

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934**

October 29, 2004

Date of Report (Date of earliest event reported)

**VIAD CORP**

(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction  
of incorporation)

001-11015  
(Commission  
File Number)

36-1169950  
(IRS Employer  
Identification No.)

1850 North Central Avenue, Suite 800, Phoenix, Arizona 85004-4545  
(Address of principal executive offices) (Zip Code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

On October 29, 2004, Viad Corp (the "Company") issued a press release announcing its unaudited financial results for the third quarter 2004. A copy of the Company's press release is furnished herewith as Exhibit 99 and is incorporated by reference herein.

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

**Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS**

(a) Not applicable.

(b) Not applicable.

(c) Exhibits

99 - Press Release dated October 29, 2004.

**SIGNATURES**

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

**VIAD CORP**  
(Registrant)

*October 29, 2004*

*By: /s/ G. Michael Latta*

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

**EXHIBIT 99**

Viad Corp Announces Third Quarter 2004 Results; Loss per Share of \$3.14, After Non-Cash Goodwill and Intangible Asset Impairment Charges of \$80.8 Million After-Tax or \$3.71 per Share

**PHOENIX--(BUSINESS WIRE)--Oct. 29, 2004--**

**Income Before Impairment Losses of \$0.57 per Share**

Viad Corp (NYSE:VVI) today announced third quarter 2004 revenue of \$218.6 million, segment operating income of \$23.5 million, and a net loss of \$68.3 million, or \$3.14 per diluted share, which includes non-cash charges for goodwill and intangible asset impairment of \$80.8 million, after-tax, or \$3.71 per share. Income before impairment losses was \$12.6 million, or \$0.57 per share.

Robert H. Bohannon, chairman, president and chief executive officer said, "As expected, our third quarter operating results were significantly better than last year. This improvement was largely due to positive show rotation at GES and terrific revenue growth in our Travel and Recreation Services segment as the result of improved travel trends. Exhibitgroup's new exhibit construction revenue was weaker than anticipated, causing their results to fall significantly short of our expectations."

**Non-Cash Goodwill and Intangible Asset Impairment Charges**

Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," requires companies to test goodwill and certain intangible assets for impairment on an annual basis. Impairment testing is also required between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount.

During the third quarter 2004, Exhibitgroup's operating results were affected by a significant reduction in revenue from new exhibit construction that caused management to reduce its outlook for the full year. Customer orders for new exhibit construction have declined even further than management anticipated, resulting in a less profitable mix of business. Visibility in the segment remains poor and management is not able to determine when an increase in new exhibit orders will materialize or when the mix of business will improve. As a result of this potential impairment indicator, Viad performed an interim goodwill impairment test for the Exhibitgroup reporting unit in connection with the preparation of its third quarter 2004 financial statements. Based on this interim testing, management concluded that a goodwill impairment loss was necessary and that a trademark intangible impairment loss was probable. Accordingly, Viad recorded a charge of \$80.4 million (\$76.6 million after-tax), representing the entire carrying amount of Exhibitgroup's goodwill, and a charge of \$7.0 million (\$4.2 million after-tax) representing management's preliminary estimate of the trademark's impairment (resulting in a remaining trademark book value of \$5.9 million). Management intends to finalize the valuation of the trademark during the fourth quarter.

Viad uses a discounted expected future cash flow methodology in order to estimate the fair value of its reporting units and its intangible assets. The estimates and assumptions regarding expected future cash flows, terminal values and the discount rate require considerable judgment and are based on historical experience, financial forecasts and industry trends and conditions. These estimates, however, have inherent uncertainties, and different assumptions could lead to materially different results.

**Third Quarter and Year-to-Date 2004 Financial Highlights**

Highlights of the 2004 third quarter, compared to third quarter 2003 results, and year-to-date results are presented below.

