



CENDANT

Company Update
June 2004

Forward Looking Statements

Statements about future results made in the presentation constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward looking statements include projections. Such projections were not prepared in accordance with public guidelines of the American Institute of Certified Public Accountants regarding projections and forecasts, nor have such projections been audited, examined or otherwise reviewed by independent auditors of Cendant. Forward looking statements include all information concerning 2005 and full year 2004 contained herein and do not reflect the impact of the Jackson Hewitt IPO.

These statements are based on current expectations and the current economic environment. Forward-looking statements and projections are inherently subject to significant economic, competitive and other uncertainties and contingencies including but not limited to, the negative impact of war or terrorism, many of which are beyond the control of management. The company cautions that these statements are not guarantees of future performance. Actual results may 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 and projections are specified in the Company's Form 10-Q for the quarter ended March 31, 2004.

Certain terms used in this presentation are defined in the attached glossary to which you should refer. Additionally, any non-GAAP financial measures, as defined under SEC rules, in this presentation are defined and reconciled to the most comparable GAAP measure within the attached glossary.

All data presented for full year 2004 were estimated as of April 19, 2004.

Agenda for Growth

- **2003 Accomplishments**
- **2004 Financial Goals**
- **Strategic Growth Initiatives**

Businesses by Division



Real Estate		Travel			
		Content		Distribution	
Real Estate Franchise & Ops	Mortgage Services	Hospitality	Vehicle Services	Travel Distribution	Financial Services
RE Franchise & Brokerage	Mortgage	Lodging	Car Rental	GDS	Tax Preparation
Relocation	Settlement Services	Timeshare	Fleet Management	Online/Off-line Travel	Loyalty/ Insurance Marketing
		Vacation Rental	Fuel Cards		Membership
27% of 2004 EBITDA ⁽¹⁾	7% of 2004 EBITDA ⁽¹⁾	22% of 2004 EBITDA ⁽¹⁾	18% of 2004 EBITDA ⁽¹⁾	14% of 2004 EBITDA ⁽¹⁾	12% of 2004 EBITDA ⁽¹⁾

(1) Does not reflect the impact of the Jackson Hewitt IPO

EBITDA data is for reportable operating segments only and is projected.

Cendant's Business Model Is ...

- **About mitigating risk...**
 - Designed to be a hedged portfolio
 - Use size, diversity to manage risk and reduce volatility
 - Low asset exposure
 - Long-term contracts and relationships
 - Industry-leading positions
 - Visible and predictable revenue streams
- **...And maximizing returns**
 - Focus on cash flow
 - High incremental margins
 - Operating leverage
 - Strong balance sheet
- **Stable cash flow businesses fund growth engines**

2003 Accomplishments

Promises Made Were Promises Kept:

GOALS	RESULTS
Eliminate large acquisitions	✓ Only \$149 million spent on tuck-in acquisitions
Grow revenues and earnings organically	✓ 2003 Revenue from reportable operating segments increased 6% organically ✓ 2003 EBITDA from reportable operating segments increased 12% organically
Increase the transparency of our accounting	✓ Eliminated or consolidated off-balance sheet entities ✓ Began to expense equity compensation; shifted to restricted stock grants

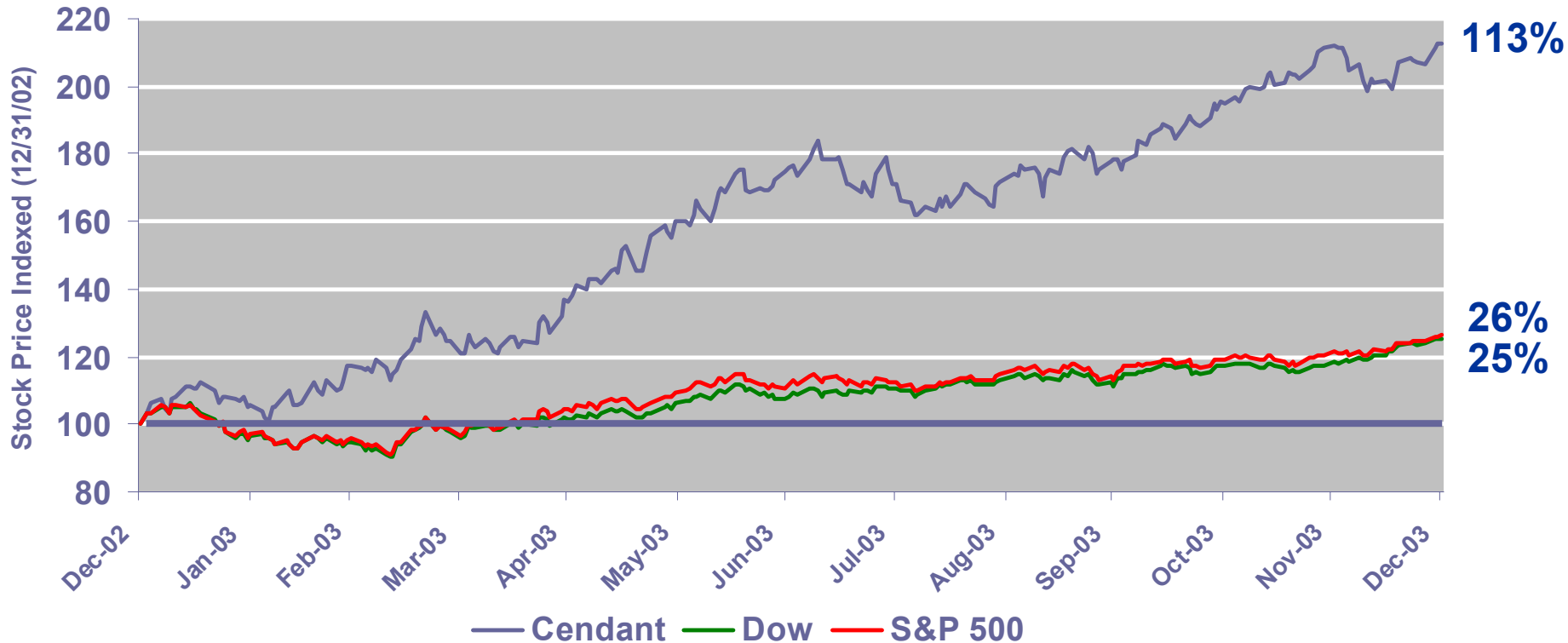
2003 Accomplishments

Promises Made Were Promises Kept:

