



CORRECTIONS CORPORATION OF AMERICA

**Supplemental Financial Information
For the Quarter Ended March 31, 2009**

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, 2009**

TABLE OF CONTENTS

Consolidated Balance Sheets	1
Consolidated Statements of Operations	2
Reconciliation of Basic to Diluted Earnings Per Share	4
Selected Financial Information	5
Analysis of Outstanding Debt	8
Selected Operating Ratios	9
Facility Portfolio	10
Diversification of Revenue	16
Research Coverage / Credit Ratings	17

John D. Ferguson, Chief Executive Officer
Todd J Mullenger, Chief Financial Officer
10 Burton Hills Boulevard
Nashville, TN 37215
Tel.: (615) 263-3000 Fax: (615) 263-3010

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

1 of 17

ASSETS	March 31, 2009	December 31, 2008	September 30, 2008	June 30, 2008	March 31, 2008
Cash and cash equivalents	\$ 44,048	\$ 34,077	\$ 28,736	\$ 14,287	\$ 50,470
Accounts receivable, net of allowance	261,226	264,336	242,732	246,618	231,547
Deferred tax assets	14,359	16,108	14,789	12,843	14,916
Prepaid expenses and other current assets	15,891	23,778	20,717	24,423	13,584
Assets held for sale	-	-	-	-	7,578
Total current assets	<u>335,524</u>	<u>338,299</u>	<u>306,974</u>	<u>298,171</u>	<u>318,095</u>
Property and equipment, net	2,478,612	2,478,824	2,456,949	2,370,892	2,231,354
Restricted cash	6,732	6,710	6,669	6,628	6,580
Investment in direct financing lease	13,120	13,414	13,698	13,975	14,243
Goodwill	13,672	13,672	13,672	13,672	13,672
Other assets	<u>19,621</u>	<u>20,455</u>	<u>21,907</u>	<u>22,850</u>	<u>22,781</u>
Total assets	<u>\$ 2,867,281</u>	<u>\$ 2,871,374</u>	<u>\$ 2,819,869</u>	<u>\$ 2,726,188</u>	<u>\$ 2,606,725</u>
LIABILITIES AND STOCKHOLDERS' EQUITY					
Accounts payable and accrued expenses	\$ 173,042	\$ 191,083	\$ 219,587	\$ 244,517	\$ 207,471
Income taxes payable	11,574	450	8,905	6,632	11,450
Current portion of long-term debt	<u>290</u>	<u>290</u>	<u>290</u>	<u>290</u>	<u>290</u>
Total current liabilities	184,906	191,823	228,782	251,439	219,211
Long-term debt, net of current portion	1,264,781	1,192,632	1,155,460	1,085,532	1,045,605
Deferred tax liabilities	71,109	68,349	42,884	41,703	39,338
Other liabilities	<u>39,016</u>	<u>38,211</u>	<u>39,505</u>	<u>39,018</u>	<u>39,392</u>
Total liabilities	<u>1,559,812</u>	<u>1,491,015</u>	<u>1,466,631</u>	<u>1,417,692</u>	<u>1,343,546</u>
Commitments and contingencies					
Common stock - \$0.01 par value	1,151	1,247	1,256	1,253	1,250
Additional paid-in capital	1,468,786	1,576,177	1,589,572	1,582,724	1,574,937
Retained deficit	<u>(162,468)</u>	<u>(197,065)</u>	<u>(237,590)</u>	<u>(275,481)</u>	<u>(313,008)</u>
Total stockholders' equity	<u>1,307,469</u>	<u>1,380,359</u>	<u>1,353,238</u>	<u>1,308,496</u>	<u>1,263,179</u>
Total liabilities and stockholders' equity	<u>\$ 2,867,281</u>	<u>\$ 2,871,374</u>	<u>\$ 2,819,869</u>	<u>\$ 2,726,188</u>	<u>\$ 2,606,725</u>

