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) October 24, 2005 (October 24, 2005)

Cendant Corporation

(Exact name of Registrant as specified in its charter)

Delaware	**1-10308**	**06-0918165**
(State or other jurisdiction of incorporation)	*(Commission File No.)*	*(I.R.S. Employer Identification Number)*
9 West 57th Street New York, NY		**10019**
(Address of principal executive office)		*(Zip Code)*

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

None
(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:

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

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Item 2.02 Results of Operations and Financial Condition.

On October 24, 2005, we reported our third quarter 2005 results. Our third quarter 2005 results are discussed in detail in the press release attached hereto as Exhibit 99.1, which, other than the first and fifth paragraphs under the heading “Outlook”, is incorporated by reference in its entirety.

The information in this item, including Exhibit 99.1, is being furnished, not filed. Accordingly, the information in this item will not be incorporated by reference into any registration statement filed by Cendant under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

99.1 Press Release: Cendant Reports Results for Third Quarter 2005.

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/ Virginia M. Wilson
Virginia M. Wilson
Executive Vice President and Chief Accounting Officer

Date: October 24, 2005

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CENDANT CORPORATION
CURRENT REPORT ON FORM 8-K
Report Dated October 24, 2005

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release: Cendant Reports Results for Third Quarter 2005.

Exhibit 99.1

CENDANT

CENDANT REPORTS RESULTS FOR THIRD QUARTER 2005

3Q 2005 EPS from Continuing Operations Was $0.44

3Q 2005 Revenue Increased 12% to $5.0 Billion versus $4.5 Billion in 3Q 2004

3Q 2005 Net Cash Provided by Operating Activities Was $937 Million

3Q 2005 Free Cash Flow Increased 23% to $665 Million
Versus $540 million in 3Q 2004

Company Reassesses Impact of Recent Trends and Events on Future Results

New York, October 24, 2005 – Cendant Corporation (**NYSE: CD**) today reported results for third quarter 2005. Revenue totaled $5.0 billion, an increase of 12% over third quarter 2004, reflecting growth in the Company’s core real estate and travel services businesses. EPS from Continuing Operations was $0.44 and Net Income was $514 million, versus $593 million in third quarter 2004. Disruptions in the global travel environment, primarily as a consequence of the hurricanes in the Gulf Coast, are estimated to have negatively impacted EPS by approximately $0.03.

Third Quarter 2005 Results of Core Operating Segments

The following discussion of operating results focuses on revenue and EBITDA for each of our core operating segments. Revenue and EBITDA are expressed in millions.

Real Estate Services

(Consisting of the Company’s real estate franchise brands, brokerage operations, relocation services and settlement services)

	2005	*2004*	*%change*
Revenue	$ 2,068	$ 1,856	11%
EBITDA	$ 409	$ 379	8%

Revenue and EBITDA increased due to growth in all of our real estate services businesses. Revenue growth at real estate franchise and NRT was driven principally by home price increases and tuck-in acquisitions at NRT. Home prices increased 15% at real estate franchise and 16% at NRT. Revenue generated by Cendant Mobility increased 9%, driven by higher fixed fee revenues and an overall increase in transaction fees, and revenue generated by Cendant Settlement Services Group increased 9%, due to growth in title and closing volumes.

Hospitality Services
(Consisting of the Company's franchised lodging brands, timeshare exchange and vacation rental businesses)

	2005	*2004*	*% change*
Revenue	$ 404	$ 365	11%
EBITDA	$ 144	$ 131	10%

Revenue and EBITDA increased due to growth in all of our hospitality services businesses. Revenue from our lodging business grew 12%, including a 7% increase in revenue per available room on an organic basis, the addition of Ramada International and continuing growth in our TripRewards loyalty program. Revenue from RCI, our timeshare exchange business, increased 3%, driven by a 5% increase in subscribers. Revenue from our vacation rental business increased 21%, due primarily to the acquisition of Canvas Holidays Limited in October 2004 as well as organic growth in our remaining vacation rental businesses of 9%.

Timeshare Resorts
(Consisting of the Company's timeshare sales and development businesses)

	2005	*2004*	*% change*
Revenue	$ 484	$ 424	14%
EBITDA	$ 80	$ 80	—

Revenue increased due to 10% growth in tour volume and a 6% increase in revenue per guest. Tour flow and revenue per guest were enhanced by our expansion in premium destinations including Hawaii, Las Vegas and Orlando and the opening of new sales offices. In addition, revenue and EBITDA were positively impacted by increased consumer financing income. EBITDA remained unchanged, year-over-year, due to $14 million of expenses resulting from the hurricanes in the Gulf Coast, which primarily include a provision for timeshare contract receivable losses and estimated costs to repair timeshare properties, some of which we expect will ultimately be recovered through insurance claims.

Vehicle Rental
(Consisting of the Company's car and truck rental businesses)

	2005	*2004*	*% change*
Revenue	$ 1,433	$ 1,243	15%
EBITDA	$ 183	$ 179	2%

Revenue increased due to growth in our domestic and international car rental operations as well as our truck rental business. Car rental revenue grew 17% worldwide due to a 17% increase in rental day volume. EBITDA was negatively impacted by $10 million of expenses reflecting the effects of the hurricanes in the Gulf Coast, which primarily include the impairment of rental car assets, most of which we expect will ultimately be recovered through insurance claims. EBITDA was also negatively impacted by higher vehicle depreciation and other volume-related costs resulting from 14% growth in our rental fleet to support increased demand, the absence of significant incentives from car manufacturers available in third quarter 2004 and increased fleet costs for model year 2006 vehicles. We initiated price increases in the second and third quarters of 2005 in order to attempt to partially offset the increased fleet costs as model year 2006 vehicles cycle into our inventory. To date, these price increases generally appear to be succeeding and we anticipate positive year-over-year pricing comparisons beginning in fourth quarter 2005, which should partially offset increased fleet costs.

Travel Distribution Services
(Consisting of electronic global distribution services for the travel industry, corporate and consumer online travel services, and travel agency services)

	2005	*2004*	*% change*
Revenue	$ 646	$ 437	48%
EBITDA	$ 160	$ 123	30%

Revenue and EBITDA increased primarily due to growth in our online travel agency and other consumer travel businesses. The acquisitions of Orbitz, Gullivers and ebookers contributed $215 million of revenue and $46 million of EBITDA, despite costs incurred to integrate these businesses. The revenue and EBITDA contribution from acquisitions was partially offset by $14 million and $3 million, respectively, due to the transfer of our membership travel business to the discontinued Marketing Services division effective January 1, 2005. The integration of Orbitz is substantially complete and the integrations of ebookers and Gullivers remain on track for completion during 2006. Apart from these transactions, gross bookings at our online travel agencies increased 15% and these businesses also achieved higher margins. Revenue from GDS and Supplier Services grew 1%, driven primarily by a 5% increase in global GDS segments and increased hosting services and other revenue, which was partially offset by a decline in domestic air yield and subscriber fees.

