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

THRIFT SAVINGS PLAN

April 10, 2009

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: JAMES B. PETRICK
CHIEF FINANCIAL OFFICER

SUBJECT: QUARTERLY FINANCIAL ASSESSMENT OF TSP'S PRIMARY VENDORS – APRIL 2009

The Board has requested that each quarter we review the TSP's primary vendors and report on their financial standing. This quarter, we have again reviewed Serco Group (formerly SI International), 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 available data for the year ending December 31, 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 twelve months of 2008, 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

Serco Services Inc. (formerly SI International)

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

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

Assessment: The integration of the merger is well advanced, management and business re-organization is complete, and the contract bid pipeline processes have been reviewed and integrated. Serco Services Inc. has an extensive portfolio of Federal government contracts which generated approximately 99 percent of total revenue in 2007, and now serves all branches of the U.S. military, numerous civilian agencies and the intelligence community. We find no indication at this time that Serco Services Inc. is unable to fulfill its contractual obligations to the TSP.

Current Financial Condition: Serco Group plc reported 2008 unaudited year-end revenues of £3.1 billion compared to £2.8 billion reported year-end 2007, an increase of 11.1 percent. In the U.S., Serco Services Inc.'s year-end 2008 performance was in line with revenue expectations of $575.5 million, compared with year-end 2007 revenues of $510.8 million, an increase of 12.7 percent.

- Income Statement: Serco Group plc's 2008 net profit climbed 20.9 percent to £100 million. As of December 31, 2008, Serco Services reported a $37 million operating profit, compared to $39 million at year-end 2007, reflecting a 5 percent decline.

- Balance Sheet: As of December 31, 2008, Total Assets for Serco Group plc increased £765 million (44 percent) to £2,506 million in 2008. Of this increase, most of it was attributed to goodwill, and trade and other receivables.

- Cash Flow: Through December 31, 2008, Serco Group plc reported a cash balance of £251 million compared to £185 million at year-end 2007, reflecting a 36 percent increase. The acquisition of SI International contributed £13 million in cash and cash equivalents.

- Current Ratio (Current Assets/Current Liabilities) increased to 1.3 as of December 31, 2008, up from 1.1 at year-end 2007.

- Leverage: Through December 31, 2008, Total Liabilities as a percent of Total Assets increased to 73 percent from 71 percent reported at year-end 2007.

Dun & Bradstreet Credit Score Class: As of March 17, 2009, the credit score for SI International (as a subsidiary of Serco), was 2, (slight risk). This score improved from 3, (moderate risk), reported on September 30, 2008.

Stock Performance: SI International ceased trading with the completion of its merger with Serco Group plc (SRP.L). On March 31, 2009, Serco Group plc traded at £365.75. The 52-week range has been between £317.00 and £496.25; where the high was on January 5, 2009, and the low was on October 24, 2008.

Significant Events: The merger enhances Serco Group plc's ability to deliver integrated solutions to the $290 billion U.S. federal government services market. Serco N.A. and SI International combined have 11,500 employees, and are expected to generate combined annual revenue of $1.3 billion.

- As of December 24, 2008, SI International was ranked as the 44th largest Federal Prime IT Contractor by Washington Technology.

Risk Mitigation: Should Serco Services Inc. cease operations, we could issue letter contracts (an agreement to be negotiated at a later point) on an emergency basis to: a) Switch & Data to retain our Northern VA data center space; b) Jacob and Sundstrum to continue systems programming (and perhaps expand that support to data center operations), and; c) Sungard to continue incoming mail, data entry, and other operations as well as for expanded capabilities to maintain the TSP record keeping system, accounting, legal, and Agency interface operations.

If Serco Services Inc. were unable to operate the Clintwood call center, The Active Network, Inc. call center in Frostburg, MD, could serve as a temporary backup.

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

Serco Group
Condensed consolidated income statement
2008, 2007, and 2006
In £ millions

	Year to 31 December 2008 £m (unaudited)	**Year to 31 December 2007** £m (audited)	**Year to 31 December 2006** £m (audited)
Revenue	3,124	2,811	2,548
Cost of sales	(2,667)	(2,405)	(2,183)
Gross profit	**457**	**406**	**366**
Administrative expenses	(292)	(264)	(236)
Other expenses – amortisation of intangibles arising on acquisition	(9)	(9)	(16)
Total administrative expenses	**(301)**	**(273)**	**(252)**
Gain on sale of PFI investments			11
Adjusted operating profit	165	142	141
Investment revenue and finance costs	(20)	(19)	(18)
Adjusted profit before tax	**145**	**123**	**124**
Profit before tax	136	115	107
Tax	(37)	(32)	(28)
Net Profit	**£100**	**£82**	**£79**

Serco Group
Condensed consolidated balance sheet
2008, 2007, and 2006
In £ millions