	Q3 2004	Q3 2003	Change
	-----		
	(\$ in millions)		
Revenue	\$ 218.6	\$165.1	32.4%
Segment operating income	\$ 23.5	\$ 8.8	166.8%
Operating margins (a)	10.8%	5.3%	550 bps
Income before impairment losses (b)	\$ 12.6	\$ 1.9	NM
Net (loss) income	\$ (68.3)	\$ 1.9	NM
Adjusted EBITDA (b)	\$ 24.4	\$ 9.8	147.9%
Cash from operations	\$ 11.0	\$ 19.2	-42.8%
Free cash flow (b)	\$ 7.7	\$ 15.8	-51.4%
	YTD 2004	YTD 2003	Change
	-----		
	(\$ in millions)		
Revenue	\$ 633.5	\$626.6	1.1%
Segment operating income	\$ 58.6	\$ 51.0	14.9%
Operating margins (a)	9.3%	8.1%	120 bps
Income before impairment losses (b)	\$ 29.3	\$ 20.9	39.9%
Net (loss) income	\$ (51.5)	\$ 20.9	NM
Adjusted EBITDA (b)	\$ 63.4	\$ 57.7	9.8%
Cash from operations	\$ 31.8	\$ 39.4	-19.4%
Free cash flow (b)	\$ 22.5	\$ 29.4	-23.4%

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

(b) Income before impairment losses is defined by Viad as net income before after-tax impairment charges related to goodwill and intangible

assets. Adjusted EBITDA is defined by Viad as net income before interest expense, income taxes, depreciation and amortization, goodwill and intangible asset impairments, changes in accounting principles and the effects of discontinued operations. Free cash flow is defined by Viad as net cash provided by operating activities minus capital expenditures and dividends. Income before impairment losses, adjusted EBITDA and free cash flow are supplemental to results presented under accounting principles generally accepted in the United States of America (GAAP) and may not be comparable to similarly titled measures presented by other companies.

These non-GAAP measures are used by management to facilitate period-to-period comparisons and analysis of Viad's operating performance and liquidity. Free cash flow is also used by management to assess the company's ability to service debt, fund capital expenditures and finance growth. Management believes these non-GAAP measures are useful to investors in benchmarking and trending the performance and value of Viad's business. These non-GAAP measures should be considered in addition to, but not as a substitute for, other similar measures reported in accordance with GAAP. See Table Two for a reconciliation of net income to income before impairment losses, net income to Adjusted EBITDA and of net cash provided by operating activities to free cash flow.

In addition to the impairment charges, the following items were included in Viad's 2004 third quarter and year-to-date results:

-- A \$2.4 million tax benefit related to favorable tax settlements.

-- A restructuring charge of \$530,000 (after-tax) related to the consolidation of leased office space. Year-to-date Viad has recorded net restructuring charges of \$1.1 million (after-tax).

At the end of the third quarter 2004:

-- Debt totaled \$22.7 million, relatively unchanged from the second quarter. The debt-to-capital ratio was 6.1 percent, up from the second quarter due to the impairment charges recorded in the third quarter.

-- Cash and cash equivalents were \$119.3 million, up \$8.8 million from the second quarter after payment of accrued spin-off related costs.

### **GES Exposition Services (GES)**

GES' revenue for the third quarter 2004 increased \$44.4 million or 46.1 percent to \$140.7 million, up from \$96.3 million in the third quarter 2003. Segment operating income increased to \$11.6 million from \$1.2 million in 2003, and operating margins for the quarter were 8.2 percent compared with 1.3 percent in the third quarter of 2003. The improvement from the prior year was due to positive show rotation and the reduction of certain performance-based incentive accruals.

Bohannon said, "GES performed very well on the top line, as several large shows rotated into the quarter. However, certain challenges on the cost side, as well as the continued difficulties in obtaining price increases, put pressure on margins. These challenges included increased costs associated with new revenue initiatives that are still in the ramp-up phase, increased fuel costs, hurricane activity in the Southeast, the union strike in Las Vegas, and margin pressures on certain exhibitor services. Although the strike cost us about \$1.3 million pre-tax, mainly related to security, we believe that it was settled favorably and on terms that will help us keep future price increases at a moderate level for the already cost-conscious exhibitors."

### **Exhibitgroup/Giltspur (Exhibitgroup)**

Exhibitgroup's revenue was \$38.1 million during the third quarter 2004, an increase of 5.8 percent from \$36.0 million in the third quarter 2003. The improvement in revenue was due to the occurrence of an air show in England that did not take place in the 2003 third quarter. This was mostly offset by a significant decline in revenue from new exhibit construction, which resulted in a less profitable mix of business and a decrease in operating results. Exhibitgroup's segment operating loss for the quarter was \$4.9 million versus a loss of \$3.5 million in the 2003 third quarter.

