THRIFT SAVINGS PLAN

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

October 10, 2008

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: JAMES B. PETRICK
CHIEF FINANCIAL OFFICER

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

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

For each vendor we have analyzed the following:

1. Current Financial Condition:

Our financial analysis consists of a review of the vendor's key financial statistics from their current income statement and balance sheet for the most recent quarter available to determine their overall financial stability. For this report, we are using unaudited data for the six months ending June 30, 2008. We determine whether there is evidence of stable or growing income (i.e., the profitability of the company). We also review the current balance sheet to determine 1) the current ratio of assets to liabilities to ascertain the vendor's ability to meet short term liquidity needs and 2) the ratio of total debt to total assets to ascertain the prospects for longer term profitablility. Then, we look for significant changes from prior to current periods to identify trends that may require further explanation. At the Board's request, for comparative purposes, we have included information from the first six months of 2007, year-end 2007 and year-end 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. For MetLife, we heavily rely on the insurance rating agencies scores of overall financial strength and claims paying ability.

2. Dun & Bradstreet Credit Score:

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

3. Significant Events:

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

4. Risk Mitigation:

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

Attachments

SI International

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

Assessment: The first half of 2008 continued to show a company that is still profitable but is more leveraged than at the end of the first quarter of 2007, with some decrease in income from operations and net income despite increased revenues. Any volatility present due to its pursuit of strategic acquisitions is mitigated by the Company's extensive portfolio of Federal government contracts; these contracts generated approximately 99 percent of total revenue in 2007. We find no indication at this time that SI International is unable to fulfill its contractual obligations to the TSP.

Current Financial Condition: For the six months ended June 30, 2008, in its SEC filing, SI reported revenues of $277.2 million, an increase of 19 percent from the $232.5 million reported in the first six months of 2007.

- Income Statement: Through June 30, 2008, SI reported Net Income of $7.3 million, down 26 percent from the $9.8 million reported in the first half of 2007.

- Balance Sheet: Through June 30, 2008, Total Assets of $455 million were reported, a slight decrease of 4 percent from the $461 million reported at year-end 2007. Total Liabilities decreased to $188.4 million, a 6 percent decrease from the $201 million reported at year-end 2007.

- Cash Flow: Through June 30, 2008, cash and cash equivalents totaled $14.4 million, a 10 percent increase from $13.1 million at year-end 2007. Cash provided by operating activities accounted for all of the increase.

- Current Ratio: The Current Ratio (Current Assets/Current Liabilities) improved to 2.2 from 1.7 reported at year-end 2007.

- Leverage: Through June 30, 2008, Total Liabilities as a percent of Total Assets slightly declined to 41.4 percent from 43.5 percent reported at year-end 2007.

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

Stock Performance: The SI closing share price on September 30, 2008 was $30.05, down from its 52-week high of $31.68 on September 8, 2007. The 52-week low of $17.79 occurred on July 31, 2008.

Significant Events: On August 28, 2008, SI International and Serco Inc., (Reston, VA) a division of Serco Group PLC, announced that they had entered a definitive merger agreement whereby Serco will acquire SI International for an aggregate purchase price of approximately $423 million. The companies anticipate completion of this merger by the end of 2008. We anticipate no changes to the day to day record keeping operations provided by SI.

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

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

The Agency is continuing to develop the requirements for a new statement of work (SOW) in preparation for the recompetition of SI 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. We hope to release the solicitation by the end of FY2009, with contract award in FY2010. 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)

	6/28/08 Six Months Ended **Unaudited**	**12/29/07**	**6/31/07** Six Months Ended **Unaudited**	**12/30/06**
Revenue	$277,189	$510,820	$232,494	$461,970
Costs and expenses				
Cost of services	182,738	325,695	144,625	290,675
Selling, general, and administrative	74,573	138,854	65,716	124,847
Depreciation/Amortization	2,135	3,590	1,616	2,692
Amortization of intangible assets	2,190	4,047	1,517	3,116
Total operating expenses	261,636	472,186	213,474	421,330
Income from operations	15,553	38,634	19,020	40,640
Interest expense, net	(3,358)	7,154	(2,969)	(7,731)
Income (loss) before provision for income taxes	12,195	31,738	16,051	32,997
Provision for income taxes	4,939	12,445	6,293	12,844
Net income (loss)	**$7,256**	**$19,293**	**$9,758**	**$20,153**

SI International
Balance Sheet
(in thousands)