	At 31 December 2008 £m (unaudited)	At 31 December 2007 £m (audited)	At 31 December 2006 £m (audited)
Assets			
Non-current assets			
Goodwill	965	542	529
Other intangible assets	191	139	126
Property, plant and equipment	115	95	94
Trade and other receivables	121	105	111
Retirement benefit assets	62	-	-
Deferred tax assets	20	52	74
Derivative financial instruments	6	1	-
	1,480	934	932
Current assets			
Inventories	50	46	52
Trade and other receivables	720	574	463
Cash and cash equivalents	251	185	218
Derivative financial instruments	5	2	-
Total current assets	1,026	806	733
TOTAL ASSETS	**£2,506**	**£1,740**	**£1,665**
Liabilities			
Current liabilities			
Trade and other payables	755	670	542
Current tax liabilities	20	15	13
Obligations under finance leases	5	8	8
Loans	37	14	58
Derivative financial instruments	4	2	11
Total current liabilities	820	708	632
Non-current liabilities			
Trade and other payables	36	13	10
Obligations under finance leases	13	9	12
Loans	711	317	346
Derivative financial instruments	0	11	14
Retirement benefit obligations	177	143	249
Provisions	38	19	22
Deferred tax liabilities	26	22	20
Total Long-term liabilities	1,001	534	674
Total liabilities	1,820	1,242	1,305
Net assets	685	499	360
Equity			
Share capital	(10)	(10)	(10)
Share premium account	(301)	(299)	(284)
Capital redemption reserve	(0)	(0)	(0)
Retained earnings	(340)	(261)	(197)
Retirement benefit obligations reserve	48	90	120
Share-based payment reserve	(40)	(35)	(26)
Own shares reserve	20	15	16
Hedging and translation reserve	(62)	2	21
Equity attributable to equity holders of the parent	685	497	358
Minority interest	0	1	2
Total equity	685	499	360
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**£2,506**	**£1,740**	**£1,665**

Serco Group
Condensed consolidated cash flow statement
2008, 2007, and 2006
In £ millions

	Year to 31 December 2008 £m (unaudited)	**Year to 31 December 2007** £m (audited)	**Year to 31 December 2006** £m (audited)
Net cash inflow from operating activities	163	134	160
Net cash outflow from investing activities	(349)	(49)	(6)
Net cash outflow from financing activities	230	(125)	(172)
Net increase/(decrease) in cash and cash equivalents	44	(40)	(18)
Cash and cash equivalents at beginning of period	185	218	241
Net exchange gain	22	7	(5)
Cash and cash equivalents at end of period	**£251**	**£185**	**£218**

Barclays PLC

General Information: Barclays PLC is ranked as the 25th largest company in the world according to Forbes Global 2000's 2008 list and is the fourth largest financial services provider in the world according to Tier 1 capital ($32.5 billion). It is the second largest bank in the U.K. based on asset size. On December 6, 2006, the Agency announced that Barclays Global Investors (BGI), N.A., Barclays' asset management division, was selected to manage the TSP F, C, S, and I funds. In addition to investment management, BGI is responsible for providing custody through its subcontractor (State Street Bank and Trust Company) 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 reports that their year-end capital ratios exceed the regulatory minimum required by the Financial Services Authority (FSA) by an amount equivalent to £17 billion. On March 27, 2009, Barclays confirmed that its capital position is expected to continue to meet U.K. requirements after "a detailed stress test" to both its balance sheet and profit and loss account by the U.K. regulator. The Financial Services Authority tested Barclays's loans against various economic scenarios through 2011 and found that its capital ratio, a measure of financial strength, remained above the regulatory minimum of 4 percent, according to an unidentified source because the findings are confidential. Currently, Barclays states it will not seek subscription for further capital - either from the private sector or from the U.K. Government.

Current Financial Condition: Barclays follows the International Accounting Standards (IAS) interim reporting timetable and has published its audited results as of December 31, 2008.

- Income Statement: Barclays PLC reported Group profit before tax of £6.1 billion at year end 2008, down 14% from £7.1 billion in 2007. Major items affecting the 2008 profit were: a) Gains on acquisitions of £2 billion, mostly attributed to Lehman Brothers' North America, and b) Gross credit market losses and impairment of £8 billion. Net profit was £5.3 billion as of December 31, 2008, up slightly from £5.1 billion at year-end 2007.

- As of year-end 2008, for the Barclays Global Investors (BGI) fund division, profit before tax declined by 19 percent to £595 million. Income fell 4 percent to £1,844 million due to lower incentive fees. We note that assets under BGI management decreased 28% to US$1,495 billion (from US$2,079 billion in 2007), comprising $99 billion of net new assets, US$130 billion of negative exchange rate movements, and $553 billion of negative market movements.

- Balance Sheet: As of December 31, 2008, Total Assets for Barclays PLC increased £826 billion (67 percent) to £2,053 billion in 2008. Of this increase, £737 billion was attributable to an increase in derivative assets (foreign exchange, interest rate, credit, equity and stock index, commodity derivatives) and £124 billion was attributable to increased loans and advances. All other assets declined by £35 billion. Total Liabilities were £2,006 billion, up 68 percent from the £1,195 billion at year-end 2007.

- Cash Flow: As of December 31, 2008, cash and cash equivalents totaled £65.0 billion, compared to £33.0 billion at year-end 2007. The company has indicated that cash is being held to consider the potential for further market deterioration.

- Capital: As of December 31, 2008, the Tier 1 ratio was 9.7 percent, whereas it was 7.9 percent in June 2008. The pro forma ratios significantly exceed the minimum levels established by the U.K. Financial Services Authority. (Note: Other U.K. institutions have obtained capital assistance from the U.K. government but, to-date, Barclays has not.)

Dun & Bradstreet Credit Score Class: As of March 17, 2009, the credit score was 2 (slight risk); up from 1 (low risk) at the end of 2007 but improved from a credit score of 3 (average risk) reported on April 4, 2008.

Stock Performance: As of March 31, 2009, Barclays PLC traded at $8.50. Barclay's PLC 52-week stock price range has been from $2.75 to $40.30. The 52-week low occurred on January 23, 2009, and the high stock price took place on April 2, 2008.

