

## **TAX INFORMATION FOR STOCKHOLDERS OF CENDANT CORPORATION**

On July 31, 2006, Cendant Corporation (“Cendant”) completed the distribution of its real estate services and hospitality services (including timeshare resorts) businesses through the distribution of 100% of the common stock of its Realogy Corporation (“Realogy”) and Wyndham Worldwide Corporation (“Wyndham Worldwide”) subsidiaries to stockholders of Cendant. Cendant, Realogy and Wyndham Worldwide are now three fully independent, publicly owned companies. This document contains the following information relating to the distribution.

- An explanation of the U.S. Federal income tax consequences of the distribution for Cendant stockholders.
- A worksheet that will help you complete important tax calculations.

## **BACKGROUND INFORMATION**

Cendant stockholders as of the close of business on July 21, 2006 received one share of Realogy’s common stock for every four shares of Cendant common stock, and one share of Wyndham Worldwide common stock for every five shares of Cendant common stock. Fractional shares of Realogy or Wyndham Worldwide common stock will not be distributed and any Cendant stockholder entitled to receive a fractional share will instead receive a cash payment.

## **TAX INFORMATION**

In connection with the distribution of shares of Realogy and Wyndham Worldwide common stock to Cendant stockholders, Cendant received an opinion substantially to the effect that the distributions should qualify as tax-free distributions to Cendant stockholders (except with respect to cash received in lieu of a fractional share). Assuming the foregoing is correct:

Cendant stockholders will not recognize gain or loss on the receipt of shares of Realogy and Wyndham Worldwide common stock, except in connection with cash received in lieu of a fractional share;

a Cendant stockholder who receives cash in lieu of a fractional share of Realogy and Wyndham Worldwide common stock in the distribution will be treated as having sold such fractional share for cash, and will generally recognize capital gain or loss in an amount equal to the difference between the amount of cash received and the Cendant stockholder’s tax basis in the fractional share. That gain or loss generally will be long-term capital gain or loss if the Cendant stockholder’s holding period for its Cendant common stock exceeds one year; and

a Cendant stockholder’s holding period for Realogy and Wyndham Worldwide common stock received in the distribution (including any fractional share interest of Realogy and Wyndham Worldwide common stock for which cash is received) will include the period during which such stockholder’s Cendant common stock was held.

## **TAX BASIS ALLOCATION**

To calculate your net gain or loss on the sale of stock, you must calculate your tax basis in the stock. If your sales proceeds exceed your tax basis in the stock sold, you will realize a gain on the sale of the stock equal to the difference between the sales proceeds and your tax basis. Conversely, if your sales proceeds are less than your tax basis in the stock sold, you will realize a loss on the sale equal to the difference between the sales proceeds and your tax basis.

If you bought your shares of Cendant common stock and did not acquire them as a gift or in a similar manner, your tax basis in those shares is generally your cost of acquiring the shares. If you did not acquire your shares of Cendant common stock by purchasing them, consult your tax adviser to determine your tax basis in those shares.

Because of the distribution of Realogy and Wyndham Worldwide, you must allocate the tax basis of your pre-distribution shares of Cendant common stock between your post-distribution shares of Cendant common stock and your newly received shares of Realogy and Wyndham Worldwide common stock. The worksheet will help you calculate your new tax basis in your shares of Cendant common stock and Realogy and Wyndham Worldwide common stock. If you acquired your shares of Cendant common stock at different times and costs, including shares received through a dividend reinvestment plan, you will need to calculate a separate tax basis for each group of shares of Cendant common stock, as well as the shares of Realogy and Wyndham Worldwide common stock received in connection with those shares of Cendant common stock.

## **CONSULT YOUR TAX ADVISER**

The information in this document represents our understanding of the U.S. Federal income tax laws and regulations, and does not constitute tax advice. It does not purport to be complete or to describe the consequences that may apply to particular categories of stockholders. You should consult your tax adviser regarding the particular consequences of the distribution, including any applicability and effect of any state, local and foreign tax laws.

