

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

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FORM 8-K

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

Date of report (Date of earliest event reported): October 28, 2004

MoneyGram International, Inc.

-----  
(Exact Name of Registrant as Specified in Its Charter)

Delaware

-----  
(State or Other Jurisdiction of Incorporation)

001-31950

16-1690064

-----  
(Commission File Number)

(IRS Employer Identification No.)

1550 Utica Avenue South, Minneapolis, Minnesota

55416

-----  
(Address of Principal Executive Offices)

(Zip Code)

(952) 591-3000

-----  
(Registrant's Telephone Number, Including Area Code)

None

-----  
(Former Name or Former Address, if Changed Since Last Report)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition  
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On October 28, 2004, MoneyGram International, Inc. issued a press release reporting financial results for its third quarter ended September 30, 2004, a copy of which is furnished herewith as Exhibit 99.1.

SIGNATURE

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

MONEYGRAM INTERNATIONAL, INC.

By: /s/ Teresa H. Johnson

-----  
Name: Teresa H. Johnson  
Title: Vice President, General Counsel  
and Secretary

Date: October 28, 2004

EXHIBIT INDEX

Exhibit No. -----	Description of Document -----
99.1	Press Release dated October 28, 2004

MoneyGram International Announces Third Quarter Results;  
Money Transfer Volume Grows 35 percent

MINNEAPOLIS--(BUSINESS WIRE)--Oct. 28, 2004--

(\$ in millions)	Q3	Q3	%
	2004	2003	Change
Revenue	\$216.2	\$188.0	14.9%
Commissions Expense	104.3	97.3	7.2
Net Revenue	111.9	90.8	23.4
Expenses	78.4	69.1	13.5
Income from Continuing Operations	24.5	18.5	32.6
Income from Discontinued Operations, net of tax	-	6.3	NM
Net Income	24.5	24.8	-1.3
Earnings per share			
Income from Continuing Operations	\$0.28	\$0.22	27.3
Income from Discontinued Operations	-	\$0.07	NM
Net Income	\$0.28	\$0.29	-3.4
Operating Margin	15.5%	11.5%	NM

MoneyGram International, Inc. (NYSE:MGI), today announced third quarter 2004 income from continuing operations of \$24.5 million, or \$0.28 per share, up 33 percent from income from continuing operations of \$18.5 million, or \$0.22 per share in the third quarter 2003. Earnings per share from continuing operations of \$0.28 in the third quarter 2004 includes net securities gains and charges for capitalized technology costs and intangibles assets, which in aggregate, netted to \$0.04 per share.

Net income for the third quarter 2004 was \$24.5 million, or \$0.28 per share, compared with \$24.8 million, or \$0.29 per share in the third quarter 2003. In the third quarter 2003, net income included discontinued operations related to Viad Corp of \$6.3 million, or \$0.07 per share.

Third quarter 2004 results reflect:

- Strong performance of the Global Funds Transfer segment. Segment revenue grew nearly 20 percent in the third quarter 2004, driven by 27 percent revenue growth of money transfer.
- Net investment margin of 1.22 percent, computed as shown in Table One. As expected, this was less than second quarter 2004 net investment margin of 1.39 percent primarily due to higher short term interest rates mitigated by our hedging strategy.
- Net securities gains of \$10.9 million pre-tax (\$6.8 million after tax, which amounts to \$0.08 per share). These net securities gains resulted from the early pay off of a security held in the investment portfolio, impairments of certain securities, and realized losses from repositioning of the portfolio.
- A charge of \$3.1 million pre-tax (\$1.9 million after tax, which amounts to \$0.02 per share) for capitalized technology costs related primarily to a discontinued development project with Concorde EFS. The charge is included in transaction and operations support expense.
- A charge of \$2.1 million pre-tax (\$1.3 million after tax, which amounts to \$0.02 per share) for other intangible assets. The charge is included in transaction and operations support expense.

Philip Milne, president and chief executive officer said, "Money transfer transaction volume increased 35 percent in the third quarter and money transfer revenue increased 27 percent year over year

worldwide. Money transfer agents delivered strong performance as a result of the company's point of sale technology, consumer value pricing initiatives, and local currency conversions. Money transfer is the company's growth driver and our developing agent base is becoming increasingly productive. These agents are delivering the affordable, reliable and convenient payment services consumers have come to expect from MoneyGram."

