

VIAD CORP
Form 10-K
February 29, 2008

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As filed with the Securities and Exchange Commission on February 29, 2008

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

FORM 10-K

(Mark One)

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2007**

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the transition period from to**

Commission file number: 001-11015

VIAD CORP

(Exact name of registrant as specified in its charter)

Delaware

*State or other jurisdiction of
incorporation or organization*

1850 North Central Avenue, Suite 800

Phoenix, Arizona

(Address of principal executive offices)

36-1169950

*(I.R.S. Employer
Identification No.)*

85004-4545

(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

Preferred Stock Purchase Rights

New York Stock Exchange

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

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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined by Rule 405 of the Securities Act.
Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes 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.

Indicate by check mark whether registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check One):

Large accelerated filer Accelerated Filer Non-Accelerated Filer Smaller reporting company

Indicate by check mark whether registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the Common Stock (based on its closing price per share on such date) held by non-affiliates on the last business day of the registrant's most recently completed second fiscal quarter (June 30, 2007) was approximately \$848 million.

Registrant had 20,556,441 shares of Common Stock (\$1.50 par value) outstanding as of January 31, 2008.

Documents Incorporated by Reference

A portion of the Proxy Statement for the Annual Meeting of Shareholders of Viad Corp to be held May 20, 2008 is incorporated by reference into Part III of this Annual Report.

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PART I

Item 1. *Business.*

Viad Corp (Viad or the Company) is comprised of several operating companies which constitute a diversified services business. Viad provides services that address the needs of exhibition organizers and exhibitors, as well as travel and recreation services in the United States and Canada. The Company's businesses occupy leading positions in many of the markets in which they compete. They seek to provide quality, convenient and cost-effective services with a discernible difference to the ultimate users, thereby being considered a value-added provider by Viad's customers.

Viad's services are classified into three reportable business segments: (1) GES comprised of GES Exposition Services, Inc. and its affiliated companies, including Melville Exhibition and Event Services Limited, GES Exposition Services (Canada) Limited and Corporate Technical Services Limited, (2) Exhibitgroup/Giltspur, a division of Viad, and its affiliated companies, including SDD Exhibitions Limited and Voblo Verwaltungs GmbH, and (3) Travel and Recreation Services provided by the Brewster Inc. and Glacier Park, Inc. business units. The reportable business segments have been defined in a manner consistent with Viad's organizational structure, internal reporting, allocation of resources and operating decision-making. A description of each of Viad's reportable business segments and recent developments relating to each is provided below.

Viad has no customer that comprises more than five percent of its revenues, and no reporting segment of Viad has a customer comprising more than ten percent of that segment's revenues.

Recent Business Development Acquisitions

On February 1, 2007, Viad, through its wholly-owned United Kingdom subsidiary GES Service Companies Limited, completed the acquisition of Melville Exhibition and Event Services Limited and its subsidiaries and an affiliated company, Corporate Technical Services Limited (collectively Melville). Melville is the leading exhibition services contractor in the United Kingdom and provides a full spectrum of organizer and exhibitor services including shell scheme, electrical and lighting services, display installation and design services and registration and lead retrieval services. Melville operates within the GES segment under the GES Worldwide Network brand. The acquisition of Melville expands the operations of GES to the major exhibition facilities within the United Kingdom. Melville also provides GES a platform for the expansion of GES' business into other international markets.

On April 5, 2007, Viad, through its wholly-owned Canadian subsidiary Brewster Inc. (Brewster), completed the acquisition of Minnewanka Tours (1977) Ltd. and its affiliated company 845902 Alberta Ltd. (collectively Minnewanka). Minnewanka is a tour boat operation on Lake Minnewanka in Banff National Park in Alberta, Canada and is operated as a division of Brewster Inc.

On June 29, 2007, GES acquired Services d Expositions P.E. Poitras Ltée, an exhibition services contractor in Quebec City, Canada.

On January 4, 2008, Viad completed the acquisition of The Becker Group, Ltd. (Becker Group). Becker Group is an experiential marketing company specializing in creating immersive, entertaining attractions and brand-based experiences for clients and venues, including shopping malls, movie studios, museums, leading consumer brands and casinos. With more than 50 years of experience, Becker Group is the leading provider of large-scale, holiday-themed events and experiences for regional shopping malls and lifestyle centers in North America. Becker Group's retail clients include some of the top retail real estate developers in the world, many of which have been clients for ten or

more years. Becker Group has successfully expanded its experiential marketing solutions beyond the retail sector to include year-round branded attractions, sponsored events, mobile marketing tours and other place-based marketing solutions for a broad client base. Recent projects include the museum touring exhibitions *Rockwell's America* and *Robots*, as well as touring exhibits to promote the animated films *Ratatouille* and *Cars*. In addition, Becker Group created a snow globe program at Taubman Centers, Inc. retail centers featuring and promoting the films *The Chronicles of Narnia: The Lion, the Witch and the Wardrobe* and *Happy Feet*.

Viad Business Units

Viad is comprised of three operating groups which are leading competitors in the markets in which they compete. They include businesses that provide services that address the needs of exhibition and event organizers and exhibitors, as well as travel and recreation services.

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GES

GES provides services to the exhibition, event and corporate meeting industry, which primarily consists of exhibitions, trade shows, conventions, and corporate and special events that facilitate face-to-face marketing. GES is one of the leading service providers in North America and the United Kingdom. GES has a network of offices in the most active and popular destinations in North America and the United Kingdom, as well as in Abu Dhabi, United Arab Emirates. With a focus on assisting event organizers in all aspects of the preparation, installation and dismantling of an exhibition, convention or special event, GES services some of the most visible and influential events in the exhibition, event and corporate meeting industry. In 2007, GES and its affiliated companies, under the GES Worldwide Network brand, provided services to over 250,000 exhibitor customers in North America and the United Kingdom and for an estimated 2,000 exhibitions and hundreds of events and projects across North America, the United Kingdom and United Arab Emirates.

GES has full service operations in 16 U.S. cities and eight Canadian cities, including Quebec City through GES \$2.2 million acquisition in June 2007 of Services d Expositions P.E. Poitras Ltée, the largest exhibition services company in Quebec City. The acquisition of Melville in February 2007 expanded GES operations to the major exhibition facilities within the United Kingdom. Melville also provides GES a platform for the expansion of GES business into other international markets. In 2007, GES expanded its operations into Abu Dhabi in the United Arab Emirates, through its Melville Middle East affiliate, serving as the exclusive provider of venue services at the Abu Dhabi National Exhibitions Centre.

GES provides exhibition and event services such as designing, planning, managing, producing, installing and dismantling every aspect of an exhibition and event. GES principal customers are show organizers, corporate event organizers and exhibitors. Central to GES customer base are show organizers, which are comprised of for-profit show owners, not-for-profit trade associations, publishing firms, show management companies and corporations that plan and manage their own proprietary events. Under its agreements with show organizers, GES provides services to the show organizer and provides certain services exclusively to exhibitors participating in the exhibition or event. Services provided to show organizers include: general management; planning and consultation; concept design; exhibition layout and design; exhibit design and construction; graphics and design; show traffic analysis; transportation, logistics and material handling services; installation and dismantling services; rental furniture; carpeting and flooring; decorating products and accessories; custom graphics; overhead rigging; cleaning; and electrical, lighting and plumbing distribution. Exclusive services provided to exhibitors typically include material handling services, overhead rigging, electrical distribution and cleaning. The services that GES provides to show organizers generally help the organizer provide the infrastructure necessary to service the attendees and exhibitors of the event and communicate the brand of the show, while the exclusive exhibitor services, which may vary from venue to venue, provide the exhibitors a single point of contact to facilitate a timely, safe and efficient move-in and move-out of the show. In addition to the exclusive services, GES seeks to sell discretionary services to the exhibitors that participate in the exhibition or event. These discretionary services include: program management and on-site coordination for exhibitors; furnishings, carpeting and signage; logistics and shipping services; return on investment analysis; attendee and exhibit booth traffic analysis; installation and dismantling; storage and refurbishing of exhibits.

