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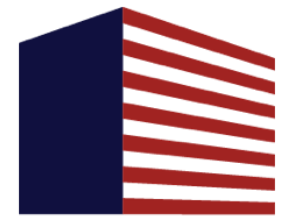
Investor Overview

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CoreCivic Operates at the Intersection of Government and Real Estate



CoreCivic is a diversified government-solutions REIT with the scale and differentiated expertise to solve the tough challenges that governments face in flexible, cost-effective ways

Providing a broad range of solutions to government partners through three segments

Safety	Properties	Community
<p>CoreCivic's historical core business, addresses the need for correctional facilities, including programming, recreational, courts, and administrative spaces</p> <p>EST. 1983</p>	<p>Leases mission-critical real estate to government tenants</p> <p>EST. 2012</p>	<p>Completes spectrum of correctional services by providing needed residential reentry facilities and non-residential services to states and localities</p> <p>EST. 2013</p>

Prioritizes returning capital to shareholders

Dividend yield of

7.6%

as of October 31, 2018

Increased Q1 2018

77% AFFO Payout Ratio ⁽²⁾

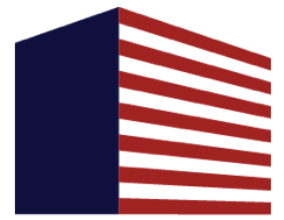
Significantly above the FTSE NAREIT All Equity REITs avg. of **4.00%** as of September 30, 2018⁽¹⁾

Committed to achieving positive outcomes for offenders and operating to better the public good

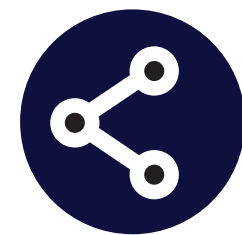
1,600+	High school equivalency (HSE) certificates in 2017	
56%	Growth since 2014	
4,500	Industry-recognized certificates (IRCs) in 2017	
~20%	Growth since 2014	

1. NAREIT REITWatch: October 2018
 2. Based on mid-point of 2018 guidance. See Appendix.

Investment Thesis



Leader in government real estate solutions, with differentiated deal-origination and property management capabilities



Complementary segment assets and operating strategies, combined with deep industry expertise, deliver stable cash flows



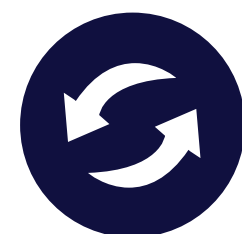
Executing diversification strategy to drive sustainable FFO growth, with multiple paths for organic expansion and acquisitions



Unprecedented corrections-industry commitment to ESG and rehabilitation



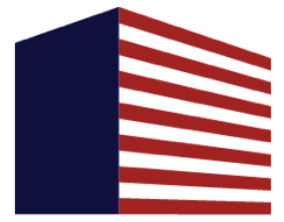
Management and board with deep corrections, rehabilitation and real estate expertise



Balance sheet optimized to support strategy and return cash to shareholders

Well-positioned to be the core solutions provider at the intersection of government and real estate

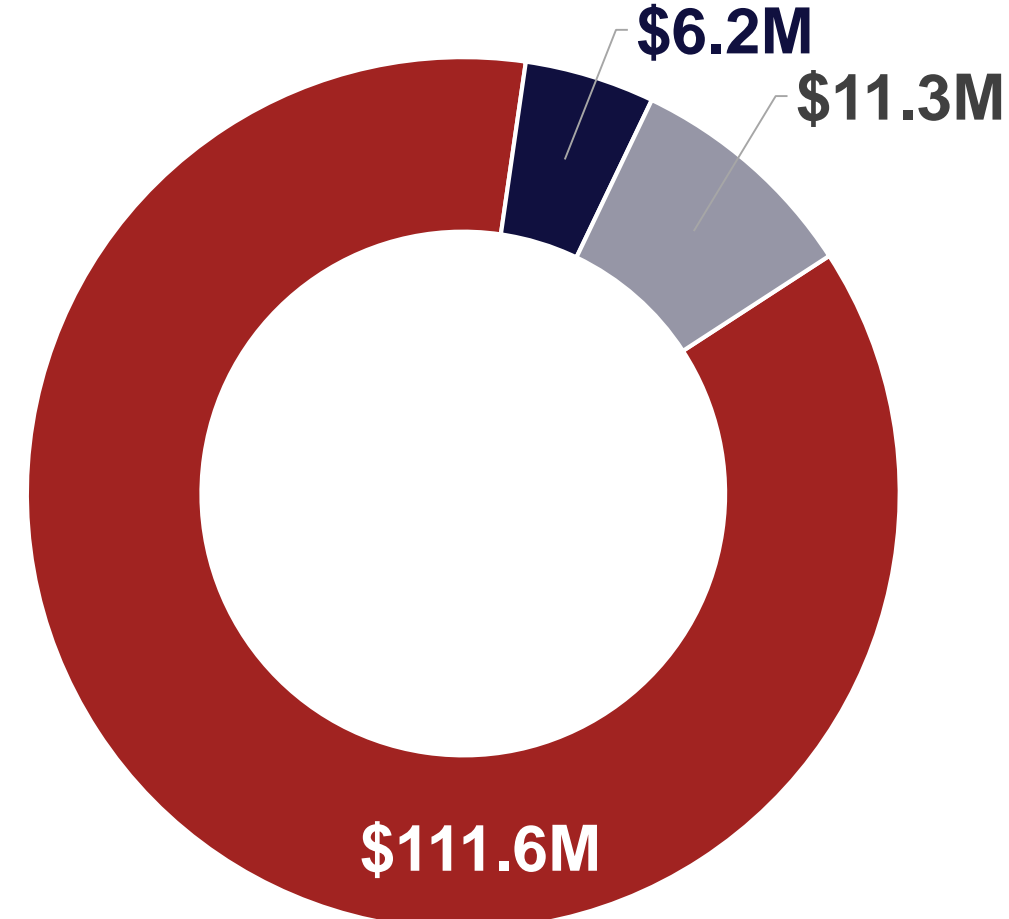
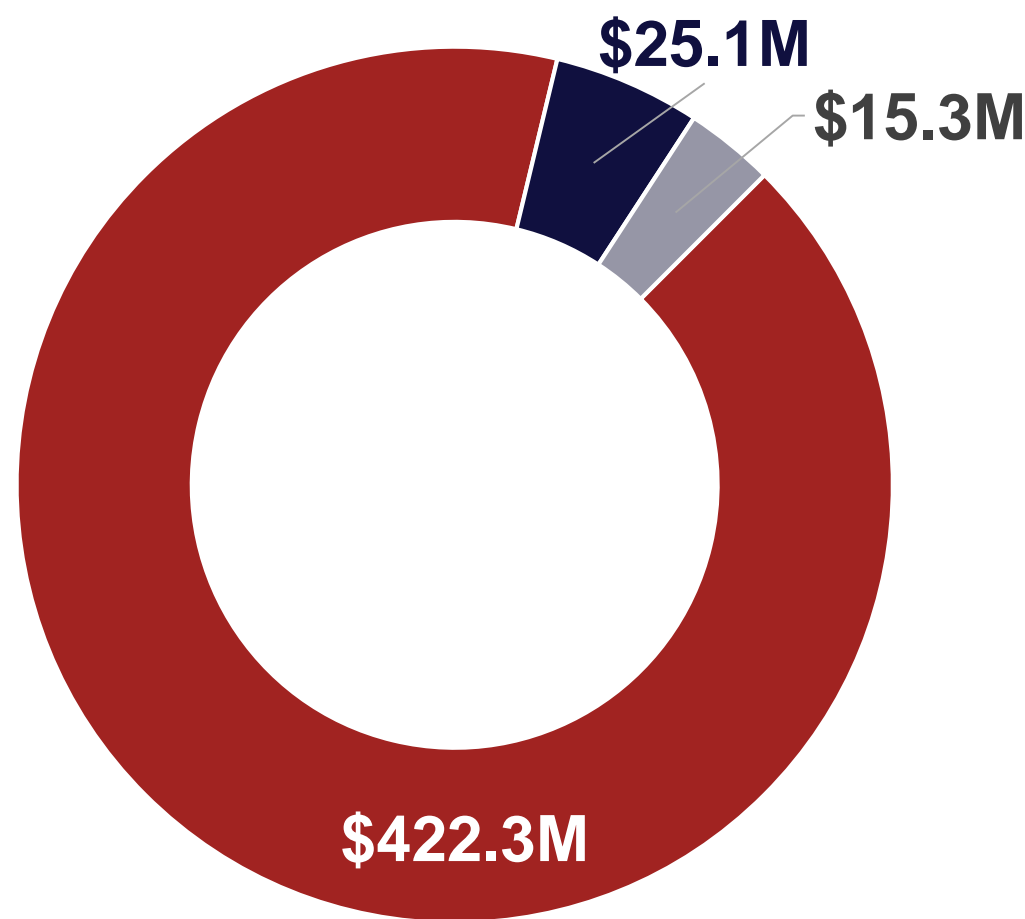
CoreCivic Snapshot of Segment Data



