

Supplemental Financial Information For the Quarter Ended December 31, 2003

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 December 31, 2003

TABLE OF CONTENTS

Consolidated Balance Sheets	
Consolidated Statements of Operations	2
Reconciliation of Basic to Diluted Earnings Per Share	3
Illustration of 2003 Results, Adjusted for Special Items	4
Illustration of 2003 Results, Adjusted for Special Items and Assuming a Tax Provision	5
Selected Financial Information	
Analysis of Outstanding Debt and Preferred Stock	
Selected Operating Ratios	
Facility Portfolio	11
Diversification of Revenue	17
Research Coverage / Credit Ratings	18

John D. Ferguson, President and CEO Irving E. Lingo, Jr., Chief Financial Officer 10 Burton Hills Boulevard Nashville, TN 37215 Tel.: (615) 263-3000 Fax: (615) 263-3150

CONSOLIDATED BALANCE SHEETS

ASSETS	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003	December 31, 2002
Cash and cash equivalents	\$ 84,231	\$ 68,943	\$ 70,464	\$ 69,955	\$ 65,406
Restricted cash	12,823	12,796	13,186	13,577	7,363
Accounts receivable, net of allowance	137,623	140,636	133,911	137,741	136,644
Deferred tax assets	50,473	-	-	-	-
Income tax receivable	-	59	60	33,426	32,499
Prepaid expenses and other current assets	8,028	6,949	9,206	6,329	12,435
Total current assets	293,178	229,383	226,827	261,028	254,347
Property and equipment, net	1,586,979	1,580,571	1,584,825	1,591,119	1,552,265
Investment in direct financing lease	17,751	17,907	18,057	18,204	18,346
Goodwill	15,563	20,294	20,294	20,294	20,902
Deferred tax assets	6,739	-	-	-	-
Other assets	38,818	35,562	32,636	27,085	28,211
Total assets	\$ 1,959,028	\$ 1,883,717	\$ 1,882,639	\$ 1,917,730	\$ 1,874,071
LIABILITIES AND STOCKHOLDERS' EQUITY					
Accounts payable and accrued expenses	\$ 157,417	\$ 156,304	\$ 132,480	\$ 148,441	\$ 152,977
Income tax payable	913	4,520	4,467	5,608	4,605
Distributions payable	150	150	150	2,150	5,330
Current portion of long-term debt	1,146	2,914	5,377	24,107	23,054
Total current liabilities	159,626	163,888	142,474	180,306	185,966
Long-term debt, net of current portion	1,002,282	1,004,128	1,043,780	956,515	932,905
Other liabilities	21,655	21,817	22,075	22,482	21,202
Total liabilities	1,183,563	1,189,833	1,208,329	1,159,303	1,140,073
Commitments and contingencies					
Preferred stock - \$0.01 par value:					
Series A - stated at liquidation preference of \$25.00 per share	7,500	7,500	7,500	107,500	107,500
Series B - stated at liquidation preference of \$24.46 per share	23,528	23,528	22,933	114,281	107,831
Common stock - \$0.01 par value	350	350	350	281	280
Additional paid-in capital	1,441,742	1,439,587	1,439,347	1,344,822	1,343,066
Deferred compensation	(1,479)	(1,913)	(2,323)	(2,779)	(1,604)
Retained deficit	(695,590)	(774,348)	(792,549)	(804,689)	(822,111)
Accumulated other comprehensive loss	(586)	(820)	(948)	(989)	(964)
Total stockholders' equity	775,465	693,884	674,310	758,427	733,998
Total liabilities and stockholders' equity	\$ 1,959,028	\$ 1,883,717	\$ 1,882,639	\$ 1,917,730	\$ 1,874,071