Milne continued, "The money order business produced solid third quarter results. Money orders continue to provide a great foundation for the growth of our company. However, the official check and money order businesses still exhibit the effects of a challenging interest rate environment."

#### Segment Highlights

MoneyGram operates in two reportable business segments, Global Funds Transfer and Payment Systems.

#### Global Funds Transfer (\$ in millions)

	Q3 2004	Q3 2003	% Change
Revenue	\$137.7	\$114.9	19.8%
Commissions Expense	51.6	42.0	23.0
Net Revenue	86.1	72.9	18.0
Operating Income	27.4	24.5	12.0
Operating Margin	19.9%	21.3%	NM

For the Global Funds Transfer segment, which consists of money transfer (including urgent bill payment) and retail money orders, third quarter revenue increased nearly 20 percent to \$137.7 million and operating income increased 12 percent to \$27.4 million in the third quarter 2004. Both revenue and operating income improved as a result of money transfer revenue growth of 27 percent. Operating income in the third quarter 2004 includes \$2.2 million in net securities gains and a \$3.1 million charge for capitalized technology costs. Operating margin in the third quarter 2004 was 19.9 percent compared to 21.3 percent due to the shift in product mix from retail money order to money transfer.

Money transfer transaction volume grew 35 percent compared to third quarter 2003, reflecting 13 consecutive quarters of growth over 25 percent. The money transfer agent network grew 21 percent from the third quarter of 2003 to over 74,000 agent locations. Money order transaction volume was flat, despite a market trend of declining paper-based payment instruments.

#### Payment Systems (\$ in millions)

	Q3 2004	Q3 2003	% Change
Revenue	\$78.5	\$73.1	7.3%
Commissions Expense	52.7	55.3	-4.7
Net Revenue	25.8	17.8	44.5
Operating Income	9.4	3.7	158
Operating Margin	12.0%	5.0%	NM

The Payment Systems segment includes PrimeLink/Official Check outsourcing services, financial money orders and controlled disbursement processing services. Payment Systems revenue increased \$5.3 million or 7 percent to \$78.5 million in the third quarter 2004, driven by a \$6 million increase in net securities gains. Fee and other revenue increased nearly 12 percent, however, this was offset by a decline in investment revenue (excluding gains) due to lower average invested funds. Operating income for the segment was \$9.4 million in the third quarter 2004 and includes \$8.7 million of net securities

gains and a charge of \$2.1 million related to intangible assets. The operating margin increased to 12.0 percent primarily due to higher net securities gains.

#### Outlook

MoneyGram International currently expects 2004 full year revenue growth in the range of 10 percent to 12 percent. Income from continuing operations per share is expected to be in the range of \$0.21 to \$0.24 for the fourth quarter and \$0.71 to \$0.74 for the full year 2004. The company expects fourth quarter 2004 income from continuing operations to be lower in comparison to the 2003 fourth quarter because last year's fourth quarter results included:

- Higher net investment revenue. Net investment revenue benefited in the fourth quarter 2003 from repositioning of the portfolio and hedge rebalancing activities.
- A pension curtailment gain of \$3.8 million pre-tax included in fourth quarter 2003 results.

Net investment margin for 2004 is expected to be in the range of 1.30 to 1.35 percent.

These estimates are dependent on a variety of factors including interest rate levels and other factors. From time to time, events may occur which can result in unanticipated gains or losses. Our outlook does not reflect such events.

#### Presentation of 2004 Financial Statements

MoneyGram International, Inc. was spun off from Viad Corp on June 30, 2004. MoneyGram is considered the divesting entity and treated as the accounting successor to Viad for financial reporting purposes in accordance with the EITF No. 02-11, "Accounting for Reverse Spinoffs." MoneyGram results in 2004 include one-time debt tender and redemption expenses of \$20.7 million, which amounts to \$0.22 per share, related to the spin-off in the second quarter 2004. The historical results of MoneyGram through June 30, 2004, include Viad Corp as discontinued operations.