CoreCivic Revenue & Net Operating Income by Segment

3Q18 Revenue

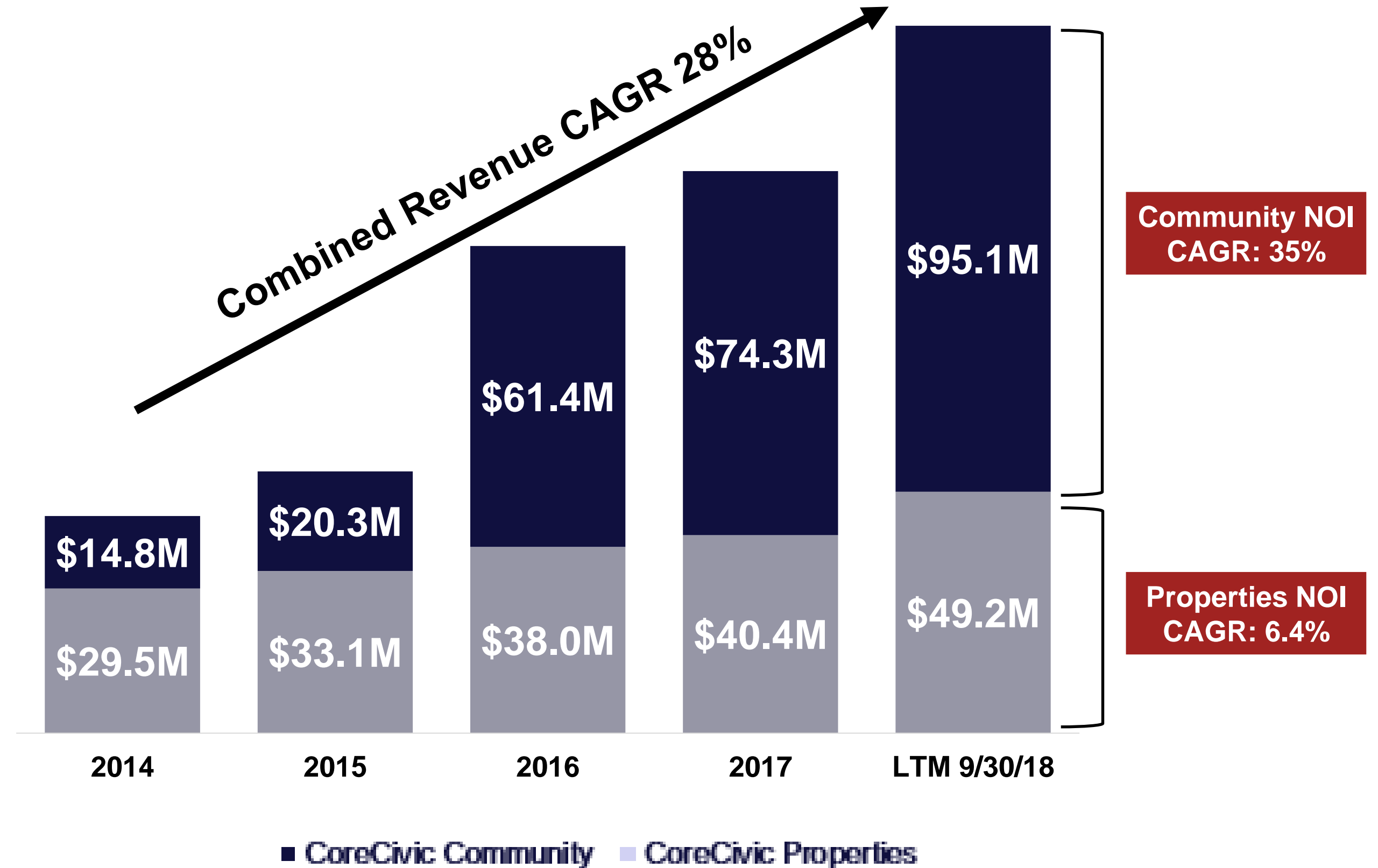
3Q18 NOI



■ CoreCivic Safety
■ CoreCivic Properties

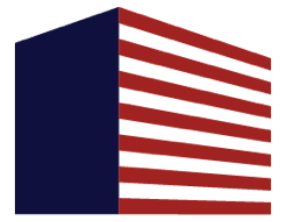
■ CoreCivic Community

Combined Properties and Community Segments Revenue Trend



NOI Growth

Significant Addressable Market Opportunity



Continuing demand from USMS, ICE and BOP

29 states and the BOP with inmate population exceeding design capacity⁽¹⁾

Targeted asset-class has a **strong annual pipeline**

≈\$3B in annual government real estate transactions⁽²⁾

≈ **\$15-\$20 billion** in criminal justice infrastructure investments needed today

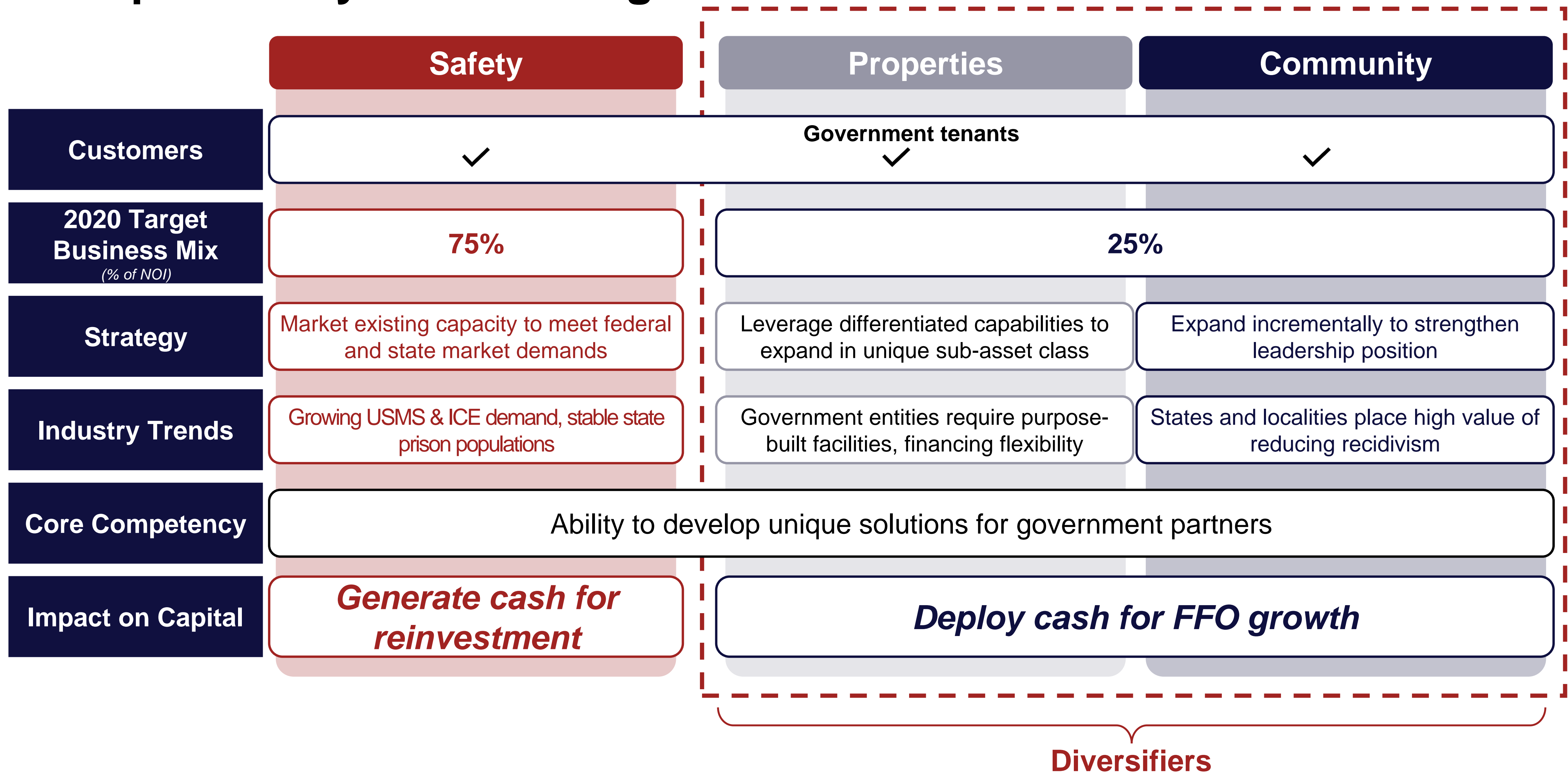
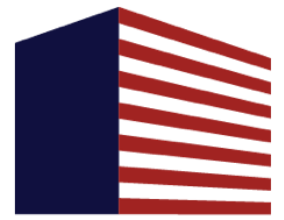
4.5 million adults were under community supervision (parole, probation or monitoring) at the end of 2016⁽³⁾