	06/28/08 Six Months Ended Unaudited	12/29/07	06/30/07 Six Months Ended Unaudited	12/30/06
ASSETS				
Current assets:				
Cash and cash equivalents	$14,433	$13,129	$10,892	$19,457
Accounts receivable, net	111,333	117,098	103,652	91,972
Deferred tax asset	-	-	-	1,408
Other current assets	13,023	12,511	9,139	7,219
Total current assets	**138,789**	**142,738**	**123,683**	**120,056**
Property and equipment, net	14,686	15,080	14,795	12,372
Goodwill	265,474	265,474	266,243	220,626
Intangible assets, net	24,393	26,583	28,790	20,418
Other assets	11,612	11,572	12,645	7,661
Total assets	**454,954**	**461,447**	**446,156**	**381,133**
LIABILITIES AND STOCKHOLDER'S EQUITY				
Current liabilities:				
Note payable - line of credit	-	20,000	25,000	-
Current portion of long-term debt	-	1,004	1,004	754
Note Payable - former owner of acquired business	-	-	-	5,839
Accounts payable	20,286	26,000	24,724	20,715
Accrued expenses and other current liabilities	41,801	35,172	33,254	28,547
Total current liabilities	**62,087**	**82,176**	**83,982**	**55,855**
Long-term debt, net of current portion	101,750	93,261	93,825	69,452
Deferred income tax,net	14,160	14,241	8,772	8,961
Other long-term liabilities	10,374	11,066	9,209	7,653
Total Liabilities	**188,371**	**200,744**	**195,788**	**141,921**
STOCKHOLDER'S EQUITY				
Common stock - $0.01 par value per share; 50,000,000 shares authorized; 13,110,542 and 13,087,164 shares issued and outstanding as of June 28,2008 and December 29, 2007, respectively	131	131	130	130
Additional paid in capital	189,641	188,308	186,415	184,845
Treasury Stock - 109,264 shares as of June 28, 2008 at cost	(2,532)			
Retained earnings	80,614	73,358	63,823	54,065
Accumulated other comprehensive income/(loss)	(1,271)	(1,094)	-	172
Total stockholders' equity	**266,583**	**260,703**	**250,368**	**239,212**
Total Liabilities and stockholders' equity	**$454,954**	**$461,447**	**$446,156**	**$381,133**
CURRENT RATIO: Current Assets/Current Liabilities	2.24	1.74	1.47	2.15
LEVERAGE: Total Liabilities/Total Assets	41.40%	43.50%	43.88%	37.24%

SI International
Statement of Cash Flows
(in thousands)

	06/28/08 Six Months Ended Unaudited	12/29/07	06/30/07 Six Months Ended Unaudited	12/30/06
Net cash provided by (used in) operating activities	18,627	19,233	10,852	32,256
Net cash used in investing activities	(1,741)	(71,701)	(69,932)	(58,981)
Net cash provided by financing activities	(15,582)	46,140	50,515	20,022
Net increase (decrease) in cash and cash equivalents	1,304	(6,328)	(8,565)	(6,703)
Cash and cash equivalents - beginning of the period	13,129	19,457	19,457	26,160
Cash and cash equivalents - end of the period	14,433	13,129	10,892	19,457

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 has published its half-year interim results for the period ended June 30, 2008.

As of June 30, 2008, within Barclays PLC, Barclays Global Investors (BGI), its fund division, reported a 32 percent decline in pretax profit to £265 million. Total assets under management were US$1,967 billion, reflecting net new assets of US$25 billion and negative market moves of US$147 billion.

- Income Statement: As of June 30, 2008, Barclays PLC reported a before tax profit of £2.8 billion, a 34 percent decrease from the £4.1. billion reported for the first six months of 2007.

- Balance Sheet: As of June 30, 2008, Total Assets for Barclays PLC were £1365.8 billion, an increase of 11 percent from the £1227.6 billion reported at year-end 2007. Total Liabilities reported were £1333.1 billion, up 12 percent from the £1195.8 billion reported at year-end 2007.

- Cash Flow: As of June 30, 2008, cash and cash equivalents totaled £40,041 million, an increase of 21 percent from the £33,078 million reported at year-end 2007.

- Capitalization: Based on the FRB's definition, as of June 30, 2008, Barclays' reported "Tier 1" ratio of 7.9 percent significantly exceeds the regulatory standard of at least 4 percent required to be considered well-capitalized. This is slightly improved from the 7.6 percent rating reported for December 2007.

Dun & Bradstreet Credit Score Class: As of June 30, 2008, the credit score was 2 (slight risk); up from 1 (low risk) at the end of 2007 but improved from the credit score of 3 (average risk) reported on April 4, 2008. A new report on October 6, 2008 returned the credit score to 1 (low risk).

Stock Performance: After reaching a 52-week high of $54.79 on October 8, 2007, the closing price of Barclays PLC American Depository Receipts (ADR's) on September 30, 2008, was $24.70. The 52-week low of $19.80 occurred on July 16, 2008.

Significant Events: On October 8, 2008, the U.K. government stated that it will pump as much as $87 billion into the country's main banks in exchange for a stake in the banks as part of a capital package intended to shore up the struggling sector. The Royal Bank of Scotland Group, PLC and Barclays said they would participate in at least some of the measures but declined to provide details.

On October 3, 2008, the U.S. Treasury announced that Barclays Global Investors was hired to manage the US Treasury's purchases of mortgage-backed securities under the plan to strengthen Fannie Mae and Freddie Mac. (State Street Bank and Trust Company was awarded a similar contract. Under the contracts, the banks will act as Treasury's agent in buying the securities. The contracts will run through September 15, 2010, but the US Treasury has the authority to terminate them earlier.)

On September 22, 2008, Barclays Capital completed their acquisition of Lehman Brothers North American fixed income and equity sales; trading and research; prime services; investment banking; principal investing; and private investment management businesses. According to the Barclays September 17 announcement, Barclays acquired trading assets with an estimated value of $72 billion and trading liabilities with an estimated value of $68 billion for a cash consideration of $0.25 billion. Barclays also acquired the New York headquarters of Lehman Brothers as well as its two data centers.

