

Promises Made

Cendant Corporation
2003 Annual Review



The World Leader in
Real Estate & Travel Services



Promises Made

Promises Kept



Cendant at a Glance

Real Estate Services

Cendant's Real Estate Services Division is the world's largest residential real estate brokerage franchisor; the largest provider of residential real estate brokerage services in the U.S.; the leading provider of outsourced employee relocation services in the U.S.; a leading commercial real estate brokerage system; one of the country's leading residential mortgage originators; and a leading settlement services company.

Real Estate Franchise Group

- CENTURY 21®
- COLDWELL BANKER®
- COLDWELL BANKER COMMERCIAL®
- ERA®
- Sotheby's International Realty®

Real Estate Brokerage

- NRT
 - COLDWELL BANKER
 - COLDWELL BANKER COMMERCIAL
 - The Corcoran Group®
 - ERA
 - Sotheby's International Realty
 - The Sunshine Group, Ltd.

Relocation

- Cendant Mobility®

Mortgage

- Cendant® Mortgage

Title & Settlement Services

- Cendant Settlement Services Group

Hospitality Services

Cendant's Hospitality Services Division is one of the world's largest developers and marketers of vacation ownership (timeshare) resorts and the world's largest timeshare exchange company; it is also the world's largest franchisor of hotel brands and a leading marketing agent for European vacation rental properties.

Hotel Franchises

- AmeriHost Inn®
- Days Inn®
- Howard Johnson®
- Knights Inn®
- Ramada®
- Super 8®
- Travelodge®
- Villager®
- Wingate Inn®

Vacation Ownership Group

- Fairfield® Resorts
- RCI®
 - Holiday NetworkSM
- Trendwest® Resorts

Vacation Rental Group

- Cuendet®
- Holiday Cottages
- International Life
- Novasol®
- Welcome Holidays®

Travel Distribution Services

Cendant's Travel Distribution Services (TDS) Division operates a broad, global portfolio of complementary, travel-related services that facilitate information sharing and transaction processing within the industry, and stimulate greater demand for travel. Its assets include a leading global distribution service, a leading consumer-travel Web site and a comprehensive suite of industry-leading technologies. TDS is playing an integral role in the transformation of the travel industry model.

Travel Agency Services

- Galileo International®
- THOR®

International Markets

- Galileo International
- Travel 2/Travel 4
- Travelport®
- Travelwire

Corporate Travel Solutions

- Travelport

Retail Travel Services

- Cendant Travel
- CheapTickets.com®

Hospitality & Leisure Services

- Lodging.comSM
- Neat Group®

Supplier Services

- Shepherd Systems
- TRUST InternationalSM
- WizCom®

Vehicle Services

Cendant's Vehicle Services Division is one of the world's largest car and truck rental companies, and a leading provider of outsourced commercial fleet management and fuel card services.

Car Rental Group

- Avis® Rent A Car
- Budget Rent A Car®
- Budget® Truck Rental

Fleet Management & Fuel Card Services

- PHH Arval
- Wright Express®

Financial Services

Cendant's Financial Services Division is the franchisor of the second largest tax preparation business in the U.S., provides enhancement packages and loyalty marketing programs to financial institutions, and markets insurance products.

Tax Preparation

- Jackson Hewitt Tax Service®

Loyalty Solutions

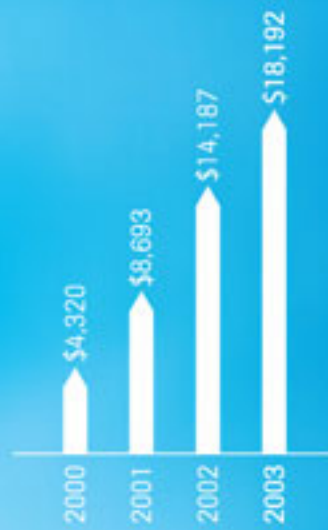
- Cims®

Cendant Marketing Group

- Progeny Marketing Innovations®
- Trilegiant®

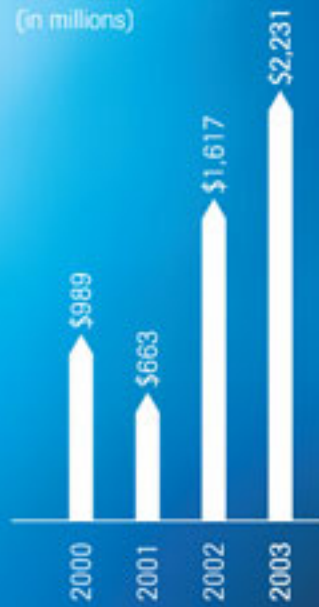
Net Revenue

(in millions)

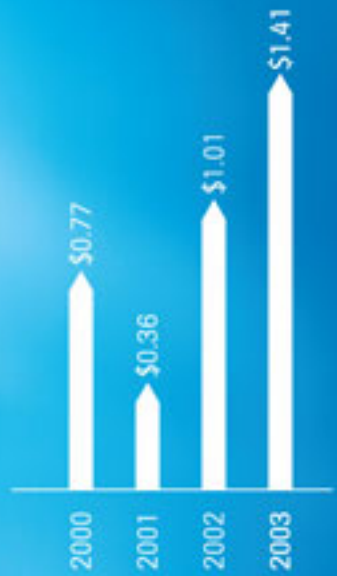


Pre-tax Income

(in millions)



Earnings Per Share



Real Estate Services Revenue

(in millions)



Travel Revenue

(in millions)



Net Corporate Debt

(in millions)



1. Represents total corporate debt less cash and cash equivalents of \$465 million, \$468 million, \$441 million and \$516 million as of December 31, 2003, 2002, 2001 and 2000, respectively. Corporate debt excludes debt under management and mortgage programs.