GOALS	RESULTS
Strengthen corporate governance	✓ Ranked better than 98% of our Industry Sector Group and 92% of the S&P 500 by ISS
Generate \$2 billion of free cash flow	✓ Generated \$2.6 billion of free cash flow
Reduce debt and repurchase shares	✓ Reduced net corporate debt by \$1.55 bil ✓ Repurchased \$644 mil in common stock
Initiate a dividend	✓ Paid first dividend payments in 1Q 2004

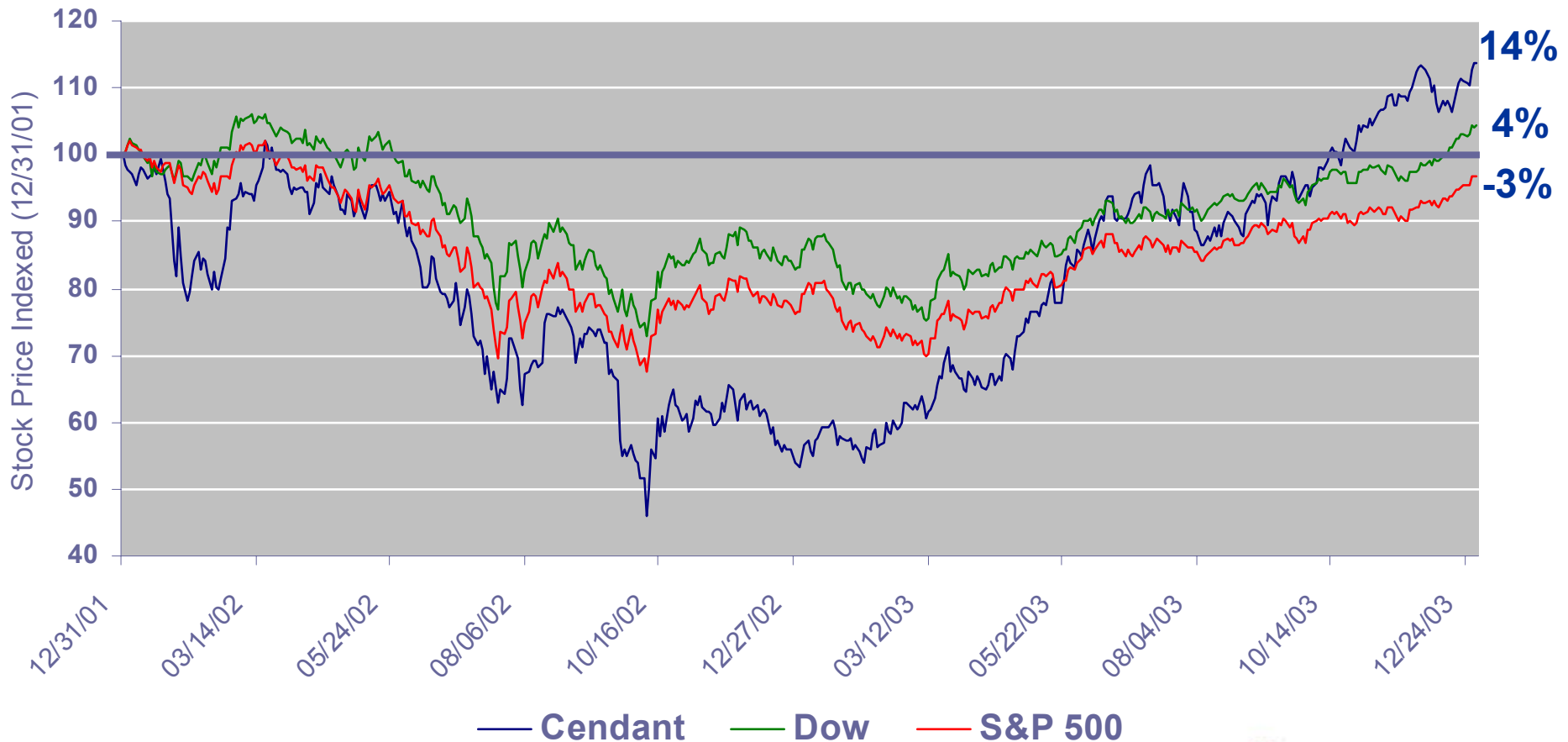
2003 Accomplishments

Our Stock Outperformed Major Indices in 2003 ...



2003 Accomplishments

... As Well As in 2002 through 2003 ...



2003 Accomplishments

... But Is Still Trading at Discount to S&P 500 ...

