



CORRECTIONS CORPORATION OF AMERICA

**Supplemental Financial Information
For the Quarter Ended March 31, 2012**

The Company's supplemental financial information and other data presented herein speaks only as of the date or period indicated (or as of the date posted, as the case may be), and the Company does not undertake any obligation, and disclaims any duty, to update any of this information. The Company's future financial performance is subject to various risks and uncertainties that could cause actual results to differ materially from expectations. The factors that could affect the Company's future financial results are discussed more fully in our reports filed with the SEC. Readers are advised to refer to these reports for additional information concerning the Company. Readers are also advised that the Company's historical performance may not be indicative of future results. In addition, the information contained herein does not constitute an offer to sell or a solicitation to buy any of the Company's securities.

CORRECTIONS CORPORATION OF AMERICA

Supplemental Financial Information
For the Quarter Ended March 31, 2012

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Damon T. Hininger, President and Chief Executive Officer
Todd J Mullenger, Chief Financial Officer
10 Burton Hills Boulevard
Nashville, TN 37215
Tel.: (615) 263-3000 Fax: (615) 263-3010

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

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ASSETS	March 31, 2012	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011
Cash and cash equivalents	\$ 31,354	\$ 55,832	\$ 47,958	\$ 54,623	\$ 37,792
Accounts receivable, net of allowance	257,981	273,038	262,609	254,965	279,437
Deferred tax assets	11,068	11,768	9,442	8,464	10,920
Prepaid expenses and other current assets	13,623	18,791	28,681	32,352	14,248
Total current assets	<u>314,026</u>	<u>359,429</u>	<u>348,690</u>	<u>350,404</u>	<u>342,397</u>
Property and equipment, net	2,601,303	2,608,918	2,531,753	2,531,333	2,534,839
Restricted cash	5,015	5,013	5,012	6,760	6,758
Investment in direct financing lease	8,811	9,233	9,642	10,039	10,425
Goodwill	11,988	11,988	11,988	11,988	11,988
Other assets	29,983	25,050	25,468	25,824	25,622
Total assets	<u>\$ 2,971,126</u>	<u>\$ 3,019,631</u>	<u>\$ 2,932,553</u>	<u>\$ 2,936,348</u>	<u>\$ 2,932,029</u>
LIABILITIES AND STOCKHOLDERS' EQUITY					
Accounts payable and accrued expenses	\$ 163,349	\$ 197,757	\$ 192,476	\$ 184,881	\$ 186,188
Income taxes payable	13,530	605	106	113	9,903
Current portion of long-term debt	40,000	-	-	-	-
Total current liabilities	<u>216,879</u>	<u>198,362</u>	<u>192,582</u>	<u>184,994</u>	<u>196,091</u>
Long-term debt, net of current portion	1,140,386	1,245,014	1,209,652	1,104,294	1,112,744
Deferred tax liabilities	135,750	136,503	130,908	123,823	121,477
Other liabilities	34,540	31,730	32,538	33,418	32,428
Total liabilities	<u>1,527,555</u>	<u>1,611,609</u>	<u>1,565,680</u>	<u>1,446,529</u>	<u>1,462,740</u>
Commitments and contingencies					
Common stock - \$0.01 par value	999	995	996	1,072	1,081
Additional paid-in capital	1,133,300	1,129,435	1,128,807	1,290,917	1,312,796
Retained earnings	309,272	277,592	237,070	197,830	155,412
Total stockholders' equity	<u>1,443,571</u>	<u>1,408,022</u>	<u>1,366,873</u>	<u>1,489,819</u>	<u>1,469,289</u>
Total liabilities and stockholders' equity	<u>\$ 2,971,126</u>	<u>\$ 3,019,631</u>	<u>\$ 2,932,553</u>	<u>\$ 2,936,348</u>	<u>\$ 2,932,029</u>

CONSOLIDATED STATEMENTS OF OPERATIONS

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

	For the Three Months Ended March 31,		For the Twelve Months Ended December 31, 2011
	2012	2011	
REVENUE:			
Management:			
Federal	\$ 189,332	\$ 182,374	\$ 749,308
State	215,832	213,809	855,409
Local	14,613	13,911	57,854
Other	14,394	13,659	55,353
Total management revenue	434,171	423,753	1,717,924
Transportation	566	771	3,619
Rental	551	551	2,204
Other	17	105	596
	435,305	425,180	1,724,343
EXPENSES:			
Operating:			
Facility fixed	236,729	221,607	894,462
Facility variable	73,966	68,340	280,491
Transportation	4,740	3,113	15,332
Other	99	102	588
Total operating expenses	315,534	293,162	1,190,873
General and administrative	21,840	21,447	91,227
Depreciation and amortization	28,387	26,926	108,216
	365,761	341,535	1,390,316
OPERATING INCOME	69,544	83,645	334,027
OTHER (INCOME) EXPENSE:			
Interest expense, net	16,890	18,402	72,940
Expenses associated with debt refinancing transactions	1,541	-	-
Other (income) expense	12	71	304
	18,443	18,473	73,244
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	51,101	65,172	260,783
Income tax expense	(19,059)	(24,732)	(97,017)
INCOME FROM CONTINUING OPERATIONS	32,042	40,440	163,766
Loss from discontinued operations, net of taxes	(362)	(110)	(1,256)
NET INCOME	\$ 31,680	\$ 40,330	\$ 162,510
BASIC EARNINGS PER SHARE	\$ 0.32	\$ 0.37	\$ 1.55
DILUTED EARNINGS PER SHARE	\$ 0.32	\$ 0.37	\$ 1.54