CONSOLIDATED STATEMENTS OF OPERATIONS

REVENCE: S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S S<		For the Three Month 2003	s Ended December 31, 2002	For the Year End 2003	led December 31, 2002
Federal S 10.0.23.3 8 4.3.61 S 34.1.28 S 31.2.374 Same 25.2.44 120.011 435.037 440.057 Load 25.2.24 23.1.41 97.311 87.595 Other 25.2.24 23.1.41 97.311 87.595 Total management evenue 25.1.26 27.2.94 10.0.598 99.5021 Transportation 49.45 9.0 3.7.42 3.7.01 Other 29 - 10.05 68 EVENNES: 264.860 242.055 1.016.377 997.751 Orienting: 142.936 130.063 357.529 314.933 Transportation 31.191 49.029 135.840 18.101 Other 13.051 44.072 31.379 892.513 Orienting: 13.811 13.399 32.944 18.051 Transportation 13.811 13.399 32.944 18.051 Other 13.811 13.399 32.944 18.0	REVENUE:				
Nue 127,46 120,01 493,07 493,07 Leal 23,23 23,341 77,311 87,355 Oler 23,05 27,254 39,511 37,275 Oler 23,05 27,254 10,1399 918,601 115,591 Tamagement evenes 4,760 3,991 18,901 15,591 Reati 942,00 242,03 10,06 68 Operating: 22,0 0.00 68 Operating: 11,01,01,09,000 919,012 919,012 Tamagement express 11,01,01,000 919,012 919,012 <t< th=""><th>Management:</th><th></th><th></th><th></th><th></th></t<>	Management:				
Load 23.24 23.47 97.311 87.955 Other 10.203 9.935 29.315 57.275 Total management evenue 29.316 27.204 10.13.999 99.8021 Transportation 49.45 92.00 37.42 37.711 Other 94.5 92.0 37.42 37.711 Other 29 - 10.6 68 EXPENSES: 206.860 242.075 10.85.00 18.941 Transportation 112.976 130.063 37.529 151.493 Transportation 151.91 49.920 195.800 188.424 Transportation 1177 110 54.44 388 Total particip segments 119.856 184.011 177.311 89.423 Other 113.01 13.493 20.944 388 20.945 388.713 289.531 Operating segments 119.851 11.93 40.697 35.925 25.92 3.93 288 288.531 289.531	Federal	\$ 100,253	\$ 84,361	\$ 384,128	\$ 312,574
Oher 10.03 9.95 9.913 7.225 Total anoparation 237.244 10.13.369 948.021 Tanaportation 4.740 3.901 18.901 13.941 Renal 9.95 237.244 1.013 0.95 Other 29 - 1.05 6.86 Operating: 28.860 242.025 1.065.737 997.731 Facility field 14.2936 130.063 557.529 514.933 Facility witable 51.191 9.942 30.944 18.874 Tostal operating expenses 11.91 944 888 Tostal operating expenses 11.91 944 888 Tostal operating expenses 11.91 944 888 Tostal operating expenses 11.91 944 888.715 890.51 Offer 12.247.88 18.011 775.311 72.135 General and all antinitative 11.91 13.245 90.6017 35.992 OPERATING INCOME 14.072 31.370	State	127,446	120,031	493,037	480,577
Total unangement venue 223,122 227,204 1013,399 918,501 Renal 3,001 18,501 18,501 Renal 945 920 3,742 3,701 Other 29 . 105 68 EXPENSE: 268,860 242,025 1,036,737 997,731 Operating: 268,860 242,025 1,036,737 997,731 Pacing fice 268,860 242,025 1,036,737 997,731 Pacing fice 289,860 259,237 3,119 100,063 557,529 511,931 Total corpeting expenses 199,955 184,011 775,511 721,352 Ober 1333 13,399 52,327 51,202 Depreciation and amontization 13,339 52,327 51,202 224,788 210,655 888,713 880,513 OPERALTING INCOME 44,072 31,370 168,662 128,200 OTHER (NCOME) EXPENSE: Equity in (smaing and recipitalization transactions - 6,28 2	Local	25,224	23,417	97,311	87,595
Transportation 4,460 3,301 18,001 15,501 Other 29 - 105 68 242,025 1,016,737 937,751 937,751 Other 29 - 105 68 EXPENSE: 242,025 1,016,737 937,751 Operating: 122,356 130,063 557,539 514,935 Feiling triad 122,356 130,063 557,539 514,935 Feiling virtable 131,91 492,95 148,011 775,311 721,152 Other 199,555 148,011 775,311 721,152 20,004 46,071 721,252 Operating expenses 199,855 148,011 775,311 721,252 20,007 51,292 20,007 51,292 20,007 36,007 721,252 20,007 36,007 36,007 721,252 20,000 72,498 20,06,55 806,715 806,551 20,007 22,020 73,1370 108,002 21,292 121,253 10,011 34,444	Other				
Rendi 945 920 3.742 3.701 Other 29 - 105 68 EXPENSE: 268.860 242.025 1.006,737 997.731 Operating: - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -	-				
Other 29 . 105 68 EXPENSE: 268.860 242.025 1.036.737 997.731 Operating: 12.036 30.003 557.529 51.493 Pellity fixed 142.936 130.003 557.529 51.493 Pellity variable 157.33 3.918 20.944 16.197 Total operating represes 137 110 945 388 Correct and administrative 1199.855 184.011 775.511 70.587 51.929 Depreciation and anontization 11.831 11.399 52.937 51.929 OPERATING INCOME 44.072 31.370 168.022 12.2000 OTHER (INCOME) EXPENS: 2 2 31.370 168.022 12.2000 Interest expense, and 17.987 18.101 74.446 87.478 Expense associated with debt refinancing and recepitalization transactions - - 6.687 3.6617 Unrealized foreign currency transaction gain 17.987 18.001 77.819 121.2837	Transportation				
Zer, PENSIS: 268,860 242,025 1,036,737 937,731 Operating: Pacility tradit 142,936 130,063 557,539 151,4913 Transportation 142,936 130,063 557,539 189,424 Transportation 559,23 3,918 20,944 16,187 Other 137 110 948,480 808 Total operating expenses 139,856 184,011 773,311 721,329 Ceneral and administrative 11,101 13,245 40,467 36,009 Depreciation and amoritation 224,788 143,509 53,037 51,202 OPERATING INCOME 44,072 31,370 168,022 128,200 OTHER (INCOME) EXPENSE: 17,387 18,011 71,446 87,478 Expense associated with divet refraining and recepitalization transactions - - 6,667 36,617 Lanse on disposal of assets 282 53 261 110 (2,286 Lanse on disposal of assets 282 53 26,000 (6,220	Rental	945	920		3,701
EXPENSE: Unit of the second seco	Other		-		
Operating: July strain OFERATING INCOME <	EXDENSES.	268,860	242,025	1,036,737	937,751
Facility strained 142,936 130,063 557,529 51,03 Pacility variable 51,01 49,920 195,800 188,424 Transportation 5,592 3,918 20,044 16,187 Other 137 110 948,454 16,897 Total operating expenses 199,856 184,011 775,311 721,352 General and administrative 11,001 13,234 40,467 36,007 Depreciation and amortization 11,831 11,209 32,2057 51,222 OFERATING INCOME 44,072 31,570 166,022 128,000 OTHER (INCOME EXPENSE: Equity in carmings) loss of joint venture (75) 90 (119) 153 Interest expense, net (75) 90 (119) 153 Interest expense, net (75) 90 (110) 100 Unrealized foreign currency transactions gain (357) (180) (622) 1010 Unrealized foreign currency transaction gain (17,837) 18,602 212,853 6,617<					
Facily variable 51,101 49,920 195,800 189,244 Transportation 5592 3,318 20,944 16,187 Other 137 110 948 808 Total operating expenses 199,856 184,011 775,511 721,329 General and administrative 11,101 13,245 40,467 36,007 Depreciation and amortization 212,738 210,655 866,713 860,222 128,200 OTHER (INCOME) EXPENSE: 240,752 31,370 166,022 128,200 OTHER (INCOME) EXPENSE: 17,987 18,101 74,446 87,478 Expense associated with debt refinancing and receptialization transactions - - 6,687 36,600 (2,206) Loss on disposal of asets 232 53 2,61 110 110,832 100 (2,556) (2,206) (2,206) (2,206) (2,206) (2,206) (2,206) (2,206) (2,206) (2,206) (2,2352) (2,247) (2,245) (2,006) (2,206) (2,2352		142 936	130.063	557 529	514 933
Transportation 5.592 3.018 20.944 16.187 Other 137 110 9485 808 Total operating expanses 199.855 184.011 775.311 721.352 General and administrative 11.101 13.235 40.467 36.907 Depreciation and amonization 13.831 13.399 22.978 210.655 868.715 809.551 OPERATING INCOME 44.072 31.370 168.022 128.200 OTHER (INCOME) EXPENSE: 17.987 18.101 74.446 87.478 Express esocitated with det refinancing and recapitalization transactions - - 6.687 36.670 Chaos of disposed of assets 232 53 2.61 11.00 11.080 (2.500) Unrealized foreign currency transaction gain (337) (180) (556) (622) Los on disposed of assets 22.25 12.678 90.203 6.617 Income tax benefit 52.459 30.021 52.352 63.284 Income (tos) from discontined operatio	-				
Other 137 110 948 808 Total operating expasses 199,856 184,011 775,311 721,352 General and administrative 11,101 13,245 40,467 36,907 Depreciation and amonization 13,831 13,399 32,937 51,222 OPERATING INCOME 44,072 31,370 168,022 128,200 OTHER (INCOME) EXPENSE: 21,370 168,022 128,200 Equity in (carrings) loss of joint venture 17,987 18,101 74,446 87,478 Expanse associated with debt refinancing and recapitalization transactions - 6,687 36,671 Change in diray and carring sing and recapitalization transactions - 6,28 (2,900) (2,206) Loss on disposal of assets 282 53 261 110 Unrealized foreign currency transaction gain (357) (180) (5550) (622) Income tax benefit 52,459 30,021 52,352 63,244 NCOME FROM CONTINUIG OPERATIONS BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE 78,694	-				
Total operating expenses 199,856 184,011 775,311 721,352 General and administrative 11,101 13,245 40,467 36,007 Depreciation and amoritization 224,788 210,655 866,715 809,551 OPERATING INCOME 44,072 31,370 168,022 128,200 OTHER (INCOME) EXPENSE: Equity in (crimings) loss of joint venture (75) 90 (119) 153 Interset expense, net 17,987 18,101 74,446 87,478 Expense sociated with debt refinancing and recepitalization transactions - 66,887 36,670 Change in fair value of derivative instruments 282 53 261 110 Unrealized foreign currency transaction gain (357) (180) (556) (622) Income tax benefit 52,459 30,021 52,352 63,284 Income (loss) from discontinued operations, net of taxes 920 562 (772) 2,459 Counce from Continuuing Operations, net of taxes 920 562 (772) 2,459 Incom					
General and administrative 11,101 13,245 40,467 36,907 Depreciation and amoritzation 13,831 13,339 52,937 51,292 OPERATING INCOME 44,072 31,370 166,022 128,200 OTHER (INCOME) EXPENSE: 44,072 31,370 166,022 128,200 Equity in (carrings) loss of joint venture (75) 90 (119) 153 Interest express, net 17,987 18,101 74,446 87,478 Express associated with debt refinancing and recepitalization transactions - - 6687 36,670 Change in fair value of derivative instruments - 628 (2,000) (2,206) Loss on disposal of assets 282 53 261 110 Unrealized foreign currecy transaction gain (357) (180) (556) (622) Income tax benefit 52,459 30,021 52,352 63,284 Income tax benefit 52,459 30,021 52,352 63,284 Income tax benefit 52,459 30,021 52,352 63,284 Income tax benefit 52,459 3					
Depreciation and amortization 13.831 13.399 52.937 51.292 224,788 210.655 868,715 809,551 OPERATING INCOME 44.072 31.370 168,022 128,200 OTHER (INCOME) EXPENSE: 17,987 18,101 74,446 87,478 Equity in (earnings) loss of joint venture (75) 90 (119) 153 Interest expense, net 17,987 18,101 74,446 87,478 Expenses associated with debr refinancing and recapitalization transactions - 628 (2,900) (2,206) Loss on disposal of assets 222 53 2(4) 110 121,583 INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES - 6,617 (622) 6,235 AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE 26,235 12,678 90,203 6,617 Income (loss) from discontinued operations, net of taxes 220 562 (772) 2,439 Cumulative effect of accounting change - - - (80,276) Distributions t					
224,788 210,655 868,715 809,551 OPERATING INCOME 44,072 31,370 168,022 128,200 OTHER (INCOME) EXPENSE: (75) 90 (119) 153 Interest express, end 17,987 18,101 74,446 87,478 Change in fur value of derivative instruments - - 6,687 36,670 Change in fur value of derivative instruments - 6,687 36,670 (2,206) Loss on disposal of assets 282 53 261 110 Urrealized foreign currency transaction gain (357) (180) (556) (622) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE 26,235 12,678 90,203 6,617 Income tax benefit 52,459 30,021 52,352 63,284 INCOME FROM CONTINUING OPERATIONS BEFORE CUMULATIVE 78,694 42,699 142,555 69,901 Income tax benefit 52,459 30,021 52,352 63,284 INCOME FROM CONTINUING OPERATIONS BEFORE CUMULATIVE					
OPERATING INCOME 44.072 31.370 168.022 128.200 OTHER (INCOME) EXPENSE: (75) 90 (119) 153 Equity in (earnings) loss of joint venture (75) 90 (119) 153 Interest expense, net 17,987 18.101 74.446 87.478 Expenses sociated with debt refinancing and recepitalization transactions - 628 (2,900) (2,206) Loss on disposil of assets 282 53 261 110 Unrealized foreign currency transaction gain (357) (180) (556) (622) AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE 26,235 12,678 90,203 6,617 Income tax benefit 52,459 30.021 52,352 63,284 INCOME FROM CONTINUING OPERATIONS BEFORE CUMULATIVE 78,694 42,699 142,555 69,901 Income (loss) from discontinued operations, net of taxes 920 562 (772) 2,459 Cumulative effect of accounting change - - (80,276) (20,959) NET INCOME (LOSS) <	Depreciation and amortization				
OTHER (INCOME) EXPENSE: (75) 90 (119) 153 Equity in (armings) loss of joint venture (75) 90 (119) 153 Interest expense, net 17,987 18,101 74,446 87,478 Expenses sociated with debt refinancing and recapitalization transactions - - 6687 36,670 Change in fair value of derivative instruments - - 628 (2,900) (2,206) Loss on disposal of assets 282 53 261 110 Unrealized foreign currency transaction gain (357) (180) (556) (622) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES - 64,235 12,678 90,203 6,617 Income tax benefit 52,459 30,021 52,352 63,284 Income (loss) from discontinued operations, net of taxes 920 562 (772) 2,459 Cumulative effect of accounting change - - - - (80,276) NET INCOME (LOSS) 79,614 43,261 141,783 (7,916) 0.27,95<	OPERATING INCOME			. <u> </u>	·
Equity in (armings) loss of joint venture (75) 90 (119) 153 Interest expense, net 17,987 18,101 74,446 87,478 Expenses associated with debt refinancing and recapitalization transactions - -6,687 36,670 Change in fair value of derivative instruments - 628 (2,900) (2,206) Loss on disposal of assets 282 53 261 110 Unrealized foreign currency transaction gain (357) (180) (556) (622) Income EROM CONTINUING OPERATIONS BEFORE INCOME TAXES 26,235 12,678 90,203 6,617 Income tax benefit 52,459 30,021 52,352 63,284 INCOME FROM CONTINUING OPERATIONS BEFORE CUMULATIVE 78,694 42,699 142,555 69,901 Income (loss) from discontinued operations, net of taxes 920 562 (772) 2,459 Cumulative effect of accounting change - - - (80,276) NET INCOME (LOSS) 79,614 43,261 141,783 (7,916) Distributions to preferred stockholders § 78,758 \$ 37,876 <td< td=""><td></td><td></td><td></td><td></td><td></td></td<>					
Interst expense, net 17,987 18,101 74,446 87,478 Expenses associated with debt refinancing and recapitalization transactions - - 6,687 36,670 Change in far value of devirative instruments - - 6,687 36,670 Loss on disposal of assets 282 53 261 110 Unrealized foreign currency transaction gain (357) (1800) (556) (622) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES 30,021 52,352 63,284 AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE 26,235 12,678 90,203 6,617 Income tax benefit 52,459 30,021 52,352 63,284 INCOME FROM CONTINUING OPERATIONS BEFORE CUMULATIVE 78,694 42,699 142,555 69,901 Income (loss) from discontinued operations, net of taxes 920 562 (772) 2,459 Cumulative effect of accounting change - - - (80,276) NET INCOME (LOSS) 79,614 43,261 141,783 (79,16) Distributions to preferred stockholders (856) (5,385) (15,262) (20,059) </td <td>OTHER (INCOME) EXPENSE:</td> <td></td> <td></td> <td></td> <td></td>	OTHER (INCOME) EXPENSE:				
Expenses associated with debt refinancing and recapitalization transactions - - 6,687 36,670 Change in fair value of derivative instruments - 628 (2,900) (2,206) Loss on disposal of assets 282 53 261 110 Unrealized foreign currency transaction gain (357) (180) (556) (622) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES - - 6,687 36,670 AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE 26,235 12,678 90,203 6,617 Income tax benefit 52,459 30,021 52,352 63,284 INCOME FROM CONTINUING OPERATIONS BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE 78,694 42,699 142,555 69,901 Income (tas) from discontinued operations, net of taxes 920 562 (772) 2,459 Cumulative effect of accounting change - - - (80,276) NET INCOME (LOSS) 79,614 43,261 141,783 (7,916) Distributions to preferred stockholders (53,855) (15,262) (20,959) NET INCOME (LOSS) AVAILABLE TO COMMION STOCKHOLDERS \$ 78,	Equity in (earnings) loss of joint venture	(75)	90	(119)	153
Change in fair value of derivative instruments - 628 (2,900) (2,206) Loss on disposal of assets 282 53 261 110 Unrealized foreign currency transaction gain (357) (180) (556) (622) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES 11,7,837 18,692 77,819 (2383) AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE 26,235 12,678 90,203 6,617 Income tax benefit 52,459 30,021 52,352 63,284 INCOME FROM CONTINUING OPERATIONS BEFORE CUMULATIVE 78,694 42,699 142,555 69,901 Income tax benefit 52,459 30,021 52,352 63,284 INCOME FROM CONTINUING OPERATIONS BEFORE CUMULATIVE 78,694 42,699 142,555 69,901 Income (loss) from discontinue operations, net of taxes 920 562 (772) 2,459 Cumulative effect of accounting change - - - (80,276) Distributions to preferred stockholders (856) (5,385) (15,262) (20,959) NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS \$ 78,758	Interest expense, net	17,987	18,101	74,446	87,478
Loss on disposal of assets 282 53 261 110 Unrealized foreign currency transaction gain (357) (180) (556) (622) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES 17,837 18,692 77,819 121,583 AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE 26,235 12,678 90,203 6,617 Income tax benefit 52,459 30,021 52,352 63,284 INCOME FROM CONTINUING OPERATIONS BEFORE CUMULATIVE 78,694 42,699 142,555 69,901 Income (loss) from discontinued operations, net of taxes 920 562 (772) 2,459 Cumulative effect of accounting change - - - (80,276) NET INCOME (LOSS) 79,614 43,261 141,783 (7,916) Distributions to preferred stockholders (5856) (5,385) (15,262) (20,959) NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS \$ 78,758 \$ 37,876 \$ 126,521 \$ (28,875) BASIC EARNINGS (LOSS) PER SHARE \$ 2,277 \$ 1.37 \$ 3.92 \$ (1.04)	Expenses associated with debt refinancing and recapitalization transactions	-	-	6,687	36,670
Unrealized foreign currency transaction gain (357) (180) (556) (622) 17,837 18,692 77,819 121,583 INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES 26,235 12,678 90,203 6,617 Income tax benefit 52,459 30,021 52,352 63,284 INCOME FROM CONTINUING OPERATIONS BEFORE CUMULATIVE 78,694 42,699 142,555 69,901 Income tax benefit 52,459 30,021 52,352 63,284 INCOME FROM CONTINUING OPERATIONS BEFORE CUMULATIVE 78,694 42,699 142,555 69,901 Income (loss) from discontinued operations, net of taxes 920 562 (772) 2,459 Cumulative effect of accounting change - - - (80,276) NET INCOME (LOSS) 79,614 43,261 141,783 (7,916) Distributions to preferred stockholders (856) (5,385) (15,262) (20,959) NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS \$ 78,758 \$ 37,876 \$ 126,521 \$ (28,875) BASIC EARNINGS (LOSS) PER SHARE \$ 2,227 \$ 1,37 \$ 3,92 \$ (1,04) <td>Change in fair value of derivative instruments</td> <td>-</td> <td>628</td> <td>(2,900)</td> <td>(2,206)</td>	Change in fair value of derivative instruments	-	628	(2,900)	(2,206)
17,837 18,692 77,819 121,583 INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES 26,235 12,678 90,203 6,617 Income tax benefit 52,459 30,021 52,352 63,284 INCOME FROM CONTINUING OPERATIONS BEFORE CUMULATIVE 78,694 42,699 142,555 69,901 Income (loss) from discontinued operations, net of taxes 920 562 (772) 2,459 Cumulative effect of accounting change - - (80,276) (80,276) NET INCOME (LOSS) 79,614 43,261 141,783 (7,916) Distributions to preferred stockholders (15,262) (20,959) (20,959) NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS \$ 78,758 \$ 37,876 \$ 126,521 \$ (28,875) BASIC EARNINGS (LOSS) PER SHARE \$ 2,27 \$ 1.37 \$ 3.92 \$ (1.04)	Loss on disposal of assets	282	53	261	110
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE26,23512,67890,2036,617Income tax benefit52,45930,02152,35263,284INCOME FROM CONTINUING OPERATIONS BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE78,69442,699142,55569,901Income (loss) from discontinued operations, net of taxes Cumulative effect of accounting change920562(772)2,459Income (loss)79,61443,261141,783(7,916)Distributions to preferred stockholders(856)(5,385)(15,262)(20,959)NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS\$78,758\$37,876\$126,521\$(28,875)BASIC EARNINGS (LOSS) PER SHARE\$2.27\$1.37\$3.92\$(1.04)	Unrealized foreign currency transaction gain				
AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE 26,235 12,678 90,203 6,617 Income tax benefit 52,459 30,021 52,352 63,284 INCOME FROM CONTINUING OPERATIONS BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE 78,694 42,699 142,555 69,901 Income (loss) from discontinued operations, net of taxes 920 562 (772) 2,459 Cumulative effect of accounting change - - - (80,276) NET INCOME (LOSS) 79,614 43,261 141,783 (7,916) Distributions to preferred stockholders (856) (5,385) (15,262) (20,959) NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS \$ 78,758 \$ 37,876 \$ 126,521 \$ (28,875) BASIC EARNINGS (LOSS) PER SHARE \$ 2,27 \$ 1,37 \$ 3,92 \$ (1.04)		17,837	18,692	77,819	121,583
Income tax benefit 52,459 30,021 52,352 63,284 INCOME FROM CONTINUING OPERATIONS BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE 78,694 42,699 142,555 69,901 Income (loss) from discontinued operations, net of taxes 920 562 (772) 2,459 Cumulative effect of accounting change - - - (80,276) NET INCOME (LOSS) 79,614 43,261 141,783 (7,916) Distributions to preferred stockholders (856) (5,385) (15,262) (20,959) NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS \$ 78,758 \$ 37,876 \$ 126,521 \$ (28,875) BASIC EARNINGS (LOSS) PER SHARE \$ 2.27 \$ 1.37 \$ 3.92 \$ (1.04)	INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES				
INCOME FROM CONTINUING OPERATIONS BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE 78,694 42,699 142,555 69,901 Income (loss) from discontinued operations, net of taxes Cumulative effect of accounting change 920 562 (772) 2,459 NET INCOME (LOSS) 79,614 43,261 141,783 (7,916) Distributions to preferred stockholders (856) (5,385) (15,262) (20,959) NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS \$ 78,758 \$ 37,876 \$ 126,521 \$ (28,875) BASIC EARNINGS (LOSS) PER SHARE \$ 2.27 \$ 1.37 \$ 3.92 \$ (1.04)	AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE	26,235	12,678	90,203	6,617
EFFECT OF ACCOUNTING CHANGE 78,694 42,699 142,555 69,901 Income (loss) from discontinued operations, net of taxes 920 562 (772) 2,459 Cumulative effect of accounting change - - (80,276) NET INCOME (LOSS) 79,614 43,261 141,783 (7,916) Distributions to preferred stockholders (856) (5,385) (15,262) (20,959) NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS \$ 78,758 \$ 37,876 \$ 126,521 \$ (28,875) BASIC EARNINGS (LOSS) PER SHARE \$ 2.27 \$ 1.37 \$ 3.92 \$ (1.04)	Income tax benefit	52,459	30,021	52,352	63,284
EFFECT OF ACCOUNTING CHANGE 78,694 42,699 142,555 69,901 Income (loss) from discontinued operations, net of taxes 920 562 (772) 2,459 Cumulative effect of accounting change - - (80,276) NET INCOME (LOSS) 79,614 43,261 141,783 (7,916) Distributions to preferred stockholders (856) (5,385) (15,262) (20,959) NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS \$ 78,758 \$ 37,876 \$ 126,521 \$ (28,875) BASIC EARNINGS (LOSS) PER SHARE \$ 2.27 \$ 1.37 \$ 3.92 \$ (1.04)	INCOME FROM CONTINUING OPERATIONS BEFORE CUMULATIVE				
Cumulative effect of accounting change - - - (80,276) NET INCOME (LOSS) 79,614 43,261 141,783 (7,916) Distributions to preferred stockholders (856) (5,385) (15,262) (20,959) NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS \$ 78,758 \$ 37,876 \$ 126,521 \$ (28,875) BASIC EARNINGS (LOSS) PER SHARE \$ 2.27 \$ 1.37 \$ 3.92 \$ (1.04)		78,694	42,699	142,555	69,901
NET INCOME (LOSS) 79,614 43,261 141,783 (7,916) Distributions to preferred stockholders (856) (5,385) (15,262) (20,959) NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS \$ 78,758 \$ 37,876 \$ 126,521 \$ (28,875) BASIC EARNINGS (LOSS) PER SHARE \$ 2.27 \$ 1.37 \$ 3.92 \$ (1.04)	-	920	562	(772)	
Distributions to preferred stockholders (856) (5,385) (15,262) (20,959) NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS \$ 78,758 \$ 37,876 \$ 126,521 \$ (28,875) BASIC EARNINGS (LOSS) PER SHARE \$ 2.27 \$ 1.37 \$ 3.92 \$ (1.04)	Cumulative effect of accounting change		-	-	(80,276)
NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS \$ 78,758 \$ 37,876 \$ 126,521 \$ (28,875) BASIC EARNINGS (LOSS) PER SHARE \$ 2.27 \$ 1.37 \$ 3.92 \$ (1.04)	NET INCOME (LOSS)	79,614	43,261	141,783	(7,916)
BASIC EARNINGS (LOSS) PER SHARE \$ 2.27 \$ 1.37 \$ 3.92 \$ (1.04)	Distributions to preferred stockholders	(856)	(5,385)	(15,262)	(20,959)
	NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS	\$ 78,758	\$ 37,876	\$ 126,521	\$ (28,875)
DILUTED EARNINGS (LOSS) PER SHARE \$ 2.01 \$ 1.14 \$ 3.44 \$ (0.82)	BASIC EARNINGS (LOSS) PER SHARE	\$ 2.27	\$ 1.37	\$ 3.92	\$ (1.04)
	DILUTED EARNINGS (LOSS) PER SHARE	\$ 2.01	\$ 1.14	\$ 3.44	\$ (0.82)