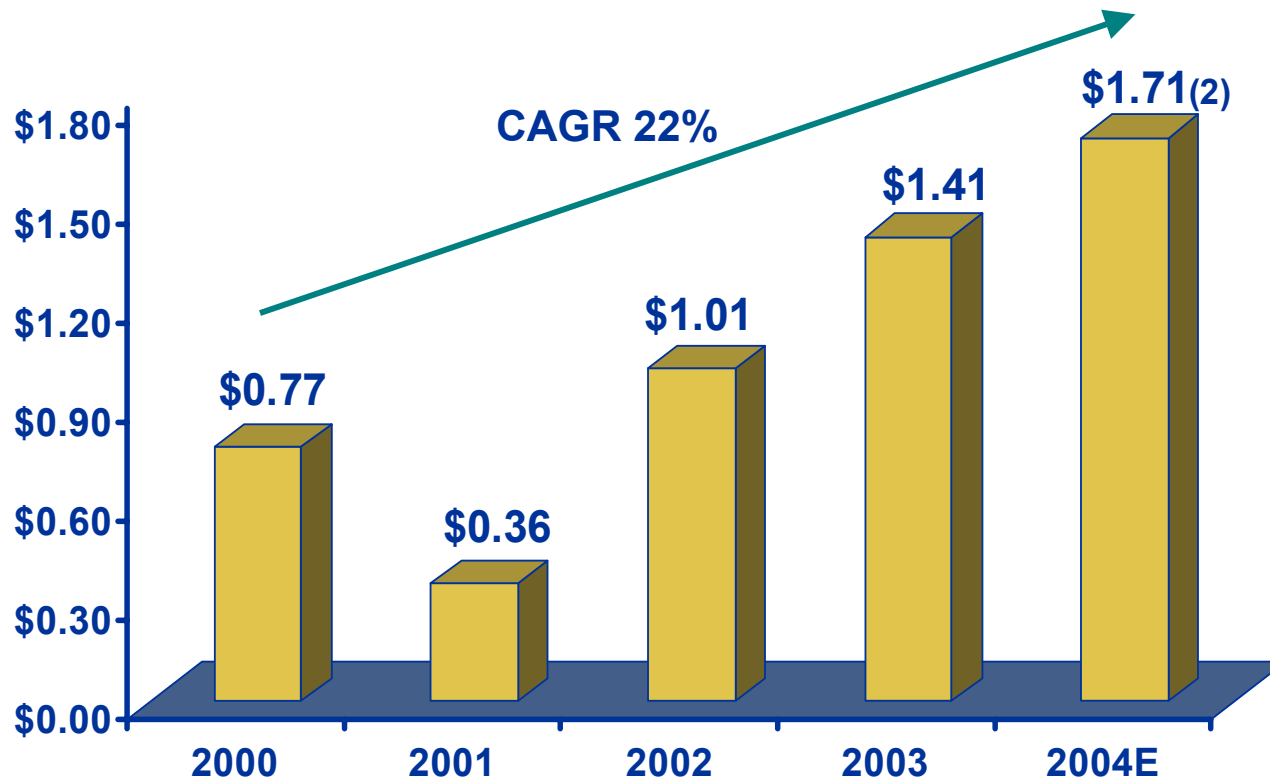
- **2003 P/E multiple of 17x**
- **2004 P/E multiple of 14x**
- **2003 Relative P/E multiple of 82%**
- **2004 Relative P/E multiple of 77%**
- **2004 EV/EBITDA multiple of 8x**
- **2004 Free cash flow yield of 9%**

Based on stock market data as of June 23, 2004 including Cendant stock price of \$24.32

2003 Accomplishments

... Despite EPS Growth Superior to S&P 500

Historic and Projected EPS from Continuing Operations⁽¹⁾



(1) Does not reflect the impact of the Jackson Hewitt IPO

(2) Reflects mid-point of current projected EPS of \$1.69-\$1.74 which includes a one-time tax benefit of \$0.10 per share related to the transaction with Trilegiant announced on January 30th, 2004.

2004 Financial Goals

More of the Same, As Promised ...

- **Continued focus on organic growth**
 - Approximately 9% projected revenue growth from reportable operating segments⁽¹⁾
 - Approximately 12% projected EBITDA growth from reportable operating segments⁽¹⁾
 - 20% - 23% projected EPS growth ⁽¹⁾ ⁽²⁾
- **Approximately \$3.0 billion free cash flow and cash on hand projected plus potential proceeds from divestitures**
 - Approximately \$1.6 billion used for corporate debt reduction
 - Net corporate debt of \$3.6 billion by year-end 2004
 - \$280 million used for dividend
 - Balance for share repurchase, tuck-in acquisitions and cash on balance sheet at year-end

(1) Does not reflect the impact of the Jackson Hewitt IPO.

(2) Includes a one-time tax benefit of \$0.10 per share related to the transaction with Trilegiant announced on January 30th, 2004. Excluding this benefit, projected growth would be 13% - 16%.

2004 Financial Goals

Projected Revenue ⁽¹⁾

(\$ Millions)	2003	2004E	% Growth ⁽⁴⁾
Real Estate Franchise & Ops	\$5,258	\$5,850 – 6,000	13%
Mortgage Services	<u>1,483</u>	<u>1,150 – 1,250</u>	(19%)
Total Real Estate Services	6,741	7,000 – 7,250	6%
Hospitality Services	2,523	2,825 – 2,925	14%
Travel Distribution Services	1,659	1,900 – 2,000	18%
Vehicle Services	<u>5,851</u>	<u>6,000 – 6,225</u>	4%
Total Travel Services	10,033	10,725 – 11,150	9%
Financial Services⁽²⁾	<u>1,401</u>	<u>1,650 – 1,750</u>	21%
Total⁽³⁾	\$18,175	\$19,550 – 19,975	9%
Corporate & Other	17	50 – 100	

(1) Does not reflect the impact of the Jackson Hewitt IPO.

(2) Financial Services includes approximately \$260 million in 2004 due to the full year impact of consolidating Trilegiant as of July 1, 2003. Substantially all other growth is organic.

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

(4) Percent change based on midpoint of projections.

2004 Financial Goals

Projected EBITDA⁽¹⁾

(\$ Millions)	2003	2004E	% Growth ⁽⁴⁾
Real Estate Franchise & Operations	\$892	\$930 – 980	7%
Mortgage Services	380	230 – 280	(33%)
Hospitality Services	633	740 – 790	21%
Travel Distribution Services	459	485 – 525	10%
Vehicle Services	442	600 – 650	41%
Financial Services⁽²⁾	363	400 – 450	17%
Total⁽³⁾	\$3,169	\$3,515 – 3,585	12%
Corporate & Other	(35)	(60– 50)	

(1) Does not reflect the impact of the Jackson Hewitt IPO.

(2) Financial Services includes approximately (\$6) million in 2004 due to the full year impact of consolidating Trilegiant as of July 1, 2003. Substantially all other growth is organic.

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

(4) Percent change based on midpoint of projections.