CONSOLIDATED STATEMENTS OF OPERATIONS

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

	As Adjusted for Discontinued Operations			
	For the Three Months Ended			
	March 31, 2011	June 30, 2011	September 30, 2011	December 31, 2011
REVENUE:				
Management:				
Federal	\$ 182,374	\$ 185,937	\$ 188,444	\$ 192,553
State	213,809	213,837	213,193	214,570
Local	13,911	14,087	14,919	14,937
Other	13,659	13,990	14,034	13,670
Total management revenue	423,753	427,851	430,590	435,730
Transportation	771	1,143	974	731
Rental	551	551	551	551
Other	105	399	22	70
	425,180	429,944	432,137	437,082
EXPENSES:				
Operating:				
Facility fixed	221,607	220,130	226,208	226,517
Facility variable	68,340	69,681	71,319	71,151
Transportation	3,113	4,102	4,027	4,090
Other	102	102	135	249
Total operating expenses	293,162	294,015	301,689	302,007
General and administrative	21,447	21,782	23,007	24,991
Depreciation and amortization	26,926	27,047	26,536	27,707
	341,535	342,844	351,232	354,705
OPERATING INCOME	83,645	87,100	80,905	82,377
OTHER (INCOME) EXPENSE:				
Interest expense, net	18,402	18,360	18,058	18,120
Other (income) expenses	71	118	73	42
	18,473	18,478	18,131	18,162
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	65,172	68,622	62,774	64,215
Income tax expense	(24,732)	(26,006)	(23,427)	(22,852)
INCOME FROM CONTINUING OPERATIONS	40,440	42,616	39,347	41,363
Loss from discontinued operations, net of taxes	(110)	(198)	(107)	(841)
NET INCOME	\$ 40,330	\$ 42,418	\$ 39,240	\$ 40,522
BASIC EARNINGS PER SHARE	\$ 0.37	\$ 0.40	\$ 0.38	\$ 0.41
DILUTED EARNINGS PER SHARE	\$ 0.37	\$ 0.39	\$ 0.37	\$ 0.41
TOTAL COMPENSATED MAN-DAYS	7,192,386	7,283,433	7,345,315	7,388,606
TOTAL AVAILABLE BED-DAYS	7,997,850	8,094,395	8,199,132	8,199,132
AVERAGE COMPENSATED OCCUPANCY	89.9%	90.0%	89.6%	90.1%

RECONCILIATION OF BASIC TO DILUTED EARNINGS PER SHARE

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

	For the Three Months Ended March 31,		For the Twelve
	2012	2011	Months Ended
			December 31,
			2011
Basic:			
Income from continuing operations	\$ 32,042	\$ 40,440	\$ 163,766
Loss from discontinued operations, net of taxes	(362)	(110)	(1,256)
Net income	<u>\$ 31,680</u>	<u>\$ 40,330</u>	<u>\$ 162,510</u>
Diluted:			
Income from continuing operations	\$ 32,042	\$ 40,440	\$ 163,766
Loss from discontinued operations, net of taxes	(362)	(110)	(1,256)
Diluted net income	<u>\$ 31,680</u>	<u>\$ 40,330</u>	<u>\$ 162,510</u>
Basic:			
Weighted average common shares outstanding	99,641	109,103	105,129
Unvested restricted common stock	(349)	(415)	(393)
Weighted average common shares outstanding-basic	<u>99,292</u>	<u>108,688</u>	<u>104,736</u>
Diluted:			
Weighted average common shares outstanding-basic	99,292	108,688	104,736
Effect of dilutive securities:			
Stock options	631	693	603
Restricted stock-based compensation	163	162	196
Weighted average shares and assumed conversions-diluted	<u>100,086</u>	<u>109,543</u>	<u>105,535</u>
Basic earnings per share:			
Income from continuing operations	\$ 0.32	\$ 0.37	\$ 1.56
Loss from discontinued operations, net of taxes	-	-	(0.01)
Net income	<u>\$ 0.32</u>	<u>\$ 0.37</u>	<u>\$ 1.55</u>
Diluted earnings per share:			
Income from continuing operations	\$ 0.32	\$ 0.37	\$ 1.55
Loss from discontinued operations, net of taxes	-	-	(0.01)
Net income	<u>\$ 0.32</u>	<u>\$ 0.37</u>	<u>\$ 1.54</u>

CALCULATION OF ADJUSTED DILUTED EARNINGS PER SHARE

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

	For the Three Months Ended March 31,		For the Twelve Months
	2012	2011	Ended December 31,
			2011
Net Income	\$ 31,680	\$ 40,330	\$ 162,510
Special items:			
Expenses associated with debt refinancing transactions	1,541	-	-
Income tax benefit for special items	(575)	-	-
Diluted adjusted net income	\$ 32,646	\$ 40,330	\$ 162,510
Weighted average common shares outstanding - basic	99,292	108,688	104,736
Effect of dilutive securities:			
Stock options	631	693	603
Restricted stock-based compensation	163	162	196
Weighted average shares and assumed conversions - diluted	100,086	109,543	105,535
Adjusted Diluted Earnings Per Share	\$ 0.33	\$ 0.37	\$ 1.54

