

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) December 20, 2004
(December 16, 2004)

Cendant Corporation

(Exact Name of Registrant as Specified in Charter)

Delaware

1-10308

06-0918165

(State or other
jurisdiction of
incorporation)

(Commission File Number)

(IRS Employer
Identification No.)

9 West 57th Street
New York, NY

10019

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code (212) 413-1800

Not Applicable

(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:

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

Item 1.01. Entry into a Material Definitive Agreement

On December 16, 2004, Cendant Corporation, a Delaware corporation ("Cendant") and Cendant Travel Services Limited (formerly Codesilver Limited), a company incorporated in England and Wales and a wholly owned subsidiary of Cendant ("Purchaser"), entered into a share purchase agreement (the "Agreement") with David Babai, Uzi Kattan, Edward Faith, Murray Sweet and Bernard Bialylew (collectively, the "Sellers"). Pursuant to the terms of the Agreement, the Purchaser will acquire from the Sellers (the "Acquisition") the entire issued share capital of Donvand Limited (a company that trades under the name Gullivers Travel Associates) and Octopustravel Group Limited, companies incorporated in England and Wales (collectively, "Gullivers"). Pursuant to the Agreement, Cendant is guarantor of the Purchaser's obligations under the Agreement.

The purchase price for Gullivers' shares consists of: (i) (pound)635.7 million (approximately \$1.2 billion as of the date of the Agreement), or (pound)531.7 million (approximately \$1 billion as of the date

of the Agreement) net of approximately (pound)104 million (approximately \$200 million as of the date of the Agreement) cash on Gullivers' balance sheet on the date the Agreement was executed, payable to the Sellers in cash at closing; (ii) deferred consideration of (pound)50 million (approximately \$96 million as of the date of the Agreement) if Gullivers achieve an EBITDA target for the year ended December 31, 2004; and (iii) deferred consideration of an amount equal to three times the amount by which the gross profit of Gullivers exceed a target amount for the year ended December 31, 2005. In the event that Gullivers achieve the target gross profit for the year ended December 31, 2005, but do not achieve the EBITDA target for the year ended December 31, 2004, (pound)50 million (approximately \$96 million as of the date of the Agreement) will be added to any deferred consideration payable under (iii).

The Acquisition is conditioned, among other things, upon (i) the approval of the Federal Cartel Office in Germany and the Norwegian Competition Authority; (ii) certain warranties being true in all material respects at completion; and (iii) certain conduct of business covenants being complied with between signing and closing. The Acquisition is expected to be completed in April 2005, subject to receipt of the regulatory approvals.

The maximum liability of each of the Sellers in relation to certain of their warranties, which survive the closing of the transaction, is capped at an amount equal to the aggregate consideration received by such Seller. Certain other warranties were provided by the Sellers that expired following execution of the Agreement. The Agreement contains an indemnity for certain other potential liabilities, for which the Sellers have several liability, which is capped at an aggregate of (pound)100 million (approximately \$192 million as of the date of the Agreement) with each Seller being liable up to a specified amount.

The Agreement contains customary undertakings from the Sellers relating to the conduct of the business of Gullivers pending closing of the transaction, and non-compete and non-solicitation undertakings from the Sellers for a period of five years.

Item 7.01. Regulation FD Disclosure.

On December 16, 2004, Cendant Corporation issued a press release relating to its agreement to acquire UK-based Gullivers Travel Associates, the trading name of Donvand Limited., and Octopustravel Group Limited. A copy of the press release, attached hereto as Exhibit 99.1, is being furnished pursuant to Regulation FD and is incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

99.1 Press Release issued by Cendant Corporation on December 16, 2004.

SIGNATURES

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

CENDANT CORPORATION

Date: December 20, 2004

By: /s/ Eric J. Bock

Name: Eric J. Bock
Title: Executive Vice President
-Law and Corporate Secretary

EXHIBIT INDEX

Exhibit No. -----	Description -----
99.1	Press Release issued by Cendant Corporation on December 16, 2004

