



**Supplemental Financial Information
For the Quarter Ended September 30, 2016**

The Company's supplemental financial information and other data presented herein speaks only as of the date or period indicated (or as of the date posted, as the case may be), and the Company does not undertake any obligation, and disclaims any duty, to update any of this information. The Company's future financial performance is subject to various risks and uncertainties that could cause actual results to differ materially from expectations. The factors that could affect the Company's future financial results are discussed more fully in our reports filed with the SEC. Readers are advised to refer to these reports for additional information concerning the Company. Readers are also advised that the Company's historical performance may not be indicative of future results. In addition, the information contained herein does not constitute an offer to sell or a solicitation to buy any of the Company's securities.

CoreCivic, Inc.
Supplemental Financial Information
For the Quarter Ended September 30, 2016

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FINANCIAL HIGHLIGHTS

(Unaudited and amounts in thousands, except per share amounts)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
Adjusted Diluted EPS	\$ 0.49	\$ 0.45	\$ 1.38	\$ 1.50
Normalized FFO Per Share	\$ 0.69	\$ 0.64	\$ 1.98	\$ 2.06
AFFO Per Share	\$ 0.68	\$ 0.63	\$ 1.94	\$ 2.04
Debt Leverage	3.3x	3.3x	3.4x	3.1x
Fixed Charge Coverage Ratio	6.9x	8.9x	6.7x	9.3x

GUIDANCE SUMMARY

(Unaudited and amounts in thousands, except per share amounts)

	Q4 2016		Full Year 2016		Full Year 2017	
	Low-End	High-End	Low-End	High-End	Low-End	High-End
Net income	\$ 49,000	\$ 50,000	\$ 208,205	\$ 209,205	\$ 164,000	\$ 176,000
Expenses associated with mergers and acquisitions	400	400	2,000	2,000	2,000	2,000
Gain on settlement of contingent consideration	-	-	(2,000)	(2,000)	-	-
Restructuring charges	-	-	4,010	4,010	-	-
Income tax benefit for special items	-	-	(215)	(215)	-	-
Adjusted net income	\$ 49,400	\$ 50,400	\$ 212,000	\$ 213,000	\$ 166,000	\$ 178,000
Net income	\$ 49,000	\$ 50,000	\$ 208,205	\$ 209,205	\$ 164,000	\$ 176,000
Depreciation of real estate assets	23,000	23,000	93,500	93,500	90,500	90,500
Funds From Operations	\$ 72,000	\$ 73,000	\$ 301,705	\$ 302,705	\$ 254,500	\$ 266,500
Expenses associated with mergers and acquisitions	400	400	2,000	2,000	2,000	2,000
Gain on settlement of contingent consideration	-	-	(2,000)	(2,000)	-	-
Restructuring charges	-	-	4,010	4,010	-	-
Income tax benefit for special items	-	-	(215)	(215)	-	-
Normalized Funds From Operations	\$ 72,400	\$ 73,400	\$ 305,500	\$ 306,500	\$ 256,500	\$ 268,500
Maintenance capital expenditures on real estate assets	(10,500)	(10,500)	(27,000)	(27,000)	(26,000)	(26,000)
Stock-based compensation and non-cash interest	4,000	4,000	16,500	16,500	15,500	15,500
Other non-cash revenue and expenses	(1,000)	(1,000)	(1,500)	(1,500)	(500)	(500)
Adjusted Funds from Operations	\$ 64,900	\$ 65,900	\$ 293,500	\$ 294,500	\$ 245,500	\$ 257,500
Diluted EPS	\$ 0.42	\$ 0.42	\$ 1.76	\$ 1.77	\$ 1.38	\$ 1.49
Adjusted EPS	\$ 0.42	\$ 0.43	\$ 1.80	\$ 1.81	\$ 1.40	\$ 1.50
FFO per diluted share	\$ 0.61	\$ 0.62	\$ 2.56	\$ 2.57	\$ 2.15	\$ 2.25
Normalized FFO per diluted share	\$ 0.61	\$ 0.62	\$ 2.59	\$ 2.60	\$ 2.16	\$ 2.27
Adjusted Funds from Operations per diluted share	\$ 0.55	\$ 0.56	\$ 2.49	\$ 2.50	\$ 2.07	\$ 2.17
Net income	\$ 49,000	\$ 50,000	\$ 208,205	\$ 209,205	\$ 164,000	\$ 176,000
Interest expense	16,000	16,500	67,000	67,500	64,000	67,000
Depreciation and amortization	40,000	40,000	167,500	167,500	148,000	148,000
Income tax expense	3,500	3,500	8,785	9,285	13,500	14,500
EBITDA	\$ 108,500	\$ 110,000	\$ 451,490	\$ 453,490	\$ 389,500	\$ 405,500
Expenses associated with mergers and acquisitions	400	400	2,000	2,000	2,000	2,000
Gain on settlement of contingent consideration	-	-	(2,000)	(2,000)	-	-
Restructuring charges	-	-	4,010	4,010	-	-
Depreciation associated with STFR lease	(6,700)	(6,700)	(38,600)	(38,600)	(16,600)	(16,600)
Interest expense associated with STFR lease	(1,800)	(1,800)	(9,900)	(9,900)	(6,400)	(6,400)
Adjusted EBITDA	\$ 100,400	\$ 101,900	\$ 407,000	\$ 409,000	\$ 368,500	\$ 384,500
Capital Expenditures						
Prison construction & land acquisitions			\$ 48.0	\$ 53.0		
Maintenance on real estate assets			27.0	27.0		
Information technology and other assets			29.0	34.0		
Total capital expenditures			\$ 104.0	\$ 114.0		

CONSOLIDATED BALANCE SHEETS
(Unaudited and amounts in thousands, except per share amounts)

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ASSETS	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015
Cash and cash equivalents	\$ 42,731	\$ 70,843	\$ 54,816	\$ 65,291	\$ 78,402
Restricted cash	-	-	-	877	985
Accounts receivable, net of allowance	222,420	221,427	208,304	234,456	250,537
Prepaid expenses and other current assets	32,742	32,995	28,641	41,434	36,233
Total current assets	<u>297,893</u>	<u>325,265</u>	<u>291,761</u>	<u>342,058</u>	<u>366,157</u>
Property and equipment, net	2,850,219	2,870,150	2,854,109	2,883,060	2,772,743
Restricted cash	218	218	218	131	122
Investment in direct financing lease	-	-	-	684	1,348
Goodwill	38,386	38,415	35,001	35,557	15,155
Non-current deferred tax assets	11,973	7,774	8,949	9,824	14,287
Other assets	86,823	85,928	83,766	84,704	68,900
Total assets	<u>\$ 3,285,512</u>	<u>\$ 3,327,750</u>	<u>\$ 3,273,804</u>	<u>\$ 3,356,018</u>	<u>\$ 3,238,712</u>
LIABILITIES AND STOCKHOLDERS' EQUITY					
Accounts payable and accrued expenses	\$ 329,446	\$ 332,859	\$ 308,576	\$ 317,675	\$ 322,271
Income taxes payable	1,627	1,139	2,421	1,920	1,483
Current portion of long-term debt	8,750	7,500	6,250	5,000	-
Total current liabilities	<u>339,823</u>	<u>341,498</u>	<u>317,247</u>	<u>324,595</u>	<u>323,754</u>
Long-term debt, net	1,420,155	1,448,142	1,400,128	1,447,077	1,308,080
Deferred revenue	36,257	45,608	54,641	63,289	72,722
Other liabilities	45,084	47,875	55,332	58,309	60,275
Total liabilities	<u>1,841,319</u>	<u>1,883,123</u>	<u>1,827,348</u>	<u>1,893,270</u>	<u>1,764,831</u>
Commitments and contingencies					
Common stock - \$0.01 par value	1,176	1,175	1,175	1,172	1,172
Additional paid-in capital	1,776,504	1,768,321	1,763,685	1,762,394	1,758,386
Accumulated deficit	(333,487)	(324,869)	(318,404)	(300,818)	(285,677)
Total stockholders' equity	<u>1,444,193</u>	<u>1,444,627</u>	<u>1,446,456</u>	<u>1,462,748</u>	<u>1,473,881</u>
Total liabilities and stockholders' equity	<u>\$ 3,285,512</u>	<u>\$ 3,327,750</u>	<u>\$ 3,273,804</u>	<u>\$ 3,356,018</u>	<u>\$ 3,238,712</u>