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)

	06/30/08 Unaudited	12/31/07	06/30/07 Unaudited	12/31/06
Interest income	13,356	25,308	12,037	21,805
Interest expense	(8,195)	(15,698)	(7,450)	(12,662)
Net interest income	5,161	9,610	4,587	9,143
Fee and commission income	4,463	8,678	4,292	8,005
Fee and commission expense	(548)	(970)	(480)	(828)
Net fee and commission income	3,915	7,708	3,812	7,177
Net trading income	1,782	3,759	2,810	3,614
Net investment income	345	1,216	396	962
Principal transactions	2,127	4,975	3,206	4,576
Net premiums from insurance contracts	568	1,011	442	1,060
Other operating income	203	224	130	257
Total income	11,974	23,528	12,177	22,213
Net claims and benefits paid on insurance contracts	(101)	(492)	(248)	(575)
Total income net of insurance claims	11,873	23,036	11,929	21,638
Impairment charges	(2,448)	(2,795)	(959)	(2,154)
Net income	9,425	20,241	10,970	19,484
Operating expenses excluding amortization of intangible assets	(6,570)	(13,013)	(6,760)	(12,538)
Amortization of intangible assets	(94)	(186)	(87)	(136)
Operating Expenses	(6,664)	(13,199)	(6,847)	(12,674)
Share of post-tax results of associates and joint ventures	23	42	-	46
Profit on disposal of subsidiaries, associates and joint ventures	-	28	5	323
Profit before tax	2,784	7,107	4,128	7,197
Tax	(620)	(1,981)	(1,158)	(1,941)
Profit after tax	**£ 2,164**	**£ 5,126**	**£ 2,970**	**£ 5,256**
Profit attributable to minority interests	196	377	167	342
Profit attributable to equity holders of the parent	1,968	4,749	2,803	4,914
	£ 2,164	**£ 5,126**	**£ 2,970**	**£ 5,256**

Barclays PLC
Balance Sheet
(in £ millions)

	06/30/08 Unaudited	12/31/07	06/30/07 Unaudited	12/31/06
ASSETS				
Cash and balances at central banks	6,432	5,801	4,785	7,345
Items in the course of collection from other banks	2,478	1,836	2,533	2,408
Trading portfolio assets	177,630	193,726	217,573	177,867
Financial assets designated at fair value:				
held on own account	46,697	56,629	46,171	31,799
held in respect of linked liabilities to customers under investment contracts	79,486	90,851	92,194	82,798
Derivative financial instruments	400,009	248,088	174,225	138,353
Loans and advances to banks	54,514	40,120	43,191	30,926
Loans and advances to customers	395,467	345,398	321,243	282,300
Available for sale financial investments	42,858	43,256	47,764	51,703
Reverse repurchase agreements and cash collateral on securities borrowed	139,955	183,075	190,546	174,090
Other assets	6,015	5,153	6,289	5,850
Current tax assets	808	518	345	557
Investments in associates and joint ventures	316	377	228	228
Goodwill	6,932	7,014	6,635	6,092
Intangible assets	1,200	1,282	1,228	1,215
Property, plant, and equipment	2,991	2,996	2,538	2,492
Deferred tax assets	1,964	1,463	774	764
Total Assets	**£ 1,365,752**	**£ 1,227,583**	**£ 1,158,262**	**£ 996,787**
LIABILITIES				
Deposits from banks	89,944	90,546	87,429	79,562
Items in the course of collection due to other banks	2,791	1,792	2,206	2,221
Customer accounts	319,547	295,849	292,444	256,754
Trading portfolio liabilities	56,067	65,402	79,252	71,874
Financial liabilities designated at fair value	86,162	74,489	63,490	53,987
Liabilities to customers under investment contracts	80,949	92,639	93,735	84,637
Derivative financial instruments	396,357	248,288	177,774	140,697
Debt securities in issue	115,739	120,228	118,745	111,137
Repurchase agreements and cash collateral on securities lent	146,895	169,429	181,093	136,956
Other liabilities	8,998	10,514	10,908	10,337
Current tax liabilities	1,532	1,311	1,003	1,020
Insurance contract liabilities including unit-linked liabilities	3,679	3,903	3,770	3,878
Subordinated liabilities:	21,583	18,150	15,067	13,786
Deferred tax liabilities	655	855	258	282
Provisions	624	830	527	462
Retirement benefit liabilities	1,603	1,537	1,840	1,807
Total Liabilities	**£ 1,333,125**	**£ 1,195,762**	**£ 1,129,541**	**£ 969,397**

SHAREHOLDER'S EQUITY				
Called up share capital	2,397	2,382	1,637	1,634
Share premium account	12,063	10,751	5,859	5,818
Other reserves	1,541	2,517	271	390
Retained Earnings	14,800	14,222	13,461	12,169
Less: Treasury Shares	-	-	(255)	(212)
Shareholders' equity excluding minority interest	30,801	29,872	20,973	19,799
Minority interests	1,826	1,949	7,748	7,591
Total Shareholder's Equity	**£ 32,627**	**£ 31,821**	**£ 28,721**	**£ 27,390**
Total Liabilities and Shareholder's Equity	**£ 1,365,752**	**£ 1,227,583**	**£ 1,158,262**	**£ 996,787**

Barclays PLC
Statement of Cash Flows
(in £ millions)

	06/30/08 Unaudited	12/31/07	06/30/07 Unaudited	12/31/06
Net cash from operating activities	3,212	(13,132)	2,729	10,047
Net cash from investing activities	812	6,026	3,990	(1,154)
Net cash from financing activities	3,346	2,757	410	692
Effects of exchange rate on cash and cash equivalents	(407)	(458)	(196)	562
Net increase/(decrease) in cash and cash equivalents	6,963	(4,807)	6,933	10,147
Cash and cash equivalents - beginning of the period	£ 33,078	37,885	£ 30,952	20,805
Cash and cash equivalents - end of the period	£ 40,041	£ 33,078	£ 37,885	£ 30,952

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 SI International. The Agency has a direct contract with Switch & Data for the western Pennsylvania facility that houses our backup data center. The Agency is in the process of evaluating a direct contract with Switch & Data for the relocation of the northern Virginia Data Center to a new Switch & Data facility nearby.

