



CORRECTIONS CORPORATION OF AMERICA

**Supplemental Financial Information
For the Quarter Ended March 31, 2006**

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, 2006

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

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ASSETS	March 31, 2006	December 31, 2005	September 30, 2005	June 30, 2005	March 31, 2005
Cash and cash equivalents	\$ 64,924	\$ 64,901	\$ 66,402	\$ 45,951	\$ 48,407
Restricted cash	11,399	11,284	11,182	11,094	11,021
Investments	49,481	19,014	8,897	8,816	8,744
Accounts receivable, net of allowance	167,554	176,560	173,787	173,023	150,253
Deferred tax assets	27,076	32,488	38,365	50,271	56,756
Prepaid expenses and other current assets	9,453	15,884	18,816	26,456	18,830
Total current assets	<u>329,887</u>	<u>320,131</u>	<u>317,449</u>	<u>315,611</u>	<u>294,011</u>
Property and equipment, net	1,722,742	1,710,794	1,691,009	1,677,577	1,665,162
Investment in direct financing lease	16,118	16,322	16,520	16,713	16,899
Goodwill	15,246	15,246	15,425	15,425	15,425
Other assets	26,057	23,820	24,862	26,619	26,875
Total assets	<u>\$ 2,110,050</u>	<u>\$ 2,086,313</u>	<u>\$ 2,065,265</u>	<u>\$ 2,051,945</u>	<u>\$ 2,018,372</u>
LIABILITIES AND STOCKHOLDERS' EQUITY					
Accounts payable and accrued expenses	\$ 138,479	\$ 142,864	\$ 142,320	\$ 152,972	\$ 135,089
Income tax payable	1,715	1,435	2,032	2,058	6,404
Current portion of long-term debt	381	11,836	21,871	21,883	2,014
Total current liabilities	<u>140,575</u>	<u>156,135</u>	<u>166,223</u>	<u>176,913</u>	<u>143,507</u>
Long-term debt, net of current portion	976,185	963,800	964,236	964,694	985,166
Deferred tax liabilities	13,906	12,087	8,777	9,381	9,701
Other liabilities	37,719	37,660	38,264	38,531	38,458
Total liabilities	<u>1,168,385</u>	<u>1,169,682</u>	<u>1,177,500</u>	<u>1,189,519</u>	<u>1,176,832</u>
Commitments and contingencies					
Common stock - \$0.01 par value	401	397	396	394	391
Additional paid-in capital	1,504,322	1,506,184	1,501,592	1,497,955	1,492,238
Deferred compensation	-	(5,563)	(6,431)	(7,338)	(7,641)
Retained deficit	(563,058)	(584,387)	(607,792)	(628,585)	(643,448)
Total stockholders' equity	<u>941,665</u>	<u>916,631</u>	<u>887,765</u>	<u>862,426</u>	<u>841,540</u>
Total liabilities and stockholders' equity	<u>\$ 2,110,050</u>	<u>\$ 2,086,313</u>	<u>\$ 2,065,265</u>	<u>\$ 2,051,945</u>	<u>\$ 2,018,372</u>