Dear Fellow Shareholders

In 2003, we delivered against our goals: building long-term value, driving organic growth and generating significant cash flow.

At Cendant, our business is all about promises—the promise of our world-renowned brands and industry-leading companies and services. The promise of a new home, a dream vacation and a rental car awaiting your arrival. And the promise of delivering value to our customers and shareholders alike.

More important than making promises is keeping them. With each commitment, we expect to be measured on our progress. That's how we maintain our credibility and integrity in the marketplace, as an investment and as an employer of choice.

In 2003, we achieved record results based on the strength of our diversified business portfolio. We benefited from robust growth in our real estate businesses, and more modest improvements in our travel-related operations. Revenues grew 28 percent to \$18.2 billion, and pretax income grew 38 percent to \$2.2 billion. Earnings per share from continuing operations was \$1.41 in 2003, up 40 percent from \$1.01 in 2002.

Cendant's common stock price more than doubled in 2003, the third best performance among large capitalization companies in the U.S. We believe investors are beginning to recognize and reward our ability to consistently generate

organic revenue and earnings growth and significant cash flow, as promised. Absent any major exogenous event, we expect to increase our earnings per share by approximately 20 percent in 2004.

Promises Made, Promises Kept

Last year, we promised a shift in strategy away from acquisitions and toward our operational strengths. We believe the way to create the greatest long-term value for shareholders is by targeting sustainable, consistent growth in earnings and cash flow. This requires continued strengthening of our market positions, an ongoing effort to grow our customer base and improvements in our overall efficiency. In 2003, we delivered against our goals: building long-term value, driving organic growth and generating significant cash flow.

Building long-term value:

Our portfolio is comprised of leading companies with strong positions in major markets. We are one of the largest participants in two of the largest vertical markets: residential real estate and travel services. Real estate is one of the largest components of the U.S. economy, with annual revenues estimated at \$1 trillion. The Travel Industry Association of America projected travel spending in the U.S. would exceed \$540 billion in 2003 and the World Travel Trade Council estimated that worldwide spending would top \$1 trillion. Compelling demographics support our expectations for continued growth as baby boomers drive spending in these areas, minority home ownership continues to increase and immigration brings more consumers.

The size and diversity of our portfolio of businesses are designed to help reduce volatility and manage risk. Our business models are structured to limit risk by requiring minimal investment in long-term, hard assets, while adding the stability of recurring revenues. In addition, low interest rates benefit our real estate businesses, while our travel businesses grow faster in a stronger economy.

Driving organic growth:

As promised, Cendant moderated its investment in acquisitions in 2003, completing only strategic “tuck-in” purchases to complement our existing businesses in Travel Distribution Services and our real estate brokerage business, NRT. Instead, we grew revenues organically by delivering on the promise of our service businesses. We grew bottom-line results by improving efficiencies, controlling costs and optimizing returns on investment for all spending.

We touch hundreds of millions of customers each year through a broad range of services. We are among the top competitors in each of our businesses, and the markets we participate in are huge, growing and highly fragmented, which gives us confidence in significant growth opportunities ahead. We also consider our business units to be part of an integrated value chain, where each business can generate leads and cross-selling opportunities for the others. As we provide more highly valued services, we both improve the customer experience and build a loyalty base for repeat business, which we believe propels organic growth.

Following are just a few examples of our 2003 achievements:

- CENTURY 21, COLDWELL BANKER and ERA collectively participated in more than \$458 billion in transactions, bolstering our leadership position in the residential real estate industry.
- Our Hotel Franchise Group launched Project Restore, a major initiative to improve the quality and performance of Cendant's hotel brands, terminating 265 substandard properties and prompting over 200 franchised properties to resolve outstanding issues.
- The addition of several new private-label partners such as Charles Schwab, PNC Financial, Northern Trust, UMB Bank, and Franklin Templeton Bank further strengthened our position as the leading outsource provider of mortgage services and has helped us to become one of the ten largest residential mortgage originators in the nation.
- The integration of critical back-office functions at Fairfield and Trendwest Resorts brought even greater efficiencies to the largest time-share company in the U.S.
- In 2003, the Vacation Rental Group in Europe grew to represent 40,000 rental properties in 22 countries.
- In our Travel Distribution Services Division, we concentrated our efforts on completing the integration of previously acquired businesses and redirected the division along customer-focused business lines. The nation's top airlines also joined our Preferred Fares Select

program, which provides U.S.-based Galileo-connected travel agencies and their customers with complete access to all published fares.

- We made substantial progress integrating Budget within Cendant Car Rental Group and we are well-positioned to realize over \$100 million annually in merger synergies, greatly enhancing our ability to operate two brands while limiting costs to only one underlying infrastructure.

Generating cash flow:

In 2003, we surpassed our target of \$2 billion in free cash flow, with a year-end total of \$2.6 billion¹. Our businesses typically have low-to-moderate capital requirements, generate high margins, provide growing returns on capital, and employ technology to drive productivity and lower costs. These characteristics allow us to generate significant cash flow.

