THRIFT SAVINGS PLAN

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
1250 H Street, NW Washington, DC 20005

April 11, 2008

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: JAMES B. PETRICK
CHIEF FINANCIAL OFFICER

SUBJECT: QUARTERLY FINANCIAL ASSESSMENT OF TSP'S PRIMARY VENDORS – APRIL 2008

The Board has requested that each quarter we review the TSP's primary vendors and report on their financial standing. This quarter, we have again reviewed SI International, Barclays PLC, Switch and Data, R.R. Donnelley & Sons, MetLife, and The Active Network, Incorporated.

For each vendor we have analyzed the following:

1. Current Financial Condition:

Our financial analysis consists of a review of the vendor's key financial statistics from their current income statement and balance sheet for the most recent quarter available to determine their overall financial stability. For this report, we are using annual report data for 2007. We determine whether there is evidence of stable or growing income (i.e., the profitability of the company). We also review the current balance sheet to determine 1) the current ratio of assets to liabilities to ascertain the vendor's ability to meet short term liquidity needs and 2) the ratio of total debt to total assets to ascertain the prospects for longer term profitablility. Then, we look for significant changes from prior to current periods to identify trends that may require further explanation. At the Board's request, for comparative purposes, we have included information from year-end 2006 and year-end 2005 and continue to provide the stock price and a statement of cash flows.

For banking and depository institutions such as Barclays PLC, the examination of assets and liabilities is a less relevant measure. In this industry, categorization of assets and capital is highly standardized so results can be weighted by risk factors. In the U.S., the Board of Governors of the Federal Reserve System (FRB) issues these risk-based capital guidelines. The guidelines are used to evaluate capital adequacy based on the perceived credit risk associated with balance sheet assets, as well as certain off-balance sheet exposures such as unfunded loan commitments, letters of credit, and derivative and foreign exchange contracts. For MetLife, we heavily rely on the insurance rating agencies scores of overall financial strength and claims paying ability.

2. Dun & Bradstreet Credit Score:

We continue our practice of reviewing the Dun & Bradstreet credit scores. These scores predict the likelihood of a firm paying in a severely delinquent manner (90+ days past term) over the next twelve months. The score range is 1-5 with 1 being the lowest risk and 5 the highest risk of the firm paying in a severely delinquent manner. While this score has some descriptive value in terms of the firm's current relationship with its creditors and can disclose potential financial problems, it should only be considered one part of a firm's overall financial picture.

3. Significant Events:

This section includes a description of any significant items that could impact the company's financial situation, such as significant pending litigation, mergers and acquisitions, or major stock issuances or redemptions.

4. Risk Mitigation:

This section describes the risk to the TSP if the vendor were to become unable to meet the terms of the TSP's contract and what steps we would take to mitigate the risk to ongoing TSP operations.

Attachments

SI International

General Information: SI International (SI) is the prime contractor for operating both FRTIB data centers, operating and maintaining the TSP record keeping system, providing incoming mail, data entry and imaging support, and operating the Clintwood Call Center. SI also administers the accounting, court ordered payments, death benefits, and payroll office liaison functions. SI relies on subcontracting support as follows: Jacob and Sundstrum, Inc. for systems programming support; Switch & Data for our Reston VA Data Center space; Sungard Workflow Solutions for some TSP record keeping support, and Sungard EXP for incoming mail, data entry and imaging support.

Assessment: SI has continued its pattern of acquisitions into 2007, which continues to result in large changes in its income statement and balance sheet items. The 2007 end of the year numbers show a company that is still profitable but is more leveraged than at the end of 2006, with some decrease in income from operations and net income despite increased revenues. Any volatility present due to its pursuit of strategic acquisitions is mitigated by the Company's extensive portfolio of Federal government contracts; these contracts generated approximately 99 percent of total revenue in 2007. We find no indication at this time that SI International is unable to fulfill its contractual obligations to the TSP.

SI reported that approximately 46 percent of the Company's 2007 total revenue was derived from SI's work with the Department of Defense and the Intelligence community and another 53 percent was derived from contracts with Federal civilian government agencies. SI International is ranked as the 42nd largest Federal Prime IT Contractor by Washington Technology. Also, SI was named 2007 Contractor of the Year at the 5th Annual Greater Washington Government Contractor Awards.

Current Financial Condition: For the year ended December 31, 2007, in its SEC filing, SI reported revenues of $511 million, an increase of 11 percent from $462 million reported in 2006.

- Income Statement: Through December 31, 2007, SI reported Net Income of $19.3 million, down slightly from the $20.2 million reported in 2006.

- Balance Sheet: Through December 31, 2007, Total Assets of $461 million were reported, an increase of 21 percent from $381 million at year-end 2006. Total Liabilities increased to $201 million, a 42 percent increase from $142 million reported at year-end 2006.

- Cash Flow: Through December 31, 2007, cash and cash equivalents totaled $13 million, a 34 percent decrease from $19.5 million at year-end 2006. The decrease in cash is attributed to the $59.7 million payment for the LOGTEC acquisition (previously discussed in the July 2007 vendor report), repayment of a note payable, and capital investments.

- Current Ratio: The Current Ratio (Current Assets/Current Liabilities) declined to 1.3 from 2.2 reported at year-end 2006.

- Leverage: Through December 31, 2007, Total Liabilities as a percent of Total Assets increased to 68 percent from 37 percent reported at year-end 2006.

Dun & Bradstreet Credit Score Class: 2, (slight risk), unchanged from the previous quarter.

Stock Performance: The SI closing share price on March 31, 2008 was $19.19, down from its 52-week high of $34.87 on July 3, 2007.

Significant Events: On March 25, 2008, SI announced that its Board of Directors authorized the expansion of its stock repurchase program for the repurchase of up to an additional 700,000 shares of its common stock. This brings the total number of shares of common stock authorized for repurchase to 1 million. The aggregate maximum dollar amount to be spent on the repurchase program is $25 million.