CONSOLIDATED STATEMENTS OF OPERATIONS

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

	For the Three Months Ended March 31,		For the Twelve Months Ended December 31,
	2009	2008	2008
REVENUE:			
Management:			
Federal	\$ 160,115	\$ 151,794	\$ 628,892
State	211,761	193,466	820,104
Local	15,968	15,856	65,442
Other	14,559	14,918	60,149
Total management revenue	<u>402,403</u>	<u>376,034</u>	<u>1,574,587</u>
Transportation	1,147	2,692	6,908
Rental	582	638	2,576
Other	22	47	98
	<u>404,154</u>	<u>379,411</u>	<u>1,584,169</u>
EXPENSES:			
Operating:			
Facility fixed	213,110	197,386	816,596
Facility variable	68,398	66,285	276,677
Transportation	2,534	4,591	15,463
Other	755	630	3,943
Total operating expenses	<u>284,797</u>	<u>268,892</u>	<u>1,112,679</u>
General and administrative	19,771	19,553	80,308
Depreciation and amortization	24,644	21,316	90,555
	<u>329,212</u>	<u>309,761</u>	<u>1,283,542</u>
OPERATING INCOME	<u>74,942</u>	<u>69,650</u>	<u>300,627</u>
OTHER EXPENSE:			
Interest expense, net	17,935	13,650	59,404
Other expenses	26	94	292
	<u>17,961</u>	<u>13,744</u>	<u>59,696</u>
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	56,981	55,906	240,931
Income tax expense	<u>(21,595)</u>	<u>(21,430)</u>	<u>(90,933)</u>
INCOME FROM CONTINUING OPERATIONS	35,386	34,476	149,998
Income (loss) from discontinued operations, net of taxes	<u>(789)</u>	<u>522</u>	<u>943</u>
NET INCOME	<u>\$ 34,597</u>	<u>\$ 34,998</u>	<u>\$ 150,941</u>
BASIC EARNINGS PER SHARE	<u>\$ 0.29</u>	<u>\$ 0.28</u>	<u>\$ 1.21</u>
DILUTED EARNINGS PER SHARE	<u>\$ 0.29</u>	<u>\$ 0.28</u>	<u>\$ 1.20</u>

CONSOLIDATED STATEMENTS OF OPERATIONS

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

	As Adjusted for Discontinued Operations			
	For the Three Months Ended			
	March 31, 2008	June 30, 2008	September 30, 2008	December 31, 2008
REVENUE:				
Management:				
Federal	\$ 151,794	\$ 156,484	\$ 158,656	\$ 161,958
State	193,466	200,347	211,010	215,281
Local	15,856	16,170	16,790	16,626
Other	14,918	15,225	15,082	14,924
Total management revenue	<u>376,034</u>	<u>388,226</u>	<u>401,538</u>	<u>408,789</u>
Transportation	2,692	1,462	1,563	1,191
Rental	638	638	650	650
Other	47	22	6	23
	<u>379,411</u>	<u>390,348</u>	<u>403,757</u>	<u>410,653</u>
EXPENSES:				
Operating:				
Facility fixed	197,386	197,939	212,434	208,837
Facility variable	66,285	69,850	68,502	72,040
Transportation	4,591	4,001	4,110	2,761
Other	630	2,914	197	202
Total operating expenses	<u>268,892</u>	<u>274,704</u>	<u>285,243</u>	<u>283,840</u>
General and administrative	19,553	19,803	20,866	20,086
Depreciation and amortization	21,316	21,806	23,251	24,182
	<u>309,761</u>	<u>316,313</u>	<u>329,360</u>	<u>328,108</u>
OPERATING INCOME	<u>69,650</u>	<u>74,035</u>	<u>74,397</u>	<u>82,545</u>
OTHER (INCOME) EXPENSE:				
Interest expense, net	13,650	13,934	15,087	16,733
Other (income) expenses	94	(89)	(314)	601
	<u>13,744</u>	<u>13,845</u>	<u>14,773</u>	<u>17,334</u>
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	55,906	60,190	59,624	65,211
Income tax expense	<u>(21,430)</u>	<u>(22,922)</u>	<u>(21,862)</u>	<u>(24,719)</u>
INCOME FROM CONTINUING OPERATIONS	34,476	37,268	37,762	40,492
Income from discontinued operations, net of taxes	<u>522</u>	<u>259</u>	<u>129</u>	<u>33</u>
NET INCOME	<u>\$ 34,998</u>	<u>\$ 37,527</u>	<u>\$ 37,891</u>	<u>\$ 40,525</u>
BASIC EARNINGS PER SHARE	<u>\$ 0.28</u>	<u>\$ 0.30</u>	<u>\$ 0.30</u>	<u>\$ 0.32</u>
DILUTED EARNINGS PER SHARE	<u>\$ 0.28</u>	<u>\$ 0.30</u>	<u>\$ 0.30</u>	<u>\$ 0.32</u>

RECONCILIATION OF BASIC TO DILUTED EARNINGS PER SHARE

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

	For the Three Months Ended March 31,		For the Twelve
	2009	2008	Months Ended
			December 31,
			2008
Basic:			
Income from continuing operations	\$ 35,386	\$ 34,476	\$ 149,998
Income (loss) from discontinued operations, net of taxes	(789)	522	943
Net income	<u>\$ 34,597</u>	<u>\$ 34,998</u>	<u>\$ 150,941</u>
Diluted:			
Income from continuing operations	\$ 35,386	\$ 34,476	\$ 149,998
Income (loss) from discontinued operations, net of taxes	(789)	522	943
Diluted net income	<u>\$ 34,597</u>	<u>\$ 34,998</u>	<u>\$ 150,941</u>
Basic:			
Weighted average common shares outstanding	120,326	124,727	125,192
Unvested restricted common stock	(529)	(703)	(728)
Weighted average common shares outstanding-basic	<u>119,797</u>	<u>124,024</u>	<u>124,464</u>
Diluted:			
Weighted average common shares outstanding-basic	119,797	124,024	124,464
Effect of dilutive securities:			
Stock options and warrants	611	1,857	1,536
Restricted stock-based compensation	149	219	250
Weighted average shares and assumed conversions-diluted	<u>120,557</u>	<u>126,100</u>	<u>126,250</u>
Basic earnings per share:			
Income from continuing operations	\$ 0.30	\$ 0.28	\$ 1.20
Income (loss) from discontinued operations, net of taxes	(0.01)	-	0.01
Net income	<u>\$ 0.29</u>	<u>\$ 0.28</u>	<u>\$ 1.21</u>
Diluted earnings per share:			
Income from continuing operations	\$ 0.29	\$ 0.28	\$ 1.19
Income (loss) from discontinued operations, net of taxes	-	-	0.01
Net income	<u>\$ 0.29</u>	<u>\$ 0.28</u>	<u>\$ 1.20</u>