CONSOLIDATED STATEMENTS OF OPERATIONS

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(Unaudited and amounts in thousands, except per share amounts)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
REVENUE:				
Owned & controlled properties	\$ 422,089	\$ 404,200	\$ 1,230,418	\$ 1,180,567
Managed only and other	52,846	55,757	155,233	164,685
Total revenue	<u>474,935</u>	<u>459,957</u>	<u>1,385,651</u>	<u>1,345,252</u>
EXPENSES:				
Operating:				
Owned & controlled properties	275,539	272,330	809,094	786,332
Managed only and other	50,810	54,170	147,619	158,865
Total operating expenses	<u>326,349</u>	<u>326,500</u>	<u>956,713</u>	<u>945,197</u>
General and administrative	27,699	26,791	81,543	76,770
Depreciation and amortization	42,924	41,230	127,328	108,315
Restructuring charges	4,010	-	4,010	-
Asset impairments	-	-	-	955
	<u>400,982</u>	<u>394,521</u>	<u>1,169,594</u>	<u>1,131,237</u>
OPERATING INCOME	<u>73,953</u>	<u>65,436</u>	<u>216,057</u>	<u>214,015</u>
OTHER (INCOME) EXPENSE:				
Interest expense, net	16,937	11,764	51,277	33,715
Expenses associated with debt refinancing transactions	-	701	-	701
Other (income) expense	54	(363)	103	(353)
	<u>16,991</u>	<u>12,102</u>	<u>51,380</u>	<u>34,063</u>
INCOME BEFORE INCOME TAXES	56,962	53,334	164,677	179,952
Income tax expense	<u>(1,622)</u>	<u>(2,658)</u>	<u>(5,447)</u>	<u>(6,696)</u>
NET INCOME	<u>\$ 55,340</u>	<u>\$ 50,676</u>	<u>\$ 159,230</u>	<u>\$ 173,256</u>
BASIC EARNINGS PER SHARE	<u>\$ 0.47</u>	<u>\$ 0.43</u>	<u>\$ 1.36</u>	<u>\$ 1.48</u>
DILUTED EARNINGS PER SHARE	<u>\$ 0.47</u>	<u>\$ 0.43</u>	<u>\$ 1.35</u>	<u>\$ 1.47</u>

RECONCILIATION OF BASIC TO DILUTED EARNINGS PER SHARE

(Unaudited and amounts in thousands, except per share amounts)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
Basic:				
Net income	\$ 55,340	\$ 50,676	\$ 159,230	\$ 173,256
Diluted:				
Net income	\$ 55,340	\$ 50,676	\$ 159,230	\$ 173,256
Basic:				
Weighted average common shares outstanding	117,539	117,166	117,456	117,029
Unvested restricted common stock	(96)	(100)	(96)	(140)
Weighted average common shares outstanding-basic	<u>117,443</u>	<u>117,066</u>	<u>117,360</u>	<u>116,889</u>
Diluted:				
Weighted average common shares outstanding-basic	117,443	117,066	117,360	116,889
Effect of dilutive securities:				
Stock options	207	559	384	716
Restricted stock-based compensation	44	149	80	181
Weighted average shares and assumed conversions-diluted	<u>117,694</u>	<u>117,774</u>	<u>117,824</u>	<u>117,786</u>
Basic earnings per share	<u>\$ 0.47</u>	<u>\$ 0.43</u>	<u>\$ 1.36</u>	<u>\$ 1.48</u>
Diluted earnings per share	<u>\$ 0.47</u>	<u>\$ 0.43</u>	<u>\$ 1.35</u>	<u>\$ 1.47</u>

CALCULATION OF ADJUSTED DILUTED EARNINGS PER SHARE

(Unaudited and amounts in thousands, except per share amounts)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
Net Income	\$ 55,340	\$ 50,676	\$ 159,230	\$ 173,256
Special items:				
Expenses associated with debt refinancing transactions	-	701	-	701
Expenses associated with mergers and acquisitions	110	1,674	1,570	1,674
Gain on settlement of contingent consideration	(2,000)	-	(2,000)	-
Restructuring charges	4,010	-	4,010	-
Asset impairments	-	-	-	955
Income tax benefit for special items	(215)	(24)	(215)	(24)
Diluted adjusted net income	<u>\$ 57,245</u>	<u>\$ 53,027</u>	<u>\$ 162,595</u>	<u>\$ 176,562</u>
Weighted average common shares outstanding - basic	117,443	117,066	117,360	116,889
Effect of dilutive securities:				
Stock options	207	559	384	716
Restricted stock-based compensation	44	149	80	181
Weighted average shares and assumed conversions - diluted	<u>117,694</u>	<u>117,774</u>	<u>117,824</u>	<u>117,786</u>
Adjusted Diluted Earnings Per Share	<u>\$ 0.49</u>	<u>\$ 0.45</u>	<u>\$ 1.38</u>	<u>\$ 1.50</u>

FUNDS FROM OPERATIONS

(Unaudited and amounts in thousands, except per share amounts)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
FUNDS FROM OPERATIONS:				
Net income	\$ 55,340	\$ 50,676	\$ 159,230	\$ 173,256
Depreciation of real estate assets	23,684	22,577	70,409	66,024
Funds From Operations	\$ 79,024	\$ 73,253	\$ 229,639	\$ 239,280
Expenses associated with debt refinancing transactions	-	701	-	701
Expenses associated with mergers and acquisitions	110	1,674	1,570	1,674
Gain on settlement of contingent consideration	(2,000)	-	(2,000)	-
Restructuring charges	4,010	-	4,010	-
Goodwill and other impairments	-	-	-	955
Income tax benefit for special items	(215)	(24)	(215)	(24)
Normalized Funds From Operations	\$ 80,929	\$ 75,604	\$ 233,004	\$ 242,586
Maintenance capital expenditures on real estate assets	(4,767)	(5,433)	(16,617)	(15,847)
Stock-based compensation	4,510	3,808	12,383	11,516
Amortization of debt costs and other non-cash interest	785	634	2,362	2,186
Other non-cash revenue and expenses	(1,838)	(16)	(3,082)	(48)
Adjusted Funds From Operations	\$ 79,619	\$ 74,597	\$ 228,050	\$ 240,393
FUNDS FROM OPERATIONS PER SHARE:				
Basic	\$ 0.67	\$ 0.63	\$ 1.96	\$ 2.05
Diluted	\$ 0.67	\$ 0.62	\$ 1.95	\$ 2.03
NORMALIZED FUNDS FROM OPERATIONS PER SHARE:				
Basic	\$ 0.69	\$ 0.65	\$ 1.99	\$ 2.08
Diluted	\$ 0.69	\$ 0.64	\$ 1.98	\$ 2.06
ADJUSTED FUNDS FROM OPERATIONS PER SHARE:				
Basic	\$ 0.68	\$ 0.64	\$ 1.94	\$ 2.06
Diluted	\$ 0.68	\$ 0.63	\$ 1.94	\$ 2.04