2004 Financial Goals

Projected Summary Income Statement ⁽¹⁾

(\$ Millions, Except EPS)	2002	2003	2004E
Revenue	\$14,187	\$18,192	\$19,600 - 20,075
EBITDA for reportable operating segments	\$2,841	\$3,169	\$3,515 - 3,585
EBITDA for Corporate & Other	(198)	(35)	(60 - 50)
Non-program related depreciation and amortization	(466)	(518)	(580 - 565)
Amortization of pendings and listings	(256)	(20)	(25 - 20)
Non-program related interest, net	(304)	(365)	(280 - 270)
Pre-tax income	\$1,617	\$2,231	\$2,570 - 2,680
Diluted Shares	1,043	1,040	1,085 - 1,075
EPS from continuing operations	\$1.01	\$1.41	\$1.69 - \$1.74⁽²⁾
% Increase	181%	40%	20% - 23%

(1) Does not reflect the impact of the Jackson Hewitt IPO.

(2) Includes a one-time tax benefit of \$0.10 per share related to the transaction with Trilegiant corporation announced on January 30th, 2004. Excluding this benefit, projected growth would be 13% - 16%.

2004 Financial Goals

More Than \$2 Billion Free Cash Flow: ⁽¹⁾

(\$ Millions)	2003	2004E ⁽²⁾
Pretax income	\$2,231	\$2,570 – 2,680
Non-program related depreciation and amortization	518	565 – 580
Pendings and listings amortization	20	20 – 25
Tax payments, net of refunds ⁽³⁾	(2)	(150 – 120)
Working capital	279	(300 – 220)
Capital expenditures	(463)	(575 – 525)
Management and mortgage programs	(5)	(150 – 0)
Free Cash Flow	\$2,578	\$2,000 – 2,300

(1) Does not reflect the impact of the Jackson Hewitt IPO.

(2) Projections do not total because we do not expect the actual amounts for each of these items to be at the lowest or highest end of any projected range simultaneously.

(3) The Company does not expect to become a federal taxpayer prior to 2007.

2004 Financial Goals

Net Corporate Debt of \$3.6 Billion by Year-End 2004 ⁽¹⁾

(\$ Millions)	12/02	3/03	6/03	9/03	12/03	3/04	12/04E
Corporate Debt, Excluding Upper DECS	\$5,976	\$6,267	\$5,920	\$5,419	\$5,139	\$4,791	\$3,800
Plus: Upper DECS	863	863	863	863	863	863	-
Total Corporate Debt	\$6,839	\$7,130	\$6,783	\$6,282	\$6,002	\$5,654	\$3,800
Less: Cash & Cash Equivalents	126	580	627	1,004	840	632	200
Net Corporate Debt	\$6,713	\$6,550	\$6,156	\$5,278	\$5,162	\$5,022	\$3,600

- **Net debt to net capitalization ratio of 25% - 30% by year-end 2004 (32.1% as of 3/31/04)**
- **No convertible debt by year-end 2004**
- **Investment grade credit ratings**
 - **Currently Baa1/BBB ⁽²⁾**
 - **Potential for improvement**

(1) Does not reflect the impact of the Jackson Hewitt IPO.

(2) A security rating is not a recommendation to buy, sell or hold securities and is subject to revision or withdrawal by the assigning rating organization. Each rating should be evaluated independently of any other rating. S&P currently maintains a positive outlook on our ratings. Moody's and Fitch currently maintain stable outlooks on our ratings.

Strategic Growth Initiatives

- **Continue to build upon leading real estate position**
 - **Market opportunities**
 - **U.S. residential real estate market is expected to more than double in size between 2000 and 2010 ⁽¹⁾**
 - **Favorable demographics**
 - **Business opportunities**
 - **Countercyclical franchise sales and NRT acquisitions**
 - **Increased mortgage and settlement services penetration**
 - **Expansion of settlement services platform to franchise operations and new geographic locations**

(1) Federal Reserve and Fannie Mae estimates

Real Estate Market Opportunities

U.S. Residential Real Estate Market Is Expected To More Than Double in Size between 2000 and 2010:

- **Single-family housing aggregate valuation expected to more than double from \$11 trillion currently to \$25 trillion in 2010 ⁽¹⁾**
- **Home ownership; 68% currently to 71% by 2010 ⁽²⁾**
- **Home price appreciation; 5.0%-6.5% average increase per year ⁽¹⁾**
- **13 to 15 million new households ⁽¹⁾**
 - Increasing minority home ownership: 7.5 million households by 2010 ⁽³⁾
 - Immigration: 3 million households by 2010 ⁽³⁾

(1) Federal Reserve and Fannie Mae estimates

(2) National Association of REALTORS® Real Estate Outlook, October 2003

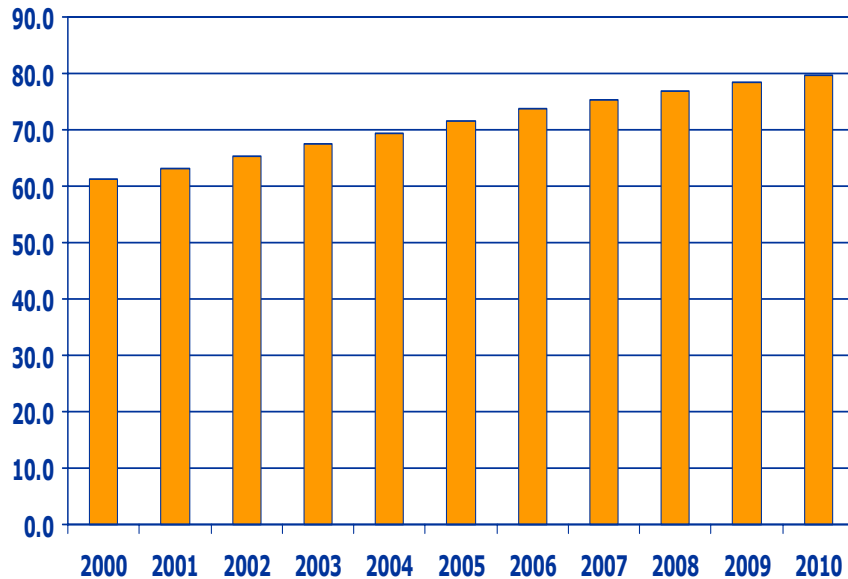
(3) Joint Center for Housing Studies of Harvard University estimates

Real Estate Market Opportunities

Real Estate Growth Driven by Demographics:

The Baby Boomers

Population Growth 45 to 64 Year Olds, 2000-2010
(In Millions)