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

	<u>March 31, 2009</u>	<u>December 31, 2008</u>	<u>September 30, 2008</u>	<u>June 30, 2008</u>	<u>March 31, 2008</u>
BALANCE SHEET:					
Property and equipment	\$ 3,102,821	\$ 3,078,214	\$ 3,035,753	\$ 2,925,509	\$ 2,761,445
Accumulated depreciation and amortization	(624,209)	(599,390)	(578,804)	(554,617)	(530,091)
Property and equipment, net	<u>\$ 2,478,612</u>	<u>\$ 2,478,824</u>	<u>\$ 2,456,949</u>	<u>\$ 2,370,892</u>	<u>\$ 2,231,354</u>
Total assets	\$ 2,867,281	\$ 2,871,374	\$ 2,819,869	\$ 2,726,188	\$ 2,606,725
Maintenance & technology capital expenditures for the quarter ended	\$ 10,312	\$ 12,268	\$ 7,861	\$ 7,054	\$ 8,138
Total debt	\$ 1,265,071	\$ 1,192,922	\$ 1,155,750	\$ 1,085,822	\$ 1,045,895
Equity book value	\$ 1,307,469	\$ 1,380,359	\$ 1,353,238	\$ 1,308,496	\$ 1,263,179
LIQUIDITY:					
Cash and cash equivalents	\$ 44,048	\$ 34,077	\$ 28,736	\$ 14,287	\$ 50,470
Availability under revolving credit facility	\$ 119,028	\$ 191,250	\$ 237,208	\$ 306,368	\$ 345,117
CAPITALIZATION:					
Common shares outstanding	115,149	124,673	125,597	125,302	124,965
Common share price at end of period	\$ 12.81	\$ 16.36	\$ 24.85	\$ 27.47	\$ 27.52
Market value of common equity at end of period	<u>\$ 1,475,059</u>	<u>\$ 2,039,650</u>	<u>\$ 3,121,085</u>	<u>\$ 3,442,046</u>	<u>\$ 3,439,037</u>
Total equity market capitalization	<u>\$ 1,475,059</u>	<u>\$ 2,039,650</u>	<u>\$ 3,121,085</u>	<u>\$ 3,442,046</u>	<u>\$ 3,439,037</u>
Total market capitalization (market value of equity plus debt)	<u>\$ 2,740,130</u>	<u>\$ 3,232,572</u>	<u>\$ 4,276,835</u>	<u>\$ 4,527,868</u>	<u>\$ 4,484,932</u>
EBITDA	\$ 99,560	\$ 106,126	\$ 97,962	\$ 95,930	\$ 90,872
ADJUSTED FREE CASH FLOW	\$ 73,021	\$ 64,986	\$ 61,953	\$ 56,404	\$ 72,659
ADJUSTED FREE CASH FLOW PER SHARE:					
Basic adjusted free cash flow per share	<u>\$ 0.61</u>	<u>\$ 0.52</u>	<u>\$ 0.50</u>	<u>\$ 0.45</u>	<u>\$ 0.59</u>
Diluted adjusted free cash flow per share	<u>\$ 0.61</u>	<u>\$ 0.52</u>	<u>\$ 0.49</u>	<u>\$ 0.45</u>	<u>\$ 0.58</u>