Significant Events: On April 9, 2009, Barclays Plc, the U.K.'s third- largest bank, agreed to sell its iShares unit to CVC Capital Partners Ltd. for £3 billion ($4.4 billion), and will finance $3.1 billion of the purchase price. iShares is the biggest manager of exchange-traded funds.

- On March 5, 2009, liquidators for Lehman Brothers in the U.S. have asked Barclays PLC to account for almost $3.3 billion that was earmarked for bonuses and other liabilities that the U.K. bank received last year when it bought part of the bankrupt U.S. firm in 2008. Liquidator managers asked on February 19, 2009 to explain the $4.2 billion transferred to the U.K. bank after the takeover. That sum comprises $2 billion for compensation and $2.25 billion for other purposes. Barclays Capital may have already spent about $900 million.

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
2008, 2007, and 2006
(in £ millions)

	12/31/08	12/31/07	12/31/06
	£m	£m	£m
Interest income	28,010	25,308	21,805
Interest expense	(16,541)	(15,698)	(12,662)
Net interest income	11,469	9,610	9,143
Fee and commission income	9,489	8,678	8,005
Fee and commission expense	(1,082)	(970)	(828)
Net fee and commission income	8,407	7,708	7,177
Net trading income	1,329	3,759	3,614
Net investment income	680	1,216	962
Principal transactions	2,009	4,975	4,576
Net premiums from insurance contracts	1,090	1,011	1,060
Other income	377	188	257
Total income	23,352	23,492	22,213
Net claims and benefits incurred on insurance contracts	(237)	(492)	(575)
Total income net of insurance claims	23,115	23,000	21,638
Impairment charges and other credit provisions	(5,419)	(2,795)	(2,154)
Net income	**£17,696**	**£20,205**	**£19,484**
Staff costs	(7,779)	(8,405)	(8,169)
Administration and general expenses	(5,666)	(4,141)	(3,914)
Depreciation of property, plant and equipment	(630)	(467)	(455)
Amortization of intangible assets	(291)	(186)	(136)
Operating Expenses	(14,366)	(13,199)	(12,674)
Share of post-tax results of associates and joint ventures	14	42	46
Profit on disposal of subsidiaries, associates and joint ventures	327	28	323
Gains on acquisitions	2,406	-	-
Profit before tax	**£6,077**	**£7,076**	**£7,197**
Tax	(790)	(1,981)	(1,941)
Profit after tax	**£5,287**	**£5,095**	**£5,256**
Profit attributable to minority interests	905	377	342
Profit attributable to equity holders	4,382	4,749	4,914
	£5,287	£5,126	£5,256

Barclays PLC
Balance Sheet
2008, 2007, and 2006
(in £ millions)

	12/31/08	12/31/07	12/31/06
	£m	£m	£m
ASSETS			
Cash and balances at central banks	30,019	5,801	7,345
Items in the course of collection from other banks	1,695	1,836	2,408
Trading portfolio assets	185,637	193,691	177,867
Financial assets designated at fair value:			
held on own account	54,542	56,629	31,799
held in respect of linked liabilities to customers under investment contracts	66,657	90,851	82,798
Derivative financial instruments	984,802	248,088	138,353
Loans and advances to banks	47,707	40,120	30,926
Loans and advances to customers	461,815	345,398	282,300
Available for sale financial investments	64,976	43,072	51,703
Reverse repurchase agreements and cash collateral on securities borrowed	130,354	183,075	174,090
Other assets	6,302	5,150	5,850
Current tax assets	389	518	557
Investments in associates and joint ventures	341	377	228
Goodwill	7,625	7,014	6,092
Intangible assets	2,777	1,282	1,215
Property, plant, and equipment	4,674	2,996	2,492
Deferred tax assets	2,668	1,463	764
Total Assets	**£2,052,980**	**£1,227,361**	**£996,787**
LIABILITIES			
Deposits from banks	114,910	90,546	79,562
Items in the course of collection due to other banks	1,635	1,792	2,221
Customer accounts	335,505	294,987	256,754
Trading portfolio liabilities	59,474	65,402	71,874
Financial liabilities designated at fair value	76,892	74,489	53,987
Liabilities to customers under investment contracts	69,183	92,639	84,637
Derivative financial instruments	968,072	248,288	140,697
Debt securities in issue	149,567	120,228	111,137
Repurchase agreements and cash collateral on securities lent	182,285	169,429	136,956
Other liabilities	12,640	10,499	10,337
Current tax liabilities	1,216	1,311	1,020
Insurance contract liabilities including unit-linked liabilities	2,152	3,903	3,878
Subordinated liabilities:	29,842	18,150	13,786
Deferred tax liabilities	304	855	282
Provisions	535	830	462
Retirement benefit liabilities	1,357	1,537	1,807
Total Liabilities	**£2,005,569**	**£1,194,885**	**£969,397**
SHAREHOLDER'S EQUITY			
Called up share capital	2,093	1,651	1,634
Share premium account	4,045	56	5,818
Other reserves	2,793	874	390
Other equity	3,652	-	-
Retained earnings	24,208	20,970	12,129
Less: treasury shares	(173)	(260)	(212)
Shareholders' equity excluding minority interest	**36,618**	**23,291**	**19,799**
Minority interests	10,793	9,185	7,591
Total Shareholder's Equity	**£47,411**	**£32,476**	**£27,390**
Total Liabilities and Shareholder's Equity	**£2,052,980**	**£1,227,361**	**£996,787**