As the official services contractor, GES prepares and sends an Exhibitor Manual to each exhibitor in advance of the show, either by mail, electronic distribution utilizing GES IntelliKit[®] product, or by GES internet-based ordering system, GES Online. The Exhibitor Manual contains detailed descriptions of the exclusive and discretionary services offered by GES and order forms for those services. When GES is not the official services contractor, GES competes with the official services contractor and other specialized contractors to provide to exhibitors the discretionary services described above.

Exhibitgroup/Giltspur

Exhibitgroup/Giltspur is an integrated experience marketing company that specializes in face-to-face exhibits and environments and program management. Custom design and construction of exhibits and environments is a core part of Exhibitgroup/Giltspur's business. Exhibitgroup/Giltspur's custom exhibits and environments are designed from concept using state-of-the-art computer rendering programs. Custom exhibits vary in size, cost and complexity depending on the client's needs and budget from carefully developed product showcases to more elaborately themed environments and interactive exhibits. Exhibitgroup/Giltspur's design team also has the capacity to blend rental components into a client's custom exhibit to create the desired marketing statement at a lower cost to the client. Some of Exhibitgroup/Giltspur's exhibits are as large as 40,000 square feet, as high as two stories and may cost up to several million dollars. In addition to its U.S. operations, Exhibitgroup/Giltspur serves clients internationally through its operations in the United Kingdom, Germany and Canada and through partners in various other countries.

Exhibitgroup/Giltspur combines its core services of custom design and construction with an ability to provide complete, one-stop shop exhibit program management services services that meet a client's long-term marketing needs and ensure the best

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handling of the client's exhibit program. Exhibitgroup/Giltspur's services include: exhibit program management and planning; logistics management; exhibit maintenance and warehousing; installation and dismantling; show services; online ordering and internet-based services; marketing, advertising and multimedia services and customer relationship management (CRM) marketing services.

Exhibitgroup/Giltspur also refurbishes exhibits and provides portable and modular exhibits, retail merchandising units (or kiosks) for shopping malls and retail stores, and design, construction and installation services for permanent installations including museums, corporate lobbies, visitors centers, showrooms, casinos and retail interiors. In addition, Exhibitgroup/Giltspur provides strategic marketing services, including creative services and program strategy and measurement services with a full program of implementation such as advertising, multimedia, video and CRM services.

Through egRetailsm in the United States and sddRetailsm internationally, Exhibitgroup/Giltspur produces retail merchandising units that are generally used in shopping malls and retail stores throughout the world. The design of the retail merchandising units varies depending on the client's budget and specific needs. All retail merchandising units are designed to draw the attention of potential visitors or customers through a range of alternatives including product displays, entertainment using interactive electronics and information displays. This group offers clients complete turnkey services, including design, engineering, graphic production, fabrication, warehousing, shipping and on-site installation of the retail merchandising units.

Exhibitgroup/Giltspur provides its services primarily to major domestic and international corporations. A majority of Exhibitgroup/Giltspur's corporate clients are from the healthcare, consumer/entertainment, aerospace, real estate, and computer services and electronics industries. Many of Exhibitgroup/Giltspur's clients attend events at which GES is the official services contractor or at which GES offers discretionary services. In these instances, an Exhibitgroup/Giltspur client may engage the services of GES for services such as material handling, carpeting, furniture and similar on-site discretionary services. Because of the complexity of Exhibitgroup/Giltspur's custom exhibits, many of Exhibitgroup/Giltspur's clients are likely to use ExpoServices (Exhibitgroup/Giltspur's wholly-owned installation and dismantling division) for installation and dismantle services.

Exhibitgroup/Giltspur's experienced designers, global network of facilities, strategic alliances and innovative technology make Exhibitgroup/Giltspur a leader in its industry. Exhibitgroup/Giltspur has won over 70 design awards since 1997, including 35 prestigious Best of Show awards. These awards signify that, either in specific categories or on a general basis, a particular exhibit was chosen as the best at the exhibition by a panel of judges or show attendees.

Travel and Recreation Services

Travel and recreation services are provided by the Brewster Inc. and Glacier Park, Inc. (Glacier Park) business units.

Brewster. Brewster is a major tourism service operator in Western Canada, delivering tourism products that include two world-class attractions, motorcoach services, charter and sightseeing services, tour boat operations, inbound package tour operations and hotel operations. Approximately 80 percent of Brewster's annual revenues are earned in the second and third quarters. On January 1, 2007, Brewster Transport Company Limited and certain subsidiary entities were amalgamated to form Brewster Inc.

Brewster's two world-class attractions are the Banff Gondola and tours of the Athabasca Glacier on the Columbia Icefield. The Banff Gondola transports visitors to an elevation of over 7,000 feet above sea level to the top of Sulphur Mountain in Banff, Alberta, Canada, offering an unobstructed view of the Canadian Rockies and overlooking the town of Banff and the Bow Valley. Tours of the Athabasca Glacier on the Columbia Icefield provide customers with an opportunity to experience one of the largest accumulations of ice and snow south of the Arctic Circle. Icefield

customers ride in an Ice Explorer, a vehicle specially designed for glacier travel. Through its April 2007 acquisition of Minnewanka, Brewster also offers boat tours, small boat rentals and charter fishing on Lake Minnewanka, which is situated outside of Banff in the heart of the Canadian Rockies.

Brewster's transportation operations include charter motorcoach services, sightseeing and scheduled services and airport service. Brewster operates a modern fleet of luxury motorcoaches, available for groups of any size, for travel throughout the Canadian provinces of Alberta and British Columbia. In addition, Brewster provides year-round half- and full-day sightseeing tours from Calgary, Banff, Lake Louise and Jasper, Canada.

Brewster's inbound package tour operations feature year-round independent package and group tours throughout Canada. These packages include motorcoach, rail, self-drive automobile, ski and winter touring and consist of both group and individual tours and may be custom designed at the time of booking.

Brewster also operates two hotels in Alberta: the Mount Royal Hotel, which is located in the heart of Banff, and the Columbia Icefield Chalet, which is located on the Icefield Parkway between Lake Louise and Jasper. The hotels principally cater to leisure travelers.

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Each Brewster line of business has a different market profile, with customers who differ in terms of geographic origin and travel preferences. To deliver its products and services to the consumer, Brewster utilizes direct-to-the-customer marketing strategies as well as a distribution channel network that includes tour operators, tour wholesalers, destination management companies and retail travel agencies/organizations. Brewster's major markets are Canada, the United States, the United Kingdom, Australia/New Zealand, Taiwan/China, Japan and many European countries.

Glacier Park. Glacier Park operates four historic lodges, three 1960s-era motor inns and one freestanding camp store in and around Glacier National Park in Montana and Waterton Lakes National Park in Alberta, Canada. Glacier Park is the largest concessionaire in Glacier National Park and holds concession contracts generating approximately 64 percent of its revenue for services provided within the park's borders. Glacier and Waterton Lakes National Parks encompass approximately 1.1 million acres of rugged wilderness and are best known for their spectacular scenery, hiking, glaciers and wildlife. Services provided by Glacier Park include lodging varying from hikers' cabins to suites, food and beverage operations, retail operations and tour and transportation services. The tour operation utilizes a fleet of 33 authentic 1930s red touring buses that have rollback canvas tops. These well-known reds are used to conduct interpretive park tours throughout Glacier and Waterton Lakes National Parks, including tours of the scenic Going-to-the-Sun Road.