On February 13, 2008, SI amended and restated its credit facility, increasing the amount available under their revolving line of credit from $40 million to $140 million and the Company reduced its outstanding term debt from approximately $94.3 million to $60 million.

Risk Mitigation: Should SI cease operations, we could issue letter contracts (basically an agreement that we would negotiate and fill in the details at a later point) on an emergency basis to Switch & Data to retain our Reston data center space, to Jacob and Sundstrum to continue systems programming (and perhaps expand that support to data center operations), and to Sungard to continue incoming mail and data entry and other operations as well as for expanded capabilities to maintain the TSP record keeping system, accounting, legal, and Agency interface operations.

If SI were unable to operate the Clintwood call center, the Active Network, Inc. call center in Frostburg, MD, could handle all calls pending establishment of a new call center.

The Agency is in the process of drafting a new statement of work (SOW) in preparation for the recompetition of SI record keeping services. We expect to release the solicitation by the end of FY 2008, with contract award in FY 2009. A full and open competition is planned, and risk mitigation will be a principal component of the procurement strategy.

SI International
Statement of Cash Flows
(in thousands)
2007, 2006, and 2005

	12/30/07	**12/30/06**	**12/31/05**
Net cash provided by (used in) operating activities	19,233	32,256	26,599
Net cash used in investing activities	(71,701)	(58,981)	(74,821)
Net cash provided by financing activities	46,140	20,022	70,628
Net increase (decrease) in cash and cash equivalents	(6,328)	(6,703)	22,406
Cash and cash equivalents - beginning of the period	19,457	26,160	3,754
Cash and cash equivalents - end of the period	13,129	19,457	26,160

SI International
Balance Sheet
(in thousands)
2007, 2006, and 2005

	12/31/07	12/30/06	12/31/05
ASSETS			
Current assets:			
Cash and cash equivalents	$13,129	$19,457	$26,160
Marketable securities	-	-	7,850
Accounts receivable, net	117,098	91,972	93,633
Deferred tax asset	-	1,408	422
Other current assets	12,511	7,219	6,276
Total current assets	142,738	120,056	134,341
Property and equipment, net	15,080	12,372	5,908
Intangible assets, net	26,583	20,418	16,483
Other assets	11,572	7,661	5,655
Goodwill	265,474	220,626	173,308
Total assets	461,447	381,133	335,695
LIABILITIES AND STOCKHOLDER'S EQUITY			
Current liabilities:			
Accounts payable	26,000	20,715	25,364
Note payable - Line of Credit	20,000	-	-
Accrued expenses and other current liabilities	35,172	28,547	29,674
Note payable - former owner of acquired business	-	5,839	2,280
Current portion of long-term debt	1,004	754	1,000
Total current liabilities	82,176	55,855	58,318
Long-term debt, net of current portion	93,261	69,452	98,250
Deferred income tax	14,241	8,961	5,221
Other long-term liabilities	11,066	7,653	6,037
Total Liabilities	200,744	141,921	167,826
STOCKHOLDER'S EQUITY			
Common stock - $0.01 par value per share; 50,000,000 shares authorized; 12,967,377 and 11,341,222 shares issued and outstanding as of December 30, 2006 and December 31, 2005, respectively	131	130	114
Additional paid in capital	188,308	184,845	133,843
Accumulated other comprehensive (loss) income	(1,094)	172	-
Retained earnings	73,358	54,065	33,912
Total stockholders' equity	260,703	239,212	167,869
Total Liabilities and stockholders' equity	$461,447	$381,133	$335,695
CURRENT RATIO: Current Assets/Current Liabilities	1.7370	2.1494	2.3036
LEVERAGE: Total Liabilities/Total Assets	43.50%	37.24%	49.99%

SI International
Income Statement
(in thousands)
2007, 2006, and 2005

	12/30/07	**12/30/06**	**12/31/05**
Revenue	510,820	$461,970	$397,919
Costs and expenses			
Cost of services	325,695	290,675	246,481
Selling, general, and administrative	138,854	124,847	113,015
Depreciation/Amortization	3,590	2,692	2,161
Amortization of intangible assets	4,047	3,116	2,292
Total operating expenses	472,186	421,330	363,949
Income from operations	38,634	40,640	33,970
Other income (expense)	258	88	12
Interest expense	(7,154)	(7,731)	(6,103)
Income (loss) before provision for income taxes	31,738	32,997	27,879
Provision for income taxes	12,445	12,844	10,942
Net income (loss)	**19,293**	**$20,153**	**$16,937**

Barclays PLC

General Information: British-based Barclays PLC is the 11th largest bank in the world in terms of assets and 13th largest in terms of capital. On December 6, 2006, the Agency announced that Barclays Global Investors (BGI), N.A., Barclays' asset management division, was selected again to manage the TSP F, C, S, and I funds. In addition to investment management, BGI is responsible for providing custody through its subcontractor (Investor's Bank and Trust) and securities lending services to the TSP.

Assessment: Barclays PLC is a financially sound and profitable financial institution. Given its size, capital level, and profitability, the likelihood of any disruption to its TSP operations appears to be remote. Barclays exceeds the U.S. regulatory standards for well-capitalized banks.

Current Financial Condition: For the year ended December 31, 2007, Barclays reported income growth of 7 percent broadly based by business and geography. Barclays reported that approximately 43 percent of its profits came from outside the UK.

As of December 31, 2007, within Barclays PLC, Barclays Global Investors (BGI), its fund division, reported a 3 percent rise in pretax profit to £734 million from the £714 million pretax profit reported in 2006. BGI reported $2,079 billion (US$) of assets under management, an increase of $265 billion from $1,814 billion reported at year end 2006.

