

Supplemental Financial Information For the Quarter Ended December 31, 2007

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, 2007

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CONSOLIDATED BALANCE SHEETS

ASSETS	December 31, 2007	September 30, 2007	June 30, 2007	March 31, 2007	December 31, 2006
Cash and cash equivalents	\$ 57,968	\$ 89,443	\$ 81,070	\$ 58,767	\$ 29,121
Investments	-	76,035	84,766	83,922	82,830
Accounts receivable, net of allowance	241,722	216,397	213,152	224,794	238,256
Deferred tax assets	12,250	11,573	8,970	12,288	11,655
Prepaid expenses and other current assets	21,142	17,538	30,769	12,808	17,554
Assets held for sale	7,581	-	-	-	-
Total current assets	340,663	410,986	418,727	392,579	379,416
Property and equipment, net	2,086,980	1,974,629	1,883,329	1,830,776	1,805,098
Restricted cash	6,511	6,430	6,346	11,973	11,826
Investment in direct financing lease	14,503	14,755	15,000	15,237	15,467
Goodwill	13,672	15,246	15,246	15,246	15,246
Other assets	23,411	22,567	23,201	23,146	23,807
Total assets	\$ 2,485,740	\$ 2,444,613	\$ 2,361,849	\$ 2,288,957	\$ 2,250,860
LIABILITIES AND STOCKHOLDERS' EQUITY					
Accounts payable and accrued expenses	\$ 213,477	\$ 216,344	\$ 176,809	\$ 148,406	\$ 161,282
Income taxes payable	964	3,500	630	5,976	2,810
Current portion of long-term debt	290	290	290	290	290
Total current liabilities	214,731	220,134	177,729	154,672	164,382
Long-term debt, net of current portion	975,677	975,750	975,823	975,895	975,968
Deferred tax liabilities	34,271	29,466	29,131	29,451	23,755
Other liabilities	39,086	40,596	41,422	41,535	37,074
Total liabilities	1,263,765	1,265,946	1,224,105	1,201,553	1,201,179
Commitments and contingencies					
Common stock - \$0.01 par value	1,245	1,241	1,237	1,228	1,221
Additional paid-in capital	1,568,736	1,560,378	1,552,714	1,534,985	1,527,608
Retained deficit	(348,006)	(382,952)	(416,207)	(448,809)	(479,148)
Total stockholders' equity	1,221,975	1,178,667	1,137,744	1,087,404	1,049,681
Total liabilities and stockholders' equity	\$ 2,485,740	\$ 2,444,613	\$ 2,361,849	\$ 2,288,957	\$ 2,250,860

CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Three Months Ended December 31,			For the Twelve Months Ended December 31,			
		2007		2006	2007		2006
REVENUE:							
Management:							
Federal	\$	150,783	\$	140,339	\$ 594,430	\$	526,830
State		193,975		168,541	719,577		645,064
Local		22,352		21,193	88,159		81,602
Other		14,925	·	13,374	 58,189		52,554
Total management revenue		382,035		343,447	1,460,355 14,197		1,306,050 15,138
Transportation Rental		3,089 793		3,545 682	3,016		2,721
Other		467		119	1,269		2,721
Ouler		386,384		347,793	 1,478,837		1,324,141
EXPENSES:		500,501		011,170	 1,170,007		1,021,111
Operating:							
Facility fixed		199,713		179,509	768,336		702,422
Facility variable		70,826		64,401	267,318		245,108
Transportation		4,107		4,047	21,693		19,055
Other		89		557	 703		1,742
Total operating expenses		274,735		248,514	1,058,050		968,327
General and administrative		19,902		16,876	74,399		63,593
Depreciation and amortization		21,379		17,986	78,514		67,236
Goodwill impairment		1,574		-	 1,574		-
		317,590		283,376	 1,212,537		1,099,156
OPERATING INCOME		68,794		64,417	 266,300		224,985
OTHER (INCOME) EXPENSE:							
Interest expense, net		12,938		14,280	53,776		58,783
Expenses associated with debt refinancing and recapitalization transactions		-		-	-		982
Other (income) expenses		(22)		159	 (303)		(254)
		12,916		14,439	 53,473		59,511
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES		55,878		49,978	212,827		165,474
Income tax expense		(21,158)		(17,976)	 (80,312)		(60,813)
INCOME FROM CONTINUING OPERATIONS		34,720		32,002	132,515		104,661
Income from discontinued operations, net of taxes		226		150	 858		578
NET INCOME	\$	34,946	\$	32,152	\$ 133,373	\$	105,239
BASIC EARNINGS PER SHARE	\$	0.28	\$	0.27	\$ 1.09	\$	0.88
DILUTED EARNINGS PER SHARE	\$	0.28	\$	0.26	\$ 1.06	\$	0.86

CONSOLIDATED STATEMENTS OF OPERATIONS

			As Adj	usted for Disc	continue	d Operations		
				For the Three		-		
	Μ	arch 31, 2007		une 30, 2007	Sep	tember 30, 2007	Dec	ember 31, 2007
REVENUE:								
Management:								
Federal	\$	142,217	\$	150,023	\$	151,407	\$	150,783
State		168,706		171,689		185,207		193,975
Local		20,907		21,831		23,069		22,352
Other Tatal menormatic revenue		14,296 346,126		14,278 357,821		14,690 374,373		14,925 382,035
Total management revenue Transportation		346,126		3,473		374,373 4,118		382,035 3,089
Rental		698		732		4,118		793
Other		195		365		242		467
		350,536		362,391		379,526		386,384
EXPENSES:								
Operating:								
Facility fixed		182,959		185,944		199,720		199,713
Facility variable		60,791		67,801		67,900		70,826
Transportation		4,880		5,428		7,278		4,107
Other		500		66		48		89
Total operating expenses		249,130		259,239		274,946		274,735
General and administrative		17,318		18,817		18,362		19,902
Depreciation and amortization Goodwill impairment		18,225		18,882		20,028		21,379 1,574
Goodwin impariment		284,673		296,938		313,336		317,590
		204,075		270,750				511,570
OPERATING INCOME		65,863		65,453		66,190		68,794
OTHER (INCOME) EXPENSE:								
Interest expense, net		13,934		13,655		13,249		12,938
Expenses associated with debt refinancing and recapitalization transactions		-		-		-		-
Other (income) expenses		(11)		(70)		(200)		(22)
		13,923		13,585		13,049		12,916
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES		51,940		51,868		53,141		55,878
Income tax expense		(19,578)		(19,474)		(20,102)		(21,158)
INCOME FROM CONTINUING OPERATIONS		32,362		32,394		33,039		34,720
Income from discontinued operations, net of taxes		208		208		216		226
NET INCOME	\$	32,570	\$	32,602	\$	33,255	\$	34,946
BASIC EARNINGS PER SHARE	\$	0.27	\$	0.27	\$	0.27	\$	0.28
DILUTED EARNINGS PER SHARE	\$	0.26	\$	0.26	\$	0.26	\$	0.28
TOTAL COMPENSATED MAN-DAYS		6 109 591		6,617,046		6,799,140		6 802 250
TOTAL COMPENSATED MAN-DATS TOTAL AVAILABLE BED-DAYS		6,408,581		, ,		6,799,140 6,930,149		6,892,259 7,038,326
AVERAGE COMPENSATED OCCUPANCY		6,537,912 98.0%		6,683,985 99.0%		6,930,149 98.1%		7,038,326 97.9%
A VERAGE CUMIFEMOATED OCCUFAINCT		98.0%		99.0%		98.1%		97.9%

