



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

April 9, 2010

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: JAMES B. PETRICK
CHIEF FINANCIAL OFFICER

SUBJECT: QUARTERLY FINANCIAL ASSESSMENT OF TSP'S PRIMARY
VENDORS – APRIL 2010

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 Serco Group (formerly SI International), Switch & Data, R.R. Donnelley & Sons, MetLife, and The Active Network, Inc. We have replaced Barclays with BlackRock, Inc. as part of the review given the acquisition of the Barclays BGI unit which closed in the fourth quarter of 2009. We have also added Equinix Inc., given its pending purchase of Switch & Data.

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 available data for the year ending December 31, 2009. 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 profitability. 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 the twelve months of 2009, year-end 2008, and year-end 2007 and continue to provide the stock price and a statement of cash flows.

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

Serco Services Inc.

General Information: Serco Services Inc. 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. Serco Services Inc. also administers the accounting, court ordered payments, death benefits, and payroll office liaison functions. Serco Services Inc. relies on subcontracting support as follows: Jacob and Sundstrum, Inc. for systems programming support; Switch & Data for our Northern VA Data Center space; Sungard Workflow Solutions for some TSP record keeping support, and Sungard EXP for incoming mail, data entry and imaging support.

On December 30, 2008, Serco Group plc completed the acquisition of SI International, which merged with Serco's existing North American business. SI International amended its Certificate of Incorporation, among other items, to change the name of the Company from "SI International, Inc." to "Serco Services Inc." Serco acquired 100% of the issued share capital of SI International, Inc. for consideration of £295.8 million in cash. In preparation for the merger with the Serco Group plc, SI International Inc. used its cash holdings to repay long term debt and to repurchase common stock.

Assessment: The integration of the merger is well advanced, management and business re-organization is complete, and the contract bid pipeline processes have been reviewed and integrated. Serco Services Inc. has an extensive portfolio of Federal government contracts, and now serves all branches of the U.S. military, numerous civilian agencies and the intelligence community. We find no indication at this time that Serco Services Inc. is unable to fulfill its contractual obligations to the TSP.

Current Financial Condition: Serco Group plc reported 2009 unaudited year-end revenues of £4.0 billion compared to £3.1 billion reported year-end 2008, an increase of 27 percent. In the U.S., Serco Services Inc.'s year-end 2009 performance was in line with revenue expectations of \$618.5 million, compared with year-end 2008 revenues of \$575.5 million, an increase of 7.5 percent.

- **Income Statement:** Serco Group plc's 2009 net profit climbed 31 percent to £130.2 million from £99.6 million in 2008.
- **Balance Sheet:** As of December 31, 2009, Total Assets for Serco Group plc increased £19.4 million to £2,532 million in 2009. Most of the increase was attributed to increases in cash and cash equivalents, and trade and other receivables.
- **Cash Flow:** Through December 31, 2009, Serco Group plc reported a cash balance of £319 million compared to £251 million at year-end 2008, reflecting a 27 percent increase.
- **Current Ratio (Current Assets/Current Liabilities)** decreased to 1.2 as of December 31, 2009, from 1.3 at year-end 2008.
- **Leverage:** Through December 31, 2009, Total Liabilities as a percent of Total Assets was 73 percent, the same ratio reported at year-end 2008.

Dun & Bradstreet Credit Score Class: As of March 29, 2010, the credit score for Serco Services Inc. (as a subsidiary of Serco), was 3 (moderate risk). This score declined from 2 (slight risk), reported on December 31, 2009.

Stock Performance: SI International ceased trading with the completion of its merger with Serco Group plc (SRP.L). On March 31, 2010, Serco Group plc traded at £601.00. The 52-week range has been between £341.50 and £607.50; where the high was on March 24, 2010, and the low was on April 21, 2009.

SAS 70 Report: There is no SAS 70 report available.

Significant Events: As of December 24, 2009, SI International was ranked as the 28th largest Federal Prime IT Contractor by Washington Technology.

Risk Mitigation: Should Serco Services Inc. cease operations, we could issue letter contracts (an agreement to be negotiated at a later point) on an emergency basis to: a) Switch & Data to retain our Northern VA data center space; b) Jacob and Sundstrum to continue systems programming (and perhaps expand that support to data center operations), and; c) Sungard to continue incoming mail, 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 Serco Services Inc. were unable to operate the Clintwood call center, The Active Network, Inc. call center in Frostburg, MD, could serve as a temporary backup.

The Agency is continuing to develop the requirements for a new statement of work (SOW) in preparation for the re-competition of Serco Services Inc. record keeping services. The progress on this effort has been delayed by the need to relocate the Agency's primary data center while keeping the TSP modernization initiative on track. The Agency's inability to release an RFP for acquisition support services has also contributed to the delay. We hope to release the solicitation by mid to late FY 2010, with contract award in FY 2011. A full and open competition is planned, and risk mitigation will be a principal component of the procurement strategy.

Serco Group
Income Statement
(In £ millions)

	12/31/2009	12/31/2008	12/31/2007
	Unaudited	Audited	Audited
Revenue	3,970.0	3,123.5	2,810.7
Cost of sales	(3,383.2)	(2,666.7)	(2,404.5)
Gross profit	586.8	456.8	406.2
Administrative expenses	(357.1)	(291.6)	(264.2)
Other expenses – amortisation of intangibles arising on acquisition	(17.6)	(9.2)	(8.6)
Total administrative expenses	(374.7)	(300.8)	(272.8)
Operating profit	212.1	156.0	133.4
Investment revenue	2.7	8.2	12.2
Finance costs	(37.7)	(28.1)	(31.0)
Profit before tax	177.1	136.1	114.6
Tax	(46.9)	(36.5)	(32.2)
Profit for the period	130.2	99.6	82.4

