



**Supplemental Financial Information  
For the Quarter Ended December 31, 2017**

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 December 31, 2017**

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**FINANCIAL HIGHLIGHTS**

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

	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2017	2016	2017	2016
<b>Adjusted Diluted EPS</b>	\$ 0.40	\$ 0.52	\$ 1.57	\$ 1.90
<b>Normalized FFO Per Share</b>	\$ 0.60	\$ 0.72	\$ 2.38	\$ 2.70
<b>AFFO Per Share</b>	\$ 0.53	\$ 0.65	\$ 2.24	\$ 2.58
<b>Debt Leverage</b>	3.6x	3.2x	3.6x	3.4x
<b>Fixed Charge Coverage Ratio</b>	5.2x	7.2x	5.6x	6.8x

**GUIDANCE SUMMARY**

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

	Q1 2018		Full Year 2018	
	Low-End	High-End	Low-End	High-End
Net income	\$ 36,750	\$ 38,750	\$ 167,000	\$ 176,500
Expenses associated with mergers and acquisitions	250	250	1,000	1,000
Adjusted net income	\$ 37,000	\$ 39,000	\$ 168,000	\$ 177,500
Net income	\$ 36,750	\$ 38,750	\$ 167,000	\$ 176,500
Depreciation of real estate assets	24,000	24,000	97,000	97,000
Funds From Operations	\$ 60,750	\$ 62,750	\$ 264,000	\$ 273,500
Expenses associated with mergers and acquisitions	250	250	1,000	1,000
Normalized Funds From Operations	\$ 61,000	\$ 63,000	\$ 265,000	\$ 274,500
Maintenance capital expenditures on real estate assets	(5,000)	(4,500)	(28,500)	(28,500)
Stock-based compensation and non-cash interest	5,200	5,200	20,700	20,700
Other non-cash revenue and expenses	(800)	(800)	(500)	(500)
Adjusted Funds from Operations	\$ 60,400	\$ 62,900	\$ 256,700	\$ 266,200
Diluted EPS	\$ 0.31	\$ 0.33	\$ 1.40	\$ 1.48
Adjusted EPS	\$ 0.31	\$ 0.33	\$ 1.41	\$ 1.49
FFO per diluted share	\$ 0.51	\$ 0.53	\$ 2.22	\$ 2.30
Normalized FFO per diluted share	\$ 0.51	\$ 0.53	\$ 2.23	\$ 2.31
Adjusted Funds from Operations per diluted share	\$ 0.51	\$ 0.53	\$ 2.16	\$ 2.24
Net income	\$ 36,750	\$ 38,750	\$ 167,000	\$ 176,500
Interest expense, net	19,000	19,000	76,000	76,000
Depreciation and amortization	38,000	38,000	153,500	153,500
Income tax expense	1,000	1,000	5,500	5,000
EBITDA	\$ 94,750	\$ 96,750	\$ 402,000	\$ 411,000
Expenses associated with mergers and acquisitions	250	250	1,000	1,000
Depreciation expense associated with STFRC lease	(4,100)	(4,100)	(16,500)	(16,500)
Interest expense associated with STFRC lease	(1,500)	(1,500)	(5,500)	(5,500)
Adjusted EBITDA	\$ 89,400	\$ 91,400	\$ 381,000	\$ 390,000
<b>Capital Expenditures</b>				
Prison construction & land acquisitions			\$ 59,500	\$ 63,500
Maintenance on real estate assets			28,500	28,500
Information technology and other assets			33,500	38,500
Total capital expenditures			\$ 121,500	\$ 130,500

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

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<b>ASSETS</b>	<b>December 31, 2017</b>	<b>September 30, 2017</b>	<b>June 30, 2017</b>	<b>March 31, 2017</b>	<b>December 31, 2016</b>
Cash and cash equivalents	\$ 52,183	\$ 42,735	\$ 46,584	\$ 43,164	\$ 37,711
Accounts receivable, net of allowance	254,188	241,143	206,848	213,027	229,885
Prepaid expenses and other current assets	21,119	20,178	25,620	25,391	31,228
Total current assets	<u>327,490</u>	<u>304,056</u>	<u>279,052</u>	<u>281,582</u>	<u>298,824</u>
Property and equipment, net	2,802,449	2,799,476	2,806,078	2,822,805	2,837,657
Goodwill	40,927	38,728	40,402	38,127	38,386
Non-current deferred tax assets	12,814	15,460	11,537	11,868	13,735
Other assets	<u>88,718</u>	<u>85,046</u>	<u>87,247</u>	<u>86,236</u>	<u>83,002</u>
Total assets	<u><u>\$ 3,272,398</u></u>	<u><u>\$ 3,242,766</u></u>	<u><u>\$ 3,224,316</u></u>	<u><u>\$ 3,240,618</u></u>	<u><u>\$ 3,271,604</u></u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
Accounts payable and accrued expenses	\$ 277,804	\$ 266,405	\$ 243,975	\$ 240,586	\$ 260,107
Income taxes payable	3,034	1,168	853	2,601	2,086
Current portion of long-term debt	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Total current liabilities	290,838	277,573	254,828	253,187	272,193
Long-term debt, net	1,437,187	1,411,210	1,407,196	1,421,182	1,435,169
Deferred revenue	39,735	43,143	46,574	50,006	53,437
Other liabilities	<u>53,030</u>	<u>52,159</u>	<u>52,374</u>	<u>53,082</u>	<u>51,842</u>
Total liabilities	<u>1,820,790</u>	<u>1,784,085</u>	<u>1,760,972</u>	<u>1,777,457</u>	<u>1,812,641</u>
Commitments and contingencies					
Common stock - \$0.01 par value	1,182	1,182	1,182	1,181	1,176
Additional paid-in capital	1,794,713	1,793,568	1,789,337	1,784,532	1,780,350
Accumulated deficit	<u>(344,287)</u>	<u>(336,069)</u>	<u>(327,175)</u>	<u>(322,552)</u>	<u>(322,563)</u>
Total stockholders' equity	<u>1,451,608</u>	<u>1,458,681</u>	<u>1,463,344</u>	<u>1,463,161</u>	<u>1,458,963</u>
Total liabilities and stockholders' equity	<u><u>\$ 3,272,398</u></u>	<u><u>\$ 3,242,766</u></u>	<u><u>\$ 3,224,316</u></u>	<u><u>\$ 3,240,618</u></u>	<u><u>\$ 3,271,604</u></u>

