America's Leader in Partnership Corrections

Third Quarter 2014 Investor Presentation

November 2014

Forward-Looking Statements

As defined within the Private Securities Litigation Reform Act of 1995, certain statements herein may be considered forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from the statements made.

Factors that could cause operating and financial results to differ are described in the Company's Form 10-K, as well as in other documents filed with the Securities and Exchange Commission. These include, but are not limited to, the risks and uncertainties associated with general economic and market conditions, including the impact governmental budgets can have on our per diem rates and occupancy; fluctuations in operating results because of, among other things, changes in occupancy levels, competition, increases in costs of operations, fluctuations in interest rates, and risks of operations; changes in the privatization of the corrections and detention industry and the public acceptance of our services; our ability to obtain and maintain correctional facility management contracts, including, but not limited to, sufficient governmental appropriations, contract compliance, effects of inmate disturbances, and the timing of the opening of new facilities and the commencement of new management contracts as well as our ability to utilize current available beds and new capacity as development and expansion projects are completed; increases in costs to develop or expand correctional facilities that exceed original estimates, or the inability to complete such projects on schedule as a result of various factors, many of which are beyond our control, such as weather, labor conditions, and material shortages, resulting in increased construction costs; changes in government policy and in legislation and regulation of the corrections and detention industry that affect our business, including, but not limited to, California's utilization of out-of-state private correctional capacity, and the impact of any changes to immigration reform and sentencing laws (Our policy prohibits us from engaging in lobbying or advocacy efforts that would influence enforcement efforts, parole standards, criminal laws, and sentencing policies.); our ability to meet and maintain qualification for taxation as a real estate investment trust ("REIT"); and the availability of debt and equity financing on terms that are favorable to us.

The Company does not undertake any obligation to publicly release or otherwise disclose the result of any revisions to forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Attractive Investment Characteristics

- Attractive dividend
  - $0.51 quarterly dividend; $2.04 annualized, or ≈5.6% as of October 31, 2014
  - Increased quarterly dividend rate in Q1 2014 by 6.25% from Q4 2013
- Stable cash flows
  - Cash flows grew throughout economic crisis and subsequent downturn
- Only 10% of the $80[(1)] billion U.S. corrections market is privatized
  - Market penetration has increased: ≈ 7% in 2002 to ≈ 10% in 2013
  - Potential to increase further
- Significant growth and value creation potential
  - Overcrowding, need for cost savings, population growth and aging public facilities
    - Utilizing available bed capacity adds ≈ $0.75 – $0.80 to EPS & AFFO per diluted share [(2)]
      - Limited cap-ex required to reactivate idle capacity (already bought and paid for)
    - Build-to-suit
    - Acquire existing facilities
    - Replace aging public prisons
- Strong balance sheet supports growth
  - 3.2x leverage; 9.2x fixed charge coverage ratio, low cost of debt capital, BB+/BA1 ratings[(3)]

(1) BJS: Justice Expenditures & Employment Extracts 2010
(2) Refer to Appendix Section for illustration and explanation
(3) Leverage = Total debt/Annualized Adjusted EBITDA and Fixed Charge Coverage = Adjusted EBITDA/ (Interest incurred + Scheduled principal payments). – Refer to Appendix Section of this presentation for a reconciliation to EBITDA and Adjusted EBITDA

About CCA

Who We Are

- Established in 1983, CCA owns and operates minimum, medium and maximum-security level correctional facilities as well as residential re-entry facilities
- Converted to a REIT effective January 1, 2013
  - Real Estate is an essential core of our business
    - Over 14 million square feet in 52 owned/controlled facilities containing nearly 70,000 beds
    - 75+ year economic useful life
      - Young and well-maintained portfolio: 17 year median age
      - Modest annual real estate maintenance cap-ex ≈ 5% of NOI
    - Land & buildings comprise ≈ 90% of gross fixed assets
    - Nearly 6,000 acres of land, of which about 1,450 acres is undeveloped
    - Over 95% of our $125.8 million of Q3 2014 NOI[(1)] was generated by our owned/controlled facilities
  - Included in Major REIT Indices – FTSE NAREIT Equity Index, Morgan Stanley Global Real Estate Index and Dow Jones Global Real Estate Index

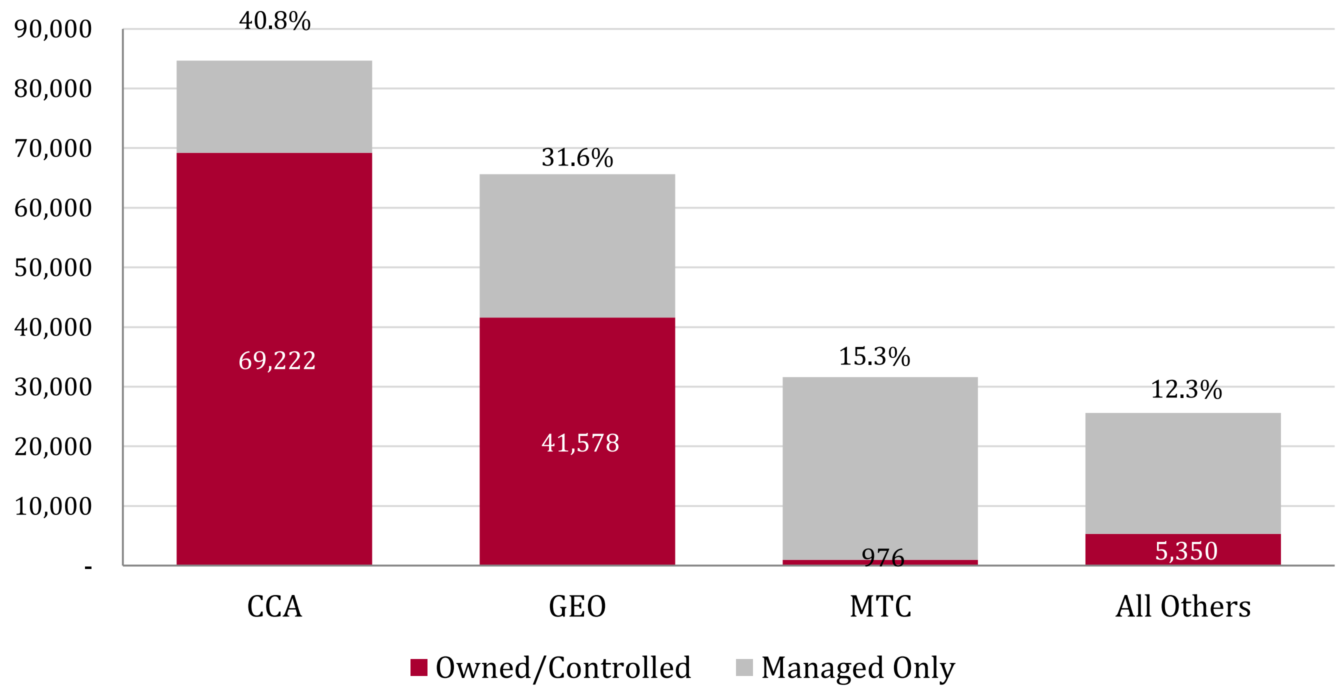
(1) Please refer to the Appendix section of this presentation for a reconciliation to NOI.