Recent Achievements and Strategic Initiatives
During the third quarter, the Company made considerable progress toward its cash flow generation, share repurchase and dividend payment goals:

- Generated Net Cash Provided by Operating Activities of $937 million and Free Cash Flow of $665 million. Year-to-date, the Company generated Net Cash Provided by Operating Activities of approximately $2.5 billion and Free Cash Flow of approximately $1.6 billion. For the full year 2005, the Company’s projection remains unchanged at more than $3 billion of Net Cash Provided by Operating Activities and $1.8 to $2.0 billion of Free Cash Flow.

- Utilized $558 million of cash for the repurchase of common stock ($521 million net of proceeds from option exercises). Year-to-date, the Company utilized $1.0 billion of cash for the repurchase of common stock ($790 million net of proceeds from option exercises). Fully diluted shares decreased by approximately 15 million from the second quarter 2005 amount.

- Utilized $117 million of cash to pay its quarterly dividend of $0.11 per share. Year-to-date, the Company utilized $309 million of cash to pay quarterly dividends.

In addition, the Company has:

- Completed the sale of its Marketing Services division for approximately $1.8 billion in total consideration, of which approximately $1.7 billion was in cash, net of estimated closing adjustments, and the balance was in preferred stock and warrants. The transaction is expected to result in a pretax gain in excess of $1.0 billion.

- Acquired the Wyndham hotel brand and franchise system, relating to more than 100 upscale, full-service lodging properties in major U.S., Mexican and Caribbean markets, for approximately $100 million in cash. The acquisition includes franchise agreements for 82 hotels and management contracts for 27 hotels, as well as the worldwide rights to the Wyndham brand for hotel and timeshare development.

Other Items

- ***Corporate and Other*** – As previously disclosed, third quarter 2004 EBITDA includes a $12 million credit related to the termination of a lease, which did not recur in 2005.

- ***Depreciation and Amortization*** – Third quarter 2005 results include $18 million of incremental depreciation and amortization related to the Orbitz, Gullivers and ebookers acquisitions.

- ***Interest Expense*** – As previously disclosed, third quarter 2004 interest expense includes interest income of $26 million related to a federal tax refund, which did not recur in third quarter 2005.

- ***Discontinued Operations* –** Includes income from the Company's former Marketing Services Division and, in prior periods, results of operations of the Company's former Jackson Hewitt, Wright Express, fleet and appraisal units, which have been disposed.

Outlook

Based upon current trends in the Company's consumer-oriented travel businesses, EBITDA from core operating segments (excluding restructuring charges) is expected to increase approximately 14%, year-over-year, in fourth quarter 2005, as compared with our previous projected growth of approximately 25%.

President and Chief Financial Officer Ronald L. Nelson commented, "Several of our leisure travel units began to show signs of slowing growth during the third quarter. Although some of what we experienced can be directly attributed to the impact of terrorism, devastating hurricanes and higher gasoline prices, we also began to feel the impact of, among other things, the slowdown in the rate of growth currently affecting all online travel businesses, as well as the ongoing channel shift to supplier sites, demand weakness in certain key markets in the global distribution business, and continued economic weakness in Europe.

"In addition, we combined our timeshare exchange business, RCI, and our Vacation Rental Group to create the new Vacation Network Group. This combination is expected to save the Company approximately $9 million annually, as well as broaden the marketing capability of our European travel business, but will result in severance and facility closing costs of approximately $0.01 per share in fourth quarter 2005."

As a result of this restructuring and the slower growth noted above, the Company reduced its projection for fourth quarter 2005 EPS by $0.03 — $0.04, to a range of $0.23 — $0.26. This projection does not include any potential charges associated with the contemplated separation of the Company into four separately traded public companies announced this morning.

Mr. Nelson continued, "The effect of these items on 2006 is not yet clear. However, based upon the current trends noted above, together with increased fleet costs and higher interest cost in the rental car business, we preliminarily project revenue to grow by approximately 10% and EBITDA from core operating segments to grow by 11% — 13% in 2006 versus 2005, down from our previous estimate of 11% revenue growth and 19% EBITDA growth."

The Company will not be providing specific EPS guidance for Cendant for 2006, as it is no longer relevant due to the contemplated separation of the Company into four separately traded public companies announced this morning. The Company expects to provide guidance for each of the proposed new companies at its 2006 Investor Day, currently planned for February 2, 2006. The Company updated its EPS projections for the remainder of 2005 as follows:

	Fourth Quarter	Full Year
2005 EPS from Continuing Operations before Transaction Related Charges[(a)]	$0.23-$0.26	$1.28-$1.31
2005 Transaction Related Charges[(b)]	—	($0.20)
2005 EPS from Continuing Operations[(a)] [(b)]	$0.23-$0.26	$1.08-$1.11

(a) Includes a $0.01 per share charge in connection with combining the management and operations of our vacation rental business in Europe with our timeshare exchange business to create the newly formed Vacation Network Group. Excludes any potential charges associated with the contemplated separation of the Company into four separately traded public companies announced this morning.

(b) Includes a non-cash impairment charge of $0.17 per share in connection with the spin-off of PHH and a $0.03 per share charge related to restructuring activities and other transaction related costs, both of which were recorded in first quarter 2005.

The Company updated its financial projections for full year 2005 as follows:

(in millions)		Full Year 2004 Actual		Full Year 2005 Projected (a)
Revenue				
Real Estate Services	$	6,552	$	7,200 – 7,300
Hospitality Services		1,340		1,500 – 1,550
Timeshare Resorts		1,544		1,675 – 1,725
Vehicle Rental		4,424		4,900 – 5,000
Total Travel Content	$	7,308	$	8,075 – 8,275
Travel Distribution Services		1,788		2,400 – 2,500
Total Travel	$	9,096	$	10,475 – 10,775
Total Core Operating Segments	$	15,648	$	17,800 – 17,950
Mortgage Services (b)		700		46
Corporate and Other		56		4 – 54
Total Company	$	16,404	$	17,850 – 18,050
EBITDA (c)				
Real Estate Services	$	1,131	$	1,200 – 1,225
Hospitality Services		460		455 – 475
Timeshare Resorts		254		260 – 280
Vehicle Rental		467		440 – 465
Total Travel Content	$	1,181	$	1,155 – 1,220
Travel Distribution Services		466		570 – 595
Total Travel	$	1,647	$	1,725 – 1,815
Total Core Operating Segments	$	2,778	$	2,955 – 2,975
Mortgage Services (b) (d)		97		(181)
Corporate and Other		(66)		(195 – 180)
Depreciation and amortization (e)		(483)		(545 – 540)
Amortization of pendings/listings		(16)		(30 – 25)
Interest expense, net (e) (f)		(263)		(185 – 175)
Pretax income (c) (d)	$	2,047	$	1,819 – 1,874
Provision for income taxes		(674)		(670 – 690)
Minority interest		(8)		(4)
Income from continuing operations (c) (d)	$	1,365	$	1,145 – 1,180
Diluted weighted average shares outstanding		1,064		1,065 – 1,060

(a) Projections do not total because we do not expect the actual results of all segments to be at the lowest or highest end of any projected range simultaneously.

