

EXCELLENCE IN CORRECTIONS



Changing lives.

Serving society.



SunTrust Robinson Humphrey
35th Institutional Conference

April 2006

Forward-Looking Statements

- As defined within 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 factors include, but are not limited to, changes in the private corrections and detention industry, the Company's ability to obtain and maintain facility management contracts including as the result of sufficient governmental appropriations and inmate disturbances, the timing of the opening of and demand for new prison facilities, increases in costs to develop or expand correctional 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 the Company's control, and general market conditions.
- 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.



CORRECTIONS CORPORATION OF AMERICA

Company Overview



What We Are...

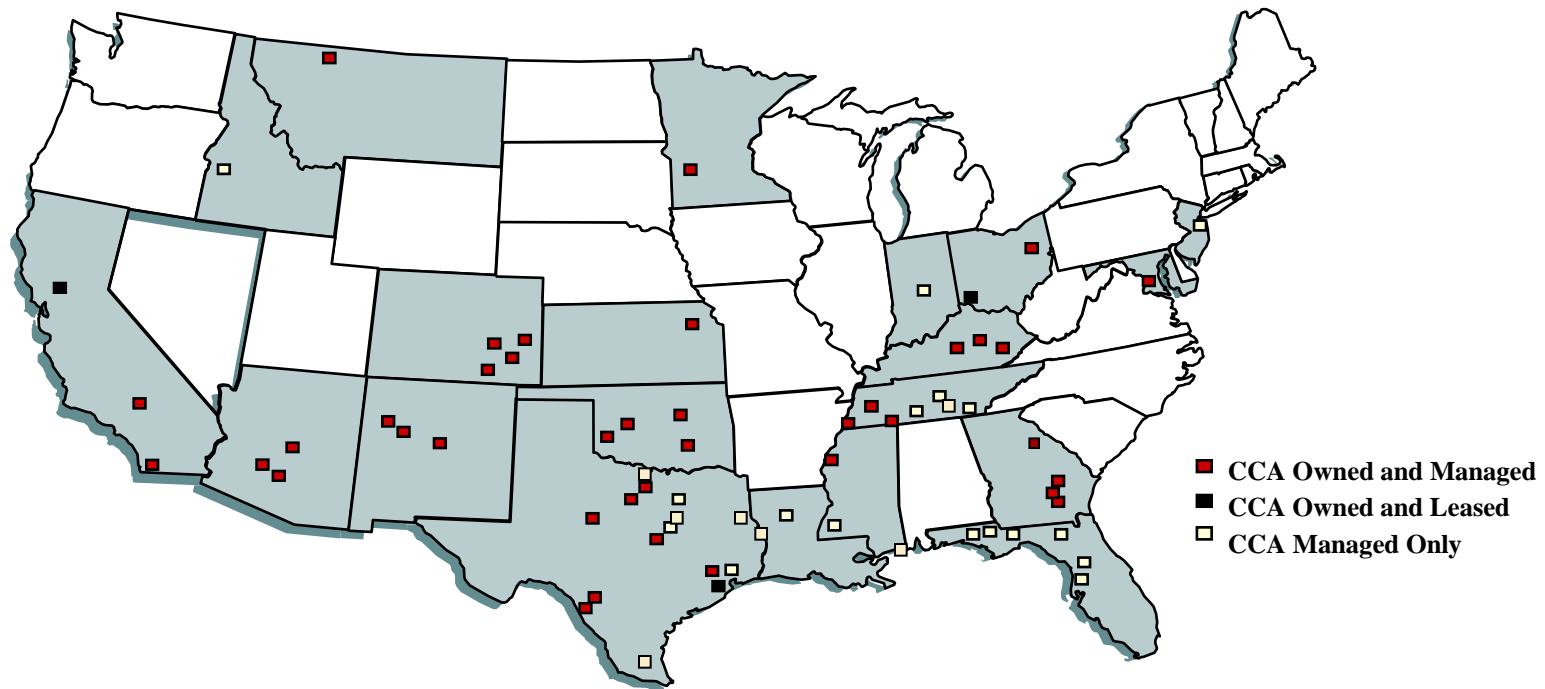
We are the nation's largest owner and operator of private correctional and detention facilities and the fourth largest prison operator in the United States behind only the federal government and three states.

- Established in 1983, CCA owns and operates minimum, medium and maximum-level security correctional facilities through contracts with over 50 federal, state and local agencies.
- We provide management services to approximately 66,000 inmates in 63 facilities located in 19 states and the District of Columbia.
- We manage approximately 50% of all privately managed prison beds in the United States.



Unmatched National Platform

- 39 owned facilities with 45,203 beds, 24 managed only facilities with 25,766 beds.
- Over 50 contracted agencies, the largest of which accounts for approximately 16% of management revenues.



Clear Leader in Privatized Prisons

CCA continues to control over half of the private prison and jail beds in the nation.

	Total Capacity	U.S. Market Share	Owned and Controlled Beds
Corrections Corporation of America	70,969 ⁽¹⁾	50.5%	45,203
The Geo Group Inc.	39,624 ⁽²⁾	28.2%	14,408 ⁽³⁾
Cornell Companies	14,424 ⁽⁴⁾	10.3%	1,071 ⁽⁴⁾
Management & Training Corp.	8,079 ⁽⁴⁾	5.7%	506
Correctional Services Corp./Youth Services Intl.	1,016 ⁽⁴⁾	0.7%	0 ⁽⁴⁾
All Others	6,408 ⁽⁵⁾	4.6%	NA
	<u>140,520</u>	<u>100.0%</u>	

(1) Total Capacity as of January 31, 2006.

