



CORRECTIONS CORPORATION OF AMERICA

**Supplemental Financial Information
For the Quarter Ended March 31, 2008**

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.

CORRECTIONS CORPORATION OF AMERICA

Supplemental Financial Information
For the Quarter Ended March 31, 2008

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

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ASSETS	March 31, 2008	December 31, 2007	September 30, 2007	June 30, 2007	March 31, 2007
Cash and cash equivalents	\$ 50,470	\$ 57,968	\$ 89,443	\$ 81,070	\$ 58,767
Investments	-	-	76,035	84,766	83,922
Accounts receivable, net of allowance	231,547	241,722	216,397	213,152	224,794
Deferred tax assets	14,916	12,250	11,573	8,970	12,288
Prepaid expenses and other current assets	13,584	21,142	17,538	30,769	12,808
Assets held for sale	7,578	7,581	-	-	-
Total current assets	318,095	340,663	410,986	418,727	392,579
Property and equipment, net	2,231,354	2,086,980	1,974,629	1,883,329	1,830,776
Restricted cash	6,580	6,511	6,430	6,346	11,973
Investment in direct financing lease	14,243	14,503	14,755	15,000	15,237
Goodwill	13,672	13,672	15,246	15,246	15,246
Other assets	22,781	23,411	22,567	23,201	23,146
Total assets	\$ 2,606,725	\$ 2,485,740	\$ 2,444,613	\$ 2,361,849	\$ 2,288,957
LIABILITIES AND STOCKHOLDERS' EQUITY					
Accounts payable and accrued expenses	\$ 207,471	\$ 213,477	\$ 216,344	\$ 176,809	\$ 148,406
Income taxes payable	11,450	964	3,500	630	5,976
Current portion of long-term debt	290	290	290	290	290
Total current liabilities	219,211	214,731	220,134	177,729	154,672
Long-term debt, net of current portion	1,045,605	975,677	975,750	975,823	975,895
Deferred tax liabilities	39,338	34,271	29,466	29,131	29,451
Other liabilities	39,392	39,086	40,596	41,422	41,535
Total liabilities	1,343,546	1,263,765	1,265,946	1,224,105	1,201,553
Commitments and contingencies					
Common stock - \$0.01 par value	1,250	1,245	1,241	1,237	1,228
Additional paid-in capital	1,574,937	1,568,736	1,560,378	1,552,714	1,534,985
Retained deficit	(313,008)	(348,006)	(382,952)	(416,207)	(448,809)
Total stockholders' equity	1,263,179	1,221,975	1,178,667	1,137,744	1,087,404
Total liabilities and stockholders' equity	\$ 2,606,725	\$ 2,485,740	\$ 2,444,613	\$ 2,361,849	\$ 2,288,957

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited and amounts in thousands, except per share amounts)

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	For the Three Months Ended March 31,		For the Twelve Months Ended December 31,
	2008	2007	2007
REVENUE:			
Management:			
Federal	\$ 152,009	\$ 142,217	\$ 594,430
State	196,394	168,706	719,577
Local	21,194	20,907	88,159
Other	15,231	14,296	58,189
Total management revenue	384,828	346,126	1,460,355
Transportation	2,692	3,517	14,197
Rental	793	698	3,016
Other	47	195	1,269
	<u>388,360</u>	<u>350,536</u>	<u>1,478,837</u>
EXPENSES:			
Operating:			
Facility fixed	204,191	182,959	768,336
Facility variable	67,886	60,791	267,318
Transportation	4,591	4,880	21,693
Other	626	500	703
Total operating expenses	277,294	249,130	1,058,050
General and administrative	19,553	17,318	74,399
Depreciation and amortization	21,412	18,225	78,514
Goodwill impairment	-	-	1,574
	<u>318,259</u>	<u>284,673</u>	<u>1,212,537</u>
OPERATING INCOME	<u>70,101</u>	<u>65,863</u>	<u>266,300</u>
OTHER (INCOME) EXPENSE:			
Interest expense, net	13,650	13,934	53,776
Other (income) expenses	93	(11)	(303)
	<u>13,743</u>	<u>13,923</u>	<u>53,473</u>
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	56,358	51,940	212,827
Income tax expense	(21,601)	(19,578)	(80,312)
INCOME FROM CONTINUING OPERATIONS	34,757	32,362	132,515
Income from discontinued operations, net of taxes	241	208	858
NET INCOME	<u>\$ 34,998</u>	<u>\$ 32,570</u>	<u>\$ 133,373</u>
BASIC EARNINGS PER SHARE	<u>\$ 0.28</u>	<u>\$ 0.27</u>	<u>\$ 1.09</u>
DILUTED EARNINGS PER SHARE	<u>\$ 0.28</u>	<u>\$ 0.26</u>	<u>\$ 1.06</u>