CONSOLIDATED STATEMENTS OF OPERATIONS

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

	For the Three Months Ended March 31, 2006	2005	For the Year Ended December 31, 2005
REVENUE:			
Management:			
Federal	\$ 124,238	\$ 109,315	\$ 466,784
State	153,956	135,462	579,205
Local	20,056	19,754	79,844
Other	13,180	11,563	48,018
Total management revenue	<u>311,430</u>	<u>276,094</u>	<u>1,173,851</u>
Transportation	3,515	3,740	14,558
Rental	1,036	972	3,991
Other	33	81	240
	<u>316,014</u>	<u>280,887</u>	<u>1,192,640</u>
EXPENSES:			
Operating:			
Facility fixed	172,751	160,328	659,965
Facility variable	58,254	49,097	217,471
Transportation	4,948	5,198	21,086
Other	81	127	271
Total operating expenses	<u>236,034</u>	<u>214,750</u>	<u>898,793</u>
General and administrative	14,377	12,538	57,053
Depreciation and amortization	15,703	14,037	59,882
	<u>266,114</u>	<u>241,325</u>	<u>1,015,728</u>
OPERATING INCOME	<u>49,900</u>	<u>39,562</u>	<u>176,912</u>
OTHER (INCOME) EXPENSE:			
Interest expense, net	15,126	17,428	63,928
Expenses associated with debt refinancing and recapitalization transactions	982	35,032	35,269
Other (income) expenses	(12)	(124)	263
	<u>16,096</u>	<u>52,336</u>	<u>99,460</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	33,804	(12,774)	77,452
Income tax expense (benefit)	<u>(12,475)</u>	<u>4,455</u>	<u>(26,888)</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS	21,329	(8,319)	50,564
Income (loss) from discontinued operations, net of taxes	<u>-</u>	<u>(620)</u>	<u>(442)</u>
NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS	<u>\$ 21,329</u>	<u>\$ (8,939)</u>	<u>\$ 50,122</u>
BASIC EARNINGS (LOSS) PER SHARE	<u>\$ 0.54</u>	<u>\$ (0.24)</u>	<u>\$ 1.30</u>
DILUTED EARNINGS (LOSS) PER SHARE	<u>\$ 0.52</u>	<u>\$ (0.24)</u>	<u>\$ 1.25</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 December 31,
	2006	2005	2005
Basic:			
Income (loss) from continuing operations	\$ 21,329	\$ (8,319)	\$ 50,564
Income (loss) from discontinued operations, net of taxes	-	(620)	(442)
Net income (loss) available to common stockholders	\$ 21,329	\$ (8,939)	\$ 50,122
Diluted:			
Income (loss) from continuing operations	\$ 21,329	\$ (8,319)	\$ 50,564
Interest expense applicable to convertible notes, net of taxes*	-	-	129
Diluted income (loss) from continuing operations	21,329	(8,319)	50,693
Income (loss) from discontinued operations, net of taxes	-	(620)	(442)
Diluted net income (loss) available to common stockholders	\$ 21,329	\$ (8,939)	\$ 50,251
Basic:			
Weighted average common shares outstanding	39,876	36,763	38,772
Unvested restricted common stock	(343)	(227)	(297)
Weighted average common shares outstanding-basic	39,533	36,536	38,475
Diluted:			
Weighted average common shares outstanding-basic	39,533	36,536	38,475
Effect of dilutive securities:			
Stock options and warrants**	1,029	-	1,149
Convertible notes**	-	-	544
Restricted stock-based compensation**	148	-	113
Weighted average shares and assumed conversions-diluted	40,710	36,536	40,281
Basic earnings (loss) per share:			
Income (loss) from continuing operations	\$ 0.54	\$ (0.22)	\$ 1.31
Income (loss) from discontinued operations, net of taxes	-	(0.02)	(0.01)
Net income (loss) available to common stockholders	\$ 0.54	\$ (0.24)	\$ 1.30
Diluted earnings (loss) per share:			
Income (loss) from continuing operations	\$ 0.52	\$ (0.22)	\$ 1.26
Income (loss) from discontinued operations, net of taxes	-	(0.02)	(0.01)
Diluted net income (loss) available to common stockholders	\$ 0.52	\$ (0.24)	\$ 1.25
* 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	-
	-	3,556	-

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

	<u>March 31, 2006</u>	<u>December 31, 2005</u>	<u>September 30, 2005</u>	<u>June 30, 2005</u>	<u>March 31, 2005</u>
BALANCE SHEET:					
Property and equipment	\$ 2,099,186	\$ 2,070,941	\$ 2,034,759	\$ 2,005,134	\$ 1,977,176
Accumulated depreciation and amortization	(376,444)	(360,147)	(343,750)	(327,557)	(312,014)
Property and equipment, net	<u>\$ 1,722,742</u>	<u>\$ 1,710,794</u>	<u>\$ 1,691,009</u>	<u>\$ 1,677,577</u>	<u>\$ 1,665,162</u>
Total assets	\$ 2,110,050	\$ 2,086,313	\$ 2,065,265	\$ 2,051,945	\$ 2,018,372
Maintenance & technology capital expenditures for the quarter ended	\$ 9,519	\$ 11,326	\$ 6,628	\$ 10,619	\$ 7,632
Total debt	\$ 976,566	\$ 975,636	\$ 986,107	\$ 986,577	\$ 987,180
Equity book value	\$ 941,665	\$ 916,631	\$ 887,765	\$ 862,426	\$ 841,540
LIQUIDITY:					
Cash and cash equivalents	\$ 64,924	\$ 64,901	\$ 66,402	\$ 45,951	\$ 48,407
Investments	\$ 49,481	\$ 19,014	\$ 8,897	\$ 8,816	\$ 8,744
Availability under revolving credit facility	\$ 113,519	\$ 78,519	\$ 66,380	\$ 64,774	\$ 88,274
CAPITALIZATION:					
Common shares outstanding	40,095	39,694	39,552	39,369	39,129
Common share price at end of period	\$ 45.20	\$ 44.97	\$ 39.70	\$ 39.25	\$ 38.60
Market value of common equity at end of period	<u>\$ 1,812,294</u>	<u>\$ 1,785,039</u>	<u>\$ 1,570,214</u>	<u>\$ 1,545,233</u>	<u>\$ 1,510,379</u>
Total equity market capitalization	<u>\$ 1,812,294</u>	<u>\$ 1,785,039</u>	<u>\$ 1,570,214</u>	<u>\$ 1,545,233</u>	<u>\$ 1,510,379</u>
Total market capitalization (market value of equity plus debt)	<u><u>\$ 2,788,860</u></u>	<u><u>\$ 2,760,675</u></u>	<u><u>\$ 2,556,321</u></u>	<u><u>\$ 2,531,810</u></u>	<u><u>\$ 2,497,559</u></u>
EBITDA	\$ 64,633	\$ 66,158	\$ 63,818	\$ 52,595	\$ 18,691
ADJUSTED EBITDA	\$ 65,615	\$ 67,147	\$ 63,818	\$ 52,832	\$ 53,723
ADJUSTED FREE CASH FLOW	\$ 42,983	\$ 41,450	\$ 43,585	\$ 27,431	\$ 15,697
ADJUSTED FREE CASH FLOW PER SHARE:					
Basic adjusted free cash flow per share	<u>\$ 1.09</u>	<u>\$ 1.05</u>	<u>\$ 1.11</u>	<u>\$ 0.71</u>	<u>\$ 0.43</u>
Diluted adjusted free cash flow per share	<u><u>\$ 1.06</u></u>	<u><u>\$ 1.02</u></u>	<u><u>\$ 1.08</u></u>	<u><u>\$ 0.68</u></u>	<u><u>\$ 0.39</u></u>

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

	<u>For the Three Months Ended March 31, 2006</u>	<u>2005</u>	<u>For the Year Ended December 31, 2005</u>
Number of days per period	90	90	365
ALL FACILITIES:			
Average available beds	<u>70,969</u>	<u>68,625</u>	<u>69,417</u>
Average compensated occupancy	<u>93.7%</u>	<u>89.6%</u>	<u>91.4%</u>
Total compensated man-days	<u>5,985,056</u>	<u>5,533,030</u>	<u>23,155,542</u>
Revenue per compensated man-day	\$ 52.03	\$ 49.90	\$ 50.69
Operating expenses per compensated man-day:			
Fixed expense	28.86	28.98	28.50
Variable expense	9.73	8.87	9.39
Total	<u>38.59</u>	<u>37.85</u>	<u>37.89</u>
Operating margin per compensated man-day	<u>\$ 13.44</u>	<u>\$ 12.05</u>	<u>\$ 12.80</u>
Operating margin rate	<u>25.8%</u>	<u>24.1%</u>	<u>25.3%</u>
DEPRECIATION AND AMORTIZATION:			
Depreciation expense	\$ 16,841	\$ 15,095	\$ 63,926
Goodwill impairment	-	-	178
Amortization of intangible assets	28	32	125
Amortization of negative contract values	(1,166)	(1,090)	(4,347)
Depreciation and amortization	<u>\$ 15,703</u>	<u>\$ 14,037</u>	<u>\$ 59,882</u>
ADJUSTED FREE CASH FLOW:			
Pre-tax income available to common stockholders	\$ 33,804	\$ (13,394)	\$ 77,010
Expenses associated with debt refinancing and recapitalization transactions	982	35,032	35,269
Income taxes paid	-	(13,761)	(15,776)
Depreciation and amortization	15,703	14,037	59,882
Depreciation and amortization for discontinued operations	-	163	186
Income tax (benefit) expense for discontinued operations	-	(332)	(217)
Amortization of stock-based compensation reflected in G&A expenses	778	206	2,673
Amortization of debt costs and other non-cash interest	1,235	1,378	5,341
Maintenance and technology capital expenditures	(9,519)	(7,632)	(36,205)
Adjusted free cash flow	<u>\$ 42,983</u>	<u>\$ 15,697</u>	<u>\$ 128,163</u>
ADJUSTED FREE CASH FLOW PER SHARE:			
Basic	<u>\$ 1.09</u>	<u>\$ 0.43</u>	<u>\$ 3.33</u>
Diluted	<u>\$ 1.06</u>	<u>\$ 0.39</u>	<u>\$ 3.18</u>

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

	For the Three Months Ended March 31, 2006	2005	For the Year Ended December 31, 2005
MANAGED ONLY FACILITIES:			
Management revenue	\$ 85,757	\$ 78,888	\$ 333,051
Operating expenses:			
Fixed expense	54,478	50,841	206,491
Variable expense	18,813	17,550	72,159
Total	73,291	68,391	278,650
Contribution	\$ 12,466	\$ 10,497	\$ 54,401
Average available beds	25,766	24,673	25,181
Average compensated occupancy	96.3%	96.9%	96.7%
Total compensated man-days	2,233,010	2,151,818	8,891,861
Revenue per compensated man-day	\$ 38.40	\$ 36.66	\$ 37.46
Operating expenses per compensated man-day:			
Fixed expense	24.40	23.63	23.22
Variable expense	8.42	8.16	8.12
Total	32.82	31.79	31.34
Operating margin per compensated man-day	\$ 5.58	\$ 4.87	\$ 6.12
Operating margin rate	14.5%	13.3%	16.3%
OWNED AND MANAGED FACILITIES:			
Management revenue	\$ 225,673	\$ 197,206	\$ 840,800
Operating expenses:			
Fixed expense	118,273	109,487	453,474
Variable expense	39,441	31,547	145,312
Total	157,714	141,034	598,786
Contribution	\$ 67,959	\$ 56,172	\$ 242,014
Average available beds	45,203	43,952	44,236
Average compensated occupancy	92.2%	85.5%	88.3%
Total compensated man-days	3,752,046	3,381,212	14,263,681
Revenue per compensated man-day	\$ 60.15	\$ 58.32	\$ 58.95
Operating expenses per compensated man-day:			
Fixed	31.52	32.38	31.79
Variable	10.51	9.33	10.19
Total	42.03	41.71	41.98
Operating margin per compensated man-day	\$ 18.12	\$ 16.61	\$ 16.97
Operating margin rate	30.1%	28.5%	28.8%

ANALYSIS OF OUTSTANDING DEBT

(Unaudited and amounts in thousands)

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	Outstanding Balance 12/31/2005	Outstanding Balance 3/31/2006	Stated Interest Rate	Effective Interest Rate	Maturity Date	Callable/ Redeemable
Fixed Rate:						
\$250.0 Million Senior Notes	250,000	250,000	7.50%	7.88%	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	201,548	201,476	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	6.75%	7.00%	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
Other Debt	138	90	Various	Various	Various	
Total Fixed Rate Debt	<u>826,686</u>	<u>976,566</u>				
Floating Rate:						
\$150.0 Million Revolving Credit Facility	-	-			February 2011	
Lehman Credit Facility, Term	138,950	-			March 31, 2008	
\$125.0 Million Revolving Credit Facility	10,000	-			March 31, 2006	
Total Floating Rate Debt	<u>148,950</u>	<u>-</u>				
Grand Total Debt	<u>\$ 975,636</u>	<u>\$ 976,566</u>	6.99%	7.28%	6.21	

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

²⁾ On Feb 3, 2006 the Company replaced the old credit facility with a new \$150 million Revolving Credit Facility. The Company has \$36.5 million of letters of credit outstanding under a sub-facility, which effectively reduces the Company's borrowing capacity under the New Revolving Credit Facility to \$113.5 million. The New Revolving Credit facility currently bears interest at LIBOR plus a margin of 1.25%.

³⁾ The variable interest rate on the Term portion of the Lehman Credit Facility was LIBOR + 1.75%. This loan was fully repaid and was retired in January 2006.

⁴⁾ The variable interest rate was LIBOR + 1.5%. This credit facility was retired in February 2006.

⁵⁾ The stated and effective interest rates are zero on the New Revolving Credit Facility as there are currently no amounts outstanding.

⁶⁾ Represents the weighted average debt maturity in years.

Debt Maturity Schedule:

Year	Total Debt Maturing	% of Debt Maturing	% of Debt Maturing
2006	\$ 309	0.03%	0.03%
2007	290	0.03%	0.06%
2008	290	0.03%	0.09%
2009	290	0.03%	0.12%
2010	290	0.03%	0.15%
2011	450,097	46.09%	46.24%
Thereafter	<u>525,000</u>	<u>53.76%</u>	100.00%
	<u>\$ 976,566</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 Year Ended
	2006	2005	December 31,
			2005
<u>COVERAGE RATIOS:</u>			
Interest coverage ratio (Adjusted EBITDA/Interest incurred) (x)	3.9	2.9	3.5
Fixed charge coverage ratio (Adjusted EBITDA/(Interest incurred + Scheduled prin pmts)) (x)	3.8	2.9	3.4
Senior debt coverage ratio (Senior debt/Annualized Adjusted EBITDA) (x)	3.7	4.6	4.1
Total debt coverage ratio (Total debt/Annualized Adjusted EBITDA) (x)	3.7	4.6	4.1
Accounts receivable turnover (Annualized revenues/Accounts receivable) (x)	7.5	7.5	6.8
<u>DEBT/EQUITY RATIOS:</u>			
Total debt/Total market capitalization	35.0%	39.5%	35.3%
Total debt/Equity market capitalization	53.9%	65.4%	54.7%
Total debt/Book equity capitalization	103.7%	117.3%	106.4%
Total debt/Gross book value of real estate assets	46.2%	49.5%	46.7%
<u>RETURN ON INVESTMENT RATIOS:</u>			
Annualized return on operating real estate investments (Annualized Adjusted EBITDA/Average operating real estate investments (undepreciated book value)*)	12.5%	10.8%	11.7%
Annualized return on total assets (Annualized Adjusted EBITDA/Average total assets (undepreciated book value)*)	10.6%	9.2%	10.0%
<u>OVERHEAD RATIOS:</u>			
Annualized general & administrative expenses/Average total assets (undepreciated book value)*	2.3%	2.2%	2.4%
General & administrative expenses/Total revenues	4.5%	4.5%	4.8%
<u>INTEREST EXPENSE, NET</u>			
Interest income from continuing operations	\$ (1,837)	\$ (1,207)	\$ (5,359)
Interest incurred	16,997	18,352	68,489
Amortization of debt costs and other non-cash interest	1,235	1,378	5,341
Capitalized interest	(1,269)	(1,095)	(4,543)
Interest expense, net	<u>\$ 15,126</u>	<u>\$ 17,428</u>	<u>\$ 63,928</u>
<u>EBITDA CALCULATION:</u>			
Net income (loss)	\$ 21,329	\$ (8,939)	\$ 50,122
Interest expense, net	15,126	17,428	63,928
Depreciation and amortization	15,703	14,037	59,882
Income tax (benefit) expense	12,475	(4,455)	26,888
(Income) loss from discontinued operations, net of taxes	-	620	442
EBITDA	<u>64,633</u>	<u>18,691</u>	<u>201,262</u>
Stock option compensation expense associated with accelerated vesting	-	-	989
Expenses associated with debt refinancing and recapitalization transactions	<u>982</u>	<u>35,032</u>	<u>35,269</u>
ADJUSTED EBITDA	<u>\$ 65,615</u>	<u>\$ 53,723</u>	<u>\$ 237,520</u>

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

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 3/31/06
Owned and Managed Facilities:								
Central Arizona Detention Center Florence, Arizona	1994, 1998	USMS	2,304	Multi	Detention	May-06	(2) 1 year	144.36%
Eloy Detention Center Eloy, Arizona	1995, 1996	ICE	1,500	Low	Detention	Indefinite	-	75.06%
Florence Correctional Center Florence, Arizona	1999, 2004	State of Alaska	1,824	Multi	Correctional	Jun-08	(6) 1 year	116.69%
California City Correctional Center California City, California	1999	BOP	2,304	Medium	Correctional	Sep-06	(4) 1 year	113.93%
San Diego Correctional Facility (E) San Diego, California	1999, 2000	ICE	1,216	Minimum/ Medium	Detention	Jun-08	(5) 3 year	102.94%
Bent County Correctional Facility Las Animas, Colorado	1992, 1997	State of Colorado	700	Medium	Correctional	Jun-06	(2) 1 year	99.35%
Crowley County Correctional Facility Olney Springs, Colorado	1998, 2004	State of Colorado	1,794	Medium	Correctional	Jun-06	(2) 1 year	65.22%
Huerfano County Correctional Center (F) Walsenburg, Colorado	1997	State of Colorado	752	Medium	Correctional	Jun-06	(2) 1 year	97.59%
Kit Carson Correctional Center Burlington, Colorado	1998	State of Colorado	768	Medium	Correctional	Jun-06	(2) 1 year	96.78%
Coffee Correctional Facility (G) Nicholls, Georgia	1998, 1999	State of Georgia	1,524	Medium	Correctional	Jun-06	(13) 1 year	102.20%
McRae Correctional Facility McRae, Georgia	2000, 2002	BOP	1,524	Low	Correctional	Nov-06	(6) 1 year	107.06%
Stewart County Correctional Facility (H) Lumpkin, Georgia	2004	-	1,524	Medium	Correctional	-	-	0.00%
Wheeler Correctional Facility (G) Alamo, Georgia	1998, 1999	State of Georgia	1,524	Medium	Correctional	Jun-06	(13) 1 year	102.34%
Leavenworth Detention Center Leavenworth, Kansas	1992, 2000, 2004	USMS	767	Maximum	Detention	Jun-06	(9) 2 month	119.21%
Lee Adjustment Center Beattyville, Kentucky	1990	State of Vermont	816	Minimum/ Medium	Correctional	Jun-07	-	92.96%
Marion Adjustment Center St. Mary, Kentucky	1955, 1988	Commonwealth of Kentucky	826	Minimum	Correctional	Dec-07	(3) 2 year	98.50%