RECONCILIATION OF BASIC TO DILUTED EARNINGS PER SHARE

	For	the Three Month 2003		ember 31, 2002		For the Year En 2003		er 31, 2002
Basic:								
Income from continuing operations before cumulative								
effect of accounting change	\$	77,838	\$	37,314	\$	127,293	\$	48,942
Income (loss) from discontinued operations, net of taxes		920		562		(772)		2,459
Cumulative effect of accounting change	-	-	-	-	-	-		(80,276)
Net income (loss) available to common stockholders	\$	78,758	\$	37,876	\$	126,521	\$	(28,875)
Diluted:								
Income from continuing operations before cumulative	<u>^</u>		<u>^</u>		<u>^</u>	105 000	<u>^</u>	10.010
effect of accounting change	\$	77,838	\$	37,314	\$	127,293	\$	48,942
Interest expense applicable to convertible notes *		302		2,641		4,496		2,400
Diluted income from continuing operations before cumulative		70.140		20.055		121 700		51.242
effect of accounting change		78,140		39,955		131,789		51,342
Income (loss) from discontinued operations, net of taxes		920		562		(772)		2,459
Cumulative effect of accounting change	¢	-	¢	-	¢	-	¢	(80,276)
Diluted net income (loss) available to common stockholders	<u>\$</u>	79,060	\$	40,517	\$	131,017	\$	(26,475)
Basic:								
Weighted average common shares outstanding		35,039		27,979		32,603		27,952
Unvested restricted common stock		(367)		(283)		(358)		(283)
Weighted average common shares outstanding-basic Diluted:		34,672		27,696		32,245		27,669
Weighted average common shares outstanding-basic		34,672		27,696		32,245		27,669
Effect of dilutive securities:		01,072		27,070		02,210		21,005
Stock options and warrants		1,046		629		917		621
Stockholder litigation		-		310		115		310
Convertible notes		3,362		6,733		4,523		3,370
Restricted stock-based compensation		273		239		249		238
Weighted average shares and assumed conversions-diluted		39,353		35,607		38,049		32,208
Basic earnings (loss) per share:								
Income from continuing operations before cumulative								
effect of accounting change	\$	2.24	\$	1.35	\$	3.95	\$	1.77
Income (loss) from discontinued operations, net of taxes	φ	0.03	φ	0.02	ψ	(0.03)	φ	0.09
Cumulative effect of accounting change		-		-		(0.05)		(2.90)
Net income (loss) available to common stockholders	\$	2.27	\$	1.37	\$	3.92	\$	(1.04)
Diluted earnings (loss) per share:	Ψ	2.27	Ψ	1.57	9	5.72	Ŷ	(1.01)
Income from continuing operations before cumulative								
effect of accounting change	\$	1.99	\$	1.12	\$	3.46	\$	1.59
Income (loss) from discontinued operations, net of taxes	Ψ	0.02	ψ	0.02	φ	(0.02)	φ	0.08
Cumulative effect of accounting change		-		-		(0:02)		(2.49)
Diluted net income (loss) available to common stockholders	\$	2.01	\$	1.14	\$	3.44	\$	(0.82)
* For the year ended December 31, 2002, \$7,851 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		_		_		_		_
Stockholder litigation		-		-		-		-
Convertible notes using the if-converted method		-		-		-		3,366
Restricted stock-based compensation using the treasury stock method		_		_		_		-
reserved stock based componisation doing the dedstily stock method		-				-		3,366
		-		-		-		5,500

ILLUSTRATION OF 2003 RESULTS, ADJUSTED FOR SPECIAL ITEMS

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

	Marc	ch 31, 2003	Ju	For the Tl ne 30, 2003	hree Months	s Ended 1ber 30, 2003	Decem	ber 31, 2003		Year Ended ber 31, 2003
Pre-tax net income, as reported	\$	22,732	\$	20,230	\$	19,314	\$	26,235	\$	88,511
Special items:										
Expenses associated with debt refinancing and recapitalization transactions		-		4,135		2,552		-		6,687
Change in fair value of derivative instruments		-		(2,900)		-		-		(2,900)
		22,732		21,465		21,866		26,235		92,298
Income tax (expense) benefit, as reported		170		-		(277)		52,459		52,352
Special items:										
Income tax benefit for reversal of valuation allowance		-		-		-		(54,276)		(54,276)
Income tax benefit from discontinued operations				-		-		920		920
Net income, as adjusted for special items		22,902		21,465		21,589		25,338		91,294
Preferred stock distributions		(5,480)		(8,090)		(836)		(856)		(15,262)
Special item: Excess distributions to series B preferred stockholders		-		4,472		-		-		4,472
Net income available to common stockholders, as adjusted for special items	\$	17,422	\$	17,847	\$	20,753	\$	24,482	\$	80,504
Basic:										
Income from continuing operations, as adjusted for special items	\$	19,114	\$	17,847	\$	20,753	\$	24,482	\$	82,196
Income (loss) from discontinued operations, as adjusted for special items		(1,692)		-		-		-		(1,692)
Net income available to common stockholders, as adjusted for special items	\$	17,422	\$	17,847	\$	20,753	\$	24,482	\$	80,504
Diluted:										
Income from continuing operations, as adjusted for special items	\$	19,114	\$	17,847	\$	20,753	\$	24,482	\$	82,196
Interest expense applicable to convertible notes *		2,630		391		302		302		1,588
Diluted income from continuing operations, as adjusted for special items		21,744		18,238		21,055		24,784		83,784
Income (loss) from discontinued operations, as adjusted for special items		(1,692)		-		-		-		(1,692)
Diluted net income available to common stockholders, as adjusted for special items	\$	20,052	\$	18,238	\$	21,055	\$	24,784	\$	82,092
Basic:		27,714		21.840		24 640		34,672		32,245
Weighted average common shares outstanding Effect of dilutive securities:		27,714		31,840		34,649		54,072		52,245
Stock options and warrants		667		934		937		1,046		917
Stockholder litigation		310		153		957		-		917 115
Convertible notes **		6,733		3,362		3,362		3,362		3,362
Restricted stock-based compensation		222		252		263		273		249
Diluted:				232		203		213		249
Weighted average common shares outstanding		35,646		36,541		39,211		39,353		36,888
Basic earnings (loss) per share:										
Income from continuing operations, as adjusted for special items	\$	0.69	\$	0.56	\$	0.60	\$	0.71	\$	2.55
Income (loss) from discontinued operations, as adjusted for special items	Ψ	(0.06)	Ŷ	-	Ψ	-	Ψ	-	Ŷ	(0.05)
Net income available to common stockholders, as adjusted for special items	\$	0.63	\$	0.56	\$	0.60	\$	0.71	\$	2.50
Diluted earnings (loss) per share:										
Income from continuing operations, as adjusted for special items	\$	0.60	\$	0.50	\$	0.54	\$	0.63	\$	2.27
Income (loss) from discontinued operations, as adjusted for special items	Ŧ	(0.05)	Ŧ	-	Ŧ	-	Ŧ	-	Ŧ	(0.05)
Net income available to common stockholders, as adjusted for special items	\$	0.56	\$	0.50	\$	0.54	\$	0.63	\$	2.23
······································					-					

* For the second quarter of 2003, and for the year ended December 31, 2003, \$870 and \$2,908, respectively, have been excluded as the effect is anti-dilutive.

** For the second quarter of 2003, and for the year ended December 31, 2003, 1,330 and 1,161 shares, respectively, have been excluded as the effect is anti-dilutive.

ILLUSTRATION OF 2003 RESULTS, ADJUSTED FOR SPECIAL ITEMS AND ASSUMING A TAX PROVISION

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

	Marc	h 31, 2003	For the Three Months Ended June 30, 2003 September 30, 200							For the Year Ended December 31, 2003	
Pre-tax net income, as reported	\$	22,732	\$	20,230	\$	19,314	\$	26,235	\$	88,511	
Special items:											
Expenses associated with debt refinancing and recapitalization transactions		-		4,135		2,552		-		6,687	
Change in fair value of derivative instruments		-		(2,900)		-		-		(2,900)	
-	-	22,732		21,465		21,866		26,235		92,298	
Income tax adjustment		(9,093)		(8,586)		(8,746)		(10,494)		(36,919)	
Net income, as adjusted for special items		13,639		12,879		13,120		15,741		55,379	
Preferred stock distributions, as reported		(5,480)		(8,090)		(836)		(856)		(15,262)	
Special item: Excess distributions to series B preferred stockholders		-		4,472		-		-		4,472	
Net income available to common stockholders, as adjusted for special items	\$	8,159	\$	9,261	\$	12,284	\$	14,885	\$	44,589	
Basic:											
Income from continuing operations, as adjusted for special items	\$	9,174	\$	9,261	\$	12,284	\$	14,885	\$	45,604	
Income (loss) from discontinued operations, net of taxes		(1,015)		-		-		-		(1,015)	
Net income available to common stockholders, as adjusted for special items	\$	8,159	\$	9,261	\$	12,284	\$	14,885	\$	44,589	
Diluted:											
Income from continuing operations, as adjusted for special items	\$	9,174	\$	9,261	\$	12,284	\$	14,885	\$	45,604	
Interest expense applicable to convertible notes, net of taxes *		355		235		181		181		952	
Diluted income from continuing operations, as adjusted for special items		9,529		9,496		12,465		15,066		46,556	
Income (loss) from discontinued operations, net of taxes		(1,015)		-		-		-		(1,015)	
Diluted net income available to common stockholders, as adjusted for special items	\$	8,514	\$	9,496	\$	12,465	\$	15,066	\$	45,541	
Basic:											
Weighted average common shares outstanding		27,714		31,840		34,649		34,672		32,245	
Effect of dilutive securities:											
Stock options and warrants		667		934		937		1,046		917	
Stockholder litigation		310		153		-		-		115	
Convertible notes **		3,370		3,362		3,362		3,362		3,362	
Restricted stock-based compensation Diluted:		222		252		263		273		249	
Weighted average common shares outstanding		32,283		36,541		39,211		39,353		36,888	
Basic earnings (loss) per share:											
Income from continuing operations, as adjusted for special items	\$	0.33	\$	0.29	\$	0.35	\$	0.43	\$	1.41	
Income (loss) from discontinued operations, net of taxes		(0.04)		-		-		-		(0.03)	
Net income available to common stockholders, as adjusted for special items	\$	0.29	\$	0.29	\$	0.35	\$	0.43	\$	1.38	
Diluted earnings (loss) per share:											
Income from continuing operations, as adjusted for special items	\$	0.29	\$	0.26	\$	0.32	\$	0.38	\$	1.26	
Income (loss) from discontinued operations, net of taxes		(0.03)		-		-		-		(0.03)	
Net income available to common stockholders, as adjusted for special items	\$	0.26	\$	0.26	\$	0.32	\$	0.38	\$	1.23	
······································	**				-			0.00			

* For the first and second quarters of 2003, and for the year ended December 31, 2003, \$1,223, \$522, and \$1,745, respectively, have been excluded as the effect is anti-dilutive.

** For the first and second quarters of 2003, and for the year ended December 31, 2003, 3,363, 1,330 and 1,161 shares, respectively, have been excluded as the effect is anti-dilutive.

SELECTED FINANCIAL INFORMATION

	Dec	cember 31, 2003	Sep	tember 30, 2003	Jur	ne 30, 2003	Mar	rch 31, 2003	Dec	cember 31, 2002
BALANCE SHEET:										
Property and equipment	\$	1,828,482	\$	1,807,896	\$	1,798,146	\$	1,790,422	\$	1,738,650
Accumulated depreciation and amortization		(241,503)		(227,325)		(213,321)		(199,303)		(186,385)
Property and equipment, net	\$	1,586,979	\$	1,580,571	\$	1,584,825	\$	1,591,119	\$	1,552,265
Total assets	\$	1,959,028	\$	1,883,717	\$	1,882,639	\$	1,917,730	\$	1,874,071
Maintenance capital expenditures for the quarter ended	\$	13,167	\$	9,435	\$	7,438	\$	5,482	\$	3,428
Total debt	\$	1,003,428	\$	1,007,042	\$	1,049,157	\$	980,622	\$	955,959
Equity book value	\$	775,465	\$	693,884	\$	674,310	\$	758,427	\$	733,998
LIQUIDITY:										
Cash and cash equivalents	\$	84,231	\$	68,943	\$	70,464	\$	69,955	\$	65,406
Availability under revolving credit facility	\$	97,741	\$	98,141	\$	45,891	\$	51,891	\$	57,969
CAPITALIZATION:										
Common shares outstanding		35,020		35,029		35,016		28,103		27,986
Common share price at end of period	\$	28.83	\$	24.67	\$	25.33	\$	17.46	\$	17.15
Market value of common equity at end of period	\$	1,009,627	\$	864,165	\$	886,955	\$	490,678	\$	479,960
Preferred shares outstanding - Series A		300		300		300		4,300		4,300
Preferred share price at end of period - Series A	\$	25.10	\$	25.30	\$	25.20	\$	22.40	\$	21.50
Market value of preferred equity at end of period - Series A	\$	7,530	\$	7,590	\$	7,560	\$	96,320	\$	92,450
Preferred shares outstanding - Series B		962		962		938		4,672		4,408
Preferred share price at end of period - Series B	\$	25.25	\$	25.40	\$	25.49	\$	24.85	\$	25.00
Market value of preferred equity at end of period - Series B	\$	24,291	\$	24,435	\$	23,910	\$	116,099	\$	110,200
Total equity market capitalization	\$	1,041,447	\$	896,190	\$	918,425	\$	703,098	\$	682,610
Total market capitalization (market value of equity plus debt)	\$	2,044,875	\$	1,903,232	\$	1,967,582	\$	1,683,720	\$	1,638,569
EBITDA	\$	58,053	\$	51,549	\$	52,925	\$	55,059	\$	44,178
ADJUSTED EBITDA	\$	58,053	\$	54,101	\$	54,160	\$	55,059	\$	48,806
ADJUSTED FREE CASH FLOW	\$	27,387	\$	27,299	\$	26,169	\$	30,468	\$	23,082
ADJUSTED FREE CASH FLOW PER SHARE:										
Basic adjusted free cash flow per share	\$	0.79	\$	0.79	\$	0.82	\$	1.10	\$	0.83
Diluted adjusted free cash flow per share	\$	0.70	\$	0.70	\$	0.72	\$	0.93	\$	0.72