The operations of Glacier Park are seasonal, typically running from mid-May until the end of September. During those months, Glacier and Waterton Lakes National Parks typically host over two million visitors, the vast majority of whom purchase services from Glacier Park. During the peak months of July and August, Glacier Park's lodges and motor inns have an occupancy level of approximately 98 percent. During the shoulder months of June and September, occupancy is approximately 84 percent.

Individual travelers account for approximately 88 percent of Glacier Park's customers, while tour groups account for the remaining 12 percent. Demographically, approximately 95 percent of Glacier Park's guests come from the United States, with 20 percent to 25 percent from the Northwest and 12 percent to 15 percent from the Midwest.

Glacier Park operates the concession portion of its business under concession contracts with the U.S. National Park Service (the Park Service) for Glacier National Park and with the Canadian Government for Waterton Lakes National Park. Glacier Park's 42-year lease with the Canadian Government expires in 2010 with Glacier Park having an option to renew for two additional terms of 42 years each. Glacier Park's original 25-year concession contract with the Park Service that was to expire on December 31, 2005, was extended for three one-year periods and now expires on December 31, 2008. The Park Service, in its sole discretion, may continue extending Glacier Park's concession contract in increments of one to three years. When this contract ultimately expires, Glacier Park will have the opportunity to bid on a new concession contract. If Glacier Park does secure a new contract, possible terms would be for 10, 15 or 20 years. If a new concessionaire is selected by the Park Service, Glacier Park's remaining business would consist of the operations at Waterton Lakes National Park and East Glacier, Montana. In such a circumstance, Glacier Park would be entitled to an amount equal to its possessory interest, which generally means the value of the structures acquired or constructed, fixtures installed and improvements made to the concession property at Glacier National Park during the term of the concessions contract. This value would be based on the reconstruction cost of a new unit of like kind, less physical depreciation, but not to exceed fair market value. Glacier Park generated approximately 20 percent of Travel and Recreation Services' 2007 segment operating income.

Competition

GES and Exhibitgroup/Giltspur generally compete on the basis of discernible differences, value, quality, price, convenience and service, and encounter substantial competition from a large number of providers of similar services. Most of the competitors of GES and Exhibitgroup/Giltspur are privately-held companies and thus limited information about these companies is available. Based on internal estimates, the Freeman Companies and Champion Exposition

Services are the principal competitors of GES, and the George P. Johnson Company, EWI Worldwide and the Freeman Companies are the principal competitors of Exhibitgroup/Giltspur. The operations of Brewster and Glacier Park generally compete on the basis of location, uniqueness of facilities, service, quality and price. Competition exists both locally and regionally in the package-tour business, hotel and restaurant facilities and charter companies.

Intellectual Property

Viad owns a number of trademarks, patents and copyrights. The Viad companies own or have the right to many registered trademarks used in their various businesses, including, among others, *GES*[®], *GES Exposition Services*[®], *BOOTHBUILDER*[®], *ExhibitSelect*[®], *GES Servicenter*[®], *GES National Servicenter*[®], *HANG:RZ*[®], *Trade Show Electrical*[®], *Trade Show Rigging TSR*[®], *TSE Trade Show Electrical & Design*[®], *ethnoMetrics*[®], *Exhibitgroup/Giltspur*[®], *ExpoTech*[®], *Exhibitgroup*[®], *EMAX*[®], *DEXZ*[®], *WAM! The Wireless Ambassador*[®] and *LUMA2 & Design*[®]. Some of the Company's trademarks are also registered outside the United States, including the Melville lion image, *Maxim*[®], *Royal Glacier Tours*[®], *Emax*[®], *Exhibitgroup*[®] and *Giltspur*[®]. United

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States trademark registrations are for a term of ten years and are renewable every ten years as long as the trademarks are used in the regular course of trade.

Exhibitgroup/Giltspur owns a number of patents for exhibit technology and exhibit processes that are cumulatively important to its business and that it believes provide competitive advantages in the marketplace for designing and building exhibits. These include patents relating to modular furniture used in exhibits and displays, specialized lighting systems used for intensifying graphic imagery and other objects in exhibits, a multiple-panel display system and a space-saving modular structure for use in displays and exhibits. Exhibitgroup/Giltspur also owns a number of design patents for its retail merchandising units. United States utility patents are currently granted for a term of 20 years from the date a patent application is filed and United States design patents are currently granted for a term of 14 years from the date granted. Exhibitgroup/Giltspur owns copyright registrations pertaining to many of its exhibit designs. Copyright protection for such work is 95 years from the date of publication or 120 years from creation, whichever is shorter.

Although Viad believes that certain of its trademarks, patents and copyrights have substantial value, it does not believe that the loss of any of these patents, trademarks or copyrights would have a material adverse effect on its financial condition or results of operations.

Government Regulation

Compliance with legal requirements and government regulations represents a normal cost of doing business. The principal regulations affecting the day-to-day businesses are rules and regulations relating to transportation (such as regulations promulgated by the U.S. Department of Transportation and its state counterparts), employees (such as regulations implemented by the Occupational Safety and Health Administration, equal employment opportunity laws, guidelines implemented pursuant to the Americans with Disabilities Act and general federal and state employment laws), unionized labor (such as guidelines imposed by the National Labor Relations Act) and regulations relating to national parks (such as regulations established by the U.S. Department of the Interior and the U.S. National Park Service).

Employees

Viad's businesses had approximately 4,110 employees as of December 31, 2007 as follows:

	Approximate Number of Employees	Regular Full-Time Employees Covered by Collective Bargaining Agreements
GES	3,300	1,260
Exhibitgroup/Giltspur	500	170
Travel and Recreation Services	310	70

Viad believes that relations with its employees are satisfactory and that collective bargaining agreements expiring in 2008 will be renegotiated in the ordinary course of business without a material adverse effect on Viad's operations.

Viad had 54 employees at its corporate center as of December 31, 2007 providing management, financial and accounting, internal auditing, tax, administrative, human resources, legal and other services to its operating units and handling residual matters pertaining to businesses previously discontinued or sold by the Company. Viad is governed by a Board of Directors comprised of eight non-employee directors and two employee directors and has an executive management team consisting of five Viad officers (including one of the employee directors) and five principal executives of significant operating divisions or companies.

Seasonality

Exhibition and event activity may vary significantly depending on the frequency and timing of shows (some shows are not held each year and some may shift between quarters). Viad's travel and recreation businesses experience peak activity during the summer months. Viad's 2007 segment operating income, as a percentage of the full year's segment operating income, was approximately 37 percent (first quarter), 45 percent (second quarter), 19 percent (third quarter) and minus one percent (fourth quarter). See Risk Factors Viad's businesses are seasonal, which causes results of operations to fluctuate and makes results of operations particularly sensitive to adverse events during peak periods and Risk Factors Exhibition rotation may impact overall profitability and makes comparisons between periods difficult in Item 1A, which are incorporated herein by reference; see also Notes 22 and 26 of notes to consolidated financial statements.

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Financial Information about Restructuring Charges and Recoveries

Information regarding restructuring charges and recoveries is provided in Note 18 of notes to consolidated financial statements.

Financial Information about Segments

Business segment financial information is provided in Note 22 of notes to consolidated financial statements.

Financial Information about Geographic Areas

Geographic area financial information is provided in Note 22 of notes to consolidated financial statements.