Cendant Corporation Acquires
Gullivers Travel Associates And OctopusTravel.com

Acquisition of Global Leader in Travel and Tourism Enhances
Cendant's Global Travel Presence, Relevance and Profitability

Transaction Substantially Completes the Development
of the Travel Distribution Services Division

NEW YORK and LONDON, December 16, 2004 - Cendant Corporation (NYSE: CD) today announced that it has agreed to acquire privately held, UK based Gullivers Travel Associates, the trading name of Donvand Ltd., and Octopus Travel Group Ltd. (together: "Gullivers") for approximately \$1.1 billion in cash. Additional purchase price may be payable to certain shareholders of Gullivers if Gulliver's financial performance for 2005 exceeds current expectations. Gullivers Travel Associates is a leading wholesaler of hotels, destination services, travel packages and group tours, and OctopusTravel.com ("Octopus") is a global online provider of lodging and destination services, selling directly to consumers as well as through third party affiliate and primarily low cost airlines. The companies source all of their travel and services inventory directly from suppliers in 25 countries, and operate as a merchandiser of travel and tourism land-based content for groups and individuals. It is anticipated that key management of Gullivers, including David Babai, chairman, will remain with the company in similar capacities.

The transaction is subject to certain regulatory filings and is anticipated to close in April 2005. Cendant expects to fund the acquisition by utilizing the proceeds from the previously announced 100% initial public offering of the Company's Wright Express unit, which is expected to occur in February or March 2005.

Gullivers, founded in 1975, offers unique tour and packaged travel content to tour operators, travel agents and consumers in 23 languages and employs approximately 2,400 people. Its largest outbound market from which its customers purchase travel is Asia, and most significantly Japan as well as Hong Kong and China. Its principal destination markets are the major European countries; however, it sells products and services in over 100 countries. Octopus has been operating since 2000 and offers negotiated hotel offerings at over 21,400 properties worldwide. Octopus also provides a variety of in-destination services, with over one million contracted activities available online to customers and consumers worldwide.

The table set forth below estimates the impact of the Gullivers transaction on Cendant's 2005 and 2006 results.

Amounts in millions, except per share amounts.

	2005 (a) (b)			2006		
Gullivers Gross Bookings	\$1,070	-	\$1,195	\$1,655	-	\$1,825
Gullivers Net Revenues	\$230	-	\$255	\$360	-	\$395
Incremental EPS (c) (d) (e)	(\$0.01)	-	\$0.00	\$0.05	-	\$0.06
Incremental net cash provided by operating activities (f)	\$50	-	\$55	\$105	-	\$120
Incremental capital expenditures	(\$10)	-	(\$15)	(\$10)	-	(\$20)
Incremental free cash flow (b)	\$40	-	\$45	\$95	-	\$100

(a) From expected closing date to year-end assuming April 1 closing.

(b) To the extent additional purchase price is payable for 2005 performance, the transaction would further increase incremental EPS and free cash flow.

(c) Incremental EPS is computed using estimated diluted weighted average shares of common stock outstanding of 1.05 billion in 2005 and 2006.

- (d) Includes estimated synergies, integration and other costs of (\$15) million - (\$25) million in 2005 and (\$15) million in 2006, representing the expected effect of integration activities and the estimated costs to bring the company's operational processes to public company standards.
- (e) Includes incremental depreciation and amortization of (\$65) million in 2005 and (\$35) million - (\$40) million in 2006, including the one-time effect of intangible assets relating to existing bookings, which will be amortized during 2005.
- (f) Represents cash flow from operations including estimated cash taxes and implied interest to finance the acquisition using Cendant's cost of capital.

In addition, potential incremental revenue synergies may further increase Gullivers' contribution to Cendant's profitability.