Barclays PLC
Statement of Cash Flows
2008, 2007, and 2006
(in £ millions)

	12/31/08	12/31/07	12/31/06
	£m	£m	£m
Net cash (outflow)/inflow from operating activities	£33,716	-£10,747	-£10,047
Net cash outflow from investing activities	(8,755)	10,064	(1,154)
Net cash inflow from financing activities	12,272	3,358	692
Net gain on exchange rate changes on cash and cash equivalents	(5,801)	(550)	562
Net (decrease)/increase in cash and cash equivalents	**£31,432**	**£2,125**	**£10,147**
Cash and cash equivalents - beginning of the period	33,077	30,952	20,805
Cash and cash equivalents - end of the period	**£64,509**	**£33,077**	**£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 Serco Services Inc. (formerly SI International). The Agency has a direct contract with Switch & Data for the western Pennsylvania facility that houses our backup data center. The Agency is in the process of working 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. On March 27, 2008, Switch & Data entered into a credit agreement that provided (i) a $120 million term loan, (ii) a $22.5 million delayed draw term loan which may be funded at the option of the Company no later than March 27, 2009, and (iii) a $15 million dollar revolving term loan under which the Lenders may make additional term loans upon requests by the Company until September 26, 2013. Subsequently, all of the assets of the Company are pledged as collateral for the 2008 Credit Facility. As of December 31, 2008, $120 million was outstanding under the Term Loan, a $1.4 million letter of credit was outstanding under the Revolver, and no borrowings had occurred under the Delayed Draw Term Loan or any Incremental Term Loan.

Current Financial Condition: In its SEC filing for the year ended December 31, 2008, Switch & Data reported a net loss of $7 million, compared to a net loss of $0.8 million in 2007.

- Income Statement: For the year ended December 31, 2008, total revenue increased 25 percent to $171.5 million, compared to $137.5 million at year-end 2007. Total costs and operating expenses increased to $158.2 million for the year of 2008, a 21 percent increase over the $130.5 million reported at year-end 2007. Operating Income in the same period of 2008 was $13.4 million compared to $7.0 million for the same period of 2007. Though operating income was $13.4 million, interest expenses of $19.1 million (up from $6.6 million in 2007), were a major contributor to the net losses of $7.0 million. Interest expenses increased as a result of: a) a portion of the variable interest rates on outstanding debt being converted to fixed interest rates; b) the first full year of interest related to the Company's capital lease obligations increasing to $4.4 million from $0.6 million in 2007; and c) an increase in the weighted average outstanding debt balance under the 2008 Credit Facility.

- Balance Sheet: Through December 31, 2008, Switch & Data reported Total Assets of $358.9 million, a 54 percent increase from $232.7 million at year-end 2007. The growth in assets was driven by a $155.5 million increase in property and equipment. Total Liabilities of $237.9 million were reported, slightly more than twice the $107.6 million reported at year-end 2007. The increase in liabilities was mainly due to an increase in long-term debt from $34.4 million to $120 million over this period.

- Cash Flow: Through December 31, 2008, cash and cash equivalents totaled $14.7 million, a decrease of $30.9 million from $45.6 million at year-end 2007.

- Current Ratio: The Current Ratio (Current Assets/Current Liabilities) declined to 0.6 as of December 31, 2008, from 1.6 at year-end 2007.

- Leverage: Through December 31, 2008, Total Liabilities as a percent of Total Assets increased to 66.3 percent from 46.3 percent reported at year-end 2007.

Stock Performance: The price of Switch & Data shares as of March 31, 2009, was $8.77 (its initial public offering price was $17.00 per share). Its 52-week stock price range was $3.92-$18.54, where the low stock price was on November 21, 2008, and the high was on June 19, 2008.

Dun & Bradstreet Credit Score Class: As of April 8, 2009, the credit score of 2 (slight risk) was unchanged from the prior quarter.

Lawsuit Issues: No action reported during this period.

Significant Events: The Agency and Switch & Data are working together to accomplish the move from the current Virginia site due to its inability to handle the increased capacity requirements due to the TSP System Modernization plan. We started populating the new site with TSP IT assets in mid-November, and the complete transition should be completed by September 30, 2009.

- On February 24, 2009, Switch & Data announced that IPC Systems, Inc., a key provider of vital communications for the global financial markets, expanded the availability of its Ethernet Connection Services (ECS) to Switch and Data's sites in Chicago and New York. Switch & Data customers have improved access to the financial exchanges and other market data and trading applications. IPC ECS offers trading firms and IT/telephony departments a 24/7 managed solution to connect with exchanges, electronic communications networks, including approximately 3,400 financial institutions.

- In January 2009, Switch & Data exercised the provisions under the existing Fourth Amended and Restated Credit Agreement to draw down the $22.5 million delayed draw term loan. Proceeds will be used to fund a portion of the capital expenditures for 2009.

Risk Mitigation: There is some operational risk to the TSP if Switch & Data fails because of our dependence on it for both our primary data center and the backup facility in Pennsylvania. If Switch & Data were to fail, we could take one of two actions. We could split the primary and backup data centers between two contractors. To do so, we would need to do a competitive procurement and state the requirement for independent contractors for the two sites in an RFP. Competition could be limited to collocations providers on GSA Schedule, which would provide for a quicker contract award. An alternative would be a similar approach as with the Clintwood call center, and create data centers as Government Owned Contractor Operated (GOCO) facilities. Although it requires more effort, this would allow us to continue operations by either issuing a letter contract to another contractor to operate the facility or to operate it ourselves (with temporary staff).

