
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): MARCH 1, 2001

CENDANT CORPORATION

(Exact Name of Registrant as Specified in Charter)

DELAWARE ----- (State or Other Jurisdiction of Incorporation)	1-10308 ----- (Commission File Number)	06-0918165 ----- (IRS Employer Identification No.)
--	---	---

9 WEST 57TH STREET NEW YORK, NEW YORK ----- (Address of principal executive offices)	10019 ----- (zip code)
--	------------------------------

Registrant's telephone number, including area code: (212) 314-1800

NOT APPLICABLE

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

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS.

The Merger. On March 1, 2001, Cendant Corporation, a Delaware corporation (the "Company"), acquired all of the issued and outstanding shares of Class A common stock, par value \$.01 per share (the "Avis Common Stock"), of Avis Group Holdings, Inc., a Delaware corporation ("Avis"), not previously held by the Company or any subsidiary of the Company (other than shares of Avis Common Stock held by stockholders who perfect their appraisal rights under Delaware law), pursuant to the Agreement and Plan of Merger, dated as of November 11, 2000, by and among the Company, PHH Corporation, a Maryland corporation and an indirect, wholly owned subsidiary of the Company ("PHH"), Avis Acquisition Corp., a Delaware corporation and direct, wholly owned subsidiary of PHH (the "Merger Sub"), and Avis (the "Merger Agreement"). Pursuant to the Merger Agreement, Merger Sub was merged with and into Avis (the "Merger"), with Avis continuing as the surviving corporation and an indirect, wholly owned subsidiary of the Company. As a result of the Merger, the Avis Common Stock was deregistered under the Securities Act of 1933, as amended, and delisted from the New York Stock Exchange.

Upon the consummation of the Merger, each outstanding share of Avis Common Stock (other than shares of Avis Common Stock held by any subsidiary of Avis, held in Avis' treasury, held by the Company or any subsidiary of the Company or held by stockholders who perfect their appraisal rights under Delaware law), was converted into the right to receive \$33.00 in cash, without interest thereon (the "Merger Consideration"). The aggregate Merger Consideration to be paid to the former stockholders of Avis in respect of their shares of Avis Common Stock is equal to approximately \$857 million. In addition, pursuant to the Merger Agreement, holders of options to purchase shares of Avis Common Stock were entitled, upon consummation of the Merger, at their election, to either (i) receive a cash payment equal to the difference between the Merger Consideration and the per share exercise price of their options, less applicable withholding tax, or (ii) convert their options into options to purchase shares of common stock, par value \$.01 per share, of the Company (the "Cendant Common Stock") with approximately the same value. As a result of such election, the former option holders of Avis received from the Company in exchange for their options, cash payments totaling an aggregate of approximately \$80 million (the "Option Payments") and options to purchase approximately 800,000 shares of Cendant Common Stock.

Source and Amount of Funds. The Merger Consideration and the Option Payments were paid with (i) \$200 million of cash on hand at PHH, (ii) a portion of the \$528 million of net proceeds received by the Company in a private placement of 40 million shares of Cendant Common Stock and (iii) a portion of the borrowings received by the Company under a \$650 million credit facility entered into with The Chase Manhattan Bank, as administrative agent, on February 22, 2001.

Certain Relations between Cendant and Avis. Prior to the consummation of the Merger, the Company owned 5,535,800 shares of Avis Common Stock, or approximately 17.8% of the outstanding shares, and three directors of the Company also served as directors of Avis. In addition, in June 1999, Avis acquired PHH's vehicle management and fuel card businesses in exchange for 7.2 million shares of preferred stock (the "Preferred Stock") of Avis Fleet Leasing and Management Corporation, a Texas corporation and an indirect, wholly owned subsidiary of Avis ("AFL"), and the assumption of \$1.8 billion of indebtedness. The Preferred Stock was convertible into Avis Common Stock and non-voting Class B common stock, par value \$.01 per share, of Avis. Although the Preferred Stock was not convertible unless certain earnings and market price thresholds were met, if converted, the Preferred Stock would have resulted in the Company having beneficial ownership of up to a 20% voting interest in Avis and a 33% economic interest. In addition, the Company has contractual relationships with Avis, including the license to Avis of the right to use the Avis trademark, as well as Avis' telecommunications and computer processing system. The Company also provided Avis with certain office space, including at Avis' headquarters. For a complete description of the relationships between the Company and Avis, reference is made to the section entitled "Certain Relations between Cendant and Avis" in the Definitive Proxy Statement of Avis on Schedule 14A, dated January 26, 2001 (the "Proxy Statement"), which was filed with the Securities and Exchange Commission on January 26, 2001 and is incorporated by reference herein.

Avis is one of the world's leading service and information providers for comprehensive automotive transportation and vehicle management solutions. Avis operates Avis Rent A Car, the second largest general-use car rental business in the world, with location in the United States, Canada, Australia, New Zealand and the Latin American Caribbean region; PHH Arval, one of the world's largest fleet management and leasing companies; and Wright Express, the world's largest fleet card provider. The Company intends to continue to operate Avis' business.

A copy of the press release issued by the Company announcing consummation of the Merger is attached hereto as an exhibit to this Current Report on Form 8-K and is incorporated by reference herein.

ITEM 5. OTHER EVENTS.

