

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

September 16, 1999 (September 14, 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) | 1-10308 (Commission File No.) | 06-0918165 (I.R.S. Employer Identification Number) |
| 9 West 57th Street New York, NY (Address of principal executive office) | | 10019 (Zip Code) |

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

None
(Former name, former address and former fiscal year, if applicable)

Item 5. Other Events

Except as expressly indicated or unless the context otherwise requires, "Cendant", "we", "our", or "us" means Cendant Corporation, a Delaware Corporation, and its subsidiaries

Sale of Entertainment Publications Unit. On September 14, 1999, we announced the execution of an agreement to sell our Entertainment Publications, Inc. unit, the world's largest marketer and publisher of coupon books and discount programs to The Carlyle Group for \$345 million in a leveraged recapitalization transaction. We will retain approximately 16% of Entertainment Publications' equity and expect to receive \$325 million in cash at closing.

The sale of Entertainment Publications is expected to generate an after-tax book gain of approximately \$140 million. The transaction is subject to customary regulatory approvals and customary conditions and is expected to close in the fourth quarter.

Creation of Netmarket Group, Inc. On September 15, 1999, we announced the creation of Netmarket Group, Inc. (NGI) as an independent company that will pursue the development of interactive businesses currently within the Company's Direct Marketing Division. NGI will own, operate, develop and expand what were formerly Cendant's principal on-line membership businesses, including Netmarket.com, Travelers Advantage, AutoVantage and Privacy Guard. Additionally, NGI will own and operate Haggglezone.com, the first site of its kind where consumers "haggle" with computer-generated on-line characters to get low prices on name-brand products. NGI's businesses currently have 1.3 million on-line members and are expected to produce approximately \$70 million of revenue in 1999.

We will retain the opportunity to participate in NGI's value through ownership of a convertible preferred stock, ultimately exchangeable into 78% of NGI's fully diluted common shares. NGI's management will hold the next largest stake through NGI stock options. We will donate NGI's outstanding common stock to a charitable trust. In addition, NGI will issue common stock to certain of its marketing partners. Accordingly, as a result of the change in ownership of NGI's common stock from us to independent parties, NGI's results will no longer be included in our financial statements.

In conjunction with the creation of NGI, we estimate that we will record a pre-tax charge of \$85 million and an after-tax charge of \$48 million or \$0.06 cents per share in the third quarter of 1999.

For a more detailed description of the terms of the transactions, reference is made to Exhibit 99.1 and 99.2, which are incorporated herein by reference in their entirety.

Item 7. Exhibits

| Exhibit No. | Description |
|----------------|--|
| 99.1 | Press Release: Cendant Corporation Agrees to Sell Its Entertainment Publication Unit to The Carlyle Group, dated September 14, 1999. |
| 99.2 | Press Release: Cendant Corporation Creates Netmarket Group, Inc., dated September 15, 1999. |

SIGNATURE

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/ James E. Buckman
James E. Buckman
Vice Chairman
and General Counsel

Date: September 16, 1999

CENDANT CORPORATION
CURRENT REPORT ON FORM 8-K
Report Dated September 16, 1999 (September 14, 1999)

EXHIBIT INDEX

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Cendant Agrees to Sell its Entertainment Publications Unit
to The Carlyle Group for \$345 Million

New York, NY, September 14, 1999Cendant Corporation (NYSE:CD) today announced that it has agreed to sell its Entertainment Publications, Inc. unit, the world's largest marketer and publisher of coupon books and discount programs, to The Carlyle Group for \$345 million in a leveraged recapitalization transaction. Cendant will retain approximately 16% of Entertainment Publications' equity and will receive \$325 million in cash at closing.

The sale of Entertainment Publications is expected to generate an after-tax book gain of approximately \$140 million. The transaction is subject to customary regulatory approvals and customary conditions and is expected to close in the fourth quarter.

Michael H. Wargotz, Cendant Executive Vice President and CEO of Cendant's Lifestyle Division which includes Entertainment Publications, stated, "This is another milestone in our plan to divest certain non-core businesses. Also exciting, however, is the opportunity to retain an equity position in Entertainment Publications as it continues its history of profitability and growth."

The Carlyle Group is a global investment firm that leads management buyouts, growth capital financings, strategic minority equity investments and venture capital financings. Founded in 1987, Carlyle has invested in 117 corporate and real estate transactions and currently has approximately \$5 billion of capital under management.

Frank Yeary, Partner of The Carlyle Group and head of its Communications Group, said, "We are pleased to partner with the strong management team at Entertainment Publications in order to support and enhance its position as the nation's leading coupon and fundraising products company." Francis Barker, Principal in the Communications Group, commented, "Carlyle is eager to help pursue Entertainment Publications' ambitious growth plan, which will take the company into new markets, products and distribution channels."

Entertainment Publications, based in Troy, Michigan, generates high value coupons and offers from 73,000 merchants representing 275,000 locations, including popular restaurants, hotels, movie theaters, travel services, theme parks, sports events, video rental, retailers and service companies. The coupon books created from this database include The Entertainment Book(R), Entertainment(R) Values, and Gold C(R). The company produces customized discount programs for Fortune 1000 companies. Entertainment Publications owns the product lines Sally Foster Gift Wrap(R), Summer Vacation⁷ and Restaurant Secrets⁷. In 1998, the company's products, including the sale of seven million coupon books, enabled over 67,000 North American charitable and school organizations to raise nearly \$80 million in funds for their community and school activities. The company's products are distributed in over 140 markets in the U.S., Canada and Puerto Rico and in seven markets in Australia and New Zealand.