(2) Source: Association of Private Correctional and Treatment Organizations ("APCTO"). On November 4, 2005, The Geo Group Inc. ("Geo") completed the acquisition of Correctional Services Corporation ("CSC") through the merger of CSC into GEO Acquisition, Inc., a wholly owned subsidiary of the Geo. Immediately following the acquisition of CSC, CSC sold Youth Services International, Inc., the former juvenile services division of CSC. The number referenced is based on (a) the sum of (i) the capacity reported by Geo to APTCO on 10/31/05 and (ii) the capacity reported by CSC to APCTO on 10/31/05 less (b) 1,016 in capacity reported by CSC to APTCO on 1/31/06. The number referenced includes approximately 1,152 beds that are under construction and not anticipated to be completed until the second quarter of 2007.

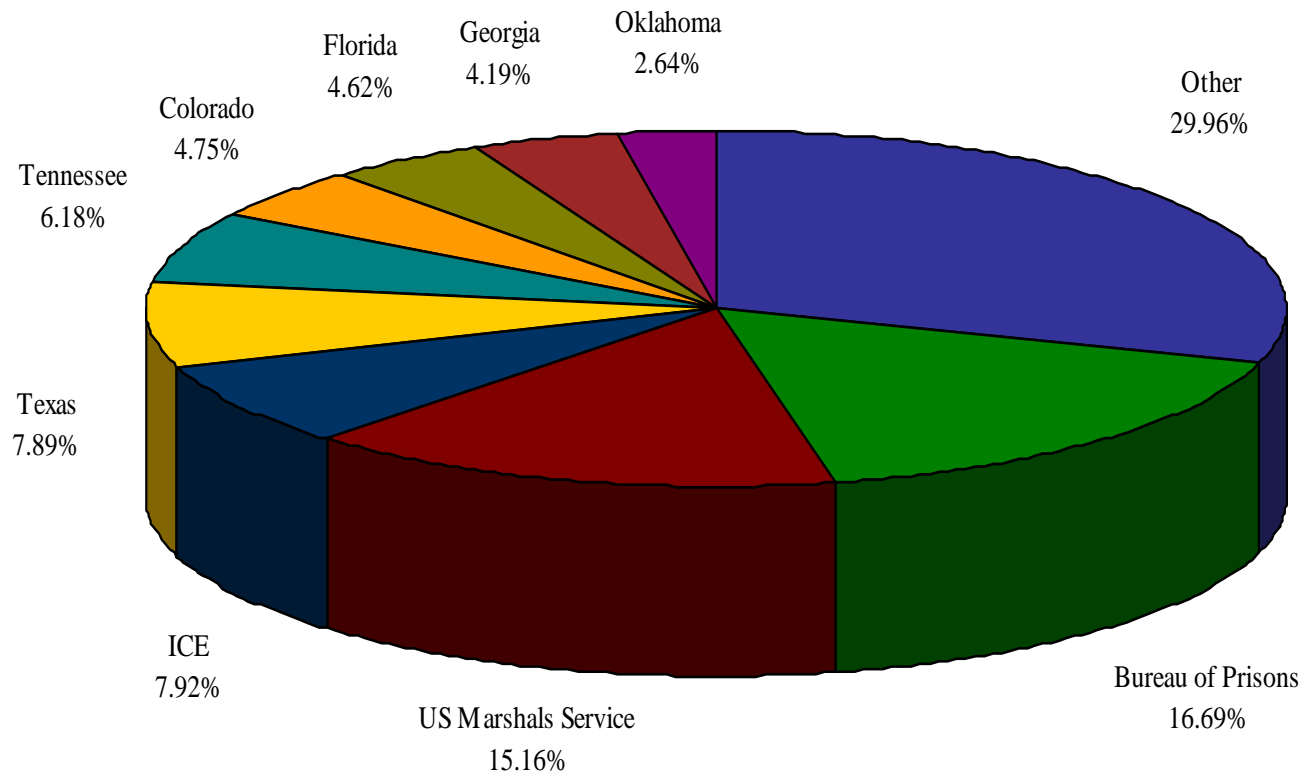
(3) Owned and Controlled beds obtained from 2004 10-K filings of Geo and CSC.

(4) Capacity as reported on APCTO website on January 31, 2006.

(5) As reported on company websites on October 15, 2005.

High Quality, Diverse Customer Base

We provide services under management contracts with state, federal and local agencies that have credit ratings of single-A or better.



