

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 18, 1997

CENDANT CORPORATION

(Exact Name of Registrant as Specified in its Charter)

DELAWARE

1-10308

06-0918165

(State or Other (Commission (I.R.S. Employer
Jurisdiction of File Number) Identification No.)
Incorporation)

6 SYLVAN WAY, PARSIPPANY, NEW JERSEY 07054

(Address of Principal Executive Offices) (Zip Code)

(973) 428-9700

(Registrant's Telephone Number, Including Area Code)

CUC International Inc.
707 Summer Street
Stamford, Connecticut 06901

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

ITEM 5. Other Events.

On December 18, 1997, CUC International Inc., a Delaware Corporation (the "Company"), and HFS Incorporated, a Delaware corporation ("HFS"), issued a joint press release announcing the completion of the merger ("Merger") of HFS with and into the Company, with the Company surviving and changing its name to "Cendant Corporation". A copy of the joint press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

ITEM 4. Changes in Registrant's Certifying Accountant.

Ernst & Young LLP has been the independent auditors of the Company. Deloitte & Touche LLP has been the independent auditors of HFS. The two audit firms have been engaged by the Company to audit the financial statements of the Company. A successor auditor will be named at a later date.

ITEM 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits.

99.1 Press Release issued by the Company and HFS
Incorporated on December 18, 1997

ITEM 8. Change in Fiscal Year.

In addition, at the effective time of the Merger, the Company changed the day on which its fiscal year ends from January 31 to December 31.

SIGNATURE

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

CENDANT CORPORATION

By: /s/ James E. Buckman
Name: James E. Buckman
Title: Senior Executive
Vice President and
General Counsel

Dated: December 18, 1997

EXHIBIT INDEX

Exhibit No.		Page No.
99.1	Press Release issued by the Company and HFS Incorporated on December 18, 1997	

MERGER OF CUC AND HFS IS COMPLETED, VALUED AT \$14 BILLION --
COMBINATION FORMS CENDANT CORPORATION (NYSE: CD)

Consumer Brands, Membership Services and Online Commerce
Prowess Create a Global Marketing Leader

Powerful Cross-Marketing and Purchasing Leverage Across
Business Segments: Travel, Real Estate, Membership Services

Positioned for Strong Revenue and Earnings Growth

Stamford, CT and Parsippany, NJ, December 18, 1997 --
CUC International Inc. and HFS Incorporated today said that
their previously announced merger has been consummated, of-
ficially creating Cendant Corporation. As of today, Cen-
dant will be listed as "CD" on the New York Stock Exchange.

Henry R. Silverman, President and Chief Executive
Officer of Cendant, said, "Cendant arrives at the global mar-
ketplace as the world's premier consumer and business services
company, with strong growth prospects. With numerous brands
and a world-class marketing machine, we offer consumers and
businesses a value proposition that we believe is unmatched by
any other company. We currently have over 73 million member-
ships, as well as more than 100 million consumer contacts each
year in our various business segments, enabling us to leverage
our marketing prowess and purchasing power."

Walter A. Forbes, Chairman of Cendant's Board of Di-
rectors, stated, "We believe this merger enables us to leverage
our customer base and marketing expertise to create unparal-
leled growth opportunities across all lines of business. Work-
ing together over the past six months, we have become even more
excited about the synergies and efficiencies that we can
achieve as a combined company. We will continue to be forward
looking, moving quickly to create opportunities to increase
revenue and profit growth and enhance shareholder value."

Pursuant to the companies' merger agreement, 2.4031
shares of CUC International common stock will be exchanged for
each outstanding share of HFS incorporated common stock in a
pooling-of-interests transaction. Cash will be paid in lieu of
any fractional shares. CUC will issue approximately 440 mil-
lion shares of common and common equivalent stock valued at
about \$14 billion. Cendant Corporation will have approximately
900 million common shares outstanding on a fully diluted basis. The
market capitalization of Cendant is approximately \$29 billion,
making it among the 100 largest U.S. corporations, based upon market
capitalization. The Company, with more than 30,000 employees,
operates in over 100 countries and is headquartered in Stamford,
CT and Parsippany, NJ.