**Serco Group
Balance Sheet
(In £ millions)**

	12/31/2009	12/31/2008	12/31/2007
	Unaudited	Audited	Audited
ASSETS			
Current assets			
Cash and cash equivalents	319.4	250.8	185.0
Derivative financial instruments	1.4	5.0	1.5
Trade and other receivables	720.9	725.7	573.6
Inventories	65.9	50.2	46.3
Total current assets	1,107.6	1,031.7	806.4
Non-current assets			
Goodwill	898.4	963.2	542.1
Other intangible assets	164.4	192.7	139.4
Property, plant and equipment	129.2	115.4	95.1
Trade and other receivables	181.4	121.1	104.6
Retirement benefit assets	-	62.4	-
Deferred tax assets	48.0	20.0	51.6
Derivative financial instruments	2.5	5.6	1.2
Total non-current assets	1,423.9	1,480.4	934.0
TOTAL ASSETS	2,531.5	2,512.1	1,740.4
LIABILITIES			
Current liabilities			
Trade and other payables	771.6	756.2	670.0
Current tax liabilities	14.1	19.5	14.8
Obligations under finance leases	6.0	4.5	7.7
Loans	110.7	36.8	13.5
Derivative financial instruments	5.5	4.2	2.1
Total current liabilities	907.9	821.2	708.1
Non-current liabilities			
Trade and other payables	23.1	32.7	13.3
Obligations under finance leases	18.0	12.7	8.7
Loans	543.2	710.9	317.4
Derivative financial instruments	1.7	0.4	11.2
Retirement benefit obligations	294.2	177.1	142.6
Provisions	42.3	45.9	18.6
Deferred tax liabilities	9.0	25.9	22.0
Total Long-term liabilities	931.5	1,005.6	533.8
TOTAL LIABILITIES	1,839.4	1,826.8	1,241.9
EQUITY			
Share capital	9.8	9.7	9.7
Share premium account	304.1	301.1	299.3
Capital redemption reserve	0.1	0.1	0.1
Retained earnings	444.1	339.8	260.6
Retirement benefit obligations rest	(150.0)	(47.7)	(90.2)
Share-based payment reserve	49.6	40.0	34.6
Own shares reserve	(13.0)	(19.7)	(15.1)
Hedging and translation reserve	47.3	61.9	(1.8)
Equity attributable to equity holder	-	685.2	497.2
Minority interest	0.1	0.1	1.3
TOTAL EQUITY	692.1	685.3	498.5
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,531.5	2,512.1	1,740.4
CURRENT RATIO: Current Assets	1.22	1.26	1.14
LEVERAGE: Total Liabilities/Total	0.73	0.73	0.71

Serco Group
Cash Flow Statement
(In £ millions)

	12/31/2009	12/31/2008	12/31/2007
	Unaudited	Audited	Audited
Net cash inflow/(outflow) from operating activities	235.1	162.6	134.1
Net cash inflow/(outflow) from investing activities	(64.5)	(348.5)	(48.5)
Net cash inflow/(outflow) from financing activities	(96.7)	230.0	(125.3)
Change in cash and cash equivalents	<u>73.9</u>	<u>44.1</u>	<u>(39.7)</u>
Net exchange gain	(5.3)	21.7	6.8
Cash and cash equivalents at beginning of period	<u>250.8</u>	<u>185.0</u>	<u>217.9</u>
Cash and cash equivalents at end of period	319.4	250.8	185.0

BlackRock, Inc.

General Information: BlackRock, Inc. is one of the leading investment management companies in the U.S. The firm's products include a spectrum of fixed income and mutual funds, as well as investment tools, outsourcing and advisory services to institutional investors. It also offers risk management and investment technology services to insurance companies, finance companies, pension funds, foundations, REITs, commercial and mortgage banks, savings institutions and government agencies. These services are provided under the brand name BlackRock Solutions to clients in over 60 countries, primarily the United States, the United Kingdom, Japan and Australia.

Current Financial Condition: At year end December 31, 2009, total revenue declined 7 percent to \$4.7 billion from \$5.1 billion at year end 2008.

- **Income Statement:** As of December 31, 2009, the Company reported a Net Income of \$875.0 million, up from a Net Income of \$784.0 million reported for the same period in 2008.
- **Balance Sheet:** As of December 31, 2009, Total Assets of \$178.0 billion were reported, an increase of \$158.0 billion from \$19.9 billion reported at year-end 2008. Total Liabilities reported were \$153.4 billion, up \$146.0 billion from the \$7.4 billion reported at year-end 2008.
- **Cash Flow:** As of December 31, 2009, the Company reported cash and cash equivalents of \$4.7 billion, an increase of \$2.7 billion from the \$2.0 billion reported at year-end 2008.
- **Leverage:** As of December 31, 2009, Total Liabilities reported were 86 percent of Total Assets, up from the 37 percent ratio at year-end 2008. At December 31, 2009, BlackRock had approximately \$2 billion of outstanding commercial paper notes used to finance the purchase of BGI. At December 31, 2009, long-term borrowings were \$3.2 billion.
- **Current Ratio:** N.A. (BlackRock Inc. does not present current assets and current liabilities in its balance sheet presentation).

Dun & Bradstreet Credit Score Class: As of March 29, 2010, the credit score was 3 (moderate risk), unchanged from the previous quarter.

Stock Performance: BlackRock Inc.'s closing share price on March 31, 2010, was \$217.76, down from its 52-week high of \$243.80 on January 11, 2010. The 52-week low was \$119.12 on April 21, 2009.

SAS 70 Report: Our review of the Price Waterhouse Coopers' SAS-70 report on the Processing of Transactions report (January 1, 2009 through November 30, 2009), as of December 18, 2009, identifies no areas of concern.

Significant Events: February 25, 2010 – BlackRock, Inc. announced that its Board of Directors has declared a quarterly cash dividend of \$1.00 per share of common stock, increasing the

dividend \$0.22 per share, or 28%, from the prior quarter's dividend of \$0.78 per share. The dividend was payable March 23, 2010 to shareholders of record at the close of business on March 8, 2010.

Risk Mitigation: BlackRock has assumed the management of the TSP's bond and equity funds. BlackRock, Inc. is subject to the same contract provisions as Barclays. TSP assets are held in commingled trust funds, which cannot be accessed by BlackRock's creditors. In the event of bankruptcy by BlackRock, 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 BlackRock, which provides for the transfer in kind of the TSP assets.