(b) Reflects the results of the Company's former mortgage unit for the full year in 2004 but only for the month of January in 2005, due to the spin-off of PHH Corporation on January 31, 2005.

(c) 2005 includes approximately $53 million of pretax charges related to restructuring activities and other transaction related costs, approximately $52 million of which was recorded in the nine months ended September 30, 2005.

(d) 2005 includes the previously disclosed non-cash impairment charge recorded in connection with the spin-off of PHH of $180 million ($0.17 per share).

(e) Depreciation and amortization excludes amounts related to our assets under management programs, and interest expense excludes amounts related to our debt under management programs, both of which are already reflected in EBITDA.

(f) 2005 interest expense includes the reversal of $73 million of accrued interest in the first quarter related to a litigation settlement.

Investor Conference Call

Cendant will host a conference call to discuss the third quarter results on Tuesday, October 25, 2005, at 11:00 a.m. (ET). Investors may access the call live at www.cendant.com or by dialing (913) 981-5542. A web replay will be available at www.cendant.com following the call. A telephone replay will be available from 2:00 p.m. (ET) on October 25, 2005 until midnight (ET) on November 1, 2005 at (719) 457-0820, access code: 1047115.

Cendant Corporation is primarily a provider of travel and residential real estate services. With approximately 85,000 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 www.cendant.com.

Forward Looking Statements

Certain statements in this press release constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Statements preceded by, followed by or that otherwise include the words "believes", "expects", "anticipates", "intends", "projects", "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. Any statements that refer to expectations or other characterizations of future events, circumstances or results are forward-looking statements. The Company cannot provide any assurances that the contemplated separation or any of the proposed transactions related thereto will be completed, nor can it give assurances as to the terms on which such transactions will be consummated. The contemplated separation is subject to certain conditions precedent, including final approval by the Board of Directors of Cendant.

Various risks that could cause future results to differ from those expressed by the forward-looking statements included in this press release include, but are not limited to: risks inherent in the contemplated separation and related transactions and borrowings and costs related to the proposed transactions; distraction of the Company and its management as a result of the proposed transactions; changes in business, political and economic conditions in the United States and in other countries in which Cendant and its companies currently do business; changes in governmental regulations and policies and actions of regulatory bodies; changes in operating performance; and access to capital *markets and changes in credit ratings, including those that may result from the proposed transactions. Other unknown or unpredictable factors also could have material adverse effects on Cendant's and its companies' performance or achievements. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this press release may not occur. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated, or if no date is stated, as of the date of this press release. 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 10-Q for the quarter ended June 30, 2005, including under headings such as "Forward-Looking Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations". Except for the Company's ongoing obligations to disclose material information under the federal securities laws, the Company undertakes 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.*

This release includes certain non-GAAP financial measures as defined under SEC rules. As required by SEC rules, important information regarding such measures is contained on Table 9 to this release. This press release also includes management's estimate of EBITDA growth from core operating segments for the year ended December 31, 2006. Management believes the most directly comparable GAAP measure would be "Net income." Due to the difficulty in forecasting and quantifying the amounts that would be required to be included in this comparable GAAP measure, the Company is not providing an estimate of 2006 Net Income at this time.

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Tables Follow

Cendant Corporation and Subsidiaries
SUMMARY DATA SHEET
(Dollars in millions, except per share data)

	Third Quarter 2005	Third Quarter 2004	% Change
Income Statement Items			
Net Revenues	$ 5,046	$ 4,505	12%
Pretax Income **(A)**	720	736	(2%)
Income from Continuing Operations	468	497	(6%)
EPS from Continuing Operations (diluted)	0.44	0.47	(6%)
Cash Flow Items			
Net Cash Provided by Operating Activities	$ 937	$ 1,919	
Free Cash Flow **(B)**	665	540	
Payments Made for Current Period Acquisitions, Net of Cash Acquired	(166)	(53)	
Net Debt Repayments	(63)	(214)	
Issuance of Common Stock in Connection with the Upper DECS	—	863	
Net Repurchases of Common Stock	(521)	(103)	
Payment of Dividends	(117)	(93)	

	As of September 30, 2005	As of December 31, 2004
Balance Sheet Items		
Total Corporate Debt	$ 4,814	$ 4,330
Cash and Cash Equivalents	356	467
Total Stockholders' Equity	11,230	12,695

Segment Results

	Third Quarter 2005	Third Quarter 2004	% Change
Net Revenues			
Real Estate Services	$ 2,068	$ 1,856	11%
Hospitality Services	404	365	11%
Timeshare Resorts	484	424	14%
Vehicle Rental	1,433	1,243	15%
Total Travel Content	2,321	2,032	14%
Travel Distribution Services	646	437	48%
Total Travel	2,967	2,469	20%
Total Core Operating Segments	5,035	4,325	16%
Mortgage Services	—	175	*
Corporate and Other	11	5	*
Total Company	**$ 5,046**	**$ 4,505**	12%
EBITDA (C)			
Real Estate Services	$ 409	$ 379	8%
Hospitality Services	144	131	10%
Timeshare Resorts	80	80	—
Vehicle Rental	183	179	2%
Total Travel Content	407	390	4%
Travel Distribution Services	160	123	30%
Total Travel	567	513	11%
Total Core Operating Segments	976	892	9%
Mortgage Services	—	29	*
Corporate and Other	(50)	(30)	*
Total Company	**$ 926**	**$ 891**	4%
Reconciliation of EBITDA to Pretax Income			
Total Company EBITDA	$ 926	$ 891	
Less: Non-program related depreciation and amortization	134	118	
Non-program related interest expense, net	66	32	
Amortization of pendings and listings	6	5	
Pretax Income **(A)**	$ 720	$ 736	(2%)

* Not meaningful.

(A) Referred to as “Income before income taxes and minority interest” on the Consolidated Condensed Statements of Income presented on Table 2. See Table 2 for a reconciliation of Pretax Income to Net Income.

(B) See Table 9 for a description of Free Cash Flow and Table 8 for the underlying calculations.

(C) See Table 9 for a description of EBITDA.