Generating cash flow also involves the appropriate use of capital. In 2003, we surpassed our targets for debt reduction and stock repurchase by deploying \$1.6 billion to reduce debt, net of cash on our balance sheet, and \$644 million, plus the proceeds of stock option exercises, to repurchase Cendant shares. In the first quarter of 2004, we initiated a cash dividend on our common stock. With our well-capitalized balance sheet, substantial liquidity, strong cash flow generation and sharply reduced acquisition activity, we believe it is appropriate to return incremental value to shareholders through dividends and our ongoing common equity repurchase program.

In the year ahead, we expect the same kind of stellar performance that our approximately 90,000 associates have a reputation for delivering.

Clear promises, clear results

We also took several actions in 2003 to enhance the transparency of our financial results. These included consolidating our major off-balance sheet entities, eliminating "pro-forma" earnings reporting and expensing equity compensation granted to our employees.

Cendant's board of directors and management team believe that the promise of a great operating company requires the highest levels of governance standards and ethical practices. We have worked hard in recent years to become a leader in this area, and we have received high ratings from Institutional Shareholder Services, where our governance practices were rated better than 85 percent of companies in the S&P 500 and nearly 98 percent of companies in the commercial services and supplies group². Further, we continue to review our policies to ensure the highest levels of corporate conduct. I commend our Board for implementing a number of new governance standards for 2004.

More of the same

In 2004, we're going to do the same kinds of things that proved successful this past year. We expect to grow revenues and earnings organically, generate more than \$2 billion³ in free cash flow, and continue to deploy capital in a similar

fashion: reducing corporate debt and returning value to shareholders through stock repurchases and now payment of a dividend.

In the year ahead, we expect the same kind of stellar performance that our approximately 90,000 associates have a reputation for delivering. I'm pleased to report that our continued focus on execution has led to the recognition of many of our business units as employers of choice by national and international organizations and publications. Additionally, Cendant was named company of the year by the U.S. Hispanic Chamber of Commerce, an honor that exemplifies our strong commitment to diversity in the workplace, as well as the marketplace.

Our associates are truly the ones driving our operational and financial results. They are the hearts and minds of Cendant, living our values, keeping us at the forefront of innovation, customer service and financial performance—and ensuring that our promises to you come true on a daily basis.

Sincerely,



Henry R. Silverman
Chairman, Chief Executive Officer & President
March 2004

Real Estate Services

Our real estate businesses have extensive breadth and reach, accounting for 37 percent of Cendant's total revenue in 2003.



Cendant can take you from the dream of home ownership to the reality of moving into your own dream home. We do it more often and, we believe, better than anyone in the industry. For example, COLDWELL BANKER® was ranked highest in customer satisfaction by both first-time home buyers and sellers who used national real estate firms, according to the J.D. Power and Associates 2003 Home Buyer/Seller Satisfaction StudySM.

Our real estate businesses have extensive breadth and reach, accounting for 37 percent of Cendant's total revenue in 2003:

- We are the largest operator and franchisor of residential real estate brokerages, with 12,700 offices, more than a quarter-million brokers and sales associates, and the most recognized brands in the industry: CENTURY 21®, COLDWELL BANKER, ERA® and Sotheby's International Realty®, which was acquired in the first quarter of 2004.
- We are involved in more than a quarter of all homes bought or sold in the U.S. residential real estate market.
- Cendant® Mortgage is one of the top ten residential mortgage originators and the

largest provider of private-label mortgage outsourcing services in the nation.

- Cendant Mobility® is the largest employee-relocation company in the U.S.
- The Cendant Settlement Services Group is a leading title agency and closing management company.
- We are a leading franchisor of commercial real estate offices in the nation, through COLDWELL BANKER COMMERCIAL®.

By building on the reputations of our widely recognized brands and improving processes, we continue to deliver on our promise of organic growth. Further, by tapping the synergies between businesses—with cross-marketing and referrals—we create additional revenue opportunities. In 2003, our Company-owned brokerages created \$16 billion in purchased loan originations for Cendant Mortgage, which also referred appraisal and title insurance business to Cendant Settlement Services Group.

Real Estate Franchise: Trusted names, neighborhood agents

Most people know us by the familiar names of our real estate brands. Our franchisees are local brokers who gain immediate recognition and national support by affiliating with those brands. Under our simple fee-for-service business model, franchisees own and operate their business and pay us royalty and marketing fees. Our success comes from helping our franchise affiliates to be successful and from attracting new affiliates. Approximately 20 percent of brokers nationwide are currently affiliated with

a real estate franchise, which indicates the tremendous opportunity for growing our franchise base. From a historical perspective, as interest rates rise and real estate markets soften, franchising is more attractive to independent brokers. We have seen this effect in similar economies, and attribute this to the value provided to our franchisees through national brand advertising, education and training, new technology and other initiatives. Ahead, we see opportunity in the 80 percent of unaffiliated brokers now facing more challenging conditions and greater desire for affiliation.

