

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

Form 8-K

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

FEBRUARY 14, 2002 (FEBRUARY 14, 2002)  
(DATE OF REPORT (DATE OF EARLIEST EVENT  
REPORTED))

CENDANT CORPORATION  
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE  
(STATE OR OTHER JURISDICTION  
OF INCORPORATION OR ORGANIZATION)

1-10308  
(COMMISSION FILE NO.)

06-0918165  
(I.R.S. EMPLOYER  
IDENTIFICATION NUMBER)

9 WEST 57TH STREET  
NEW YORK, NY  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICE)

10019  
(ZIP CODE)

(212) 413-1800  
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

ITEM 5. OTHER EVENTS

This Current Report on Form 8-K is being filed by the Company to make available its historical Consolidated Schedules of Free Cash Flows (see Exhibit 99.1) and Consolidated Condensed Statements of Cash Flows (see Exhibit 99.2) for the years ended December 31, 2000 and 2001 and its projected Consolidated Schedules of Free Cash Flows for the years ended December 31, 2002, 2003 and 2004.

Free cash flow is a measure used by management to evaluate liquidity and financial condition. Free cash flow represents cash available for the repayment of debt and other corporate purposes such as acquisitions and investments. The Company has provided the Consolidated Schedules of Free Cash Flows as it reflects the measure by which management evaluates the performance of its free cash flows. Such measure of performance may not be comparable to similarly titled measures used by other companies and is not a measurement recognized under generally accepted accounting principles. Therefore, free cash flow should not be construed as a substitute for income or cash flow from operations in measuring operating results or liquidity. The Consolidated Schedules of Free Cash Flows for the years ended December 31, 2000 and 2001 should be read in conjunction with the Company's Consolidated Condensed Statements of Cash Flows attached hereto as well as the Company's Consolidated Statements of Operations included within Company's Annual Report on Form 10-K/A for the year ended December 31, 2000 filed with the Securities and Exchange Commission on July 3, 2001 and the Company's earnings release of fourth quarter results filed on Form 8-K on February 7, 2002, respectively.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(c) Exhibits

See Exhibit Index.

SIGNATURES

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

CENDANT CORPORATION

BY: /s/ Tobia Ippolito

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Tobia Ippolito  
Executive Vice President, Finance and  
Chief Accounting Officer

Date: February 14, 2002

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CENDANT CORPORATION  
CURRENT REPORT ON FORM 8-K

EXHIBIT INDEX

EXHIBIT NO. -----	DESCRIPTION -----
99.1	Historical Consolidated Schedules of Free Cash Flows for the years ended December 31, 2000 and 2001 and Projected Consolidated Schedules of Free Cash Flows for the years ended December 31, 2002, 2003 and 2004
99.2	Consolidated Condensed Statements of Cash Flows for the years ended December 31, 2000 and 2001
99.3	Note Regarding Forward-Looking Statements

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CENDANT CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED SCHEDULES OF FREE CASH FLOWS  
 (IN MILLIONS)

HISTORICAL  
 PROJECTED --

-----  
 -----  
 -----

----- YEAR  
 ENDED YEAR  
 ENDED

DECEMBER 31,  
 DECEMBER 31,  
 -----

-----  
 -----  
 -----

-----  
 2000 2001  
 2002(I)  
 2003(J)  
 2004(J) ----  
 -----

-----  
 -----  
 -----

Adjusted  
 EBITDA,  
 excluding  
 Move.com  
 Group(\*) \$  
 1,819(A) \$  
 2,213(B) \$  
 2,800 \$  
 3,080 \$  
 3,390

Interest  
 expense, net  
 (C) (148)  
 (229) (300)  
 (260) (180)

Minority  
 interest,  
 excluding  
 tax benefit  
 (D) (133)  
 (39) (20)  
 (20) (20)

Tax payments  
 (42) (64)  
 (80) (100)  
 (300) -----  
 -----

-----  
 -----  
 -----

CASH FLOW  
 1,496 1,881  
 2,400 2,700  
 2,890 Tax  
 refunds 109  
 11 -- -- --

Restructuring  
 and other  
 unusual  
 payments  
 (64) (132)  
 (60) (10)  
 (10) Working  
 capital and  
 other (30) 9  
 (55) (60)  
 (65) Capital  
 expenditures  
 (E) (229)  
 (349) (375)  
 (395) (415)  
 -----  
 -----