- Income Statement: As of December 31, 2007, Barclays PLC reported a before tax profit of £7.076 billion, a less than one percent decrease from the record £7.136 billion reported for 2006.

- Balance Sheet: As of December 31, 2007, Total Assets for Barclays PLC were £1227.3 billion, increased 23 percent from the £996.8 billion reported at year-end 2006. Total Liabilities reported were £1195.9 billion, also up 23 percent from the £969.4 billion reported at year-end 2006.

- Cash Flow: As of December 31, 2007, cash and cash equivalents totaled £33,077 million, an increase of 7 percent from the £30,952 million reported at year-end 2006.

- Capitalization: Based on the FRB's definition, as of December 31, 2007, Barclays' reported "Tier 1" ratio of 7.8 percent significantly exceeds the regulatory standard of at least 4 percent required to be considered well-capitalized. This is slightly improved from the 7.7 percent rating reported for 2006.

Dun & Bradstreet Credit Score Class: As of March 31, 2007, the credit score was 1 (low risk); however, on April 4, 2008, this credit score was increased to 3 (average risk).

Stock Performance: After reaching a 52-week high of $62.68 on June 29, 2007, the price of Barclays PLC American Depository Receipts (ADR's) as of March 31, 2008, was $36.20.

Significant Events: On February 19, 2008, Barclays disclosed 2007 write-downs from subprime lending and the related credit crunch totaling a charge of 1.64 billion pounds ($3.25 billion). Barclays reported the write-offs were "conservative" and stem from a combination of the impact of rating agency downgrades on a broad range of collateralized debt obligations and the subsequent market downturn.

Risk Mitigation: The TSP assets in the four investment funds managed by BGI are not at risk should BGI cease operations. These assets are held in commingled trust funds, which cannot be accessed by Barclays' creditors. In the event of bankruptcy by Barclays, the actual securities could be transferred by the Agency to another investment manager. There is a risk during the transition period that the TSP might be unable to invest and disinvest participants' money in a timely fashion. Additionally, there may be transaction costs associated with transferring the assets to another investment manager, but this risk is mitigated by the terms of the current contract with Barclays, which provides for the transfer in kind of the TSP assets.

Barclays PLC
Income Statement
(in £ millions)
2007, 2006, and 2005

		12/31/07		12/31/06		12/31/05
Interest income		25,308		21,805		17,232
Interest expense		(15,698)		(12,662)		(9,157)
Net interest income	£	9,610	£	9,143	£	8,075
Fee and commission income		8,678		8,005		6,430
Fee and commission expense		(970)		(828)		(725)
Net fee and commission income	£	7,708	£	7,177	£	5,705
Net trading income		3,759		3,614		2,321
Net investment income		1,216		962		858
Principal transactions	£	4,975	£	4,576	£	3,179
Net premiums from insurance contracts		1,011		1,060		872
Other income		224		257		147
Total income	£	23,528	£	22,213	£	17,978
Net claims and benefits incurred on insurance contracts		(492)		(575)		(645)
Total income net of insurance claims	£	23,036	£	21,638	£	17,333
Impairment charges and other credit provisions		(2,795)		(2,154)		(1,571)
Net income	£	20,241	£	19,484	£	15,762
Staff costs		(8,405)		(8,169)		(6,318)
Administration and general expenses		(4,141)		(3,914)		(3,768)
Depreciation of property, plant and equipment		(467)		(455)		(362)
Amortization of intangible assets		(186)		(136)		(79)
Operating Expenses	-£	13,199	-£	12,674	-£	10,527
Share of post-tax results of associates and joint ventures		42		46		45
Profit on disposal of subsidiaries, associates and joint ventures		28		323		-
Profit before tax	£	7,107	£	7,197	£	5,311
Tax		(1,981)		(1,941)		(1,439)
Profit after tax	**£**	**5,126**	**£**	**5,256**	**£**	**3,872**
Profit attributable to minority interests		377		342		177
Profit attributable to equity holders		4,749		4,914		3,695
	£	5,126	£	5,256	£	3,872

Barclays PLC
Balance Sheet
(in £ millions)
2007, 2006, and 2005

	12/31/07	12/31/06	12/31/05
ASSETS			
Cash and balances at central banks	5,801	7,345	3,906
Items in the course of collection from other banks	1,836	2,408	1,901
Trading portfolio assets	193,691	177,867	155,723
Financial assets designated at fair value:			
held on own account	56,629	31,799	12,904
held in respect of linked liabilities to customers under investment contracts	90,851	82,798	83,193
Derivative financial instruments	248,088	138,353	136,823
Loans and advances to banks	40,120	30,926	31,105
Loans and advances to customers	345,398	282,300	268,896
Available for sale financial investments	43,072	51,703	53,497
Reverse repurchase agreements and cash collateral on securities borrowed	183,075	174,090	160,398
Other assets	5,150	5,850	4,734
Current tax assets	518	557	-
Investments in associates and joint ventures	377	228	546
Goodwill	7,014	6,092	6,022
Intangible assets	1,282	1,215	1,269
Property, plant, and equipment	2,996	2,492	2,754
Deferred tax assets	1,463	764	686
Total Assets	**£ 1,227,361**	**£ 996,787**	**£ 924,357**
LIABILITIES			
Deposits from banks	90,546	79,562	75,127
Items in the course of collection due to other banks	1,792	2,221	2,341
Customer accounts	294,987	256,754	238,684
Trading portfolio liabilities	65,402	71,874	71,564
Financial liabilities designated at fair value	74,489	53,987	33,385
Liabilities to customers under investment contracts	92,639	84,637	85,201
Derivative financial instruments	248,288	140,697	137,971
Debt securities in issue	120,228	111,137	103,328
Repurchase agreements and cash collateral on securities lent	169,429	136,956	121,178
Other liabilities	10,499	10,337	11,131
Current tax liabilities	1,311	1,020	747
Insurance contract liabilities including unit-linked liabilities	3,903	3,878	3,767
Subordinated liabilities:	18,150	13,786	12,463
Deferred tax liabilities	855	282	700
Provisions	830	462	517
Retirement benefit liabilities	1,537	1,807	1,823
Total Liabilities	**£ 1,194,885**	**£ 969,397**	**£ 899,927**
SHAREHOLDER'S EQUITY			
Called up share capital	1,651	1,634	1,623
Share premium account	56	5,818	5,650
Other reserves	874	390	1,377
Retained earnings	20,970	12,129	8,957
Less: treasury shares	(260)	(212)	
Shareholders' equity excluding minority interest	23,291	19,799	17,607
Minority interests	9,185	7,591	7,004
Total Shareholder's Equity	**£ 32,476**	**£ 27,390**	**£ 24,611**
Total Liabilities and Shareholder's Equity	**£ 1,227,361**	**£ 996,787**	**£ 924,538**