#### Description of Tables

Table One - Net Investment Revenue Analysis

Table Two - Consolidated Statements of Income

Table Three - Consolidated Balance Sheet

Table Four - Consolidated Statements of Changes in Stockholders' Equity

Table Five - Consolidated Statements of Income (2003 Quarterly)

Table Six - Consolidated Statements of Income (2002 Quarterly)

Table Seven - Segment Information

#### Conference Call and Webcast

MoneyGram International will have a conference call today at 9:00 a.m. EDT, 8:00 a.m. CDT to discuss third quarter results. Phil Milne, Chief Executive Officer, and Dave Parrin, Chief Financial Officer, will speak on the call. The conference call can be accessed by calling (800) 599-9795 in the U.S. or (617) 786-2905 internationally. The participant passcode is 87025068. The conference call will also be webcast through the company's website at [www.moneygram.com](http://www.moneygram.com). A replay of the conference call and webcast will be available one hour after the call concludes through 5:00 p.m. on November 4, 2004. The replay of the call is available at (888) 286-8010 in the U.S., or (617) 801-6888 internationally, passcode 22643499. The internet audio cast replay will be available at [www.moneygram.com](http://www.moneygram.com).

About MoneyGram International, Inc.

MoneyGram International, Inc., is a leading global payment

services company and S&P MidCap 400 company. The company's major products and services include global money transfer, money orders and payment processing solutions for financial institutions and retail customers. For more information, visit the company's website at [www.moneygram.com](http://www.moneygram.com).

Cautionary Information Regarding Forward-Looking Statements

The statements contained in this press release regarding the business of MoneyGram International, Inc. that are not historical facts are forward-looking statements and are made under the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances due to a number of factors, including, but not limited to: (a) fluctuations in interest rates that may materially adversely affect revenue derived from investment of funds received from the sale of payment instruments; (b) material changes in the market value of securities we hold; (c) material changes in our need for and the availability of liquid assets; (d) successful management of the credit and fraud risks of retail agents, and the credit risk related to our investment portfolio; (e) continued growth rates approximating recent levels for consumer money transfer transactions and other payment product markets; (f) renewal of material retail agent and financial institution customer contracts, or loss of business from significant agents or customers; (g) technological and competitive changes in the payment services industry; (h) changes in laws, regulations or other industry practices and standards which may require significant systems redevelopment, reduce the market for or value of the company's products or services or render products or services less profitable or obsolete; (i) continued political stability in countries in which MoneyGram has material agent relationships; (j) material lawsuits or investigations; (k) catastrophic events that could materially adversely impact operating facilities, communication systems and technology of MoneyGram, its clearing banks or major customers, or that may have a material adverse impact on current economic conditions or levels of consumer spending; (l) material breach of security of any of our systems; and (m) other factors more fully discussed in MoneyGram's filings with the Securities and Exchange Commission. Actual results may differ materially from historical and anticipated results. These forward-looking statements speak only as of the date on which such statements are made, and MoneyGram undertakes no obligation to update such statements to reflect events or circumstances arising after such date.

TABLE ONE  
MONEYGRAM INTERNATIONAL, INC. AND SUBSIDIARIES  
NET INVESTMENT REVENUE ANALYSIS  
(In thousands) (Unaudited)

	Third Quarter 2004	2003	2004 vs 2003
Components of net investment revenue:			
Investment revenue	\$77,276	\$76,783	\$493
Investment commissions expense (1)	56,712	59,408	(2,696)
Net investment revenue	\$20,564	\$17,375	\$3,189
Average balances:			
Cash equivalents and Investments	\$6,714,587	\$7,390,634	(\$676,047)
Payment service obligations (2)	5,315,246	6,034,968	(719,722)
Average yields earned and rates paid (3):			
Investment yield	4.58%	4.12%	0.46%
Investment commission rate	4.24%	3.91%	0.33%
Net investment margin	1.22%	0.93%	0.29%

	September Year to Date		2004 vs
	2004	2003	2003
	-----	-----	-----
Components of net investment revenue:			
Investment revenue	\$231,510	\$245,439	\$(13,929)
Investment commissions expense (1)	160,164	179,136	(18,972)
	-----	-----	-----
Net investment revenue	\$71,346	\$66,303	\$5,043
	=====	=====	=====
Average balances:			
Cash equivalents and Investments	\$6,729,216	\$7,090,293	(\$361,077)
Payment service obligations (2)	5,328,344	5,723,746	(395,402)
Average yields earned and rates paid (3):			
Investment yield	4.60%	4.63%	-0.03%
Investment commission rate	4.02%	4.18%	-0.16%
Net investment margin	1.42%	1.25%	0.17%

(1) Investment commissions expense reported includes payments made to financial institution customers, costs associated with swaps and the sale of receivables program.