-----  
--- FREE  
CASH FLOW  
1,282 1,420  
\$ 1,910(K) \$  
2,235 \$  
2,400  
=====

===== NON-  
OPERATING  
ACTIVITIES:  
Investments  
(F) (224)  
(426)  
Acquisitions,  
net of cash  
acquired  
(111)  
(2,757)  
Funding of  
stockholder  
litigation  
settlement  
trust (350)  
(1,060)  
Other (G)  
(396) 69 ---  
-----  
(1,081)  
(4,174) ----  
-----

FINANCING  
ACTIVITIES:  
Net proceeds  
from  
(repayments  
on)  
borrowings  
(H) (523)  
3,238 Net  
issuances of  
equity  
securities  
and other  
313 627 ----  
-----  
(210) 3,865  
-----

--- NET  
CHANGE IN  
CASH BEFORE  
MANAGEMENT  
AND MORTGAGE  
PROGRAMS (9)  
1,111  
MANAGEMENT  
AND MORTGAGE  
PROGRAMS:  
Net  
investment  
in vehicles  
-- (171) Net  
mortgage  
origination  
and sales  
232 (320)  
Net mortgage  
servicing  
rights (541)  
(446) Net  
contract  
receivables  
-- 41 Net  
relocation  
receivables  
372 34 Net  
financing  
for assets  
for  
management

and mortgage  
 programs  
 (274) 778 --  
 -----  
 - Net change  
 in cash from  
 management  
 and mortgage  
 programs  
 (211) (84) -  
 -----  
 -- NET  
 INCREASE  
 (DECREASE)  
 IN CASH AND  
 CASH  
 EQUIVALENTS  
 \$ (220) \$  
 1,027  
 =====  
 =====

See Notes to Consolidated Schedules of Free Cash Flows.

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NOTES TO CONSOLIDATED SCHEDULES OF FREE CASH FLOWS

- (\*) Represents adjusted EBITDA excluding Move.com operating losses. Adjusted EBITDA is defined as earnings before non-operating interest, income taxes, non-vehicle depreciation and amortization, minority interest and equity in Homestore.com, adjusted to exclude certain items which are of a non-recurring or unusual nature and not measured in assessing segment performance or are not segment specific.
- (A) Excludes (i) a charge of \$109 million (\$52 million of which is non-cash) in connection with restructuring and other initiatives, (ii) \$8 million of net non-cash losses related to the disposition of certain non-strategic businesses and (iii) \$2 million of net litigation settlement and related costs. The cash payments are included in "Restructuring and other unusual payments."
- (B) Excludes (i) a \$441 million non-cash charge primarily related to the impairment of the Company's investment in Homestore.com, Inc., (ii) a \$192 million charge (\$51 million of which is non-cash) primarily in connection with restructuring and other initiatives undertaken as a result of the September 11th terrorist attacks, (iii) a \$95 million charge related to the funding of an irrevocable contribution to an independent technology trust, (iv) a \$94 million non-cash charge related to the impairment of the Company's mortgage servicing rights portfolio, (v) an \$86 million charge (\$48 million of which is non-cash) for net litigation settlement and related costs, (vi) an \$85 million charge related to the funding of Trip Network, Inc., (vii) a \$112 million charge (\$37 million of which is non-cash) primarily related to the acquisition and integration of Galileo International, Inc. and Cheap Tickets, Inc. and (viii) \$26 million other non-cash charges. Such amounts were partially offset by a non-cash gain of \$436 million primarily related to the sale of Move.com Group to Homestore. The cash payments are included in "Restructuring and other unusual payments" and "Investments." See Note (F) below.
- (C) Excludes non-cash accretion recorded on the Company's zero-coupon senior convertible notes.
- (D) Represents the before tax amounts of minority interest.
- (E) Represents total capital expenditures exclusive of Move.com Group capital expenditures (\$18 million in 2000).
- (F) Represents investment activity during 2000 and 2001. The 2000 activity includes cash payments associated with (i) investments in marketable securities (\$63 million), (ii) an investment in NRT Incorporated, an unconsolidated affiliated company that acquires residential real estate brokerage firms (\$50 million) and (iii) other, primarily related to preferred stock investments. The 2001 activity includes cash payments associated with (i) a contribution to the independent technology trust responsible for providing technology initiatives for the benefit of current and future franchisees at Century 21, Coldwell Banker and ERA (\$95 million), (ii) an investment in NRT Incorporated (\$94 million) and (iii) other, primarily related to the funding of a marketing advance to Trilegiant Corporation, a newly formed company that provides fulfillment services to members of the Company's individual membership business, and the creation of Trip Network, Inc., a Company that was created to pursue the development of an online travel business for the benefit of certain current and future franchisees.