Barclays PLC
Statement of Cash Flows
(in £ millions)
2007, 2006, and 2005

	12/31/07	**12/31/06**	**12/31/05**
Net cash (outflow)/inflow from operating activities	(10,747)	(10,047)	3,649
Net cash outflow from investing activities	10,064	(1,154)	(5,292)
Net cash inflow from financing activities	3,358	692	1,083
Net gain on exchange rate changes on cash and cash equivalents	(550)	562	(237)
Net (decrease)/increase in cash and cash equivalents	2,125	10,147	(797)
Cash and cash equivalents - beginning of the period***	30,952	20,805	21,602
Cash and cash equivalents - end of the period	£ 33,077	£ 30,952	£ 20,805

*** Barclays disclosed in their 2005 annual report that the 2005 opening cash and cash equivalents balance has been adjusted by 7.1 billion GBP to reflect the application of IAS 32 and IAS 39.

Switch & Data

General Information: Switch & Data provides data center hosting services for the TSP at two sites. The TSP's primary data center operates out of Switch & Data's Reston, VA facility under contract with SI International. The Agency has a direct contract with Switch & Data for the Pittsburgh, PA facility that houses our backup data center. The Switch & Data lease for the Reston facility was renewed in late 2006 for five years with an option to renew further. Their Pittsburgh lease extends through 2015.

Assessment: On February 8, 2007, Switch & Data completed an initial public offering (IPO) resulting in gross proceeds of $153 million. Net proceeds, after underwriting discounts and commissions and other costs related to the offering, were $139.3 million. Much of this amount was used to reduce long-term debt. Some of it was used to improve the Company's cash reserve. The Company has not yet obtained profitability; however, the financial condition of the Company continued to improve in 2007. On March 31, 2008, Switch & Data announced that it had obtained $157.5 in debt financing that will fully fund its capacity expansion program.

Current Financial Condition: In its SEC filing for the year ended December 31, 2007, Switch & Data reported long-term debt of $34.4 million, substantially reduced from $140 million reported at year-end December 31, 2006. Switch & Data reported that incremental sales to existing customers were responsible for 86 percent of new sales in 2007. The Company disclosed in its Form 10-K filing that it will need additional financing to fund planned capital expenditures.

- Income Statement: For the year ended December 31, 2007, Switch & Data reported Revenues of $137.5 million, a 23 percent increase from $111.8 million reported for 2006. Total costs and operating expenses increased to $130.5 million for 2007, a 21 percent increase over $107.5 million reported in 2006. However, Operating Income doubled in 2007 to $7.0 million from $3.5 million in 2006, resulting in a $0.8 million net loss in 2007 compared to the net loss of $11.7 million in 2006.

- Balance Sheet: As of December 31, 2007, Switch & Data reported Total Assets of $232.7 million, a 53 percent increase from $152 million at year-end 2006. The growth in assets was driven by a $41.9 million increase in cash and cash equivalents and a $48.9 million increase in property and equipment. Total Liabilities of $107.6 million were reported for 2007, a 37 percent decrease from $172 million reported at year-end 2006.

- Cash Flow: As of December 31, 2007, cash and cash equivalents totaled $45.6 million, a significant increase from $3.7 million at year-end 2006, due primarily to cash raised by the IPO.

- Current Ratio: The Current Ratio (Current Assets/Current Liabilities) improved to 1.6 as of December 31, 2007, from 0.6 at year-end 2006.

- Leverage: Through December 31, 2007, Total Liabilities as a percent of Total Assets improved to 46 percent from 113 percent reported at year-end 2006.

Stock Performance: The price of Switch & Data shares as of March 31, 2008, was $10.21 decreased from its initial public offering price of $17.00 per share and down from its 52-week high of $21.08, on July 17, 2007.

Dun & Bradstreet Credit Score Class: 2 (slight risk), improved from 3 (average risk) from the previous quarter.

Lawsuit Issues: In 2007, Switch & Data settled a lawsuit in West Palm Beach, Florida for $2.6 million. The remaining two pending lawsuits related to disputes from alleged breaches of abandoned lease agreements are unchanged. One lawsuit was filed in Milwaukee, Wisconsin on May 31, 2006. In the suit, the plaintiff is seeking damages of $4.7 million in a breach of contract claim from 2000. In a second suit filed in New Orleans, Louisiana in October 2001, the plaintiff seeks damages of $3.6 million.

Significant Events: On March 31, 2008, Switch & Data announced that the Company had obtained $157.5 million in debt financing from a syndicate of banks led by RBC Capital Markets and GE Corporate Lending. The terms of this agreement provide Switch & Data with a $120.0 million term loan, a $22.5 million delayed draw term loan, which is funded at the option of Switch & Data no later than March 27, 2009, and a $15.0 million revolving loan. The proceeds were used to extinguish the remaining $38.5 million of debt existing under Switch & Data's previous credit facility and the balance of the loans will be used to fund Switch & Data's expansion plans.