RECONCILIATION OF BASIC TO DILUTED EARNINGS PER SHARE

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

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	For the Three Months Ended March 31,		For the Twelve
	2008	2007	Months Ended
			2007
Basic:			
Income from continuing operations	\$ 34,757	\$ 32,362	\$ 132,515
Income from discontinued operations, net of taxes	241	208	858
Net income	<u>\$ 34,998</u>	<u>\$ 32,570</u>	<u>\$ 133,373</u>
Diluted:			
Income from continuing operations	\$ 34,757	\$ 32,362	\$ 132,515
Income from discontinued operations, net of taxes	241	208	858
Diluted net income	<u>\$ 34,998</u>	<u>\$ 32,570</u>	<u>\$ 133,373</u>
Basic:			
Weighted average common shares outstanding	124,727	122,462	123,447
Unvested restricted common stock	(703)	(886)	(894)
Weighted average common shares outstanding-basic	<u>124,024</u>	<u>121,576</u>	<u>122,553</u>
Diluted:			
Weighted average common shares outstanding-basic	124,024	121,576	122,553
Effect of dilutive securities:			
Stock options and warrants	1,857	2,774	2,480
Restricted stock-based compensation	219	316	348
Weighted average shares and assumed conversions-diluted	<u>126,100</u>	<u>124,666</u>	<u>125,381</u>
Basic earnings per share:			
Income from continuing operations	\$ 0.28	\$ 0.27	\$ 1.08
Income from discontinued operations, net of taxes	-	-	0.01
Net income	<u>\$ 0.28</u>	<u>\$ 0.27</u>	<u>\$ 1.09</u>
Diluted earnings per share:			
Income from continuing operations	\$ 0.28	\$ 0.26	\$ 1.05
Income from discontinued operations, net of taxes	-	-	0.01
Diluted net income	<u>\$ 0.28</u>	<u>\$ 0.26</u>	<u>\$ 1.06</u>

CALCULATION OF ADJUSTED DILUTED EARNINGS PER SHARE

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

	<u>For the Three Months Ended March 31, 2008</u>	<u>2007</u>	<u>For the Twelve Months Ended December 31, 2007</u>
Net Income	\$ 34,998	\$ 32,570	\$ 133,373
Special items:			
Goodwill impairment	-	-	1,574
Diluted adjusted net income	<u>\$ 34,998</u>	<u>\$ 32,570</u>	<u>\$ 134,947</u>
Weighted average common shares outstanding - basic	124,024	121,576	122,553
Effect of dilutive securities:			
Stock options and warrants	1,857	2,774	2,480
Restricted stock-based compensation	219	316	348
Weighted average shares and assumed conversions - diluted	<u>126,100</u>	<u>124,666</u>	<u>125,381</u>
Adjusted Diluted Earnings Per Share	<u>\$ 0.28</u>	<u>\$ 0.26</u>	<u>\$ 1.08</u>

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

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	<u>March 31, 2008</u>	<u>December 31, 2007</u>	<u>September 30, 2007</u>	<u>June 30, 2007</u>	<u>March 31, 2007</u>
BALANCE SHEET:					
Property and equipment	\$ 2,761,445	\$ 2,595,677	\$ 2,463,615	\$ 2,351,397	\$ 2,278,863
Accumulated depreciation and amortization	(530,091)	(508,697)	(488,986)	(468,068)	(448,087)
Property and equipment, net	<u>\$ 2,231,354</u>	<u>\$ 2,086,980</u>	<u>\$ 1,974,629</u>	<u>\$ 1,883,329</u>	<u>\$ 1,830,776</u>
Total assets	\$ 2,606,725	\$ 2,485,740	\$ 2,444,613	\$ 2,361,849	\$ 2,288,957
Maintenance & technology capital expenditures for the quarter ended	\$ 8,138	\$ 15,042	\$ 11,353	\$ 10,649	\$ 10,456
Total debt	\$ 1,045,895	\$ 975,967	\$ 976,040	\$ 976,113	\$ 976,185
Equity book value	\$ 1,263,179	\$ 1,221,975	\$ 1,178,667	\$ 1,137,744	\$ 1,087,404
LIQUIDITY:					
Cash and cash equivalents	\$ 50,470	\$ 57,968	\$ 89,443	\$ 81,070	\$ 58,767
Investments	\$ -	\$ -	\$ 76,035	\$ 84,766	\$ 83,922
Availability under revolving credit facility	\$ 345,117	\$ 415,117	\$ 215,367	\$ 113,973	\$ 112,060
CAPITALIZATION:					
Common shares outstanding	124,965	124,472	124,051	123,683	122,742
Common share price at end of period	\$ 27.52	\$ 29.51	\$ 26.17	\$ 31.56	\$ 26.41
Market value of common equity at end of period	<u>\$ 3,439,037</u>	<u>\$ 3,673,169</u>	<u>\$ 3,246,415</u>	<u>\$ 3,903,435</u>	<u>\$ 3,241,003</u>
Total equity market capitalization	<u>\$ 3,439,037</u>	<u>\$ 3,673,169</u>	<u>\$ 3,246,415</u>	<u>\$ 3,903,435</u>	<u>\$ 3,241,003</u>
Total market capitalization (market value of equity plus debt)	<u>\$ 4,484,932</u>	<u>\$ 4,649,136</u>	<u>\$ 4,222,455</u>	<u>\$ 4,879,548</u>	<u>\$ 4,217,188</u>
EBITDA	\$ 91,420	\$ 91,769	\$ 86,418	\$ 84,405	\$ 84,099
ADJUSTED EBITDA	\$ 91,420	\$ 91,769	\$ 86,418	\$ 84,405	\$ 84,099
ADJUSTED FREE CASH FLOW	\$ 72,659	\$ 47,078	\$ 55,103	\$ 42,399	\$ 61,535
ADJUSTED FREE CASH FLOW PER SHARE:					
Basic adjusted free cash flow per share	<u>\$ 0.59</u>	<u>\$ 0.38</u>	<u>\$ 0.45</u>	<u>\$ 0.35</u>	<u>\$ 0.51</u>
Diluted adjusted free cash flow per share	<u>\$ 0.58</u>	<u>\$ 0.37</u>	<u>\$ 0.44</u>	<u>\$ 0.34</u>	<u>\$ 0.49</u>