Assessment: On February 8, 2007, Switch & Data completed an initial public offering (IPO) resulting in gross proceeds of $153 million. Net proceeds, after underwriting discounts and commissions and other costs related to the offering, were $139.3 million. Much of this amount was used to reduce long-term debt. Some of it was used to improve the Company's cash reserve. The financial condition of the Company has continued to improve and Operating Income was positive ($1.5 million) during the first half of 2008. 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. Substantially all of the assets of the Company are pledged as collateral for the 2008 Credit Facility.

Current Financial Condition: In its SEC filing for the six months ended June 30, 2008, Switch & Data reported net income of $1.5 million.

Income Statement: For the six months ended June 30, 2008, Switch & Data reported Revenues of $81.7 million, a 26 percent increase from the $64.6 million reported for the same period in 2007. Total costs and operating expenses increased to $74 million for the first half of 2008, a 15 percent increase over the $64.2 million reported in the first half of 2007. Operating Income in the first half of 2008 was $1.5 million compared to a $4.7 million loss in the first half of 2007.

- Balance Sheet: Through June 30, 2008, Switch & Data reported Total Assets of $364.4 million, a 47 percent increase from $232.7 million at year-end 2007. The growth in assets was driven by a $64 million increase in cash and cash equivalents and a $45.6 million increase in property and equipment. Total Liabilities of $216.5 million were reported, twice the $107.6 million reported at year-end 2007.

- Cash Flow: Through June 30, 2008, cash and cash equivalents totaled $91.2 million, a significant increase from $45.6 million at year-end 2007, due primarily to cash raised through financing activities.

- Current Ratio: The Current Ratio (Current Assets/Current Liabilities) improved to 2.3 as of June 30, 2008, from 1.6 at year-end 2007.

- Leverage: Through June 30, 2008, Total Liabilities as a percent of Total Assets increased to 64.3 percent from 46.3 percent reported at year-end 2007.

Stock Performance: The price of Switch & Data shares as of June 30, 2008, was $16.99 (its initial public offering price was $17.00 per share) and down from its 52-week high of $21.08, on July 17, 2007. The stock's 52-week low was $8.43 on March 18, 2008.

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

Lawsuit Issues: A lawsuit filed in New Orleans, Louisiana, on October 26, 2001, Continental Poydras Corporation vs Switch and Data LA one, LLC, and the Company's predecessor, was dismissed with prejudice in favor of the company on June 18, 2008.

Significant Events: The Agency and Switch and Data are still in negotiations with respect to the need to move from the current Virginia site due to its inability to handle the increased capacity requirements due to the TSP System Modernization plan.

On August 13, 2008, Switch and Data announced that the company has opened a new site in northern Virginia. This site adds nearly 22,000 gross square foot of capacity and is part of Switch and Data's plan to add 3,000 cabinet equivalents of product capacity.

The Agency is in the process of establishing a contract with Switch and Data for the relocation of the existing data center to this new site. We expect to have the contract in place by late October, and plan to begin configuring and populating the new site with TSP IT assets in mid-November. The complete transition will take 6-9 months.

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 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 collocations providers on GSA Schedule, which would provide for a more expedient contract award. An alternative would be to take the same approach as we did with the Clintwood call center, and create data centers as Government Owned Contractor Operated (GOCO) facilities. Although it is considerably more work from a contracting and operations perspective, this would give us the ability to continue operations by either issuing a letter contract to another data center contractor to operate the facility or to operate it ourselves (taking on the people as temporary employees).

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

Switch and Data
Statement of Cash Flows
(in thousands)