CONSOLIDATED STATEMENTS OF OPERATIONS

For the Three Months Ended For the Three Months Ended March 31, June 30, September 30, 2006 September 30, 2006 December 31, 2006 Namagement: 3 2006 September 30, 2006 December 31, 2006 Natagement: 5 125,526 \$ 125,526 \$ 125,526 \$ 123,527 \$ 10,557 State 155,966 157,869 164,608 10,8541 121,527 143,537 145,557 5 145,557 5 145,557<				As Adju	sted for Disc	continued	Operations		
2006 2006 2006 2006 2006 Management: Federal State 5 125,526 \$ 133,647 \$ 140,339 State 5 155,556 \$ 157,849 \$ 104,098 104,098 104,098 104,098 104,098 104,098 104,098 104,098 105,137,137 104,098 105,137,137 104,098 105,137,137 104,109 103,02,217 104,137 104,137 104,109 105,137,137 105,137 105,137 105,137 105,137 105,137 105,137 105,137 104,109 101,137 105,137 104,109 101,137 105,137 105,137 105,137 105,137 105,137 105,137 105,137 105,137 105,137 105,137 105,137 105,137 105,147 101,137 105,147 101,137 105,145 104,147 101,137 105,145 104,147 101,137 105,145 104,147 101,137 105,145 104,147 105,145 104,147 104,147 104,147 1		P		v			-		
Management: start			,		,			Dee	
Fedral \$ 123.26 \$ 123.26 \$ 123.26 \$ 123.26 \$ 123.26 \$ 123.26 \$ 143.35 168.34 Local 19.479 20.046 20.884 121.99 Other 130.86 130.06 20.884 121.99 Transportation 310.044 320.281 332.278 343.425 Other 33 329 41 1119 Transportation 672 685 682 682 Other 33 39 411 1119 Presenting: 314.264 322.38 337.56 347.99 Presenting: 71.424 171.552 179.737 179.509 Pacitity find 71.424 171.552 14.427 24.437 Other 24.469 225.457 24.937 15.931 Other 24.469 225.57 24.937 15.931 Other 24.469 225.95 24.937 15.931 Other 15.633 16.539 15.833 16.539	REVENUE:								
Star 15356 157,809 164,098 168,412 Locil 19,479 20,046 20,884 12,093 Other 33,004 330,291 332,278 332,493 Total magement revence 33,014 332,231 43,543 34,447 Tasaportation 33,151 3,523 4,555 34,447 Operating:	Management:								
Load 19.47 20.046 20.884 21.193 Obtr 313083 13088 13089 1332 332.278 34347 Transportion 3515 3523 4555 3545 3545 3555 3545 Renal 672 685 682	Federal	\$	123,526	\$	129,298	\$	133,667	\$	140,339
Other 13.083 13.093 13.093 13.093 13.074 Total magement renue 310.044 320.218 332.278 33.435 Renul 672 685 682 682 Oher 33 39 41 110 FXPENSES 344.264 377.566 347.795 Operating: - - - 377.566 642.0 377.795 Facility trainle 71,624 171,522 179.777 179.909 70.414 62.296 64.4047 Tanaportation 4.948 4.814 5.246 44.947 16.579 16.579 16.579 16.579 16.579 17.286 247.728 248.546 226.4663	State		153,956		157,869		164,698		168,541
Total management revenue 310.044 330.281 332.278 333.2478 Transportation 3.01.54 3.52.3 4.555 3.54.55 Other 3.3 39 4.1 119 EXPENSE: 314.204 324.528 337.556 347.298 Pacifity firsd 171,624 171,522 179.737 179.969 Pacifity firsd 171,624 171,525 170.737 179.969 Pacifity oriable 357.97 604.14 662.96 64.401 Other 81 655 44.94 52.26 4.447 Other 81 655 44.94 52.26 4.447 Other 15.633 16.532 17.236 17.359 16.537 Depreciation and amortization 15.633 16.652 17.365 17.365 17.365 OPERATING INCOME 49.604 54.860 266.604 269.648 281.472 283.376 OHER (INCOME) EXPENSE: Interest caperase 15.126 14.526 14.4205	Local		19,479		20,046		20,884		21,193
Tangsportation 3.515 3.523 4.555 3.5434 Renul 672 685 682 683 682 6135 61457 </td <td>Other</td> <td></td> <td>13,083</td> <td></td> <td>13,068</td> <td></td> <td>13,029</td> <td></td> <td>13,374</td>	Other		13,083		13,068		13,029		13,374
Read Other 672 33 685 39 682 41 682 41 Other 33 39 41 119 Starting field 314,264 324,528 337,556 347,293 Operating: 7 171,624 171,552 179,573 179,500 Pacility variable 75,997 60,414 62,296 64,401 Transportation 4,348 4,814 5,246 4,407 Other 81 655 449 557 Total operating express 244,650 237,435 247,128 248,657 Operating express 244,650 209,648 281,472 283,857 OPERATING INCOME 49,604 54,880 56,084 64,417 OTHER (INCOME) EXPENSE: 115,126 14,4525 14,4255 14,4325 Income tax expense, et Income tax expense (12,2) (100) (299) 159 Other (income) expenses (12,2) (1402) (14,526 14,4325 Income tax expense (12,365) (14,453) </td <td>Total management revenue</td> <td></td> <td>310,044</td> <td></td> <td>320,281</td> <td></td> <td>332,278</td> <td></td> <td>343,447</td>	Total management revenue		310,044		320,281		332,278		343,447
Ofter 33 39 41 119 EXPENSES: 314.264 324.258 337.556 347.930 Operating: 171.624 171.552 179.737 179.509 Facility stade 57.997 60.414 62.296 64.407 Other 81 655 44.9 557 Other 81 655 244.9 557 Other 81 655 244.9 557 Other 14.377 15.561 16.579 16.573 Depreciation and anontizative 244.660 2204.660 2204.660 2204.640 OPERATING INCOME 49.604 54.880 56.084 64.417 OTHER (INCOME) EXPENSE: 15.126 14.552 14.825 14.302 Interest expense, and indebt refinancing and recepitalization transactions 982 - - - - Other (income) expense (122.010) (12.365) (14.453) (15.519) (17.976) Income tax expense (12.365) (14.453)	Transportation		3,515		3,523		4,555		3,545
EXPENSES: 314.264 324.528 337.556 347.793 Operating: Parality fixed 171.624 171.624 171.522 179,737 179,500 Parality fixed 57.997 60.414 62.296 64.401 Transportation 4,348 4,814 5,246 44.01 Other 81 655 449 557 Total operating expenses 2234.650 237.435 247.728 248.517 Operating: 16.55 449 557 16.55 44.92 257 Total operating expenses 2234.650 237.435 247.728 248.517 248.517 Operating: 14.377 15.961 16.579 16.537 17.868 17.288 14.2825 14.28	Rental		672		685		682		682
EXPENSES: Image: Constraint of the problem of theproblem of the problem of theproblem of the problem	Other		33		39		41		119
Operating: Facility variable 171.624 171.525 179.797 179.890 Facility variable 57.997 60.414 62.296 64.401 Transportation 4.948 4.814 5.236 64.401 Other 81 655 449 557 Total operating expenses 224.650 227.433 247.728 248.514 General and administrative 14.377 15.961 16.379 16.857 Depreciation and anontrization 15.633 16.252 17.365 17.986 OPERATING INCOME 49.604 54.880 56.084 64.417 OTHER (INCOME) EXPENSE: 115.126 14.552 14.825 14.230 Other (income) expenses (12) (10) (299) 15 Other (income) expenses (12,365) (14.450 14.4526 14.430 Income tax expense (12,365) (14.953) (15.19) (17.976 Income from discontinued operations, net of taxes 186 151 91 150 NET INCOME			314,264		324,528		337,556		347,793
Facility variable 171,624 171,532 179,377 179,508 Facility variable 57,997 60,414 62,236 64,400 Transportation 4,948 4,814 5,246 4,407 Other 81 655 449 537 Total operating expenses 234,650 231,435 247,728 248,544 General and administrative 14,377 15,961 16,379 16,857 Depreciation and amorization 49,604 54,880 56,084 64,417 OPERATING INCOME 49,604 54,880 56,084 64,417 OPERATING INCOME 49,604 54,880 56,084 64,417 Interest express, net 15,125 14,552 14,825 14,285 Other (income) expenses 115,126 14,552 14,825 14,285 Income (apenses) (12) (102) (299) 159 Income tax expense (12,365) (14,450 14,526 14,439 Income tax expense (12,365) (14,953) (15,519) (17,976 Income tax expense (12,3	EXPENSES:								
Facility variable 57,997 60,414 62,296 64,401 Transportation 4,948 4,814 5,236 4,401 Other 234,650 237,435 247,728 248,814 General and administrative 14,377 15,961 16,579 16,6379 16,8379 Depreciation and anontization 264,660 209,648 281,472 283,77 OPERATING INCOME 49,004 54,880 56,084 64,417 OTHER (INCOME) EXPENSE: 115,126 14,825 14,327 Interst expense, net 15,126 14,552 14,825 14,326 Cheff (in come) expenses (12) (102) (299) 159 Other (in come) expenses (12,365) (14,450 14,526 14,439 Income tax expense (12,365) (14,953) (15,519) (17,976	Operating:								
Transportation 4,448 4,814 5,246 4,047 Other 81 655 449 557 Total operating expenses 234,650 237,433 247,728 248,514 General and administrative 14,377 15,061 16,579 16,857 Depreciation and amortization 115,533 16,522 17,365 17,966 OPERATING INCOME 49,604 54,880 56,084 64,417 OTHER (INCOME) EXPENSE: 115,126 14,552 14,805 14,825 Interest expense, net 15,126 14,552 14,805 14,439 Other (income) expenses (12) (102) (299) 159 Income tax expense, net 115,126 14,450 14,439 INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES 33,508 40,430 41,558 49,978 Income tax expense (12,365) (14,953) (15,519) (17,976 Income tax expense 186 151 91 150 Income tax expense 186 151 91 150 Income from discontinued operations, net	Facility fixed		171,624		171,552		179,737		179,509
Other 81 655 449 557 Total operating expenses 234,650 237,435 247,728 248,514 General and administrative 14,377 15,561 16,252 17,365 17,986 Depreciation and amontization 264,660 269,648 281,472 283,376 OPERATING INCOME 49,604 54,880 56,084 64,417 OTHER (INCOME) 49,604 54,880 56,084 64,417 Interst exponse, net 15,126 14,825 14,226 14,326 Interst exponse, net 15,126 14,552 14,425 14,439 Other (income) expenses (12) (102) (299) 159 16,096 14,450 14,526 14,439 14,939 Income tax expense (12,365) (14,933) (15,519) (17,976 Income tax expense (12,365) (14,933) (15,519) (17,976 Income tax expense 186 151 91 150 Income from discontinued operations, net of	Facility variable		57,997		60,414		62,296		64,401
Total operating expenses 234,650 237,455 247,728 248,514 General and administrative 14,377 15,961 16,379 16,876 Depreciation and administrative 15,633 16,252 17,365 17,966 OPERATING INCOME 49,604 54,880 56,084 64,417 OTHER (INCOME) EXPENSE: 15,126 14,552 14,825 14,230 Interest expense, net 15,126 14,552 14,825 14,230 Cohe (income) expenses (12) (102) (299) 155 Other (income) expenses (12) (102) (299) 14,552 INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES 33,508 40,430 41,558 49,978 Income tax expense (12,365) (14,953) (15,519) (17,976 INCOME FROM CONTINUING OPERATIONS 21,143 25,477 26,039 32,002 Income tax expense (12,365) (14,953) (15,519) (17,976 Income from discontinued operations, net of taxes 186 151 91<	Transportation		4,948		4,814		5,246		4,047
General and administrative 14,377 15,961 16,379 16,870 Depreciation and amortization 16,637 16,379 17,365 17,395 OPERATING INCOME 49,604 54,880 56,084 64,417 OTHER (INCOME) 49,604 54,880 56,084 64,417 OTHER (INCOME) EXPENSE: 15,126 14,552 14,825 14,280 Other (income) expenses 15,126 14,552 14,825 14,280 Other (income) expenses 1212 (100) (120) 14,430 14,552 14,425 Income tax expense (12,365) (14,450) 14,558 49,978 Income tax expense (12,365) (14,953) (15,519) (17,976) Income tax expense (12,365) (14,953) (15,519) (17,976) Income tax expense 11,43 25,477 26,039 32,002 Income from discontinued operations, net of taxes 186 151 91 150 NET INCOME \$ 21,329 \$ 25,628 \$ 26,130 \$ 32,152 BASIC EARNINGS PE	Other		81		655		449		557
Depreciation and amortization 15,633 264,660 16,252 269,648 17,365 281,472 17,385 283,376 OPERATING INCOME 49,604 54,880 56,084 64,417 OTHER (INCOME) EXPENSE: Interest expense, net Expenses associated with debt refinancing and recapitalization transactions 982 - - Other (income) expenses (12) (102) (299) 159 Income FROM CONTINUING OPERATIONS BEFORE INCOME TAXES 33,508 40,430 41,558 49,978 Income tax expense (12,365) (14,953) (15,519) (17,976 Income from discontinued operations, net of taxes 186 151 91 150 NET INCOME \$ 21,143 25,477 26,039 32,002 Income from discontinued operations, net of taxes 186 151 91 150 NET INCOME \$ 21,329 \$ 25,628 \$ 26,130 \$ 32,152 BASIC EARNINGS PER SHARE \$ 0.18 \$ 0.21 \$ 0.22 \$ 0.27 DILUTED EARNINGS PER SHARE	Total operating expenses		234,650		237,435		247,728		248,514
264,660 $269,648$ $281,472$ $283,376$ OPERATING INCOME $49,604$ $54,880$ $56,084$ $64,417$ OTHER (INCOME) EXPENSE: Interest expense, net $15,126$ $14,552$ $14,825$ $14,825$ $14,280$ Other (income) expenses (12) (12) (12) (12) (12) (12) (12) (12) (12) $(12,365)$ $(14,953)$ $(15,519)$ $(17,976)$ Income tax expense $(12,365)$ $(14,953)$ $(15,519)$ $(17,976)$ Income from discontinued operations, net of taxes 186 151 91 150 NET INCOME S $21,329$ S $25,628$ S $26,130$ S $32,152$ BASIC EARNINGS PER SHARE S 0.18 S 0.21 S 0.21 S 0.21 <td>General and administrative</td> <td></td> <td>14,377</td> <td></td> <td>15,961</td> <td></td> <td>16,379</td> <td></td> <td>16,876</td>	General and administrative		14,377		15,961		16,379		16,876
OPERATING INCOME 49,604 54,880 56,084 64,17 OTHER (INCOME) EXPENSE: Interest expense, net 15,126 14,552 14,825 14,825 14,825 Other (income) expenses (12) (102) (299) 159 Other (income) expenses (12) (102) (299) 159 Income EROM CONTINUING OPERATIONS BEFORE INCOME TAXES 33,508 40,430 41,558 49,978 Income tax expense (12,365) (14,953) (15,519) (17,976 Income tax expense (12,365) (14,953) (15,519) (17,976 Income from discontinued operations, net of taxes 186 151 91 150 NET INCOME \$ 21,143 25,477 26,039 32,002 Income from discontinued operations, net of taxes 186 151 91 150 NET INCOME \$ 21,329 \$ 25,628 \$ 26,130 \$ 32,152 BASIC EARNINGS PER SHARE \$ 0.18 \$ 0.21 \$	Depreciation and amortization		15,633		16,252		17,365		17,986
OTHER (INCOME) EXPENSE: 15,126 14,552 14,825 14,280 Interest expense, net 15,126 14,552 14,825 14,280 Other (income) expenses 0(12) (102) (299) 15 Other (income) expenses 16,096 14,450 14,526 14,439 INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES 33,508 40,430 41,558 49,978 Income tax expense (12,365) (14,953) (15,519) (17,976) INCOME FROM CONTINUING OPERATIONS 21,143 25,477 26,039 32,002 Income from discontinued operations, net of taxes 186 151 91 150 NET INCOME \$ 21,329 \$ 25,628 \$ 26,130 \$ 32,152 BASIC EARNINGS PER SHARE \$ 0.18 \$ 0.21 \$ 0.22 \$ 0.27 DILUTED EARNINGS PER SHARE \$ 0.17 \$ 0.21 \$ 0.21 \$ 0.26 TOTAL COMPENSATED MAN-DAYS 5,954,920 <td></td> <td></td> <td>264,660</td> <td></td> <td>269,648</td> <td></td> <td>281,472</td> <td></td> <td>283,376</td>			264,660		269,648		281,472		283,376
Interest expense, net 15,126 14,552 14,825 14,280 Expenses associated with debt refinancing and recapitalization transactions 982 -	OPERATING INCOME		49,604		54,880		56,084		64,417
Interest expense, net 15,126 14,552 14,825 14,280 Expenses associated with debt refinancing and recapitalization transactions 982 -	OTHER (INCOME) EXPENSE:								
Expenses associated with debt refinancing and recapitalization transactions 982 1 1 1 159 Other (income) expenses (12) (102) (299) 159 16096 14,450 14,526 14,439 INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES 33,508 40,430 41,558 49,978 Income tax expense (12,365) (14,953) (15,519) (17,976 INCOME FROM CONTINUING OPERATIONS 21,143 25,477 26,039 32,002 Income from discontinued operations, net of taxes 186 151 91 150 NET INCOME \$ 21,329 \$ 25,628 \$ 26,130 \$ 32,152 BASIC EARNINGS PER SHARE \$ 0.18 \$ 0.21 \$ 0.22 \$ 0.27 DILUTED EARNINGS PER SHARE \$ 0.17 \$ 0.21 \$ 0.21 \$ 0.21 \$ 0.22 \$ 0.26 TOTAL COMPENSATED MAN-DAYS 5,954,920 6,094,628 6,286,530 6,423,138 6,423,138			15.126		14.552		14.825		14.280
Other (income) expenses (12) (102) (299) 159 16,096 14,450 14,526 14,439 INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES 33,508 40,430 41,558 49,978 Income tax expense (12,365) (14,953) (15,519) (17,976) INCOME FROM CONTINUING OPERATIONS 21,143 25,477 26,039 32,002 Income from discontinued operations, net of taxes 186 151 91 150 NET INCOME \$ 21,329 \$ 25,628 \$ 26,130 \$ 32,152 BASIC EARNINGS PER SHARE \$ 0,18 \$ 0,21 \$ 0,22 \$ 0,21 DILUTED EARNINGS PER SHARE \$ 0,17 \$ 0,21 \$ 0,21 \$ 0,21 \$ 0,21 TOTAL COMPENSATED MAN-DAYS 5,954,920 6,094,628 6,286,530 6,423,138 <td></td> <td></td> <td>,</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>			,						
Income FROM CONTINUING OPERATIONS BEFORE INCOME TAXES 33,508 40,430 41,558 49,978 Income tax expense (12,365) (14,953) (15,519) (17,976 INCOME FROM CONTINUING OPERATIONS 21,143 25,477 26,039 32,002 Income from discontinued operations, net of taxes 186 151 91 150 NET INCOME <u>\$</u> 21,329 <u>\$</u> 25,628 <u>\$</u> 26,130 <u>\$</u> 32,152 BASIC EARNINGS PER SHARE <u>\$</u> 0.18 <u>\$</u> 0.21 <u>\$</u> 0.22 <u>\$</u> 0.27 DILUTED EARNINGS PER SHARE <u>\$ 0.17 \$ 0.21 <u>\$ 0.21 \$ 0.21 <u>\$ 0.21 \$ 0.21 TOTAL COMPENSATED MAN-DAYS 5,954,920 6,094,628 6,286,530 6,423,138 </u></u></u>					(102)		(299)		159
Income tax expense (12,365) (14,953) (15,519) (17,976) INCOME FROM CONTINUING OPERATIONS 21,143 25,477 26,039 32,002 Income from discontinued operations, net of taxes 186 151 91 150 NET INCOME \$ 21,329 \$ 25,628 \$ 26,130 \$ 32,152 BASIC EARNINGS PER SHARE \$ 0.18 \$ 0.21 \$ 0.22 \$ 0.27 DILUTED EARNINGS PER SHARE \$ 0.17 \$ 0.21 \$ 0.21 \$ 0.21 \$ 0.21 \$ 0.21 TOTAL COMPENSATED MAN-DAYS 5,954,920 6,094,628 6,286,530 6,423,138									14,439
INCOME FROM CONTINUING OPERATIONS 21,143 25,477 26,039 32,002 Income from discontinued operations, net of taxes 186 151 91 150 NET INCOME \$ 21,329 \$ 25,628 \$ 26,130 \$ 32,152 BASIC EARNINGS PER SHARE \$ 0.18 \$ 0.21 \$ 0.22 \$ 0.27 DILUTED EARNINGS PER SHARE \$ 0.17 \$ 0.21 \$ 0.26 0.26 0.26 0.26 0.26 0.26 0.26 0.26 0.26 0.26 0.26 0.26 0.26 0.26	INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES		33,508		40,430		41,558		49,978
Income from discontinued operations, net of taxes 186 151 91 150 NET INCOME \$ 21,329 \$ 25,628 \$ 26,130 \$ 32,152 BASIC EARNINGS PER SHARE \$ 0.18 \$ 0.21 \$ 0.22 \$ 0.27 DILUTED EARNINGS PER SHARE \$ 0.17 \$ 0.21 \$ 0.21 \$ 0.21 \$ 0.21 \$ 0.26 TOTAL COMPENSATED MAN-DAYS 5,954,920 6,094,628 6,286,530 6,423,138	Income tax expense		(12,365)		(14,953)		(15,519)		(17,976)
Income from discontinued operations, net of taxes 186 151 91 150 NET INCOME \$ 21,329 \$ 25,628 \$ 26,130 \$ 32,152 BASIC EARNINGS PER SHARE \$ 0.18 \$ 0.21 \$ 0.22 \$ 0.27 DILUTED EARNINGS PER SHARE \$ 0.17 \$ 0.21 \$ 0.21 \$ 0.21 \$ 0.21 \$ 0.26 TOTAL COMPENSATED MAN-DAYS 5,954,920 6,094,628 6,286,530 6,423,138	INCOME FROM CONTINUING OPERATIONS		21.143		25.477		26.039		32.002
NET INCOME \$ 21,329 \$ 25,628 \$ 26,130 \$ 32,152 BASIC EARNINGS PER SHARE \$ 0.18 \$ 0.21 \$ 0.22 \$ 0.27 DILUTED EARNINGS PER SHARE \$ 0.17 \$ 0.21 \$ 0.26									
BASIC EARNINGS PER SHARE \$ 0.18 \$ 0.21 \$ 0.22 \$ 0.27 DILUTED EARNINGS PER SHARE \$ 0.17 \$ 0.21 \$ 0.21 \$ 0.21 \$ 0.21 \$ 0.21 \$ 0.21 \$ 0.21 \$ 0.21 \$ 0.21 \$ 0.21 \$ 0.21 \$ 0.21 \$ 0.26 0.26 \$ 0.26 \$ 0.21 \$ 0.21 \$ 0.26 \$ 0.26 \$ 0.26 \$ 0.21 \$ 0.21 \$ 0.26 \$	•		180		151		91		150
DILUTED EARNINGS PER SHARE \$ 0.17 \$ 0.21 \$ 0.21 \$ 0.26 TOTAL COMPENSATED MAN-DAYS 5,954,920 6,094,628 6,286,530 6,423,138	NET INCOME	\$	21,329	\$	25,628	\$	26,130	\$	32,152
TOTAL COMPENSATED MAN-DAYS 5,954,920 6,094,628 6,286,530 6,423,138	BASIC EARNINGS PER SHARE	\$	0.18	\$	0.21	\$	0.22	\$	0.27
	DILUTED EARNINGS PER SHARE	\$	0.17	\$	0.21	\$	0.21	\$	0.26
TOTAL AVAILABLE BED-DAYS 6.547 828 6.647 828 6.647 828	TOTAL COMPENSATED MAN-DAYS		5,954,920		6,094,628		6,286,530		6,423,138
	TOTAL AVAILABLE BED-DAYS		6,353,010		6,422,227		6,647,828		6,647,828
			, ,		, ,		, ,		96.6%