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

	<u>For the Three Months Ended March 31, 2008</u>	<u>2007</u>	<u>For the Twelve Months Ended December 31, 2007</u>
Number of days per period	91	90	365
ALL FACILITIES:			
Average available beds	<u>77,899</u>	<u>72,643</u>	<u>74,494</u>
Average compensated occupancy	<u>97.0%</u>	<u>98.0%</u>	<u>98.3%</u>
Total compensated man-days	<u>6,874,470</u>	<u>6,408,581</u>	<u>26,717,026</u>
Revenue per compensated man-day	\$ 55.98	\$ 54.01	\$ 54.66
Operating expenses per compensated man-day:			
Fixed expense	29.70	28.55	28.76
Variable expense	<u>9.88</u>	<u>9.49</u>	<u>10.01</u>
Total	<u>39.58</u>	<u>38.04</u>	<u>38.77</u>
Operating margin per compensated man-day	<u>\$ 16.40</u>	<u>\$ 15.97</u>	<u>\$ 15.89</u>
Operating margin rate	<u>29.3%</u>	<u>29.6%</u>	<u>29.1%</u>
DEPRECIATION AND AMORTIZATION:			
Depreciation expense on real estate	13,413	12,204	50,852
Other depreciation expense	9,165	7,159	31,996
Amortization of intangible assets	-	28	330
Amortization of negative contract values	<u>(1,166)</u>	<u>(1,166)</u>	<u>(4,664)</u>
Depreciation and amortization	<u>\$ 21,412</u>	<u>\$ 18,225</u>	<u>\$ 78,514</u>
ADJUSTED FREE CASH FLOW:			
Income from continuing operations before income taxes	\$ 56,358	\$ 51,940	\$ 212,827
Expenses associated with debt refinancing and recapitalization transactions	-	-	-
Income taxes paid	(376)	(798)	(51,255)
Depreciation and amortization	21,412	18,225	78,514
Depreciation and amortization for discontinued operations	-	45	168
Goodwill impairment	-	-	1,574
Income from discontinued operations, net of taxes	241	208	858
Income tax expense for discontinued operations	149	126	520
Stock-based compensation reflected in G&A expenses	2,020	1,230	6,478
Amortization of debt costs and other non-cash interest	993	1,015	3,931
Maintenance and technology capital expenditures	<u>(8,138)</u>	<u>(10,456)</u>	<u>(47,500)</u>
Adjusted free cash flow	<u>\$ 72,659</u>	<u>\$ 61,535</u>	<u>\$ 206,115</u>
ADJUSTED FREE CASH FLOW PER SHARE:			
Basic	<u>\$ 0.59</u>	<u>\$ 0.51</u>	<u>\$ 1.68</u>
Diluted	<u>\$ 0.58</u>	<u>\$ 0.49</u>	<u>\$ 1.64</u>

