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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q/A

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 1999
Commission File No. 1-10308

CENDANT CORPORATION
(Exact name of Registrant as specified in its charter)

DELAWARE	06-0918165
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
9 W 57TH STREET NEW YORK, NY	10019
(Address of principal executive office)	(Zip Code)

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

NOT APPLICABLE
(Former name, former address and former fiscal year, if applicable)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed in Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes [X] No [ ]

APPLICABLE ONLY TO CORPORATE ISSUERS:

The number of shares outstanding of each of the Registrant's classes of common stock was 712,119,142 shares of Common Stock outstanding as of September 30, 1999.

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CENDANT CORPORATION AND SUBSIDIARIES

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Certain statements in this Quarterly Report on Form 10-Q/A constitute "forward looking statements" within the meaning of the Private 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. These forward looking statements were based on various factors and were derived utilizing numerous important assumptions and other important factors that could cause actual results to differ materially from those 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, include, but are not limited to: the resolution or outcome of the pending litigation and government investigation relating to the previously announced accounting irregularities; uncertainty as to the Company's future profitability; the Company's ability to develop and implement operational and financial systems to manage rapidly growing operations; competition in the Company's existing and potential future lines of business; the Company's ability to integrate and operate successfully acquired and merged businesses and the risks associated with such businesses, including the merger that created Cendant and the National Parking Corporation acquisition; the Company's ability to successfully divest the remaining non-core businesses and assets and implement the Company's plan to create a tracking stock for the Company's real estate portal; the Company's ability to obtain financing on acceptable terms to finance the Company's growth strategy and for the Company to operate within the limitations imposed by financing arrangements; and the ability of the Company and its vendors to complete the necessary actions to achieve a year 2000 conversion for its computer systems and applications and other factors. Other factors and assumptions not identified above were also involved in the derivation of these forward looking statements, and the failure of such other assumptions to be realized as well as other factors may also cause actual results to differ materially from those projected. The Company assumes no obligation to publicly correct or update these forward looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such forward looking statements or if the Company later becomes aware that they are not likely to be achieved.

CENDANT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(IN MILLIONS, EXCEPT PER SHARE DATA)

	THREE MONTHS ENDED MARCH 31, 1999	1998
REVENUES		
Membership and service fees, net	$ 1,253.0	$ 1,058.3
Fleet leasing (net of depreciation and interest costs of $326.4 and $311.6)	18.6	19.9
Other	45.8	51.2
Net revenues	1,317.4	1,129.4
EXPENSES		
Operating	456.9	334.5
Marketing and reservation	262.2	264.8
General and administrative	165.5	146.0
Depreciation and amortization	93.1	65.8
Other charges		
Termination of proposed acquisition	7.0	-
Investigation-related costs	1.7	-
Merger-related costs and other unusual charges (credits)	(1.3)	3.1
Interest, net	48.2	18.9
Total expenses	1,033.3	833.1
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND MINORITY INTEREST	284.1	296.3
Provision for income taxes	99.9	107.5
Minority interest, net of tax	14.9	4.9
INCOME FROM CONTINUING OPERATIONS	169.3	183.9
Loss from discontinued operations, net of tax	-	(11.0)
Gain on sale of discontinued operations, net of tax	192.7	-
NET INCOME	$ 362.0	$ 172.9
INCOME (LOSS) PER SHARE		
BASIC		
Income from continuing operations	$ 0.21	$ 0.22
Loss from discontinued operations	-	(0.01)
Gain on sale of discontinued operations	0.24	-
NET INCOME	$ 0.45	$ 0.21
DILUTED		
Income from continuing operations	$ 0.20	0.21
Loss from discontinued operations	-	(0.01)
Gain on sale of discontinued operations	0.23	-
NET INCOME	$ 0.43	$ 0.20

See accompanying notes to consolidated financial statements.

CENDANT CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(IN MILLIONS)

	MARCH 31, 1999	DECEMBER 31, 1998
ASSETS		
Current assets		
Cash and cash equivalents	$ 520.5	$ 1,008.7
Receivables, net	1,613.5	1,536.4
Deferred membership commission costs	252.5	253.0
Deferred income taxes	308.7	466.6
Other current assets	890.5	908.6
Net assets of discontinued operations	-	373.6
Total current assets	3,585.7	4,546.9
Property and equipment, net	1,411.1	1,432.8
Franchise agreements, net	1,353.4	1,363.2
Goodwill, net	3,886.6	3,923.1
Other intangibles, net	747.0	757.1
Other assets	699.5	681.5
Total assets exclusive of assets under programs	11,683.3	12,704.6
Assets under management and mortgage programs		
Net investment in leases and leased vehicles	3,873.5	3,801.1
Relocation receivables	620.9	659.1
Mortgage loans held for sale	1,955.6	2,416.0
Mortgage servicing rights	743.5	635.7
	7,193.5	7,511.9
TOTAL ASSETS	$ 18,876.8	$ 20,216.5

See accompanying notes to consolidated financial statements.

CENDANT CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(IN MILLIONS, EXCEPT SHARE DATA)

	MARCH 31, 1999	DECEMBER 31, 1998
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and other current liabilities	$ 1,595.7	$ 1,517.5
Deferred income	1,342.1	1,354.2
Total current liabilities	2,937.8	2,871.7
Deferred income	234.7	233.9
Long-term debt	3,357.7	3,362.9
Deferred income taxes	38.0	77.2
Other non-current liabilities	85.8	125.3
Total liabilities exclusive of liabilities under programs	6,654.0	6,671.0
Liabilities under management and mortgage programs		
Debt	6,327.3	6,896.8
Deferred income taxes	328.6	341.0
Mandatorily redeemable preferred securities issued by subsidiary	1,473.5	1,472.1
Commitments and contingencies (Note 8)		
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 and 860,551,783 shares	8.6	8.6
Additional paid-in capital	3,960.3	3,863.4
Retained earnings	1,842.2	1,480.2
Accumulated other comprehensive loss	(120.2)	(49.4)
Treasury stock, at cost, 85,302,899 and 27,270,708 shares	(1,597.5)	(467.2)
Total shareholders' equity	4,093.4	4,835.6
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 18,876.8	$ 20,216.5

See accompanying notes to consolidated financial statements.

CENDANT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN MILLIONS)

	THREE MONTHS ENDED MARCH 31, 1999	1998
OPERATING ACTIVITIES		
Net income	$ 362.0	$ 172.9
Adjustments to reconcile net income to net cash provided by operating activities from continuing operations:		
Loss from discontinued operations, net of tax	-	11.0
Gain on sale of discontinued operations, net of tax	(192.7)	-
Depreciation and amortization	93.1	65.8
Payments of merger-related costs and other unusual charge liabilities	(5.4)	(97.0)
Other, net	(93.7)	(88.6)
NET CASH PROVIDED BY CONTINUING OPERATIONS EXCLUSIVE OF MANAGEMENT AND MORTGAGE PROGRAMS	163.3	64.1
Management and mortgage programs:		
Depreciation and amortization	312.4	278.5
Origination of mortgage loans	(6,819.0)	(4,779.3)
Proceeds on sale and payments from mortgage loans held for sale	7,279.4	4,619.9
	772.8	119.1
NET CASH PROVIDED BY OPERATING ACTIVITIES OF CONTINUING OPERATIONS	936.1	183.2
INVESTING ACTIVITIES		
Property and equipment additions	(62.7)	(58.8)
Investments	-	(139.2)
Net assets acquired (net of cash acquired) and acquisition-related payments	(64.3)	(943.2)
Net proceeds from sale of subsidiary	800.0	-
Other, net	41.9	38.8
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES OF CONTINUING OPERATIONS EXCLUSIVE OF MANAGEMENT AND MORTGAGE PROGRAMS	714.9	(1,102.4)
Management and mortgage programs:		
Investment in leases and leased vehicles	(560.8)	(626.2)
Proceeds from disposal of leases and leased vehicles	132.6	222.0
Proceeds from sales and transfers of leases and leased vehicles to third parties	44.6	27.3
Equity advances on homes under management	(1,461.9)	(1,436.8)
Repayment on advances on homes under management	1,501.5	1,564.5
Additions to mortgage servicing rights	(183.4)	(109.5)
Proceeds from sales of mortgage servicing rights	56.6	39.9
	(470.8)	(318.8)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES OF CONTINUING OPERATIONS	244.1	(1,421.2)

See accompanying notes to consolidated financial statements.

CENDANT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(IN MILLIONS)

	THREE MONTHS ENDED MARCH 31, 1999	THREE MONTHS ENDED MARCH 31, 1998
FINANCING ACTIVITIES		
Principal payments on borrowings	$ (9.0)	$ (205.1)
Issuance of common stock	29.9	144.2
Purchases of common stock	(1,141.7)	-
Proceeds from mandatorily redeemable preferred securities issued by subsidiary, net	-	1,446.7
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES OF CONTINUING OPERATIONS EXCLUSIVE OF MANAGEMENT AND MORTGAGE PROGRAMS	(1,120.8)	1,385.8
Management and mortgage programs:		
Proceeds from debt issuance or borrowings	1,830.5	983.8
Principal payments on borrowings	(2,101.8)	(449.1)
Net change in short-term borrowings	(299.1)	(340.4)
	(570.4)	194.3
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES OF CONTINUING OPERATIONS	(1,691.2)	1,580.1
Effect of changes in exchange rates on cash and cash equivalents	22.8	(24.3)
Cash used in discontinued operations	-	(232.5)
Net (decrease) increase in cash and cash equivalents	(488.2)	85.3
Cash and cash equivalents, beginning of period	1,008.7	67.0
Cash and cash equivalents, end of period	$ 520.5	$ 152.3

See accompanying notes to consolidated financial statements.

CENDANT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The consolidated balance sheet of Cendant Corporation and subsidiaries (the "Company") as of March 31, 1999 and the consolidated statements of income and cash flows for the three months ended March 31, 1999 and 1998 are unaudited. In the opinion of management, all adjustments necessary for a fair presentation of such financial statements are included. There were no adjustments of an unusual nature except for those discussed in Note 6. All intercompany balances and transactions have been eliminated in consolidation. The accompanying consolidated financial statements include the accounts and transactions of the Company and all wholly owned subsidiaries and have been amended to reverse the classification of Entertainment Publications, Inc. ("EPub"), a company subsidiary, as a discontinued operation. In September 1999, the Company entered into a definitive agreement to sell EPub. However, the transaction was structured in a manner that precluded EPub from being classified as a discontinued operation (see Note 12 "Subsequent Events Dispositions of Businesses - EPub"). Accordingly, the operating results of EPub have been reclassified from discontinued operations to continuing operations for all reporting periods presented. The amended consolidated financial statements presented herein are the Company's historical financial statements for the periods presented.

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions of Form 10-Q and Rule 10-01 of Regulation S-X promulgated under the Securities Exchange Act of 1934. The December 31, 1998 consolidated balance sheet was derived from the Company's audited financial statements included in the Company's Annual Report on Form 10-K/A for the year ended December 31, 1998, as amended, and should be read in conjunction with such consolidated financial statements and notes thereto. The consolidated financial statements of the Company include the assets and liabilities of Ramada Franchise Systems, Inc., an entity controlled by the Company by virtue of its ownership of 100% of common stock of such entity. The assets of Ramada Franchise Systems, Inc. are not available to satisfy the claims of any creditors of the Company or any of its other affiliates, except as otherwise specifically agreed by Ramada Franchise Systems, Inc. Operating results for the three months ended March 31, 1999 are not necessarily indicative of the results that may be expected for the year ending December 31, 1999 or any subsequent interim periods.

Certain reclassifications have been made to the 1998 consolidated financial statements to conform with the presentation used in 1999.