(2) Commissions are paid to financial institution customers based upon average outstanding balances generated by the sale of official checks only. The average balance in the table reflects only the payment service obligations for which commissions are paid and does include the average balance of the sold receivables (\$400 million and \$428 million for the third quarter of 2004 and 2003, respectively, \$408 million and \$434 million for the first nine months of 2004 and 2003, respectively) as these are not recorded on the consolidated balances sheets.

(3) Average yields/rates are calculated by dividing the applicable amount shown in the "component of net interest revenue" section by the applicable amount shown in the "Average balances" section divided by the number of days in the period presented and multiplied by the number of days in the year. The "net investment margin" is calculated by dividing "Net investment revenue" by the "Cash equivalents and investments" average balance divided by the number of days in the period presented and multiplied by the number of days in the year.

TABLE TWO  
MONEYGRAM INTERNATIONAL, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
(In thousands except share and per share data) (Unaudited)

	Three months ended		Nine months ended	
	September 30		September 30	
	2004	2003	2004	2003
	-----	-----	-----	-----
REVENUE:				
Fee and other revenue	\$128,000	\$108,067	\$363,706	\$307,958
Investment revenue	77,276	76,783	231,510	245,439
Securities gains and losses, net	10,877	3,198	12,078	(6,001)
	-----	-----	-----	-----
Total revenue	216,153	188,048	607,294	547,396
Fee commissions expense	47,593	37,864	132,021	104,798
Investment commissions expense	56,712	59,408	160,164	179,136
	-----	-----	-----	-----
Total commissions expense	104,305	97,272	292,185	283,934
	-----	-----	-----	-----
Net revenue	111,848	90,776	315,109	263,462

EXPENSES:				
Compensation and benefits	29,320	28,499	95,709	83,098
Transaction and operations support	33,383	26,030	89,069	76,712
Depreciation and amortization	7,439	6,841	22,058	19,990
Occupancy, equipment and supplies	7,012	5,894	22,727	19,230
Interest expense	1,234	1,882	4,361	7,877
Debt tender and redemption costs	-	-	20,661	-
	-----	-----	-----	-----
Total expenses	78,388	69,146	254,585	206,907
	-----	-----	-----	-----
Income from continuing operations before income taxes	33,460	21,630	60,524	56,555
Income tax expense	8,945	3,142	17,365	5,220
	-----	-----	-----	-----
Income from continuing operations	24,515	18,488	43,159	51,335
Income and gain from discontinued operations, net of tax	-	6,348	21,282	36,400
	-----	-----	-----	-----
NET INCOME	\$24,515	\$24,836	\$64,441	\$87,735
	=====	=====	=====	=====
Basic earnings per share				
Income from continuing operations	\$0.28	\$0.22	\$0.50	\$0.59
Income from discontinued operations, net of tax	-	0.07	0.24	0.42
	-----	-----	-----	-----
Earnings per common share	\$0.28	\$0.29	\$0.74	\$1.01
	=====	=====	=====	=====
Average outstanding common shares	87,262	86,273	86,968	86,168
	=====	=====	=====	=====
Diluted income per share				
Income from continuing operations	\$0.28	\$0.22	\$0.50	\$0.59
Income from discontinued operations, net of tax	-	0.07	0.24	0.42
	-----	-----	-----	-----
Earnings per common share	\$0.28	\$0.29	\$0.74	\$1.01
	=====	=====	=====	=====
Average outstanding and potentially dilutive common shares	87,588	86,720	87,400	86,524
	=====	=====	=====	=====

TABLE THREE  
MONEYGRAM INTERNATIONAL, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(In thousands, except share data) (Unaudited)

	September 30 2004	December 31 2003
	-----	-----
ASSETS		
Cash and cash equivalents	\$-	\$33,832
Cash and cash equivalents (substantially restricted)	788,687	1,025,026
Receivables, net (substantially restricted)	844,956	755,734
Investments (substantially restricted)	6,279,016	6,013,757
Property and equipment	90,273	95,207

