

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

Commission File No. 1-10308

June 22, 1999 (May 22, 1999)
(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)

06-0918165
(I.R.S. Employer
Identification Number)

9 West 57th Street
New York, New York
(Address of principal executive
office)

10019
(Zip Code)

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

Not Applicable
(Former name, former address and former fiscal year, if applicable)

ITEM 5. OTHER EVENTS

This Current Report on Form 8-K is being filed by Cendant Corporation for purposes of incorporating by reference the exhibit listed in Item 7 hereof in Registration Statements currently on file or to be filed with the Securities and Exchange Commission.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

EXHIBIT
NO. DESCRIPTION

99.1 Unaudited pro forma financial statements of Cendant Corporation giving effect to the disposition of the Company's Fleet management segment and the purchase of 50 million shares of Cendant Corporation common stock for: (i) the year ended December 31, 1998; and (ii) as of and for the three months ended March 31, 1999.

SIGNATURE

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

CENDANT CORPORATION

BY: /s/ Jon F. Danski
Jon F. Danski
Executive Vice President, Finance
(Principal Accounting Officer)

Date: June 22, 1999

CENDANT CORPORATION
CURRENT REPORT ON FORM 8-K
REPORT DATED JUNE 22, 1999 (MAY 22, 1999)

EXHIBIT INDEX

EXHIBIT NO.

DESCRIPTION

99.1	Unaudited pro forma financial statements of Cendant Corporation giving effect to the disposition of the Company's Fleet management segment and the purchase of 50 million shares of Cendant Corporation common stock for: (i) the year ended December 31, 1998; and (ii) as of and for the three months ended March 31, 1999.
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CENDANT CORPORATION
UNAUDITED PRO FORMA
CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited pro forma consolidated financial statements of Cendant Corporation ("Cendant" or the "Company") give effect to the proposed disposition of the Company's Fleet management segment. PHH Corporation ("PHH"), a wholly-owned subsidiary of the Company has executed an agreement with Avis Rent A Car, Inc. ("Avis") pursuant to which Avis will acquire the net assets of the Company's Fleet management segment for \$1.44 billion in assumed intercompany debt of PHH Holdings, a wholly-owned subsidiary of PHH, which will then be subsequently repaid to PHH and the issuance of \$360 million in convertible preferred stock of Avis Fleet Leasing and Management Corporation ("Avis Fleet"), a wholly-owned subsidiary of Avis. The unaudited pro forma consolidated financial statements also give effect to the use of proceeds from the disposition of the Company's Fleet management segment for : (i) the purchase of 50 million shares of Cendant common stock, par value \$.01 per share ("Shares"), pursuant to a tender offer by Cendant Stock Corporation, a wholly-owned subsidiary of the Company, to purchase such shares from existing shareholders of the Company (the "Offer") and (ii) the repayment of debt under management and mortgage programs (collectively, the "Transactions"). The unaudited pro forma information assumes that shares of Cendant common stock are purchased by Cendant Stock Corporation pursuant to the Offer at prices of \$19.75 per share and \$22.50 per share, respectively. Currently, Cendant beneficially owns approximately 19% of Avis' outstanding Class A common stock and accounts for such investment utilizing the equity method. The unaudited pro forma consolidated balance sheet as of March 31, 1999 is presented as if the Transactions had occurred on March 31, 1999. The unaudited pro forma consolidated statements of income for the year ended December 31, 1998 and for the three months ended March 31, 1999 are presented as if the Transactions had occurred on January 1, 1998. Such financial statements do not purport to present the results of operations of Cendant had the disposition of the Company's Fleet management segment occurred on the dates specified nor are they necessarily indicative of the operating results that may be achieved in the future.

The accompanying Unaudited Pro Forma Consolidated Financial Statements of Cendant are based on certain assumptions and adjustments described in the Notes thereto, and should be read in conjunction therewith and with the consolidated financial statements and related notes thereto of Cendant, as included in Cendant's (i) Annual Report on Form 10K/A for the year ended December 31, 1998, which was filed with the Securities and Exchange Commission (the "Commission") on May 13, 1999; and (ii) Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1999, which was filed with the Commission on May 17, 1999.