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 3/31/06
Otter Creek Correctional Center (I) Wheelwright, Kentucky	1993	Commonwealth of Kentucky	656	Minimum/ Medium	Correctional	Jul-07	(4) 2 year	78.00%
Prairie Correctional Facility Appleton, Minnesota	1991	State of Washington	1,550	Medium	Correctional	Jun-07	-	100.38%
Tallahatchie County Correctional Facility (J) Tutwiler, Mississippi	2000	State of Hawaii	1,104	Medium	Correctional	Jun-06	-	92.74%
Crossroads Correctional Center (K) Shelby, Montana	1999	State of Montana	568	Multi	Correctional	Aug-07	(6) 2 year	95.13%
Cibola County Corrections Center Milan, New Mexico	1994, 1999	BOP	1,129	Low	Correctional	Sep-06	(4) 1 year	96.82%
New Mexico Women's Correctional Facility Grants, New Mexico	1989, 2000	State of New Mexico	596	Multi	Correctional	Jun-09	-	110.75%
Torrance County Detention Facility Estancia, New Mexico	1990, 1997	USMS	910	Multi	Detention	Indefinite	-	85.69%
Northeast Ohio Correctional Center Youngstown, Ohio	1997	BOP	2,016	Low	Correctional	May-09	(3) 2 year	93.51%
Cimarron Correctional Facility (L) Cushing, Oklahoma	1997	State of Oklahoma	960	Medium	Correctional	Jun-06	(3) 1 year	100.44%
Davis Correctional Facility (L) Holdenville, Oklahoma	1996	State of Oklahoma	960	Medium	Correctional	Jun-06	(3) 1 year	100.75%
Diamondback Correctional Facility Watonga, Oklahoma	1998, 2000	State of Arizona	2,160	Medium	Correctional	Jun-06	(1) 1 year	91.27%
North Fork Correctional Facility (M) Sayre, Oklahoma	1998	-	1,440	Medium	Correctional	-	-	0.19%
West Tennessee Detention Facility Mason, Tennessee	1990, 1996	USMS	600	Multi	Detention	Feb-07	-	102.78%
Shelby Training Center (N) Memphis, Tennessee	1986, 1995	Shelby County, TN	200	Secure	Juvenile	Apr-15	-	91.26%
Whiteville Correctional Facility (O) Whiteville, Tennessee	1998	State of Tennessee	1,536	Medium	Correctional	Sep-06	(2) 1 year	97.11%
Bridgeport Pre-Parole Transfer Facility Bridgeport, Texas	1989	State of Texas	200	Medium	Correctional	Feb-07	(4) 1 year	97.97%

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 3/31/06
Eden Detention Center Eden, Texas	1990	BOP	1,225	Low	Correctional	Apr-06	(1) 1 year	115.18%
Houston Processing Center Houston, Texas	1984, 2005	ICE	905	Medium	Detention	Sep-06	(2) 1 year	87.29%
Laredo Processing Center Laredo, Texas	1985, 1990	ICE	258	Minimum/ Medium	Detention	Indefinite	-	98.09%
Webb County Detention Center Laredo, Texas	1998	USMS	480	Medium	Detention	Feb-07	-	108.88%
Mineral Wells Pre-Parole Transfer Facility Mineral Wells, Texas	1995	State of Texas	2,103	Minimum	Correctional	Feb-07	(4) 1 year	98.40%
T. Don Hutto Residential Center Taylor, Texas	1997	ICE	480	Non-secure	Detention	Indefinite	-	0.00%
D.C. Correctional Treatment Facility (P) Washington D.C.	1992	District of Columbia	1,500	Medium	Detention	Mar-17	-	77.77%
Total design capacity for Owned and Managed Facilities (39 Owned and Managed Facilities)			<u>45,203</u>					
Managed Only Facilities:								
Bay Correctional Facility Panama City, Florida	N/A	State of Florida	750	Medium	Correctional	Jun-07	-	99.50%
Bay County Jail and Annex Panama City, Florida	N/A	Bay County, FL	1,150	Multi	Detention	Sep-06	-	75.70%
Citrus County Detention Facility Lecanto, Florida	N/A	Citrus County, FL	400	Multi	Detention	Sep-15	(1) 5 year	104.54%
Gadsden Correctional Institution Quincy, Florida	N/A	State of Florida	1,136	Minimum/ Medium	Correctional	Jun-07	-	98.85%
Hernando County Jail Brooksville, Florida	N/A	Hernando County, FL	730	Multi	Detention	Oct-10	-	81.78%
Lake City Correctional Facility Lake City, Florida	N/A	State of Florida	893	Secure	Correctional	Jun-06	-	99.58%
Idaho Correctional Center Boise, Idaho	N/A	State of Idaho	1,270	Minimum/ Medium	Correctional	Jun-09	-	100.55%
Marion County Jail Indianapolis, Indiana	N/A	Marion County, IN	1,030	Multi	Detention	Dec-06	-	95.74%

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 3/31/06
Winn Correctional Center Winnfield, Louisiana	N/A	State of Louisiana	1,538	Medium/ Maximum	Correctional	Sep-06	(1) 2 year	104.80%
Delta Correctional Facility Greenwood, Mississippi	N/A	State of Mississippi	1,172	Minimum/ Medium	Correctional	Sep-06	(1) 1 year	93.15%
Wilkinson County Correctional Facility Woodville, Mississippi	N/A	State of Mississippi	1,000	Medium	Correctional	Sep-07	(2) 1 year	91.41%
Elizabeth Detention Center Elizabeth, New Jersey	N/A	ICE	300	Minimum	Detention	Sep-08	(5) 3 year	101.99%
Silverdale Facilities Chattanooga, Tennessee	N/A	Hamilton County, TN	918	Multi	Detention	Jan-08	Indefinite	88.20%
South Central Correctional Center Clifton, Tennessee	N/A	State of Tennessee	1,676	Medium	Correctional	Jul-07	-	97.26%
Metro-Davidson County Detention Facility Nashville, Tennessee	N/A	Davidson County, TN	1,092	Multi	Detention	Jul-06	(2) 1 year	91.13%
Hardeman County Correctional Facility Whiteville, Tennessee	N/A	State of Tennessee	2,016	Medium	Correctional	May-06	(4) 3 year	97.41%
B. M. Moore Correctional Center Overton, Texas	N/A	State of Texas	500	Minimum/ Medium	Correctional	Jan-07	(2) 1 year	99.65%
Bartlett State Jail Bartlett, Texas	N/A	State of Texas	1,001	Minimum/ Medium	Correctional	Jan-07	(4) 1 year	99.85%
Bradshaw State Jail Henderson, Texas	N/A	State of Texas	1,980	Minimum/ Medium	Correctional	Jan-07	(4) 1 year	99.69%
Dawson State Jail Dallas, Texas	N/A	State of Texas	2,216	Minimum/ Medium	Correctional	Jan-07	(4) 1 year	98.26%
Diboll Correctional Center Diboll, Texas	N/A	State of Texas	518	Minimum/ Medium	Correctional	Jan-07	(2) 1 year	99.93%
Liberty County Jail/Juvenile Center Liberty, Texas	N/A	Liberty County, Texas	380	Multi	Detention	Jan-07	(1) 3 year	88.12%

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 3/31/06
Lindsey State Jail Jacksboro, Texas	N/A	State of Texas	1,031	Minimum/ Medium	Correctional	Jan-07	(4) 1 year	99.38%
Willacy State Jail Raymondville, Texas	N/A	State of Texas	1,069	Minimum/ Medium	Correctional	Jan-07	(4) 1 year	98.73%
Total design capacity for Managed Only Facilities (24 Managed Only Facilities)			<u>25,766</u>					
Total design capacity for All Facilities			<u><u>70,969</u></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	Feb-07	-	N/A
Community Education Partners (Q) 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, 2006. 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. The construction on the remaining 1,251 beds was completed and available for use in October 2005. 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) 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.

(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. During October 2005, we completed an amendment to extend the

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 3/31/06</u>
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amortization period through 2035, which could be further extended to 2050 in the event we expand the facility by at least 200 beds.

(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.

(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.

(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 until the first quarter of 2006. During the first quarter of 2006, we reopened the North Fork Correctional Facility by transferring Vermont inmates from another one of our owned and operated facilities. 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.

(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.

(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) 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.

(Q) 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.

DIVERSIFICATION OF REVENUE

(Unaudited and amounts in thousands)

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Customer	Management Revenue For the Three Months Ended March 31, 2006	Percent of Management Revenue For the Three Months Ended March 31, 2006
Bureau of Prisons	\$ 51,023	16.38%
United States Marshals	47,723	15.32%
United States Immigration and Customs Enforcement	25,541	8.20%
Texas	23,587	7.57%
Tennessee	18,153	5.83%
Florida	15,081	4.84%
Colorado	14,942	4.80%
Georgia	12,860	4.13%
Hawaii	7,919	2.54%
Oklahoma	7,728	2.48%
	<u>\$ 224,557</u>	<u>72.11%</u>
Total Management Revenue	<u>\$ 311,430</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-	Ba3

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