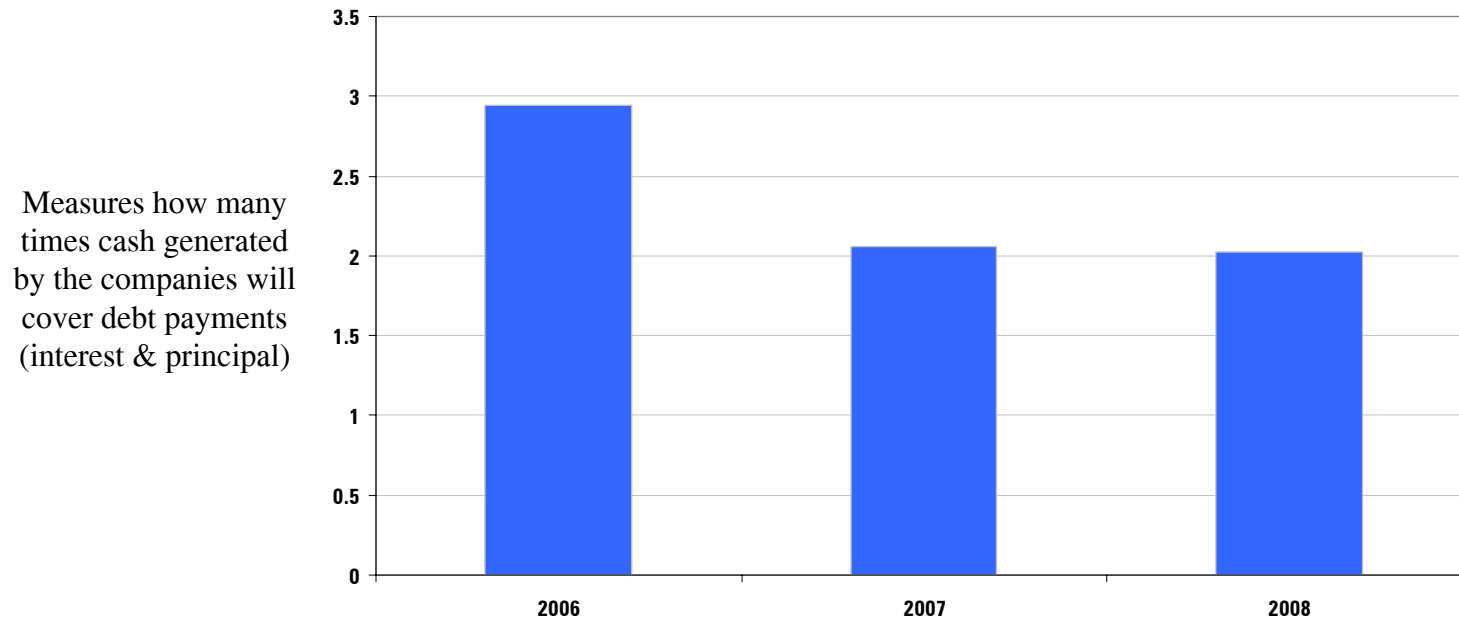


Liquidity at S&P 500 Companies

Should investors be concerned about “excessive” cash balances?

Cash Flow Coverage Ratios



- Cash levels will decrease as generation of cash flow decreases, causing companies to use existing cash for increasing debt payments.
- With over \$800B in cash on balance sheets at the end of 2008, S&P 500 companies are able to deploy cash defensively, while remaining in position to consider strategic acquisitions of smaller companies.