## CONSOLIDATED STATEMENTS OF OPERATIONS

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

	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2017	2016	2017	2016
<b>REVENUE:</b>				
Owned & controlled properties	\$ 398,564	\$ 411,336	\$ 1,570,457	\$ 1,641,754
Managed only and other	42,012	52,798	195,041	208,031
Total revenue	<u>440,576</u>	<u>464,134</u>	<u>1,765,498</u>	<u>1,849,785</u>
<b>EXPENSES:</b>				
Operating:				
Owned & controlled properties	268,782	267,991	1,060,701	1,077,085
Managed only and other	40,690	50,882	188,836	198,501
Total operating expenses	<u>309,472</u>	<u>318,873</u>	<u>1,249,537</u>	<u>1,275,586</u>
General and administrative	28,276	25,484	107,822	107,027
Depreciation and amortization	37,565	39,418	147,129	166,746
Restructuring charges	-	-	-	4,010
Asset impairments	-	-	614	-
	<u>375,313</u>	<u>383,775</u>	<u>1,505,102</u>	<u>1,553,369</u>
<b>OPERATING INCOME</b>	<u>65,263</u>	<u>80,359</u>	<u>260,396</u>	<u>296,416</u>
<b>OTHER (INCOME) EXPENSE:</b>				
Interest expense, net	18,394	16,478	68,535	67,755
Other (income) expense	18	386	(90)	489
	<u>18,412</u>	<u>16,864</u>	<u>68,445</u>	<u>68,244</u>
<b>INCOME BEFORE INCOME TAXES</b>	46,851	63,495	191,951	228,172
Income tax expense	<u>(5,511)</u>	<u>(2,806)</u>	<u>(13,911)</u>	<u>(8,253)</u>
<b>NET INCOME</b>	<u>\$ 41,340</u>	<u>\$ 60,689</u>	<u>\$ 178,040</u>	<u>\$ 219,919</u>
<b>BASIC EARNINGS PER SHARE</b>	<u>\$ 0.35</u>	<u>\$ 0.52</u>	<u>\$ 1.51</u>	<u>\$ 1.87</u>
<b>DILUTED EARNINGS PER SHARE</b>	<u>\$ 0.35</u>	<u>\$ 0.52</u>	<u>\$ 1.50</u>	<u>\$ 1.87</u>

**RECONCILIATION OF BASIC TO DILUTED EARNINGS PER SHARE**

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

	<b>For the Three Months Ended December 31,</b>		<b>For the Twelve Months Ended December 31,</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Basic:				
Net income	\$ 41,340	\$ 60,689	\$ 178,040	\$ 219,919
Diluted:				
Net income	\$ 41,340	\$ 60,689	\$ 178,040	\$ 219,919
Basic:				
Weighted average common shares outstanding	118,203	117,553	118,084	117,481
Unvested restricted common stock	-	(96)	-	(97)
Weighted average common shares outstanding-basic	118,203	117,457	118,084	117,384
Diluted:				
Weighted average common shares outstanding-basic	118,203	117,457	118,084	117,384
Effect of dilutive securities:				
Stock options	180	73	310	306
Restricted stock-based awards	98	163	71	101
Weighted average shares and assumed conversions-diluted	118,481	117,693	118,465	117,791
Basic earnings per share	\$ 0.35	\$ 0.52	\$ 1.51	\$ 1.87
Diluted earnings per share	\$ 0.35	\$ 0.52	\$ 1.50	\$ 1.87

**CALCULATION OF ADJUSTED DILUTED EARNINGS PER SHARE**

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

	<b>For the Three Months Ended December 31,</b>		<b>For the Twelve Months Ended December 31,</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Net Income	\$ 41,340	\$ 60,689	\$ 178,040	\$ 219,919
Special items:				
Charges associated with adoption of tax reform	4,548	-	4,548	-
Expenses associated with mergers and acquisitions	1,006	16	2,530	1,586
Gain on settlement of contingent consideration	-	-	-	(2,000)
Restructuring charges	-	-	-	4,010
Asset impairments	-	-	614	-
Income tax benefit for special items	-	-	-	(215)
Diluted adjusted net income	<u>\$ 46,894</u>	<u>\$ 60,705</u>	<u>\$ 185,732</u>	<u>\$ 223,300</u>
Weighted average common shares outstanding - basic	118,203	117,457	118,084	117,384
Effect of dilutive securities:				
Stock options	180	73	310	306
Restricted stock-based awards	98	163	71	101
Weighted average shares and assumed conversions - diluted	<u>118,481</u>	<u>117,693</u>	<u>118,465</u>	<u>117,791</u>
<b>Adjusted Diluted Earnings Per Share</b>	<u>\$ 0.40</u>	<u>\$ 0.52</u>	<u>\$ 1.57</u>	<u>\$ 1.90</u>

**FUNDS FROM OPERATIONS**

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

	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2017	2016	2017	2016
<b>FUNDS FROM OPERATIONS:</b>				
Net income	\$ 41,340	\$ 60,689	\$ 178,040	\$ 219,919
Depreciation of real estate assets	24,485	23,937	95,902	94,346
Impairment of real estate assets	-	-	355	-
Funds From Operations	\$ 65,825	\$ 84,626	\$ 274,297	\$ 314,265
Charges associated with adoption of tax reform	4,548	-	4,548	-
Expenses associated with mergers and acquisitions	1,006	16	2,530	1,586
Gain on settlement of contingent consideration	-	-	-	(2,000)
Restructuring charges	-	-	-	4,010
Goodwill and other impairments	-	-	259	-
Income tax benefit for special items	-	-	-	(215)
Normalized Funds From Operations	\$ 71,379	\$ 84,642	\$ 281,634	\$ 317,646
Maintenance capital expenditures on real estate assets	(10,651)	(11,427)	(28,429)	(28,044)
Stock-based compensation	1,083	3,874	13,286	16,257
Amortization of debt costs	873	785	3,222	3,147
Other non-cash revenue and expenses	(481)	(1,552)	(3,915)	(4,634)
Adjusted Funds From Operations	\$ 62,203	\$ 76,322	\$ 265,798	\$ 304,372
<b>FUNDS FROM OPERATIONS PER SHARE:</b>				
Basic	\$ 0.56	\$ 0.72	\$ 2.32	\$ 2.68
Diluted	\$ 0.56	\$ 0.72	\$ 2.32	\$ 2.67
<b>NORMALIZED FUNDS FROM OPERATIONS PER SHARE:</b>				
Basic	\$ 0.60	\$ 0.72	\$ 2.39	\$ 2.71
Diluted	\$ 0.60	\$ 0.72	\$ 2.38	\$ 2.70
<b>ADJUSTED FUNDS FROM OPERATIONS PER SHARE:</b>				
Basic	\$ 0.53	\$ 0.65	\$ 2.25	\$ 2.59
Diluted	\$ 0.53	\$ 0.65	\$ 2.24	\$ 2.58