BlackRock, Inc.
Income Statement
(In \$ millions)

	12/31/09	12/31/08	12/31/07
	Audited	Audited	Audited
Revenue			
Investment advisory, administration fees and securities lending revenue			
Related parties	2,616	2,962	2,640
Other third parties	1,210	1,295	1,397
Investment advisory, administration fees and securities lending revenue	<u>3,826</u>	<u>4,257</u>	<u>4,037</u>
Investment advisory performance fees	202	177	350
BlackRock Solutions and advisory	477	393	190
Distribution fees	100	139	123
Other revenue	95	98	145
Total revenue	<u>4,700</u>	<u>5,064</u>	<u>4,845</u>
Expenses			
Employee compensation and benefits	1,802	1,815	1,767
Distribution and servicing costs			
Related parties	368	495	470
Other third parties	109	96	69
Amortization of deferred mutual fund sales commissions	100	130	108
Direct fund expenses	95	86	80
General and administration	779	665	799
Restructuring charges	22	38	-
Termination of closed-end fund administration and servicing	-	-	128
Amortization of intangible assets	147	146	130
Total expenses	<u>3,422</u>	<u>3,471</u>	<u>3,551</u>
Operating income	<u>1,278</u>	<u>1,593</u>	<u>1,294</u>
Non-operating income (expense)			
Net gain (loss) on investments	42	(573)	504
Interest and dividend income	20	65	74
Interest expense	(68)	(69)	(52)
Total non-operating income (expense)	<u>(6)</u>	<u>(577)</u>	<u>526</u>
Income before income taxes	1,272	1,016	1,820
Income tax expense	375	387	463
Net income	<u>897</u>	<u>629</u>	<u>1,357</u>
Less: Net income (loss) attributable to redeemable non-controlling interests	2	(1)	2
Less: Net income (loss) attributable to nonredeemable non-controlling interests	20	(154)	362
Net income attributable to BlackRock, Inc.	<u>875</u>	<u>784</u>	<u>993</u>

BlackRock, Inc.
Balance Sheet
(in \$ millions)

	12/31/09 Audited	12/31/08 Audited	12/31/07 Audited
Assets			
Cash and cash equivalents	4,708	2,032	1,656
Accounts receivable	1,730	901	1,236
Due from related parties	189	309	175
Investments	1,049	1,429	2,000
Separate account assets	119,629	2,623	4,670
Collateral held under securities lending agreements	103	-	-
Deferred mutual fund sales commissions, net	19,335	135	175
Property and equipment (net of accumulated depreciation)	445	260	266
Intangible assets (net of accumulated amortization)	17,648	6,441	6,553
Goodwill	12,570	5,533	5,520
Other assets	588	261	310
Total assets	177,994	19,924	22,561
Liabilities			
Accrued compensation and benefits	1,482	826	1,087
Accounts payable and accrued liabilities	845	545	789
Due to related parties	439	103	114
Short-term borrowings	2,234	200	300
Convertible debentures	243	245	-
Long-term borrowings	3,191	697	947
Separate account liabilities	119,629	2,623	4,670
Collateral liability under securities lending agreements	19,335	-	-
Deferred tax liabilities	5,526	1,826	2,060
Other liabilities	468	299	420
Total liabilities	153,392	7,364	10,387
Temporary equity			
Redeemable non-controlling interests	49	266	578
Convertible debentures	-	-	-
Total temporary equity	49	266	578
Permanent Equity			
<u>BlackRock, Inc. stockholders' equity</u>			
Common stock, \$0.01 par value;	1	1	1
Preferred stock (Note 12)	1	-	-
Additional paid-in capital	22,127	10,473	10,274
Retained earnings	2,436	1,982	1,622
Accumulated other comprehensive (loss)	(96)	(186)	71
Escrow shares, common, at cost	(137)	(143)	(188)
Treasury stock, common, at cost	(3)	(58)	(184)
Total BlackRock, Inc. stockholders' equity	24,329	12,069	11,596
Nonredeemable non-controlling interests	224	225	-
Total permanent equity	24,553	12,294	11,596
Total liabilities, temporary equity and permanent equity	177,994	19,924	22,561
LEVERAGE: Total Liabilities/Total Assets	0.86	0.37	0.46

BlackRock, Inc.
Statement of Cash Flows
(in \$ millions)

	12/31/09	12/31/08	12/31/07
	Audited	Audited	Audited
Net cash inflow/(outflow) from operating activities	1,399	1,916	587
Net cash inflow/(outflow) from investing activities	(5,519)	(394)	(1,068)
Net cash inflow/(outflow) from financing activities	6,749	(887)	959
Change in cash and cash equivalents	<u>2,676</u>	<u>376</u>	<u>496</u>
Cash and cash equivalents - beginning of the period	2,032	1,656	1,160
Cash and cash equivalents - end of the period	4,708	2,032	1,656

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 northern Virginia facility under contract with Serco Services Inc. (formerly SI International). The Agency has a direct contract with Switch & Data for the western Pennsylvania facility that houses our backup data center.

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. On March 27, 2008, Switch & Data entered into a credit agreement that provided (i) a \$120 million term loan, (ii) a \$22.5 million delayed draw term loan which may be funded at the option of the Company no later than March 27, 2009, and (iii) a \$15 million dollar revolving term loan under which the Lenders may make additional term loans upon requests by the Company until September 26, 2013. Subsequently, all of the assets of the Company are pledged as collateral. Switch & Data appears to have achieved profitability for the first time in 2009.

Current Financial Condition: At year end 2009, total revenue increased 20 percent to \$205.4 million, compared to \$171.5 million at year end 2008.

