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

THRIFT SAVINGS PLAN

July 6, 2007

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: JAMES B. PETRICK JBP
CHIEF FINANCIAL OFFICER

SUBJECT: QUARTERLY FINANCIAL ASSESSMENT OF TSP'S PRIMARY VENDORS – JULY 2007

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 and Spherix, Barclays PLC, Switch and Data, R.R. Donnelley & Sons, and MetLife.

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 quarterly report data for the first quarter of 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 in current and prior periods to identify trends that may require further explanation. At the Board's request, for comparative purposes, we have included information from the first quarter 2006, 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.

2. Dun & Bradstreet Credit Score:

We continue the previous 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 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 and 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 very large changes in its income statement and balance sheet items. Any volatility present due to its pursuit of strategic acquisitions is mitigated by the company's extensive portfolio of government contracts. We find no indication at this time that SI International is unable to fulfill its contractual obligations to the TSP. On May 14, 2007, The Federal Times ranked SI number 34 in their top 250 GSA Vendors. In a prior edition on April 23, 2007, The Federal Times ranked SI as number 62 in their list of the top 100 Professional Services Contractors.

Current Financial Condition: In the first quarter of 2007, SI reported revenues of $114 million, an increase of 6 percent over the same period in 2006. Federal government contract revenues continue to represent 98 percent of SI's total revenues through March 31, 2007.

- Income Statement: Through March 31, 2007, SI reported Net Income of $4.7 million, a 10 percent increase from $4.3 million reported for the first quarter of 2006.

- Balance Sheet: Through March 31, 2007, Total Assets of $384 million were reported, an increase of 1 percent from $381 million at year-end 2006. Total Liabilities of $139 million were reported, a 2 percent decrease from $142 million at year-end 2006.

- Cash Flow: Through March 31, 2007, cash and cash equivalents totaled $6 million, a 69 percent decrease from $19.5 million at year-end 2006. The decrease in cash is attributed to $13.6 million of increased operating assets and liabilities and working capital.

- Current Ratio: The Current Ratio (Current Assets/Current Liabilities) improved to 2.3 from 2.2 at year-end 2006.

- Leverage: Through March 31, 2007, Total Liabilities as a percent of Total Assets slightly improved to 36 percent from 37 percent reported at year-end 2006.

Dun & Bradstreet Credit Score Class: 2, (slightly increased risk), same as the previous quarter.

Stock Performance: The SI closing share price on June 29, 2007 was $33.02, down from its 52-week high of $35.00 on December 4, 2006.

Significant Events: On June 11, 2007, it was announced that SI completed the purchase of LOGTEC, Inc., a provider of information technology, logistics, and acquisition support with a focus on weapons and information systems. The acquisition supports SI's strategic growth plan to broaden its customer base and strengthen its portfolio of mission-critical solutions. SI acquired LOGTEC for $59 million in cash. The transaction was financed through cash-on-hand and borrowings under SI's credit facility.

On June 4, 2007, Standard & Poor's announced that SI would replace Delta and Pine Land Company in the S&P SmallCap 600 Index after the close of trading on Tuesday, June 5, 2007.

On April 23, 2007, SI announced it was awarded two prime contracts by the U.S. Office of Personnel Management (OPM), Training and Management Assistance (TME) Branch. One contract provides custom training and learning solutions and the other contract provides custom strategic human capital solutions to Federal government agencies.

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 and 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 Spherix call center in Cumberland, 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 in late FY 2007 – early FY 2008, with contract award in mid-late FY 2008. A full and open competition is planned, and risk mitigation will be a principal component of the procurement strategy.

SI International
Income Statement
(in thousands)

	3/31/07 1st Quarter Unaudited	**12/30/06**	**04/01/06 1st Quarter** Unaudited	**12/31/05**
Revenue	$113,700	$461,970	$107,232	$397,919
Costs and expenses				
Cost of services	70,892	290,675	66,609	246,481
Selling, general, and administrative	32,139	124,847	30,546	113,015
Depreciation/Amortization	794	2,692	548	2,161
Amortization of intangible assets	748	3,116	647	2,292
Total operating expenses	104,573	421,330	98,350	363,949
Income from operations	9,127	40,640	8,882	33,970
Other income (expense)	71	88	30	12
Interest expense	(1,397)	(7,731)	(1,782)	(6,103)
Income (loss) before provision for income taxes	7,801	32,997	7,130	27,879
Provision for income taxes	3,067	12,844	2,816	10,942
Net income (loss)	**$4,734**	**$20,153**	**$4,314**	**$16,937**

SI International
Balance Sheet
(in thousands)

	03/31/07 1st Quarter Unaudited	12/30/06	04/01/06 1st Quarter Unaudited	12/31/05
ASSETS				
Current assets:				
Cash and cash equivalents	$6,000	$19,457	$13,256	$26,160
Marketable securities	5,000	-	-	7,850
Accounts receivable, net	97,498	91,972	89,790	93,633
Deferred tax asset	-	1,408	422	422
Other current assets	11,086	7,219	11,692	6,276
Total current assets	**119,584**	**120,056**	**115,160**	**134,341**
Property and equipment, net	13,491	12,372	6,304	5,908
Intangible assets, net	19,670	20,418	22,886	16,483
Other assets	10,453	7,661	7,334	5,655
Goodwill	220,565	220,626	220,440	173,308
Total assets	**383,763**	**381,133**	**372,124**	**335,695**
LIABILITIES AND STOCKHOLDER'S EQUITY				
Current liabilities:				
Current portion of long-term debt	754	754	1,293	1,000
Note payable - former owner of acquired business	5,936	5,839	2,280	2,280
Accounts payable	23,196	20,715	15,773	25,364
Accrued expenses and other current liabilities	23,200	28,547	28,482	29,674
Total current liabilities	**53,086**	**55,855**	**47,828**	**58,318**
Long-term debt, net of current portion	69,264	69,452	127,634	98,250
Note payable - former owner of acquired business	-	-	5,517	-
Deferred income tax	8,855	8,961	6,173	5,221
Other long-term liabilities	7,870	7,653	7,424	6,037
Total Liabilities	**139,075**	**141,921**	**194,576**	**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	130	130	116	114
Additional paid in capital	185,628	184,845	138,953	133,843
Accumulated other comprehensive income	131	172	253	-
Retained earnings	58,799	54,065	38,226	33,912
Total stockholders' equity	**244,688**	**239,212**	**177,548**	**167,869**
Total Liabilities and stockholders' equity	**$383,763**	**$381,133**	**$372,124**	**$335,695**
CURRENT RATIO: Current Assets/Current Liabilities	2.25	2.15	2.41	2.30
LEVERAGE: Total Liabilities/Total Assets	36.24%	37.24%	52.29%	49.99%