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 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 properties, management believes that assessing performance of the Company's properties 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>December 31, 2017</u>	<u>September 30, 2017</u>	<u>June 30, 2017</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>
<b>BALANCE SHEET:</b>					
Property and equipment	\$ 4,278,400	\$ 4,241,427	\$ 4,219,214	\$ 4,201,029	\$ 4,189,980
Accumulated depreciation and amortization	(1,475,951)	(1,441,951)	(1,413,136)	(1,378,224)	(1,352,323)
Property and equipment, net	<u>\$ 2,802,449</u>	<u>\$ 2,799,476</u>	<u>\$ 2,806,078</u>	<u>\$ 2,822,805</u>	<u>\$ 2,837,657</u>
Total assets	\$ 3,272,398	\$ 3,242,766	\$ 3,224,316	\$ 3,240,618	\$ 3,271,604
Maintenance & technology capital expenditures for the quarter ended	\$ 20,950	\$ 14,517	\$ 12,522	\$ 8,175	\$ 18,868
Prison construction & land acquisition capital expenditures for the quarter ended	\$ 1,162	\$ 2,155	\$ 2,863	\$ 6,359	\$ 8,383
Total debt	\$ 1,459,000	\$ 1,429,500	\$ 1,426,000	\$ 1,440,500	\$ 1,455,000
Equity book value	\$ 1,451,608	\$ 1,458,681	\$ 1,463,344	\$ 1,463,161	\$ 1,458,963
<b>LIQUIDITY:</b>					
Cash and cash equivalents	\$ 52,183	\$ 42,735	\$ 46,584	\$ 43,164	\$ 37,711
Availability under revolving credit facility	\$ 694,062	\$ 476,062	\$ 481,537	\$ 467,900	\$ 455,900
<b>CAPITALIZATION:</b>					
Common shares outstanding	118,204	118,191	118,179	118,140	117,554
Common share price at end of period	\$ 22.50	\$ 26.77	\$ 27.58	\$ 31.42	\$ 24.46
Market value of common equity at end of period	<u>\$ 2,659,590</u>	<u>\$ 3,163,973</u>	<u>\$ 3,259,377</u>	<u>\$ 3,711,959</u>	<u>\$ 2,875,371</u>
Total equity market capitalization	<u>\$ 2,659,590</u>	<u>\$ 3,163,973</u>	<u>\$ 3,259,377</u>	<u>\$ 3,711,959</u>	<u>\$ 2,875,371</u>
Total market capitalization (market value of equity plus debt)	<u>\$ 4,118,590</u>	<u>\$ 4,593,473</u>	<u>\$ 4,685,377</u>	<u>\$ 5,152,459</u>	<u>\$ 4,330,371</u>
Regular Dividends	\$ 49,558	\$ 50,072	\$ 50,098	\$ 50,036	\$ 49,765
Dividends per common share	\$ 0.42	\$ 0.42	\$ 0.42	\$ 0.42	\$ 0.42
Annualized dividend yield	7.5%	6.3%	6.1%	5.3%	6.9%
<b>EBITDA</b>	\$ 102,810	\$ 97,387	\$ 102,139	\$ 105,279	\$ 119,391
<b>ADJUSTED EBITDA</b>	\$ 98,134	\$ 93,103	\$ 96,707	\$ 99,937	\$ 110,651
<b>NORMALIZED FUNDS FROM OPERATIONS</b>	\$ 71,379	\$ 66,388	\$ 69,732	\$ 74,135	\$ 84,642
Basic normalized funds from operations per share	\$ 0.60	\$ 0.56	\$ 0.59	\$ 0.63	\$ 0.72
Diluted normalized funds from operations per share	<u>\$ 0.60</u>	<u>\$ 0.56</u>	<u>\$ 0.59</u>	<u>\$ 0.63</u>	<u>\$ 0.72</u>
<b>FFO PAYOUT RATIO</b>	70.0%	75.0%	71.2%	66.7%	58.3%
<b>ADJUSTED FUNDS FROM OPERATIONS</b>	\$ 62,203	\$ 63,390	\$ 66,455	\$ 73,750	\$ 76,322
Basic adjusted funds from operations per share	\$ 0.53	\$ 0.54	\$ 0.56	\$ 0.63	\$ 0.65
Diluted adjusted funds from operations per share	<u>\$ 0.53</u>	<u>\$ 0.53</u>	<u>\$ 0.56</u>	<u>\$ 0.62</u>	<u>\$ 0.65</u>
<b>AFFO PAYOUT RATIO</b>	79.2%	79.2%	75.0%	67.7%	64.6%