## **HOW TO CALCULATE YOUR TAX BASIS**

You can use the following worksheet to calculate your basis in your Cendant common stock, Realogy common stock and Wyndham Worldwide common stock, as well as your gain or loss in respect of any cash received in lieu of a fractional share of Realogy and Wyndham Worldwide common stock.

Based on the closing price at which Cendant common stock, Realogy common stock and Wyndham Worldwide common stock traded on August 1, 2006, \$2.44, \$26.10 and \$31.85, respectively, as reported for the New York Stock Exchange transactions, 16% of your pre-distribution tax basis should be allocated to your shares of Cendant common stock; 42.5% should be allocated to your shares of Realogy common stock (including any fractional share interest); and 41.5% should be allocated to your shares of Wyndham Worldwide common stock (including any fractional share interest).

A hypothetical example is provided along with space to fill in your actual numbers. In order to use the worksheet, you will need to know the tax basis of your shares of Cendant common stock before the distribution. If you bought Cendant common stock on more than one occasion, you will need to perform this computation separately for each purchase.

**HYPOTHETICAL EXAMPLE**

In this example, 102 shares of Cendant common stock were purchased for \$15.00 per share, resulting in a tax basis of \$1,530.00. The original tax basis of \$1,530.00 must now be allocated to the post-distribution shares of Cendant common stock and the newly received shares of Realogy (including any fractional share interest) and Wyndham Worldwide common stock (including any fractional share interest).

**Example:** 
$$\begin{array}{rclclclcl} \$1,530.00 & \times & 16.0\% & = & \$244.80 & \div & 102 & = & \$2.40 \\ \text{Original tax basis} & & \text{Allocated ratio} & & \text{New total tax basis} & & \text{Total number of shares} & & \text{New tax basis per share} \\ & & & & \text{of Cendant common stock} & & & & \text{of Cendant common stock} \end{array}$$

Calculate your new tax basis per share of Cendant common stock

$$\boxed{\text{Original tax basis}} \times 16.0\% \text{ Allocated ratio} = \boxed{\text{New total tax basis of Cendant common stock}} \div \boxed{\text{Total number of shares}} = \boxed{\text{New tax basis per share of Cendant common stock}}$$

**REALGY COMMON STOCK TAX BASIS CALCULATION**

**Example:** 
$$\begin{array}{rclclclcl} \$1,530.00 & \times & 42.5\% & = & \$650.25 & \div & 25.5 & = & \$25.50 \\ \text{Original tax basis} & & \text{Allocated ratio} & & \text{New total tax basis} & & \text{Total number of shares} & & \text{New tax basis per share} \\ & & & & \text{of Realogy common stock} & & \text{(including any fractional share interest)} & & \text{of Realogy common stock} \\ & & & & \text{(including any fractional share interest)} & & & & \text{(including any fractional share interest)} \end{array}$$

Calculate your new tax basis per share of Realogy common stock

$$\boxed{\text{Original tax basis}} \times 42.5\% \text{ Allocated ratio} = \boxed{\text{New total tax basis of Realogy common stock (including any fractional share interest)}} \div \boxed{\text{Total number of shares (including any fractional share interest)}} = \boxed{\text{New tax basis per share of Realogy common stock (including any fractional share interest)}}$$

**REALGY COMMON STOCK FRACTIONAL SHARE BASIS**

**Example:** 
$$\begin{array}{rclclcl} \$25.50 & \times & 0.5 & = & \$12.75 \\ \text{New per share tax basis} & & \text{Number of fractional share} & & \text{Tax basis of fractional share} \\ \text{of Realogy common stock} & & \text{of Realogy common stock} & & \text{of Realogy common stock} \end{array}$$

Calculate your Realogy common stock fractional share tax basis

$$\boxed{\text{New per share tax basis of Realogy common stock}} \times \boxed{\text{Number of fractional share of Realogy common stock}} = \boxed{\text{Tax basis of fractional share of Realogy common stock}}$$