SELECTED FINANCIAL INFORMATION

	I	For the Three Decem		Ended		For the Yo Decem		ed
		2003		2002		2003		2002
Number of days per period		92		92		365		365
ALL FACILITIES:								
Average available beds		58,732		56,610		58,676		56,891
Average compensated occupancy		95.4%		90.9%		92.9%		89.1%
Total compensated man-days		5,152,403		4,732,062		19,906,312		18,511,013
Revenue per compensated man-day	\$	51.07	\$	50.13	\$	50.94	\$	49.59
Operating expenses per compensated man-day:		27.74		27.40		29.01		27.82
Fixed expense		27.74 9.94		27.49		28.01		27.82
Variable expense Total		37.68		10.55 38.04		9.84 37.85		10.23 38.05
Operating margin per compensated man-day	\$	13.39	\$	12.09	\$	13.09	\$	11.54
Operating margin rate	Ψ	26.2%	φ	24.1%	Ψ	25.7%	Ψ	23.3%
oporaning margin rate		201270		2		2011/10		201070
DEPRECIATION AND AMORTIZATION:								
Depreciation expense	\$	14,359	\$	13,499	\$	56,299	\$	53,088
Amortization of goodwill		244		-		244		-
Amortization of intangible assets		107		64		157		338
Amortization of negative contract values		(879)		(164)		(3,763)		(2,134)
Depreciation and amortization	\$	13,831	\$	13,399	\$	52,937	\$	51,292
ADJUSTED FREE CASH FLOW:								
Pre-tax income (loss) available to common stockholders	\$	26,299	\$	7,855	\$	74,169	\$	(92,159)
Expenses associated with debt refinancing and recapitalization transactions		-		-		6,687		36,670
Cumulative effect of accounting change		-		-		-		80,276
Income taxes paid		(454)		(141)		(2,183)		(4,251)
Depreciation and amortization		13,831		13,399		52,937		51,292
Depreciation and amortization for discontinued operations		-		154		1,074		3,095
Income tax (benefit) expense for discontinued operations		(920)		-		(920)		600
Amortization of debt costs and other non-cash interest		1,798		1,380		7,505		11,816
Change in fair value of derivative instruments		-		628		(2,900)		(2,206)
Series B preferred stock dividends satisfied with series B								
preferred stockand non-recurring tender premium		-		3,235		10,476		12,359
Maintenance capital expenditures		(13,167)		(3,428)		(35,522)		(12,254)
Adjusted free cash flow	\$	27,387	\$	23,082	\$	111,323	\$	85,238
ADJUSTED FREE CASH FLOW PER SHARE:								
Basic	\$	0.79	\$	0.83	\$	3.45	\$	3.08
Diluted	\$	0.70	\$	0.72	\$	3.04	\$	2.68
	-							