	Six Months Ended 06/30/08 Unaudited	12/31/07	Six Months Ended 06/30/07 Unaudited	12/31/06
Cash flows from Operating Activities				
Net income (loss)	1,479	(786)	(4,669)	(11,721)
Adjustments to reconcile income (loss) to net cash provided by operating activities				
Depreciation	11,004	18,286	8,581	15,481
Amortization of debt issuance costs	282	417	244	848
Amortization of other intangible assets	2,249	7,288	3,621	8,004
Stock compensation expense	3,181	4,085	1,968	266
Loss on debt extinguishment	695	2,359	2,359	-
Provision for bad debts, net of recoveries	400	(54)	(210)	1,106
Deferred rent	2,558	2,203	675	1,642
Change in fair value of derivative	409	1,184	(32)	(468)
Asset impairment	-	-	-	2,193
Loss on disposal of fixed assets	6	3	38	129
Changes in operating assets and liabilities, net of acquired amounts:				
(Increase) decrease in accounts receivable	(3,402)	(1,308)	428	(1,695)
Increase in prepaid and other assets	(338)	(219)	(325)	(150)
(Increase) Decrease in other long term assets	(62)	(41)	13	35
Increase (decrease) in accounts payable, accrued expenses, and other liabilities	2,514	2,761	1,484	(62)
Increase in unearned revenue	224	2,463	1,528	1,383
Net cash provided by operating activities	**21,199**	**38,641**	**15,703**	**16,991**
Cash flows used from investing activities				
Purchase of property and equipment	(54,005)	(33,934)	(13,766)	(21,355)
Proceeds from sale of property and equipment	-	1	-	282
Net cash provided by investing activities	**(54,005)**	**(33,933)**	**(13,766)**	**(21,073)**
Cash flows from financing activities				
Principal payments under capital lease		(69)		
Principal payments under long-term debt	(38,189)	(105,968)	(104,843)	(781)
Proceeds from exercise of stock options	655	1,298	1	-
Excess tax benefits from stock based compensation	167	139	-	-
Public offering costs	-	(1,072)	(1,072)	(1,528)
Proceeds from initial public offering, net of commissions	-	142,290	142,290	-
Debt issuance and amendment costs	(4,039)	(55)	(55)	(357)
Proceeds from long term debt	120,000	-	-	-
Proceeds from issuance and sale of Series D redeemable and Series D-1 preferred stock, net of issuance costs	-	-	-	3
Net cash provided by financing activities	**78,594**	**36,563**	**36,321**	**(2,663)**
Net increase (decrease) in cash and cash equivalents	**45,788**	**41,271**	**38,258**	**(6,745)**
Effect of exchange rate charges on cash	(200)	653	112	(1)
Cash and cash equivalents				
Beginning of the period	45,595	3,671	3,671	10,417
End of the period	**91,183**	**45,595**	**42,041**	**3,671**
Supplemental disclosure of cash flow information				
Cash paid for interest	2,144	5,847	3,856	15,477
Cash paid for taxes	483	117	104	14
Cash paid for pre-payment penalty on long-term debt	-	450	450	-
Supplemental schedule of non-cash investing and financing activities				
Purchase of property and equipment included in accounts payable and accrued expenses	24,896	13,038	3,371	930
Asset acquired and obligation incurred under capital lease	27,500	-	-	-

Switch & Data
Balance Sheet
(in thousands)

	06/30/08 2nd Quarter Unaudited	**12/31/07**	**06/30/08 2nd Quarter** Unaudited	**12/31/06**
Assets				
Current assets				
Cash and cash equivalents	91,183	45,595	42,041	3,671
Accounts receivable, net of allowance for bad debts	11,997	9,029	7,385	7,516
Prepaid and other assets	1,796	1,468	1,551	1,219
Total Current assets	104,976	56,092	50,977	12,406
Property and equipment, net	196,813	114,803	72,504	65,947
Goodwill	36,023	36,023	36,023	36,023
Other intangible assets, net	20,933	23,287	26,663	29,936
Other long-term assets, net	5,609	2,485	2,604	7,184
Total assets	364,354	232,690	188,771	151,496
Liabilities, Redeemable Preferred Stock and Shareholders' Deficit				
Current liabilities				
Accounts payable and accrued expenses	39,989	26,859	15,749	13,049
Derivative liability	959	-	-	-
Current portion of unearned revenue	3,807	3,567	3,201	2,054
Current portion of deferred rent	382	363	375	368
Current portion of customer security deposits	603	936	816	790
Current portion of long-term debt	-	3,750	3,000	4,125
Total current liabilities	45,740	35,475	23,141	20,386
Derivative liability	-	624	-	-
Unearned revenue, less current portion	2,009	2,073	1,411	951
Deferred rent, less current portion	15,394	12,882	11,282	10,549
Customer security deposits, less current portion	422	93	228	285
Long-term debt, less current portion	120,000	34,439	36,314	140,031
Long-term portion of capital lease obligation	50,807	22,049		
Total liabilities	234,372	107,635	72,376	172,202
Series C redeemable preferred stock	-	-	-	14,376
Series B convertible preferred stock	-	-	-	179,798
Commitments and contingencies				
Shareholders' deficit				
Common stock (Successor)	3	3	3	-
Preferred Stock (Successor)	-	-	-	-
Common Stock (Predecessor)	-	-	-	4
Series B Common Stock	-	-	-	7
Series D-2 preferred stock	-	-	-	5
Unearned stock compensation	-	(15)	(71)	(137)
Additional paid in capital	344,507	340,520	337,023	-
Accumulated deficit	(216,019)	(217,573)	(221,374)	(214,971)
Accumulated other comprehensive income	1,491	2,120	1,406	772
Total shareholders' equity	129,982	125,055	116,987	(214,320)
Total Liabilities, Preferred Stock and Shareholders' Equity	**364,354**	**232,690**	**189,363**	**152,056**
CURRENT RATIO: Current Assets/Current Liabilities	2.30	1.58	2.20	0.61
LEVERAGE: Total Liabilities/Total Assets	64.33%	46.26%	38.34%	113.67%

Switch & Data
Income Statement
(in thousands)