SI International
Statement of Cash Flows
(in thousands)

	03/31/07 1st Quarter Unaudited	12/30/06	04/01/06 1st Quarter Unaudited	12/31/05
Net cash provided by (used in) operating activities	(6,849)	32,256	(95)	26,599
Net cash used in investing activities	(6,978)	(58,981)	(46,596)	(74,821)
Net cash provided by financing activities	370	20,022	33,787	70,628
Net increase (decrease) in cash and cash equivalents	(13,457)	(6,703)	(12,904)	22,406
Cash and cash equivalents - beginning of the period	19,457	26,160	26,160	3,754
Cash and cash equivalents - end of the period	6,000	19,457	13,256	26,160

Spherix

General Information: Spherix, Incorporated, operates two primary business segments, InfoSpherix, Inc. and BioSpherix. InfoSpherix, a wholly owned subsidiary, operates the TSP call center in Cumberland, MD. The BioSpherix division is engaged in biotechnology research and development.

Assessment: On April 26, 2007, Spherix announced that it had signed a letter of intent to sell the stock of its subsidiary, InfoSpherix, Incorporated, to The Active Network, Inc. of San Diego, CA. On June 27, 2007, Spherix reported it had signed the definitive agreement to sell the stock of its subsidiary, InfoSpherix, to The Active Network, Inc. Spherix will receive $17 million in an all cash transaction ($15 million at closing and $2 million following a 15-month escrow period). We have been informed that all significant InfoSpherix personnel (including President Richard Levin), will move to the Active Network and that the call center will continue to be operated in the Cumberland, MD area (although out of the new building planned in nearby Frostburg, MD). It is expected that the transaction can be completed by the end of the summer 2007.

In the meantime, Spherix's financial condition as of March 31, 2007, remains dependent on revenues from the InfoSpherix subsidiary. For 2006, BioSpherix generated less than 1 percent of Spherix's revenues and reported significant losses brought about by its development, testing, and trials to commercialize a drug to treat Type 2 diabetes. Because BioSpherix continues to generate almost no revenue, the risk remains that that it could deprive InfoSpherix of critical financial assets it needs to operate.

Current Financial Condition: With no ongoing revenue stream, BioSpherix continues to expend significant sums in clinical trials in an effort to bring commercial products to market. In 2006, Spherix funded BioSpherix's R&D programs through its existing cash and cash equivalents and/or proceeds from the issuance of stock.

- Income Statement: Through March 31, 2007, Spherix reported Revenues of $5.3 million, decreased from $5.9 million reported for the first quarter of 2006. The Company reported Net Losses of $2.3 million, increased from Net Losses of $534 thousand reported for the first quarter of 2006.

  InfoSpherix reported Revenues of $5.3 million and an Operating Loss of $302 thousand for the first quarter of 2007. BioSpherix reported no Revenues to offset $2 million in expenses resulting in an Operating Loss of $2 million for the same period.

- Balance Sheet: Through March 31, 2007, Total Assets of $17.8 million were reported, a 3 percent decrease from $18.4 million at year-end 2006. Total Liabilities of $4.8 million were reported, an increase of 24 percent from the $3.8 million at year-end 2006.

- Cash Flow: Through March 31, 2007, cash and cash equivalents totaled $9.8 million, a 10 percent decrease from $11 million at year-end 2006.

- Current Ratio: The Current Ratio (Current Assets/Current Liabilities) fell to 3.4 as of March 31, 2007 from 4.7 at year-end 2006.

- Leverage: Through March 31, 2007, Total Liabilities represent 27 percent of Total Assets, increased from 21 percent at year-end 2006.

Dun & Bradstreet Credit Score Class: 3 (average risk), same as previous quarter.

Stock Performance: The Spherix share price was $2.34 per share as of June 29, 2007, down from its 52-week high of $3.15 on March 30, 2007.

Significant Events: The pending sale to the Active Network, Inc., will be put before Spherix's shareholders for vote at the 2007 Annual Shareholders Meeting scheduled to be held mid-August, pending timely approval of the Proxy Statement by the Securities and Exchange Commission. Closing will occur a few days following shareholder approval.

The Active Network, Inc., is headquartered in San Diego, California and was founded in 1998. Active Network provides application services technology and marketing access to organizations and participants throughout the community services market. It has been recognized as a Fast 500 company for three years (2004-2006), and recognized as an Inc. 500 company for three years (2004-2006). Agency staff has met with Active Network, Inc., regarding the acquisition and its commitment to the TSP contract. No issues have arisen to date.

Risk Mitigation: Should the sale of InfoSpherix to Active Network fail or if Spherix would enter bankruptcy, the creditors could seek to maintain or sell the call center operations as a source of income. If Spherix were unable to operate the Cumberland, MD call center, the SI call center in Clintwood, VA could handle all calls pending establishment of a new call center. The Agency intends to recompete this contract during FY 2008.