Certifications of Viad's CEO and CFO

The listing standards of the New York Stock Exchange (NYSE) require the chief executive officer of each listed company to submit to the NYSE within 30 days after the company's annual shareholders meeting an Annual CEO Certification certifying that the chief executive officer is not aware of any violation by the company of the corporate governance listing standards of the NYSE. Viad held its annual shareholders meeting on May 15, 2007. Mr. Paul B. Dykstra, Chief Executive Officer of Viad, submitted a signed Annual CEO Certification to the NYSE on June 6, 2007.

The certifications required by Section 302 of the Sarbanes-Oxley Act of 2002 of the Chief Executive Officer and Chief Financial Officer of Viad are filed as Exhibits 31.1 and 31.2, respectively, to this Annual Report.

Available Information

Viad files annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the SEC). These filings can be read and copied at the SEC's public reference section, located in Room 1580, 100 F. Street N.E., Washington, D.C. 20549 and on the SEC's internet site at www.sec.gov. Information regarding the operation of the public reference section can be obtained by calling (800) SEC-0330.

Viad's principal internet address is www.viad.com. Viad makes available free of charge on www.viad.com its annual, quarterly and current reports, and amendments to those reports, as soon as reasonably practicable after it electronically files such material with, or furnishes to, the SEC.

Viad maintains a corporate governance page on its website at www.viad.com/governance.htm, which includes key information about its corporate governance initiatives, including its Corporate Governance Guidelines, charters of the committees of the Board of Directors and Code of Ethics which are also available in print to any shareholder upon request.

Item 1A. Risk Factors.

Because of the following, as well as other variables affecting Viad's operating results, past financial performance may not be a reliable indicator of future performance, and historical trends should not be used to anticipate results or trends in future periods:

Viad's businesses and operating results are adversely affected by deterioration in general economic conditions.

Viad's businesses are highly sensitive to fluctuations in general economic conditions and are impacted by increases and decreases in the cost of materials and operating supplies. Operating results for GES and Exhibitgroup/Giltspur depend largely on the number of exhibitions held and on the size of exhibitors' marketing expenditures. These factors depend in part on the strengths or weaknesses of particular industries in which exhibitors operate. The number and size of exhibitions generally decrease during periods of adverse economic conditions and increase when general economic conditions are positive.

Further, many exhibitors view a portion of their marketing budget as discretionary, and, as a result, marketing budgets are frequently among the first expenditures reduced by exhibitors when general economic conditions deteriorate, resulting in exhibitors reusing or refurbishing old exhibits rather than purchasing new exhibits. Marketing expenditures often are not increased, and new exhibits not purchased, until general economic conditions improve. As a result, during periods of adverse general economic conditions, the operating results of GES and Exhibitgroup/Giltspur may be adversely affected. Similarly, many of the retail shopping mall and lifestyle center customers of Becker Group view a portion of their marketing budgets as discretionary, and, as a result, those customers may refurbish existing holiday-themed exhibits and experiences rather than purchasing new products from Becker Group.

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Revenues from the travel and recreation businesses depend largely on the amount of disposable income that consumers have available for travel and vacations. This amount decreases during periods of weak general economic conditions.

Viad's businesses are adversely affected by disruptions in the travel industry, particularly those adversely affecting the hotel and airline industries.

The success of Viad's businesses depends largely on the ability and willingness of people, whether exhibitors, exhibition attendees or other travelers, to travel, which is in turn dependent upon their ability and willingness to find and use transportation alternatives and accommodations. As a result, factors adversely affecting the travel industry as a whole, and particularly the airline and hotel industries, generally also adversely affect Viad's businesses and results of operations. Factors that could adversely affect the travel industry as a whole include high or rising fuel prices, increased security and passport requirements, weather conditions, airline accidents and international political instability and hostilities. Unexpected events of this nature in the future, or other events that may have an impact on the availability and pricing of air travel and accommodations, could adversely affect Viad's businesses and results of operations.

The failure of a large customer to renew its services contract or the loss of business from convention facilities may adversely impact revenues.

Although no single customer accounts for more than ten percent of the revenue of any of Viad's business segments, GES has a relatively small number of large exhibition show organizers and Exhibitgroup/Giltspur and Becker Group have a number of large customer accounts. The loss of any of these large customers may adversely affect results of operations.

In addition, GES' revenues may be significantly impacted if certain convention facilities choose to in-source electrical, plumbing and other services that have represented revenue-generating opportunities for GES. When GES is hired as the official services contractor for an exhibition, the exhibition organizer contractually grants GES an exclusive right to perform these electrical and plumbing services, subject in each case to the convention facility's option to in-source the services (either by performing the services themselves or by hiring a separate service provider). Many convention facilities are currently under financial pressure as a result of conditions generally affecting their industry, including an increased supply of convention space. As a result, some of these convention facilities may seek to in-source all or a large portion of these services. If a large number of facilities with which GES has these relationships seek to move these services in-house, GES' revenues and operating results could be adversely affected.

Viad's foreign operations are impacted by changes in foreign currency exchange rates.

Viad conducts its foreign operations primarily in Canada and in the United Kingdom, and to a lesser extent in certain other European countries. The functional currency of Viad's foreign subsidiaries is their local currency. Accordingly, for purposes of consolidation, Viad translates the assets and liabilities of its foreign subsidiaries into U.S. dollars at the foreign exchange rates in effect at the balance sheet date. The unrealized gains or losses resulting from the translation of these foreign denominated assets and liabilities are included as a component of accumulated other comprehensive income in Viad's consolidated balance sheets. As a result, significant fluctuations in foreign exchange rates relative to the U.S. dollar may result in material changes to Viad's net equity position reported in its consolidated balance sheets. Viad does not currently hedge its equity risk arising from the translation of foreign denominated assets and liabilities.

In addition, for purposes of consolidation, the revenues, expenses and gains and losses related to Viad's foreign operations are translated into U.S. dollars at the average foreign exchange rates for the period. As a result, Viad's consolidated results of operations are exposed to fluctuations in foreign exchange rates as the operating results of its

foreign subsidiaries, when translated, may vary from period to period, even when the functional currency amounts have not changed. While Viad's consolidated results of operations have been favorably impacted by currency translation, future fluctuations in the exchange rates may adversely impact overall expected profitability and historical period to period comparisons. Viad does not currently hedge its net earnings exposure arising from the translation of its foreign operating results.

During 2007, approximately 25 percent of revenue and 34 percent of operating income of Viad was derived through its Canadian and United Kingdom operations. During 2007, approximately 75 percent of revenue and 85 percent of operating income generated in Viad's Travel and Recreation Services segment was derived through its Canadian operations. These operations are largely dependent on foreign customer visitation, and accordingly, increases in the value of the Canadian dollar compared to other currencies could adversely affect customer volumes, and therefore, revenue and operating income in the Travel and Recreation Services segment.

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Viad's key businesses are relationship driven.

The business activities of GES, Exhibitgroup/Giltspur and Becker Group are heavily focused on client relationships, and, specifically, on the close collaboration and interaction between teams from the client and GES, Exhibitgroup/Giltspur or Becker Group, as the case may be. This relationship requires the account team to become attuned to the client's desires and expectations in order to provide top-quality service. Viad has in the past lost, and may in the future lose, important customers (and corresponding revenues) if a key member of the account team were to cease employment with the Company and take that customer to a competitor.

Viad's businesses are seasonal, which causes results of operations to fluctuate and makes results of operations particularly sensitive to adverse events during peak periods.