CENDANT CORPORATION
UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 1999
(IN MILLIONS)

	Historical Cendant	Assuming a \$19.75 Purchase Price	
	-----	Pro Forma Adjustments	Pro Forma -----
Assets			
Current Assets			
Cash and cash equivalents	\$ 520.7	\$ 1,390.0 (B) (1,390.0) (C)	\$ 520.7
Receivables, net	1,600.8	(504.5) (A)	1,096.3
Deferred membership commission costs	252.5	-	252.5
Deferred income taxes	302.7	(14.8) (A)	287.9

Other current assets	874.5	(19.2) (A)	855.3
Net assets of discontinued operations	61.8	-	61.8
	-----	-----	-----
Total current assets	3,613.0	(538.5)	3,074.5
	-----	-----	-----
Property and equipment, net	1,399.9	(96.9) (A)	1,303.0
Franchise agreements, net	1,353.4	-	1,353.4
Goodwill, net	3,874.7	(181.0) (A)	3,693.7
Other intangibles, net	734.2	(47.4) (A)	686.8
Other assets	698.4	(4.9) (A)	1,053.5
	-----	-----	-----
Total assets exclusive of assets under programs	11,673.6	(508.7)	11,164.9
	-----	-----	-----
Assets under management and mortgage programs			
Net investment in leases and leased vehicles	3,873.5	(3,873.5) (A)	-
Relocation receivables	620.9	-	620.9
Mortgage loans held for sale	1,955.6	-	1,955.6
Mortgage servicing rights	743.5	-	743.5
	-----	-----	-----
	7,193.5	(3,873.5)	3,320.0
	-----	-----	-----
Total assets	\$ 18,867.1	\$ (4,382.2)	\$ 14,484.9
	=====	=====	=====

See notes to unaudited pro forma consolidated financial statements.

CENDANT CORPORATION
 UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
 AS OF MARCH 31, 1999
 (IN MILLIONS, EXCEPT SHARE AMOUNTS)

	Historical Cendant	Assuming a \$19.75 Purchase Price	
		Pro Forma Adjustments	Pro Forma
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and other current liabilities	\$ 1,585.2	\$ (852.2) (A) 11.4 (B)	\$ 744.4
Deferred income	1,342.1	(23.1) (A)	1,319.0
Total current liabilities	2,927.3	(863.9)	2,063.4
Deferred income	234.7	-	234.7
Long-term debt	3,357.7	(20.8) (A)	3,336.9
Deferred income taxes	38.2	33.9 (B) (7.8) (A)	64.3
Other non-current liabilities	86.4	-	86.4
Deferred gain	-	180.9 (B)	180.9
Total liabilities exclusive of liabilities under programs	6,644.3	(677.7)	5,966.6
Liabilities under management and mortgage programs		(3,022.0) (A)	
Debt	6,327.3	(402.5) (C)	2,902.8
Deferred income taxes	328.6	(130.4) (A)	198.2
Mandatorily redeemable preferred securities issued by subsidiary	1,473.5	-	1,473.5
Shareholders' equity			
Preferred stock, \$.01 par value - authorized 10 million shares; none issued and outstanding	-	-	-
Common stock, \$.01 par value - authorized 2 billion shares; issued 863,046,029	8.6	-	8.6
Additional paid-in capital	3,960.3	15.9 (B)	3,976.2
Retained earnings	1,842.2	776.5 (B)	2,618.7
Accumulated other comprehensive loss	(120.2)	45.5 (A)	(74.7)
Treasury stock, at cost, 85.3 million shares - historical and 135.3 million shares - pro forma	(1,597.5)	(987.5) (C)	(2,585.0)
Total shareholders' equity	4,093.4	(149.6)	3,943.8
Total liabilities and shareholders' equity	\$ 18,867.1	\$ (4,382.2)	\$ 14,484.9

See notes to unaudited pro forma consolidated financial statements.