SELECTED FINANCIAL INFORMATION

2003 2003 2003 2003 2003 MAACED ONLY FACILITIES: Management wrone Operating expresses: Fixed express \$ 71.937 \$ 70.281 \$ 281.524 \$ 275.916 275.916 Operating express: Fixed express 16.227 15.005 61.645 55.759 200.217 252.021 Contribution \$ 12.490 \$ 13.722 \$ 51.307 \$ 16.245 55.789 200.017 252.021 Contribution \$ 12.490 \$ 13.722 \$ 51.307 \$ 52.585 3.007 \$ 52.585 3.007 \$ 52.585 3.007 \$ 51.585 3.007 \$ 51.585 3.007 \$ 51.585 3.007 \$ 51.585 3.007 \$ 51.585 3.007 \$ 51.595 3.04.07 \$ 00.517 \$ 71.98 \$ 101.1% 101.1% 101.1% \$ 71.95 \$ 72.51 \$ 72.446 \$ 72.57 \$ 72.72 \$ 72.72 \$ 72.72 <]	For the Three I Deceml		Ended		For the Ye Decem				
Management revenue \$ 71,977 \$ 70,281 \$ 281,524 \$ 278,916 Operating expenses: 44,210 44,844 164,577 156,575 161,655 557,916 Variable expense 12,227 15,057 61,655 557,920 225,021 225,021 225,021 225,021 5 33,889 Average available beds 17,768 17,776 17,068 100,11% 100,30% 101,1% Total compensated occupancy 104,1% 102,1% 103,0% 101,1% 103,0% 101,1% Total compensated man-day \$ 42,47 \$ 42,48 \$ 40,909 Operating expense 25,51 24,84 25,53 24,71 Y Y 44,80 \$ 40,97 Operating expense 25,51 24,84 25,53 24,71 Y Y 44,84 \$ 40,97 Operating expense 5,510 33,87 34,862 133,055 \$ 92,725 \$ \$ <th></th> <th></th> <th></th> <th></th> <th>2002</th> <th></th> <th></th> <th></th> <th>2002</th>					2002				2002		
Management revenue \$ 71,977 \$ 70,281 \$ 281,524 \$ 278,916 Operating expenses: 44,210 44,844 164,577 156,575 161,655 557,916 Variable expense 12,227 15,057 61,655 557,920 225,021 225,021 225,021 225,021 5 33,889 Average available beds 17,768 17,776 17,068 100,11% 100,30% 101,1% Total compensated occupancy 104,1% 102,1% 103,0% 101,1% 103,0% 101,1% Total compensated man-day \$ 42,47 \$ 42,48 \$ 40,909 Operating expense 25,51 24,84 25,53 24,71 Y Y 44,80 \$ 40,97 Operating expense 25,51 24,84 25,53 24,71 Y Y 44,84 \$ 40,97 Operating expense 5,510 33,87 34,862 133,055 \$ 92,725 \$ \$ <th>MANAGED ONLY FACILITIES:</th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th>	MANAGED ONLY FACILITIES:										
Operating expense: 43.210 41.484 165.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 163.572 173.55		\$	71 937	\$	70 281	\$	281 524	\$	278 916		
Fired expense 43,20 41,44 168,572 168,262 Variable expense 39,447 56,559 220,217 225,021 Contribution 3 12,490 3 13,722 \$ 51,307 \$ 33,885 Average available beds 17,688 17,776 17,688 18,442 Average compensated man-days 169,3699 1,670,297 6,649,609 6,808,489 Reverse per compensated man-day 5 42,47 \$ 42.08 \$ 42.34 \$ 40.97 Operating margin per compensated man-day 5 42,47 \$ 42.08 \$ 42.34 \$ 40.97 Operating margin per compensated man-day 5 7,77 \$ 42.08 \$ 42.34 \$ 40.97 Operating margin per compensated man-day 5 7,77 \$ 7,72 \$ 7,92 \$ 9,92 0,93 3,927 \$ 8,21 \$ 7,72 \$ 7,92 \$ 7,92 \$ 7,9	0	Ψ	11,951	Ψ	70,201	Ψ	201,521	Ψ	270,910		
$\begin{array}{c c c c c c c c c c c c c c c c c c c $			43 210		41 484		168 572		168 262		
Total $59,447$ $56,559$ $220,217$ $225,021$ Contribution \$ 12,400 \$ 13,722 \$ 51,307 \$ 53,895 Average available beds 17,688 17,766 17,688 18,442 Average compensated occupancy 104,1% 102,1% 103,0% 101,1% Total compensated man-day 1,693,699 1,670,297 6,649,609 6,898,489 Revenue per compensated man-day \$ 42,47 \$ 42,08 \$ 42,34 \$ 40,97 Operating expenses per compensated man-day 9,59 9,033 9,27 8,34 Total 33,87 3,4462 33,067 9,23 9,272 8,33 Total 35,100 33,87 3,4462 33,067 9,279 9,23 9,272 8,33 Operating margin per compensated man-day \$ 7,37 \$ 8,21 \$ 7,72 \$ 7,92 9,272 8,33,057 34,662 33,067 9,363 9,772 \$ 5,909 9,726 88,579 388,957 34,667 13,33,02 479,336 13,2302 479,336 132,463 132,424 132,424 132,424 132,3202	*										
Contribution $$$ 12,490 $$$ 13,722 $$$ $$$ 53,895 Average available beds 17,688 17,688 17,776 17,688 18,442 Average compensated occupancy 104,1% 102,1% 103,0% 101,1% Total compensated man-days 1,693,699 1,670,297 6,649,609 6,808,489 Revenue per compensated man-day \$ 42,47 \$ 42.08 \$ 42.34 \$ 40.97 Operating expense 0.959 9,03 9,27 8,34 233.05 34.62 33.05 Operating margin per compensated man-day \$ 7.77 \$ 8,21 \$ 7.72 \$ 9.92 9.03 9.27 8,34 19.33% 19.33% 19.33% 19.33% 19.33% 19.33% 19.33% 19.33% 19.33% 19.33% 19.33% 19.33% 19.33% 19.33% 19.33% 19.33% 13.462 132.665 5 639,105 19.33% 19.33% 19.345 13.4455	*										
Average compensated occupancy 104.1% 102.1% 103.0% 101.1% Total compensated man-days 1.693,699 1.670,297 6,649,609 6,808,489 Revenue per compensated man-day \$ 42.47 \$ 42.08 \$ 42.34 \$ 40.97 Operating expenses per compensated man-day: Fixed expense 25.51 24.84 25.35 24.71 Variable expense 25.51 24.84 25.35 24.71 Variable expense 25.51 24.84 25.35 24.71 Variable expense 9.59 9.03 9.277 8.34 Total 35.10 33.87 34.62 33.05 Operating margin per compensated man-day \$ 7.37 \$ 8.21 \$ 7.72 \$ 7.92 Operating margin rate \$ 191,189 \$ 166.923 \$ 732,465 \$ 639,010 Operating expenses: \$ 191,189 \$ 166.923 \$ 732,465 \$ 639,010		\$		\$		\$		\$			
Total compensated man-days 1.693,699 1.670,297 6.649,609 6.808,489 Revenue per compensated man-day \$ 42.47 \$ 42.08 \$ 42.34 \$ 40.97 Operating expenses per compensated man-day: Fixed expense 25.51 24.84 25.35 24.71 Virable expense 9.59 9.03 9.27 8.34 Total 33.05 33.87 34.62 33.05 Operating margin per compensated man-day \$ 7.37 \$ 8.21 \$ 7.72 \$ 7.92 Operating margin rate \$ 7.37 \$ 8.21 \$ 7.72 \$ 7.92 Operating expenses: \$ 191,189 \$ 166,923 \$ 732,465 \$ 639,105 Operating expenses: \$ 99,776 88,579 388,957 346,671 134,245 132,626 \$ 159,769 Overage expenses: \$ 99,776 88,579 388,8957 346,671 134,686 <td< td=""><td>Average available beds</td><td></td><td>17,688</td><td></td><td>17,776</td><td></td><td>17,688</td><td></td><td>18,442</td></td<>	Average available beds		17,688		17,776		17,688		18,442		
Revenue per compensated man-day Operating expenses per compensated man-day: Fixed expense \$ 42.47 \$ 42.08 \$ 42.34 \$ 40.97 Operating expenses per compensated man-day: Total 25.51 24.84 25.35 24.71 \$ 42.08 \$ 42.34 \$ 40.97 Variable expense 25.51 24.84 25.35 24.71 \$ 33.87 34.62 33.05 Operating margin per compensated man-day Operating margin rate \$ 7.37 \$ \$ 7.72 \$ 7.92 OwnED AND MANAGED FACILITIES: Management revenue \$ 191,189 \$ 166,923 \$ 732,465 \$ 639,105 Operating expenses: Fixed expense 99,726 88,579 388,957 346,671 344,624 132,665 132,265 132,265 132,265 132,265 132,265 132,265 132,265 132,265 142,245 132,265 142,245 132,265 149,336 132,265 143,245 132,665 143,245 132,2665 149,336 142,445	Average compensated occupancy		104.1%		102.1%		103.0%		101.1%		
Operating expenses per compensated man-day: 25.51 24.84 25.35 24.71 Variable expense 9.59 9.03 9.27 8.34 Total 33.10 33.87 34.62 33.05 Operating margin per compensated man-day \$ 7.37 \$ 8.21 \$ 7.72 \$ 7.92 Operating margin rate \$ 7.37 \$ 8.21 \$ 7.72 \$ 7.92 Operating margin rate \$ 7.37 \$ 8.21 \$ 7.72 \$ 7.92 Operating margin rate \$ 7.92 \$ 7.92 \$ 7.92 \$ 7.92 \$ 7.92 \$ 7.92 \$ 7.92 \$ 7.92 \$ 7.92 \$ 7.92 \$ 7.92 \$ 7.92 \$ 7.92 \$ 7.92 \$ 7.92 \$ 7.92 \$ 7.92 \$ 7.92 \$ 7.92 \$ 7.92 \$ 7.92 \$ 7.92 \$ 7.92 \$ 7.92 \$ 7.92 <t< td=""><td>Total compensated man-days</td><td></td><td>1,693,699</td><td></td><td>1,670,297</td><td></td><td>6,649,609</td><td></td><td>6,808,489</td></t<>	Total compensated man-days		1,693,699		1,670,297		6,649,609		6,808,489		
Fixed expense 25.51 24.84 25.35 24.71 Variable expense 9.59 9.03 9.27 8.34 Total 35.10 33.87 34.62 33.05 Operating margin per compensated man-day $\$$ $\$$ 7.72 $\$$ 7.92 Operating margin rate 17.4% 19.5% 18.2% 19.5% 18.2% 19.3% OWNED AND MANAGED FACILITIES: $$$ 191.189 $\$$ 166.923 $\$$ 732.465 $\$$ 639.105 Operating expenses: $99,726$ 88.579 388.957 346.671 34.621 34.845 134.245 132.665 Total 34.954 34.845 134.245 132.665 123.424 523.202 479.336 Contribution $\$$ $$5.55.09$ $$$43.499$ $$$209.263$ $$$159.769$ Average available beds 41.044 38.834 40.988 38.449 Average compensated nan-day $$$5.528$ $$5.528$ $$5.525$ $$$5.46.1$ Operating expenses per compensated man-day: $$$25.28$ $$$5.528$ $$$5.525$ $$$5.46.1$ Operating expenses per compensated man-day: $$$28.83$ 28.93 29.34 29.62 Fixed 28.83 28.93 29.34 29.62 Variable 11.11 11.34 10.13 11.34 Operating expenses per compensated man-day: $$$25.28$ $$$25.25$ $$$5.25$ $$$4.61$ Operating expenses per compensated man-day: $$$28.33$ $$$28.93$ $$$	Revenue per compensated man-day	\$	42.47	\$	42.08	\$	42.34	\$	40.97		
Variable expense9.599.039.278.34Total35.1033.8734.6233.05Operating margin per compensated man-day\$ 7.37\$ 8.21\$ 7.72\$ 7.92Operating margin rate17.4%19.5%18.2%19.3%OWED AND MANAGED FACILITIES:Management revenue\$ 191,189\$ 166,923\$ 732,465\$ 639,105Operating expenses:99,72688,579388,957346,671Variable expense99,72688,579388,957346,671Variable expense134,640123,4241322,3204779,336Total134,640123,424523,2024779,336Contribution\$ 56,509\$ 43,499\$ 209,263\$ 159,769Average available beds41,04438,83440,98838,449Average compensated occupancy91.6%85.7%88.6%83.4%Total compensated man-day\$ 55.28\$ 54.52\$ 55.25\$ 54.61Operating expenses per compensated man-day:28.8328.9329,3429.62Fixed28.8328.9329,3429.62Variable10.1111.13810.1311.34Total38.9440.3139.4740.96Operating nargin per compensated man-day\$ 16.34\$ 14.21\$ 157.8\$ 13.65	Operating expenses per compensated man-day:										
Total 33.87 34.62 33.05 Operating margin per compensated man-day \$ 7.37 \$ 8.21 \$ 7.72 \$ 7.92 Operating margin rate 17.4% 19.5% 18.2% 19.3% 19.3% OWNED AND MANAGED FACILITIES: Management revenue \$ $191,189$ \$ 166.923 \$ $732,465$ \$ $639,105$ Operating expenses: $99,726$ 88.579 388.957 346.671 $134,245$ $132,465$ $134,245$ $132,665$ Total $134,680$ $123,424$ $532,202$ $479,336$ Contribution \$ $56,509$ \$ 43.499 \$ $209,263$ \$ $159,769$ Average available beds $41,044$ $38,834$ 40.988 38.449 Average compensated occupancy 91.6% 85.7% 88.6% 83.4% Total compensated man-day $3.458,704$ $3.061.765$ $13.256,703$ $11.702,524$ Revenue per compensated man-day: 5 55.28 54.52 55.25 55.25	Fixed expense		25.51		24.84		25.35		24.71		
S 7.37 S 8.21 S 7.72 S 7.92 Operating margin rate 17.4% 19.5% 18.2% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.4% 19.3% 19.4% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% 19.3% </td <td>Variable expense</td> <td></td> <td>9.59</td> <td></td> <td>9.03</td> <td></td> <td>9.27</td> <td></td> <td>8.34</td>	Variable expense		9.59		9.03		9.27		8.34		
Operating margin rate 17.4% 19.5% 18.2% 19.3% OWNED AND MANAGED FACILITIES: Management revenue \$ 191,189 \$ 166,923 \$ 732,465 \$ 639,105 Operating expenses: Fixed expense 99,726 88,579 388,957 346,671 Variable expense 99,726 88,579 388,957 346,671 Variable expense 34,954 34,485 134,245 132,265 Total 134,680 123,424 523,202 479,336 Contribution \$ 56,509 \$ 43,499 \$ 209,263 \$ 159,769 Average available beds 41,044 38,834 40,988 38,449 Average compensated occupancy 91.6% 85.7% 88.6% 83.4% Total compensated man-days \$ 55.28 \$ 54.52 \$ 55.25 \$ 54.61 Operating expenses per compensated man-day: \$ 28.83 28.93 29.34 29.62 Variable 10.11 11.38 10.13 11.34 Total 38.94 40.31 39.47	Total		35.10		33.87		34.62		33.05		
OWNED AND MANAGED FACILITIES: Management revenue \$ 191,189 \$ 166,923 \$ 732,465 \$ 639,105 Operating expenses: 99,726 88,579 388,957 346,671 Variable expense 99,726 88,579 388,957 346,671 Variable expense 34,954 34,845 134,245 132,665 Total 134,680 123,424 523,202 479,336 Contribution \$ 56,509 \$ 43,499 \$ 209,263 \$ 159,769 Average available beds 41,044 38,834 40,988 38,449 Average compensated occupancy 91,6% 85,7% 88,6% 83,4% Total compensated man-days 3,458,704 3,061,765 13,256,703 11,702,524 Revenue per compensated man-day \$ 55,28 \$ 54,52 \$ 55,25 \$ 54,61 Operating expenses per compensated man-day: 28,83 28,93 29,34 29,62 Fixed 28,83 28,93 29,34 29,62 \$ 54,62 \$ 52,55 \$ 54,61 Operat	Operating margin per compensated man-day	\$		\$		\$		\$			
Management revenue \$ 191,189 \$ 166,923 \$ 732,465 \$ 639,105 Operating expense: 99,726 88,579 388,957 346,671 Variable expense 34,954 34,845 134,245 132,665 Total 134,660 123,424 523,202 479,336 Contribution \$ 56,509 \$ 43,499 \$ 209,263 \$ 159,769 Average available beds 41,044 38,834 40,988 38,449 38,449 Average compensated occupancy 91.6% 85.7% 88.6% 83,4% Total compensated man-day 3,458,704 3,061,765 13,256,703 11,702,524 Revenue per compensated man-day \$ 55.28 \$ 54.52 \$ 55.25 \$ 54.61 Operating expenses per compensated man-day: 28.83 28.93 29.34 29.62 11.34 Total 38.94 40.31 39.47 40.96 40.96 11.34 11.34 Operating margin per compensated man-day \$ 16.34 \$ 14.21	Operating margin rate		17.4%		19.5%		18.2%		19.3%		
Operating expenses: 99,726 88,579 388,957 346,671 Variable expense 34,954 34,845 134,245 132,665 Total 134,680 123,424 523,202 479,336 Contribution \$ 56,509 \$ 43,499 \$ 209,263 \$ 159,769 Average available beds 41,044 38,834 40,988 38,449 Average compensated occupancy 91.6% 85.7% 88.6% 83.4% Total compensated man-days 3,458,704 3,061,765 13,256,703 11,702,524 Revenue per compensated man-day: \$ 55.28 \$ 54.52 \$ 55.25 \$ 54.61 Operating expenses per compensated man-day: \$ 55.28 \$ 54.52 \$ 55.25 \$ 54.61 Operating expenses per compensated man-day: \$ 55.28 \$ 54.52 \$ 52.25 \$ 54.61 Operating margin per compensated man-day \$ 55.28 \$ 54.52 \$ 55.25 \$ 54.61 Operating margin per compensate	OWNED AND MANAGED FACILITIES:										
Fixed expense99,726 $88,579$ $388,957$ $346,671$ Variable expense $34,954$ $34,845$ $134,245$ $132,665$ Total $134,680$ $123,424$ $523,202$ $479,336$ Contribution $\$$ $56,509$ $\$$ $43,499$ $\$$ $209,263$ $\$$ Average available beds $41,044$ $38,834$ $40,988$ $38,449$ Average compensated occupancy 91.6% 85.7% 88.6% 83.4% Total compensated man-days $3,458,704$ $3,061,765$ $13,256,703$ $11,702,524$ Revenue per compensated man-day: $\$$ 55.28 $\$$ 54.52 $\$$ 55.25 $\$$ Fixed 28.83 28.93 29.34 29.62 Variable 10.11 11.38 10.13 11.34 Total 38.94 40.31 39.47 40.96 Operating margin per compensated man-day $\$$ $$16.34$ $\$$ 14.21 $\$$ $$15.78$ $\$$ Operating margin per compensated man-day $\$$ $$16.34$ $\$$ 14.21 $\$$ $$15.78$ $\$$ 13.65	Management revenue	\$	191,189	\$	166,923	\$	732,465	\$	639,105		
Variable expense $34,954$ $34,845$ $134,245$ $132,665$ Total $134,680$ $123,424$ $523,202$ $479,336$ Contribution $\$$ $56,509$ $\$$ $43,499$ $\$$ $209,263$ $\$$ $159,769$ Average available beds $41,044$ $38,834$ $40,988$ $38,449$ Average compensated occupancy 91.6% 85.7% 88.6% 83.4% Total compensated man-days $3,458,704$ $3,061,765$ $13,256,703$ $11,702,524$ Revenue per compensated man-day $\$$ 55.28 $\$$ 54.52 $\$$ 55.25 $\$$ Fixed 28.83 28.93 29.34 29.62 Variable 10.11 11.38 10.13 11.34 Total 38.94 40.31 39.47 40.96	Operating expenses:										
Total134,680123,424 $523,202$ 479,336Contribution\$ 56,509\$ 43,499\$ 209,263\$ 159,769Average available beds41,04438,83440,98838,449Average compensated occupancy91.6% 85.7% 88.6% 83.4% Total compensated man-days3,458,7043,061,76513,256,70311,702,524Revenue per compensated man-day\$ 55.28\$ 54.52\$ 55.25\$ 54.61Operating expenses per compensated man-day: 10.11 11.3810.1311.34Total 38.94 40.31 39.47 40.96 Operating margin per compensated man-day\$ 16.34\$ 14.21\$ 15.78\$ 13.65	Fixed expense		99,726		88,579		388,957		346,671		
Contribution $$ 56,509$ $$ 43,499$ $$ 209,263$ $$ 159,769$ Average available beds $41,044$ $38,834$ $40,988$ $38,449$ Average compensated occupancy 91.6% 85.7% 88.6% 83.4% Total compensated man-days $3,458,704$ $3,061,765$ $13,256,703$ $11,702,524$ Revenue per compensated man-day $$ 55.28$ $$ 54.52$ $$ 55.25$ $$ 54.61$ Operating expenses per compensated man-day: 28.83 28.93 29.34 29.62 Variable 10.11 11.38 10.13 11.34 Total 38.94 40.31 39.47 40.966 Operating margin per compensated man-day $$ 16.34$ $$ 14.21$ $$ 15.78$ $$ 13.65$	Variable expense		34,954		34,845		134,245		132,665		
Average available beds 41,044 38,834 40,988 38,449 Average compensated occupancy 91.6% 85.7% 88.6% 83.4% Total compensated man-days 3.458,704 3.061,765 13,256,703 11,702,524 Revenue per compensated man-day \$ 55.28 \$ 54.52 \$ 55.25 \$ 54.61 Operating expenses per compensated man-day: \$ 28.83 28.93 29.34 29.62 Variable 10.11 11.38 10.13 11.34 Total 38.94 40.31 39.47 40.96 Operating margin per compensated man-day \$ 16.34 \$ 14.21 \$ 15.78 \$ 13.65	Total		134,680		123,424		523,202		479,336		
Average compensated occupancy 91.6% 85.7% 88.6% 83.4% Total compensated man-days 3,458,704 3,061,765 13,256,703 11,702,524 Revenue per compensated man-day \$ 55.28 \$ 54.52 \$ 55.25 \$ 54.61 Operating expenses per compensated man-day:	Contribution	\$	56,509	\$	43,499	\$	209,263	\$	159,769		
Total compensated man-days 3,458,704 3,061,765 13,256,703 11,702,524 Revenue per compensated man-day \$ 55.28 \$ 54.52 \$ 55.25 \$ 54.61 Operating expenses per compensated man-day: 28.83 28.93 29.34 29.62 Variable 10.11 11.38 10.13 11.34 Total 38.94 40.31 39.47 40.96 Operating margin per compensated man-day \$ 16.34 \$ 14.21 \$ 15.78 \$ 13.65	Average available beds		41,044		38,834		40,988		38,449		
Revenue per compensated man-day \$ 55.28 \$ 54.52 \$ 55.25 \$ 54.61 Operating expenses per compensated man-day: Fixed 28.83 28.93 29.34 29.62 Variable 10.11 11.38 10.13 11.34 Total 38.94 40.31 39.47 40.96 Operating margin per compensated man-day \$ 16.34 \$ 14.21 \$ 15.78 \$ 13.65	Average compensated occupancy		91.6%		85.7%		88.6%		83.4%		
Operating expenses per compensated man-day: Fixed 28.83 28.93 29.34 29.62 Variable 10.11 11.38 10.13 11.34 Total 38.94 40.31 39.47 40.96 Operating margin per compensated man-day \$ 16.34 \$ 14.21 \$ 15.78 \$ 13.65	Total compensated man-days		3,458,704		3,061,765		13,256,703		11,702,524		
Fixed 28.83 28.93 29.34 29.62 Variable 10.11 11.38 10.13 11.34 Total 38.94 40.31 39.47 40.96 Operating margin per compensated man-day \$ 16.34 \$ 14.21 \$ 15.78 \$ 13.65	Revenue per compensated man-day	\$	55.28	\$	54.52	\$	55.25	\$	54.61		
Variable 10.11 11.38 10.13 11.34 Total 38.94 40.31 39.47 40.96 Operating margin per compensated man-day \$ 16.34 \$ 14.21 \$ 15.78 \$ 13.65	Operating expenses per compensated man-day:										
Total 38.94 40.31 39.47 40.96 Operating margin per compensated man-day \$ 16.34 \$ 14.21 \$ 15.78 \$ 13.65	Fixed		28.83		28.93		29.34		29.62		
Operating margin per compensated man-day \$ 16.34 \$ 14.21 \$ 15.78 \$ 13.65	Variable		10.11		11.38		10.13		11.34		
	Total		38.94		40.31		39.47		40.96		
Operating margin rate 29.6% 26.1% 28.6% 25.0%	Operating margin per compensated man-day	\$		\$		\$		\$			
	Operating margin rate		29.6%		26.1%		28.6%		25.0%		

ANALYSIS OF OUTSTANDING DEBT AND PREFERRED STOCK

(Unaudited and amounts in thousands)

	Outstanding Balance 12/31/2002	Outstanding Balance 12/31/2003	Stated Interest Rate	Effective Interest Rate	¹⁾ Date	Callable/ Redeemable
Fixed Rate:	12/01/2002	12/01/2000	Rute	Itute	Dutt	Recentury
\$100.0 Million Senior Notes	\$ 10,795	s -	12.00%			
\$250.0 Million Senior Notes	250,000	250,000	9.875%	10.42%	May 2009	On or prior to May 1, 2005, 35% redeemable at 109.875% with proceeds from equity offerings; on or after May 1, 2006, 100% redeemable at various premium prices until May 1, 2008 at par
\$250.0 Million Senior Notes		250,000	7.50%	7.91%	May 2011	On or prior to May 1, 2006, 35% redeemable at 107.5% with proceeds from equity offerings; on or after May 1, 2007, 100% redeemable at various premium prices until May 1, 2009 at par
\$200.0 Million Senior Notes	-	202,129	7.50%	7.64%	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
\$40.0 Million Convertible Notes	40,000	-	10.00%			
\$30.0 Million Convertible Notes	30,000	30,000	4.00%	4.02%	February 2007	Beginning March 1, 2005, may force conversion if the common stock price is greater than \$13.38
Other Debt	651	486	Various	Various	Various	
Total Fixed Rate Debt	331,446	732,615				
Floating Rate:						
Lehman Credit Facility:						
Term A	63,750	-				
Term B	560,763	-				
Term C	-	270,813			March 31, 2008	
	624,513	270,813	4.53%	5.44%	2)	
\$125.0 Million Revolver			None	None	³⁾ March 31, 2006	
Total Floating Rate Debt	624,513	270,813				
Grand Total Debt	\$ 955,959	\$ 1,003,428	7.22%	7.74%	5.88 Years ¹⁾	

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

2) The variable interest rate on the Term C portion of the Lehman Credit Facility is LIBOR + 2.75%. The Company has entered into an interest rate agreement that caps LIBOR at 5% on outstanding

balances of \$200.0 million through May 20, 2004.