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

	For the Three Months Ended March 31, 2009	2008	For the Twelve Months Ended December 31, 2008
Number of days per period	90	91	366
ALL FACILITIES:			
Average available beds	85,528	75,731	78,512
Average compensated occupancy	89.4%	97.0%	95.5%
Total compensated man-days	6,884,021	6,682,227	27,438,974
Revenue per compensated man-day	\$ 58.45	\$ 56.27	\$ 57.39
Operating expenses per compensated man-day:			
Fixed expense	30.96	29.54	29.76
Variable expense	9.94	9.92	10.08
Total	40.90	39.46	39.84
Operating margin per compensated man-day	\$ 17.55	\$ 16.81	\$ 17.55
Operating margin rate	30.0%	29.9%	30.6%
DEPRECIATION AND AMORTIZATION:			
Depreciation expense on real estate	16,292	13,405	58,503
Other depreciation expense	9,355	9,077	36,715
Amortization of negative contract values	(1,003)	(1,166)	(4,663)
Depreciation and amortization	\$ 24,644	\$ 21,316	\$ 90,555
ADJUSTED FREE CASH FLOW:			
Income from continuing operations before income taxes	\$ 56,981	\$ 55,906	\$ 240,931
Income taxes paid	(245)	(376)	(54,914)
Depreciation and amortization	24,644	21,316	90,555
Depreciation and amortization for discontinued operations	4	96	906
Income (loss) from discontinued operations, net of taxes	(789)	522	943
Income tax expense (benefit) for discontinued operations	(481)	320	546
Stock-based compensation reflected in G&A expenses	2,325	2,020	8,544
Amortization of debt costs and other non-cash interest	894	993	3,812
Maintenance and technology capital expenditures	(10,312)	(8,138)	(35,321)
Adjusted free cash flow	\$ 73,021	\$ 72,659	\$ 256,002
ADJUSTED FREE CASH FLOW PER SHARE:			
Basic	\$ 0.61	\$ 0.59	\$ 2.06
Diluted	\$ 0.61	\$ 0.58	\$ 2.03

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

	For the Three Months Ended March 31, 2009	2008	For the Twelve Months Ended December 31, 2008
MANAGED ONLY FACILITIES:			
Management revenue	\$ 84,743	\$ 85,067	\$ 345,248
Operating expenses:			
Fixed expense	54,740	54,746	219,888
Variable expense	19,065	19,497	75,238
Total	<u>73,805</u>	<u>74,243</u>	<u>295,126</u>
Contribution	<u>\$ 10,938</u>	<u>\$ 10,824</u>	<u>\$ 50,122</u>
Average available beds	<u>24,519</u>	<u>24,583</u>	<u>24,522</u>
Average compensated occupancy	<u>97.8%</u>	<u>97.1%</u>	<u>97.7%</u>
Total compensated man-days	<u>2,157,495</u>	<u>2,172,029</u>	<u>8,771,188</u>
Revenue per compensated man-day	\$ 39.28	\$ 39.16	\$ 39.36
Operating expenses per compensated man-day:			
Fixed expense	25.37	25.21	25.07
Variable expense	8.84	8.98	8.58
Total	<u>34.21</u>	<u>34.19</u>	<u>33.65</u>
Operating margin per compensated man-day	<u>\$ 5.07</u>	<u>\$ 4.97</u>	<u>\$ 5.71</u>
Operating margin rate	<u>12.9%</u>	<u>12.7%</u>	<u>14.5%</u>
OWNED AND MANAGED FACILITIES:			
Management revenue	\$ 317,660	\$ 290,967	\$ 1,229,339
Operating expenses:			
Fixed expense	158,370	142,640	596,708
Variable expense	49,333	46,788	201,439
Total	<u>207,703</u>	<u>189,428</u>	<u>798,147</u>
Contribution	<u>\$ 109,957</u>	<u>\$ 101,539</u>	<u>\$ 431,192</u>
Average available beds	<u>61,009</u>	<u>51,148</u>	<u>53,990</u>
Average compensated occupancy	<u>86.1%</u>	<u>96.9%</u>	<u>94.5%</u>
Total compensated man-days	<u>4,726,526</u>	<u>4,510,198</u>	<u>18,667,786</u>
Revenue per compensated man-day	\$ 67.21	\$ 64.51	\$ 65.85
Operating expenses per compensated man-day:			
Fixed	33.51	31.63	31.96
Variable	10.44	10.37	10.79
Total	<u>43.95</u>	<u>42.00</u>	<u>42.75</u>
Operating margin per compensated man-day	<u>\$ 23.26</u>	<u>\$ 22.51</u>	<u>\$ 23.10</u>
Operating margin rate	<u>34.6%</u>	<u>34.9%</u>	<u>35.1%</u>

ANALYSIS OF OUTSTANDING DEBT

(Unaudited and amounts in thousands)

	Outstanding Balance 12/31/2008	Outstanding Balance 3/31/2009	Stated Interest Rate	Effective Interest Rate ¹⁾	Maturity Date	Callable/ Redeemable
Fixed Rate:						
\$250.0 Million Senior Notes	250,000	250,000	7.50%	7.87%	May 2011	On or prior to May 1, 2006, 35% redeemable at 107.5% with proceeds from equity offerings; on or after May 1, 2007, 100% redeemable at various premium prices until May 1, 2009 at par
\$200.0 Million Senior Notes	200,677	200,605	7.50%	7.65%	May 2011	On or prior to May 1, 2006, 35% redeemable at 107.5% with proceeds from equity offerings; on or after May 1, 2007, 100% redeemable at various premium prices until May 1, 2009 at par
\$375.0 Million Senior Notes	375,000	375,000	6.25%	6.50%	March 2013	On or prior to March 15, 2008, 35% redeemable at 106.25% with proceeds from equity offerings; on or after March 15, 2009, 100% redeemable at various premium prices until March 15, 2011 at par
\$150.0 Million Senior Notes	150,000	150,000	6.75%	6.99%	January 2014	On or prior to January 31, 2009, 35% redeemable at 106.75% with proceeds from equity offerings; on or after January 31, 2010, 100% redeemable at various premium prices until January 31, 2012 at par
Total Fixed Rate Debt	<u>975,677</u>	<u>975,605</u>				
Floating Rate:						
Revolving Credit Facility	<u>217,245</u>	<u>289,466</u>	1.61%	1.81%	December 2012	
Grand Total Debt	<u>\$ 1,192,922</u>	<u>\$ 1,265,071</u>	5.77%	6.02%	3.3	³⁾