Real Estate Brokerage: National brands for local brokers

In 2003, we generated approximately \$4 billion in revenue at NRT Incorporated through our real estate brands, COLDWELL BANKER, COLDWELL BANKER COMMERCIAL, The Corcoran Group and ERA. Additionally, on February 17, 2004, we obtained the rights to create a Sotheby's International Realty franchise system and acquired Sotheby's domestic residential real estate brokerage operations. NRT Incorporated is one of the few businesses at Cendant where acquisitions are integral to its growth plan. In fact, NRT's business model centers on acquiring local real estate brokerage firms and converting them into one of our real estate brands. Our acquisition targets are either a leader in metropolitan areas where NRT does not yet have a presence, or a company that can significantly improve NRT's presence in a market where there are existing operations. In 2003, these types of acquisitions expanded NRT's business in Los Angeles and Orange

County (California); northern New England; Long Island (New York); south Florida; northern New Jersey; Baltimore; and the eastern shore of Maryland and Delaware.

Relocation: A moving experience

As business opportunities and government interests extend across borders, more people are on the move—literally. Cendant Mobility, the industry leader, has nearly 50 years of experience helping mobile workforces transfer around the globe. Services range from assistance with home sales and purchases, independent home marketing support and managing other personal moving affairs. The industry operates in a competitive pricing environment, and Cendant Mobility continues to improve efficiencies and reduce its cost of operations. Through its Project Resolve initiative, Cendant Mobility has redesigned its processes and back-office systems to substantially increase productivity in handling calls from relocating employees.



Mortgage: Convenient financing

Cendant Mortgage is one of the most innovative companies in the mortgage origination and servicing business. Its competitive advantage is that the business is built on efficient, centralized processing of inbound telephone calls and online applications, as opposed to having mortgage brokers spread across the country. Approximately two-thirds of our business in 2003 came through the “Phone In, Move In”® platform. The Company pioneered the first

service guarantees in the industry. Our private-label mortgage program is one of the industry’s largest, providing outsource retail loan origination capabilities to large financial institutions. In select markets, Cendant Mortgage also manages a traditional loan officer platform for franchise brokers and NRT offices.

Cendant Settlement Services Group: Turning the promise into reality

The Cendant Settlement Services Group, or CSSG, represents a good growth opportunity through synergies with other businesses in Real Estate Services. Currently, CSSG is located in or near about one-quarter of all NRT brokerage offices, offering the convenience of onsite title, appraisal and closing services. It also provides a full range of services to other real estate companies, affinity groups, corporations and financial institutions. Future plans include expanded coverage in new and existing markets, particularly in connection with NRT, our real estate franchisees and our mortgage company.

Cendant Mortgage is one of the most innovative companies in the mortgage origination and servicing business.

Profile: Real Estate Services

Putting Promise into Practice

From front-line customer contact to back-office management systems, Real Estate Services takes a disciplined, data-driven approach to quality that strives for perfection. Every business unit monitors customer satisfaction levels as closely as it manages its bottom line. The goal of flawless execution has become embedded in the culture of the people and the process of conducting business. Cendant Mobility has embraced Six Sigma for its systematic approach to driving and sustaining change. Mobility’s Project Resolve initiative led to an 18 percent improvement in first-call resolution of customer questions. Cendant Mortgage follows Six Sigma methodology to design, and redesign, stable processes for meeting customer requirements and expectations. The outcome for mortgage applicants is improved availability of loan processors, continual updates on loan status and more immediate responsiveness to incoming client calls. Within the Real Estate Franchise Group, employees from each of the four brands and shared support services form cross-functional teams to address common business issues and improve processes. They call their approach Turbo Sigma. With all these efforts, the promise of flawless execution is always top of mind—and close to the customer’s heart.

Travel Services

Through cross-marketing, we continue to leverage the capabilities within our travel portfolio, and broaden customer relationships...



Travel is all about making the right connections, and we are involved in virtually every aspect of leisure and business travel.

Cendant is perhaps the most important connection our travel-related business customers and ultimately consumers ever make:

- We are the world's largest franchisor of hotels, with nine different hotel brands.
- We are the leading provider of vacation timeshare exchange services and one of the world's largest developers and marketers of vacation ownership (timeshare) resorts.
- We are the largest cottage rental company in Europe.
- We are one of the leading global distribution systems for travel reservations.
- We are the fourth largest full-service online travel agency and among the top five leisure travel agencies.
- We are a leader in the car rental industry, with two of the most recognized brands, Avis® and Budget®.
- We are the largest provider of proprietary fuel card services and the second largest provider of outsourced commercial fleet management services in the United States.

Through cross-marketing, we continue to leverage the capabilities within our travel portfolio, and broaden customer relationships, to fulfill the promise of a complete and satisfying travel experience.

Hospitality Services

Hospitality Services, which represents 14 percent of Cendant's total revenue, caters to the leisure traveler: primarily customers in middle-market America and Europe. The time they spend with us might be a vacation, a family reunion or a last-minute getaway, so convenience, value and quality are key.

Timeshare: Vacation homes all over the world

We operate in the high-growth timeshare industry in two ways: as a leading vacation exchange organization, RCI®, and as a developer and marketer of timeshare vacation properties through both Fairfield Resorts and Trendwest Resorts. RCI sets the standard in timeshare exchange with creative products, high-quality and superior service. The RCI Web site is a virtual community where members can make exchanges, get travel information and learn about other members' experiences. Fairfield Resorts and Trendwest Resorts expand our reach into timeshare vacation property development, ownership and management with different offerings for the customer, and a shared focus on creating a positive vacation experience.