2. EARNINGS PER SHARE

Basic earnings per share ("EPS") are computed based solely on the weighted average number of common shares outstanding during the period. Diluted EPS reflects all potential dilution of common stock, including the assumed exercise of stock options using the treasury method and convertible debt. At March 31, 1999, 61.9 million stock options outstanding with a weighted average exercise price of $25.36 per option were excluded from the computation of diluted EPS because the options' exercise prices were greater than the average market price of the Company's common stock. Basic and diluted EPS from continuing operations are calculated as follows:

(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)	THREE MONTHS ENDED MARCH 31, 1999	1998
Income from continuing operations	$ 169.3	$ 183.9
Convertible debt interest, net of tax	2.8	3.1
Income from continuing operations, as adjusted	$ 172.1	$ 187.0
Weighted average shares		
Basic	800.1	838.7
Potential dilution of common stock:		
Stock options	36.3	49.7
Convertible debt	18.0	20.1
Diluted	854.4	908.5
EPS - continuing operations		
Basic	$ 0.21	$ 0.22
Diluted	$ 0.20	$ 0.21

3. COMPREHENSIVE INCOME

Components of comprehensive income (loss) are summarized as follows:

(IN MILLIONS)	THREE MONTHS ENDED MARCH 31, 1999	1998
Net income	$ 362.0	$172.9
Other comprehensive losses:		
Currency translation adjustment	(68.4)	(10.3)
Unrealized holding losses on marketable securities	(2.4)	-
Comprehensive income	$ 291.2	$ 162.6

The components of accumulated other comprehensive loss for the three months ended March 31, 1999 are as follows:

(IN MILLIONS)	NET UNREALIZED LOSS ON MARKETABLE SECURITIES	CURRENCY TRANSLATION ADJUSTMENT	ACCUMULATED OTHER COMPREHENSIVE LOSS
Balance, January 1, 1999	$ -	$ (49.4)	$ (49.4)
Current period change	(2.4)	(68.4)	(70.8)
Balance, March 31, 1999	$ (2.4)	$ (117.8)	$ (120.2)

4. PRO FORMA INFORMATION

The following table reflects the operating results of the Company for the three months ended March 31, 1998 on a pro forma basis, which gives effect to the April 1998 acquisition of National Parking Corporation Limited ("NPC"). The pro forma results are not necessarily indicative of the operating results that would have occurred had the NPC acquisition been consummated on January 1, 1998, nor are they intended to be indicative of results that may occur in the future. The underlying pro forma information includes the amortization expense associated with the assets acquired, the Company's financing arrangements, certain purchase accounting adjustments and related income tax effects.

(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)	THREE MONTHS ENDED MARCH 31, 1998
Net revenues	$ 1,277.6
Income from continuing operations	183.8
Net income (1)	172.8

Per share information:		
Basic		
Income from continuing operations	$	0.22
Net income (1)	$	0.21
Weighted average shares		838.7
Diluted		
Income from continuing operations	$	0.21
Net income (1)	$	0.20
Weighted average shares		908.5

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(1) Includes a loss from discontinued operations, net of tax, of $11.0 million ($0.01 per diluted share).

5. DISCONTINUED OPERATIONS

On January 12, 1999, the Company completed the sale of Cendant Software Corporation ("CDS") for approximately $800.0 million in cash. The Company realized an after tax net gain of $371.9 million on the disposition of CDS, of which $192.7 million was recognized in the first quarter of 1999 coincident with the closing of the transaction. The recognized gain of $192.7 million is reported as gain on sale of discontinued operations in the consolidated statement of income for the three months ended March 31, 1999. Subsequently, the Company recorded an $18.6 million reduction to the gain during the second quarter of 1999, in connection with the settlement of certain post closing adjustments. The remaining $197.8 million of such realized after tax net gain was recognized in the fourth quarter of 1998, substantially in the form of a tax benefit and corresponding deferred tax asset. CDS was a developer, publisher and distributor of educational and entertainment software.

In December 1998, the Company completed the sale of Hebdo Mag International, Inc. ("Hebdo Mag"), the Company's former business unit which published and distributed classified advertising information.

Summarized financial data of discontinued operations are as follows:

STATEMENT OF INCOME DATA:

	THREE MONTHS ENDED MARCH 31, 1998	
(IN MILLIONS)	CDS	HEBDO MAG
Net revenues	$ 95.9	$ 62.8
Income (loss) before income taxes	(26.5)	9.2
Provision for (benefit from) income taxes	(9.6)	3.3
Net income (loss)	$ (16.9)	$ 5.9

The Company allocated $0.3 million and $1.8 million of interest expense to discontinued operations for the three months ended March 31, 1999 and 1998, respectively. Such interest expense represents the cost of funds associated with businesses acquired by the discontinued business segments at an interest rate consistent with the Company's consolidated effective borrowing rate.

BALANCE SHEET DATA:

	DECEMBER 31, 1998
(IN MILLIONS)	CDS
Current assets	$ 284.9
Goodwill	105.7
Other assets	88.2
Total liabilities	(105.2)
Net assets of discontinued operations	$ 373.6

6. OTHER CHARGES

TERMINATION OF PROPOSED ACQUISITION. On February 4, 1999, the Company announced its intention not to proceed with the acquisition of RAC Motoring Services ("RACMS") due to certain conditions imposed by the UK Secretary of State of Trade and Industry that the Company determined to be commercially infeasible. The Company originally announced on May 21, 1998 its definitive agreement with the Board of Directors of Royal Automobile Club Limited to acquire RACMS for approximately $735.0 million in cash. The Company wrote-off $7.0 million of deferred acquisition costs in the first quarter of 1999 in connection with the termination of the proposed acquisition of RACMS.

INVESTIGATION-RELATED COSTS. The Company incurred $1.7 million of professional fees (primarily litigation-related) and other miscellaneous expenses in connection with accounting irregularities in the former business units of CUC International Inc. ("CUC") and resulting investigations into such matters.

MERGER-RELATED COSTS AND OTHER UNUSUAL CHARGES (CREDITS). In January 1999, the Company completed the sale of its Essex Corporation ("Essex") subsidiary for $8.0 million and recognized a $1.3 million gain on sale. Such gain has been reported as a credit to merger-related costs and other unusual charges in the consolidated statement of income for the three months ended March 31, 1999. Coincident to the merger which formed Cendant Corporation (the "Cendant Merger"), the Company had previously recorded an unusual charge related to certain intangible assets of Essex which were determined to be impaired. In first quarter 1998, the Company recorded an additional $3.1 million of merger-related costs and other unusual charges associated with a change in estimate of costs to be incurred in connection with the Cendant Merger.

7. LITIGATION SETTLEMENT

On March 17, 1999, the Company reached a final agreement to settle the class action lawsuit that was brought on behalf of the holders of Income or Growth FELINE PRIDES ("PRIDES") securities who purchased their securities on or prior to April 15, 1998, the date on which the Company announced the discovery of accounting irregularities in the former business units of CUC. Under the terms of the final agreement only holders who owned PRIDES at the close of business on April 15, 1998 will be eligible to receive a new additional "Right" for each PRIDES security held. Right holders may (i) sell them or (ii) exercise them by delivering to the Company, three Rights together with two PRIDES in exchange for two New PRIDES (the "New PRIDES"), for a period beginning upon distribution of the Rights and concluding upon expiration of the Rights (February 2001).

The terms of the New PRIDES will be the same as the original PRIDES except that the conversion rate will be revised so that, at the time the Rights are distributed, each New PRIDES will have a value equal to $17.57 more than each original PRIDES, or, in the aggregate, approximately $351.0 million. The final agreement also requires the Company to offer to sell four million additional PRIDES (having identical terms to currently outstanding PRIDES) to holders of Rights for cash, at a value which will be based on the valuation model that will be utilized to set the conversion rate of the New PRIDES. The offering of additional PRIDES will be made only pursuant to a prospectus filed with the Securities and Exchange Commission ("SEC"). The arrangement to offer additional PRIDES is designed to enhance the trading value of the Rights by removing up to six million Rights from circulation via exchanges associated with the offering and to enhance the open market liquidity of New PRIDES by creating four million New PRIDES via exchanges associated with the offering. If holders of Rights do not acquire all such additional PRIDES, under certain circumstances they will be offered to the public. Under the settlement agreement, the Company also agreed to file a shelf registration statement for an additional 15 million special PRIDES, which could be issued by the

Company at any time for cash. However, during the last 30 days prior to the expiration of the Rights in February 2001, the Company will be required to offer these special additional PRIDES to holders of Rights at a price in cash equal to 105% of their theoretical value. The special PRIDES, if issued, would have the same terms as the currently outstanding PRIDES and could be used to exercise Rights.

Based on an average market price of $17.53 per share of Company common stock, (calculated based on the average closing price per share of Company common stock for the consecutive five-day period ended September 30, 1999) the effect of the issuance of the New PRIDES will be to distribute approximately 19 million more shares of Company common stock when the mandatory purchase of Company common stock associated with the PRIDES occurs in February 2001.

On June 15, 1999, the United States District Court for the District of New Jersey entered an order and judgment approving the settlement described above and awarding fees to counsel to the class. One objector, who objected to a portion of the settlement notice concerning fees to be sought by counsel to the class, has filed an appeal to the U.S. Court of Appeals for the Third Circuit from the District Court order approving the settlement and awarding fees to counsel to the class. Although under the settlement the Rights are required to be distributed following the conclusion of court proceedings, including appeals, the Company believes that the appeal is without merit. As a result, the Company presently intends to distribute the Rights in October 1999 after the effectiveness of the registration statement filed with the SEC covering the New PRIDES.

8. COMMITMENTS AND CONTINGENCIES

LITIGATION

Accounting Irregularities. Since the April 15, 1998 announcement of the discovery of accounting irregularities in the former business units of CUC, 70 lawsuits claiming to be class actions, two lawsuits claiming to be brought derivatively on the Company's behalf and several individual lawsuits and arbitration proceedings have been commenced in various courts and other forums against the Company and other defendants by or on behalf of persons claiming to have purchased or otherwise acquired securities or options issued by CUC or the Company between May 1995 and August 1998. The Court has ordered consolidation of many of the actions.

In addition, in October 1998, an action claiming to be a class action was filed against the Company and four of the Company's former officers and directors by persons claiming to have purchased American Bankers' stock between January and October 1998. The complaint claimed that the Company made false and misleading public announcements and filings with the SEC in connection with the Company's proposed acquisition of American Bankers allegedly in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and that the plaintiff and the alleged class members purchased American Bankers' securities in reliance on these public announcements and filings at inflated prices. On April 30, 1999, the United States District Court for New Jersey found that the class action failed to state a claim upon which relief could be granted and, accordingly, dismissed the complaint. The plaintiff has appealed the District Court's findings to the U.S. Court of Appeals for the Third Circuit as such appeal is pending.

As previously disclosed, the Company reached a final agreement with plaintiff's counsel representing the class of holders of its PRIDES securities who purchased their securities on or prior to April 15, 1998 to settle their class action lawsuit against the Company through the issuance of a new "Right" for each PRIDES security held. (See Note 7 - Litigation Settlement for a more detailed description of the settlement).

The SEC and the United States Attorney for the District of New Jersey are conducting investigations relating to the matters referenced above. The SEC advised the Company that its inquiry should not be construed as an indication by the SEC or its staff that any violations of law have occurred. As a result of the findings from the investigations, the Company made all adjustments considered necessary which are reflected in its restated financial statements. Although the Company can provide no assurances that additional adjustments will not be necessary as a result of these government investigations, the Company does not expect that additional adjustments will be necessary.

Other than with respect to the PRIDES class action litigation, the Company does not believe it is feasible to predict or determine the final outcome or resolution of these proceedings or investigations or to estimate the amounts or potential range of loss with respect to these proceedings or investigations. In addition, the timing of the final resolution of the proceedings or investigations is uncertain. The possible outcomes or resolutions of the proceedings could include a judgement against the Company or settlements and could require substantial payments by the Company. Management believes that material adverse outcomes with respect to such proceedings or investigations could have a material impact on the Company's financial position, results of operations or cash flows.

Other Pending Litigation. The Company and its subsidiaries are involved in pending litigation in the usual course of business. In the opinion of management, such other litigation will not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

9. SHAREHOLDERS' EQUITY

During the first quarter of 1999, the Company's Board of Directors authorized an additional $600.0 million of Company common stock to be repurchased under a common share repurchase program, increasing the total authorized amount to be repurchased under the program to $1.6 billion. (See Note 12 - Subsequent Events - Common Share Repurchases.)

The Company has executed this program through open-market purchases or privately negotiated transactions, subject to bank credit facility covenants and certain rating agency constraints. As of March 31, 1999, the Company repurchased $1.4 billion (72.5 million shares) of Company common stock under the program.