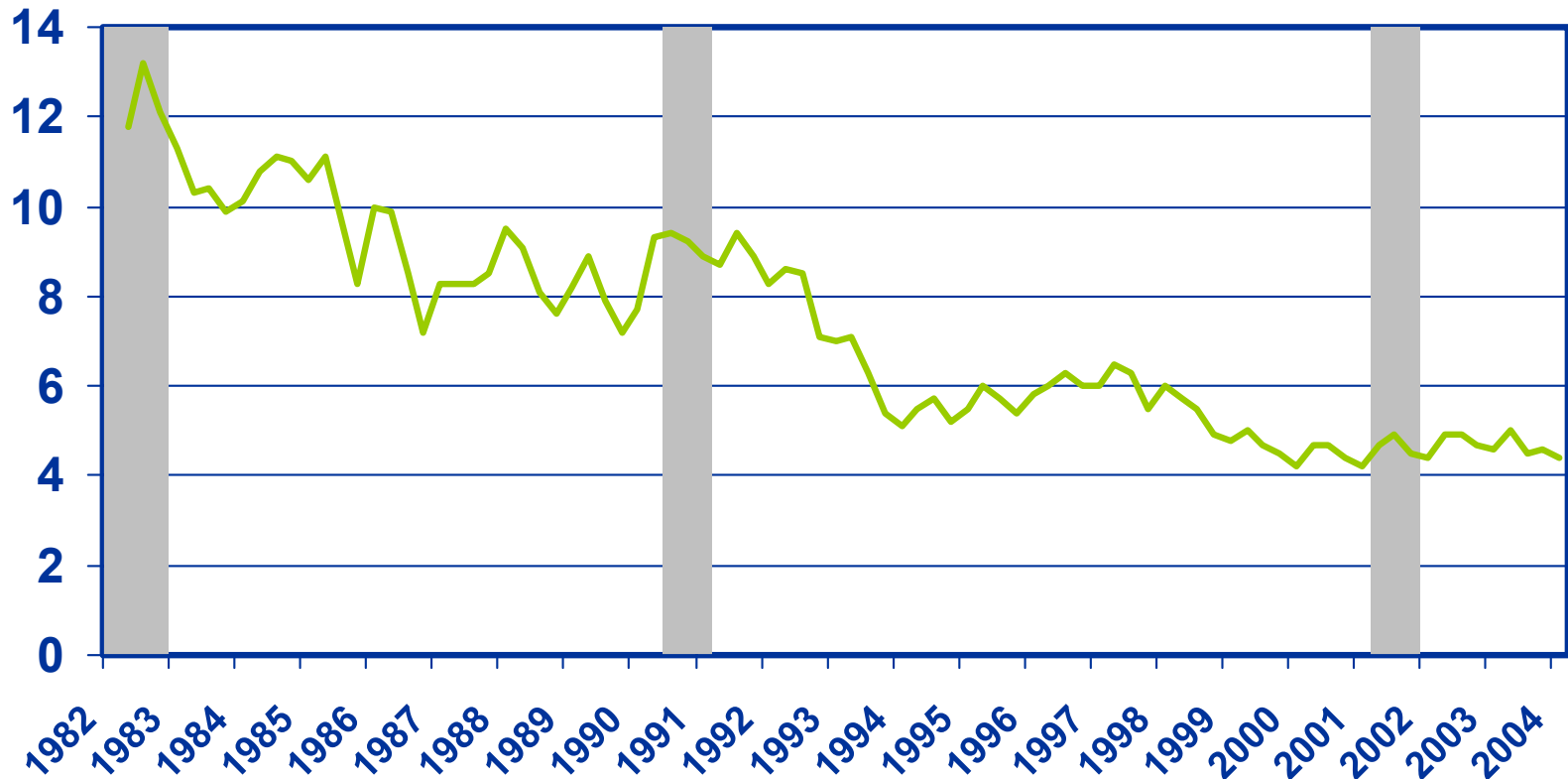
The Echo Generation

- **Persons 26 years old and under**
- **100 million people**
- **Drive consumption for decades**

Real Estate Market Opportunities

Low Inventories Imply Strong Price Gains:

Months



Source: NAR

■ - Recession

Real Estate Business Opportunities

Increase Industry Share

- **Real estate franchise sales**
 - Countercyclical – sell more franchises in cooler real estate market
 - Target \$425 million gross commission income in 2004 from franchise sales which will generate annual royalties of approximately \$20 million
- **Real estate broker acquisitions**
 - Countercyclical – pay lower multiples in cooler real estate market
 - Substantial cost synergies from combining back-office functions
 - Target \$300 million gross commission income in 2004 from NRT acquisitions
- **80% of real estate brokers in U.S. are independent ⁽¹⁾**

(1) 2001 National Association of REALTORS® Profile of Residential Real Estate Brokers