GES generally reports its highest revenues during the first quarter of each year and Exhibitgroup/Giltspur generally reports its highest revenues during the second quarter. A significant portion of Becker Group's revenues are generated in the fourth quarter. The travel and recreation businesses are also seasonal, experiencing peak activity during the second and third quarters. These quarters accounted for approximately 85 percent of the travel and recreation businesses' 2007 revenues. Because of the seasonal nature of these businesses, adverse events or conditions occurring during peak periods could adversely affect the operating results of Viad's businesses.

Exhibition rotation may impact overall profitability and makes comparisons between periods difficult.

The business activities of GES and Exhibitgroup/Giltspur are largely dependent upon the frequency, timing and location of exhibitions and events as certain large exhibitions are not held annually (they may be held once every two or three years or longer), and some large exhibitions may be held at a different time of year than when they have historically been held. In addition, the same exhibition may be held in different locations in different years.

The results of operations of GES and Exhibitgroup/Giltspur can fluctuate significantly as a result of this rotation. The rotation of exhibitions requires Viad to maintain a high degree of flexibility of resources (including personnel and equipment) and may result in a business generating lower margins in a given period if exhibitions shift to higher-cost cities. As a consequence of these factors, the operating results for these businesses may fluctuate significantly from quarter to quarter or from year to year, making periodic comparisons difficult.

Transportation disruptions and increases in transportation costs could adversely affect Viad's businesses and operating results.

GES and Exhibitgroup/Giltspur rely on independent transportation carriers to send materials and exhibits to and from exhibitions, warehouse facilities and customer facilities. If they were unable to secure the services of these independent transportation carriers at favorable rates, it could have a material adverse effect on these businesses and their results of operations. In addition, disruption of transportation services because of weather-related problems, strikes, lockouts or other events could adversely affect their ability to supply services to customers and could cause the cancellation of exhibitions, which may have a material adverse effect on these businesses and operating results. Similarly, disruption of transportation services could adversely affect Becker Group's ability to supply time-sensitive holiday-themed exhibits and experiences to retail shopping mall and lifestyle center customers and could cause the cancellation of the exhibits and experiences.

Union-represented labor creates an increased risk of work stoppages and higher labor costs.

A significant portion of Viad's employees are unionized and Viad's businesses are party to over 100 collective-bargaining agreements, with approximately one-third requiring renegotiation each year. If labor

negotiations were to force the Company to increase wages or benefits and thus increase total labor costs, the increased costs could either be absorbed (which would adversely affect operating margins) or passed on to the customers, which may lead customers to turn to other vendors in response to higher prices. In either event, Viad's businesses and results of operations could be adversely affected.

Moreover, if the Company was unable to reach an agreement with a union during the collective bargaining process, the union may call for a strike or other work stoppage. In such a circumstance, Viad might be unable to find substitute workers with the necessary skills to perform many of the services, or may incur additional costs to do so, which could adversely affect the Company's businesses and results of operations.

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Viad competes in competitive industries and increased competition could negatively impact operating results.

Viad competes in highly competitive industries. Competition in the exhibition and event services and exhibit design and construction services industries is on the basis of price and service level, among other things. To the extent competitors seek to gain or retain their market presence through aggressive underpricing strategies, Viad may be required to lower its prices and rates, thereby adversely affecting operating results. If Viad were unable to meet the challenges presented by the competitive environment, results of operations could be adversely affected.

Completed acquisitions may not perform as anticipated or be integrated as planned.

We have acquired businesses and intend to continue to pursue opportunities to acquire businesses that could complement, enhance or expand our current businesses or offer growth opportunities to Viad. Any acquisition can involve a number of risks, including: the failure to achieve the financial and strategic goals and other benefits from the acquisition; the inability to successfully integrate the acquired business into Viad's on-going businesses; the inability to retain key personnel or customers of the acquired business; the inability to successfully integrate financial reporting and internal control systems; the disruption of Viad's ongoing businesses and distraction of senior management and employees of Viad from other opportunities and challenges due to the integration of the acquired business; and the potential existence of liabilities or contingencies not disclosed to or known by Viad prior to closing the acquisition or not otherwise provided for through the purchase agreement.

Liabilities relating to prior and discontinued operations may adversely affect results of operations.

Viad and its predecessors have a corporate history spanning over seven decades and involving approximately 2,400 previous subsidiaries in diverse businesses, such as the manufacturing of locomotives, buses, industrial chemicals, fertilizers, pharmaceuticals, leather, textiles, food and fresh meats. Some of these businesses used raw materials that have been, and may continue to be, the subject of litigation. Moreover, some of the raw materials used and the waste produced by these businesses have been and are the subject of U.S. federal and state environmental regulations, including laws enacted under the Comprehensive Environmental Response, Compensation and Liability Act, or its state law counterparts. In addition, Viad may incur other liabilities, resulting from indemnification claims involving sold subsidiaries as well as from past operations of those of predecessors or their subsidiaries. Although the Company believes it has adequate reserves and sufficient insurance coverage to cover these future liabilities, results of operations could be materially affected if future events or proceedings contradict current assumptions, and reserves or insurance become inadequate.

Item 1B. *Unresolved Staff Comments.*

None.

Item 2. *Properties.*

Viad's businesses operate service or production facilities and maintain sales and service offices in the United States, Canada, the United Kingdom, Germany and Abu Dhabi in the United Arab Emirates. The following information summarizes the principal properties of Viad's businesses as of December 31, 2007.

Viad's headquarters are located at 1850 North Central Avenue, Suite 800 in Phoenix, Arizona 85004-4545. Excluding space which is subleased to third parties, Viad leases approximately 48,000 square feet.

GES operates 21 offices and 34 multi-use facilities (manufacturing, sales and design, office and/or warehouse). The multi-use facilities vary in size up to approximately 882,000 square feet. Three of the multi-use facilities are owned;

all other properties are leased. All of the properties are in the United States, except for ten offices and seven multi-use facilities that are located in Canada, eleven multi-use facilities in the United Kingdom, and one office in Abu Dhabi, United Arab Emirates. GES corporate headquarters are located in Las Vegas, Nevada.

Exhibitgroup/Giltspur operates seven offices and 18 multi-use facilities (manufacturing, sales and design, office and/or warehouse). The multi-use facilities vary in size up to approximately 260,000 square feet. All properties are leased and are located in the United States, except for one office located in Toronto, Canada, two offices located in Sheffield and Stavely, England and one multi-use facility located in Velbert, Germany. Exhibitgroup/Giltspur's client care headquarters are located in Chicago, Illinois and Dallas, Texas.

Travel and Recreation Services operates two offices, nine retail stores, two bus terminals, three garages, an icefield tour facility, a gondola lift operation, a boat tour facility and nine hotels/lodges (with approximately 900 rooms and ancillary foodservice and recreational facilities). All of the facilities are in the United States or Canada. Four of the hotels/lodges are owned

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and the five other hotels/lodges are operated pursuant to concessionaire agreements. Two bus terminals, two garages and the boat tour facility are owned and one garage is leased. The icefield tour facility and gondola lift operation are operated through lease agreements with Parks Canada and all other properties are leased.

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

Item 3. *Legal Proceedings.*

Viad and certain subsidiaries are plaintiffs or defendants to various actions, proceedings and pending claims, some of which involve, or may involve, compensatory, punitive or other damages. Litigation is subject to many uncertainties and it is possible that some of the legal actions, proceedings or claims could be decided against Viad. Although the amount of liability as of December 31, 2007 with respect to certain of these matters is not ascertainable, Viad believes that any resulting liability, after taking into consideration amounts already provided for, including insurance coverage, will not have a material effect on Viad's business, financial condition or results of operations.