Spherix Incorporated
Income Statement
(in thousands)

	03/31/07 1st Quarter Unaudited	12/31/06	03/31/06 1st Quarter Unaudited	12/31/05
InfoSpherix Incorporated*				
Revenue	$5,347	$24,831	$5,919	$23,023
Direct, operating, and corporate costs	5,649	24,108	5,782	24,876
Operating Income (Loss)	**($302)**	**$723**	**$137**	**($1,853)**
BioSpherix Division				
Revenue	$0	$7	$3	$23
Direct, operating, and corporate costs	(2,077)	(3,210)	(673)	(1,056)
Operating Income (Loss)	**($2,077)**	**($3,203)**	**($670)**	**($1,033)**
Spherix Incorporated (All)				
Revenue	$5,347	$24,838	$5,922	$23,046
Direct contract and operating costs	4,916	20,794	4,921	20,363
Selling, general, and administrative expense	1,410	5,640	1,430	5,280
Research and development expense	1,400	884	105	288
Total operating expense	7,726	27,318	6,456	25,931
Loss from Operations	(2,379)	(2,480)	(534)	(2,885)
Interest income (expense), net	101	98	0	37
Other income	-	6,000	-	-
Income (Loss) before taxes	**($2,278)**	**$3,618**	**($534)**	**($2,848)**
Income tax expense	$13	$105		-
Net income (Loss)	($2,291)	$3,513	($534)	($2,848)

* On 1/1/2006, InfoSpherix Division became InfoSpherix Incorporated.

Spherix Incorporated
Balance Sheet

	3/31/07 1st Quarter Unaudited	12/31/06	3/31/06 1st Quarter Unaudited	12/31/05
ASSETS				
Current assets				
Cash and cash equivalents	9,882,630	10,951,275	4,459,530	2,667,733
Short term investments - Unrestricted	-	-	2,000,000	-
Short term investments - Restricted	-	-	-	2,000,000
Trade accounts receivable, net for allowance for doubtful accounts	2,423,619	2,165,605	3,777,060	2,139,061
Other receivables	75,916	13,759	46,548	271,287
Prepaid expenses and other assets	969,525	643,461	667,107	582,279
Total current assets	13,351,690	13,774,100	10,950,245	7,660,360
Property and equipment, net of accumulated depreciation	3,781,916	3,914,300	4,554,173	4,603,032
Patents, net of accumulated amortization	646,284	687,526	814,842	854,871
Total assets	**17,779,890**	**18,375,926**	**16,319,260**	**13,118,263**
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities				
Bank line of credit	-	-	1,487,596	1,449,318
Accounts payable and accrued expenses	2,790,084	1,535,543	2,614,214	1,950,584
Accrued salaries and benefits	895,929	1,147,523	1,186,238	1,104,102
Capital lease obligations	200,334	225,451	127,654	16,645
Total current liabilities	3,886,347	2,908,517	5,415,702	4,520,649
Capital lease obligations	106,026	138,748	179,514	10,810
Deferred compensation	496,426	495,000	512,751	511,325
Deferred rent	266,582	283,064	188,709	196,259
Total liabilities	**4,755,381**	**3,825,329**	**6,296,676**	**5,239,043**
STOCKHOLDER'S EQUITY				
Preferred stock	-	-	-	-
Common stock	71,496	69,463	68,294	62,242
Paid-in capital in excess of par value	27,434,784	26,672,384	26,191,450	23,521,109
Treasury stock	(464,786)	(464,786)	(464,786)	(464,786)
Accumulated deficit	(14,016,985)	(11,726,464)	(15,772,374)	(15,239,345)
Total stockholders' equity	**13,024,509**	**14,550,597**	**10,022,584**	**7,879,220**
Total liabilities and stockholders' equity	**17,779,890**	**18,375,926**	**16,319,260**	**13,118,263**
CURRENT RATIO = Current Assets/Current Liabilities	3.44	4.74	2.02	1.69
LEVERAGE: Total Liabilities /Total Assets	26.75%	20.82%	38.58%	39.94%

Spherix Incorporated
Statement of Cash Flows
(in thousands)

	03/31/07 **1st Quarter** Unaudited	**12/31/06**	**03/31/06** **1st Quarter** Unaudited	**12/31/05**
Net cash provided by operating activities from continuing operations	(1,540,689)	6,657,657	(455,960)	(525,740)
Net cash used in investing activities	(552,040)	586,219	(476,519)	(659,283)
Net cash provided by financing activities	1,024,084	1,039,666	2,724,276	376,910
Net increase (decrease) in cash and cash equivalents	(1,068,645)	8,283,542	1,791,797	(808,113)
Cash and cash equivalents - beginning of the period	10,951,275	2,667,733	2,667,733	3,475,846
Cash and cash equivalents - end of the period	9,882,630	10,951,275	4,459,530	2,667,733

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: Barclays follows the International Accounting Standards (IAS) interim reporting timetable and will publish its half-year interim results for the period ended June 30, 2007, in August 2007. In a May 24, 2007 trading update, Barclays reported their profit before tax was 15 percent ahead of the first quarter of 2006. Excluding gains from the sale and leaseback of property, profit before tax grew 10 percent. Performance was particularly strong at Barclays Capital, which had its best quarter ever.

As of December 31, 2006, within Barclays PLC, Barclays Global Investors (BGI), its fund division, reported a 32 percent rise in pretax profit to £714 million. BGI reports $1,841 billion (US$) of assets under management, an increase of $301 billion from $1,513 billion reported at year end 2005.

- Income Statement: As of December 31, 2006, Barclays PLC reported a before tax profit of £7.1 billion, a 35 percent increase from £5.3 billion reported for 2005.

- Balance Sheet: As of December 31, 2006, Total Assets for Barclays PLC are £996.8 billion, increased from £924.4 billion at year-end 2005. Total Liabililities reported were £969.4 billion, up from £889.9 billion at year-end 2005.

