VIAD CORP
Form 10-K
March 07, 2014
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As filed with the Securities and Exchange Commission on March 7, 2014

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

FORM 10-K

(Mark One)

ý ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2013

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	36-1169950 (I.R.S. Employer Identification No.)
1850 North Central Avenue, Suite 1900 Phoenix, Arizona	85004-4565
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code:
(602) 207-1000

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

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined by Rule 405 of the Securities Act. Yes ý 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 ý

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 ý No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files.) Yes ý 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	ý
Non-accelerated filer	¨	Smaller reporting company	¨

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

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, 2013) was approximately $480 million.

Registrant had 20,324,136 shares of Common Stock ($1.50 par value) outstanding as of January 31, 2014.

Documents Incorporated by Reference

A portion of the Proxy Statement for the Annual Meeting of Shareholders of Viad Corp to be held May 22, 2014 is incorporated by reference into Part III of this Annual Report.

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PART I

Item 1. Business.

Viad Corp (together with its subsidiaries, "Viad" or the "Company") derives its revenue from experiential services provided primarily within the exhibition and events industry and the travel and recreation industry. Viad occupies leading positions as a value-added service provider in many of the markets in which it competes. Viad serves clients predominantly in the United States, Canada, the United Kingdom, Germany and the United Arab Emirates.

Viad operates two business groups:

Marketing & Events Group. The Marketing & Events Group specializes in all aspects of the design, planning and production of face-to-face events, immersive environments and brand-based experiences for clients, including show organizers, corporate brand marketers and retail shopping centers. The mission of the Marketing & Events Group is to create the world's most meaningful and memorable experiences for show organizers, brand marketers, event attendees and retail shopping centers. Show organizers include for-profit and not-for-profit show owners as well as show management companies. Corporate brand marketers include exhibitors and domestic and international corporations which want to promote their brands, feature new products, services and innovations and build business relationships. Viad's retail shopping center customers include major developers, owners and management companies of shopping malls and lifestyle centers. In 2013, Viad derived approximately 87 percent of its consolidated revenue from products and services provided by the Marketing & Events Group.

Travel & Recreation Group. The Travel & Recreation Group generates its revenue from tourism products and experiential services, including world-class attractions, hotel operations, transportation services and package tour operations in and around Western Canada, Glacier National Park in Montana, Denali National Park and Preserve in Alaska and Waterton Lakes National Park in Alberta, Canada. In 2013, Viad derived approximately 13 percent of its consolidated revenue from services provided by the Travel & Recreation Group.

Viad's two business groups are supported by Viad Corporate, which provides functional support in the areas of legal, finance and accounting, internal auditing, information technology, insurance, corporate development, real estate and tax.

Recent Business Developments

In connection with the Company's strategic review of opportunities to enhance shareholder value, the Company paid a special cash dividend of $2.50 per share, or $50.8 million in the aggregate, on November 14, 2013. On February 14, 2014, the Company paid a second special cash dividend of $1.50 per share, or $30.5 million in the aggregate. Although the Company believes that the decision to pay the special dividends is an important step in the Company's strategic review process, management continues to explore and evaluate further opportunities to maximize value to Viad's shareholders, including a potential separation of its Travel & Recreation and Marketing & Events business groups. See "There can be no assurances that management's current strategic evaluation of opportunities to enhance shareholder value will result in a transaction" and "Viad's future payment of special dividends should not be relied upon as a way to realize any future gains on an investment" under "Item 1A - Risk Factors" for a discussion of the risks related to the payment of dividends and management's evaluation of these strategic alternatives, which is incorporated herein by reference.

The Company continued to realize significant benefits and improved operating margins in 2013 through its Service Delivery Network initiative. The goals of the Service Delivery Network initiative are to improve the efficiency and performance of the Marketing & Events Group's U.S. warehousing operations by lowering operating costs and invested capital by taking measures that include reducing the physical footprint and overhead associated with its warehousing facilities. In connection with this initiative, in August 2013, the Company sold the facility located in Teterboro, New Jersey and the land upon which it is situated for $12.7 million (net of selling costs) after determining that the facility no longer met the Company's operational needs. The Company has reduced its U.S. facility footprint by approximately 1.2 million square feet since 2008, and has realized annualized cost savings of $7.7 million through the end of 2013.

The Company also generated cash flow in early 2014 as a result of the expiration of the Company's concession contract with the U.S. National Park Service (the "Park Service"), under which Glacier Park operated lodging, tour and transportation and other hospitality services. The cash payments received in January 2014 by the Company consisted of payments totaling $25 million for the Company’s “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 concession contract. The Company anticipates a cash payment of approximately $5 million for the personal property Glacier Park used at the facilities covered by the concession contract.

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Over the past several years, Viad has made acquisitions and strategic investments to grow its business. Since 2011, the Travel & Recreation Group has acquired one property in Banff National Park (the Banff International Hotel), two properties near Glacier National Park (the St. Mary Lodge and Grouse Mountain Lodge), one property inside Denali National Park and Preserve (Denali Backcountry Lodge) and one property near the entrance to Denali National Park and Preserve (Denali Cabins).

On February 19, 2013, the Marketing & Events Group purchased the assets of Resource Creative Limited ("RCL"), a United Kingdom-based company specializing in providing creative graphic services to the exhibition, events and retail markets throughout the United Kingdom and continental Europe, for $647,000 (£420,000) in cash, subject to certain adjustments, plus a deferred payment of up to approximately $278,000 (£180,000) to the seller. The deferred payment is subject to achievement by RCL of certain net revenue targets between the acquisition date and December 31, 2014, and RCL exceeded the first net revenue target for the period ended December 31, 2013 by approximately 37 percent.

In 2013, the Company nearly completed the construction of the Glacier Skywalk, a fully accessible, cliff-edge walkway that leads to a glass-floored observation platform overlooking the Sunwapta Valley in close proximity to the Company's Columbia Icefield attraction in Jasper National Park, Alberta, Canada. Construction of the Glacier Skywalk was essentially complete as of December 31, 2013, and Viad anticipates that the Glacier Skywalk will open in May 2014.

Reportable Segments

Within the two business groups, Viad's organizational structure, operational decision-making authority, allocation of resources and internal reporting are aligned into the following reportable business segments:

- Marketing & Events U.S. segment;
- Marketing & Events International segment and
- Travel & Recreation Group segment.

No reportable segment has a client comprising more than 7.0 percent of that segment's revenue, and no client comprises more than 4.5 percent of Viad's revenue. See "The failure of a large client to renew its services contract or the loss of business from convention facilities could adversely impact revenue" under Item "1A - Risk Factors" for a discussion of the risks related to Viad's client relationships which is incorporated herein by reference.

Viad's reportable business segments are described below.

Marketing & Events U.S. Segment

The Marketing & Events U.S. segment (the "U.S. segment") is comprised of the domestic operations of Global Experience Specialists, Inc. and affiliates ("GES"). During 2013, the U.S. segment provided services to over 1,300 exhibitions and events and more than 179,000 exhibitors. The U.S. segment has full-service operations in every major exhibition market in the United States, including: Las Vegas, Nevada; Chicago, Illinois; Orlando, Florida; New York, New York and Los Angeles, California. In each of these locations, the U.S. segment is a leading event marketing agency that produces exhibitions, events, exhibits and retail environments, and services some of the most visible and influential events in its industry.

This segment generates revenue from the following services:

Show Organizer Services. Under agreements with show organizers, the U.S. segment serves as the official services contractor of an exhibition, which is also referred to as a "trade show," "convention" or "show." As the official services contractor, the U.S. segment provides the following services to the show organizer: general event management; planning and consultation; concept design; exhibition layout and design; graphics and design; online management tools; show traffic analysis; marketing and strategy; carpeting and flooring; signage; decorating products and accessories; custom graphics; overhead rigging; booth rigging; cleaning and temporary electrical, lighting and plumbing.

Exclusive Services Provided to Exhibitors. As the official services contractor, the U.S. segment is designated by the show organizer as the exclusive provider of certain services offered to exhibitors participating in the exhibition. This designation provides exhibitors with a single point of contact to facilitate a timely, safe and efficient move-in and move-out of the exhibition and to facilitate an organized, professional during-show experience. The exclusive services offered by the U.S. segment to exhibitors include: material handling services; overhead rigging; temporary electrical and plumbing and cleaning.

Discretionary Services Provided to Exhibitors. In addition to the exclusive services offered to exhibitors, the U.S. segment competes with other service providers to sell non-exclusive services to exhibitors, including: custom exhibit design and construction; portable and "modular" exhibits and design; integrated marketing, including pre- and post-event communications; multimedia services; event surveys; return on investment analysis; attendee and exhibit booth traffic analysis; staff training; online management tools; logistics and freight-forwarding; storage and refurbishment of exhibits; booth furnishings, carpeting and

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signage; in-house installation and dismantling and various other show services. The U.S. segment offers these services, combined with complete event program management and planning, to corporate brand marketers across all exhibitions and events in which they participate. The U.S. segment competes with other service providers to offer these discretionary services to exhibitors, regardless of whether or not the U.S. segment is the official services contractor of the exhibition.

Other Marketing Services. The U.S. segment also provides a variety of immersive, entertaining attractions and brand-based experiences, sponsored events, mobile marketing and other branded entertainment and face-to-face marketing solutions for clients and venues, including movie studios, leading consumer brand marketers, shopping malls and museums. In addition, the U.S. segment offers retail clients complete turnkey services, including design, engineering, graphic production, fabrication, warehousing, shipping and on-site installation of retail merchandising units, kiosks and holiday environments. The U.S. segment also provides construction and installation services for permanent installations, including museum exhibits, corporate lobbies, visitor centers, showrooms and retail interiors.

Competition. The U.S. segment generally competes in the exhibition and events industry on the basis of discernible differences, value, quality, price, convenience and service. The primary Viad competitor in the domestic official services contractor market is The Freeman Company (a private company); however, the U.S. segment encounters substantial competition from a large number of providers. No competitor has significant market share in the other categories of offerings of the U.S. segment. All known competitors of the U.S. segment are privately held companies which provide limited public information concerning their operations.

Marketing & Events International Segment

The Marketing & Events International segment (the “International segment”) includes all foreign operations of the Marketing & Events Group and consists of two operating segments: Canada and EMEA (Europe, Middle East and Asia). The International segment offers services that are similar to those provided by the U.S. segment. These services are delivered by Viad’s wholly-owned subsidiaries including: GES Exposition Services (Canada) Limited, Global Experience Specialists (GES) Limited and affiliates, SDD Exhibitions Limited and GES GmbH & Co. KG.

During 2013, the International segment provided services to over 1,100 exhibitions and events and more than 38,000 exhibitors. The International segment has full-service operations at many of the most active and popular exhibition and event destinations, including nine Canadian cities, six United Kingdom cities, one German city, two cities in the United Arab Emirates and one city in the Netherlands. In each of these locations, the International segment is a leading service provider, servicing some of the most visible and influential events in its industry.

On February 19, 2013, Viad acquired RCL. On April 4, 2013, the operations of RCL were relocated to GES’ existing London-based operation at ExCeL London, where GES was appointed in 2013 to supply graphics to ExCeL London’s in-house advertising sales agency, InVision.

Competition. The International segment generally competes on the basis of discernible differences, value, quality, price, convenience and service. The International segment is the largest provider of exhibition and event services in the countries in which it competes. The International segment encounters competition from a large number of providers of similar services. Most of the competitors are privately held companies which provide limited public information concerning their operations.

Travel & Recreation Group Segment

Travel and recreation services are provided by Brewster Inc. (“Brewster”), Glacier Park, Inc. (“Glacier Park”) and Alaskan Park Properties, Inc. (“Alaska Denali Travel”). Brewster and Alaska Denali Travel are wholly-owned subsidiaries of Viad and Glacier Park is an 80 percent owned subsidiary of Viad.

Brewster

Brewster is a major tourism service operator in Western Canada, delivering tourism products that include world-class hospitality services, attractions, inbound package tour operations and corporate and event management and transportation services.

Hospitality. Brewster operates three hotels in Alberta: the Mount Royal Hotel and the Banff International Hotel, both of which are located in the heart of Banff National Park in downtown Banff, Alberta, Canada, and the Glacier View Inn, which is located on the Columbia Icefield between Lake Louise and Jasper. The hotels cater principally to leisure travelers.

Attractions. Brewster's attractions include the Banff Gondola, the Columbia Icefield Glacier Adventure and the Banff Lake Cruise operations. 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. The Columbia Icefield Glacier Adventure includes tours of the Athabasca Glacier on the Columbia Icefield,

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and provides 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 unique vehicle specially designed for glacier travel. Brewster also offers boat tours, small boat rentals and charter fishing on Lake Minnewanka, which is situated outside of the town of Banff in the heart of the Canadian Rockies. In 2013, Viad continued construction of the Glacier Skywalk, a 1,312-foot guided interpretive walkway with a 98-foot glass-floored observation area overlooking the Sunwapta Valley in close proximity to the Company’s Columbia Icefield attraction in Jasper National Park, Alberta, Canada. The construction is now complete, and Viad anticipates that the Glacier Skywalk will open in May 2014.

Package Tour Operations and Corporate and Event Management. Brewster’s inbound package tour operations feature year-round package tours throughout Canada. These packages include motorcoach, rail, self-drive automobile, ski and winter touring and consist of both group and individual tours which may be custom designed at the time of booking. Brewster also offers a full suite of corporate and event management services for meetings, conferences, incentive travel, sports and special events. Event-related service offerings include staffing, off-site events, tours/activities, team building, housing, event management, theme development, production and audio visual services.

Transportation Operations. Brewster’s transportation operations include charter motorcoach services, sightseeing, scheduled services and airport shuttle 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 seasonal half- and full-day sightseeing tours from Calgary, Banff, Lake Louise and Jasper, Canada.

Brewster draws its customers from major markets including Canada, the United States, the United Kingdom, Australia/New Zealand and Asia. Brewster markets directly to consumers, as well as through distribution channels that include tour operators, tour wholesalers, destination management companies and retail travel agencies/organizations.

Brewster generated approximately 71 percent of the Travel & Recreation Group’s 2013 segment operating income.