Real Estate Business Opportunities

The Value Circle



Preferred Alliances

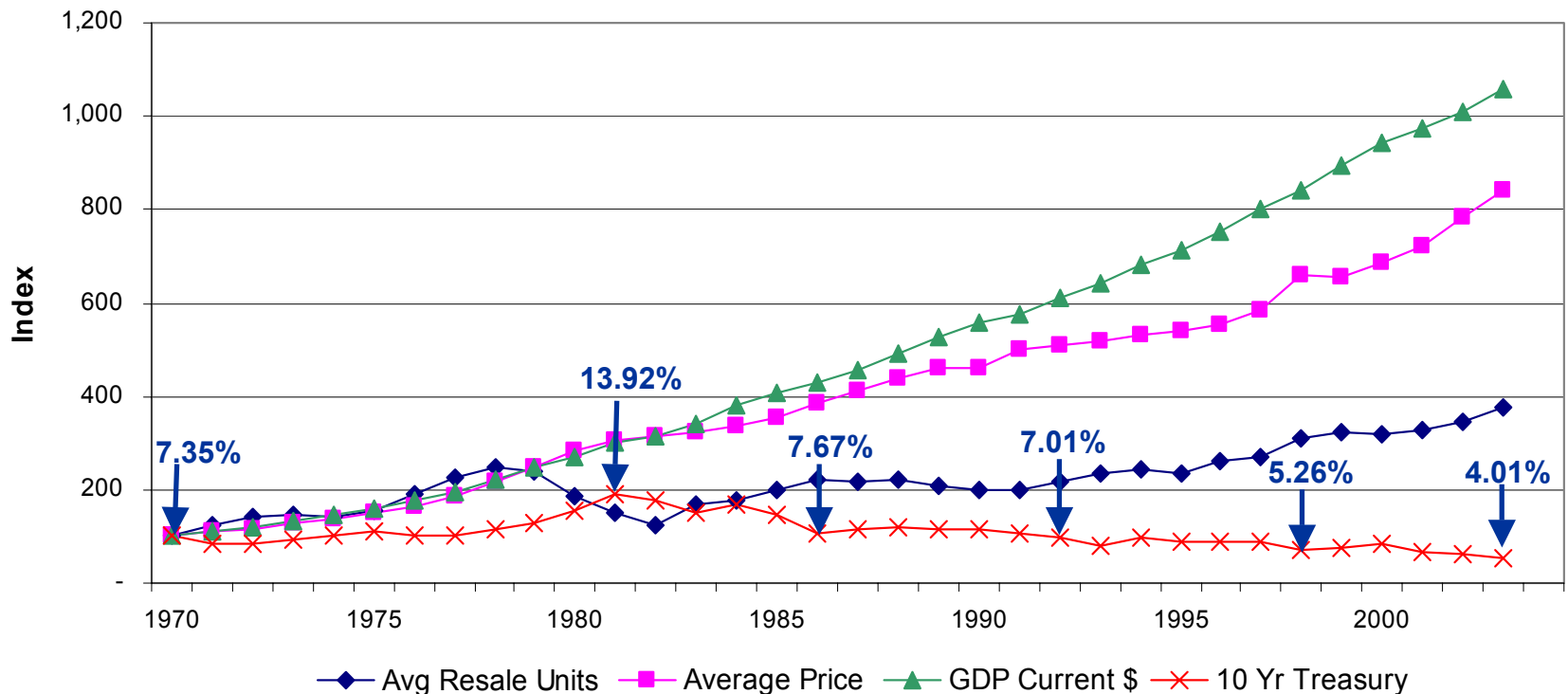


Real Estate Myths Versus Realities

Myth: Existing home sales are highly sensitive to interest rate changes

Reality: Existing home sales are more correlated to GDP growth than to interest rate changes

Real Estate Trend Data



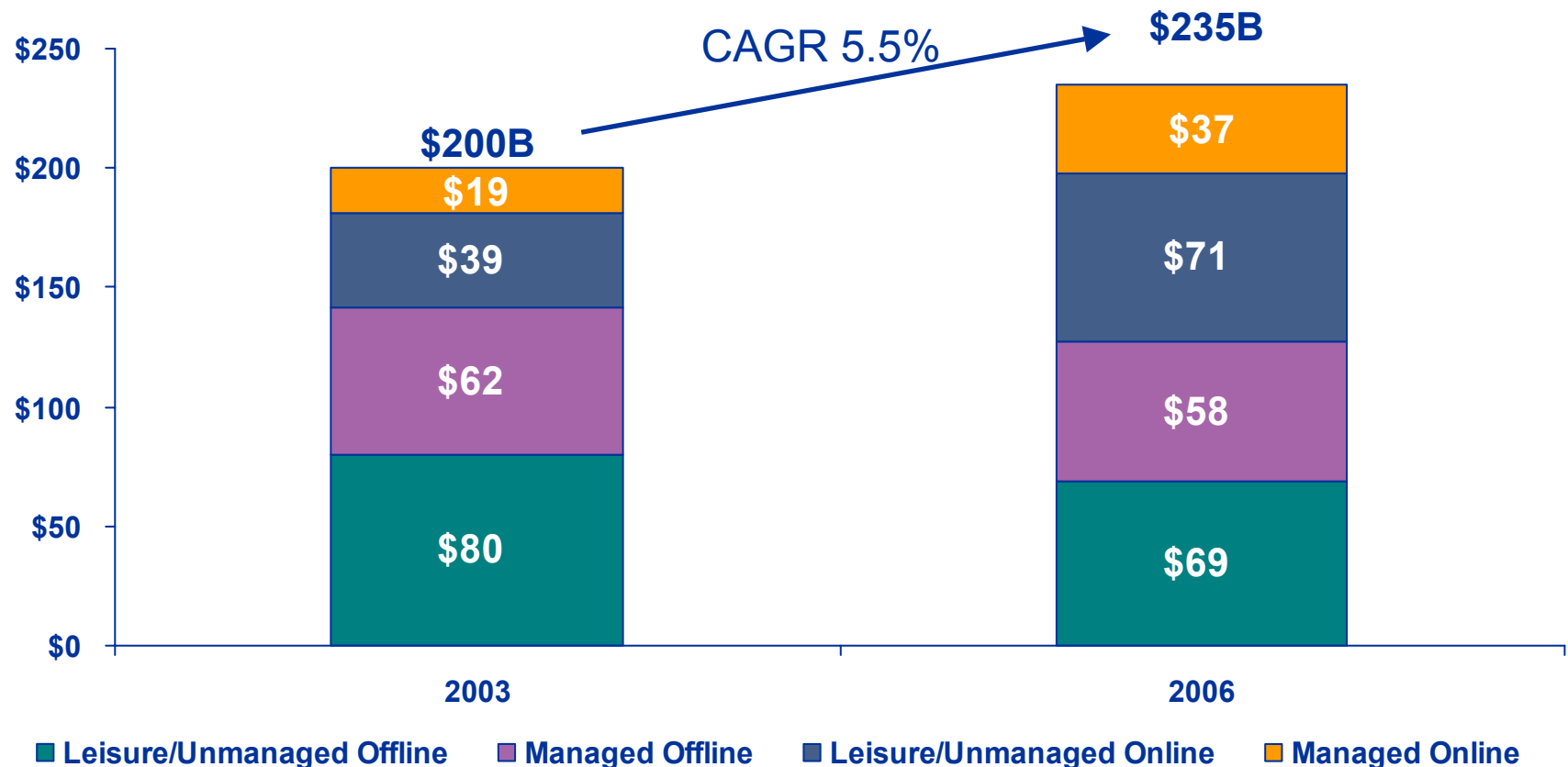
Strategic Growth Initiatives

- Continue to build upon leading real estate position
- **Build upon competitive synergies in travel**
 - **Market opportunities**
 - **Growth**
 - **Channel shift**
 - **Business opportunities**
 - **Synergies between content and distribution**
 - **Timeshare, lodging, car rental, European vacation rental**