10. NEW ACCOUNTING STANDARD

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 133 "Accounting for Derivative Instruments and Hedging Activities". SFAS No. 133 requires the Company to record all derivatives in the consolidated balance sheet as either assets or liabilities measured at fair value. If the derivative does not qualify as a hedging instrument, the change in the derivative fair values will be immediately recognized as a gain or loss in earnings. If the derivative does qualify as a hedging instrument, the gain or loss on the change in the derivative fair values will either be recognized (i) in earnings as offsets to the changes in the fair value of the related item being hedged or (ii) be deferred and recorded as a component of other comprehensive income and reclassified to earnings in the same period during which the hedged transactions occur. The Company has not yet determined what impact the adoption of SFAS No. 133 will have on its financial statements. Implementation of this standard has recently been delayed by the FASB for a 12-month period. The Company will now adopt SFAS No. 133 as required for its first quarterly filing of fiscal year 2001.

11. SEGMENT INFORMATION

Management evaluates each segment's performance on a stand-alone basis based on a modification of earnings before interest, income taxes, depreciation and amortization. For this purpose, Adjusted

EBITDA is defined as earnings before non-operating interest, income taxes, depreciation and amortization, adjusted for other charges which are of a non-recurring or unusual nature, which are not measured in assessing segment performance or are not segment specific. The Company determined its reportable operating segments based primarily on the types of services it provides, the consumer base to which marketing efforts are directed and the methods used to sell services. Subsequent to the Company's June 30, 1999 disposition of its fleet segment, the Company has seven reportable operating segments which collectively comprise the Company's continuing operations. Inter-segment net revenues were not significant to the net revenues of any one segment or the consolidated net revenues of the Company. A description of the services provided within each of the Company's reportable operating segments is as follows:

TRAVEL

Travel services include the franchising of lodging properties and car rental locations, as well as vacation/timeshare exchange services. As a franchiser of guest lodging facilities and car rental agency locations, the Company licenses the independent owners and operators of hotels and car rental agencies to use its brand names. Operational and administrative services are provided to franchisees, which include access to a national reservation system, national advertising and promotional campaigns, co-marketing programs and volume purchasing discounts. As a provider of vacation and timeshare exchange services, the Company enters into affiliation agreements with resort property owners/developers (developers) to allow owners of weekly timeshare intervals (subscribers) to trade their owned weeks with other subscribers. In addition, the Company provides publications and other travel-related services to both developers and subscribers.

REAL ESTATE FRANCHISE

The Company licenses the owners and operators of independent real estate brokerage businesses to use its brand names. Operational and administrative services are provided to franchisees, which are designed to increase franchisee revenue and profitability. Such services include advertising and promotions, referrals, training and volume purchasing discounts.

RELOCATION

Relocation services are provided to client corporations for the transfer of their employees. Such services include appraisal, inspection and selling of transferees' homes and providing equity advances to transferees (generally guaranteed by the corporate customer). Additional services provided include certain home management services, assistance in locating a new home at the transferee's destination, consulting services and other related services.

MORTGAGE

Mortgage services primarily include the origination, sale and servicing of residential mortgage loans. Revenues are earned from the sale of mortgage loans to investors as well as from fees earned on the servicing of loans for investors. The Company markets a variety of mortgage products to consumers through relationships with corporations, affinity groups, financial institutions, real estate brokerage firms and other mortgage banks.

The Company customarily sells all mortgages it originates to investors (which include a variety of institutional investors) either as individual loans, as mortgage-backed securities or as participation certificates issued or guaranteed by Fannie Mae, the Federal Home Loan Mortgage Corporation or the Government National Mortgage Association while generally retaining mortgage servicing rights. Mortgage servicing consists of collecting loan payments, remitting principal and interest payments to investors, holding escrow funds for payment of mortgage-related expenses such as taxes and insurance, and otherwise administering the Company's mortgage loan servicing portfolio.

INDIVIDUAL MEMBERSHIP

Individual membership provides customers with access to a variety of services and discounted products in such areas as retail shopping, travel, auto, dining, home improvement, credit information and special interest/outdoor clubs. The Company affiliates with business partners such as leading financial institutions and retailers to offer membership as an enhancement to their credit card customers. Individual memberships are marketed primarily using direct marketing techniques. Through the Company's membership based online consumer sites, similar products and services are offered over the internet.

INSURANCE/WHOLESALE

Insurance/Wholesale markets and administers competitively priced insurance products, primarily accidental death and dismemberment insurance and term life insurance. The Company also provides services such as checking account enhancement packages, various financial products and discount programs to financial institutions, which in turn provide these services to their customers. The Company affiliates with financial institutions, including credit unions and banks, to offer their respective customer bases such products and services.

OTHER SERVICES

In addition to the previously described business segments, the Company also derives revenues from providing a variety of other consumer and business products and services which include the Company's tax preparation services franchise, information technology services, car park facilities, vehicle emergency support and rescue services, discount coupon books, credit information services, financial products, published products, welcoming packages to new homeowners, value added-tax refund services to travelers and other consumer-related services.

FLEET

As disclosed in Note 12, on June 30, 1999, the Company completed the disposition of its fleet segment for aggregate consideration of $1.8 billion. The fleet segment primarily consisted of fleet and fuel card related products and services provided to corporate clients and government agencies. These services included management and leasing of vehicles, fuel card payment and reporting and other fee-based services for clients' vehicle fleets. The Company leased vehicles primarily to corporate fleet users under operating and direct financing lease arrangements.

SEGMENT INFORMATION

	THREE MONTHS ENDED MARCH 31,			
	1999		1998	
(IN MILLIONS)	REVENUES	ADJUSTED EBITDA	REVENUES	ADJUSTED EBITDA
Travel (1)	$ 272.0	$ 144.7	$ 265.6	$ 149.1
Real Estate Franchise	96.6	71.4	84.3	59.2
Relocation	90.9	17.9	99.7	25.6
Mortgage	93.2	44.0	78.0	37.5
Individual Membership	243.4	11.9	204.1	(15.9)
Insurance/Wholesale	139.7	38.3	134.0	39.2
Other Services	279.8(2)	64.9(2)	167.1	41.8
Fleet	101.8	39.7	96.6	47.6
Total	$1,317.4	$ 432.8	$1,129.4	$ 384.1

(1) Revenues and Adjusted EBITDA for the three months ended March 31, 1999 and 1998 include pre-tax gains of $7.0 million and $17.7 million, respectively, from sales of Avis Rent A Car, Inc. stock in each quarter.

(2) Includes the financial results of National Parking Corporation, which was acquired in April 1998 and was accounted for under the purchase method of accounting.

Provided below is a reconciliation of total Adjusted EBITDA for reportable operating segments to the consolidated amounts.

(IN MILLIONS)	THREE MONTHS ENDED MARCH 31, 1999	1998
Adjusted EBITDA for reportable segments	$ 432.8	$ 384.1
Depreciation and amortization	93.1	65.8
Other charges		
Termination of proposed acquisition	7.0	-
Investigation-related costs	1.7	-
Merger-related costs and other unusual charges (credits)	(1.3)	3.1
Interest, net	48.2	18.9
Consolidated income from continuing operations before income taxes and minority interest	$ 284.1	$296.3

12. SUBSEQUENT EVENTS

A. DISPOSITIONS OF BUSINESSES

Pending disposition of Green Flag. On October 8, 1999, the Company entered into a definitive agreement to dispose of its Green Flag business unit for approximately $410 million in cash. The transaction, subject to customary regulatory approval in the United Kingdom ("UK"), is expected to be consummated in the fourth quarter of 1999. Green Flag is a roadside assistance organization based in the UK, which provides a wide range of emergency support and rescue services.

Pending disposition of EPub. On April 21, 1999, the Company announced that its Board of Directors approved management's plan to pursue the sale of its EPub business unit, a wholly-owned subsidiary of the Company. At such time, the Company reclassified EPub to discontinued operations for all prior-reporting periods.

On September 14, 1999, the Company entered into a definitive agreement to sell 84% of EPub for $325.0 million in cash and will retain approximately 16% of EPub's equity in connection with the transaction. In addition, the Company will have a designee on EPub's Board of Directors. The Company's original intention was to dispose of 100% of EPub. The transaction is subject to customary regulatory approvals and customary conditions and is expected to be consummated in fourth quarter of 1999. The sale of EPub is expected to generate an after-tax gain of approximately $140.0 million.

In connection with the Company's agreement to retain a minority voting interest in EPub and as a result of the Company's ability to exert significant influence over the operating and financial policies of EPub, the classification of EPub as a discontinued operations was reversed and, accordingly, EPub's operating results for all prior-reporting periods have been reclassified back to continuing operations and are included within the Company's Other Services business segment. In addition, subsequent to the consummation of the transaction, the Company will account for its investment in EPub using the equity method. EPub is the world's largest marketer and publisher of coupon books and discount programs which provides customers with unique products and services that are designed to enhance a customer's purchasing power.

North American Outdoor Group. On October 8, 1999, the Company completed the disposition of 94% of its North American Outdoor Group ("NAOG") business unit for approximately $140.0 million in cash and will retain approximately 6% of NAOG's equity in connection with the transaction. The sale of NAOG is expected to generate a pre-tax gain of approximately $107.0 million. Subsequent to consummation, the Company will account for its investment in NAOG using the cost method. NAOG is the world's largest lifestyle affinity membership organization.

Global Refund Group. On August 24, 1999, the Company completed the sale of its Global Refund Group subsidiary ("Global Refund") for approximately $160.0 million in cash. Global Refund, formerly known as Europe Tax Free Shopping, is the world's largest value-added tax refund services company.

Fleet. On June 30, 1999, the Company completed the disposition of its fleet business segment ("fleet segment" or "fleet businesses"), which included PHH Vehicle Management Services Corporation, Wright Express Corporation, The Harpur Group, Ltd., and other subsidiaries pursuant to an agreement between PHH Corporation ("PHH"), a wholly-owned subsidiary of the Company, and Avis Rent A Car, Inc. ("ARAC"). Pursuant to the agreement, ARAC acquired net assets of the fleet businesses through the assumption and subsequent repayment of $1.44 billion of intercompany debt and the issuance of $360.0 million of convertible preferred stock of Avis Fleet Leasing and Management Corporation ("Avis Fleet"), a wholly-owned subsidiary of ARAC. The transaction followed a competitive bidding process. Coincident to the closing of the transaction, ARAC refinanced the assumed debt under management programs which was payable to the Company.

The convertible preferred stock of Avis Fleet is convertible into common stock of ARAC at the Company's option upon the satisfaction of certain conditions, including the per share price of ARAC Class A common stock equaling or exceeding $50 per share and the fleet segment attaining certain EBITDA (earnings before interest, taxes, depreciation and amortization) thresholds, as defined. There are additional circumstances upon which the shares of Avis Fleet convertible preferred stock are automatically or mandatorily convertible into ARAC common stock. At June 30, 1999, the Company beneficially owned approximately 19% of the outstanding Class A common stock of ARAC. If all of the Avis Fleet convertible preferred stock was converted into common stock of ARAC, as of the closing date, the Company would have owned approximately 34% of ARAC's outstanding common equity (although the voting interest would be limited, in most instances to 20%).

The Company realized a net gain on the disposition of $881.4 million ($865.7 million, after tax). The realized gain is net of approximately $90.0 million of transaction costs. The Company deferred the portion of the realized net gain which was equivalent to its common equity ownership percentage in ARAC at the time of closing. The fleet segment disposition was structured in accordance with applicable tax law to be treated as a tax-free reorganization and, accordingly, no tax provision has been recorded on a majority of the gain. Should the transaction be deemed taxable, the resultant tax liability could be material.

See Note 11 - Segment Information - Fleet for a description of the services which were provided within the fleet segment.

Other Businesses. Subsequent to the quarter ended March 31, 1999, the Company completed the dispositions of certain other businesses, including Central Credit, Inc., Spark Services, Inc., Match.com, National Leisure Group and National Library of Poetry. Aggregate consideration received on the dispositions of such businesses was comprised of $106.0 million in cash and $43.3 million of common stock. The Company realized a net gain of $46.2 million ($26.4 million, after tax) on the dispositions of such businesses.