125,000 convicted criminal offenders required to utilize **electronic monitoring services** per year⁽⁴⁾

The parole population has increased by more than 20% since 2000⁽³⁾

1. BJS: Prisoners in 2016
2. Average value of government real estate transactions since 2011, compiled by Colliers
3. BJS: Probation and Parole in the United States, 2016
4. Pew Charitable Trusts: Use of Electronic Offender-Tracking Devices Expands Sharply – September 2016

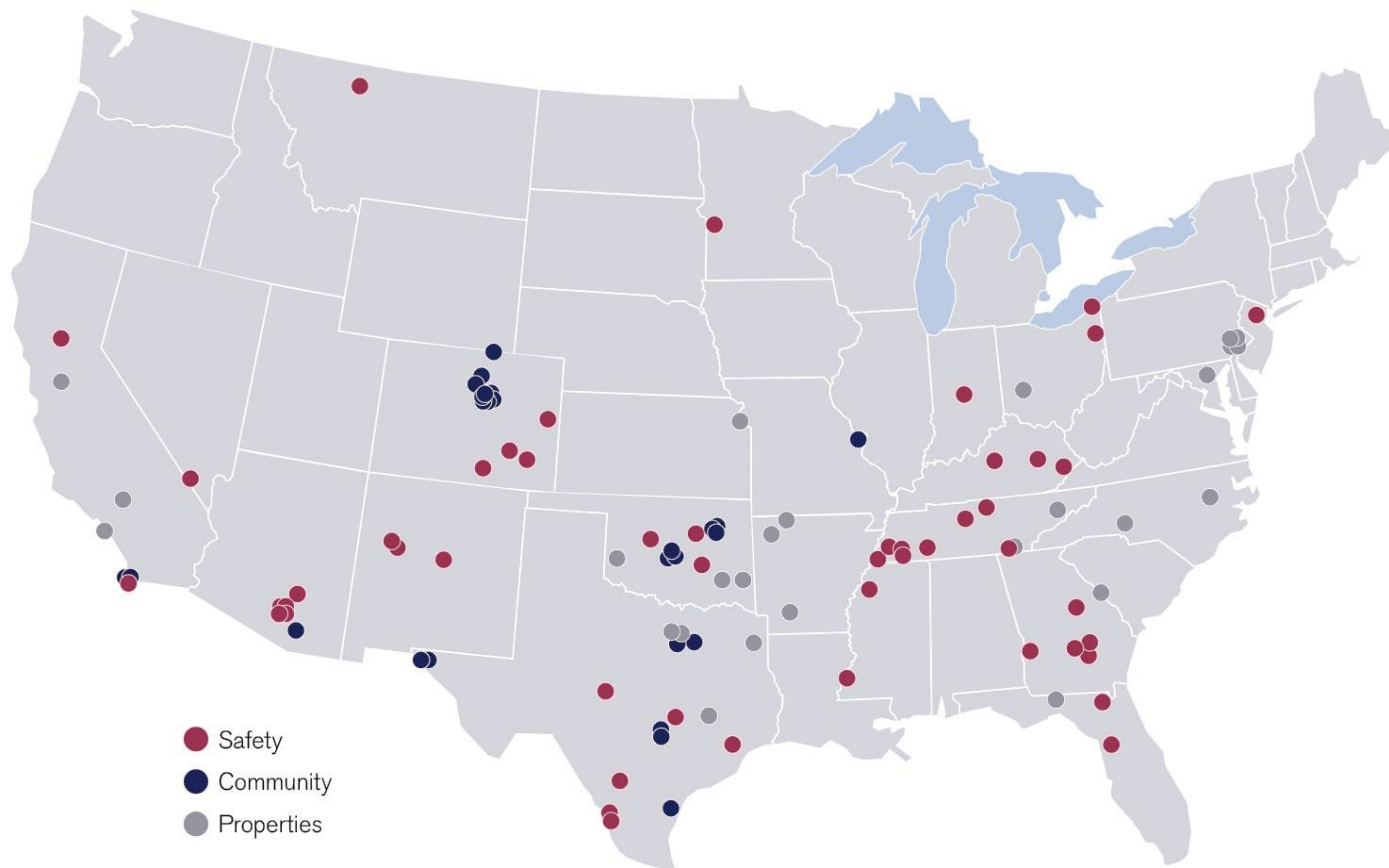
Complementary Business Segments



Largest Private Owner of Real Estate Utilized by Government Agencies



Own 17M+ square feet of real estate used by government



- Safety
- Community
- Properties

SAFETY

- **14.7M** square feet
- **72,833** correctional/detention beds
- **86%** NOI
- **8** idle facilities, including **9,814** beds available for growth opportunities
- **512 bed expansion** underway at the Otay Mesa Detention Center

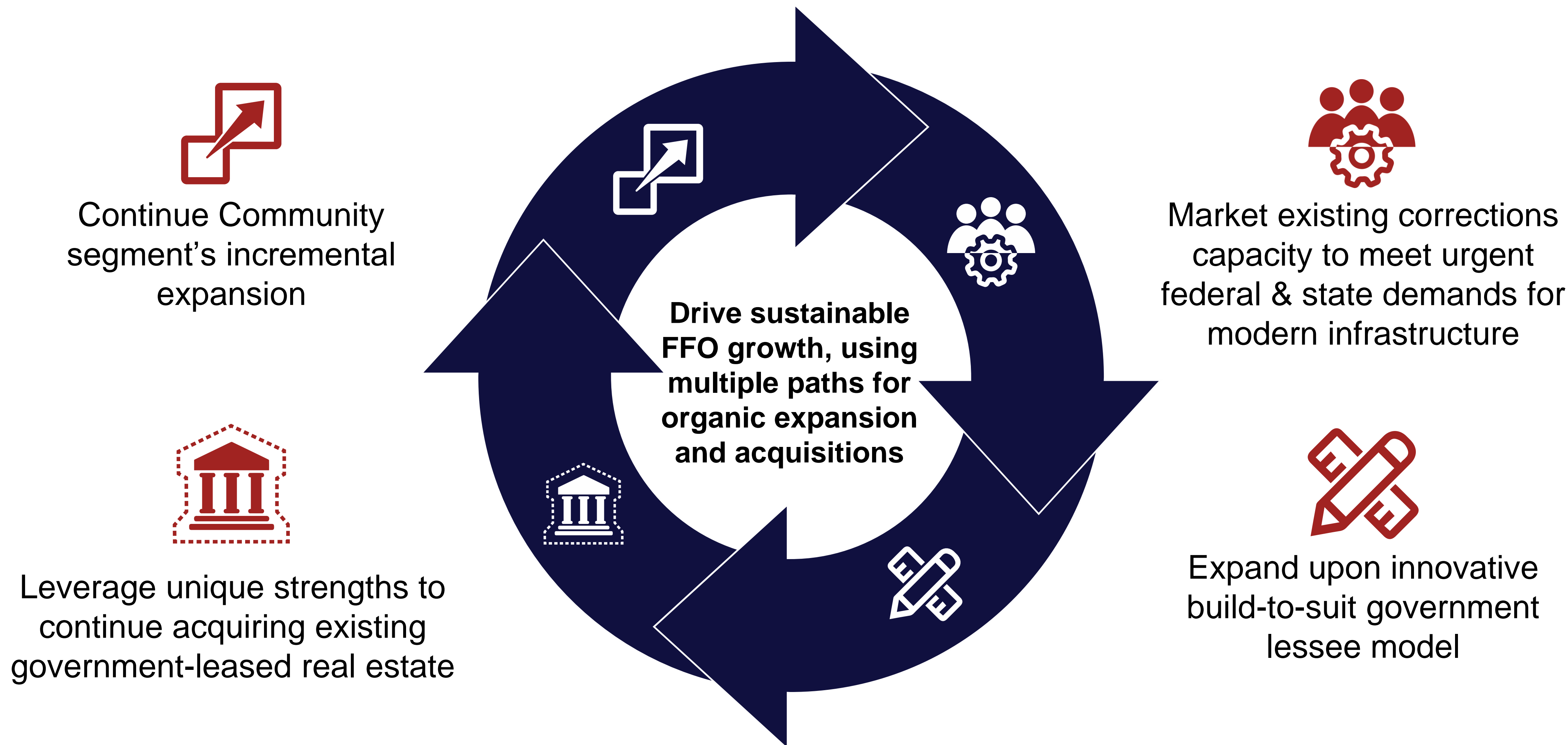
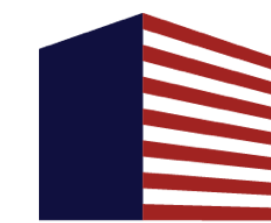
PROPERTIES