Intangible assets	16,355	18,818
Goodwill	395,526	395,526
Assets of discontinued operations	-	641,724
Other assets	103,023	242,530
	-----	-----
Total assets	\$8,517,836	\$9,222,154
	=====	=====
LIABILITIES		
Payment service obligations	\$7,532,691	\$7,421,481
Debt	150,000	201,351
Derivative financial instruments	77,307	174,588
Pension and other postretirement benefits	105,541	101,039
Preferred stock subject to mandatory redemption	-	6,733
Accounts payable and other liabilities	92,731	115,922
Liabilities of discontinued operations	-	332,257
	-----	-----
Total liabilities	7,958,270	8,353,371
STOCKHOLDERS' EQUITY:		
Common shares, \$.01 par value: 250,000,000 shares authorized, 88,556,077 issued and outstanding	886	149,610
Additional paid-in capital	75,360	218,783
Retained income	485,519	863,944
Unearned employee benefits and other	(25,956)	(35,442)
Accumulated other comprehensive income (loss)	23,757	(35,208)
Treasury stock	-	(292,904)
	-----	-----
Total stockholders' equity	559,566	868,783
	-----	-----
Total liabilities and stockholders' equity	\$8,517,836	\$9,222,154
	=====	=====

TABLE FOUR  
MONEYGRAM INTERNATIONAL, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY  
(In thousands, except share data) (Unaudited)

	Common Stock	Additional Capital	Retained Income	Unearned Employee Benefits and Other
	-----	-----	-----	-----
Balance, December 31, 2003	\$149,610	\$218,783	\$863,944	\$(35,442)
Net income	-	-	40,993	-
Dividends on common and preferred stock	-	-	(7,807)	-
Employee benefit plans	-	(4,635)	-	2,815
Treasury shares acquired	-	-	-	-
Unrealized foreign currency translation adjustment	-	-	-	-
Unrealized gain on available-for-sale securities	-	-	-	-
Unrealized loss on derivative financial instruments	-	-	-	-
Other, net	-	-	48	-
	-----	-----	-----	-----
Balance, March 31, 2004	149,610	214,148	897,178	(32,627)
Net income (loss)	-	-	(1,067)	-
Dividends on common and preferred stock	-	-	(7,822)	-
Employee benefit plans	-	4,972	-	217
Unrealized foreign currency translation adjustment	-	-	-	-
Unrealized gain on available-for-sale securities	-	-	-	-
Unrealized loss on derivative financial instruments	-	-	-	-
Other, net	-	-	170	-

Spin off from Viad Corp	(148,724)	(139,051)	(426,556)	-
Balance, June 30, 2004	886	80,069	461,903	(32,410)
Net income	-	-	24,515	-
Dividends on common and preferred stock	-	-	(899)	-
Employee benefit plans	-	(4,709)	-	6,454
Unrealized foreign currency translation adjustment	-	-	-	-
Unrealized gain on available-for-sale securities	-	-	-	-
Unrealized loss on derivative financial instruments	-	-	-	-
Other, net	-	-	-	-
Balance, September 30, 2004	\$886	\$75,360	\$485,519	\$(25,956)

	Accumulated Other Comprehensive (Loss) Income	Common Stock in Treasury	Total
Balance, December 31, 2003	\$ (35,208)	\$ (292,904)	\$868,783
Net income			40,993
Dividends on common and preferred stock	-	-	(7,807)
Employee benefit plans	-	5,474	3,654
Treasury shares acquired			-
Unrealized foreign currency translation adjustment	(408)	-	(408)
Unrealized gain on available-for-sale securities	31,035	-	31,035
Unrealized loss on derivative financial instruments	(2,992)	-	(2,992)
Other, net	-	-	48
Balance, March 31, 2004	(7,573)	(287,430)	933,306
Net income (loss)	-	-	(1,067)
Dividends on common and preferred stock	-	-	(7,822)
Employee benefit plans	-	(345)	4,844
Unrealized foreign currency translation adjustment	(172)	-	(172)
Unrealized gain on available-for-sale securities	(76,570)	-	(76,570)
Unrealized loss on derivative financial instruments	72,448	-	72,448
Other, net	-	-	170
Spin off from Viad Corp	-	287,775	(426,556)
Balance, June 30, 2004	(11,867)	0	498,581
Net income	-	-	24,515
Dividends on common and preferred stock	-	-	(899)
Employee benefit plans	-	-	1,745
Unrealized foreign currency translation adjustment	293	-	293
Unrealized gain on available-for-sale securities	45,787	-	45,787
Unrealized loss on derivative financial instruments	(10,456)	-	(10,456)
Other, net	-	-	-
Balance, September 30, 2004	\$23,757	\$-	\$559,566