Glacier Park

Glacier Park is an independent hotel owner and operator, with properties located in and around Waterton-Glacier International Peace Park, which encompasses Glacier National Park in Montana, one of the most visited national parks in the United States, and Waterton Lakes National Park in Alberta, Canada. Glacier Park provides lodging accommodations, food and beverage services, retail operations and transportation services in and around Glacier and Waterton Lakes National Parks.

The operations of Glacier Park are predominately seasonal, typically running from late May until the end of September. During the peak months of July and August, the occupancy level at Glacier Park’s lodges and motor inns typically exceeds 90 percent. During the “shoulder” months of June and September, occupancy typically exceeds 80 percent.

Individual travelers account for over 80 percent of Glacier Park’s customers, and the balance of its customers are tour groups. Demographically, Glacier Park draws over 90 percent of its customers from the United States, with approximately 60 percent of the U.S. customers coming from the Northwest and Midwest regions.

Historic Lodges and Hotel Accommodations. Glacier Park owns and operates five properties, with accommodation offerings varying from hikers’ cabins to hotel suites: St. Mary Lodge, a 115-room, full-service resort lodge located outside the east entrance to Glacier National Park in St. Mary, Montana; Glacier Park Lodge, an historic lodge in East Glacier, Montana; Grouse Mountain Lodge, a full-season lodge offering skiing in the winter and golf, hiking and other recreational activities, located near Glacier National Park in Whitefish, Montana; the Prince of Wales Hotel in Waterton Lakes National Park, Alberta, Canada, which is situated on land for which the Company has a 42-year ground lease with the Canadian government running through January 31, 2052; and Motel Lake McDonald, an in-holding within Glacier National Park. In 2013, Glacier Park also operated five other properties inside Glacier National Park under a concession contract with the Park Service, which expired on December 31, 2013. See the “Concession Business” section below, and “Recent Business Developments” section above, of this Item 1.

Concession Business. On December 31, 2013, Glacier Park’s concession contract with the Park Service to operate lodging, tour and transportation and other hospitality services for Glacier National Park expired. Under the concession contract, Glacier Park provided food and beverage services to lodging guests and park visitors and had retail operations, including camp stores and retail shops, which catered to lodging guests and park visitors. Glacier Park also operated a fleet of touring buses, which were used to conduct tours within Glacier and Waterton Lakes National Parks. Glacier Park generated approximately 47 percent of its 2013 revenue through its concession contract for services provided within Glacier National Park.

As referenced above, Glacier Park continues to generate revenue from the five properties it owns: (1) St. Mary Lodge in St. Mary, Montana; (2) Glacier Park Lodge in East Glacier, Montana; (3) Grouse Mountain Lodge in Whitefish, Montana; (4) Prince of Wales Hotel in Waterton Lakes National Park, Alberta; and (5) Motel Lake McDonald, which is located inside Glacier National

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Park. Glacier Park also continues to operate the food and beverage services with respect to these five properties and the retail shops located near Glacier National Park.

As shown in the table below, the five properties Glacier Park currently owns contain more than one-half of the rooms that Glacier Park operated in 2013:

	Number of Rooms
Owned Properties:	
Glacier Park Lodge	161
Grouse Mountain Lodge	143
St. Mary Lodge	115
Prince of Wales Hotel	86
Motel Lake McDonald	30
Total	535
Concession Contract Properties:	
Many Glacier Hotel	214
Swift Current Motor Inn	88
Lake McDonald Lodge	82
Rising Sun Motor Inn	72
Village Inn Motel	36
Total	492

Glacier Park generated approximately 25 percent of the Travel & Recreation Group's 2013 segment operating income.

Alaska Denali Travel

In September 2011, Alaska Denali Travel acquired Denali Backcountry Lodge, a property having 42 guest rooms on six acres inside Denali National Park and Preserve, and Denali Cabins, with 46 guest cabins on six acres near the entrance to Denali National Park and Preserve. Alaska Denali Travel provides food and beverage services with respect to these properties, and operates day trips to its day trip lodge via the scenic park road, a package tours sales and marketing program and daily motorcoach service between Anchorage and Denali National Park and Preserve. Alaska Denali Travel's operating season runs from June until the end of September.

Competition. The Travel & Recreation Group generally competes 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 business and charter service business.

Intellectual Property

Viad and its subsidiaries own or have the right to use registered trademarks and trademarks pending registration, used in their businesses, including Global Experience Specialists & design®, GES®, GES Servicenter®, GES National Servicenter®, GES MarketWorks®, HANG:RZ®, Trade Show Rigging TSR®, TSE Trade Show Electrical & design®, ethnoMetrics®, eXPRESSO & design®, FIT®, DEXZ®, LUMA2 & design®, eco-sense and design®, and the trademarks in the 2012 Alaska Denali Travel rebranding program, including Alaska Denali Travel, Alaska Denali Escapes, Denali Backcountry Adventure℠ Denali Backcountry Lodge℠ and Denali Cabins℠. Viad and its subsidiaries also own or have the right to use many registered trademarks and trademarks pending registration outside of the United States, including the Melville lion image®, GES®, Maxim®, Showtech®, SDDRetail®, Brewster Travel Canada & design®, Brewster Attractions Explore & design®, Brewster Hospitality Refresh & design® and escape.connect.refresh.explore®. United States trademark registrations are for a term of 10 years and are renewable every 10 years as long as the trademarks are used in the regular course of business.

The Company owns patents that it believes provide competitive advantages in the marketplace for its exhibit and exhibition services. Its patented technology relating to a modular structure having a load-bearing surface provides efficiencies and cost savings in the design, manufacture, assembly, take down and maintenance of displays and exhibitions. Its patented invention relating to a surface-covering installation tool and method not only reduces direct labor costs, but provides improved worker safety. The Company 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. The Marketing & Events Group has extensive design libraries with copyright protections and

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owns copyright registrations for a number of the designs within its design libraries. 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 patents, trademarks and copyrights have substantial value, it does not believe that the loss of any one of these patents, trademarks or copyrights would have a material adverse effect on its financial condition or results of operations.

Government Regulation and Compliance

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 U.S. and Canadian regulations relating to national parks (such as regulations established by the U.S. Department of the Interior and the Park Service).

Some of Viad’s current and former businesses are subject to U.S. federal and state environmental regulations, including laws enacted under the Comprehensive Environmental Response, Compensation and Liability Act, or its state law counterparts. Compliance with federal, state and local environmental, health and safety provisions, including, but not limited to, those regulating the discharge of materials into the environment and other actions relating to the environment have not had, and are not expected to have, a material effect on Viad’s capital expenditures, competitive position, financial condition or results of operations. See “Item 1A - Risk Factors - Liabilities relating to prior and discontinued operations may adversely affect results of operations” for a discussion of the risks related to liabilities arising from the Company’s compliance with federal, state and local environmental laws, which is incorporated herein by reference.

Employees

Viad’s businesses had approximately 3,630 employees as of December 31, 2013 as follows:

	Approximate Number of Employees	Regular Full-Time Employees Covered by Collective Bargaining Agreements
Marketing & Events Group	2,930	940
Travel & Recreation Group	550	110
Viad Corporate	150	—
Total	3,630	1,050

Viad believes that relations with its employees are satisfactory and that collective-bargaining agreements expiring in 2014 will be renegotiated in the ordinary course of business without a material adverse effect on Viad’s operations.

Viad Corporate provides management, financial and accounting, internal auditing, tax, administrative, information technology, corporate development, legal and other services to its operating units and handles 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 one employee director, and has an executive management team consisting of seven executive officers.

Seasonality

Exhibition and event activity varies significantly depending on the frequency and timing of shows (some shows are not held each year and some may shift between quarters). The Marketing & Events U.S. segment generally reports its highest revenue during the first quarter of each year, while the Marketing & Events International segment generally reports its highest revenue during the second quarter of each year. The Travel & Recreation Group segment experiences peak activity during the summer months and during 2013, 86 percent of its revenue was earned in the second and third quarters. Viad’s average segment operating income during the past three years, as a percentage of the average full year’s segment operating income during the past three years, was approximately 31 percent (first quarter), 28 percent (second quarter), 57 percent (third quarter) and negative 16 percent (fourth quarter). See “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 "Exhibition rotation impacts overall profitability and makes comparisons between periods difficult" under "Item 1A Risk Factors," which are incorporated herein by reference; see also Notes 20 and 23 of Notes to Consolidated Financial Statements.

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Financial Information about Restructuring Charges

Information regarding restructuring charges is provided in Note 17 of Notes to Consolidated Financial Statements.

Financial Information about Segments

Business segment financial information is provided in Note 20 of Notes to Consolidated Financial Statements.

Financial Information about Geographic Areas

Geographic area financial information is provided in Note 20 of Notes to Consolidated Financial Statements.

Available Information

Viad's internet address is www.viad.com. Viad uses its web site as a routine channel for distribution of Company information, press releases, financial information and corporate governance initiatives. Viad posts filings as soon as reasonably practicable after they are electronically filed with, or furnished to, the U.S. Securities and Exchange Commission ("SEC"), including Viad's annual, quarterly and current reports, proxy statements, amendments to those reports or statements and other information, as well as transactions in Viad securities by Viad's directors and executive officers. All such postings and filings are available on Viad's web site free of charge. In addition, Viad's web site allows interested persons to sign up to automatically receive e-mail alerts when the Company posts news releases and financial information. The SEC's web site, www.sec.gov, contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. Such information also 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. The content on any web site referred to in this Form 10-K is not incorporated by reference in this Form 10-K unless expressly noted.

Viad's web site, at http://viad.investorroom.com/, includes key information about the Company's corporate governance initiatives, including its Corporate Governance Guidelines, charters of the committees of the Board of Directors, Code of Ethics and information concerning Viad's directors and a method to communicate with them. Viad will make available in print any of this information upon request to: Corporate Secretary, Viad Corp, 1850 North Central Avenue, Suite 1900, Phoenix, Arizona 85004-4565.

Item 1A. Risk Factors.

Viad's operating results are subject to known and unknown risks. As a result, past financial performance and historical trends may not be reliable indicators of future performance.

There can be no assurances that management's current strategic evaluation of opportunities to enhance shareholder value will result in a transaction.

Viad's Board of Directors authorized management to explore and evaluate opportunities to enhance shareholder value, including a potential separation of its Travel & Recreation and Marketing & Events business groups. The Company engaged J.P. Morgan Securities LLC as its financial advisor to assist in this evaluation process. No decision has been made to separate the two business groups, and Viad cannot assure that it will identify and undertake a transaction that allows its shareholders to realize an increase in the value of Viad's stock or provide any guidance on the timing of any such action. Viad also cannot assure that any potential transaction or other strategic alternative, if identified, evaluated and consummated, will provide greater value to its shareholders than that reflected in the current stock price. Any potential transaction would be dependent upon a number of factors that may be beyond Viad's control, including, among other factors, the U.S. and global economic and market conditions, industry trends, the interest of third parties in Viad's businesses and the availability of financing to potential buyers on reasonable terms.

Viad's future payment of special dividends should not be relied upon as a way to realize any future gains on an investment.

The Board of Directors generally declares and pays regular dividends to Viad's shareholders on a quarterly basis and also paid special dividends in November 2013 and February 2014. The decision to declare a special dividend and the amount, timing and payment of any such dividend are at the sole discretion of the Board. Factors in any decision to declare a dividend would include the amount of funds legally available and an evaluation of the Company's financial condition, capital requirements, future prospects and other factors deemed relevant by the Board. Accordingly, an investor should not rely on the future payment of special dividends as a way to realize gains on their investment.

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Viad's businesses and operating results are adversely affected by deterioration in general economic conditions.
Viad's businesses are 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 the Marketing & Events U.S. and International segments depend largely on the number of exhibitions held and on the size of exhibitors' marketing expenditures, which in turn depend partly on the strength of particular industries in which exhibitors operate. The number and size of exhibitions generally decrease when the economy weakens.
Further, many exhibitors' marketing budgets are partly discretionary, and are frequently among the first expenditures reduced by exhibitors when economic conditions deteriorate, resulting in reduced spending by exhibitors for the Company's services. Marketing expenditures often are not increased until economic conditions improve. As a result, during periods of general economic weakness, the operating results for the Marketing & Events Group are adversely affected. Similarly, many of the retail shopping mall and lifestyle center clients of the Marketing & Events Group may reduce marketing expenditures when economic conditions deteriorate.
Revenues from the Travel & Recreation Group 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 results of operations are impacted by changes in foreign currency exchange rates.
Viad conducts foreign operations primarily in Canada, the United Kingdom and, to a lesser extent, in certain other 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. 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 has not hedged its equity risk arising from the translation of foreign denominated assets and liabilities.
In addition, for purposes of consolidation, the revenue, 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, even when the functional currency amounts have not changed. Accordingly, fluctuations in the exchange rates affect overall profitability and historical period-to-period comparisons. Viad has not hedged its net earnings exposure arising from the translation of its foreign operating results.
During 2013, $229.3 million of revenue and $9.1 million of segment operating income was derived through the International segment. In addition, $81.9 million of 2013 revenue and $19.1 million of 2013 segment operating income generated in the Travel & Recreation Group was derived through its Canadian operations. For this segment, Canadian operations are largely dependent on foreign customer visitation, and accordingly, increases in the value of the Canadian dollar as compared to other currencies could adversely affect customer volumes, and, therefore, revenue and segment operating income in the Travel & Recreation Group.
Exhibition rotation impacts overall profitability and makes comparisons between periods difficult.
The business activities of the Marketing & Events Group are largely dependent upon the frequency, timing and location of exhibitions and events. Some large exhibitions are not held annually (they may be held once every two or three years or longer). 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, and may result in Viad generating lower margins in a given period if the exhibition shifts to a higher-cost city.
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.
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 others, to travel. 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, 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.

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The failure of a large client to renew its services contract or the loss of business from convention facilities could adversely impact revenue.

Although no single client accounts for more than 7.0 percent of the revenue of any of Viad's reporting segments, the Marketing & Events U.S. and International segments have a relatively small number of large exhibition show organizers and large customer accounts. The loss of any of these large clients could adversely affect Viad's results of operations.