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

Switch & Data
Income Statement
(in thousands)
2008, 2007, and 2006

	12/31/08	12/31/07	12/31/06
Revenues	171,525	137,530	111,028
Cost and operating expenses			
Cost of revenues, exclusive of depreciation and amortization	90,122	70,986	59,537
Sales and marketing	19,670	16,313	12,324
General and administrative	17,659	15,039	10,374
Depreciation and amortization	30,716	25,584	23,459
Lease litigation settlement	-	2,600	-
Asset impairment	-	-	1,842
Total costs and operating expenses	158,167	130,522	107,536
Operating income	**13,358**	**7,008**	**3,492**
Interest income	1,587	1,808	77
Interest expense	(19,193)	(6,622)	(14,812)
Loss from debt extinguishment	(695)	(2,809)	0
Other income (expense), net	(768)	(305)	-34
Income (loss) from continuing operations before income taxes	(5,711)	(920)	(11,277)
Provision for income taxes	(1,324)	(263)	0
Loss from continuing operations	(7,035)	(1,183)	(11,277)
Income (loss) from discontinued operations	-	397	-444
Net loss	**(7,035)**	**(786)**	**(11,721)**
Preferred stock accretions and dividends	-	(227,522)	(13,530)
Net loss, attributable to common shareholders	(7,035)	(228,308)	(25,251)

Switch & Data
Balance Sheet
(in thousands)
2008, 2007, and 2006

	12/31/08	12/31/07	12/31/06
Assets			
Current assets			
Cash and cash equivalents	14,706	45,595	3,671
Accounts receivable, net of allowance for bad debts	11,497	9,029	7,516
Prepaid and other assets	2,429	1,468	1,219
Total current assets	28,632	56,092	12,406
Property and equipment, net	270,286	114,803	65,947
Derivative asset	-	-	560
Goodwill	36,023	36,023	36,023
Other intangible assets, net	18,575	23,287	29,936
Other long-term assets, net	5,349	2,485	7,184
Total assets	358,865	232,690	152,056
Liabilities, Redeemable Preferred Stock and Shareholders' Equity (Deficit)			
Current liabilities			
Accounts payable and accrued expenses	34,131	26,859	13,049
Derivative liability	7,434	624	-
Current portion of unearned revenue	3,629	3,567	2,054
Current portion of deferred rent	455	363	368
Current portion of customer security deposits	547	936	790
Current portion of long-term debt	-	3,750	4,125
Total current liabilities	46,196	36,099	20,386
Unearned revenue, less current portion	1,858	2,073	951
Deferred rent, less current portion	18,587	12,882	10,549
Customer security deposits, less current portion	376	93	285
Long-term debt, less current portion	120,000	34,439	140,031
Long-term portion of capital lease obligation	50,927	22,049	-
Total liabilities	237,944	107,635	172,202
Series C redeemable preferred stock	-	-	14,376
Series B convertible preferred stock	-	-	179,798
Commitments and contingencies			
Shareholders' deficit			
Common stock	3	3	4
Series B common stock	-	-	7
Series D-1 & D-2 preferred stock	-	-	5
Unearned stock compensation		(15)	(137)
Additional paid in capital	347,909	340,520	-
Accumulated deficit	(224,534)	(217,573)	(214,971)
Accumulated other comprehensive income	(2,457)	2,120	772
Total shareholders' deficit	120,921	125,055	(214,320)
Total Liabilities, Preferred Stock and Shareholders' Deficit	**358,865**	**232,690**	**152,056**
CURRENT RATIO: Current Assets/Current Liabilities	0.62	1.55	0.61
LEVERAGE: Total Liabilities/Total Assets	66.30%	46.26%	113.25%

Switch & Data
Statement of Cash Flows
(in thousands)
2008, 2007, and 2006

	12/31/08	12/31/07	12/31/06
Net cash provided by operating activities	45,614	38,641	16,991
Net cash used in investing activities	(154,710)	(33,933)	(21,073)
Net cash provided by financing activities	78,863	36,563	(2,663)
Net increase in cash and cash equivalents	(30,233)	**41,271**	(6,745)
Effect of exchange rate charges on cash	(656)	653	(1)
Cash and cash equivalents - beginning of the period	45,595	3,671	10,417
Cash and cash equivalents - end of the period	14,706	45,595	3,671

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 229 in 2008, and has locations throughout the United States, Europe, Mexico, South America, and China. The Company reported a loss in both 2007 and in 2008. However, 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 year ending December 31, 2008, the Company reported a net loss of $189.9 million, compared to a loss of $48.9 million at year end 2007, negatively impacted by restructuring charges. The latest pre-tax restructuring and impairment charges included: a) $1,125.4 million of non-cash charges for the impairment of goodwill and intangible assets; b) charges of $44.1 million for employee termination costs, substantially all of which were associated with restructuring actions resulting from the reorganization of certain operations and the exiting of certain business activities; c) $10.6 million of other restructuring costs, primarily lease termination costs; and d) $4.6 million for impairment of other long-lived assets.

- Balance Sheet: As of December 31, 2008, $9.5 billion of Total Assets were reported, reduced from $12.1 billion reported at year-end 2007. Total Liabilities of $7.2 billion were reported, a decline from $8.2 billion reported at year-end 2007.