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

²⁾ The Company also has \$32.2 million of letters of credit outstanding under a sub-facility. Further, the Company was notified that Lehman's unfunded \$9.3 million commitment would no longer be funded by Lehman. Lehman's commitment has not been assumed by another party, which effectively reduces the Company's borrowing capacity under the Revolving Credit Facility to \$119.0 million. The Revolving Credit facility currently bears interest at LIBOR plus a margin of 0.75%.

³⁾ Represents the weighted average debt maturity in years.

Debt Maturity Schedule:

Year	Total Debt Maturing	% of Debt Maturing	% of Debt Maturing
2009	218	0.02%	0.02%
2010	290	0.02%	0.04%
2011	450,097	35.58%	35.62%
2012	289,466	22.88%	58.50%
2013	375,000	29.64%	88.14%
Thereafter	<u>150,000</u>	<u>11.86%</u>	<u>100.00%</u>
	<u>\$ 1,265,071</u>	<u>100.00%</u>	

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

9 of 17

	For the Three Months Ended March 31,		For the Twelve Months Ended December 31,
	2009	2008	2008
<u>COVERAGE RATIOS:</u>			
Interest coverage ratio (Adjusted EBITDA/Interest incurred) (x)	5.5	5.3	5.4
Fixed charge coverage ratio (Adjusted EBITDA/(Interest incurred + Scheduled prin pmts)) (x)	5.5	5.3	5.4
Senior debt coverage ratio (Senior debt/Annualized Adjusted EBITDA) (x)	3.2	2.9	3.1
Total debt coverage ratio (Total debt/Annualized Adjusted EBITDA) (x)	3.2	2.9	3.1
Accounts receivable turnover (Annualized revenues/Accounts receivable) (x)	6.2	6.6	6.0
<u>DEBT/EQUITY RATIOS:</u>			
Total debt/Total market capitalization	46.2%	23.3%	36.9%
Total debt/Equity market capitalization	85.8%	30.4%	58.5%
Total debt/Book equity capitalization	96.8%	82.8%	86.4%
Total debt/Gross book value of real estate assets	40.6%	37.6%	38.6%
<u>RETURN ON INVESTMENT RATIOS:</u>			
Annualized return on operating real estate investments (Annualized Adjusted EBITDA/Average operating real estate investments (undepreciated book value)*)	12.8%	13.5%	13.7%
Annualized return on total assets (Annualized Adjusted EBITDA/Average total assets (undepreciated book value)*)	11.4%	11.9%	12.1%
<u>OVERHEAD RATIOS:</u>			
Annualized general & administrative expenses/Average total assets (undepreciated book value)*	2.3%	2.6%	2.5%
General & administrative expenses/Total revenues	4.9%	5.2%	5.1%
<u>INTEREST EXPENSE, NET:</u>			
Interest income from continuing operations	\$ (625)	\$ (1,082)	\$ (3,372)
Interest incurred	17,969	17,300	72,490
Amortization of debt costs and other non-cash interest	894	993	3,812
Capitalized interest	(303)	(3,561)	(13,526)
Interest expense, net	<u>\$ 17,935</u>	<u>\$ 13,650</u>	<u>\$ 59,404</u>
<u>EBITDA CALCULATION:</u>			
Net income	\$ 34,597	\$ 34,998	\$ 150,941
Interest expense, net	17,935	13,650	59,404
Depreciation and amortization	24,644	21,316	90,555
Income tax expense	21,595	21,430	90,933
(Income) loss from discontinued operations, net of taxes	789	(522)	(943)
EBITDA	<u>\$ 99,560</u>	<u>\$ 90,872</u>	<u>\$ 390,890</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 3/31/09
Owned and Managed Facilities:								
Central Arizona Detention Center Florence, Arizona	1994, 1998	USMS	2,304	Multi	Detention	Sep-13	(3) 5 year	141.55%
Eloy Detention Center Eloy, Arizona	1995, 1996	ICE	1,500	Medium	Detention	Indefinite	-	100.92%
Florence Correctional Center Florence, Arizona	1999, 2004	State of California	1,824	Multi	Correctional	Jun-11	Indefinite	94.96%
La Palma Correctional Center Eloy, Arizona	2008	State of California	3,060	Medium	Correctional	Jun-11	Indefinite	70.32%
Red Rock Correctional Center Eloy, Arizona	2006	State of Alaska	1,596	Medium	Correctional	Jun-09	(5) 1 year	97.18%
Saguaro Correctional Facility Eloy, Arizona	2007	State of Hawaii	1,896	Medium	Correctional	Jun-09	(1) 2 year	100.03%
California City Correctional Center California City, California	1999	BOP	2,304	Medium	Correctional	Sep-09	(1) 1 year	113.61%
San Diego Correctional Facility (E) San Diego, California	1999, 2000	ICE	1,154	Minimum/ Medium	Detention	Jun-11	(4) 3 year	96.91%
Bent County Correctional Facility Las Animas, Colorado	1992, 1997, 2008	State of Colorado	1,420	Medium	Correctional	Jun-10	-	68.07%
Crowley County Correctional Facility Olney Springs, Colorado	1998, 2004	State of Colorado	1,794	Medium	Correctional	Jun-10	-	91.35%
Huerfano County Correctional Center (F) Walsenburg, Colorado	1997	State of Colorado	752	Medium	Correctional	Jun-09	(1) 1 year	87.79%
Kit Carson Correctional Center Burlington, Colorado	1998, 2008	State of Colorado	1,488	Medium	Correctional	Jun-10	-	71.98%
Coffee Correctional Facility (G) Nicholls, Georgia	1998, 1999	State of Georgia	1,524	Medium	Correctional	Jun-09	(20) 1 year	107.73%
McRae Correctional Facility McRae, Georgia	2000, 2002	BOP	1,524	Medium	Correctional	Nov-09	(3) 1 year	113.40%
Stewart Detention Center Lumpkin, Georgia	2004	ICE	1,752	Medium	Detention	Indefinite	-	103.16%
Wheeler Correctional Facility (G) Alamo, Georgia	1998, 1999	State of Georgia	1,524	Medium	Correctional	Jun-09	(20) 1 year	107.79%