RECONCILIATION OF BASIC TO DILUTED EARNINGS PER SHARE

	For the Three Months Ended December 31, 2007 2006			For the	December 31, 2006			
Basic:								
Income from continuing operations	\$	34,720	\$	32,002	\$	132,515	\$	104,661
Income from discontinued operations, net of taxes		226		150		858		578
Net income	\$	34,946	\$	32,152	\$	133,373	\$	105,239
Diluted:								
Income from continuing operations	\$	34,720	\$	32,002	\$	132,515	\$	104,661
Income from discontinued operations, net of taxes		226		150		858		578
Diluted net income	\$	34,946	\$	32,152	\$	133,373	\$	105,239
Basic:								
Weighted average common shares outstanding		124,266		121,686		123,447		120,734
Unvested restricted common stock		(870)		(998)		(894)		(1,020)
Weighted average common shares outstanding-basic		123,396		120,688		122,553		119,714
Diluted:								
Weighted average common shares outstanding-basic		123,396		120,688		122,553		119,714
Effect of dilutive securities:								
Stock options and warrants		2,106		3,072		2,480		3,018
Restricted stock-based compensation		405		310		348		326
Weighted average shares and assumed conversions-diluted		125,907		124,070		125,381		123,058
Basic earnings per share:								
Income from continuing operations	\$	0.28	\$	0.27	\$	1.08	\$	0.88
Income from discontinued operations, net of taxes		-		-		0.01		-
Net income	\$	0.28	\$	0.27	\$	1.09	\$	0.88
Diluted earnings per share:								
Income from continuing operations	\$	0.28	\$	0.26	\$	1.05	\$	0.86
Income from discontinued operations, net of taxes		-		-		0.01		-
Diluted net income	\$	0.28	\$	0.26	\$	1.06	\$	0.86

CALCULATION OF ADJUSTED DILUTED EARNINGS PER SHARE

	For the Three Months 2007		s Ended December 31, 2006		For the Twelve Month 2007		s Ended December 31, 2006	
Net Income	\$	34,946	\$	32,152	\$	133,373	\$	105,239
Special items:								
Expenses associated with debt refinancing and recapitalization transactions		-		-		-		982
Goodwill impairment		1,574		-		1,574		-
Income tax benefit for special items		-		-		-		(361)
Diluted adjusted net income	\$	36,520	\$	32,152	\$	134,947	\$	105,860
Weighted average common shares outstanding - basic Effect of dilutive securities:		123,396		120,688		122,553		119,714
Stock options and warrants		2,106		3,072		2,480		3,018
Restricted stock-based compensation		405		310		348		326
Weighted average shares and assumed conversions - diluted		125,907		124,070		125,381		123,058
Adjusted Diluted Earnings Per Share	\$	0.29	\$	0.26	\$	1.08	\$	0.86

SELECTED FINANCIAL INFORMATION

	Decer	nber 31, 2007	Septe	mber 30, 2007	Ju	ne 30, 2007	Ma	rch 31, 2007	Decer	nber 31, 2006
BALANCE SHEET: Property and equipment	\$	2,595,677	\$	2,463,615	\$	2,351,397	\$	2,278,863	\$	2,233,925
Accumulated depreciation and amortization		(508,697)		(488,986)		(468,068)		(448,087)		(428,827)
Property and equipment, net	\$	2,086,980	\$	1,974,629	\$	1,883,329	\$	1,830,776	\$	1,805,098
Total assets	\$	2,485,740	\$	2,444,613	\$	2,361,849	\$	2,288,957	\$	2,250,860
Maintenance & technology capital expenditures for the quarter ended	\$	15,042	\$	11,353	\$	10,649	\$	10,456	\$	14,523
Total debt	\$	975,967	\$	976,040	\$	976,113	\$	976,185	\$	976,258
Equity book value	\$	1,221,975	\$	1,178,667	\$	1,137,744	\$	1,087,404	\$	1,049,681
LIQUIDITY:										
Cash and cash equivalents	\$	57,968	\$	89,443	\$	81,070	\$	58,767	\$	29,121
Investments	\$	-	\$	76,035	\$	84,766	\$	83,922	\$	82,830
Availability under revolving credit facility	\$	415,117	\$	215,367	\$	113,973	\$	112,060	\$	112,060
CAPITALIZATION:										
Common shares outstanding		124,472		124,051		123,683		122,742		122,084
Common share price at end of period	\$	29.51	\$	26.17	\$	31.56	\$	26.41	\$	22.62
Market value of common equity at end of period	\$	3,673,169	\$	3,246,415	\$	3,903,435	\$	3,241,003	\$	2,760,930
Total equity market capitalization	\$	3,673,169	\$	3,246,415	\$	3,903,435	\$	3,241,003	\$	2,760,930
Total market capitalization (market value of equity plus debt)	\$	4,649,136	\$	4,222,455	\$	4,879,548	\$	4,217,188	\$	3,737,188
EBITDA	\$	91,769	\$	86,418	\$	84,405	\$	84,099	\$	82,244
ADJUSTED EBITDA	\$	91,769	\$	86,418	\$	84,405	\$	84,099	\$	82,244
ADJUSTED FREE CASH FLOW	\$	47,078	\$	55,103	\$	42,399	\$	61,535	\$	49,068
ADJUSTED FREE CASH FLOW PER SHARE:										
Basic adjusted free cash flow per share	\$	0.38	\$	0.45	\$	0.35	\$	0.51	\$	0.41
Diluted adjusted free cash flow per share	\$	0.37	\$	0.44	\$	0.34	\$	0.49	\$	0.40

SELECTED FINANCIAL INFORMATION

	For th	e Three Month 2007	s Ended	December 31, 2006	e Twelve Month 2007	ns Ended	December 31, 2006
Number of days per period		92		92	365		365
ALL FACILITIES:							
Average available beds		76,504		72,259	 74,494		71,427
Average compensated occupancy		97.9%		96.6%	 98.3%		95.0%
Total compensated man-days		6,892,259		6,423,138	 26,717,026		24,759,216
Revenue per compensated man-day	\$	55.43	\$	53.47	\$ 54.66	\$	52.75
Operating expenses per compensated man-day:							
Fixed expense		28.98		27.95	28.76		28.37
Variable expense		10.28		10.03	 10.01		9.90
Total		39.26		37.98	 38.77		38.27
Operating margin per compensated man-day	\$	16.17	\$	15.49	\$ 15.89	\$	14.48
Operating margin rate		29.2%		29.0%	29.1%		27.5%
DEPRECIATION AND AMORTIZATION:							
Depreciation expense on real estate		13,291		12,172	50,852		46,993
Other depreciation expense		9,008		6,952	31,996		24,795
Amortization of intangible assets		246		28	330		112
Amortization of negative contract values		(1,166)		(1,166)	(4,664)		(4,664)
Depreciation and amortization	\$	21,379	\$	17,986	\$ 78,514	\$	67,236
ADJUSTED FREE CASH FLOW:							
Pre-tax income	\$	56,104	\$	50,128	\$ 213,685	\$	166,052
Expenses associated with debt refinancing and recapitalization transactions		-		-	-		982
Income taxes paid		(19,924)		(6,900)	(51,255)		(13,690)
Depreciation and amortization		21,379		17,986	78,514		67,236
Depreciation and amortization for discontinued operations		31		120	168		437
Goodwill impairment		1,574		-	1,574		-
Income tax (benefit) expense for discontinued operations		137		84	520		336
Stock-based compensation reflected in G&A expenses		1,860		1,136	6,478		4,840
Amortization of debt costs and other non-cash interest		959		1,037	3,931		4,433
Maintenance and technology capital expenditures		(15,042)		(14,523)	 (47,500)		(50,001)
Adjusted free cash flow	\$	47,078	\$	49,068	\$ 206,115	\$	180,625
ADJUSTED FREE CASH FLOW PER SHARE:							
Basic	\$	0.38	\$	0.41	\$ 1.68	\$	1.51
Diluted	\$	0.37	\$	0.40	\$ 1.64	\$	1.47

SELECTED FINANCIAL INFORMATION

	For the	For the Three Months Ended December 31, 2007 2006		For the Twelve Mont 2007		hs Ended December 31, 2006		
MANAGED ONLY FACILITIES:								
MANAGED ONLY FACILITIES: Management revenue	\$	93,034	\$	88,095	\$	362,407	\$	345,507
Operating expenses:	Ψ	<i>y</i> 5,054	Ψ	00,075	Ψ	502,407	Ψ	545,507
Fixed expense		59,927		55,361		232,016		218,917
Variable expense		21,247		19,308		79,643		75,873
Total		81,174		74,669		311,659	-	294,790
Contribution	\$	11,860	\$	13,426	\$	50,748	\$	50,717
Average available beds		26,622		25,578		26,202		25,483
Average compensated occupancy		97.3%		97.8%		97.6%		97.0%
Total compensated man-days		2,382,463		2,300,372		9,333,824		9,020,558
Revenue per compensated man-day Operating expenses per compensated man-day:	\$	39.05	\$	38.30	\$	38.83	\$	38.30
Fixed expense		25.15		24.07		24.86		24.27
Variable expense		8.92		8.39		8.53		8.41
Total		34.07		32.46		33.39		32.68
Operating margin per compensated man-day	\$	4.98	\$	5.84	\$	5.44	\$	5.62
Operating margin rate		12.8%		15.2%		14.0%		14.7%
OWNED AND MANAGED FACILITIES:								
Management revenue	\$	289,001	\$	255,352	\$	1,097,948	\$	960,543
Operating expenses:								
Fixed expense		139,786		124,148		536,320		483,505
Variable expense		49,579		45,093		187,675		169,235
Total		189,365		169,241	-	723,995		652,740
Contribution	\$	99,636	\$	86,111	\$	373,953	\$	307,803
Average available beds		49,882		46,681		48,292		45,944
Average compensated occupancy		98.3%		96.0%		98.6%		93.9%
Total compensated man-days		4,509,796		4,122,766		17,383,202		15,738,658
Revenue per compensated man-day	\$	64.08	\$	61.94	\$	63.16	\$	61.03
Operating expenses per compensated man-day:								
Fixed		31.00		30.11		30.85		30.72
Variable		10.99		10.94		10.80		10.75
Total		41.99		41.05		41.65		41.47
Operating margin per compensated man-day	\$	22.09	\$	20.89	\$	21.51	\$	19.56
Operating margin rate		34.5%		33.7%		34.1%		32.1%

ANALYSIS OF OUTSTANDING DEBT

(Unaudited and amounts in thousands)