- Cash Flow: As of December 31, 2008, the Company reported cash and cash equivalents of $324.0 million, a 15 percent decrease from the $379.7 million reported at year-end 2007.

- Current Ratio: As of December 31, 2008, the Current Ratio (Current Assets/Current Liabilities) for the year is 1.3, flat from 1.3 at year-end 2007.

- Leverage: As of December 31, 2008, Total Liabilities were about 76 percent of Total Assets; this ratio was 68 percent at year-end 2007.

Dun & Bradstreet Credit Score Class: As of March 17, 2009, the credit score was 1 (lowest risk), unchanged from the previous quarter.

Stock Performance: The R.R. Donnelley & Sons share price on March 31, 2009 was $7.33. The 52-week range has been from $5.54 to $33.29, where the high was on May 19, 2008, and the low was on March 9, 2009.

Significant Events:

- On March 30, 2009, R.R. Donnelley & Sons Company announced the latest installation of its proprietary Integrated Printing Systems (IPS) 3 1200 DPI high speed color digital presses. With the new units, RR Donnelley's global digital printing platform will have expanded to include more than 1,000 proprietary and commercial digital printing units across more than 60 facilities worldwide. Among these are conventional long run printing assets that have been retrofitted with the company's high speed, high quality digital color capabilities.

- On March 4, 2009, R.R. Donnelley & Sons Co. announced the closure of the former catalog and direct marketing printer Spencer Press facility in Maine, by June. The printer will lay off 370 employees on a staggered schedule starting in early May.

- On March 3, 2009, R.R. Donnelley & Sons was awarded a multi-year $175 million agreement by Orchard Brands, a leading multi-channel marketer of apparel and home products focused on serving the needs of the rapidly growing segment of women and men above the age of 55. Under the terms of the agreement, RR Donnelley will provide 100 percent of Orchard Brands' printing and postal logistics services for catalog mailings.

- On February 25, 2009, R.R. Donnelley & Sons Company was awarded a multi-year $500 million agreement by Publishing Group of America, a leading multi-media publisher whose well-known weekly and monthly titles include American Profile, Relish and Spry. RR Donnelley will provide all future printing, logistics and pre-media services for Publishing Group of America's magazines.

Risk Mitigation: The current TSP contract was effective on March 20, 2006. If there were a disaster at the facilities currently producing our notices or statements, R.R. Donnelley & Sons would move that work from the affected facility to one or more of its other business sites. If R.R. Donnelley & Sons were to cease operations, we would have to pursue a new contract as soon as possible with other printing vendors but we consider this possibility to be very unlikely.

R R Donnelley & Sons
Income Statement
(in millions)
2008, 2007, and 2006

	12/31/08	12/31/07	12/31/06
Net sales	$11,581.6	11,587.1	9,316.6
Cost of Sales (excludes Depreciation & Amoritization shown below)	8,576.3	8,532.4	6,798.9
Selling, General & Administrative Expenses	1,220.5	1,302.3	1,097.6
Restructuring and Impairment Charges - net	1,184.7	839.0	206.1
Depreciation & Amortization	640.6	598.3	463.3
Total Operating Expenses	11,622.1	11,272.0	8,565.9
Income from Continuing Operations	(40.5)	315.1	750.7
Interest Expense - net	226.4	227.3	139.0
Investment and Other Income (Expense) - net	(2.4)	3.6	(10.4)
Earnings from Continuing Operations before Income Taxes, and Minority Interest	(269.3)	91.4	601.3
Income Taxes	(83.9)	136.5	196.0
Minority Interest	6.3	3.3	2.7
Net Earnings from Continuing Operations before Cumulative Effect of Change in Accounting Principle	(191.7)	(48.4)	402.6
Income (loss) from Discontinued Operations, net of tax	1.8	(0.5)	(2.0)
Cumulative effect of Change in Accounting Principle, net of tax	-	-	-
Net Earnings	**($189.9)**	**($48.9)**	**$400.6**

R R Donnelley & Sons
Balance Sheet
(in millions)
2008, 2007, and 2006

	12/31/08	12/31/07	12/31/06
ASSETS			
Cash and cash equivalents	$324.0	$379.0	$211.4
Restricted cash equivalents	7.9	63.9	-
Receivables, less allowance for doubtful accounts	1,903.2	2,181.2	1,638.6
Income taxes receivable	189.4	-	-
Inventories, net	695.7	709.5	501.8
Prepaid expenses and other current assets	104.6	85.5	70.4
Deferred income taxes	56.2	102.2	94.8
Total Current Assets	3,281.0	3,521.3	2,517.0
Property, plant and equipment net	2,564.0	2,726.0	2,142.3
Goodwill	2,425.9	3,264.9	2,886.8
Prepaid pension cost	15.6	833.2	638.6
Other intangible assets net	831.1	1,323.2	1,119.8
Other noncurrent assets	376.7	418.1	331.3
Total Assets	**$9,494.3**	**$12,086.7**	**$9,635.8**
LIABILITIES AND SHAREHOLDER'S EQUITY			
Accounts payable	767.6	954.9	749.1
Accrued liabilities	795.7	1,085.3	839.2
Short-term and current portion of long-term debt	923.5	725.0	23.5
Total Current Liabilities	2,486.8	2,765.2	1,611.8
Long-term debt	3,203.3	3,601.9	2,358.6
Postretirement benefit obligations	291.9	247.9	288.0
Deferred income taxes	260.9	872.3	604.1
Other noncurrent liabilities	932.5	689.1	645.4
Liabilities of discontinued operations	0.4	3.0	3.2
Total Liabilities	**7,175.8**	**8,179.4**	**5,511.1**
SHAREHOLDERS EQUITY			
Common stock	303.7	303.7	303.7
Additional paid-in capital	2,885.7	2,858.4	2,871.8
Retained earnings	903.8	1,312.9	1,615.0
Accumulated other comprehensive income	(580.7)	341.3	62.1
Unearned compensation	-	-	-
Treasury stock, at cost	(1,194.0)	(909.00)	(727.90)
Total Shareholders Equity	**2,318.5**	**3,907.3**	**4,124.7**
Total Liabilities and Shareholders Equity	**$9,494.3**	**$12,086.7**	**$9,635.8**
CURRENT RATIO: Current Assets/Current Liabilities	1.3	1.3	1.6
LEVERAGE: Total Liabilities/Total Assets	75.58%	67.67%	57.19%