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

Viad's key businesses are relationship driven.

The business activities of the Marketing & Events U.S. and International segments are heavily focused on client relationships, and, specifically, on the close collaboration and interaction with the client. These relationships require 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 clients (and corresponding revenue) if a key member of the account team were to cease employment with the Company and take those customers to a competitor.

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

Viad has acquired businesses and intends to continue to pursue opportunities to acquire businesses that complement, enhance or expand Viad's 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 ongoing 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.

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.

The Marketing & Events U.S. segment generally reports its highest revenue during the first quarter of each year, while the Marketing & Events International segment generally reports its highest revenue during the second quarter of each year. The Travel & Recreation Group businesses are generally also seasonal, experiencing peak activity during the second and third quarters. These quarters accounted for 86 percent of the segment's 2013 revenue. Because of the seasonal nature of Viad's businesses, adverse events or conditions occurring during peak periods could adversely affect the operating results of Viad's businesses.

New capital projects may not be commercially successful.

From time to time, in an effort to seize opportunities that complement, enhance and expand its businesses, Viad pursues new capital projects. Capital projects are subject to a number of risks, including unanticipated delays and cost overruns, failure to achieve established financial and strategic goals and the inability to successfully integrate into Viad's ongoing businesses, as well as additional risks specific to a project. The occurrence of any of the events described above could prevent a new capital project from performing in accordance with Viad's commercial expectations and could have a material adverse effect on its businesses and results of operations.

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

The Marketing & Events U.S. and International segments 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 the ability of the Marketing & Events Group 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 approximately 100 collective-bargaining agreements, with approximately one-third requiring renegotiation each year. If the results of labor negotiations caused the Company to increase wages or benefits, which increases total labor costs, the increased costs could either be absorbed (which would adversely affect operating margins) or passed on to 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 were unable to reach an agreement with a union during the collective-bargaining process, the union may strike or carry out other types of work stoppages. 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.

Obligations to fund multi-employer pension plans to which Viad contributes may have an adverse impact on operating results.

Viad's businesses contribute to various multi-employer pension plans based on obligations arising under collective-bargaining agreements covering its union-represented employees. Viad's contributions to these multi-employer plans in 2013 and 2012 totaled $20.3 million and $20.7 million, respectively. Viad does not directly manage these multi-employer plans, which are generally managed by boards of trustees. Based upon the information available to Viad from plan administrators, management believes that several of these multi-employer plans are underfunded. The Pension Protection Act of 2006 requires pension plans underfunded at certain levels to reduce, over defined time periods, the underfunded status. In addition, under current laws, the termination of a plan, or a voluntary withdrawal from a plan by Viad, or a shrinking contribution base to a plan as a result of the insolvency or withdrawal of other contributing employers to such plan, would require Viad to make payments to such plan for its proportionate share of the plan's unfunded vested liabilities. Viad cannot determine at this time the amount of additional funding, if any, it may be required to make to these plans. However, plan contribution increases, if any, could have an adverse impact on Viad's consolidated financial condition, results of operations and cash flows.

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

Viad is engaged in a number of highly competitive industries. Competition in the exhibition and events industry and the exhibits and experiential environments industries is driven by price and service quality, among other factors. 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 to avoid loss of related business, thereby adversely affecting operating results. In addition, if Viad is unable to anticipate and respond as effectively as competitors to changing business conditions, including new technologies and business models, Viad could lose market share to its competitors. If Viad were unable to meet the challenges presented by the competitive environment, results of operations could be adversely affected.

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

Viad and its predecessors have a corporate history spanning over eight 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 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.

Terrorist attacks, natural disasters or other catastrophic events may have a negative effect on Viad's business.

The occurrence of catastrophic events ranging from natural disasters (such as hurricanes and floods), health epidemics or pandemics, acts of war or terrorism, or the prospect of these events could disrupt Viad's businesses. Such catastrophic events could impact the Marketing & Events Group's production facilities, preventing the Company from timely completing exhibit fabrication and other projects for customers, and also could cause a cancellation of exhibitions and other events held in public venues or a disruption in the services the Company provides to its customers at convention centers, exhibition halls, hotels and other public venues. Such catastrophic events also could adversely impact the Travel & Recreation Group businesses, which are heavily dependent on the ability and willingness of its guests to travel. The guests serviced by the Travel & Recreation Group tend to delay or postpone vacations if natural conditions differ from those that typically prevail at competing lodges, resorts and attractions during a given season, and catastrophic events could impede the guests' ability to travel, interrupt the Company's business operations and/or cause damage to the Company's properties. If the conditions arising from such events persist or worsen, Viad could experience continuing or increased adverse effects on its results of operations and financial condition.

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, the United Arab Emirates and the Netherlands. The principal properties of Viad are operated by the Marketing & Events Group, the Travel & Recreation Group and Viad Corporate as follows:

Marketing & Events U.S. Segment. In 2013, the Company continued taking steps to reduce the physical footprint and overhead associated with the Marketing & Events Group's U.S. warehousing facilities through its Service Delivery Network initiative. These steps included the sale of a New Jersey facility and the underlying land after determining that the property no longer met the Company's operational needs. The goal of the Service Delivery Network initiative is to improve the efficiency and performance of the Marketing & Events Group's U.S. warehousing operations by lowering operating costs and invested capital. Since 2008, the Company has reduced its U.S. facility footprint by approximately 1.2 million square feet, and has realized annualized cost savings of $7.7 million through the end of 2013.

The Marketing & Events U.S. segment operates 15 offices and 27 multi-use facilities (manufacturing, sales and design, office and/or warehouse and truck marshaling yards). The multi-use facilities vary in size up to approximately 592,100 square feet. Two of the multi-use facilities are owned; all other properties are leased.

Marketing & Events International Segment. The Marketing & Events International segment operates five offices and 20 multi-use facilities, with two offices and nine multi-use facilities in Canada, seven multi-use facilities in the United Kingdom, one office and two multi-use facilities in Germany, one office and two multi-use facilities in the United Arab Emirates and one office in the Netherlands. The multi-use facilities vary in size up to approximately 133,600 square feet. One of the multi-use facilities is owned; all other properties are leased.

Travel & Recreation Group Segment. The Travel & Recreation Group segment operates four offices, nine retail stores, one bus terminal, four garages, an icefield tour facility, a gondola lift operation, a boat tour facility, 14 hotels/lodges (including ancillary foodservice and recreational facilities) and 46 guest cabins. All of the facilities are in the United States or Canada. The bus terminal, three 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.

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The Travel & Recreation Group owns nine hotels/lodges and 42 guest cabins. During 2013, the Travel & Recreation Group also operated an additional five hotels/lodges and 12 retail stores pursuant to the Glacier Park concession contract. As shown in the table below, the nine hotels and lodges and the guest cabins owned and operated by the Travel & Recreation Group in 2013 accounted for 952 of the 1,444 rooms managed by the Travel & Recreation Group:

	Number of Rooms
Owned Properties:	
Banff International Hotel	162
Glacier Park Lodge	161
Grouse Mountain Lodge	143
Mount Royal Hotel	135
St. Mary Lodge	115
Prince of Wales Hotel	86
Denali Cabins	46
Denali Backcountry Lodge	42
Glacier View Inn	32
Motel Lake McDonald	30
Total	952
Concession Contract Properties:	
Many Glacier Hotel	214
Lake McDonald Lodge	88
Swift Current Motor Inn	82
Rising Sun Motor Inn	72
Village Inn Motel	36
Total	492

Viad Corporate. Viad Corporate operates the Company’s headquarters, which are leased and approximate 24,700 square feet, and are located at 1850 North Central Avenue, Suite 1900 in Phoenix, Arizona 85004-4565.

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, 2013 with respect to certain of these matters is not ascertainable, Viad believes that any resulting liability, after taking into consideration amounts already provided for and 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 and insurance coverage, will not have a material effect on the Company’s financial condition or results of operations. See “Business - Government Regulation and Compliance” in Item 1; see also Note 19 of Notes to Consolidated Financial Statements.

Item 4. Mine Safety Disclosures.

None.

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Other. Executive Officers of Registrant.

The names, ages and positions of Viad's executive officers 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	52	Chairman, President and Chief Executive Officer of Viad since April 2008; prior thereto, President and Chief Executive Officer since April 2006; prior thereto, Chief Operating Officer since January 2006; prior thereto, President and Chief Executive Officer of GES since January 2000; prior thereto, Executive Vice President-International and Corporate Development of GES 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.
Deborah J. DePaoli	49	General Counsel and Secretary since May 2011; prior thereto, Deputy General Counsel and Assistant Secretary since 2009; prior thereto, Assistant General Counsel and Assistant Secretary since 2004; prior thereto, held other attorney positions since joining Viad in 2000; prior thereto, Vice President and General Counsel, Outings on the Links, Inc. since 1996; and prior thereto, Senior Associate and various legal positions with Gallagher & Kennedy, P.A. since 1991.
George N. Hines	41	Chief Information Officer since December 2009; prior thereto, Senior Vice President and Transitioning Chief Information Officer of Stream Global Services, Inc., a business process outsource provider, since October 2009; prior thereto, Senior Vice President and Chief Information Officer of eTelecare Global Solutions, Inc. (merged into Stream Global Services, Inc.) since August 2007; prior thereto, Chief Information Officer of PeopleSupport, Inc., a business process outsource provider, since December 2005; prior thereto, Executive Vice President, Operations and Chief Technology Officer of ChaseCom Limited Partnership, a provider of customer contact center services, since August 2004; prior thereto, Senior Manager-Telecommunications Industry Practice of Deloitte Consulting LLP since April 2000; and prior thereto, Manager-Telecommunications Industry Practice of Ernst & Young LLP from July 1996 to March 2000.
Ellen M. Ingersoll	49	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.
Thomas M. Kuczynski	49	Chief Corporate Development & Strategy Officer since March 2008; prior thereto, Senior Vice President, Corporate Development & Planning of The Nielsen Company, a media and marketing information company, since August 2006; prior thereto, Managing Director of The Pareto Group, a provider of strategic and investment advisory services, since January 2004; and prior thereto, Vice President of Penton Media, Inc., a business media firm producing magazines, trade shows, conferences and electronic media, from January 1999 to October 2003.
G. Michael Latta	51	Chief Accounting Officer-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.
Steven W. Moster	44	Group President of the Marketing & Events Group since May 2011 and President of GES since November 1, 2010; prior thereto, independent consultant providing marketing and sales consultation services to 3 Day Blinds Corporation, a manufacturer and retailer of custom window coverings, from April 2010 to August 2010; prior thereto, Executive Vice President-Chief Sales & Marketing Officer of GES from January 2008 to February 2010; prior thereto, Executive Vice President -Products and Services of GES from January 2005 to February 2010; prior thereto Vice President-Products & Services Business of GES from January 2004 to January 2005; and prior thereto, Engagement Manager, Management Strategy Consulting for McKinsey & Company from August 2000 to January 2004.

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 22, 2014.

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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 Chicago and National Exchanges. The following tables summarize the high and low market prices as reported on the NYSE Euronext Composite Tape and the cash dividends declared for the two years ended December 31:

SALES PRICE RANGE OF COMMON STOCK

	2013		2012	
	High	Low	High	Low
First Quarter	$28.59	$25.26	$23.47	$17.47
Second Quarter	$27.71	$23.49	$20.07	$16.69
Third Quarter	$28.46	$21.89	$23.25	$16.46
Fourth Quarter	$28.97	$23.91	$27.48	$18.95

DIVIDENDS DECLARED ON COMMON STOCK

	2013	2012
February	$0.10	$0.04
May	0.10	0.04
August	0.10	0.10
October	2.50	—
November	—	0.10
December	0.10	—
Total	$2.90	$0.28

Quarterly dividends were paid on Viad's common stock on the first business day of January, April, July and October. In addition on January 24, 2014 and October 25, 2013, Viad announced that its Board of Directors declared special cash dividends of $1.50 and $2.50 per share, respectively, to shareholders of record at the close of business on February 7, 2014 and November 7, 2013, respectively. The terms of Viad's $130 million secured revolving credit facility, amended and restated as of May 18, 2011, (the "Credit Facility") restricted Viad from paying more than $10 million in dividends in the aggregate in any calendar year. In December 2012, the Credit Facility was amended to change the limitation on restricted payments. Unless the Company's leverage ratio is greater than 1.50 to 1.00 or a default or an unmatured default exists, additional dividends over the $10 million limitation, repurchase of shares and distributions on capital stock are allowed. Viad expects that comparable quarterly cash dividends will continue to be paid in the future as approved by its Board of Directors.

As of January 31, 2014, there were 7,165 shareholders of record of Viad's common stock following the one-for-four reverse stock split effective on July 1, 2004. There were also 608 shareholders of record as of January 31, 2014 that had not converted pre-split shares into the post-split common stock. Accordingly, there were a total of 7,773 shareholders of record as of January 31, 2014.

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, 2013, 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 SmallCap 600 Media Index, Standard & Poor's SmallCap 600 Commercial Services & Supplies 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, 2008 in Viad's common stock, Standard & Poor's SmallCap 600 Media Index, Standard & Poor's SmallCap 600 Commercial Services & Supplies Index, Standard & Poor's SmallCap 600 Index, Russell 2000 Index and Standard & Poor's 500 Index with reinvestment of all dividends.