CENDANT CORPORATION
 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF INCOME
 FOR THE YEAR ENDED DECEMBER 31, 1998
 (IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

	Historical Cendant	Assuming a \$19.75 Purchase Price Pro Forma Adjustments	Pro Forma
	-----	-----	-----
Revenues			
Membership and service fees, net	\$ 4,883.5	\$ (293.9) (A) 23.6 (D)	\$ 4,613.2
Fleet leasing (net of depreciation and interest costs of \$1,279.4 - historical)	88.7	(88.7) (A)	-
Other	114.4	18.0 (E) 4.5 (F) (6.5) (G)	130.4
	-----	-----	-----
Net revenues	5,086.6	(343.0)	4,743.6
	-----	-----	-----
Expenses			
Operating	1,721.5	(91.6) (A)	1,629.9
Marketing and reservation	1,158.5	(20.3) (A)	1,138.2
General and administrative	648.7	(94.2) (A)	554.5
Depreciation and amortization	314.0	(22.2) (A)	291.8
Other charges			
Litigation settlement	351.0	-	351.0
Termination of proposed acquisitions	433.5	-	433.5
Executive terminations	52.5	-	52.5
Investigation-related costs	33.4	-	33.4
Merger-related costs and other unusual charges (credits)	(67.2)	1.3 (A)	(65.9)
Financing costs	35.1	-	35.1
Interest, net	113.9	(3.7) (A)	110.2
	-----	-----	-----
Total expenses	4,794.9	(230.7)	4,564.2
	-----	-----	-----
Income from continuing operations before income taxes and minority interest	291.7	(112.3)	179.4
Provision for income taxes	95.4	(36.8) (H)	58.6
Minority interest, net of tax	50.6	-	50.6
	-----	-----	-----
Income from continuing operations	\$ 145.7	\$ (75.5)	\$ 70.2
	-----	-----	-----
Per Share Information:			
Income from continuing operations			
Basic	\$ 0.17		\$ 0.09
Diluted	\$ 0.16		\$ 0.08
Weighted Average Shares			
Basic	848.4	(50.0) (C)	798.4
Diluted	880.4	(50.0) (C)	830.4

See notes to unaudited pro forma consolidated financial statements.

CENDANT CORPORATION
 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF INCOME
 FOR THE THREE MONTHS ENDED MARCH 31, 1999
 (IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

	Historical Cendant	Assuming a \$19.75 Purchase Price	
	-----	Pro Forma Adjustments	Pro Forma
	-----	-----	-----
Revenues			
Membership and service fees, net	\$ 1,247.9	\$ (81.0) (A) 5.7 (D)	\$ 1,172.6
Fleet leasing (net of depreciation and interest costs of \$326.4 - historical)	18.6	(18.6) (A)	-
Other	38.4	4.5 (E) 1.1 (F) (2.5) (G)	41.5
	-----	-----	-----
Net revenues	1,304.9	(90.8)	1,214.1
	-----	-----	-----
Expenses			
Operating	432.4	(30.4) (A)	402.0
Marketing and reservation	262.2	(5.0) (A)	257.2
General and administrative	160.6	(24.7) (A)	135.9
Depreciation and amortization	91.0	(8.1) (A)	82.9
Other charges			
Termination of proposed acquisition	7.0	-	7.0
Investigation-related costs	1.7	-	1.7
Merger-related costs and other unusual charges (credits)	(1.3)	-	(1.3)
Interest, net	48.3	(0.8) (A)	47.5
	-----	-----	-----
Total expenses	1,001.9	(69.0)	932.9
	-----	-----	-----
Income from continuing operations before income taxes and minority interest	303.0	(21.8)	281.2
Provision for income taxes	106.5	(7.7) (H)	98.8
Minority interest, net of tax	15.1	-	15.1
	-----	-----	-----
Income from continuing operations	\$ 181.4	\$ (14.1)	\$ 167.3
	-----	-----	-----
Per Share Information:			
Income from continuing operations			
Basic	\$ 0.23		\$ 0.22
Diluted	\$ 0.22		\$ 0.21
Weighted Average Shares			
Basic	800.1	(50.0) (C)	750.1
Diluted	854.4	(50.0) (C)	804.4

See notes to unaudited pro forma consolidated financial statements.

