

	1995	1994
First Quarter	\$ 3,443,000	\$ 1,514,000

Second Quarter	3,929,000	1,422,000
Third Quarter	4,129,000	2,376,000
Fourth Quarter	4,499,000	2,585,000

(2) After deducting restructuring charges and asset write-downs of \$135,600,000 for Consumer Products and \$55,500,000 for Travel and Leisure and Payment Services in the third quarter of 1995 (See Note C of Notes to Consolidated Financial Statements).

(3) Includes a one-time gain of \$3,477,000 due to the curtailment of certain postretirement medical benefits in the second quarter of 1995.

(4) In the fourth quarter of 1995, Dial elected the early adoption of SFAS No. 121 retroactive to January 1, 1995. The effect of this adoption was to decrease previously reported first quarter 1995 net income by \$17,696,000 and first quarter 1995 net income per common share by \$0.20 (See Note C of Notes to Consolidated Financial Statements).

EXHIBIT 21

THE DIAL CORP (DELAWARE)

Active Subsidiaries and Affiliates* as of December 31, 1995

AIRLINE CATERING & SERVICES GROUP

AIRCRAFT SERVICE INTERNATIONAL, INC. (Delaware)

ASII Holding GmbH (Germany)

Bahamas Airport Services Limited (Bahama) Freeport Flight Services Limited (Bahama) Dispatch Services, Inc. (Florida)

Florida Aviation Fueling Company, Inc. (Florida) Greyhound-Dobbs Incorporated (Delaware)

Carson International Inc. (Delaware) Dobbs Houses, Inc. (Delaware)

Dobbs-Paschal Midfield Corporation (Georgia) (75%)

DOBBS INTERNATIONAL SERVICES, INC. (Delaware)

Dobbs Houses International, Inc. (Delaware)

CONSUMER PRODUCTS GROUP

Andora, S.A. (Mexico)

Ardison Properties, Inc. (Delaware)

ARMOUR INTERNATIONAL COMPANY (Arizona)

AIC Foreign Sales Corporation (Virgin Islands) Armour Foods (Benelux) N.V. (Belgium) Armour Foods (Deutschland) GmbH (Germany) The Dial Corp. (Deutschland) mbH (Germany) The Dial Corporation (Panama), S.A. (Panama) The Dial Corp (International) (Arizona)

The Dial Corporation Mexico, S.A. de C.V. (Mexico) The Dial Corporation (Puerto Rico), Inc. (Arizona) Ft. Madison Dial, Inc. (Iowa)

ISC Incodisa Soap & Cosmetics (U.K.) Limited (United Kingdom) ISC International Ltd. (British Virgin Islands) Industrias Corporativas

Diversificadas, S.A. (Guatemala) ISC Incodisa Soap & Cosmetics - Nyon (Switzerland) I.S.C. Internacional, S.A. (Guatemala) ISC

International (U.S.A.), Inc. (Florida) Purex de Panama, S.A. (Panama)

CONVENTION SERVICES GROUP

EXHIBITGROUP INC. (Delaware)

EXG, Inc. (Delaware)

Giltspur North America, Inc. (Delaware) Giltspur, Inc. (New York) Giltspur Exhibits of Canada, Inc. (Ontario) Exhibitgroup (Canada) Ltd.

(Canada) Exhibitgroup Portland Inc. (Oregon) David H. Gibson Company, Inc. (Texas) Longchamp International, Inc. (Nevada)

GES EXPOSITION SERVICES, INC. (Nevada)

Badger Expo Freight, Inc. (Wisconsin) Badger Exposition Service, Inc. (Wisconsin) Carle's Carpet Cleaners, Inc. (Wisconsin) Concept

Convention Services, Inc. (Arizona) Expo-Tech Electrical & Plumbing Services, Inc. (California) Shows Unlimited, Inc. (Nevada)

United Exposition Service Redevelopment Corporation

(Missouri)

Las Vegas Convention Service Co. (Nevada) Panex Show Services Ltd. (Canada)

Stampede Display and Convention Services Ltd. (Alberta)

Indicates an Airline Catering & Services Group Subsidiary

^ Indicates a Consumer Products Group Subsidiary ~ ~ Indicates a Corporate and Other Subsidiary Indicates a Travel & Leisure & Payment Services Group Subsidiary ** Through partnership

CORPORATE AND OTHER

Dialcor Realty Inc. (Arizona)

Greyhound Realty of Texas Inc. (Texas) Essex Place Inc. (Arizona)

GCMC Inc. (Arizona)

Grey Gateway Realty Corporation (Arizona) GRT Inc. (Arizona)

TRAVEL & LEISURE & PAYMENT SERVICES GROUP

Crystal Holidays, Inc. (Colorado)

Dial Service Companies Limited (United Kingdom) Aircraft Service Limited (United Kingdom)# Crystal Holidays, Limited (United Kingdom)