	Outstanding Balance 12/31/2006	Outstanding Balance 12/31/2007	Stated Interest Rate	Effective Interest Rate	¹⁾ Maturity Date	Callable/ Redeemable
Fixed Rate:						
\$250.0 Million Senior Notes	250,000	250,000	7.50%	7.87%	May 2011	On or prior to May 1, 2006, 35% redeemable at 107.5% with proceeds from equity offerings; on or after May 1, 2007, 100% redeemable at various premium prices until May 1, 2009 at par
\$200.0 Million Senior Notes	201,258	200,967	7.50%	7.65%	May 2011	On or prior to May 1, 2006, 35% redeemable at 107.5% with proceeds from equity offerings; on or after May 1, 2007, 100% redeemable at various premium prices until May 1, 2009 at par
\$375.0 Million Senior Notes	375,000	375,000	6.25%	6.50%	March 2013	On or prior to March 15, 2008, 35% redeemable at 106.25% with proceeds from equity offerings; on or after March 15, 2009, 100% redeemable at various premium prices until March 15, 2011 at par
\$150.0 Million Senior Notes	150,000	150,000	6.75%	6.99%	January 2014	On or prior to January 31, 2009, 35% redeemable at 106.75% with proceeds from equity offerings; on or after January 31, 2010, 100% redeemable at various premium prices until January 31, 2012 at par
Total Fixed Rate Debt	976,258	975,967				
Floating Rate:						
Revolving Credit Facility			0.00%	0.00%	²⁾ December 2012	
Grand Total Debt	\$ 976,258	\$ 975,967	7.02%	7.31%	4.46	3)

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

²⁾ The Company has \$34.9 million of letters of credit outstanding under a sub-facility, which effectively reduces the Company's borrowing capacity under the Revolving Credit Facility to \$415.1 million. The Revolving Credit facility currently bears interest at LIBOR plus a margin of 0.75%. The stated and effective interest rates are zero on the Revolving Credit Facility as there are currently no amounts outstanding.

³⁾ Represents the weighted average debt maturity in years.

Debt Maturity Schedule:

<u>Year</u>	Total Debt Maturing	% of Debt Maturing	% of Debt Maturing
2008	290	0.03%	0.03%
2009	290	0.03%	0.06%
2010	290	0.03%	0.09%
2011	450,097	46.12%	46.21%
2012	-	0.00%	46.21%
Thereafter	525,000	53.79%	100.00%
	\$ 975,967	100.00%	