- **2.3M** square feet
- **9%** NOI
- **400,544 sq. ft.** correctional facility under construction, leased to Kansas Department of Corrections

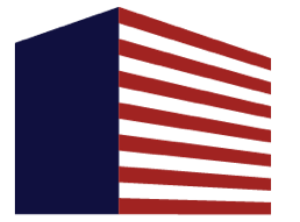
COMMUNITY

- **0.7M** square feet
- **5,214** community corrections beds
- **5%** NOI
- **2nd Largest** community corrections provider

Executing Diversification Strategy



Diversification Strategy Has Increased Cash Flow Stability



CoreCivic has reduced dependence on BOP, California and low-margin managed-only contracts



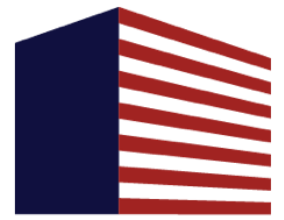
Entity	Revenue % 2010	Revenue % 3Q18	Variance
Federal Bureau of Prisons <i>(correctional facilities)</i>	15%	5%	(10%)
California <i>(out-of-state populations)</i>	13%	3%	(10%)
Managed-Only	20%	9%	(11%)
Federal Law Enforcement <i>(USMS & ICE)</i>	28%	42%	14%
State, Local & Other Government Partners	24%	33%	9%
Community Segment	0%	5%	5%
Properties Segment	0%	3%	3%



Diversifiers

Portfolio diversification has resulted in more predictable, long-term revenue streams

CoreCivic: Safety



Strategy

- Provide high quality correctional and detention services to federal, state and local government agencies
- Provide innovative, comprehensive, flexible turn-key solutions to government partners
- Supply just-in-time correctional and detention capacity
- **Near-term goal: Market idle and under-utilized capacity** in existing facilities



Portfolio

- **44 owned** and operated facilities with **~64,000 beds**
- **7 managed-only** facilities with **~8,800 beds**



Differentiators

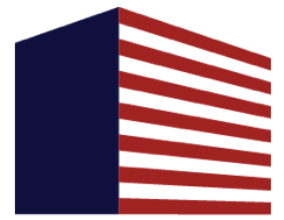
- **Oldest and largest owner** of private correctional and detention facilities in the United States
- Existing owned and idle bed capacity available for immediate needs
- Operational and programming agility



Go-forward Priorities

- Sustain leadership position in industry: High-quality, rehabilitation-oriented partner to federal, state and local government agencies
- **Provide cash flow for reinvestment in Properties and Community segments**

Track Record of Safety Awards

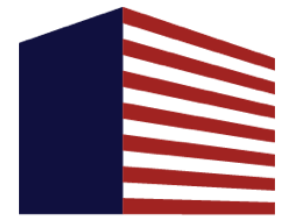


Date	Details
September 2018	The state of Vermont enters into a new contract to house up to 350 offenders at our 2,672-bed Tallahatchie County Correctional Facility in Mississippi
July 2018	Immigration and Customs Enforcement (ICE) enters into a new contract to house adult detainees at our 3,060-bed La Palma Correctional Center
June 2018	The U.S. Marshals Service (USMS) enters into a new contract to house up to 1,350 offenders at our Tallahatchie County Correctional Facility
June 2018	The state of South Carolina enters into a new contract to house up to 48 offenders at our Tallahatchie County Correctional Facility
April 2018	Accepted approximately 100 offenders from the state of Wyoming at our Tallahatchie County Correctional Facility under an out-of-state contract not used since 2010
November 2017	The Commonwealth of Kentucky enters into a new contract for our 816-bed Lee Adjustment Center, reactivating a facility that was idled in 2015
November 2017	Hamilton County, Tennessee enters into a new contract for the 1,046-bed Silverdale Detention Center
October 2017	The state of Nevada enters into a new contract to house up to 200 offenders at our 1,896-bed Saguaro Correctional Facility in Arizona
September 2017	Cibola County, New Mexico enters into a new contract to house a minimum of 120 offenders at our 1,129-bed Cibola County Corrections Center
July 2017	The Federal Bureau of Prisons (BOP) exercises a two-year renewal option at our 2,232-bed Adams County Correctional Center
April 2017	The state of Ohio enters into a new contract to house up to 996 offenders at our 2,016-bed Northeast Ohio Correctional Center

In last 12 months the company has been awarded contracts for over 8,000 beds across 11 facilities



Market Existing Corrections Capacity to Help States Meet Demands for Modern Infrastructure

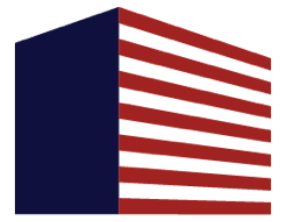


As of September 30, 2018: 8 idle prison facilities, including 9,814 beds

- Strong pipeline of federal and state opportunities
- Utilizing available bed capacity could improve cash flow and earnings potential
- Little to no capital deployment necessary; available capacity can address immediate needs
- Provides a competitive advantage vs. construction timeline for new facility


Facility	State	Design Capacity	Date Idled
Prairie Correctional Facility	MN	1,600	2010
Huerfano County Correctional Center	CO	752	2010
Diamondback Correctional Facility	OK	2,160	2010
Southeast Kentucky Correctional Facility	KY	656	2012
Marion Adjustment Center	KY	826	2013
Kit Carson Correctional Center	CO	1,488	2016
Eden Detention Center	TX	1,422	2017
Torrance County Detention Facility	NM	910	2017
Total		9,814	

Leverage Alternative Uses for Prison Facilities




- Owned & Operated correctional facilities can be easily converted to a leased facility, operated by a government partner
- Facilities are simultaneously useful to multiple partners and multiple missions
- Correctional facility can be converted to a detention facility and vice versa with minimal CapEx

North Fork Correctional Facility



Facility housed populations from nine different states at varying times before converting to a leased-only facility for Oklahoma in 2016

Tallahatchie County Correctional Facility



Currently services 7 different government partners

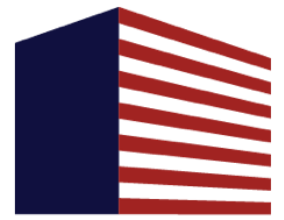
Cibola Count Corrections Center



Converted to a Federal Bureau of Prisons facility to an ICE detention facility in 2016

- Idle Facilities:
 - Modest carrying cost: \$1,000 per bed, per year
 - Minimal maintenance CapEx required due to concrete and steel construction – less than 2% of gross cost annually
 - Maintain pricing power

CoreCivic: Properties



Strategy

- Acquire and manage government-leased real estate, with bias toward mission-critical tenants
- Growth in government-leased assets **supports portfolio diversification**
- Expand on innovative build-to-suit lessee model