Hotel Franchises: Known brands build business

We franchise many of the best-known hotel brands in the industry, yet we don't own or

manage a single hotel. Ours is a simple fee-for-service business model that generates strong cash flow for Cendant. For franchisees, our value proposition is geared toward their success. We support each brand with advertising, marketing programs, our innovative TripRewards® loyalty program, and key links with travel Web sites and global distribution systems like Galileo®. Through our renewed efforts to position our brands for long-term growth, we are making sure each hotel measures up to our quality standards and that franchisees understand how to best use our management systems for efficient operations. Our goal is to maintain the integrity of our brands and improve the profitability of franchisees, while encouraging repeat stays and customer loyalty.

Vacation Rental Group: Quaint European cottages, vintage villas

Vacation rental is a small, but rapidly growing business for Cendant, marketing privately owned vacation properties in Europe. These are cottages and villas owned by others that we rent on their behalf and receive a fee for our service. We are the market leader with 40,000 property listings in 22 countries. The fact that we represent less than five percent of 18 million total industry weeks speaks to both the fragmented nature of the industry and the potential for growth, both organically and through strategic tuck-in acquisitions. Further, the business model plays to our strengths in brand marketing, reservations, property recruitment and quality assurance. Online bookings continue to rise, reaching 30 percent in 2003, with approximately three-quarters coming from Cendant-branded Web sites.

Vehicle Services

Vehicle Services has market-leading positions in its car- and truck-related businesses. It accounted for 32 percent of Cendant's total 2003 revenues and should realize significant benefits from a recovering travel market and the completed integration of Budget® into the car rental business.



Car Rental Group: Transportation for travelers

With our flagship brands—Avis® and Budget—we are a leader in airport car rentals in the United States, and each brand is uniquely positioned in the marketplace with differentiated service offerings. Avis provides best-in-class service, primarily to business travelers, while Budget is a value brand that appeals to cost-conscious leisure travelers. Since acquiring Budget in November 2002, we have realized approximately \$40 million in synergies. That is expected to grow to \$100 million in annual savings once the integration is substantially complete in 2004.

In addition, in 2003 we took several steps to strengthen the profitability of the Budget truck rental business. We created a dedicated management team of seasoned truck professionals, implemented process and cost improvements and upgraded our fleet, among other initiatives.



Fleet Management & Fuel Card Services: Enabling efficient business travel

Wright Express® remains one of our highest growth businesses, with a successful strategy of expanding into new markets with existing

products and offering new products to existing customers. At its core, Wright Express provides charge cards that help companies better manage expenses associated with their vehicles and business travel. These payment solutions are backed by advanced information management systems, sophisticated transaction processing and proven marketing programs. Since 1998, the number of cards issued by Wright Express has increased at a compound annual growth rate of 24 percent to 4.5 million cards in 2003, including directly marketed, co-brand and private-label fleet cards for vehicle-related purchases and a corporate credit card program for travel and entertainment expenses.

PHH Arval has built its leadership position in fleet management by helping corporate customers reduce the expenses associated with their vehicle fleets. Additional growth opportunities are created through innovative ancillary services that add value and lower costs for customers, such as risk management, vehicle safety, heavy truck leasing, fleet technology, fleet outsourcing, maintenance programs, title and registration services, and loyalty credit card programs.

Since acquiring Budget in November 2002, we have realized approximately \$40 million in synergies. That is expected to grow to \$100 million...

Profile: Hospitality Services

The Promise of a Caring Community

WorldMark Big Bear, managed by Trendwest Resorts, took an active role in fighting the recent fires in southern California, which threatened Big Bear and destroyed 3,400 homes. The town was under mandatory evacuation, so the management team locked down the resort, and I headed home to prepare to leave town. I ran into my neighbors—a firefighter and sheriff—and I reiterated a conversation I had with WorldMark Resort Operations Vice President Dave Akins regarding extending a helping hand to the community. My neighbors gave me the phone number of Incident Command; I called and was asked if WorldMark would supply beds to emergency crews. I grabbed my wife and 3-year-old son, Noah, called my assistant manager and headed for the resort. The four of us worked on-site 24/7—even Noah helped, handing out towels and soap—for the entire week of the threat, housing firefighters and sheriffs, totaling close to 1,000 bed nights. These guys usually sleep on the ground, and they were so thankful to have a bed that some of them actually did the dishes of the evacuated owners who had been in the unit before them. Our owners should know that they played a significant role in protecting the Big Bear Resort and community as well.

Scott Williams
Manager
WorldMark Big Bear Resort

Travel Services

Galileo remains one of the lowest-cost, most efficient services for aggregating and distributing travel inventory...



Travel Distribution Services

Travel Distribution Services, or TDS, is primarily comprised of electronic global distribution services for the travel industry and travel agency services. We connect travelers and travel agencies with airlines, hotels, rental car companies and other travel service providers worldwide, using sophisticated technology. TDS, with nine percent of Cendant's total 2003 revenues, is well-positioned for growth in a changing industry undergoing a shift toward more online travel booking.

