CoreCivic

Fourth Quarter 2016 Investor Presentation

Forward-Looking Statements

As defined within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, certain statements herein may be considered forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from the statements made.

Factors that could cause operating and financial results to differ are described in the Company's Form 10-K, as well as in other documents filed with the Securities and Exchange Commission. These include, but are not limited to, the risks and uncertainties associated with: (i) general economic and market conditions, including the impact governmental budgets can have on our contract renewals and renegotiations, per diem rates, occupancy, and overall utilization; (ii) fluctuations in our operating results because of, among other things, changes in occupancy levels, competition, increases in cost of operations, fluctuations in interest rates and risks of operations; (iii) our ability to obtain and maintain correctional, detention, and residential reentry facility management contracts, including, but not limited to, sufficient governmental appropriations, contract compliance and as a result of inmate disturbances; (iv) changes in the privatization of the corrections and detention industry, the public acceptance of our services, the timing of the opening of and demand for new prison, detention, and residential reentry facilities and the commencement of new management contracts, as well as our ability to utilize available beds; (v) changes in government policy regarding the utilization of the private sector for corrections and detention capacity and our services by the U.S. Department of Justice and the Department of Homeland Security; (vi) changes in government policy and in legislation and regulation of corrections and detention contractors that affect our business, including but not limited to, California's utilization of out-of-state contracted correctional capacity and the continued utilization of the South Texas Family Residential Center by U.S. Immigration and Customs Enforcement under terms of the current contract, and the impact of any changes to immigration reform and sentencing laws (Our company does not, under longstanding policy, lobby for or against policies or legislation that would determine the basis for, or duration of, an individual's incarceration or detention.); (vii) our ability to successfully integrate operations of our acquisitions and realize projected returns resulting therefrom; (viii) our ability to meet and maintain qualification for taxation as a REIT; (ix) the availability of debt and equity financing on terms that are favorable to us; and (x) increases in costs to construct or expand correctional and other facilities that exceed original estimates, or the inability to complete such projects on schedule as a result of various factors, many of which are beyond our control, such as weather, labor conditions and material shortages, resulting in delays and increased costs. Other factors that could cause operating and financial results to differ are described in the filings we make from time to time with the Securities and Exchange Commission.