Viad is subject to various U.S. federal, state and foreign laws and regulations governing the prevention of pollution and the protection of the environment in the jurisdictions in which Viad has or had operations. If the Company has failed to comply with these environmental laws and regulations, civil and criminal penalties could be imposed and Viad could become subject to regulatory enforcement actions in the form of injunctions and cease and desist orders. As is the case with many companies, Viad also faces exposure for actual or potential claims and lawsuits involving environmental matters relating to its past operations. Although it is a party to certain environmental disputes, Viad believes that any resulting liabilities, after taking into consideration amounts already provided for, including insurance coverage, will not have a material effect on the Company's financial condition or results of operations.

Item 4. *Submission of Matters to a Vote of Security Holders.*

No matters were submitted to a vote of security holders during the fourth quarter of 2007.

Other. *Executive Officers of Registrant.*

The names, ages and positions of the Executive Officers of Viad as of the filing of this Annual Report, are listed below:

Name	Age	Business Experience During the Past Five Years and Other Information
Paul B. Dykstra	46	President and Chief Executive Officer effective April 1, 2006. Previously Chief Operating Officer since January 2006; prior thereto, President and Chief Executive Officer of GES Exposition Services, Inc., a subsidiary of Viad, since January 2000; prior thereto, Executive Vice President-International and Corporate Development of GES Exposition Services, Inc. since 1999; and prior thereto, Executive Vice President-General Manager or similar executive positions since 1994 with Travelers Express Company, Inc., a former subsidiary of Viad.
Ellen M. Ingersoll	43	Chief Financial Officer since July 2002; prior thereto, Vice President-Controller or similar position since January 2002; prior

thereto, Controller of CashX, Inc., a service provider of stored value internet cards, from June 2001 through October 2001; prior thereto, Operations Finance Director of LeapSource, Inc., a provider of business process outsourcing, since January 2000; and prior thereto, Vice President and Controller of Franchise Finance Corporation of America since May 1992.

John F. Jastrem

52 President and Chief Executive Officer of Exhibitgroup/Giltspur, a division of Viad, since October 2006; prior thereto, member of corporate staff of Diversified Agency Services, a division of Omnicom Group Inc., since 2005; prior thereto, President of The Marketing Arm, a subsidiary of Omnicom, since 2004; and prior thereto, CEO of Rapp Collins Worldwide, LP (Dallas), a subsidiary of Omnicom, since 1998.

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Name	Age	Business Experience During the Past Five Years and Other Information
G. Michael Latta	45	Vice President-Controller since November 2002; prior thereto, Corporate Controller or similar position for SpeedFam-IPEC, Inc., a semiconductor equipment manufacturer, since October 1999; and prior thereto, Controller for Cardiac Pathways Corporation, a medical device manufacturer, since September 1994.
David G. Morrison	59	President and Chief Executive Officer of Brewster Inc., a subsidiary of Viad, since 1980; prior thereto, Vice President and General Manager and Vice President-Administration and Controller from 1977; and prior thereto, Controller from 1975.
Cindy J. Ognjanov	58	President and General Manager of Glacier Park, Inc., a subsidiary of Viad, since October 2002; prior thereto, co-owner of Omnidine, Inc., a food service consulting firm from April 1999 to October 2002; and prior thereto, rooms and operations manager of Glacier Park, Inc. from April 1992 through July 1998.
Suzanne Pearl	45	Vice President-Human Resources and Administration since September 2000; prior thereto, Executive Director, Compensation from 1998; prior thereto, Manager, Executive Compensation from 1993; and prior thereto, held other positions since joining the Company in 1988.
Kevin M. Rabbitt	36	President and Chief Executive Officer of GES Exposition Services, Inc., a subsidiary of Viad, since January 2006; prior thereto, Executive Vice President, Chief Operating Officer since April 2005; prior thereto, Executive Vice President, Products and Services group since December 2003; prior thereto, Executive Vice President, Operations and Services since July 2003; prior thereto, Vice President, National Operations since 2002; prior thereto, senior Consultant for Bain and Company from 2001 to 2002, and prior thereto, President and Chief Operating Officer for Texas Ice Stadium from 1998 to 1999.
Scott E. Sayre	61	Vice President, General Counsel and Secretary since September 2000; prior thereto, Assistant General Counsel and Secretary from 1997; prior thereto, Assistant General Counsel from 1992; and prior thereto, held other positions since joining the Company in 1979.
Glenn W. Tilley	46	President and Chief Executive Officer of The Becker Group, Ltd., a subsidiary of Viad, since 2001; and prior thereto held various other positions since joining The Becker Group, Ltd. in 1989.

The term of office of the Executive Officers is until the next annual organization meeting of the Board of Directors of Viad which is scheduled for May 20, 2008.

Table of Contents**PART II****Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.***

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

SALES PRICE RANGE OF COMMON STOCK

	2007		2006	
	High	Low	High	Low
First Quarter	\$ 42.76	\$ 35.03	\$ 34.30	\$ 27.96
Second Quarter	\$ 45.18	\$ 37.42	\$ 34.88	\$ 28.86
Third Quarter	\$ 42.99	\$ 29.95	\$ 36.35	\$ 28.65
Fourth Quarter	\$ 37.99	\$ 28.26	\$ 41.47	\$ 35.18

DIVIDENDS DECLARED ON COMMON STOCK

	2007	2006
February	\$ 0.04	\$ 0.04
May	0.04	0.04
August	0.04	0.04
November	0.04	0.04
Total	\$ 0.16	\$ 0.16

Regular quarterly dividends were paid on Viad common stock on the first business day of January, April, July and October. The terms of Viad's \$150 million secured revolving credit facility restrict Viad from paying more than \$10 million in dividends in the aggregate in any calendar year.

As of January 31, 2008, there were 8,325 shareholders of record of Viad's new common stock following the one-for-four reverse stock split effective on July 1, 2004. There also were 3,568 shareholders of record as of January 31, 2008 that had not converted pre-split common stock of Viad into the new, post-split common stock. Accordingly, there were a total of 11,893 shareholders of record as of January 31, 2008.

For information regarding security ownership of certain beneficial owners and management and related shareholder matters, refer to Part III, Item 12, Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters in this Annual Report.

SHAREHOLDER RETURN PERFORMANCE GRAPH

Set forth below is a line graph comparing, for the five year period ended December 31, 2007, the yearly percentage change in the cumulative total shareholder return on Viad's common stock to the cumulative total return of the Standard & Poor's 600 Media Index, Standard & Poor's SmallCap Diversified Commercial and Professional Services Index, Standard & Poor's SmallCap 600 Index, Russell 2000 Index and Standard & Poor's 500 Index.

The graph below assumes \$100 was invested on December 31, 2002 in Viad common stock, Standard & Poor's 600 Media Index, Standard & Poor's SmallCap Diversified Commercial and Professional Services Index, Standard & Poor's SmallCap 600 Index, Russell 2000 Index and Standard & Poor's 500 Index with reinvestment of all dividends, including Viad's distribution to shareholders of MoneyGram common stock on June 30, 2004 as part of the spin-off of MoneyGram International Inc. (MoneyGram). For purposes of this graph, the MoneyGram distribution was treated as a non-taxable cash dividend that was converted into additional Viad shares at the close of business on July 1, 2004. To calculate the cumulative total shareholder return and provide comparability over all five years shown on the graph below, the number of shares of Viad common stock outstanding and per share data for all years reported in the graph below have been adjusted to reflect the one-for-four reverse stock split effective on July 1, 2004, which occurred immediately after the MoneyGram spin-off.