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

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	<u>March 31, 2012</u>	<u>December 31, 2011</u>	<u>September 30, 2011</u>	<u>June 30, 2011</u>	<u>March 31, 2011</u>
BALANCE SHEET:					
Property and equipment	\$ 3,528,285	\$ 3,511,302	\$ 3,409,916	\$ 3,383,302	\$ 3,359,746
Accumulated depreciation and amortization	(926,982)	(902,384)	(878,163)	(851,969)	(824,907)
Property and equipment, net	<u>\$ 2,601,303</u>	<u>\$ 2,608,918</u>	<u>\$ 2,531,753</u>	<u>\$ 2,531,333</u>	<u>\$ 2,534,839</u>
Total assets	\$ 2,971,126	\$ 3,019,631	\$ 2,932,553	\$ 2,936,348	\$ 2,932,029
Maintenance & technology capital expenditures for the quarter ended	\$ 12,800	\$ 19,463	\$ 14,264	\$ 9,355	\$ 4,830
Total debt	\$ 1,180,386	\$ 1,245,014	\$ 1,209,652	\$ 1,104,294	\$ 1,112,744
Equity book value	\$ 1,443,571	\$ 1,408,022	\$ 1,366,873	\$ 1,489,819	\$ 1,469,289
LIQUIDITY:					
Cash and cash equivalents	\$ 31,354	\$ 55,832	\$ 47,958	\$ 54,623	\$ 37,792
Availability under revolving credit facility	\$ 221,724	\$ 156,724	\$ 190,299	\$ 295,299	\$ 286,501
CAPITALIZATION:					
Common shares outstanding	99,944	99,528	99,608	107,169	108,094
Common share price at end of period	\$ 27.31	\$ 20.37	\$ 22.69	\$ 21.65	\$ 24.40
Market value of common equity at end of period	<u>\$ 2,729,471</u>	<u>\$ 2,027,385</u>	<u>\$ 2,260,106</u>	<u>\$ 2,320,209</u>	<u>\$ 2,637,494</u>
Total equity market capitalization	<u>\$ 2,729,471</u>	<u>\$ 2,027,385</u>	<u>\$ 2,260,106</u>	<u>\$ 2,320,209</u>	<u>\$ 2,637,494</u>
Total market capitalization (market value of equity plus debt)	<u><u>\$ 3,909,857</u></u>	<u><u>\$ 3,272,399</u></u>	<u><u>\$ 3,469,758</u></u>	<u><u>\$ 3,424,503</u></u>	<u><u>\$ 3,750,238</u></u>
EBITDA	\$ 96,378	\$ 110,042	\$ 107,368	\$ 114,029	\$ 110,500
ADJUSTED EBITDA	\$ 97,919	\$ 110,042	\$ 107,368	\$ 114,029	\$ 110,500
FUNDS FROM OPERATIONS	\$ 82,243	\$ 82,138	\$ 75,997	\$ 57,355	\$ 95,496
FUNDS FROM OPERATIONS PER SHARE:					
Basic funds from operations per share	<u>\$ 0.83</u>	<u>\$ 0.83</u>	<u>\$ 0.73</u>	<u>\$ 0.54</u>	<u>\$ 0.88</u>
Diluted funds from operations per share	<u><u>\$ 0.82</u></u>	<u><u>\$ 0.82</u></u>	<u><u>\$ 0.72</u></u>	<u><u>\$ 0.53</u></u>	<u><u>\$ 0.87</u></u>
ADJUSTED FUNDS FROM OPERATIONS	\$ 69,443	\$ 62,675	\$ 61,733	\$ 48,000	\$ 90,666
ADJUSTED FUNDS FROM OPERATIONS PER SHARE:					
Basic adjusted funds from operations per share	<u>\$ 0.70</u>	<u>\$ 0.63</u>	<u>\$ 0.59</u>	<u>\$ 0.45</u>	<u>\$ 0.83</u>
Diluted adjusted funds from operations per share	<u><u>\$ 0.69</u></u>	<u><u>\$ 0.63</u></u>	<u><u>\$ 0.59</u></u>	<u><u>\$ 0.45</u></u>	<u><u>\$ 0.83</u></u>

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

	For the Three Months Ended March 31, 2012	2011	For the Twelve Months Ended December 31, 2011
Number of days per period	91	90	365
ALL FACILITIES:			
Average available beds	91,104	88,865	89,015
Average compensated occupancy	88.7%	89.9%	89.9%
Total compensated man-days	7,351,044	7,192,386	29,209,740
Revenue per compensated man-day	\$ 59.06	\$ 58.92	\$ 58.81
Operating expenses per compensated man-day:			
Fixed expense	32.20	30.81	30.62
Variable expense	10.06	9.50	9.60
Total	42.26	40.31	40.22
Operating margin per compensated man-day	\$ 16.80	\$ 18.61	\$ 18.59
Operating margin rate	28.4%	31.6%	31.6%
DEPRECIATION AND AMORTIZATION:			
Depreciation expense on real estate	19,343	18,141	73,705
Other depreciation expense	9,078	8,819	34,647
Amortization of negative contract values	(34)	(34)	(136)
Depreciation and amortization	\$ 28,387	\$ 26,926	\$ 108,216
FUNDS FROM OPERATIONS:			
Net income	\$ 31,680	\$ 40,330	\$ 162,510
Income tax expense	19,059	24,732	97,017
Expenses associated with debt refinancing transactions	1,541	-	-
Income tax benefit for debt refinancing transactions	(575)	-	-
Income taxes (paid) refund	(1,198)	4	(70,341)
Depreciation and amortization	28,387	26,926	108,216
Depreciation and amortization for discontinued operations	-	129	715
Income tax expense (benefit) for discontinued operations	(215)	(68)	(716)
Stock-based compensation reflected in G&A expenses	2,411	2,377	9,254
Amortization of debt costs and other non-cash interest	1,153	1,066	4,331
Funds from operations	\$ 82,243	\$ 95,496	\$ 310,986
Maintenance and technology capital expenditures	(12,800)	(4,830)	(47,912)
Adjusted funds from operations	\$ 69,443	\$ 90,666	\$ 263,074
FUNDS FROM OPERATIONS PER SHARE:			
Basic	\$ 0.83	\$ 0.88	\$ 2.97
Diluted	\$ 0.82	\$ 0.87	\$ 2.95
ADJUSTED FUNDS FROM OPERATIONS PER SHARE:			
Basic	\$ 0.70	\$ 0.83	\$ 2.51
Diluted	\$ 0.69	\$ 0.83	\$ 2.49