On January 23, 2008, Switch & Data announced its agreement with Interxion, a leading European operation of carrier-neutral data centers with 22 data centers across Europe supporting over 1,000 customers, to jointly market their portfolios of network-neutral interconnection services across North America and Europe.

Risk Mitigation: There is some operational risk to the TSP should Switch & Data fail, because of our dependence on it for both our primary data center in Reston VA under the SI contract and the backup facility in Pittsburgh under direct contract with the Agency. If Switch & Data ceased operations in the Reston facility, SI would be required by our contract with them to find an alternate way to provide those services to us because they would still have that responsibility.

If Switch & Data closed the Pittsburgh center, we would need to move our backup facility to a different data center. We could take one of two actions. We could split the primary and backup data centers between two contractors. To do so, we would need to do a competitive procurement and state the requirement for independent contractors for the two sites in an RFP. This would in effect provide notice to Switch & Data that they would not be able to compete for the second data center. An alternative would be to take the same approach as we did with the Clintwood call center, and create one data center as a Government Owned Contractor Operated (GOCO) facility. Although it is considerably more work from a contracting and operations perspective, this would give us the ability to continue operations by either issuing a letter contract to another data center contractor to operate the facility or to operate it ourselves (taking on the people as temporary employees).

We are continuing to monitor the Company's long-term viability, which includes periodic site visits and dialogue with onsite personnel to ascertain the condition and use of facilities, and timeliness of payrolls. At the same time we are researching other potential hosting companies/sites.

Switch & Data
Income Statement
(in thousands)
2007, 2006, and 2005

	12/31/07	**12/31/06**	**12/31/05**
Revenues	137,530	111,028	104,483
Cost and operating expenses			
Cost of revenues, exclusive of depreciation and amortization	70,986	59,537	53,896
Sales and marketing	16,313	12,324	9,846
General and administrative	15,039	10,374	9,568
Depreciation and amortization	25,584	23,459	29,869
Lease litigation settlement	2,600	-	-
Asset impairment	-	1,842	145
Total costs and operating expenses	130,522	107,536	103,324
Operating income	7,008	3,492	1,159
Interest income	1,808	77	106
Interest expense	(6,622)	(14,812)	(9,356)
Loss from debt extinguishment	(2,809)	-	(769)
Other income (expense), net	(305)	(34)	183
Income (loss) from continuing operations before income taxes	(920)	(11,277)	(8,677)
Provision for income taxes	(263)	-	(69)
Loss from continuing operations	(1,183)	(11,277)	(8,746)
Income (loss) from discontinued operations	397	(444)	(2,528)
Net loss	**(786)**	**(11,721)**	**(11,274)**
Preferred stock accretions and dividends	(227,522)	(13,530)	(33,691)
Net loss, attribuable to common shareholders	(228,308)	(25,251)	(44,965)

Switch & Data
Balance Sheet
(In thousands)
2007, 2006, and 2005

	12/31/07	12/31/06	12/31/05
Assets			
Current assets			
Cash and cash equivalents	45,595	3,671	10,417
Accounts receivable, net of allowance for bad debts	9,029	7,516	6,927
Prepaid and other assets	1,468	1,219	1,070
Total current assets	56,092	12,406	18,414
Property and equipment, net	114,803	65,947	64,763
Derivative asset	-	560	101
Goodwill	36,023	36,023	36,023
Other intangible assets, net	23,287	29,936	38,231
Other long-term assets, net	2,485	7,184	5,690
Total assets	232,690	152,056	163,222
Liabilities, Redeemable Preferred Stock and Shareholders' Equity (Deficit)			
Current liabilities			
Accounts payable and accrued expenses	26,859	13,049	15,345
Current portion of unearned revenue	3,567	2,054	1,064
Current portion of deferred rent	363	368	230
Current portion of customer security deposits	936	790	916
Current portion of long-term debt	3,750	4,125	781
Total current liabilities	35,475	20,386	18,336
Derivative liability	624	-	8
Unearned revenue, less current portion	2,073	951	560
Deferred rent, less current portion	12,882	10,549	8,596
Customer security deposits, less current portion	93	285	282
Long-term debt, less current portion	34,439	140,031	144,156
Long-term portion of capital lease obligation	22,049	-	-
Total liabilities	107,635	172,202	171,938
Series C redeemable preferred stock	-	14,376	14,376
Series B convertible preferred stock	-	179,798	166,268
Commitments and contingencies			
Shareholders' deficit			
Common stock	3	4	4
Series B common stock	-	7	7
Series D-1 & D-2 preferred stock	-	5	2
Unearned stock compensation	(15)	(137)	(403)
Additional paid in capital	340,520	-	-
Accumulated deficit	(217,573)	(214,971)	(189,721)
Accumulated other comprehensive income	2,120	772	751
Total shareholders' deficit	125,055	(214,320)	(189,360)
Total Liabilities, Preferred Stock and Shareholders' Deficit	**232,690**	**152,056**	**163,222**
CURRENT RATIO: Current Assets/Current Liabilities	1.58	0.61	1.00
LEVERAGE: Total Liabilities/Total Assets	46.26%	113.25%	105.34%

Switch & Data
Statement of Cash Flows
(in thousands)
2007, 2006, and 2005

	12/31/07	**12/31/05**	**12/31/05**
Net cash provided by operating activities	38,641	16,991	25,333
Net cash used in investing activities	(33,933)	(21,073)	(41,516)
Net cash provided by financing activities	36,563	(2,663)	12,875
Net increase in cash and cash equivalents	41,271	(6,745)	(3,308)
Effect of exchange rate charges on cash	653	(1)	18
Cash and cash equivalents - beginning of the period	3,671	10,417	13,707
Cash and cash equivalents - end of the period	45,595	3,671	10,417

R.R. Donnelley & Sons

General Information: R.R. Donnelley & Sons of Chicago, IL was awarded the contract for bulk mailing services in March 2006. These services include printing and mailing Agency documents, education, and marketing materials to participants, beneficiaries, and third parties.