Travel Market Opportunities

U.S. Travel Gross Bookings Projected to Grow at a CAGR of 5.5%

(\$ Billions)



Source: Chart derived from projections from PhoCusWright

Travel Business Opportunities

- **Timeshare**
 - Double-digit industry growth - 12% annually from 1990 to 2003 ⁽¹⁾
 - Under-penetrated - less than 3% of U.S. residents own timeshare ⁽¹⁾
 - Huge margin expansion opportunity by increasing close rate
- **Car Rental**
 - Optimizing ownership of two leading brands – Avis and Budget
 - \$100 million annual cost savings from Budget acquisition
- **Lodging**
 - Reinvigorating brands/increasing margins through projects Restore, Renew
- **European Vacation Rental**
 - Roll-up opportunity

(1) Source: Ragatz Associates

Travel Business Opportunities

Content

CENDANT BRANDS:

AVIS

Budget

RAMADA
A very good place to be.™

DAYS INN

AmeriHost
Inn & Suites

SUPER 8
MOTEL

Knights Inn

WINGATE INN
BUILT FOR BUSINESS™

Travelodge

Howard Johnson

Villager.
Villager Lodge • Villager Premier
Resorts • Inn • Village

RCI

Fairfield
Resorts

Trendwest

EQUIVEST

CUENDET

NOVASOL

HOLIDAY COTTAGES
G R O U P

AIRLINE PARTNERS

HOTEL PARTNERS

CAR RENTAL PARTNERS

CRUISE LINE PARTNERS

Distribution

GLOBAL DISTRIBUTION SYSTEM:



GALILEO

ONLINE AGENCY:

CheapTickets

TravelPORT
A EXPEDIA COMPANY

Lodging.com
get a room!

OFF-LINE AGENCY:

CENDANT travel

CRS/SWITCHING:

WizCom
INNOVATIONSOLUTIONS.CONNECTIONS

[TRUST]
trustinternational.com

+

=

Market Penetration:

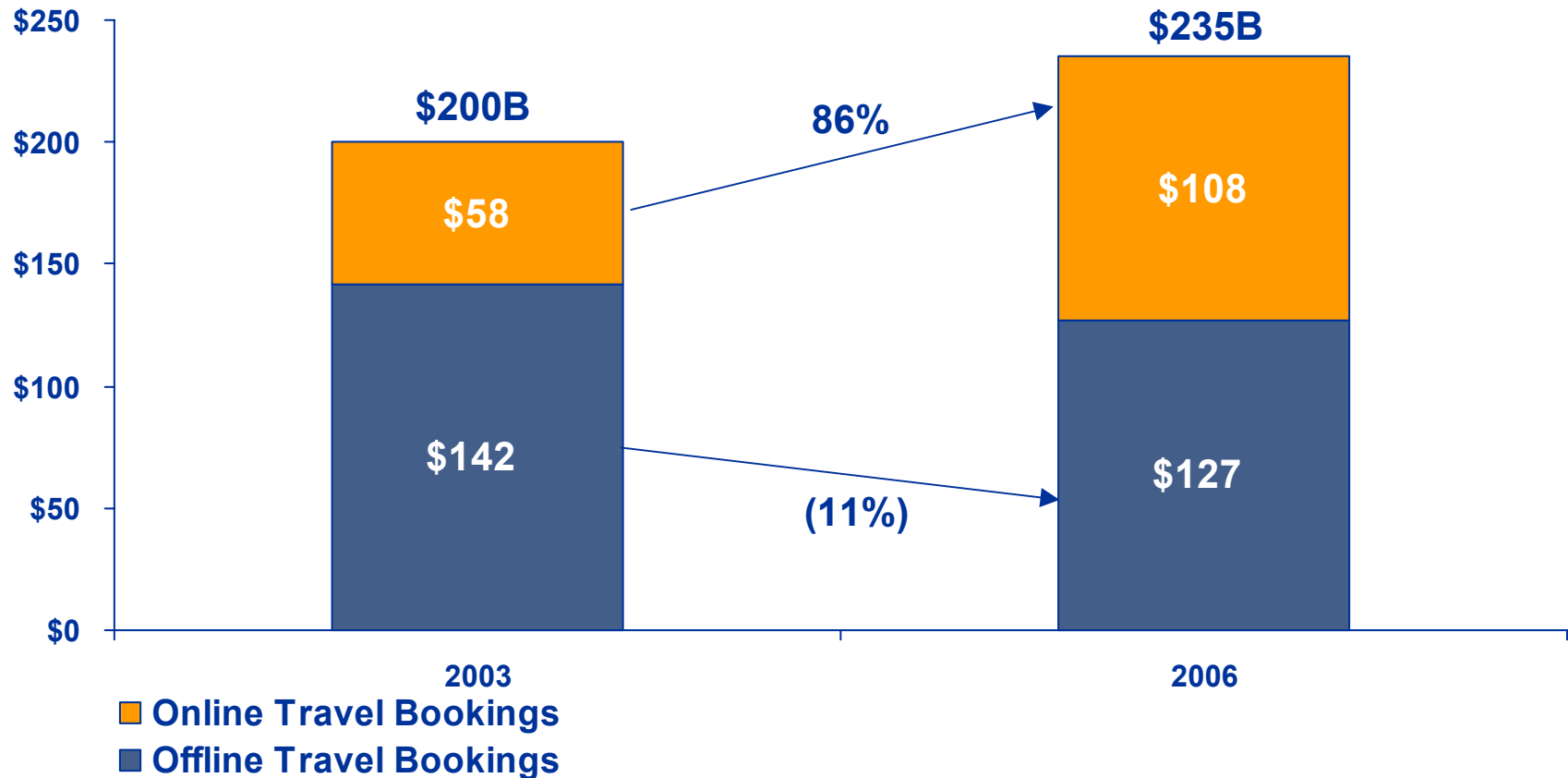
- Retail
- Corporate

Strategic Growth Initiatives

- Continue to build upon leading real estate position
- Build upon competitive synergies in travel
- **Build toward expected transition to online distribution**
 - **Market opportunity**
 - Growth in online travel
 - **Business opportunities**
 - Expand merchant model business
 - Transition from “order taker” to “order maker”
 - Enrich current platforms with expanded content and improved heuristics