Cendant Corporation and Subsidiaries
SUMMARY DATA SHEET
(Dollars in millions, except per share data)

	Nine Months Ended September 30, 2005	Nine Months Ended September 30, 2004	% Change
Income Statement Items			
Net Revenues	$ 13,658	$ 12,449	10%
Pretax Income **(A)**	1,487	1,664	(11%)
Income from Continuing Operations	922	1,116	(17%)
EPS from Continuing Operations (diluted)	0.86	1.05	(18%)
Cash Flow Items			
Net Cash Provided by Operating Activities	$ 2,541	$ 2,771	
Free Cash Flow **(B)**	1,581	1,355	
Payments Made for Current Period Acquisitions, Net of Cash Acquired	(1,670)	(328)	
Net Debt Borrowings (Repayments)	470	(1,311)	
Issuance of Common Stock in Connection with the Upper DECS	—	863	
Net Repurchases of Common Stock	(790)	(669)	
Payment of Dividends	(309)	(237)	

	As of September 30, 2005	As of December 31, 2004
Balance Sheet Items		
Total Corporate Debt	$ 4,814	$ 4,330
Cash and Cash Equivalents	356	467
Total Stockholders' Equity	11,230	12,695

Segment Results

	Nine Months Ended September 30, 2005	Nine Months Ended September 30, 2004	% Change
Net Revenues			
Real Estate Services	$ 5,520	$ 4,980	11%
Hospitality Services	1,166	1,017	15%
Timeshare Resorts	1,288	1,155	12%
Vehicle Rental	3,745	3,363	11%
Total Travel Content	6,199	5,535	12%
Travel Distribution Services	1,858	1,337	39%
Total Travel	8,057	6,872	17%
Total Core Operating Segments	13,577	11,852	15%
Mortgage Services	46	545	*
Corporate and Other	35	52	*
Total Company	**$ 13,658**	**$ 12,449**	10%
EBITDA (C)			
Real Estate Services	$ 963	$ 894	8%
Hospitality Services	369	378	(2%)
Timeshare Resorts	192	180	7%
Vehicle Rental	377	387	(3%)
Total Travel Content	938	945	(1%)
Travel Distribution Services	432	364	19%
Total Travel	1,370	1,309	5%
Total Core Operating Segments	2,333	2,203	6%
Mortgage Services **(D)**	(181)	88	*
Corporate and Other	(124)	(75)	*
Total Company	**$ 2,028**	**$ 2,216**	(8%)
Reconciliation of EBITDA to Pretax Income			
Total Company EBITDA	$ 2,028	$ 2,216	
Less: Non-program related depreciation and amortization	411	341	
Non-program related interest expense, net	118	180	
Early extinguishment of debt	—	18	
Amortization of pendings and listings	12	13	

Pretax Income **(A)**	$ 1,487	$ 1,664	(11%)

***** Not meaningful.

(A) Referred to as "Income before income taxes and minority interest" on the Consolidated Condensed Statements of Income presented on Table 2. See Table 2 for a reconciliation of Pretax Income to Net Income.

(B) See Table 9 for a description of Free Cash Flow and Table 8 for the underlying calculations.

(C) See Table 9 for a description of EBITDA.

(D) The 2005 amount includes a $180 million non-cash valuation charge associated with the PHH spin-off.

Cendant Corporation and Subsidiaries
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(In millions, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
Revenues				
Service fees and membership, net	$ 3,606	$ 3,255	$ 9,864	$ 9,018
Vehicle-related	1,433	1,243	3,745	3,363
Other	7	7	49	68
Net revenues	5,046	4,505	13,658	12,449
Expenses				
Operating	2,868	2,604	7,853	7,233
Vehicle depreciation, lease charges and interest, net	428	342	1,126	935
Marketing and reservation	446	383	1,325	1,119
General and administrative	369	294	1,065	950
Non-program related depreciation and amortization	134	118	411	341
Non-program related interest, net:				
Interest expense, net	66	32	118	180
Early extinguishment of debt	—	—	—	18
Acquisition and integration related costs:				
Amortization of pendings and listings	6	5	12	13
Other	8	(9)	29	(4)
Restructuring and transaction-related charges	1	—	52	—
Valuation charge associated with PHH spin-off	—	—	180	—
Total expenses	4,326	3,769	12,171	10,785
Income before income taxes and minority interest	720	736	1,487	1,664
Provision for income taxes	251	238	562	541
Minority interest, net of tax	1	1	3	7
Income from continuing operations	468	497	922	1,116
Income from discontinued operations, net of tax (*)	43	96	28	411
Gain (loss) on disposal of discontinued operations, net of tax:				
PHH valuation and transaction-related charges	—	—	(312)	—
Gain on disposal	3	—	181	198
Net income	$ 514	$ 593	$ 819	$ 1,725
Earnings per share				
Basic				
Income from continuing operations	$ 0.45	$ 0.48	$ 0.88	$ 1.09
Income from discontinued operations	0.05	0.09	0.03	0.40
Gain (loss) on disposal of discontinued operations	—	—	(0.13)	0.20
Net income	$ 0.50	$ 0.57	$ 0.78	$ 1.69
Diluted				
Income from continuing operations	$ 0.44	$ 0.47	$ 0.86	$ 1.05
Income from discontinued operations	0.05	0.09	0.03	0.39
Gain (loss) on disposal of discontinued operations	—	—	(0.12)	0.19
Net income	$ 0.49	$ 0.56	$ 0.77	$ 1.63
Weighted average shares outstanding				
Basic	1,037	1,036	1,047	1,024
Diluted	1,057	1,064	1,069	1,059

(*) Includes the results of operations of (i) the Company's Marketing Services division, which was sold on October 17, 2005, (ii) the Company's former fuel card business, Wright Express Corporation, through date of disposition (February 2005), (iii) the Company's former fleet leasing and appraisal businesses through date of spin-off (January 2005) and (iv) in 2004, the Company's former tax preparation business, Jackson Hewitt Tax Service Inc., through date of disposition (June 2004).

Cendant Corporation and Subsidiaries
ORGANIC GROWTH BY SEGMENT
(In millions)

	REVENUES		
	Third Quarter		
	2005	2004	%*
Real Estate Services **(A)**	$ 2,005	$ 1,851	8%
Hospitality Services **(B)**	389	365	7%
Timeshare Resorts **(C)**	482	424	14%
Vehicle Rental	1,433	1,243	15%
Total Travel Content	2,304	2,032	13%
Travel Distribution Services **(D)**	431	423	2%
Total Travel	2,735	2,455	11%
Total Core Operating Segments	$ 4,740	$ 4,306	10%

	EBITDA		
	Third Quarter		
	2005	2004	%*
Real Estate Services **(A)**	$ 401	$ 375	7%
Hospitality Services **(B)**	139	131	6%
Timeshare Resorts **(C)**	79	80	—
Vehicle Rental	183	179	2%
Total Travel Content	401	390	3%
Travel Distribution Services **(D)**	114	120	(5%)
Total Travel	515	510	1%
Total Core Operating Segments	$ 916	$ 885	4%

Reconciliation of Organic EBITDA to Pretax Income

Pretax Income **(E)**	$ 720	$ 736
Add: Non-program related depreciation and amortization	134	118
Non-program related interest expense, net	66	32
Amortization of pendings and listings	6	5
Total Company EBITDA	926	891
Less: Mortgage Services	—	29
Corporate and Other	(50)	(30)
EBITDA for Total Core Operating Segments	976	892
Adjustments to arrive at Organic EBITDA for Total Core Operating Segments	(60)	(7)
Organic EBITDA for Total Core Operating Segments **(per above)**	$ 916	$ 885

***** Amounts may not calculate due to rounding in millions.

(A) Includes a reduction to revenue and EBITDA growth of $58 million and $4 million, respectively, primarily related to the acquisitions of significant real estate brokerage businesses during or subsequent to third quarter 2004.