**GAIN OR LOSS FROM SALE OF FRACTIONAL SHARE OF REALGY COMMON STOCK**

**Example:** 
$$\begin{array}{rclclcl} \$13.05 & - & \$12.75 & = & \$0.30 \\ \text{Cash received in lieu} & & \text{Tax basis of fractional share} & & \text{Gain/(Loss) from sale of fractional share} \\ \text{of fractional share} & & \text{of Realogy common stock} & & \text{of Realogy common stock} \\ \text{of Realogy common stock} & & & & \end{array}$$

Calculate your gain or loss from sale of fractional share of Realogy common stock

$$\boxed{\text{Cash received in lieu of fractional share of Realogy common stock}} - \boxed{\text{Tax basis of fractional share of Realogy common stock}} = \boxed{\text{Gain/(Loss) from sale of fractional share of Realogy common stock}}$$

**WYNDHAM WORLDWIDE COMMON STOCK TAX BASIS CALCULATION**

**Example:** 
$$\begin{array}{rclclclcl} \$1,530.00 & \times & 41.5\% & = & \$634.95 & \div & 20.4 & = & \$31.13 \\ \text{Original tax basis} & & \text{Allocated ratio} & & \text{New total tax basis} & & \text{Total number of shares} & & \text{New tax basis per share} \\ & & & & \text{of Wyndham Worldwide common stock} & & \text{(including any fractional share interest)} & & \text{of Wyndham Worldwide common stock} \\ & & & & \text{(including any fractional share interest)} & & & & \text{(including any fractional share interest)} \end{array}$$

Calculate your new tax basis per share of Wyndham Worldwide common stock

$$\boxed{\text{Original tax basis}} \times 41.5\% \text{ Allocated ratio} = \boxed{\text{New total tax basis of Wyndham Worldwide common stock (including any fractional share interest)}} \div \boxed{\text{Total number of shares (including any fractional share interest) of Wyndham Worldwide common stock}} = \boxed{\text{New tax basis per share of Wyndham Worldwide common stock (including any fractional share interest)}}$$

**WYNDHAM WORLDWIDE COMMON STOCK FRACTIONAL SHARE BASIS**

**Example:** 
$$\begin{array}{rclclcl} \$31.13 & \times & 0.4 & = & \$12.45 \\ \text{New per share tax basis} & & \text{Number of fractional share} & & \text{Tax basis of fractional share} \\ \text{of Wyndham Worldwide common stock} & & \text{of Wyndham Worldwide common stock} & & \text{of Wyndham Worldwide common stock} \end{array}$$

Calculate your Wyndham Worldwide common stock fractional share tax basis

$$\boxed{\text{New per share tax basis of Wyndham Worldwide common stock}} \times \boxed{\text{Number of fractional share of Wyndham Worldwide common stock}} = \boxed{\text{Tax basis of fractional share of Wyndham Worldwide common stock}}$$

**GAIN OR LOSS FROM SALE OF FRACTIONAL SHARE OF REALGY COMMON STOCK**

**Example:** 
$$\begin{array}{rclclcl} \$12.74 & - & \$12.45 & = & \$0.29 \\ \text{Cash received in lieu} & & \text{Tax basis of fractional share} & & \text{Gain/(Loss) from sale of fractional share} \\ \text{of fractional share} & & \text{of Wyndham Worldwide common stock} & & \text{of Wyndham Worldwide common stock} \\ \text{of Wyndham Worldwide common stock} & & & & \end{array}$$

Calculate your gain or loss from sale of fractional share of Wyndham Worldwide common stock

$$\boxed{\text{Cash received in lieu of fractional share of Wyndham Worldwide common stock}} - \boxed{\text{Tax basis of fractional share of Wyndham Worldwide common stock}} = \boxed{\text{Gain/(Loss) from sale of fractional share of Wyndham Worldwide common stock}}$$