FFO and AFFO are widely accepted non-GAAP supplemental measures of REIT performance following the standards established by the National Association of Real Estate Investment Trusts (NAREIT). The Company believes that FFO and AFFO are important operating measures that supplement discussion and analysis of the Company's results of operations and are used to review and assess operating performance of the Company and its correctional facilities and their management teams. NAREIT defines FFO as net income computed in accordance with generally accepted accounting principles, excluding gains (or losses) from sales of property and extraordinary items, plus depreciation and amortization of real estate and impairment of depreciable real estate. Because the historical cost accounting convention used for real estate assets requires depreciation (except on land), this accounting presentation assumes that the value of real estate assets diminishes at a level rate over time. Because of the unique structure, design and use of the Company's correctional facilities, management believes that assessing performance of the Company's correctional facilities without the impact of depreciation or amortization is useful. The Company may make adjustments to FFO from time to time for certain other income and expenses that it considers non-recurring, infrequent or unusual, even though such items may require cash settlement, because such items do not reflect a necessary component of the ongoing operations of the Company. Even though expenses associated with mergers and acquisitions (M&A) may be recurring, the magnitude and timing fluctuate based on the timing and scope of M&A activity, and therefore, such expenses, which are not a necessary component of the ongoing operations of the Company, may not be comparable from period to period. Normalized FFO excludes the effects of such items. The Company calculates AFFO by adding to Normalized FFO non-cash expenses such as the amortization of deferred financing costs and stock-based compensation, and by subtracting from Normalized FFO recurring real estate expenditures that are capitalized and then amortized, but which are necessary to maintain a REIT's properties and its revenue stream. Some of these capital expenditures contain a discretionary element with respect to when they are incurred, while others may be more urgent. Therefore, these capital expenditures may fluctuate from quarter to quarter, depending on the nature of the expenditures required, seasonal factors such as weather, and budgetary conditions. Other companies may calculate FFO, Normalized FFO, and AFFO differently than the Company does, or adjust for other items, and therefore comparability may be limited. FFO, Normalized FFO, and AFFO and their corresponding per share measures are not measures of performance under GAAP, and should not be considered as an alternative to cash flows from operating activities, a measure of liquidity or an alternative to net income as indicators of the Company's operating performance or any other measure of performance derived in accordance with GAAP. This data should be read in conjunction with the Company's consolidated financial statements and related notes included in its filings with the Securities and Exchange Commission.

SELECTED FINANCIAL INFORMATION
(Unaudited and amounts in thousands, except per share amounts)

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	<u>September 30, 2016</u>	<u>June 30, 2016</u>	<u>March 31, 2016</u>	<u>December 31, 2015</u>	<u>September 30, 2015</u>
BALANCE SHEET:					
Property and equipment	\$ 4,169,671	\$ 4,147,056	\$ 4,088,987	\$ 4,076,783	\$ 4,026,337
Accumulated depreciation and amortization	(1,319,452)	(1,276,906)	(1,234,878)	(1,193,723)	(1,253,594)
Property and equipment, net	<u>\$ 2,850,219</u>	<u>\$ 2,870,150</u>	<u>\$ 2,854,109</u>	<u>\$ 2,883,060</u>	<u>\$ 2,772,743</u>
Total assets	\$ 3,285,512	\$ 3,327,750	\$ 3,273,804	\$ 3,356,018	\$ 3,238,712
Maintenance & technology capital expenditures for the quarter ended	\$ 12,055	\$ 14,368	\$ 6,193	\$ 20,464	\$ 13,243
Prison construction & land acquisition capital expenditures for the quarter ended	\$ 10,812	\$ 15,220	\$ 6,734	\$ 13,882	\$ 31,990
Total debt	\$ 1,439,250	\$ 1,466,500	\$ 1,417,750	\$ 1,464,000	\$ 1,320,000
Equity book value	\$ 1,444,193	\$ 1,444,627	\$ 1,446,456	\$ 1,462,748	\$ 1,473,881
LIQUIDITY:					
Cash and cash equivalents	\$ 42,731	\$ 70,843	\$ 54,816	\$ 65,291	\$ 78,402
Availability under revolving credit facility	\$ 471,734	\$ 445,734	\$ 484,546	\$ 446,487	\$ 490,867
CAPITALIZATION:					
Common shares outstanding	117,551	117,520	117,477	117,232	117,223
Common share price at end of period	\$ 13.87	\$ 35.02	\$ 32.05	\$ 26.49	\$ 29.54
Market value of common equity at end of period	<u>\$ 1,630,432</u>	<u>\$ 4,115,550</u>	<u>\$ 3,765,138</u>	<u>\$ 3,105,476</u>	<u>\$ 3,462,767</u>
Total equity market capitalization	<u>\$ 1,630,432</u>	<u>\$ 4,115,550</u>	<u>\$ 3,765,138</u>	<u>\$ 3,105,476</u>	<u>\$ 3,462,767</u>
Total market capitalization (market value of equity plus debt)	<u>\$ 3,069,682</u>	<u>\$ 5,582,050</u>	<u>\$ 5,182,888</u>	<u>\$ 4,569,476</u>	<u>\$ 4,782,767</u>
Regular Dividends	\$ 63,958	\$ 64,048	\$ 63,950	\$ 63,751	\$ 63,713
Dividends per common share	\$ 0.54	\$ 0.54	\$ 0.54	\$ 0.54	\$ 0.54
Annualized dividend yield	15.6%	6.2%	6.7%	8.2%	7.3%
EBITDA	\$ 116,823	\$ 119,389	\$ 107,070	\$ 109,443	\$ 106,328
ADJUSTED EBITDA	\$ 105,737	\$ 106,419	\$ 94,744	\$ 97,659	\$ 94,794
NORMALIZED FUNDS FROM OPERATIONS	\$ 80,929	\$ 81,288	\$ 70,787	\$ 74,760	\$ 75,604
Basic normalized funds from operations per share	\$ 0.69	\$ 0.69	\$ 0.60	\$ 0.64	\$ 0.65
Diluted normalized funds from operations per share	<u>\$ 0.69</u>	<u>\$ 0.69</u>	<u>\$ 0.60</u>	<u>\$ 0.63</u>	<u>\$ 0.64</u>
FFO PAYOUT RATIO	78.3%	78.3%	90.0%	85.7%	84.4%
ADJUSTED FUNDS FROM OPERATIONS	\$ 79,619	\$ 76,438	\$ 71,993	\$ 68,647	\$ 74,597
Basic adjusted funds from operations per share	\$ 0.68	\$ 0.65	\$ 0.61	\$ 0.59	\$ 0.64
Diluted adjusted funds from operations per share	<u>\$ 0.68</u>	<u>\$ 0.65</u>	<u>\$ 0.61</u>	<u>\$ 0.58</u>	<u>\$ 0.63</u>
AFFO PAYOUT RATIO	79.4%	83.1%	88.5%	93.1%	85.7%