Portfolio

- Began diversification with **first government-leased property in 2012**
- Comprises 27 properties, 2.3 million square feet of government-leased real estate
- 9% of NOI now from fixed monthly leases, operated by third parties

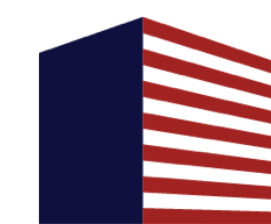
Differentiators

- Ability to construct **build-to-suit properties** for government tenants, while also acquiring existing leases
- Extensive network of government relationships and ability to manage and maintain complex properties

Go-forward Priorities

- Acquire new properties with state and local government tenants; **not limited to federal lessees**
- Utilize **competence in managing and maintaining complex properties** to complete acquisitions, generate higher cap rates
- Develop pipeline leveraging strong government relationships





Detail: Acquisitions of Government-Leased Real Estate

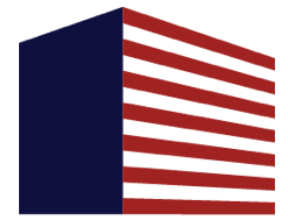
Acquisition	Date of Acquisition	# of Facilities	State(s) of Operation	Square Footage	Acquisition Price
4 Facility RRC Portfolio	August 2015	4	Pennsylvania	72,000	\$13.8m
Long Beach, CA	June 2016	1	California	16,000	\$7.7m
Stockton Female Community Corrections Facility	February 2017	1	California	15,000	\$1.6m
3 Facility Portfolio – GSA – IRS/SSA	September 2017	3	Georgia, North Carolina	30,000	\$4.4m
Augusta Transitional Center	September 2017	1	Georgia	29,000	\$4.2m
Capital Commerce Center	January 2018	1	Florida	261,000	\$44.7m
12 Facility Portfolio – GSA – SSA/DHS/ICE	July 2018	12	Arkansas, Missouri, Oklahoma, Tennessee, Texas	107,000	\$12.0m
SSA - Baltimore	August 2018	1	Maryland	541,000	\$242.0m
National Archives and Records Administration	September 2018	1	Ohio	217,000	\$6.9m
Total		25		1,288,000	\$337.3m

Detail: Build-to-Suit Lessee Model

CoreCivic Properties Development Project	Date of Award	Expected Completion	Tenant	Square Footage	Bed Capacity	Construction Price
Lansing Correctional Facility Replacement	January 2018	2020	Kansas Department of Corrections	400,544	2,432	\$155M-\$165M



Acquire New Properties with State and Local Tenants to Utilize Core Competence in Management and Maintenance



- **Core competency:** Long-standing government relationships and real estate management capabilities built over the company's 35-year history
 - Unique strategy that leverages existing resources and expertise to acquire the right assets in core markets
 - Currently managing portfolio of more than 17 million sq. ft.
 - Developing pipeline of potential acquisitions of government-leased real estate
- Pursuing a unique asset class at the state-level differentiates CoreCivic's pipeline from public peers
 - Cap rates range from approximately 7% to 15%



Capital Commerce Center – Tallahassee, Florida

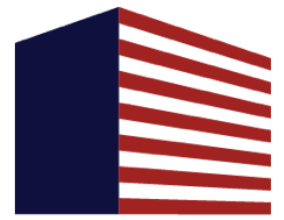
260,867-square foot office building

- **87% leased** to the Florida Department of Business and Professional Regulation (DBPR)
- Other tenants include Florida Department of Agriculture, CareerSource and TEKsystems

Portfolio diversification to generate predictable, long-term revenue streams



Leverage Strong Government Relationships to Expand Innovative Build-to-Suit Lessee Model



- **Core competency**: Efficient builders of essential infrastructure
 - Currently marketing solutions to address overwhelming criminal justice infrastructure needs across country
 - **Entered into industry's first partnership to develop replacement correctional facility in private sector with Kansas in January 2018**; ultimately leased and operated by government agency
- Additional ***\$15-\$20 billion of new criminal justice infrastructure investments*** needed to replace existing obsolete facilities
 - Wisconsin, Vermont, Alabama, Idaho and Wyoming publicly expressed interest in exploring private sector solutions to address criminal justice infrastructure needs

Case Study: Lansing Correctional Facility



Lansing Correctional Facility – Lansing, Kansas 2,432-bed, 400,544-square foot correctional facility – **UNDER CONSTRUCTION**

- **20-year lease agreement** with the Kansas Department of Corrections (KDOC), facility being developed by CoreCivic and leased to KDOC to provide the operations
- Lease agreement with KDOC to begin upon construction completion
 - **Base-year lease rate**: \$14.9 million, including annual 1.94% rent escalator
- Replacing the state's largest correctional complex for adult male inmates, original sections of the facility date back to the 1860s
- Construction began in Q1 2018 with a completion date expected in Q1 2020.

CoreCivic: Community



Strategy

- Reduce recidivism rates by helping offenders transition successfully to society
- Continue **incremental expansion** through acquisitions
- Expand the scope of correctional alternative solutions provided to government agencies



Portfolio

- 26 facilities with ~5,200 beds
- **Second-largest provider of community corrections solutions** in the industry
- Provides non-residential correctional alternatives, including electronic monitoring and case management services, to municipal, county and state governments



Differentiators

- **Critical adjacency to Safety:** Focus on rehabilitation and recidivism, not just incarceration, completes spectrum of correctional services
- **Diverse support across the political spectrum;** contracts locally funded, address local needs
- Track record of successful acquisitions and developing relationships with potential sellers



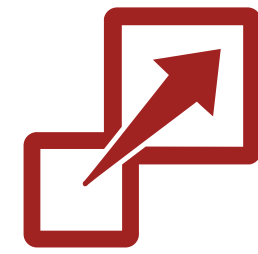
Go-forward Priorities

- Continue to play role as an **industry consolidator**; complete acquisitions as they become available

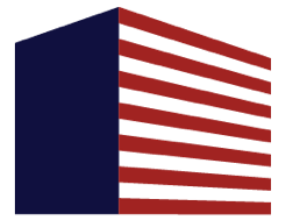
Detail: Consistent Growth in Community Segment



Acquisition	Date of Acquisition	# of Facilities	State(s) of Operation	# of Beds	Acquisition Price
Correctional Alternatives, Inc.	July 2013	2	California	603	\$36.5m
Avalon Correctional Services, Inc.	October 2015	11	Oklahoma, Texas, Wyoming	3,157	\$157.5m
Correctional Management, Inc.	April 2016	7	Colorado	605	\$35.0m
Arapahoe Community Treatment Center	January 2017	1	Colorado	135	\$5.5m
Center Point, Inc. Oklahoma Facility	June 2017	1	Oklahoma	200	\$7.0m
New Beginnings Treatment Center	August 2017	1	Arizona	92	\$6.4m
Time to Change, Inc.	November 2017	3	Colorado	422	\$22.0m
Rocky Mountain Offender Management Systems, LLC	January 2018	N/A	California, Colorado, Kansas, Nevada, New Mexico, New York, Oregon, Utah	N/A	\$7.0m
Total		26		5,214	\$276.9m



Continue Incremental Expansion, Building on Position as Industry Consolidator



- **Core competency:** Industry consolidation; second largest residential reentry facility provider in the United States
 - Anticipate adding capacity gradually over next 3-5 years through accretive acquisitions
- Established rapport with owners of reentry facilities as the buyer of choice in the market, with a strong reputation for focusing on operational excellence
 - Improving the potential for additional growth opportunities



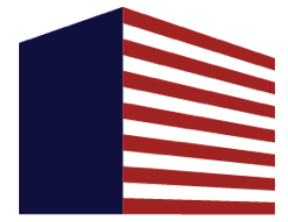
Entered the community corrections space in 2013 with the acquisition of Corrections Alternatives Inc.