Bohannon said, "We are disappointed with Exhibitgroup's results for the quarter. New exhibit construction revenue declined even further than anticipated, resulting in a decline in operating income. In addition, we continue to see a lot of pricing irrationality in the marketplace. Because of this, we have substantially reduced our expectations for the fourth quarter. We do, however, believe in the potential of this company, particularly once corporate spending on new exhibit construction picks up. We are also encouraged by Exhibitgroup's strong and improving win rate on new client signings, although at this point, we don't know when spending on new exhibits will materialize."

### **Travel and Recreation Services**

Travel and Recreation Services' revenue for the 2004 third quarter was \$39.7 million, up 21.4 percent compared to \$32.7 million in the third quarter 2003. Operating income was up 52.2 percent to \$16.9 million compared to \$11.1 million in 2003, and operating margins improved 860 basis points to 42.6 percent from 34.0 percent in the 2003 third quarter.

Bohannon said, "Our Travel and Recreation Services segment delivered great results this quarter. Not only did Brewster and Glacier benefit from improving travel trends, but they also drove margin expansion through good cost control. After a very challenging 2003, this segment is clearly back on track."

### **2004 Outlook**

Guidance provided by Viad is subject to change as a variety of factors can affect actual operating results. Those factors are identified in the safe harbor language at the end of the press release.

The following guidance for the remainder of 2004 reflects a reduced outlook for both Exhibitgroup and GES. Traditionally a strong quarter for Exhibitgroup, Viad expects fourth quarter new exhibit construction revenue to decline at a rate consistent with that experienced in the third quarter. This will put pressure on Exhibitgroup's revenue and margins. The company also expects that margins at GES will be negatively impacted by margin pressures on certain exhibitor services, high fuel costs, and increased costs associated with revenue growth initiatives that are still in the ramp-up phase.

#### Fourth Quarter 2004

For the fourth quarter, Viad's net loss per share is expected to be in the range of \$0.25 to \$0.31. Segment revenue is expected to decrease by a mid to high-single digit rate from the prior year amount of \$143.9 million. Segment operating results are expected to decrease by \$8 to \$11 million from approximately breakeven in 2003. Implicit within this guidance are the following segment revenue and operating income expectations.

	Segment Revenue		Segment Operating Income	
	low-end	high-end	low-end	high-end
	(\$ in millions)			
GES	\$90 to	\$92	\$(5.4) to	\$(3.9)
Exhibitgroup	\$36 to	\$39	\$(3.6) to	\$(2.1)
Travel & Recreation	\$5	\$5	\$(1.8)	\$(1.8)
	-----	-----	-----	-----
	\$131 to	\$136	\$(10.8) to	\$(7.8)
	=====	=====	=====	=====

#### Full Year 2004

For the full year, Viad's net loss is expected to be in the range of \$2.61 to \$2.67 per share. Income before impairment losses is expected to be in the range of \$1.04 to \$1.10 per share. Segment revenue is expected to be flat to slightly down from the prior year amount of \$770.5 million. Segment operating income is expected to decrease at a low to mid-single digit rate from \$51.2 million in 2003. Implicit within this guidance, are the following segment revenue and operating income expectations.

	Segment Revenue		Segment Operating Income	
	low-end	high-end	low-end	high-end
	(\$ in millions)			
GES	\$532 to	\$534	\$40.8 to	\$42.3
Exhibitgroup	\$167 to	\$170	\$(11.5) to	\$(10.0)
Travel & Recreation	\$66	\$66	\$18.5	\$18.5
	-----	-----	-----	-----
	\$765 to	\$770	\$47.8 to	\$50.8
	=====	=====	=====	=====

Bohannon said, "We are still seeing signs of improvement in the tradeshow industry, such as same-show-growth, increased exhibitor presence and increased attendance. However, the market is still very challenging. Exhibiting companies continue to be very cost-conscious as they attempt to maximize the return on their restricted marketing dollars and we do not know when our clients will increase their marketing budgets. In the meantime, GES and Exhibitgroup will stay focused on cost control and on providing quality, value-added products and services to exhibitors at a fair price. As of the end of the third quarter, the Travel and Recreation segment's year is substantially complete and year-to-date results have exceeded our expectations. Both Brewster and Glacier posted their strongest results since 2000. We are very pleased by the rebound in this segment." Bohannon concluded, "I am also happy to report that we have identified good opportunities to reduce corporate costs going forward and we continue to look for more. We remain steadfast in our commitment to drive shareholder value."