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	Year Ended December 31,					
	2008	2009	2010	2011	2012	2013
Viad Corp	$100.00	$84.20	$104.78	$72.48	$114.13	$130.31
S&P 500	$100.00	$126.45	$145.49	$148.56	$172.32	$228.12
Russell 2000	$100.00	$127.09	$161.16	$154.43	$179.71	$249.47
S&P SmallCap 600	$100.00	$125.52	$158.52	$160.12	$186.22	$263.15
S&P 600 Comm. Services & Supplies	$100.00	$126.20	$147.34	$128.83	$168.47	$241.61
S&P 600 Media Index	$100.00	$170.62	$251.17	$194.05	$220.66	$358.90

Set forth below is a table showing the total number of shares of Viad's common stock that were repurchased during the fourth quarter of 2013 by Viad either on the open market as part of a repurchase program or from employees, former employees and non-employee directors surrendering previously owned Viad common stock (outstanding shares) 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)]
November 2013	2,024	26.70	—	1,030,438
December 2013	783	27.40	—	1,030,438
Total	2,807	26.90	—	1,030,438

[(1)] Viad has announced the authorization of its Board of Directors to repurchase shares of the Company's common stock from time to time at prevailing market prices. No shares were repurchased on the open market during 2013. During 2012, Viad repurchased 23,183 shares for $526,000. As of December 31, 2013, 1,030,438 shares remain available for repurchase. The authorization of the Board of Directors does not have an expiration date. In December 2012, the Company's $130 million Amended and Restated Credit Agreement dated as of May 18, 2011 was amended to remove the limitation on share repurchases of $10 million in the aggregate per calendar year. This amendment allows share repurchases unless the Company's leverage ratio, as defined in the Credit Facility, is greater than 1.50 to 1.00 or a default or an unmatured default, as defined in the Credit Facility, exists.

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Item 6. Selected Financial Data.
VIAD CORP
SELECTED FINANCIAL AND OTHER DATA

(in thousands, except for per share data)	Year Ended December 31, 2013	2012	2011	2010	2009
Statement of Operations Data					
Revenues:					
Exhibition and event services	$685,350	$726,429	$670,054	$590,444	$582,969
Exhibits and environments	159,554	175,611	170,496	166,040	147,533
Travel and recreation services[(1),(2)]	127,888	123,191	101,814	88,277	75,302
Total revenues	$972,792	$1,025,231	$942,364	$844,761	$805,804
Income (loss) from continuing operations[(3)]	$20,558	$5,959	$9,292	$817	$(104,808)
Income from discontinued operations[(4)]	1,128	624	451	262	679
Net income (loss)	21,686	6,583	9,743	1,079	(104,129)
Net income attributable to noncontrolling interest	(131)	(686)	(533)	(636)	(582)
Net income (loss) attributable to Viad	$21,555	$5,897	$9,210	$443	$(104,711)
Diluted Income (Loss) per Common Share					
Income (loss) from continuing operations attributable to Viad common stockholders[(3)]	$1.01	$0.26	$0.43	$0.01	$(5.28)
Income from discontinued operations attributable to Viad common stockholders[(4)]	0.05	0.03	0.02	0.01	0.03
Net income (loss) attributable to Viad common stockholders	$1.06	$0.29	$0.45	$0.02	$(5.25)
Weighted-average outstanding and potentially dilutive common shares	20,265	20,005	20,055	20,277	19,960
Basic Income (Loss) per Common Share					
Income (loss) from continuing operations attributable to Viad common stockholders[(3)]	$1.01	$0.26	$0.43	$0.01	$(5.28)
Income from discontinued operations attributable to Viad common stockholders[(4)]	0.05	0.03	0.02	0.01	0.03
Net income (loss) attributable to Viad common stockholders	$1.06	$0.29	$0.45	$0.02	$(5.25)
Weighted-average outstanding common shares	19,850	19,701	19,719	19,955	19,960
Dividends declared per common share	$2.90	$0.28	$0.16	$0.16	$0.16
Balance Sheet Data at Year-End					
Total assets	$561,932	$650,577	$617,828	$616,503	$609,186
Total debt and capital lease obligations	11,668	2,226	3,239	9,077	12,788
Total stockholders' equity	356,543	397,032	386,179	386,711	384,631
Noncontrolling interest	9,102	8,971	8,285	7,752	7,116
Other Data					
Adjusted EBITDA[(5)]	$62,806	$58,150	$43,284	$32,312	$12,793

(1) 2011 amounts include an aggregate $9.7 million in revenue from Grouse Mountain Lodge, St. Mary Lodge and Denali Backcountry Lodge and Denali Cabins which were acquired in January 2011, June 2011 and September 2011, respectively.

(2) 2012 amounts include $5.2 million in revenue from the Banff International Hotel which was acquired in March 2012.

(3) Income from continuing operations include the following items (see Notes 5, 7, 15 and 17 of Notes to Consolidated Financial Statements):

- Restructuring charges, net of tax of $2.7 million, $3.3 million, $2.5 million, $2.6 million and $8.7 million in 2013, 2012, 2011, 2010 and 2009, respectively.
- Impairment charges, net of tax of $3.4 million, $268,000 and $98.2 million in 2013, 2010 and 2009, respectively.
- Income tax expense of $13.4 million in 2012 representing a valuation allowance for certain deferred tax assets associated with foreign tax credit carryforwards.

(4) The amounts relate to the sale of land and certain obligations associated with previously sold operations.

(5) See Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” for a 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: Marketing & Events U.S., Marketing & Events International and Travel & Recreation Group.

The Marketing & Events Group, comprised of Global Experience Specialists, Inc. and affiliates ("GES"), specializes in all aspects of the design, planning and production of face-to-face events, immersive environments and brand-based experiences for clients, including show organizers, corporate brand marketers and retail shopping centers. In addition, the Marketing & Events Group provides a variety of immersive, entertaining attractions and brand-based experiences, sponsored events, mobile marketing and other branded entertainment and face-to-face marketing solutions for clients and venues, including shopping malls, movie studios, museums and leading consumer brands.

The Travel & Recreation Group segment consists of Brewster Inc. ("Brewster"), Glacier Park, Inc. ("Glacier Park") and Alaskan Park Properties, Inc. ("Alaska Denali Travel"). Brewster provides tourism products and experiential services in the Canadian Rockies in Alberta and in other parts of Western Canada. Brewster's operations include the Banff Gondola, Columbia Icefield Glacier Adventure, motorcoach services, charter and sightseeing services, tour boat operations, inbound package tour operations and hotel operations. During 2013, Glacier Park, an 80 percent owned subsidiary of Viad, operated five lodges, three motor inns and one four-season resort hotel and provided food and beverage operations, retail operations and tour and transportation services in and around Glacier National Park in Montana and Waterton Lake National Park in Alberta, Canada. Glacier Park's concession portion of its business with the U.S. National Park Service (the "Park Service") for Glacier National Park expired on December 31, 2013. Thereafter, the ongoing operations of Glacier Park will include: Glacier Park Lodge in East Glacier, Montana; Grouse Mountain Lodge in Whitefish, Montana; St. Mary Lodge in St. Mary, Montana; Motel Lake McDonald, an in-holding within Glacier National Park and the Prince of Wales Hotel in Waterton Lakes National Park. Alaska Denali Travel operates the Denali Backcountry Lodge and Denali Cabins. In addition to lodging, Alaska Denali Travel also provides food and beverage operations and package tour and transportation services in and around Denali National Park and Preserve.

In December 2012, Viad announced that its Board of Directors authorized management to explore and evaluate opportunities to enhance shareholder value, including a potential separation of its Travel & Recreation and Marketing & Events business groups. Viad engaged J.P. Morgan Securities LLC as its financial advisor to assist in this evaluation process.

Financial Highlights

The following 2013 financial highlights are presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"):

Viad Corp (Consolidated)

- Total revenues of $972.8 million, a decrease of 5.1 percent from 2012 revenues
- Net income attributable to Viad of $21.6 million, as compared to $5.9 million in 2012
- Diluted income per share of $1.06, as compared to $0.29 in 2012
- Restructuring charges totaling $3.9 million primarily related to reorganization activities in the Marketing & Events Group, comprised of the elimination of certain positions, as well as the elimination of certain positions in the Travel & Recreation Group and at Viad Corporate
- Income from discontinued operations of $1.1 million primarily related to the sale of land associated with previously sold operations
- Cash and cash equivalents were $45.8 million as of December 31, 2013
- Debt was $11.7 million as of December 31, 2013

Marketing & Events U.S.

- Revenues of $628.9 million, a decrease of 7.1 percent from 2012 revenues

- Segment operating income of $11.0 million, as compared to $5.6 million in 2012
- A gain of $4.8 million was recorded related to the sale of a facility and related land

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Marketing & Events International

- Revenues of $229.3 million, a decrease of 4.5 percent from 2012 revenues
- Segment operating income of $9.1 million, as compared to $12.3 million in 2012

Travel & Recreation Group

- Revenues of $127.9 million, an increase of 3.8 percent from 2012 revenues
- Segment operating income of $25.8 million, as compared to $24.0 million in 2012
- A goodwill impairment loss of $4.5 million was recorded at Glacier Park, of which $892,000 was allocated to the noncontrolling interest

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 attributable to Viad before interest expense, income taxes, depreciation and amortization, impairment charges and recoveries, changes in accounting principles and the effects of discontinued 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. Adjusted EBITDA is considered a useful operating metric as potential variations arising from taxes, depreciation, debt service costs, impairment charges 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. This non-GAAP measure should be considered in addition to, but not as a substitute for, other measures of financial performance 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 attributable to Viad. 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 U.S. federal, state, local and foreign income taxes, impairment charges 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 attributable to Viad as an important measure of financial performance because it provides a more complete measure of the Company's performance.

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

(in thousands)	2013	2012	2011
Net income attributable to Viad	$21,555	$5,897	$9,210
Impairment charges	4,521	—	—
Interest expense	1,250	1,303	1,511
Income taxes	8,455	20,843	3,888
Depreciation and amortization	28,153	30,731	29,126
Income from discontinued operations	(1,128)	(624)	(451)
Adjusted EBITDA	$62,806	$58,150	$43,284

The increase in Adjusted EBITDA of $4.7 million from 2012 to 2013 was primarily due to higher segment operating results at the Travel & Recreation Group, as well as lower corporate costs and restructuring charges. The increase in Adjusted EBITDA of $14.9 million from 2011 to 2012 was primarily due to higher segment operating results at all operating segments, partially offset by higher restructuring charges and corporate costs. See "Results of Operations" below for a discussion of fluctuations.

Results of Operations:

2013 vs. 2012:

Revenues for 2013 decreased 5.1 percent to $972.8 million, as compared to $1.0 billion in 2012. Viad's income from continuing operations before income taxes was $29.1 million for 2013, as compared to $26.8 million in 2012.

Impairment losses for 2013 totaled \$5.4 million, primarily related to the non-cash write-down of goodwill at Glacier Park of \$4.5 million and the write-off of certain assets within the Marketing & Events Group of \$952,000. Net restructuring charges in 2013 were \$3.9 million, as compared to \$4.9 million in 2012. The 2013 charges related to reorganization activities in the Marketing & Events Group,

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comprised of the elimination of certain positions. In addition, restructuring charges related to the elimination of certain positions in the Travel & Recreation Group and at Viad Corporate were also recorded in 2013. The 2012 restructuring charges primarily related to reorganization activities in the Marketing & Events Group, comprised of facility consolidations, as well as the elimination of certain positions. The increase in operating results, despite revenue declines, was primarily driven by continued same-show growth and focus on margin improvement at the Marketing & Events Group, as well as expanded revenues at all three operating units within the Travel & Recreation Group.

Net income attributable to Viad for 2013 was $21.6 million, or $1.06 per diluted share, as compared to $5.9 million, or $0.29 per diluted share, in 2012. In 2012, the Company recorded a non-cash charge of $13.4 million to income tax expense representing a valuation allowance established for certain deferred tax assets associated with foreign tax credit carryforwards. These results also include income from discontinued operations of $1.1 million, or $0.05 per diluted share, in 2013 and $624,000, or $0.03 per diluted share, in 2012, both primarily related to the sale of land associated with previously sold operations.

During 2013, foreign exchange rate variances resulted in decreases in revenues and segment operating income of $7.0 million and $1.0 million, respectively, as compared to 2012. Viad conducts its foreign operations primarily in Canada, the United Kingdom, Germany and to a lesser extent in certain other countries.

The following table summarizes the effects of foreign exchange rate variances on revenues and segment operating results from Viad's significant international operations:

	Revenues Weighted-Average Exchange Rates		Effect of Rate Variance	Segment Operating Results Weighted-Average Exchange Rates		Effect of Rate Variance
	2013	2012	(in thousands)	2013	2012	(in thousands)
Marketing & Events Group:						
Canada	$0.97	$1.00	$(2,103)	$0.99	$1.04	$(65)
United Kingdom	$1.56	$1.59	$(2,582)	$1.57	$1.60	$(138)
Germany	$1.33	$1.29	$419	$1.33	$1.27	$(37)
Travel & Recreation Group:						
Canada	$0.96	$1.00	$(2,756)	$0.96	$1.00	$(790)

Viad's results were primarily impacted by the weakening of the Canadian dollar and British pound relative to the U.S. dollar. Future changes in the exchange rates may impact overall expected profitability and historical period-to-period comparisons when operating results are translated into U.S. dollars.

Marketing & Events Group. Revenues for the Marketing & Events U.S. segment were $628.9 million for 2013, down 7.1 percent, as compared to $676.8 million in 2012. The decrease was primarily due to negative show rotation of $54 million, partially offset by base same-show revenue increases of 3.1 percent. Management defines base same-show revenues as revenues derived from shows that the Company produced out of the same city during the same quarter in each year. Base same-shows represented 46 percent of Marketing & Events U.S. segment revenues in 2013. The 2013 segment operating income was $11.0 million, as compared to $5.6 million in 2012. The improved operating results were primarily due to lower performance-based incentives, the third quarter gain on sale of a facility in New Jersey and ongoing efforts to drive operating efficiencies.

The Company is continuing to execute against a number of margin improvement initiatives designed to more effectively manage labor costs (the "Labor Management" initiative) and to reduce the physical footprint and the overhead associated with the U.S. warehousing operation (the "Service Delivery Network" initiative). The focus of the Labor Management initiative is on driving productivity gains through rigorous and strategic pre-show planning that reduces the ratio of labor costs to revenues. Driving this measure down continues to be a primary focus for management and the benefits are shown through a 70 basis point improvement in the variable labor-to-revenue ratio on a U.S. base same-show basis, as compared to 2012. The Company is also working to develop new tools to support and systematize show site labor planning, measurement and benchmarking. Through the Service Delivery Network

initiative, the Company has reduced its U.S. facility footprint by approximately 1.1 million square feet since 2008, with annualized cost savings of $7.7 million realized through the end of 2013.
In connection with the Service Delivery Network initiative, Viad finalized plans to relocate the Marketing & Events Group's New Jersey operations as a result of the facility no longer meeting the operational needs of the Company. Viad sold the facility and the land upon which it was situated for $12.7 million (net of selling costs) during the third quarter of 2013. Management realized a pre-tax gain on the sale of $4.8 million during the third quarter of 2013, which is included in the U.S. segment operating results and is partially offset by facility relocation costs during the fourth quarter of 2013.