**SELECTED FINANCIAL INFORMATION**

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

	<b>For the Three Months Ended December 31,</b>		<b>For the Twelve Months Ended December 31,</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Number of days per period	92	92	365	366
<b>ALL FACILITIES:</b>				
Average available beds	<u>77,905</u>	<u>83,543</u>	<u>80,903</u>	<u>83,882</u>
Average compensated occupancy	<u>79.3%</u>	<u>80.7%</u>	<u>79.6%</u>	<u>78.8%</u>
Total compensated man-days	<u>5,687,058</u>	<u>6,199,928</u>	<u>23,520,227</u>	<u>24,196,926</u>
Revenue per compensated man-day	\$ 75.50	\$ 73.12	\$ 73.14	\$ 74.77
Operating expenses per compensated man-day:				
Fixed expense (1)	38.89	37.12	38.20	38.53
Variable expense	<u>15.10</u>	<u>14.69</u>	<u>14.71</u>	<u>15.21</u>
Total	<u>53.99</u>	<u>51.81</u>	<u>52.91</u>	<u>53.74</u>
Operating income per compensated man-day	<u>\$ 21.51</u>	<u>\$ 21.31</u>	<u>\$ 20.23</u>	<u>\$ 21.03</u>
Operating margin	<u>28.5%</u>	<u>29.1%</u>	<u>27.7%</u>	<u>28.1%</u>
<b>DEPRECIATION AND AMORTIZATION:</b>				
Depreciation expense on real estate	24,485	23,937	95,902	94,346
Depreciation expense associated with STFRC rent payment	4,147	6,792	16,453	38,678
Other depreciation expense	8,425	8,435	33,359	32,780
Amortization of intangibles	<u>508</u>	<u>254</u>	<u>1,415</u>	<u>942</u>
Depreciation and amortization	<u>\$ 37,565</u>	<u>\$ 39,418</u>	<u>\$ 147,129</u>	<u>\$ 166,746</u>
<b>NET OPERATING INCOME:</b>				
Revenue				
Owned & controlled properties	\$ 398,564	\$ 411,336	\$ 1,570,457	\$ 1,641,754
Managed only and other	<u>42,012</u>	<u>52,798</u>	<u>195,041</u>	<u>208,031</u>
Total revenues	<u>440,576</u>	<u>464,134</u>	<u>1,765,498</u>	<u>1,849,785</u>
Operating Expenses				
Owned & controlled properties	268,782	267,991	1,060,701	1,077,085
Managed only and other	<u>40,690</u>	<u>50,882</u>	<u>188,836</u>	<u>198,501</u>
Total operating expenses	<u>309,472</u>	<u>318,873</u>	<u>1,249,537</u>	<u>1,275,586</u>
Facility Net Operating Income				
Owned & controlled properties	129,782	143,345	509,756	564,669
Managed only and other	<u>1,322</u>	<u>1,916</u>	<u>6,205</u>	<u>9,530</u>
Total net operating income	<u>\$ 131,104</u>	<u>\$ 145,261</u>	<u>\$ 515,961</u>	<u>\$ 574,199</u>

(1) Fixed expense and the corresponding fixed expense per compensated man-day for the three and twelve months ended December 31, 2017 include depreciation expense of \$4.1 million and \$16.5 million, respectively, and interest expense of \$1.5 million and \$6.4 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 twelve months ended December 31, 2016 include depreciation expense of \$6.8 million and \$38.7 million, respectively, and interest expense of \$2.0 million and \$10.0 million 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)

	<b>For the Three Months Ended December 31,</b>		<b>For the Twelve Months Ended December 31,</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>OWNED AND MANAGED FACILITIES:</b>				
Corrections revenue	\$ 388,218	\$ 401,505	\$ 1,529,987	\$ 1,603,671
Operating expenses:				
Fixed expense (1)	195,167	196,938	776,272	803,026
Variable expense	75,380	77,207	294,825	313,723
Total	270,547	274,145	1,071,097	1,116,749
Facility net operating income	\$ 117,671	\$ 127,360	\$ 458,890	\$ 486,922
Average available beds	69,136	69,645	68,918	69,984
Average compensated occupancy	77.4%	77.9%	77.1%	75.6%
Total compensated man-days	4,922,723	4,992,777	19,398,997	19,376,673
Revenue per compensated man-day	\$ 78.86	\$ 80.42	\$ 78.87	\$ 82.76
Operating expenses per compensated man-day:				
Fixed (1)	39.65	39.44	40.02	41.44
Variable	15.31	15.46	15.20	16.19
Total	54.96	54.90	55.22	57.63
Operating income per compensated man-day	\$ 23.90	\$ 25.52	\$ 23.65	\$ 25.13
Operating margin	30.3%	31.7%	30.0%	30.4%
<b>MANAGED ONLY FACILITIES:</b>				
Corrections revenue	\$ 41,139	\$ 51,804	\$ 190,246	\$ 205,420
Operating expenses:				
Fixed expense	26,006	33,232	122,196	129,227
Variable expense	10,484	13,870	51,041	54,416
Total	36,490	47,102	173,237	183,643
Facility net operating income	\$ 4,649	\$ 4,702	\$ 17,009	\$ 21,777
Average available beds	8,769	13,898	11,985	13,898
Average compensated occupancy	94.7%	94.4%	94.2%	94.8%
Total compensated man-days	764,335	1,207,151	4,121,230	4,820,253
Revenue per compensated man-day	\$ 53.82	\$ 42.91	\$ 46.16	\$ 42.62
Operating expenses per compensated man-day:				
Fixed expense	34.02	27.53	29.65	26.81
Variable expense	13.72	11.49	12.38	11.29
Total	47.74	39.02	42.03	38.10
Operating income per compensated man-day	\$ 6.08	\$ 3.89	\$ 4.13	\$ 4.52
Operating margin	11.3%	9.1%	8.9%	10.6%

(1) Fixed expense and the corresponding fixed expense per compensated man-day for the three and twelve months ended December 31, 2017 include depreciation expense of \$4.1 million and \$16.5 million, respectively, and interest expense of \$1.5 million and \$6.4 million, respectively, associated with the STFRC lease payments. Fixed expense and the corresponding fixed expense per compensated man-day for the three and twelve months ended December 31, 2016 include depreciation expense of \$6.8 million and \$38.7 million, respectively, and interest expense of \$2.0 million and \$10.0 million 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 12/31/2016</u>	<u>Outstanding Balance 12/31/2017</u>	<u>Stated Interest Rate</u>	<u>Effective Interest Rate</u> <sup>1)</sup>	<u>Maturity Date</u>	<u>Callable/ Redeemable</u>
<b>Fixed Rate:</b>						
\$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.
\$250 Million Senior Notes	-	250,000	4.75%	4.95%	October 2027	Prior to July 15, 2027, 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>1,175,000</u>				
<b>Floating Rate:</b>						
Revolving Credit Facility	435,000	199,000	4.18%	4.67%	July 2020	
Term Loan	95,000	85,000	2.91%	3.04%	July 2020	
Total Floating Rate Debt	<u>530,000</u>	<u>284,000</u>				
Grand Total Debt	<u>\$ 1,455,000</u>	<u>\$ 1,459,000</u>	4.45%	4.69%	4.77	<sup>3)</sup>

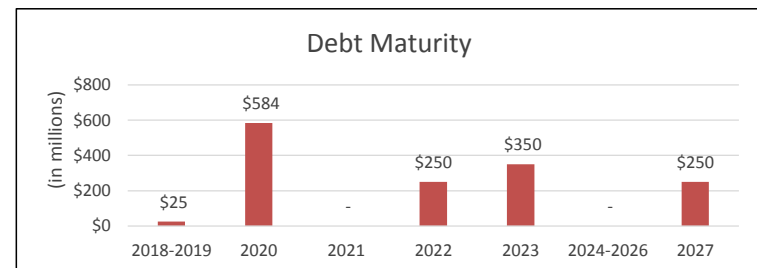
<sup>1)</sup> Includes amortization of debt issuance costs.