- **Income Statement:** As of December 31, 2009, Switch & Data reported a net income of \$408 thousand, compared to a net loss of \$7 million in 2008. Total costs and operating expenses increased to \$185.0 million for 2009, a 17 percent increase over the \$158.2 million reported for 2008.
- **Balance Sheet:** Through December 31, 2009, Switch & Data reported Total Assets of \$400.4 million, a 12 percent increase from \$358.9 million at year-end 2008. Total Liabilities of \$267.6 million were reported, compared to the \$237.9 million reported at year-end 2008.
- **Cash Flow:** Through December 31, 2009, cash and cash equivalents totaled \$28.5 million, an increase of \$13.8 million from \$14.7 million at year-end 2008.
- **Current Ratio:** The Current Ratio (Current Assets/Current Liabilities) increased to 0.9 as of December 31, 2009, from 0.6 at year-end 2008.
- **Leverage:** Through December 31, 2009, Total Liabilities as a percent of Total Assets was 67 percent compared to 66 percent reported at year-end 2008.

Dun & Bradstreet Credit Score Class: As of March 29, 2010, the credit score of 3 (moderate risk) was unchanged from the prior quarter.

Stock Performance: The price of Switch & Data shares as of March 31, 2010, was \$17.76 (its initial public offering price was \$17.00 per share). Its 52-week stock price range was \$8.05-\$20.85, where the high was on January 4, 2009, and the low was on March 31, 2009.

SAS 70 Report: The most recent SAS 70 reviewed report is dated September 8, 2006 by SAS 70 Solutions. No issues related to the TSP were determined. There is a newer SAS 70 report that addresses a 2009 review of three specific facilities (Tampa, Florida; Dallas, Texas; and Sunnyvale, California). Our review of the summary letter indicates no areas of concern.

Significant Events: The Agency and Switch & Data are working together to accomplish the move from the current Virginia site due to its inability to handle the increased capacity requirements due to the TSP System Modernization plan. The transition is not yet completed. We anticipate having a majority of assets out of the Reston facility by September 2010. There will likely be a small number of assets remaining to support the transition of payroll offices connections to Vienna. This will likely take an additional 6 months to complete.

- March 2, 2010 -- The acquisition of Switch & Data by Equinix, Inc. is in progress. The only remaining obstacle to the combination of the two Companies is now represented by the Department of Justice investigation for anti-trust purposes. The Companies expect the closing of the merger to take place in the 2Q 2010, assuming the Department of Justice approves. Switch and Data shareholders approved the acquisition by Equinix, with more than 99% of votes in favor of the merger, and holders of more than 85% of Switch and Data's outstanding common stock participating in the vote.

Risk Mitigation: There is some operational risk to the TSP if Switch & Data fails because of our dependence on it for both our primary data center and the backup facility in Pennsylvania. If Switch & Data were to fail, 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. Competition could be limited to collocation providers on the GSA Schedule, which would provide for a quicker contract award. An alternative would be a similar approach as with the Clintwood call center, and create data centers as Government Owned Contractor Operated (GOCO) facilities. Although it requires more effort, this would allow us to continue operations by either issuing a letter contract to another contractor to operate the facility or to operate it ourselves (with temporary staff).

Switch & Data
Income Statement
(in \$ thousands)

	12/31/2009 Audited	12/31/2008 Audited	12/31/2007 Audited
Revenues	205,438	171,525	137,530
Cost and operating expenses			
Cost of revenues, exclusive of depreciation and amortization	103,133	90,122	70,986
Sales and marketing	20,733	19,670	16,313
General and administrative	18,955	17,659	15,039
Depreciation and amortization	41,473	30,716	25,584
Lease litigation settlement	700	-	2,600
Total costs and operating expenses	<u>184,994</u>	<u>158,167</u>	<u>130,522</u>
Operating Income	20,444	13,358	7,008
Interest income	56	1,587	1,808
Interest expense	(15,775)	(19,193)	(6,622)
Loss from debt extinguishment	-	(695)	(2,809)
Other income (expense), net	(3,063)	(768)	(305)
Income (loss) from continuing operations before taxes	<u>1,662</u>	<u>(5,711)</u>	<u>(920)</u>
Provision for income taxes	(1,254)	(1,324)	(263)
Income (loss) from continuing operations	<u>408</u>	<u>(7,035)</u>	<u>(1,183)</u>
Income (loss) from discontinued operations	-	-	397
Net income (loss)	408	(7,035)	(786)
Preferred stock accretions and dividends	-	-	(227,522)
Net income (loss) attributable to common stockholders	408	(7,035)	(228,308)

**Switch & Data
Balance Sheet
(in \$ thousands)**

	12/31/2009	12/31/2008	12/31/2007
	Audited	Audited	Audited
Assets			
Current assets			
Cash and cash equivalents	28,528	14,706	45,595
Accounts receivable, net of allowance for bad debts	13,930	11,497	9,029
Prepaid and other assets	2,849	2,429	1,468
Total current assets	45,307	28,632	56,092
Property and equipment, net	297,312	270,286	114,803
Goodwill	36,023	36,023	36,023
Other intangible assets, net	15,274	18,575	23,287
Other long-term assets, net	6,464	5,349	2,485
Total assets	400,380	358,865	232,690
Liabilities, Preferred Stock and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued expenses	8,713	7,434	624
Derivative liability	3,275	3,629	3,567
Current portion of unearned revenue	336	455	363
Current portion of deferred rent	577	547	936
Current portion of customer security deposits	14,250	-	3,750
Current portion of long-term debt	1,934	-	-
Total current liabilities	52,826	46,196	36,099
Unearned revenue, less current portion	1,506	1,858	2,073
Deferred rent, less current portion	26,287	18,587	12,882
Customer security deposits, less current portion	319	376	93
Long-term debt, less current portion	128,250	120,000	34,439
Long-term portion of capital lease obligation	58,364	50,927	22,049
Total liabilities	267,552	237,944	107,635
Commitments and contingencies			
Shareholders' deficit			
Common stock	3	3	3
Unearned stock compensation	-	-	(15)
Additional paid in capital	356,624	347,909	340,520
Accumulated deficit	(224,126)	(224,534)	(217,573)
Accumulated other comprehensive income	327	(2,457)	2,120
Total shareholders' deficit	132,828	120,921	125,055
Total Liabilities, Preferred Stock and Shareholders' Deficit	400,380	358,865	232,690
CURRENT RATIO: Current Assets/Current Liabilities	0.9	0.6	1.6
LEVERAGE: Total Liabilities/Total Assets	0.67	0.66	0.46