- Acquired Avalon Correctional Services, the second largest community corrections company in the U.S. in 2015
 - \$157.5 million purchase price, 11 facilities and 3,157 beds
 - Portfolio represents ~61% of total CoreCivic Community Portfolio today

CoreCivic Community is positioned to incrementally grow portfolio, and drive long-term revenue creation while completing the rehabilitation cycle

Pipeline of attractive acquisition targets to expand nationwide platform

Unprecedented Commitment to ESG within the Corrections Industry



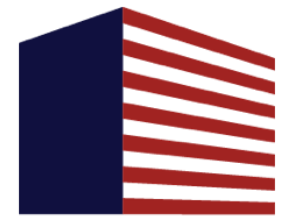
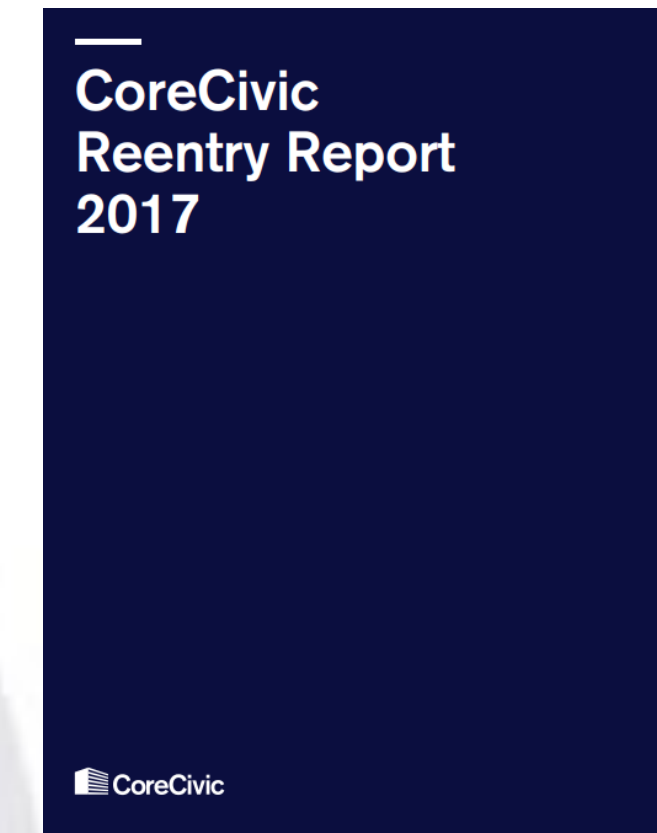
- Committed to addressing the critical problem of recidivism
- Ardent supporter of “Ban the Box” and other efforts to remove reentry barriers
- Documented success assisting incarcerated populations in obtaining GED degrees and skills training
- Effective provider of alcohol and addiction counseling
- Expanding transparency around ongoing ESG initiatives – Full ESG report expected to be issued in 2019



CoreCivic is actively working to expand our transparency and reporting on our ESG initiatives, and we expect to issue our first ESG report in 2019.

Industry-Leading Commitment to Rehabilitation and Combating Recidivism

- Board and management committed to leadership in all stages of the rehabilitation cycle
- Documented success in combatting recidivism
- Governance: Board has the right expertise and diverse set of experiences to execute long-term strategy
 - Bona fides in corrections, rehabilitation, property acquisition, law, civil rights, staffing, and general management



Developed by CoreCivic's Reentry Services team, Go Further is an evidence-based process that unites facility leadership, staff and those in our care toward one goal: successful reentry. After careful assessment, a life plan is developed to address certain deficits and potential barriers to reentry such as: educational needs, substance use disorders and life skills needs.

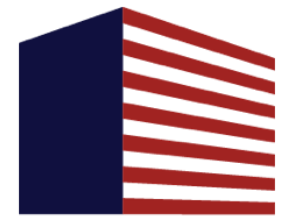
Go Further is a multi-million dollar annual investment scheduled to be operational at 11 of our correctional facilities by the end of 2018 and 23 facilities by the end of 2019.



In October 2017, we made unprecedented commitments to advocate for a range of government policies that will help former inmates successfully reenter society, including "Ban the Box" legislation.

Social initiatives have transformed Safety and Community segments

Highly Qualified, Proven Management Team



Damon T. Hininger

President and Chief Executive Officer

- 25+ years of corrections experience
- Began at CoreCivic in 1992 as Correctional Officer
- Active in community: United Way, Nashville Chamber of Commerce, Boy Scouts



David Garfinkle

EVP and Chief Financial Officer

- Began at CoreCivic in 2001
- Former experience in REITs, public accounting and holds CPA certification



Tony Grande

EVP and Chief Development Officer

- Began at CoreCivic in 2003
- Assists in finding solutions to tough government challenges
- Formerly served as Tennessee's Commissioner of Economic and Community Development



Patrick Swindle

EVP and Chief Corrections Officer

- Began at CoreCivic in 2007
- Prior experience in sell-side equity research



Lucibeth Mayberry

EVP, Real Estate

- Began at CoreCivic in 2003
- Responsible for the full range of real-estate services, including acquisitions, design & construction, and maintenance
- Prior experience in legal and business development



Kim White

EVP, Human Resources

- Began at CoreCivic in 2012
- Served in the Federal BOP for 26 years and received the Presidential Award of Meritorious Executive for leadership



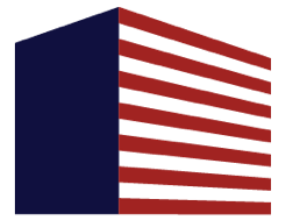
Cole Carter

SVP and General Counsel

- Began at CoreCivic in 1992 as Academic Instructor
- President of CoreCivic Cares Fund
- Juris Doctor – Nashville School of Law

Variety of experience and unwavering commitment to rehabilitation and combating recidivism

Diverse Board of Directors with Relevant Expertise



Mark A. Emkes

- Chairman of the Board
- Former Executive, Bridgestone
- Joined: 2014



Donna M. Alvarado

- Founder and MD, Aguila International
- Joined: 2003



Robert J. Dennis

- Chairman and CEO, Genesco
- Joined: 2013



Damon T. Hininger

- President and CEO, CoreCivic
- Joined: 2009



Stacia Hylton

- SVP, MTM Technologies, Inc.
- Former Director, US Marshals
- Joined: 2016



Harley G. Lappin

- Previous EVP, CoreCivic
- Former Director, Federal BOP
- Joined: 2018



Anne L. Mariucci

- Career in real estate
- Former President, Del Webb Corp.
- Joined: 2011



Thurgood Marshall, Jr.

- Partner, Morgan, Lewis & Bockius LLP
- Joined: 2002



Devin I. Murphy

- CFO, Treasurer and Secretary, Phillips Edison & Company
- Joined: 2018



Charles L. Overby

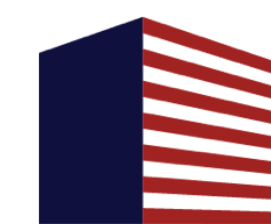
- CEO, Freedom Forum
- Joined: 2001



John R. Prann, Jr.

- Former CEO, Katy Industries
- Joined: 2001

Experience in executive leadership, real estate, rehabilitation, corrections, media, legal, government affairs, and technology