SELECTED OPERATING RATIOS

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

2007 2008 2007 2008 COVERAGE RATIOS Instat coverage nuis (Adjusad EBITDA fatterest incarred) (A) Firsd charge coverage nuis (Adjusad EBITDA fatterest incarred) (A) Firsd charge coverage nuis (Adjusad EBITDA fatterest incarred) (A) Firsd charge coverage nuis (Adjusad EBITDA fatterest EBITDA (A) Total debt Value and EDITDA (A) Firsd charge coverage nuis (Adjusad EBITDA (A) Firsd charge coverage nuis coverage nuis actic (Adjusad EBITDA (A) Firsd charge coverage coverage nuis co]	For the Three Decem		nded		For the Twelve Decem	Months I ber 31,	Ended
Interest coverage ratie (Adjuscet ENTDA/Interest incurred is 6 holded prin prusi) (x) 5.4 4.8 5.1 4.3 Fixed charge coverage ratie (Call delvin Charantized Adjuscet FINTDA) (x) 2.7 3.0 2.8 3.33 Torid char coverage ratie (Call delvin-Innuized Adjuscet FINTDA) (x) 2.7 3.0 2.8 3.33 Accounts receivable turnover (Annuized Adjuscet FINTDA) (x) 2.7 3.0 2.8 3.33 Accounts receivable turnover (Annuized Adjuscet FINTDA) (x) 2.6 4.4 5.8 6.1 5.6 DEST CONTT RATIONS -		2			2006				2006
Field charge coverage ruite (Adjusted FBTTDA) (futures i locared + Schefdaled pin purss)) (x) 5.4 4.8 5.1 4.3 Senior defor coverage ruite (Sciend def-Amandiez Adjusted EBTTDA) (x) 2.7 3.0 2.8 3.3 Total debo coverage ruite (Sciend def-Amandiez Adjusted EBTTDA) (x) 2.7 3.0 2.8 3.3 Accounts receivable (unoverage ruite (Sciend def-Amandiez Adjusted EBTTDA) (x) 2.6 5.8 6.1 5.6 DEBTECDUTT EATIONS 21.0% 2.21% 2.10% 2.61% 3.6 % 3.6 % Total debt Total multic regulatization 79.9% 9.30% 7.9.5 9.29.5% 7.9.5% 9.2.9 % 7.9.5% 9.2.9 % 7.9.5% 9.2.9 % 7.9.5% 9.2.9 % 7.9.5% 9.2.9 % 7.9.5% 9.2.5% 4.4.8 14.3% 14.5% <t< td=""><td>COVERAGE RATIOS:</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	COVERAGE RATIOS:								
Senior debi coverage ratio (3d dived HEITTA) (x) 2.7 3.0 2.8 3.3 Total debi coverage ratio (3d dived Munialized Adjusied EHITA) (x) 2.7 3.0 2.8 3.3 Accounts neerivable tumover (Annualized revenues/Accounts neerivable) (x) 6.4 5.8 6.1 5.6 DETECUITY EATION 2.0% 2.0% 2.0% 2.0% 3.3 (3.4%) Total debt contamistration 2.0% 2.0% 2.0% 2.0% 3.5 (3.4%) Total debt contamization 2.0% 3.5 (3.4%) 2.0% 3.5 (3.4%) 3.6 (3.5 (3.4%)	Interest coverage ratio (Adjusted EBITDA/Interest incurred) (x)		5.4		4.8		5.1		4.3
The det overage ratio Total detbit Annalized Adjusted EITDA1(x) 2.7 3.0 2.8 3.3 Accounts receivable tumover (Annulized revenues/Accounts receivable) (x) 6.4 5.8 6.1 5.6 DEFIGUENT NATION 21.0% 20.1% 21.0% 20.1% 21.0% 20.1% Total detbit origination 21.0% 20.1% 21.0% 20.1% 20.1% Total detbit origination 27.0% 93.0% 79.9% 93.0% 79.9% 93.0% 79.9% 93.0% 79.9% 93.0% 79.9% 93.0% 79.9% 93.0% 79.9% 93.0% 79.9% 93.0% 79.9% 93.0% 79.9% 93.0% 79.9% 93.0% 79.9% 93.0% 79.9% 93.0% 79.9% 93.0% 79.9% 93.0% 79.9% 93.0% 79.9% 93.0% 79.9% 93.0% 79.9% 93.0% 73.5% 43.4% 13.5% Annulized Adjusted EITDA1/Average total assets (indepreciated book value)*) 14.5% 14.5% 14.3% 15.5% 75.0% 2.5% 2.6%	Fixed charge coverage ratio (Adjusted EBITDA/(Interest incurred + Scheduled prin pmts)) (x)		5.4		4.8		5.1		4.3
Accounts rectivable turnover (Annulized revenues/Accounts receivable) (x) 6.4 5.8 6.1 5.6 DEFECUTTY NETONE Torial debt Equipalization 21.0% 26.4% 26.4% 26.4% 26.4% 35.4% Torial debt Equipalization 20.6% 35.4% 26.6% 35.4% 26.6% 35.4% Torial debt Equipalization 20.6% 35.4% 37.3% 43.4% 37.3% 43.4% Torial debt Experiments 37.3% 43.4% 37.3% 43.4% 37.3% 43.4% Chromalized return on operating real data investments 37.3% 14.5% 14.3% 15.5% Annualized dispused EBITD/Alverage operating real dises (undepreciated book value)*) 12.4% 12.4% 12.2% 11.4% Annualized dispused EBITD/Alverage operating real dises (undepreciated book value)* 2.7% 2.5% 2.6% 2.6% Chromalized return on torial assets (undepreciated book value)* 2.7% 2.5% 2.6% 2.6% Chromalized return on torial assets (undepreciated book value)* 2.7% 2.5% 5.6 6.10.77.1 5 9.63.14 <td>Senior debt coverage ratio (Senior debt/Annualized Adjusted EBITDA) (x)</td> <td></td> <td>2.7</td> <td></td> <td>3.0</td> <td></td> <td>2.8</td> <td></td> <td>3.3</td>	Senior debt coverage ratio (Senior debt/Annualized Adjusted EBITDA) (x)		2.7		3.0		2.8		3.3
DEF FOULTY RATION 21.0% 26.1% 21.0% 26.1% 21.0% 26.1% 21.0% 26.1% 21.0% 26.0% 33.4% 26.0% 33.4% 26.0% 33.4% 26.0% 33.4% 26.0% 33.4% 26.0% 33.4% 26.0% 33.4% 37.3% 43.4% <td>Total debt coverage ratio (Total debt/Annualized Adjusted EBITDA) (x)</td> <td></td> <td>2.7</td> <td></td> <td>3.0</td> <td></td> <td>2.8</td> <td></td> <td>3.3</td>	Total debt coverage ratio (Total debt/Annualized Adjusted EBITDA) (x)		2.7		3.0		2.8		3.3
Total deb/Total market capitalization 21.0% 26.1% 21.0% 26.1% Total deb/Book capity capitalization 26.6% 35.4% 26.6% 35.4% Total deb/Book capity capitalization 79.9% 93.0% 79.9% 93.0% 79.9% 93.0% 79.9% 93.0% 79.9% 93.0% 73.3% 43.4% 37.5% 43.5% 43.5% 43.5% 43.5% 43.5% 43.5% 43.5% 43.5% 43.5% 43.5% 43.5% 43.5% 43.5% 42.5% 65.17	Accounts receivable turnover (Annualized revenues/Accounts receivable) (x)		6.4		5.8		6.1		5.6
Paid debs/Equipy matter aprintization 26.6% 35.4% 26.6% 35.4% Total deb/Book equity capitalization 79.9% 93.0% 79.9% 93.0% Total deb/Dook book value of real estate assets 77.3% 43.4% 77.3% 43.4% ETERNENT ENTRY Annulized return on operating real estate investments (undepreciated book value)*) 14.5% 14.8% 14.3% 13.5% Annulized Adjusted EIFTDA/Average total assets (undepreciated book value)*) 12.4% 12.4% 12.2% 11.4% OPERATION Manulized general & administrative expenses/Average total assets (undepreciated book value)* 2.7% 2.5% 2.0% 2.6% Manulized general & administrative expenses/Average total assets (undepreciated book value)* 2.7% 2.5% 2.0% 2.6% Manulized general & administrative expenses/Average total assets (undepreciated book value)* 2.7% 2.5% 2.0% 4.8% Manulized general & administrative expenses/Average total assets (undepreciated book value)* 2.7% 2.5% 2.0% 4.8% Manulized general & administrative expenses/Average total assets (undepreciated book value)* 2.7% 2.5% 2.0% <t< td=""><td>DEBT/EQUITY RATIOS:</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	DEBT/EQUITY RATIOS:								
Total debr@ford_equity aquinalization 79.9% 99.0% 79.9% 99.0% Total debr@fords book value of real estate assets 37.3% 43.4% 37.3% 43.4% BETLENCENTENTENTENTENTENTENTENTENTENTENTENTENTE	Total debt/Total market capitalization		21.0%		26.1%		21.0%		26.1%
Total debtGross book value of real estate assets 37.3% 43.4% 37.3% 43.4% ETELINE ON INVESTINENT RATIOS: Annulized fetum on operating real estate investments (undepreciated book value)*) 14.5% 14.8% 14.3% 15.5% Annulized Adjusted EBITDA/Average operating real estate investments (undepreciated book value)*) 12.4% 12.4% 12.2% 11.4% OPERATION Annulized general & administrative expenses/Average total assets (undepreciated book value)* 2.7% 2.5% 2.6% 2.5% General & administrative expenses/Total revenues 5.2% 4.9% 5.0% 4.8% Interest income from continuing operations S (2.283) S (10.772) S (0.137) Interest income from continuing operations S (2.283) S (10.772) S (0.137) Interest income from continuing operations S (2.283) S (10.274) G (4.588) ENERDENENENE 110.087 17.087 17.087 (3.3373) S 10.529 Interest income from continuing operations S 12.498 12.280	Total debt/Equity market capitalization		26.6%		35.4%		26.6%		35.4%
SPETURNO NIVESTMENT RATIOS: Annualized return on top actaing real estate investments (undepreciated book value)*) 14.5% 14.8% 14.3% 13.5% Annualized Adjusted EBITDA/Average openting real estate investments (undepreciated book value)*) 12.4% 12.4% 12.2% 11.4% OPENELS 2.7% 2.5% 2.6% 2.5% 2.6% 2.5% General & administrative expenses/Average total assets (undepreciated book value)* 2.7% 2.5% 2.6% 2.5% General & administrative expenses/Average total assets (undepreciated book value)* 2.7% 2.5% 2.6% 2.5% General & administrative expenses/Average total assets (undepreciated book value)* 2.7% 2.5% 2.6% 2.6% 2.5% General & administrative expenses/Total revenues 5 (2.283) \$ (10.772) \$ (9.137) Interest income from continuing operations 5 (2.282) \$ (10.377) 3.331 4.433 Capitalized interest 2.2823 \$ (12.23) \$ 53.777 \$ 5.87,833 Capitalized interest 2.2938	Total debt/Book equity capitalization		79.9%		93.0%		79.9%		93.0%
Annualized return on operating real estate investments (Annualized Adjusted EBITDA/Average operating real estate investments (undepreciated book value)*) 14.5% 14.8% 14.3% 13.5% Annualized adjusted EBITDA/Average operating real estate investments (undepreciated book value)*) 12.4% 12.4% 12.2% 11.4% OVERHEAD RATIOS: General & administrative expenses/Average total assets (undepreciated book value)* 2.7% 2.5% 2.6% 2.6% 2.5% Interest incorred 5.2% 4.9% 5.0% 4.8% 4.3% 4.3% 4.3% Interest incorred 5.2% 2.0% 5.0% 5.0% 5.0% 4.8% Interest incorred 5.2% 5.2% 5.0% 5.0% 5.0% 5.0% 5.0% Interest incorred 5.2% 5.2% 5.2% 5.0% <	Total debt/Gross book value of real estate assets		37.3%		43.4%		37.3%		43.4%
$ \begin{array}{ c c c c c c } \hline (Annualized Adjusted EBITDA/Average operating real estate investments (undepreciated book value)*) & 14.5% & 14.8% & 14.3% & 13.5% \\ Annualized return on total assets (undepreciated book value)*) & 12.4% & 12.4% & 12.4% & 12.2% & 11.4% \\ \hline OVERHEAD RATIOS! & 2.7% & 2.5% & 2.6% & 2.5% \\ General & administrative expenses/Average total assets (undepreciated book value)* & 2.7% & 2.5% & 2.6% & 2.5% \\ General & administrative expenses/Total revenues & 5.2% & 4.9% & 5.0% & 4.8% \\ \hline DITERST EXPENSE, NET! & 110000000000000000000000000000000000$	RETURN ON INVESTMENT RATIOS:								
Annualized return on total assets (Annualized Adjusted EBITDA/Average total assets (undepreciated book value)*) 12.4% 12.4% 12.2% 11.4% OVERHEAD RATIOS: Amaulized general & administrative expenses/Average total assets (undepreciated book value)* 2.7% 2.5% 2.6% 2.6% 2.5% General & administrative expenses/Total revenues 5.2% 4.9% 5.0% 4.8% Interest income from continuing operations Interest incurredS (2.283) S (2.500) S $(10,772)$ S $(9,137)$ Interest incurred Amortization of debt costs and other non-cash interest Therest expense, netS (2.825) (1.224) (7.613) (4.658) Perform Continuing operations Interest expense, netS 3.4946 S 32.152 S 13.373 S 105.239 Interest expense, netS 3.4946 S 32.152 S 13.373 S 105.239 Interest expense, netS 3.4946 S 32.152 S 13.373 S 105.236 Interest expense, netS 3.4946 S 32.152 S 13.373 S 105.236 Income Kubenetiv expenseS 3.4946 S 32.152 S 13.373 S 105.236 Income Kubenetiv expense, netS 3.4946 S 32.152 S 13.373 S 105.236 Income Kubenetiv expenseS 3.4946 S 32.152 S 13.373 S 105.236 Income Kubenetiv exp	Annualized return on operating real estate investments								