CENDANT CORPORATION
 UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
 AS OF MARCH 31, 1999
 (IN MILLIONS)

	Historical Cendant	Assuming a \$22.50 Purchase Price	
	-----	Pro Forma Adjustments	Pro Forma
	-----	-----	-----
Assets			
Current Assets			
Cash and cash equivalents	\$ 520.7	\$ 1,390.0 (B) (1,390.0) (C)	\$ 520.7
Receivables, net	1,600.8	(504.5) (A)	1,096.3
Deferred membership commission costs	252.5	-	252.5
Deferred income taxes	302.7	(14.8) (A)	287.9
Other current assets	874.5	(19.2) (A)	855.3
Net assets of discontinued operations	61.8	-	61.8
	-----	-----	-----
Total current assets	3,613.0	(538.5)	3,074.5
	-----	-----	-----
Property and equipment, net	1,399.9	(96.9) (A)	1,303.0
Franchise agreements, net	1,353.4	-	1,353.4
Goodwill, net	3,874.7	(181.0) (A)	3,693.7
Other intangibles, net	734.2	(47.4) (A)	686.8
Other assets	698.4	(4.9) (A) 360.0 (B)	1,053.5
	-----	-----	-----
Total assets exclusive of assets under programs	11,673.6	(508.7)	11,164.9
	-----	-----	-----
Assets under management and mortgage programs			
Net investment in leases and leased vehicles	3,873.5	(3,873.5) (A)	-
Relocation receivables	620.9	-	620.9
Mortgage loans held for sale	1,955.6	-	1,955.6
Mortgage servicing rights	743.5	-	743.5
	-----	-----	-----
	7,193.5	(3,873.5)	3,320.0
	-----	-----	-----
Total assets	\$ 18,867.1	\$ (4,382.2)	\$ 14,484.9
	=====	=====	=====

See notes to unaudited pro forma consolidated financial statements.

CENDANT CORPORATION
 UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
 AS OF MARCH 31, 1999
 (IN MILLIONS, EXCEPT SHARE AMOUNTS)

	Historical Cendant	Assuming a \$22.50 Purchase Price		
	-----	Pro Forma Adjustments	-----	Pro Forma -----
Liabilities and shareholders' equity				
Current liabilities				
Accounts payable and other current liabilities	\$ 1,585.2	\$ (852.2) (A)		\$ 744.4
Deferred income	1,342.1	11.4 (B)		
	-----	(23.1) (A)		1,319.0
		-----		-----
Total current liabilities	2,927.3	(863.9)		2,063.4
	-----	-----		-----
Deferred income	234.7	-		234.7
Long-term debt	3,357.7	(20.8) (A)		3,336.9
Deferred income taxes	38.2	33.9 (B)		64.3
		(7.8) (A)		
Other non-current liabilities	86.4	-		86.4
Deferred gain	-	180.9 (B)		180.9
	-----	-----		-----
Total liabilities exclusive of liabilities under programs	6,644.3	(677.7)		5,966.6
	-----	-----		-----
Liabilities under management and mortgage programs				
Debt	6,327.3	(3,022.0) (A)		3,040.3
	-----	(265.0) (C)		-----
Deferred income taxes	328.6	(130.4) (A)		198.2
	-----	-----		-----
Mandatorily redeemable preferred securities issued by subsidiary	1,473.5	-		1,473.5
	-----	-----		-----
Shareholders' equity				
Preferred stock, \$.01 par value -authorized 10 million shares; none issued and outstanding	-	-		-
Common stock, \$.01 par value - authorized 2 billion shares; issued 863,046,029	8.6	-		8.6
Additional paid-in capital	3,960.3	15.9 (B)		3,976.2
Retained earnings	1,842.2	776.5 (B)		2,618.7
Accumulated other comprehensive loss	(120.2)	45.5 (A)		(74.7)
Treasury stock, at cost, 85.3 million shares - historical and 135.3 million shares - pro forma	(1,597.5)	(1,125.0) (C)		(2,722.5)
	-----	-----		-----
Total shareholders' equity	4,093.4	(287.1)		3,806.3
	-----	-----		-----
Total liabilities and shareholders' equity	\$ 18,867.1	\$ (4,382.2)		\$ 14,484.9
	=====	=====		=====

See notes to unaudited pro forma consolidated financial statements.