#### Conference Call and Webcast

Viad Corp will hold a conference call with investors and analysts for a review of third quarter 2004 results on Friday, October 29, 2004 at 9 a.m. (EDT). To join the live conference call, dial 800-967-7134 or access the webcast through Viad's Web site at [www.viad.com](http://www.viad.com). A replay will be available for a limited time at 888-203-1112, passcode 823288, or visit the Viad Web site and link to a replay of the webcast.

Viad is an S&P SmallCap 600 company. Major subsidiaries include GES Exposition Services of Las Vegas, Exhibitgroup/Giltspur of Chicago, Brewster Transport Company Limited of Banff, Alberta, Canada, and Glacier Park, Inc. of Phoenix. For more information, visit the company's Web site at [www.viad.com](http://www.viad.com).

#### Forward Looking Statements

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

**VIAD CORP AND SUBSIDIARIES**  
**TABLE ONE - QUARTERLY AND YEAR-TO-DATE RESULTS**  
(UNAUDITED)

	Three months ended September 30,			Nine months ended September 30,		
	2004	2003	%	2004	2003	%
(000 omitted, except per share data)						
Revenues (Note A)	\$218,581	\$165,068	32.4%	\$633,514	\$626,596	1.1%
Segment operating income (Note A)	\$ 23,529	\$ 8,820	166.8%	\$ 58,613	\$ 51,018	14.9%
Corporate activities and minority interests	(4,085)	(5,596)	27.0%	(10,442)	(12,626)	17.3%
Restructuring (charges) recoveries, net (Note B)	(850)	200	NM	(1,703)	1,476	NM
Impairment losses (Note C)	(87,408)	-	NM	(87,408)	-	NM
Net interest expense	(394)	(295)	-33.6%	(1,000)	(2,629)	62.0%
Income (loss) before income taxes	(69,208)	3,129	NM	(41,940)	37,239	NM
Income tax (expense) benefit	933	(1,182)	-178.9%	(9,594)	(16,299)	41.1%
Net income (loss)	\$(68,275)	\$ 1,947	NM	\$(51,534)	\$ 20,940	NM
Diluted income (loss) per common share	\$ (3.14)	\$ 0.09	NM	\$ (2.37)	\$ 0.97	NM
Basic income (loss) per common share	\$ (3.14)	\$ 0.09	NM	\$ (2.37)	\$ 0.97	NM

Common shares treated as  
outstanding for net

income per share  
calculations:

Average outstanding shares	21,767	21,568	0.9%	21,726	21,542	0.9%
----------------------------------	--------	--------	------	--------	--------	------

	2004	2003	%	2004	2003	%
Average outstanding and potentially dilutive shares	21,767	21,680	0.4%	21,726	21,631	0.4%

NM = not meaningful

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

(A) Reportable Segments

	Three months ended September 30,			Nine months ended September 30,		
	2004	2003	%	2004	2003	%
(000 omitted)						
Revenues:						
GES Exposition Services	\$140,745	\$ 96,332	46.1%	\$441,700	\$411,586	7.3%
Exhibitgroup/ Giltspur	38,129	36,033	5.8%	130,834	166,732	-21.5%
Travel and Recreation Services	39,707	32,703	21.4%	60,980	48,278	26.3%
Total revenues	\$218,581	\$165,068	32.4%	\$633,514	\$626,596	1.1%

Segment operating income:  
GES Exposition

Services	\$ 11,554	\$ 1,215	NM	\$ 46,225	\$ 42,356	9.1%
Exhibitgroup/ Giltspur	(4,947)	(3,515)	-40.7%	(7,880)	(3,340)	-135.9%
Travel and Recreation Services	16,922	11,120	52.2%	20,268	12,002	68.9%
	\$ 23,529	\$ 8,820	166.8%	\$ 58,613	\$ 51,018	14.9%