(Annualized Adjusted EBITDA/Average total assets (undepreciated book value)*) 12.4% 12.4% 12.2% 11.4% OVERHEAD RATIOS: 2.7% 2.5% 2.6% 2.5% General & administrative expenses/Total revenues 5.2% 4.9% 5.0% 4.8% DTEREST EXPENSE, NET: 11.0% 7.087 17.087 6.8,230 6.8,130 Interest income from continuing operations \$ (2,283) \$ (1,224) \$ 0.9,137 Interest income from continuing operations \$ (2,283) \$ (2,500) \$ (10,772) \$ (9,137) Interest income from continuing operations \$ (2,283) \$ (1,224) \$ 5.3,776 \$ (4,658) Capitalized interest \$ 12,2938 \$ 1,224 \$ 5.3,776 \$ 5,87,83 Capitalized interest \$ 12,2938 \$ 32,152 \$ 133,373 \$ 105,239 Interest income \$ 3,4946 \$ 32,152 \$ 133,373 \$ 105,239 Interest expense, net 12,938	(Annualized Adjusted EBITDA/Average operating real estate investments (undepreciated book value)*)		14.5%		14.8%		14.3%		13.5%
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $									
Annualized general & administrative expenses/Average total assets (undepreciated book value)* 2.7% 2.5% 2.6% 2.6% 2.5% General & administrative expenses/Total revenues 5.2% 4.9% 5.0% 4.8% DITEREST EXPENSE. NET: S (2.283) S (2.590) S $(10,772)$ S $(9,137)$ Interest income from continuing operations S (2.283) S (2.590) S $(10,772)$ S $(9,137)$ Interest income from continuing operations S (2.283) S (2.590) S $(10,772)$ S $(9,137)$ Interest income from continuing operations S (2.282) $(1,224)$ $(7,613)$ $(4,658)$ Capitalized interest (2.825) $(1,224)$ $(7,613)$ $(4,658)$ Interest expense, net S $34,946$ S $32,152$ S $133,373$ S $105,239$ Interest expense, net S $34,946$ S $32,152$ S $133,373$ S $105,239$ Income tax (benefit) expense $21,158$ $17,976$ $80,312$ $60,813$ Income tax (benefit) expense $21,158$ $17,976$ $80,312$ $60,813$ Income loss from discontinued operations, net of taxes (226) (150) (858) (578) EBITDA91,769 $82,244$ $346,691$ $291,493$ Expense associated with debt refinancing and recepitalization transactions $ -$ Expense associated with debt refinancing and rec	(Annualized Adjusted EBITDA/Average total assets (undepreciated book value)*)		12.4%		12.4%		12.2%		11.4%
General & administrative expenses/Total revenues5.2%4.9%5.0%4.8% NTEREST EXPENSE. NET: Interest incurred Amortization of debt costs and other non-cash interest\$ $(2,283)$ \$ $(2,590)$ \$ $(10,772)$ \$ $(9,137)$ Interest incurred Amortization of debt costs and other non-cash interest 959 $17,087$ $17,057$ $68,230$ $68,145$ Capitalized interest Interest expense, net $(2,825)$ $(1,224)$ $(7,613)$ $(4,658)$ EBITDA CALCULATION: Net income Increst expense, net\$ $34,946$ \$ $32,152$ \$ $133,373$ \$ $105,239$ Interest expense, net\$ $34,946$ \$ $32,152$ \$ $133,373$ \$ $105,239$ Interest expense, net\$ $34,946$ \$ $32,152$ \$ $133,373$ \$ $105,239$ Income tax (benefit) expense Income tax (benefit) expense $21,158$ $17,976$ $80,312$ $60,813$ Goodwill impairment (Income) loss from discontinued operations, net of taxes (226) (150) (858) (578) EBITDA $91,769$ $82,244$ $346,691$ $291,493$ Expenses associated with debt refinancing and recapitalization transactions $ 982$									
Substrain S (2,283) S (2,590) S (10,772) S (9,137) Interest incurred 17,087 17,057 68,230 68,145 Amortization of debt costs and other non-cash interest 959 1,037 3,931 4,433 Capitalized interest (2,825) (1,224) (7,613) (4,658) Interest expense, net S 12,938 S 133,373 S 105,239 EBITDA CALCULATION: S 34,946 S 32,152 S 133,373 S 105,239 Interest expense, net 12,938 14,280 53,776 58,783 Depreciation and amortization 21,379 17,986 78,514 67,236 Income tax (benefit) expense 21,158 17,976 80,312 60,813 Godwill impairment (226) (150) (858) (578) EBITDA 91,769 82,244 346,691 291,493 EBITDA - - - 982									
Interest income from continuing operations \$ (2,283) \$ (2,590) \$ (10,772) \$ (9,137) Interest incurred 17,087 17,057 68,230 68,145 Amortization of debt costs and other non-cash interest 959 1,037 3,931 4,458 Capitalized interest (2,825) (1,224) (7,613) (4,658) Interest expense, net \$ 12,938 \$ 14,280 \$ 53,776 \$ 58,783 Depreciation and amortization \$ 34,946 \$ 32,152 \$ 133,373 \$ 105,239 Interest expense, net 12,938 14,280 53,776 58,783 105,239 Depreciation and amortization 21,379 17,986 78,514 67,236 Income tax (benefit) expense 21,158 17,976 80,312 60,812 60,813 Goodwill impairment 1.574 - 11,574 - 1,574 - EBITDA 91,769 82,244 346,691 291	General & administrative expenses/Total revenues		5.2%		4.9%		5.0%		4.8%
Interest incurred17,08717,05768,23068,145Amortization of debt costs and other non-cash interest9591,0373,9314,433Capitalized interest $(2,825)$ $(1,224)$ $(7,613)$ $(4,658)$ Interest expense, net $$$ 12,938 $$$ 14,280 $$$ 558,783EBITDA CALCULATION:Net income $$$ 34,946 $$$ 32,152 $$$ 133,373 $$$ 105,239Interest expense, net12,93814,28053,77658,78358,783Depreciation and amortization12,37917,98678,51467,236Income tax (benefit) expense21,37917,97680,31260,813Goodwill impairment1,574-1,574-(Income) loss from discontinued operations, net of taxes(226)(150)(858)(578)EBITDA91,76982,244346,691291,493Expenses associated with debt refinancing and recapitalization transactions982		¢.	(2.202)	¢	(2,500)	¢	(10.550)	¢	(0.105)
Amortization of debt costs and other non-cash interest959 1.037 3.931 4.433 Capitalized interest (2.825) (1.224) (7.613) (4.658) Interest expense, net $$ 12.938$ $$ 14.280$ $$ 53.776$ $$ 58.783$ EBITDA CALCULATION:Net income $$ 34.946$ $$ 32.152$ $$ 133.373$ $$ 105.239$ Interest expense, net 12.938 14.280 53.776 58.783 Depreciation and amortization 21.379 17.986 78.514 67.236 Income tax (benefit) expense 21.158 17.976 80.312 60.813 Goodwill impairment 1.574 - 1.574 -(Income) loss from discontinued operations, net of taxes (226) (150) (858) (578) EBITDA 91.769 82.244 346.691 291.493 Expenses associated with debt refinancing and recapitalization transactions 982		\$,	\$,	\$,	\$,
Capitalized interest Interest expense, net $(2,825)$ \$ $(1,224)$ \$ $(7,613)$ \$ $(4,658)$ \$EBITDA CALCULATION: Net income\$ $34,946$ \$\$ $32,152$ \$\$ $133,373$ \$\$ $105,239$ \$Interest expense, net12,938 $14,280$ $53,776$ \$ $58,783$ Depreciation and amortization Income tax (benefit) expense $21,379$ $17,986$ $78,514$ $67,236$ Goodwill impairment (Income) loss from discontinued operations, net of taxes (226) (150) (858) (578) EBITDA $91,769$ $82,244$ $346,691$ $291,493$ Expenses associated with debt refinancing and recapitalization transactions $ -$									
Interest expense, net \$ 12,938 \$ 14,280 \$ 53,776 \$ 58,783 EBITDA CALCULATION: Net income \$ 34,946 \$ 32,152 \$ 133,373 \$ 105,239 Interest expense, net 12,938 14,280 53,776 58,783 Depreciation and amortization 21,379 17,986 78,514 67,236 Income tax (benefit) expense 21,158 17,976 80,312 60,813 Goodwill impairment 1,574 - 1,574 - (Income) loss from discontinued operations, net of taxes (226) (150) (858) (578) EBITDA 91,769 82,244 346,691 291,493 Expenses associated with debt refinancing and recapitalization transactions - - - 982									
Net income \$ 34,946 \$ 32,152 \$ 133,373 \$ 105,239 Interest expense, net 12,938 14,280 53,776 58,783 Depreciation and amortization 21,379 17,986 78,514 67,236 Income tax (benefit) expense 21,158 17,976 80,312 60,813 Goodwill impairment 1,574 - 1,574 - (Income) loss from discontinued operations, net of taxes (226) (150) (858) (578) EBITDA 91,769 82,244 346,691 291,493 Expenses associated with debt refinancing and recapitalization transactions - - - 982	x	\$		\$		\$		\$	
Net income \$ 34,946 \$ 32,152 \$ 133,373 \$ 105,239 Interest expense, net 12,938 14,280 53,776 58,783 Depreciation and amortization 21,379 17,986 78,514 67,236 Income tax (benefit) expense 21,158 17,976 80,312 60,813 Goodwill impairment 1,574 - 1,574 - (Income) loss from discontinued operations, net of taxes (226) (150) (858) (578) EBITDA 91,769 82,244 346,691 291,493 Expenses associated with debt refinancing and recapitalization transactions - - - 982	ERITDA CALCULATION:								
Interest expense, net12,93814,28053,77658,783Depreciation and amortization21,37917,98678,51467,236Income tax (benefit) expense21,15817,97680,31260,813Goodwill impairment1,574-1,574-(Income) loss from discontinued operations, net of taxes(226)(150)(858)(578)EBITDA91,76982,244346,691291,493Expenses associated with debt refinancing and recapitalization transactions982		\$	34 946	\$	32 152	\$	133 373	\$	105 239
Depreciation and amortization 21,379 17,986 78,514 67,236 Income tax (benefit) expense 21,158 17,976 80,312 60,813 Goodwill impairment 1,574 - 1,574 - (Income) loss from discontinued operations, net of taxes (226) (150) (858) (578) EBITDA 91,769 82,244 346,691 291,493 Expenses associated with debt refinancing and recapitalization transactions - - - 982		Ŷ	,	Ŷ	,	Ŷ	,	Ψ	<i>,</i>
Income tax (benefit) expense 21,158 17,976 80,312 60,813 Goodwill impairment 1,574 - 1,574 - (Income) loss from discontinued operations, net of taxes (226) (150) (858) (578) EBITDA 91,769 82,244 346,691 291,493 Expenses associated with debt refinancing and recapitalization transactions - - - 982	*								
Goodwill impairment1,574-1,574-(Income) loss from discontinued operations, net of taxes(226)(150)(858)(578)EBITDA91,76982,244346,691291,493Expenses associated with debt refinancing and recapitalization transactions982	•				,				
(Income) loss from discontinued operations, net of taxes(226)(150)(858)(578)EBITDA91,76982,244346,691291,493Expenses associated with debt refinancing and recapitalization transactions982			<i>,</i>		_		,		-
Expenses associated with debt refinancing and recapitalization transactions	*				(150)				(578)
	EBITDA		91,769		82,244		346,691		291,493
ADJUSTED EBITDA <u>\$ 91,769</u> <u>\$ 82,244</u> <u>\$ 346,691</u> <u>\$ 292,475</u>	Expenses associated with debt refinancing and recapitalization transactions		-		-				982
	ADJUSTED EBITDA	\$	91,769	\$	82,244	\$	346,691	\$	292,475