Who We Are

- Fifth largest correctional system in the United States – Public or Private
  - Largest private owner & operator in U.S.
- Currently 64 facilities located in 19 states and the District of Columbia
  - Owned/Controlled and Operate 49 facilities
  - Operate 12 facilities owned by our government partners
  - Lease 3 facilities to third-party operators
- Clear leader with ≈ 41% market share of all private prison beds in the U.S., owning/controlling ≈ 60% of all privately owned/controlled beds

Clear Industry Leader

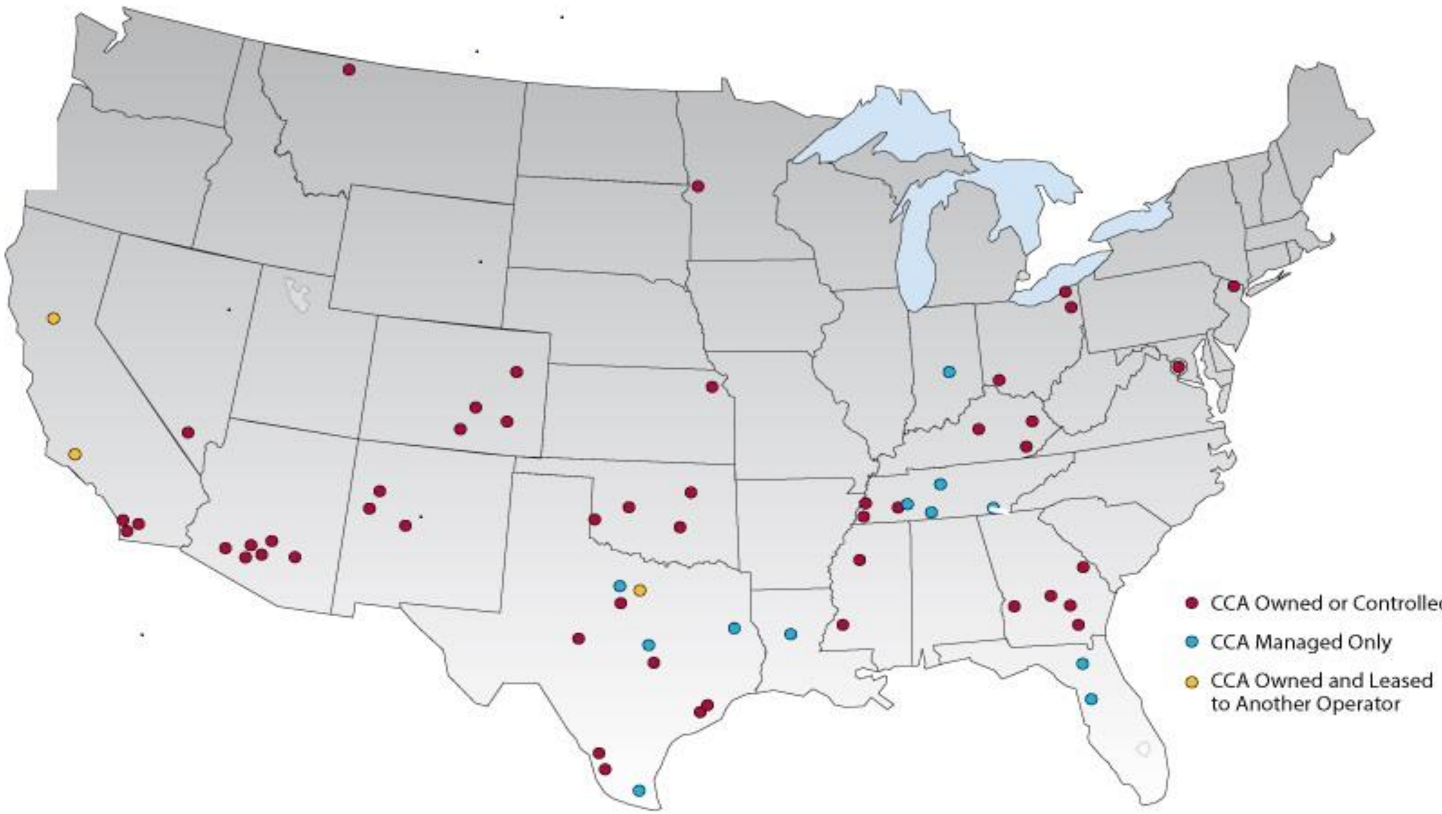
CCA is the clear leader of private prisons, with about 41% of the private corrections market in the United States and nearly 60% of all privately owned/controlled corrections and detention beds in the United States.



CCA *Total Capacity at September 30, 2014*
GEO *As reported on company supplemental financial information July 2014*
MTC *As reported on company website or other public sources July 2014*
All others *As reported on company websites, brochures or other public sources July 2014*

National Portfolio with Geographic Diversity

- We have 52 Owned/controlled facilities and 12 managed-only facilities located in 19 states and the District of Columbia
- We currently have 3 facilities under development with design capacity for 6,444 additional beds

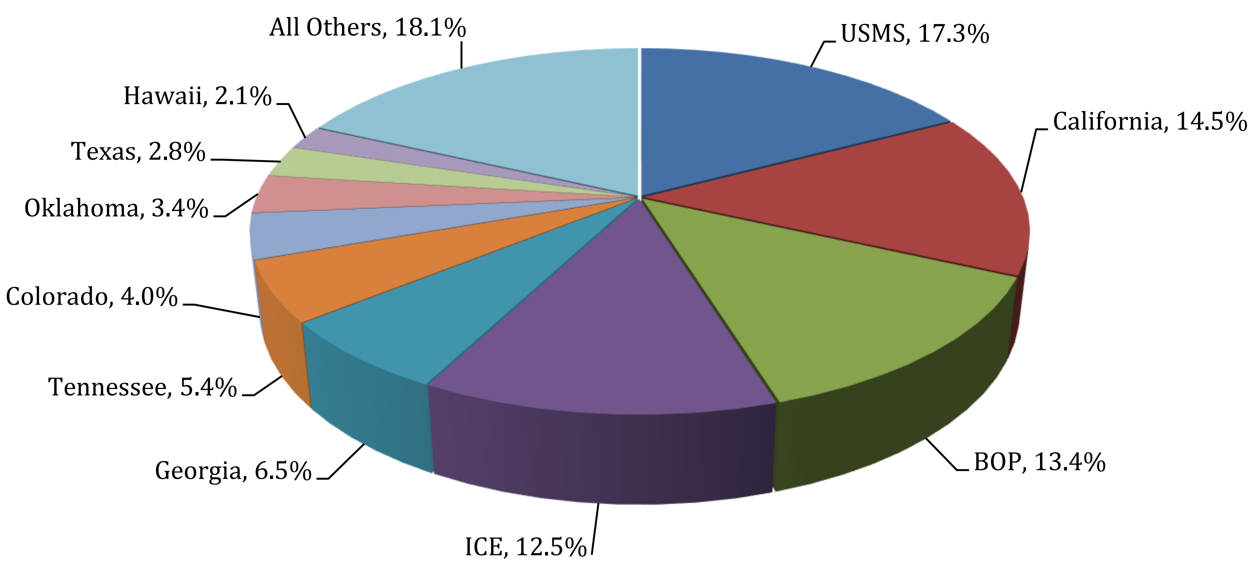


Portfolio as of September 30, 2014.

High Quality, Diverse Customer Base

- ≈ 85 agreements with federal, state, and local agencies
  - Further diversification within federal agency customers:
    - > 100 potential customers within federal agencies: 94 U.S. Marshal districts; 24 ICE field offices; and the Federal Bureau of Prisons
    - Staggered expirations; most customers have multiple contracts

Percentage of Revenue for the Nine Months Ended September 30, 2014



The Value CCA Provides to Government Partners and Taxpayers

- *Prison Break – A New Approach to Public Cost and Safety*, a recent Policy Report indicates short- and long-term savings by governments can be achieved by contracting with the private sector without sacrificing quality [1]
  - Savings can fund programs to reduce population growth and recidivism, or direct funds to schools, roads, and other government services
- CCA also pays property taxes
- Stems the growth of future pension obligations for government partners
- Just-in-time inventory of beds, doesn't require planning and funding development for future growth
- Efficiency with government oversight
- Reduces overcrowding, thereby reducing the risk of incidents

(1) A Policy Report issued by the Independent Institute in June 2014. This study received funding by members of the private corrections industry.

The Value CCA Provides to Government Partners and Taxpayers

Cost savings are achieved through:

- Operational Cost Savings

	Operating Cost Per Day in Government Facility(1)	Real Estate Cost Per Day	Total Government-Run Cost Per Day	CCA Average Owned Per Diem(2)	Percent Savings
BOP	$73.00	$12.00	$85.00	$69.65	18.1%
California	$128.00	$12.00	$140.00	$69.65	50.3%
Colorado	$70.00	$12.00	$82.00	$69.65	15.1%

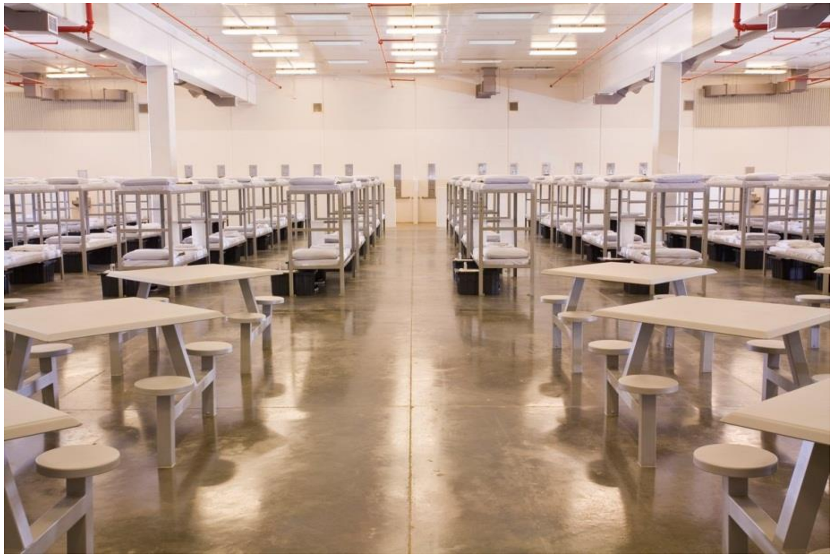
(1) Operating Costs as reported by agency, DOES NOT INCLUDE THE COST OF REAL ESTATE OF ABOUT $12.00 - $20.00 PER DAY.
(2) CCA Average Owned Per Diem for the quarter ended September 30, 2014.