<sup>2)</sup> The Company has \$6.9 million of letters of credit outstanding under a sub-facility reducing the available capacity under the \$900.0 million revolving credit facility to \$694.1 million as of December 31, 2017. Based on the Company's current leverage ratio, the revolving credit facility bears interest at LIBOR plus a margin of 1.50%.

<sup>3)</sup> Represents the weighted average debt maturity in years.

### Debt Maturity Schedule at December 31, 2017:

<u>Year</u>	<u>Total Debt Maturing</u>	<u>% of Debt Maturing</u>	<u>% of Debt Maturing</u>
2018	\$ 10,000	0.69%	0.69%
2019	15,000	1.03%	1.71%
2020	584,000	40.03%	41.74%
2021	-	0.00%	41.74%
2022	250,000	17.14%	58.88%
Thereafter	600,000	41.12%	100.00%
	<u>\$ 1,459,000</u>	<u>100.00%</u>	



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

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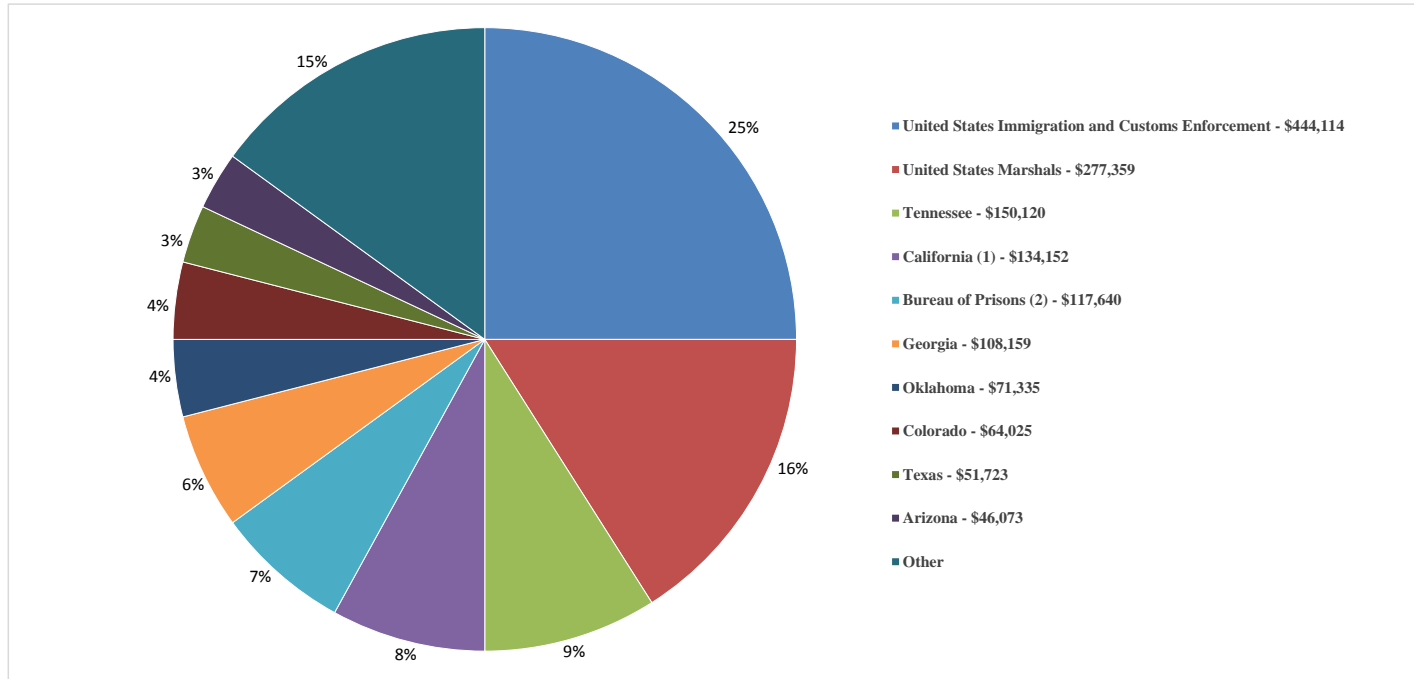
	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2017	2016	2017	2016
<b><u>COVERAGE RATIOS:</u></b>				
Interest coverage ratio (Adjusted EBITDA/Interest incurred) (x)	6.1x	7.8x	6.5x	7.4x
Fixed charge coverage ratio (Adjusted EBITDA/(Interest incurred + Scheduled prin pmts)) (x)	5.2x	7.2x	5.6x	6.8x
Senior debt coverage ratio ((Senior debt - cash)/Annualized Adjusted EBITDA) (x)	3.6x	3.2x	3.6x	3.4x
Total debt coverage ratio ((Total debt - cash)/Annualized Adjusted EBITDA) (x)	3.6x	3.2x	3.6x	3.4x
Accounts receivable turnover (Annualized revenues/Accounts receivable) (x)	6.9x	8.1x	6.9x	8.0x
<b><u>DEBT/EQUITY RATIOS:</u></b>				
Total debt/Total market capitalization	35.4%	33.6%	35.4%	33.6%
Total debt/Equity market capitalization	54.9%	50.6%	54.9%	50.6%
Total debt/Book equity capitalization	100.5%	99.7%	100.5%	99.7%
Total debt/Gross book value of real estate assets	34.1%	34.7%	34.1%	34.7%
<b><u>RETURN ON INVESTMENT RATIOS:</u></b>				
Annualized return on operating real estate investments (Annualized Adjusted EBITDA/Average operating real estate investments (undepreciated book value)*)	9.2%	10.6%	9.2%	10.1%
Annualized return on total assets (Annualized Adjusted EBITDA/Average total assets (undepreciated book value)*)	8.3%	9.6%	8.3%	9.1%
<b><u>OVERHEAD RATIOS:</u></b>				
Annualized general & administrative expenses (excl. non-recurring costs)/Average total assets (undepreciated book value)*	2.3%	2.2%	2.2%	2.3%
General & administrative expenses (excluding non-recurring costs)/Total revenues	6.2%	5.5%	6.0%	5.7%
<b><u>INTEREST EXPENSE, NET:</u></b>				
Interest income	\$ (223)	\$ (233)	\$ (972)	\$ (1,117)
Interest incurred	16,209	14,136	59,860	56,237
Interest expense associated with STFRC lease	1,535	1,964	6,425	10,040
Amortization of debt costs	873	785	3,222	3,147
Capitalized interest	-	(174)	-	(552)
Interest expense, net	<u>\$ 18,394</u>	<u>\$ 16,478</u>	<u>\$ 68,535</u>	<u>\$ 67,755</u>
<b><u>EBITDA CALCULATION:</u></b>				
Net income	\$ 41,340	\$ 60,689	\$ 178,040	\$ 219,919
Interest expense, net	18,394	16,478	68,535	67,755
Depreciation and amortization	37,565	39,418	147,129	166,746
Income tax expense	5,511	2,806	13,911	8,253
EBITDA	<u>102,810</u>	<u>119,391</u>	<u>407,615</u>	<u>462,673</u>
Expenses associated with mergers and acquisitions	1,006	16	2,530	1,586
Gain on settlement of contingent consideration	-	-	-	(2,000)
Restructuring charges	-	-	-	4,010
Depreciation expense associated with STFRC lease	(4,147)	(6,792)	(16,453)	(38,678)
Interest expense associated with STFRC lease	(1,535)	(1,964)	(6,425)	(10,040)
Asset impairments	-	-	614	-
ADJUSTED EBITDA	<u>\$ 98,134</u>	<u>\$ 110,651</u>	<u>\$ 387,881</u>	<u>\$ 417,551</u>