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

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 12/31/07
Owned and Managed Facilities:								
Central Arizona Detention Center Florence, Arizona	1994, 1998	USMS	2,304	Multi	Detention	May-08	-	139.94%
Eloy Detention Center Eloy, Arizona	1995, 1996	ICE	1,500	Medium	Detention	Indefinite	-	96.72%
Florence Correctional Center Florence, Arizona	1999, 2004	USMS	1,824	Multi	Correctional	May-08	-	106.56%
Red Rock Correctional Center Eloy, Arizona	2006	State of Alaska	1,596	Medium	Correctional	Jun-08	(6) 1 year	83.12%
Saguaro Correctional Facility Eloy, Arizona	2007	State of Hawaii	1,896	Medium	Correctional	Jun-09	(1) 2 year	80.20%
California City Correctional Center California City, California	1999	BOP	2,304	Medium	Correctional	Sep-08	(2) 1 year	112.23%
San Diego Correctional Facility (E) San Diego, California	1999, 2000	ICE	1,154	Minimum/ Medium	Detention	Jun-08	(5) 3 year	103.99%
Bent County Correctional Facility Las Animas, Colorado	1992, 1997	State of Colorado	700	Medium	Correctional	Jun-08	-	97.80%
Crowley County Correctional Facility Olney Springs, Colorado	1998, 2004	State of Colorado	1,794	Medium	Correctional	Jun-08	-	87.83%
Huerfano County Correctional Center (F) Walsenburg, Colorado	1997	State of Colorado	752	Medium	Correctional	Jun-08	-	94.44%
Kit Carson Correctional Center Burlington, Colorado	1998	State of Colorado	768	Medium	Correctional	Jun-08	-	98.79%
Coffee Correctional Facility (G) Nicholls, Georgia	1998, 1999	State of Georgia	1,524	Medium	Correctional	Jun-08	(21) 1 year	110.77%
McRae Correctional Facility McRae, Georgia	2000, 2002	BOP	1,524	Medium	Correctional	Nov-08	(4) 1 year	111.96%
Stewart Detention Center Lumpkin, Georgia	2004	ICE	1,752	Medium	Correctional	Indefinite	-	88.72%
Wheeler Correctional Facility (G) Alamo, Georgia	1998, 1999	State of Georgia	1,524	Medium	Correctional	Jun-08	(21) 1 year	110.21%
Leavenworth Detention Center Leavenworth, Kansas	1992, 2000, 2004	USMS	767	Maximum	Detention	Dec-11	(3) 5 year	116.65%
Lee Adjustment Center Beattyville, Kentucky	1990	State of Vermont	816	Minimum/ Medium	Correctional	Jun-09	(2) 2 year	88.52%