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

	For the Three Months Ended March 31, 2008	2007	For the Twelve Months Ended December 31, 2007
MANAGED ONLY FACILITIES:			
Management revenue	\$ 92,212	\$ 86,886	\$ 362,407
Operating expenses:			
Fixed expense	60,244	55,296	232,016
Variable expense	20,921	18,218	79,643
Total	<u>81,165</u>	<u>73,514</u>	<u>311,659</u>
Contribution	<u>\$ 11,047</u>	<u>\$ 13,372</u>	<u>\$ 50,748</u>
Average available beds	<u>26,751</u>	<u>25,866</u>	<u>26,202</u>
Average compensated occupancy	<u>96.5%</u>	<u>96.5%</u>	<u>97.6%</u>
Total compensated man-days	<u>2,349,386</u>	<u>2,246,221</u>	<u>9,333,824</u>
Revenue per compensated man-day	\$ 39.25	\$ 38.68	\$ 38.83
Operating expenses per compensated man-day:			
Fixed expense	25.64	24.62	24.86
Variable expense	8.90	8.11	8.53
Total	<u>34.54</u>	<u>32.73</u>	<u>33.39</u>
Operating margin per compensated man-day	<u>\$ 4.71</u>	<u>\$ 5.95</u>	<u>\$ 5.44</u>
Operating margin rate	<u>12.0%</u>	<u>15.4%</u>	<u>14.0%</u>
OWNED AND MANAGED FACILITIES:			
Management revenue	\$ 292,616	\$ 259,240	\$ 1,097,948
Operating expenses:			
Fixed expense	143,947	127,663	536,320
Variable expense	46,965	42,573	187,675
Total	<u>190,912</u>	<u>170,236</u>	<u>723,995</u>
Contribution	<u>\$ 101,704</u>	<u>\$ 89,004</u>	<u>\$ 373,953</u>
Average available beds	<u>51,148</u>	<u>46,777</u>	<u>48,292</u>
Average compensated occupancy	<u>97.2%</u>	<u>98.9%</u>	<u>98.6%</u>
Total compensated man-days	<u>4,525,084</u>	<u>4,162,360</u>	<u>17,383,202</u>
Revenue per compensated man-day	\$ 64.67	\$ 62.28	\$ 63.16
Operating expenses per compensated man-day:			
Fixed	31.81	30.67	30.85
Variable	10.38	10.23	10.80
Total	<u>42.19</u>	<u>40.90</u>	<u>41.65</u>
Operating margin per compensated man-day	<u>\$ 22.48</u>	<u>\$ 21.38</u>	<u>\$ 21.51</u>
Operating margin rate	<u>34.8%</u>	<u>34.3%</u>	<u>34.1%</u>

ANALYSIS OF OUTSTANDING DEBT
(Unaudited and amounts in thousands)

	Outstanding Balance 12/31/2007	Outstanding Balance 3/31/2008	Stated Interest Rate	Effective Interest Rate	Maturity Date	Callable/ Redeemable
Fixed Rate:						
\$250.0 Million Senior Notes	250,000	250,000	7.50%	7.87%	May 2011	On or prior to May 1, 2006, 35% redeemable at 107.5% with proceeds from equity offerings; on or after May 1, 2007, 100% redeemable at various premium prices until May 1, 2009 at par
\$200.0 Million Senior Notes	200,967	200,895	7.50%	7.65%	May 2011	On or prior to May 1, 2006, 35% redeemable at 107.5% with proceeds from equity offerings; on or after May 1, 2007, 100% redeemable at various premium prices until May 1, 2009 at par
\$375.0 Million Senior Notes	375,000	375,000	6.25%	6.50%	March 2013	On or prior to March 15, 2008, 35% redeemable at 106.25% with proceeds from equity offerings; on or after March 15, 2009, 100% redeemable at various premium prices until March 15, 2011 at par
\$150.0 Million Senior Notes	150,000	150,000	6.75%	6.99%	January 2014	On or prior to January 31, 2009, 35% redeemable at 106.75% with proceeds from equity offerings; on or after January 31, 2010, 100% redeemable at various premium prices until January 31, 2012 at par
Total Fixed Rate Debt	<u>975,967</u>	<u>975,895</u>				
Floating Rate:						
Revolving Credit Facility	-	70,000	5.87%	7.17%	December 2012	
Grand Total Debt	<u>\$ 975,967</u>	<u>\$ 1,045,895</u>	6.91%	7.21%	4.25	

¹⁾ Includes amortization of debt issuance costs, net of debt premiums.

²⁾ The Company also has \$34.9 million of letters of credit outstanding under a sub-facility, which effectively reduces the Company's borrowing capacity under the Revolving Credit Facility to \$345.1 million. The Revolving Credit facility currently bears interest at LIBOR plus a margin of 0.75%.

³⁾ Represents the weighted average debt maturity in years.