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

**PARTNER INFORMATION**  
(Unaudited)

<b>CONTRACT RETENTION</b>							
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>TOTAL</u>
<b>OWNED AND CONTROLLED:</b>							
# of Contracts up for Renewal	22	28	22	29	42	42	185
# of Contracts Retained	21	25	22	26	39	40	173
Retention Rate	95.5%	89.3%	100.0%	89.7%	92.9%	95.2%	93.5%
<b>MANAGED ONLY:</b>							
# of Contracts up for Renewal	7	13	7	10	4	8	49
# of Contracts Retained	6	11	4	10	4	4	39
Retention Rate	85.7%	84.6%	57.1%	100.0%	100.0%	50.0%	79.6%
<b>TOTAL RETENTION RATE</b>	<b>93.1%</b>	<b>87.8%</b>	<b>89.7%</b>	<b>92.3%</b>	<b>93.5%</b>	<b>88.0%</b>	<b>90.6%</b>

**TOP TEN PARTNERS**  
**Percentage of Revenue for the Twelve Months Ended December 31, 2017**  
(Revenue Percentages and Amounts are Inclusive of all Contracts with Respective Partners)



(1) Revenues of \$104.1 million, or 6% of total revenue, were earned under a contract in facilities housing out-of-state inmates.

(2) Revenues of \$93.0 million, or 5% of total revenue, were earned under two remaining prison facilities used by the BOP. The remaining revenue was earned under a contract at a third prison facility that expired in April 2017 and under numerous contracts at residential reentry facilities.

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 12/31/17
<b>Owned and Managed Facilities:</b>								
Central Arizona Florence Correctional Complex Florence, Arizona	1994, 1998, 1999, 2004	USMS	4,128	Multi	Detention	Sep-18	(2) 5 year	102.47%
Eloy Detention Center Eloy, Arizona	1995, 1996	ICE	1,500	Medium	Detention	Indefinite	-	95.69%
La Palma Correctional Center Eloy, Arizona	2008	State of California	3,060	Multi	Correctional	Jun-19	Indefinite	101.20%
Oracle Transitional Center Tucson, Arizona	2017	BOP	92	-	Community Corrections	Feb-18	(1) 1 year	56.00%
Red Rock Correctional Center (E) Eloy, Arizona	2006, 2016	State of Arizona	2,024	Medium	Correctional	Jul-26	(2) 5 year	95.76%
Saguaro Correctional Facility Eloy, Arizona	2007	State of Hawaii	1,896	Multi	Correctional	Jun-19	(2) 1 year	88.45%
CAI Boston Avenue San Diego, California	2013	State of California	120	-	Community Corrections	Jun-18	(3) 1 year	96.62%
CAI Ocean View San Diego, California	2013	BOP	483	-	Community Corrections	May-18	(3) 1 year	97.73%
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-20	(1) 3 year	93.99%
Adams Transitional Center Denver, Colorado	2017	Adams County	102	-	Community Corrections	Jun-18	-	100.47%
Arapahoe Community Treatment Center Englewood, Colorado	2017	Arapahoe County	135	-	Community Corrections	Jun-18	-	87.04%
Bent County Correctional Facility Las Animas, Colorado	1992, 1997, 2008	State of Colorado	1,420	Medium	Correctional	Jun-18	-	96.60%
Boulder Community Treatment Center Boulder, Colorado	2016	Boulder County	69	-	Community Corrections	Dec-18	-	84.89%
Centennial Community Transition Center Englewood, Colorado	2016	Arapahoe County	107	-	Community Corrections	Jun-18	-	93.65%
Columbine Facility Denver, Colorado	2016	Denver County	60	-	Community Corrections	Jun-18	-	96.97%
Commerce Transitional Center Commerce City, Colorado	2017	Adams County	136	-	Community Corrections	Jun-18	-	98.92%
Crowley County Correctional Facility Olney Springs, Colorado	2003, 2004	State of Colorado	1,794	Medium	Correctional	Jun-18	-	94.60%
Dahlia Facility Denver, Colorado	2016	Denver County	120	-	Community Corrections	Jun-18	-	96.98%