Switch & Data
Statement of Cash Flows
(in \$ thousands)

	12/31/2009	12/31/2008	12/31/2007
	Audited	Audited	Audited
Net cash inflow/(outflow) from operating activities	53,588	45,614	38,641
Net cash inflow/(outflow) from investing activities	(62,514)	(154,710)	(33,933)
Net cash inflow/(outflow) from financing activities	22,582	78,863	36,563
Net increase in cash and cash equivalents	<u>13,656</u>	<u>(30,233)</u>	<u>41,271</u>
Effect of exchange rate charges on cash	166	(656)	653
Cash and cash equivalents - beginning of the period	14,706	45,595	3,671
Cash and cash equivalents - end of the period	28,528	14,706	45,595

R.R. Donnelley & Sons

General Information: R.R. Donnelley & Sons and Company 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 233 in 2009, and has locations throughout the United States, Europe, Mexico, South America, and China. The Company reported annual losses for 2007, 2008 and 2009. However, there is no indication at this time that it will be unable to meet its contractual obligations to the TSP.

Current Financial Condition: At year end December 31, 2009, net sales declined 15 percent to \$9.9 billion, compared to \$11.6 billion at year end 2008.

- **Income Statement:** For the year ending December 31, 2009, the Company reported a net loss of \$27.3 million, compared to a loss of \$189.9 million at year end 2008.
- **Balance Sheet:** As of December 31, 2009, \$8.7 billion of Total Assets were reported, reduced from \$9.5 billion reported at year-end 2008. Total Liabilities of \$6.6 billion were reported, a decline from \$7.2 billion reported at year-end 2008.
- **Cash Flow:** As of December 31, 2009, the Company reported cash and cash equivalents of \$499.2 million, a 54 percent increase from the \$324.0 million reported at year-end 2008.
- **Current Ratio:** As of December 31, 2009, the Current Ratio (Current Assets/Current Liabilities) for the year is 1.5, up slightly from 1.3 at year-end 2008.
- **Leverage:** As of December 31, 2009, Total Liabilities were 75 percent of Total Assets; this ratio was flat from year-end 2008.

Dun & Bradstreet Credit Score Class: As of March 29, 2010, the credit score was 1 (lowest risk), unchanged from the previous quarter.

Stock Performance: R.R. Donnelley's share price on March 31, 2009 was \$21.35. The 52-week range has been from \$7.33 to \$23.20, where the high was on January 7, 2010, and the low was on April 1, 2009.

SAS 70 Report: The SAS-70 report as of December 8, 2008 by Deloitte & Touche LLP revealed that no issues related to the TSP were determined. Dates of coverage are May 1, 2008 to October 31, 2008. No later SAS-70 reports have been produced.

Significant Events: March 9, 2010 -- R.R. Donnelley announced that it has been awarded a \$375 million multiyear agreement to provide college textbook printing, graphic management services, packaging, on-demand printing and other services to Cengage Learning.

Risk Mitigation: The current TSP contract was effective on March 20, 2006. 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. If R.R. Donnelley were to cease operations, we would have to pursue a new contract as soon as possible with other printing vendors but we consider this possibility to be very unlikely.

R R Donnelley & Sons
Income Statement
(in \$ millions)

	12/31/09 Audited	12/31/08 Audited	12/31/07 Audited
Net sales	9,857.4	11,581.6	11,587.1
Cost of Sales (excludes Depreciation & Amortization shown below)	7,462.9	8,576.3	8,532.4
Selling, General & Administrative Expenses	1,088.5	1,220.5	1,302.3
Restructuring and Impairment Charges - net	382.7	1,184.7	839.0
Depreciation & Amortization	579.0	640.6	598.3
Total Operating Expenses	9,513.1	11,622.1	11,272.0
Income (Loss) from Continuing Operations	344.3	(40.5)	315.1
Interest Expense - net	234.6	226.4	227.3
Investment and Other Income (Expense) - net	(16.6)	(2.4)	3.6
Earnings (Loss) from Continuing Operations before Income Taxes, and Minority Interest	93.1	(269.3)	91.4
Income Tax Expense (Benefit)	114.5	(83.9)	136.5
Net Earnings (Loss) from Continuing Operations before Cumulative Effect of Change in Accounting Principle	(21.4)	(185.4)	(45.1)
Income (loss) from Discontinued Operations, net of tax	-	1.8	(0.5)
Less: Income attributable to noncontrolling interests	(5.9)	(6.3)	(3.3)
Cumulative effect of Change in Accounting Principle, net of tax	-	-	-
Net Earnings (Loss)	(27.3)	(189.9)	(48.9)

R R Donnelley & Sons
Balance Sheet
(in \$ millions)

	12/31/09	12/31/08	12/31/07
	Audited	Audited	Audited
ASSETS			
Cash and cash equivalents	499.2	324.0	379.0
Restricted cash equivalents	-	7.9	63.9
Receivables, less allowance for doubtful accounts	1,675.9	1,903.2	2,181.2
Income taxes receivable	63.2	189.4	-
Inventories	561.8	695.7	709.5
Prepaid expenses and other current assets	87.0	104.6	85.5
Deferred income taxes	73.8	56.2	102.2
Total Current Assets	2,960.9	3,281.0	3,521.3
Property, plant and equipment net	2,271.4	2,564.0	2,726.0
Goodwill	2,333.3	2,425.9	3,264.9
Prepaid pension cost	-	15.6	833.2
Other intangible assets net	747.4	831.1	1,323.2
Other noncurrent assets	434.6	376.7	418.1
Total Assets	8,747.6	9,494.3	12,086.7
LIABILITIES AND SHAREHOLDER'S EQUITY			
Accounts payable	886.4	767.6	954.9
Accrued liabilities	813.4	795.7	1,085.3
Short-term and current portion of long-term debt	339.9	923.5	725.0
Total Current Liabilities	2,039.7	2,486.8	2,765.2
Long-term debt	2,982.5	3,203.3	3,601.9
Pension liability	509.8	491.5	-
Postretirement benefit obligations	324.5	291.9	247.9
Deferred income taxes	205.5	260.9	872.3
Other noncurrent liabilities	524.6	418.0	689.1
Liabilities of discontinued operations	-	-	3.0
Total Liabilities	6,586.6	7,152.4	8,179.4
SHAREHOLDERS EQUITY			
Common stock	303.7	303.7	303.7
Additional paid-in capital	2,906.2	2,885.7	2,858.4
Retained earnings	662.9	903.8	1,312.9
Accumulated other comprehensive income	(545.0)	(580.7)	341.3
Unearned compensation	-	-	-
Treasury stock, at cost	(1,193.8)	(1,194.0)	(909.00)
Total Shareholders Equity	2,134.0	2,318.5	3,907.3
Noncontrolling interests	27.0	23.4	-
Total Liabilities and Shareholders Equity	8,747.6	9,494.3	12,086.7
CURRENT RATIO: Current Assets/Current Liabilities	1.5	1.3	1.3
LEVERAGE: Total Liabilities/Total Assets	75.3%	75.3%	67.7%

