Table II

Characteristics of Investors Prior to their Schedule 13(D) Filing

This table summarizes characteristics of the investors for the complete sample, and the sub-samples of each measure of investor's financial constraints (column 1 and 2). For the complete sample, standard deviation and minimum and maximum value of the variables are shown. For each variable, the mean [median] is reported. All data are winsorized at the 1% and 99% levels. Column (3) of each measure shows the t-statistic [Z-statistic] testing for differences between financially constrained and unconstrained investors means [medians]. All accounting data are from the end of the fiscal year preceeding the Schedule 13(D) filing date reported by the SEC. Panel A presents measures of the investor's profitability, Panel B displays measures of cash balances and debt and Panel C gives information on the investor's size and Investment. See Appendix A for variable definitions. ***significant at the 0.01 level; **significant at the 0.05 level; * significant at the 0.10 level.

	Total Sample					Whited-Wu Index			Dividend Payout Ratio			HP-Index			S&P 500 Credit Rating		
	Mean	Med.	Std. Dev.	Min.	Max.	Unconstr. Investor	Constr. Investor	t-Statistic [Z-Statistic] for Diff. Bet. (1) and (2)	Unconstr. Investor	Constr. Investor	t-Statistic [Z-Statistic] for Diff. Bet. (1) and (2)	Unconstr. Investor	Constr. Investor	t-Statistic [Z-Statistic] for Diff. Bet. (1) and (2)	Unconstr. Investor	Constr. Investor	t-Statistic [Z-Statistic] for Diff. Bet. (1) and (2)
						(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)
Panel A: Profitability																	
Return on Assets	0.103	0.117	0.145	-0.520	0.418	0.142 [0.133]	0.341 [0.090]	5.5234*** [4.826]***	0.126 [0.134]	0.065 [0.084]	4.8026*** [5.777]***	0.139 [0.133]	-0.0488 [-0.002]	7.4858*** [7.872]***	0.144 [0.134]	0.056 [0.095]	7.2784*** [6.308]***
Cash-Flow/AT	0.059	0.086	0.150	-0.562	0.331	0.341 [0.904]	-0.012 [0.060]	5.4974*** [4.333]***	0.078 [0.096]	0.027 [0.065]	3.7227*** [5.118]***	0.089 [0.093]	-0.079 [0.014]	6.4031*** [6.497]***	0.094 [0.091]	0.018 [0.073]	5.8836*** [4.105]***
Panel B: Cash Balances and																	
Cash and short-term Investments	0.203	0.136	0.203	0.000	0.825	0.145 [0.092]	0.259 [0.197]	4.9477*** [3.971]***	0.170 [0.108]	0.238 [0.177]	3.4466*** [3.015]***	0.156 [0.102]	0.358 [0.380]	7.0237*** [6.925]***	0.115 [0.076]	0.300 [0.266]	11.6601*** [9.836]***
Cash/AT	0.135	0.087	0.143	0.000	0.682	0.099 [0.0715]	0.168 [0.104]	4.1310*** [2.793]***	0. 108 [0.071]	0.163] [0.131]	4.0350*** [3.623]***	0.097 [0.070]	0.250 [0.196]	6.5972*** [6.574]***	0.077 [0.060]	0.199 [0.153]	10.7535*** [9.214]***
Book Leverage	0.234	0.209	0.206	0.000	0.842	0.265 [0.239]	0.206 [0.183]	2.8842*** [3.570]***	0.243 [0.233]	0.242 [0.197]	0.0022 [1.277]	0.254 [0.237]	0.124 [0.027]	5.7978*** [6.572]***	0.302 [0.268]	0.158 0.076]	8.8012*** [10.242]***
Short-Term Debt/Assets	0.031	0.008	0.055	0.000	0.322	0.032 [0.127]	0.033 [0.006]	0.1588 [1.994]**	0.037 [0.015]	0.021 [0.002]	3.3944*** [5.343]***	0.037 [0.013]	0.278 [0.002]	1.2246 [3.037]***	0.038 [0.015]	0.023 [0.001]	3.0761*** [7.239]***
Long-Term Debt/Assets	0.200	0.167	0.194	0.000	0.814	0.232 [0.198]	0.169 [0.114]	3.1140*** [4.089]***	0.203 [0.182]	0.219 [0.157]	0.8753 [0.795]	0.217 [0.195]	0.090 [0.002]	6.3679*** [7.101]***	0.262 [0.228]	0.131 0.026]	8.4183*** [10.384]***
Panel C: Firm Size and Inv																	
Market Value of Equity in $ Mio.	24'020	2053	55'986	2	422'640	30'961 [4'409]	20'142 [916]	1.8330* [6.454]***	38'957 [5'819]	5'648 [815]	7.9842*** [8.635]	36'851 [6'012]	410 [153]	10.2296*** [11.724]***	42'643 [7'675]	3'219 [552]	9.3491*** [14.955] ***
Size	7.705	7.706	2.262	3.040	13.53	8.666 [8.463]	6.732 [6.305]	7.7573*** [7.580]***	8.537 [8.544]	6.756 [6.515]	9.4482*** [8.602]	8.725 [8.592]	4.725 [4.729]	23.9125*** [12.914]***	9.187 [8.980]	6.049 [6.037]	22.7719*** [17.0611]***
Tobin's Q	2.061	1.637	1.261	0.654	6.82	1.905 [1.541]	2.259 [1.783]	2.448** [1.997]**	2.113 [1.657]	1.819 [1.506]	2.7042*** [2.707]***	2.004 [1.564]	2.352 [1.883]	1.869* [1.853]*	1.955 [1.591]	2.178 [1.735]	2.0701** [0.963]
						N=307	N=126		N=310	N=184		N=355	N=78		N=296	N=265	