- Avoiding large capital investment
  - Freeing up capital for other public works projects

	CCA	Government Agencies
Total Cost per 1,000 beds	$55 to $65 million	$80 to $250 million
Average Length of Construction	1 - 3 years	3 - 7 years

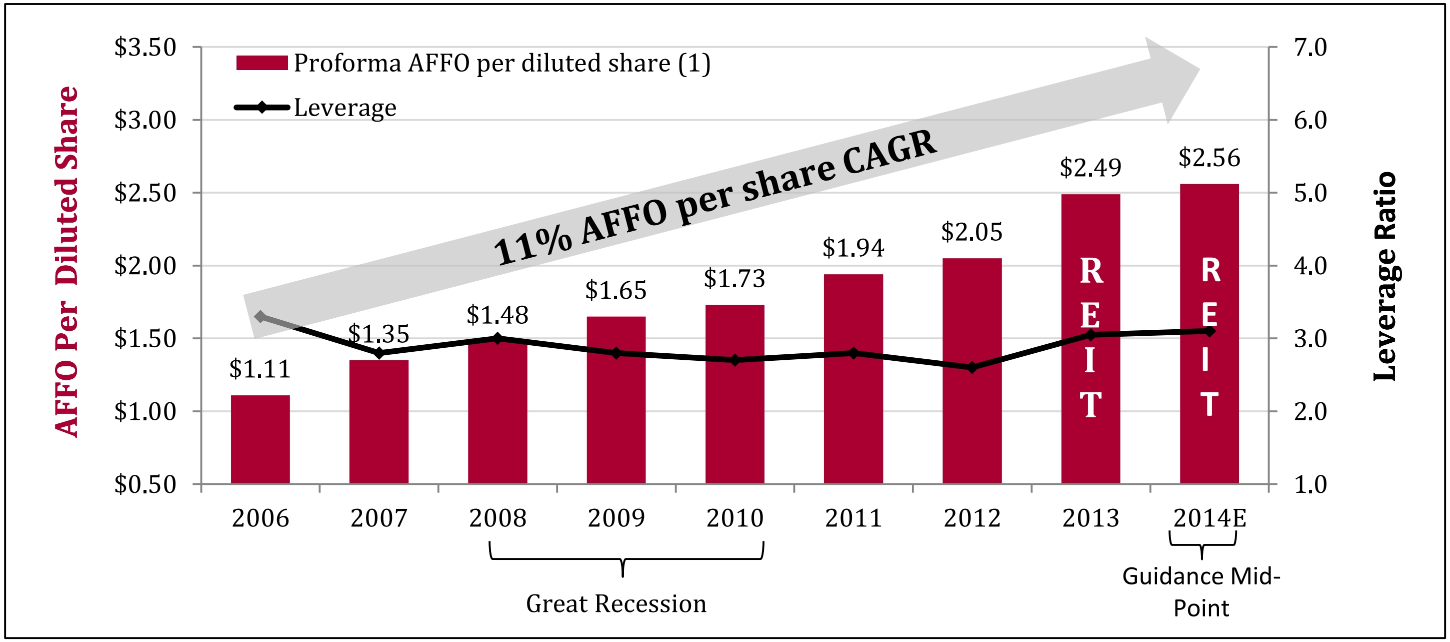
- Competition Creates Additional Savings – adding competition has been found to lowers costs and improve performance

Strong and Stable Cash Flows

Recession Resilient Cash Flows

- Strong AFFO growth with modest leverage
- Durable cash flow during economic downturns
  - CCA repurchased stock during great recession : ≈20% of shares outstanding



[1] AFFO per diluted share calculated to reflect Pro forma weighted average shares outstanding (WASO) for special dividend share issuance in May 2013 as if the shares were issued at the beginning of each prior year period - Please refer to the Appendix section of this presentation for reconciliation of net income to AFFO.

Note : CCA announced its EPS and AFFO per diluted share guidance for the fourth quarter and full-year 2014 in its Third Quarter Financial Results news release on November 3, 2014. This slide sets forth the guidance given at that time, and does not constitute a reaffirmation or update of that guidance.

Recession Resilient Cash Flows

- Because of the unique nature of CCA's asset class, in the depth of the recession, as other REITs were issuing equity under duress, CCA's strong and stable cash flow supported a substantial stock repurchase program

Year	Value of Stock Repurchased	Average Price	% of Shares Repurchased	Year-end Leverage
2008	$16,552,588	$15.55	0.8%	3.1x
2009	$108,447,408	$11.30	7.6%	2.8x
2010	$145,742,514	$20.41	5.7%	2.7x
2011	$237,457,661	$22.46	8.4%	2.8x
Total	$508,200,171	$17.91	22.5%	

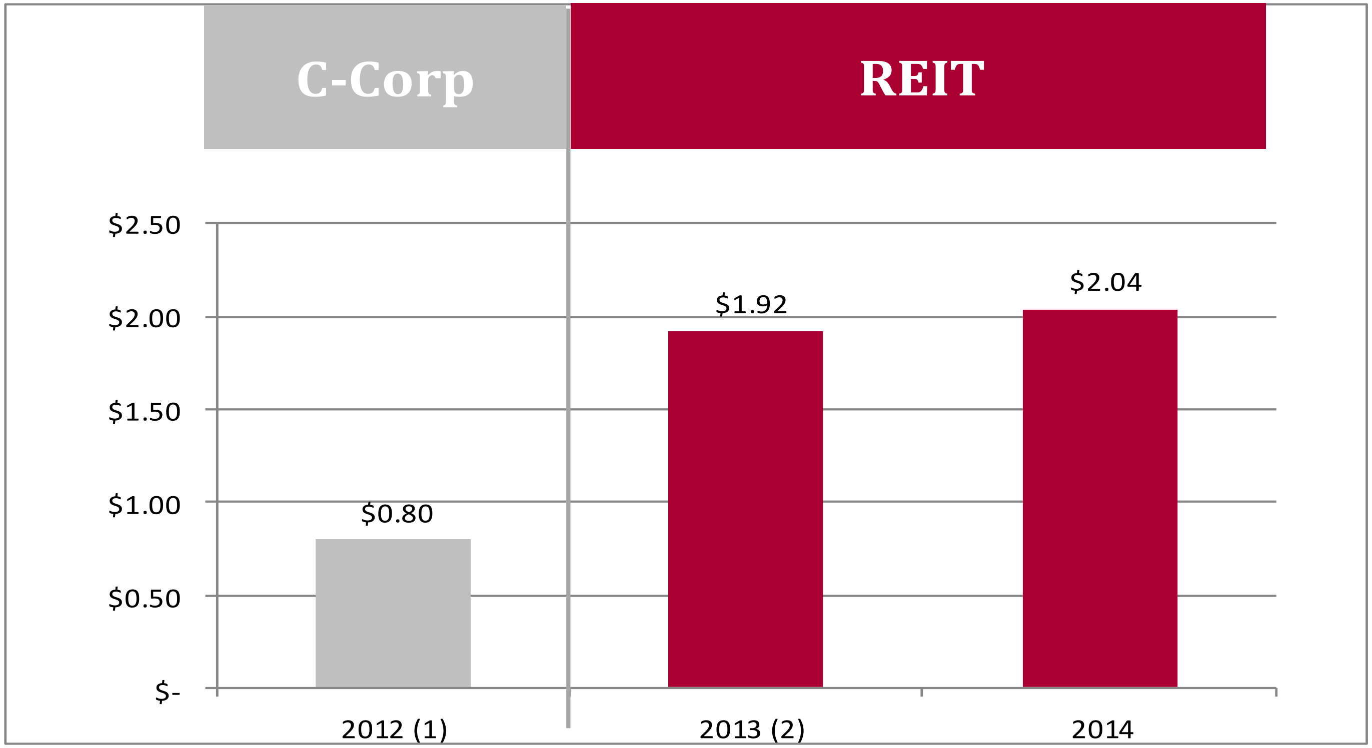
CCA

Recession Resilient Cash Flows

- From 2006 to YTD Q3 2014 Per Diems grew 18.3%
- 12% CAGR in Pro forma Adjusted EPS from 2006 to 2014 (1)
- Difficult-to-replace real estate assets = high contract retention and high barriers to entry
  - Difficult permitting and zoning, long development lead times, unique knowledge and experience requirements and high capital investment
  - ≈90% contract renewal rate on owned/controlled facilities

(1) Adjusted EPS calculated to reflect Pro forma WASO for special dividend share issuance in May 2013 as if the shares were issued at the beginning of each prior year period - Please refer to the Appendix section of this presentation for a calculation of Pro forma Adjusted EPS.