B. INVESTMENT IN NETMARKET, INC.

On September 15, 1999, Netmarket, Inc. ("NGI") began operations as an independent company that will pursue the development of interactive businesses formerly within the Company's direct marketing division. NGI will own, operate, develop and expand the on-line membership businesses, which collectively have 1.3 million on-line members. Prior to September 15, 1999, the Company's ownership of NGI was restructured into common stock and preferred stock interests. On September 15, 1999, the Company donated NGI's outstanding common stock to a charitable trust, and NGI issued additional shares of its common stock to certain of its marketing partners. Accordingly, as a result of the change in ownership of NGI's common stock from the Company to independent third parties, NGI's operating results will no longer be included in the Company's consolidated financial statements. The Company retained an ownership in a convertible preferred stock of NGI, which is ultimately exchangeable, at the Company's option, into 78% of NGI's diluted common shares. Subsequent to the Company's contribution of NGI's common stock to the trust, the Company provided a development advance of $77.0 million to NGI which is contingently repayable to the Company if certain financial targets related to NGI are achieved. The Company recorded a charge, inclusive of transaction costs, of $85.0 million ($48.0 million, after tax), during the third quarter of 1999, in connection with the donation of NGI shares to the charitable trust and the subsequent development advance.

C. COMMON SHARE REPURCHASES

In July 1999, the Company's Board of Directors authorized an additional $200.0 million of Company common stock to be repurchased under the common share repurchase program, increasing the total authorized amount to be repurchased under the program to $1.8 billion. As of September 30, 1999, the Company repurchased approximately $1.8 billion (93.6 million shares) under the program. Additionally, in July 1999 pursuant to a Dutch Auction self-tender offer to its shareholders, the Company purchased 50 million shares of Company common stock through its wholly-owned subsidiary Cendant Stock Corporation at a price of $22.25 per share. Under the terms of the offer, which commenced June 16, 1999 and expired July 15, 1999, the Company had invited shareholders to tender their shares at prices of Company common stock between $19.75 and $22.50 per share.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

We are one of the foremost consumer and business services companies in the world. We provide business services to our customers, many of which are consumer services companies, and also provide fee-based services directly to consumers, generally without owning the assets or sharing the risks associated with the underlying businesses of our customers or collaborative partners.

We operate in four principal divisions - travel related services, real estate related services, direct marketing services and other consumer and business services. Our businesses provide a wide range of complementary consumer and business services, which together represent eight business segments. The travel related services businesses facilitate vacation timeshare exchanges, manage corporate and government vehicle fleets and franchise car rental and hotel businesses; the real estate related services businesses franchise real estate brokerage businesses, provide home buyers with mortgages and assist in employee relocation; and the direct marketing services businesses provide an array of value driven products and services. Our other consumer and business services include our tax preparation services franchise, information technology services, car parking facility services, vehicle emergency support and rescue services, discount coupon books, credit information services, financial products and other consumer-related services.

As a franchisor of hotels, real estate brokerage offices, car rental operations and tax preparation services, we license the owners and operators of independent businesses to use our brand names. We do not own or operate hotels, real estate brokerage offices, car rental operations or tax preparation offices (except for certain company-owned Jackson Hewitt offices, which we intend to franchise). Instead, we provide our franchisee customers with services designed to increase their revenue and profitability.

In connection with our previously announced program to focus on maximizing the opportunities and growth potential of our existing businesses, we divested or announced our intention to divest several non-strategic businesses and assets and have completed or commenced certain other strategic initiatives related to our internet businesses. Pursuant to such program, we completed the dispositions of North American Outdoor Group, Global Refund Group, the Fleet businesses, Central Credit, Inc., Spark Services, Inc., Match.com, National Leisure Group, National Library of Poetry, Cendant Software Corporation and Hebdo Mag International, Inc. and have entered into definitive agreements to dispose of the Green Flag Group ("Green Flag") and Entertainment Publications, Inc. ("EPub"). The Green Flag and EPub transactions are expected to close during the fourth quarter of 1999. The divestiture program will ultimately generate approximately $4.5 billion in proceeds (see "Liquidity and Capital Resources - Divestitures").

In addition to the above mentioned divestitures, we have recently initiated certain internet strategies outlined below.

We recently announced that our Board of Directors approved a plan to create a new class of common stock to track the performance of CompleteHome.com, our new real estate portal. The plan to create a tracking stock, subject to shareholder approval, anticipates the initial public offering of CompleteHome.com in the second quarter of 2000. CompleteHome.com will integrate and enhance the online efforts of our residential real estate brands and those of our other real estate business units drawing on the success of our Rent Net online apartment guide business model. CompleteHome.com encompasses all aspects of the home experience including finding a home, buying or renting a home, moving and post-closing home improvements. CompleteHome.com's business consists of three primary sources of revenue: rental directory services, e-commerce/advertising and real estate related products including mortgage brokerage. We plan to file a proxy with the Securities and Exchange Commission

("SEC"), which will contain financial details as well as more specific plans concerning the transaction. Beginning in the third quarter 1999, we will provide footnote disclosure of CompleteHome.com's financial information within our consolidated financial statements.

On September 15, 1999, we donated Netmarket, Inc. ("NGI") outstanding common stock to a charitable trust and NGI began operations as an independent company that will pursue the development of our interactive on-line businesses formerly within our direct marketing division. NGI will own, operate, develop and expand the on-line membership businesses. We donated NGI's outstanding common stock to a charitable trust and retained an ownership of a convertible preferred stock of NGI, which is ultimately exchangeable, at our option, into 78% of NGI's diluted common shares (see "Liquidity and Capital Resources - Investment in Netmarket, Inc."). Accordingly, as a result of the change in ownership NGI's operating results will no longer be included in our consolidated financial statements.

RESULTS OF OPERATIONS - THREE MONTHS ENDED MARCH 31, 1999
VS.
THREE MONTHS ENDED MARCH 31, 1998

Our operating results and the operating results of certain of our underlying business segments are comprised of business combinations accounted for under the purchase method of accounting. Accordingly, the results of operations of such acquired companies have been included in our consolidated operating results and our applicable business segments from the respective dates of acquisition.

The underlying discussions of each segment's operating results focuses on Adjusted EBITDA, which is defined as earnings before non-operating interest, income taxes, depreciation and amortization, adjusted for other charges which are of a non-recurring or unusual nature and are not included in assessing segment performance or are not segment-specific. Our management believes such discussion is the most informative representation of how management evaluates performance. We identified our reportable operating segments based primarily on the types of services we provide, the consumer base to which marketing efforts are directed and the methods we use to sell services. Subsequent to the June 30, 1999 disposition of our fleet segment, we have seven reportable operating segments, which collectively will comprise our continuing operations. For additional information, including a description of the services provided in each of our reportable operating segments, see Note 11 to the consolidated financial statements.

CONSOLIDATED RESULTS
(Dollars in millions)

	THREE MONTHS ENDED MARCH 31,		
	1999	1998	% CHANGE
Net revenues	$ 1,317.4	$ 1,129.4	17%
Expenses:			
Operating	456.9	334.5	37%
Marketing and reservation	262.2	264.8	(1%)
General and administrative	165.5	146.0	13%
	884.6	745.3	19%
Adjusted EBITDA	432.8	384.1	13%
Depreciation and amortization expense	93.1	65.8	41%
Other charges			
Termination of proposed acquisition	7.0	-	*
Investigation-related costs	1.7	-	*
Merger-related costs and other unusual charges (credits)	(1.3)	3.1	*
Interest expense, net	48.2	18.9	155%
Pre-tax income from continuing operations before minority interest	284.1	296.3	(4%)
Provision for income taxes	99.9	107.5	(7%)
Minority interest, net of tax	14.9	4.9	*
Income from continuing operations	169.3	183.9	(8%)

Loss from discontinued operations, net of tax	-	(11.0)	*
Gain on sale of discontinued operations, net of tax	192.7	-	*
Net income	$ 362.0	$ 172.9	*

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* Not meaningful.

REVENUES AND ADJUSTED EBITDA

Revenues increased $188.0 million (17%) in first quarter 1999 compared to first quarter 1998, which reflected growth in substantially all of our reportable operating segments. Adjusted EBITDA also increased $48.7 million (13%) for the same periods. Significant contributing factors which gave rise to such increases included substantial growth in the volume of mortgage services provided and an increase in the amount of royalty fees received from our franchised brands, principally within the real estate franchise segment. In addition, revenues and Adjusted EBITDA in 1999 included the operating results of National Parking Corporation Limited ("NPC"), which was acquired in April 1998. A detailed discussion of revenues and Adjusted EBITDA trends from 1998 to 1999 is included in the section entitled "Results of Reportable Operating Segments - 1999 vs. 1998."

DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation and amortization expense increased $27.3 million (41%) in first quarter 1999 versus the comparable prior year quarter as a result of incremental amortization of goodwill and other intangible assets from 1998 acquisitions and increased capital spending primarily to accommodate growth in our businesses.

OTHER CHARGES

Termination of Proposed Acquisition. On February 4, 1999, we announced our intention not to proceed with the acquisition of RAC Motoring Services ("RACMS") due to certain conditions imposed by the UK Secretary of State for Trade and Industry that we determined to be commercially infeasible. We wrote-off $7.0 million of deferred acquisition costs in the first quarter of 1999 in connection with the termination of the proposed acquisition of RACMS.

Investigation-Related Costs. During first quarter 1999, we incurred $1.7 million of professional fees (primarily litigation related) and other miscellaneous expenses in connection with our previously announced discovery of accounting irregularities in the former business units of CUC International Inc. ("CUC") and the resulting investigations into such matters.

Merger-Related Costs and Other Unusual Charges (Credits). In January 1999, we completed the sale of our Essex Corporation subsidiary ("Essex") for $8.0 million and recognized a $1.3 million pre-tax gain on sale. Such gain has been reported as a credit to merger-related costs and other unusual charges. Coincident to the merger which formed Cendant Corporation (the "Cendant Merger"), we had previously recorded an unusual charge related to certain intangible assets of Essex which were determined to be impaired. In first quarter 1998, we recorded an additional $3.1 million of merger-related costs and other unusual charges associated with a change in estimate of the costs to be incurred in connection with the Cendant Merger.

INTEREST EXPENSE, NET AND MINORITY INTEREST, NET OF TAX

Interest expense, net, increased $29.3 million (155%) primarily as a result of an increase in the average debt balance outstanding of approximately $1.7 billion during the three months ended March 1999 when compared with the same period in 1998. Such increase is principally reflective of incremental borrowings used to finance the April 1998 acquisition of NPC. In addition to interest expense on long-term debt, we also incurred $14.9 million of minority interest, net of tax, primarily related to the preferred dividends payable in cash on our FELINE PRIDES and the trust preferred securities issued in March 1998 (see "Liquidity and Capital Resources - Financing Exclusive of Management and Mortgage Financing - FELINE PRIDES and Trust Preferred Securities").

PROVISION FOR INCOME TAXES

Our effective tax rate was reduced from 36.3% in 1998 to 35.2% in 1999 due to the favorable impact in 1999 of reduced rates in international tax jurisdictions in which we commenced business operations during 1998.

DISCONTINUED OPERATIONS

Pursuant to our program to divest non-strategic businesses and assets, we sold our consumer software and classified advertising businesses in January 1999 and December 1998, respectively (see "Liquidity and Capital Resources - Divestitures - - Discontinued Operations"). The operating results of the consumer software business during 1999, through the date of sale (January 12, 1999), were not material. In 1998, loss from discontinued operations, net of tax, was $11.0 million and was comprised of the following operating results:

	THREE MONTHS ENDED MARCH 31, 1998	
(IN MILLIONS)	CONSUMER SOFTWARE	CLASSIFIED ADVERTISING
Net revenues	$ 95.9	$ 62.8
Net income (loss)	(16.9)	5.9

We recorded a $192.7 million gain, net of tax, on the sale of discontinued operations in 1999, related to the disposition of our consumer software business.