Debt Maturity Schedule:

Year	Total Debt Maturing	% of Debt Maturing	% of Debt Maturing
2008	218	0.02%	0.02%
2009	290	0.03%	0.05%
2010	290	0.03%	0.08%
2011	450,097	43.03%	43.11%
2012	70,000	6.69%	49.80%
Thereafter	525,000	50.20%	100.00%
	<u>\$ 1,045,895</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 March 31,		For the Twelve Months Ended December 31,
	2008	2007	2007
<u>COVERAGE RATIOS:</u>			
Interest coverage ratio (Adjusted EBITDA/Interest incurred) (x)	5.3	4.9	5.1
Fixed charge coverage ratio (Adjusted EBITDA/(Interest incurred + Scheduled prin pmts)) (x)	5.3	4.9	5.1
Senior debt coverage ratio (Senior debt/Annualized Adjusted EBITDA) (x)	2.9	2.9	2.8
Total debt coverage ratio (Total debt/Annualized Adjusted EBITDA) (x)	2.9	2.9	2.8
Accounts receivable turnover (Annualized revenues/Accounts receivable) (x)	6.7	6.2	6.1
<u>DEBT/EQUITY RATIOS:</u>			
Total debt/Total market capitalization	23.3%	23.1%	21.0%
Total debt/Equity market capitalization	30.4%	30.1%	26.6%
Total debt/Book equity capitalization	82.8%	89.8%	79.9%
Total debt/Gross book value of real estate assets	37.6%	42.6%	37.3%
<u>RETURN ON INVESTMENT RATIOS:</u>			
Annualized return on operating real estate investments (Annualized Adjusted EBITDA/Average operating real estate investments (undepreciated book value)*)	13.6%	14.9%	14.3%
Annualized return on total assets (Annualized Adjusted EBITDA/Average total assets (undepreciated book value)*)	11.9%	12.4%	12.2%
<u>OVERHEAD RATIOS:</u>			
Annualized general & administrative expenses/Average total assets (undepreciated book value)*	2.6%	2.6%	2.6%
General & administrative expenses/Total revenues	5.0%	4.9%	5.0%
<u>INTEREST EXPENSE, NET:</u>			
Interest income from continuing operations	\$ (1,082)	\$ (2,680)	\$ (10,772)
Interest incurred	17,300	17,060	68,230
Amortization of debt costs and other non-cash interest	993	1,015	3,931
Capitalized interest	(3,561)	(1,461)	(7,613)
Interest expense, net	<u>\$ 13,650</u>	<u>\$ 13,934</u>	<u>\$ 53,776</u>
<u>EBITDA CALCULATION:</u>			
Net income	\$ 34,998	\$ 32,570	\$ 133,373
Interest expense, net	13,650	13,934	53,776
Depreciation and amortization	21,412	18,225	78,514
Income tax (benefit) expense	21,601	19,578	80,312
Goodwill impairment	-	-	1,574
(Income) loss from discontinued operations, net of taxes	(241)	(208)	(858)
EBITDA	<u>91,420</u>	<u>84,099</u>	<u>346,691</u>
Expenses associated with debt refinancing and recapitalization transactions	<u>-</u>	<u>-</u>	<u>-</u>
ADJUSTED EBITDA	<u>\$ 91,420</u>	<u>\$ 84,099</u>	<u>\$ 346,691</u>

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

FACILITY PORTFOLIO

<u>Facility Name</u>	<u>Year Constructed (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 3/31/08</u>
Owned and Managed Facilities:								
Central Arizona Detention Center Florence, Arizona	1994, 1998	USMS	2,304	Multi	Detention	May-08	-	140.13%
Eloy Detention Center Eloy, Arizona	1995, 1996	ICE	1,500	Medium	Detention	Indefinite	-	97.41%
Florence Correctional Center Florence, Arizona	1999, 2004	USMS	1,824	Multi	Correctional	May-08	-	123.04%
Red Rock Correctional Center Eloy, Arizona	2006	State of Alaska	1,596	Medium	Correctional	Jun-08	(6) 1 year	70.46%
Saguaro Correctional Facility Eloy, Arizona	2007	State of Hawaii	1,896	Medium	Correctional	Jun-09	(1) 2 year	94.78%
California City Correctional Center California City, California	1999	BOP	2,304	Medium	Correctional	Sep-08	(2) 1 year	112.76%
San Diego Correctional Facility (E) San Diego, California	1999, 2000	ICE	1,154	Minimum/ Medium	Detention	Jun-08	(5) 3 year	103.99%
Bent County Correctional Facility Las Animas, Colorado	1992, 1997	State of Colorado	700	Medium	Correctional	Jun-08	-	88.09%
Crowley County Correctional Facility Olney Springs, Colorado	1998, 2004	State of Colorado	1,794	Medium	Correctional	Jun-08	-	85.31%
Huerfano County Correctional Center (F) Walsenburg, Colorado	1997	State of Colorado	752	Medium	Correctional	Jun-08	-	94.08%
Kit Carson Correctional Center Burlington, Colorado	1998, 2008	State of Colorado	1,488	Medium	Correctional	Jun-08	-	78.03%
Coffee Correctional Facility (G) Nicholls, Georgia	1998, 1999	State of Georgia	1,524	Medium	Correctional	Jun-08	(21) 1 year	110.43%
McRae Correctional Facility McRae, Georgia	2000, 2002	BOP	1,524	Medium	Correctional	Nov-08	(4) 1 year	110.07%
Stewart Detention Center Lumpkin, Georgia	2004	ICE	1,752	Medium	Correctional	Indefinite	-	83.07%
Wheeler Correctional Facility (G) Alamo, Georgia	1998, 1999	State of Georgia	1,524	Medium	Correctional	Jun-08	(21) 1 year	110.05%
Leavenworth Detention Center Leavenworth, Kansas	1992, 2000, 2004	USMS	767	Maximum	Detention	Dec-11	(3) 5 year	120.20%
Lee Adjustment Center Beattyville, Kentucky	1990	State of Vermont	816	Minimum/ Medium	Correctional	Jun-09	(2) 2 year	92.70%