(B) Includes a reduction to revenue and EBITDA growth of $15 million and $5 million, respectively, primarily related to the acquisitions of Canvas Holidays Limited in October 2004 and Ramada International, Inc. in December 2004.

(C) Includes a reduction to revenue and EBITDA growth of $2 million and $1 million, respectively, related to the acquisition of a timeshare resort property in August 2005.

(D) Includes a reduction to revenue and EBITDA growth of $201 million and $43 million, respectively, primarily related to the acquisitions of Orbitz, Inc. in November 2004, ebookers plc in February 2005 and Gullivers Travel Associates in April 2005, partially offset by the transfer of the Company's membership travel business to the discontinued Marketing Services division.

(E) See Table 2 for a reconciliation of Pretax Income to Net Income.

Cendant Corporation and Subsidiaries
ORGANIC GROWTH BY SEGMENT
(In millions)

	REVENUES		
	Nine Months Ended September 30,		
	2005	2004	%*
Real Estate Services **(B)**	$ 5,335	$ 4,959	8%
Hospitality Services **(C)**	1,085	1,017	7%
Timeshare Resorts **(D)**	1,286	1,149	12%
Vehicle Rental	3,745	3,363	11%
Total Travel Content	6,116	5,529	11%
Travel Distribution Services **(E)**	1,327	1,292	3%
Total Travel	7,443	6,821	9%
Total Core Operating Segments	$ 12,778	$ 11,780	8%

	EBITDA			EBITDA Excluding Restructuring Charges		
	Nine Months Ended September 30,			Nine Months Ended September 30,		
	2005	2004	% *	2005 (A)	2004	% *
Real Estate Services **(B)**	$ 938	$ 874	7%	$ 944	$ 874	8%
Hospitality Services **(C)**	366	378	(3%)	371	378	(2%)
Timeshare Resorts **(D)**	192	175	10%	193	175	10%
Vehicle Rental	377	387	(3%)	385	387	(1%)
Total Travel Content	935	940	(1%)	949	940	1%
Travel Distribution Services **(E)**	351	358	(2%)	362	358	1%
Total Travel	1,286	1,298	(1%)	1,311	1,298	1%
Total Core Operating Segments	$ 2,224	$ 2,172	2%	$ 2,255	$ 2,172	4%
Reconciliation of Organic EBITDA to Pretax Income						
Pretax Income **(F)**	$ 1,487	$ 1,664		$ 1,487	$ 1,664	
Add: Non-program related depreciation and amortization	411	341		411	341	
Non-program related interest expense, net	118	180		118	180	
Early extinguishment of debt	—	18		—	18	
Amortization of pendings and listings	12	13		12	13	
Total Company EBITDA	2,028	2,216		2,028	2,216	
Less: Mortgage Services	(181)	88		(181)	88	
Corporate and Other	(124)	(75)		(124)	(75)	
EBITDA for Total Core Operating Segments	2,333	2,203		2,333	2,203	
Adjustments to arrive at Organic EBITDA for Total Core Operating Segments	(109)	(31)		(78)	(31)	
Organic EBITDA for Total Core Operating Segments **(per above)**	$ 2,224	$ 2,172		$ 2,255	$ 2,172	

***** Amounts may not calculate due to rounding in millions.

(A) Excludes restructuring charges of $6 million, $5 million, $1 million, $8 million and $11 million within the Real Estate Services, Hospitality Services, Timeshare Resorts, Vehicle Rental and Travel Distribution Services segments, respectively.

(B) Includes a reduction to revenue and EBITDA growth of $163 million and $5 million, respectively, primarily related to the acquisition of Sotheby's International Realty in February 2004, the acquisitions of significant real estate brokerage businesses during or subsequent to second quarter 2004 and a refinement during first quarter 2005 to how we estimate transactions that closed during the quarter when those transactions have not yet been reported to us by our franchisees, partially offset by the sale of certain non-core assets by our settlement services business in June 2004.

(C) Includes a reduction to revenue and EBITDA growth of $81 million and $3 million, respectively, primarily related to the acquisitions of Landal GreenParks in May 2004, Canvas Holidays Limited in October 2004 and Ramada International, Inc. in December 2004.

(D) Includes an increase to revenue and EBITDA growth of $4 million and $5 million, respectively, related to the sale of Equivest Capital in March 2004, partially offset by the acquisition of a timeshare resort property in August 2005.

(E) Includes a reduction to revenue and EBITDA growth of $486 million and $75 million, respectively, primarily related to the acquisitions of Orbitz, Inc. in November 2004, ebookers plc in February 2005, Gullivers Travel Associates in April 2005 and Flairview Travel in April 2004, partially offset by the transfer of the Company's membership travel business to the discontinued Marketing Services division.

(F) See Table 2 for a reconciliation of Pretax Income to Net Income.

Cendant Corporation and Affiliates
SEGMENT REVENUE DRIVER ANALYSIS (*)
(Revenue dollars in thousands)

	Third Quarter		
	2005	2004	% Change
REAL ESTATE SERVICES SEGMENT			
Real Estate Franchise			
Closed Sides	516,534	516,747	—
Average Price	$ 233,211	$ 201,952	15%
Royalty Revenue **(A)**	$ 147,268	$ 131,062	12%
Total Revenue **(A)**	$ 168,900	$ 148,776	14%
Real Estate Brokerage			
Closed Sides	135,463	137,805	(2%)
Average Price	$ 476,636	$ 412,058	16%
Net Revenue from Real Estate Transactions	$ 1,649,607	$ 1,481,887	11%
Total Revenue	$ 1,666,738	$ 1,494,002	12%
Relocation			
Transaction Volume	25,149	24,863	1%
Total Revenue	$ 139,202	$ 127,951	9%
Settlement Services			
Purchase Title and Closing Units	43,613	40,618	7%
Refinance Title and Closing Units	14,222	11,590	23%
Total Revenue	$ 93,440	$ 85,406	9%
HOSPITALITY SERVICES SEGMENT			
Lodging			
RevPAR **(B)**	$ 36.86	$ 34.04	8%
Weighted Average Rooms Available **(B)**	511,531	507,330	1%
Royalty, Marketing and Reservation Revenue **(C)**	$ 119,829	$ 112,765	6%
Total Revenue **(C)**	$ 148,215	$ 132,349	12%
RCI			
Average Number of Subscribers	3,232,901	3,073,811	5%
Subscriber Related Revenue	$ 144,723	$ 140,958	3%
Total Revenue	$ 151,737	$ 147,224	3%
Vacation Rental Group			
Cottage Weeks Sold	242,899	223,850	9%
Total Revenue	$ 104,106	$ 85,871	21%

(*) Certain of the 2004 amounts presented herein have been revised to reflect the new segment reporting structure and a new presentation of drivers. All comparable quarterly amounts for 2003 and 2004 are available on the Cendant website, which may be accessed at www.cendant.com.