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Revenues for the Marketing & Events International segment were $229.3 million for 2013, down 4.5 percent, as compared to $240.1 million in 2012. Segment operating income was $9.1 million in 2013, as compared to $12.3 million in 2012. As discussed above, period-to-period comparisons for this segment were affected by exchange rate variances, which had an unfavorable impact on revenues of $4.3 million and segment operating income of $240,000, as compared to 2012. Excluding exchange rate variances, 2013 revenues decreased by $6.6 million, or 2.7 percent, and segment operating income decreased by $3.0 million, or 24.5 percent. These decreases were primarily driven by services provided for the 2012 London Summer Olympics and Paralympic Games, partially offset by positive show rotation revenues of approximately $6 million.

Although the Marketing & Events Group has a diversified revenue base and long-term contracts for future shows, its revenues are affected by general economic and industry-specific conditions. The prospects for individual shows tend to be driven by the success of the industry related to those shows. In general, the exhibition and event industry is experiencing modest improvement. Marketing & Events U.S. base same-show revenues have increased on a full year basis for 2011, 2012 and 2013.

For the 2014 full year, management expects U.S. base same-show revenues to increase at a low-to mid-single digit rate and show rotation to have a net positive impact on full year revenue of approximately $55 million. Additionally, management anticipates that foreign currency exchange rate variances versus 2013 will not have a meaningful impact on the Marketing & Events Group’s 2014 full year revenues and segment operating income. Management remains focused on improving the profitability of the Marketing & Events U.S. segment through continued integration and consolidation of operations to increase capacity utilization and reduce costs. Additional restructuring charges may be incurred as further cost structure improvements are made.

The Marketing & Events Group is subject to multiple collective-bargaining agreements that affect labor costs, about one-third of which expire each year. The Company entered into new showsite and warehouse agreements with the Chicago Teamsters Local 727, effective January 1, 2014, and those agreements contain provisions that allow the parties to re-open negotiation of the agreements on pension-related issues. The Company has commenced discussions regarding those issues with all relevant parties and is working diligently to resolve those issues in a manner that will be reasonable and equitable to employees, customers, and shareholders. Although the Company’s labor relations are currently stable, disruptions pending the outcome of the Local 727 negotiations could occur, as could with any collective bargaining agreement negotiation, with the possibility of an adverse impact on the operating results of the Marketing & Events Group.

Travel & Recreation Group. Revenues for the Travel & Recreation Group segment were $127.9 million, up 3.8 percent, as compared to 2012 revenues of $123.2 million. Segment operating income was $25.8 million, up 7.7 percent from 2012 segment operating income of $24.0 million. Segment operating margins were 20.2 percent in 2013, as compared to 19.5 percent in 2012. As discussed above, period-to-period comparisons for this segment were affected by exchange rate variances, which had an unfavorable impact on revenues of $2.8 million and segment operating income of $790,000, as compared to 2012. Excluding exchange rate variances, 2013 revenues increased by $7.5 million, or 6.0 percent, and segment operating income increased by $2.6 million, or 11.0 percent.

Results in 2013 were negatively impacted by extensive flooding that took place on June 20, 2013, in Alberta, Canada. Major pieces of infrastructure in the province were affected and many roads became impassable, which temporarily restricted access to Brewster’s hotel properties and attractions in the area. The provincial authorities were able to restore road access to Banff for both commercial and private vehicles by June 26, 2013, ahead of the Canada Day holiday weekend. Management started seeing more normalized occupancy and visitor traffic in August. Management estimates that the flooding had an unfavorable impact on 2013 revenues of approximately $2 million. Brewster recovered well from the flooding that occurred in late June and delivered solid growth for the full year across nearly all of its lines of business.

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The following table provides Travel & Recreation Group revenues by line of business:

(in thousands)	2013	2012	Change	
Revenues:				
Hospitality	$54,828	$51,969	$2,859	5.5 %
Attractions	38,956	38,141	815	2.1 %
Package tours	18,950	18,805	145	0.8 %
Transportation	17,247	16,858	389	2.3 %
Intra-segment eliminations & other	(2,093)	(2,582)	489	(18.9)%
Total	$127,888	$123,191	$4,697	3.8 %

The revenue growth from hospitality properties was primarily due to improved results at most of the lodges and hotels. Glacier Park saw strong results, particularly at the Grouse Mountain Lodge, which was recently updated and refreshed. In addition, the Banff International Hotel, which was acquired on March 7, 2012, benefited from a full first quarter contribution.

Management uses the following key business metrics to evaluate the Travel & Recreation Group hospitality business: RevPAR, average daily rate (“ADR”) and occupancy. These metrics are commonly used in the hospitality industry to measure performance.

RevPAR is calculated as total rooms revenue divided by the total number of room nights available for all comparable Travel & Recreation Group hospitality properties during the period. Total rooms revenue does not include non-rooms revenue, which consists of ancillary revenue generated by hospitality properties, such as food and beverage and retail revenue. RevPAR measures the period-over-period change in rooms revenue for comparable hospitality properties. RevPAR is affected by average daily rate and occupancy, which have different implications on profitability.

ADR is calculated as total rooms revenue divided by the total number of room nights sold for all comparable Travel & Recreation Group hospitality properties during the period. ADR is used to assess the pricing levels that the hospitality properties are able to generate. Increases in ADR at hospitality properties lead to increases in rooms revenue with no substantial effect on variable costs, therefore having a greater impact on margins than increases in occupancy.

Occupancy is calculated as the total number of room nights sold divided by the total number of room nights available for all comparable Travel & Recreation Group hospitality properties during the period. Occupancy measures the utilization of the available capacity at the hospitality properties. Increases in occupancy result in increases in rooms revenue and additional variable operating costs (including housekeeping services, utilities and room amenity costs), as well as lead to increased ancillary non-rooms revenue (including food and beverage and retail revenue).

Management evaluates the performance of the Travel & Recreation Group attractions business utilizing the number of passengers and total attraction revenue per passenger. The number of passengers allows management to assess the volume of visitor activity at each attraction during the period. Total attraction revenue per passenger is calculated as total attraction revenue divided by the total number of passengers at all Travel & Recreation Group attractions during the period. Total attraction revenue includes ticket sales and ancillary revenue generated by attractions, such as food and beverage and retail revenue. Total attraction revenue per passenger measures the total spend per visitor that attraction properties are able to capture, which is important to the profitability of the attractions business.

The following table provides Travel & Recreation Group same-store key performance indicators. The same-store metrics below indicate the performance of all Travel & Recreation Group properties that were owned by Viad and operating at full capacity, considering seasonal closures, for the entirety of both periods presented. For Travel & Recreation Group properties located in Canada, comparisons to the prior year are on a constant U.S. dollar basis, using the current year quarterly average exchange rates for previous periods, to eliminate the positive or negative effects that result from translating. Management believes that this same-store constant currency basis provides better comparability between reporting periods. The same-store key performance indicators for hospitality properties presented below for 2013 exclude the rooms at the Banff International Hotel (acquired in March 2012) that do not have comparable results for 2012.

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	2013	2012	Change
Hospitality:			
Room nights available	211,746	213,490	(0.8)%
RevPAR	$120	$111	8.1%
ADR	$164	$158	3.8%
Occupancy	73.1%	70.0%	3.1%
Attractions:			
Passengers	972,203	960,305	1.2%
Total attraction revenue per passenger	$40	$38	5.3%

Room nights available decreased in 2013 due to changes in seasonal opening dates of certain Glacier Park properties. Management schedules opening dates to optimize profitability based on anticipated travel patterns, and forecasted occupancy levels and operating expenses. The increase in RevPAR reflects improvement across most properties. The Grouse Mountain Lodge experienced particularly strong growth in both ADR and occupancy driven by the Company's refresh initiatives.

The number of passengers increased across all of the Travel & Recreation Group's attractions, despite the flood impact. Revenue per passenger increase was mainly driven by increased ticket prices at the Banff Gondola attraction.

During 2013, approximately 64 percent of revenues and 74 percent of segment operating income generated in the Travel & Recreation Group segment were derived through its Canadian operations. These operations are largely affected by foreign customer visitation, and, accordingly, increases in the value of the Canadian dollar, as compared to other currencies, could adversely affect customer volumes, revenues and segment operating income for the Travel & Recreation Group. Additionally, the Travel & Recreation Group is affected by consumer discretionary spending on tourism activities.

Management anticipates that foreign currency exchange rate variances versus 2013 will have an unfavorable impact on the Travel & Recreation Group's 2014 full year revenues of approximately $3 million. Also, management anticipates the four acquisitions completed by Viad since the beginning of 2011 will generate approximately $27 million in revenues in 2014 with an average Adjusted EBITDA margin (defined as Adjusted EBITDA divided by revenues) of more than 30 percent. By leveraging economies of scale and scope and repositioning the acquired assets for higher returns, management expects to grow this revenue base by three percent in 2014, with continued revenue growth and expanding Adjusted EBITDA margins in future years.

Glacier Park operated the concession portion of its business under a concession contract with the U.S. National Park Service (the "Park Service") for Glacier National Park. On December 31, 2013, the concession contract expired. Upon completion of the contract term, the Company received cash payments in January 2014 totaling $25 million for the Company's "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 concession contract. The Company anticipates a cash payment of approximately $5 million for the personal property Glacier Park used at the facilities covered by the concession contract. Glacier Park generated approximately 47 percent of its 2013 revenues through its concession contract for services provided within Glacier National Park.

Glacier Park continues to generate revenue from the five properties it owns: (1) St. Mary Lodge in St. Mary, Montana; (2) Glacier Park Lodge in East Glacier, Montana; (3) Grouse Mountain Lodge in Whitefish, Montana; (4) the Prince of Wales Hotel in Waterton Lakes National Park, Alberta; and (5) Motel Lake McDonald, which is located inside Glacier National Park. Glacier Park also continues to operate the food and beverage services with respect to these properties and the retail shops located near Glacier National Park. The five properties Glacier Park currently owns contain more than one-half of the rooms that Glacier Park operated in 2013.

Based on the above, management revised its outlook for future revenues and earnings from Glacier Park and performed an impairment evaluation of goodwill at the Glacier Park reporting unit. Based on this evaluation, the Company recorded a non-cash impairment charge of $4.5 million representing all of the goodwill at Glacier Park, of which $892,000 related to the noncontrolling interest.

As a result of the concession contract expiration, partially offset by continued organic growth at the five remaining properties, management anticipates a full year revenue decline at Glacier Park of approximately $19 million. The majority of the revenue impact will occur during the third quarter of 2014, with an approximate $3 million decline expected during the second quarter. Management anticipates a reduction in Glacier Park's segment operating income of approximately $3.5 million to $4 million in 2014. Due to the seasonal nature of the concession operations, management anticipates Glacier Park's third quarter operating income to be about $6 million lower than 2013, as this is when the concession properties run at full capacity. During the first,

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second and fourth quarters of 2014, Glacier Park is expected to have favorable operating results, primarily as a result of reduced overhead expenses and lower costs related to the opening and closing of the seasonal properties.

The following table summarizes Viad's actual results in comparison to pro forma information for Viad assuming that Glacier Park did not operate the concession contract with the Park Service for Glacier National Park for the entirety of the periods presented:

	As Reported			Pro Forma Results		
(in thousands)	2013	2012	2011	2013	2012	2011
Revenue	$972,792	$1,025,231	$942,364	$953,348	$1,006,645	$927,770
Depreciation and amortization	28,615	30,731	29,126	27,973	30,138	28,581
Segment operating income	45,891	41,862	25,376	41,911	38,190	23,089

Corporate Activities. Corporate activities expense of $6.8 million in 2013 decreased from $9.4 million in 2012. This decrease was primarily due to lower performance-based compensation expense in 2013, as well as higher costs in 2012 related to the amendment and restatement of the Company's shareholder rights plan and higher legal costs related to employee benefits associated with previously divested operations. These decreases were partially offset by 2013 costs related to the Company's strategic review process.

Corporate activities expense in 2014 is expected to approximate $9.5 million. The expected increase over 2013 is primarily related to two reasons. First, the Company has exhausted the Viad common stock held in the leveraged Employee Stock Ownership Plan feature of the Company's 401(k) defined contribution plan (see Note 12) which has been used to fund matching contributions to the Company's 401(k) plan. Without the benefit of these low cost shares on which to provide a matching contribution, beginning in 2014 Viad will fund 401(k) matching contributions from shares held in treasury which have a higher cost to the Company. The second reason for the increase is related to an increase in performance-based compensation expense.

Restructuring Charges. In 2013, Viad recorded net restructuring charges of $3.9 million, as compared to $4.9 million in 2012. The 2013 charges primarily related to reorganization activities in the Marketing & Events Group, comprised of the elimination of certain positions. In addition, restructuring charges related to the elimination of certain positions in the Travel & Recreation Group and at Viad Corporate were also recorded in 2013.

Impairment Charges. As noted above, Viad recorded a non-cash goodwill impairment charge related to Glacier Park of $4.5 million in 2013. Of the total amount, $892,000 of the goodwill impairment charge was allocated to the noncontrolling interest at Glacier Park. In addition, in 2013, Viad recorded impairment charges of $952,000 related to the write-off of certain assets within the Marketing & Events Group.

Income Taxes. The effective tax rate for 2013 was 29.5 percent, as compared to 77.8 percent for 2012. The high rate for 2012, as compared to the statutory rate, was due to the charge to income tax expense of $13.4 million, representing a valuation allowance for certain deferred tax assets associated with foreign tax credit carryforwards.