3) The variable interest rate is LIBOR + 3.50%. As of December 31, 2003, the Company had outstanding letters of credit totaling \$27.3 million, reducing the available borrowing capacity to \$97.7 million.

4) Represents the weighted average debt maturity in years.

Debt Maturity Schedule:

Debt Maturity Scheaule:				
Year	Total Debt Maturing	% of Debt Maturing	% of Debt Maturing	
2004	\$ 1,146	0.11%	0.11%	
2005	3,224	0.32%	0.44%	
2006	3,175	0.32%	0.75%	
2007	229,493	22.87%	23.62%	
2008	65,712	6.55%	30.17%	
Thereafter	700,678	69.83%	100.00%	
	\$ 1,003,428	100.00%		
	Outstanding	Outstanding		
	Balance	Balance	Dividend	Yield at
Preferred Stock:	12/31/2002	12/31/2003	Rate	12/31/2003
Series A Preferred Stock	\$ 107,500	\$ 7,500	8.0% cash	7.97%
Series B Preferred Stock	\$ 107,831	\$ 23,528	12.0% PIK through Q3 2003 and cash thereafter	11.62%

Redeemable at any time on or after January 30, 2003 at \$25 per share plus dividends accrued and unpaid at the redemption date

Redeemable at any time on or after April 30, 2004 at \$24.46 per share plus dividends accrued and unpaid at the redemption date