TABLE FIVE  
MONEYGRAM INTERNATIONAL, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
(In thousands except share and per share data) (Unaudited)

	1st Quarter 2003	2nd Quarter 2003	3rd Quarter 2003	4th Quarter 2003	Year Ended December 31 2003
<b>REVENUE:</b>					
Fee and other revenue	\$97,063	\$102,828	\$108,067	\$111,044	\$419,002
Investment revenue	86,638	82,017	76,783	77,661	323,099
Securities gains and losses, net	(12,075)	2,876	3,198	1,123	(4,878)
<b>Total revenue</b>	<b>171,626</b>	<b>187,721</b>	<b>188,048</b>	<b>189,828</b>	<b>737,223</b>
Fee commissions expense	31,947	34,987	37,864	40,199	144,997
Investment commissions expense	58,926	60,802	59,408	53,200	232,336
<b>Total commissions expense</b>	<b>90,873</b>	<b>95,789</b>	<b>97,272</b>	<b>93,399</b>	<b>377,333</b>
<b>Net revenue</b>	<b>80,753</b>	<b>91,932</b>	<b>90,776</b>	<b>96,429</b>	<b>359,890</b>
<b>EXPENSES:</b>					
Compensation and benefits	28,066	26,533	28,499	24,399	107,497
Transaction and operations support	25,386	25,296	26,030	24,801	101,513
Depreciation and amortization	6,523	6,626	6,841	7,305	27,295
Occupancy, equipment and supplies	6,373	6,962	5,894	6,328	25,557
Interest expense	3,230	2,765	1,882	1,980	9,857
<b>Total expenses</b>	<b>69,578</b>	<b>68,182</b>	<b>69,146</b>	<b>64,813</b>	<b>271,719</b>
Income from continuing operations before income taxes	11,175	23,750	21,630	31,616	88,171
Income tax (benefit) expense	(1,215)	3,293	3,142	7,265	12,485
Income from continuing operations	12,390	20,457	18,488	24,351	75,686
Income from discontinued operations, net of tax	9,641	20,411	6,348	1,816	38,216
<b>NET INCOME</b>	<b>\$22,031</b>	<b>\$40,868</b>	<b>\$24,836</b>	<b>\$26,167</b>	<b>\$113,902</b>
Diluted income per share					
Income from continuing operations	\$0.14	\$0.24	\$0.22	\$0.28	\$0.87
Income from discontinued operations, net of tax	0.11	0.23	0.07	0.02	0.44
<b>Earnings per common</b>					

share	\$0.25	\$0.47	\$0.29	\$0.30	\$1.31
Average outstanding and potentially dilutive common shares	86,326	86,508	86,720	86,891	86,619
Basic earnings per share					
Income from continuing operations	\$0.14	\$0.24	\$0.22	\$0.28	\$0.87
Income from discontinued operations, net of tax	0.11	0.23	0.07	0.02	0.44
Earnings per common share	\$0.25	\$0.47	\$0.29	\$0.30	\$1.31
Average outstanding common shares	86,008	86,224	86,273	86,387	86,223

TABLE SIX  
MONEYGRAM INTERNATIONAL, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
(In thousands except share and per share data) (Unaudited)

	1st Quarter 2002	2nd Quarter 2002	3rd Quarter 2002	4th Quarter 2002	Year Ended December 31 2002
REVENUE:					
Fee and other revenue	\$83,060	\$91,010	\$94,320	\$97,245	\$365,635
Investment revenue	84,882	85,733	88,827	91,890	351,332
Securities gains and losses, net	(2,341)	(1,255)	2,954	(8,635)	(9,277)
Total revenue	165,601	175,488	186,101	180,500	707,690
Fee commissions expense	25,856	29,484	30,510	32,418	118,268
Investment commissions expense	55,607	58,088	62,541	63,916	240,152
Total commissions expense	81,463	87,572	93,051	96,334	358,420
Net revenue	84,138	87,916	93,050	84,166	349,270
EXPENSES:					
Compensation and benefits	26,309	23,881	27,462	22,037	99,689
Transaction and operations support	25,825	25,578	23,597	21,608	96,608
Depreciation and amortization	6,514	6,191	6,497	6,692	25,894
Occupancy, equipment and supplies	5,932	6,112	5,888	7,248	25,180
Interest expense	3,930	3,846	4,101	3,335	15,212
Total expenses	68,510	65,608	67,545	60,920	262,583
Income from continuing operations before income taxes	15,628	22,308	25,505	23,246	86,687