(A) Excludes $110 million and $100 million of intercompany royalties paid primarily by our NRT real estate brokerage business during the three months ended September 30, 2005 and 2004, respectively.

(B) We acquired the Ramada International Hotels and Resorts trademark on December 10, 2004. The 2004 drivers do not include RevPAR and Weighted Average Rooms Available of Ramada International. On a comparable basis (excluding Ramada International from the 2005 amounts), RevPAR would have increased 7% and Weighted Average Rooms Available would have decreased 4%.

(C) The 2005 amounts include the revenues of businesses acquired during or subsequent to third quarter 2004 and are therefore not comparable to the 2004 amounts.

Cendant Corporation and Affiliates
SEGMENT REVENUE DRIVER ANALYSIS (*)
(Revenue dollars in thousands)

	Third Quarter		
	2005	**2004**	**% Change**
TIMESHARE RESORTS SEGMENT			
Tours	271,591	245,820	10%
Total Revenue	$ 483,748	$ 423,831	14%
VEHICLE RENTAL SEGMENT			
Car			
Rental Days (000's)	28,720	24,583	17%
Time and Mileage Revenue per Day	$ 38.29	$ 38.41	—
Total Car Revenue	$ 1,265,600	$ 1,081,957	17%
Truck			
Total Truck Revenue	$ 167,118	$ 160,952	4%
TRAVEL DISTRIBUTION SERVICES SEGMENT			
Transaction Volume, by Region (000's) **(A)**			
United States	27,894	26,541	5%
International	43,722	41,924	4%
Transaction Volume, by Channel (000's)			
Traditional Agency	61,542	60,500	2%
Online **(A)**	10,074	7,965	26%
Online Gross Bookings ($000's) **(B)**	**$** 1,922,369	$ 1,656,119	16%
Offline Gross Bookings ($000's) **(B)**	**$** 455,935	$ 221,600	106%
GDS and Supplier Services Revenue **(C)**	**$** 382,563	$ 378,306	1%
Owned Travel Agency Revenue **(D)**	**$** 263,192	$ 58,704	348%

(*) Certain of the 2004 amounts presented herein have been revised to reflect the new segment reporting structure and a new presentation of drivers. All comparable quarterly amounts for 2003 and 2004 are available on the Cendant website, which may be accessed at www.cendant.com.

(A) Includes supplier link and merchant hotel transactions not booked through the Galileo GDS system.

(B) We acquired Gullivers Travel Associates on April 1, 2005, ebookers plc on February 28, 2005 and Orbitz, Inc. on November 12, 2004. Revenue generated by these businesses prior to acquisition is not reflected in the revenue data presented herein and, therefore, the revenue data are not comparable. However, the online gross bookings and offline gross bookings data for third quarter 2004 have been adjusted to include aggregate bookings of approximately $1.3 billion and $135 million, respectively, by ebookers and Orbitz so as to present comparable driver data. The online gross bookings and offline gross bookings data for Gullivers have been reflected in the third quarter 2005 driver data (approximately $70 million and $300 million, respectively), but not in the third quarter 2004 driver data due to the absence of available driver data prior to our acquisition of Gullivers on April 1, 2005.

(C) We refer to this as our "Order Taker" business. Includes Galileo revenue of $375 million and $370 million for third quarter 2005 and 2004, respectively.

(D) We refer to this as our "Order Maker" business, which is primarily comprised of Gullivers, ebookers, Orbitz, Flairview, Cheaptickets and Lodging.com.

Table 5

Cendant Corporation and Subsidiaries
CONSOLIDATED CONDENSED BALANCE SHEETS
(In billions)

	As of September 30, 2005	As of December 31, 2004
Assets		
Current assets:		
Cash and cash equivalents	$ 0.4	$ 0.5
Assets of discontinued operations	1.1	6.6
Other current assets	3.1	2.6
Total current assets	4.6	9.7
Property and equipment, net	1.7	1.7
Goodwill	12.3	11.1
Other non-current assets	4.3	5.4
Total assets exclusive of assets under programs	22.9	27.9
Assets under management programs	12.5	14.7
Total assets	**$ 35.4**	**$ 42.6**
Liabilities and stockholders' equity		
Current liabilities:		
Current portion of long-term debt	$ 2.2	$ 0.7
Liabilities of discontinued operations	0.6	5.3
Other current liabilities	4.6	4.4
Total current liabilities	7.4	10.4
Long-term debt	2.6	3.6
Other non-current liabilities	1.6	1.5
Total liabilities exclusive of liabilities under programs	11.6	15.5
Liabilities under management programs **(*)**	12.6	14.4
Total stockholders' equity	11.2	12.7
Total liabilities and stockholders' equity	**$ 35.4**	**$ 42.6**

(*) Liabilities under management programs includes deferred income tax liabilities of $1.9 billion and $2.2 billion as of September 30, 2005 and December 31, 2004, respectively.