Galileo International® is the cornerstone of Cendant's travel distribution business. As a global distribution system (GDS), Galileo remains one of the lowest-cost, most efficient services for aggregating and distributing travel inventory, providing travel agencies with reliable, accurate access to travel services, schedules and pricing information. Through direct-to-desk-top systems, Galileo connects 43,000 travel agency locations, 500 airlines, 30 rental car companies, 60,000 hotel properties, and all major cruise lines throughout the world.

TDS businesses also bring value-added products and services to the hospitality and leisure travel market, with reservation capabilities,

technology and distribution solutions for hotel operators, as well as dynamic packaging technology to assist travel agencies and consumers in planning and booking vacations.

TDS offerings are also available directly to consumers. CheapTickets.com® and Lodging.comSM make it easy for consumers to research and book their own travel arrangements. Both online businesses have shown significant growth and considerable potential since becoming part of Cendant. And because travel agencies remain an important and trusted resource for helping travelers plan vacations and find package deals, Cendant Travel—one of the top five leisure travel agencies—provides more traditional agency

services, including reservation sales, discount rates, customer service and order fulfillment. Travel 2 and Travel 4, the U.K.-based companies we acquired in 2003, sell their tailor-made tours and vacation packages exclusively through travel agents.

For business travel, we have brought the strengths within TDS to Travelport® Corporate Solutions. Travelport offers mid-to large-sized corporations a portfolio of strategic management tools and services to help them reduce travel management costs by as much as 30 percent.

Profile: Travel Distribution Services

The Promise of Next Generation Technology

New technology is helping hotels and travel agents grow their businesses in the highly competitive online environment. Inside Shopper® is Galileo's technology for providing a real-time connection between a hotel's reservation system and Galileo's 43,000 travel agencies worldwide. With access to more than 100 leading brands and more than 24,000 properties worldwide, Inside Shopper gives Galileo-connected travel agents, online travel providers and corporate clients access to the same up-to-the-minute information offered through a hotel's internal reservation system. "Inside Shopper is a key addition to our reservation and sales system. With more accurate, real-time information, it makes it more attractive for agents to choose our properties through Galileo," says Joan Lowell, vice president electronic distribution, Hyatt Hotels Corporation. "It will not only allow us to significantly boost our bookings, but it will also help to increase our bottom-line results as well." The technology gives both hotels and travel agents an extra advantage in their selling, while further improving the level of service they offer their customers.

Financial Services

Financial Services, with 8 percent of Cendant's total 2003 revenues, generates strong cash flow, requires little capital, and operates in non-cyclical, non-interest-rate sensitive markets.

- Jackson Hewitt Tax Service® is the nation's largest tax-preparation franchise system and the second-largest tax preparer.
- Progeny Marketing Innovations® has over 30 years of experience helping U.S. financial institutions attract customers, strengthen relationships and increase revenue.
- Cims® is a U.K.-based membership marketing company delivering loyalty programs to banks and other organizations throughout Europe.
- Our premier membership-based business is the largest direct marketer of private-labeled products and services to members of affinity and corporate organizations.

Tax Preparation: Easing the burden of income taxes

Since acquiring Jackson Hewitt in 1998, we have seen a 140 percent increase in tax returns, with more than 4,200 franchised offices and more than 650 Company-owned offices. Using our proprietary technology, in 2003 we helped nearly three million households annually across a broad economic spectrum to prepare and file their income tax returns. In conjunction with our Wright Express business, we have introduced a stored-value tax card that works like a debit card against anticipated tax refunds.



Insurance and Loyalty programs: Value-added services for financial institutions

The common thread running through Progeny Marketing Innovations and Cims is providing revenue-generating products and services that enhance customer relationships. Progeny works with over 6,500 financial institutions worldwide to provide innovative strategies and turn-key programs, including marketing support, employee training, fulfillment and administration for checking and savings account enhancement packages. Cims packages and provides services primarily to retail divisions of commercial banks, with 18.9 million consumers in Cims programs in Europe, South Africa and Japan. Cims now also serves a broader customer base, having expanded beyond financial institutions to other industries, such as utilities, telecommunications providers and insurers.

Membership: The benefits of belonging

Cendant Membership Services and Trilegiant® are the premier providers of membership-based programs to affinity and corporate organizations. They are also an outsource partner to many institutions as well as to Cendant Hospitality Services' TripRewards program. The business model is based on marketing membership-based services—such as travel discount clubs, shopping discount clubs and privacy-protection services—directly to consumers. We reach these consumers through our relationships with corporate clients, who rely on us to provide an attractive product or service offering to their customers.

“We consider Cendant both a good customer and, more important, a strategic business partner.”

– John Devine, General Motors vice chairman and chief financial officer

Profile: Relationship Management The Promise of Synergy

With customers like General Motors, Cendant is proving that the whole is greater than the sum of its parts. The two companies have been business partners for years, primarily through Avis and PHH Arval. General Motors relies on Avis for its car rental needs and partners with PHH Arval on commercial fleet initiatives. Cendant is General Motors' largest customer, purchasing hundreds of thousands of vehicles a year. In 2003, General Motors further expanded this positive business relationship by selecting Galileo, Cendant's leading global distribution system of travel inventory, as its supplier for corporate travel solutions. Galileo is now providing a single-source solution for managing its corporate travel needs, backed by market-leading technology and Cendant's unmatched travel expertise. Cendant's management team works hard to extend such business relationships and open doors leading to new opportunities with valued customers. Both sides benefit, with greater efficiencies and organic growth. “We consider Cendant both a good customer and, more important, a strategic business partner,” says John Devine, General Motors vice chairman and chief financial officer. At Cendant, the feeling is mutual.