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 12/31/17
Fox Facility and Training Center Denver, Colorado	2016	Denver County	90	-	Community Corrections	Jun-18	-	90.75%
Henderson Transitional Center Henderson, Colorado	2017	Adams County	184	-	Community Corrections	Jun-18	-	62.07%
Huerfano County Correctional Center Walsenburg, Colorado	1997	-	752	Medium	Correctional	-	-	0.00%
Kit Carson Correctional Center Burlington, Colorado	1998, 2008	-	1,488	Medium	Correctional	-	-	0.00%
Longmont Community Treatment Center Longmont, Colorado	2016	Boulder County	69	-	Community Corrections	Dec-18	-	81.98%
Ulster Facility Denver, Colorado	2016	Denver County	90	-	Community Corrections	Jun-18	-	92.97%
Coffee Correctional Facility (F) Nicholls, Georgia	1998, 1999, 2010	State of Georgia	2,312	Medium	Correctional	Jun-18	(16) 1 year	113.16%
Jenkins Correctional Center (F) Millen, Georgia	2012	State of Georgia	1,124	Medium	Correctional	Jun-18	(17) 1 year	101.90%
McRae Correctional Facility McRae, Georgia	2000, 2002, 2012	BOP	1,978	Medium	Correctional	Nov-18	(2) 2 year	82.56%
Stewart Detention Center Lumpkin, Georgia	2004	ICE	1,752	Medium	Detention	Indefinite	-	101.44%
Wheeler Correctional Facility (F) Alamo, Georgia	1998, 1999, 2010	State of Georgia	2,312	Medium	Correctional	Jun-18	(16) 1 year	112.38%
Leavenworth Detention Center Leavenworth, Kansas	1992, 2000, 2004, 2008	USMS	1,033	Maximum	Detention	Dec-21	(1) 5 year	72.93%
Lee Adjustment Center Beattyville, Kentucky	1998	Commonwealth of Kentucky	816	Multi	Correctional	Jun-19	(2) 1 year	0.00%
Marion Adjustment Center St. Mary, Kentucky	1998	-	826	Minimum/ Medium	Correctional	-	-	0.00%
Southeast Kentucky Correctional Facility (G) 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-19	-	98.98%
Tallahatchie County Correctional Facility (H) Tutwiler, Mississippi	2000, 2007, 2008	State of California	2,672	Multi	Correctional	Jun-19	Indefinite	48.18%
Crossroads Correctional Center (I) Shelby, Montana	1999	State of Montana	664	Multi	Correctional	Jun-17	(1) 2 year	104.74%
Nevada Southern Detention Center Pahrump, Nevada	2010	USMS	1,072	Medium	Detention	Sep-20	(2) 5 year	76.32%
Elizabeth Detention Center Elizabeth, New Jersey	1963	ICE	300	Minimum	Detention	Aug-18	(3) 1 year	98.16%
Cibola County Corrections Center Milan, New Mexico	1994, 1999	ICE	1,129	Medium	Detention	Oct-21	Indefinite	55.02%



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 12/31/17
Northwest New Mexico Correctional Center Grants, New Mexico	1989, 2000	State of New Mexico	596	Multi	Correctional	Jun-20	-	115.29%
Torrance County Detention Facility Estancia, New Mexico	1990, 1997	-	910	Multi	Detention	-	-	7.89%
Lake Erie Correctional Institution (J) Conneaut, Ohio	2011	State of Ohio	1,798	Medium	Correctional	Jun-32	Indefinite	97.62%
Northeast Ohio Correctional Center Youngstown, Ohio	1997	State of Ohio	2,016	Medium	Correctional	Jun-32	Indefinite	69.58%
Carver Transitional Center Oklahoma City, Oklahoma	2015	State of Oklahoma	494	-	Community Corrections	Jun-18	(4) 1 year	56.27%
Cimarron Correctional Facility (K) Cushing, Oklahoma	1997, 2008	State of Oklahoma	1,692	Multi	Correctional	Jun-18	(1) 1 year	96.45%
Davis Correctional Facility (K) Holdenville, Oklahoma	1996, 2008	State of Oklahoma	1,670	Multi	Correctional	Jun-18	(1) 1 year	99.03%
Diamondback Correctional Facility Watonga, Oklahoma	1998, 2000	-	2,160	Multi	Correctional	-	-	0.00%
Oklahoma City Transitional Center Oklahoma City, Oklahoma	2017	State of Oklahoma	200	-	Community Corrections	Jun-18	(4) 1 year	92.64%
Tulsa Transitional Center Tulsa, Oklahoma	2015	State of Oklahoma	390	-	Community Corrections	Jun-18	(4) 1 year	71.69%
Turley Residential Center Tulsa, Oklahoma	2015	State of Oklahoma	289	-	Community Corrections	Jun-18	(4) 1 year	56.86%
Shelby Training Center Memphis, Tennessee	1986, 1995	-	200	-	-	-	-	0.00%
Trousdale Turner Correctional Center Hartsville, Tennessee	2015	State of Tennessee	2,552	Multi	Correctional	Jan-21	-	97.12%
West Tennessee Detention Facility Mason, Tennessee	1990, 1996	USMS	600	Multi	Detention	Sep-19	(5) 2 year	73.51%
Whiteville Correctional Facility (L) Whiteville, Tennessee	1998	State of Tennessee	1,536	Medium	Correctional	Jun-21	-	97.63%
Austin Residential Reentry Center Del Valle, Texas	2015	BOP	116	-	Community Corrections	Feb-18	-	68.76%
Austin Transitional Center Del Valle, Texas	2015	State of Texas	460	-	Community Corrections	Aug-18	(2) 1 year	89.52%
Corpus Christi Transitional Center Corpus Christi, Texas	2015	State of Texas	160	-	Community Corrections	Aug-19	-	92.23%
Dallas Transitional Center Hutchins, Texas	2015	State of Texas	300	-	Community Corrections	Aug-18	(2) 1 year	101.12%
Eden Detention Center Eden, Texas	1995	-	1,422	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 12/31/17
El Paso Multi-Use Facility El Paso, Texas	2015	State of Texas	360	-	Community Corrections	Aug-18	(2) 1 year	72.33%
El Paso Transitional Center El Paso, Texas	2015	State of Texas	224	-	Community Corrections	Aug-18	(2) 1 year	73.32%
Fort Worth Transitional Center Fort Worth, Texas	2015	State of Texas	248	-	Community Corrections	Aug-18	(2) 1 year	83.85%
Houston Processing Center Houston, Texas	1984, 2005	ICE	1,000	Medium	Detention	Apr-18	(5) 2 month	91.78%
Laredo Processing Center Laredo, Texas	1985, 1990	ICE	258	Minimum/ Medium	Detention	Jun-18	-	126.69%
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	96.79%
Webb County Detention Center Laredo, Texas	1998	USMS	480	Medium	Detention	Feb-18	-	68.39%
Cheyenne Transitional Center Cheyenne, Wyoming	2015	State of Wyoming	116	-	Community Corrections	Jun-18	Indefinite	87.37%
Total design capacity for Owned and Managed Facilities (70 Owned and Managed Facilities)			<u>69,278</u>					<u>77.4%</u>
<b>Managed Only Facilities:</b>								
Citrus County Detention Facility Lecanto, Florida	1992, 2007	Citrus County, FL	760	Multi	Detention	Sep-20	Indefinite	79.02%
Lake City Correctional Facility Lake City, Florida	1997, 2005	State of Florida	893	Medium	Correctional	Jun-18	Indefinite	98.87%
Marion County Jail Indianapolis, Indiana	1997, 2005	Marion County, IN	1,030	Multi	Detention	Dec-27	-	124.80%
Hardeman County Correctional Facility Whiteville, Tennessee	1997	State of Tennessee	2,016	Medium	Correctional	May-18	-	97.69%
Metro-Davidson County Detention Facility Nashville, Tennessee	1992, 1995, 2011	Davidson County, TN	1,348	Multi	Detention	Jan-20	-	74.85%
Silverdale Facilities Chattanooga, Tennessee	1985, 1997, 1998, 2005, 2008	Hamilton County, TN	1,046	Multi	Detention	Sep-21	(4) 4 year	89.06%
South Central Correctional Center Clifton, Tennessee	1992, 1994, 1995, 2005	State of Tennessee	1,676	Medium	Correctional	Jun-18	-	97.21%
Total design capacity for Managed Only (7 Managed Only Facilities)			<u>8,769</u>					<u>94.7%</u>
<b>Total Design Capacity for all Owned and Managed and Managed Only Facilities as of December 31, 2017</b>			<u>78,047</u>					<u>79.3%</u>
<b>Less Idle Facilities (11 Facilities)</b>			(11,070)					0.0%
<b>Total Facilities, Excluding Idle Facilities</b>			<u>66,977</u>					<u>92.2%</u>