Table 6

Cendant Corporation and Subsidiaries
SCHEDULE OF CORPORATE DEBT (*)
(In millions)

Maturity Date		September 30, 2005	June 30, 2005	March 31, 2005	December 31, 2004
	Net Debt				
August 2006	6 7/8% notes	$ 850	$ 850	$ 850	$ 850
August 2006	4.89% notes	100	100	100	100
January 2008	6 1/4% notes	798	798	798	797
March 2010	6 1/4% notes	349	349	349	349
January 2013	7 3/8% notes	1,191	1,191	1,191	1,191
March 2015	7 1/8% notes	250	250	250	250
November 2009	Revolver borrowings **(A)**	381	284	1,310	650
	Commercial paper borrowings **(A)**	800	975	—	—
	Net hedging gains (losses) **(B)**	(25)	29	(29)	17
	Other	120	96	89	126
	Total Debt	**4,814**	**4,922**	**4,908**	**4,330**
	Less: Cash and cash equivalents	356	623	1,341	467
	Net Debt	**$ 4,458**	**$ 4,299**	**$ 3,567**	**$ 3,863**
	Net Capitalization				
	Total Stockholders' Equity	$ 11,230	$ 11,234	$ 11,195	$ 12,695
	Total Debt (per above)	4,814	4,922	4,908	4,330
	Total Capitalization	**16,044**	**16,156**	**16,103**	**17,025**
	Less: Cash and cash equivalents	356	623	1,341	467
	Net Capitalization	**$ 15,688**	**$ 15,533**	**$ 14,762**	**$ 16,558**
	Net Debt to Net Capitalization Ratio (C)	**28.4%**	**27.7%**	**24.2%**	**23.3%**
	Total Debt to Total Capitalization Ratio	**30.0%**	**30.5%**	**30.5%**	**25.4%**

(*) Amounts presented herein exclude assets and liabilities under management programs.

(A) On October 17, 2005, we received approximately $1.7 billion of cash from the sale of our Marketing Services division. Approximately $1.2 billion of such cash has already been or will be used during October 2005 to repay the outstanding revolver and commercial paper borrowings. The Net Debt to Net Capitalization and Total Debt to Total Capitalization ratios after giving effect to the sale of the Marketing Services division and the utilization of $1.2 billion of those proceeds will be 19.2% and 23.6%, respectively.

(B) As of September 30, 2005, this balance represents $139 million of mark-to-market adjustments on current interest rate hedges, partially offset by $114 million of net gains resulting from the termination of interest rate hedges, which will be amortized by the Company to reduce future interest expense.

(C) See Table 9 for a description of this ratio.

Cendant Corporation and Subsidiaries
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(In millions)

	Three Months Ended September 30, 2005	Three Months Ended September 30, 2004	Nine Months Ended September 30, 2005	Nine Months Ended September 30, 2004
Operating Activities				
Net cash provided by operating activities exclusive of management programs	$ 722	$ 773	$ 1,884	$ 1,785
Net cash provided by operating activities of management programs	215	1,146	657	986
Net Cash Provided by Operating Activities	**937**	**1,919**	**2,541**	**2,771**
Investing Activities				
Property and equipment additions	(110)	(100)	(303)	(280)
Net assets acquired, net of cash acquired, and acquisition-related payments	(205)	(65)	(1,794)	(402)
Proceeds received on asset sales	30	5	43	29
Proceeds from disposition of businesses, net of transaction-related payments	4	(5)	969	821
Other, net	73	(2)	101	118
Net cash provided by (used in) investing activities exclusive of management programs	(208)	(167)	(984)	286
Management programs:				
Net change in program cash	(4)	(137)	(65)	8
Net change in investment in vehicles	252	1,202	(2,320)	(1,401)
Net change in relocation receivables	(39)	(47)	(157)	(62)
Net change in mortgage servicing rights, related derivatives and mortgage-backed securities	—	121	21	(269)
Other, net	(1)	9	(21)	54
	208	1,148	(2,542)	(1,670)
Net Cash Provided by (Used in) Investing Activities	**—**	**981**	**(3,526)**	**(1,384)**
Financing Activities				
Proceeds from borrowings	159	6	165	25
Principal payments on borrowings	(67)	(220)	(156)	(1,336)
Net change in short-term borrowings	(155)	—	461	—
Issuances of common stock	37	951	228	1,347
Repurchases of common stock	(558)	(191)	(1,018)	(1,153)
Payments of dividends	(117)	(93)	(309)	(237)
Cash reduction due to spin-off of PHH	—	—	(259)	—
Other, net	4	(1)	8	(23)
Net cash provided by (used in) financing activities exclusive of management programs	(697)	452	(880)	(1,377)
Management programs:				
Proceeds from borrowings	2,644	2,330	9,627	9,201
Principal payments on borrowings	(3,019)	(3,893)	(7,926)	(8,798)
Net change in short-term borrowings	(86)	(864)	98	50
Other, net	(10)	(2)	(22)	(19)
	(471)	(2,429)	1,777	434
Net Cash Provided by (Used in) Financing Activities	**(1,168)**	**(1,977)**	**897**	**(943)**
Effect of changes in exchange rates on cash and cash equivalents	(15)	(34)	(44)	4
Cash provided by (used in) discontinued operations	(21)	215	21	361
Net increase (decrease) in cash and cash equivalents	(267)	1,104	(111)	809
Cash and cash equivalents, beginning of period	623	451	467	746
Cash and cash equivalents, end of period	**$ 356**	**$ 1,555**	**$ 356**	**$ 1,555**

Cendant Corporation and Subsidiaries
CONSOLIDATED SCHEDULES OF FREE CASH FLOWS (*)
(In millions)

	Three Months Ended September 30, 2005	Three Months Ended September 30, 2004	Nine Months Ended September 30, 2005	Nine Months Ended September 30, 2004
Pretax income	$ 720	$ 736	$ 1,487	$ 1,664
Addback of non-cash depreciation and amortization:				
Non-program related	134	118	411	341
Pendings and listings	6	5	12	13
Addback of non-cash valuation charge associated with PHH spin-off	—	—	180	—
Tax payments, net of refunds	(44)	(28)	(148)	(116)
Working capital and other	7	(56)	50	(17)
Capital expenditures	(110)	(100)	(303)	(280)
Management programs **(A)**	(48)	(135)	(108)	(250)
Free Cash Flow	**665**	**540**	**1,581**	**1,355**
Current period acquisitions, net of cash acquired	(166)	(53)	(1,670)	(328)
Payments related to prior period acquisitions	(39)	(12)	(124)	(74)
Proceeds from disposition of businesses, net	4	(5)	969	821
Issuance of common stock in connection with the Upper DECS	—	863	—	863
Net repurchases of common stock	(521)	(103)	(790)	(669)
Payment of dividends	(117)	(93)	(309)	(237)
Investments and other **(B)**	(30)	181	21	389
Cash reduction due to spin-off of PHH	—	—	(259)	—
Net debt borrowings (repayments)	(63)	(214)	470	(1,311)
Net increase (decrease) in cash and cash equivalents (per Table 7)	**$ (267)**	**$ 1,104**	**$ (111)**	**$ 809**

(*) See Table 9 for a description of Free Cash Flow.

(A) Cash flows related to management programs may fluctuate significantly from period to period due to the timing of the underlying transactions. For the three months ended September 30, 2005 and 2004, the net cash flows from the activities of management programs are reflected on Table 7 as follows: (i) net cash provided by operating activities of $215 million and $1,146 million, respectively, (ii) net cash provided by investing activities of $208 million and $1,148 million, respectively, and (iii) net cash used in financing activities of $471 million and $2,429 million, respectively. For the nine months ended September 30, 2005 and 2004, the net cash flows from the activities of management programs are reflected on Table 7 as follows: (i) net cash provided by operating activities of $657 million and $986 million, respectively, (ii) net cash used in investing activities of $2,542 million and $1,670 million, respectively, and (iii) net cash provided by financing activities of $1,777 million and $434 million, respectively.