High Dividend Return for Shareholders



(1) CCA initiated a quarterly dividend of $0.20 per share in the second quarter of 2012
(2) Adjusted to exclude the effects of a special dividend paid in 2013

Financial Highlights

		For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
		2014	2013	**2014**	2013
Adjusted Diluted EPS	(1)	**$0.49**	$0.46	$1.43	$1.48
Pro Forma Adjusted Diluted EPS	(2)	**$0.49**	$0.46	$1.43	$1.39
Normalized FFO per diluted share	(1)	**$0.67**	$0.63	$1.97	$2.03
Pro Forma Normalized FFO per diluted share	(2)	**$0.67**	$0.63	$1.97	$1.91
AFFO per diluted share	(1)	**$0.66**	$0.63	$1.92	$2.02
Pro Forma AFFO per diluted share	(2)	**$0.66**	$0.63	$1.92	$1.90
Debt leverage	(1)	**3.2x**	3.0x	3.2x	3.1x
Fixed charge coverage ratio	(1)	**9.2x**	9.4x	9.1x	8.5x

- Revised Full-Year Guidance in November 2014

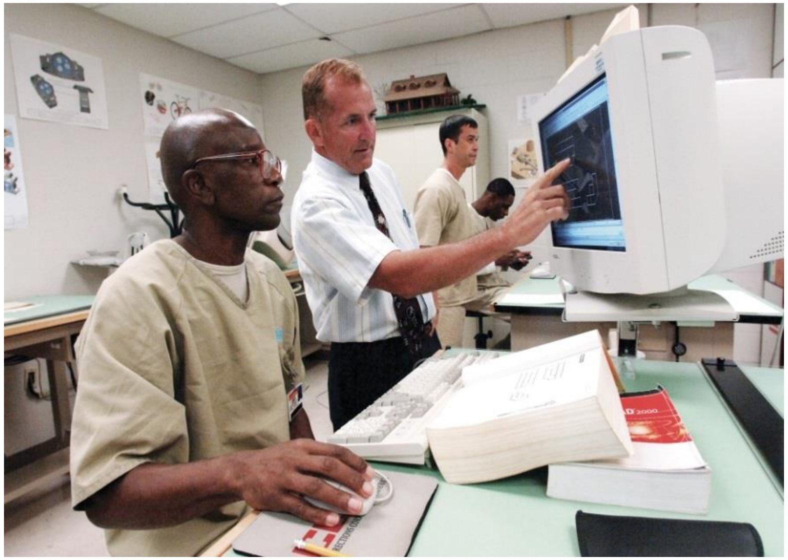
Guidance	**Low-End**	**High-End**
Adjusted Diluted EPS for Q4 2014	$0.46	$0.49
Adjusted Diluted EPS for Full Year 2014	$1.88	$1.91
Full Year 2014 Normalized FFO	$2.61	$2.64
Full Year 2014 AFFO	$2.54	$2.57

- Increased quarterly dividend by 6.25% in February 2014 to $0.51, $2.04 annually - ≈80% AFFO payout ratio

(1) Refer to the Appendix section for a reconciliation of these non-GAAP amounts to the per share amounts as reported under generally accepted accounting principles.
(2) Pro Forma reflects the issuance of shares in connection with the Special Dividend in May 2013 as if those shares were issued at the beginning of the period presented. Refer to the Appendix Section for a reconciliation of reported diluted weighted average shares outstanding to pro forma weighted average shares outstanding.

Note : Guidance provided on November 3, 2014 – this slide does not constitute a reaffirmation or update of the guidance provided at that time.

Correctional Industry Trends



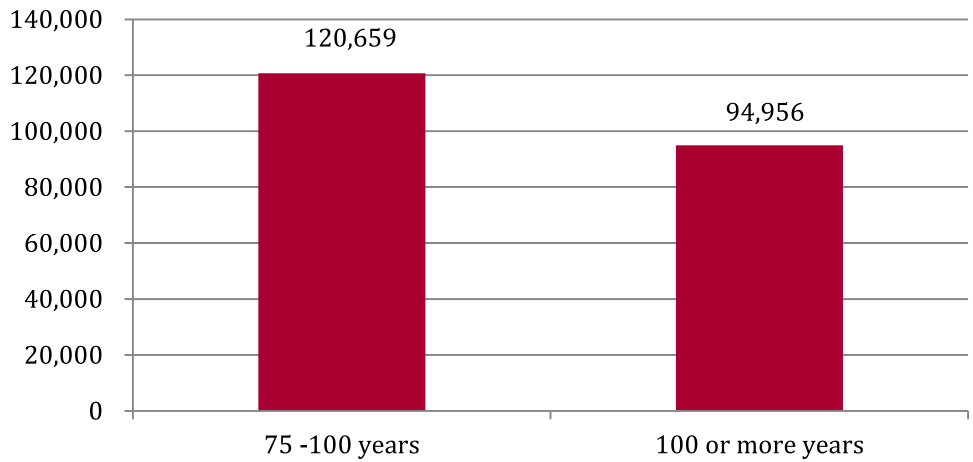
Public Prisons are Overcrowded

- At December 31, 2013, 27 states and the federal government were operating at 100% or more of capacity [1]
  - Unsafe conditions; poor inmate quality of life
  - Reduced rehabilitation opportunities; increased recidivism
- No meaningful public sector prison development in last 5 years
- Prison populations increased by 4,300 offenders in 2013, following 3 years of decline [1]

(1) Source: BJS Prisoners in 2013

Many Public Prisons are Old, Unsafe & Costly

- > 200,000 public prison beds are > 75 years old[(1)]



- Replacing old public prisons provides operational cost savings & improves safety and living conditions
- CCA provides capital allowing government to fund other public works projects