NM = not meaningful

(B) Restructuring Charges and Recoveries -- Viad recorded a restructuring charge of \$853,000 (\$530,000 after-tax) in the second quarter of 2004 primarily related to planned employee reductions. Additionally, in the third quarter of 2004, Viad recorded a restructuring charge of \$850,000 (\$530,000 after-tax) related to the consolidation of leased office space. In the third quarter of 2001, Viad recorded restructuring charges totaling \$66.1 million (\$39.9 million after-tax) consisting of costs associated with the closure and consolidation of certain facilities, severance and other employee benefits in the GES and Exhibitgroup segments. In the second and third quarters of 2003, \$1.3 million (\$770,000 after-tax) and \$200,000 (\$120,000 after-tax), respectively, of the reserves were reversed as certain costs originally anticipated in the restructuring plan will not be incurred.

(C) Impairment Losses -- In the third quarter of 2004, Exhibitgroup's operating results were affected by a significant reduction in revenue from new exhibit construction that caused management to reduce its outlook for the full year. Customer orders for new exhibit construction declined even further than management anticipated, resulting in a less profitable mix of business. Visibility in this segment remains poor and management is not able to determine when the mix of business will improve. As a result of this potential impairment indicator, Viad completed an interim impairment test of the goodwill and intangible trademark asset at Exhibitgroup. Based on this testing, Viad recorded impairment charges of \$80.4 million (\$76.6 million after-tax) and \$7.0 million (\$4.2 million after-tax) related to goodwill and the intangible trademark asset, respectively.

**VIAD CORP AND SUBSIDIARIES**  
**TABLE TWO - INCOME BEFORE IMPAIRMENT LOSSES, ADJUSTED EBITDA**

**AND FREE CASH FLOW  
(UNAUDITED)**

Three months ended                      Nine months ended  
September 30,                              September 30,

---

(000 omitted) 2004 2003 % 2004 2003 %

Income before impairment losses:

Net income

(loss) \$(68,275) \$ 1,947 NM \$(51,534) \$ 20,940 NM

Impairment losses, net of tax	80,831	-	NM	80,831	-	NM
<hr style="border-top: 1px dashed black;"/>						
Income before impairment losses	\$ 12,556	\$ 1,947	NM	\$ 29,297	\$ 20,940	39.9%
<hr style="border-top: 1px dashed black;"/>						

Three months ended                      Nine months ended  
September 30,                              September 30,

---

(\$ per diluted

share) 2004 2003 % 2004 2003 %

Income before impairment losses:

Net income

(loss) \$ (3.14) \$ 0.09 NM \$ (2.37) \$ 0.97 NM

Impairment losses, net of tax	3.71	-	NM	3.72	-	NM
<hr style="border-top: 1px dashed black;"/>						
Income before impairment losses	\$ 0.57	\$ 0.09	NM	\$ 1.35	0.97	39.2%
<hr style="border-top: 1px dashed black;"/>						

Three months ended                      Nine months ended  
September 30,                              September 30,

---

(000 omitted)

Adjusted EBITDA:

Net income (loss)	\$(68,275)	\$ 1,947	NM	\$(51,534)	\$ 20,940	NM
Impairment losses	87,408	-	NM	87,408	-	NM
Interest expense	776	336	-131.0%	1,734	2,901	40.2%
Income tax expense (benefit)	(933)	1,182	-178.9%	9,594	16,299	41.1%
Depreciation and amortization	5,398	6,366	15.2%	16,195	17,604	8.0%
<hr style="border-top: 1px dashed black;"/>						
Adjusted EBITDA	\$ 24,374	\$ 9,831	147.9%	\$ 63,397	\$ 57,744	9.8%
<hr style="border-top: 1px dashed black;"/>						

Three months ended                      Nine months ended  
September 30,                              September 30,

---

(000 omitted)

Free Cash Flow:

Net cash provided by operating activities	\$ 10,999	\$ 19,240	-42.8%	\$ 31,775	\$ 39,428	-19.4%
Less: Capital						

expenditures	(3,292)	(3,397)	3.1%	(9,266)	(10,037)	7.7%
	-----	-----	-----	-----	-----	-----
Free cash						
flow	\$ 7,707	\$15,843	-51.4%	\$ 22,509	\$ 29,391	-23.4%
	=====	=====	=====	=====	=====	=====

NM = not meaningful

CONTACT: Viad Corp  
Carrie Long, 602-207-2681 (Investor Relations) clong@viad.com