- Cash Flow: Cash and cash equivalents for the year-end 2006 totaled £30,952 million, an increase of 49 percent from the £20,805 million reported at year-end 2005.

- Capitalization: Based on the FRB's definition, Barclays' reported "Tier 1" ratio of 7.7 percent significantly exceeds the regulatory standard of at least 4 percent required to be considered well-capitalized. This is improved from the 7.0 rating reported in the 2005 financials.

Dun & Bradstreet Credit Score Class: 3 (average risk), same as the previous quarter.

Stock Performance: After reaching a 52-week high of $62.68 on February 26, 2007, the price of Barclays PLC American Depository Receipts (ADR's) as of June 29, 2007, was $55.79.

Significant Events: On April 23, 2007, Barclays and ABN AMRO announced the terms of their proposed merger as an all-stock deal valued at about 64.8 billion euros. However, the Royal Bank of Scotland Group PLC, Fortis and Santander Central Hispano SA announced their interest to make a formal offer of 71.2 billion euros on May 29, 2007. This offer is contingent on the group buying ABN AMRO's LaSalle unit, which ABN AMRO agreed to sell to the Bank of America Corporation for $21 billion the same day it announced the Barclays deal. The Dutch Supreme Court will announce in July its decision on whether to uphold an earlier ruling blocking the sale of ABN AMRO's LaSalle unit pending shareholder approval.

On May 31, 2007, Barclays agreed to pay $10.9 million to settle a Securities and Exchange Commission lawsuit claiming the bank made millions of dollars in illegal profit trading bonds based on confidential bankruptcy data.

On May 21, 2007, Barclays announced it signed an agreement to acquire Walbrook Group Limited ("Walbrook"), an independent fiduciary services company with gross tangible assets of £13.5 million and £8.2 billion of client assets. Barclays will finance the transaction out of existing cash resources. No purchase price was given in the press release.

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)
2006, 2005, and 2004

	12/31/06	12/31/05	12/31/04
Interest income	21,805	17,232	13,880
Interest expense	(12,662)	(9,157)	(7,047)
Net interest income	£ 9,143	£ 8,075	£ 6,833
Fee and commission income	8,005	6,430	5,509
Fee and commission expense	(828)	(725)	(662)
Net fee and commission income	£ 7,177	£ 5,705	£ 4,847
Net trading income	3,614	2,321	1,487
Net investment income	962	858	1,027
Principal transactions	£ 4,576	£ 3,179	£ 2,514
Net premiums from insurance contracts	1060	872	1,042
Other operating income	214	147	131
Total income	£ 22,170	£ 17,978	£ 15,367
Net claims and benefits paid on insurance contracts	(575)	(645)	(1,259)
Total income net of insurance claims	£ 21,595	£ 17,333	£ 14,108
Impairment charges	(2,154)	(1,571)	(1,093)
Net income	£ 19,441	£ 15,762	£ 13,015
Operating expenses excluding amortization of intangible assets	(12,538)	(10,448)	(8,514)
Amortization of intangible assets	(136)	(79)	(22)
Operating Expenses	(12,674)	(10,527)	(8,536)
Share of post-tax results of associates and joint ventures	46	45	56
Profit on disposal of subsidiaries, associates and joint ventures	323	-	45
Profit before tax	£ 7,136	£ 5,280	£ 4,580
Tax	(1,941)	(1,439)	(1,279)
Profit after tax	**£ 5,195**	**£ 3,841**	**£ 3,301**
Profit attributable to minority interests	624	394	47
Profit attributable to equity holders of the parent	4,571	3,447	3,254
	£ 5,195	£ 3,841	£ 3,301

Barclays PLC
Balance Sheet
(in £ millions)
2006, 2005, and 2004

	12/31/06	12/31/05	12/31/04
ASSETS			
Cash and balances at central banks	7,345	3,906	1,753
Items in the course of collection from other banks	2,408	1,901	1,772
Treasury bills and other eligible bills	-	-	6,658
Trading portfolio assets	177,867	155,723	-
Financial assets designated at fair value:			
held on own account	31,799	12,904	-
held in respect of linked liabilities to customers under investment contracts	82,798	83,193	-
Derivative financial instruments	138,353	136,823	-
Loans and advances to banks	30,926	31,105	80,632
Loans and advances to customers	282,300	268,896	262,409
Debt securities	-	-	130,311
Equity shares	-	-	11,399
Available for sale financial investments	51,703	53,497	-
Reverse repurchase agreements and cash collateral on securities borrowed	174,090	160,398	-
Other assets	5,850	4,734	34,491
Current tax assets	557	-	-
Investments in associates and joint ventures	228	546	429
Goodwill	6,092	6,022	4,518
Intangible assets	1,215	1,269	139
Property, plant, and equipment	2,492	2,754	2,282
Deferred tax assets	764	686	1,388
Total Assets	**£ 996,787**	**£ 924,357**	**£ 538,181**
LIABILITIES			
Deposits from banks	79,562	75,127	111,024
Items in the course of collection due to other banks	2,221	2,341	1,205
Customer accounts	256,754	238,684	217,492
Trading portfolio liabilities	71,874	71,564	-
Financial liabilities designated at fair value	53,987	33,385	-
Liabilities to customers under investment contracts	84,637	85,201	-
Derivative financial instruments	140,697	137,971	-
Debt securities in issue	111,137	103,328	83,842
Repurchase agreements and cash collateral on securities lent	136,956	121,178	-
Other liabilities	10,337	11,131	82,936
Current tax liabilities	1,020	747	621
Insurance contract liabilities including unit-linked liabilities	3,878	3,767	8,377
Subordinated liabilities:	13,786	12,463	12,277
Deferred tax liabilities	282	700	1,362
Provisions	462	517	416
Retirement benefit liabilities	1,807	1,823	1,865
Total Liabilities	**£ 969,397**	**£ 899,927**	**£ 521,417**
SHAREHOLDER'S EQUITY			
Called up share capital	1,634	1,623	1,614
Share premium account	5,818	5,650	5,524
Other reserves	390	1,377	868
Retained Earnings	12,169	8,957	7,983
Less: Treasury Shares	(212)	(181)	(119)
Shareholders' equity excluding minority interest	19,799	17,426	15,870
Minority interests	7,591	7,004	894
Total Shareholder's Equity	**£ 27,390**	**£ 24,430**	**£ 16,764**
Total Liabilities and Shareholder's Equity	**£ 996,787**	**£ 924,357**	**£ 538,181**