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Comparison of Five-Year Cumulative Total Return
(Includes cash value of June 30, 2004 MoneyGram spin-off
dividend and reflects July 1, 2004 one-for-four reverse stock split)

	Year ended December 31,					
	2002	2003	2004	2005	2006	2007
Viad Corp	\$ 100.00	\$ 113.66	\$ 132.16	\$ 136.24	\$ 188.80	\$ 147.01
S&P 500	\$ 100.00	\$ 128.67	\$ 142.60	\$ 149.50	\$ 172.92	\$ 182.16
Russell 2000	\$ 100.00	\$ 147.28	\$ 174.39	\$ 182.39	\$ 215.90	\$ 212.40
S&P SmallCap 600	\$ 100.00	\$ 138.78	\$ 170.23	\$ 183.30	\$ 210.97	\$ 210.27
S&P SmallCap Div. Comm. and Prof. Services	\$ 100.00	\$ 128.00	\$ 146.15	\$ 146.47	\$ 180.49	\$ 169.16
S&P 600 Media Index	\$ 100.00	\$ 144.45	\$ 160.81	\$ 151.06	\$ 191.93	\$ 139.74

Set forth below is a table showing the total number of shares of Viad common stock repurchased during the fourth quarter of 2007 by Viad either on the open market as part of a repurchase program or from employees and former employees surrendering previously owned Viad common stock (outstanding shares) to pay for a portion of the exercise price in connection with the exercise of stock options, or to pay the taxes in connection with the vesting of restricted stock awards:

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased (#)	Average Price Paid Per Share (\$)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased
				Under the Plans or Programs (1),(2)
None				741,800
Total				741,800

- (1) During 2006 Viad announced its intent, under a program authorized by its Board of Directors, to repurchase up to an aggregate of two million shares of its common stock from time to time at prevailing prices in the open market. On August 8, 2007, Viad announced its intent, under a program authorized by its Board of Directors, to purchase an additional one million shares of its common stock from time to time at prevailing prices in the open market. Shares purchased in 2007 and 2006 under this program totaled 781,700 and 1,476,500, respectively. The programs authorized by the Board of Directors do not have an expiration date.

- (2) Under authorization by its Board of Directors, Viad may also repurchase, at prevailing prices on the open market, its common stock for the purpose of replacing stock issued upon exercise of stock options and in connection with other stock compensation plans. The last repurchase by Viad under this program occurred in May 2003. The authorization of the Board of Directors does not have an expiration date.

Table of Contents**Item 6. Selected Financial Data.**

VIAD CORP
SELECTED FINANCIAL AND OTHER DATA

	2007	Year Ended December 31,			2003
		2006	2005	2004	
		(in thousands, except per share data)			
Statement of Operations Data					
Revenues:					
Convention show services(1)	\$ 719,930	\$ 612,598	\$ 560,858	\$ 535,527	\$ 521,433
Exhibit design and construction	199,549	164,173	191,463	182,670	195,832
Travel and recreation services	84,222	79,260	73,933	67,460	53,203
Total revenues	\$ 1,003,701	\$ 856,031	\$ 826,254	\$ 785,657	\$ 770,468
Income (loss) from continuing operations(2)	\$ 42,548	\$ 51,325	\$ 36,514	\$ (58,329)	\$ 21,091
Income from discontinued operations(3)	2,049	12,229	1,240	2,327	
Net income (loss)	\$ 44,597	\$ 63,554	\$ 37,754	\$ (56,002)	\$ 21,091
Diluted Income (Loss) per Common Share					
Income (loss) from continuing operations(2)	\$ 2.04	\$ 2.35	\$ 1.64	\$ (2.68)	\$ 0.97
Income from discontinued operations(3)	0.10	0.56	0.06	0.10	
Net income (loss) per common share	\$ 2.14	\$ 2.91	\$ 1.70	\$ (2.58)	\$ 0.97
Weighted-average outstanding and potentially dilutive common shares	20,886	21,805	22,253	21,741	21,654
Basic Income (Loss) per Common Share					
Income (loss) from continuing operations(2)	\$ 2.08	\$ 2.41	\$ 1.65	\$ (2.68)	\$ 0.98
Income from discontinued operations(3)	0.10	0.57	0.06	0.10	
Net income (loss) per common share	\$ 2.18	\$ 2.98	\$ 1.71	\$ (2.58)	\$ 0.98
Weighted-average outstanding common shares	20,423	21,333	22,070	21,741	21,555
Dividends declared per common share	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.08	\$
Balance Sheet Data at Year-End					
Total assets	\$ 781,363	\$ 672,564	\$ 685,690	\$ 658,432	\$ 682,096
Total debt and capital lease obligations(4)	14,176	15,042	17,352	21,054	50,092
Common stock and other equity	469,845	429,923	396,969	346,505	333,871
Other Data					

Adjusted EBITDA(5)	\$	86,355	\$	85,820	\$	77,350	\$	61,353	\$	63,873
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- (1) 2007 amounts include \$95.9 million in revenue from Melville which was acquired by Viad on February 1, 2007.
- (2) Includes restructuring charges and recoveries (after-tax) of \$835,000 expense, or \$0.04 per diluted share, in 2007; \$122,000 income, or \$0.01 per diluted share, in 2006; \$438,000 income, or \$0.02 per diluted share, in 2005; \$763,000 expense, or \$0.04 per diluted share, in 2004; and \$3.0 million income, or \$0.14 per diluted share, in 2003. Also includes net impairment losses and recoveries (after-tax) of \$105,000 income, or \$0.01 per diluted share, in 2007; \$2.1 million expense, or \$0.10 per diluted share, in 2006; \$508,000 expense, or \$0.02 per diluted share, in 2005; and \$81.6 million expense, or \$3.75 per diluted share, in 2004. Also includes gains on sale of corporate assets (after-tax) of \$2.2 million, or \$0.10 per diluted share, in 2006. See Notes 3, 4 and 18 of notes to consolidated financial statements for further explanation.
- (3) Viad recorded income from discontinued operations of \$2.0 million, \$12.2 million, \$1.2 million and \$2.3 million in 2007, 2006, 2005 and 2004, respectively. The 2007 amount primarily represents the settlement of a real estate participation interest associated with a parcel of land sold by a discontinued operation several years ago. The 2006 amount includes \$7.4 million

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(after-tax) related to the reversal of certain liabilities as a result of the expiration of product warranty liabilities associated with a previously sold manufacturing operation. The remaining amounts primarily relate to the favorable resolution of tax and other matters related to previously sold operations.

- (4) Includes long-term debt prior to the spin-off of MoneyGram based on the prorated level of debt (other than debt related to employee benefit plans) estimated to be owed by Viad immediately following the spin-off of MoneyGram.
- (5) Adjusted EBITDA is utilized by management to measure the profit and performance of Viad's operations and to facilitate period to period comparisons. Adjusted EBITDA is defined by Viad as net income before interest expense, income taxes, depreciation and amortization, impairment losses and recoveries, changes in accounting principles and the effects of discontinued operations. Adjusted EBITDA is considered a useful operating metric as potential variations arising from taxes, depreciation, debt service costs, impairment losses and recoveries, changes in accounting principles and the effects of discontinued operations are eliminated, thus resulting in an additional measure considered to be indicative of Viad's ongoing operations. Management uses Adjusted EBITDA primarily as a performance measure and believes that the GAAP financial measure most directly comparable to this non-GAAP measure is net income. The presentation of Adjusted EBITDA is 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 used by other companies. This non-GAAP measure should be considered in addition to, but not a substitute for, other measures of financial performance and liquidity reported in accordance with GAAP. See Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations for a further discussion of Non-GAAP Measure.