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 12/31/07
Marion Adjustment Center St. Mary, Kentucky	1955, 1988	Commonwealth of Kentucky	826	Minimum	Correctional	Dec-07	(3) 2 year	99.08%
Otter Creek Correctional Center (H) Wheelwright, Kentucky	1993	Commonwealth of Kentucky	656	Minimum/ Medium	Correctional	Jul-09	(3) 2 year	98.62%
Prairie Correctional Facility Appleton, Minnesota	1991	State of Minnesota	1,600	Medium	Correctional	Jun-08	(4) 1 year	102.52%
Tallahatchie County Correctional Facility (I) Tutwiler, Mississippi	2000, 2007	State of California	1,824	Medium	Correctional	Jun-11	Indefinite	82.10%
Crossroads Correctional Center (J) Shelby, Montana	1999	State of Montana	664	Multi	Correctional	Aug-07	(6) 2 year	88.40%
Cibola County Corrections Center Milan, New Mexico	1994, 1999	ВОР	1,129	Medium	Correctional	Sep-08	(2) 1 year	99.23%
New Mexico Women's Correctional Facility Grants, New Mexico	1989, 2000	State of New Mexico	596	Multi	Correctional	Jun-09	-	97.32%
Torrance County Detention Facility Estancia, New Mexico	1990, 1997	USMS	910	Multi	Detention	Indefinite	-	81.68%
Northeast Ohio Correctional Center Youngstown, Ohio	1997	BOP	2,016	Medium	Correctional	May-09	(3) 2 year	91.41%
Cimarron Correctional Facility (K) Cushing, Oklahoma	1997	State of Oklahoma	1,032	Medium	Correctional	Jun-08	(1) 1 year	100.30%
Davis Correctional Facility (K) Holdenville, Oklahoma	1996	State of Oklahoma	1,010	Medium	Correctional	Jun-08	(1) 1 year	100.98%
Diamondback Correctional Facility Watonga, Oklahoma	1998, 2000	State of Arizona	2,160	Medium	Correctional	Jun-08	(4) 1 year	97.32%
North Fork Correctional Facility Sayre, Oklahoma	1998, 2007	State of Colorado	2,400	Medium	Correctional	Jun-08	-	77.84%
West Tennessee Detention Facility Mason, Tennessee	1990, 1996	USMS	600	Multi	Detention	Feb-09	-	98.19%
Shelby Training Center (L) Memphis, Tennessee	1986, 1995	Shelby County, TN	200	Secure	Juvenile	Apr-15	-	80.90%
Whiteville Correctional Facility (M) Whiteville, Tennessee	1998	State of Tennessee	1,536	Medium	Correctional	Sep-08	(2) 1 year	96.80%
Bridgeport Pre-Parole Transfer Facility Bridgeport, Texas	1989	State of Texas	200	Medium	Correctional	Feb-09	(2) 1 year	100.00%

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 12/31/07
Eden Detention Center Eden, Texas	1990	BOP	1,293	Medium	Correctional	Apr-11	(3) 2 year	107.34%
Houston Processing Center Houston, Texas	1984, 2005	ICE	905	Medium	Detention	Sep-08	-	97.02%
Laredo Processing Center Laredo, Texas	1985, 1990	ICE	258	Minimum/ Medium	Detention	Indefinite	-	129.83%
Webb County Detention Center Laredo, Texas	1998	USMS	480	Medium	Detention	Nov-12	(1) 5 year	104.29%
Mineral Wells Pre-Parole Transfer Facility Mineral Wells, Texas	1995	State of Texas	2,103	Minimum	Correctional	Feb-09	(2) 1 year	98.71%
T. Don Hutto Residential Center Taylor, Texas	1997	ICE	512	Non-secure	Detention	Indefinite		100.00%
D.C. Correctional Treatment Facility (N) Washington D.C.	1992	District of Columbia	1,500	Medium	Detention	Mar-17	-	65.36%
Total design capacity for Owned and Managed F	Facilities (41 Owned and Man	aged Facilities)	50,909					
Managed Only Facilities:								
Bay Correctional Facility Panama City, Florida	N/A	State of Florida	985	Medium	Correctional	Jun-10	Indefinite	99.91%
Bay County Jail and Annex Panama City, Florida	N/A	Bay County, FL	1,150	Multi	Detention	Sep-12	(1) 6 year	77.42%
Citrus County Detention Facility Lecanto, Florida	N/A	Citrus County, FL	760	Multi	Detention	Sep-15	Indefinite	92.98%
Gadsden Correctional Institution Quincy, Florida	N/A	State of Florida	1,520	Minimum/ Medium	Correctional	Jun-10	Indefinite	99.53%
Hernando County Jail Brooksville, Florida	N/A	Hernando County, FL	876	Multi	Detention	Oct-10	-	87.80%
Lake City Correctional Facility Lake City, Florida	N/A	State of Florida	893	Secure	Correctional	Jun-09	Indefinite	99.80%
Idaho Correctional Center Boise, Idaho	N/A	State of Idaho	1,270	Minimum/ Medium	Correctional	Jun-09	-	114.03%
Marion County Jail Indianapolis, Indiana	N/A	Marion County, IN	1,030	Multi	Detention	Dec-17	(10) 1 year	100.88%

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 12/31/07
Winn Correctional Center Winnfield, Louisiana	N/A	State of Louisiana	1,538	Medium/ Maximum	Correctional	Sep-08	-	98.30%
Delta Correctional Facility Greenwood, Mississippi	N/A	State of Mississippi	1,172	Minimum/ Medium	Correctional	May-08	-	94.70%
Wilkinson County Correctional Facility Woodville, Mississippi	N/A	State of Mississippi	1,000	Medium	Correctional	May-08	(2) 1 year	99.50%
Elizabeth Detention Center Elizabeth, New Jersey	N/A	ICE	300	Minimum	Detention	Sep-08	(5) 3 year	100.75%
Camino Nuevo Correctional Center Albuquerque, New Mexico	N/A	State of New Mexico	192	Multi	Correctional	Mar-10	-	16.37%
Silverdale Facilities Chattanooga, Tennessee	N/A	Hamilton County, TN	918	Multi	Detention	Jan-08	Indefinite	92.94%
South Central Correctional Center Clifton, Tennessee	N/A	State of Tennessee	1,676	Medium	Correctional	Jun-10	(1) 2 year	97.19%
Metro-Davidson County Detention Facility Nashville, Tennessee	N/A	Davidson County, TN	1,092	Multi	Detention	Jul-08	-	99.84%
Hardeman County Correctional Facility Whiteville, Tennessee	N/A	State of Tennessee	2,016	Medium	Correctional	May-09	(3) 3 year	97.53%
B. M. Moore Correctional Center Overton, Texas	N/A	State of Texas	500	Minimum/ Medium	Correctional	Jan-09	-	99.75%
Bartlett State Jail Bartlett, Texas	N/A	State of Texas	1,049	Minimum/ Medium	Correctional	Jan-09	(2) 1 year	99.53%
Bradshaw State Jail Henderson, Texas	N/A	State of Texas	1,980	Minimum/ Medium	Correctional	Jan-09	(2) 1 year	99.20%
Dawson State Jail Dallas, Texas	N/A	State of Texas	2,216	Minimum/ Medium	Correctional	Jan-09	(2) 1 year	98.64%
Diboll Correctional Center Diboll, Texas	N/A	State of Texas	518	Minimum/ Medium	Correctional	Jan-09	-	99.90%

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 12/31/07
Lindsey State Jail Jacksboro, Texas	N/A	State of Texas	1,031	Minimum/ Medium	Correctional	Jan-09	(2) 1 year	99.70%
Willacy State Jail Raymondville, Texas	N/A	State of Texas	1,069	Minimum/ Medium	Correctional	Jan-09	(2) 1 year	97.72%
Total design capacity for Managed Only Facilities	(24 Managed Only Facilitie	s)	26,751					
Total design capacity for All Facilities as of Decem	ber 31, 2007		77,660					

Expansion and Development Projects:

Facility Name	Estimated Completion	Potential Customer(s)	Design Capacity (B)	Project Description
Eden Detention Center Eden, Texas	First quarter 2008	ВОР	129	Expansion of owned facility
Kit Carson Correctional Center Burlington, Colorado	First quarter 2008	State of Colorado	720	Expansion of owned facility
Bent County Correctional Facility Las Animas, Colorado	Second quarter 2008	State of Colorado	720	Expansion of owned facility
Leavenworth Detention Center Leavenworth, Kansas	Second quarter 2008	USMS	266	Expansion of owned facility
Tallahatchie County Correctional Facility (I) Tutwiler, Mississippi	Second quarter 2008	State of California	848	Expansion of owned facility
Cimarron Correctional Facility (K) Cushing, Oklahoma	Third quarter 2008	Various states	660	Expansion of owned facility
Davis Correctional Facility (K) Holdenville, Oklahoma	Third quarter 2008	Various states	660	Expansion of owned facility
Adams County Correctional Center Adams County, Mississippi	Fourth quarter 2008	Federal and/or various states	1,668	New owned facility
La Palma Correctional Center Eloy, Arizona	Third quarter 2008 - Second quarter 2009	State of California	3,060	New owned facility
Projected design capacity for All Facilities			86,391	

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 12/31/07
Leased Facilities:								
Leo Chesney Correctional Center Live Oak, California	1989	Cornell Corrections	240	Minimum	Owned/Leased	Sep-10	-	N/A
Queensgate Correctional Facility Cincinnati, Ohio	1906	Hamilton County, OH	850	Medium	Owned/Leased	Mar-09	(4) 1 year	N/A
Community Education Partners (O) Houston, Texas	N/A	Community Education Partners	-	Non-secure	Owned/Leased	Jun-08	-	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 December 31, 2007. 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 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) The facility is subject to a purchase option held by the Tallahatchie County Correctional Authority which grants Tallahatchie County Correctional Authority the right to purchase the facility at any time during the contract at a price generally equal to the cost of the premises less an allowance for amortization originally over a 20 year period, and which amortization period was extended through 2050 in connection with an expansion completed during the fourth quarter of 2007.

(J) 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.

(K) 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.
(L) Upon conclusion of the thirty-year lease with Shelby County, Tennessee, the facility will become the property of Shelby County. Prior to such time, if the County terminates the lease without cause, or breaches the lease or the State fails to fund the contract, we may purchase the property for \$150,000. If we terminate the lease without cause, or breach the contract, we will be required to purchase the property for its fair market value as agreed to by the County and us.

(M) The state of Tennessee has the option to purchase the facility in the event of our bankruptcy, or upon an operational breach, as defined, at a price equal to the book value, as defined.(N) The District of Columbia has the right to purchase the facility at any time during the term of the contract at a price generally equal to the present value of the remaining lease payments for the premises. Upon expiration of the lease, ownership of the facility automatically reverts to the District of Columbia.

(O) 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. During November 2007, we accepted an unsolicited purchase offer from Community Education Partners to purchase this facility. During February 2008, at the request of CEP, we agreed to extend the closing date and fix the sale price through June 30, 2008.

DIVERSIFICATION OF REVENUE

(Unaudited and amounts in thousands)

Customer	Management Revenue For the Twelve Months Ended December 31, 2007		Percent of Management Revenue For the Twelve Months Ended December 31, 2007	
United States Marshals	\$	210,443	14.41%	
United States Immigration and Customs Enforcement		194,454	13.32%	
Bureau of Prisons		189,882	13.00%	
Texas		96,927	6.64%	
Colorado		79,416	5.44%	
Tennessee		75,732	5.19%	
Florida		58,190	3.98%	
Georgia		52,586	3.60%	
Hawaii		40,178	2.75%	
Oklahoma		35,628	2.44%	
	\$	1,033,436	70.77%	
Total Management Revenue	\$	1,460,355	100.00%	

RESEARCH / ANALYST COVERAGE

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		()
Rating Agency Coverage:		
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Standard & Poor's	Jean Stout	(212) 438-7865
Constitute Province and		
Credit Ratings:		
	Standard & Poor's	Moody's
Corporate Credit Rating	BB	Not rated
Senior Unsecured Debt	BB	Ba2

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