Barclays PLC
Statement of Cash Flows
(in £ millions)
2006, 2005, and 2004

		12/31/06		12/31/05		12/31/04
Net cash (outflow)/inflow from operating activities		10,047		3,649		9,458
Net cash outflow from investing activities		(1,154)		(5,292)		(6,986)
Net cash inflow from financing activities		692		1,083		(1,339)
Net gain on exchange rate changes on cash and cash equivalents		562		(237)		(470)
Net (decrease)/increase in cash and cash equivalents		10,147		(797)		663
Cash and cash equivalents - beginning of the period***		20,805		21,602		13,854
Cash and cash equivalents - end of the period	£	30,952	£	20,805	£	14,517

*** 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 and Data's Reston, VA facility under contract with SI International. The Agency has a direct contract with Switch and Data for the Pittsburgh, PA facility that houses our backup data center. The Switch and Data lease for the Reston facility was renewed in late 2006 for five years with an option to renew further. Their Pittsburgh lease is extended 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. The Company used approximately $104.5 million of the proceeds from the IPO to repay a significant portion of the amounts outstanding under its credit facilities.

Current Financial Condition: As of March 31, 2007, Switch and Data reported its outstanding long-term debt situation improved to $37 million, a decrease from $140 million in debt reported at year-end 2006.

- Income Statement: Through March 31, 2007, Switch & Data reported Revenues of $31 million, an 18 percent increase from $26.6 million reported for the first quarter 2006. Total costs and operating expenses increased to $32 million for the first quarter of 2007, a 28 percent increase over $25.8 million reported for the same period in 2006.

- Balance Sheet: Through March 31, 2007, Switch & Data's reported Total Assets of $186.7 million, a 23 percent increase from $152 million at year-end 2006. Total Liabilities of $73 million were reported, a 57 percent decrease from $172 million reported at year-end 2006.

- Cash Flow: Through March 31, 2007, cash and cash equivalents totaled $42 million, a significant increase from $3.7 million at year-end 2006. This includes proceeds from the IPO offset by principal payments of long-term debt.

- Current Ratio: The Current Ratio (Current Assets/Current Liabilities) significantly improved to 2.2 through March 31, 2007, from .61 at year-end 2006.

- Leverage: Through March 31, 2007, Total Liabilities as a percent of Total Assets were improved to 39 percent from 113 percent reported at year-end 2006.

Stock Performance: The price of Switch and Data shares as of June 29, 2007, was $19.19, an increase from its initial public offering price of $17.00 per share but down from its 52-week high of $22.00, also on February 8, 2007.

Dun & Bradstreet Credit Score Class: 3 (average risk), same as the previous quarter.

Significant Events: On February 16, 2007, Switch & Data announced that it had closed its initial public offering of 13,416,667 shares of common stock at the public offering price of $17.00 per share, less underwriting discounts and commissions.

Lawsuit Issues: As of the last report, there were three ongoing cases with respect to disputes from alleged breaches of abandoned lease agreements. One of these was a suit filed in West Palm Beach, Florida in May 2002, where the plaintiff sought damages of approximately $29.7 million. In an SEC filing on April 26, 2007, Switch and Data reported a settlement agreement was reached with the plaintiffs where the Company agreed to pay $3 million.

The second pending lawsuit was filed in Milwaukee, Wisconsin on May 31, 2006. In the suit, the plaintiff is seeking damages of $4.4 million in a breach of contract claim from 2000. In a third suit filed in New Orleans, Louisiana in October 2001, the plaintiff seeks damages of $3.6 million. The statuses of both of these suits remain unchanged.

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 and 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 and 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. As we continue to monitor Switch & Data's financial situation, we will develop a plan to implement one of the two strategies discussed above.

Switch & Data
Income Statement
(in thousands)

	03/31/07 1st Quarter Unaudited	12/31/06	03/31/06 1st Quarter Unaudited	12/31/05
Revenues	31,470	111,831	26,601	105,414
Cost and operating expenses				
Cost of revenues, exclusive of depreciation and amortization	16,496	60,405	14,480	54,800
Sales and marketing	3,817	12,324	3,145	9,846
General and administrative	3,884	10,374	2,305	9,568
Depreciation and amortization	6,163	23,485	5,796	30,206
Lease litigation settlement	2,600	-	-	-
Asset impairment	-	2,193	52	2,140
Total costs and operating expenses	32,960	108,781	25,778	106,560
Operating income	(1,490)	3,050	823	(1,146)
Interest income	222	77	23	106
Interest expense	(2,608)	(14,812)	(2,769)	(9,356)
Loss from debt extinguishment	(2,809)	-	-	(769)
Other income (expense), net	(104)	(36)	3	166
Income (loss) from continuing operations before minority interest and income taxes	(6,789)	(11,721)	(1,920)	(10,999)
Provision for income taxes	(12)	-	(33)	(69)
Loss from continuing operations	(6,801)	(11,721)	(1,953)	(11,068)
Income (loss) from discontinued operations	170	-	(378)	(206)
Net loss	**(6,631)**	**(11,721)**	**(2,331)**	**(11,274)**
Preferred stock accretions and dividends	(227,522)	(13,530)	(3,289)	(33,691)
Net loss, attributable to common shareholders	(234,153)	(25,251)	(5,620)	(44,965)