In an effort to integrate the operations of Avis into the Company, the Company effected an internal reorganization on March 1, 2001. Under this reorganization, Avis became a subsidiary of Cendant Car Holdings, LLC, a Delaware limited liability company and an indirect, wholly owned subsidiary of the Company and AFL, which conducts Avis' worldwide fleet management operations, became a subsidiary of PHH Holdings Corporation, a Texas corporation and a direct, wholly owned subsidiary of PHH.

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

(a) Financial Statements of Businesses Acquired.

The Financial Statements of Avis Group Holdings, Inc. are incorporated by reference from Cendant Corporation's Current Report on Form 8-K, dated November 11, 2000 (previously filed with the Commission on November 17, 2000 and incorporated by reference herein).

(b) Pro Forma Financial Information.

The Pro Forma Financial Information giving effect to the acquisition of Avis Group Holdings, Inc. are incorporated by reference from Cendant Corporation's Current Report on Form 8-K, dated November 11, 2000 (previously filed with the Commission on November 17, 2000 and incorporated by reference herein).

(c) Exhibits.

No.	Description
- - - - -	- - - - -
2.1	Agreement and Plan of Merger by and among Cendant Corporation, PHH Corporation, Avis Acquisition Corp. and Avis Group Holdings, Inc., dated as of November 11, 2000 (incorporated by reference from Cendant Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2000, dated as of November 14, 2000).
99.1	Press Release issued by Cendant Corporation on March 1, 2001, announcing consummation of the Merger.

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

By: /s/ Eric J. Bock

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

Dated: March 9, 2001

EXHIBIT INDEX

Exhibit No.	Description
- - - - -	- - - - -
2.1	Agreement and Plan of Merger by and among Cendant Corporation, PHH Corporation, Avis Acquisition Corp. and Avis Group Holdings, Inc., dated as of November 11, 2000 (incorporated by reference from Cendant Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2000, dated as of November 14, 2000).
99.1	Press Release issued by Cendant Corporation on March 1, 2001, announcing consummation of the Merger.

CENDANT COMPLETES ACQUISITION OF AVIS GROUP HOLDINGS, INC.

AVIS HEADQUARTERS IN GARDEN CITY, NY WILL BE RELOCATED TO PARSIPPANY, NJ

NEW YORK, NY, 03-01-2001 -- Cendant Corporation (NYSE: CD) today announced that it has completed its previously announced acquisition of the portion of Avis Group Holdings, Inc. that it did not already own for \$33 per share in cash or approximately \$937 million. The transaction is expected to be immediately accretive to Cendant's earnings per share.

Cendant Chairman, President and CEO, Henry R. Silverman stated: "Avis fits well within Cendant's fee-for-service based business model. Through the Avis transaction, we expect to take full advantage of revenue-generating cross marketing opportunities and other synergies within our company."

As a result of the transaction, Cendant expects to realize synergies between Avis Rent A Car and its Parsippany, NJ-based operations. Within the next 12 to 18 months, Cendant will phase out of operation the current Avis headquarters in Garden City, transferring a majority of the positions based there to Parsippany and other field locations. Cendant's WizCom unit and other technology support functions will remain in Garden City.

"Although the vast majority of our 20,000 employees work face-to-face with our customers in thousands of rental locations around the world, Avis Rent A Car has a proud and valued history in Long Island," said Robert Salerno, who will remain chief operating officer of Avis Rent A Car. "Yet merging our headquarters with Cendant offers us cross-marketing and cost-saving opportunities that are extremely compelling. At the same time, we are totally committed to ensuring that the gradual transition to Parsippany is handled with great sensitivity to our dedicated employees and minimal disruption to our operations."

Additionally, PHH Arval (vehicle management services) and Wright Express (fuel card services) employees will remain in Hunt Valley, MD and South Portland, Maine, respectively.

ABOUT AVIS

Avis is one of the world's leading service and information providers for comprehensive automotive transportation and vehicle management solutions. Avis operates Avis Rent A Car, the world's second largest general-use car rental business, with locations in the United States, Canada, Australia, New Zealand and the Latin American Caribbean region; PHH Arval, one of the world's leading vehicle management companies; and Wright Express, the world's largest fleet card provider. For additional information and news concerning Avis, please log onto the Avis web site at www.avis.com

ABOUT CENDANT CORPORATION

Cendant Corporation is a diversified global provider of business and consumer services primarily within the real estate and travel sectors. The Company's core competencies include building franchise systems and providing outsourcing services. Cendant is among the world's leading franchisers of real estate brokerage offices, hotels, rental car agencies, and tax preparation services. Cendant is also a provider of outsourcing solutions to its business partners including mortgage origination, employee relocation, customer loyalty programs and vacation exchange services. Other business units include NCP, the UK's largest private car park operator, and WizCom, an information technology services provider. With headquarters in New York City, the Company has approximately 50,000 employees and operates in over 100 countries.

More information about Cendant, its companies, brands and current SEC filings may be obtained by calling 877-4INFO-CD (877-446-3623) or by visiting the Company's Web site at www.cendant.com.

Statements about future results made in this release 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 the Company's Form 8-K filed on February 8, 2001.

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. Certain of such uncertainties and contingencies are specified in Cendant's Form 8-K filed on February 8, 2001. 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.

MEDIA CONTACT:
Elliot Bloom
212-413-1832

INVESTOR CONTACTS:
Denise Gillen
212-413-1833

Sam Levenson
212-413-1834