Percent of Management Revenue for the Twelve Months Ended December 31, 2005

Management Contracts

Our contracts create predictable revenue streams

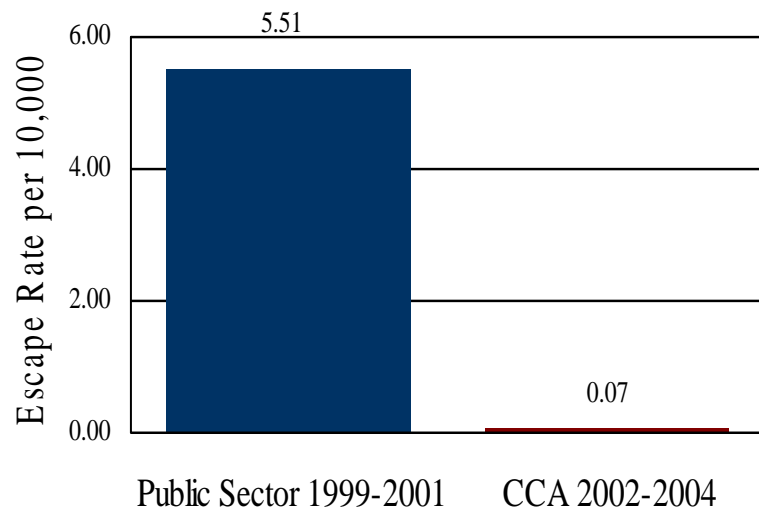
- Management contracts compensate the Company at an inmate per diem rate.
- Certain contracts provide for guaranteed occupancy levels – “take-or-pay” (California City, Cibola, McRae and Northeast Ohio).
- Contracts typically have terms of one to five years with multiple renewal options:
 - Average term of 3-5 years
 - Staggered roll-overs



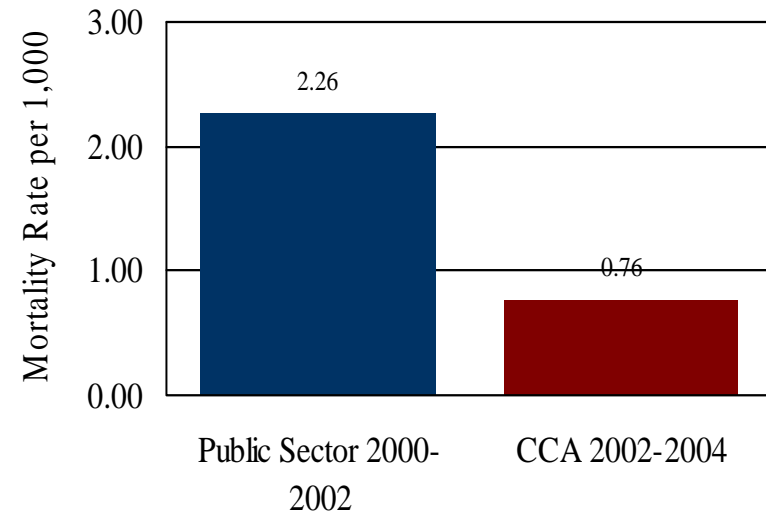
Superior Safety and Security Records

CCA has continuously outperformed the public sector in safety and security.

3-year Average Escape Rate (per 10,000 inmates)⁽¹⁾



Total Mortality Rate across all Types of Death⁽²⁾



(1) Public Sector data obtained from 2000 - 2002 Corrections Yearbooks (most recent data available). Escape rates for both the public sector and CCA are for Adult Secure Prisons only.

(2) Public Sector data obtained from BJS, Prison and Jail Inmates at Midyear 2004 (most recent data available). Mortality rates for both the public sector and CCA are for Adult Secure Prisons only.



CORRECTIONS CORPORATION OF AMERICA

Corrections Industry Overview



Industry Highlights

CCA operates in an industry with positive investment characteristics:

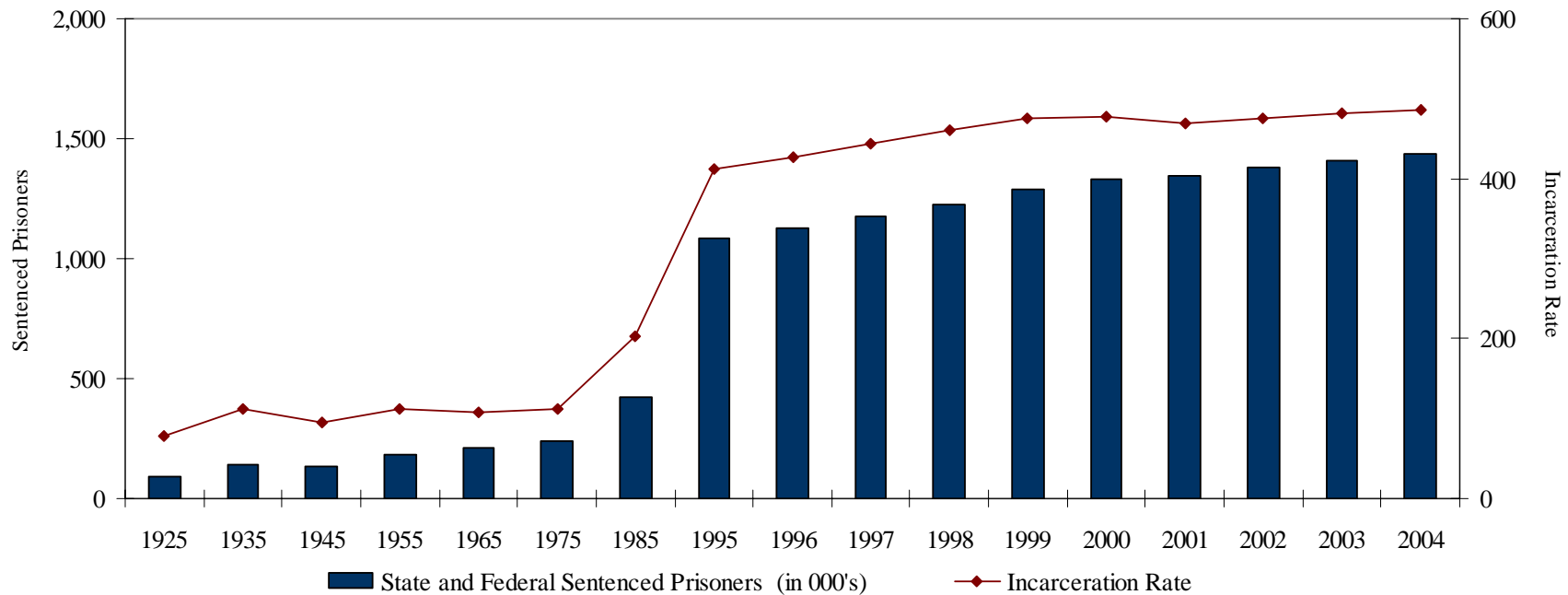
- Non-cyclical industry – generally not affected by economic downturns
- Large and under-penetrated market – private prison operators only manage 6.6% of prison beds nationwide
- Substantial overcrowding of existing public prisons
- Constrained supply with substantial lead times to deliver new beds
- Demographic trends point to higher prison populations
- Strong federal demand supported by increasing appropriations