Cendant's Chairman and CEO, Henry R. Silverman, stated: "The acquisition of Gullivers provides Cendant with vast wholesale hotel, tour and packaged travel content, and expands our global footprint in the travel distribution business, the build-out of which is now substantially complete. For some time now, growth as a travel intermediary has been an important part of our strategy to focus Cendant exclusively in travel and real estate. After much hard work, the opportunities have all come together in the last three months. We will establish significant positions around the world: the acquisition of Orbitz immediately moved us into a leading position in the US online business; the acquisition of ebookers will enable us to accomplish the same goal in Europe. Now, with Gullivers, we enter the wholesale and package sector with unique content, and gain substantial presence in Asia and an enhanced footing in Europe. When combined with our Galileo and Cheaptickets businesses, we will be uniquely positioned as a travel intermediary to execute against our "order maker/order taker" strategy which, we believe, will drive profitability in one of the largest and fastest growing industries worldwide."

Gullivers' Chairman, David Babai, stated: "I have been privileged over the past 30 years to lead an amazing team of travel professionals who have helped build Gullivers into a highly successful global wholesaler of travel and destination services. The addition of OctopusTravel, our consumer website, has helped both our rapid growth and vertical integration in the industry. I have no doubt that the partnership with Cendant will create a new and formidable force in the travel distribution business which will change the face of tourism as we know it, and I am personally very delighted about my continued involvement with Cendant and expect to participate in its accelerating growth."

Cendant President and CFO, Ronald L. Nelson, said, "This transaction reflects another step in our goal of redeploying proceeds from the divestiture of non-core assets into highly strategic businesses consistent with our core verticals. As we outlined at our annual institutional investor conference on December 1, we expected proceeds from previously announced dispositions to generate an incremental increase in EBITDA in 2006 of approximately \$220 million. With the pending acquisitions of Gullivers and ebookers, we will have already put in place the earnings power to basically accomplish that goal. As a result, the deployment during 2005 of the balance of our cash flow from operations and the proceeds from the previously announced disposition of our Marketing Services Division, whether to debt reduction, share repurchases, dividend increases and/or additional acquisitions, should produce incremental returns to our shareholders above our previously stated target."

Chairman and CEO of the Travel Distribution Services Division, Samuel L. Katz stated: "With Gullivers we have the opportunity to accelerate the growth of an already profitable business in some of the fastest growing travel markets worldwide. We see significant opportunity by cross-selling Gullivers' hotel inventory in partnership with our hotel suppliers and selling in-destination services through our existing distribution channels; selling Cendant's travel content (including air and car rental) to Gullivers' customers; as well as utilizing the acquisition to substantially accelerate our strategy in China and jump start our direct entry into Japan. Gullivers' successful focus on the supplier, wholesaler, travel agent and consumer channels perfectly complements Cendant TDS' customer vertical approach. As a result, Cendant should be a clear leader as a travel intermediary worldwide."

Investor Conference Call

Cendant will host a conference call to discuss the Gullivers acquisition today, December 16, 2004, at 11:00 a.m. (EST). Investors may access the call live at www.cendant.com or by dialing (800) 344-6783 in the United States and (719) 461-0644 (outside the U.S.). A web replay will be available at www.cendant.com following the call. A telephone replay will be available from 2:00 p.m. (EST) today until midnight (EST) on December 23, 2004 at (719) 457-0820, access code: 663459.

About Cendant Corporation

Cendant Corporation is primarily a provider of travel and residential real estate services. With approximately 90,000 employees, New York City-based Cendant provides these services to businesses and consumers in over 100 countries. More information about Cendant, its companies, brands and current SEC filings may be obtained by visiting the Company's Web site at <http://www.cendant.com>.

Statements about future results made in this release, including the projections and the planned business dispositions constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations and the current economic environment. The Company cautions that these statements are not guarantees of future performance. Actual results may differ materially from those expressed or implied in the forward-looking statements. Important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements are specified in Cendant's Form 10-Q for the period ended September 30, 2004, Form 8-K dated October 13, 2004 regarding the spin-off of PHH Corporation, and Form S-1 regarding the planned initial public offering of Wright Express.

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, competitive and other uncertainties and contingencies, including but not limited to the impact of war, terrorism or pandemics, 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.

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