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Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations.*

The following discussion should be read in conjunction with Viad Corp's consolidated financial statements and related notes. This discussion contains forward-looking statements that involve risks and uncertainties. Viad Corp's actual results could differ materially from those anticipated due to various factors discussed under Risk Factors, Forward-Looking Statements and elsewhere in this Annual Report.

Overview:

Viad Corp (Viad or the Company) operates in three reportable business segments as follows:

GES – GES Exposition Services, Inc. (GES) and its segment affiliates provide exhibition and event services throughout North America and the United Kingdom consisting of: show planning and production; floor plan design and layout; decorating, graphics and signage, and furniture, carpet and fixture procurement and rental. These services are provided to a variety of show organizers, including venues, trade associations and show management companies. GES' customer base also includes exhibitors for which GES provides exhibit design, construction, refurbishment, storage and rental services, including related show services such as logistics and transportation; material handling, electrical, plumbing, rigging and cleaning, and exhibit installation and dismantling. With the acquisition of Melville Exhibition and Event Services Limited and its subsidiaries and an affiliated company, Corporate Technical Services Limited, (collectively Melville) in February 2007, GES expanded its operations to the major exhibition facilities in the United Kingdom. Melville also provides GES a platform for expansion of GES' business into other international markets.

Exhibitgroup/Giltspur – Exhibitgroup/Giltspur and its segment affiliates comprise an integrated experience marketing company that specializes in face-to-face exhibits and environments and program management. Exhibitgroup/Giltspur combines its core services of custom design and construction with an ability to provide complete, one-stop shop exhibit program management services. Its services include: exhibit program management and planning; logistics management; exhibit maintenance and warehousing; installation and dismantling; show services; online ordering and internet-based services; marketing, advertising and multimedia services and customer relationship management marketing services. Exhibitgroup/Giltspur also refurbishes exhibits and provides portable and modular exhibits, retail merchandising units (or kiosks) for shopping malls and retail stores, and design, construction and installation services for permanent installations including museums, corporate lobbies, visitors centers, showrooms, casinos and retail interiors.

Travel and Recreation Services – Brewster Inc. (Brewster) provides tourism services in the Canadian Rockies in Alberta and in other parts of Western Canada. Brewster's operations include the Banff Gondola, Columbia Icefield Ice Explorer Tours, motorcoach services, charter and sightseeing services, tour boat operations, inbound package tour operations and hotel operations. Glacier Park, Inc. (Glacier Park) operates four historic lodges and three motor inns and provides food and beverage operations, retail operations and tour and transportation services in and around Glacier National Park in Montana and Waterton Lakes National Park in Alberta, Canada. Glacier Park is an 80 percent owned subsidiary of Viad.

The following 2007 financial highlights are presented in accordance with accounting principles generally accepted in the United States of America (GAAP):

Viad Corp (Consolidated)

- Total revenues of \$1.0 billion, an increase of 17.3 percent over 2006 revenues

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- Net income of \$44.6 million compared to \$63.6 million in 2006
- Income per share of \$2.14 compared to \$2.91 in 2006
- \$3.1 million was recorded in continuing operations in 2007 related to the favorable resolution of tax matters as compared to \$13.2 million in 2006
- Income from discontinued operations of \$2.0 million in 2007 primarily related to the settlement of a real estate participation interest. This is compared to \$12.2 million in 2006 including \$4.8 million primarily related to the favorable resolution of tax and other matters and \$7.4 million (after-tax) related to the expiration of product warranty liabilities
- Restructuring charges in 2007 of \$2.0 million related to personnel changes that support the organizational realignment at Exhibitgroup/Giltspur

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- Viad completed the acquisition of Melville on February 1, 2007 for \$35.0 million. Melville generated \$95.9 million in revenue during 2007. Viad completed three additional acquisitions during the year totaling \$5.4 million
- Cash and cash equivalents were \$165.1 million as of December 31, 2007
- Debt was \$14.2 million as of December 31, 2007
- Viad repurchased 781,700 shares of its common stock for \$28.2 million in 2007

GES

- Revenues of \$746.7 million, an increase of 19.8 percent over 2006 revenues
- Segment operating income of \$50.8 million, an increase of 5.7 percent over 2006

Exhibitgroup/Giltspur

- Revenues of \$172.7 million, an increase of 12.4 percent over 2006 revenues
- Segment operating loss of \$4.8 million compared to a loss in 2006 of \$3.5 million

Travel and Recreation Services

- Revenues of \$84.2 million, an increase of 6.3 percent over 2006 revenues
- Segment operating income of \$22.7 million in both 2007 and 2006

Non-GAAP Measure:

The following discussion includes a presentation of Adjusted EBITDA, which is utilized by management to measure the profit and performance of Viad's operations and to facilitate period to period comparisons. Adjusted EBITDA is defined by Viad as net income before interest expense, income taxes, depreciation and amortization, impairment losses and recoveries, changes in accounting principles and the effects of discontinued operations. Adjusted EBITDA is considered a useful operating metric as potential variations arising from taxes, depreciation, debt service costs, impairment losses and recoveries, changes in accounting principles and the effects of discontinued operations are eliminated, thus resulting in an additional measure considered to be indicative of Viad's ongoing operations. The presentation of Adjusted EBITDA is supplemental to results presented under GAAP and may not be comparable to similarly titled measures used by other companies. This non-GAAP measure should be considered in addition to, but not as a substitute for, other measures of financial performance and liquidity reported in accordance with GAAP.

Management believes that the presentation of Adjusted EBITDA provides useful information to investors regarding Viad's results of operations for trending, analyzing and benchmarking the performance and value of Viad's business. Management uses Adjusted EBITDA primarily as a performance measure and believes that the GAAP financial measure most directly comparable to this non-GAAP measure is net income. Although Adjusted EBITDA is used as a financial measure to assess the performance of the business, the use of Adjusted EBITDA is limited because it does not consider material costs, expenses and other items necessary to operate the business. These items include debt service costs, non-cash depreciation and amortization expense associated with long-lived assets, expenses related to

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U.S. federal, state, local and foreign income taxes, impairment losses or recoveries, and the effects of accounting changes and discontinued operations. Because Adjusted EBITDA does not consider the above items, a user of Viad's financial information should consider net income as an important measure of financial performance because it provides a more complete measure of the Company's performance.

A reconciliation of Adjusted EBITDA to net income is as follows:

	2007	2006	2005
	(in thousands)		
Adjusted EBITDA	\$ 86,355	\$ 85,820	\$ 77,350
Impairment recoveries (losses), net	172	(3,396)	(843)
Interest expense	(1,658)	(1,559)	(2,554)
Income tax expense	(19,428)	(9,736)	(15,326)
Depreciation and amortization	(22,893)	(19,804)	(22,113)
Income from discontinued operations	2,049	12,229	1,240
Net income	\$ 44,597	\$ 63,554	\$ 37,754

The slight increase in Adjusted EBITDA of \$535,000 from 2006 to 2007 was primarily driven by favorable operating income at GES and lower corporate activities expense, mostly offset by unfavorable operating results at Exhibitgroup/Giltspur, lower interest income, higher restructuring costs and the 2006 gains on sale of corporate assets. The increase in Adjusted EBITDA of

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\$8.5 million from 2005 to 2006 was primarily driven by favorable operating income at GES and the Travel and Recreation Services businesses, as well as by the 2006 gains on sale of corporate assets and higher interest income. This was partially offset by unfavorable operating results at Exhibitgroup/Giltspur.

Results of Operations:

2007 vs. 2006: