



CORRECTIONS CORPORATION OF AMERICA

**Supplemental Financial Information
For the Quarter Ended March 31, 2005**

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, 2005

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

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ASSETS	March 31, 2005	December 31, 2004	September 30, 2004	June 30, 2004	March 31, 2004
Cash and cash equivalents	\$ 48,407	\$ 50,938	\$ 60,010	\$ 41,528	\$ 74,884
Restricted cash	11,021	12,965	12,912	12,876	12,849
Investments	8,744	8,686	8,641	8,609	13,567
Accounts receivable, net of allowance	150,253	156,653	157,650	158,489	153,134
Deferred tax assets	56,756	56,410	51,662	46,092	47,442
Prepaid expenses and other current assets	18,830	16,636	15,791	14,532	6,502
Total current assets	<u>294,011</u>	<u>302,288</u>	<u>306,666</u>	<u>282,126</u>	<u>308,378</u>
Property and equipment, net	1,665,162	1,660,010	1,650,434	1,630,612	1,604,024
Investment in direct financing lease	16,899	17,073	17,255	17,426	17,591
Goodwill	15,425	15,563	15,563	15,563	15,563
Other assets	<u>26,875</u>	<u>28,144</u>	<u>29,926</u>	<u>32,492</u>	<u>32,646</u>
Total assets	<u>\$ 2,018,372</u>	<u>\$ 2,023,078</u>	<u>\$ 2,019,844</u>	<u>\$ 1,978,219</u>	<u>\$ 1,978,202</u>
LIABILITIES AND STOCKHOLDERS' EQUITY					
Accounts payable and accrued expenses	\$ 152,139	\$ 146,876	\$ 178,261	\$ 168,685	\$ 168,168
Income tax payable	6,404	22,207	2,572	489	541
Current portion of long-term debt	<u>2,014</u>	<u>3,182</u>	<u>3,220</u>	<u>2,529</u>	<u>1,837</u>
Total current liabilities	160,557	172,265	184,053	171,703	170,546
Long-term debt, net of current portion	985,166	999,113	999,868	1,000,676	1,001,482
Deferred tax liabilities	9,701	14,132	17,668	6,002	353
Other liabilities	<u>21,408</u>	<u>21,574</u>	<u>21,673</u>	<u>21,799</u>	<u>21,898</u>
Total liabilities	<u>1,176,832</u>	<u>1,207,084</u>	<u>1,223,262</u>	<u>1,200,180</u>	<u>1,194,279</u>
Commitments and contingencies					
Preferred stock - \$0.01 par value:					
Series B - stated at liquidation preference of \$24.46 per share	-	-	-	-	23,528
Common stock - \$0.01 par value	391	354	352	352	351
Additional paid-in capital	1,492,238	1,451,885	1,447,685	1,446,455	1,444,240
Deferred compensation	(7,641)	(1,736)	(2,019)	(2,324)	(2,720)
Retained deficit	(643,448)	(634,509)	(649,436)	(666,444)	(681,220)
Accumulated other comprehensive loss	-	-	-	-	(256)
Total stockholders' equity	<u>841,540</u>	<u>815,994</u>	<u>796,582</u>	<u>778,039</u>	<u>783,923</u>
Total liabilities and stockholders' equity	<u>\$ 2,018,372</u>	<u>\$ 2,023,078</u>	<u>\$ 2,019,844</u>	<u>\$ 1,978,219</u>	<u>\$ 1,978,202</u>

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

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	For the Three Months Ended March 31, 2005	2004	For the Year Ended December 31, 2004
REVENUE:			
Management:			
Federal	\$ 109,315	\$ 101,411	\$ 429,641
State	135,462	133,654	549,580
Local	24,797	24,787	101,364
Other	11,563	10,917	44,316
Total management revenue	<u>281,137</u>	<u>270,769</u>	<u>1,124,901</u>
Transportation	3,740	5,077	19,142
Rental	972	948	3,845
Other	81	17	370
	<u>285,930</u>	<u>276,811</u>	<u>1,148,258</u>
EXPENSES:			
Operating:			
Facility fixed	163,918	153,104	633,384
Facility variable	51,339	50,454	211,489
Transportation	5,198	6,602	25,081
Other	127	181	618
Total operating expenses	<u>220,582</u>	<u>210,341</u>	<u>870,572</u>
General and administrative	12,538	10,969	48,186
Depreciation and amortization	14,200	12,852	54,511
	<u>247,320</u>	<u>234,162</u>	<u>973,269</u>
OPERATING INCOME	<u>38,610</u>	<u>42,649</u>	<u>174,989</u>
OTHER (INCOME) EXPENSE:			
Interest expense, net	17,428	17,641	69,177
Expenses associated with debt refinancing and recapitalization transactions	35,032	25	101
Other (income) expenses	(124)	46	943
	<u>52,336</u>	<u>17,712</u>	<u>70,221</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	<u>(13,726)</u>	<u>24,937</u>	<u>104,768</u>
Income tax expense (benefit)	4,787	(9,975)	(42,126)
INCOME (LOSS) FROM CONTINUING OPERATIONS	<u>(8,939)</u>	<u>14,962</u>	<u>62,642</u>
Income (loss) from discontinued operations, net of tax	-	222	(99)
NET INCOME (LOSS)	<u>(8,939)</u>	<u>15,184</u>	<u>62,543</u>
Distributions to preferred stockholders	-	(814)	(1,462)
NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS	<u>\$ (8,939)</u>	<u>\$ 14,370</u>	<u>\$ 61,081</u>
BASIC EARNINGS (LOSS) PER SHARE	<u>\$ (0.24)</u>	<u>\$ 0.41</u>	<u>\$ 1.74</u>
DILUTED EARNINGS (LOSS) PER SHARE	<u>\$ (0.24)</u>	<u>\$ 0.37</u>	<u>\$ 1.55</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 Year Ended
	2005	2004	December 31,
			2004
Basic:			
Income (loss) from continuing operations	\$ (8,939)	\$ 14,148	\$ 61,180
Income (loss) from discontinued operations, net of taxes	-	222	(99)
Net income (loss) available to common stockholders	<u>\$ (8,939)</u>	<u>\$ 14,370</u>	<u>\$ 61,081</u>
Diluted:			
Income (loss) from continuing operations	\$ (8,939)	\$ 14,148	\$ 61,180
Interest expense applicable to convertible notes, net of taxes*	-	179	720
Diluted income (loss) from continuing operations	(8,939)	14,327	61,900
Income (loss) from discontinued operations, net of taxes	-	222	(99)
Diluted net income (loss) available to common stockholders	<u>\$ (8,939)</u>	<u>\$ 14,549</u>	<u>\$ 61,801</u>
Basic:			
Weighted average common shares outstanding	36,763	35,082	35,194
Unvested restricted common stock	(227)	(117)	(135)
Weighted average common shares outstanding-basic	<u>36,536</u>	<u>34,965</u>	<u>35,059</u>
Diluted:			
Weighted average common shares outstanding-basic	36,536	34,965	35,059
Effect of dilutive securities:			
Stock options and warrants**	-	1,189	1,301
Convertible notes**	-	3,362	3,362
Restricted stock-based compensation**	-	42	58
Weighted average shares and assumed conversions-diluted	<u>36,536</u>	<u>39,558</u>	<u>39,780</u>
Basic earnings (loss) per share:			
Income (loss) from continuing operations	\$ (0.24)	\$ 0.40	\$ 1.74
Income (loss) from discontinued operations, net of taxes	-	0.01	-
Net income (loss) available to common stockholders	<u>\$ (0.24)</u>	<u>\$ 0.41</u>	<u>\$ 1.74</u>
Diluted earnings (loss) per share:			
Income (loss) from continuing operations	\$ (0.24)	\$ 0.36	\$ 1.55
Income (loss) from discontinued operations, net of taxes	-	0.01	-
Diluted net income (loss) available to common stockholders	<u>\$ (0.24)</u>	<u>\$ 0.37</u>	<u>\$ 1.55</u>
* For the three months ended March 31, 2005, \$121 is not presented, as the effect is anti-dilutive.			
** Although amounts are not included for the periods presented, as the effects are anti-dilutive, additional shares would have been as follows, if dilutive:			
Stock options and warrants using the treasury stock method	1,277	-	-
Convertible notes using the if-converted method	2,204	-	-
Restricted stock-based compensation using the treasury stock method	75	-	-
	<u>3,556</u>	<u>-</u>	<u>-</u>

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

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	<u>March 31, 2005</u>	<u>December 31, 2004</u>	<u>September 30, 2004</u>	<u>June 30, 2004</u>	<u>March 31, 2004</u>
BALANCE SHEET:					
Property and equipment	\$ 1,977,176	\$ 1,957,030	\$ 1,933,564	\$ 1,899,179	\$ 1,858,817
Accumulated depreciation and amortization	(312,014)	(297,020)	(283,130)	(268,567)	(254,793)
Property and equipment, net	<u>\$ 1,665,162</u>	<u>\$ 1,660,010</u>	<u>\$ 1,650,434</u>	<u>\$ 1,630,612</u>	<u>\$ 1,604,024</u>
Total assets	\$ 2,018,372	\$ 2,023,078	\$ 2,019,844	\$ 1,978,219	\$ 1,978,202
Maintenance & technology capital expenditures for the quarter ended	\$ 7,632	\$ 12,770	\$ 11,145	\$ 12,687	\$ 11,821
Total debt	\$ 987,180	\$ 1,002,295	\$ 1,003,088	\$ 1,003,205	\$ 1,003,319
Equity book value	\$ 841,540	\$ 815,994	\$ 796,582	\$ 778,039	\$ 783,923
LIQUIDITY:					
Cash and cash equivalents	\$ 48,407	\$ 50,938	\$ 60,010	\$ 41,528	\$ 74,884
Investments	\$ 8,744	\$ 8,686	\$ 8,641	\$ 8,609	\$ 13,567
Availability under revolving credit facility	\$ 88,274	\$ 88,274	\$ 89,871	\$ 89,871	\$ 97,671
CAPITALIZATION:					
Common shares outstanding	39,129	35,415	35,235	35,185	35,139
Common share price at end of period	38.60	40.45	35.36	39.49	35.60
Market value of common equity at end of period	<u>\$ 1,510,379</u>	<u>\$ 1,432,537</u>	<u>\$ 1,245,910</u>	<u>\$ 1,389,456</u>	<u>\$ 1,250,948</u>
Preferred shares outstanding - Series B	-	-	-	-	962
Preferred share price at end of period - Series B	-	-	-	-	25.02
Market value of preferred equity at end of period - Series B	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,069</u>
Total equity market capitalization	<u>\$ 1,510,379</u>	<u>\$ 1,432,537</u>	<u>\$ 1,245,910</u>	<u>\$ 1,389,456</u>	<u>\$ 1,275,018</u>
Total market capitalization (market value of equity plus debt)	<u>\$ 2,497,559</u>	<u>\$ 2,434,832</u>	<u>\$ 2,248,998</u>	<u>\$ 2,392,661</u>	<u>\$ 2,278,337</u>
EBITDA	\$ 17,902	\$ 59,104	\$ 56,999	\$ 56,923	\$ 55,430
ADJUSTED EBITDA	\$ 52,934	\$ 59,104	\$ 56,999	\$ 56,999	\$ 55,455
ADJUSTED FREE CASH FLOW	\$ 15,697	\$ 30,116	\$ 29,690	\$ 25,764	\$ 27,058
ADJUSTED FREE CASH FLOW PER SHARE:					
Basic adjusted free cash flow per share	\$ 0.43	\$ 0.86	\$ 0.85	\$ 0.74	\$ 0.77
Diluted adjusted free cash flow per share	<u>\$ 0.39</u>	<u>\$ 0.76</u>	<u>\$ 0.75</u>	<u>\$ 0.65</u>	<u>\$ 0.69</u>

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

	<u>For the Three Months Ended March 31, 2005</u>	<u>2004</u>	<u>For the Year Ended December 31, 2004</u>
Number of days per period	90	91	366
ALL FACILITIES:			
Average available beds	<u>70,065</u>	<u>63,711</u>	<u>65,970</u>
Average compensated occupancy	<u>89.4%</u>	<u>95.6%</u>	<u>94.7%</u>
Total compensated man-days	<u>5,636,819</u>	<u>5,545,369</u>	<u>22,875,010</u>
Revenue per compensated man-day	\$ 49.88	\$ 48.83	\$ 49.18
Operating expenses per compensated man-day:			
Fixed expense	29.08	27.61	27.69
Variable expense	<u>9.11</u>	<u>9.10</u>	<u>9.25</u>
Total	<u>38.19</u>	<u>36.71</u>	<u>36.94</u>
Operating margin per compensated man-day	<u>\$ 11.69</u>	<u>\$ 12.12</u>	<u>\$ 12.24</u>
Operating margin rate	<u>23.4%</u>	<u>24.8%</u>	<u>24.9%</u>
DEPRECIATION AND AMORTIZATION:			
Depreciation expense	\$ 15,120	\$ 13,699	\$ 57,896
Goodwill impairment	138	-	-
Amortization of intangible assets	32	32	128
Amortization of negative contract values	<u>(1,090)</u>	<u>(879)</u>	<u>(3,513)</u>
Depreciation and amortization	<u>\$ 14,200</u>	<u>\$ 12,852</u>	<u>\$ 54,511</u>
ADJUSTED FREE CASH FLOW:			
Pre-tax income available to common stockholders	\$ (13,726)	\$ 24,345	\$ 103,207
Expenses associated with debt refinancing and recapitalization transactions	35,032	25	101
Income taxes paid	(13,761)	(385)	(3,511)
Depreciation and amortization	14,200	12,852	54,511
Depreciation and amortization for discontinued operations	-	18	63
Income tax (benefit) expense for discontinued operations	-	148	(70)
Amortization of stock-based compensation reflected in G&A expenses	206	-	-
Amortization of debt costs and other non-cash interest	1,378	1,876	6,750
Maintenance and technology capital expenditures	<u>(7,632)</u>	<u>(11,821)</u>	<u>(48,423)</u>
Adjusted free cash flow	<u>\$ 15,697</u>	<u>\$ 27,058</u>	<u>\$ 112,628</u>
ADJUSTED FREE CASH FLOW PER SHARE:			
Basic	<u>\$ 0.43</u>	<u>\$ 0.77</u>	<u>\$ 3.21</u>
Diluted	<u>\$ 0.39</u>	<u>\$ 0.69</u>	<u>\$ 2.85</u>

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

	For the Three Months Ended March 31, 2005	2004	For the Year Ended December 31, 2004
MANAGED ONLY FACILITIES:			
Management revenue	\$ 83,931	\$ 80,337	\$ 337,504
Operating expenses:			
Fixed expense	54,431	49,124	207,923
Variable expense	19,792	17,483	73,892
Total	<u>74,223</u>	<u>66,607</u>	<u>281,815</u>
Contribution	<u>\$ 9,708</u>	<u>\$ 13,730</u>	<u>\$ 55,689</u>
Average available beds	<u>26,113</u>	<u>22,667</u>	<u>24,189</u>
Average compensated occupancy	<u>96.0%</u>	<u>102.7%</u>	<u>102.4%</u>
Total compensated man-days	<u>2,255,607</u>	<u>2,119,290</u>	<u>9,065,478</u>
Revenue per compensated man-day	\$ 37.21	\$ 37.91	\$ 37.23
Operating expenses per compensated man-day:			
Fixed expense	24.13	23.18	22.94
Variable expense	8.77	8.25	8.15
Total	<u>32.90</u>	<u>31.43</u>	<u>31.09</u>
Operating margin per compensated man-day	<u>\$ 4.31</u>	<u>\$ 6.48</u>	<u>\$ 6.14</u>
Operating margin rate	<u>11.6%</u>	<u>17.1%</u>	<u>16.5%</u>
OWNED AND MANAGED FACILITIES:			
Management revenue	\$ 197,206	\$ 190,432	\$ 787,397
Operating expenses:			
Fixed expense	109,487	103,980	425,461
Variable expense	31,547	32,971	137,597
Total	<u>141,034</u>	<u>136,951</u>	<u>563,058</u>
Contribution	<u>\$ 56,172</u>	<u>\$ 53,481</u>	<u>\$ 224,339</u>
Average available beds	<u>43,952</u>	<u>41,044</u>	<u>41,781</u>
Average compensated occupancy	<u>85.5%</u>	<u>91.7%</u>	<u>90.3%</u>
Total compensated man-days	<u>3,381,212</u>	<u>3,426,079</u>	<u>13,809,532</u>
Revenue per compensated man-day	\$ 58.32	\$ 55.58	\$ 57.02
Operating expenses per compensated man-day:			
Fixed	32.38	30.35	30.81
Variable	9.33	9.62	9.96
Total	<u>41.71</u>	<u>39.97</u>	<u>40.77</u>
Operating margin per compensated man-day	<u>\$ 16.61</u>	<u>\$ 15.61</u>	<u>\$ 16.25</u>
Operating margin rate	<u>28.5%</u>	<u>28.1%</u>	<u>28.5%</u>

ANALYSIS OF OUTSTANDING DEBT

(Unaudited and amounts in thousands)

	<u>Outstanding Balance 12/31/2004</u>	<u>Outstanding Balance 3/31/2005</u>	<u>Stated Interest Rate</u>	<u>Effective Interest Rate</u> ¹⁾	<u>Maturity Date</u>	<u>Callable/ Redeemable</u>
Fixed Rate:						
\$250.0 Million Senior Notes	\$ 250,000	\$ -	9.875%	10.42%	May 2009	
\$250.0 Million Senior Notes	250,000	250,000	7.50%	7.91%	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	201,839	201,766	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	6.25%	6.49%	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
\$30.0 Million Convertible Notes	30,000	-	4.00%	4.02%	February 2007	
Other Debt	321	279	Various	Various	Various	
Total Fixed Rate Debt	<u>732,160</u>	<u>827,045</u>				
Floating Rate:						
Lehman Credit Facility, Term	270,135	160,135	5.77%	6.25%	March 31, 2008	
\$125.0 Million Revolver	-	-	None	None	March 31, 2006	
Total Floating Rate Debt	<u>270,135</u>	<u>160,135</u>				
Grand Total Debt	<u>\$ 1,002,295</u>	<u>\$ 987,180</u>	7.51%	7.77%	6.28	⁴⁾

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

²⁾ The variable interest rate on the Term portion of the Lehman Credit Facility was LIBOR + 2.25%. Effective April 2005, an amendment was executed reducing the variable interest rate to LIBOR + 1.75%.

³⁾ The variable interest rate was LIBOR + 3.50%. As of March 31, 2005, the Company had outstanding letters of credit totaling \$36.7 million, reducing the available borrowing capacity to \$88.3 million. Effective April 2005, an amendment was executed reducing the variable interest rate to LIBOR + 1.50%.

⁴⁾ Represents the weighted average debt maturity in years.

Debt Maturity Schedule:

<u>Year</u>	<u>Total Debt Maturing</u>	<u>% of Debt Maturing</u>	<u>% of Debt Maturing</u>
2005	\$ 1,543	0.16%	0.16%
2006	21,829	2.21%	2.37%
2007	103,540	10.49%	12.86%
2008	34,590	3.50%	16.36%
2009	290	0.03%	16.39%
Thereafter	<u>825,388</u>	<u>83.61%</u>	<u>100.00%</u>
	<u>\$ 987,180</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, 2005	2004	For the Year Ended December 31, 2004
<u>COVERAGE RATIOS:</u>			
Interest coverage ratio (Adjusted EBITDA/Interest incurred) (x)	2.9	3.1	3.2
Debt service coverage ratio (Adjusted EBITDA/(Interest incurred + Scheduled principal pmts)) (x)	2.9	3.1	3.1
Fixed charge coverage ratio (Adjusted EBITDA/(Interest incurred + Scheduled prin pmts + Pfd dist.)) (x)	2.9	2.9	3.1
Senior debt coverage ratio (Senior debt/Annualized Adjusted EBITDA) (x)	4.7	4.4	4.3
Total debt and preferred stock coverage ratio (Total debt and pfd stk/Annualized Adjusted EBITDA) (x)	4.7	4.6	4.4
Accounts receivable turnover (Annualized revenues/Accounts receivable) (x)	7.6	7.2	7.3
<u>DEBT/EQUITY RATIOS:</u>			
Total debt/Total market capitalization	39.5%	44.0%	41.2%
Total debt/Equity market capitalization	65.4%	78.7%	70.0%
Total debt/Book equity capitalization	117.3%	128.0%	122.8%
Total debt/Gross book value of real estate assets	49.5%	53.5%	50.8%
<u>RETURN ON INVESTMENT RATIOS:</u>			
Annualized return on operating real estate investments (Annualized Adjusted EBITDA/Average operating real estate investments (undepreciated book value)*)	10.7%	11.9%	12.0%
Annualized return on total assets (Annualized Adjusted EBITDA/Average total assets (undepreciated book value)*)	9.1%	10.0%	10.1%
<u>OVERHEAD RATIOS:</u>			
Annualized general & administrative expenses/Average total assets (undepreciated book value)*	2.2%	2.0%	2.1%
General & administrative expenses/Total revenues	4.4%	4.0%	4.2%
<u>INTEREST EXPENSE, NET</u>			
Interest income from continuing operations	\$ (1,207)	\$ (991)	\$ (4,017)
Interest incurred	18,352	17,991	72,283
Amortization of debt costs and other non-cash interest	1,378	1,876	6,750
Capitalized interest	(1,095)	(1,235)	(5,839)
Interest expense, net	<u>\$ 17,428</u>	<u>\$ 17,641</u>	<u>\$ 69,177</u>
<u>EBITDA CALCULATION:</u>			
Net income	\$ (8,939)	\$ 15,184	\$ 62,543
Interest expense, net	17,428	17,641	69,177
Depreciation and amortization	14,200	12,852	54,511
Income tax (benefit) expense	(4,787)	9,975	42,126
(Income) loss from discontinued operations, net of taxes	-	(222)	99
EBITDA	<u>17,902</u>	<u>55,430</u>	<u>228,456</u>
Expenses associated with debt refinancing and recapitalization transactions	<u>35,032</u>	<u>25</u>	<u>101</u>
ADJUSTED EBITDA	<u>\$ 52,934</u>	<u>\$ 55,455</u>	<u>\$ 228,557</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 3/31/05</u>
Owned and Managed Facilities:								
Central Arizona Detention Center Florence, Arizona	1994, 1998	USMS	2,304	Multi	Detention	May-05	(3) 1 year	133.22%
Eloy Detention Center Eloy, Arizona	1995, 1996	BOP, ICE	1,500	Medium	Detention	Feb-06	(3) 1 year	94.98%
Florence Correctional Center Florence, Arizona	1999, 2004	State of Alaska	1,824	Multi	Correctional	Jun-08	(6) 1 year	94.91%
California City Correctional Center California City, California	1999	BOP	2,304	Medium	Correctional	Sep-05	(5) 1 year	113.85%
San Diego Correctional Facility (E) San Diego, California	1999, 2000	ICE	1,216	Minimum/ Medium	Detention	Jun-05	-	101.45%
Bent County Correctional Facility Las Animas, Colorado	1992, 1997	State of Colorado	700	Medium	Correctional	Jun-05	(1) 2 year	98.28%
Crowley County Correctional Facility Olney Springs, Colorado	1998, 2004	State of Colorado	1,794	Medium	Correctional	Jun-05	(1) 2 year	43.71%
Huerfano County Correctional Center (F) Walsenburg, Colorado	1997	State of Colorado	752	Medium	Correctional	Jun-05	(1) 2 year	93.54%
Kit Carson Correctional Center Burlington, Colorado	1998	State of Colorado	768	Medium	Correctional	Jun-05	(1) 2 year	99.88%
Coffee Correctional Facility (G) Nicholls, Georgia	1998, 1999	State of Georgia	1,524	Medium	Correctional	Jun-05	(14) 1 year	97.97%
McRae Correctional Facility McRae, Georgia	2000, 2002	BOP	1,524	Medium	Correctional	Dec-05	(7) 1 year	107.95%
Stewart County Correctional Facility (H) Lumpkin, Georgia	2004	-	273	Medium	Correctional	-	-	0.00%
Wheeler Correctional Facility (G) Alamo, Georgia	1998, 1999	State of Georgia	1,524	Medium	Correctional	Jun-05	(14) 1 year	97.95%
Leavenworth Detention Center Leavenworth, Kansas	1992, 2000, 2004	USMS	767	Maximum	Detention	Dec-05	-	104.32%
Lee Adjustment Center Beattyville, Kentucky	1990	State of Vermont	816	Minimum/ Medium	Correctional	Jun-07	-	82.84%
Marion Adjustment Center St. Mary, Kentucky	1955, 1988	Commonwealth of Kentucky	826	Minimum	Correctional	Dec-07	(3) 2 year	96.95%

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 3/31/05</u>
Otter Creek Correctional Center (I) Wheelwright, Kentucky	1993	State of Indiana	656	Minimum/ Medium	Correctional	Jan-11	-	89.52%
Prairie Correctional Facility Appleton, Minnesota	1991	State of Minnesota	1,550	Medium	Correctional	Jun-05	(2) 1 year	25.53%
Tallahatchie County Correctional Facility (J) Tutwiler, Mississippi	2000	State of Hawaii	1,104	Medium	Correctional	Jun-06	-	89.77%
Crossroads Correctional Center (K) Shelby, Montana	1999	State of Montana	568	Multi	Correctional	Jun-05	(7) 2 year	96.66%
Cibola County Corrections Center Milan, New Mexico	1994, 1999	BOP	1,129	Medium	Correctional	Sep-05	(5) 1 year	92.28%
New Mexico Women's Correctional Facility Grants, New Mexico	1989, 2000	State of New Mexico	596	Multi	Correctional	Jun-05	-	98.42%
Torrance County Detention Facility Estancia, New Mexico	1990, 1997	USMS	910	Multi	Detention	Indefinite	-	87.53%
Northeast Ohio Correctional Center Youngstown, Ohio	1997	USMS	2,016	Medium	Correctional	Nov-08	(3) 5 year	18.63%
Cimarron Correctional Facility (L) Cushing, Oklahoma	1997	State of Oklahoma	960	Medium	Correctional	Jun-05	(4) 1 year	100.08%
Davis Correctional Facility (L) Holdenville, Oklahoma	1996	State of Oklahoma	960	Medium	Correctional	Jun-05	(4) 1 year	100.57%
Diamondback Correctional Facility Watonga, Oklahoma	1998, 2000	State of Arizona	2,160	Medium	Correctional	Jun-05	(2) 1 year	74.36%
North Fork Correctional Facility (M) Sayre, Oklahoma	1998	-	1,440	Medium	Correctional	-	-	0.00%
West Tennessee Detention Facility Mason, Tennessee	1990, 1996	USMS	600	Multi	Detention	Feb-06	(1) 1 year	69.86%
Shelby Training Center (N) Memphis, Tennessee	1986, 1995	Shelby County, TN	200	Secure	Juvenile	Apr-15	-	92.50%
Whiteville Correctional Facility (O) Whiteville, Tennessee	1998	State of Tennessee	1,536	Medium	Correctional	Sep-05	(2) 1 year	96.44%
Bridgeport Pre-Parole Transfer Facility Bridgeport, Texas	1989	State of Texas	200	Medium	Correctional	Feb-07	(4) 1 year	97.91%
Eden Detention Center Eden, Texas	1990	BOP	1,225	Medium	Correctional	Apr-05	(2) 1 year	111.98%

