

Cornell Companies, Inc.

Non-GAAP Financial Measures and Reconciliations:

Adjusted Free Cash Flow per Diluted Share

(all figures in thousands except per share data)



	<u>FY 2010</u>	<u>FY 2009</u>
	<u>YTD</u> <u>3/31/2010</u>	<u>YTD</u> <u>12/31/2009</u>
Adjusted Free Cash Flow per Diluted Share		
Net Income	3,849	26,573
Adjustments:		
Depreciation and amortization	4,699	18,833
Income tax provision	2,831	17,955
Income taxes paid	(197)	(21,118)
Stock based compensation	729	3,575
Maintenance capital expenditures	(900)	(4,300)
Non-controlling interest	(569)	(1,947)
Amortization of debt costs and other non-cash interest	356	1,450
Adjusted Free Cash Flow	<u>10,798</u>	<u>41,021</u>
Diluted share count	<u>14,882</u>	<u>14,986</u>
Adjusted Free Cash Flow per Diluted Share	<u>\$ 0.73</u>	<u>\$ 2.74</u>