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

	For the Three Months Ended March 31, 2012	2011	For the Twelve Months Ended December 31, 2011
MANAGED ONLY FACILITIES:			
Management revenue	\$ 88,470	\$ 88,122	\$ 361,246
Operating expenses:			
Fixed expense	60,369	58,589	235,176
Variable expense	19,846	18,167	75,525
Total	<u>80,215</u>	<u>76,756</u>	<u>310,701</u>
Contribution	<u>\$ 8,255</u>	<u>\$ 11,366</u>	<u>\$ 50,545</u>
Average available beds	<u>25,324</u>	<u>25,068</u>	<u>25,218</u>
Average compensated occupancy	<u>95.8%</u>	<u>96.4%</u>	<u>96.3%</u>
Total compensated man-days	<u>2,208,313</u>	<u>2,175,642</u>	<u>8,862,337</u>
Revenue per compensated man-day	\$ 40.06	\$ 40.50	\$ 40.76
Operating expenses per compensated man-day:			
Fixed expense	27.34	26.93	26.54
Variable expense	8.99	8.35	8.52
Total	<u>36.33</u>	<u>35.28</u>	<u>35.06</u>
Operating margin per compensated man-day	<u>\$ 3.73</u>	<u>\$ 5.22</u>	<u>\$ 5.70</u>
Operating margin rate	<u>9.3%</u>	<u>12.9%</u>	<u>14.0%</u>
OWNED AND MANAGED FACILITIES:			
Management revenue	\$ 345,701	\$ 335,631	\$ 1,356,678
Operating expenses:			
Fixed expense	176,360	163,018	659,286
Variable expense	54,120	50,173	204,966
Total	<u>230,480</u>	<u>213,191</u>	<u>864,252</u>
Contribution	<u>\$ 115,221</u>	<u>\$ 122,440</u>	<u>\$ 492,426</u>
Average available beds	<u>65,780</u>	<u>63,797</u>	<u>63,797</u>
Average compensated occupancy	<u>85.9%</u>	<u>87.4%</u>	<u>87.4%</u>
Total compensated man-days	<u>5,142,731</u>	<u>5,016,744</u>	<u>20,347,403</u>
Revenue per compensated man-day	\$ 67.22	\$ 66.90	\$ 66.68
Operating expenses per compensated man-day:			
Fixed	34.29	32.49	32.40
Variable	10.52	10.00	10.07
Total	<u>44.81</u>	<u>42.49</u>	<u>42.47</u>
Operating margin per compensated man-day	<u>\$ 22.41</u>	<u>\$ 24.41</u>	<u>\$ 24.21</u>
Operating margin rate	<u>33.3%</u>	<u>36.5%</u>	<u>36.3%</u>

ANALYSIS OF OUTSTANDING DEBT

(Unaudited and amounts in thousands)

	Outstanding Balance 12/31/2011	Outstanding Balance 3/31/2012	Stated Interest Rate	Effective Interest Rate ¹⁾	Maturity Date	Callable/ Redeemable
Fixed Rate:						
\$375.0 Million Senior Notes	\$ 375,000	\$ 40,000	6.25%	6.50%	March 2013	The outstanding balance at March 31, 2012 was redeemed in April 2012.
\$150.0 Million Senior Notes	150,000	150,000	6.75%	6.99%	January 2014	On or prior to January 31, 2009, 35% redeemable at 106.75% with proceeds from equity offerings; on or after January 31, 2010, 100% redeemable at various premium prices until January 31, 2012 at par
\$465.0 Million Senior Notes	455,014	455,386	7.75%	8.65%	June 2017	On or prior to June 1, 2012, 35% redeemable at 107.75% with proceeds from equity offerings; on or after June 1, 2013, 100% redeemable at various premium prices until June 1, 2015 at par
Total Fixed Rate Debt	<u>980,014</u>	<u>645,386</u>				
Floating Rate:						
Revolving Credit Facility	<u>265,000</u>	<u>535,000</u>	1.98%	2.23%	December 2016	
Grand Total Debt	<u>\$ 1,245,014</u>	<u>\$ 1,180,386</u>	4.97%	5.33%	4.4	³⁾

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

²⁾ The Company also has \$28.3 million of letters of credit outstanding under a sub-facility reducing the available capacity under the revolving credit facility to \$221.7 million as of March 31, 2012. The Revolving Credit facility currently bears interest at LIBOR plus a margin of 1.50%.

³⁾ Represents the weighted average debt maturity in years.