Switch & Data
Balance Sheet
(in thousands)

	03/31/07 1st Quarter Unaudited	12/31/06	03/31/06 1st Quarter Unaudited	12/31/05
Assets				
Current assets				
Cash and cash equivalents	42,021	3,671	6,737	10,417
Accounts receivable, net of allowance for bad debts	8,967	7,516	7,637	6,927
Prepaid and other assets	1,385	1,219	645	1,070
Total Current assets	52,373	12,406	15,019	18,414
Property and equipment, net	67,115	65,947	64,826	64,763
Derivative asset	304	560	909	101
Goodwill	36,023	36,023	36,023	36,023
Other intangible assets, net	28,166	29,936	1,460	38,231
Other long-term assets, net	2,692	7,184	36,270	5,690
Security deposits	-	-	1,556	-
Total assets	186,673	152,056	156,063	163,222
Liabilities, Redeemable Preferred Stock and Shareholders' Deficit				
Current liabilities				
Accounts payable and accrued expenses	18,035	13,049	11,864	15,345
Current portion of unearned revenue	2,368	2,054	1,254	1,064
Current portion of deferred rent	315	368	234	230
Current portion of customer security deposits	777	790	890	916
Current portion of long-term debt	2,250	4,125	1,313	781
Total current liabilities	23,745	20,386	15,555	18,336
Derivative liability	-	-	-	8
Unearned revenue, less current portion	1,140	951	556	560
Deferred rent, less current portion	10,830	10,549	9,125	8,596
Customer security deposits, less current portion	272	285	212	282
Long-term debt, less current portion	37,251	140,031	143,563	144,156
Total liabilities	73,238	172,202	169,011	171,938
Series C redeemable preferred stock	-	14,376	14,376	14,376
Series B convertible preferred stock	-	179,798	169,557	166,268
Commitments and contingencies				
Shareholders' deficit				
Common stock (Successor)	3	-	-	-
Preferred Stock (Successor)	-	-	-	-
Common Stock (Predecessor)		4	4	4
Series B Common Stock	-	7	7	7
Series D-2 preferred stock		5	2	2
Unearned stock compensation	(102)	(137)	-	(403)
Additional paid in capital	336,047		-	
Accumulated deficit	(223,336)	(214,971)	(197,642)	(189,721)
Accumulated other comprehensive income	823	772	746	751
Total shareholders' deficit	113,435	(214,320)	(196,883)	(189,360)
Total Liabilities, Preferred Stock and Shareholders' Deficit	**186,673**	**152,056**	**156,061**	**163,222**
CURRENT RATIO: Current Assets/Current Liabilities	2.21	0.61	0.97	1.00
LEVERAGE: Total Liabilities/Total Assets	39.23%	113.25%	108.30%	105.34%

Switch & Data
Statement of Cash Flows
(in thousands)

	03/31/07 **1st Quarter** Unaudited	**12/31/06**	**03/31/06** **1st Quarter** Unaudited	**12/31/05**
Net cash provided by operating activities	7,715	16,991	4,109	25,333
Net cash used in investing activities	(5,931)	(21,073)	(7,735)	(41,516)
Net cash provided by financing activities	36,556	(2,663)	(63)	12,875
Net increase in cash and cash equivalents	38,340	(6,745)	(3,689)	(3,308)
Effect of exchange rate charges on cash	10	(1)	(3)	18
Cash and cash equivalents - beginning of the period	3,671	10,417	10,417	13,707
Cash and cash equivalents - end of the period	42,021	3,671	6,725	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 275 in 2005 and over 3,000 accounts throughout the United States, Europe, Mexico, South America, and China. There is no indication at this time that it will be unable to meet its contractual obligations to the TSP.

Current Financial Condition: Net sales for the first quarter of 2007 increased $525.7 million, or 23.2 percent to $2.8 billion versus the same period in 2006. The increase was primarily due to acquisitions of Banta, Perry Judd's, and Office Tiger.

- Income Statement: Through March 31, 2007, the company reported net earnings of $138.8 million, an increase of $26.9 million from the $111.9 million earned during the same period in 2006.
- Balance Sheet: Total Assets reported as of March 31, 2007 totaled $12 billion, a 28 percent increase from $9.6 billion reported at year-end 2006. Total Liabilities reported were $7.7 billion, an increase from the $5.5 billion reported at year-end 2006.
- Current Ratio: The Current Ratio (Current Assets/Current Liabilities) for the quarter is 1.4, a decrease from 1.6 reported at year-end 2006.
- Cash Flow: As of March 31, 2007, the company reported cash and cash equivalents of $299.6 million, a 42 percent increase from the $211.4 million reported at year-end 2006.
- Leverage: As of March 31, 2007, Total Liabilities are about 64 percent of Total Assets, an increase from 57 percent at year-end 2006.

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

Stock Performance: The R.R. Donnelley & Sons closing share price on June 29, 2007 was $43.51, down from its 52-week high of $44.34 on June 20, 2007.

Significant Events: On June 21, 2007, R.R. Donnelley announced that it had unified its printing and related services offerings under the single R.R. Donnelley brand. Moore Wallace, Moore Canada, More Response Marketing, Moore (in Latin America), OfficeTiger and the company's network of commercial printing facilities have been re-branded as R.R. Donnelley.

On May 24, 2007, R.R. Donnelley announced that it was awarded a multi-year $49.7 million contract by the U.S. government to produce documents and provide support services for the 2010 census.

Completed Acquisitions: On May 16, 2007, R.R. Donnelley announced that its $412.5 million acquisition of Von Hoffman Corporation, a printer of books and other products that serve primarily the education, trade, and business-to-business catalog segments, is complete.