RESULTS OF REPORTABLE OPERATING SEGMENTS - FIRST QUARTER 1999 VS. FIRST QUARTER 1998

(Dollars in millions)

	REVENUES			ADJUSTED EBITDA			ADJUSTED EBITDA MARGIN	
	1999	1998	% CHANGE	1999	1998	% CHANGE	1999	1998
Travel	$ 272.0	$ 265.6	2%	$ 144.7	$ 149.1	(3%)	53%	56%
Real Estate Franchise	96.6	84.3	15%	71.4	59.2	21%	74%	70%
Relocation	90.9	99.7	(9%)	17.9	25.6	(30%)	20%	26%
Mortgage	93.2	78.0	19%	44.0	37.5(2)	17%	47%	48%
Individual Membership	243.4	204.1	19%	11.9	(15.9)	*	5%	(8%)
Insurance/ Wholesale	139.7	134.0	4%	38.3	39.2	(2%)	27%	29%
Other Services	279.8	167.1	67%	64.9(1)	41.8(2)	55%	23%	25%
Fleet	101.8	96.6	5%	39.7	47.6	(17%)	39%	49%
Total	$ 1,317.4	$1,129.4	17%	$ 432.8	$ 384.1	13%	33%	34%

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(1) Excludes (i) a $7.0 million write-off of deferred acquisition costs in connection with the termination of the proposed acquisition of RACMS; (ii) $1.7 million of investigation-related costs; and (iii) a $1.3 million pre-tax gain on the sale of Essex.

(2) Excludes $3.1 million of merger-related costs and other unusual charges comprised of $1.9 million and $1.2 million incurred within the Mortgage segment and Other Services segment, respectively.

* Not meaningful.

TRAVEL

Revenues increased $6.4 million (2%) and Adjusted EBITDA decreased $4.4 million (3%) in first quarter 1999 compared to first quarter 1998. Excluding a $10.7 million decrease in gains from the sale of portions of our equity investment in the car rental operations of Avis Rent A Car, Inc. ("ARAC") from $17.7 million in 1998 to $7.0 million in 1999, revenues increased $17.0 million (7%) and Adjusted EBITDA increased $6.3 million (5%) in 1999 over 1998. Contributing to the revenue and Adjusted EBITDA increase was a $10.8 million (9%) increase in franchise fees, consisting of increases in lodging and car rental franchise fees of $6.5 million (8%) and $4.3 million (12%), respectively. Our franchise businesses experienced incremental growth in first quarter 1999 compared to first quarter 1998, primarily due to increases in available rooms (26,000 incremental rooms domestically), revenue per available room and car rental days. Timeshare subscription and exchange revenue increased $8.5 million (10%) as a result of a 6% increase in average membership volume and an 8% increase in the number of exchanges. Average combined fees per timeshare member increased 3%, which was attributable to increases in both exchange fees and membership fees. A 17% increase in operating expenses and a 10% increase in marketing and reservation fund expenses, which were attributable to increased volumes and were offset by increased marketing and reservation revenues received from franchisees, substantially contributed to a $10.7 million increase in total expenses. The Adjusted EBITDA margin decreased to 53% in 1999 from 56% in 1998. Excluding the decrease in gains from our aforementioned sales of ARAC stock, the Adjusted EBITDA margin was 52% in 1999 and 53% in 1998.

REAL ESTATE FRANCHISE

Revenues and Adjusted EBITDA increased $12.3 million (15%) and $12.2 million (21%), respectively, in first quarter 1999 compared to first quarter 1998. Royalty fees increased for the CENTURY 21(REGISTERED TRADEMARK), COLDWELL BANKER(REGISTERED TRADEMARK) and ERA(REGISTERED TRADEMARK) franchise brands collectively by $12.1 million (17%) primarily as a result of a 14% increase in home sales by franchisees and an 8% increase in the average price of homes sold. Home sales by franchisees benefited from strong first quarter 1999 existing U.S. home sales, as well as from expansion of our franchise system. Since most costs associated with the Real Estate Franchise business do not vary significantly with home sale volume or royalty revenues, the increase in royalty revenues contributed to an improvement of the Adjusted EBITDA margin from 70% to 74%.

RELOCATION

Revenues and Adjusted EBITDA decreased $8.8 million (9%) and $7.7 million (30%), respectively, in first quarter 1999 compared to first quarter 1998. The Adjusted EBITDA margin decreased from 26% to 20%. The primary cause of the revenue and Adjusted EBITDA declines was the sale in the third quarter of 1998 of certain niche-market asset management operations, which reduced revenues and Adjusted EBITDA by $5.7 million and $4.0 million, respectively. Additionally in 1998, revenues and Adjusted EBITDA benefited from an improvement in receivable collections, which permitted a $4.7 million reduction in billing reserve requirements. Excluding these two items in 1998, revenues and Adjusted EBITDA increased modestly in 1999 over 1998. As a result of management's efforts to renegotiate certain contracts, average fees have increased offsetting reduced volumes in home sales, revenue producing referrals to third parties and household goods moves. In addition, global services revenue and Adjusted EBITDA improved in 1999. Also in 1999, revenues and Adjusted EBITDA were negatively impacted by higher borrowing costs and lower interest income from customers. Operating expenses decreased $4.5 million, principally from cost savings in regional operations, reduced government home sale expenses and the sale of the asset management operations discussed above. These expense reductions were partially offset by increased investment in information technology.

MORTGAGE

Revenues and Adjusted EBITDA increased $15.2 million (19%) and $6.5 million (17%), respectively, in first quarter 1999 compared to first quarter 1998, primarily due to substantial growth in mortgage origination. The Adjusted EBITDA margin decreased from 48% to 47%, as higher revenues were offset by higher operating expenses related to increases in hiring, technology and capacity, which we planned to support continued growth. Mortgage closings increased, including a shift to more profitable sales and processing channels, and were responsible for the majority of the segment's revenue growth. Mortgage closings increased $1.9 billion (40%) to $6.8 billion, while average production fees decreased 6 basis points, resulting in a $17.6 million net increase in production revenues. The decrease in the average fees resulted from the shift to more profitable processing channels being offset by increased competitive pressures in the mortgage lending market. Although the servicing portfolio grew $14.5 billion (47%), net servicing revenue decreased $1.7 million, with average servicing fees declining 3 basis points due to increased amortization of the servicing asset.

INDIVIDUAL MEMBERSHIP

Revenues and Adjusted EBITDA increased $39.3 million (19%) and $27.8 million, respectively, in first quarter 1999 compared to first quarter 1998. The Adjusted EBITDA margin improved from negative 8% to 5% for the same period. The revenue growth resulted principally from an $18.5 million increase in billings due to an increase in the average price of a membership and a $12.8 million increase due to the acquisition of a company in April 1998 that, among other services, provides members with access to their personal credit information. Also contributing to the revenue growth were increased product sales and service fees from newly acquired and existing individual members. The increase in the Adjusted EBITDA margin is due primarily to the revenue increases, since many of the infrastructure costs associated with providing services to members are not dependent on revenue volume. There was also a reduction in solicitation spending, as we further refined the targeted audiences for our direct marketing efforts.

INSURANCE/WHOLESALE

Revenues increased $5.7 million (4%) in first quarter 1999 compared to first quarter 1998 due primarily to customer growth, which resulted from increases in affiliations with financial institutions. Adjusted EBITDA decreased $0.9 million (2%) for the same periods. Domestic revenues and Adjusted EBITDA decreased $2.2 million (2%) and $2.5 million (7%), respectively. These decreases were due primarily to non-recurring benefits in the first quarter of 1998 related to the negotiation of new terms on a primary reinsurance contract. Excluding such benefit, domestic revenues increased $3.3 million (3%) while Adjusted EBITDA increased $3.0 million (10%) in 1999 over 1998. International revenues and Adjusted EBITDA increased $7.8 million (29%) and $1.6 million (45%), respectively, due primarily to a 45% increase in customers. Domestic operations, which comprised 75% and 80% of segment revenues in 1999 and 1998, respectively, are generating higher Adjusted EBITDA margins than international operations as a result of continued expansion costs incurred internationally to penetrate new markets. For the segment as a whole, the Adjusted EBITDA margin decreased from 29% in 1998 to 27% in 1999. The Adjusted EBITDA margin for domestic operations was 32% in 1999, versus 33% in 1998, (including the 1998 non-recurring reinsurance contract benefit). The Adjusted EBITDA margin for international operations was 15% for 1999, versus 13% in 1998.

OTHER SERVICES

Revenues and Adjusted EBITDA increased $112.7 million (67%) and $23.1 million (55%), respectively, in first quarter 1999 compared to first quarter 1998. Revenues increased primarily as a result of the April 1998 acquisition of NPC, the largest private car park operator in the UK, which contributed $130.1

million to 1999 revenues. The revenue increase attributable to the NPC acquisition was partially offset by $6.5 million of revenue reductions related to our NUMA genealogy subsidiary exiting less profitable channels, $4.9 million of revenue reductions in our information technology business unit ("WizCom"), primarily due to the expiration of certain licensing agreements, and $4.5 million due to the sale of our Essex financial products distribution business in January 1999. The $23.1 million increase in Adjusted EBITDA was primarily due to $36.4 million related to the NPC acquisition, a $7.1 million increase in income and gains related to our financial investments and $6.5 million from an agreement which originated in the second quarter of 1998. These increases were partially offset by $9.7 million in gains (primarily insurance recoveries) in the first quarter of 1998, an $8.3 million increase in corporate technology and infrastructure costs and $5.7 million related to reduced WizCom revenues combined with increased costs.

FLEET

On June 30, 1999, we completed the disposition of our fleet segment for aggregate consideration of $1.8 billion (see "Liquidity and Capital Resources - Divestitures - Fleet Segment"). Fleet segment revenues increased $5.2 million (5%) and Adjusted EBITDA decreased $7.9 million (17%) in first quarter 1999 compared to first quarter 1998. Contributing to the revenue increase was a 10% increase in service fee revenue and a 1% increase in fleet leasing revenue. The number of service cards and leased vehicles increased by approximately 562,300 (16%) and 22,100 (7%), respectively. Increased operating expenses associated with the development of new products, higher borrowing costs and the receipt in 1998 of access fees related to a key vendor arrangement contributed to the decrease in Adjusted EBITDA from first quarter 1998 to first quarter 1999. The Adjusted EBITDA margin decreased to 39% in 1999 from 49% in 1998.

LIQUIDITY AND CAPITAL RESOURCES

DIVESTITURES

During 1998, we implemented a program to divest non-strategic businesses and assets in order to focus on our core businesses, repay debt and repurchase our common stock (see "Overview"). Pursuant to such program, we completed or have pending the following dispositions through October 8, 1999:

Pending disposition of Green Flag. On October 8, 1999, we entered into a definitive agreement to dispose of our Green Flag business unit for approximately $410 million in cash. The transaction, subject to customary regulatory approval in the United Kingdom ("UK"), is expected to be consummated in the fourth quarter of 1999. Green Flag is a roadside assistance organization based in the UK, which provides a wide range of emergency support and rescue services.

Pending disposition of Entertainment Publications, Inc. On September 14, 1999, we entered into a definitive agreement to sell 84% of our EPub business unit for $325.0 million in cash. We will retain approximately 16% of EPub's equity in connection with the transaction. In addition, we will have a designee on EPub's Board of Directors. The transaction is subject to customary regulatory approvals and customary conditions and is expected to be consummated in the fourth quarter of 1999. The sale of EPub is expected to generate an after-tax gain of approximately $140.0 million. We have determined that the size and nature of our retained equity stake in EPUB, including the retention of board representation, will require us to account for our ongoing investment in EPUB using the equity accounting method. In addition, our earlier classification of EPUB as a discontinued operation was reversed in accordance with generally accepted accounting principles. EPub is the world's largest marketer and publisher of coupon books and discount programs which provides customers with unique products and services that are designed to enhance a customer's purchasing power.

North American Outdoor Group. On October 8, 1999, we disposed of 94% of our North American Outdoor Group ("NAOG") business unit for approximately $140.0 million in cash and we will retain approximately 6% of NAOG's equity in connection with the transaction. The sale of NAOG is expected to generate a pre-tax gain of approximately $107.0 million. NAOG is the world's largest lifestyle affinity membership organization.

Global Refund Group. On August 24, 1999, we completed the sale of our Global Refund Group subsidiary ("Global Refund") for approximately $160.0 million in cash. Global Refund, formerly known as Europe Tax Free Shopping, is the world's largest value-added tax refund services company.