FACILITY PORTFOLIO

Facility Name	Year Constructed (A)	Primary Customer	Design Capacity (B)	Security Level	Facility Type (C)	Term	Remaining Renewal Options (D)	Compensated Occupancy % for the Quarter ended 3/31/08
Marion Adjustment Center St. Mary, Kentucky	1955, 1988	Commonwealth of Kentucky	826	Minimum	Correctional	Dec-07	(3) 2 year	99.10%
Otter Creek Correctional Center (H) Wheelwright, Kentucky	1993	Commonwealth of Kentucky	656	Minimum/ Medium	Correctional	Jul-09	(3) 2 year	97.43%
Prairie Correctional Facility Appleton, Minnesota	1991	State of Minnesota	1,600	Medium	Correctional	Jun-08	(4) 1 year	98.81%
Tallahatchie County Correctional Facility (I) Tutwiler, Mississippi	2000, 2007	State of California	1,824	Medium	Correctional	Jun-11	Indefinite	89.05%
Crossroads Correctional Center (J) Shelby, Montana	1999	State of Montana	664	Multi	Correctional	Aug-07	(6) 2 year	90.03%
Cibola County Corrections Center Milan, New Mexico	1994, 1999	BOP	1,129	Medium	Correctional	Sep-08	(2) 1 year	99.66%
New Mexico Women's Correctional Facility Grants, New Mexico	1989, 2000	State of New Mexico	596	Multi	Correctional	Jun-09	-	97.32%
Torrance County Detention Facility Estancia, New Mexico	1990, 1997	USMS	910	Multi	Detention	Indefinite	-	87.75%
Northeast Ohio Correctional Center Youngstown, Ohio	1997	BOP	2,016	Medium	Correctional	May-09	(3) 2 year	92.29%
Cimarron Correctional Facility (K) Cushing, Oklahoma	1997	State of Oklahoma	1,032	Medium	Correctional	Jun-08	(1) 1 year	100.59%
Davis Correctional Facility (K) Holdenville, Oklahoma	1996	State of Oklahoma	1,010	Medium	Correctional	Jun-08	(1) 1 year	101.04%
Diamondback Correctional Facility Watonga, Oklahoma	1998, 2000	State of Arizona	2,160	Medium	Correctional	May-09	(3) 1 year	98.52%
North Fork Correctional Facility Sayre, Oklahoma	1998, 2007	State of Colorado	2,400	Medium	Correctional	Jun-08	(3) 1 year	63.22%
West Tennessee Detention Facility Mason, Tennessee	1990, 1996	USMS	600	Multi	Detention	Feb-09	-	98.08%
Shelby Training Center (L) Memphis, Tennessee	1986, 1995	Shelby County, TN	200	Secure	Juvenile	Apr-15	-	81.79%
Whiteville Correctional Facility (M) Whiteville, Tennessee	1998	State of Tennessee	1,536	Medium	Correctional	Sep-08	(2) 1 year	96.95%
Bridgeport Pre-Parole Transfer Facility Bridgeport, Texas	1989	State of Texas	200	Medium	Correctional	Feb-09	(2) 1 year	99.98%