SELECTED FINANCIAL INFORMATION

(Unaudited and amounts in thousands, except per share amounts)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
Number of days per period	92	92	274	273
ALL FACILITIES:				
Average available beds	<u>83,399</u>	<u>80,455</u>	<u>83,996</u>	<u>79,664</u>
Average compensated occupancy	<u>80.2%</u>	<u>82.6%</u>	<u>78.2%</u>	<u>83.9%</u>
Total compensated man-days	<u>6,153,047</u>	<u>6,114,810</u>	<u>17,996,998</u>	<u>18,236,560</u>
Revenue per compensated man-day	\$ 75.42	\$ 73.65	\$ 75.33	\$ 72.22
Operating expenses per compensated man-day:				
Fixed expense (1)	38.81	38.80	39.01	37.16
Variable expense	15.37	15.90	15.39	14.91
Total	<u>54.18</u>	<u>54.70</u>	<u>54.40</u>	<u>52.07</u>
Operating income per compensated man-day	<u>\$ 21.24</u>	<u>\$ 18.95</u>	<u>\$ 20.93</u>	<u>\$ 20.15</u>
Operating margin	<u>28.2%</u>	<u>25.7%</u>	<u>27.8%</u>	<u>27.9%</u>
DEPRECIATION AND AMORTIZATION:				
Depreciation expense on real estate	23,684	22,577	70,409	66,024
Depreciation expense associated with STFRC rent payment	10,706	10,706	31,886	19,181
Other depreciation expense	8,290	7,951	24,345	23,136
Amortization of intangibles	244	(4)	688	(26)
Depreciation and amortization	<u>\$ 42,924</u>	<u>\$ 41,230</u>	<u>\$ 127,328</u>	<u>\$ 108,315</u>
NET OPERATING INCOME:				
Revenue				
Owned & controlled properties	\$ 422,089	\$ 404,200	\$ 1,230,418	\$ 1,180,567
Managed only and other	52,846	55,757	155,233	164,685
Total revenues	<u>474,935</u>	<u>459,957</u>	<u>1,385,651</u>	<u>1,345,252</u>
Operating Expenses				
Owned & controlled properties	275,539	272,330	809,094	786,332
Managed only and other	50,810	54,170	147,619	158,865
Total operating expenses	<u>326,349</u>	<u>326,500</u>	<u>956,713</u>	<u>945,197</u>
Facility Net Operating Income				
Owned & controlled properties	146,550	131,870	421,324	394,235
Managed only and other	2,036	1,587	7,614	5,820
Total net operating income	<u>\$ 148,586</u>	<u>\$ 133,457</u>	<u>\$ 428,938</u>	<u>\$ 400,055</u>

(1) Fixed expense and the corresponding fixed expense per compensated man-day for the three and nine months ended September 30, 2016 include depreciation expense of \$10.7 million and \$31.9 million, respectively, and interest expense of \$2.5 million and \$8.1 million, respectively, associated with the South Texas Family Residential Center (STFRC) lease payments. Fixed expense and the corresponding fixed expense per compensated man-day for the three and nine months ended September 30, 2015 include depreciation expense of \$10.7 million and \$19.2 million, respectively, and interest expense of \$3.2 million and \$5.4 million, respectively, associated with the STFRC lease payments. These amounts are also deducted from our calculation of Adjusted EBITDA, because we believe this presentation is more reflective of the cash flows associated with the facility's operations, and therefore cash available to service our debt and pay dividends to our shareholders.

SEGREGATED DATA

(Unaudited and amounts in thousands, except per share amounts)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
OWNED AND MANAGED FACILITIES:				
Corrections revenue	\$ 411,614	\$ 395,587	\$ 1,202,166	\$ 1,155,604
Operating expenses:				
Fixed expense (1)	205,828	201,478	606,088	572,934
Variable expense	80,348	82,652	236,516	229,607
Total	286,176	284,130	842,604	802,541
Facility net operating income	\$ 125,438	\$ 111,457	\$ 359,562	\$ 353,063
Average available beds	69,501	65,019	70,098	64,228
Average compensated occupancy	77.0%	79.9%	74.9%	81.5%
Total compensated man-days	4,925,170	4,780,507	14,383,896	14,291,633
Revenue per compensated man-day	\$ 83.57	\$ 82.75	\$ 83.58	\$ 80.86
Operating expenses per compensated man-day:				
Fixed (1)	41.79	42.15	42.14	40.09
Variable	16.31	17.29	16.44	16.07
Total	58.10	59.44	58.58	56.16
Operating income per compensated man-day	\$ 25.47	\$ 23.31	\$ 25.00	\$ 24.70
Operating margin	30.5%	28.2%	29.9%	30.5%
MANAGED ONLY FACILITIES:				
Corrections revenue	\$ 52,440	\$ 54,750	\$ 153,616	\$ 161,408
Operating expenses:				
Fixed expense	32,991	35,786	95,995	104,814
Variable expense	14,241	14,578	40,546	42,259
Total	47,232	50,364	136,541	147,073
Facility net operating income	\$ 5,208	\$ 4,386	\$ 17,075	\$ 14,335
Average available beds	13,898	15,436	13,898	15,436
Average compensated occupancy	96.0%	94.0%	94.9%	93.6%
Total compensated man-days	1,227,877	1,334,303	3,613,102	3,944,927
Revenue per compensated man-day	\$ 42.71	\$ 41.03	\$ 42.52	\$ 40.92
Operating expenses per compensated man-day:				
Fixed expense	26.87	26.82	26.57	26.57
Variable expense	11.60	10.93	11.22	10.71
Total	38.47	37.75	37.79	37.28
Operating income per compensated man-day	\$ 4.24	\$ 3.28	\$ 4.73	\$ 3.64
Operating margin	9.9%	8.0%	11.1%	8.9%

(1) Fixed expense and the corresponding fixed expense per compensated man-day for the three and nine months ended September 30, 2016 include depreciation expense of \$10.7 million and \$31.9 million, respectively, and interest expense of \$2.5 million and \$8.1 million, respectively, associated with the South Texas Family Residential Center (STFRC) lease payments. Fixed expense and the corresponding fixed expense per compensated man-day for the three and nine months ended September 30, 2015 include depreciation expense of \$10.7 million and \$19.2 million, respectively, and interest expense of \$3.2 million and \$5.4 million, respectively, associated with the STFRC lease payments. These amounts are also deducted from our calculation of Adjusted EBITDA, because we believe this presentation is more reflective of the cash flows associated with the facility's operations, and therefore cash available to service our debt and pay dividends to our shareholders.

ANALYSIS OF OUTSTANDING DEBT

(Unaudited and amounts in thousands)

	<u>Outstanding Balance 12/31/2015</u>	<u>Outstanding Balance 9/30/2016</u>	<u>Stated Interest Rate</u>	<u>Effective Interest Rate</u> ¹⁾	<u>Maturity Date</u>	<u>Callable/ Redeemable</u>
Fixed Rate:						
\$350 Million Senior Notes	\$ 350,000	\$ 350,000	4.625%	4.80%	May 2023	Prior to February 1, 2023, redeemable at a "make-whole" redemption price, plus accrued and unpaid interest; thereafter the notes are redeemable at 100% of the aggregate principal amount plus accrued and unpaid interest.
\$325 Million Senior Notes	325,000	325,000	4.125%	4.38%	April 2020	Prior to January 1, 2020, redeemable at a "make-whole" redemption price, plus accrued and unpaid interest; thereafter the notes are redeemable at 100% of the aggregate principal amount plus accrued and unpaid interest.
\$250 Million Senior Notes	250,000	250,000	5.0%	5.19%	October 2022	Prior to July 15, 2022, redeemable at a "make-whole" redemption price, plus accrued and unpaid interest; thereafter the notes are redeemable at 100% of the aggregate principal amount plus accrued and unpaid interest.
Total Fixed Rate Debt	<u>925,000</u>	<u>925,000</u>				
Floating Rate:						
Revolving Credit Facility	439,000	418,000	2.48%	2.73%	July 2020	
Term Loan	100,000	96,250	2.06%	2.18%	July 2020	
Total Floating Rate Debt	<u>539,000</u>	<u>514,250</u>				
Grand Total Debt	<u>\$ 1,464,000</u>	<u>\$ 1,439,250</u>	3.75%	3.96%	4.80	⁴⁾

¹⁾ Includes amortization of debt issuance costs.