FACILITY PORTFOLIO

<u>Property Name</u>	<u>Year Constructed/Acquired (A)</u>	<u>Primary Customer</u>	<u>Design Capacity (B)</u>	<u>Square Footage</u>	<u>Property Type (C)</u>	<u>Term</u>	<u>Remaining Renewal Options (D)</u>	<u>Occupancy % for the Quarter ended 12/31/17</u>
<b>Leased Properties:</b>								
California City Correctional Center California City, California	1999	State of California	2,560	522,000	Correctional	Nov-20	Indefinite	100.00%
Long Beach Community Corrections Center Long Beach, California	2016	The GEO Group, Inc.	112	16,000	Community Corrections	Jun-20	(1) 5 year	100.00%
Stockton Female Community Corrections Facility Stockton, California	2017	WestCare California, Inc.	100	15,000	Community Corrections	Apr-21	(1) 5 year	100.00%
Augusta Transitional Center Augusta, Georgia	2017	Georgia Department of Corrections	230	29,000	Community Corrections	Jun-18	(5) 1 year	100.00%
Milledgeville Milledgeville, Georgia	2017	GSA - Social Security Administration	-	9,000	Government-Leased	Jan-20	-	100.00%
Greenville Greenville, North Carolina	2017	GSA - Internal Revenue Service	-	13,000	Government-Leased	Mar-24	-	90.83%
Rockingham Rockingham, North Carolina	2017	GSA - Social Security Administration	-	8,000	Government-Leased	Mar-25	-	100.00%
North Fork Correctional Facility Sayre, Oklahoma	1998, 2007	State of Oklahoma	2,400	466,000	Correctional	Jul-21	Indefinite	100.00%
Broad Street Residential Reentry Center Philadelphia, Pennsylvania	2015	The GEO Group, Inc.	150	18,000	Community Corrections	Jul-19	(4) 5 year	100.00%
Chester Residential Reentry Center Chester, Pennsylvania	2015	The GEO Group, Inc.	135	18,000	Community Corrections	Jul-19	(4) 5 year	100.00%
Roth Hall Residential Reentry Center Philadelphia, Pennsylvania	2015	The GEO Group, Inc.	160	18,000	Community Corrections	Jul-19	(4) 5 year	100.00%
Walker Hall Residential Reentry Center Philadelphia, Pennsylvania	2015	The GEO Group, Inc.	160	18,000	Community Corrections	Jul-19	(4) 5 year	100.00%
<b>Total Design Capacity and Square Footage of Leased Properties (12 Properties)</b>			<u>6,007</u>	<u>1,150,000</u>				<u>99.9%</u>

- (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 our operations, because the revenue generated by each facility is based on a per diem or monthly rate per offender cared for 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 offender populations in a particular facility on December 31, 2017. If, for example, a 1,000-bed facility housed 900 adult offenders 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 correctional 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) 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.
- (G) 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. We have entered into an agreement with the city of Wheelwright that extends the reversion through July 31, 2018, in exchange for \$20,000 per month or until we resume operations, as defined in the agreement.
- (H) 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.
- (I) 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.
- (J) 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.
- (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) 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.

**RESEARCH / ANALYST COVERAGE**

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Standard & Poor's	Tatiana Kleiman	(212) 438-4872
Fitch Ratings	Steven Marks	(212) 908-9161

Credit Ratings:

	<u>Fitch</u>	<u>Standard &amp; 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

Any opinions, estimates and/or forecasts regarding the Company's performance made by the analysts and/or rating agencies listed above are theirs alone and do not necessarily represent the opinions, forecasts or predictions of the Company or its management. The Company does not by its reference above imply its endorsement of or concurrence with such information, conclusions or recommendations and the Company has not undertaken to verify any of the information provided by such analysts or agencies.