SELECTED OPERATING RATIOS

CONTRACE RATIONS Image: contract of Adjusted ENTDA/Literate incored) (a) 3.2 2.7 3.1 2.1 Deterative contrage ratio (Adjusted ENTDA/Literate incored) (a) 3.2 2.1 2.8 1.9 Proof change contrage ratio (Adjusted ENTDA/Literate incored) (a) 3.2 2.1 2.8 1.9 Second chat contrage ratio (Adjusted ENTDA/Literate incored) (a) 3.2 2.1 2.8 1.0 Second chat contrage ratio (Adjusted ENTDA/Literate incored) (a) 3.3 1.1 2.5 6.0 Total abent and perform determined incored and contrage ratio (Adjusted ENTDA/Lity) 3.4 1.1 2.5 6.0 ENTERODENT Channel Contract incored account restricts (Adjusted ENTDA/Lity) 3.4 1.1 2.5 6.0 ENTERODENT Channel Contract incored account restricts (Adjusted ENTDA/Lity) 3.8 1.0 5.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0		the Three Months 2003	mber 31, 2002	For the Year End 2003	ded Decem	ber 31, 2002
Del evice orange mill (dalgant PHTDA (insure streamed - Soledied prints per 190 (dalsa))) 3.1 1.7 2.4 1.3 Field - face orange mill (dalgant PHTDA (insure streamed - Soledied prints per 190 (dalsa))) 4.2 4.45 4.4 4.43 Tail dah in after per stres (since dah) Annalized digitar PHTDA (inst (inst PHTDA (ins	COVERAGE RATIOS:			 		
First Adapter of structure from the structure intermet - Sed adapt pri prine - Pri dia.(1)(x) 3.1 1.7 2.4 4.5 Source dia Coverage ratio (Source dia/hymethol Adapted BUTDA/(x) 4.5 6.0 4.7 6.0 Source dia Coverage ratio (Source dia/hymethol Adapted BUTDA/(x) 4.5 6.0 4.7 6.0 Description (Source dia/hymethol Adapted BUTDA/(x) 4.5 6.0 4.7 6.0 Description (Source dia/hymethol Adapted BUTDA/(x)) 7.8 7.0 9.0 9.0 Description (Source dia/hymethol Adapted BUTDA/(x)) 4.5 4.00 6.0 5.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 9.0 <	Interest coverage ratio (Adjusted EBITDA/Interest incurred) (x)	3.2	2.7	3.1		2.3
Serie of ber coverage ratio (final data data data data data data data da	Debt service coverage ratio (Adjusted EBITDA/(Interest incurred + Scheduled principal pmts)) (x)	3.2	2.1	2.8		1.9
Tail dot and proferes service coverage ruits (main looks and pf fully. Annualized Adjusted FRITDA.) (x) 4.5 6.0 4.7 6.4 Accounts reservable numere (namalized resenues) Accounts reservable) (x) 7.8 7.1 7.5 6.9 DETECTION EATLOSE 7.1 7.5 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0	Fixed charge coverage ratio (Adjusted EBITDA/(Interest incurred + Scheduled prin pmts + Pfd dist.)) (x)	3.1	1.7	2.4		1.5
Accounts receivable tumover (Annualized revenues/Accounts receivable) (x) 7.8 7.1 7.5 6.0 DEFINITION INTERNET 3 4.0 18.5 4.0 18.5 3.5 4.0 5.5 5.5 5.5 5.5 5.5 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 5.2 <td>Senior debt coverage ratio (Senior debt/Annualized Adjusted EBITDA) (x)</td> <td>4.2</td> <td>4.5</td> <td>4.4</td> <td></td> <td>4.8</td>	Senior debt coverage ratio (Senior debt/Annualized Adjusted EBITDA) (x)	4.2	4.5	4.4		4.8
Characterization 93.3% 94.3% 93.3% 94.3% 93.3% 94.3% 93.3% 94.3% 93.3% 94.3% 93.3% 94.3% 93.3% 94.3% 93.3% 94.3% 93.3% 94.3% 93.3% 94.3% 93.3% 94.3% 93.3% 94.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3% 93.3%	Total debt and preferred stock coverage ratio (Total debt and pfd stk/Annualized Adjusted EBITDA) (x)	4.5	6.0	4.7		6.4
Total determination 94.1% 95.3% 94.1% 95.3% Total determination 96.3% 140.0% 96.3% 140.0% Total determination 122.4% 130.2% 123.4% 130.2% Total determination 122.4% 130.2% 154.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4% 54.4%	Accounts receivable turnover (Annualized revenues/Accounts receivable) (x)	7.8	7.1	7.5		6.9
Total debet/Bodive guity capitalization 96.3% 140.0% 96.3% 140.0% Total debet/Bodive guity capitalization 125.4% 130.2% 129.4% 130.2% Total debet/Bodive guity capitalization 125.4% 5.4.4% 5.4.4% 5.4.4% Second Seco	DEBT/EQUITY RATIOS:					
Total debt/Sion2 equipy equipalization12.0.%130.2%12.0.%12.0.%12.0.%12.0.%54.0.%54.0.%54.0.% EXERUSTIONSETIONAL VARIAGE Annalized dute turn on operating real state investments (undepreciated book value)"12.0%11.1.%12.3%10.3%(Annalized Adjusced EBITD/A/verage total assets (undepreciated book value)"10.8%9.5%10.4%8.8%OPTIME Constrained Adjusced EBITD/A/verage total assets (undepreciated book value)"10.8%9.5%10.4%8.8%OPTIME Constrained Adjusced EBITD/A/verage total assets (undepreciated book value)"2.1%2.6%1.9%1.8%OPTIME Constrained Adjusced EBITD/A/verage total assets (undepreciated book value)"2.1%2.1%2.6%1.9%1.8%OPTIME Different is contrained operations5(.065)5(.1.03%)5(.3.002)5(.4.1%)Interest contrained operations5(.065)5(.1.03%)57.5%1.8%Contrained interest1.8,40017.75%7.1,44357.6%7.6%Interest contrained Interest contrained1.33311.3.39%7.5%7.1,443	Total debt/Total market capitalization	49.1%	58.3%	49.1%		58.3%
Total debt/Gross book value of real estate assets54.4%54.4%54.4%54.4% ETUEN ON INVESTIENT RATIOS Annalized return on opticating real estate investments (undepreciated book value)*) Annalized return on total assets (Annalized Agineta Buttri Average operating real estate investments (undepreciated book value)*) (Annalized Aginet Buttri Average operating real estate investments (undepreciated book value)*) (Annalized Aginet Buttri Average total assets (undepreciated book value)*) (Annalized Aginet Buttri Average total assets (undepreciated book value)*)12.6%11.1% (Annalized Aginet Buttri Average total assets (undepreciated book value)*) (Annalized Aginet Buttri Average total assets (undepreciated book value)*)12.6%11.1% (Annalized Aginet Buttri Average total assets (undepreciated book value)*)48.4%OVERLEAD EATION (Annalized Aginet Buttri Average total assets (undepreciated book value)*)2.1% (Annalized Aginet Buttri Average operating operations (Annalized Aginet Buttri Average operating operations)50.068 (Annalized Buttri Average operating operations)50.068 (Annalized Buttri Average operating operations)50.068 (Annalized Buttri Average operating operations)50.060 (Annalized Buttri Average operating operations)5	Total debt/Equity market capitalization	96.3%	140.0%	96.3%		140.0%
Section on NUMERINE NATIONS Amailized return on operating real estate investments (indepreciated book value)* 1.2.% 11.1% 12.3% 10.5% Amailized Adjusted EMITDA/Average operating real estate investments (indepreciated book value)* 10.8% 9.5% 10.4% 8.8% OPERAD RATIONS 10.8% 9.5% 10.4% 8.8% OPERAD RATIONS 2.1% 2.6% 1.9% 3.8% OPERAD RATIONS 2.1% 2.6% 1.9% 3.8% OPERAD RATIONS 2.1% 2.6% 1.9% 3.8% Interest concerne from continuing operations 5 (0.65) 3.9% 3.8% Interest income from continuing operations 5 (0.6%) 7.7443 8.00.09 Interest income from continuing operations 5 1.79% 1.80.00 7.7443 8.00.09 Interest income from continuing operations 5 1.79% 1.80.00 7.7444 8.77.755 1.11.8% Interest income from continuing operations 5 7.70.87 1.80.01 7.44.44 8.77.89 7.44.44 8.77.89 7.74	Total debt/Book equity capitalization	129.4%	130.2%	129.4%		130.2%
Amalized return on operating real estate investments (Annualized Adjusted EBITDA/Average operating real estate investments (undepreciated book value)*)12.6%11.1%12.3%10.5%Annualized Adjusted EBITDA/Average operating real estate investments (undepreciated book value)*)0.8%9.5%10.4%8.8%CMILLED RATIONS General & administrative expenses/Average total assets (undepreciated book value)*)2.1%2.6%1.9%1.8%Annualized real estate investments4.1%5.5%3.9%3.9%CHERENT EXPENSEL NET Interest income from continuing operations5(.965)5(.1038)5(.3602)5(.4431)Interest income from continuing operations5(.965)5(.1038)5(.3602)5(.4330)Interest income from continuing operations5(.965)5(.1038)5(.3602)5(.4331)Interest income from continuing operations5(.965)5(.1038)5(.3602)5(.4331)Interest income from continuing operations5(.965)5(.1038)7.50511.186Interest income from continuing operations5(.965)5(.1038)(.3621)5(.4331)Interest income from continuing operations5(.965)5(.1038)(.3621)(.3624)Interest income from continuing operations5(.965)5(.1038)(.3621)(.3624)Interest income from continuing operations67.9665(.1178) <td< td=""><td>Total debt/Gross book value of real estate assets</td><td>54.4%</td><td>54.4%</td><td>54.4%</td><td></td><td>54.4%</td></td<>	Total debt/Gross book value of real estate assets	54.4%	54.4%	54.4%		54.4%
12.6%11.6%12.3%10.5%Annualized Adjusted EBITDA/Average operating real estate investments (undepreciated book value)*)10.8%9.5%10.4%8.8%OPERATIONE2.0%1.9%1.8%3.9%1.8%Annualized Adjusted BITDA/Average total assets (undepreciated book value)*)2.1%2.0%1.9%1.8%Annualized Adjusted BITDA/Average total assets (undepreciated book value)*2.1%2.0%1.9%1.8%General & administrative expenses/Average total assets (undepreciated book value)*2.1%2.0%1.9%3.8%PERENTIONES(10.3%)S3.602)S(4.43)Interest incore from continuing operationsS965)S(10.3%)S3.602)S(4.43)Interest incore from continuing operationsS965)S1.08%37.5051.01111.66807.5051.611137.5051.611137.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61111.61	RETURN ON INVESTMENT RATIOS:					
Annualized return on total assets (Annualized Adjusted EBTDAAArerage total assets (undepreciated book value)*) 10.8% 9.5% 10.4% 8.8% OVERLEAD RATIOS:	Annualized return on operating real estate investments					
(Annulized Adjusted EBITDA/Average total assets (undepreciated book value)*10.8%9.5%10.4%8.8% OVERIEAD RATIOS: General & administrative expenses/Average total assets (undepreciated book value)*2.1% 4.1%2.6% 5.5%1.9% 3.9%1.8% 3.9% DIEST EXPENSE.NET Interest income from continuing operations and citative expenses/Average total assets (undepreciated book value)*\$9.65\$(1.038)\$0.6020\$4.431 80.093 DIEST EXPENSE.NET Interest income from continuing operations and citation of debt costs and other non-cash interest Interest expenses/Average total assets (undepreciated book value)*\$9.66\$(1.038)\$0.6020\$(4.431) 80.093Capitalized interest Interest expenses, net\$9.66\$(1.038)\$(3.602)\$(4.431) 80.093Deterest expense, net\$9.66\$(1.038)\$(3.602)\$(4.431) 80.093Deterest expense, net\$9.66\$(1.038)\$(3.602)\$(4.431) 80.093Deterest expense, net\$7.9614\$43.261\$14.1783\$(7.916) 81.313Interest expense, net\$7.9614\$43.261\$14.1783\$(7.916) 83.131Interest expense, net\$7.9614\$43.261\$14.1783\$(7.916) 83.131Interest expense, net\$9.66207.72(2.459)(30.021)(52.352)(63.284) 83.233 </td <td>(Annualized Adjusted EBITDA/Average operating real estate investments (undepreciated book value)*)</td> <td>12.6%</td> <td>11.1%</td> <td>12.3%</td> <td></td> <td>10.5%</td>	(Annualized Adjusted EBITDA/Average operating real estate investments (undepreciated book value)*)	12.6%	11.1%	12.3%		10.5%
Sector Artics: 2.1% 2.6% 1.9% 1.8% Annulized general & administrative expenses/Verage total assets (undepreciated book value)* 2.1% 2.6% 1.9% 1.8% General & administrative expenses/Total revenues 4.1% 5.5% 3.9% 3.9% DETERST EXPENSE. NET Interest income from continuitg operations S (965) S (1.038) S (3.602) S (4.43) Interest income from containing operations 5 (965) S (1.038) S (4.43) Capitalizatio interest 1.798 1.380 7.505 11.816 Capitalizatio interest 5 17.987 S 18.101 S 87.478 ENTINCOME (loss) 1 5 79.614 S 43.261 S 141.783 S (7.916) Interest expense, net S 79.614 S 43.261 S 141.783 S (7.916) Interest expense, net (6.087) (3.0021) (52.352) (63.284) (3.2459) (3.0021) <td>Annualized return on total assets</td> <td></td> <td></td> <td></td> <td></td> <td></td>	Annualized return on total assets					
Annualized general & administrative expenses/Average total assets (undepreciated book value)* 2.1% 2.6% 2.6% 1.9% 1.8% General & administrative expenses/Four evenus 4.1% 5.5% 3.9% 3.9% Interest income from continuing operationsInterest income from continuing operations 5 0.035 5 0.1038 5 0.6002 Amotization of debt costs and other non-cash interest 1.798 1.800 7.505 11.816 Capitalized interest 6.866 $ 0.900$ $-$ Interest expense, net 5 79.614 5 43.261 5 141.783 5 EITEN CALCULATION:Net income (loss) 5 79.614 5 43.261 5 141.783 5 77.446 8^{-} Depreciation and amortizationInterest expense, net 5 79.614 5 43.261 5 141.783 5 77.426 EITEN CALCULATION:Net income (loss) 5 79.614 5 43.261 5 141.783 5 77.25 51.292 Income tax (bnefit) expense (52.459) (30.021) (52.52) (52.352) (63.284) Cumulative expense, net (2209) (522) 7722 (2.459) Income (loss from discontinued operations, net of taxes (22.90) (522) 7722 (2.459) Income (los from discontinued operations, net of taxes (22.00) (52.52)	(Annualized Adjusted EBITDA/Average total assets (undepreciated book value)*)	10.8%	9.5%	10.4%		8.8%
General & administrative expenses/Total revenues 4.1% 5.5% 3.9% 3.9% DEFERST EXPENSE. NET Interest income from continuing operations \$ 0.965) \$ (1.038) \$ (3.602) \$ (4.431) Interest income from continuing operations 18.040 17.759 71.443 80.093 Amotrization of debt costs and other non-cash interest 18.040 17.759 71.453 80.090 Capitalized interest 18.040 17.759 71.446 80.750 11.816 Capitalized interest 17.98 1.380 7.505 11.816 Capitalized interest 17.987 18.101 74.446 87.478 Depreciation and amotrization 17.987 18.101 74.446 87.478 Depreciation and motrization 12.99 <td< td=""><td>OVERHEAD RATIOS:</td><td></td><td></td><td></td><td></td><td></td></td<>	OVERHEAD RATIOS:					
Substrain S (965) S $(1,038)$ S $(3,602)$ S $(4,43)$ Interest income form continuing operations 18,040 17,759 71,443 80,093 Amotization of debt costs and other non-cash interest 17,788 1,380 7,505 11,816 Capitalized interest 8 17,987 \$ 18,101 \$ 900 Interest expense, net \$ 17,987 \$ 18,101 \$ 87,478 EHEDA CLECLATION: \$ 17,987 \$ 43,261 \$ 141,783 \$ (7,916) Interest expense, net \$ 79,614 \$ 43,261 \$ 141,783 \$ (7,916) Interest expense, net \$ 17,987 18,101 74,446 $87,478$ Depreciation and amortization \$ (22,459) (30,021) (22,322) (63,284) Cumulative effect of accounting change - - - - 80,276 Income (loss from discontinued operations, net of taxes	Annualized general & administrative expenses/Average total assets (undepreciated book value)*	2.1%	2.6%	1.9%		1.8%
Interest income from continuing operationsS (965) S $(1,038)$ S $(3,602)$ S $(4,431)$ Interest incurred $18,040$ $17,759$ $71,443$ $80,093$ Amortization of debt costs and other non-cash interest $17,98$ $1,330$ $77,555$ $11,816$ Capitalized interest $17,987$ S $18,101$ S $74,446$ S $87,478$ EBITDA CALCULATION: S $79,614$ S $43,261$ S $141,783$ S $(7,916)$ Interest expense, net S $79,614$ S $43,261$ S $141,783$ S $(7,916)$ Interest expense, net $17,987$ $18,101$ $74,446$ $87,478$ Depreciation and amortization $13,331$ $13,399$ $52,937$ $51,292$ Income tax (benefit) expense $(52,459)$ $(30,021)$ $(52,352)$ $(63,284)$ Cumulative effect of accounting change $ -$ Interest expense, net of taxes $58,053$ $44,178$ $217,586$ $145,387$ Depreciation and amortization $ -$ Income tax (benefit) expense $ -$ (Income joss from discontinued operations, net of taxes $ -$ EBITDAS8,053 $44,178$ $217,586$ $145,387$ $40,000$ $ 4,000$ $ 4,000$ Success-based tax professional fees $ -$ <td>General & administrative expenses/Total revenues</td> <td>4.1%</td> <td>5.5%</td> <td>3.9%</td> <td></td> <td>3.9%</td>	General & administrative expenses/Total revenues	4.1%	5.5%	3.9%		3.9%
Interest incurred18,04017,75971,44380,093Amorization of debt costs and other non-cash interest $1,798$ $1,380$ $7,505$ $11,816$ Capitalized interest (886) $ (900)$ $-$ Interest expense, net $$$ $17,987$ $$$ $18,101$ $$$ $74,446$ $$$ $87,478$ EBITDA CALCULATION:Net income (loss)Interest expense, net $$$ $79,614$ $$$ $43,261$ $$$ $141,783$ $$$ $(7,916)$ Interest expense, net $17,987$ $18,101$ $74,446$ $87,478$ Depreciation and amortization $13,831$ $13,399$ $52,937$ $51,292$ Income tax (benefit) expense $(52,459)$ $(30,021)$ $(52,352)$ $(63,284)$ Cumulative effect of accounting change $ 80,276$ (Income) loss from discontinued operations, net of taxes (920) (552) 772 $(2,459)$ EBITDA $58,053$ $44,178$ $217,586$ $145,387$ Expenses associated with debt refinancing and recapitalization transactions $ 6,687$ $36,670$ Success-based tax professional fees $ 4,000$ $ 4,000$ Change in fair value of derivative instruments $ 628$ $(2,900)$ $(2,206)$	INTEREST EXPENSE, NET					
Amortization of debt costs and other non-cash interest $1,798$ $1,380$ $7,505$ $11,816$ Capitalized interest (886) - (900) -Interest expense, net $$$ $17,987$ $$$ $18,101$ $$$ $74,446$ $$$ $87,478$ ENTDA CALCULATION: Net income (loss) $$$ $79,614$ $$$ $43,261$ $$$ $1141,783$ $$$ $(7,916)$ Interest expense, net $$$ $79,614$ $$$ $43,261$ $$$ $141,783$ $$$ $(7,916)$ Interest expense, net $$$ $13,831$ $13,399$ $52,937$ $51,292$ Income tax (benefit) expense $(52,459)$ $(30,021)$ $(52,352)$ $(63,284)$ Cumulative effect of accounting change $80,276$ (Income) loss from discontinued operations, net of taxes (920) (562) 772 $(2,459)$ EBITDA $58,053$ $44,178$ $217,586$ $145,387$ Expenses associated with debt refinancing and recapitalization transactions $6,687$ $36,670$ Succes-based tax professional fees- $4,000$ - $4,000$ - $4,000$ Change in fair value of derivative instruments- 628 $(2,900)$ $(2,206)$	Interest income from continuing operations	\$ (965)	\$ (1,038)	\$ (3,602)	\$	(4,431)
Capitalized interest Interest expense, net (886) $ (900)$ $-$ S17,987S18,101S74,446S87,478EBITDA CALCULATION:Net income (loss)S79,614S43,261S141,783S(7,916)Interest expense, net17,98718,10174,44687,478Depreciation and amortization13,83113,39952,93751,292Income tax (benefit) expense(52,459)(30,021)(52,252)(663,284)Cumulative effect of accounting change $ -$ 80,276(Income) loss from discontinued operations, net of taxes9200(562)772(2,459)EBITDA58,05344,178217,586145,387Expenses associated with debt refinancing and recapitalization transactions $ -$ 6,68736,670Success-based tax professional fees $ -$ 4,000 $-$ 4,000Change in fair value of derivative instruments $ -$	Interest incurred			71,443		80,093
Interest expense, net \$ 17,987 \$ 18,101 \$ 74,446 \$ 87,478 EBITDA CALCULATION: Net income (loss) \$ 79,614 \$ 43,261 \$ 141,783 \$ (7,916) Interest expense, net 17,987 18,101 74,446 87,478 Depreciation and amortization 13,831 13,399 52,937 51,292 Income tax (benefit) expense (52,459) (30,021) (52,352) (63,284) Cumulative effect of accounting change - - - 80,276 (Income) loss from discontinued operations, net of taxes (920) (562) 772 (2,459) EBITDA 58,053 44,178 217,586 145,387 Expenses associated with debt refinancing and recapitalization transactions - - 6,687 36,670 Success-based tax professional fees - - 628 (2,900) (2,206)			1,380			11,816
EBITDA CALCULATION: \$ 79,614 \$ 43,261 \$ 141,783 \$ (7,916) Interest expense, net 17,987 18,101 74,446 87,478 Depreciation and amorization 13,831 13,399 52,937 51,292 Income (ax (benefit) expense (52,459) (30,021) (52,352) (63,284) Cumulative effect of accounting change - - - 80,276 (Income) loss from discontinued operations, net of taxes (920) (562) 772 (2,459) EBITDA 58,053 44,178 217,586 145,387 Expenses associated with debt refinancing and recapitalization transactions - - 4,000 - 4,000 Success-based tax professional fees - - 6,687 36,670 30,000 - 4,000 - 4,000 - 4,000 - 4,000 - 4,000 - 4,000 - 4,000 - 4,000 - 4,000 - 4,000 - 2,206)	-		 -			-
Net income (loss) \$ 79,614 \$ 43,261 \$ 141,783 \$ (7,916) Interest expense, net 17,987 18,101 74,446 87,478 Depreciation and amortization 13,831 13,399 52,937 51,292 Income tax (benefit) expense (52,459) (30,021) (52,352) (63,284) Cumulative effect of accounting change - - - 80,276 (Income) loss from discontinued operations, net of taxes (920) (562) 772 (2,459) EBITDA 58,053 44,178 217,586 145,387 Expenses associated with debt refinancing and recapitalization transactions - - 6,687 36,670 Success-based tax professional fees - 4,000 - 4,000 - 4,000 Change in fair value of derivative instruments - 628 (2,900) (2,206) (2,206)	Interest expense, net	\$ 17,987	\$ 18,101	\$ 74,446	\$	87,478
Interest expense, net 17,987 18,101 74,446 87,478 Depreciation and amortization 13,831 13,399 52,937 51,292 Income tax (benefit) expense (52,459) (30,021) (52,352) (63,284) Cumulative effect of accounting change - - - 80,276 (Income) loss from discontinued operations, net of taxes (920) (562) 772 (2,459) EBITDA 58,053 44,178 217,586 145,387 Expenses associated with debt refinancing and recapitalization transactions - - 6,687 36,670 Success-based tax professional fees - - 4,000 - 4,000 - 4,000 Change in fair value of derivative instruments - - 628 (2,900) (2,206) - -						
Depreciation and amortization 13,831 13,399 52,937 51,292 Income tax (benefit) expense (52,459) (30,021) (52,352) (63,284) Cumulative effect of accounting change - - 80,276 (Income) loss from discontinued operations, net of taxes (920) (562) 772 (2,459) EBITDA 58,053 44,178 217,586 145,387 Expenses associated with debt refinancing and recapitalization transactions - - 6,687 36,670 Success-based tax professional fees - 4,000 - 4,000 - Change in fair value of derivative instruments - 628 (2,900) (2,206) -		\$,	\$,	\$	\$	
Income tax (benefit) expense (52,459) (30,021) (52,352) (63,284) Cumulative effect of accounting change - - - 80,276 (Income) loss from discontinued operations, net of taxes (920) (522) 772 (2,459) EBITDA 58,053 44,178 217,586 145,387 Expenses associated with debt refinancing and recapitalization transactions - - 6,687 36,670 Success-based tax professional fees - 4,000 - 4,000 - 4,000 - 4,000 - 4,000 - 4,000 - 4,000 - 4,000 - 4,000 - 4,000 - 4,000 - 4,000 - 4,000 - 4,000 - 4,000 - 4,000 - 4,000 - 4,000 - - 4,000 - - 4,000 - - 4,000 - - - - - - - - - - - - - - - - - - -	-					
Cumulative effect of accounting change80,276(Income) loss from discontinued operations, net of taxes(920)(562)772(2,459)EBITDA58,05344,178217,586145,387Expenses associated with debt refinancing and recapitalization transactions6,68736,670Success-based tax professional fees-4,000-4,000Change in fair value of derivative instruments-628(2,900)(2,206)	-					
(Income) loss from discontinued operations, net of taxes(920)(562)772(2,459)EBITDA58,05344,178217,586145,387Expenses associated with debt refinancing and recapitalization transactions6,68736,670Success-based tax professional fees-4,000-4,000Change in fair value of derivative instruments-628(2,900)(2,206)		(52,459)	(30,021)	(52,352)		
EBITDA58,05344,178217,586145,387Expenses associated with debt refinancing and recapitalization transactions6,68736,670Success-based tax professional fees-4,000-4,000Change in fair value of derivative instruments-628(2,900)(2,206)						
Expenses associated with debt refinancing and recapitalization transactions-6,68736,670Success-based tax professional fees-4,000-4,000Change in fair value of derivative instruments-628(2,900)(2,206)	(Income) loss from discontinued operations, net of taxes	 (920)	 (562)	 772		(2,459)
Success-based tax professional fees-4,000-4,000Change in fair value of derivative instruments-628(2,900)(2,206)	EBITDA	58,053	44,178	217,586		145,387
Change in fair value of derivative instruments - 628 (2,900) (2,206)	Expenses associated with debt refinancing and recapitalization transactions	-	-	6,687		36,670
	Success-based tax professional fees	-	4,000	-		4,000
ADJUSTED EBITDA \$ 58,053 \$ 48,806 \$ 221,373 \$ 183,851	Change in fair value of derivative instruments	 -	 628	 (2,900)		(2,206)
	ADJUSTED EBITDA	\$ 58,053	\$ 48,806	\$ 221,373	\$	183,851