2012 vs. 2011:

Revenues for 2012 increased 8.8 percent to $1.0 billion, as compared to $942.4 million in 2011. Viad's income from continuing operations before income taxes was $26.8 million for 2012, as compared to $13.2 million in 2011. These increases were primarily due to same-show growth, new business wins, positive show rotation revenue of approximately $16 million from non-annual shows that took place during 2012 and continued focus on operating efficiencies at Viad's Marketing & Events Group, as well as the first peak season contributions from Alaska Denali Travel and the Banff International Hotel, the newly renovated rooms at the Many Glacier Hotel and organic growth at the Company's Travel & Recreation Group. Net restructuring charges in 2012 were $4.9 million, as compared to $3.8 million in 2011, both primarily related to reorganization activities in the Marketing & Events Group, comprised of facility consolidations, as well as the elimination of certain positions.

Net income attributable to Viad for 2012 was $5.9 million, or $0.29 per diluted share, as compared to $9.2 million, or $0.45 per diluted share, in 2011. These results include a charge to income tax expense of $13.4 million representing a valuation allowance established for certain deferred tax assets associated with foreign tax credit carryforwards. These results also include income from discontinued operations of $624,000, or $0.03 per diluted share, in 2012 primarily related to the sale of land associated with previously sold operations and $451,000, or $0.02 per diluted share, in 2011 relating to obligations associated with previously sold operations.

During 2012, foreign exchange rate variances resulted in decreases in revenues and segment operating income of $6.6 million and $886,000, respectively, as compared to 2011. Viad conducts its foreign operations primarily in Canada, the United Kingdom, Germany and to a lesser extent in certain other countries.

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The following table summarizes the effects of foreign exchange rate variances on revenues and segment operating results from Viad's significant international operations:

	Revenues Weighted-Average Exchange Rates 2012	2011	Effect of Rate Variance (in thousands)	Segment Operating Results Weighted-Average Exchange Rates 2012	2011	Effect of Rate Variance (in thousands)
Marketing & Events Group:						
Canada	$1.00	$1.01	$(954)	$1.04	$1.00	$19
United Kingdom	$1.59	$1.61	$(1,938)	$1.60	$1.61	$(72)
Germany	$1.29	$1.40	$(1,733)	$1.27	$1.43	$(107)
Travel & Recreation Group:						
Canada	$1.00	$1.02	$(1,952)	$1.00	$1.03	$(726)

Viad's results were impacted by the weakening of the Canadian dollar, British pound and Euro relative to the U.S. dollar. Future changes in the exchange rates may impact overall expected profitability and historical period-to-period comparisons when operating results are translated into U.S. dollars.

Marketing & Events Group. Revenues for the Marketing & Events U.S. segment were $676.8 million for 2012, up 7.2 percent, as compared to $631.4 million in 2011. The increase was primarily due to base same-show revenue increases of 6.5 percent and positive show rotation of approximately $21 million. Base same-shows represented 41.5 percent of Marketing & Events U.S. segment revenues in 2012. The 2012 segment operating income was $5.6 million, as compared to a loss of $6.3 million in 2011. The improved operating results were primarily due to an increase in revenues with a continued focus on margin improvements, as well as ongoing efforts to drive operating efficiencies and control discretionary expenses.

Revenues for the Marketing & Events International segment were $240.1 million for 2012, up 9.8 percent, as compared to $218.6 million in 2011. Segment operating income was $12.3 million in 2012, as compared to $11.4 million in 2011. As discussed above, period-to-period comparisons for this segment were affected by exchange rate variances, which had an unfavorable impact on revenues of $4.6 million and segment operating income of $160,000, as compared to 2011. Excluding exchange rate variances, 2012 revenues increased by $26.1 million, or 11.9 percent, and operating income increased by $1.0 million, or 9.0 percent. These increases were primarily driven by services provided for the 2012 London Summer Olympics and Paralympic Games, as well as increased demand and new show wins, partially offset by net negative show rotation revenues of approximately $5 million.

Travel & Recreation Group. Revenues for the Travel & Recreation Group segment were $123.2 million, up 21.0 percent, as compared to 2011 revenues of $101.8 million. Segment operating income was $24.0 million, up 18.6 percent from 2011 segment operating income of $20.2 million. Segment operating margins were 19.5 percent in 2012, as compared to 19.8 percent in 2011. As discussed above, period-to-period comparisons for this segment were affected by exchange rate variances, which had an unfavorable impact on revenues of $2.0 million and segment operating income of $726,000, as compared to 2011. Excluding exchange rate variances, 2012 revenues increased by $23.3 million, or 22.9 percent, and segment operating income increased by $4.5 million, or 22.2 percent. In addition to increased revenues, as discussed below, operating results also reflect higher selling, general and administrative expenses, including costs related to additional resources to support the Company's growth strategy of "Refresh-Build-Buy."

The following table provides Travel & Recreation Group revenues by line of business:

(in thousands)	2012	2011	Change	
Revenues:				
Hospitality	$51,969	$38,003	$13,966	36.7 %
Attractions	38,141	34,243	3,898	11.4 %
Package tours	18,805	17,409	1,396	8.0 %
Transportation	16,858	14,782	2,076	14.0 %

Intra-segment eliminations & other	(2,582)	(2,623)	41	(1.6)%
Total	$123,191	$101,814	$21,377	21.0 %

Revenue growth from hospitality properties benefited from the initial peak season contributions from the Alaska Denali Travel business (acquired in September 2011) and the Banff International Hotel (acquired in March 2012), with approximately $11.9 million of incremental revenues. St. Mary Lodge and Grouse Mountain Lodge, both in their second year as part of the Travel & Recreation Group in 2012 and renovated as part of the Company's Refresh-Build-Buy strategy, also increased revenue

over 2011. Additionally, rooms that were under renovation at the Many Glacier Hotel in 2011 provided a full revenue contribution in 2012.
The following table provides Travel & Recreation Group same-store key performance indicators. The same-store key performance indicators for hospitality properties for 2012 exclude the rooms at the following properties that do not have comparable results for 2011: Banff International Hotel (acquired March 2012), Denali Cabins (acquired September 2011), Denali Backcountry Lodge (acquired September 2011), St. Mary Lodge (acquired June 2011) and Many Glacier Hotel (rooms closed for renovation during 2011).

	2012	2011	Change
Hospitality:[1]			
Room nights available	169,011	169,034	— %
RevPAR	$95	$93	2.2 %
ADR	$146	$142	2.8 %
Occupancy	64.8 %	65.9 %	(1.1)%
Attractions:			
Passengers	960,305	873,870	9.9 %
Total attraction revenue per passenger	$38	$37	2.7 %

[1] Grouse Mountain Lodge, acquired on January 5, 2011, is included in the same-store key performance indicators above.
Room nights available saw a slight decrease in 2012 primarily due to the change in seasonal opening and closing dates of certain Glacier Park properties. RevPAR increased due to improved results, primarily driven by the Lake McDonald Lodge and Glacier View Inn.
The number of passengers increased across all of the Travel & Recreation Group's attractions. Revenue per passenger increased mainly driven by increased ticket prices at the Banff Gondola attraction.
During 2012, approximately 65 percent of revenues and 77 percent of segment operating income generated in the Travel & Recreation Group segment were derived through its Canadian operations. These operations are largely affected by foreign customer visitation, and, accordingly, increases in the value of the Canadian dollar, as compared to other currencies, could adversely affect customer volumes, revenues and segment operating income for the Travel & Recreation Group. Additionally, the Travel & Recreation Group is affected by consumer discretionary spending on tourism activities.
Corporate Activities. Corporate activities expense of $9.4 million in 2012 increased from $7.7 million in 2011. This increase was primarily due to costs related to the amendment and restatement of the Company's shareholder rights plan as well as increased performance-based compensation expense.
Restructuring Charges. In 2012, Viad recorded net restructuring charges of $4.9 million, as compared to $3.8 million in 2011. These charges primarily related to reorganization activities in the Marketing & Events Group, comprised of facility consolidations as well as the elimination of certain positions.
Income Taxes. The effective tax rate for 2012 was 77.8 percent, as compared to 29.5 percent for 2011. The high rate for 2012, as compared to the statutory rate, was due to the charge to income tax expense of $13.4 million representing a valuation allowance for certain deferred tax assets associated with foreign tax credit carryforwards.
Liquidity and Capital Resources
Cash and cash equivalents were $45.8 million as of December 31, 2013, as compared to $114.2 million as of December 31, 2012, with the decrease primarily due to the payment of a $50.8 million special cash dividend in November 2013. During 2013, the Company generated net cash flows from operating activities of $6.1 million primarily driven by operating results, mostly offset by changes in working capital. Management believes that Viad's existing sources of liquidity will be sufficient to fund operations and capital commitments for at least the next 12 months.
As of December 31, 2013, the Company had $41.5 million of its cash and cash equivalents held outside of the United States. Of the total amount, $32.6 million was held in Canada, $5.4 million in the United Kingdom, $2.0 million in Germany and $1.5 million in the United Arab Emirates. There were certain historical earnings related to its Canadian operations which, if repatriated to the United States, would result in incremental income tax expense. The incremental

tax liability as of December 31, 2013 that would result assuming all foreign cash balances were repatriated to the United States would be approximately $1.0 million.

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Cash Flows

Operating Activities

(in thousands)	2013	2012	2011
Net income	$21,686	$6,583	$9,743
Depreciation and amortization	28,615	30,731	29,126
Other non-cash items	14,209	32,482	11,383
Changes in assets and liabilities	(58,455)	(610)	(15,516)
Net cash provided by operating activities	$6,055	$69,186	$34,736

2013 - The two larger items in other non-cash items consisted of $5.2 million of share-based compensation expense and $5.4 million of impairment charges. The changes in assets and liabilities primarily consisted of a $21.0 million decrease in customer deposits, a $15.4 million decrease in accounts payable and a $11.7 million decrease in accrued compensation.

2012 - Non-cash items primarily consisted of $11.3 million of deferred income taxes related to the valuation allowance for foreign tax credit carryforwards and $7.2 million of share-based compensation expense. The changes in assets and liabilities primarily consisted of a $4.7 million decrease in restructuring liabilities partially offset by a $4.3 million increase in accounts payable.

2011 - Non-cash items primarily consisted of $4.4 million of share-based compensation expense and $3.8 million of restructuring charges. The changes in assets and liabilities primarily consisted of an $18.1 million increase in receivables and a $3.9 million decrease in restructuring liabilities. This was partially offset by a $5.0 million increase in customer deposits and a $4.6 million increase in accrued compensation.

Investing Activities

(in thousands)	2013	2012	2011
Capital expenditures	$(36,119)	$(27,675)	$(21,538)
Acquisition of businesses, net of cash acquired	(647)	(23,546)	(41,105)
Proceeds from sale of facility and related land	12,696	—	—
Proceeds from the sale of land - discontinued operations	1,645	1,041	—
Other	464	706	440
Net cash used in investing activities	$(21,961)	$(49,474)	$(62,203)

2013 - Cash used in investing activities was driven by $36.1 million of capital expenditures primarily related to the construction of the Glacier Skywalk at the Travel & Recreation Group as well as equipment and computer hardware at the Marketing & Events U.S. segment. Partially offsetting this was $14.3 million of proceeds from the sale of a facility and related land in the Marketing & Events Group and the sale of land from a discontinued operation.

In 2013, the Travel & Recreation Group paid $12.7 million in capital expenditures relating to the Glacier Skywalk. Management projects that the Glacier Skywalk will generate approximately $4.5 million to $5 million in revenue and an operating income margin of more than 50 percent in 2014.

In connection with the expiration of the Company's concession contract at Glacier National Park, Viad received cash payments in January 2014 totaling $25 million for its "possessory interest," which generally means the value of the structures acquired or constructed, fixtures installed and improvements made to the concession property during the term of the concession contract. The Company anticipates a cash payment of approximately $5 million for the personal property Glacier Park used at the facilities covered by the concession contract.

2012 - Cash used in investing activities primarily consisted of $27.7 million used for capital expenditures related to the purchase of rental inventory, equipment and computer hardware and leasehold improvements at the Marketing & Events U.S. segment as well as Glacier Skywalk construction costs and building and other improvements at the Travel & Recreation Group, and $23.5 million used for the acquisition of the Banff International Hotel and related assets, net of cash acquired.

During 2012, the Company began construction on the Glacier Skywalk, a 1,312-foot guided interpretive walkway with a 98-foot glass-floored observation area overlooking the Sunwapta Valley in close proximity to the Company's Columbia Icefield attraction in Jasper National Park, Alberta, Canada. In 2012, the Travel & Recreation Group incurred $8.9 million in capital

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expenditures relating to the Glacier Skywalk, with an accrued capital expenditure amount of $2.6 million as of December 31, 2012.

2011 - Cash used in investing activities primarily consisted of $41.1 million used for the acquisitions of Grouse Mountain Lodge, St. Mary Lodge, and Denali Backcountry Lodge and Denali Cabins, net of cash acquired and $21.5 million used for capital expenditures related to the purchase of rental inventory, equipment and computer hardware primarily at the Marketing & Events U.S. segment as well as building and other improvements at the Travel & Recreation Group.

Financing Activities

(in thousands)	2013	2012	2011
Payments on debt and capital lease obligations	$(11,362)	$(2,685)	$(7,375)
Proceeds from borrowings	20,000	—	—
Dividends paid on common stock	(58,914)	(4,454)	(3,241)
Common stock purchased for treasury	(1,328)	(1,656)	(5,230)
Debt issuance costs	—	—	(1,001)
Other	1,199	541	350
Net cash used in financing activities	$(50,405)	$(8,254)	$(16,497)

2013 - Cash used in financing activities primarily consisted of $58.9 million used for payments of dividends on common stock, partially offset by a net debt borrowing of $8.6 million. On January 24, 2014 and October 25, 2013, Viad announced that its Board of Directors declared special cash dividends of $1.50 and $2.50 per share, respectively, to shareholders of record at the close of business on February 7, 2014 and November 7, 2013, respectively.

2012 - Cash used in financing activities primarily consisted of $4.5 million used for payments of dividends on common stock and $2.7 million used for payments on debt and capital lease obligations. In August 2012, Viad's Board of Directors approved a 150 percent increase in the quarterly dividend from $0.04 per share to $0.10 per share.