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

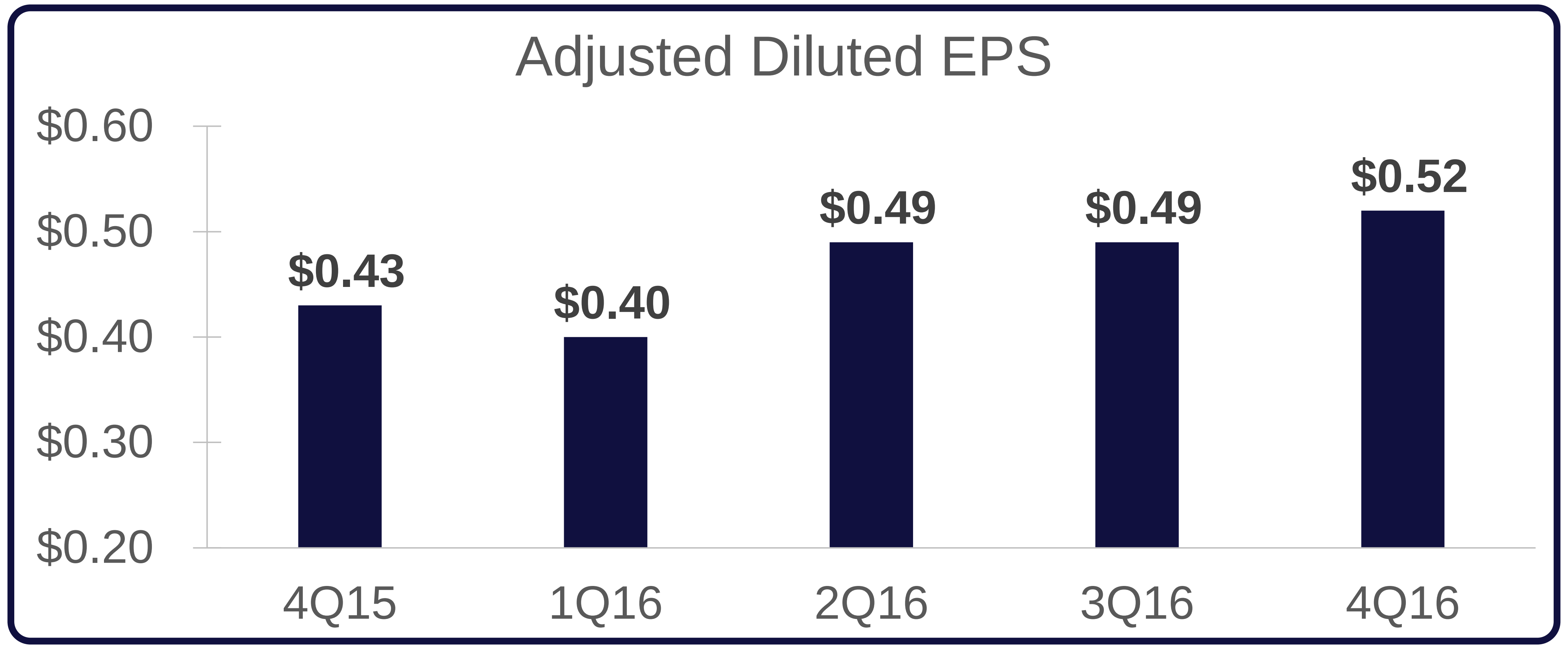
Financial Highlights

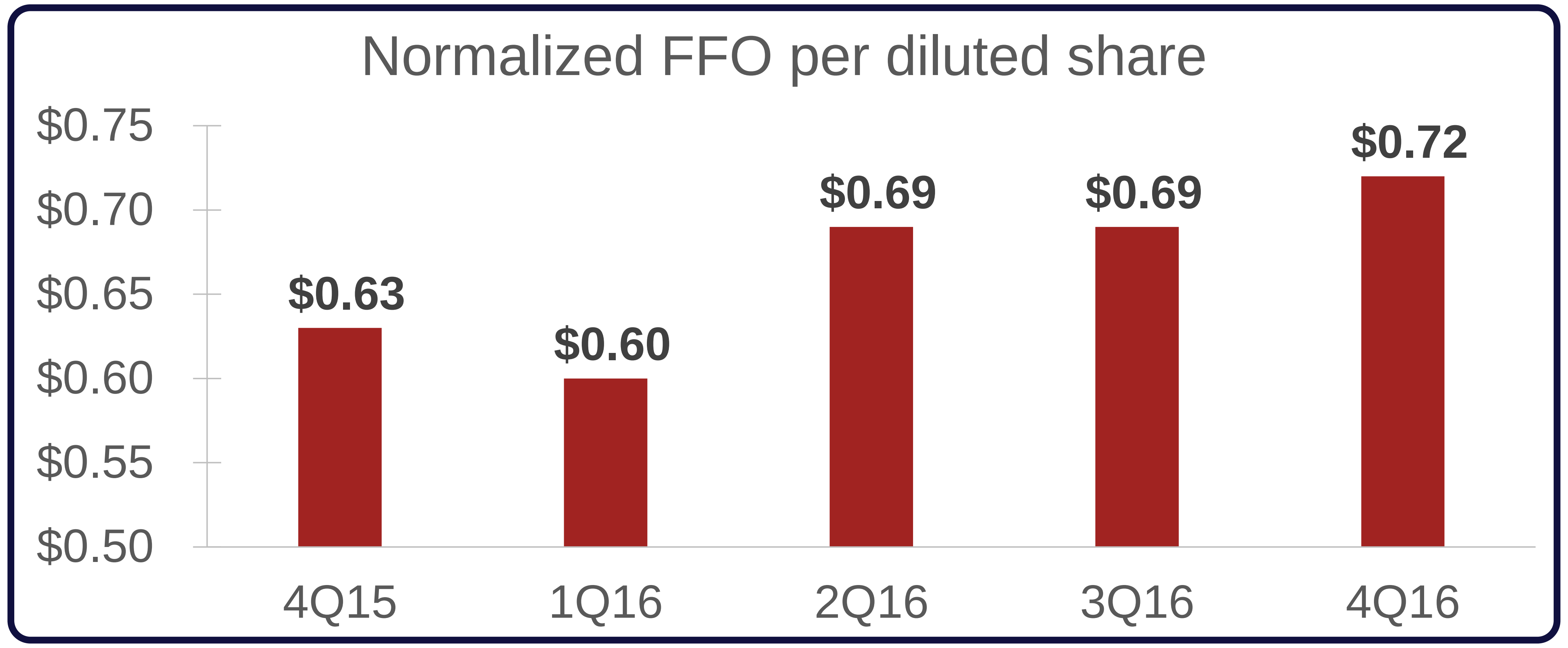
Financial Highlights

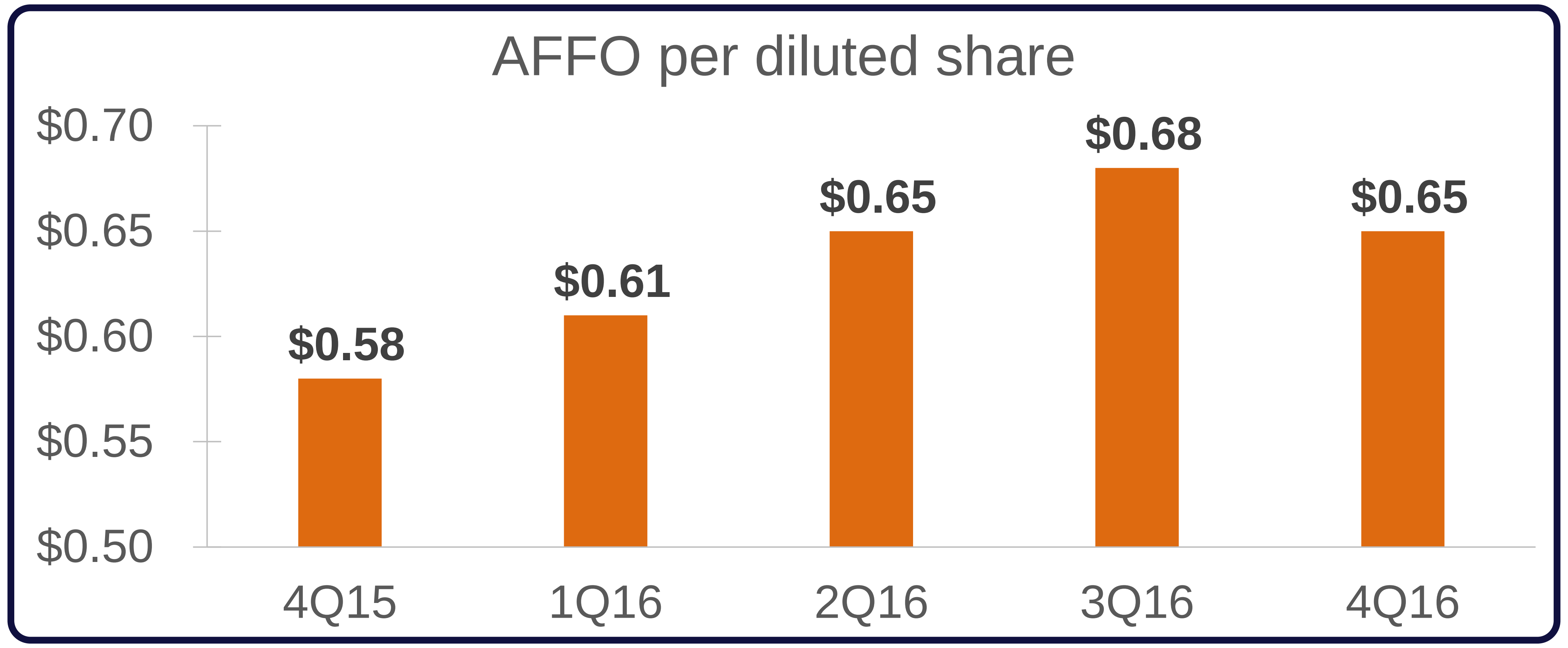
		For the Three Months Ended December 31,			For the Twelve Months Ended December 31,		
		2016	2015	Increase / (Decrease)	**2016**	2015	Increase / (Decrease)
Adjusted Diluted EPS	(1)	**$ 0.52**	$ 0.43	20.9%	**$ 1.90**	$ 1.93	(1.6%)
Normalized FFO per share	(1)	**$ 0.72**	$ 0.63	14.3%	**$ 2.70**	$ 2.69	0.4%
AFFO per share	(1)	**$ 0.65**	$ 0.58	12.1%	**$ 2.58**	$ 2.62	(1.5%)
EBITDA	(1)	**$119.4M**	$109.4M	9.1%	**$462.7M**	$431.4M	7.2%
Adjusted EBITDA	(1)	**$110.7M**	$97.7M	13.3%	**$417.6M**	$398.4M	4.8%
Debt leverage	(1)	**3.2x**	3.6x	(0.4x)	**3.4x**	3.5x	(0.1x)
Fixed charge coverage ratio	(1)	**7.2x**	7.3x	(0.1x)	**6.8x**	8.7x	(1.9x)

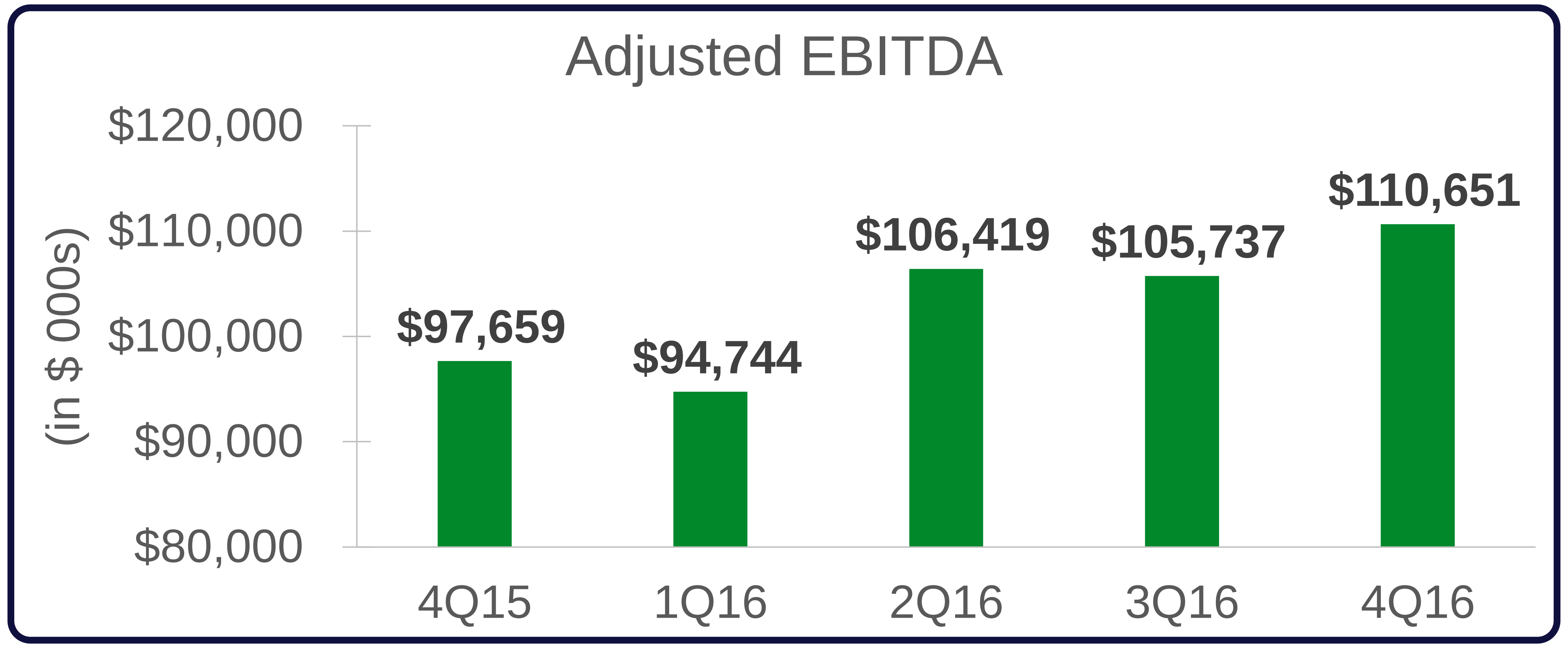
(1) Refer to the Appendix section for a reconciliation of these non-GAAP amounts to the per share amounts as reported under generally accepted accounting principles.