Debt Maturity Schedule at March 31, 2012:

Year	Total Debt Maturing	% of Debt Maturing	% of Debt Maturing
2012	-	0.00%	0.00%
2013	40,000	3.36%	3.36%
2014	150,000	12.61%	15.97%
2015	-	0.00%	15.97%
2016	535,000	44.96%	60.92%
Thereafter	465,000	39.08%	100.00%
	<u>\$ 1,190,000</u>	<u>100.00%</u>	
Debt Discount - \$465.0 Million Senior Notes	(9,614)		
	<u>\$ 1,180,386</u>		

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

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	For the Three Months Ended March 31,		For the Twelve Months Ended December 31,
	2012	2011	2011
<u>COVERAGE RATIOS:</u>			
Interest coverage ratio (Adjusted EBITDA/Interest incurred) (x)	5.9	6.1	6.1
Fixed charge coverage ratio (Adjusted EBITDA/(Interest incurred + Scheduled prin pmts)) (x)	5.9	6.1	6.1
Senior debt coverage ratio (Senior debt/Annualized Adjusted EBITDA) (x)	3.0	2.5	2.8
Total debt coverage ratio (Total debt/Annualized Adjusted EBITDA) (x)	3.0	2.5	2.8
Accounts receivable turnover (Annualized revenues/Accounts receivable) (x)	6.7	6.1	6.3
<u>DEBT/EQUITY RATIOS:</u>			
Total debt/Total market capitalization	30.2%	29.7%	38.0%
Total debt/Equity market capitalization	43.2%	42.2%	61.4%
Total debt/Book equity capitalization	81.8%	75.7%	88.4%
Total debt/Gross book value of real estate assets	33.4%	33.0%	35.4%
<u>RETURN ON INVESTMENT RATIOS:</u>			
Annualized return on operating real estate investments (Annualized Adjusted EBITDA/Average operating real estate investments (undeprciated book value)*)	11.1%	13.1%	12.8%
Annualized return on total assets (Annualized Adjusted EBITDA/Average total assets (undeprciated book value)*)	10.0%	11.7%	11.5%
<u>OVERHEAD RATIOS:</u>			
Annualized general & administrative expenses/Average total assets (undeprciated book value)*	2.2%	2.3%	2.4%
General & administrative expenses/Total revenues	5.0%	5.0%	5.3%
<u>INTEREST EXPENSE, NET:</u>			
Interest income from continuing operations	\$ (460)	\$ (726)	\$ (2,437)
Interest incurred	16,694	18,168	72,630
Amortization of debt costs and other non-cash interest	1,153	1,066	4,331
Capitalized interest	(497)	(106)	(1,584)
Interest expense, net	<u>\$ 16,890</u>	<u>\$ 18,402</u>	<u>\$ 72,940</u>
<u>EBITDA CALCULATION:</u>			
Net income	\$ 31,680	\$ 40,330	\$ 162,510
Interest expense, net	16,890	18,402	72,940
Depreciation and amortization	28,387	26,926	108,216
Income tax expense	19,059	24,732	97,017
(Income) loss from discontinued operations, net of taxes	362	110	1,256
EBITDA	<u>96,378</u>	<u>110,500</u>	<u>441,939</u>
Expenses associated with debt refinancing transactions	1,541	-	-
ADJUSTED EBITDA	<u>\$ 97,919</u>	<u>\$ 110,500</u>	<u>\$ 441,939</u>

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

FACILITY PORTFOLIO

Facility Name	Year Constructed (A)	Primary Customer	Design Capacity (B)	Security Level	Facility Type (C)	Term	Remaining Renewal Options (D)	Compensated Occupancy % for the Quarter ended 3/31/12
Owned and Managed Facilities:								
Central Arizona Detention Center Florence, Arizona	1994, 1998	USMS	2,304	Multi	Detention	Sep-13	(3) 5 year	152.53%
Eloy Detention Center Eloy, Arizona	1995, 1996	ICE	1,500	Medium	Detention	Indefinite	-	99.85%
Florence Correctional Center Florence, Arizona	1999, 2004	USMS	1,824	Multi	Detention	Sep-13	(3) 5 year	121.87%
La Palma Correctional Center Eloy, Arizona	2008	State of California	3,060	Medium	Correctional	Jun-13	Indefinite	98.66%
Red Rock Correctional Center Eloy, Arizona	2006	State of California	1,596	Medium	Correctional	Jun-13	Indefinite	97.16%
Saguaro Correctional Facility Eloy, Arizona	2007	State of Hawaii	1,896	Medium	Correctional	Jun-14	(2) 1 year	88.31%
California City Correctional Center California City, California	1999	Office of the Federal Detention Trustee	2,304	Medium	Detention	Sep-25	-	66.07%
San Diego Correctional Facility (E) San Diego, California	1999, 2000	ICE	1,154	Minimum/ Medium	Detention	Jun-14	(3) 3 year	89.68%
Bent County Correctional Facility Las Animas, Colorado	1992, 1997, 2008	State of Colorado	1,420	Medium	Correctional	Jun-12	(4) 1 year	86.67%
Crowley County Correctional Facility Olney Springs, Colorado	1998, 2004	State of Colorado	1,794	Medium	Correctional	Jun-12	(4) 1 year	79.86%
Huerfano County Correctional Center (F) Walsenburg, Colorado	1997	-	752	Medium	Correctional	-	-	0.00%
Kit Carson Correctional Center Burlington, Colorado	1998, 2008	State of Colorado	1,488	Medium	Correctional	Jun-12	(4) 1 year	49.10%
Coffee Correctional Facility (G) Nicholls, Georgia	1998, 1999, 2010	State of Georgia	2,312	Medium	Correctional	Jun-12	(22) 1 year	111.26%
Jenkins Correctional Center (G) Millen, Georgia	2012	State of Georgia	1,124	Medium	Correctional	Jun-12	(23) 1 year	7.11%
McRae Correctional Facility McRae, Georgia	2000, 2002	BOP	1,524	Medium	Correctional	Nov-16	(3) 2 year	114.22%
Stewart Detention Center Lumpkin, Georgia	2004	ICE	1,752	Medium	Detention	Indefinite	-	88.72%