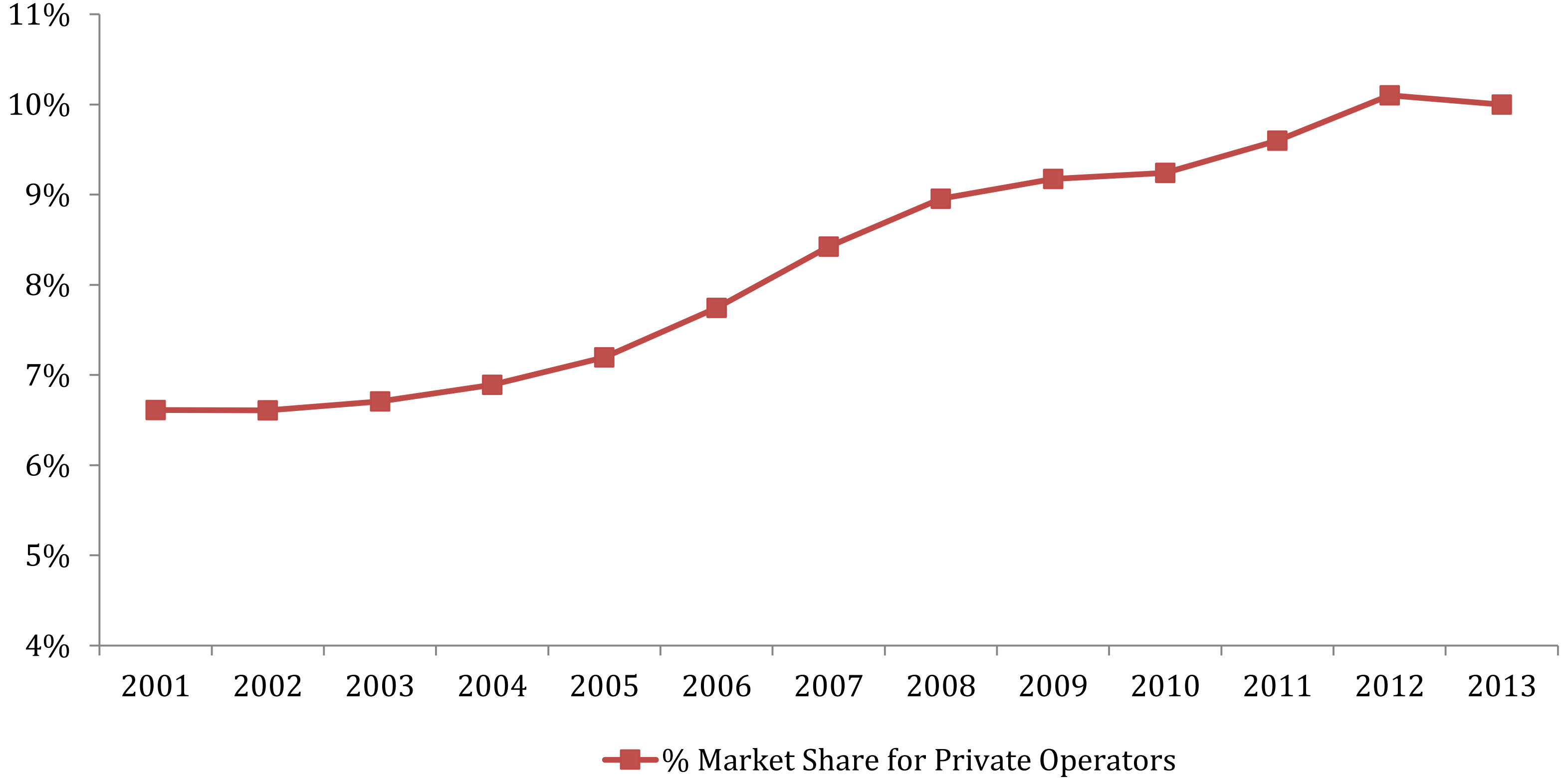
Examples of states that have shuttered old facilities that use the private sector:

– Georgia (shuttered 7 facilities)
– Colorado

(1) Source: Bureau of Justice Statistics Census of State and Federal Correctional Facilities 2005.

Increasing Market Penetration

- Compelling value proposition has driven privatized market penetration higher



Source: Bureau of Justice Statistics, Prisoners in 2013 & US Marshals Service (Federal population figures include BOP and USMS, they do not include ICE. Private inmate totals for California have been revised from BJS reported numbers to include the out of state program)

Criminal Justice Efforts

- As corrections professionals, CCA shares a deep commitment with our partners to helping inmates successfully re-enter society
- Recently published research from BJS found that approximately 68% of released prisoners were arrested for a new crime within 3 years, and approximately 77% were arrested within 5 years [(1)]
- There is bi-partisan congressional support for residential re-entry centers and drug rehabilitation
- CCA is well positioned to provide re-entry solutions to our partners

(1) *Source: "Recidivism of Prisoners Released in 30 states in 2005: Patterns for 2005 to 2010," issued by BJS in April 2014*

CCA

Criminal Justice Proposed Reforms

- As a matter of longstanding corporate policy, CCA does not lobby, oppose or endorse any legislation that affect sentencing or sentencing guidelines.
- The federal government is considering changes to sentencing guidelines primarily for drug-related offenses (1)
  - Judges and prosecutors will continue to have sentencing discretion
  - Since 1995, the number of federal inmates convicted with non-mandatory sentences grew at rates similar to those with mandatory sentences
  - Private sector houses sentenced Criminal Alien population for the BOP
- It is difficult to predict the short-term or long-term impact these reforms may have on federal inmate populations in our facilities

(1) Source: U.S. Sentencing Commission

Potential for Growth

Opportunities for Growth & Value Creation

- Growth potential without the need to raise new capital
  - 5% to 7% average annual earnings growth potential over next 3 to 5 years
    - Construction and new contract at the Trousdale Correctional Center expected to add $0.10 to $0.12 of EPS. Initial ramp expected to begin in the first quarter of 2016.
    - New contract for 2,400 beds at South Texas Family Residential Center expected to contribute to earnings growth
      - CCA to lease the site – minimal capital outlay
    - Utilizing available bed capacity up to standard operating capacity adds ≈ $0.75 - $0.80 to Diluted EPS and AFFO per diluted share [(1)]

(1) Refer to Appendix Section of this presentation for calculation and assumptions

Opportunities for Growth & Value Creation

- Strategic Acquisitions
  - Residential Re-entry facilities
  - Other complimentary business acquisitions
- Invest undistributed cash flow & new capital
  - Build & fill new beds
    - Expand existing facilities; greenfield development
  - Acquire facilities: Own & Operate or Sale/Leaseback
  - Replace old government-owned prisons: Own & Operate or Own & Lease

Growth Through Facility Acquisitions

- In 2011, CCA purchased and assumed operations of the state-owned Lake Erie, Ohio facility, an industry first.
  - Each successive transaction should result in increased interest from others
  - In 2012, GEO announced the acquisition of a facility owned by Montgomery County, Texas
- Interest from other states and municipalities in copying the Ohio model
- CCA is formally educating interested sellers
  - Sale of prisons benefits our government partners
    - Significant cash infusion
    - Ongoing operational cost savings without the loss of operational quality
    - Stem growth of long-term pension obligations
    - Free budget dollars for roads, bridges, airports, schools

CCA

Growth Through Strategic Acquisitions

- In 2013 CCA acquired Correctional Alternatives, Inc. ("CAI"), for approximately $36.5 million
  - Private owner-operator of community correctional facilities in California with excellent reputation
  - Fully annualized, adds ≈ $14 million in revenues, ≈ $5 million EBITDA and ≈ $0.03 to Diluted EPS
  - Provides entry into community corrections space, expands range of customer offerings
- Acquisition & Organic Growth Opportunities in Community Corrections
  - Consolidation opportunity in fragmented market
  - Three existing vacant CCA facilities suitable for community corrections

Macro Environment Provides Growth Opportunities

ISSUE		CCA's SOLUTION
▪ Improving economy & tax collections should increase funding for law enforcement, corrections and rehabilitation - Public prisons are overcrowded - Historically low public sector prison development	→	▪ Vacant beds available at lower operational cost, avoids need for large capital investment by government - Filling vacant beds would add ≈ \$0.75 - \$0.80 to EPS & AFFO per share
▪ Desire to improve cost efficiency of government - Unfunded pensions - Reduce operational costs	→	▪ Using CCA stems growth in unfunded pensions ▪ CCA provides short- and long-term savings to government partners (1)
▪ Limited capital available to fund numerous public works projects ▪ Municipal credit ratings pressure ▪ Large portfolio of old, costly public prisons	→	▪ Selling government prisons provides cash + cost savings ▪ CCA provides alternative source of capital for new cost efficient facilities

(1) Source: Policy Report issued by the Independent Institute in June 2014. This study received funding by member of the private corrections industry

Growth Scenario A: Economy Continues to Improve

Increased tax collections fund budget increases for law enforcement and corrections; inmate populations increase; desire for cost savings & capital to fund public works projects; need to reduce unfunded pensions

- Utilizing available bed capacity (adds ≈ \$0.75 - \$0.80 to EPS & AFFO per diluted share) [(1)]
- Build & fill new beds
  - Invest undistributed AFFO & new capital
- Bed absorption creates potential to re-price contracts higher
- Acquire existing government owned facilities
- Replace old, unsafe & inefficient public prisons
- Grow community corrections business
- Grow dividend as AFFO grows

(1) Refer to reconciliation and assumptions in the Appendix Section of this presentation

Growth Scenario B: Economy Stalls or Double Dips

Prison overcrowding; desire for cost savings & capital to fund public works; need to reduce unfunded pensions

- Utilize available bed capacity
- Acquire existing government owned facilities
- Replace old, unsafe & inefficient public prisons
- Grow community corrections business
- Grow dividend as AFFO grows
- Strong balance sheet & durable cash flow
  - Dividend resilient in economic downturns
    - Evaluate growing dividend by increasing payout ratio
  - Opportunistic share buybacks

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Strong Balance Sheet Supports Growth