Trailing Five Quarter Financial Trends









2017 Financial Guidance[1]

Q1 2017 Guidance		Low-End		High-End
Diluted EPS	$	0.37	$	0.39
FFO per diluted share	$	0.57	$	0.58
AFFO per diluted share	$	0.55	$	0.56
Adjusted EBITDA[2] *(in $ 000s)*	$	93,700	$	94,700
Full Year 2017 Guidance		**Low-End**		**High-End**
Diluted EPS	$	1.46	$	1.54
FFO per diluted share	$	2.22	$	2.30
AFFO per diluted share	$	2.13	$	2.21
Adjusted EBITDA[2] *(in $ 000s)*	$	373,000	$	382,000

Financial guidance does not assume any impact from potential new contracts, accretive acquisitions, or expanded utilization of existing capacity

(1) Guidance provided on February 8, 2017 – 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.

About CoreCivic

Who We Are

- Established in 1983, CoreCivic is a diversified government solutions company with the scale and experience needed to solve tough government challenges in cost-effective ways
- We provide a broad range of solutions to government partners that serve the public good through 3 business offerings
    - ➢ CoreCivic Safety – a national leader in high quality corrections and detention management
    - ➢ CoreCivic Properties – offering a wide range of innovative, cost-effective government real estate solutions
    - ➢ CoreCivic Community – a growing network of residential reentry centers to help address America's recidivism crisis
- CoreCivic is a Real Estate Investment Trust (REIT)
- Included in Major REIT Indices – FTSE NAREIT Equity Index, Morgan Stanley Global Real Estate Index and Dow Jones Global Real Estate Index

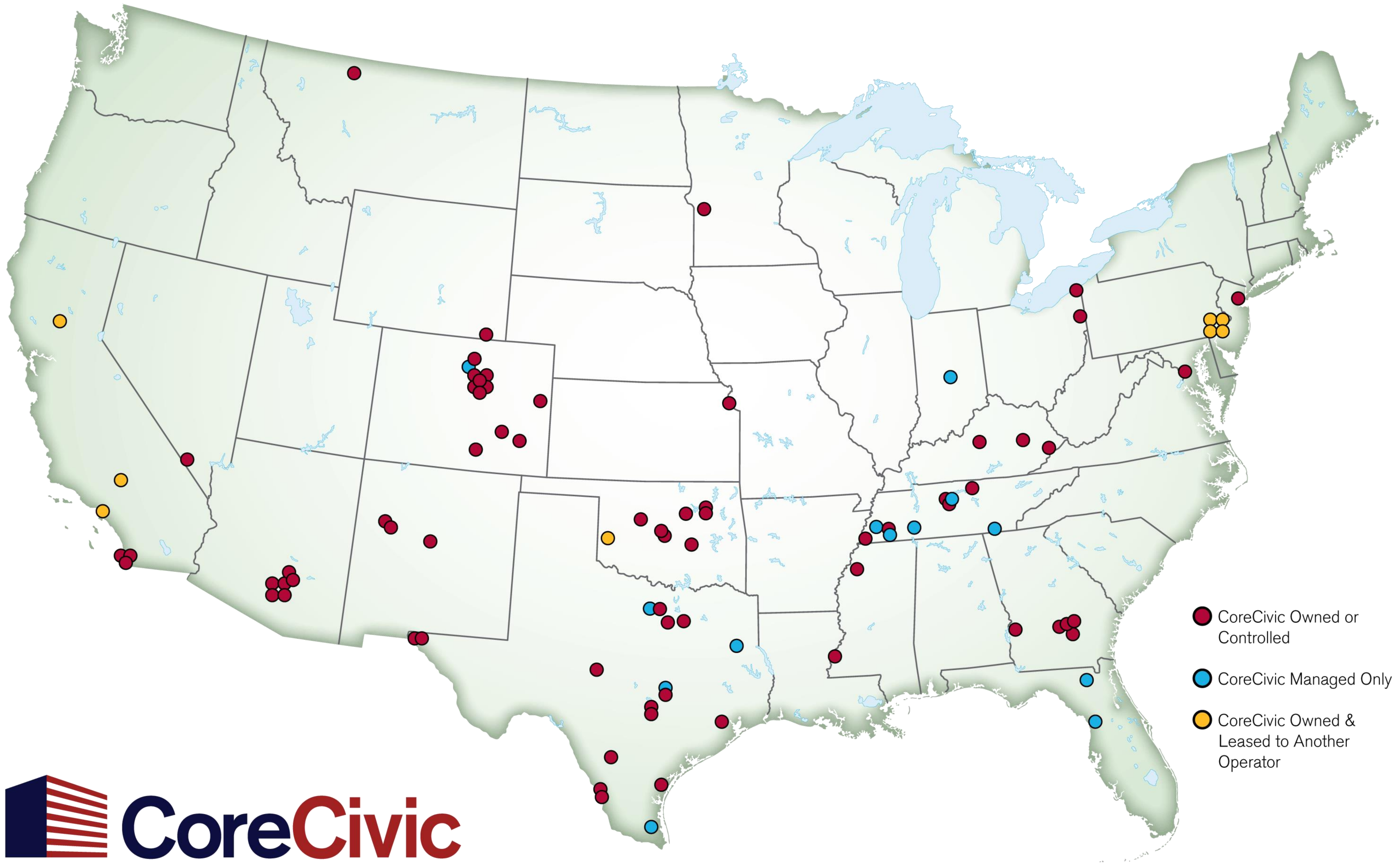
National Portfolio with Geographic Diversity

As of December 31, 2016, we owned 74 real estate assets and provided correctional management services at 11 facilities owned by government partners

➢ CoreCivic Safety
  - 46 owned facilities, 65,564 beds
  - 11 managed-only facilities, 13,898 beds

➢ CoreCivic Properties
  - Lease 3 correctional facilities, 5,160 beds
  - Lease 5 residential reentry facilities to other operators, 717 beds