(B) Represents net cash provided by discontinued operations, the effects of exchange rates on cash and cash equivalents, other investing and financing activities and the change in restricted cash.

RECONCILIATION OF FREE CASH FLOW TO NET CASH PROVIDED BY OPERATING ACTIVITIES
(In millions)

	Three Months Ended September 30, 2005	Three Months Ended September 30, 2004	Nine Months Ended September 30, 2005	Nine Months Ended September 30, 2004
Free Cash Flow (per above)	$ 665	$ 540	$ 1,581	$ 1,355
Cash (inflows) outflows included in Free Cash Flow but not reflected in Net Cash Provided by Operating Activities:				
Investing activities of management programs	(208)	(1,148)	2,542	1,670
Financing activities of management programs	471	2,429	(1,777)	(434)
Capital expenditures	110	100	303	280
Proceeds received on asset sales	(30)	(5)	(43)	(29)
Change in restricted cash	(71)	3	(65)	(71)
Net Cash Provided by Operating Activities (per Table 7)	$ 937	$ 1,919	$ 2,541	$ 2,771

	Full Year 2005 Projected
Free Cash Flow	$1,800–$2,000
Cash outflows included in Free Cash Flow but not reflected in Net Cash Provided by Operating Activities:	
Investing and financing activities of management programs	700 – 800
Capital expenditures	450 – 500
Net Cash Provided by Operating Activities	$2,950–$3,300

Cendant Corporation and Subsidiaries
Definitions of Non-GAAP Measures

The accompanying press release includes certain non-GAAP financial measures as defined under SEC rules. As required by SEC rules, we have provided below the reasons we present these non-GAAP financial measures and a description of what they represent.

EBITDA

Represents income from continuing operations before non-program related depreciation and amortization, non-program related interest, amortization of pendings and listings, income taxes and minority interest. We believe that EBITDA is useful as a supplemental measure in evaluating the aggregate performance of our operating businesses. EBITDA is the measure that is used by our management, including our chief operating decision maker, to perform such evaluation, and it is a factor in measuring performance in our incentive compensation plans. It is also a component of our financial covenant calculations under our credit facilities, subject to certain adjustments. EBITDA should not be considered in isolation or as a substitute for net income or other income statement data prepared in accordance with generally accepted accounting principles and our presentation of EBITDA may not be comparable to similarly titled measures used by other companies.

For third quarter and year-to-date 2005 and 2004 amounts, a reconciliation of EBITDA to pretax income is included in Table 1 and a reconciliation of pretax income to net income is included in Table 2, both of which accompany this press release. For fourth quarter 2005 (projected) and 2004 amounts, a reconciliation of EBITDA to income from continuing operations is set forth below:

	2005P	2004
EBITDA for core operating segments (a)	$ 625 – 655	$ 575
Mortgage Services	—	9
Corporate and Other (b)	(70 – 55)	8
Total Company EBITDA	555 – 600	592
Less: Non-program related depreciation and amortization	135 – 130	141
Less: Non-program related interest expense, net	60 – 55	66
Less: Amortization of pendings and listings	20 – 10	3
Pretax income	340 – 405	382
Less: Provision for income taxes and minority interest	110 – 135	134
Income from continuing operations	$ 230 – 270	$ 248

(a) 2005P amount includes $16 million of estimated restructuring costs incurred in connection with the combination of our timeshare exchange business, RCI, with our European vacation rental businesses.
(b) 2004 amount includes a previously disclosed credit of $60 million relating to previously established liabilities for severance and other termination benefits.

Net Debt to Net Capitalization Ratio

Represents (i) net corporate debt (which reflects total corporate debt adjusted to assume the application of available cash to reduce outstanding indebtedness) divided by (ii) net capitalization (which reflects total capitalization also adjusted for the application of available cash). We believe that this ratio is useful in measuring the Company’s leverage and indicating the strength of its financial condition. We also believe that adjusting corporate debt to assume the application of available cash to reduce outstanding indebtedeness eliminates the effect of timing differences relating to the use of debt proceeds. A reconciliation of the “Net Debt to Net Capitalization Ratio” to the appropriate measure recognized under generally accepted accounting principles (Total Debt to Total Capitalization Ratio) is presented in Table 6, which accompanies this press release.

Free Cash Flow

Represents Net Cash Provided by Operating Activities adjusted to include the cash inflows and outflows relating to (i) capital expenditures, (ii) the investing and financing activities of our management programs, and (iii) asset sales. We believe that Free Cash Flow is useful to management and the Company’s investors in measuring the cash generated by the Company that is available to be used to repurchase stock, repay debt obligations, pay dividends and invest in future growth through new business development activities or acquisitions. Free Cash Flow should not be construed as a substitute in measuring operating results or liquidity, and our presentation of Free Cash Flow may not be comparable to similarly titled measures used by other companies. A reconciliation of Free Cash Flow to the appropriate measure recognized under generally accepted accounting principles (Net Cash Provided by Operating Activities) is presented in Table 8, which accompanies this press release.

Organic Growth

Represents the results of our reportable operating segments excluding the impact of acquisitions and dispositions. We believe that Organic Growth is useful to management and the Company’s investors in evaluating the operating performance of its reportable segments on a comparable basis. We also present Organic EBITDA growth excluding charges associated with the 2005 restructuring activities undertaken following the PHH spin-off and initial public offering of Wright Express. Our management believes this metric is useful in measuring the normalized performance of the Company’s reportable operating segments. The reconciliations of Organic revenue and EBITDA growth to the comparable measures recognized under generally accepted accounting principles are presented in Table 3, which accompanies this press release.

2005 EPS from Continuing Operations before Transaction Related Charges

Represents EPS from Continuing Operations adjusted to exclude the non-cash impairment charge of $0.17 per share and restructuring and transaction-related costs of $0.03 per share. We believe that by providing the calculation of EPS from Continuing Operations both including and excluding these charges, we are enhancing an investor’s ability to analyze our financial results on a comparable basis, thereby providing greater transparency. We also believe that excluding the impairment charge is useful to investors because it is a non-cash charge directly resulting from the spin-off of PHH and will not recur in subsequent periods. EPS from Continuing Operations before Transaction Related Charges should not be considered in isolation or as a substitute for EPS from Continuing Operations prepared in accordance with generally accepted accounting principles. A reconciliation of EPS from Continuing Operations before Transaction Related Charges to the most comparable measure (EPS from Continuing Operations) recognized under generally accepted accounting principles is presented within the body of the accompanying release.