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 currently refining the plan with R.R. Donnelley. If there were a disaster at the facilities currently producing our notices or statements, Moore Wallace 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)

	03/31/07 1st Quarter Unaudited	12/31/06	03/31/06 1st Quarter Unaudited	12/31/05
Net sales	$ 2,792.6	$ 9,316.6	$ 2,266.9	$ 8,430.2
Cost of Sales (excludes Depreciation & Amoritization shown below)	2,056.0	6,798.9	1,661.5	6,090.3
Selling, General & Administrative Expenses	324.5	1,097.6	262.1	1,044.7
Restructuring and Impairment Charges - net	11.4	206.1	16.6	419.8
Depreciation & Amortization	142.2	463.3	114.8	425.0
Total Operating Expenses	2,534.1	8,565.9	2,055.0	7,979.8
Income from Continuing Operations	258.5	750.7	211.9	450.4
Interest Expense - net	53.4	139.0	34.8	110.7
Investment and Other Income (expense) - net	2.2	(10.4)	(0.8)	(7.9)
Earnings from Continuing Operations before Income Taxes and Minority Interest	207.3	601.3	176.3	331.8
Income Tax Expense	67.9	196.0	62.6	237.4
Minority Interest	0.5	2.7	(0.5)	(1.2)
Net Earnings from Continuing Operations	138.9	402.6	114.2	95.6
Income (loss) from Discontinued Operations, net of tax	(0.1)	(2.0)	(2.3)	41.5
Net Earnings	**$ 138.8**	**$ 400.6**	**$ 111.9**	**$ 137.1**

R R Donnelley & Sons
Balance Sheet
(in millions)

	03/31/07 1st Quarter Unaudited	12/31/06	03/31/06 1st Quarter Unaudited	12/31/05
ASSETS				
Cash and cash equivalents	$ 299.6	$ 211.4	$ 320.7	$ 366.7
Restricted cash equivalents	34.8	-	-	-
Receivables, less allowance for doubtful accounts	2,010.9	1,638.6	1,505.4	1,529.1
Inventories, net	626.0	501.8	506.5	481.4
Prepaid expenses and other current assets	89.5	70.4	87.4	67.5
Deferred income taxes	124.4	94.8	167.0	177.0
Total Current Assets	3,185.2	2,517.0	2,587.0	2,621.7
Property, plant and equipment net	2,556.8	2,142.3	2,138.8	2,138.6
Goodwill	3,565.5	2,886.8	2,753.1	2,750.7
Other intangible assets net	1,485.8	1,119.8	1,093.5	1,094.3
Prepaid pension cost	763.9	638.6	514.3	514.1
Other noncurrent assets	438.7	331.3	295.7	254.3
Total Assets	**11,995.9**	**9,635.8**	**9,382.4**	**9,373.7**
LIABILITIES AND SHAREHOLDER'S EQUITY				
Accounts payable	918.7	749.1	665.7	718.1
Accrued liabilities	965.0	839.2	829.6	826.9
Short-term and current portion of long-term debt	348.5	23.5	269.8	269.1
Total Current Liabilities	2,232.2	1,611.8	1,765.1	1,814.1
Long-term debt	3,601.8	2,358.6	2,351.5	2,365.4
Postretirement benefits	292.8	288.0	332.5	330.6
Deferred income taxes	860.0	604.1	589.3	596.8
Other noncurrent liabilities	730.1	645.4	559.0	541.2
Liabilities of discontinued operations	2.9	3.2	4.1	1.4
Total Liabilities	**7,719.8**	**5,511.1**	**5,601.5**	**5,649.5**
SHAREHOLDERS EQUITY				
Preferred stock	-	-	-	-
Common stock	303.7	303.7	303.7	303.7
Additional paid-in capital	2,831.3	2,871.8	2,845.1	2,888.2
Retained earnings	1,669.0	1,615.0	1,495.1	1,439.4
Accumulated other comprehensive loss	140.7	62.1	(95.4)	(90.2)
Unearned compensation	-	-	-	(44.9)
Treasury stock, at cost	(668.6)	(727.9)	(767.6)	(772.0)
Total Shareholders Equity	**$ 4,276.1**	**$ 4,124.7**	**$ 3,780.9**	**$ 3,724.2**
Total Liabilities and Shareholders Equity	**11,995.9**	**9,635.8**	**9,382.4**	**9,373.7**
CURRENT RATIO: Current Assets/Current Liabilities	1.4269	1.5616	1.4656	1.4452
LEVERAGE: Total Liabilities/Total Assets	64.35%	57.19%	59.70%	60.27%

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

	03/31/07 1st Quarter Unaudited	**12/31/06**	**03/31/06 1st Quarter** Unaudited	**12/31/05**
Net cash provided by operating activities from continuing operations	$221.4	$903.5	$109.0	$947.5
Net cash used in investing activities	(1,654.9)	(608.4)	(90.1)	(1,602.5)
Net cash provided by financing activities	1,519.2	(457.8)	(65.8)	378.5
Effect of exchange rate charges on cash	2.5	7.4	0.9	1.4
Net increase in cash and cash equivalents	88.2	(155.3)	(46.0)	(275.1)
Cash and cash equivalents - beginning of the period	211.4	366.7	366.7	641.8
Cash and cash equivalents - end of the period	299.6	211.4	320.7	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.

Current Financial Condition: MetLife reported Total Revenues of $12.9 billion for the first quarter of 2007, up 12 percent from $11.5 billion for the same period in 2006.

- Income Statement: As of March 31, 2007, the company reported Net Income of $1.0 billion, an increase of 36 percent from the $747 million reported for the same period in 2006.

- Balance Sheet: Total Assets reported as of March 31, 2007, totaled $537.8 billion, a 2 percent increase from the $527.7 billion reported at year-end 2006. Total Liabilities reported were $503.7 billion, a 2 percent increase from the $493.9 billion reported at year-end 2006.