	Six Months Ended 06/30/08 Unaudited	12/31/07	Six Months Ended 06/30/07 Unaudited	12/31/06
Revenues	81,671	137,530	64,602	111,831
Cost and operating expenses				
Cost of revenues, exclusive of depreciation and amortization	42,000	70,986	33,798	60,405
Sales and marketing	10,064	16,313	7,861	12,324
General and administrative	8,662	15,039	7,682	10,374
Depreciation and amortization	13,253	25,584	12,212	23,485
Lease litigation settlement	-	2,600	2,600	-
Asset impairment	-	-	-	2,193
Total costs and operating expenses	73,979	130,522	64,153	108,781
Operating income	7,692	7,008	449	3,050
Interest income	1,071	1,808	695	77
Interest expense	(5,153)	(6,622)	(3,183)	(14,812)
Loss from debt extinguishment	(695)	(2,809)	(2,809)	-
Other income (expense), net	(346)	(305)	(113)	(36)
Income (loss) from continuing operations before minority interest and income taxes	2,569	(920)	(4,961)	(11,721)
Provision for income taxes	(1,090)	(263)	(12)	-
Income (loss) from continuing operations	1,479	(1,183)	(4,973)	(11,721)
Income (loss) from discontinued operations	-	397	304	-
Net Income (loss)	**1,479**	**(786)**	**(4,669)**	**(11,721)**
Preferred stock accretions and dividends	-	(227,522)	(227,522)	(13,530)
Net loss, attribuable to common shareholders	1,479	(228,308)	(232,191)	(25,251)

R.R. Donnelley & Sons

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

Assessment: R.R. Donnelley was ranked number one in the publishing and printing industry with a Fortune 500 ranking of 271 in 2007 and has over 3,000 accounts throughout the United States, Europe, Mexico, South America, and China. Although the Company reported a loss in 2007, the Company reported positive income for the first half of 2008. There is no indication at this time that it will be unable to meet its contractual obligations to the TSP.

Current Financial Condition:

- Income Statement: For the first half of 2008, the Company reported net earnings of $328.8 million, a 5-fold increase from the $64.4 million in earnings reported for the same period in 2007. Continuing Operations provided for most of this growth in income.

- Balance Sheet: As of June 30, 2008, $12.2 billion of Total Assets were reported, little changed from $12.1 billion reported at year-end 2007. Total Liabilities of $8.1 billion were reported, little changed from $8.2 billion reported at year-end 2007.

- Current Ratio: The Current Ratio (Current Assets/Current Liabilities) for the quarter is 1.2, down slightly from 1.3 at year-end 2007.

- Cash Flow: As of June 30, 2008, the Company reported cash and cash equivalents of $435.3 million, a 15 percent increase from the $379.7 million reported at year-end 2007.

- Leverage: As of March 31, 2008, Total Liabilities were about 66 percent of Total Assets, this ratio was 68 percent at year-end 2007.

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

Stock Performance: The R.R. Donnelley & Sons closing share price on June 30, 2008 was $29.69 down from its 52-week high of $45.25 on July 19, 2007. The 52-week low was $28.52 on March 18, 2008.

Significant Events: On October 1, 2008, R.R. Donnelley and EDGAR Online, Inc. announced that they had signed a three year extension to their exclusive agreement to offer public companies an eXtensible Business Reporting Language (XBRL) compliance solution (this responds to the SEC's proposed rule for the required use of XBRL, or interactive data, starting in 2009).

On September 30, 2008, R.R. Donnelley and Houghton Mifflin Harcourt Publishing Company announced that they had entered into an $875 million multi-year Print Management Agreement.

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

	06/30/08 **Six Months Ended** Unaudited	**12/31/07**	**06/30/07** **Six Months Ended** Unaudited	**12/31/06**
Net sales	$ 5,920.7	$ 11,587.1	$ 5,588.9	$ 9,316.6
Cost of Sales (excludes Depreciation & Amoritization shown below)	4,361.7	8,532.4	4,095.8	6,798.9
Selling, General & Administrative Expenses	668.0	1,302.3	656.2	1,097.6
Restructuring and Impairment Charges - net	23.1	839.0	341.9	206.1
Depreciation & Amortization	321.8	598.3	290.9	463.3
Total Operating Expenses	5,374.6	11,272.0	5,384.8	8,565.9
Income from Continuing Operations	546.1	315.1	204.1	750.7
Interest Expense - net	114.8	227.3	108.8	139.0
Investment and Other Income (expense) - net	8.0	3.6	1.8	(10.4)
Earnings from Continuing Operations before Income Taxes and Minority Interest	439.3	91.4	97.1	601.3
Income Tax Expense	109.8	136.5	26.2	196.0
Minority Interest	2.4	3.3	1.4	2.7
Net Earnings from Continuing Operations	327.1	(48.4)	69.5	402.6
Income (loss) from Discontinued Operations, net of tax	1.7	(0.5)	(0.1)	(2.0)
Net Earnings	**$ 328.8**	**$ (48.9)**	**$ 69.4**	**$ 400.6**

R R Donnelley & Sons
Balance Sheet
(in millions)

