

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 8-K
CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

February 4, 1999 (February 4, 1999)
(Date of Report (date of earliest event reported))

Cendant Corporation
(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or
organization)

1-10308
(Commission File No.)

06-0918165
(I.R.S. Employer
Identification Number)

9 West 57th Street - 37th Floor
New York, NY
(Address of principal
executive office)

10019
(Zip Code)

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

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

Item 5. Other Events

UK Secretary of State for Trade and Industry Requires Divestiture of Green Flag Unit before Cendant and RAC Motoring Services Merger Can Proceed. On February 4, 1998, we announced that the UK Secretary of State for Trade and Industry had cleared our proposed acquisition of RAC Motoring Services on the condition that we divest our Green Flag breakdown assistance business. We do not regard that proposed condition as reasonably acceptable or commercially feasible and therefore it is our intention not to proceed with the acquisition of RAC Motoring Services.

Reference is made to the press release dated February 4, 1999 attached hereto as Exhibit 99.1, which is incorporated herein by reference in its entirety.

Item 7. Exhibits

Exhibit
No. Description

99.1 Press release: UK Secretary of State for Trade and Industry Requires Divestiture of Green Flag Unit before Cendant and RAC Motoring Services Merger Can Proceed, dated February 4, 1999.

SIGNATURE

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

CENDANT CORPORATION

By: /s/ Eric J. Bock
Eric J. Bock
Vice President, Legal

Date: February 4, 1999

CENDANT CORPORATION
CURRENT REPORT ON FORM 8-K
Report Dated February 4, 1999 (February 4, 1999)

EXHIBIT INDEX

Exhibit

No. Description

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99.1 Press release: UK Secretary of State for Trade and Industry Requires
Divestiture of Green Flag Unit before Cendant and RAC Motoring Services
Merger Can Proceed, dated February 4, 1999.

FOR IMMEDIATE RELEASE

UK SECRETARY OF STATE FOR TRADE AND INDUSTRY REQUIRES DIVESTITURE OF GREEN FLAG
UNIT BEFORE CENDANT AND RAC MOTORING SERVICES MERGER
CAN PROCEED

Company Says Divestiture of Green Flag is an Unacceptable Condition

Cendant Says RAC Valuation Was Based on Future Synergies with Green Flag

New York, NY, February 4, 1999--Cendant Corporation (NYSE: CD) today announced that the UK Secretary of State for Trade and Industry has cleared its proposed acquisition of RAC Motoring Services on the condition that Cendant divests its Green Flag breakdown assistance business. Cendant does not regard the proposed condition as reasonably acceptable or commercially feasible and therefore it is the Company's intention not to proceed with the acquisition of RAC Motoring Services.

Stephen P. Holmes, Cendant Corporation vice chairman, stated:

"At the outset, we explained to the MMC that the divestiture of Green Flag would not be acceptable. Thus, we have informed the RAC that we do not regard the condition described by the Secretary of State as acceptable and, for that reason, we are unable to proceed with the acquisition of RAC Motoring Services. Our valuation of RAC Motoring Services was driven by future synergies between the RAC and Green Flag businesses, which would have resulted in cost savings to benefit our shareholders and service improvements to benefit RAC and Green Flag members. However, our intention is now to build on the already successful record of Green Flag and to provide a strong and vigorous competitor to the RAC, the AA and others in the UK breakdown services market. We will utilize the funds committed to the RAC transaction to further reduce debt and repurchase Cendant shares."

Cendant Corporation is one of the world's foremost providers of consumer and business services. The Company operates in three principal divisions: Travel Services, Real Estate Services and Alliance Marketing. In Travel Services, Cendant is the leading franchisor of hotels and rental car agencies worldwide; the largest provider of vacation exchange services; a leading fleet management company; the UK's largest private car park operator; and a leading motorist assistance group in the UK. In Real Estate Services, Cendant is the world's largest franchisor of residential real estate brokerage offices, a major provider of mortgage services to consumers and a global leader in corporate employee relocation. In Alliance Marketing, Cendant provides access to insurance, travel, shopping, auto, and other services, primarily through direct marketing to customers of its affinity partners. Headquartered in New York, NY, the Company has more than 35,000 employees and operates in over 100 countries.

Statements about future results made in this release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations and the current economic environment. The Company cautions that these statements are not guarantees of future performance. They involve a number of risks and uncertainties that are difficult to predict. Actual results could differ materially from those expressed or implied in the forward-looking statements. Important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements are specified in the Company's Prospectus Supplement dated November 24, 1998.

Media Contact:
Elliot Bloom
212-413-1832

Investor Contacts:
Denise Gillen
212-413-1833

Victoria Weld
Kekst and Company
212-521-4800

Sam Levenson
212-413-1834