Assessment: R.R. Donnelley was ranked number one in the publishing and printing industry with a Fortune 500 ranking of 271 in 2007 and has over 3,000 accounts throughout the United States, Europe, Mexico, South America, and China. Although the Company reported a loss in 2007, some of this was attributable to the write-off of several of its names in 2007 as well as increased expenses for raw materials. There is no indication at this time that it will be unable to meet its contractual obligations to the TSP.

Current Financial Condition: The Company revised its financial reporting structure to include two segments: "U.S. Print and Related Services" (responsible for approximately 74 percent of net sales), and "International" (the remaining 24 percent of net sales). Prior reporting periods have been reclassified to conform to this reporting structure. R.R. Donnelly reported a net loss of $48.9 million despite a 24 percent increase in Net sales for 2007 to $11,587.1 million, from $9,316.6 million during 2006.

- Income Statement: For 2007, the Company reported a net loss of $48.9 million, a dramatic decrease from the $400.6 million in earnings reported for 2006 and the first loss reported since the reviews of this Company began. The Company explained the dramatic decrease in income as attributed to non-cash pre-tax charges reflecting the write-off of the "Moore Wallace", "OfficeTiger", and other trade names and intangible assets, as well as higher depreciation and amortization expense.

- Balance Sheet: As of December 31, 2007, $12.1 billion of Total Assets were reported, an increase of 26 percent from $9.6 billion reported at year-end 2006. Total Liabilities of $8.2 billion were reported, a 49 percent increase from $5.5 billion reported at year-end 2006.

- Current Ratio: The Current Ratio (Current Assets/Current Liabilities) for the quarter is 1.3, decreased from 1.6 reported at year-end 2006.

- Cash Flow: As of December 31, 2007, the Company reported cash and cash equivalents of $379.7 million, an 80 percent increase from the $211.4 million reported at year-end 2006.

- Leverage: As of December 31, 2007, Total Liabilities were about 68 percent of Total Assets, increased from 57 percent at year-end 2006.

Dun & Bradstreet Credit Score Class: 1 (lowest risk), unchanged from the previous quarter.

Stock Performance: The R.R. Donnelley & Sons closing share price on March 31, 2008 was $30.31 down from its 52-week high of $45.25 on July 19, 2007.

Significant Events: On March 17, 2008, R.R. Donnelley announced it had acquired Pro Line Printing, Inc., a multi-facility, privately held producer of newspaper inserts headquartered in Irving, Texas for $122 million in cash.

Risk Mitigation: The current TSP contract was effective on March 20, 2006. The Agency has received R.R. Donnelley's business continuity plan for the Moore Wallace facility and is continuing to refine the plan with R.R. Donnelley. If there were a disaster at the facilities currently producing our notices or statements, R.R. Donnelley would move that work from the affected facility to one or more of its other business sites.

R R Donnelley & Sons
Income Statement
(in millions)
2007, 2006, and 2005

	12/31/07	12/31/06	12/31/05
Net sales	$ 11,587.1	$ 9,316.6	$ 8,430.2
Cost of Sales (excludes Depreciation & Amortization shown below)	8,532.4	6,798.9	6,090.3
Selling, General & Administrative Expenses	1,302.3	1,097.6	1,044.7
Restructuring and Impairment Charges - net	839.0	206.1	419.8
Depreciation & Amortization	598.3	463.3	425.0
Total Operating Expenses	11,272.0	8,565.9	7,979.8
Income from Continuing Operations	315.1	750.7	450.4
Interest Expense - net	227.3	139.0	110.7
Investment and Other Income (Expense) - net	3.6	(10.4)	(7.9)
Earnings from Continuing Operations before Income Taxes, and Minority Interest	91.4	601.3	331.8
Income Taxes	136.5	196.0	237.4
Minority Interest	3.3	2.7	(1.2)
Net Earnings from Continuing Operations before Cumulative Effect of Change in Accounting Principle	(48.4)	402.6	95.6
Income (loss) from Discontinued Operations, net of tax	(0.5)	(2.0)	41.5
Cumulative effect of Change in Accounting Principle, net of tax		-	-
Net Earnings	**$ (48.9)**	**$ 400.6**	**$ 137.1**

R R Donnelley & Sons
Balance Sheet
(in millions)
2007, 2006, and 2005

	12/31/07	12/31/06	12/31/05
ASSETS			
Cash and cash equivalents	$ 379.0	$ 211.4	$ 366.7
Restricted cash equivalents	63.9	-	-
Receivables, less allowance for doubtful accounts	2,181.2	1,638.6	1,529.1
Inventories, net	709.5	501.8	481.4
Prepaid expenses and other current assets	85.5	70.4	67.5
Deferred income taxes	102.2	94.8	177.0
Total Current Assets	3,521.3	2,517.0	2,621.7
Property, plant and equipment net	2,726.0	2,142.3	2,138.6
Goodwill	3,264.9	2,886.8	2,750.7
Prepaid pension cost	833.2	638.6	514.1
Other intangible assets net	1,323.2	1,119.8	1,094.3
Other noncurrent assets	418.1	331.3	254.3
Total Assets	**12,086.7**	**9,635.8**	**9,373.7**
LIABILITIES AND SHAREHOLDER'S EQUITY			
Accounts payable	954.9	749.1	718.1
Accrued liabilities	1,085.3	839.2	826.9
Short-term and current portion of long-term debt	725.0	23.5	269.1
Total Current Liabilities	2,765.2	1,611.8	1,814.1
Long-term debt	3,601.9	2,358.6	2,365.4
Postretirement benefit obligations	247.9	288.0	330.6
Deferred income taxes	872.3	604.1	596.8
Other noncurrent liabilities	689.1	645.4	541.2
Liabilities of discontinued operations	3.0	3.2	1.4
Total Liabilities	**8,179.4**	**5,511.1**	**5,649.5**
SHAREHOLDERS EQUITY			
Common stock	303.7	303.7	303.7
Additional paid-in capital	2,858.4	2,871.8	2,888.2
Retained earnings	1,312.9	1,615.0	1,439.4
Accumulated other comprehensive income	341.3	62.1	(90.2)
Unearned compensation	-	-	(44.9)
Treasury stock, at cost	(909.0)	(727.9)	(772.0)
Total Shareholders Equity	**$ 3,907.3**	**$ 4,124.7**	**$ 3,724.2**
Total Liabilities and Shareholders Equity	**12,086.7**	**9,635.8**	**9,373.7**
CURRENT RATIO: Current Assets/Current Liabilities	1.2734	1.5616	1.4452
LEVERAGE: Total Liabilities/Total Assets	67.67%	57.19%	60.27%