➢ CoreCivic Community
  - Operate 20 residential reentry facilities, 4,365 beds

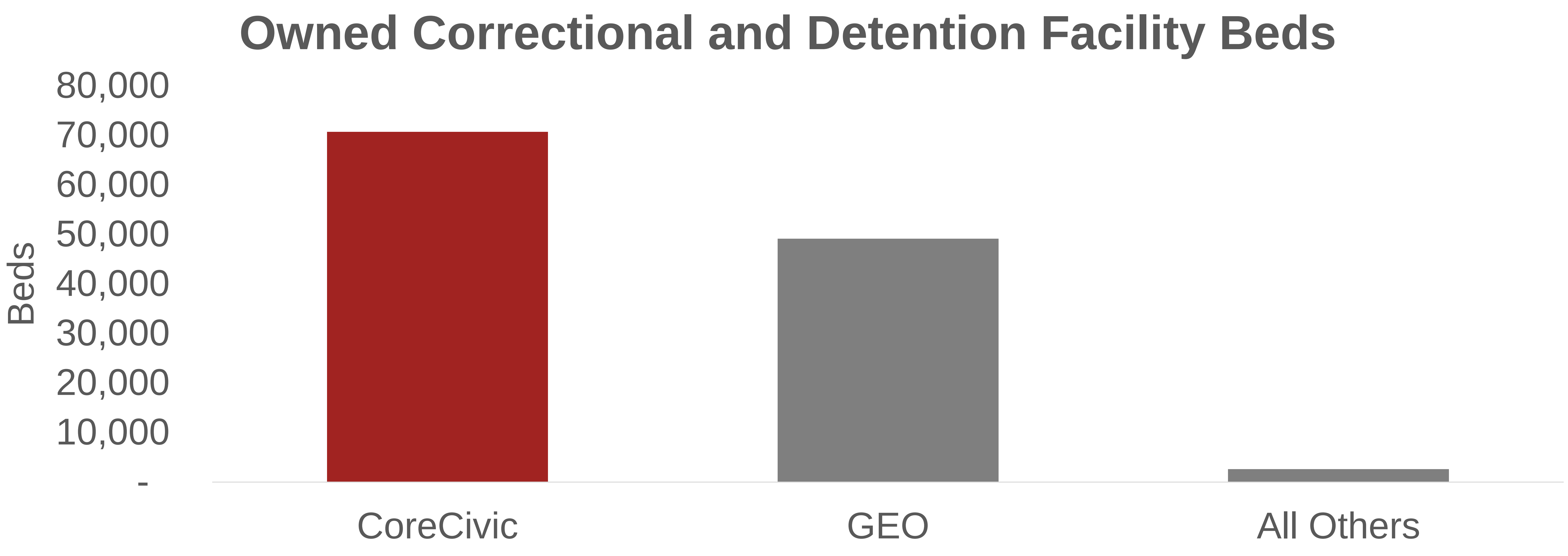


CoreCivic

CoreCivic Safety – A National Leader

CoreCivic is the largest non-government owner of correctional and detention real estate in the United States

- ➢ We believe we own nearly 58% of all privately owned beds
- ➢ More than 40% larger than nearest competitor



GEO Group – As reported on company supplemental financial information in November 2016

CoreCivic Properties – Real Estate Solutions

CoreCivic Properties offers a wide range of innovative, cost-saving government real estate solutions

- ➢ Deep expertise and experience
  - We believe we are the largest developer of mission-critical, criminal justice center real estate projects over the past 15 years
  - Track record of constructing quality assets on time and within budget
    - Chronic risk of government projects is scope creep, spending over budget, and delays in completion
  - Designs for minimizing operational expenses
- ➢ Robust preventative maintenance program
  - Included in service offering, significantly reduces risk of real estate neglect
- ➢ Utility management services
  - Environmentally-friendly state-of-the-art technology
- ➢ Capital avoidance
  - Debt-free lease financing, allowing government to use capital resources on other vital public needs

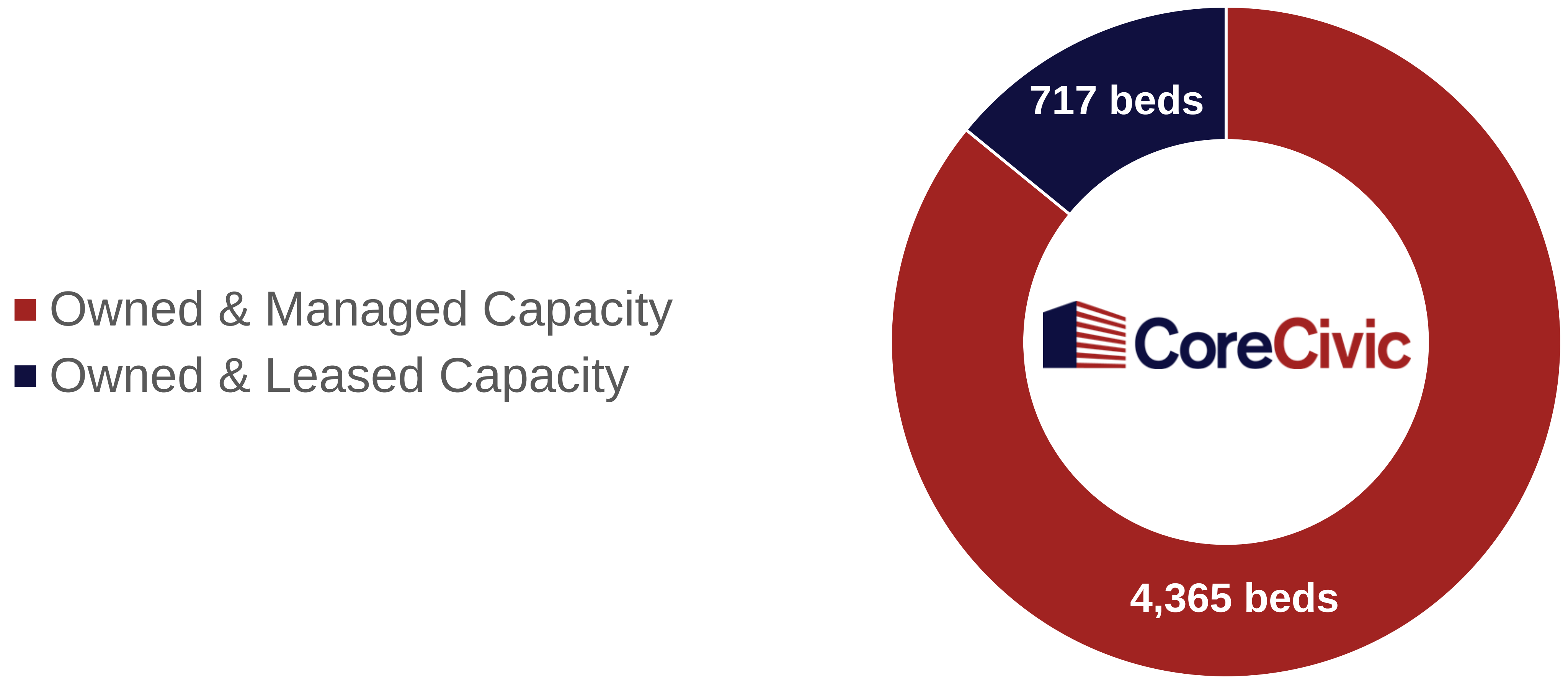
CoreCivic Community – A Growing Network

CoreCivic Community is a rapidly growing network of residential reentry centers whose mission is to help address America's recidivism crisis.