Non-Cyclical Industry

Insulated from Economic Cycles

- Historically, general economic downturns have not materially affected industry demand for beds.



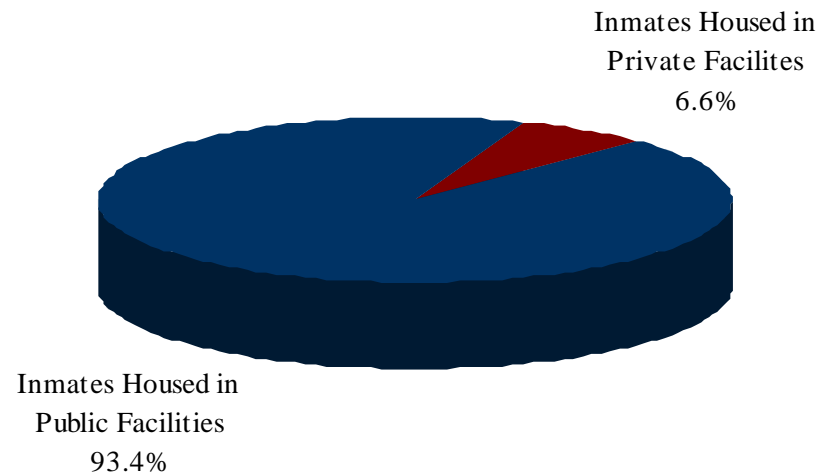
Source: Bureau of Justice Statistics – Sentenced Prisoners under the jurisdiction of State or Federal Correctional authorities.

Note: Total prison populations from 1925 to 1995 include inmates held in Federal and State systems only, but from 1995 populations include local inmates under the jurisdiction of State and Federal correctional authorities. The incarceration rate is defined as the average number of people in the United States confined in prisons per 100,000 United States residents.

Large and Under-penetrated Market

Our services address a total U.S. market that exceeds \$50 billion of which less than 7% is outsourced⁽¹⁾

- The number of privatized beds has grown from 10,973 beds in 1990 to over 140,000 today (19.6% CAGR).
- Despite this rapid growth, corrections privatization has barely scratched the surface of the estimated 2.1 million bed capacity of U.S. market.
- We believe there are trends in place that should enable the private sector to increase market share in the near term.



(1) BJS Prisoners in 2004

Prisons Are Overcrowded

Correctional systems are currently operating at or in excess of design capacity. At December 31, 2004 (most recent information available):

- 24 states were operating at 100% or more of their highest capacity;
- Measured in total, state prisons were operating at 99% of their highest capacity; and
- The Federal prison system was operating at 140% of its highest capacity.

Source: BJS Prisoners in 2004

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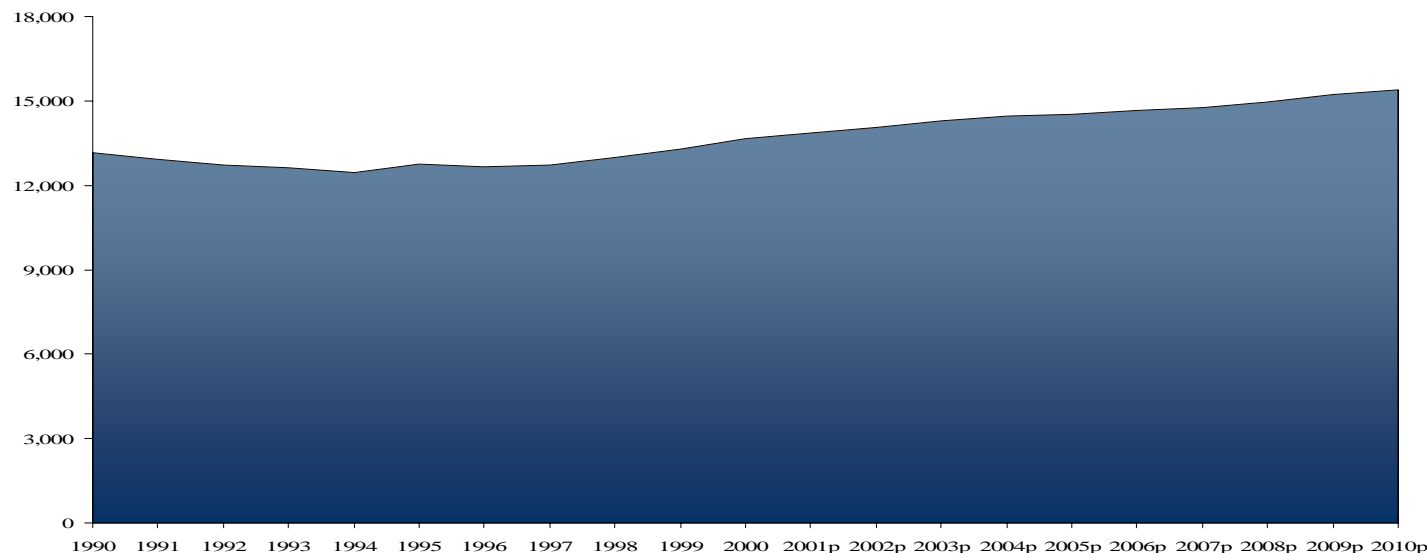
Constraints on New Prison Construction