R. R. Donnelley & Sons
Statement of Cash Flows
(in millions)
2007, 2006, and 2005

	12/31/07	**12/31/06**	**12/31/05**
Net cash provided by operating activities from continuing operations	$1,176.8	$903.5	$947.5
Net cash used in investing activities	(2,510.9)	(608.4)	(1,602.5)
Net cash provided by financing activities	1,476.2	(457.8)	378.5
Effect of exchange rate charges on cash	26.2	7.4	1.4
Net increase in cash and cash equivalents	168.3	(155.3)	(275.1)
Cash and cash equivalents - beginning of the period	211.4	366.7	641.8
Cash and cash equivalents - end of the period	379.7	211.4	366.7

MetLife

General Information: Metropolitan Life Insurance Company (MetLife) has been the annuity provider to the Thrift Savings Plan since 1987. The contract is competitively bid every five years. In January 2006, MetLife was reawarded the TSP annuity provider contract.

Assessment: MetLife is a leading provider of insurance and financial services with operations throughout the United States and Latin America, Europe, and Asia. MetLife reaches more than 70 million customers around the world and is the largest life insurer in the United States, based on life insurance in force. MetLife's current financial position is strong and there is no indication at this time that MetLife will be unable to meet its contractual obligations to the TSP. Subprime mortgages represent less than 1 percent ($2.2 billion) of MetLife's $345 billion portfolio and 97 percent of its mortgage holdings are rated triple-A or double A.

Current Financial Condition: MetLife reported Total Revenues of $53.0 billion for 2007, up 11 percent from $48.3 billion in 2006.

- Income Statement: For the year ended December 31, 2007, the Company reported Net Income of $4.3 billion, a decrease of 31 percent from the $6.2 billion reported in 2006. However, the 2006 income included $3.2 billion from discontinued operations.

- Balance Sheet: As of December 31, 2007, Total Assets of $558.6 billion were reported, a 5.9 percent increase from $527.7 billion reported at year-end 2006. Total Liabilities reported were $523.3 billion, a 6 percent increase from the $493.9 billion reported at year-end 2006.

- Cash Flow: As of December 31, 2007, the Company reported cash and cash equivalents of $10.4 billion, a 46 percent increase from the $7.1 billion reported at year-end 2006.

- Leverage: As of December 31, 2007, Total Liabilities reported were 94 percent of Total Assets, unchanged from year-end 2006.

- Current Ratio: N.A. (MetLife does not present current assets and current liabilities in its balance sheet presentation).

- Company Ratings: As of March 3, 2008, the time of its 2007 annual filing with the SEC, MetLife reported its insurer financial strength ratings (unchanged from last year) as follows:

Rating Agency	***Rating***	*Descriptor*
A.M. Best Company	**A+**	Superior
Fitch Ratings	**AA**	Very Strong
Moody's Investor Services	**Aa2**	Excellent
Standard & Poor's	**AA**	Very Strong

Dun & Bradstreet Credit Score Class: 1 (low risk), unchanged from previous quarter.

Stock Performance: The MetLife closing share price on March 31, 2008, was $60.26, down from its 52-week high of $71.23 on October 5, 2007.

Significant Events: None.

Risk Mitigation: The Company ratings show that MetLife continues to have adequate reserves to pay all annuities into the future. It is the Board's practice to select only annuity providers that meet those standards. By requiring that providers be licensed to do business in all 50 states and the District of Columbia, we ensure that state insurance funds would be available to reimburse annuitants should a loss occur and that the provider would meet the most stringent state regulations.

MetLife, Inc
Income Statement
(in millions)
2007, 2006, and 2005

	12/31/07	12/31/2006*	12/31/2005*
Revenues			
Premiums	27,895	26,412	24,860
Universal life and investment type product policy fees	5,311	4,780	3,828
Net investment income	19,006	17,082	14,756
Other revenues	1,533	1,362	1,271
Net investment gains (losses)	(738)	(1,382)	(86)
Total Revenues	53,007	48,254	44,629
Expenses			
Policyholder benefits and claims	27,828	26,431	25,506
Interest credited to policyholder account balances	5,741	5,171	3,887
Policyholder dividends	1,726	1,701	1,679
Other expenses	11,673	10,783	9,264
Total Expenses	46,968	44,086	40,336
Income from continuing operations before provision for income taxes	6,039	4,168	4,293
Provision for income taxes	1,759	1,097	1,222
Income from continuing operations	4,280	3,071	3,071
Income from discontinued operations, net of income taxes	37	3,222	1,643
Income before cumulative effect of a change in accounting, net of income taxes	4,317	6,293	4,714
Cumulative effect of a change in accounting, net of income taxes	-	-	-
Net income	4,317	6,293	4,714
Preferred stock dividends	137	134	63
Net income available to common shareholders	4,180	6,159	4,651