2011 - Cash used in financing activities primarily consisted of $7.4 million used for payments on debt and capital lease obligations, $5.2 million used to purchase common stock for treasury and $3.2 million used for payments of dividends on common stock.

Debt

Viad's total debt as of December 31, 2013 and 2012 was $11.7 million and $2.2 million, respectively. The debt-to-capital ratio was 0.032 to 1 and 0.006 to 1 as of December 31, 2013 and 2012, respectively. Capital is defined as total debt and capital lease obligations plus total stockholders' equity.

In May 2011, Viad entered into an amended and restated revolving credit agreement (the "Credit Facility"). The Credit Facility provides for a $130 million revolving line of credit, which may be increased up to an additional $50 million under certain circumstances. The term of the Credit Facility is five years (expiring on May 18, 2016) and borrowings are to be used for general corporate purposes (including permitted acquisitions) and to support up to $50 million of letters of credit. The lenders have a first perfected security interest in all of the personal property of Viad and GES, including 65 percent of the capital stock of top-tier foreign subsidiaries. As of December 31, 2013, Viad's total debt of $11.7 million consisted of $10.0 million of revolver borrowing on the Credit Facility and $1.7 million of capital lease obligations. As of December 31, 2013, Viad had $118.7 million of capacity remaining under its Credit Facility reflecting outstanding letters of credit of $1.3 million and the outstanding balance under the Credit Facility of $10.0 million.

Borrowings under the Credit Facility (of which GES is a guarantor) are indexed to the prime rate or the London Interbank Offered Rate, plus appropriate spreads tied to Viad's leverage ratio. Commitment fees and letters of credit fees are also tied to Viad's leverage ratio. The fees on the unused portion of the Credit Facility are currently 0.35 percent annually.

The Credit Facility contains various affirmative and negative covenants that are customary for facilities of this type, including a fixed-charge coverage ratio, leverage ratio and dividend and share repurchase limits. Significant other covenants include limitations on: investments, additional indebtedness, sales/leases of assets, acquisitions, consolidations or mergers and liens on property. As of December 31, 2013, Viad was in compliance with all covenants.

In December 2012, the Credit Facility was amended to remove the limitation on share repurchases of $10 million in the aggregate per calendar year pursuant to certain conditions. The amendment allows share repurchases unless the Company's leverage ratio, as defined in the Credit Facility, is greater than 1.50 to 1.00 or a default or an unmatured default, as defined in the Credit

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Facility, exists. The amendment also allows dividends to be declared and paid in excess of $10 million in the aggregate per calendar year, as well as distributions on its capital stock, as defined in the Credit Facility, unless the Company's leverage ratio, as defined in the Credit Facility, is greater than 1.50 to 1.00 or a default or an unmatured default, as defined in the Credit Facility, exists.

Effective November 14, 2013, the Credit Facility was amended to remove the liquidity covenant that required Viad to maintain at all times not less than $50 million of unrestricted cash and cash equivalent investments, as that term is defined in the Credit Facility. With the amendment, the Credit Facility no longer requires any minimum amount of unrestricted cash and cash equivalent investments.

Guarantees

As of December 31, 2013, Viad had certain obligations under guarantees to third parties on behalf of its subsidiaries. These guarantees are not subject to liability recognition in the consolidated financial statements and relate to leased facilities entered into by the Company's subsidiary operations. The Company would generally be required to make payments to the respective third parties under these guarantees in the event that the related subsidiary could not meet its own payment obligations. The maximum potential amount of future payments that Viad would be required to make under all guarantees existing as of December 31, 2013 would be $13.7 million. These guarantees relate to leased facilities and expire through October 2017. There are no recourse provisions that would enable Viad to recover from third parties any payments made under the guarantees. Furthermore, there are no collateral or similar arrangements whereby Viad could recover payments.

Share Repurchases

Viad has announced the authorization of its Board of Directors to repurchase shares of the Company's common stock on the open market from time to time at prevailing market prices. No shares were repurchased on the open market during 2013. During 2012, Viad repurchased 23,183 shares for $526,000. As of December 31, 2013, 1,030,438 shares remain available for repurchase. Additionally, during 2013 and 2012, the Company repurchased 50,156 shares for $1.3 million and 56,885 shares for $1.1 million, respectively, related to tax withholding requirements on share-based awards.

Contractual Obligations

The following table presents Viad's contractual obligations as of December 31, 2013:

(in thousands)	Payments due by period Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Operating leases	$19,808	$23,810	$13,967	$8,137	$65,722
Pension and postretirement benefits[1]	3,645	7,507	7,626	19,317	38,095
Purchase obligations[2]	18,828	10,227	2,567	22	31,644
Capital lease obligations	984	795	34	—	1,813
Estimated interest payments	76	67	2	—	145
Total contractual cash obligations[3]	$43,341	$42,406	$24,196	$27,476	$137,419

[1] Estimated contributions related to multi-employer benefit plans are excluded from the table above. See Note 16 of Notes to Consolidated Financial Statements for disclosures regarding those obligations.

[2] Purchase obligations primarily represent payments due under various licensing agreements and commitments related to consulting and other contracted services that are enforceable and legally binding and that specify all significant terms, including open purchase orders.

[3] Aggregate self-insurance liabilities of $29.9 million are excluded from the table above as the timing and amounts of future cash outflows are uncertain. See Note 8 of Notes to Consolidated Financial Statements.

Viad and certain of its 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, 2013 with respect to these matters is not ascertainable, Viad believes that any resulting liability, after taking into consideration amounts already provided for and insurance coverage, will not have a material effect on Viad's business, financial position 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 to 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 and insurance coverage, will not have a material effect on the Company's financial position, results of operations or liquidity. As of December 31, 2013, there was a remaining environmental remediation liability of $5.0 million related to previously sold operations of which $353,000 is included in the consolidated balance sheets under the caption "Other current liabilities" and $4.7 million under the caption "Other deferred items and liabilities."

Viad's businesses contribute to various multi-employer pension plans based on obligations arising under collective-bargaining agreements covering its union-represented employees. Viad's contributions to these plans in 2013, 2012 and 2011 totaled $20.3 million, $20.7 million and $19.6 million, respectively. Based upon the information available to Viad from plan administrators, management believes that several of these multi-employer plans are underfunded. The Pension Protection Act of 2006 requires pension plans underfunded at certain levels to reduce, over defined time periods, the underfunded status. In addition, under current laws, the termination of a plan, or a voluntary withdrawal from a plan by Viad, or a shrinking contribution base to a plan as a result of the insolvency or withdrawal of other contributing employers to such plan, would require Viad to make payments to such plan for its proportionate share of the plan's unfunded vested liabilities. As of December 31, 2013, the amount of additional funding, if any, that Viad would be required to make related to multi-employer pension plans is not ascertainable.

Off-Balance Sheet Arrangements:

Viad does not have any "off-balance sheet" arrangements with unconsolidated special-purpose or other entities that would materially affect the Company's financial position, results of operations, liquidity or capital resources. Furthermore, Viad does not have any relationships with special-purpose or other entities that provide off-balance sheet financing; liquidity, market risk or credit risk support; or engage in leasing or other services that may expose the Company to liability or risks of loss that are not reflected in Viad's consolidated financial statements and related notes. See Notes 9, 18 and 19 of Notes to Consolidated Financial Statements.

Critical Accounting Policies and Estimates:

The preparation of financial statements in conformity with GAAP requires estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities in the consolidated financial statements. The SEC has defined a company's most critical accounting policies as those that are most important to the portrayal of a company's financial position and results of operations, and that require a company to make its most difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. Based on these criteria, Viad has identified and discussed with its audit committee the following critical accounting policies and estimates pertaining to Viad, and the methodology and disclosures related to those estimates:

Goodwill — Goodwill is not amortized, but tested for impairment at the reporting unit level on an annual basis on October 31 of each year. Goodwill is also tested for impairment 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. Viad's reporting units are defined, and goodwill is tested, at either an operating segment level or at the component level of an operating segment, depending on various factors including: the internal reporting structure of the operating segment, the level of integration among components, the sharing of assets and other resources among components and the benefits and likely recoverability of goodwill by the component's operations.

For impairment testing purposes, the goodwill related to the Marketing & Events U.S. segment is assigned to and tested at the operating segment level, which represents all domestic operations of GES. Furthermore, the goodwill related to the Marketing & Events International segment is assigned to and tested based on the segment's geographical operations. For the Marketing & Events International segment the reporting units are GES United Kingdom and GES Canada. Brewster, Glacier Park and Alaska Denali Travel are considered reporting units for goodwill impairment testing purposes.

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As of December 31, 2013, Viad had total goodwill of $129.5 million consisting of $85.3 million related to the Marketing & Events Group and $44.2 million related to the Travel & Recreation Group. The following table summarizes goodwill balances by reporting unit and segment as of December 31:

(in thousands)	2013	2012
Marketing & Events Group:		
Marketing & Events U.S.	$62,686	$62,686
Marketing & Events International:		
GES United Kingdom	14,049	13,894
GES Canada	8,562	9,160
Total Marketing & Events Group	85,297	85,740
Travel & Recreation Group:		
Brewster	41,062	44,435
Alaska Denali Travel	3,184	3,184
Glacier Park	—	4,461
Total Travel & Recreation Group	44,246	52,080
Total Goodwill	$129,543	$137,820

Viad uses a discounted expected future cash flow methodology (income approach) in order to estimate the fair value of its reporting units for purposes of goodwill impairment testing. The estimates and assumptions regarding expected future cash flows, discount rates and terminal values require considerable judgment and are based on market conditions, financial forecasts, industry trends and historical experience.

The most critical assumptions and estimates in determining the estimated fair value of its reporting units relate to the amounts and timing of expected future cash flows for each reporting unit and the reporting unit cost of capital (discount rate) applied to those cash flows. Furthermore, the assumed reporting unit cost of capital rates (discount rates) are estimated using a build-up method based on the perceived risk associated with the cash flows pertaining to the specific reporting unit. In order to assess the reasonableness of its fair value estimates, the Company performs a reconciliation of the aggregate fair values of its reporting units to Viad's market capitalization.

As noted above, the estimates and assumptions regarding expected future cash flows, discount rates and terminal values require considerable judgment and are based on market conditions, financial forecasts, industry trends and historical experience. These estimates, however, have inherent uncertainties and different assumptions could lead to materially different results. As of December 31, 2013, Viad had aggregate goodwill of $129.5 million recorded in the consolidated balance sheets. Furthermore, as a result of the Company's most recent impairment analysis performed in October 2013, the excess of the estimated fair value over the carrying value (expressed as a percentage of the carrying amounts) under step one of the impairment test was 139 percent, 58 percent and 59 percent for each of the Marketing & Events Group reporting units in the United States, the United Kingdom and Canada, respectively. For the Brewster and Alaska Denali Travel reporting units, the excess of the estimated fair value over the carrying value was 54 percent and 15 percent, respectively, as of the most recent impairment test. Significant reductions in the Company's expected future revenues, operating income or cash flow forecasts and projections, or an increase in reporting unit cost of capital, could trigger additional goodwill impairment testing, which may result in impairment charges. See "Results of Operations" above and Note 7 of Notes to Consolidated Financial Statements for a discussion of the goodwill impairment loss recorded during 2013 related to Glacier Park.

Income taxes — Viad is required to estimate and record provisions for income taxes in each of the jurisdictions in which the Company operates. Accordingly, the Company must estimate its actual current income tax liability, and assess temporary differences arising from the treatment of items for tax purposes, as compared to the treatment for accounting purposes. These differences result in deferred tax assets and liabilities which are included in Viad's consolidated balance sheets. The Company must assess the likelihood that deferred tax assets will be recovered from future taxable income and to the extent that recovery is not likely, a valuation allowance must be established. The Company uses significant judgment in forming a conclusion regarding the recoverability of its deferred tax assets and evaluates the available positive and negative evidence to determine whether it is more-likely-than-not that its deferred tax assets will be realized in the future. As of December 31, 2013 and 2012, Viad had gross deferred tax assets of

$77.0 million and $82.2 million, respectively. These deferred tax assets reflect the expected future tax benefits to be realized upon reversal of deductible temporary differences, and the utilization of net operating loss and tax credit carryforwards.

The Company considered all available positive and negative evidence regarding the future recoverability of its deferred tax assets, including the Company's recent operating history, taxpaying history and future reversals of deferred tax liabilities. The Company also evaluated its ability to utilize its foreign tax credits, given its recent utilization history. These tax credits are subject

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to a 10-year carryforward period and begin to expire in 2019. Based on the Company's assessment, it was determined during the fourth quarter of 2012 that the weight of the evidence indicated that certain deferred tax assets associated with foreign tax credit carryforwards no longer met the more-likely-than-not test regarding the realization of those assets. As a result, the Company recorded a valuation allowance of $13.4 million related to all of its foreign tax credit carryforwards. During 2013, the Company generated additional foreign tax credit carryforwards of $1.9 million for which an additional valuation allowance was recorded. However, the Company also determined, due to the taxable income associated with the Glacier Park possessory interest the Company received in the first quarter of 2014, it was more-likely-than-not that a portion of its previously existing foreign tax credit carryforwards would be utilized. Therefore, during the fourth quarter of 2013, the Company reversed $4.1 million of its valuation allowance related to those tax credits. Accordingly, the Company recorded a net decrease to income tax expense of $2.2 million and a decrease of $300,000 to deferred tax assets for a total decrease to income tax expense of $2.5 million related to changes in the valuation allowance associated with its foreign tax credit carryforwards. As of December 31, 2013 and 2012, Viad had federal, state and foreign net operating loss carryforwards of $96.0 million and $82.0 million, respectively, for which the Company had deferred tax assets of $4.8 million and $1.8 million, respectively. The state and foreign net operating loss carryforwards expire on various dates from 2014 through 2033. During 2013, the Company increased its valuation allowance related to state and foreign net operating loss carryforwards by $329,000. As of December 31, 2013 and 2012, Viad had a valuation allowance of $1.5 million and $1.2 million, respectively, related to those state and foreign deferred tax assets. With respect to all other deferred tax assets, management believes that recovery from future taxable income is more-likely-than-not.