- State budgets are showing signs of recovery from the 2001-2004 fiscal years. According to the National Conference of State Legislatures (“NCSL”), 42 states reported that overall revenue collections were above forecasts.
- Despite the improved revenue performance expected for FY2006, short term and long term spending demands also are increasing. Top fiscal concerns for the 2006 legislative sessions include Medicaid and other state provided health care programs, K-12 education and energy related issues.
- We believe these ongoing spending concerns will continue to hinder the funding of new prison construction.
- In addition to funding issues, difficulties associated with siting, bidding and constructing new prisons could effectively delay the addition of new prison bed supply for several years.

Increasing Demand for Prison Beds

Demographic Trends

- Statistics demonstrate that males between the ages of 18-24 are the demographic age group most likely to commit crimes and most likely to be caught, convicted and incarcerated.
- From 1990 through 1996 this demographic was declining; the U.S. Census Bureau now projects a steady increase in this section of the population.



Source: U.S. Census estimates and archives

Federal Demand

The Company believes demand from several federal agencies, particularly the Federal Bureau of Prisons (“BOP”) and Immigration and Customs Enforcement (“ICE”), will drive continued need for private sector capacity over the coming years:

- Currently there are over 188,000⁽¹⁾ inmates in BOP custody – at December 31, 2004, the BOP was operating at 40% over its total available bed capacity, and is projecting a shortfall of approximately 30,000 beds by 2011.
- On October 18, 2005, Secretary of Homeland Security Michael Chertoff, in prepared testimony to a Senate Judiciary Committee, promised to end the “catch and release” policy that has allowed tens of thousands of non-Mexican illegal aliens to disappear within the United States.
 - During FY 2005 (which ended 9/30/05), the Border Patrol apprehended more than 160,000 non-Mexican nationals, but only 30,000 were removed from the United States. The others were released, often on their own recognizance, because there was no place to hold them.

(1) BOP Website.

Favorable Federal Budget Initiatives

The FY2006 Budget ⁽¹⁾ includes the following provisions:

- Congress approved \$1.2 billion for the Office of Detention Trustee for prisoner detention, representing a 38% increase over approved fiscal 2005 funding. This funding is estimated to be sufficient to support 4,000 – 5,000 additional detention beds for the U.S. Marshals (USMS) for federal prisoner detention.
- \$1.4 billion approved for detention and removal operations in Immigrations and Customs Enforcement, a \$282 million increase over fiscal 2005 funding. The \$1.4 billion includes \$90 million in new money for additional bed capacity.
- Appropriations of approximately \$692 million to the BOP for contract confinement, an increase of \$105 million over fiscal 2005 funding.
 - Only \$90 million approved for BOP prison construction, modernization and repair.

(1) On December 30, 2005, Congress mandated a 1% rescission on all FY2006 appropriations to provide additional funding to the Department of Defense.

Favorable Federal Budget Initiatives

The President's FY2007 Budget submission ⁽¹⁾ includes the following provisions:

- \$1.33 billion to Office of Detention Trustee for prisoner detention, a \$110 million increase over approved FY06 funding.
- \$2.1 billion for detention and removal operations in Immigrations and Customs Enforcement (ICE), a \$700 million increase over approved FY06 funding; ICE estimates this funding will support more than 6,000 new detention beds in FY07, bringing the total number of beds available to 27,500.
- An increase of \$115 million in total budget authority to the BOP over approved FY06 funding: The submission also states that a recently released report by the National Institute of Justice found that contractors can offer affordable and safe alternatives to building new low security prisons.

(1) The President's FY07 budget submission was submitted to Congress on February 6, 2006.



CORRECTIONS CORPORATION OF AMERICA

Financial Overview



2005 Fourth Quarter Results

(\$ in millions, except per share and per man-day amounts)

	For the Quarter Ended December 31,			Change
	2005	2004		
Revenues	\$ 317.2	\$ 288.5		9.9%
Operating Expenses	234.4	216.3		8.4%
Operating Margin	\$ 82.8	\$ 72.2		14.7%
Margin %	26.1%	25.0%		4.4%
Diluted EPS	\$ 0.58	\$ 0.38		52.6%
Diluted EPS, as adjusted	\$ 0.60 ⁽¹⁾	\$ 0.41 ⁽²⁾		46.3%
Adjusted EBITDA ⁽³⁾	\$ 67.1	\$ 58.9		13.9%
Adjusted Free Cash Flow ⁽⁴⁾	\$ 41.5	\$ 30.1		37.9%
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Revenue per Man-day	\$ 51.66	\$ 49.76		3.8%
Operating Expense per Man-Day	37.92	37.09		2.2%
Operating Margin per Man-Day	\$ 13.74	\$ 12.67		8.4%
Total Compensated Man-days	6,053,534	5,686,367		6.5%

(1) Financial results for the fourth quarter of 2005 included a pre-tax charge of approximately \$1.0 million or \$0.02 per diluted share after taxes, for the acceleration of vesting of all outstanding stock options effective December 30, 2005. Diluted EPS, as adjusted, excludes this charge.