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 3/31/09
Leavenworth Detention Center Leavenworth, Kansas	1992, 2000, 2004, 2008	USMS	1,033	Maximum	Detention	Dec-11	(3) 5 year	97.93%
Lee Adjustment Center Beattyville, Kentucky	1990	State of Vermont	816	Minimum/ Medium	Correctional	Jun-09	(2) 2 year	80.76%
Marion Adjustment Center St. Mary, Kentucky	1955, 1988	Commonwealth of Kentucky	826	Minimum	Correctional	Jun-09	(2) 2 year	98.70%
Otter Creek Correctional Center (H) Wheelwright, Kentucky	1993	Commonwealth of Kentucky	656	Minimum/ Medium	Correctional	Jul-09	(3) 2 year	90.38%
Prairie Correctional Facility Appleton, Minnesota	1991	State of Minnesota	1,600	Medium	Correctional	Jun-09	(3) 1 year	62.59%
Adams County Correctional Center (I) Adams County, Mississippi	2008	BOP	2,232	Medium	Correctional	4 years	(3) 2 year	0.00%
Tallahatchie County Correctional Facility (J) Tutwiler, Mississippi	2000, 2007, 2008	State of California	2,672	Medium	Correctional	Jun-11	Indefinite	76.92%
Crossroads Correctional Center (K) Shelby, Montana	1999	State of Montana	664	Multi	Correctional	Aug-09	(5) 2 year	94.00%
Cibola County Corrections Center Milan, New Mexico	1994, 1999	BOP	1,129	Medium	Correctional	Sep-09	(1) 1 year	100.91%
New Mexico Women's Correctional Facility Grants, New Mexico	1989, 2000	State of New Mexico	596	Multi	Correctional	Jun-09	-	97.71%
Torrance County Detention Facility Estancia, New Mexico	1990, 1997	USMS	910	Multi	Detention	Indefinite	-	50.59%
Northeast Ohio Correctional Center Youngstown, Ohio	1997	BOP	2,016	Medium	Correctional	May-09	(3) 2 year	98.54%
Queensgate Correctional Facility (L) Cincinnati, Ohio	1906	-	850	Medium	-	-	-	0.00%
Cimarron Correctional Facility (M) Cushing, Oklahoma	1997, 2008	State of Oklahoma	1,692	Medium	Correctional	Jun-09	-	50.72%
Davis Correctional Facility (M) Holdenville, Oklahoma	1996, 2008	State of Oklahoma	1,670	Medium	Correctional	Jun-09	-	65.05%
Diamondback Correctional Facility Watonga, Oklahoma	1998, 2000	State of Arizona	2,160	Medium	Correctional	May-10	(2) 1 year	99.80%
North Fork Correctional Facility Sayre, Oklahoma	1998, 2007	State of California	2,400	Medium	Correctional	Jun-11	Indefinite	61.55%