CENDANT CORPORATION
 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF INCOME
 FOR THE YEAR ENDED DECEMBER 31, 1998
 (IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

	Historical Cendant	Assuming a \$22.50 Purchase Price	
		Pro Forma Adjustments	Pro Forma
Revenues			
Membership and service fees, net	\$ 4,883.5	\$ (293.9) (A) 15.6 (D)	\$ 4,605.2
Fleet leasing (net of depreciation and interest costs of \$1,279.4 - historical)	88.7	(88.7) (A)	-
Other	114.4	18.0 (E) 4.5 (F) (6.5) (G)	130.4
Net revenues	5,086.6	(351.0)	4,735.6
Expenses			
Operating	1,721.5	(91.6) (A)	1,629.9
Marketing and reservation	1,158.5	(20.3) (A)	1,138.2
General and administrative	648.7	(94.2) (A)	554.5
Depreciation and amortization	314.0	(22.2) (A)	291.8
Other charges			
Litigation settlement	351.0	-	351.0
Termination of proposed acquisitions	433.5	-	433.5
Executive terminations	52.5	-	52.5
Investigation-related costs	33.4	-	33.4
Merger-related costs and other unusual charges (credits)	(67.2)	1.3 (A)	(65.9)
Financing costs	35.1	-	35.1
Interest, net	113.9	(3.7) (A)	110.2
Total expenses	4,794.9	(230.7)	4,564.2
Income from continuing operations before income taxes and minority interest	291.7	(120.3)	171.4
Provision for income taxes	95.4	(39.4) (H)	56.0
Minority interest, net of tax	50.6	-	50.6
Income from continuing operations	\$ 145.7	\$ (80.9)	\$ 64.8
Per Share Information:			
Income from continuing operations			
Basic	\$ 0.17		\$ 0.08
Diluted	\$ 0.16		\$ 0.08
Weighted Average Shares			
Basic	848.4	(50.0) (C)	798.4
Diluted	880.4	(50.0) (C)	830.4

See notes to unaudited pro forma consolidated financial statements.

CENDANT CORPORATION
 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF INCOME
 FOR THE THREE MONTHS ENDED MARCH 31, 1999
 (IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

	Historical Cendant	Assuming a \$22.50 Purchase Price Pro Forma Adjustments	Pro Forma
	-----	-----	-----
Revenues			
Membership and service fees, net	\$ 1,247.9	\$ (81.0) (A) 3.8 (D)	\$ 1,170.7
Fleet leasing (net of depreciation and interest costs of \$326.4 - historical)	18.6	(18.6) (A)	-
Other	38.4	4.5 (E) 1.1 (F) (2.5) (G)	41.5
	-----	-----	-----
Net revenues	1,304.9	(92.7)	1,212.2
	-----	-----	-----
Expenses			
Operating	432.4	(30.4) (A)	402.0
Marketing and reservation	262.2	(5.0) (A)	257.2
General and administrative	160.6	(24.7) (A)	135.9
Depreciation and amortization	91.0	(8.1) (A)	82.9
Other charges			
Termination of proposed acquisition	7.0	-	7.0
Investigation-related costs	1.7	-	1.7
Merger-related costs and other unusual charges (credits)	(1.3)	-	(1.3)
Interest, net	48.3	(0.8) (A)	47.5
	-----	-----	-----
Total expenses	1,001.9	(69.0)	932.9
	-----	-----	-----
Income from continuing operations before income taxes and minority interest	303.0	(23.7)	279.3
Provision for income taxes	106.5	(8.3) (H)	98.2
Minority interest, net of tax	15.1	-	15.1
	-----	-----	-----
Income from continuing operations	\$ 181.4	\$ (15.4)	\$ 166.0
	-----	-----	-----
Per Share Information:			
Income from continuing operations			
Basic	\$ 0.23		\$ 0.22
Diluted	\$ 0.22		\$ 0.21
Weighted Average Shares			
Basic	800.1	(50.0) (C)	750.1
Diluted	854.4	(50.0) (C)	804.4

See notes to unaudited pro forma consolidated financial statements.

CENDANT CORPORATION
NOTES TO UNAUDITED PRO FORMA
CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in millions, unless otherwise noted)

(A) The pro forma balance sheet adjustments reflect the elimination of the historical balance sheet amounts and operating results of the Company's Fleet management segment.