(2) Diluted EPS, as adjusted, for the quarter ended December 31, 2004 excludes \$0.03 of income tax charges related to an assessment by the IRS of taxes associated with prior refunds received by the Company during 2002 and 2003, partially offset by a net income tax benefit for the implementation of tax planning strategies. Diluted EPS, as adjusted, excludes this charge.

(3) Refer to Adjusted EBITDA Calculation provided in the Appendix section of this presentation.

(4) Refer to Adjusted Free Cash Flow Calculation provided in the Appendix section of this presentation.

2005 Full Year Results

(\$ in millions, except per share and per man-day amounts)

	For the Full Year Ended December 31,		
	2005	2004	Change
Revenues	\$ 1,192.6	\$ 1,126.4	5.9%
Operating Expenses	898.8	850.4	5.7%
Operating Margin	\$ 293.8	\$ 276.0	6.4%
Margin %	24.6%	24.5%	0.4%
Diluted EPS	\$ 1.25	\$ 1.55	-19.4%
Diluted EPS, as adjusted	\$ 1.84 ⁽¹⁾	\$ 1.55	18.7%
Adjusted EBITDA ⁽²⁾	\$ 237.5 ⁽²⁾	\$ 226.9 ⁽²⁾	4.7%
Adjusted Free Cash Flow ⁽³⁾	\$ 128.2	\$ 112.6	13.9%
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Revenue per Man-day	\$ 50.69	\$ 49.21	3.0%
Operating Expense per Man-Day	37.89	36.80	3.0%
Operating Margin per Man-Day	\$ 12.80	\$ 12.41	3.1%
Total Compensated Man-days	23,155,542	22,413,809	3.3%

(1) 2005 Diluted EPS excluding expenses associated with debt refinancing and recapitalization transactions and stock option compensation expense associated with accelerated vesting for stock options. Refer to the "Adjusted Diluted Earnings Per Share" calculation provided in the Appendix section of this presentation for a reconciliation to the most comparable figure computed in accordance with generally accepted accounting principles.

(2) Refer to Adjusted EBITDA Calculation provided in the Appendix section of this presentation.

(3) Refer to Adjusted Free Cash Flow Calculation provided in the Appendix section of this presentation.

Capitalization

Following the refinancing which occurred during the first quarter of 2006, 100% of the Company's funded outstanding debt is at fixed rates of interest ⁽¹⁾

(\$ in millions)

	December 31, 2005	% of Total Market Capitalization
Cash and cash equivalents	\$ 64.9	
Investments	19.0	
Total debt	975.6	35.3%
Market value of common stock	1,785.0	64.7%
Total market capitalization	\$ 2,760.6	100.0%
Debt to Total Market Capitalization	35.3%	
Weighted Average Stated Interest Rate, following refinancing	6.9%	

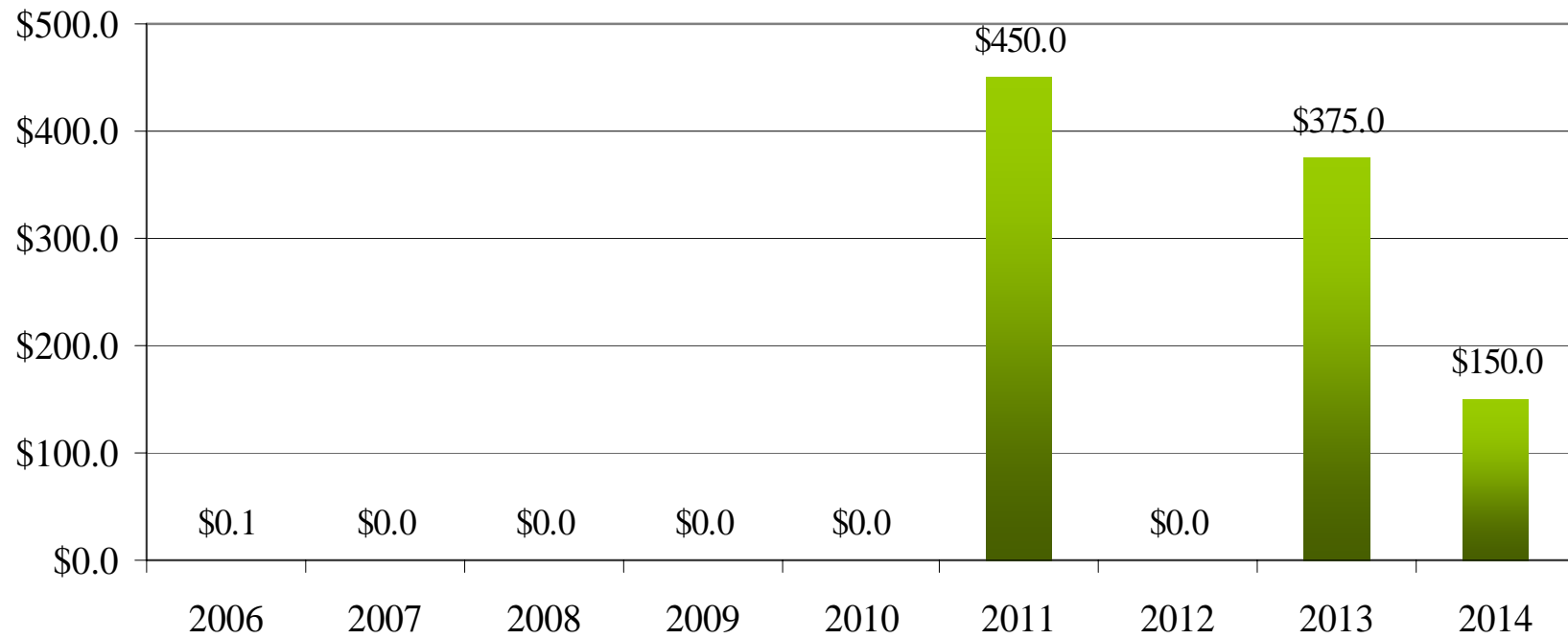
(1) Assumes no outstanding amount under the Company's new revolving credit facility.