As noted above, Viad uses considerable judgment in forming a conclusion regarding the recoverability of its deferred tax assets. As a result, there are inherent uncertainties regarding the ultimate realization of these assets, which is primarily dependent on Viad's ability to generate sufficient taxable income in future periods. In future periods, it is reasonably possible that the relative weight of positive and negative evidence regarding the recoverability of Viad's deferred tax assets may change, which could result in a material increase or decrease in the Company's valuation allowance. If such a change in the valuation allowance were to occur, it would result in a material increase or decrease to income tax expense in the period the assessment was made.

Insurance liabilities — Viad is self-insured up to certain limits for workers' compensation, automobile, product and general liability and property loss claims. The aggregate amount of insurance liabilities (up to the Company's retention limit) related to Viad's continuing operations was $20.0 million as of December 31, 2013. Of this total, $12.5 million related to workers' compensation liabilities and the remaining $7.5 million related to general/auto liability claims. Viad has also retained and provided for certain insurance liabilities in conjunction with previously sold businesses totaling $5.0 million as of December 31, 2013, primarily related to workers' compensation liabilities. Provisions for losses for claims incurred, including estimated claims incurred but not yet reported, are made based on Viad's historical experience, claims frequency and other factors. A change in the assumptions used could result in an adjustment to recorded liabilities. Viad has purchased insurance for amounts in excess of the self-insured levels, which generally range from $200,000 to $500,000 on a per claim basis. Viad does not maintain a self-insured retention pool fund as claims are paid from current cash resources at the time of settlement. Viad's net cash payments in connection with these insurance liabilities were $6.6 million, $5.6 million and $7.6 million in 2013, 2012 and 2011, respectively.

In addition, as of December 31, 2013, Viad has recorded insurance liabilities of $5.0 million related to continuing operations in excess of the self-insured levels for which Viad remains the primary obligor. Of this total, $1.7 million related to workers' compensation liabilities and the remaining $3.3 million related to general liability claims. The Company has presented these amounts as other deferred items and liabilities with a corresponding receivable in other investments and assets.

Pension and postretirement benefits — Viad's pension plans use traditional defined benefit formulas based on years of service and final average compensation. Funding policies provide that payments to defined benefit pension trusts shall be at least equal to the minimum funding required by applicable regulations. The Company presently anticipates contributing $1.4 million to its funded pension plans and $942,000 to its unfunded pension plans in 2014.

Viad and certain of its subsidiaries have defined benefit postretirement plans that provide medical and life insurance for certain eligible employees, retirees and dependents. The related postretirement benefit liabilities are recognized

over the period that services are provided by employees. In addition, Viad retained the obligations for these benefits for retirees of certain sold businesses. While the plans have no funding requirements, Viad expects to contribute $950,000 to the plans in 2014.
The assumed health care cost trend rate used in measuring the December 31, 2013 accumulated postretirement benefit obligation was 8.0 percent, declining one-half percent each year to the ultimate rate of 5.0 percent by the year 2019 and remaining at that level thereafter. The assumed health care cost trend rate used in measuring the December 31, 2012 accumulated postretirement benefit obligation was 8.5 percent, declining one-half percent each year to the ultimate rate of 5.0 percent by the year 2019 and remaining at that level thereafter.
A one-percentage-point increase in the assumed health care cost trend rate for each year would increase the accumulated postretirement benefit obligation as of December 31, 2013 by approximately $1.5 million and the total of service and interest cost

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components by approximately $113,000. A one-percentage-point decrease in the assumed health care cost trend rate for each year would decrease the accumulated postretirement benefit obligation as of December 31, 2013 by approximately $1.3 million and the total of service and interest cost components by approximately $90,000.
The weighted-average assumptions used to determine the pension and postretirement benefit obligations as of December 31 were as follows:

	Domestic Plans							
	Funded Plans		Unfunded Plans		Postretirement Benefit Plans		Foreign Plans	
	2013	2012	2013	2012	2013	2012	2013	2012
Discount rate	4.89 %	4.11 %	4.60 %	3.80 %	4.65 %	3.85 %	4.67 %	4.06 %

The weighted-average assumptions used to determine net periodic benefit cost were as follows:

	Domestic Plans							
	Funded Plans		Unfunded Plans		Postretirement Benefit Plans		Foreign Plans	
	2013	2012	2013	2012	2013	2012	2013	2012
Discount rate	4.09 %	4.93 %	3.80 %	4.75 %	3.85 %	4.70 %	4.03 %	4.65 %
Expected return on plan assets	3.90 %	4.20 %	N/A	N/A	0.00 %	4.65 %	5.44 %	5.45 %

The discount rates used in determining future pension and postretirement benefit obligations are based on rates determined by actuarial analysis and management review, and reflect the estimated rates of return on a high-quality, hypothetical bond portfolio whose cash flows match the timing and amounts of expected benefit payments. See Note 16 of Notes to Consolidated Financial Statements.

Share-based compensation — Viad grants share-based compensation awards to officers, directors and certain key employees pursuant to the 2007 Viad Corp Omnibus Incentive Plan which has a 10-year life and provides for the following types of awards: (a) incentive and non-qualified stock options; (b) restricted stock and restricted stock units; (c) performance units or performance shares; (d) stock appreciation rights; (e) cash-based awards and (f) certain other stock-based awards.

Share-based compensation expense recognized in the consolidated financial statements in 2013, 2012 and 2011 was $5.2 million, $7.2 million and $4.4 million, respectively. Furthermore, the total tax benefits related to such costs were $1.9 million, $2.6 million and $1.6 million in 2013, 2012 and 2011, respectively. No share-based compensation costs were capitalized during 2013, 2012 or 2011.

The fair value of restricted stock and performance-based restricted stock awards are based on Viad’s stock price on the date of grant. Liability-based awards are recorded at estimated fair value, based on the number of units expected to vest and the level of achievement of predefined performance goals (where applicable) and are remeasured on each balance sheet date based on Viad’s stock price until the time of settlement. Viad uses the Black-Scholes option pricing model for purposes of determining the fair value of each stock option grant for which key assumptions are necessary. These assumptions include Viad’s expected stock price volatility, the expected period of time the stock option will remain outstanding, the expected dividend yield on Viad’s common stock and the risk-free interest rate. While the Company has not granted stock options since 2010, changes in the assumptions could result in different estimates of the fair value of stock option grants, and consequently impact Viad’s future results of operations. See Note 2 of Notes to Consolidated Financial Statements.

Impact of Recent Accounting Pronouncements:

For a description of recently issued accounting pronouncements, including the expected dates of adoption and estimated effects, if any, on Viad’s consolidated financial statements, see Note 1 of Notes to Consolidated Financial Statements.

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 Annual Report 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 or renewal business, investment policies, productivity improvements, ongoing cost reduction efforts, efficiency, competitiveness, legal expenses, tax rates and other tax matters, foreign exchange rates and the realization of restructuring cost savings. Actual results could differ materially from those discussed in the forward-looking statements. Viad's

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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 exhibition and event services, existing and new competition, industry alliances, consolidation and growth patterns within the industries in which Viad competes, acquisitions, capital allocations, adverse developments in liabilities associated with discontinued operations and any deterioration in the economy and other risks discussed in Item 1A., "Risk Factors," included in this Annual Report, may individually or in combination impact future results. In addition to factors mentioned elsewhere, economic, competitive, governmental, technological, capital marketplace and other factors, including terrorist activities or war, a pandemic health crisis and international conditions, could affect the forward-looking statements in this Annual Report.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Viad's market risk exposures relate to fluctuations in foreign exchange rates, interest rates and certain commodity prices. Foreign exchange risk is the risk that fluctuating exchange rates will adversely affect Viad's financial condition or results of operations. Interest rate risk is the risk that changing interest rates will adversely affect the earnings of Viad. Commodity risk is the risk that changing prices will adversely affect results of operations.

Viad conducts its foreign operations primarily in Canada, the United Kingdom, Germany and to a lesser extent in certain other 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. Viad had cumulative unrealized foreign currency translation gains recorded in stockholders' equity of $30.8 million and $42.2 million as of December 31, 2013 and 2012, respectively. During 2013 and 2012, an unrealized foreign currency translation loss of $11.3 million and a gain of $7.5 million, respectively, were recorded in other comprehensive income.

In addition, for purposes of consolidation, the revenues, expenses, 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 operations, when translated, may vary from period-to-period, even when the functional currency amounts have not changed. Such fluctuations 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.

The following table summarizes the effect of foreign exchange rate variances on segment operating results from Viad's significant international operations:

	Weighted-Average Exchange Rates		Effect of Rate Variance	Weighted-Average Exchange Rates		Effect of Rate Variance
	2013	2012	(thousands)	2012	2011	(thousands)
Canadian Operations:						
Marketing & Events Group	$0.99	$1.04	$ (65)	$1.04	$1.00	$ 19
Travel & Recreation Group	$0.96	$1.00	$ (790)	$1.00	$1.03	$ (726)
United Kingdom Operations:						
Marketing & Events Group	$1.57	$1.60	$ (138)	$1.60	$1.61	$ (72)
German Operations:						
Marketing & Events Group	$1.33	$1.27	$ (37)	$1.27	$1.43	$ (107)

As the Canadian operations generated aggregate operating income in 2013, Viad's segment operating income has been unfavorably impacted by $855,000 from the strengthening of the Canadian dollar relative to the U.S. dollar. A hypothetical change of 10 percent in the Canadian exchange rate would have resulted in a change to operating income of approximately $2.0 million. As the United Kingdom operations generated aggregate operating income in 2013, Viad's segment operating income has been unfavorably impacted by $138,000 from the strengthening of the British pound relative to the U.S. dollar. A hypothetical change of 10 percent in the British pound exchange rate would have resulted in a change to operating income of approximately $828,000. As the German operations generated aggregate operating income in 2013, Viad's segment operating income has been unfavorably impacted by $37,000 from the strengthening of the Euro relative to the U.S. dollar. A hypothetical change of 10 percent in the Euro would have resulted in a change to operating income of approximately $126,000.

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Viad is exposed to foreign exchange transaction risk as its foreign subsidiaries have certain revenue transactions denominated in currencies other than the functional currency of the respective subsidiary. From time to time, Viad utilizes forward contracts to mitigate the impact on earnings related to these transactions due to fluctuations in foreign exchange rates. As of December 31, 2013 and 2012, Viad did not have any significant foreign currency forward contracts outstanding.

Viad is exposed to short-term interest rate risk on certain of its debt obligations. Viad currently does not use derivative financial instruments to hedge cash flows for such obligations.

Viad's subsidiaries have exposure to changing fuel prices. Periodically, Brewster enters into futures contracts with an oil company to purchase two types of fuel and specifies the monthly total volume, by fuel product, to be purchased over the agreed upon term of the contract, which is generally no longer than one year. The main objective of Viad's risk policy related to changing fuel prices is to reduce transaction exposure in order to mitigate the cash flow risk and protect profit margins. There were no fuel contracts outstanding as of December 31, 2013 or 2012.

Item 8. Financial Statements and Supplementary Data.

Refer to Index to Financial Statements for required information.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer of Viad, the effectiveness of the design and operation of disclosure controls and procedures has been evaluated as of December 31, 2013, and, based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective as of December 31, 2013.

Disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in such reports is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow for timely decisions regarding required disclosure.

There were no changes in the Company's internal control over financial reporting during the fourth quarter of 2013 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Management's report on internal control over financial reporting and the report of Viad's independent registered public accounting firm, Deloitte & Touche LLP, are provided in this Annual Report immediately prior to the Index to Financial Statements.

Item 9B. Other Information.

None.

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PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Information regarding directors of Viad, director nomination procedures, the Audit Committee of Viad's Board of Directors and compliance with Section 16(a) of the Securities Exchange Act of 1934, as amended, are included in the Proxy Statement for the Annual Meeting of Shareholders of Viad to be held on May 22, 2014, under the captions "Election of Directors," "Board of Directors and Corporate Governance" and "Information on Stock Ownership," and are incorporated herein by reference. Information regarding executive officers of Viad is located in Part I, "Other - Executive Officers of Registrant" of this Annual Report.

Viad has adopted a Code of Ethics for all directors, officers and employees of the Company and its subsidiaries. A copy of the Company's Code of Ethics is available at Viad's website at www.viad.com/pdf/corpgovernance/CodeofEthics.pdf and is also available without charge to any shareholder upon request by writing to: Viad Corp, 1850 North Central Avenue, Suite 1900, Phoenix, Arizona 85004-4565, Attention: Corporate Secretary.

Item 11. Executive Compensation.

Information regarding executive compensation is contained in the Proxy Statement for the Annual Meeting of Shareholders of Viad to be held on May 22, 2014, under the captions "Compensation Discussion and Analysis," "Board of Directors and Corporate Governance" and "Executive Compensation," and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Information regarding security ownership of certain beneficial owners and management and information regarding securities authorized for issuance under equity compensation plans are contained in the Proxy Statement for the Annual Meeting of Shareholders of Viad to be held on May 22, 2014, under the captions "Executive Compensation" and "Information on Stock Ownership," and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Information regarding director independence, and certain relationships and related transactions, is contained in the Proxy Statement for the Annual Meeting of Shareholders of Viad to be held on May 22, 2014, under the caption "Board of Directors and Corporate Governance," and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services.

Information regarding principal accounting fees and services and the pre-approval policies and procedures for such fees and services, as adopted by the Audit Committee of the Board of Directors, is contained in the Proxy Statement for the Annual Meeting of Shareholders of Viad to be held on May 22, 2014, under the caption "Ratification of the Appointment of Deloitte & Touche LLP as Viad's Independent Public Accountants for 2014" and is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) 1. The financial statements listed in the accompanying Index to Financial Statements are filed as part of this Annual Report.

2. The exhibits listed in the accompanying Exhibit Index are filed as part of this Annual Report.

(b) Exhibits

See Exhibit Index.

(c) Financial Statement Schedules

Schedule II – Valuation and Qualifying Accounts.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized, in Phoenix, Arizona, on March 7, 2014.

VIAD CORP

By: /s/ Paul B. Dykstra
Paul B. Dykstra
Chairman of the Board, President and