

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

MAY 24, 2001 (MAY 24, 2001)
(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)

10019-2601
(Zip code)

(212) 413-1800

(Registrant's telephone number, including area code)

ITEM 5. OTHER EVENTS

This Current Report on Form 8-K of the Company is being filed to make available pro forma financial data giving effect to the acquisition of Avis Group Holdings Inc. on March 1, 2001 for the quarterly period ended March 31, 2001.

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

(a) Financial Statements of Business Acquired.

THE FINANCIAL STATEMENTS OF AVIS GROUP HOLDINGS, INC. ARE INCORPORATED BY REFERENCE FROM AVIS GROUP HOLDINGS' QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2001, DATED MAY 15, 2001 (PREVIOUSLY FILED WITH THE COMMISSION ON MAY 15, 2001 AND INCORPORATED BY REFERENCE HEREIN).

(b) Pro Forma Financial Information.

SEE EXHIBIT 99.1 ATTACHED HERETO FOR PRO FORMA FINANCIAL INFORMATION GIVING EFFECT TO THE ACQUISITION OF AVIS GROUP HOLDINGS ON MARCH 1, 2001.

(c) Exhibits.

SEE EXHIBIT INDEX.

SIGNATURES

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

CENDANT CORPORATION

/s/ JOHN T. MCCLAIN

John T. McClain
Senior Vice President, Finance and
Corporate Controller

Date: May 24, 2001

CENDANT CORPORATION
CURRENT REPORT ON FORM 8-K

EXHIBIT INDEX

EXHIBIT
NO.

DESCRIPTION

99.1

Pro Forma Financial Information (unaudited)

PRO FORMA FINANCIAL INFORMATION

The following Unaudited Pro Forma Condensed Combined Statement of Operations for the three months ended March 31, 2001 gives effect to the March 1, 2001 acquisition (the "Acquisition") of Avis Group Holdings, Inc. ("Avis"), which has been accounted for under the purchase method of accounting. The Unaudited Pro Forma Condensed Combined Statement of Operations is based on the historical Consolidated Financial Statements of Cendant Corporation ("Cendant") and Avis under the assumptions and adjustments set forth in the accompanying explanatory notes. The Unaudited Pro Forma Condensed Combined Statement of Operations assumes the Acquisition occurred on January 1, 2001.

Since Avis and Cendant were consolidated as of March 1, 2001, the results of operations of Avis between January 1, 2001 and February 28, 2001 were combined with Cendant's results of operations to report the pro forma results of operations for the three month period ended March 31, 2001. All intercompany transactions have been eliminated on a pro forma basis. Historically, Avis paid Cendant for services Cendant provided related to call centers and information technology and for the use of Cendant trademarks.

The Pro Forma adjustments reflect the disbursement of \$33 in cash for each share of Avis common stock outstanding to Avis stockholders. Cendant made payments totaling approximately \$994 million, including payments to Avis stockholders (\$937 million), and direct expenses related to the transaction (\$40 million) inclusive of the net cash obligation related to Avis stock options settled prior to consummation. The purchase price also includes the fair value of Cendant options exchanged with certain fully-vested Avis option holders who elected not to exercise their options as part of the Acquisition. The Pro Forma Condensed Combined Statement of Operations reflects the purchase price being funded by \$600 million in debt with the remaining amount provided by cash.

In addition, Cendant assumed approximately \$7.5 billion of Avis' net debt (\$6.8 billion of which relates to vehicle financing).

Management believes that the assumptions used provide a reasonable basis on which to present the Unaudited Pro Forma Condensed Combined Statement of Operations. Cendant has completed other acquisitions and dispositions which are not significant and accordingly have not been included in the accompanying Unaudited Pro Forma Condensed Combined Statement of Operations. The Unaudited Pro Forma Condensed Combined Statement of Operations may not be indicative of the results that would have occurred if the Acquisition had been in effect on the dates indicated or which may be obtained in the future.

The Unaudited Pro Forma Condensed Combined Statement of Operations should be read in conjunction with the historical Consolidated Financial Statements and accompanying notes for Cendant and Avis.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2001
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

	HISTORICAL CENDANT	HISTORICAL AVIS JAN 1--FEB 28, 2001	PURCHASE ADJUSTMENTS	PRO FORMA COMBINED
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REVENUES				
Service fees, net	\$ 893	\$ 27	\$(34) a	\$ 886
Vehicle--related	398	594	--	992
Other	12	20	-- b	32
	-----	-----	-----	-----
Net revenues	1,303	641	(34)	1,910
EXPENSES				
Operating	433	174	(34) a	573
Vehicle depreciation, lease charges and interest, net	181	284	--	465
Selling, general and administrative	293	115	--	408
Other depreciation and amortization	95	23	2 d	120
Other charges--				
Restructuring and other unusual charges	186	--	--	186
Litigation settlement and related costs	11	--	--	11
Merger--related costs	8	--	--	8
Non-vehicle interest, net	57	78	1 c	136
	-----	-----	-----	-----
Total expenses	1,264	674	(31)	1,907
Net gain on disposition of businesses	435	--	--	435
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INCOME (LOSS) BEFORE INCOME TAXES, MINORITY INTEREST AND EQUITY IN HOMESTORE.COM				
Provision (benefit) for income taxes	474	(33)	(3)	438
Minority interest, net of tax	189	(10)	(2) e	177
Losses related to equity in Homestore.com, net of tax	13	--	--	13
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INCOME (LOSS) FROM CONTINUING OPERATIONS	\$ 254	\$ (23)	\$ (1)	\$ 230
	=====	=====	=====	=====
CD COMMON STOCK INCOME PER SHARE				
INCOME PER SHARE FROM CONTINUING OPERATIONS--				
Basic	\$ 0.29			\$ 0.26
Diluted	\$ 0.28			\$ 0.25
WEIGHTED AVERAGE SHARES OUTSTANDING--				
Basic	790			790
Diluted	830			830
MOVE.COM COMMON STOCK INCOME PER SHARE				
INCOME PER SHARE FROM CONTINUING OPERATIONS--				
Basic	\$10.41			\$10.41
Diluted	\$10.13			\$10.13
WEIGHTED AVERAGE SHARES OUTSTANDING--				
Basic	2			2
Diluted	3			3

SEE ACCOMPANYING NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL
STATEMENTS.

NOTES TO UNAUDITED PRO FORMA
CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2001
(DOLLARS IN MILLIONS)

- (a) Elimination of amounts paid by Avis to Cendant for services related to call centers and information technology and for the use of trademarks.
- (b) Elimination of Cendant's earnings attributable to its investment in Avis.
- (c) Interest expense on the acquisition financing (\$7), net of amortization of fair value adjustment on acquired debt (\$4) and reversal of Avis' amortization of debt related costs (\$2).
- (d) Amortization of goodwill generated on the excess of fair value over the net assets acquired on a straight-line basis over 40 years, net of reversal of Avis' amortization of pre-acquisition goodwill and amortization of other identifiable intangibles resulting from the allocation of purchase price on a straight-line basis over 20 years.
- (e) Income tax effect of the pro forma adjustments and other pro forma adjustments at an estimated statutory rate of 38.5% (not including adjustments for non-deductible goodwill).

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