R. R. Donnelley & Sons
Statement of Cash Flows
(in \$ millions)

	12/31/09	12/31/08	12/31/07
	Audited	Audited	Audited
Net cash provided by operating activities from continuing operations	1,425.8	1,018.0	1,181.0
Net cash used in investing activities	(260.9)	(351.2)	(2,510.9)
Net cash provided by financing activities	(1,028.0)	(678.9)	1,471.3
Effect of exchange rate charges on cash	38.3	(42.9)	26.2
Net increase in cash and cash equivalents	<u>175.2</u>	<u>(55.0)</u>	<u>167.6</u>
Cash and cash equivalents - beginning of the period	324.0	379.0	211.4
Cash and cash equivalents - end of the period	499.2	324.0	379.0

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 re-awarded 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.

Current Financial Condition: As of December 31, 2009, MetLife reported Total Revenues of \$41 billion for the year, down 19 percent from the \$51 billion reported for the same period in 2008.

- **Income Statement:** As of December 31, 2009, the Company reported a Net Loss of \$2.3 billion, from the \$3.3 billion profit reported at year-end 2008.
- **Balance Sheet:** As of December 31, 2009, Total Assets of \$539.3 billion were reported, an increase of \$37.6 billion from \$501.7 billion reported at year-end 2008. Total Liabilities were \$505.8 billion, an increase of \$28.1 billion from the \$477.7 billion at year-end 2008.
- **Cash Flow:** The Company's short-term liquidity position, defined as cash and cash equivalents, was \$10.1 billion and \$24.2 billion at December 31, 2009 and 2008, respectively. The net cash used in investing activities in the year ended December 31, 2009 comprised most of the net decrease of \$14.1 billion in cash and cash equivalents in the same period, and was primarily composed of net purchases of \$19.5 billion of fixed maturity securities, partially offset by a net reduction of \$5.5 billion in short-term investments.
- **Leverage:** As of December 31, 2009, Total Liabilities were 93.8 percent of Total Assets, increased slightly from 95.2 percent at year-end 2008.
- **Current Ratio:** N.A. (MetLife does not present current assets and current liabilities in its balance sheet presentation).
- **Company Ratings:** In February 2010, S&P and A.M. Best each placed the ratings of MetLife, Inc. and its subsidiaries on "Credit Watch with negative implications" and "Under Review with negative implications," respectively, based on MetLife's disclosure of a potential acquisition. Insurer financial strength ratings as of March 8, 2010 are as follows:

<i>Rating Agency</i>	<i>Rating</i>	<i>Descriptor</i>
A.M. Best Company	A+	Superior
Fitch Ratings	AA-	Very Strong
Moody's Investor Services	Aa3	Excellent
Standard & Poor's	AA-	Very Strong

While still strong, these ratings do represent a deterioration in MetLife's overall ratings position. As a result, we have entered into regular conversations with MetLife about its financial situation and are seeking an expert review of the adequacy of the current ratings.

Dun & Bradstreet Credit Score Class: As of March 29, 2010, the credit score was 3 (moderate risk) improved from 5 (high risk) reported the prior quarter.

Stock Performance: The MetLife closing share price on March 31, 2009, was \$43.34. The 52-week range for stock prices was from \$21.25 to \$43.63; the high was on March 17, 2010, and the low was on March 31, 2009.

SAS 70 Report: There is no SAS report available.

Significant Events: March 8, 2010 -- MetLife Inc. has signed a definitive agreement to acquire American Life Insurance Company from American International Group for around \$15.5 billion. The consideration will consist of \$6.8 billion in cash and approximately \$8.7 billion in MetLife equity securities, subject to closing adjustments. MetLife expects the cash portion of the purchase price to be financed through issuing senior debt and common stock as well as cash on hand. MetLife expects the transaction to increase its 2011 operating earnings per share by approximately 45 cents to 55 cents a share. The operating earnings per share estimate does not include transition and other one-time expenses estimated at 12 cents a share.

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 the highest 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)

	12/31/09	12/31/08	12/31/07
	Audited	Audited	Audited
Revenues			
Premiums	26,460	25,914	22,970
Universal life and investment type product policy fees	5,203	5,381	5,238
Net investment income	14,838	16,291	18,057
Other revenues	2,329	1,586	1,465
Net investment gains (losses)	(7,772)	1,812	(578)
Total Revenues	41,058	50,984	47,152
Expenses			
Policyholder benefits and claims	28,336	27,437	23,783
Interest credited to policyholder account balances	4,849	4,788	5,461
Policyholder dividends	1,650	1,751	1,723
Other expenses	10,556	11,947	10,405
Total Expenses	45,391	45,923	41,372
Income from continuing operations before provision for income taxes	(4,333)	5,061	5,780
Provision for income taxes	(2,015)	1,580	1,675
Income(loss) from continuing operations, net of income taxes	(2,318)	3,481	4,105
Income(loss) from discontinued operations, net of income taxes	40	(203)	360
Net income (loss)	(2,278)	3,278	4,465