Based on the pro forma performance of the two compa-
nies for the CUC fiscal year ended January 31, 1997 and the HFS
fiscal year ended December 31, 1996, and giving effect to the
companies' respective acquisitions during these periods,
Cendant had revenues of approximately \$4.5 billion, Earnings
Before Interest, Taxes, Depreciation and Amortization (EBITDA)
of \$1.3 billion, net income of approximately \$600 million and
earnings per share of \$0.70. Cendant will operate on a calen-
dar year basis for financial reporting and tax purposes; the
Company expects to report results for the fourth quarter ended
December 31, 1997, in early February 1998.

The Company will recognize, in the fourth quarter, a one-time restructuring charge related to the Cendant merger of approximately \$825 million (approximately \$560 million after tax). The charge also includes transaction and restructuring costs related to the Hebdo Mag International Inc. acquisition.

Cendant's primary business segments include:

- TRAVEL. Cendant is the leading franchisor of hotels and rental cars worldwide, the premier provider of vacation exchange services and the second largest fleet management company. Brands include Days Inn (Registered), Howard Johnson (Registered), Ramada (Registered), Avis (Registered) and Resort Condominiums International.
- REAL ESTATE. Cendant is the premier franchisor of real estate brokerage offices, a major provider of mortgage services and a global leader in corporate employee relocation. Brands include CENTURY 21 (Registered), Coldwell Banker (Registered) and ERA (Registered).
- MEMBERSHIP. Cendant provides access to travel, shopping, auto, dining, financial and other services to over 73 million memberships worldwide in more than 20 consumer service programs.

Cendant also has a strong international membership base, an international classified advertising business as well as a presence in the financial services industry sector. The Company also is a leader in the education and entertainment software business.

The Company, in addition to enjoying increased purchasing power and other efficiencies of scale, is also positioned for cross-marketing opportunities as a result of linking its brand names, consumer reach, direct marketing expertise and global club membership base. Cendant has an unmatched ability

to offer products and services to consumers at the precise moment they are most predisposed to make those purchases.

The Company also announced that, prior to the merger, the Federal Trade Commission accepted for public comment a Consent Decree related to CUC's divestiture of its timeshare exchange subsidiary, Interval International Inc., and Interval's affiliates, and that the divestiture of Interval International has been completed as contemplated by the Consent Decree.

Cendant Corporation is a global provider of consumer and business services. The Company operates in three principal segments: Membership, Travel and Real Estate. In Membership Services, Cendant provides access to travel, shopping, auto, dining and other services through more than 73 million memberships worldwide. In Travel Services, the Company is the leading franchisor of hotels and rental car agencies worldwide, the premier provider of vacation exchange services and the second largest fleet management company. In Real Estate Services, Cendant is the world's premier franchisor of residential real estate brokerage offices, a major provider of mortgage services to consumers and a global leader in corporate employee relocation. A pioneer in interactive shopping, Cendant is a major online commerce facilitator, with more than \$1 billion in yearly sales through its netMarket (Registered) and other interactive services.

This release contains certain forward-looking statements that involve potential risks and uncertainties. The companies' future results could differ materially from those discussed herein. Factors that could cause or contribute to such differences include, but are not limited to, changes in market conditions, effects of state and federal regulations and risks inherent in international operations. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of today. The companies undertake no obligation to revise or update these forward-looking statements to reflect events or circumstances that arise after today or to reflect the occurrence of unanticipated events.

Investor Contact:

Laura P. Hamilton
Senior Vice President, Corporate Communications
(203) 965-5114

Press Contact:

Elliot Bloom,
Vice President, Public Relations
(973) 496-8414