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 3/31/05</u>
Houston Processing Center Houston, Texas	1984, 2005	ICE	905	Medium	Detention	Sep-05	(3) 1 year	71.25%
Laredo Processing Center Laredo, Texas	1985, 1990	ICE	258	Minimum/ Medium	Detention	Mar-05	-	143.60%
Webb County Detention Center Laredo, Texas	1998	USMS	480	Medium	Detention	Aug-05	-	109.84%
Mineral Wells Pre-Parole Transfer Facility Mineral Wells, Texas	1995	State of Texas	2,103	Minimum	Correctional	Feb-07	(4) 1 year	96.28%
T. Don Hutto Correctional Center Taylor, Texas	1997	USMS	480	Minimum	Correctional	May-05	Indefinite	87.63%
D.C. Correctional Treatment Facility (P) Washington D.C.	1992	District of Columbia	1,500	Medium	Detention	Mar-17	-	75.95%
Total design capacity for Owned and Managed Facilities (39 Owned and Managed Facilities)			<u>43,952</u>					
Managed Only Facilities:								
Bay Correctional Facility Panama City, Florida	N/A	State of Florida	750	Medium	Correctional	Jun-05	-	99.40%
Bay County Jail and Annex Panama City, Florida	N/A	Bay County, FL	1,150	Multi	Detention	Sep-06	-	73.89%
Citrus County Detention Facility Lecanto, Florida	N/A	Citrus County, FL	400	Multi	Detention	Sep-05	(1) 5 year	105.47%
Gadsden Correctional Institution Quincy, Florida	N/A	State of Florida	1,036	Minimum/ Medium	Correctional	Jun-05	-	99.50%
Hernando County Jail Brooksville, Florida	N/A	Hernando County, FL	348	Multi	Detention	Oct-10	-	124.89%
Lake City Correctional Facility Lake City, Florida	N/A	State of Florida	893	Secure	Correctional	Jun-05	-	84.19%
Idaho Correctional Center Boise, Idaho	N/A	State of Idaho	1,270	Minimum/ Medium	Correctional	Jun-05	-	100.02%
Marion County Jail Indianapolis, Indiana	N/A	Marion County, IN	1,030	Multi	Detention	Aug-05	-	95.06%
Winn Correctional Center Winnfield, Louisiana	N/A	State of Louisiana	1,538	Medium/ Maximum	Correctional	Sep-06	(1) 2 year	95.05%

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 3/31/05</u>
Delta Correctional Facility Greenwood, Mississippi	N/A	State of Mississippi	1,172	Minimum/ Medium	Correctional	Mar-05	(1) 2 year	92.80%
Wilkinson County Correctional Facility Woodville, Mississippi	N/A	State of Mississippi	1,000	Medium	Correctional	Sep-05	(3) 1 year	98.13%
Elizabeth Detention Center Elizabeth, New Jersey	N/A	ICE	300	Minimum	Detention	Jun-05	-	82.30%
David L. Moss Criminal Justice Center (Q) Tulsa, Oklahoma	N/A	Tulsa County, OK	1,440	Multi	Detention	Jun-05	(2) 1 year	80.08%
Silverdale Facilities Chattanooga, Tennessee	N/A	Hamilton County, TN	784	Multi	Detention	Feb-07	Indefinite	94.50%
South Central Correctional Center Clifton, Tennessee	N/A	State of Tennessee	1,676	Medium	Correctional	Jun-05	(1) 2 year	96.45%
Metro-Davidson County Detention Facility Nashville, Tennessee	N/A	Davidson County, TN	1,092	Multi	Detention	Jul-06	(2) 1 year	109.54%
Hardeman County Correctional Facility Whiteville, Tennessee	N/A	State of Tennessee	2,016	Medium	Correctional	Jul-05	(1) 2 year	96.69%
B. M. Moore Correctional Center Overton, Texas	N/A	State of Texas	500	Minimum/ Medium	Correctional	Jan-07	(2) 1 year	99.54%
Bartlett State Jail Bartlett, Texas	N/A	State of Texas	1,001	Minimum/ Medium	Correctional	Jan-07	(4) 1 year	99.81%
Bradshaw State Jail Henderson, Texas	N/A	State of Texas	1,980	Minimum/ Medium	Correctional	Jan-07	(4) 1 year	99.70%
Dawson State Jail Dallas, Texas	N/A	State of Texas	2,216	Minimum/ Medium	Correctional	Jan-07	(4) 1 year	97.99%
Diboll Correctional Center Diboll, Texas	N/A	State of Texas	518	Minimum/ Medium	Correctional	Jan-07	(2) 1 year	99.80%
Liberty County Jail/Juvenile Center Liberty, Texas	N/A	Liberty County, Texas	380	Multi	Detention	Jan-07	(1) 3 year	86.75%