Fleet Segment. Pursuant to our program to divest non-strategic businesses and assets, on June 30, 1999, we completed the disposition of our fleet business segment ("fleet segment" or "fleet businesses"), which included PHH Vehicle Management Services Corporation, Wright Express Corporation, The Harpur Group, Ltd., and other subsidiaries pursuant to an agreement between PHH Corporation ("PHH"), our wholly-owned subsidiary and Avis Rent A Car, Inc. ("ARAC"). Pursuant to the agreement, ARAC acquired the net assets of our fleet businesses through the assumption and subsequent repayment of $1.44 billion of intercompany debt and the issuance of $360.0 million of convertible preferred stock of Avis Fleet Leasing and Management Corporation ("Avis Fleet"), a wholly-owned subsidiary of ARAC. The transaction followed a competitive bidding process. Coincident to the closing of the transaction, ARAC refinanced the assumed debt under management programs which was payable to us. Accordingly, on June 30, 1999, we received additional consideration from ARAC of $3,047.5 million comprised of $3,016.9 million of cash proceeds and a $30.6 million note receivable. On such date, we used proceeds of $1,809.4 million to repay outstanding fleet segment financing arrangements. Additionally, in July 1999, we utilized cash proceeds from the transaction of $1,033.0 (received in the form of a dividend from PHH) to substantially execute the "Dutch Auction" tender offer by us to repurchase 50 million shares of our common stock (See "Common Share Repurchases"). As of June 30, 1999, proceeds remaining from the transaction were designated to repay outstanding corporate debt as it matures (the borrowings of which had been loaned to the fleet segment to finance the purchases of leased vehicles) and to finance other assets under management and mortgage programs.

The convertible preferred stock of Avis Fleet is convertible into common stock of ARAC at our option upon the satisfaction of certain conditions, including the per share price of ARAC Class A common stock equaling or exceeding $50 per share and the fleet segment attaining certain EBITDA (earnings before interest, taxes, depreciation and amortization) thresholds, as defined. There are additional circumstances upon which the shares of Avis Fleet convertible preferred stock are automatically or mandatorily convertible into ARAC common stock. At June 30, 1999, we beneficially owned approximately 19% of the outstanding Class A common stock of ARAC. If all of the Avis Fleet convertible preferred stock was converted into common stock of ARAC, as of the closing date, we would have owned approximately 34% of ARAC's outstanding common equity (although the voting interest would be limited, in most instances to 20%).

We realized a net gain on disposition of $881.4 million ($865.7 million, after tax). The realized gain is net of approximately $90.0 million of transaction costs. We deferred the portion of the realized net gain, which was equivalent to our common equity ownership percentage in ARAC at the time of closing. The fleet segment disposition was structured in accordance with applicable tax law to be treated as a tax-free reorganization and, accordingly, no tax provision has been recorded on a majority of the gain. Should the transaction be deemed taxable, the resultant tax liability could be material.

Other Businesses. Subsequent to the quarter ended March 31, 1999, we completed the dispositions of certain other businesses, including Central Credit, Inc., Spark Services, Inc., Match.com, National Leisure Group and National Library of Poetry. Aggregate consideration received on the dispositions of such businesses was comprised of $106.0 million in cash and $43.3 million of common stock. We realized a net gain of $46.2 million ($26.4 million, after tax) on the dispositions of the businesses.

Discontinued Operations. On January 12, 1999, we completed the sale of Cendant Software Corporation ("CDS") for approximately $800.0 million in cash. We realized an after tax net gain of $371.9 million on the disposition of CDS , of which $192.7 million was recognized in the first quarter of 1999 coincident with the closing of the transaction. Subsequently, we recorded an $18.6 million reduction to the gain during the second quarter of 1999, in connection with the settlement of certain post closing adjustments. The remaining $197.8 million of such realized after tax net gain was recognized in the fourth quarter of 1998. CDS was a developer, publisher and distributor of educational and entertainment software.

In December 1998, we completed the sale of Hebdo Mag International, Inc. ("Hebdo Mag") to its former 50% owners for $314.8 million in cash and 7.1 million shares of our common stock. Hebdo Mag was our former business unit which published and distributed classified advertising information.

INVESTMENT IN NETMARKET, INC.

On September 15, 1999, Netmarket, Inc. ("NGI") began operations as an independent company that will pursue the development of interactive businesses formerly within our direct marketing division. NGI will own, operate, develop and expand the on-line membership businesses, including Netmarket.com, Travelers Advantage, Auto Vantage, Privacy Guard and Hagglezone.com, which collectively have 1.3 million on-line members (and are expected to produce approximately $70.0 million of revenues in 1999). Prior to September 15, 1999, our ownership of NGI was restructured into common stock and preferred stock interests. On September 15, 1999, we donated NGI's outstanding common stock to a charitable trust, and NGI issued additional shares of its 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 third parties, NGI's operating results will no longer be included in our consolidated financial statements. We retained the opportunity to participate in NGI's value through the ownership of a convertible preferred stock of NGI, which is ultimately exchangeable, at our option, into 78% of NGI's diluted common shares. Subsequent to our contribution of NGI's common stock to the trust, we provided a development advance of $77.0 million to NGI, which is contingently repayable to us if certain financial targets related to NGI are achieved. We recorded a charge, inclusive of transaction costs of $85.0 million ($48.0 million, after tax), during the third quarter of 1999, in connection with the donation of NGI shares to the charitable trust and the subsequent development advance.

FINANCING (EXCLUSIVE OF MANAGEMENT AND MORTGAGE PROGRAM FINANCING)

We believe that we have sufficient liquidity and access to liquidity through various sources, including our ability to access public equity and debt markets and financial institutions. We currently have a $1.25 billion term loan facility in place as well as committed back-up facilities totaling $1.75 billion, of which $1.70 billion is currently undrawn and available and $2.45 billion of availability under existing shelf registration statements. Our long-term debt was $3.4 billion at March 31, 1999 which substantially consisted of $2.1 billion of publicly issued fixed rate debt and $1.25 billion of borrowings under a term loan facility. In addition, we had $1.5 billion of equity-linked FELINE PRIDES securities outstanding at March 31, 1999.

CREDIT FACILITIES

Our primary credit facility consists of (i) a $750 million, five-year revolving credit facility (the "Five Year Revolving Credit Facility") and (ii) a $1 billion, 364-day revolving credit facility (the "364 Day Revolving Credit Facility") (collectively the "Revolving Credit Facilities"). The 364 Day Revolving Credit Facility will mature on October 29, 1999 but may be renewed on an annual basis for an additional 364 days upon receiving lender approval. The Five-Year Revolving Credit Facility will mature on October 1, 2001. Borrowings under the Revolving Credit Facilities, at our option, bear interest based on competitive bids of lenders participating in the facilities, at prime rates or at LIBOR, plus a margin of approximately 75 basis points. We are required to pay a per annum facility fee of .175% and .15% of the average daily unused commitments under the Five Year Revolving Credit Facility and 364 Day Revolving Credit Facility, respectively. The interest rates and facility fees are subject to change based upon credit ratings on our senior unsecured long-term debt by nationally recognized debt rating agencies. The Revolving Credit Facilities contain certain restrictive covenants including restrictions on indebtedness, mergers, liquidations and sale and leaseback transactions and requires the maintenance of certain financial ratios, including a 3:1 minimum interest coverage ratio and a maximum debt-to-capitalization ratio of 0.5:1.

TERM LOAN FACILITIES

On February 9, 1999, we replaced a 364-day, $3.25 billion term loan facility with a new two-year term loan facility (the "Term Loan Facility") which provides for borrowings of up to $1.25 billion. The Term Loan Facility bears interest at LIBOR plus a margin of approximately 100 basis points and is payable in five consecutive quarterly installments beginning on the first anniversary of the closing date. The Term Loan Facility contains certain restrictive covenants, which are substantially similar to and consistent with the covenants in effect for our Revolving Credit Facilities. We used $1.25 billion of the proceeds from the Term Loan Facility to refinance a portion of the outstanding borrowings under the former term loan facility.

7 1/2% AND 7 3/4% SENIOR NOTES

We filed a shelf registration statement with the SEC, effective November 1998, which provided for the aggregate issuance of up to $3.0 billion of debt and equity securities. Pursuant to such registration statement, we issued $1.55 billion of Senior Notes (the "Notes") in two tranches, consisting of $400.0 million principal amount of 7 1/2% Senior Notes due December 1, 2000 and $1.15 billion principal amount of 7 3/4% Senior Notes due December 1, 2003. Interest on the Notes is payable on June 1 and December 1 of each year, beginning on June 1, 1999. The Notes may be redeemed, in whole or in part, at any time, at our option at a redemption price plus accrued interest to the date of redemption. The redemption price is equal to the greater of (i) the face value of the Notes or (ii) the sum of the present values of the remaining scheduled payments discounted at the treasury rate plus a spread as defined in the indenture. The offering was a component of a plan designed to refinance an aggregate of $3.25 billion of borrowings under our former term loan facility, based on provisions contained in the indenture. Net proceeds from the offering were used to repay $1.3 billion of borrowings under such term loan facility and for general corporate purposes, which included the purchase of our common stock.

FELINE PRIDES AND TRUST PREFERRED SECURITIES

Through our wholly owned subsidiary, Cendant Capital I (the "Trust"), a statutory business Trust formed under the laws of the State of Delaware, we have an outstanding issuance of 29.9 million FELINE PRIDES, each with a face amount of $50 per PRIDE and 2.3 million trust preferred securities. Proceeds of $1.5 billion from the original issuance of the FELINE PRIDES were invested by the Trust in our 6.45% Senior Debentures due 2003 (the "Debentures"), which represents the sole asset of the Trust. The obligations of the Trust related to the FELINE PRIDES and trust preferred securities are unconditionally guaranteed by us to the extent we make payments pursuant to the Debentures. The issuance of the FELINE PRIDES and trust preferred securities, resulted in the utilization of approximately $3 billion of availability under a $4 billion shelf registration statement. At March 31, 1999, the FELINE PRIDES consisted of approximately 27.8 million Income PRIDES and 2.1 million Growth PRIDES (Income PRIDES and Growth PRIDES hereinafter referred to as "PRIDES"). The Income PRIDES consist of trust preferred securities and forward purchase contracts under which the holders are required to purchase our common stock in February 2001. The Growth PRIDES consist of zero coupon U.S. Treasury securities and forward purchase contracts under which the holders are required to purchase our common stock in February 2001. The stand-alone trust preferred securities and the trust preferred securities forming a part of the Income PRIDES, each with a face amount of $50, bear interest, in the form of preferred stock dividends, at the annual rate of 6.45%, payable in cash. Payments under the forward purchase contract forming a part of the Income PRIDES are made by us in the form of a contract adjustment payment at an annual rate of 1.05%. Payments under the forward purchase contract forming a part of the Growth PRIDES are made by us in the form of a contract adjustment payment at an annual rate of 1.30%. The forward purchase contracts require the holder to purchase a minimum of 1.0395 shares and a maximum of 1.3514 shares of our common stock per PRIDES security, depending upon the average of the closing price per share of our common stock for a 20 consecutive day period ending in mid-February of 2001. We have the right to defer the contract adjustment payments and the payment of interest on its Debentures to the Trust. Such election will subject us to certain restrictions, including restrictions on making dividend payments on our common stock until all such payments in arrears are settled.

On March 17, 1999, we reached a final agreement to settle a class action lawsuit that was brought on behalf of the holders of PRIDES securities who purchased their securities on or prior to April 15, 1998. Under the terms of the final agreement, only holders who owned PRIDES at the close of business on April 15, 1998 will be eligible to receive a new additional "Right" for each PRIDES security held. At any time during the life of the Rights (expires February 2001), holders may (i) sell them or (ii) exercise them by delivering to us three Rights together with two PRIDES in exchange for two new PRIDES (the "New PRIDES"). The terms of the New PRIDES will be the same as the original PRIDES except that the conversion rate will be revised so that, at the time the Rights are distributed, each New PRIDES will have a value equal to $17.57 more than each original PRIDES, or, in the aggregate, approximately $351.0 million. The final agreement also requires us to offer to sell four million additional PRIDES (having identical terms to currently outstanding PRIDES) to holders of Rights for cash, at a value which will be based on the valuation model that was utilized to set the conversion rate of the New PRIDES. The offering of additional PRIDES will be made only pursuant to a prospectus filed with the SEC. We currently expect to use the proceeds of such an offering for general corporate purposes. The arrangement to offer additional PRIDES is designed to enhance the trading value of the Rights by removing up to six million Rights from circulation via exchanges associated with the offering and to enhance the open market liquidity of New PRIDES by creating four million New PRIDES via exchanges associated with the offering. If holders of Rights do not acquire all such PRIDES, they will be offered to the public. Under the settlement agreement, we also agreed to file a shelf registration statement for an additional 15 million special PRIDES, which could be issued by us at any time for cash. However, during the last 30 days prior to the expiration of the Rights in February 2001, we will be required to make these additional PRIDES available to holders of Rights at a price in cash equal to 105% of their theoretical value. The special PRIDES, if issued, would have the same terms as the currently outstanding PRIDES and could be used to exercise Rights. Based on an average market price of $17.53 per share of our common stock (calculated based on the average closing price per share of our common stock for the consecutive five-day period ended September 30, 1999), the effect of the issuance of the New PRIDES will be to distribute approximately 19 million more shares of our common stock when the mandatory purchase of our common stock associated with the PRIDES occurs in February 2001.