Strong Balance Sheet and Simple Capital Structure

≈33%
Debt/Undepreciated Fixed Assets

3.2x
Debt-to-EBITDA

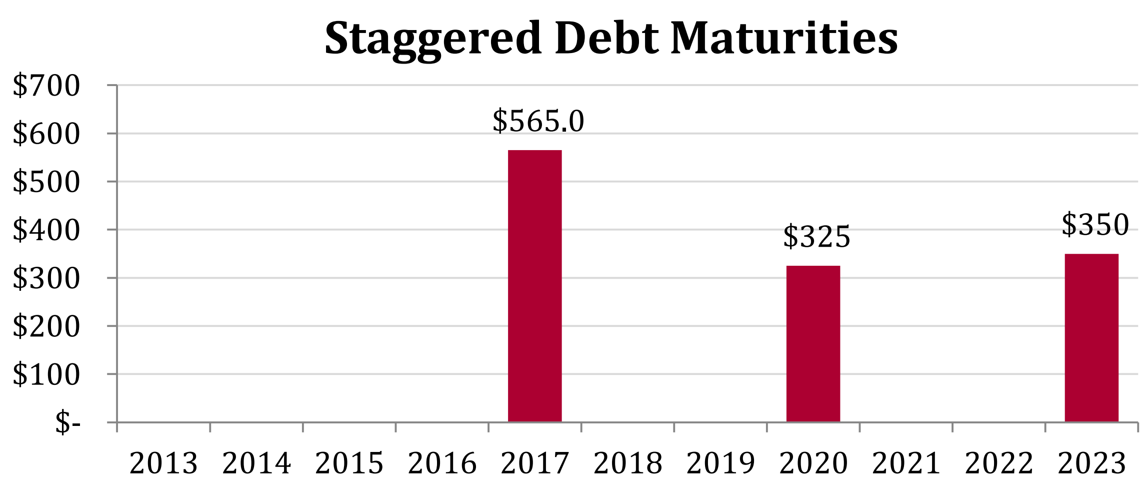
9.2x
Fixed Charge Coverage

100%
Unencumbered Fixed Assets

23.7%
Debt to Total Market Capitalization

Low Cost of Capital → Competitive Advantage

- $350 million senior notes at 4 5/8% maturing May 2023
- $325 million senior notes at 4 1/8% maturing April 2020
- $900 million revolver @ LIBOR + 1.75% maturing December 2017
  - $565 million drawn at September 30, 2014
- ≈$368 million in liquidity at September 30, 2014
- S&P: BB+
- Moody's: Ba1
- Fitch: BB+



Capital Allocation Policy

Maintain Ample Liquidity and Solid Balance Sheet

Maximum 4x Debt Leverage

Payout ≈ 80% AFFO in Dividends (1)

- Paid out of internally generated cash flow
- Revisit payout ratio annually
- Increase dividend with future growth

Invest ≈ 20% AFFO in Growth

- Invest in facility acquisitions and development to grow earnings
- Unused amounts available for increased dividends and/or debt reduction

Fund Additional Growth

- Raise debt and equity capital to further fund facility acquisitions and development

(1) Dividend payments subject to Board approval and minimum payout required to meet REIT qualification requirements

Operational Overview

Operational Philosophy

CCA integrates several Correctional Components:

- Safety & Security is our **<u>First</u>** priority
- Perform quality services for our government partners and the offenders entrusted in our care
- Provide effective programs such as drug treatment, education and vocational options to reduce risk of recidivism
- Focus on Re-entry to prepare offenders to re-enter communities – Improving their chances in finding employment and re-establishing family connections

Professional Services with Significant Oversight

Detailed contracts specify services required to be provided

- Detailed prescriptive statement of work specifies all services required to be provided
  - Including meeting jurisdiction's guidelines and correctional standards

In addition, CCA facilities are subject to significant oversight

- Government partners have Compliance Monitors at most facilities, ensuring contract compliance
- Over 90% of our facilities that are eligible for accreditation have been accredited by the American Correctional Association
- Most facilities are audited by ACA, the government partner, and CCA's Quality Assurance Department

Quality Assurance

Quality, in the form of Operational Excellence, is a core value and essential guiding principle for CCA

- CCA's Quality Assurance Division is independent of company operations and resides within the Legal Department and reports to the General Counsel of CCA
- CCA Audit tools contain more than 1,500 distinct audit items and processes assessing critical operational functions:
  - Security
  - Food Services
  - Health Services
  - Safety & Sanitation
  - Human Resources and Training
  - Physical Plant
  - General Administration
  - PREA Requirements
  - Classification
  - Inmate/Detainee Programs

Quality Assurance

- CCA conducts Unannounced Audits of each facility at least once annually
- The Quality Assurance process requires timely corrective action plans that address root causes of deficiencies and monitors progress in correcting deficiencies
- In addition to a comprehensive Quality Assurance Process conducted through our Legal department, all ACA-accredited facilities are also audited by the American Correctional Association, an independent third party and considered the gold standard in the corrections industry
- More than 90% [(1)] of our facilities are ACA Accredited

(1) Only includes facilities that are eligible for ACA Accreditation. Vacant facilities or facilities that are leased to other operators are not eligible for ACA Accreditation

Programming and Helping Inmates with Successful Re-Entry

Offenders often lack skills and education. In an effort to reduce recidivism, CCA offers an array of programs:

- A variety of inmate services are offered by CCA and/or many of the volunteer organizations throughout our system
  - Academic Education & GED certificates
  - Vocational training accredited by NCCER
  - Life skills training
  - Job search skills
  - Work assignments
  - Health education
  - Financial responsibility training
  - Parenting training
  - Residential Alcohol and Drug Abuse Treatment
- Programming reduces idleness thereby reducing the risk for disturbances and incidents
  - Programing delivered by CCA is directed by our government partners
- Acquisition of CAI expands our offerings of re-entry programs

Appendix

Utilizing Available Capacity Drives Earnings Growth

($ in thousands)

	Total Beds Available at September 30, 2014	Average Margin (2)	Estimated Potential Annual Incremental EBITDA
Owned and Controlled Vacant Facility Capacity[(1)]	5,994	$23.03	$ 50,385,264
Owned and Controlled beds at Facilities with > 100 beds available	5,352	$23.03	44,988,644
Total Owned and Controlled Available Capacity	11,346		$ 95,373,909
Managed Only Available Bed Capacity with > 100 beds available	532	$4.17	809,731
Total Potential Annual Incremental EBITDA			$ 96,183,639

- Filling available beds up to standard operating capacity at the margins we achieved YTD Q3 2014 would generate approximately $0.75 - $0.80 of additional EPS[(3)] and Adjusted Funds From Operations per diluted share
  - Actual operating occupancy can be higher than standard operating capacity
- Carrying an inventory of owned beds provides a competitive advantage in capturing new business – no long construction lead times
- Cash operating costs of vacant beds we own is very manageable at approximately $1,000 per bed per year

Note the above table is for illustrative purposes only , actual results could differ

(1) Excludes non-core facilities (Mineral Wells Pre-Parole Transfer Facility, Shelby Training Center and Queensgate Facility), totaling 3,153 beds, as these facilities were not designed for traditional correctional populations.

(2) Average margin is based on margins actually achieved for Q3 2014 YTD. Actual margins for these beds may differ from those historically achieved, particularly for management contracts with tiered per diems or at facilities that have achieved stabilized occupancy and therefore fixed costs

(3) Assumes approximately 117.25 million weighted average shares outstanding

Reconciliation to Adjusted Diluted EPS

($ in thousands, except per share amounts)

	For the Quarter Ended September 30, 2014	For the Quarter Ended September 30, 2013	For the Nine Month Ended September 30, 2014	For the Nine Month Ended September 30, 2013
Net income	**$ 57,546**	$ 51,843	**$ 165,016**	$ 253,364
Special items:				
Expenses associated with debt refinancing transactions, net	**-**	-	**-**	33,299
Expenses associated with REIT conversion, net	**-**	122	**-**	9,152
Expenses associated with mergers and acquisitions, net	**-**	530	**-**	618
Asset impairments, net	**-**	985	**2,235**	2,896
Income tax benefit for reversal of deferred taxes due to REIT conversion	**-**	-	**-**	(137,686)
Diluted adjusted net income	**$ 57,546**	$ 53,480	**$ 167,251**	$ 161,643
Weighted average common shares outstanding - basic	**116,185**	115,282	**116,025**	107,640
Effect of dilutive securities:				
Stock options	**886**	1,165	**895**	1,335
Restricted stock-based compensation	**318**	425	**263**	325
Weighted average shares and assumed conversions - diluted	**117,389**	116,872	**117,183**	109,300
Non-GAAP Adjustment:				
Shares issued in special dividend	**-**	-	**-**	13,876
Weighted average impact [1]	**-**	-	**-**	(6,811)
Proforma weighted average shares and assumed conversions - diluted	**117,389**	116,872	**117,183**	116,365
Adjusted Diluted Earnings Per Share	**$ 0.49**	$ 0.46	**$ 1.43**	$ 1.48
Proforma Adjusted Diluted Earnings Per Share	**$ 0.49**	$ 0.46	**$ 1.43**	$ 1.39