Income tax expense	352	3,290	4,502	3,779	11,923
Income from continuing operations	15,276	19,018	21,003	19,467	74,764
(Loss) income from discontinued operations, net of tax	(24,619)	10,697	11,254	(14,210)	(16,878)
NET (LOSS) INCOME	\$ (9,343)	\$29,715	\$32,257	\$5,257	\$57,886
Diluted income per share					
Income from continuing operations	\$0.18	\$0.22	\$0.24	\$0.23	\$0.86
(Loss) income from discontinued operations, net of tax	(0.29)	0.12	0.13	(0.17)	(0.21)
(Loss) earnings per common share	\$ (0.11)	\$0.34	\$0.37	\$0.06	\$0.65
Average outstanding and potentially dilutive common shares	86,095	87,672	86,616	86,068	86,716
Basic earnings per share					
Income from continuing operations	\$0.18	\$0.22	\$0.24	\$0.23	\$0.87
(Loss) income from discontinued operations, net of tax	(0.29)	0.12	0.13	(0.17)	(0.21)
(Loss) earnings per common share	\$ (0.11)	\$0.34	\$0.37	\$0.06	\$0.66
Average outstanding common shares	86,095	86,693	86,188	85,738	86,178

TABLE SEVEN  
MONEYGRAM INTERNATIONAL, INC. AND SUBSIDIARIES  
SEGMENT INFORMATION  
(In thousands) (Unaudited)

	2002				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Revenue:					
Global Funds					
Transfer	\$94,992	\$103,621	\$107,638	\$106,702	\$412,953
Payment Systems	70,609	71,867	78,463	73,798	294,737
	165,601	175,488	186,101	180,500	707,690
Operating income:					
Global Funds					
Transfer	18,370	28,303	24,860	27,628	99,161
Payment Systems	6,421	5,270	7,873	2,094	21,658
	24,791	33,573	32,733	29,722	120,819
Interest expense	3,930	3,846	4,101	3,335	15,212
Other unallocated expenses	4,769	6,421	1,295	1,183	13,668
Minority interest in earnings	464	998	1,832	1,958	5,252
Income from continuing					

operations before income taxes	\$15,628	\$22,308	\$25,505	\$23,246	\$86,687
=====					
Operating Margin:					
Global Funds					
Transfer	19.3%	27.3%	23.1%	25.9%	24.0%
Payment Systems	9.1%	7.3%	10.0%	2.8%	7.3%

2003

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
-----					
Revenue:					
Global Funds					
Transfer	\$105,226	\$111,500	\$114,916	\$118,466	\$450,108
Payment Systems	66,400	76,221	73,132	71,362	287,115
	-----				
	171,626	187,721	188,048	189,828	737,223
Operating income:					
Global Funds					
Transfer	21,690	24,169	24,453	26,511	96,823
Payment Systems	(2,611)	6,289	3,650	7,795	15,123
	-----				
	19,079	30,458	28,103	34,306	111,946
Interest expense	3,230	2,765	1,882	1,980	9,857
Other unallocated expenses	4,674	3,943	4,591	710	13,918
	-----				
Income from continuing operations before income taxes	\$11,175	\$23,750	\$21,630	\$31,616	\$88,171
=====					
Operating Margin:					
Global Funds					
Transfer	20.6%	21.7%	21.3%	22.4%	21.5%
Payment Systems	-3.9%	8.3%	5.0%	10.9%	5.3%

2004

	First Quarter	Second Quarter	Third Quarter
-----			
Revenue:			
Global Funds			
Transfer	\$120,969	\$128,165	\$137,688
Payment Systems	70,352	71,655	78,465
	-----		
	191,321	199,820	216,153
Operating income:			
Global Funds			
Transfer	20,978	24,777	27,393
Payment Systems	9,190	5,848	9,429
	-----		
	30,168	30,625	36,822
Debt tender and redemption costs	-	20,661	-
Interest expense	1,222	1,905	1,234
Other unallocated expenses	4,899	5,042	2,128
	-----		
Income from continuing operations before income taxes	\$24,047	\$3,017	\$33,460
=====			

Operating Margin:

Global Funds			
Transfer	17.3%	19.3%	19.9%
Payment Systems	13.1%	8.2%	12.0%

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