On June 15, 1999, the United States District Court for the District of New Jersey entered an order and judgment approving the settlement described above and awarding fees to counsel to the class. One objector, who objected to a portion of the settlement notice concerning fees to be sought by counsel to the class, has filed an appeal to the U.S. Court of Appeals for the Third Circuit from the District Court order approving the settlement and awarding fees to counsel to the class. Although under the settlement the Rights are required to be distributed following the conclusion of court proceedings, including appeals, we believe that the appeal is without merit. As a result, we presently intend to distribute the Rights in October 1999 after the effectiveness of the registration statement filed with the SEC covering the New PRIDES.

3% CONVERTIBLE SUBORDINATED NOTES

We have an outstanding issuance of $550.0 million principal amount of 3% Convertible Subordinated Notes (the "3% Notes") due 2002. Each $1,000 principal amount of 3% Notes is convertible into 32.6531 shares of our common stock subject to adjustment in certain events. The 3% Notes may be redeemed at our option at any time on or after February 15, 2000, in whole or in part, at the appropriate redemption prices (as defined in the indenture governing the 3% Notes) plus accrued interest to the redemption date. The 3% Notes will be subordinated in right of payment to all existing and future Senior Debt (as defined in our indenture governing the 3% Notes).

FINANCING RELATED TO MANAGEMENT AND MORTGAGE PROGRAMS

Our PHH subsidiary operates our mortgage and relocation services businesses as a separate public reporting entity and supports originated mortgages and advances under relocation contracts primarily by issuing commercial paper and medium term notes and maintaining securitized obligations. Such financing is not classified based on contractual maturities, but rather is included in liabilities under management and mortgage programs rather than long-term debt since such debt corresponds directly with high quality related assets. Prior to the June 30, 1999 disposition of our fleet segment, fleet business operations were also funded using such financing arrangements. Upon the disposition, we received cash proceeds equivalent to the outstanding debt applicable to our fleet segment (see "Liquidity and Capital Resources - Divestitures - Fleet Segment"). PHH continues to pursue opportunities to reduce its borrowing requirements by securitizing increasing amounts of its high quality assets. We currently have an agreement, expiring 2001 under which an unaffiliated Buyer, Bishops Gate Residential Mortgage Trust, a special purpose entity, (the "Buyer") commits to purchase, at our option, mortgage loans originated by us on a daily basis, up to the Buyer's asset limit of $2.4 billion. Under the terms of this sale agreement, we retain the servicing rights on the mortgage loans sold to the Buyer and provide the Buyer with options to sell or securitize the mortgage loans into the secondary market. At March 31, 1999, we were servicing approximately $1.8 billion of mortgage loans owned by the Buyer.

PHH debt is issued without recourse to the parent company. Our PHH subsidiary expects to continue to maximize its access to global capital markets by maintaining the quality of its assets under management. This is achieved by establishing credit standards to minimize credit risk and the potential for losses. PHH minimizes its exposure to interest rate and liquidity risk by effectively matching floating and fixed interest rate and maturity characteristics of funding to related assets, varying short and long-term domestic and international funding sources, and securing available credit under committed banking facilities. Depending upon asset growth and financial market conditions, our PHH subsidiary utilizes the United States, European and Canadian commercial paper markets, as well as other cost-effective short-term instruments. In addition, our PHH subsidiary will continue to utilize the public and private debt markets as sources of financing. Augmenting these sources, our PHH subsidiary will continue to manage outstanding debt with the potential sale or transfer of managed assets to third parties while retaining fee-related servicing responsibility. PHH's aggregate borrowings at the underlying balance sheet dates were as follows:

(IN BILLIONS)	MARCH 31, 1999	DECEMBER 31, 1998
Commercial paper	$ 2.2	$ 2.5
Medium-term notes	2.3	2.3
Securitized obligations	1.7	1.9
Other	0.1	0.2
	$ 6.3	$ 6.9

PHH has an effective shelf registration statement on file with the SEC providing for the aggregate issuance of up to $3.0 billion of medium-term note debt securities. These securities may be offered from time to time, together or separately, based on terms to be determined at the time of sale. As of March 31, 1999, PHH had approximately $2.3 billion of medium-term notes outstanding under this shelf registration statement. Proceeds from future offerings will continue to be used to finance assets PHH manages for its clients and for general corporate purposes.

SECURITIZED OBLIGATIONS

Our PHH subsidiary maintains four separate financing facilities, the outstanding borrowings of which are securitized by corresponding assets under management and mortgage programs. Such securitized obligations are described below.

Mortgage Facility. Our PHH subsidiary maintains a 364-day financing agreement, expiring in December 1999, to sell mortgage loans under an agreement to repurchase such mortgages. The agreement is collateralized by the underlying mortgage loans held in safekeeping by the custodian to the agreement. The total commitment under this agreement is $500.0 million and is renewable on an annual basis at the discretion of the lender, in accordance with the securitization agreement. Mortgage loans financed under this Agreement at March 31, 1999 totaled $336.5 million.

Relocation Facilities. Our PHH subsidiary maintains a 364-day asset securitization agreement, expiring December 1999 under which an unaffiliated buyer has committed to purchase an interest in the rights to payment related to certain relocation receivables of PHH. The revolving purchase commitment provides for funding up to a limit of $325.0 million and is renewable on an annual basis at the discretion of the lender, in accordance with the securitization agreement. Under the terms of this agreement, our PHH subsidiary retains the servicing rights related to the relocation receivables. At March 31, 1999, our PHH subsidiary was servicing $248.3 million of assets which were funded under this agreement.

Our PHH subsidiary also maintains an asset securitization agreement, with a separate unaffiliated buyer, which has a purchase commitment up to a limit of $350.0 million. The terms of this agreement are similar to the aforementioned facility, with PHH retaining the servicing rights on the right of payment related to certain relocation receivables of PHH. At March 31, 1999, PHH was servicing $100.0 million of assets eligible for purchase under this agreement. This facility matured and approximately $85.0 million was repaid on October 5, 1999.

We are currently in the process of creating a new securitization facility to purchase interests in the rights to payment related to our relocation receivables, which will replace the existing securitizations. Although no assurances can be given, we expect that such facility will be in place prior to December 31, 1999.

Fleet Facilities. Our PHH subsidiary maintains two secured financing transactions each expiring December 2003 through its two wholly owned subsidiaries, TRAC Funding and TRAC Funding II. Such subsidiaries hold secured leased assets (specified beneficial interests in a trust, which owns the leased vehicles and the leases). Secured leased assets held by the subsidiaries totaling $600.0 million and $725.3 million, respectively, were initially contributed by PHH. At March 31, 1999, outstanding loans to TRAC Funding and TRAC Funding II, amounted to $446.9 million and $536.9 million, respectively, and were secured by the specified beneficial interests in the trust. Monthly loan repayments conform to the amortization of the leased vehicles with the repayment of the outstanding loan balance required at time of disposition of the vehicles. Interest on the loans is based upon the conduit commercial paper issuance cost and committed bank lines priced on a LIBOR basis. Repayments of loans are limited to the cash flows generated from the leases represented by the specified beneficial interests in the trust. At June 30, 1999, the outstanding balances under the securitized fleet financing facilities were repaid and such securitized facilities were retired coincident with the fleet segment disposition.

OTHER CREDIT FACILITIES

To provide additional financial flexibility, PHH's current policy is to ensure that minimum committed facilities aggregate 100 percent of the average amount of outstanding commercial paper. This policy will be maintained subsequent to the divestiture of the fleet businesses. PHH maintains $2.65 billion of unsecured committed credit facilities, which are backed by a consortium of domestic and foreign banks. The facilities are comprised of $1.25 billion of syndicated lines of credit maturing in March 2000 and $1.25 billion of syndicated lines of credit maturing in the year 2002. In addition, PHH has a $150 million revolving credit facility, which matures in December 1999, and other uncommitted lines of credit with various financial institutions, which were unused at March 31, 1999. Our management closely evaluates not only the credit of the banks but also the terms of the various agreements to ensure ongoing availability. Our management believes that our current policy provides adequate protection should volatility in the financial markets limit PHH's access to commercial paper or medium-term notes funding.

PHH continuously seeks additional sources of liquidity to accommodate PHH asset growth and to provide further protection from volatility in the financial markets.

In the event that the public debt market is unable to meet PHH's funding needs, we believe that PHH has appropriate alternative sources to provide adequate liquidity, including current and potential future securitized obligations and its $2.65 billion of revolving credit facilities.

Pursuant to a covenant in PHH's Indenture with The First National Bank of Chicago, as trustee, relating to PHH's medium-term notes, PHH is restricted from paying dividends, making distributions or making loans to us to the extent that such payments are collectively in excess of 40% of PHH's consolidated net income (as defined in the covenant) for each fiscal year, provided however, that PHH can distribute to us 100% of any extraordinary gains from asset sales and capital contributions previously made to PHH by us. Notwithstanding the foregoing, PHH is prohibited under such covenant from paying dividends or making loans to us if upon giving effect to such dividends and/or loan, PHH's debt to equity ratio exceeds 8 to 1, at the time of the dividend or loan, as the case may be.

LITIGATION

Accounting Irregularities. Since the April 15, 1998 announcement of the discovery of accounting irregularities in the former business units of CUC and prior to the date of the Annual Report on Form 10-K/A, 70 lawsuits claiming to be class actions, two lawsuits claiming to be brought derivatively on our behalf and several individual lawsuits and arbitration proceedings have been commenced in various courts and other forums against us and other defendants by or on behalf of persons claiming to have purchased or otherwise acquired securities or options issued by CUC or us between May 1995 and August 1998. The Court has ordered consolidation of many of the actions.

In addition, in October 1998, an action claiming to be a class action was filed against us and four of our former officers and directors by persons claiming to have purchased American Bankers' stock between January and October 1998. The complaint claimed that we made false and misleading public announcements and filings with the SEC in connection with our proposed acquisition of American Bankers allegedly in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and that the plaintiff and the alleged class members purchased American Bankers' securities in reliance on these public announcements and filings at inflated prices. On April 30, 1999, the United States District Court for New Jersey found that the class action failed to state a claim upon which relief could be granted and, accordingly, dismissed the complaint. The plaintiff has appealed the District Court's findings to the U.S. Court of Appeals for the Third Circuit as such appeal is pending.

As previously disclosed, we reached an agreement with plaintiffs' counsel representing the class of holders of our PRIDES securities who purchased their securities on or prior to April 15, 1998 to settle their class action lawsuit against us through the issuance of a new "Right" for each PRIDES security held. See "Liquidity and Capital Resources - FELINE PRIDES and Trust Preferred Securities" for a more detailed description of the settlement.

The SEC and the United States Attorney for the District of New Jersey are conducting investigations relating to the matters referenced above. The SEC advised us that its inquiry should not be construed as an indication by the SEC or its staff that any violations of law have occurred. As a result of the findings from the investigations, we made all adjustments considered necessary which are reflected in our restated financial statements. Although we can provide no assurances that additional adjustments will not be necessary as a result of these government investigations, we do not expect that additional adjustments will be necessary.

Other than with respect to the PRIDES class action litigation, we do not believe it is feasible to predict or determine the final outcome of these proceedings or investigations or to estimate the amounts or potential range of loss with respect to these proceedings or investigations. The possible outcomes or resolutions of the proceedings could include a judgement against us or settlements and could require substantial payments by us. In addition, the timing of the final resolution of the proceedings or investigations is uncertain. We believe that material adverse outcomes with respect to such proceedings or investigations could have a material impact on our financial position, results of operations or cash flows.