MetLife, Inc.
Balance Sheet
(In \$ millions)

	12/31/09 Audited	12/31/08 Audited	12/31/07 Audited
ASSETS			
Investments:			
Fixed maturities	227,642	188,251	232,844
Trading securities	3,084	946	779
Equity securities	2,384	3,197	5,913
Mortgage and consumer loans	50,909	51,364	46,198
Policy loans	10,061	9,802	9,360
Real estate and real estate joint ventures held for investment	6,852	7,535	6,588
Real estate held for sale	44	51	181
Other limited partnership interests	5,508	6,039	6,155
Short term investments	8,374	13,878	2,573
Other invested assets	12,709	17,248	8,064
Total investments	327,567	298,311	318,655
Cash and cash equivalents	10,112	24,207	9,964
Accrued investment income	3,173	3,061	3,551
Premiums and other receivables	16,752	16,973	13,390
Deferred policy acquisition costs	19,256	20,144	18,008
Current income taxes recoverable	316	-	336
Deferred income tax assets	1,228	4,927	-
Assets of subsidiaries held for sale	-	946	22,037
Goodwill	5,047	5,008	4,814
Other assets	6,822	7,262	8,239
Separate account assets	149,041	120,839	160,142
Total Assets	539,314	501,678	559,136
LIABILITIES AND SHAREHOLDER'S EQUITY			
Future policy benefits	135,879	130,555	126,174
Policyholder account balances	138,673	142,921	130,692
Other policyholder funds	8,446	7,762	7,994
Policyholder dividends payable	761	1,023	994
Policyholder dividend obligation	-	-	789
Bank deposits	10,211	6,884	-
Short term debt	912	2,659	667
Long term debt	13,220	9,667	9,100
Collateral financing arrangements	5,297	5,192	4,882
Junior subordinated debt securities	3,191	3,758	4,075
Shares subject to mandatory redemption	-	-	-
Liabilities of subsidiaries held for sale	-	748	19,958
Current income taxes payable	-	342	-
Deferred income taxes payable	-	-	1,516
Payables for collateral under securities loaned and other transactions	24,196	31,059	44,136
Other liabilities	15,989	14,284	12,838
Separate account liabilities	149,041	120,839	160,142
Total Liabilities	505,816	477,693	523,957
STOCKHOLDERS EQUITY			
Preferred stock	1	1	1
Common stock	8	8	8
Additional paid in capital	16,859	15,811	17,098
Retained earnings	19,501	22,403	19,884
Treasury stock, at cost	(190)	(236)	(2,890)
Accumulated other comprehensive income (loss)	(3,058)	(14,253)	1,078
Total Stockholders Equity	33,121	23,734	35,179
Noncontrolling interests	377	251	-
Total Liabilities and Stockholders Equity	539,314	501,678	559,136
LEVERAGE: Total Liabilities/Total Assets	93.79%	95.22%	93.71%

MetLife, Inc.
Statement of Cash Flows
(in \$ millions)

	12/31/09	12/31/08	12/31/07
	Audited	Audited	Audited
Net cash provided by operating activities from continuing operations	3,803	10,702	9,902
Net cash used in investing activities	(13,935)	(2,671)	(10,644)
Net cash provided by financing activities	(4,103)	6,189	3,942
Change in cash and cash equivalents	<u>(14,127)</u>	<u>13,871</u>	<u>3,261</u>
Cash and cash equivalents - beginning of the period	24,239	10,368	7,107
Cash and cash equivalents - end of the period	10,112	24,239	10,368

Equinix Inc.

General Information: Equinix, Inc. is an U.S. based public corporation that provides carrier-neutral data centers and internet exchanges. Equinix, Inc. provides network-neutral data centers (IBX or "Internet Business Exchange") and interconnection services. The company offers collocation, traffic exchange and outsourced IT infrastructure solutions to enterprises, content companies, systems integrators and network service providers. Equinix, Inc. has 40 data center locations in 18 markets across North America, Europe and Asia-Pacific. Most of the Company's European data centers were acquired through its acquisition of IX Europe in 2007. Data centers are located in France, Germany, Netherlands, Switzerland, UK, Hong Kong, China, Singapore, Japan, and Australia. In the U.S., data centers are in Illinois, Virginia, Texas, and California. More than 200 different carriers and ISPs now participate in Equinix IBX centers.

Assessment: On October 21, 2009, Equinix Inc. and Switch & Data, a provider of global data center services, entered into a definitive agreement for Equinix Inc. to acquire Switch & Data in a transaction valued at approximately \$689 million in cash and stock. The merger with Equinix Inc. will integrate Switch & Data's data center business and operations, including the company's 34 data centers in 22 markets in the U.S. and Canada. The acquisition will add more than one million gross square feet of data center capacity, bringing Equinix's total global footprint to 79 data centers in 34 markets and more than six million square feet across the North American, European and Asia-Pacific markets. The transaction is expected to be completed in the second quarter of 2010.

Switch & Data facilities Company, Inc. provides data center hosting services for the TSP at two sites. The TSP's primary data center operates out of Switch & Data's northern Virginia facility under contract with Serco Services Inc. (formerly SI International). The Agency has a direct contract with Switch & Data for the western Pennsylvania facility that houses our backup data center.

Current Financial Condition: As of December 31, 2009, Equinix Inc. reported total revenue of \$882.5 million for the year, up 25 percent from the \$704.7 million reported for the same period in 2008.

- **Income Statement:** As of December 31, 2009, the Company reported Net Income of \$69.4 million, a decrease of 36 percent from the \$107.9 million reported at year-end 2008.
- **Balance Sheet:** As of December 31, 2009, Total Assets of \$3.0 billion were reported, an increase of \$0.6 billion from \$2.4 billion reported at year-end 2008. Total Liabilities were \$1.9 billion, an increase of \$0.3 billion from the \$1.5 billion at year-end 2008.
- **Cash Flow:** The Company's short-term liquidity position, defined as cash and cash equivalents, was \$346.1 million and \$220.2 million at December 31, 2009 and 2008, respectively, which reflected a 57 percent increase.
- **Leverage:** As of December 31, 2009, Total Liabilities were 61.1 percent of Total Assets, declining from 62.4 percent at year-end 2008.