(1) Pro forma adjustment reflects the issuance of shares in connection with the Special Dividend in May 2013 as if those shares were issued at the beginning of the period presented. See Note B page A-6 of this presentation

Calculation of FFO, Normalized FFO and AFFO

($ in thousands, except per share amounts)

	For the Quarter Ended September 30, 2014	For the Quarter Ended September 30, 2013	For the Nine Month Ended September 30, 2014	For the Nine Month Ended September 30, 2013
Net income	**$ 57,546**	$ 51,843	**$ 165,016**	$ 253,364
Depreciation of real estate assets	**21,412**	20,454	**63,920**	60,016
Depreciation of real estate assets for discontinued operations	**-**	24	**-**	323
Impairment of real estate assets, net	**-**	-	**2,235**	-
Funds From Operations	**$ 78,958**	$ 72,321	**$ 231,171**	$ 313,703
Expenses associated with debt refinancing transactions, net	**-**	-	**-**	33,299
Expenses associated with REIT conversion, net	**-**	122	**-**	9,152
Expenses associated with mergers and acquisitions, net	**-**	530	**-**	618
Goodwill and other impairments, net	**-**	985	**-**	2,896
Income tax benefit for reversal of deferred taxes due to REIT conversion	**-**	-	**-**	(137,686)
Normalized Funds From Operations	**$ 78,958**	$ 73,958	**$ 231,171**	$ 221,982
Maintenance capital expenditures on real estate assets	**(5,631)**	(4,585)	**(18,580)**	(13,115)
Stock-based compensation	**3,514**	3,277	**10,438**	9,675
Amortization of debt costs and other non-cash interest	**777**	774	**2,325**	2,740
Other non-cash revenue and expenses	**(16)**	-	**(48)**	-
Adjusted Funds From Operations	**$ 77,602**	$ 73,424	**$ 225,306**	$ 221,282
Normalized Funds From Operations Per Diluted Share	**$ 0.67**	$ 0.63	**$ 1.97**	$ 2.03
Pro forma Normalized FFO Per Diluted Share [1]	**$ 0.67**	$ 0.63	**$ 1.97**	$ 1.91
Adjusted Funds From Operations Per Diluted Share	**$ 0.66**	$ 0.63	**$ 1.92**	$ 2.02
Pro forma AFFO Per Diluted Share [1]	**$ 0.66**	$ 0.63	**$ 1.92**	$ 1.90

(1) Reflects the issuance of 13.9 million shares in connection with the payment of a special dividend in May 2013 as if those shares were issued at the beginning of the period presented. See page A-2 for a reconciliation of reported diluted weighted average shares outstanding to pro forma diluted weighted average shares outstanding.

Calculation of NOI

($ in thousands)

	For the Quarter Ended September 30,		For the Nine Month Ended September 30,	
	2014	**2013**	**2014**	**2013**
Revenue owned and controlled properties	**$ 353,784**	$ 344,431	**$ 1,041,510**	$ 1,035,094
Operating expenses owned and controlled properties	**(231,420)**	(232,996)	**(686,274)**	(697,343)
Net operating income owned and controlled properties	**$ 122,364**	$ 111,435	**$ 355,236**	$ 337,751
Revenue managed only and other	**$ 54,690**	$ 77,035	**$ 181,880**	$ 228,100
Operating expenses managed only and other	**(51,292)**	(68,493)	**(171,428)**	(206,369)
Net operating income managed only and other	**$ 3,398**	$ 8,542	**$ 10,452**	$ 21,731
Total Net Operating Income	**$ 125,762**	$ 119,977	**$ 365,688**	$ 359,482

Calculation of EBITDA and Adjusted EBITDA

($ in thousands)

	For the Quarter Ended September 30,		For the Nine Month Ended September 30,	
	2014	**2013**	**2014**	**2013**
Net income	**$ 57,546**	$ 51,843	**$ 165,016**	$ 253,364
Interest expense, net	**10,376**	10,378	**29,088**	34,856
Depreciation and amortization	**28,277**	28,151	**85,413**	83,203
Income tax expense (benefit)	**2,071**	4,571	**5,490**	(133,253)
(Income) loss from discontinued operations, net	**-**	663	**-**	3,757
EBITDA	**$ 98,270**	$ 95,606	**$ 285,007**	$ 241,927
Expenses associated with debt refinancing transactions	**-**	-	**-**	36,528
Expenses associate with REIT conversion	**-**	132	**-**	9,861
Expenses associated with mergers and acquisitions	**-**	572	**-**	667
Asset impairments	**-**	985	**2,238**	985
Adjusted EBITDA	**$ 98,270**	$ 97,295	**$ 287,245**	$ 289,968

Reconciliation to Pro-forma AFFO Per Diluted Share

($ amounts in thousands, except per share amounts)

	2014E	2013	2012	2011	2010	2009	2008	2007	2006
Net income	$ 221,000	$ 300,835	$ 156,761	$ 162,510	$ 157,193	$ 154,954	$ 150,941	$ 133,373	$ 105,239
Depreciation of real estate assets	85,000	80,990	78,719	73,705	70,460	67,020	58,378	50,808	46,944
Depreciation of real estate assets for discontinued operations	-	323	426	345	911	163	218	212	288
Funds from operations ("FFO")	$ 306,000	$ 382,148	$ 235,906	$ 236,560	$ 228,564	$ 222,137	$ 209,537	$ 184,393	$ 152,471
Special Items:									
Expenses associated with debt refinancing transactions, net	-	33,299	1,316	-	-	2,373	-	-	621
Asset impairments, net	-	6,736	-	-	1,684	-	-	1,574	-
Expenses associated with REIT conversion, net	-	9,522	2,679	-	-	-	-	-	-
Expenses associated with mergers and acquisitions, net	-	713	-	-	-	-	-	-	-
Income tax benefit for reversal of deferred taxes due to REIT conversion	-	(137,686)	(2,891)	-	-	-	-	-	-
Normalized Funds From Operations	$ 306,000	$ 294,732	$ 237,010	$ 236,560	$ 230,248	$ 224,510	$ 209,537	$ 185,967	$ 153,092
Other non-cash expenses	17,000	16,447	16,612	14,662	13,849	13,794	13,466	11,407	10,558
Maintenance capital expenditures on real estate assets	(25,000)	(21,005)	(18,643)	(20,056)	(24,958)	(21,381)	(16,080)	(9,142)	(12,264)
Adjusted Funds From Operations ("AFFO")	$ 298,000	$ 290,174	$ 234,979	$ 231,166	$ 219,139	$ 216,923	$ 206,923	$ 188,232	$ 151,386
Diluted shares	117,250	111,250	100,623	105,535	112,977	117,290	126,250	125,381	123,058
Non GAAP Adjustment:									
Shares issued in Special Dividend	-	13,876	-	-	-	-	-	-	-
Weighted average impact	-	(8,592)	13,876	13,876	13,876	13,876	13,876	13,876	13,876
Pro forma weighted average shares and assumed conversions - diluted	117,250	116,534	114,499	119,411	126,853	131,166	140,126	139,257	136,934
Pro forma Adjusted EPS per diluted share	$1.88	$1.83	$1.38	$1.36	$1.25	$1.20	$1.08	$0.97	$0.77
Pro forma Normalized FFO per diluted share	$2.61	$2.53	$2.07	$1.98	$1.82	$1.71	$1.50	$1.34	$1.12
Pro forma AFFO per diluted share	$2.54	$2.49	$2.05	$1.94	$1.73	$1.65	$1.48	$1.35	$1.11