- Cash Flow: As of March 31, 2007, the company reported cash and cash equivalents of $6.5 billion, an 8 percent decrease from the $7.1 billion reported at year-end 2006.

- Leverage: As of March 31, 2007, Total Liabilities are about 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 1, 2007, the time of its annual filing with the SEC, MetLife reported its insurer financial strength ratings 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: 2 (slight risk), up from the lowest risk (1) reported in the previous quarter.

Stock Performance: The MetLife closing share price on June 29, 2007, was $64.48, down from its 52-week high of $69.35 on May 16, 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)

	03/31/07 1st Quarter Unaudited	**12/31/06**	**03/31/06 1st Quarter** Unaudited	**12/31/05**
Revenues				
Premiums	6,765	26,412	6,428	24,860
Universal life and investment type product policy fees	1,280	4,780	1,175	3,828
Net investment income	4,521	17,192	4,195	14,817
Other revenues	384	1,362	328	1,271
Net investment gains (losses)	(38)	(1,350)	(594)	(93)
Total Revenues	12,912	48,396	11,532	44,683
Expenses				
Policyholder benefits and claims	6,773	26,431	6,405	25,506
Interest credited to policyholder account balances	1,376	5,246	1,197	3,925
Policyholder dividends	424	1,701	421	1,679
Other expenses	2,896	10,797	2,495	9,267
Total Expenses	11,469	44,175	10,518	40,377
Income from continuing operations before provision for income taxes	1,443	4,221	1,014	4,306
Provision for income taxes	416	1,116	284	1,228
Income from continuing operations	1,027	3,105	730	3,078
Income from discontinued operations, net of income taxes	(10)	3,188	17	1,636
Net income	1,017	6,293	747	4,714
Preferred stock dividends	34	134	33	63
Net income available to common shareholders	983	6,159	714	4,651

MetLife, Inc.
Balance Sheet
(in millions)

	03/31/07 1st Quarter Unaudited	12/31/06	03/31/06 1st Quarter Unaudited	12/31/05
ASSETS				
Investments:				
Fixed maturities	247,916	241,928	239,828	230,050
Trading securities	777	759	883	825
Equity securities	5,134	5,094	3,356	3,338
Mortgage and consumer loans	43,936	42,239	37,351	37,190
Policy loans	10,177	10,228	9,987	9,981
Real estate and real estate joint ventures held for investment	5,426	4,978	4,677	3,910
Real estate held for sale	1	8	23	755
Other limited partnership interests	4,948	4,781	4,514	4,276
Short term investments	2,483	2,709	3,368	3,306
Other invested assets	9,713	10,428	8,386	8,078
Total investments	330,511	323,152	312,373	301,709
Cash and cash equivalents	6,545	7,107	5,144	4,018
Accrued investment income	3,300	3,347	3,145	3,036
Premiums and other receivables	15,581	14,490	12,731	12,186
Deferred policy acquisition costs	20,371	20,838	20,245	19,641
Current income tax recoverable	122	-	-	-
Assets of subsidiaries held for sale	1,568	1,563	-	-
Goodwill	4,897	4,897	4,797	4,797
Other assets	7,602	7,956	8,145	8,389
Separate account assets	147,312	144,365	132,522	127,869
Total Assets	**537,809**	**527,715**	**499,102**	**481,645**
LIABILITIES AND SHAREHOLDER'S EQUITY				
Future policy benefits	128,369	127,489	122,748	123,204
Policyholder account balances	132,489	131,948	129,860	128,312
Other policyholder funds	9,467	9,139	8,620	8,331
Policyholder dividends payable	961	960	918	917
Policyholder dividend obligation	974	1,063	814	1,607
Short term debt	3,375	1,449	1,360	1,414
Long term debt	10,338	9,979	9,932	9,489
Junior subordinated debt securities	3,780	3,780	2,134	2,533
Shares subject to mandatory redemption	278	278	278	278
Liabilities of subsidiaries held for sale	1,598	1,595	-	-
Current income taxes payable	-	1,465	88	69
Deferred income taxes payable	1,992	2,278	1,199	1,706
Payables for collateral under securities loaned and other transactions	48,140	45,846	47,059	34,515
Other liabilities	14,667	12,283	13,003	12,300
Separate account liabilities	147,312	144,365	132,522	127,869
Total Liabilities	**503,740**	**493,917**	**470,535**	**452,544**
SHAREHOLDERS EQUITY				
Preferred stock	1	1	1	1
Common stock	8	8	8	8
Additional paid in capital	17,503	17,454	17,327	17,274
Retained earnings	17,228	16,574	11,579	10,865
Treasury stock, at cost	(2,073)	(1,357)	(938)	(959)
Accumulated other comprehensive income (loss)	1,402	1,118	590	1,912
Total Shareholders Equity	**34,069**	**33,798**	**28,567**	**29,101**
Total Liabilities and Shareholders Equity	**537,809**	**527,715**	**499,102**	**481,645**
LEVERAGE: Total Liabilities/Total Assets	93.67%	93.60%	94.28%	93.96%
DEBT to SHAREHOLDER EQUITY: Total Liabilities/Sholder Equity	14.79	14.61	16.47	15.55

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

	03/31/07 1st Quarter Unaudited	12/31/06	03/31/06 1st Quarter Unaudited	12/31/05
Net cash provided by operating activities from continuing operations	2,210	6,600	2,352	8,019
Net cash used in investing activities	(6,786)	(18,886)	(15,102)	(22,617)
Net cash provided by financing activities	4,014	15,375	13,876	14,510
Change in cash and cash equivalents	(562)	3,089	1,126	(88)
Cash and cash equivalents - beginning of the period	7,107	4,018	4,018	4,106
Cash and cash equivalents - end of the period	6,545	7,107	5,144	4,018