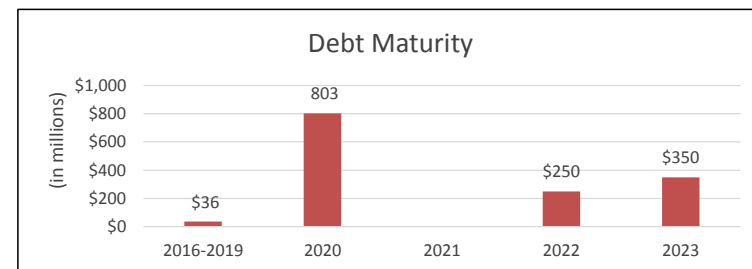
²⁾ On July 22, 2015, the Company amended and restated the \$900.0 million revolving credit facility with principally the same terms, with the exception of a reduction by 0.25% in the applicable margin of base rate and LIBOR rate loans and a new five-year-term, among other changes. The \$900.0 million revolving credit facility now matures in July 2020. The Company also has \$10.3 million of letters of credit outstanding under a sub-facility reducing the available capacity under the revolving credit facility to \$471.7 million as of September 30, 2016. Based on the Company's current leverage ratio, the revolving credit facility bears interest at LIBOR plus a margin of 1.50%.

³⁾ On October 6, 2015, the Company obtained \$100.0 million under an Incremental Term Loan ("Term Loan") under the "accordion" feature of the revolving credit facility. As of April 1, 2016, interest rates under the Term Loan are the same as the interest rates under the revolving credit facility. The Term Loan has a maturity of July 2020, with scheduled principal payments in years 2016 through 2020.

⁴⁾ Represents the weighted average debt maturity in years.

Debt Maturity Schedule at September 30, 2016:

<u>Year</u>	<u>Total Debt Maturing</u>	<u>% of Debt Maturing</u>	<u>% of Debt Maturing</u>
2016	\$ 1,250	0.09%	0.09%
2017	10,000	0.69%	0.78%
2018	10,000	0.69%	1.48%
2019	15,000	1.04%	2.52%
2020	803,000	55.79%	58.31%
Thereafter	600,000	41.69%	100.00%
	<u>\$ 1,439,250</u>	<u>100.00%</u>	



SELECTED OPERATING RATIOS
(Unaudited and amounts in thousands, except per share amounts)

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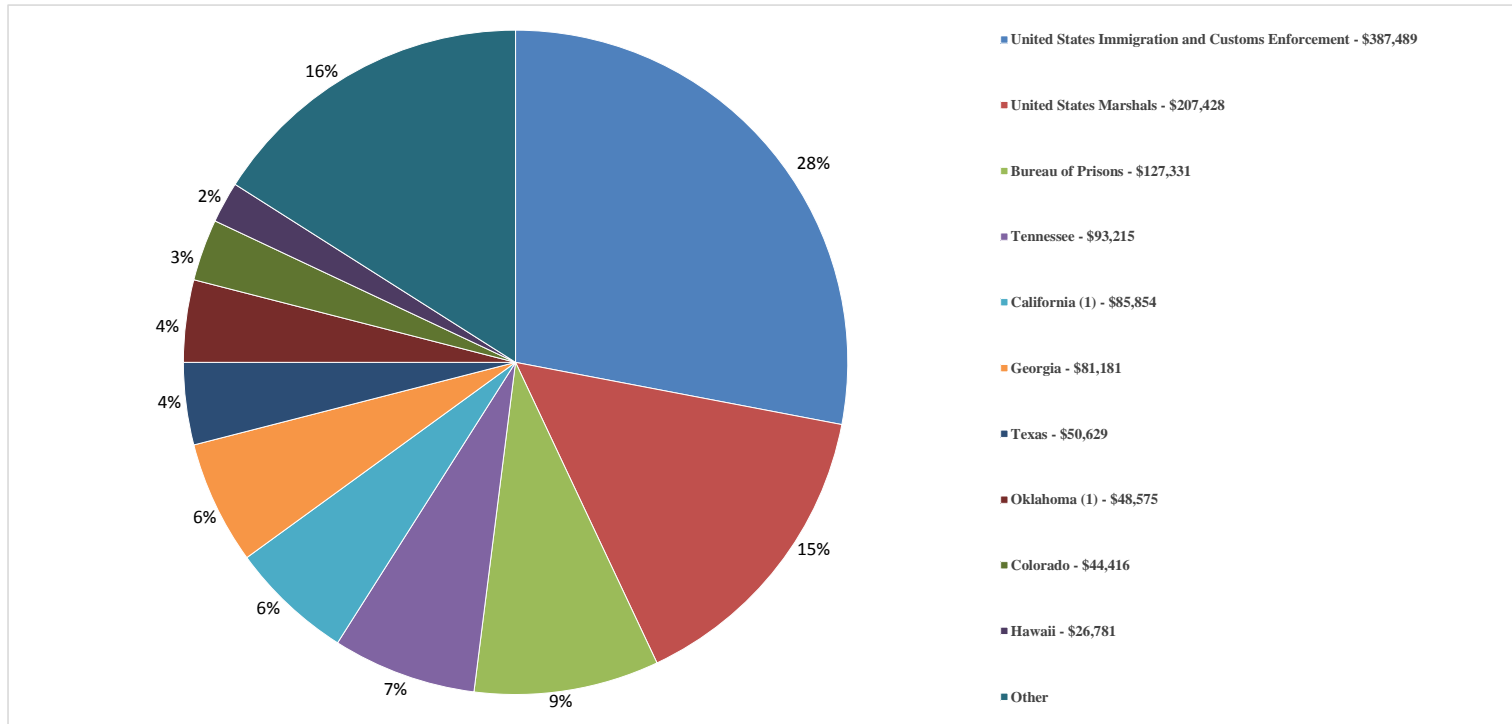
	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
<u>COVERAGE RATIOS:</u>				
Interest coverage ratio (Adjusted EBITDA/Interest incurred) (x)	7.5x	8.9x	7.3x	9.3x
Fixed charge coverage ratio (Adjusted EBITDA/(Interest incurred + Scheduled prin pmts)) (x)	6.9x	8.9x	6.7x	9.3x
Senior debt coverage ratio ((Senior debt - cash)/Annualized Adjusted EBITDA) (x)	3.3x	3.3x	3.4x	3.1x
Total debt coverage ratio ((Total debt - cash)/Annualized Adjusted EBITDA) (x)	3.3x	3.3x	3.4x	3.1x
Accounts receivable turnover (Annualized revenues/Accounts receivable) (x)	8.5x	7.3x	8.3x	7.2x
<u>DEBT/EQUITY RATIOS:</u>				
Total debt/Total market capitalization	46.9%	27.6%	46.9%	27.6%
Total debt/Equity market capitalization	88.3%	38.1%	88.3%	38.1%
Total debt/Book equity capitalization	99.7%	89.6%	99.7%	89.6%
Total debt/Gross book value of real estate assets	34.5%	32.8%	34.5%	32.8%
<u>RETURN ON INVESTMENT RATIOS:</u>				
Annualized return on operating real estate investments (Annualized Adjusted EBITDA/Average operating real estate investments (undepreciated book value)*)	10.2%	9.5%	9.9%	10.2%
Annualized return on total assets (Annualized Adjusted EBITDA/Average total assets (undepreciated book value)*)	9.2%	8.5%	8.9%	9.2%
<u>OVERHEAD RATIOS:</u>				
Annualized general & administrative expenses (excl. non-recurring costs)/Average total assets (undepreciated book value)*	2.4%	2.3%	2.3%	2.3%
General & administrative expenses (excluding non-recurring costs)/Total revenues	5.8%	5.5%	5.8%	5.6%
<u>INTEREST EXPENSE, NET:</u>				
Interest income	\$ (225)	\$ (1,024)	\$ (884)	\$ (1,745)
Interest incurred	14,091	10,705	42,101	32,400
Interest expense associated with STFRC lease	2,500	3,203	8,076	5,420
Amortization of debt costs and other non-cash interest	785	634	2,362	2,186
Capitalized interest	(214)	(1,754)	(378)	(4,546)
Interest expense, net	<u>\$ 16,937</u>	<u>\$ 11,764</u>	<u>\$ 51,277</u>	<u>\$ 33,715</u>
<u>EBITDA CALCULATION:</u>				
Net income	\$ 55,340	\$ 50,676	\$ 159,230	\$ 173,256
Interest expense, net	16,937	11,764	51,277	33,715
Depreciation and amortization	42,924	41,230	127,328	108,315
Income tax expense	1,622	2,658	5,447	6,696
EBITDA	<u>116,823</u>	<u>106,328</u>	<u>343,282</u>	<u>321,982</u>
Expenses associated with debt refinancing transactions	-	701	-	701
Expenses associated with mergers and acquisitions	110	1,674	1,570	1,674
Gain on settlement of contingent consideration	(2,000)	-	(2,000)	-
Restructuring charges	4,010	-	4,010	-
Depreciation expense associated with STFRC lease	(10,706)	(10,706)	(31,886)	(19,181)
Interest expense associated with STFRC lease	(2,500)	(3,203)	(8,076)	(5,420)
Asset impairments	-	-	-	955
ADJUSTED EBITDA	<u>\$ 105,737</u>	<u>\$ 94,794</u>	<u>\$ 306,900</u>	<u>\$ 300,711</u>