FACILITY PORTFOLIO

<u>Facility Name</u>	<u>Year Constructed (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 3/31/08</u>
Eden Detention Center Eden, Texas	1990	BOP	1,422	Medium	Correctional	Apr-11	(3) 2 year	102.52%
Houston Processing Center Houston, Texas	1984, 2005	ICE	905	Medium	Detention	Sep-08	-	95.06%
Laredo Processing Center Laredo, Texas	1985, 1990	ICE	258	Minimum/ Medium	Detention	Indefinite	-	135.42%
Webb County Detention Center Laredo, Texas	1998	USMS	480	Medium	Detention	Nov-12	(1) 5 year	107.81%
Mineral Wells Pre-Parole Transfer Facility Mineral Wells, Texas	1995	State of Texas	2,103	Minimum	Correctional	Feb-09	(2) 1 year	98.96%
T. Don Hutto Residential Center Taylor, Texas	1997	ICE	512	Non-secure	Detention	Indefinite	-	100.00%
D.C. Correctional Treatment Facility (N) Washington D.C.	1992	District of Columbia	1,500	Medium	Detention	Mar-17	-	55.95%
Total design capacity for Owned and Managed Facilities (41 Owned and Managed Facilities)			<u>51,758</u>					
Managed Only Facilities:								
Bay Correctional Facility Panama City, Florida	N/A	State of Florida	985	Medium	Correctional	Jun-10	Indefinite	99.48%
Bay County Jail and Annex Panama City, Florida	N/A	Bay County, FL	1,150	Multi	Detention	Sep-12	(1) 6 year	81.14%
Citrus County Detention Facility Lecanto, Florida	N/A	Citrus County, FL	760	Multi	Detention	Sep-15	Indefinite	91.46%
Gadsden Correctional Institution Quincy, Florida	N/A	State of Florida	1,520	Minimum/ Medium	Correctional	Jun-10	Indefinite	99.35%
Hernando County Jail Brooksville, Florida	N/A	Hernando County, FL	876	Multi	Detention	Oct-10	-	78.66%
Lake City Correctional Facility Lake City, Florida	N/A	State of Florida	893	Secure	Correctional	Jun-09	Indefinite	99.54%
Idaho Correctional Center Boise, Idaho	N/A	State of Idaho	1,270	Minimum/ Medium	Correctional	Jun-09	-	117.81%
Marion County Jail Indianapolis, Indiana	N/A	Marion County, IN	1,030	Multi	Detention	Dec-17	(10) 1 year	100.56%

FACILITY PORTFOLIO

Facility Name	Year Constructed (A)	Primary Customer	Design Capacity (B)	Security Level	Facility Type (C)	Term	Remaining Renewal Options (D)	Compensated Occupancy % for the Quarter ended 3/31/08
Winn Correctional Center Winnfield, Louisiana	N/A	State of Louisiana	1,538	Medium/ Maximum	Correctional	Sep-08	-	97.76%
Delta Correctional Facility Greenwood, Mississippi	N/A	State of Mississippi	1,172	Minimum/ Medium	Correctional	May-08	-	92.49%
Wilkinson County Correctional Facility Woodville, Mississippi	N/A	State of Mississippi	1,000	Medium	Correctional	May-08	(2) 1 year	99.31%
Elizabeth Detention Center Elizabeth, New Jersey	N/A	ICE	300	Minimum	Detention	Sep-08	(5) 3 year	100.00%
Camino Nuevo Correctional Center (O) Albuquerque, New Mexico	N/A	State of New Mexico	192	Multi	Correctional	Mar-10	-	14.31%
Silverdale Facilities Chattanooga, Tennessee	N/A	Hamilton County, TN	918	Multi	Detention	Jan-08	Indefinite	80.34%
South Central Correctional Center Clifton, Tennessee	N/A	State of Tennessee	1,676	Medium	Correctional	Jun-10	(1) 2 year	96.86%
Metro-Davidson County Detention Facility Nashville, Tennessee	N/A	Davidson County, TN	1,092	Multi	Detention	Jul-08	-	95.88%
Hardeman County Correctional Facility Whiteville, Tennessee	N/A	State of Tennessee	2,016	Medium	Correctional	May-09	(3) 3 year	97.42%
B. M. Moore Correctional Center Overton, Texas	N/A	State of Texas	500	Minimum/ Medium	Correctional	Jan-09	-	99.72%
Bartlett State Jail Bartlett, Texas	N/A	State of Texas	1,049	Minimum/ Medium	Correctional	Jan-09	(2) 1 year	99.82%
Bradshaw State Jail Henderson, Texas	N/A	State of Texas	1,980	Minimum/ Medium	Correctional	Jan-09	(2) 1 year	99.00%
Dawson State Jail Dallas, Texas	N/A	State of Texas	2,216	Minimum/ Medium	Correctional	Jan-09	(2) 1 year	99.07%
Diboll Correctional Center Diboll, Texas	N/A	State of Texas	518	Minimum/ Medium	Correctional	Jan-09	-	99.86%