MetLife, Inc.
Balance Sheet
(in millions)
2007, 2006, and 2005

	12/31/07	12/31/06	12/31/05
ASSETS			
Investments:			
Fixed maturities	242,242	241,928	230,050
Trading securities	779	759	825
Equity securities	6,050	5,094	3,338
Mortgage and consumer loans	47,030	42,239	37,190
Policy loans	10,419	10,228	9,981
Real estate and real estate joint ventures held for investment	6,597	4,802	3,910
Real estate held for sale	172	184	755
Other limited partnership interests	6,155	4,781	4,276
Short term investments	2,648	2,709	3,306
Other invested assets	12,642	10,428	8,078
Total investments	334,734	323,152	301,709
Cash and cash equivalents	10,368	7,107	4,018
Accrued investment income	3,630	3,347	3,036
Premiums and other receivables	14,607	14,490	12,186
Deferred policy acquisition costs	21,521	20,838	19,641
Current income taxes recoverable	303	-	-
Assets of subsidiaries held for sale	-	1,563	-
Goodwill	4,910	4,897	4,797
Other assets	8,330	7,956	8,389
Separate account assets	160,159	144,365	127,869
Total Assets	**558,562**	**527,715**	**481,645**
LIABILITIES AND SHAREHOLDER'S EQUITY			
Future policy benefits	132,262	127,489	123,204
Policyholder account balances	137,349	131,948	128,312
Other policyholder funds	10,176	9,139	8,331
Policyholder dividends payable	994	960	917
Policyholder dividend obligation	789	1,063	1,607
Short term debt	667	1,449	1,414
Long term debt	9,628	9,129	9,888
Collateral financing arragements	5,732	850	-
Junior subordinated debt securities	4,474	3,780	2,134
Shares subject to mandatory redemption	159	278	278
Liabilities of subsidiaries held for sale	-	1,595	-
Current income taxes payable	-	1,465	69
Deferred income taxes payable	2,457	2,278	1,706
Payables for collateral under securities loaned and other transactions	44,136	45,846	34,515
Other liabilities	14,401	12,283	12,300
Separate account liabilities	160,159	144,365	127,869
Total Liabilities	**523,383**	**493,917**	**452,544**
STOCKHOLDERS EQUITY			
Preferred stock	1	1	1
Common stock	8	8	8
Additional paid in capital	17,098	17,454	17,274
Retained earnings	19,884	16,574	10,865
Treasury stock, at cost	(2,890)	(1,357)	(959)
Accumulated other comprehensive income (loss)	1,078	1,118	1,912
Total Stockholders Equity	**35,179**	**33,798**	**29,101**
Total Liabilities and Stockholders Equity	**558,562**	**527,715**	**481,645**
LEVERAGE: Total Liabilities/Total Assets	93.70%	93.60%	93.96%

MetLife, Inc.
Statement of Cash Flows
(in millions)
2007, 2006, and 2005

	12/31/07	12/31/06	12/31/05
Net cash provided by operating activities from continuing operations	9,962	6,600	8,019
Net cash used in investing activities	(10,644)	(18,886)	(22,617)
Net cash provided by financing activities	3,943	15,375	14,510
Change in cash and cash equivalents	3,261	3,089	(88)
Cash and cash equivalents - beginning of the period	7,107	4,018	4,106
Cash and cash equivalents - end of the period	10,368	7,107	4,018

The Active Network, Inc.

General Information: The Active Network, Inc. purchased the InfoSpherix division from Spherix in August 2007. The Active Network has confirmed its commitment to operate the call center in Cumberland, MD (and at its new building in Frostburg, MD) for the Plan under the original terms of the Spherix contract.

As a privately held firm, The Active Network is not required to make its financial statements publicly available, but has agreed to provide them to the Agency under a non-disclosure agreement.

The Company's application services are used by event organizers, parks and recreation department administrators, and sports league administrators to provide online registration, transaction processing, and data management. The Company markets its products and services in North America, Europe, and Australia/New Zealand. About 99 percent of its sales are in the United States and Canada. Revenues consist of fees received for registration services, software licensing, software maintenance, subscription revenues related to hosting arrangements, and marketing services.

Assessment: The Active Network, Incorporated was founded in 1998 and has shown a pattern of rapid growth through acquisition. During the period 2004-2006, the Company was ranked as one of the fastest growing technology companies by Deloitte & Touche and recognized as one of the fastest growing private companies in the United States by Inc. magazine.

These acquisitions have strengthened The Active Network's presence in such business segments as sports marketing, online registration, data management, and tee time reservations; however, it remains to be seen whether the Company can achieve and sustain long-term profitability. We will continue to monitor The Active Network's financial data to ensure they remain able to fulfill the terms of the call center contract.

Stock Performance: None. The Active Network, Inc. is a privately held firm.

Dun & Bradstreet Credit Score Class: 2 (slight risk)

Significant Events: On March 24, 2008, The Active Network announced that the City of Chicago has selected the Company's Payment Manager solution to provide integrated cashiering and payment processing for all the city's daily payment transactions.

On March 13, 2008, The Active Network announced that it will provide online registration for the Intercollegiate Tennis Association's memberships, conventions, and 85 ITA administered college tennis tournaments.

On January 3, 2008, the Company announced it had acquired RegOnline and WingateWeb, two leaders in the event management software industry. These acquisitions, along with the Company's purchase of Thriva LLC last year, make The Active Network the largest provider of products and services to streamline online event registration and operations for corporations, associations and independent event planners.

Risk Mitigation: If The Active Network were unable to operate the Frostburg, MD call center, the SI call center in Clintwood, VA could handle all calls pending establishment of a new call center. The Agency is in the process of recompeting this contract during FY 2008.