Other Pending Litigation. We and our subsidiaries are involved in pending litigation in the usual course of business. In the opinion of management, such other litigation will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

CREDIT RATINGS

Our long-term debt credit ratings by Duff & Phelps Credit Rating Co. ("DCR"), Standard & Poor's Corporation ("S&P") and Moody's Investors Service Inc. ("Moody's") remain A-, BBB and Baa1, respectively.

Following the execution of our agreement to dispose of our fleet segment, Fitch IBCA lowered PHH's long-term debt rating from A+ to A and affirmed PHH's short-term debt rating at F1, and S&P affirmed PHH's long-term and short-term debt ratings at A-/A2. Also, in connection with the closing of the transaction, DCR lowered PHH's long-term debt rating from A+ to A and PHH's short-term debt rating was reaffirmed at D1. Moody's lowered PHH's long-term debt rating from A3 to Baa1 and affirmed PHH's short-term debt rating at P2. (A security rating is not a recommendation to buy, sell or hold securities and is subject to revision or withdrawal at any time).

COMMON SHARE REPURCHASES

Our Board of Directors authorized a common share repurchase program pursuant to which the aggregate authorized amount that can be repurchased under the program has been incrementally increased to $1.8 billion. We have executed this program through open-market purchases or privately negotiated transactions. As of September 30, 1999, we repurchased approximately $1.8 billion (93.6 million shares) of our common stock under the program. Subject to bank credit facility covenants, certain rating agency constraints and authorization from our Board of Directors, we anticipate expanding the program, although we can give no assurance with respect to the timing, likelihood or amount of future repurchases under the program.

In July 1999, pursuant to a Dutch Auction self-tender offer to our shareholders, we purchased 50 million shares of our common stock through our wholly-owned subsidiary Cendant Stock Corporation at a price of $22.25 per share. Under the terms of the offer, which commenced June 16, 1999 and expired July 15, 1999, we had invited shareholders to tender their shares of our common stock at prices between $19.75 and $22.50 per share. We financed the purchase of shares costing $1.11 billion with proceeds received from our June 30, 1999 disposition of our fleet segment.

Since the inception of our share repurchase program and, inclusive of our self-tender offer and including the 7.1 million shares of our common stock received as partial consideration in connection with the sale of our Hebdo Mag subsidiary, we have reduced our shares outstanding by approximately 18%.

CASH FLOWS

We generated $936.1 million of cash flows from operations in first quarter 1999 representing a $752.9 million increase from first quarter 1998. The increase in cash flows from operations was primarily due to a $619.8 million net decrease in mortgage loans held for sale which reflects larger loan sales to the secondary markets in proportion to loan originations.

We generated $244.1 million in cash flows from investing activities in first quarter 1999 representing a $1.7 billion increase from first quarter 1998. The incremental cash flows from investing activities was primarily attributable to $800.0 million of cash proceeds received in first quarter 1999 from the sale of CDS, our former software segment, and first quarter 1998 acquisitions, including Jackson Hewitt, Inc. and The Harpur Group Ltd. Cash flows used in financing activities of approximately $1.7 billion consisted primarily of $1.1 billion in Company common stock repurchases pursuant to our share repurchase program and $570.4 million of net repayments on fundings of our investments in assets under management and mortgage programs.

CAPITAL EXPENDITURES

In first quarter 1999, $62.7 million was invested in property and equipment to support operational growth and enhance marketing opportunities. In addition, technological improvements were made to improve operating efficiencies. Capital spending in 1999 has included the development of integrated business systems and other investments in information systems within several of our segments as well as additions to car park properties for our NPC subsidiary. We anticipate investing approximately $260.0 million in capital expenditures in 1999.

YEAR 2000 COMPLIANCE

The following disclosure is a Year 2000-readiness disclosure statement pursuant to the Year 2000 Readiness and Disclosure Act.

The Year 2000 presents the risk that information systems will be unable to recognize and process date-sensitive information properly from and after January 1, 2000. To minimize or eliminate the effect of the Year 2000 risk on our business systems and applications, we are continually identifying, evaluating, implementing and testing changes to our computer systems, applications and software necessary to achieve Year 2000 compliance. We implemented a Year 2000 initiative in March 1996 that has now been adopted by all of our business units. As part of such initiative, we have selected a team of managers to identify, evaluate and implement a plan to bring all of our critical business systems and applications into Year 2000 compliance prior to December 31, 1999. The Year 2000 initiative consists of four phases: (i) identification of all critical business systems subject to Year 2000 risk (the "Identification Phase"); (ii) assessment of such business systems and applications to determine the method of correcting any Year 2000 problems (the "Assessment Phase"); (iii) implementing the corrective measures (the "Implementation Phase"); and (iv) testing and maintaining system compliance (the "Testing Phase"). We have substantially completed the Identification and Assessment Phases and have identified and assessed five areas of risk: (i) internally developed business applications; (ii) third party vendor software, such as business applications, operating systems and special function software; (iii) computer hardware components; (iv) electronic data transfer systems between our customers and us; and (v) embedded systems, such as phone switches, check writers and alarm systems. Although no assurances can be made, we believe that substantially all of our systems, applications and related software that are subject to Year 2000 compliance risk have been identified and that we have either implemented or initiated the implementation of a plan to correct such systems that are not Year 2000 compliant. In addition, as part of our assessment process we are developing contingency plans as considered necessary. Substantially all of our mission critical systems have been remediated during 1998. However, we cannot directly control the timing of certain Year 2000 compliant vendor products and in certain situations, exceptions to the December 1998 date have been authorized. We are closely monitoring those situations and intend to complete testing efforts and any contingency implementation efforts prior to December 31, 1999. Although we have begun the Testing Phase, we do not anticipate completion of the Testing Phase until sometime prior to December 1999.

We rely on third party service providers for services such as telecommunications, internet service, utilities, components for our embedded and other systems and other key services. Interruption of those services due to Year 2000 issues could have a material adverse impact on our operations. We initiated an evaluation of the status of such third party service providers' efforts to determine alternative and contingency requirements. While approaches to reducing risks of interruption of business operations vary by business unit, options include identification of alternative service providers available to provide such services if a service provider fails to become Year 2000 compliant within an acceptable timeframe prior to December 31, 1999.

The total cost of our Year 2000 compliance plan is anticipated to be $55 million. Approximately $37 million of these costs had been incurred through March 31, 1999, and we expect to incur the balance of such costs to complete the compliance plan. We have been expensing and capitalizing the costs to complete the compliance plan in accordance with appropriate accounting policies. Variations from anticipated expenditures and the effect on our future results of operations are not anticipated to be material in any given year. However, if Year 2000 modifications and conversions are not made, including modifications by our third party service providers, or are not completed in time, the Year 2000 problem could have a material impact on our operations, cash flows and financial condition. At this time we believe the most likely "worst case" scenario involves potential disruptions in our operations as a result of the failure of services provided by third parties.

The estimates and conclusions herein are forward-looking statements and are based on our best estimates of future events. Risks of completing the plan include the availability of resources, the ability to discover and correct the potential Year 2000 sensitive problems which could have a serious impact on certain operations and the ability of our service providers to bring their systems into Year 2000 compliance.

IMPACT OF NEW ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 133 "Accounting for Derivative Instruments and Hedging Activities". SFAS No. 133 requires us to record all derivatives in the consolidated balance sheet as either assets or liabilities measured at fair value. If the derivative does not qualify as a hedging instrument, the change in the derivative fair values will be immediately recognized as gain or loss in earnings. If the derivative does qualify as a hedging instrument, the gain or loss on the change in the derivative fair values will either be recognized (i) in earnings as offsets to the changes in the fair value of the related item being hedged or (ii) be deferred and recorded as a component of other comprehensive income and reclassified to earnings in the same period during which the hedged transactions occur. We have not yet determined what impact the adoption of SFAS No. 133 will have on our financial statements. Implementation of this standard has recently been delayed by the FASB for a 12-month period. We will now adopt SFAS No. 133 as required for our first quarterly filing of fiscal year 2001.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

In recurring operations, we must deal with effects of changes in interest rates and currency exchange rates. The following discussion presents an overview of how such changes are managed and a view of their potential effects.

We use various financial instruments, particularly interest rate and currency swaps and currency forwards, to manage our respective interest rate and currency risks. We are exclusively an end user of these instruments, which are commonly referred to as derivatives. We do not engage in trading, market making or other speculative activities in the derivatives markets. Established practices require that derivative financial instruments relate to specific asset, liability or equity transactions or to currency exposures.

The SEC requires that registrants include information about potential effects of changes in interest rates and currency exchange in their financial statements. Although the rules offer alternatives for presenting this information, none of the alternatives is without limitations. The following discussion is based on so-called "shock tests," which model effects of interest rate and currency shifts on the reporting company. Shock tests, while probably the most meaningful analysis permitted, are constrained by several factors, including the necessity to conduct the analysis based on a single point in time and by their inability to include the extraordinarily complex market reactions that normally would arise from the market shifts modeled. While the following results of shock tests for interest rate and currencies may have some limited use as benchmarks, they should not be viewed as forecasts.

- One means of assessing exposure to interest rate changes is a duration-based analysis that measures the potential loss in net earnings resulting from a hypothetical 10% change in interest rates across all maturities (sometimes referred to as a "parallel shift in the yield curve"). Under this model, it is estimated that, all else constant, such a decrease would not materially impact our 1999 net earnings based on current positions.

- One means of assessing exposure to changes in currency exchange rates is to model effects on future earnings using a sensitivity analysis. Year-end 1998 consolidated currency exposures, including financial instruments designated and effective as hedges, were analyzed to identify our assets and liabilities denominated in other than their relevant functional currency. Net unhedged exposures in each currency were then remeasured assuming a 10% change in currency exchange rates compared with the U.S. dollar. Under this model, it is estimated that, all else constant, such a decrease would not materially impact our 1999 net earnings based on current positions.

The categories of primary market risk exposure to us are: (i) long-term U.S. interest rates due to mortgage loan origination commitments and an investment in mortgage loans held for resale; (ii) short-term interest rates as they impact vehicle and relocation receivables; and (iii) LIBOR and commercial paper interest rates due to their impact on variable rate borrowings.

PART II. OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

The discussions contained under the headings "Litigation Settlement" in Note 7 and "Litigation Accounting Irregularities" in Note 8 contained in Part 1 - - FINANCIAL INFORMATION, Item 1 - Financial Statements, are incorporated herein by reference in their entirety.

ITEM 6 - EXHIBITS AND REPORT ON FORM 8-K

(a) Exhibits

27 Financial data schedule (electronic transmission only)

(b) Reports on Form 8-K

Form 8-K, dated January 8, 1999, reporting in Item 5 the preliminary settlement of the PRIDES Securities Class Action Suit

Form 8-K, dated February 3, 1999, reporting in Item 5 an increase in our stock repurchase program

Form 8-K, dated February 9, 1999, reporting in Item 5 the termination of RAC Motoring Services acquisition

Form 8-K, dated February 10, 1999, reporting in Item 5 our 1998 fourth quarter and full year 1998 financial results

Form 8-K, dated February 16, 1999, reporting in Item 5 our entering into a new $1.25 billion term loan facility

Form 8-K, dated March 19, 1999, reporting in Item 5 the final settlement of the PRIDES Class Action Litigation

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CENDANT CORPORATION

By: /s/ David M. Johnson

David M. Johnson
Senior Executive Vice President and
Chief Financial Officer

By: /s/ Jon F. Danski

Jon F. Danski
Executive Vice President, Finance
(Principal Accounting Officer)

Date: October 8, 1999

The schedule contains summary financial information extracted from the
consolidated balance sheet and statement of income of the Company as of and for
the three months ended March 31, 1999 and is qualified in its entirety to be
referenced to such financial statements. Amounts are in millions.

1,000,000

3-MOS
DEC-31-1999
JAN-01-1999
MAR-31-1999
521
0
1,614
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0
3,586
1,916
505
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2,938
3,358
1,474
0
9
4,084
18,877
0
1,317
0
978
7
0
48
284
100
169
193
0
0
362
.45
.43