Board of Directors



Front row (left to right): Sheli Z. Rosenberg, Leonard S. Coleman, Presiding Director; Henry R. Silverman, Chairman; Pauline D. E. Richards

Back row (left to right): Ronald L. Nelson, The Rt. Hon. Brian Mulroney, Stephen P. Holmes, Myra J. Biblowit, Robert W. Pittman, Cheryl D. Mills, James E. Buckman, Robert F. Smith, Martin L. Edelman, Robert E. Nederlander, George Herrera

Henry R. Silverman (1)

Mr. Silverman has been Chief Executive Officer and President and a Director of the Company since December 1997, as well as Chairman of the Board of Directors and the Executive Committee since July 1998. He was previously Chairman of the Board, Chairman of the Executive Committee and Chief Executive Officer of Cendant's predecessor, HFS Incorporated.

Myra J. Biblowit (3) (6)

Ms. Biblowit has been a Director of the Company since April 2000. She is President of The Breast Cancer Research Foundation.

James E. Buckman (1)

Mr. Buckman has been a Vice Chairman of the Company since November 1998 and General Counsel and a Director of the Company since December 1997. He was previously Senior Executive Vice President and General Counsel of Cendant's predecessor, HFS Incorporated.

Leonard S. Coleman (3) (6)

Mr. Coleman has been a Director of the Company since December 1997, Presiding Director at Executive Sessions of the Board since February 2003 and Chairman of the Compensation Committee since June 2000. He is presently a Senior Advisor to Major League Baseball. Mr. Coleman was President of The National League of Professional Baseball Clubs from 1994 to 1999.

Martin L. Edelman (1) (5) (6)

Mr. Edelman has been a Director of the Company since December 1997. He is currently Of Counsel to Paul, Hastings, Janofsky & Walker.

George Herrera (6)

Mr. Herrera has been a Director of the Company since January 2004. From August 1998 to January 2004, he served as President and Chief Executive Officer of the United States Hispanic Chamber of Commerce. Mr. Herrera served as President of David J. Burgos & Associates, Inc. from December 1979 until July 1998.

Stephen P. Holmes

Mr. Holmes has been a Vice Chairman and Director of the Company and Chairman and Chief Executive Officer of the Hospitality Services Division of the Company since December 1997. He was previously Vice Chairman of Cendant's predecessor, HFS Incorporated.

Cheryl D. Mills (2) (4)

Ms. Mills has been a Director of the Company since June 2000. She is Senior Vice President and Counselor for Operations and Administration for New York University. From 1997 to 1999, Ms. Mills was Deputy Counsel to the former President of the United States, William J. Clinton.

The Rt. Hon. Brian Mulroney (4)

Mr. Mulroney has been a Director of the Company since December 1997. He was Prime Minister of Canada from 1984 to 1993 and is currently Senior Partner in the law firm, Ogilvy Renault.

Robert E. Nederlander (4)

Mr. Nederlander has been a Director of the Company since December 1997 and Chairman of the Corporate Governance Committee since October 2002. He has been President and/or Director since November 1981 of the Nederlander Organization, Inc.

Ronald L. Nelson (1)

Mr. Nelson has been a Director of the Company since April 2003 and Chief Financial Officer since May 2003. From November 1994 until March 2003, he was Co-Chief Operating Officer of DreamWorks SKG. Mr. Nelson also served as Executive Vice President, Chief Financial Officer and a Director at Paramount Communications, Inc., formerly Gulf+Western Industries, Inc.

Robert W. Pittman (5)

Mr. Pittman has been a Director of the Company since December 1997. He is a member of and an investor in, respectively, Pilot Group Manager LLC and Pilot Group LP, a private investment partnership. Mr. Pittman was formerly Chief Operating Officer of AOL Time Warner, Inc.

Pauline D. E. Richards (2)

Ms. Richards has been a Director of the Company since March 2003. She is Director of Development at the Saltus Grammar School in Bermuda. From January 2001 until March 2003, Ms. Richards was Chief Financial Officer of Lombard Odier Darier Hentsch (Bermuda) Limited, a trust company business.

Sheli Z. Rosenberg (2) (4) (5)

Ms. Rosenberg has been a Director of the Company since April 2000. She served as Vice Chairwoman of Equity Group Investments, Inc. from January 2000 to September 2003.

Robert F. Smith (2) (3)

Mr. Smith has been a Director of the Company since December 1997 and Chairman of the Audit Committee since June 2000. He is the retired Chairman and Chief Executive Officer of American Express Bank, Ltd. Mr. Smith is currently Chairman of the Board of American Remanufacturers Inc., a Chicago, IL automobile parts remanufacturer.