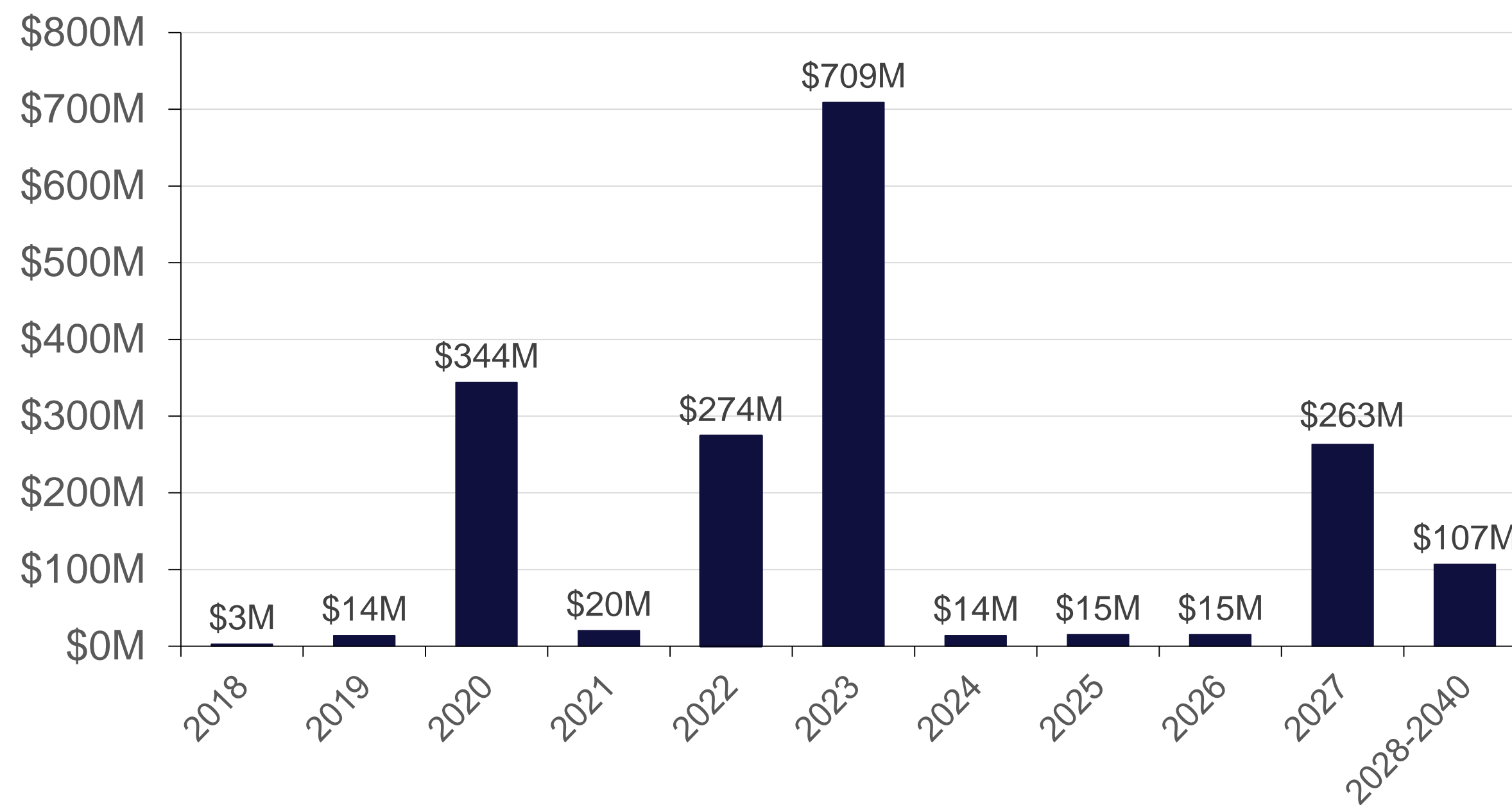


Strong Balance Sheet with Low Cost of Capital

- Our low cost of capital is a competitive advantage
 - Weighted average cost of debt: **4.8%**
- Next significant maturity in 2020
- Debt rated one notch below investment grade

S&P: BB Moody's: Ba1 Fitch: BB+

Debt Maturity Schedule as of September 30, 2018



39%
Debt/
Undepreciated Fixed
Assets

3.8x
Debt-to-Adjusted
EBITDA⁽¹⁾

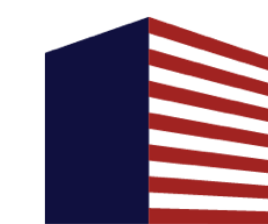
5.0x
Fixed Charge
Coverage⁽¹⁾

94%
Unencumbered
Fixed Assets

38%
Debt to Total Market
Capitalization

1. Based on financial results for the three months ended September 30, 2018.

2018 Financial Guidance⁽¹⁾



Q4 2018 Guidance	Low-End	High-End
Diluted EPS	\$ 0.39	\$ 0.41
Adjusted Diluted EPS ⁽²⁾	\$ 0.39	\$ 0.41
Normalized FFO per diluted share ⁽²⁾	\$ 0.61	\$ 0.63
AFFO per diluted share ⁽²⁾	\$ 0.59	\$ 0.61
Adjusted EBITDA ⁽²⁾ (in \$ 000s)	\$ 106,150	\$ 107,650
Full Year 2018 Guidance	Low-End	High-End
Diluted EPS	\$ 1.38	\$ 1.40
Adjusted Diluted EPS ⁽²⁾	\$ 1.44	\$ 1.46
Normalized FFO per diluted share ⁽²⁾	\$ 2.29	\$ 2.31
AFFO per diluted share ⁽²⁾	\$ 2.18	\$ 2.20
Adjusted EBITDA ⁽²⁾ (in \$ 000s)	\$ 395,476	\$ 396,976

Guidance does not assume any impact from potential new contracts or M&A activity

(1) Guidance provided on November 5, 2018 – this slide does not constitute a reaffirmation or update of the guidance provided at that time.

(2) Refer to the Appendix section for a reconciliation of these non-GAAP amounts to the per share amounts as reported under generally accepted accounting principles.



Appendix



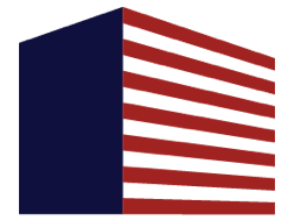
Numerous Publicly Known Opportunities in All Segments



Properties	Oklahoma	• We are actively marketing a potential long-term lease of our currently idled 2,160-bed Diamondback Correctional Facility
Properties	Colorado	• We are in discussions for a potential lease of our currently idled 752-bed Huerfano County Correctional Center
Safety	Kentucky	• Recently entered into a contract with CoreCivic at our previously idled Lee Adjustment Center and have a need for additional capacity. We currently have two additional idle facilities in Kentucky with a total bed capacity of 1,482 beds
Safety	Puerto Rico	• Puerto Rico's Department of Corrections and Rehabilitation has issued an RFP to house up to 3,200 offenders off the island in order to reduce its annual budget. Responses to the RFP were due in May 2018 and an award is expected to be announced in Q4 2018
Safety	CAR XVIII	• Rebid issued by the BOP for the operation of the 2,355-bed Taft Correctional Institution currently managed by another private operator. Award announcement expected in early 2019
Safety	CAR XIX	• In May 2017, the BOP issued an RFP to procure 9,540 beds from the private sector, which includes the current contract at our 2,232-bed Adams County Correctional Center. Adams and multiple idle CoreCivic facilities have been submitted for the procurement. Award announcement expected by the end of 2018
Safety	ICE	• In October 2017, ICE issued an RFI for up to 3,000 new detention beds in four metropolitan areas: Chicago, Detroit, St. Paul and Salt Lake City
Safety	ICE	• In June 2018, ICE issued an RFI for Family Residential Services seeking potential facilities to accommodate up to 15,000 beds
Community	California	• Riverside County, CA has issued an RFP to renovate a county-owned building and subsequently operate a transitional reentry facility

Strong pipeline to bolster cash flow generation

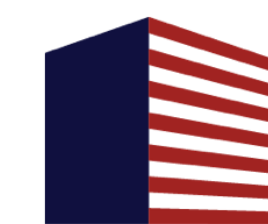
Reconciliation to Adjusted Diluted EPS



(\$ in thousands, except per share amounts)

	For the Quarter Ended September 30,		For the Nine Months Ended September 30,	
	2018	2017	2018	2017
Net income	\$ 40,994	\$ 41,178	\$ 117,968	\$ 136,700
Special items:				
Expenses associated with debt refinancing transactions	-	-	1,016	-
Charges associated with adoption of tax reform	1,024	-	1,024	-
Expenses associated with mergers and acquisitions	994	1,093	2,333	1,524
Asset impairments	-	355	1,580	614
Diluted adjusted net income	\$ 43,012	\$ 42,626	\$ 123,921	\$ 138,838
Weighted average common shares outstanding - basic	118,597	118,182	118,544	118,044
Effect of dilutive securities:				
Stock options	178	262	123	353
Restricted stock-based awards	74	84	44	62
Weighted average shares and assumed conversions - diluted	118,849	118,528	118,711	118,459
Adjusted Diluted Earnings Per Share	\$ 0.36	\$ 0.36	\$ 1.04	\$ 1.17

Calculation of FFO, Normalized FFO and AFFO

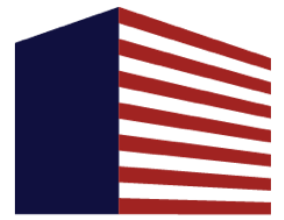


(\$ in thousands, except per share amounts)