- In just 3 years, CoreCivic Community has grown to be the second largest provider in the market

CoreCivic Residential Reentry Facility Portfolio

As of 12/31/16



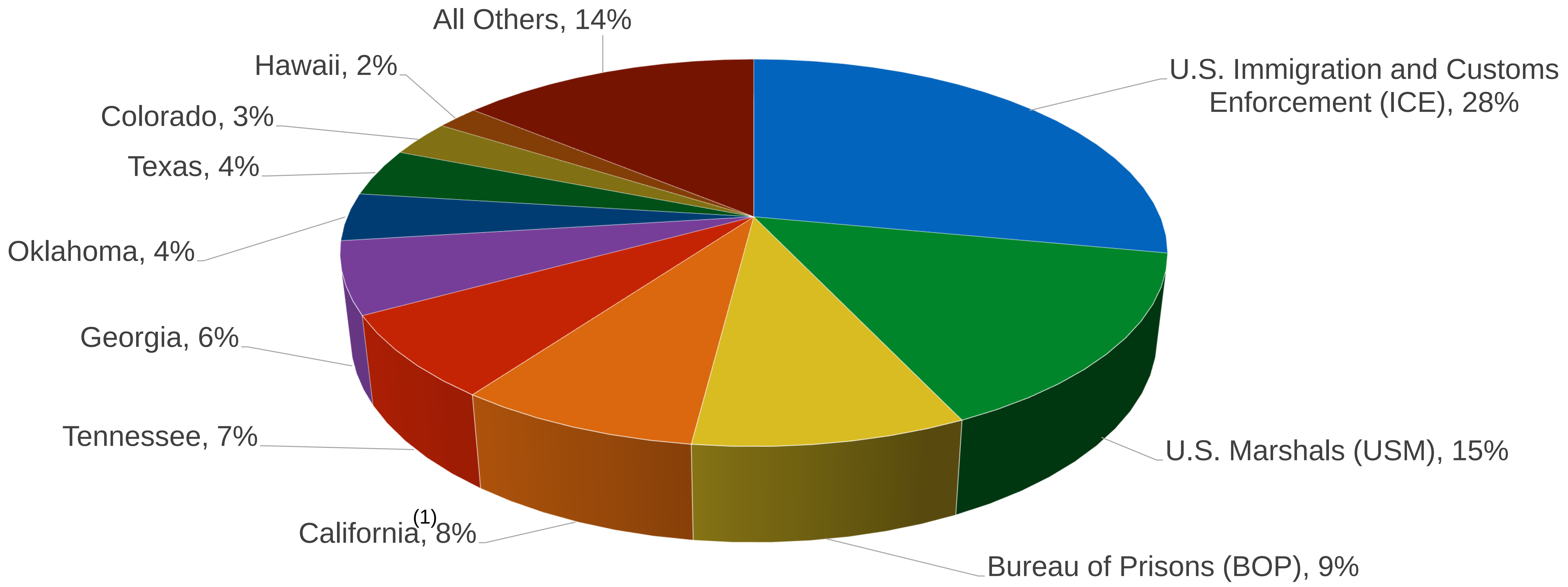
Since the beginning of 2017, CoreCivic has closed on acquisitions of two residential reentry facilities representing an additional 235 beds

High Quality, Diverse Customer Base

As of December 31, 2016, CoreCivic had more than 100 agreements with federal, state and local agencies

- ➢ Further diversification within federal agency customers:
    - > 100 potential customers within federal agencies: 94 U.S. Marshals districts; 24 ICE field offices; and the Federal Bureau of Prisons
    - Staggered contract expirations; most customers have multiple contracts

Percentage of Revenue by Customer for the Twelve Months Ended December 31, 2016



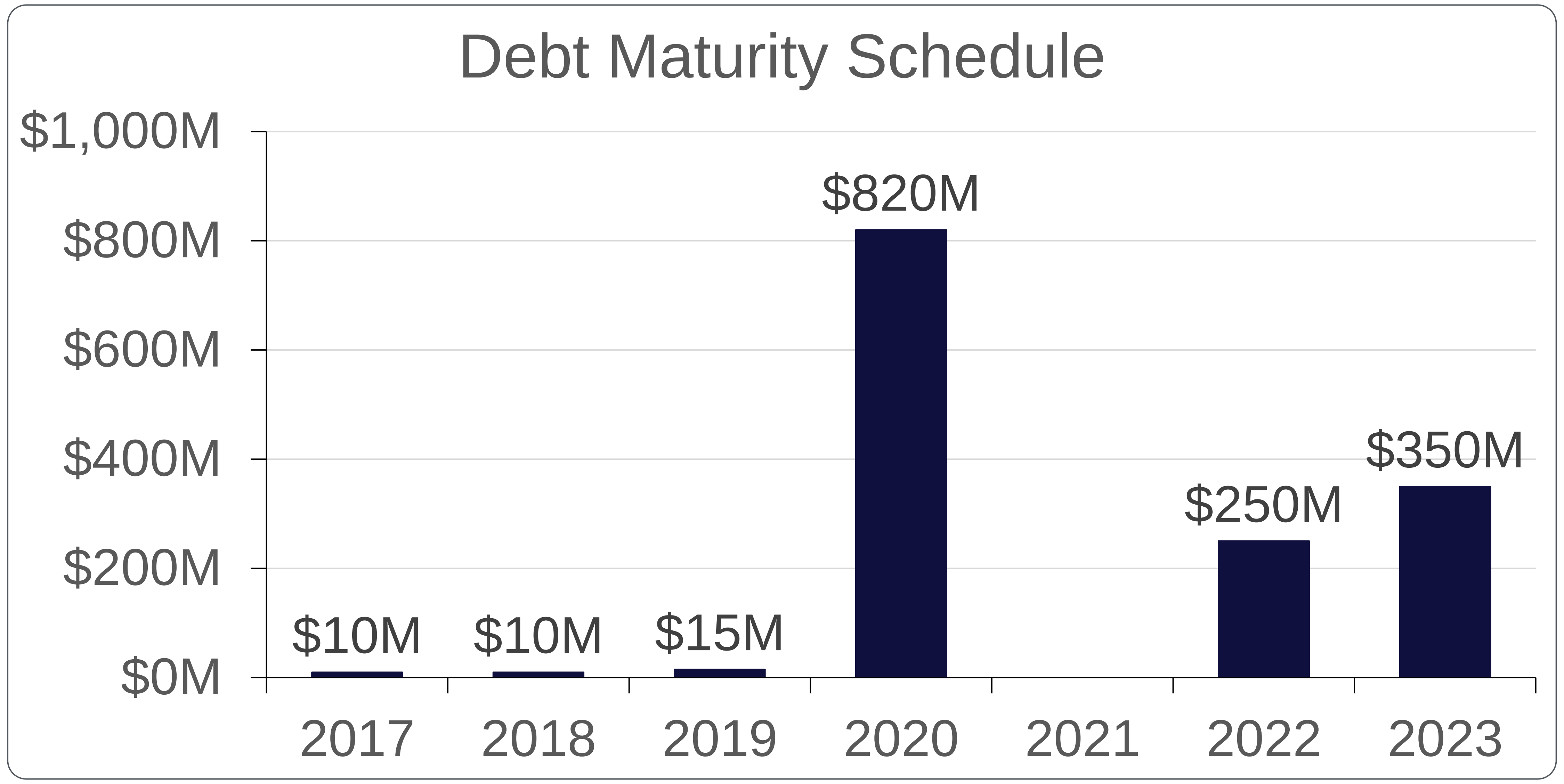
(1) Revenues of $113.4 million, or 6% of total revenue, were earned under a contract in facilities housing out-of-state inmates

Strong Balance Sheet and Cash Flow

Strong Balance Sheet and Simple Capital Structure

Our low cost of capital is a competitive advantage

- $325M Sr. Notes @ 4.125%, due Apr. 2020
- $250M Sr. Notes @ 5.000%, due Oct. 2022
- $350M Sr. Notes @ 4.625%, due May 2023
- $900M Revolver @ LIBOR + 1.50%, maturing July 2020
  - $435M drawn as of December 31, 2016
- $95.0M Term Loan @ LIBOR + 1.50%, maturing July 2020
- $494M in liquidity at December 31, 2016[1]



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

35% Debt/ Undepreciated Fixed Assets	**3.4x** Debt-to-EBITDA[2]	**6.8x** Fixed Charge Coverage[2]	**100%** Unencumbered Fixed Assets	**34%** Debt to Total Market Capitalization

(1) Available liquidity as of December 31, 2016 includes cash on hand and available capacity under the revolving credit facility.
(2) Based on financial results for the year ended December 31, 2016.