*Calculated as a simple average (beginning of period plus end of period divided by 2)

PARTNER INFORMATION
(Unaudited)

CONTRACT RETENTION							
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>YTD 2016</u>	<u>TOTAL</u>
OWNED AND MANAGED:							
# of Contracts up for Renewal	27	22	28	22	29	28	156
# of Contracts Retained	27	21	25	22	26	26	147
Retention Rate	100.0%	95.5%	89.3%	100.0%	89.7%	92.9%	94.2%
MANAGED ONLY:							
# of Contracts up for Renewal	10	7	13	7	10	3	50
# of Contracts Retained	10	6	11	4	10	3	44
Retention Rate	100.0%	85.7%	84.6%	57.1%	100.0%	100.0%	88.0%
TOTAL RETENTION RATE	100.0%	93.1%	87.8%	89.7%	92.3%	93.5%	92.7%

TOP TEN PARTNERS
Percentage of Revenue for the Nine Months Ended September 30, 2016



(1) Revenues exclude rental revenue generated under lease agreements with the respective partners.

FACILITY PORTFOLIO

Facility Name	Year Constructed/Acquired (A)	Primary Customer	Design Capacity (B)	Security Level	Facility Type (C)	Term	Remaining Renewal Options (D)	Compensated Occupancy % for the Quarter ended 9/30/16
Owned and Managed Facilities:								
Central Arizona Detention Center Florence, Arizona	1994, 1998	USMS	2,304	Multi	Detention	Sep-18	(2) 5 year	110.66%
Eloy Detention Center Eloy, Arizona	1995, 1996	ICE	1,500	Medium	Detention	Indefinite	-	92.90%
Florence Correctional Center Florence, Arizona	1999, 2004	USMS	1,824	Multi	Detention	Sep-18	(2) 5 year	99.04%
La Palma Correctional Center Eloy, Arizona	2008	State of California	3,060	Medium	Correctional	Jun-19	Indefinite	88.98%
Red Rock Correctional Center (E) Eloy, Arizona	2006	State of Arizona	1,596	Medium	Correctional	Jan-24	(2) 5 year	71.09%
Saguaro Correctional Facility Eloy, Arizona	2007	State of Hawaii	1,896	Medium	Correctional	Jun-19	(2) 1 year	77.73%
CAI Boston Avenue San Diego, California	2013	State of California	120	-	Community Corrections	Jun-18	(3) 1 year	8.22%
CAI Ocean View San Diego, California	2013	BOP	483	-	Community Corrections	May-17	(4) 1 year	106.28%
Leo Chesney Correctional Center Live Oak, California	1989	-	240	-	-	-	-	0.00%
Otay Mesa Detention Center San Diego, California	2015	ICE	1,482	Minimum/ Medium	Detention	Jun-17	(2) 3 year	82.13%
Bent County Correctional Facility Las Animas, Colorado	1992, 1997, 2008	State of Colorado	1,420	Medium	Correctional	Jun-17	-	93.56%
Boulder Community Treatment Center Boulder, Colorado	2016	Boulder County	69	-	Community Corrections	Jan-17	(2) 1 year	94.27%
Centennial Community Transition Center Edgewood, Colorado	2016	Arapahoe County	107	-	Community Corrections	Jun-17	-	78.86%
Columbine Facility Denver, Colorado	2016	Denver County	60	-	Community Corrections	Jun-17	-	96.58%
Crowley County Correctional Facility Olney Springs, Colorado	2003, 2004	State of Colorado	1,794	Medium	Correctional	Jun-17	-	78.87%
Dahlia Facility Denver, Colorado	2016	Denver County	120	-	Community Corrections	Jun-17	-	95.77%
Fox Facility and Training Center Denver, Colorado	2016	Denver County	90	-	Community Corrections	Jun-17	-	76.73%
Huerfano County Correctional Center Walsenburg, Colorado	1997	-	752	Medium	Correctional	-	-	0.00%

FACILITY PORTFOLIO

Facility Name	Year Constructed/Acquired (A)	Primary Customer	Design Capacity (B)	Security Level	Facility Type (C)	Term	Remaining Renewal Options (D)	Compensated Occupancy % for the Quarter ended 9/30/16
Kit Carson Correctional Center (F) Burlington, Colorado	1998, 2008	-	1,488	Medium	Correctional	-	-	4.76%
Longmont Community Treatment Center Longmont, Colorado	2016	Boulder County	69	-	Community Corrections	Jan-17	(2) 1 year	94.64%
Ulster Facility Denver, Colorado	2016	Denver County	90	-	Community Corrections	Jun-17	-	87.08%
Coffee Correctional Facility (G) Nicholls, Georgia	1998, 1999, 2010	State of Georgia	2,312	Medium	Correctional	Jun-17	(17) 1 year	112.41%
Jenkins Correctional Center (G) Millen, Georgia	2012	State of Georgia	1,124	Medium	Correctional	Jun-17	(18) 1 year	100.84%
McRae Correctional Facility McRae, Georgia	2000, 2002, 2012	BOP	1,978	Medium	Correctional	Nov-16	(3) 2 year	89.99%
Stewart Detention Center Lumpkin, Georgia	2004	ICE	1,752	Medium	Detention	Indefinite	-	98.14%
Wheeler Correctional Facility (G) Alamo, Georgia	1998, 1999, 2010	State of Georgia	2,312	Medium	Correctional	Jun-17	(17) 1 year	113.19%
Leavenworth Detention Center Leavenworth, Kansas	1992, 2000, 2004, 2008	USMS	1,033	Maximum	Detention	Dec-16	(2) 5 year	66.11%
Lee Adjustment Center Beattyville, Kentucky	1998	-	816	Minimum/ Medium	Correctional	-	-	0.00%
Marion Adjustment Center St. Mary, Kentucky	1998	-	826	Minimum/ Medium	Correctional	-	-	0.00%
Southeast Kentucky Correctional Facility (H) Wheelwright, Kentucky	1998	-	656	Minimum/ Medium	Correctional	-	-	0.00%
Prairie Correctional Facility Appleton, Minnesota	1991	-	1,600	Medium	Correctional	-	-	0.00%
Adams County Correctional Center Adams County, Mississippi	2008	BOP	2,232	Medium	Correctional	Jul-17	(1) 2 year	90.01%
Tallahatchie County Correctional Facility (I) Tutwiler, Mississippi	2000, 2007, 2008	State of California	2,672	Medium	Correctional	Jun-19	Indefinite	79.69%
Crossroads Correctional Center (J) Shelby, Montana	1999	State of Montana	664	Multi	Correctional	Jun-17	(1) 2 year	104.65%
Nevada Southern Detention Center Pahrump, Nevada	2010	Office of the Federal Detention Trustee	1,072	Medium	Detention	Sep-20	(2) 5 year	85.57%
Elizabeth Detention Center Elizabeth, New Jersey	1963	ICE	300	Minimum	Detention	Aug-17	(4) 1 year	97.00%
Cibola County Corrections Center (K) Milan, New Mexico	1994, 1999	ICE	1,129	Medium	Correctional	Oct-21	Indefinite	88.34%
Northwest New Mexico Correctional Center Grants, New Mexico	1989, 2000	State of New Mexico	596	Multi	Correctional	Jun-20	-	121.20%
Torrance County Detention Facility Estancia, New Mexico	1990, 1997	USMS	910	Multi	Detention	Indefinite	-	77.26%