	06/30/08 Unaudited	12/31/07	06/30/07 Unaudited	12/31/06
ASSETS				
Cash and cash equivalents	$ 435.3	$ 379.0	$ 301.1	$ 211.4
Restricted cash equivalents	8.4	63.9	54.9	-
Receivables, less allowance for doubtful accounts	2,165.4	2,181.2	2,067.5	1,638.6
Inventories, net	748.5	709.5	633.4	501.8
Prepaid expenses and other current assets	84.5	85.5	92.0	70.4
Deferred income taxes	119.8	102.2	124.5	94.8
Total Current Assets	3,561.9	3,521.3	3,273.4	2,517.0
Property, plant and equipment net	2,758.5	2,726.0	2,692.0	2,142.3
Goodwill	3,287.1	3,264.9	3,754.5	2,886.8
Other intangible assets net	1,283.6	1,323.2	1,349.3	1,119.8
Prepaid pension cost	846.6	833.2	768.3	638.6
Other noncurrent assets	433.2	418.1	427.1	331.3
Total Assets	**12,170.9**	**12,086.7**	**12,264.6**	**9,635.8**
LIABILITIES AND SHAREHOLDER'S EQUITY				
Accounts payable	875.5	954.9	868.8	749.1
Accrued liabilities	986.6	1,085.3	1,039.8	839.2
Short-term and current portion of long-term debt	1,211.1	725.0	662.2	23.5
Total Current Liabilities	3,073.2	2,765.2	2,570.8	1,611.8
Long-term debt	3,198.3	3,601.9	3,602.2	2,358.6
Postretirement benefits	254.2	247.9	298.7	288.0
Deferred income taxes	900.3	872.3	816.5	604.1
Other noncurrent liabilities	651.4	689.1	781.1	645.4
Liabilities of discontinued operations	0.5	3.0	2.7	3.2
Total Liabilities	**8,077.9**	**8,179.4**	**8,072.0**	**5,511.1**
SHAREHOLDERS EQUITY				
Common stock	303.7	303.7	303.7	303.7
Additional paid-in capital	2,874.1	2,858.4	2,836.4	2,871.8
Retained earnings	1,530.4	1,312.9	1,544.0	1,615.0
Accumulated other comprehensiveincome/(loss)	423.1	341.3	168.3	62.1
Treasury stock, at cost	(1,038.3)	(909.0)	(659.8)	(727.9)
Total Shareholders Equity	**$ 4,093.0**	**$ 3,907.3**	**$ 4,192.6**	**$ 4,124.7**
Total Liabilities and Shareholders Equity	**12,170.9**	**12,086.7**	**12,264.6**	**9,635.8**
CURRENT RATIO: Current Assets/Current Liabilities	1.1590	1.2734	1.2733	1.5616
LEVERAGE: Total Liabilities/Total Assets	66.37%	67.67%	65.82%	57.19%

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

	06/30/08 2nd Quarter Unaudited	12/31/07	06/30/07 2nd Quarter Unaudited	12/31/06
Net cash provided by operating activities from continuing operations	$370.9	$1,176.8	$435.9	$903.5
Net cash used in investing activities	(197.0)	(2,510.9)	(2,163.5)	(608.4)
Net cash provided by financing activities	(134.5)	1,476.2	1,806.1	(457.8)
Effect of exchange rate charges on cash	16.9	26.2	11.2	7.4
Net increase in cash and cash equivalents	56.3	168.3	89.7	(155.3)
Cash and cash equivalents - beginning of the period	379.0	211.4	211.4	366.7
Cash and cash equivalents - end of the period	435.3	379.7	301.1	211.4

MetLife

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

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

Current Financial Condition: MetLife reported Total Revenues of $26.7 billion for the first six months of 2008, little changed from the $26.1 billion reported for the same period in 2007.

- Income Statement: As of June 30, 2008, the Company reported Net Income of $1.6 million, a decrease of 27 percent from the $2.2 billion reported for the same period in 2007.

- Balance Sheet: As of June 30, 2008, Total Assets of $555.8 billion were reported, a decrease of $3.2 billion from $558.6 billion reported at year-end 2007. Total Liabilities reported were $523.2 billion, an increase of $4.2 from the $519 billion reported at year-end 2007.

- Cash Flow: As of June 30, 2008, the Company reported cash and cash equivalents of $13.8 billion, a 33 percent increase from the $10.4 billion reported at year-end 2007.

- Leverage: As of June 30, 2008, Total Liabilities reported were 94.1 percent of Total Assets, little changed from the 93.7 percent ratio at year-end 2007.

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

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

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

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

Stock Performance: The MetLife closing share price on June 30, 2008, was $52.77, down from its 52-week high of $71.23 on October 5, 2007. The 52-week low was $52.46 on January 23, 2008.

Significant Events: MetLife has raised new capital by pricing a secondary offering of $75 million common shares at $26.50 a share ($2 billion). On October 2, MetLife issued a statement that it is financially sound and fully able to meet its obligations in response to a statement issued by Senate Majority Leader Harry Reid that a major company in this sector was on the verge of bankruptcy. At the end of the second quarter, MetLife held around $54 billion in residential mortgage-backed securities. The company stated that it expected little in the way of losses there. The insurance companies state that they will have few mortgage-driven losses because they can hold onto the securities to maturity and the securities are still paying.