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 12/31/03
Owned and Managed Facilities:								
Central Arizona Detention Center Florence, Arizona	1994, 1998	USMS	2,304	Multi	Detention	May-04	(4) 1 year	135.59%
Eloy Detention Center Eloy, Arizona	1995, 1996	BOP, ICE	1,500	Medium	Detention	Feb-04	(5) 1 year	96.64%
Florence Correctional Center Florence, Arizona	1999	State of Alaska	1,600	Multi	Correctional	Jun-04	-	104.13%
California Correctional Center California City, California	1999	BOP	2,304	Medium	Correctional	Sep-04	(6) 1 year	113.57%
San Diego Correctional Facility (E) San Diego, California	1999, 2000	ICE	1,232	Minimum/ Medium	Detention	Dec-04	-	98.63%
Bent County Correctional Facility Las Animas, Colorado	1992, 1997	State of Colorado	700	Medium	Correctional	Jun-04	(1) 1 year	102.31%
Crowley County Correctional Facility Olney Springs, Colorado	1998	State of Colorado	1,200	Medium	Correctional	Jun-04	(1) 1 year	94.23%
Huerfano County Correctional Center (F) Walsenburg, Colorado	1997	State of Colorado	752	Medium	Correctional	Jun-04	(1) 1 year	99.93%
Kit Carson Correctional Center Burlington, Colorado	1998	State of Colorado	768	Medium	Correctional	Jun-04	(1) 1 year	81.97%
Coffee Correctional Facility (G) Nicholls, Georgia	1998, 1999	State of Georgia	1,524	Medium	Correctional	Jul-04	(15) 1 year	98.07%
McRae Correctional Facility McRae, Georgia	2000, 2002	BOP	1,524	Medium	Correctional	Dec-05	(7) 1 year	100.77%
Wheeler Correctional Facility (G) Alamo, Georgia	1998, 1999	State of Georgia	1,524	Medium	Correctional	Jul-04	(15) 1 year	98.26%
Leavenworth Detention Center Leavenworth, Kansas	1992, 2000	USMS	483	Maximum	Detention	Dec-04	(1) 1 year	139.15%
Lee Adjustment Center Beattyville, Kentucky	1990	Commonwealth of Kentucky	756	Minimum/ Medium	Correctional	May-05	(2) 2 year	69.79%
Marion Adjustment Center St. Mary, Kentucky	1955, 1988	Commonwealth of Kentucky	790	Minimum	Correctional	Dec-03	-	70.52%
Otter Creek Correctional Center Wheelwright, Kentucky	1993	State of Indiana	656	Minimum/ Medium	Correctional	Jan-11	-	99.74%

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 12/31/03
Prairie Correctional Facility Appleton, Minnesota	1991	State of Wisconsin	1,338	Medium	Correctional	Dec-05	(2) 1 year	103.95%
Tallahatchie County Correctional Facility (H) Tutwiler, Mississippi	2000	State of Alabama (I)	1,104	Medium	Correctional	Indefinite (I)	-	131.12%
Crossroads Correctional Center (J) Shelby, Montana	1999	State of Montana	512	Multi	Correctional	Jun-05	(7) 2 year	85.84%
Cibola County Corrections Center Milan, New Mexico	1994, 1999	ВОР	1,072	Medium	Correctional	Sep-04	(6) 1 year	100.77%
New Mexico Women's Correctional Facility Grants, New Mexico	1989, 2000	State of New Mexico	596	Multi	Correctional	Jun-04	(1) 1 year	95.07%
Torrance County Detention Facility Estancia, New Mexico	1990, 1997	USMS	910	Multi	Detention	Indefinite	-	85.10%
Northeast Ohio Correctional Center (K) Youngstown, Ohio	1997	-	2,016	Medium	Correctional	-	-	0.00%
Cimarron Correctional Facility (L) Cushing, Oklahoma	1997	State of Oklahoma	960	Medium	Correctional	Jan-04	-	97.87%
Davis Correctional Facility (L) Holdenville, Oklahoma	1996	State of Oklahoma	960	Medium	Correctional	Jan-04	-	98.59%
Diamondback Correctional Facility Watonga, Oklahoma	1998, 2000	State of Hawaii	2,160	Medium	Correctional	Jun-04	-	66.80%
North Fork Correctional Facility (M) Sayre, Oklahoma	1998	-	1,440	Medium	Correctional	-	-	0.00%
West Tennessee Detention Facility Mason, Tennessee	1990, 1996	USMS	600	Multi	Detention	Feb-04	(3) 1 year	61.74%
Shelby Training Center (N) Memphis, Tennessee	1986, 1995	Shelby County, TN	200	Secure	Juvenile	Apr-15	-	94.88%
Whiteville Correctional Facility (O) Whiteville, Tennessee	1998	State of Tennessee	1,536	Medium	Correctional	Sep-05	(2) 1 year	95.90%
Bridgeport Pre-Parole Transfer Facility Bridgeport, Texas	1989	State of Texas	200	Medium	Correctional	Feb-07	(4) 1 year	96.41%
Eden Detention Center Eden, Texas	1990	BOP	1,225	Medium	Correctional	Apr-04	-	105.22%
Houston Processing Center Houston, Texas	1984	ICE	411	Medium	Detention	Sep-04	(4) 1 year	123.24%

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 12/31/03
Laredo Processing Center Laredo, Texas	1985, 1990	ICE	258	Minimum/ Medium	Detention	Mar-04	(2) 3 month	147.40%
Webb County Detention Center Laredo, Texas	1998	USMS	480	Medium	Detention	Aug-05	-	107.50%
Mineral Wells Pre-Parole Transfer Facility Mineral Wells, Texas	1995	State of Texas	2,103	Minimum	Correctional	Feb-07	(4) 1 year	97.88%
T. Don Hutto Correctional Center Taylor, Texas	1997	ICE	480	Minimum	Correctional	May-04	(2) 2 year	76.27%
D.C. Correctional Treatment Facility (P) Washington D.C.	1992	District of Columbia	866	Medium	Detention	Mar-17	-	113.88%
Total design capacity for Owned and Managed I	Facilities (38 Owned and Mar	naged Facilities)	41,044					
Managed Only Facilities:								
Bay Correctional Facility Panama City, Florida	N/A	State of Florida	750	Medium	Correctional	Jun-04	(1) 2 year	99.39%
Bay County Jail and Annex Panama City, Florida	N/A	Bay County, FL	677	Multi	Detention	Sep-06	-	153.45%
Citrus County Detention Facility Lecanto, Florida	N/A	Citrus County, FL	400	Multi	Detention	Sep-05	(1) 5 year	99.16%
Gadsden Correctional Institution Quincy, Florida	N/A	State of Florida	896	Minimum/ Medium	Correctional	Jun-04	-	115.12%
Hernando County Jail Brooksville, Florida	N/A	Hernando County, FL	302	Multi	Detention	Oct-10	-	118.41%
Lake City Correctional Facility Lake City, Florida	N/A	State of Florida	350	Secure	Correctional	Jun-04	(1) 2 year	99.55%
Idaho Correctional Center Boise, Idaho	N/A	State of Idaho	1,270	Minimum/ Medium	Correctional	Jun-05	-	99.69%
Marion County Jail Indianapolis, Indiana	N/A	Marion County, IN	670	Multi	Detention	Nov-05	-	145.46%
Winn Correctional Center Winnfield, Louisiana	N/A	State of Louisiana	1,538	Medium/ Maximum	Correctional	Sep-06	(1) 2 year	94.76%
Wilkinson County Correctional Facility Woodville, Mississippi	N/A	State of Mississippi	1,000	Medium	Correctional	Jan-04	(1) 2 year	98.82%

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 12/31/03
Southern Nevada Women's Correctional Center Las Vegas, Nevada	N/A	State of Nevada	500	Multi	Correctional	Oct-04	3 year indefinite	88.10%
Elizabeth Detention Center Elizabeth, New Jersey	N/A	ICE	300	Minimum	Detention	Jan-04	(1) 1 year	81.78%
David L. Moss Criminal Justice Center Tulsa, Oklahoma	N/A	Tulsa County, OK	1,440	Multi	Detention	Jun-05	(2) 1 year	93.96%
Silverdale Facilities Chattanooga, Tennessee	N/A	Hamilton County, TN	576	Multi	Detention	Sep-04	(3) 4 year	97.94%
South Central Correctional Center Clifton, Tennessee	N/A	State of Tennessee	1,506	Medium	Correctional	Jun-05	(1) 2 year	106.69%
Tall Trees Memphis, Tennessee	N/A	Shelby County, TN	63	Non-secure	Juvenile	Jun-04	-	73.38%
Metro-Davidson County Detention Facility Nashville, Tennessee	N/A	Davidson County, TN	1,092	Multi	Detention	Jul-06	(2) 1 year	114.82%
Hardeman County Correctional Facility Whiteville, Tennessee	N/A	State of Tennessee	2,016	Medium	Correctional	Jul-05	(1) 2 year	96.88%
Bartlett State Jail Bartlett, Texas	N/A	State of Texas	962	Minimum/ Medium	Correctional	Jan-07	(4) 1 year	103.13%
Liberty County Jail/Juvenile Center Liberty, Texas	N/A	Liberty County, Texas	380	Multi	Detention	Jan-05	(2) 1 year	93.00%
Sanders Estes Unit (Q) Venus, Texas	N/A	State of Texas	1,000	Minimum/ Medium	Correctional	Jan-04	-	99.68%
Total design capacity for Managed Only Facilitie	es (21 Managed Only Faciliti	es)	17,688					
Total design capacity for All Facilities as of Dec	cember 31, 2003		58,732					
Design capacity changes subsequent to Decemb	er 31, 2003:							
Silverdale Facilities (Facility expansion) Chattanooga, Tennessee			208					
B. M. Moore Correctional Center (Q) Overton, Texas	N/A	State of Texas	500	Minimum/ Medium	Correctional	Jan-07	(2) 1 year	
Bradshaw State Jail (Q) Henderson, Texas	N/A	State of Texas	1,980	Minimum/ Medium	Correctional	Jan-07	(4) 1 year	

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 12/31/03
Dawson State Jail (Q) Dallas, Texas	N/A	State of Texas	2,216	Minimum/ Medium	Correctional	Jan-07	(4) 1 year	
Diboll Correctional Center (Q) Diboll, Texas	N/A	State of Texas	518	Minimum/ Medium	Correctional	Jan-07	(2) 1 year	
Lindsey State Jail (Q) Jacksboro, Texas	N/A	State of Texas	1,031	Minimum/ Medium	Correctional	Jan-07	(4) 1 year	
Sanders Estes Unit (Q) Venus, Texas			(1,000)					
Willacy State Jail (Q) Raymondville, Texas	N/A	State of Texas	1,069	Minimum/ Medium	Correctional	Jan-07	(4) 1 year	
Total current design capacity for All Facilities			65,254					
Leased Facilities:								
Leo Chesney Correctional Center Live Oak, California	1989	Cornell Corrections	240	Minimum	Owned/Leased	Jun-04	-	N/A
Queensgate Correctional Facility Cincinnati, Ohio	1906	Hamilton County, OH	850	Medium	Owned/Leased	Feb-05	(2) 1 year	N/A
Community Education Partners (R) Houston, Texas	N/A	Community Education Partners	-	Non-secure	Owned/Leased	Jun-08	(3) 5 year	N/A

(A) The year constructed represents the initial completion of the facility's construction, as well as significant additions to the facility that occurred at a later date.

(B) Design capacity measures the number of beds, and accordingly, the number of inmates each facility is designed to accommodate. Facilities housing detainees on a short term basis may exceed the original intended design capacity for sentenced inmates due to the lower level of services required by detainees in custody for a brief period. 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 December 31, 2003. 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) 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.

(I) On January 13, 2004, we received notice from the Alabama Department of Corrections that it would withdraw all of its inmates housed at this facility. The inmates had been housed at this facility under a temporary emergency agreement to provide the State of Alabama immediate relief to its overcrowded prison system.

(J) The State of Montana has an option to purchase the facility at fair market value generally at any time during the term of the contract with us.

FACILITY PORTFOLIO

16 of 18

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 12/31/03
(K) All inmates were transferred out of this facili	ity during 2001 due to a new lav	v that mandated that the BOP assume	e jurisdiction of all D.C. o	offenders under the	custody of the BOP by the	ne end of 2001.		
(L) The facility is subject to a purchase option he	eld by the Oklahoma Departmen	t of Corrections, or ODC, which gra	ints the ODC the right to p	ourchase the facility	y at its fair market value	at any time.		
(M) All of the Wisconsin inmates housed at the N	North Fork Correctional Facility	were transferred to the Diamondbac	ck Correctional Facility in	order to satisfy a c	contractual provision mar	ndated by the		
State of Wisconsin. Upon completion of the inma	ate transfers, North Fork Correct	tional Facility was closed and will re	emain closed for an indefi	nite period of time.	. The Company is curren	tly pursuing		
new management contracts and other opportunitie	es to take advantage of the beds	that are available at the North Fork	Correctional Facility, but	can provide no ass	urance that it will be succ	cessful in doing so).	
(N) Upon conclusion of the thirty-year lease with	1 Shelby County, Tennessee, the	facility will become the property of	Shelby County. Prior to	such time, if the Co	ounty terminates the leas	e without		
cause, or breaches the lease or the State fails to fu	and the contract, we may purcha	se the property for \$150,000. If we	terminate the lease without	ut cause, or breach	the contract, we will be	equired to		
purchase the property for its fair market value as a	agreed to by the County and us.					-		
(O) The State of Tennessee has the option to pure	chase the facility in the event of	our bankruptcy, or upon an operation	onal breach, as defined, at	a price equal to the	e book value, as defined.			
(P) The District of Columbia has the right to pure	chase the facility at any time du	ring the term of the contract at a pric	e generally equal to the p	resent value of the	remaining lease paymen	ts for		
the premises. Upon expiration of the lease, owne		с ,	0 1 1		5 17			
		•						

(Q) On November 10, 2003, we announced that the Texas Department of Criminal Justice awarded us contracts to manage seven state correctional facilities as part of a procurement re-bid process. Bartlett State Jail, which we operated prior to the announcement, was included as one of the seven facilities awarded to us. The contracts became effective January 15, 2004. Additionally, as part of the RFP, the TDCJ did not award us the contract for the continued management of Sanders Estes Unit.

(R) The alternative educational facility is currently configured to accommodate 900 at-risk juveniles and may be expanded to accommodate a total of 1,400 at-risk juveniles.

DIVERSIFICATION OF REVENUE

(Unaudited and amounts in thousands)

Customer	Management Revenue For the Year Ended December 31, 2003		Percent of Management Revenue For the Year Ended December 31, 2003	
Bureau of Prisons	\$	168,771	16.56%	
United States Marshals		141,137	13.85%	
United States Immigration and Customs Enforcement		74,166	7.28%	
Tennessee		65,150	6.39%	
Georgia		50,094	4.91%	
Colorado		47,401	4.65%	
Texas		46,136	4.53%	
Florida		44,164	4.33%	
Wisconsin		43,484	4.27%	
Oklahoma		34,786	3.41%	
	\$	715,289	70.17%	
Total Management Revenue, including discontinued operations	\$	1,019,355	100.00%	

RESEARCH / ANALYST COVERAGE

Equity Rese	earch Coverage:		
	Avondale Partners	Patrick Swindle	(615) 467-3462
	BB&T Capital Markets	Barry Stouffer	(615) 340-8283
	First Analysis Corporation	James Macdonald	(312) 258-1400
	Jefferies & Company, Inc.	Arthur I. Henderson	(615) 963-8341
	Lehman Brothers	Jeffery T. Kessler	(212) 526-5162
	Morgan Joseph & Co. Inc.	Richard Nelson	(212) 218-3702
Debt Resea	rch Coverage:		_
	Lehman Brothers	Susan Jansen	(212) 526-6470
	SG Cowen Securities Corporation	Brad E. Eilert	(212) 278-5290
Rating Age	ncy Coverage:		
	Moody's Investors Service	Philip Kibel	(215) 967-6233
	Standard & Poor's	Jean Stout	(212) 438-7865
Credit Ratin	igs:		
		Standard & Poor's	Moody's
	Corporate Credit Rating Senior Secured Bank Credit Senior Unsecured Debt Preferred Stock	B+ BB- B Not rated	Not rated Ba3 B1 B3

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.