FACILITY PORTFOLIO

Facility Name	Year Constructed (A)	Primary Customer	Design Capacity (B)	Security Level	Facility Type (C)	Term	Remaining Renewal Options (D)	Compensated Occupancy % for the Quarter ended 3/31/12
Wheeler Correctional Facility (G) Alamo, Georgia	1998, 1999, 2010	State of Georgia	2,312	Medium	Correctional	Jun-12	(22) 1 year	118.25%
Leavenworth Detention Center Leavenworth, Kansas	1992, 2000, 2004, 2008	USMS	1,033	Maximum	Detention	Dec-16	(2) 5 year	60.92%
Lee Adjustment Center Beattyville, Kentucky	1990	State of Vermont	816	Minimum/ Medium	Correctional	Jun-13	(1) 2 year	54.44%
Marion Adjustment Center St. Mary, Kentucky	1955, 1988	Commonwealth of Kentucky	826	Minimum/ Medium	Correctional	Jun-12	(1) 1 year	99.44%
Otter Creek Correctional Center (H) Wheelwright, Kentucky	1993	Commonwealth of Kentucky	656	Minimum/ Medium	Correctional	Jun-12	(1) 1 year (1) 2 year	96.83%
Prairie Correctional Facility (I) Appleton, Minnesota	1991	-	1,600	Medium	Correctional	-	-	0.00%
Adams County Correctional Center Adams County, Mississippi	2008	BOP	2,232	Medium	Correctional	Jul-13	(3) 2 year	114.08%
Tallahatchie County Correctional Facility (J) Tutwiler, Mississippi	2000, 2007, 2008	State of California	2,672	Medium	Correctional	Jun-13	Indefinite	97.65%
Crossroads Correctional Center (K) Shelby, Montana	1999	State of Montana	664	Multi	Correctional	Aug-11	(4) 2 year	97.38%
Nevada Southern Detention Center Pahrump, Nevada	2010	Office of the Federal Detention Trustee	1,072	Medium	Detention	Sep-15	(3) 5 year	71.42%
Cibola County Corrections Center Milan, New Mexico	1994, 1999	BOP	1,129	Medium	Correctional	Sep-14	(3) 2 year	104.59%
New Mexico Women's Correctional Facility Grants, New Mexico	1989, 2000	State of New Mexico	596	Multi	Correctional	Jun-13	-	99.02%
Torrance County Detention Facility Estancia, New Mexico	1990, 1997	USMS	910	Multi	Detention	Indefinite	-	93.69%
Lake Erie Correctional Institution (L) Conneaut, Ohio	1999	State of Ohio	1,798	Medium	Correctional	Jun-32	Indefinite	97.47%
Northeast Ohio Correctional Center Youngstown, Ohio	1997	BOP	2,016	Medium	Correctional	May-13	(1) 2 year	104.61%
Queensgate Correctional Facility (M) Cincinnati, Ohio	1906	-	850	Medium	-	-	-	0.00%
Cimarron Correctional Facility (N) Cushing, Oklahoma	1997, 2008	State of Oklahoma	1,692	Medium	Correctional	Jun-12	(2) 1 year	42.91%
Davis Correctional Facility (N) Holdenville, Oklahoma	1996, 2008	State of Oklahoma	1,670	Medium	Correctional	Jun-12	(2) 1 year	95.96%

FACILITY PORTFOLIO

<u>Facility Name</u>	<u>Year Constructed (A)</u>	<u>Primary Customer</u>	<u>Design Capacity (B)</u>	<u>Security Level</u>	<u>Facility Type (C)</u>	<u>Term</u>	<u>Remaining Renewal Options (D)</u>	<u>Compensated Occupancy % for the Quarter ended 3/31/12</u>
Diamondback Correctional Facility (F) Watonga, Oklahoma	1998, 2000	-	2,160	Medium	Correctional	-	-	0.00%
North Fork Correctional Facility Sayre, Oklahoma	1998, 2007	State of California	2,400	Medium	Correctional	Jun-13	Indefinite	97.72%
West Tennessee Detention Facility Mason, Tennessee	1990, 1996	USMS	600	Multi	Detention	Sep-13	(8) 2 year	69.91%
Shelby Training Center Memphis, Tennessee	1986, 1995	-	200	Secure	-	-	-	0.00%
Whiteville Correctional Facility (O) Whiteville, Tennessee	1998	State of Tennessee	1,536	Medium	Correctional	Jun-16	-	97.27%
Bridgeport Pre-Parole Transfer Facility Bridgeport, Texas	1989	State of Texas	200	Medium	Correctional	Aug-13	(2) 2 year	99.76%
Eden Detention Center Eden, Texas	1990	BOP	1,422	Medium	Correctional	Apr-13	(2) 2 year	109.11%
Houston Processing Center Houston, Texas	1984, 2005	ICE	1,000	Medium	Detention	Mar-13	(1) 1 year	86.89%
Laredo Processing Center Laredo, Texas	1985, 1990	ICE	258	Minimum/ Medium	Detention	Jun-13	-	119.21%
Webb County Detention Center Laredo, Texas	1998	USMS	480	Medium	Detention	Nov-12	(1) 5 year	85.50%
Mineral Wells Pre-Parole Transfer Facility Mineral Wells, Texas	1995	State of Texas	2,103	Minimum	Correctional	Aug-13	(2) 2 year	98.17%
T. Don Hutto Residential Center Taylor, Texas	1997	ICE	512	Non-secure	Detention	Jan-15	Indefinite	94.92%
D.C. Correctional Treatment Facility (P) Washington D.C.	1992	District of Columbia	1,500	Medium	Detention	Jan-17	-	39.24%
Total design capacity for Owned and Managed Facilities (47 Owned and Managed Facilities)			<u>66,719</u>					
Managed Only Facilities:								
Bay Correctional Facility Panama City, Florida	1995, 2007	State of Florida	985	Medium	Correctional	Jul-13	(2) 2 year	98.58%
Citrus County Detention Facility Lecanto, Florida	1992, 2007	Citrus County, FL	760	Multi	Detention	Sep-15	Indefinite	72.51%
Graceville Correctional Facility Graceville, Florida	2007	State of Florida	1,884	Minimum/ Medium	Correctional	Sep-13	(2) 2 year	99.43%
Lake City Correctional Facility Lake City, Florida	1997, 2005	State of Florida	893	Secure	Correctional	Jun-12	Indefinite	98.40%