Dial Consumer Products (UK) Limited (United Kingdom)^ Armour International Limited (United Kingdom)^ Dobbs International (U.K.) Limited (United Kingdom)# Charles Grimsey Associates Limited (United Kingdom) Greyhound World Travel Limited (United Kingdom) Irish Group Travel Limited (Ireland) Jetsave Limited (United Kingdom)
American Holidays (N.I.) Limited (Northern Ireland) Jetsave Transatlantic Limited (United Kingdom) Faber Enterprises, Inc. (Delaware)
Faber Drug Co., Inc. (Illinois) (70%) Franklin Ventures, Inc. (Illinois)
GREYHOUND LEISURE SERVICES, INC. (Florida)
European Cruise Shops Limited (Cayman Islands) (51%) Greyhound-ANA Venture Company (Florida) (51%) International Cruise Shops, Ltd. (Cayman Islands) Greyhound Maintenance, Inc. (Arizona) Greyhound World Travel GmbH (Germany)
JETSERVE INC. (Florida)
PREMIER CRUISE LINES, LTD. (Cayman Islands) RESTAURA, INC. (Michigan)
Glacier Park, Inc. (Arizona) (80%)
Waterton Transport Company, Limited (Alberta)
TRANSPORTATION LEASING CO. (California)~~
GCCP, Inc. (Delaware)~~
Greyhound Canada Holdings, Inc. (Alberta)~~ The Dial Corporation (Canada) Ltd. (Alberta)^
GREYHOUND LINES OF CANADA LTD. (Canada) (69%)
A-1 Bus Line Pick-Up Ltd. (British Columbia)
BREWSTER TRANSPORT COMPANY LIMITED (Alberta)
Cascade Holdings (Banff) Inc. (Alberta) Gray Coach Travel Inc. (Ontario) Greyhound Courier Express Ltd. (British Columbia)
TRAVELERS EXPRESS COMPANY, INC. (Minnesota)
CAG Inc. (Nevada)
PayMate, Inc. (Wisconsin)
RM/BS GP Inc. (Minnesota)
Travelers Express Co. (P.R.) Inc. (Puerto Rico)

*Parent-subsidiary or affiliate relationships are shown by marginal indentation. State, province or country of incorporation and ownership percentage are shown in parentheses following name, except that no ownership percentage appears for subsidiaries owned 100% (in the aggregate) by The Dial Corp. List does not include companies in which the aggregate direct and indirect interest of The Dial Corp is less than 20%.

Exhibit 23

INDEPENDENT AUDITORS' CONSENT

To the Board of Directors of
The Dial Corp:

We consent to the incorporation by reference in The Dial Corp's Registration Statements No.'s 33-41870, 33-57630, 33-64493, 33- 64491, 33-64487 and 33-56531 on Form S-8 and No.'s 33-54465, 33-55360, 33-56841 and 33-64495 on Form S-3 of our report dated February 23, 1996, appearing in this Annual Report on Form 10-K of The Dial Corp for the year ended December 31, 1995.

/s/ Deloitte & Touche LLP

DELOITTE & TOUCHE LLP

*Phoenix, Arizona
March 22, 1996*

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each director whose signature appears below constitutes and appoints Richard C. Stephan and John W. Teets, and each of them severally, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign the Form 10-K Annual Report of The Dial Corp for the fiscal year ended December 31, 1995, and any and all amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection herewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or either of the, or their or his or her substitutes or substitute, may lawfully do or cause to be done by virtue hereof.

<i>/s/ Joe T. Ford</i>	<i>February 15, 1996</i>
<i>/s/ Thomas L. Gossage</i>	<i>February 15, 1996</i>
<i>/s/ Donald E. Guinn</i>	<i>February 15, 1996</i>
<i>/s/ Jess Hay</i>	<i>February 15, 1996</i>
<i>/s/ Judith K. Hofer</i>	<i>February 15, 1996</i>
<i>/s/ Jack F. Reichert</i>	<i>February 15, 1996</i>
<i>/s/ Linda Johnson Rice</i>	<i>February 15, 1996</i>
<i>/s/ Dennis C. Stanfill</i>	<i>February 15, 1996</i>
<i>/s/ A. Thomas Young</i>	<i>February 15, 1996</i>
<i>/s/ Andrew S. Patti</i>	<i>February 15, 1996</i>

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE DIAL CORP'S FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 1995 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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

FISCAL YEAR END	DEC 31 1995
PERIOD END	DEC 31 1995
PERIOD TYPE	YEAR
CASH	23,370
SECURITIES	0
RECEIVABLES	229,185
ALLOWANCES	18,895
INVENTORY	241,338
CURRENT ASSETS	1,372,013
PP&E	1,485,584
DEPRECIATION	627,700
TOTAL ASSETS	4,225,186

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CURRENT LIABILITIES	2,449,281
BONDS	814,294
COMMON	145,663
PREFERRED MANDATORY	6,597
PREFERRED	0
OTHER SE	402,506
TOTAL LIABILITY AND EQUITY	4,225,186
SALES	1,365,290
TOTAL REVENUES	3,575,070
CGS	1,388,946
TOTAL COSTS	3,462,251
OTHER EXPENSES	43,194
LOSS PROVISION	0
INTEREST EXPENSE	75,994
INCOME PRETAX	(10,715)
INCOME TAX	(11,852)
INCOME CONTINUING	1,137
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	(17,696)
NET INCOME	(16,559)
EPS PRIMARY	(0.20)
EPS DILUTED	(0.20)

End of Filing

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