Debt

Debt Maturity Schedule (following refinancing)

(\$ in millions)





CORRECTIONS CORPORATION OF AMERICA

Opportunities for Growth



Unique Investment Opportunity

In addition to the tightly constrained environment for prison capacity, CCA features a number of attractive investment attributes:

- The prison industry is insulated from economic cycles; demand continues to grow even in recessionary environments.
- Since substantially all of the Company's debt is at fixed rates (excluding its revolving credit facility), CCA is substantially insulated from the impact of rising interest rates.
- The impact on the Company of rising energy prices is muted, as most of our facilities are located in the South and Southwest, and utilities comprise less than 6% of operating expenses.
- Superior returns on investment: The Company is able to generate unleveraged, pre-tax returns on new real estate investments of between 13-15% of cost at a stabilized occupancy of 95%.

Opportunities for Growth

Specifically, we expect to generate growth in earnings and cash flow from four distinct sources:

- Filling the Company's existing empty beds;
- Expansion of existing facilities to meet the needs of existing and new customers;
- The development of new facilities in response to anticipated demand and/or specific customer requests; and
- The addition of new managed-only contracts.



Fill Existing Beds

Facility	Number of Beds Available as of January 31, 2006	Prospects
Stewart County Correctional Facility	1,524	Federal
North Fork Correctional Facility	1,440	Federal/Various Existing State Customers
T. Don Hutto Correctional Center	600 ⁽¹⁾	ICE
Eloy Detention Center	700 ⁽²⁾	ICE
Crowley County Correctional Facility	594	Colorado
	4,858	
Additional Incremental Beds Available	1,137	
TOTAL	5,995	

(1) In December 2005, the Company announced a new contract with ICE to manage up to 600 detainees at the T. Don Hutto facility. The Company has not yet begun to receive detainees pursuant to this contract and is currently in discussions with ICE regarding the nature and timing of the receipt of detainees from ICE.

(2) In January 2006, the Company received notification from the BOP of its intent not to exercise its renewal option expiring February 28, 2006 at the Company's Eloy Detention Facility. ICE detainees were also housed at the Eloy facility under a subcontract with the BOP. In February 2006, the Company announced it entered into an Intergovernmental Agreement with the City of Eloy and ICE. The agreement will enable ICE to continue utilizing the Eloy facility for existing and potential future requirements. The Company expects over time that the facility will be substantially utilized by ICE.

Develop New Facilities

	Number of Beds	Prospects
New Construction		
Red Rock Correctional Facility	1,596	Alaska/Various existing states
Saguaro Correctional Facility	1,896	Hawaii
Total	3,492	

As of February 10, 2006

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Expand Existing Beds

- During 2004 and 2005, the Company's facilities were expanded by 2,711 beds:

2004 Expansions		2005 Expansions	
Crossroads	56	Hernando	382
Crowley	594	Lake City	543
Florence	224	Silverdale	134
Houston	494		
Leavenworth	284		
Total 2004 Expansion Beds	<u>1,652</u>	Total 2005 Expansion Beds	<u>1,059</u>

- In October 2005, the Company completed the 1,524-bed Stewart County Correctional Facility.
- A total of 4,235 new beds have been brought online since January 2004.

Expand Existing Beds

- Recently the Company was awarded a contract to expand two managed-only facilities in Florida. Both of these expansions will be funded by Florida and construction is expected to be complete in the second or third quarter of 2007.
- During September 2005, the Company announced that Citrus County renewed its contract with the Company. The terms of the new contract include a 360-bed expansion, which commenced in the fourth quarter of 2005 and is expected to be complete in the first quarter of 2007.

2006-2007 Ongoing Expansions

Citrus County Detention Facility	360
Gadsden Correctional Institution	384
Bay Correctional Facility	<u>235</u>
Ongoing Expansion Beds	<u><u>979</u></u>

Addition of Managed-Only Business

- Managed-only business has historically constituted approximately 20% of the Company's total facility EBITDA.
- Because there is little or no capital outlay associated with managed-only business, it is typically more competitive, resulting in tighter margins.
- Although potentially more volatile because the facility is owned by the customer, margins on managed only contracts enhance the Company's overall return on invested assets as there is typically little or no capital investments associated with these contracts.