Note A: FFO and AFFO are widely accepted non-GAAP supplemental measures of REIT performance following the standards established by the National Association of Real Estate Investment Trusts (NAREIT). CCA believes that FFO and AFFO are important operating measures that supplement discussion and analysis of the Company's results of operations and are used to review and assess operating performance of the Company and its correctional facilities and their management teams. NAREIT defines FFO as net income computed in accordance with generally accepted accounting principles, excluding gains (or losses) from sales of property and extraordinary items, plus depreciation and amortization of real estate and impairment of depreciable real estate. Because the historical cost accounting convention used for real estate assets requires depreciation (except on land), this accounting presentation assumes that the value of real estate assets diminishes at a level rate over time. Because of the unique structure, design and use of the Company's correctional facilities, management believes that assessing performance of the Company's correctional facilities without the impact of depreciation or amortization is useful. CCA may make adjustments to FFO from time to time for certain other income and expenses that it considers non-recurring, infrequent or unusual, even though such items may require cash settlement, because such items do not reflect a necessary component of the ongoing operations of the Company. Normalized FFO excludes the effects of such items. CCA calculates AFFO by adding to Normalized FFO non-cash expenses such as the amortization of deferred financing costs and stock-based compensation, and by subtracting from Normalized FFO normalized recurring real estate expenditures that are capitalized and then amortized, but which are necessary to maintain a REIT's properties and its revenue stream. Some of these capital expenditures contain a discretionary element with respect to when they are incurred, while others may be more urgent. Therefore, these capital expenditures may fluctuate from quarter to quarter, depending on the nature of the expenditures required, seasonal factors such as weather, and budgetary conditions. Other companies may calculate FFO, Normalized FFO, and AFFO differently than the Company does, or adjust for other items, and therefore comparability may be limited. FFO, Normalized FFO, and AFFO and their corresponding per share measures are not measures of performance under GAAP, and should not be considered as an alternative to cash flows from operating activities, a measure of liquidity or an alternative to net income as indicators of the Company's operating performance or any other measure of performance derived in accordance with GAAP. This data should be read in conjunction with the Company's consolidated financial statements and related notes included in its filings with the Securities and Exchange Commission.

Note B: On May 20, 2013, CCA paid a special dividend in connection with its conversion to a REIT. The shareholders were allowed to elect to receive their payment of the special dividend either in all cash, all shares of CCA common stock, or a combination of cash and CCA common stock, except that CCA placed a limit on the aggregate amount of cash payable to shareholders. Under ASC 505 "Equity" and ASU 2010-01, "Accounting for Distributions to Shareholders with Components of Stock and Cash, a consensus of the FASB Emerging Issues Task Force", a distribution that allows shareholders to elect to receive cash or stock with a potential limitation on the total amount of cash that all shareholders can elect to receive in the aggregate is considered a share issuance that is reflected in per share results prospectively. As such the stock portion of the special dividend is presented prospectively in basic and diluted per share results and was not presented retroactively for all periods presented as it would, for example, with a stock split or a stock dividend. As a result, CCA believes investors would benefit from seeing the operating performance for comparable periods accounting for the effect of the special dividend in previous periods. Therefore, for comparison purposes, CCA has presented per share results on a pro forma basis as if the shares issued in the special dividend were issued as of the beginning of the periods presented.

Reconciliation to 2014 Guidance

$ in thousands, except per share amounts

	Fourth Quarter 2014		Full-Year 2014	
	Low	High	Low	High
Adjusted earnings per diluted share	$ 0.46	$ 0.49	$ 1.88	$ 1.91
Net income	$ 54,000	$ 57,000	$ 218,765	$ 221,765
Asset impairments, net	-	-	2,235	2,235
Adjusted net income	$ 54,000	$ 57,000	$ 221,000	$ 224,000
Depreciation of real estate assets	21,000	21,000	85,000	85,000
Funds from Operations	$ 75,000	$ 78,000	$ 306,000	$ 309,000
Other non-cash expenses	4,000	4,000	17,000	17,000
Maintenance capital expenditures on real estate assets	(6,000)	(6,000)	(25,000)	(25,000)
Adjusted Funds From Operations	$ 73,000	$ 76,000	$ 298,000	$ 301,000
Normalized FFO per diluted share	$ 0.64	$ 0.66	$ 2.61	$ 2.64
AFFO per diluted share	$ 0.62	$ 0.65	$ 2.54	$ 2.57

Note : CCA announced its EPS and AFFO per diluted share guidance for the fourth quarter and full-year 2014 in its Third Quarter Financial Results news release on November 3, 2014. This slide sets forth the guidance given at that time. This does not constitute a reaffirmation or update of the guidance provided at that time.

Financial Modeling Considerations

- Facilities are comprised of multiple housing units
  - E.G.: 1,500-bed facility may be comprised of five 300-bed housing units
  - Individual housing units may be mothballed until populations are available to fill
  - Cash operating expenses of a vacant bed ≈ $1,000 per bed per year
  - Rated capacity: Established by CCA based on general ACA standards
  - Maximum operating occupancy – mutually agreed upon by customer and CCA based on security level, length-of-stay, etc.
- Depreciation
  - Buildings: 50 years (economic useful life 75+ years)
  - FFE: 5-7 years
  - New Construction: 38 years weighted average depreciation period

Financial Modeling Considerations

- Q3 2014 Weighted average cost of debt (effective rate): 3.7%
  - $900 million revolver at LIBOR = 1.75% ($565.0 million drawn at September 30, 2014)
  - $350 million, 4.625% senior notes due 2023
  - $325 million, 4.125% senior notes due 2020
- Weighted Average Diluted Shares Outstanding
  - ≈ 117.5 mm Q4 2014
  - ≈ 117.25 mm full-year 2014
- Maintenance Capex
  - 2014 Guidance $50 mm - $55 mm
  - 2010 – 2013 Average: 2.8 % of Revenue
  - ≈ 50% Real Estate & 50% IT and other

Comparable REITS

Sector	Companies	Rationale
Hospitals	• Medical Properties Trust	• High operational component • Obsolescence risk associated with the real estate • Exposed to government payors • High barriers to entry
Skilled Nursing	• Omega Healthcare • Sabra Health Care • National Health Investors	• High exposure to government payors • Obsolescence risk associated with the real estate • Long length of stay
Senior Housing	• Senior Housing Properties • LTC Properties	• High operational component
Government Office	• Government Properties Trust • Corporate Office Properties Trust	• High exposure to government payors • Some obsolescence risk associated with the real estate due to high/specialized build-out required by government agencies
Lodging	• Hospitality Properties Trust • La Salle Hotel Properties	• High operational component with TRS • Provide housing & services

Comparable REIT Valuations

Company	Ticker	FFO Multiple	Dividend Yield
CCA	**CXW**	**13.7x**	**5.7%**
Medical Properties Trust	MPW	12.4x	6.4%
Omega Healthcare	OHI	13.7x	5.4%
Sabra Health Care	SBRA	11.9x	5.6%
National Health Investors	NHI	15.0x	4.9%
Senior Housing Properties	SNH	12.6x	7.1%
LTC Properties	LTC	15.5x	1.7%
Government Properties Trust	GOV	9.8x	7.5%
Corporate Office Properties Trust	OFC	14.7x	4.1%
Hospitality Properties Trust	HPT	9.0x	6.8%
LaSalle Hotel Properties	LHO	14.8x	4.0%

Source: First Call - FFO Multiple calculated by dividing closing stock price on October 24, 2014 by FFO consensus for FY 2014 – Dividend Yield from Google Finance October 24, 2014.

Contracting Process and Terms

- Compensated per inmate, per day – "Per Diem"
  - Some contracts (approximately one-third) provide occupancy guarantees to ensure customer access to beds
- Three contract types:
  - Owned/Controlled: CCA owns/controls and operates prison
    - Single, consolidated per diem incorporates both rent and services
    - Per diems and margins are higher for Owned/Controlled facilities due to rent
  - Managed Only: Government owns prison & CCA operates the prison
  - Leased facilities
    - Leases are single tenant covering the entire facility regardless of utilization
- Typical contract terms
  - Average term of 3-5 years
  - Many with annual price escalators in line with CPI
  - Very detailed prescriptive statement of work drives level of services
  - Some specify maximum number of inmates covered by the contract; some open ended

Contracting Process and Terms

- Procurements typically involve competitive bid process
  - Per diems set through contract-by-contract competitive bids & negotiation
    - Unlike healthcare industry – No national reimbursement rate structure
  - Bed availability often key requirement
    - Short execution period reduces build-to-suit solutions
  - Owned facilities have ≈90% retention rate: high barriers to entry & switching costs
  - Nearly all government partners have individual contracts for each facility & many have staggered expirations
- Customers have investment grade credit ratings = no bad debt

CCA