R. R. Donnelley & Sons
Statement of Cash Flows
(in millions)
2008, 2007, and 2006

	12/31/08	12/31/07	12/31/06
Net cash provided by operating activities from continuing operations	$1,015.9	$1,176.1	$903.5
Net cash used in investing activities	(351.2)	(2,510.9)	(608.4)
Net cash provided by financing activities	(676.8)	1,476.2	(457.8)
Effect of exchange rate charges on cash	(42.9)	26.2	7.4
Net increase in cash and cash equivalents	**(55.0)**	**167.6**	**(155.3)**
Cash and cash equivalents - beginning of the period	379.0	211.4	366.7
Cash and cash equivalents - end of the period	**$324.0**	**$379.0**	**$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 re-awarded the TSP annuity provider contract.

Assessment: MetLife is a leading provider of insurance and financial services with operations throughout the United States and Latin America, Europe, and Asia. MetLife reaches more than 70 million customers around the world and is the largest life insurer in the United States, based on life insurance in force. MetLife's current financial position is strong and there is no indication at this time that MetLife will be unable to meet its contractual obligations to the TSP.

Current Financial Condition: As of December 31, 2008, MetLife reported Total Revenues of $51 billion for the year, down 4 percent from the $53 billion reported for the same period in 2007.

- Income Statement: As of December 31, 2008, the Company reported Net Income of $3.1 billion, a decrease of 26 percent from the $4.2 billion reported at year-end 2007.

- Balance Sheet: As of December 31, 2008, Total Assets of $501.7 billion were reported, a decrease of $56.9 billion from $558.6 billion reported at year-end 2007. Total Liabilities were $477.9 billion, a decrease of $45.4 billion from the $523.4 billion at year-end 2007.

- Cash Flow: The Company's short-term liquidity position, defined as cash and cash equivalents, was $24.2 billion and $10.4 billion at December 31, 2008 and 2007, respectively, which reflected a 133 percent increase. This higher than normal level of short-term liquidity was accumulated to provide additional flexibility to address potential variations in cash needs while the credit markets remain distressed. In 2009, MetLife anticipates short-term liquidity to be prudently reduced and invested as credit markets improve.

- Leverage: As of December 31, 2008, Total Liabilities were 95.3 percent of Total Assets, increased slightly from 93.7 percent 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 January 27, 2009, when MetLife submitted its filing with the SEC, its financial strength ratings were 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: As of March 17, 2009, the credit score was 3 (moderate) same as the prior quarter, but declined from September 30, 2008's score of 1 (low risk)

Stock Performance: The MetLife closing share price on March 31, 2009, was $22.77. The 52-week range for stock prices was from $11.27 to $65.50; the high was on September 19, 2008, and the low was on March 6, 2009.

Significant Events:

- On March 12, 2009, Friedman, Billings, Ramsey Group Inc. downgraded MetLife to "market perform" from "outperform." The firm states that most life and health insurers are at risk of needing to raise capital as their prospects for earning their way out of the credit losses are diminishing.

- On March 5, 2009, MetLife, Inc. confirmed its previously announced declaration of the first quarter 2009 dividends of $0.25 per share on the company's floating rate non-cumulative preferred stock, Series A, and $0.41 per share on the company's 6.50 percent non-cumulative preferred stock, Series B. Both dividends were paid on March 16, 2009 to shareholders of record as of February 28, 2009.

- On February 25, 2009, MetLife, Inc. approved the payment of approximately $1.6 billion in policy dividend payments to eligible life insurance policyholders for 2009. These dividends are based on the performance of participating policies, investment returns, mortality, persistency and expenses, and are not guaranteed.

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

MetLife, Inc
Income Statement
(in millions)
2008, 2007, and 2006

	12/31/08	**12/31/07**	**12/31/06**
Revenues			
Premiums	$25,914	$27,895	$26,412
Universal life and investment type product policy fees	5,381	5,311	4,780
Net investment income	16,296	19,006	17,082
Other revenues	1,586	1,533	1,362
Net investment gains (losses)	1,812	(738)	(1,382)
Total Revenues	**50,989**	**53,007**	**48,254**
Expenses			
Policyholder benefits and claims	27,437	27,828	26,431
Interest credited to policyholder account balances	4,787	5,741	5,171
Policyholder dividends	1,751	1,726	1,701
Other expenses	11,924	11,673	10,783
Total Expenses	**45,899**	**46,968**	**44,086**
Income from continuing operations before provision for income taxes	5,090	6,039	4,168
Provision for income taxes	1,580	1,759	1,097
Income from continuing operations	**3,510**	**4,280**	**3,071**
Income(loss) from discontinued operations, net of income taxes	(301)	37	3,222
Income before cumulative effect of a change in accounting, net of income taxes	3,209	4,317	6,293
Cumulative effect of a change in accounting, net of income taxes	-	-	-
Net income	**$3,209**	**$4,317**	**$6,293**
Preferred stock dividends	125	137	134
Net income available to common shareholders	$3,084	$4,180	$6,159