Balance Sheet Flexibility

- Current dividend policy pegged to ~80% of AFFO, or 77% of Normalized FFO
- Median FFO payout ratio for all equity REITs is ~65%[1]
- Abundant opportunities to deploy capital to grow and diversify cash flows, and to create shareholder value
  - ➢ CoreCivic Community acquisitions of community corrections and residential reentry facilities
  - ➢ CoreCivic Properties acquisitions and development projects to assist capital-constrained government agencies
  - ➢ CoreCivic Safety opportunities to utilize existing capacity without capital development
  - ➢ Return cash to shareholders:
    - Healthy dividend yield
    - Stock repurchase
      - – From 2008 to 2011, repurchased 20% of outstanding shares through stock repurchase program
  - ➢ Pay-down debt

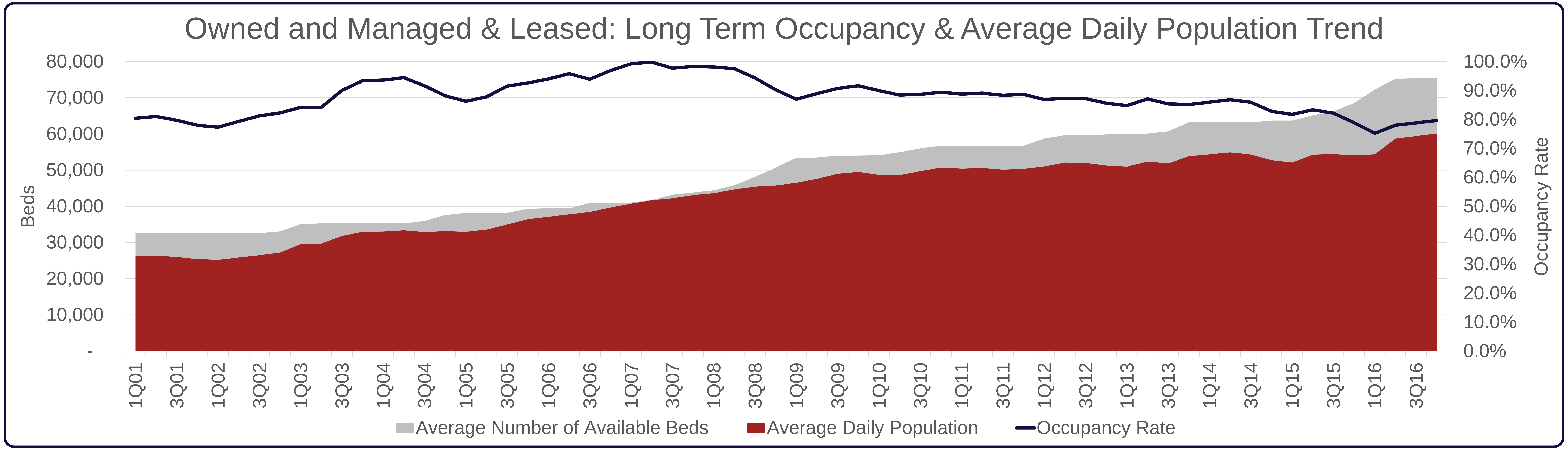
(1) Source: NAREIT REITWatch – Monthly Statistical Report on the REIT Industry (November 2016)

Proven Strategy for Growth

CCA has consistently grown our owned and managed real estate portfolio through various market cycles

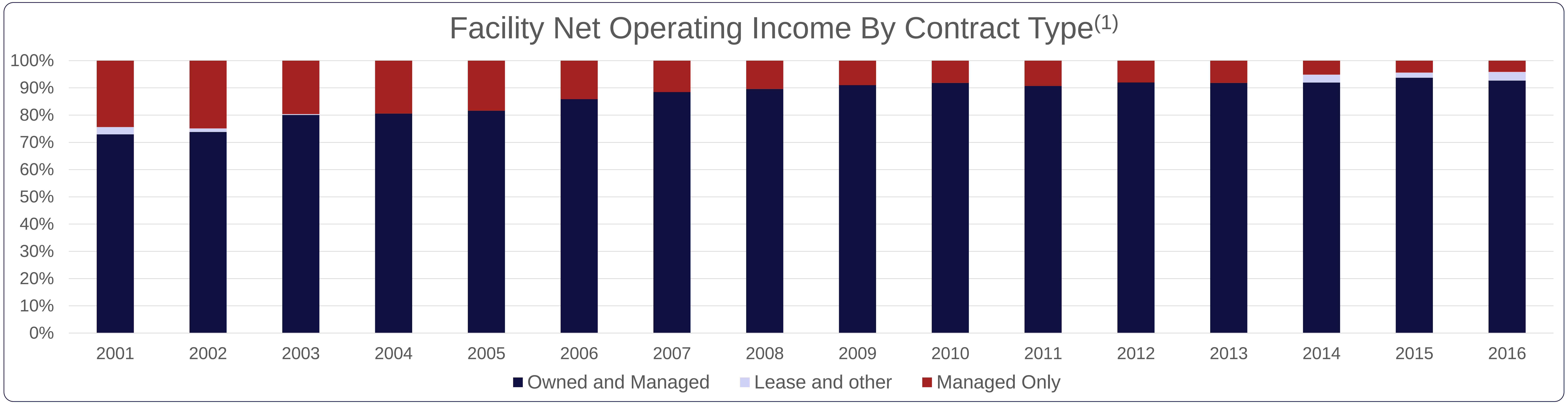
- ➢ Traditional owned & managed model for correctional and detention facilities
- ➢ Expanded portfolio to RRCs beginning in 2013–representing over 5,300 beds
- ➢ Recent real estate only transactions to lease facilities to government partners

Occupancy rates have historically varied through previous business cycles



Historical Growth Driven by Real Estate Assets

- Today, more than 95% of facility net operating income is derived from CCA-owned real estate assets
- Owned and Managed facility net operating income increased from $155M in 2001 to $487M in 2016



We have strategically shifted our business to owned real estate assets through organic growth opportunities and strategically exiting certain managed-only contracts

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

Business Development Update

Recent Contract Awards

- **12/14/16** – ICE enters into contract for approximately 500 beds at our Northeast Ohio Correctional Center
- **11/15/16** – The Federal Bureau of Prisons exercised a two-year renewal option at our McRae Correctional Facility
- **10/27/16** – ICE enters into new five-year contract for up to 1,116 beds at our Cibola County Corrections Center
- **10/17/16** – ICE extends contract at 2,400-bed South Texas Family Residential Center for five years
- **7/18/16** – California Department of Corrections and Rehabilitation (CDCR) signs new two-year contract for residential reentry space and services for up to 120 residents at the 120-bed CAI-Boston Avenue facility
- **6/30/16** – New Mexico Corrections Department awards CCA new four-year contract for up to 744 beds at the Northwest New Mexico Correctional Center pursuant to a Request for Proposal
- **6/13/16** – CDCR extends lease of 2,560-bed California City Correctional Center by four years, or two years longer than the pre-existing lease, with unilateral right by CDCR to extend for two additional two-year periods through November 30, 2024, with indefinite two-year renewal options thereafter upon mutual agreement
- **5/6/16** – Oklahoma Department of Corrections signs new five-year agreement to lease our 2,400-bed North Fork Correctional Facility, with unlimited two-year renewal options
- **4/5/16** – BOP awards contract extension for residential reentry services and agrees to consolidate populations into our CAI-Ocean View facility