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 3/31/09
West Tennessee Detention Facility Mason, Tennessee	1990, 1996	USMS	600	Multi	Detention	Feb-10	-	85.88%
Shelby Training Center (N) Memphis, Tennessee	1986, 1995	-	200	Secure	-	-	-	0.00%
Whiteville Correctional Facility (O) Whiteville, Tennessee	1998	State of Tennessee	1,536	Medium	Correctional	Sep-09	(1) 1 year	96.93%
Bridgeport Pre-Parole Transfer Facility Bridgeport, Texas	1989	State of Texas	200	Medium	Correctional	Feb-10	(1) 1 year	99.97%
Eden Detention Center Eden, Texas	1990	BOP	1,422	Medium	Correctional	Apr-11	(3) 2 year	108.62%
Houston Processing Center Houston, Texas	1984, 2005	ICE	905	Medium	Detention	Mar-10	(4) 1 year	93.05%
Laredo Processing Center Laredo, Texas	1985, 1990	ICE	258	Minimum/ Medium	Detention	Indefinite	-	98.71%
Webb County Detention Center Laredo, Texas	1998	USMS	480	Medium	Detention	Nov-12	(1) 5 year	120.87%
Mineral Wells Pre-Parole Transfer Facility Mineral Wells, Texas	1995	State of Texas	2,103	Minimum	Correctional	Feb-10	(1) 1 year	96.10%
T. Don Hutto Residential Center Taylor, Texas	1997	ICE	512	Non-secure	Detention	Indefinite	-	100.00%
D.C. Correctional Treatment Facility (P) Washington D.C.	1992	District of Columbia	1,500	Medium	Detention	Mar-17	-	72.35%
Total design capacity for Owned and Managed Facilities (44 Owned and Managed Facilities)			<u>61,054</u>					
Managed Only Facilities:								
Bay Correctional Facility Panama City, Florida	N/A	State of Florida	985	Medium	Correctional	Jun-10	Indefinite	100.14%
Citrus County Detention Facility Lecanto, Florida	N/A	Citrus County, FL	760	Multi	Detention	Sep-15	Indefinite	73.49%
Gadsden Correctional Institution Quincy, Florida	N/A	State of Florida	1,520	Minimum/ Medium	Correctional	Jun-10	Indefinite	99.56%
Hernando County Jail Brooksville, Florida	N/A	Hernando County, FL	876	Multi	Detention	Oct-10	-	87.91%

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 3/31/09
Lake City Correctional Facility Lake City, Florida	N/A	State of Florida	893	Secure	Correctional	Jun-09	Indefinite	101.65%
Idaho Correctional Center Boise, Idaho	N/A	State of Idaho	1,270	Minimum/ Medium	Correctional	Jun-09	-	118.02%
Marion County Jail Indianapolis, Indiana	N/A	Marion County, IN	1,030	Multi	Detention	Dec-17	(1) 10 year	116.28%
Winn Correctional Center Winnfield, Louisiana	N/A	State of Louisiana	1,538	Medium/ Maximum	Correctional	Mar-11	-	95.05%
Delta Correctional Facility Greenwood, Mississippi	N/A	State of Mississippi	1,172	Minimum/ Medium	Correctional	Jul-09	-	91.54%
Wilkinson County Correctional Facility Woodville, Mississippi	N/A	State of Mississippi	1,000	Medium	Correctional	Jul-09	-	97.44%
Elizabeth Detention Center Elizabeth, New Jersey	N/A	ICE	300	Minimum	Detention	Sep-11	(4) 3 year	100.00%
Silverdale Facilities Chattanooga, Tennessee	N/A	Hamilton County, TN	1,046	Multi	Detention	Dec-08	Indefinite	75.54%
South Central Correctional Center Clifton, Tennessee	N/A	State of Tennessee	1,676	Medium	Correctional	Jun-10	(1) 2 year	97.06%
Metro-Davidson County Detention Facility Nashville, Tennessee	N/A	Davidson County, TN	1,092	Multi	Detention	Jul-09	-	97.34%
Hardeman County Correctional Facility Whiteville, Tennessee	N/A	State of Tennessee	2,016	Medium	Correctional	May-09	(3) 3 year	97.35%
Bartlett State Jail Bartlett, Texas	N/A	State of Texas	1,049	Minimum/ Medium	Correctional	Jan-10	(1) 1 year	99.65%
Bradshaw State Jail Henderson, Texas	N/A	State of Texas	1,980	Minimum/ Medium	Correctional	Jan-10	(1) 1 year	99.24%
Dawson State Jail Dallas, Texas	N/A	State of Texas	2,216	Minimum/ Medium	Correctional	Jan-10	(1) 1 year	98.52%

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 3/31/09</u>
Lindsey State Jail Jacksboro, Texas	N/A	State of Texas	1,031	Minimum/ Medium	Correctional	Jan-10	(1) 1 year	99.66%
Willacy State Jail Raymondville, Texas	N/A	State of Texas	1,069	Minimum/ Medium	Correctional	Jan-10	(1) 1 year	99.84%
Total design capacity for Managed Only Facilities (20 Managed Only Facilities)			<u>24,519</u>					
Total design capacity for All Facilities as of March 31, 2009			<u>85,573</u>					