Committees of the Board

- (1) Executive Committee
- (2) Audit Committee
- (3) Compensation Committee
- (4) Corporate Governance Committee
- (5) Emergency Governance Committee
- (6) Policy Committee

Officers

Corporate Officers

Henry R. Silverman

Chairman, Chief Executive Officer and President

James E. Buckman

Vice Chairman and General Counsel

Stephen P. Holmes

Vice Chairman, Cendant and Chairman and Chief Executive Officer, Hospitality Services Division

Samuel L. Katz

Chairman and Chief Executive Officer, Travel Distribution Services Division and Co-Chairman, Financial Services Division

Ronald L. Nelson

Chief Financial Officer

Kevin M. Sheehan

Chairman and Chief Executive Officer, Vehicle Services Division

Richard A. Smith

Chairman and Chief Executive Officer, Real Estate Services Division

Thomas D. Christopoul

Senior Executive Vice President, Co-Chairman and Chief Executive Officer, Financial Services Division

Scott E. Forbes

Group Managing Director, Cendant Europe, Middle East, and Africa

Eric J. Bock

Executive Vice President, Law and Corporate Secretary

Joel R. Buckberg

Executive Vice President and Deputy General Counsel

Terence P. Conley

Executive Vice President, Human Resources and Corporate Services

Anthony E. Hull

Executive Vice President, Finance

Lawrence E. Kinder

Executive Vice President and Chief Information Officer

Vincent Ventura

Executive Vice President, Corporate Tax

Virginia M. Wilson

Executive Vice President and Chief Accounting Officer

David B. Wyshner

Executive Vice President and Treasurer

Principal Operating Officers

Robert M. Becker

President and Chief Executive Officer, NRT Incorporated

Marti Beller

President, Trilegiant Loyalty Solutions

Donald J. Casey

President, Cendant Settlement Services Group

Brenda W. Casserly

President and Chief Operating Officer, ERA Franchise Systems, Inc.

F. Van Davis

President and Chief Executive Officer, Century 21 Real Estate Corporation

F. Markus Deutsch

Chief Executive Officer, Vacation Rental Group

Michael E. Dubyak

President and Chief Executive Officer, Wright Express LLC

Terence W. Edwards

President and Chief Executive Officer, Cendant Mortgage Corporation

Franz S. Hanning

President and Chief Executive Officer, Fairfield Resorts, Inc.

Don Harrill

President and Chief Executive Officer, Trendwest Resorts, Inc.

Kevin J. Kelleher

President and Chief Executive Officer, Cendant Mobility Services Corporation

George J. Kilroy

President and Chief Executive Officer, PHH Vehicle Management Services LLC

Nathaniel J. Lipman

President and Chief Executive Officer, Cendant Marketing Group

Michael D. Lister

President and Chief Executive Officer, Jackson Hewitt Inc.

Kenneth N. May

President and Chief Executive Officer, RCI

John W. McConnell

President and Chief Executive Officer, Timeshare Resort Group

Robert T. Moles

President and Chief Executive Officer, Real Estate Franchise Group

Alexander E. Perriello

President and Chief Executive Officer, Coldwell Banker Real Estate Corporation

Steven A. Rudnitsky

Chairman and Chief Executive Officer, Hotel Franchise Group

F. Robert Salerno

President and Chief Executive Officer, Cendant Car Rental Group

Daniel Tarantin

Vice Chairman, Cendant Marketing Group

Corporate Information



Annual Meeting of Stockholders

The annual meeting of stockholders of Cendant Corporation will be held on April 20, 2004, at 3:00 p.m. at the Grand Hyatt Hotel located at 109 East 42nd Street in New York City.

Transfer Agent and Registrar; Investor Services Programs

Cendant's stockholder services and transfer agent, Mellon Investor Services, offers a range of services for the Company's stockholders including: transferring stock or making a name or address change; replacing lost stock certificates; consolidating duplicate accounts; eliminating duplicate mailings and obtaining statements of shareholdings.

In addition, Mellon Investor Services offers an Investor Services Program for investors wishing to reinvest dividends, purchase or sell Cendant common stock.

Stockholder inquiries relating to the above services may be directed to:

Mellon Investor Services, LLC
P.O. Box 3315
South Hackensack, N.J. 07606
www.melloninvestor.com
1-800-589-9469 (9:00 a.m. to 7:00 p.m. EST)
Hearing Impaired: 1-800-231-5469

Corporate Governance

A comprehensive guide to the Company's corporate governance policies is available in the Investor Center section of www.cendant.com. The documents include: Cendant's corporate governance guidelines; codes of conduct and ethics; director independence criteria and committee charters. In addition, visitors to this section of our Web site can view Board committee memberships, submit comments to members of the Board and track insider ownership of Cendant's common stock.

Internet and Toll-Free Information

An online version of this document, major corporate announcements, quarterly earnings releases and SEC filings, including the Company's Annual Report on Form 10-K for year ended December 31, 2003, are available at www.cendant.com. This Annual Review should be read together with our Form 10-K for year ended December 31, 2003, filed with the Securities and Exchange Commission on March 1, 2004.

Visitors to the Web site may use the email notification option to automatically receive email notifications of major corporate announcements, SEC filings and other items of interest. News releases are also available 24-hours a day, seven days a week through a fax-on-demand service by calling toll-free: 1 877 4INFO CD (1-877-446-3623).

Stock Exchange Information

Cendant common stock is listed on the New York Stock Exchange. Symbol: CD

Online Media Resources

The Company's Media Resource Center, which can be accessed at www.cendant.com, offers information on trends within real estate, hospitality, vehicle, travel distribution and financial services. In addition, members of the media can access biographies and contact information on experts within these business segments, as well as stock photography, presentations, bylined articles and executive photos.

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Employment Opportunities

Visit our job postings at www.cendant.com.

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