Veronis, Suhler & Associates acted as financial advisor to Cendant Corporation and Merrill Lynch & Co. acted as financial advisor to The Carlyle Group in connection with the transaction. CIBC World Markets Corp. and Merrill Lynch Capital Corporation have underwritten \$240 million of credit facilities to effect the recapitalization.

Cendant Corporation is a global provider of consumer and business services. The Company's core competencies include building franchise systems, providing outsourcing solutions and direct marketing. As a franchisor, Cendant is among the world's leading franchisors of hotels, rental car agencies, tax preparation services and real estate brokerage offices. The real estate division also includes Welcome Wagon/GETKO and the Company's residential real estate services Internet portal which is currently under development. As a provider of outsourcing solutions, Cendant is the world's largest vacation exchange service, a major provider of mortgage services to consumers and the global leader in employee relocation. In direct marketing, Cendant provides access to insurance, travel, shopping, auto, and other services primarily to customers of its affinity partners. Other business units include NCP, the UK's largest private car park operator, and Wizcom, an information technology services provider. Headquartered in New York, NY, the Company has more than 30,000 employees and operates 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 or by calling 877-4INFO-CD (877-446-3623).

Media Contact:
Elliot Bloom
212-413-1832

Investor Contacts:
Denise Gillen
212-413-1833

Sam Levenson
212-413-1834

Cendant Corporation Creates Netmarket Group, Inc. as Independent Company

Netmarket to Pursue Rapid Growth of Interactive Membership Businesses

Cendant Will Fund Netmarket with \$77 Million Development Advance

Cendant to Record \$0.06 Third Quarter Charge

New York, NY, September 15, 1999 -- Cendant Corporation (NYSE: CD) today announced it has created Netmarket Group, Inc. (NGI) as an independent company that will pursue the development of interactive businesses currently within the Company's Direct Marketing Division. NGI will own, operate, develop and expand what were formerly Cendant's principal on-line membership businesses, including Netmarket.com, Travelers Advantage, AutoVantage and Privacy Guard. Additionally, NGI will own and operate Hagglezone.com, the first site of its kind where consumers "haggle" with computer-generated on-line characters to get low prices on name-brand products. NGI's businesses currently have 1.3 million online members and are expected to produce approximately \$70 million in revenue in 1999.

Cendant's Chairman, President and CEO, Henry R. Silverman, said: "The creation of Netmarket Group as an independent company will allow NGI to aggressively create value as an Internet company, unimpeded by having to consider the financial impact of its tactical and strategic decisions on Cendant. Netmarket will also now have its own equity to incent its managers and to pursue strategic opportunities.

"These are essential elements to creating value on-line," Silverman continued. "We expect NGI's management to accelerate growth and create real value which can be recognized through an IPO or other mechanism as the business develops."

Cendant will retain the opportunity to participate in NGI's value through ownership of a convertible preferred stock, ultimately exchangeable into 78% of NGI's fully diluted common shares. NGI's management will hold the next largest stake through NGI stock options. Cendant will donate NGI's outstanding common stock to a charitable trust. In addition, NGI will issue common stock to certain of its marketing partners. Accordingly, as a result of the change of ownership of NGI's common stock from Cendant to independent parties, NGI's results will no longer be included in Cendant's financial statements.

"Netmarket Group will operate as a vital resource to Cendant's classic off-line membership business," said Michael P. Monaco, vice chairman of Cendant and CEO, Direct Marketing Division. "NGI will pursue a variety of strategic opportunities, some independently, some together with Cendant's Individual Membership Division. The Internet is a critical area of future growth for the membership division. With NGI as a strategic partner, our opportunities to better serve customers are dramatically expanded, to the mutual benefit of both businesses."

In conjunction with the creation of NGI, Cendant estimates it will record a pre-tax charge of \$85 million and an after-tax charge of \$48 million or \$0.06 cents per-share in the third quarter of 1999.

Visit Netmarket Group's businesses on the Web and America Online:

<http://www.netmarket.com>, AOL Keyword: netmarket
<http://www.travelersadvantage.com>, AOL Keyword: travelersadvantage
<http://www.autovantage.com>, AOL Keyword: autovantage
<http://www.privacyguard.com>, AOL Keyword: creditalert
<http://www.hagglezone.com>, AOL Keyword: hagglezone
<http://www.fareagent.com>

Statements about future results made in this release may 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. They involve a number of risks and uncertainties that are difficult to predict. Actual results could 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 10-K/A for the year ended December 31, 1998, including the resolution of the pending class action litigation and the Company's ability to implement its plan to divest non-strategic assets.

Cendant Corporation is a global provider of consumer and business services. The Company's core competencies include building franchise systems, providing outsourcing solutions and direct marketing. As a franchisor, Cendant is among the world's leading franchisors of hotels, rental car agencies, tax preparation services and real estate brokerage offices. The real estate division also includes Welcome Wagon/GETKO and the Company's residential real estate services Internet portal which is currently under development. As a provider of outsourcing solutions, Cendant is the world's largest vacation exchange service, a major provider of mortgage services to consumers and the global leader in employee relocation. In direct marketing, Cendant provides access to insurance, travel, shopping, auto, and other services primarily to customers of its affinity partners. Other business units include NCP, the UK's largest private car park operator, and Wizcom, an information technology services provider. Headquartered in New York, NY, the Company has more than 30,000 employees and operates in over 100 countries.

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