Residential Reentry Acquisition Summary

Acquisition	Date of Acquisition	# of Facilities	State(s) of Operation	# of Beds	Acquisition Price
Correctional Alternatives, Inc.	July 2013	2	California	603	$36.5m
Pennsylvania Portfolio	August 2015	4	Pennsylvania	605	$13.8m
Avalon Correctional Services, Inc.	October 2015	11	Oklahoma, Texas, Wyoming	3,157	$157.5m
Correctional Management, Inc.	April 2016	7	Colorado	605	$35.0m
Long Beach, CA	June 2016	1	California	112	$7.7m
Arapahoe Community Treatment Center	January 2017	1	Colorado	135	$5.5
Stockton Community Corrections Facility	February 2017	1	California	100	$1.6
Total		27		5,317	$257.6m

In less than three years, we have established the second largest residential reentry platform in the United States and have a robust acquisition pipeline of additional RRC operators

Actively Marketing Available Capacity

We currently have 7 idle prison facilities, totaling 8,298 beds, that we are actively marketing to potential government partners:

- Huerfano County Correctional Center (Colorado)—752 beds
- Kit Carson Correctional Center (Colorado)—1,488 beds
- Lee Adjustment Center (Kentucky)—816 beds
- Marion Adjustment Center (Kentucky)—826 beds
- Southeast Kentucky Correctional Facility (Kentucky)—656 beds
- Prairie Correctional Facility (Minnesota)—1,600 beds
- Diamondback Correctional Facility (Oklahoma)—2,160 beds

Utilizing available bed capacity up to standard operating capacity could add up to $0.95 to diluted EPS and AFFO per share[(1)]

- Minimal to no capital deployment necessary
- Available beds/facilities can address immediate capacity needs
  - Provides a competitive advantage vs. construction timeline for new facility

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

Appendix

Utilizing Available Capacity Drives Earnings Growth

	Total Beds Available at December 31, 2016	Average Margin[(1)]	Estimated Potential Annual Incremental EBITDA
Owned and Controlled Vacant Facility Capacity[(2)(3)]	8,298	$ 25.13	$ 76,112,990
Owned and Controlled beds at Facilities with > 100 beds available[(4)]	4,449	$ 25.13	40,808,230
Total Owned and Controlled Available Capacity	12,747		$ 116,921,220
Managed Only Available Bed Capacity with > 100 beds available[(4)]	1,008	$ 4.52	1,662,998
Total Potential Annual Incremental EBITDA			$ 118,584,218

- Filling available beds up to standard operating capacity at the margins we achieved in the twelve months ended December 31, 2016, could generate up to $0.95 of additional EPS and Adjusted Funds From Operations per diluted share
- Carrying an inventory of owned beds provides a competitive advantage in capturing new business – no long construction lead times
- Cash operating costs of vacant beds we own is very manageable at approximately $1,000 per bed per year

Note: The above table is for illustrative purposes only and represents potential EBITDA contribution of company-owned and managed-only facility contracts. Actual results could differ. Other contractual arrangements, such as leasing a company-owned facility to a government organization that provides for the operations, could result in different EBITDA contribution rates given the varied risks associated with such a contract.

(1) Average margin is based on margins achieved in the twelve months ended December 31, 2016.
(2) Excludes two non-core facilities (Shelby Training Center and Leo Chesney Correctional Center), totaling 440 beds, as these facilities were not designed for traditional correctional purposes.
(3) Actual margins for these beds may be lower than those historically achieved, particularly if we lease the capacity and do not provide correctional services.
(4) Actual margins for these beds may differ from those historically achieved, particularly for management contracts with tiered per diems or at facilities that have achieved stabilized occupancy and therefore fixed costs.

Reconciliation to Adjusted Diluted EPS

($ in thousands, except per share amounts)

	For the Quarter Ended December 31, 2016	For the Quarter Ended December 31, 2015	For the Twelve Months Ended December 31, 2016	For the Twelve Months Ended December 31, 2015
Net income	**$ 60,689**	$ 48,598	**$ 219,919**	$ 221,854
Special items:				
Expenses associated with debt refinancing transactions	**-**	-	**-**	701
Expenses associated with mergers and acquisitions	**16**	1,969	**1,586**	3,643
Gain on settlement of contingent consideration	**-**	-	**(2,000)**	-
Restructuring charges	**-**	-	**4,010**	-
Asset impairments	**-**	-	**-**	955
Income tax benefit for special items	**-**	(2)	**(215)**	(26)
Diluted adjusted net income	**$ 60,705**	$ 50,565	**$ 223,300**	$ 227,127
Weighted average common shares outstanding - basic	**117,457**	117,128	**117,384**	116,949
Effect of dilutive securities:				
Stock options	**73**	379	**306**	631
Restricted stock-based awards	**163**	277	**101**	205
Weighted average shares and assumed conversions - diluted	**117,693**	117,784	**117,791**	117,785
Adjusted Diluted Earnings Per Share	**$ 0.52**	$ 0.43	**$ 1.90**	$ 1.93

Calculation of FFO, Normalized FFO and AFFO

($ in thousands, except per share amounts)

	For the Quarter Ended December 31,				For the Twelve Months Ended December 31,			
	2016		2015		2016		2015	
Net income	**$**	**60,689**	$	48,598	**$**	**219,919**	$	221,854
Depreciation of real estate assets		**23,937**		24,195		**94,346**		90,219
Funds From Operations	**$**	**84,626**	$	72,793	**$**	**314,265**	$	312,073
Expenses associated with debt refinancing transactions		**-**		-		**-**		701
Expenses associated with mergers and acquisitions		**16**		1,969		**1,586**		3,643
Gain on settlement of contingent consideration		**-**		-		**(2,000)**		-
Restructuring charges		**-**		-		**4,010**		-
Goodwill and other impairments		**-**		-		**-**		955
Income tax benefit for special items		**-**		(2)		**(215)**		(26)
Normalized Funds From Operations	**$**	**84,642**	$	74,760	**$**	**317,646**	$	317,346
Maintenance capital expenditures on real estate assets		**(11,427)**		(10,762)		**(28,044)**		(26,609)
Stock-based compensation		**3,874**		3,878		**16,257**		15,394
Amortization of debt costs		**785**		787		**3,147**		2,973
Other non-cash revenue and expenses		**(1,552)**		(16)		**(4,634)**		(64)
Adjusted Funds From Operations	**$**	**76,322**	$	68,647	**$**	**304,372**	$	309,040
Normalized Funds From Operations Per Diluted Share	**$**	**0.72**	$	0.63	**$**	**2.70**	$	2.69
Adjusted Funds From Operations Per Diluted Share	**$**	**0.65**	$	0.58	**$**	**2.58**	$	2.62

Calculation of NOI

($ in thousands)