Conclusion

- Federal and State facilities are operating in excess of capacity.
- Budget shortfalls constrain construction of new beds.
- Demographic cycle indicates influx of prisoners.
- CCA is uniquely positioned to capitalize on these favorable industry dynamics:
 - Filling approximately 6,000 existing empty beds with minimal remaining capital outlays
 - Expanding existing facilities at superior returns, with internally generated funds
 - Potential of strong development pipeline
- Successfully exploiting these opportunities should result in strong earnings and cash flow growth.



CORRECTIONS CORPORATION OF AMERICA

Appendix



Reconciliation to GAAP

Calculation of Adjusted Diluted Earnings Per Share

\$ in thousands

	For the Year Ended December 31, 2005
Net income available to common stockholders	\$ 50,122
Special Items:	
Expenses associated with debt refinancing and recapitalization transactions	35,269
Stock option compensation expense associated with accelerated vesting	989
Income tax benefit for special items	(12,587)
Adjusted net income available to common stockholders	73,793
Interest expense applicable to convertible notes, net of taxes	129
Diluted adjusted net income available to common stockholders	\$ 73,922
Weighted average common shares outstanding - basic	38,475
Effect of dilutive securities:	
Stock options and warrants	1,149
Convertible notes	544
Restricted stock-based compensation	113
Weighted average shares and assumed conversions - diluted	40,281
Adjusted Diluted Earnings Per Share	\$ 1.84

Reconciliation to GAAP

Calculation of EBITDA and Adjusted EBITDA

\$ in thousands

	For the Quarter Ended December 31,		For the Year Ended December 31,	
	2005	2004	2005	2004
Net income	\$ 23,405	\$ 14,927	\$ 50,122	\$ 62,543
Interest expense, net	15,683	17,368	63,928	69,177
Depreciation and amortization	15,750	14,495	59,882	54,445
Income tax expense	11,071	12,102	26,888	41,514
(Income) loss from discontinued operations, net of taxes	249	18	442	(888)
EBITDA	\$ 66,158	\$ 58,910	\$ 201,262	\$ 226,791
Stock option compensation expense associated with accelerated vesting	989	-	989	-
Expenses associated with debt refinancing and recapitalization transactions	-	-	35,269	101
ADJUSTED EBITDA	\$ 67,147	\$ 58,910	\$ 237,520	\$ 226,892

Reconciliation to GAAP

Calculation of Adjusted Free Cash Flow

\$ in thousands

	For the Quarter Ended December 31,		For the Year Ended December 31,	
	2005	2004	2005	2004
Pre-tax income available to common stockholders	\$ 34,476	\$ 27,029	\$ 77,010	\$ 102,595
Expenses associated with debt refinancing and recapitalization transactions	-	-	35,269	101
Income taxes paid	(140)	(170)	(15,776)	(3,511)
Depreciation and amortization	15,750	14,495	59,882	54,445
Depreciation and amortization for discontinued operations	-	16	186	129
Income tax (benefit) expense for discontinued operations	(116)	(14)	(217)	542
Stock-based compensation reflected in G&A expenses	1,499	-	2,673	-
Amortization of debt costs and other non-cash interest	1,307	1,530	5,341	6,750
Maintenance and technology expenditures	(11,326)	(12,770)	(36,205)	(48,423)
Adjusted free cash flow	<u>\$ 41,450</u>	<u>\$ 30,116</u>	<u>\$ 128,163</u>	<u>\$ 112,628</u>

Reconciliation to GAAP

Net income excluding special charges, EBITDA, Adjusted EBITDA and Adjusted free cash flow are non-GAAP financial measures. The Company believes that these measures are important measures that supplement discussion and analysis of the Company's results of operations that are used to review and assess operating performance of the Company and its correctional facilities and their management teams. The Company believes that it is useful to provide investors, lenders and security analysts disclosures of its results of operations on the same basis as that used by management.

Management and investors review both the Company's overall performance (including GAAP EPS, net income and Adjusted free cash flow) and the operating performance of the Company's correctional facilities (EBITDA and Adjusted EBITDA). EBITDA and Adjusted EBITDA are useful as supplemental measures of the performance of the Company's correctional facilities because they do not take into account depreciation and amortization, tax provisions, or with respect to Adjusted EBITDA the impact of the Company's financing strategies. Because the historical cost accounting convention used for real estate assets requires depreciation (except on land), this accounting presentation assumes that the value of real estate assets diminishes at a level rate over time. Because of the unique structure, design and use of the Company's correctional facilities, management believes that assessing performance of the Company's correctional facilities without the impact of depreciation or amortization is useful.

The Company may make adjustments to GAAP net income, Adjusted EBITDA and Adjusted free cash flow from time to time for certain other income and expenses that it considers non-recurring, infrequent or unusual, such as the special charges in the preceding calculation of earnings per diluted share excluding special charges, even though such items may or may not require cash settlement, because such items do not reflect a necessary component of the ongoing operations of the Company. Other companies may calculate EBITDA, Adjusted EBITDA and Adjusted free cash flow differently than the Company does, or adjust for other items, and therefore comparability may be limited. EPS excluding special charges, EBITDA, Adjusted EBITDA and adjusted free cash flow are not measures of performance under GAAP, and should not be considered as an alternative to cash flows from operating activities or as a measure of liquidity or an alternative to net income as an indicator of the Company's operating performance or any other measure of performance derived in accordance with GAAP. This data should be read in conjunction with the Company's consolidated financial statements and related notes included in its filings with the Securities and Exchange Commission.

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