MetLife, Inc.
Balance Sheet
(in millions)
2008, 2007, and 2006

	12/31/08	12/31/07	12/31/06
ASSETS			
Investments:			
Fixed maturities	$188,251	$242,242	$241,928
Trading securities	946	779	759
Equity securities	3,197	6,050	5,094
Mortgage and consumer loans	51,364	47,030	42,239
Policy loans	9,802	10,419	10,228
Real estate and real estate joint ventures held for investment	7,585	6,597	4,802
Real estate held for sale	1	172	184
Other limited partnership interests	6,039	6,155	4,781
Short term investments	13,878	2,648	2,709
Other invested assets	17,248	12,642	10,428
Total investments	298,311	334,734	323,152
Cash and cash equivalents	24,207	10,368	7,107
Accrued investment income	3,061	3,630	3,347
Premiums and other receivables	16,973	14,607	14,490
Deferred policy acquisition costs	20,144	21,521	20,838
Current income taxes recoverable	-	303	-
Deferred income tax assets	4,927	-	-
Assets of subsidiaries held for sale	946	-	1,563
Goodwill	5,008	4,910	4,897
Other assets	7,262	8,330	7,956
Separate account assets	120,839	160,159	144,365
Total Assets	**$501,678**	**$558,562**	**$527,715**
LIABILITIES AND SHAREHOLDER'S EQUITY			
Future policy benefits	130,555	132,262	127,489
Policyholder account balances	149,805	137,349	131,948
Other policyholder funds	7,762	10,176	9,139
Policyholder dividends payable	1,023	994	960
Policyholder dividend obligation	-	789	1,063
Short term debt	2,659	667	1,449
Long term debt	9,667	9,628	9,129
Collateral financing arragements	5,192	5,732	850
Junior subordinated debt securities	3,758	4,474	3,780
Shares subject to mandatory redemption	-	159	278
Liabilities of subsidiaries held for sale	748	-	1,595
Current income taxes payable	342	-	1,465
Deferred income taxes payable	-	2,457	2,278
Payables for collateral under securities loaned and other transactions	31,059	44,136	45,846
Other liabilities	14,535	14,401	12,283
Separate account liabilities	120,839	160,159	144,365
Total Liabilities	**477,944**	**523,383**	**493,917**
STOCKHOLDERS EQUITY			
Preferred stock	1	1	1
Common stock	8	8	8
Additional paid in capital	15,811	17,098	17,454
Retained earnings	22,403	19,884	16,574
Treasury stock, at cost	(236)	(2,890)	(1,357)
Accumulated other comprehensive income (loss)	(14,253)	1,078	1,118
Total Stockholders Equity	**23,734**	**35,179**	**33,798**
Total Liabilities and Stockholders Equity	**$501,678**	**$558,562**	**$527,715**
LEVERAGE: Total Liabilities/Total Assets	95.27%	93.70%	93.60%

MetLife, Inc.
Statement of Cash Flows
(in millions)
2008, 2007, and 2006

	12/31/08	**12/31/07**	**12/31/06**
Net cash provided by operating activities from continuing operations	$10,703	$9,962	$6,600
Net cash used in investing activities	(2,671)	(10,644)	(18,886)
Net cash provided by financing activities	6,188	3,943	15,375
Change in cash and cash equivalents	13,871	3,261	3,089
Cash and cash equivalents - beginning of the period	10,368	7,107	4,018
Cash and cash equivalents - end of the period	**24,239**	**10,368**	**7,107**

The Active Network, Inc.

General Information: The Active Network, Inc. purchased the InfoSpherix division from Spherix in August 2007. A new contract was awarded October 10, 2008 that became effective in March 2009.

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 services in North America, Europe, China, 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 2004-2007, 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. Ranked by percentage revenue growth over five years, the Company grew 576 percent from 2003 to 2007 and captured 285th place overall on Deloitte's 2008 Technology Fast 500 list.

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: As of March 17, 2009, the credit score was 2 (slight risk) unchanged from the previous quarter.

Significant Events:

- On January 26, 2009, The Active Network announced that it acquired ReserveAmerica, an online service for booking campground space across the U.S. It was formerly a subsidiary of IAC, a conglomerate of interactive web-based businesses (including CollegeHumor, Vimeo and eVite), which agreed to hand over 100 percent of its stock in Reserve America Holdings in exchange for 3.5 million shares of convertible preferred stock in Active. This will give IAC a nine percent stake in the company.

- To date, The Active Network has raised $275 million in venture capital backing from ABS Ventures, Austin Ventures, Canaan Partners, Charles River Ventures, Dominion

Ventures, ESPN, Kettle Partners, Enterprise Partners, North Bridge Venture Partners and Ticketmaster.

Risk Mitigation: If The Active Network were unable to operate the Maryland call center, the Serco Services (formerly SI International) call center in Virginia could handle all calls pending establishment of a new call center. Under the contract, The Active Network has agreed to provide monthly financial updates to us, to proactively tell the Agency of any economic difficulties, and to provide assurances of continued call center operations during the contract period during any adverse conditions.