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 3/31/05</u>
Lindsey State Jail Jacksboro, Texas	N/A	State of Texas	1,031	Minimum/ Medium	Correctional	Jan-07	(4) 1 year	99.13%
Willacy State Jail Raymondville, Texas	N/A	State of Texas	1,069	Minimum/ Medium	Correctional	Jan-07	(4) 1 year	97.00%
Total design capacity for Managed Only Facilities (25 Managed Only Facilities)			<u>26,590</u>					
Total design capacity for All Facilities			<u><u>70,542</u></u>					
Leased Facilities:								
Leo Chesney Correctional Center Live Oak, California	1989	Cornell Corrections	240	Minimum	Owned/Leased	Jun-05	(1) 1 year	N/A
Queensgate Correctional Facility Cincinnati, Ohio	1906	Hamilton County, OH	850	Medium	Owned/Leased	Feb-06	(1) 1 year	N/A
Community Education Partners (R) Houston, Texas	N/A	Community Education Partners	-	Non-secure	Owned/Leased	Jun-08	(3) 5 year	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, 2005. 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) During the fourth quarter of 2004, 273 beds were completed and available for use while construction continues on the remaining 1,251 beds. We are currently pursuing new management contracts and other opportunities to take advantage of the beds that are available at the Stewart County Correctional Facility, but can provide no assurance that we will be successful in doing so.

(I) We have been notified by the state of Indiana that during the second quarter of 2005 it will remove all of its inmates from our 656-bed Otter Creek Correctional Facility to utilize available capacity within the State's correctional system. As of March 31, 2005, we housed 383 Indiana inmates at the Otter Creek Correctional Facility. We are currently negotiating with existing customers, as well as new customers, to take advantage of the beds that will become available at this facility, but can provide no assurance that we will be successful in replacing the inmates that will be removed from this facility or that the per diem from any such customers will yield as much cash flow as we generated from the state of Indiana.

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 3/31/05
<p>(J) 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 over a 20-year period.</p> <p>(K) 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 then present value of a pre-determined portion of per-diem payments made to us by the State of Montana.</p> <p>(L) 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.</p> <p>(M) During the third quarter of 2003, all of the Wisconsin inmates housed at the North Fork Correctional Facility were transferred to the Diamondback Correctional Facility in order to satisfy a contractual provision mandated by the State of Wisconsin. Upon completion of the inmate transfers, North Fork Correctional Facility was closed and will remain closed for an indefinite period of time. We are currently pursuing new management contracts and other opportunities to take advantage of the beds that are available at the North Fork Correctional Facility, but can provide no assurance that we will be successful in doing so.</p> <p>(N) 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.</p> <p>(O) 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.</p> <p>(P) 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.</p> <p>(Q) On March 21, 2005, we announced that we received notification from the Tulsa County Commission in Oklahoma that, as a result of a contract bidding process, the County elected to have the Tulsa County Sheriff's Office manage the 1,440-bed David L. Moss Criminal Justice Center, located in Tulsa. Our current contract expires on June 30, 2005.</p> <p>(R) 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.</p>								

DIVERSIFICATION OF REVENUE
(Unaudited and amounts in thousands)

<u>Customer</u>	<u>Management Revenue For the Three Months Ended March 31, 2005</u>	<u>Percent of Management Revenue For the Three Months Ended March 31, 2005</u>
Bureau of Prisons	\$ 44,297	15.76%
United States Marshals	43,364	15.42%
Texas	22,777	8.10%
United States Immigration and Customs Enforcement	21,666	7.71%
Tennessee	17,523	6.23%
Georgia	11,921	4.24%
Florida	10,973	3.90%
Colorado	9,986	3.55%
Oklahoma	7,564	2.69%
Hawaii	6,765	2.41%
	<u>\$ 196,836</u>	<u>70.01%</u>
Total Management Revenue	<u>\$ 281,137</u>	<u>100.00%</u>

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Credit Ratings:

	Standard & Poor's	Moody's
Corporate Credit Rating	BB-	Not rated
Senior Secured Bank Credit	BB	Ba3
Senior Unsecured Debt	BB-	B1
Preferred Stock	Not rated	B3

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