FACILITY PORTFOLIO

<u>Facility Name</u>	<u>Year Constructed (A)</u>	<u>Primary Customer</u>	<u>Design Capacity (B)</u>	<u>Security Level</u>	<u>Facility Type (C)</u>	<u>Term</u>	<u>Remaining Renewal Options (D)</u>	<u>Compensated Occupancy % for the Quarter ended 3/31/12</u>
Moore Haven Correctional Facility Moore Haven, Florida	1995	State of Florida	985	Minimum/ Medium	Correctional	Jul-13	(2) 2 year	99.17%
North Georgia Detention Center Hall County, Georgia	1980, 1989, 1999 2009	ICE	502	Medium	Detention	Mar-14	Indefinite	69.51%
Idaho Correctional Center Boise, Idaho	1999, 2006, 2009	State of Idaho	2,016	Multi	Correctional	Jun-14	(2) 2 year	100.93%
Marion County Jail Indianapolis, Indiana	1997, 2005	Marion County, IN	1,030	Multi	Detention	Dec-17	(1) 10 year	99.51%
Winn Correctional Center Winnfield, Louisiana	1990, 1992, 1996	State of Louisiana	1,538	Medium/ Maximum	Correctional	Jun-20	-	95.97%
Wilkinson County Correctional Facility Woodville, Mississippi	1997	State of Mississippi	1,000	Medium	Correctional	Jun-12	(3) 1 year	88.46%
Elizabeth Detention Center Elizabeth, New Jersey	1963	ICE	300	Minimum	Detention	Sep-12	(9) 1 year	95.00%
Silverdale Facilities Chattanooga, Tennessee	1985, 1997, 1998, 2005, 2008	Hamilton County, TN	1,046	Multi	Detention	Dec-12	-	87.48%
South Central Correctional Center Clifton, Tennessee	1992, 1994, 1995, 2005	State of Tennessee	1,676	Medium	Correctional	Jun-12	-	97.12%
Metro-Davidson County Detention Facility Nashville, Tennessee	1992, 1995, 2011	Davidson County, TN	1,348	Multi	Detention	Jul-14	-	85.68%
Hardeman County Correctional Facility Whiteville, Tennessee	1997	State of Tennessee	2,016	Medium	Correctional	May-12	(2) 3 year	97.62%
Bartlett State Jail Bartlett, Texas	1995	State of Texas	1,049	Minimum/ Medium	Correctional	Aug-13	(2) 2 year	98.43%
Bradshaw State Jail Henderson, Texas	1995	State of Texas	1,980	Minimum/ Medium	Correctional	Aug-13	(2) 2 year	99.38%
Dawson State Jail Dallas, Texas	1997	State of Texas	2,216	Minimum/ Medium	Correctional	Aug-13	(2) 2 year	99.42%
Lindsey State Jail Jacksboro, Texas	1995	State of Texas	1,031	Minimum/ Medium	Correctional	Aug-13	(2) 2 year	99.48%
Willacy State Jail Raymondville, Texas	1995	State of Texas	1,069	Minimum/ Medium	Correctional	Aug-13	(2) 2 year	99.85%
Total design capacity for Managed Only Facilities (20 Managed Only Facilities)			<u>25,324</u>					
Total design capacity for All Facilities as of March 31, 2012			<u>92,043</u>					

FACILITY PORTFOLIO

Facility Name	Year Constructed (A)	Primary Customer	Design Capacity (B)	Security Level	Facility Type (C)	Term	Remaining Renewal Options (D)	Compensated Occupancy % for the Quarter ended 3/31/12
Expansion and Development Projects:								
Facility Name	Estimated Completion	Potential Customer(s)	Design Capacity (B)	Project Description				
McRae Correctional Facility McRae, Georgia	Fourth quarter 2012	BOP	454	Expansion Beds				
Projected Design Capacity For All Facilities			92,497					
Leased Facilities:								
Leo Chesney Correctional Center Live Oak, California	1989	Cornell Corrections	240	Minimum	Owned/Leased	Sep-15	-	N/A
Community Education Partners (Q) Houston, Texas	N/A	Community Education Partners	-	Non-secure	Owned/Leased	Jun-14	-	N/A