FACILITY PORTFOLIO

<u>Facility Name</u>	<u>Year Constructed/Acquired (A)</u>	<u>Primary Customer</u>	<u>Design Capacity (B)</u>	<u>Security Level</u>	<u>Facility Type (C)</u>	<u>Term</u>	<u>Remaining Renewal Options (D)</u>	<u>Compensated Occupancy % for the Quarter ended 9/30/16</u>
Lake Erie Correctional Institution (L) Conneaut, Ohio	2011	State of Ohio	1,798	Medium	Correctional	Jun-32	Indefinite	98.72%
Northeast Ohio Correctional Center Youngstown, Ohio	1997	USMS	2,016	Medium	Correctional	Dec-16	(1) 2 year	30.89%
Carver Transitional Center Oklahoma City, Oklahoma	2015	State of Oklahoma	494	-	Community Corrections	Jun-17	(1) 1 year	59.95%
Cimarron Correctional Facility (M) Cushing, Oklahoma	1997, 2008	State of Oklahoma	1,692	Medium	Correctional	Jun-17	(2) 1 year	97.09%
Davis Correctional Facility (M) Holdenville, Oklahoma	1996, 2008	State of Oklahoma	1,670	Medium	Correctional	Jun-17	(2) 1 year	99.51%
Diamondback Correctional Facility Watonga, Oklahoma	1998, 2000	-	2,160	Medium	Correctional	-	-	0.00%
Tulsa Transitional Center Tulsa, Oklahoma	2015	State of Oklahoma	390	-	Community Corrections	Jun-17	(1) 1 year	64.88%
Turley Residential Center Tulsa, Oklahoma	2015	State of Oklahoma	289	-	Community Corrections	Jun-17	(2) 1 year	60.37%
Shelby Training Center Memphis, Tennessee	1986, 1995	-	200	-	-	-	-	0.00%
Trousdale Turner Correctional Center Hartsville, Tennessee	2015	State of Tennessee	2,552	Multi	Correctional	Dec-20	-	82.56%
West Tennessee Detention Facility Mason, Tennessee	1990, 1996	USMS	600	Multi	Detention	Sep-17	(6) 2 year	53.64%
Whiteville Correctional Facility (N) Whiteville, Tennessee	1998	State of Tennessee	1,536	Medium	Correctional	Jun-16	-	97.87%
Austin Residential Re-entry Center Del Valle, Texas	2015	BOP	116	-	Community Corrections	Aug-17	-	70.25%
Austin Transitional Center Del Valle, Texas	2015	State of Texas	460	-	Community Corrections	Aug-17	(3) 1 year	76.16%
Corpus Christi Transitional Center Corpus Christi, Texas	2015	State of Texas	160	-	Community Corrections	Aug-17	(1) 2 year	59.59%
Dallas Transitional Center Hutchins, Texas	2015	State of Texas	300	-	Community Corrections	Aug-17	(3) 1 year	95.58%
Eden Detention Center Eden, Texas	1995	BOP	1,422	Medium	Correctional	Apr-17	-	95.16%
El Paso Multi-Use Facility El Paso, Texas	2015	State of Texas	360	-	Community Corrections	Aug-17	(3) 1 year	74.84%
El Paso Transitional Center El Paso, Texas	2015	State of Texas	224	-	Community Corrections	Aug-17	(3) 1 year	79.24%

FACILITY PORTFOLIO

Facility Name	Year Constructed/Acquired (A)	Primary Customer	Design Capacity (B)	Security Level	Facility Type (C)	Term	Remaining Renewal Options (D)	Compensated Occupancy % for the Quarter ended 9/30/16
Fort Worth Transitional Center Fort Worth, Texas	2015	State of Texas	248	-	Community Corrections	Aug-17	(3) 1 year	76.79%
Houston Processing Center Houston, Texas	1984, 2005	ICE	1,000	Medium	Detention	Apr-17	-	95.02%
Laredo Processing Center Laredo, Texas	1985, 1990	ICE	258	Minimum/ Medium	Detention	Jun-18	-	126.64%
South Texas Family Residential Center Dilley, Texas	2014	ICE	2,400	-	Residential	Sep-21	-	100.00%
T. Don Hutto Residential Center Taylor, Texas	1997	ICE	512	Medium	Detention	Jan-20	Indefinite	98.83%
Webb County Detention Center Laredo, Texas	1998	USMS	480	Medium	Detention	Nov-17	-	56.28%
Cheyenne Transitional Center Cheyenne, Wyoming	2015	State of Wyoming	116	-	Community Corrections	Jun-17	Indefinite	91.03%
D.C. Correctional Treatment Facility (O) Washington D.C.	1997	District of Columbia	1,500	Medium	Detention	Mar-17	-	43.13%
Total design capacity for Owned and Managed Facilities (66 Owned and Managed Facilities)			<u>69,501</u>					<u>77.0%</u>
Managed Only Facilities:								
Citrus County Detention Facility Lecanto, Florida	1992, 2007	Citrus County, FL	760	Multi	Detention	Sep-20	Indefinite	77.48%
Lake City Correctional Facility Lake City, Florida	1997, 2005	State of Florida	893	Medium	Correctional	Jun-18	Indefinite	99.02%
Marion County Jail Indianapolis, Indiana	1997, 2005	Marion County, IN	1,030	Multi	Detention	Dec-17	(1) 10 year	117.31%
Hardeman County Correctional Facility Whiteville, Tennessee	1997	State of Tennessee	2,016	Medium	Correctional	May-17	-	97.92%
Metro-Davidson County Detention Facility Nashville, Tennessee	1992, 1995, 2011	Davidson County, TN	1,348	Multi	Detention	Jan-20	-	81.63%
Silverdale Facilities Chattanooga, Tennessee	1985, 1997, 1998, 2005, 2008	Hamilton County, TN	1,046	Multi	Detention	Apr-17	-	93.94%
South Central Correctional Center Clifton, Tennessee	1992, 1994, 1995, 2005	State of Tennessee	1,676	Medium	Correctional	Jun-18	-	98.14%
Bartlett State Jail Bartlett, Texas	1995	State of Texas	1,049	Minimum/ Medium	Correctional	Aug-17	-	91.91%
Bradshaw State Jail Henderson, Texas	1995	State of Texas	1,980	Minimum/ Medium	Correctional	Aug-17	-	99.15%
Lindsey State Jail Jacksboro, Texas	1995	State of Texas	1,031	Minimum/ Medium	Correctional	Aug-17	-	93.80%
Willacy State Jail Raymondville, Texas	1995	State of Texas	1,069	Minimum/ Medium	Correctional	Aug-17	-	99.97%
Total design capacity for Managed Only Facilities (11 Managed Only Facilities)			<u>13,898</u>					<u>96.0%</u>
Total design capacity for All Owned and Managed and Managed Only Facilities as of September 30, 2016			<u>83,399</u>					<u>80.2%</u>