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)

	Six Months Ended 06/30/08 Unaudited	12/31/07	Six Months Ended 06/30/07 Unaudited	12/31/06
Revenues				
Premiums	15,294	27,895	13,668	26,412
Universal life and investment type product policy fees	2,838	5,311	2,587	4,780
Net investment income	9,091	19,006	9,355	17,192
Other revenues	766	1,533	795	1,362
Net investment gains (losses)	(1,248)	(738)	(277)	(1,350)
Total Revenues	26,741	53,007	26,128	48,396
Expenses				
Policyholder benefits and claims	15,458	27,828	13,628	26,431
Interest credited to policyholder account balances	2,576	5,741	2,841	5,246
Policyholder dividends	876	1,726	856	1,701
Other expenses	5,639	11,673	5,730	10,797
Total Expenses	24,549	46,968	23,055	44,175
Income from continuing operations before provision for income taxes	2,192	6,039	3,073	4,221
Provision for income taxes	598	1,759	892	1,116
Income from continuing operations	1,594	4,280	2,181	3,105
Income from discontinued operations, net of income taxes	-	37	(1)	3,188
Net income	1,594	4,317	2,180	6,293
Preferred stock dividends	64	137	68	134
Net income available to common shareholders	1,530	4,180	2,112	6,159

MetLife, Inc.
Balance Sheet
(in millions)

	06/30/08 Unaudited	12/31/07	06/30/07 Unaudited	12/31/06
ASSETS				
Investments:				
Fixed maturities	241,191	242,242	251,044	241,928
Trading securities	883	779	919	759
Equity securities	5,420	6,050	6,046	5,094
Mortgage and consumer loans	48,999	47,030	43,755	42,239
Policy loans	10,764	10,419	10,251	10,228
Real estate and real estate joint ventures held for investment	7,294	6,735	5,932	4,802
Real estate held for sale	34	34	1	184
Other limited partnership interests	6,707	6,155	5,111	4,781
Short term investments	1,980	2,648	2,763	2,709
Other invested assets	13,335	12,642	10,302	10,428
Total investments	336,607	334,734	336,124	323,152
Cash and cash equivalents	13,815	10,368	6,504	7,107
Accrued investment income	3,320	3,630	3,710	3,347
Premiums and other receivables	15,402	14,607	15,297	14,490
Deferred policy acquisition costs	22,917	21,521	21,067	20,838
Current income tax recoverable	590	303	-	-
Assets of subsidiaries held for sale			1,560	1,563
Goodwill	5,161	4,910	4,904	4,897
Other assets	8,274	8,330	7,563	7,956
Separate account assets	149,701	160,159	155,835	144,365
Total Assets	**555,787**	**558,562**	**552,564**	**527,715**
LIABILITIES AND SHAREHOLDER'S EQUITY				
Future policy benefits	134,123	132,262	129,348	127,489
Policyholder account balances	144,238	137,349	136,514	131,948
Other policyholder funds	10,740	10,176	9,772	9,139
Policyholder dividends payable	1,037	994	1,006	960
Policyholder dividend obligation	-	789	378	1,063
Short term debt	623	667	1,476	1,449
Long term debt	9,694	9,628	12,497	9,129
Collateral Financing Arrangement	5,847	5,732		850
Junior subordinated debt securities	5,224	4,474	3,780	3,780
Shares subject to mandatory redemption	159	159	279	278
Liabilities of subsidiaries held for sale			1,616	1,595
Current income taxes payable			7	1,465
Deferred income taxes liability	1,017	2,457	1,050	2,278
Payables for collateral under securities loaned and other transactions	45,979	44,136	50,590	45,846
Other liabilities	14,864	14,401	14,861	12,283
Separate account liabilities	149,701	160,159	155,835	144,365
Total Liabilities	**523,246**	**523,383**	**519,009**	**493,917**
SHAREHOLDERS EQUITY				
Preferred stock	1	1	1	1
Common stock	8	8	8	8
Additional paid in capital	17,647	17,098	17,495	17,454
Retained earnings	21,441	19,884	18,357	16,574
Treasury stock, at cost	(4,047)	(2,890)	(2,014)	(1,357)
Accumulated other comprehensive income (loss)	(2,509)	1,078	(292)	1,118
Total Shareholders Equity	**32,541**	**35,179**	**33,555**	**33,798**
Total Liabilities and Shareholders Equity	**555,787**	**558,562**	**552,564**	**527,715**
LEVERAGE: Total Liabilities/Total Assets	94.15%	93.70%	93.93%	93.60%
DEBT to SHAREHOLDER EQUITY: Total Liabilities/Sholder Equity	16.08	14.88	15.47	14.61

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

	Six months ended 06/30/08 Unaudited	12/31/07	Six months ended 06/30/07 Unaudited	12/31/06
Net cash provided by operating activities from continuing operations	5,475	9,962	4,141	6,600
Net cash used in investing activities	(9,523)	(10,644)	(14,712)	(18,886)
Net cash provided by financing activities	7,495	3,943	9,968	15,375
Change in cash and cash equivalents	3,447	3,261	(603)	3,089
Cash and cash equivalents - beginning of the period	10,368	7,107	7,107	4,018
Cash and cash equivalents - end of the period	13,815	10,368	6,504	7,107

The Active Network, Inc.

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

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

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

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

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

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

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

Significant Events: This month, we awarded the new call center contract to The Active Network

Risk Mitigation: If The Active Network were unable to operate the Frostburg, MD call center, the SI call center in Clintwood, VA could handle all calls pending establishment of a new call center. Under the new call center contract awarded to The Active Network this month, The Active Network has agreed to provide monthly financial updates to us, to proactively tell the Agency of any economic difficulties and will provide assurances of continued call center operations during the contract period during any adverse conditions.