Online Travel Growth in Online Distribution

(\$ Billions)



Source: Chart derived from projections from PhoCusWright

Strategic Growth Initiatives

- Continue to build upon leading real estate position
- Build upon competitive synergies in travel
- Build toward expected transition to online distribution
- **Continue to prove organic growth**
 - **Mid single-digit top line**
 - **Low double-digit bottom line**

Strategic Growth Initiatives

- Continue to build upon leading real estate position
- Build upon competitive synergies in travel
- Build toward expected transition to online distribution
- Continue to prove organic growth
- **Reduce complexity and refine business focus**

Strategic Growth Initiatives

Reduce Complexity and Refine Business Focus

- **Exiting non-core financial services businesses**
 - Total estimated enterprise value of \$3-4 billion
 - Completed the initial public offering of 100% of the outstanding stock of Jackson Hewitt Tax Service Inc.⁽¹⁾
- **Deploy proceeds to enhance shareholder value**
 - Accelerate debt reduction, share repurchase, strategic tuck-in acquisitions
 - Potentially increase dividend, subject to Board approval
- **Continue to simplify capital structure**
- **Enhance disclosure and transparency**

(1) This communication shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

Summary

- **Integrity and Credibility**
 - “Promises made are promises kept”
- **Leading market positions and solid growth opportunities**
- **High free cash flow, fee for service business model**
- **Consistent earnings per share and free cash flow growth**
- **Deploying free cash flow to increase shareholder value**
 - Reducing corporate debt by over \$2 billion during 2003 and 2004
 - Repurchasing over \$1 billion in common stock during 2003 and 2004
 - Initiated quarterly cash dividend
- **Exiting non-core businesses with enterprise value of \$3-4 billion**
- **A glimpse at 2005**
 - High investment grade, under-levered balance sheet, highly liquid
 - More than \$2 billion in free cash flow plus proceeds from divestitures
 - Potentially increase dividend, share repurchase, and/or tuck-in acquisition activity

Glossary

Set forth below are definitions for certain defined terms that may be used in the presentation to which this Glossary is attached. Such metrics may not be comparable to similarly titled measures used by other companies and are not measurements recognized under generally accepted accounting principles.

For each non-GAAP financial measure presented, set forth in the next two slides is a calculation of how the non-GAAP measure is derived and, where applicable, a reconciliation to the most directly comparable GAAP measure.

Corporate Debt or Total Debt: Current portion of long term debt plus long term debt plus Upper DECs (all of which are presented on the balance sheet). Corporate debt does not include liabilities under management and mortgage programs.

Net Corporate Debt: Corporate debt minus cash on the balance sheet.

Net Capitalization: Net Corporate Debt plus total stockholders' equity on the balance sheet.

EBITDA: Income from continuing operations before (i) non-program related depreciation and amortization, (ii) non-program related interest, (iii) amortization of pendings and listings, (iv) income taxes and (v) minority interest (all of which are presented on the income statement).

Free Cash Flow: Net cash provided by operating activities, minus cash outflows (or, plus cash inflows) related to investing and financing activities of management and mortgage programs, minus cash outflows for capital expenditures, plus cash inflows from asset sales.

EV: Stock price multiplied by shares outstanding plus Net Corporate Debt.

Glossary ⁽¹⁾

Corporate Debt and Net Corporate Debt:

	Dec 31 2002	Mar 31 2003	Jun 30 2003	Sep 30 2003	Dec 31 2003	Dec 31 2004 (E)
Current portion of long-term debt	\$ 30	\$ 52	\$ 711	\$ 705	\$ 1,629	\$ -
Long-term debt, excluding current portion	5,571	5,840	4,834	4,714	3,510	3,800
Mandatorily redeemable preferred interest in a subsidiary	375	375	375	-	-	-
Upper DECS	863	863	863	863	863	-
Total Corporate Debt	6,839	7,130	6,783	6,282	6,002	3,800
Cash and cash equivalents	126	580	627	1,004	840	200
Net Corporate Debt	\$ 6,713	\$ 6,550	\$ 6,156	\$ 5,278	\$ 5,162	\$ 3,600

Net Debt to Net Capitalization Ratio of 25% - 30% by year-end 2004.

Total Debt to Total Capitalization Ratio of 25% - 30% by year-end 2004.

(1) Does not reflect the impact of the Jackson Hewitt IPO.

Glossary ⁽¹⁾

Net Capitalization:

	Dec 31	Dec 31
	<u>2003</u>	<u>2004E</u>
Total Corporate Debt	\$6,002	\$3,800
Total Stockholders' Equity	<u>10,186</u>	<u>11,000</u>
Total Capitalization	16,188	14,800
Less cash and cash equivalents	<u>840</u>	<u>200</u>
Net Capitalization	<u><u>\$15,348</u></u>	<u><u>\$14,600</u></u>

Free Cash Flow:

	<u>2003</u>	<u>2004E</u>
Free Cash Flow	\$2,578	\$2,000 - 2,300
Cash (inflows) outflows included in Free Cash Flow but not Reflected in Net Cash Provided by Operating Activities:		
Investing and financing activities of management and mortgage programs	4,294	1,975 - 2,625
Capital expenditures	463	525 - 575
Proceeds received on asset sales	(133)	-
Net Cash Provided by Operating Activities	<u><u>\$7,202</u></u>	<u><u>\$4,500 - 5,500</u></u>

(1) Does not reflect the impact of the Jackson Hewitt IPO.