- **Current Ratio:** As of December 31, 2009, the Current Ratio was 2.3, compared to 1.3 reported at year-end 2008.

Dun & Bradstreet Credit Score Class: As of March 29, 2010, the credit score was 2 (slight risk), same as the prior quarter.

Stock Performance: On March 31, 2010, Equinix Inc. traded at \$97.34. The 52-week range has been between \$55.05 and \$110.57; where the high was on January 6, 2010, and the low was on March 31, 2009.

SAS 70 Report: No current information is available.

Significant Events: February 1, 2010 – Equinix, Inc. and Switch and Data Facilities Company, Inc. announced that Switch and Data stockholders have voted to approve Switch and Data's merger with and into Sundance Acquisition Corporation, a wholly-owned subsidiary of Equinix. More than 99% of votes were in favor of the merger, and the holders of more than 85% of Switch and Data's outstanding common stock participated in the vote.

- Completion of the merger remains subject to the expiration or termination of the waiting period imposed by the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended, and the satisfaction or waiver of the other closing conditions specified in the merger agreement between Equinix and Switch & Data. The merger is expected to close in the second quarter of 2010.
- February 26, 2010 – Equinix, Inc. announced that it intends to increase the size of the offering, subject to market and other conditions, of its senior notes due 2018 to \$750 million.
- March 23, 2010 – Equinix, Inc. announced a strategic partnership agreement with Shanghai Data Solution Co., Ltd. (SDS), a leading systems integrator for network and communications services in Shanghai, P.R. China.

Risk Mitigation: If Equinix merges with Switch & Data, the services available to the TSP would offer a more comprehensive solution to our data center needs. If the merger does not occur, we would still need to closely monitor Switch & Data's financial stability and ability to provide uninterrupted service given that it has not achieved consistent profitability.

Equinix Inc
Income Statement
(in \$ thousands)

	12/31/09	12/31/08	12/31/07
	Audited	Audited	Audited
Revenues	882,509	704,680	419,442
Costs and operating expenses:			
Cost of revenues	483,420	414,799	263,768
Sales and marketing	63,584	66,913	40,719
General and administrative	155,324	146,564	105,794
Restructuring charges	(6,053)	3,142	407
Acquisition costs	5,155	-	-
Gain on asset sales	-	-	(1,338)
Total Costs and Operating Expenses	701,430	631,418	409,350
Income from Operations	181,079	73,262	10,092
Interest income	2,384	8,940	15,406
Interest expense	(74,232)	(61,677)	(32,014)
Other than temporary impairment loss on investments	(2,590)	(1,527)	3,047
Other income/expense	2,387	1,307	(5,949)
Income before taxes	109,028	20,305	(9,418)
Income Tax Expense	(39,597)	87,619	(473)
Net Income	69,431	107,924	(9,891)

Equinix Inc
Balance Sheet
(in \$ thousands)

	12/31/09 Audited	12/31/08 Audited	12/31/07 Audited
ASSETS			
Cash and cash equivalents	346,056	220,207	290,633
Short-term investments	248,508	42,112	63,301
Accounts receivable, net	64,767	66,029	60,089
Current portion of deferred tax assets, net	46,822	35,936	-
Other current assets	21,734	15,227	12,738
Total Current Assets	727,887	379,511	426,761
Long term investments	9,803	45,626	29,966
Property, plant and equipment net	1,808,115	1,492,830	1,162,720
Goodwill	381,050	342,829	442,926
Intangible assets, net	51,015	50,918	67,207
Deferred tax assets, net	5,171	65,228	6,404
Other assets	55,109	57,794	45,884
Total Assets	3,038,150	2,434,736	2,181,868
LIABILITIES AND SHAREHOLDER'S EQUITY			
Accounts payable and accrued expenses	99,053	74,317	65,096
Accrued property, plant and equipment	109,876	89,518	76,504
Current portion of capital lease and other financing obligations	6,452	4,499	3,808
Current portion of mortgage and loans payable	58,912	52,054	16,581
Current portion of convertible debt	-	19,150	-
Other current liabilities	41,166	50,455	29,473
Total Current Liabilities	315,459	289,993	191,462
Capital lease and other financing obligations, less current portion	154,577	133,031	93,604
Mortgage and loans payable, less current portion	371,322	386,446	313,915
Convertible debt, less current portion	893,706	608,510	678,236
Other liabilities	120,603	100,095	90,219
Total Liabilities	1,855,667	1,518,075	1,367,436
SHAREHOLDERS EQUITY			
Common stock	39	38	37
Additional paid-in capital	1,665,662	1,524,834	1,376,915
Accumulated other comprehensive income/(loss)	(97,238)	(152,800)	(3,888)
Accumulated deficit	(385,980)	(455,411)	(558,632)
Total Shareholders Equity	1,182,483	916,661	814,432
Total Liabilities and Shareholders Equity	3,038,150	2,434,736	2,181,868
CURRENT RATIO:			
Current Assets/Current Liabilities	2.3	1.3	2.2
LEVERAGE:			
Total Liabilities/Total Assets	61.1%	62.4%	62.7%

Equinix Inc
Statement of Cash Flows
(in \$ thousands)

	12/31/09	12/31/08	12/31/07
	Audited	Audited	Audited
Net cash provided by operating activities from continuing operations	355,492	267,558	120,020
Net cash used in investing activities	(558,178)	(478,040)	(1,054,725)
Net cash provided by financing activities	323,598	145,106	1,145,013
Effect of exchange rate charges on cash	4,937	(5,050)	(2,238)
Net increase in cash and cash equivalents	<u>125,849</u>	<u>(70,426)</u>	<u>208,070</u>
Cash and cash equivalents - beginning of the period	220,207	290,633	82,563
Cash and cash equivalents - end of the period	346,056	220,207	290,633