	For the Quarter Ended December 31, 2016	For the Quarter Ended December 31, 2015	For the Twelve Months Ended December 31, 2016	For the Twelve Months Ended December 31, 2015
Revenue owned and controlled properties	**$ 411,336**	$ 396,371	**$ 1,641,754**	$ 1,576,938
Operating expenses owned and controlled properties	**(267,991)**	(264,250)	**(1,077,085)**	(1,050,582)
Net operating income owned and controlled properties	**$ 143,345**	$ 132,121	**$ 564,669**	$ 526,356
Revenue managed only and other	**$ 52,798**	$ 51,464	**$ 208,031**	$ 216,149
Operating expenses managed only and other	**(50,882)**	(46,681)	**(198,501)**	(205,546)
Net operating income managed only and other	**$ 1,916**	$ 4,783	**$ 9,530**	$ 10,603
Total Net Operating Income	**$ 145,261**	$ 136,904	**$ 574,199**	$ 536,959
Net income	**$ 60,689**	$ 48,598	**$ 219,919**	$ 221,854
Income tax expense	**2,806**	1,665	**8,253**	8,361
Other (income) expense	**386**	295	**489**	(58)
Expenses associated with debt refinancing transactions	**-**	-	**-**	701
Interest expense, net	**16,478**	15,981	**67,755**	49,696
General and administrative	**25,484**	27,166	**107,027**	103,936
Depreciation and amortization	**39,418**	43,199	**166,746**	151,514
Restructuring charges	**-**	-	**4,010**	-
Asset impairments	**-**	-	**-**	955
Total Net Operating Income	**$ 145,261**	$ 136,904	**$ 574,199**	$ 536,959

Calculation of Historic Facility NOI

($ in thousands)

	2001	2002	2003	2004	2005	2006	2007	2008
Owned & Managed (O&M) Facilities	$ 155,260	$ 159,768	$ 209,263	$ 224,339	$ 242,014	$ 307,803	$ 373,078	$ 431,192
Managed Only Facilities	51,880	53,896	51,307	54,024	54,401	50,612	48,593	50,122
Leased Facilities and Other	5,814	2,735	856	(2,342)	(2,568)	(1,220)	(4,486)	(9,824)
Total facility net operating income	**$ 212,954**	**$ 216,399**	**$ 261,426**	**$ 276,021**	**$ 293,847**	**$ 357,195**	**$ 417,185**	**$ 471,490**
G&A Expense	(34,568)	(36,907)	(40,467)	(48,186)	(57,053)	(63,593)	(74,399)	(80,308)
Depreciation and amortization	(52,729)	(51,292)	(52,937)	(54,445)	(59,882)	(67,673)	(78,396)	(90,555)
Asset Impairments	-	-	-	-	-	-	(554)	-
Operating Income	$ 125,657	$ 128,200	$ 168,022	$ 173,390	$ 176,912	$ 225,929	$ 263,836	$ 300,627

	2009	2010	2011	2012	2013	2014	2015	2016
Owned & Managed (O&M) Facilities	$ 462,974	$ 478,459	$ 492,426	$ 478,463	$ 444,717	$ 451,129	$ 467,326	$ 486,922
Managed Only Facilities	45,729	42,693	50,545	41,656	39,551	25,330	21,985	21,777
Leased Facilities and Other	(7,412)	(8,998)	(9,501)	(12,418)	(10,322)	14,273	9,294	16,782
Total facility net operating income[1]	**$ 501,291**	**$ 512,154**	**$ 533,470**	**$ 507,701**	**$ 473,946**	**$ 490,732**	**$ 498,605**	**$ 525,481**
G&A Expense	(86,537)	(84,148)	(91,227)	(88,935)	(103,590)	(106,429)	(103,936)	(107,027)
Depreciation and amortization[1]	(100,799)	(103,710)	(108,216)	(113,933)	(112,692)	(113,925)	(121,627)	(128,068)
Asset Impairments	-	-	-	-	(6,513)	(30,082)	(955)	-
Restructuring expenses	-	-	-	-	-	-	-	(4,010)
Interest associated with STFRC included in O&M[1]	-	-	-	-	-	-	8,467	10,040
Operating Income	$ 313,955	$ 324,296	$ 334,027	$ 304,833	$ 251,151	$ 240,296	$ 280,554	$ 296,416

(1) Net operating income for the twelve months ended December 31, 2016 and 2015 includes depreciation expense of $38.7 million and $29.9 million, respectively, and interest expense of $10.0 million and $8.5 million, respectively, associated with the South Texas Family Residential Center (STFRC) lease payments because we believe this presentation is more reflective of the cash flows associated with the facility's operations, and therefore cash available to service our debt and pay dividends to our shareholders.

Calculation of EBITDA and Adjusted EBITDA

($ in thousands)

	For the Quarter Ended December 31, 2016	For the Quarter Ended December 31, 2015	For the Twelve Months Ended December 31, 2016	For the Twelve Months Ended December 31, 2015
Net income	**$ 60,689**	$ 48,598	**$ 219,919**	$ 221,854
Interest expense, net	**16,478**	15,981	**67,755**	49,696
Depreciation and amortization	**39,418**	43,199	**166,746**	151,514
Income tax expense	**2,806**	1,665	**8,253**	8,361
EBITDA	**$ 119,391**	$ 109,443	**$ 462,673**	$ 431,425
Expenses associated with debt refinancing transactions	**-**	-	**-**	701
Expenses associated with mergers and acquisitions	**16**	1,969	**1,586**	3,643
Gain on settlement of contingent consideration	**-**	-	**(2,000)**	-
Restructuring charges	**-**	-	**4,010**	-
Depreciation expense associated with STFRC lease[(1)]	**(6,792)**	(10,706)	**(38,678)**	(29,887)
Interest expense associated with STFRC lease[(1)]	**(1,964)**	(3,047)	**(10,040)**	(8,467)
Asset impairments	**-**	-	**-**	955
Adjusted EBITDA	**$ 110,651**	$ 97,659	**$ 417,551**	$ 398,370

(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 2017 Guidance

($ in thousands, except per share amounts)

	First Quarter 2017		Full-Year 2017	
	Low	High	Low	High
Net income	$ 44,000	$ 46,000	$ 172,500	$ 182,000
Depreciation of real estate assets	23,000	23,000	89,000	89,000
Funds From Operations	$ 67,000	$ 69,000	$ 261,500	$ 271,000
Maintenance capital expenditures on real estate assets	(5,800)	(5,800)	(25,000)	(25,000)
Stock-based compensation and non-cash interest	4,800	4,800	18,800	18,800
Other non-cash revenue and expenses	(1,500)	(1,500)	(3,800)	(3,800)
Adjusted Funds From Operations	$ 64,500	$ 66,500	$ 251,500	$ 261,000
Diluted EPS	$ 0.37	$ 0.39	$ 1.46	$ 1.54
FFO per diluted share	$ 0.57	$ 0.58	$ 2.22	$ 2.30
AFFO per diluted share	$ 0.55	$ 0.56	$ 2.13	$ 2.21
Net income	$ 44,000	$ 46,000	$ 172,500	$ 182,000
Interest expense, net	17,000	16,500	66,500	66,500
Depreciation and amortization	36,000	36,000	146,000	146,000
Income tax expense	2,500	2,000	11,000	10,500
EBITDA	$ 99,500	$ 100,500	$ 396,000	$ 405,000
Depreciation associated with STFRC lease	(4,100)	(4,100)	(16,600)	(16,600)
Interest expense associated with STFRC lease	(1,700)	(1,700)	(6,400)	(6,400)
Adjusted EBITDA	$ 93,700	$ 94,700	$ 373,000	$ 382,000

Note: We announced EPS, FFO and AFFO per diluted share guidance for the first quarter and full-year 2017 in our Fourth Quarter 2016 Financial Results news release on February 8, 2017. 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.

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