- (G) Includes net cash used in Move.com Group operations, the effects of changes in exchange rates and other.
- (H) Represents debt borrowings, net of debt repayments and financing costs (including the issuance of a mandatorily redeemable preferred interest in a subsidiary during 2000).
- (I) All projections represent management's estimates based upon current available information.
- (J) All projections represent management's estimates and include adjusted EBITDA based upon 2002 projected with an annual growth rate of 10% and capital expenditures based upon 2002 projected with an annual growth rate of 5%.
- (K) Excluding restructuring and other unusual payments related to charges recorded in 2001 and prior periods, Free Cash Flow for 2002 is projected to be \$1,970 million.

CENDANT CORPORATION AND SUBSIDIARIES  
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS  
(IN MILLIONS)

YEAR ENDED	
DECEMBER	
31, -----	
-----	
-- 2000	
2001 -----	
-----	
OPERATING	
ACTIVITIES	
Net cash	
provided by	
operating	
activities	
exclusive	
of	
management	
and	
mortgage	
programs \$	
1,032 \$	
1,437 Net	
cash	
provided by	
operating	
activities	
of	
management	
and	
mortgage	
programs	
385 1,347 -	
-----	
----- NET	
CASH	
PROVIDED BY	
OPERATING	
ACTIVITIES	
1,417 2,784	
-----	
-----	
INVESTING	
ACTIVITIES	
Property	
and	
equipment	
additions	
(246) (349)	
Net assets	
acquired	
(net of	
cash	
acquired)	
and	
acquisition-	
related	
payments	
(111)	
(2,757)	
Funding of	
stockholder	
litigation	
settlement	
trust (350)	
(1,060)	
Other, net	
(143) (23)	
-----	
----- Net	
cash used	
in	
investing	
activities	
exclusive	
of	
management	

and  
mortgage  
programs  
(850)  
(4,189) ---  
-----

---  
MANAGEMENT  
AND  
MORTGAGE  
PROGRAMS:  
Investment  
in vehicles  
-- (14,921)  
Payments  
received on  
investment  
in vehicles  
-- 13,331  
Origination  
of  
timeshare  
receivables  
-- (497)  
Principal  
collection  
of  
timeshare  
receivables  
-- 538  
Equity  
advances on  
homes under  
management  
(7,637)  
(6,306)  
Repayment  
on advances  
on homes  
under  
management  
8,009 6,340  
Additions  
to mortgage  
servicing  
rights, net  
of hedge  
activity  
(778) (752)  
Proceeds  
from sales  
of mortgage  
servicing  
rights 84  
58 -----  
-----  
(322)  
(2,209) ---  
-----

--- NET  
CASH USED  
IN  
INVESTING  
ACTIVITIES  
(1,172)  
(6,398) ---  
-----

---  
FINANCING  
ACTIVITIES  
Proceeds  
from  
borrowings  
-- 5,608  
Principal  
payments on  
borrowings  
(897)  
(2,213)  
Issuances  
of common



stock 603  
 877  
 Repurchases  
 of common  
 stock (381)  
 (254)  
 Proceeds  
 from  
 mandatorily  
 redeemable  
 preferred  
 securities  
 issued by  
 subsidiary  
 holding  
 solely  
 senior  
 debentures  
 issued by  
 the Company  
 91 --  
 Proceeds  
 from  
 mandatorily  
 redeemable  
 preferred  
 interest in  
 a  
 subsidiary  
 375 --  
 Other, net  
 -- (153) --  
 -----  
 ---- Net  
 cash  
 provided by  
 (used in)  
 financing  
 activities  
 exclusive  
 of  
 management  
 and  
 mortgage  
 programs  
 (209) 3,865  
 -----  
 -----  
 MANAGEMENT  
 AND  
 MORTGAGE  
 PROGRAMS:  
 Proceeds  
 from  
 borrowings  
 4,133 9,460  
 Principal  
 payments on  
 borrowings  
 (5,320)  
 (8,798) Net  
 change in  
 short-term  
 borrowings  
 913 116 ---  
 -----  
 --- (274)  
 778 -----  
 -----  
 NET CASH  
 PROVIDED BY  
 (USED IN)  
 FINANCING  
 ACTIVITIES  
 (483) 4,643  
 -----  
 -----  
 Effect of  
 changes in  
 exchange  
 rates on

cash and  
cash  
equivalents  
18 (2) ----  
-----  
-- Net  
increase  
(decrease)  
in cash and  
cash  
equivalents  
(220) 1,027  
Cash and  
cash  
equivalents,  
beginning  
of period  
1,164 944 -  
-----  
----- Cash  
and cash  
equivalents,  
end of  
period \$  
944 \$ 1,971  
=====  
=====