(B) The pro forma adjustments reflect the consideration to be received from Avis in connection with the disposition of the Company's Fleet management segment and the anticipated gain on disposition, which is calculated as follows:

Gross cash proceeds	\$ 1,440.0
Avis Fleet series A cumulative participating 5% redeemable convertible preferred stock (7.2 million shares)	360.0

Total consideration	1,800.0
Historical net book value of Fleet management segment	731.4
Transaction costs (i)	65.9
Income taxes payable (ii)	11.4
Deferred tax liabilities (ii)	33.9

Anticipated gain on disposition	957.4
Less: Deferred gain on disposition (iii)	180.9

Anticipated gain on disposition to be recognized upon consummation (iv)	\$ 776.5
	=====

(i) Consists of: (a) \$50.0 of cash payments made for professional fees and bonuses directly related to the Transactions; and (b) a \$15.9 charge to equity for the accelerated vesting of Cendant stock options held by employees of the Company's Fleet management segment.

(ii) Reflects the anticipated income tax effects from the disposition of the Company's Fleet management segment.

(iii) Reflects a deferral of 18.9% of the anticipated gain on disposition, which is equivalent to the Company's common stock investment in Avis.

(iv) The anticipated gain on the disposition of the Company's Fleet management segment is reflected as a pro forma adjustment to retained earnings in the unaudited pro forma consolidated balance sheet as of March 31, 1999, and is not included in the unaudited pro forma consolidated statements of income.

(C) The pro forma adjustment reflects the utilization of \$1,390.0 of net proceeds (\$1,440.0 gross proceeds less \$50.0 of transaction costs) to repurchase 50.0 million shares of Company common stock pursuant to the Offer and the remaining proceeds used to repay debt under management and mortgage programs.

The utilization of proceeds at the assumed purchase prices of Cendant common stock is as follows:

	At \$19.75	At \$22.50
	-----	-----
Purchase of 50.0 million shares of Cendant common stock	\$ 987.5	\$ 1,125.0
Repayment of debt under management and mortgage programs	402.5	265.0
	-----	-----
Net proceeds	\$ 1,390.0	\$ 1,390.0
	=====	=====

(D) The pro forma income statement adjustment reflects a reduction of interest expense from the assumed repayment of debt used to finance assets under management and mortgage programs (See Note C). The interest rate for the three months ended March 31, 1999 and the year ended December 31, 1998 was 5.71% and 5.87%, respectively, the weighted average interest rates in effect for such periods. The reduction of interest expense is calculated as follows:

	Year ended December 31, 1998	
	At \$19.75 Purchase Price	At \$22.50 Purchase Price
	-----	-----
Repayment of debt under management and mortgage programs	\$ 402.5	\$ 265.0
Weighted average annual interest rate	5.87%	5.87%
	-----	-----
Pro Forma Adjustment	\$ 23.6	\$ 15.6
	=====	=====

	Three months ended March 31, 1999	
	At \$19.75 Purchase Price	At \$22.50 Purchase Price
	-----	-----
Repayment of debt under management and mortgage programs	\$ 402.5	\$ 265.5
Weighted average annual interest rate	5.71%	5.71%
	-----	-----
Annualized amount	\$ 23.0	\$ 15.1
	-----	-----
Pro Forma Adjustment	\$ 5.7	\$ 3.8
	=====	=====

(E) The pro forma income statement adjustment reflects the preferred stock dividend payable from Avis Fleet to Cendant on the \$360.0 of Avis Fleet series A cumulative participating convertible preferred stock at a rate of 5% per annum.

(F) The pro forma income statement adjustment reflects the recognition of a proportional amount of the deferred gain on disposition of the Company's Fleet management segment to Avis. The deferred gain is recognized into income over forty years, which is consistent with the period in which Avis is expected to amortize the goodwill generated from their purchase of the Company's Fleet management segment.

(G) The pro forma income statement adjustment represents Cendant's equity interest in Avis' pro forma change in their historical earnings giving effect to Avis' acquisition of the Company's Fleet management segment. The pro forma adjustment was determined as follows:

	Year ended December 31, 1998	Three months ended March 31, 1999
	-----	-----
Historical net income of Avis	\$ 63.5	\$ 15.2
Avis' pro forma income available to common shareholders giving effect to Avis' acquisition of the Company's Fleet management segment	34.8	2.8
	-----	-----
Pro forma differences	28.7	12.4
Cendant's weighted equity ownership percentage in Avis	22.74%	20.00%
	-----	-----
Pro forma adjustment	\$ 6.5	\$ 2.5
	=====	=====

(H) The pro forma adjustment reflects the income tax effects related to the disposition of the Company's Fleet management segment. The pro forma effective tax rate approximates the historical effective tax rate of Cendant.