	For the Quarter Ended September 30,		For the Nine Months Ended September 30,	
	2018	2017	2018	2017
Net income	\$ 40,994	\$ 41,178	\$ 117,968	\$ 136,700
Depreciation and amortization of real estate assets	25,460	23,762	74,789	71,417
Impairment of real estate assets	-	355	1,580	355
Funds From Operations	\$ 66,454	\$ 65,295	\$ 194,337	\$ 208,472
Expenses associated with debt refinancing transactions	-	-	1,016	-
Charges associated with adoption of tax reform	1,024	-	1,024	-
Expenses associated with mergers and acquisitions	994	1,093	2,333	1,524
Goodwill and other impairments	-	-	-	259
Normalized Funds From Operations	\$ 68,472	\$ 66,388	\$ 198,710	\$ 210,255
Maintenance capital expenditures on real estate assets	(7,557)	(7,425)	(21,005)	(17,778)
Stock-based compensation	2,292	4,058	9,758	12,203
Amortization of debt costs	857	783	2,562	2,349
Other non-cash revenue and expenses	494	(414)	(1,146)	(3,434)
Adjusted Funds From Operations	\$ 64,558	\$ 63,390	\$ 188,879	\$ 203,595
Normalized Funds From Operations Per Diluted Share	\$ 0.58	\$ 0.56	\$ 1.67	\$ 1.77
Adjusted Funds From Operations Per Diluted Share	\$ 0.54	\$ 0.53	\$ 1.59	\$ 1.72

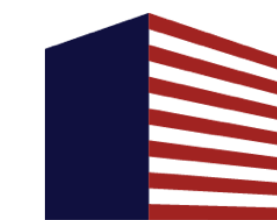
Calculation of NOI

(\$ in thousands)



	For the Quarter Ended September 30,		For the Nine Months Ended September 30,	
	2018	2017	2018	2017
Revenue				
Safety	\$ 422,313	\$ 410,975	\$ 1,240,019	\$ 1,238,439
Community	25,133	19,199	74,651	53,832
Properties	15,281	10,206	38,897	30,094
Other	1	2,465	6	2,557
Total revenues	\$ 462,728	\$ 442,845	\$ 1,353,573	\$ 1,324,922
Operating Expenses				
Safety	\$ 310,698	\$ 300,577	\$ 905,670	\$ 894,077
Community	18,911	13,504	57,035	37,498
Properties	4,020	2,619	10,306	8,025
Other	130	165	438	465
Total operating expenses	\$ 333,759	\$ 316,865	\$ 973,449	\$ 940,065
Net Operating Income				
Safety	\$ 111,615	\$ 110,398	\$ 334,349	\$ 344,362
Community	6,222	5,695	17,616	16,334
Properties	11,261	7,587	28,591	22,069
Other	(129)	2,300	(432)	2,092
Total Net Operating Income	\$ 128,969	\$ 125,980	\$ 380,124	\$ 384,857
Net income	\$ 40,994	\$ 41,178	\$ 117,968	\$ 136,700
Income tax expense	2,842	2,673	7,205	8,400
Other (income) expense	49	(65)	39	(108)
Interest expense, net	20,534	17,029	58,608	50,141
General and administrative	25,085	28,303	77,594	79,546
Depreciation and amortization	39,465	36,507	116,114	109,564
Expenses associated with debt refinancing transactions	-	-	1,016	-
Asset impairments	-	355	1,580	614
Total Net Operating Income	\$ 128,969	\$ 125,980	\$ 380,124	\$ 384,857

Calculation of EBITDA and Adjusted EBITDA



(\$ in thousands)

	For the Quarter Ended September 30,		For the Nine Months Ended September 30,	
	2018	2017	2018	2017
Net income	\$ 40,994	\$ 41,178	\$ 117,968	\$ 136,700
Interest expense	20,881	17,239	59,611	50,890
Depreciation and amortization	39,465	36,507	116,114	109,564
Income tax expense	2,842	2,673	7,205	8,400
EBITDA	\$ 104,182	\$ 97,597	\$ 300,898	\$ 305,554
Expenses associated with debt refinancing transactions	-	-	1,016	-
Expenses associated with mergers and acquisitions	994	1,093	2,333	1,524
Depreciation expense associated with STFRC lease ⁽¹⁾	(4,147)	(4,147)	(12,306)	(12,306)
Interest expense associated with STFRC lease ⁽¹⁾	(1,362)	(1,585)	(4,268)	(4,890)
Asset impairments	-	355	1,580	614
Adjusted EBITDA	\$ 99,667	\$ 93,313	\$ 289,253	\$ 290,496

(1) A portion of the rent payment to the third party lessor of the South Texas Family Residential Center (STFRC) is treated as depreciation and interest expense for GAAP accounting purposes, similar to capital lease accounting. We have deducted such amounts in our calculation of Adjusted EBITDA to better reflect cash flows associated with the facility's operations.

Reconciliation to 2018 Guidance



(\$ in thousands, except per share amounts)

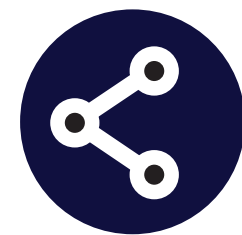
	Fourth Quarter 2018		Full-Year 2018	
	Low	High	Low	High
Net income	\$ 45,750	\$ 48,250	\$ 163,797	\$ 166,297
Expenses associated with debt refinancing transactions	-	-	1,016	1,016
Charges associated with adoption of tax reform	-	-	1,024	1,024
Expenses associated with mergers and acquisitions	750	750	3,083	3,083
Asset impairments	-	-	1,580	1,580
Adjusted net income	\$ 46,500	\$ 49,000	\$ 170,500	\$ 173,000
Net income	\$ 45,750	\$ 48,250	\$ 163,797	\$ 166,297
Depreciation and amortization of real estate assets	26,000	26,000	101,000	101,000
Asset impairments	-	-	1,580	1,580
Funds From Operations	\$ 71,750	\$ 74,250	\$ 266,377	\$ 268,877
Expenses associated with debt refinancing transactions	-	-	1,016	1,016
Charges associated with adoption of tax reform	-	-	1,024	1,024
Expenses associated with mergers and acquisitions	750	750	3,083	3,083
Normalized Funds from Operations	\$ 72,500	\$ 75,000	\$ 271,500	\$ 274,000
Maintenance capital expenditures on real estate assets	(7,500)	(8,000)	(28,500)	(29,000)
Stock-based compensation and non-cash interest	4,400	4,400	16,500	16,500
Other non-cash revenue and expenses	500	500	(500)	(500)
Adjusted Funds From Operations	\$ 69,900	\$ 71,900	\$ 259,000	\$ 261,000
Diluted EPS	\$ 0.39	\$ 0.41	\$ 1.38	\$ 1.40
Adjusted EPS	\$ 0.39	\$ 0.41	\$ 1.44	\$ 1.46
FFO per diluted share	\$ 0.60	\$ 0.63	\$ 2.24	\$ 2.26
Normalized FFO per diluted share	\$ 0.61	\$ 0.63	\$ 2.29	\$ 2.31
AFFO per diluted share	\$ 0.59	\$ 0.67	\$ 2.18	\$ 2.20
Net income	\$ 45,750	\$ 48,250	\$ 163,797	\$ 166,297
Interest expense	22,500	22,000	82,000	81,500
Depreciation and amortization	40,000	40,000	156,000	156,000
Income tax expense	2,750	2,250	10,000	9,500
EBITDA	\$ 111,000	\$ 112,500	\$ 411,797	\$ 413,297
Expenses associated with debt refinancing transactions	-	-	1,016	1,016
Expenses associated with mergers and acquisitions	750	750	3,083	3,083
Depreciation expense associated with STFRC lease	(4,200)	(4,200)	(16,500)	(16,500)
Interest expense associated with STFRC lease	(1,400)	(1,400)	(5,500)	(5,500)
Asset impairments	-	-	1,580	1,580
Adjusted EBITDA	\$ 106,150	\$ 107,650	\$ 395,476	\$ 396,976

Note: We announced EPS, Adjusted EPS, FFO, Normalized FFO and AFFO per diluted share guidance for the fourth quarter and full-year 2018 in our Third Quarter 2018 Financial Results news release on November 5, 2018. This slide sets forth the guidance given at that time. This does not constitute a reaffirmation or update of the guidance provided at that time.

Investment Thesis



Leader in government real estate solutions, with differentiated deal-origination and property management capabilities



Complementary segment assets and operating strategies, combined with deep industry expertise, deliver stable cash flows



Executing diversification strategy to drive sustainable FFO growth, with multiple paths for organic expansion and acquisitions



Unprecedented corrections-industry commitment to ESG



Management and board with deep corrections, rehabilitation and real estate expertise



Balance sheet optimized to support strategy and return cash to shareholders

Well-positioned to be the core solutions provider at the intersection of government and real estate