## NOTE REGARDING FORWARD-LOOKING STATEMENTS

Forward-looking statements in our public filings or other public statements are subject to known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements were based on various factors and were derived utilizing numerous important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements. Forward-looking statements include the information concerning our future financial performance, business strategy, projected plans and objectives.

Statements preceded by, followed by or that otherwise include the words "believes", "expects", "anticipates", "intends", "project", "estimates", "plans", "may increase", "may fluctuate" and similar expressions or future or conditional verbs such as "will", "should", "would", "may" and "could" are generally forward-looking in nature and not historical facts. You should understand that the following important factors and assumptions could affect our future results and could cause actual results to differ materially from those expressed in such forward-looking statements:

- o the impacts of the September 11, 2001 terrorist attacks on New York City and Washington, D.C. on the travel industry in general, and our travel businesses in particular, are not known at this time, but are expected to include negative impacts on financial results due to reduced demand for travel in the near term; other attacks, acts of war; or measures taken by governments in response thereto may negatively affect the travel industry, our financial results and could also result in a disruption in our business;
- o the impact of the anthrax attacks through the United States mail system on the marketing programs of our FISIMadison/BCI subsidiaries and on Trilegiant are not known at this time, but may have negative impacts on the financial results of such businesses if consumers become reluctant to open and respond to such programs;
- o the effect of economic conditions and interest rate changes on the economy on a national, regional or international basis and the impact thereof on our businesses;
- o the effects of a decline in travel, due to political instability, adverse economic conditions or otherwise, on our travel related businesses;
- o the effects of changes in current interest rates, particularly on our real estate franchise and mortgage businesses;
- o the resolution or outcome of our unresolved pending litigation relating to the previously announced accounting irregularities and other related litigation;
- o our ability to develop and implement operational, technological and financial systems to manage growing operations and to achieve enhanced earnings or effect cost savings;
- o competition in our existing and potential future lines of business and the financial resources of, and products available to, competitors;
- o failure to reduce quickly our substantial technology costs in response to a reduction in revenue, particularly in our computer reservations and global distribution systems businesses;
- o our failure to provide fully integrated disaster recovery technology solutions in the event of a disaster;
- o our ability to integrate and operate successfully acquired and merged businesses and risks associated with such businesses, including the acquisitions of Avis Group Holdings, Inc., Fairfield Resorts, Inc., Galileo International, Inc. and Cheap Tickets, Inc., the compatibility of the operating systems of the combining companies, and the degree to which our existing administrative and back-office functions and costs and those of the acquired companies are complementary or redundant;
- o our ability to obtain financing on acceptable terms to finance our growth strategy and to operate within the limitations imposed by financing arrangements and rating agencies;
- o competitive and pricing pressures in the vacation ownership and travel industries, including the car rental industry;
- o changes in the vehicle manufacturer repurchase arrangements in our Avis car rental business in the event that used vehicle values decrease;
- o and changes in laws and regulations, including changes in accounting standards and privacy policy regulation.

Other factors and assumptions not identified above were also involved in the derivation of these forward-looking statements, and the failure of such other assumptions to be realized as well as other factors may also cause actual results to differ materially from those projected. Most of these factors are difficult to predict accurately and are generally beyond our control.

You should consider the areas of risk described above in connection with any

forward-looking statements that may be made by us and our businesses generally. Except for our ongoing obligations to disclose material information under the federal securities laws, we undertake no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events unless required by law. For any forward-looking statements contained in any document, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Such forward-looking statements include projections. Such projections were not prepared in accordance with published guidelines of the American Institute of Certified Public Accountants or the SEC regarding projections and forecasts, nor have such projections been audited, examined or otherwise reviewed by independent auditors of Cendant or its affiliates. In addition, such projections are based upon many estimates and are inherently subject to significant economic and competitive uncertainties and contingencies, many of which are beyond the control of management of Cendant and its affiliates. Accordingly, actual results may be materially higher or lower than those projected. The inclusion of such projections herein should not be regarded as a representation by Cendant or its affiliates that the projections will prove to be correct.