Expansion and Development Projects:

<u>Facility Name</u>	<u>Estimated Completion</u>	<u>Potential Customer(s)</u>	<u>Design Capacity (B)</u>	<u>Project Description</u>
North Georgia Detention Center Hall County, GA	Third quarter 2009	ICE	502	New managed only facility
Nevada Southern Detention Center Pahrump, Nevada	Third quarter 2010	Office of the Federal Detention Trustee	1,072	New owned facility
Projected design capacity for All Facilities			<u>87,147</u>	

Leased Facilities:

Leo Chesney Correctional Center Live Oak, California	1989	Cornell Corrections	240	Minimum	Owned/Leased	Sep-10	-	N/A
Community Education Partners (Q) Houston, Texas	N/A	Community Education Partners	-	Non-secure	Owned/Leased	Jun-11	(2) 1 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, 2009. If, for example, a 1,000-bed facility housed 900 adult prisoners with sentences in excess of one year and 100 pre-trial detainees, the primary functional category to which it would be assigned would be that of correction facilities and not detention facilities. It should be understood that the primary functional category to which multi-user facilities are assigned may change from time to time.

(D) Remaining renewal options represents the number of renewal options, if applicable, and the remaining term of each option renewal.

(E) 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.

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 3/31/09
<p>(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. In March 2009, we were awarded a contract with the state of Arizona to manage up to 752 Arizona inmates at the Huerfano facility. The contract includes an initial term ending March 2010 and may be renewed by mutual agreement for four consecutive terms of one year each. During April 2009, all Colorado inmates at Huerfano were relocated to our other three Colorado facilities and we are currently in the process of receiving inmates from the state of Arizona at the Huerfano facility.</p> <p>(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.</p> <p>(H) The facility is subject to a deed of conveyance with the city of Wheelwright, KY which includes provisions that would allow assumption of ownership by the city of Wheelwright under the following occurrences: (1) we cease to operate the facility for more than two years, (2) our failure to maintain at least one employee for a period of sixty consecutive days, or (3) a conversion to a maximum security facility based upon classification by the Kentucky Corrections Cabinet.</p> <p>(I) In April 2009, we were awarded a contract with the Federal Bureau of Prisons to house up to 2,567 federal inmates at our Adams County Correctional Center. The four-year contract, awarded as part of the Criminal Alien Requirement 8 Solicitation, provides for up to three two-year renewal options.</p> <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 originally over a 20 year period, and which amortization period was extended through 2050 in connection with an expansion completed during the fourth quarter of 2007.</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 sum of a pre-determined portion of per-diem payments made to us by the state of Montana.</p> <p>(L) During December 2008, we were notified by Hamilton County, Ohio of its intent to terminate the lease for the 850-bed Queensgate Correctional Facility. We believe the County elected to terminate the lease effective January 1, 2009, due to funding issues experienced by the County.</p> <p>(M) The facility is subject to a purchase option held by the Oklahoma Department of Corrections, or ODC, which grants the ODC the right to purchase the facility at its fair market value at any time.</p> <p>(N) Under the terms of a ground lease with Shelby County, 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. During the second quarter of 2008, Shelby County elected to terminate the ground lease. During the fourth quarter of 2008, we completed the purchase of the land for \$150,000 and we are currently evaluating strategies to maximize the value of the Shelby Training Center.</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) 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)

16 of 17

Customer	Management Revenue For the Three Months Ended March 31, 2009	Percent of Management Revenue For the Three Months Ended March 31, 2009
United States Marshals	\$ 57,450	14.28%
United States Immigration and Customs Enforcement	52,230	12.98%
Bureau of Prisons	50,435	12.53%
California	38,648	9.60%
Texas	22,039	5.48%
Colorado	20,678	5.14%
Tennessee	19,119	4.75%
Florida	14,796	3.68%
Georgia	12,908	3.21%
Arizona	11,534	2.87%
	<u>\$ 299,837</u>	<u>74.51%</u>
Total Management Revenue	<u>\$ 402,403</u>	<u>100.00%</u>

RESEARCH / ANALYST COVERAGEEquity Research Coverage:

Avondale Partners	Kevin Campbell	(615) 467-3521
First Analysis Corporation	Todd Van Fleet	(312) 258-1400
Barclays Capital	Manav Patnaik	(212) 526-2983
Macquarie Research	H. Cooley May	(212) 231-2586
Davenport & Company LLC	Clinton Fendley	(804) 780-2151
RBC Capital Markets	Jamie Sullivan	(212) 428-6465

Debt Research Coverage:

Barclays Capital	Emily Shanks	(212) 526-6403
SG Cowen Securities Corporation	Brad E. Eilert	(212) 278-5290

Rating Agency Coverage:

Moody's Investors Service	Christopher Wimmer	(212) 553-2947
Standard & Poor's	Gerald Phelan	(312) 233-7031

Credit Ratings:

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

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.