- (A) The year constructed represents the initial completion of the facility's construction, as well as significant additions to the facility that occurred at a later date.
- (B) Design capacity measures the number of beds, and accordingly, the number of inmates each facility is designed to accommodate. Facilities housing detainees on a short term basis may exceed the original intended design capacity for sentenced inmates due to the lower level of services required by detainees in custody for a brief period. From time to time, we may evaluate the design capacity of our facilities based on the customers using the facilities, and the ability to reconfigure space with minimal capital outlays. We believe design capacity is an appropriate measure for evaluating prison operations, because the revenue generated by each facility is based on a per diem or monthly rate per inmate housed at the facility paid by the corresponding contracting governmental entity.
- (C) We manage numerous facilities that have more than a single function (i.e., housing both long-term sentenced adult prisoners and pre-trial detainees). The primary functional categories into which facility types are identified was determined by the relative size of prisoner populations in a particular facility on March 31, 2012. If, for example, a 1,000-bed facility housed 900 adult prisoners with sentences in excess of one year and 100 pre-trial detainees, the primary functional category to which it would be assigned would be that of correction facilities and not detention facilities. It should be understood that the primary functional category to which multi-user facilities are assigned may change from time to time.
- (D) Remaining renewal options represents the number of renewal options, if applicable, and the remaining term of each option renewal.
- (E) The facility is subject to a ground lease with the County of San Diego. Upon expiration of the lease in December 2015, ownership of the facility automatically reverts to the County of San Diego.
- (F) During the first quarter of 2010, we were notified by the state of Arizona of their decision not to renew the management contracts at the Huerfano County Correctional Center upon its expiration on March 8, 2010 and the Diamondback Correctional Facility upon its expiration on May 1, 2010.
- (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, as defined, or fair market value at any time during the term of the contract between us and the GDOC.
- (H) In late January 2012, the governor of Kentucky submitted his proposed budget which included the transfer of the inmates currently held at our Otter Creek Correctional Center to a facility owned by the Commonwealth of Kentucky by the end of June 2012. The facility is subject to a deed of conveyance with the city of Wheelwright, KY which includes provisions that would allow assumption of ownership by the city of Wheelwright under the following occurrences: (1) we cease to operate the facility for more than two years, (2) our failure to maintain at least one employee for a period of sixty consecutive days, or (3) a conversion to a maximum security facility based upon classification by the Kentucky Corrections Cabinet.
- (I) During December 2009, we announced our decision to cease operations at our Prairie Correctional Facility on or about February 1, 2010 due to low inmate populations at the facility. During 2009, the Prairie facility housed offenders from the states of Minnesota and Washington. However, due to excess capacity in the states' systems, both states removed the populations held at Prairie.
- (J) The facility is subject to a purchase option held by the Tallahatchie County Correctional Authority which grants Tallahatchie County Correctional Authority the right to purchase the facility at any time during the contract at a price generally equal to the cost of the premises less an allowance for amortization originally over a 20 year period. The amortization period was extended through 2050 in connection with an expansion completed during the fourth quarter of 2007.
- (K) The State of Montana has an option to purchase the facility generally at any time during the term of the contract with us at fair market value less the sum of a pre-determined portion of per-diem payments made to us by the state of Montana.
- (L) The state of Ohio has the irrevocable right to repurchase the facility before we may resell the facility to a third party, or if we become insolvent or are unable to meet our obligations under the management contract with the state of Ohio, at a price generally equal to the fair market value, as defined in the Real Estate Purchase Agreement.
- (M) During December 2008, we were notified by Hamilton County, Ohio of its intent to terminate the lease for the 850-bed Queensgate Correctional Facility. The lease was terminated effective January 1, 2009.
- (N) The facility is subject to a purchase option held by the Oklahoma Department of Corrections, or ODC, which grants the ODC the right to purchase the facility at its fair market value at any time.
- (O) The state of Tennessee has the option to purchase the facility in the event of our bankruptcy, or upon an operational or financial breach, as defined, at a price equal to the book value, as defined.
- (P) The District of Columbia has the right to purchase the facility at any time during the term of the contract at a price generally equal to the present value of the remaining lease payments for the premises. Upon expiration of the lease in 2017, ownership of the facility automatically reverts to the District of Columbia.
- (Q) The alternative educational facility is currently configured to accommodate 900 at-risk juveniles and may be expanded to accommodate a total of 1,400 at-risk juveniles.

DIVERSIFICATION OF REVENUE

(Unaudited and amounts in thousands)

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Customer	Management Revenue For the Three Months Ended March 31, 2012	Percent of Management Revenue For the Three Months Ended March 31, 2012
United States Marshals	\$ 86,176	19.85%
California	55,079	12.69%
Bureau of Prisons	53,059	12.22%
United States Immigration and Customs Enforcement	50,084	11.54%
Texas	23,101	5.32%
Georgia	21,367	4.92%
Tennessee	21,053	4.85%
Florida	18,796	4.33%
Colorado	16,128	3.71%
Hawaii	10,073	2.32%
	<u>\$ 354,916</u>	<u>81.75%</u>
Total Management Revenue	<u>\$ 434,171</u>	<u>100.00%</u>

RESEARCH / ANALYST COVERAGEEquity Research Coverage:

Avondale Partners	Kevin Campbell	(615) 467-3521
First Analysis Corporation	Todd Van Fleet	(312) 258-1400
Barclays Capital	Manav Patnaik	(212) 526-2983
Macquarie Research	Kevin McVeigh	(212) 231-6191
Davenport & Company LLC	Clinton Fendley	(804) 780-2151
SunTrust Robinson Humphrey	Tobey Sommer	(615) 748-5681

Debt Research Coverage:

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

Rating Agency Coverage:

Moody's Investors Service	Christopher Wimmer	(212) 553-2947
Standard & Poor's	Brian Milligan	(312) 233-7050

Credit Ratings:

	<u>Fitch</u>	<u>Standard & Poor's</u>	<u>Moody's</u>
Corporate Credit Rating	BB +	BB	Not rated
Senior Unsecured Debt	BB +	BB	Ba1
Senior Bank Credit Facility	BBB -	Not Rated	Not Rated

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