FACILITY PORTFOLIO

<u>Facility Name</u>	<u>Year Constructed (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 3/31/08</u>
Lindsey State Jail Jacksboro, Texas	N/A	State of Texas	1,031	Minimum/ Medium	Correctional	Jan-09	(2) 1 year	99.57%
Willacy State Jail Raymondville, Texas	N/A	State of Texas	1,069	Minimum/ Medium	Correctional	Jan-09	(2) 1 year	99.57%
Total design capacity for Managed Only Facilities (24 Managed Only Facilities)			<u>26,751</u>					
Total design capacity for All Facilities as of March 31, 2008			<u>78,509</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>
Bent County Correctional Facility Las Animas, Colorado	Second quarter 2008	State of Colorado	720	Expansion of owned facility
Leavenworth Detention Center Leavenworth, Kansas	Second quarter 2008	USMS	266	Expansion of owned facility
Tallahatchie County Correctional Facility (I) Tutwiler, Mississippi	Second quarter 2008 Third quarter 2008	State of California	720 128	Expansion of owned facility
Cimarron Correctional Facility (K) Cushing, Oklahoma	Third quarter 2008	Various states	660	Expansion of owned facility
Davis Correctional Facility (K) Holdenville, Oklahoma	Third quarter 2008	Various states	660	Expansion of owned facility
Adams County Correctional Center Adams County, Mississippi	Fourth quarter 2008 First quarter 2009	Federal and/or various states	1,668 564	New owned facility
La Palma Correctional Center Eloy, Arizona	Third quarter 2008 - Second quarter 2009	State of California	3,060	New owned facility
Trousdale Correctional Center Hartsville, TN	Fourth quarter 2009	Federal and/or various states	2,040	New owned facility
Projected design capacity for All Facilities			<u>88,995</u>	

FACILITY PORTFOLIO

<u>Facility Name</u>	<u>Year Constructed (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 3/31/08</u>
Leased Facilities:								
Leo Chesney Correctional Center Live Oak, California	1989	Cornell Corrections	240	Minimum	Owned/Leased	Sep-10	-	N/A
Queensgate Correctional Facility Cincinnati, Ohio	1906	Hamilton County, OH	850	Medium	Owned/Leased	Mar-09	(4) 1 year	N/A
Community Education Partners (P) Houston, Texas	N/A	Community Education Partners	-	Non-secure	Owned/Leased	Jun-08	-	N/A

(A) The year constructed represents the initial completion of the facility's construction, 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 inmates each facility is designed to accommodate. Facilities housing detainees on a short term basis may exceed the original intended design capacity for sentenced inmates 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 March 31, 2008. 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 renewals options, if applicable, and the remaining term of each option renewal.

(E) The facility is subject to a ground lease with the County of San Diego whereby the initial lease term is 18 years from the commencement of the contract, as defined. The County has the right to buy out all, or designated portions of, the premises at various times prior to the expiration of the term at a price generally equal to the cost of the premises, or the designated portion of the premises, less an allowance for the amortization over a 20-year period. Upon expiration of the lease, ownership of the facility automatically reverts to the County of San Diego.

(F) The facility is subject to a purchase option held by Huerfano County which grants Huerfano County the right to purchase the facility upon an early termination of the contract at a price generally equal to the cost of the facility plus 80% of the percentage increase in the Consumer Price Index, cumulated annually.

(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 or fair market value at any time during the term of the contract between us and the GDOC.

(H) The facility 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.

(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, and which 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) 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.

(L) Upon conclusion of the thirty-year lease with Shelby County, Tennessee, the facility will become the property of Shelby County. Prior to such time, if the County terminates the lease without cause, or breaches the lease or the State fails to fund the contract, we may purchase the property for \$150,000. If we terminate the lease without cause, or breach the contract, we will be required to purchase the property for its fair market value as agreed to by the County and us.

(M) The state of Tennessee has the option to purchase the facility in the event of our bankruptcy, or upon an operational breach, as defined, at a price equal to the book value, as defined.

(N) 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, ownership of the facility automatically reverts to the District of Columbia.

(O) In April 2008, we agreed with the New Mexico Department of Corrections to suspend operations of this facility and transfer existing populations to our New Mexico Women's Correctional Facility. The agreement with the New Mexico Department of Corrections provides that if female populations increase to a rate sufficient to efficiently operate the facility in the future that we would re-establish operations at such time.

(P) The alternative educational facility is currently configured to accommodate 900 at-risk juveniles and may be expanded to accommodate a total of 1,400 at-risk juveniles. During November 2007, we accepted an unsolicited purchase offer from Community Education Partners to purchase this facility. During February 2008, at the request of CEP, we agreed to extend the closing date and fix the sale price through June 30, 2008.

DIVERSIFICATION OF REVENUE

(Unaudited and amounts in thousands)

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Customer	Management Revenue For the Three Months Ended March 31, 2008	Percent of Management Revenue For the Three Months Ended March 31, 2008
United States Marshals	\$ 54,597	14.19%
United States Immigration and Customs Enforcement	49,455	12.85%
Bureau of Prisons	48,049	12.49%
Texas	25,122	6.53%
Colorado	19,467	5.06%
Tennessee	18,867	4.90%
Florida	15,841	4.12%
California	14,868	3.86%
Georgia	13,113	3.41%
Arizona	11,513	2.99%
	<u>\$ 270,892</u>	<u>70.39%</u>
Total Management Revenue	<u>\$ 384,828</u>	<u>100.00%</u>

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Credit Ratings:

	<u>Standard & Poor's</u>	<u>Moody's</u>
Corporate Credit Rating	BB	Not rated
Senior Unsecured Debt	BB	Ba2

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