FACILITY PORTFOLIO

<u>Facility Name</u>	<u>Year Constructed/Acquired (A)</u>	<u>Primary Customer</u>	<u>Design Capacity (B)</u>	<u>Security Level</u>	<u>Facility Type (C)</u>	<u>Term</u>	<u>Remaining Renewal Options (D)</u>	<u>Compensated Occupancy % for the Quarter ended 9/30/16</u>
Leased Facilities:								
California City Correctional Center California City, California	1999	CDCR	2,560	Medium	Correctional	Nov-20	Indefinite	100.00%
Long Beach Community Corrections Center Long Beach, California	2016	Community Education Centers	112	-	Community Corrections	Jun-20	(1) 5 year	100.00%
North Fork Correctional Facility Sayre, Oklahoma	1998, 2007	State of Oklahoma	2,400	Medium	Correctional	Jul-21	Indefinite	100.00%
Broad Street Residential Reentry Center Philadelphia, Pennsylvania	2015	Community Education Centers	150	-	Community Corrections	Jul-19	(4) 5 year	100.00%
Chester Residential Reentry Center Chester, Pennsylvania	2015	Community Education Centers	135	-	Community Corrections	Jul-19	(4) 5 year	100.00%
Roth Hall Residential Reentry Center Philadelphia, Pennsylvania	2015	Community Education Centers	160	-	Community Corrections	Jul-19	(4) 5 year	100.00%
Walker Hall Residential Reentry Center Philadelphia, Pennsylvania	2015	Community Education Centers	160	-	Community Corrections	Jul-19	(4) 5 year	100.00%
Bridgeport Pre-Parole Transfer Facility Bridgeport, Texas	1995	MTC	200	Medium	Correctional	Sep-17	-	100.00%
Total design capacity for Leased Facilities (8 Facilities)			<u>5,877</u>					<u>100.0%</u>
Total Portfolio (85 Facilities)			<u>89,276</u>					<u>81.5%</u>
Less Idle Facilities: (9 Facilities)			(8,738)					0.0%
Total Portfolio, Excluding Idle Facilities			<u>80,538</u>					<u>90.3%</u>

Expansion and Development Projects:

<u>Facility Name</u>	<u>Estimated Completion</u>	<u>Potential Customer(s)</u>	<u>Design Capacity (B)</u>	<u>Project Description</u>	<u>Estimated Total Investment (in millions)</u>	<u>Spent through 9/30/16 (in millions)</u>
Red Rock Correctional Center Eloy, Arizona	Fourth Quarter 2016	State of Arizona	428	Expansion	\$37.0 - \$38.0	\$30.5
Projected Design Capacity for Expansion and Development Projects			<u>428</u>			

FACILITY PORTFOLIO

Facility Name	Year Constructed/Acquired (A)	Primary Customer	Design Capacity (B)	Security Level	Facility Type (C)	Term	Remaining Renewal Options (D)	Compensated Occupancy % for the Quarter ended 9/30/16
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- (A) The year constructed/acquired represents the initial date of acquisition or completion of construction of the facility, as well as significant additions to the facility that occurred at a later date.
- (B) Design capacity measures the number of beds, and accordingly, the number of offenders each facility is designed to accommodate. Facilities housing detainees on a short term basis may exceed the original intended design capacity due to the lower level of services required by detainees in custody for a brief period. From time to time, we may evaluate the design capacity of our facilities based on the customers using the facilities, and the ability to reconfigure space with minimal capital outlays. We believe design capacity is an appropriate measure for evaluating prison operations, because the revenue generated by each facility is based on a per diem or monthly rate per inmate housed at the facility paid by the corresponding contracting governmental entity.
- (C) We manage numerous facilities that have more than a single function (i.e., housing both long-term sentenced adult prisoners and pre-trial detainees). The primary functional categories into which facility types are identified was determined by the relative size of prisoner populations in a particular facility on September 30, 2016. If, for example, a 1,000-bed facility housed 900 adult prisoners with sentences in excess of one year and 100 pre-trial detainees, the primary functional category to which it would be assigned would be that of correction facilities and not detention facilities. It should be understood that the primary functional category to which multi-user facilities are assigned may change from time to time.
- (D) Remaining renewal options represents the number of renewal options, if applicable, and the remaining term of each option renewal.
- (E) Pursuant to the terms of a contract awarded by the state of Arizona in September 2012, the state of Arizona has an option to purchase the Red Rock facility at any time during the term of the contract, including extension options, based on an amortization schedule starting with the fair market value and decreasing evenly to zero over the twenty year term.
- (F) Based on a decline in offender populations within the state of Colorado and available capacity at other facilities we own in Colorado, we idled the Kit Carson Correctional Center during the third quarter of 2016. Inmate populations from this facility were transferred to the remaining two company-owned facilities that we operate for the Colorado Department of Corrections, the Bent County Correctional Facility and the Crowley County Correctional Facility. We have begun to market the facility to provide correctional or detention solutions for other customers.
- (G) The facility is subject to a purchase option held by the Georgia Department of Corrections, or GDOC, which grants the GDOC the right to purchase the facility for the lesser of the facility's depreciated book value, as defined, or fair market value at any time during the term of the contract between us and the GDOC.
- (H) The facility, formerly known as the Otter Creek Correctional Center, is subject to a deed of conveyance with the city of Wheelwright, KY which includes provisions that would allow assumption of ownership by the city of Wheelwright under the following occurrences: (1) we cease to operate the facility for more than two years, (2) our failure to maintain at least one employee for a period of sixty consecutive days, or (3) a conversion to a maximum security facility based upon classification by the Kentucky Corrections Cabinet. In December 2013, we entered into an agreement with the city of Wheelwright that extends the reversion by up to 30 months in exchange for \$20,000 per month or until we resume operations, as defined in the agreement.
- (I) The facility is subject to a purchase option held by the Tallahatchie County Correctional Authority which grants Tallahatchie County Correctional Authority the right to purchase the facility at any time during the contract at a price generally equal to the cost of the premises less an allowance for amortization originally over a 20 year period. The amortization period was extended through 2050 in connection with an expansion completed during the fourth quarter of 2007.
- (J) The State of Montana has an option to purchase the facility generally at any time during the term of the contract with us at fair market value less the sum of a pre-determined portion of per-diem payments made to us by the state of Montana.
- (K) On July 29, 2016, the BOP elected not to renew its contract at the facility. We prepared to idle the facility upon expiration of the contract on October 30, 2016. On October 31, 2016, we announced a new contract award to house up to 1,116 ICE detainees at the facility. The contract contains an initial term of five years, with renewal options upon mutual agreement.
- (L) The state of Ohio has the irrevocable right to repurchase the facility before we may resell the facility to a third party, or if we become insolvent or are unable to meet our obligations under the management contract with the state of Ohio, at a price generally equal to the fair market value, as defined in the Real Estate Purchase Agreement.
- (M) The facility is subject to a purchase option held by the Oklahoma Department of Corrections, or ODC, which grants the ODC the right to purchase the facility at its fair market value at any time.
- (N) The state of Tennessee has the option to purchase the facility in the event of our bankruptcy, or upon an operational or financial breach, as defined, at a price equal to the book value, as defined.
- (O) The District of Columbia has the right to purchase the facility at any time during the term of the contract at a price generally equal to the present value of the remaining lease payments for the premises. Upon expiration of the lease in the first quarter of 2017, ownership of the facility automatically reverts to the District of Columbia. We have been provided notice that the District does not plan to renew the contract upon its expiration in the first quarter of 2017.

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Credit Ratings:

	<u>Fitch</u>	<u>Standard & Poor's</u>	<u>Moody's</u>
Corporate Credit Rating	BB +	BB	Not rated
Senior Unsecured Debt	BB +	BB	Ba1
Senior Bank Credit Facility	BBB -	BBB-	Not Rated

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