



Corrections Corporation of America Announces Record Date for Fourth Quarter Dividend and Dividends in Arrears On Shares of Series A Preferred Stock

December 13, 2001

NASHVILLE, Tenn., Dec 13, 2001 /PRNewswire via COMTEX/ -- Corrections Corporation of America (NYSE: CXW) announced today that, pursuant to the terms of the Company's Series A Cumulative Preferred Stock (the "Series A Preferred Stock"), the Company's board of directors has declared a cash dividend on the shares of Series A Preferred Stock for the period from October 1, 2001 through December 31, 2001 and for all five (5) quarters currently unpaid and in arrears, payable on Tuesday, January 15, 2002 to the holders of record of the Company's Series A Preferred Stock on Monday, December 31, 2001. As a result of the board's declaration, the holders of the Company's Series A Preferred Stock will be entitled to receive \$3.00 for every share of Series A Preferred Stock they hold on the record date. The dividend is based on a dividend rate of 8% per annum of the stock's stated value of \$25.00 per share.

Previously, the Company was restricted from paying dividends on the Series A Preferred Stock under its senior bank credit facility. However, as previously disclosed, on December 7, 2001 the Company obtained a modification to the facility removing the restriction and permitting the Company to pay all dividends currently held in arrears and all future dividends on the stock, as declared by the board of directors. The Company previously obtained a consent from its lenders under the senior credit facility to pay the October 15, 2001, dividend on the Series A Preferred Stock.

"We are pleased to become current on our Series A Preferred Stock dividends," said John D. Ferguson the Company's President and Chief Executive Officer. "Having the restriction removed to pay the quarterly dividends on the Series A Preferred Stock under our senior bank credit facility is another indication of the progress made by the Company. Additionally, the reinstatement of this dividend removes a significant impediment to the Company's ability to obtain an upgrade from the credit rating agencies."

The cash dividend paid on the Series A Preferred Stock on January 15, 2002, as well as all future dividends, will generally be treatable as a taxable dividend to the extent the Company has accumulated or current earnings or profits.

About the Company

The Company is the nation's largest provider of outsourced corrections management services, housing an inmate population larger than that of all but five public correctional systems in the United States. The Company specializes in owning, operating and managing prisons and other correctional facilities and providing inmate residential and prisoner transportation services for governmental agencies. In addition to providing the fundamental residential services relating to inmates, each of the Company's facilities offers a variety of rehabilitation and educational programs, including basic education, life skills and employment training and substance abuse treatment. The Company also provides health care (including medical, dental and psychiatric services), institutional food services and work and recreational programs. The Company owns or manages 70 facilities, including 68 correctional and detention facilities, with a total design capacity of approximately 65,000 beds in 21 states, the District of Columbia and Puerto Rico, of which 68 facilities are operating (two of which are idle) and two are under construction.

Forward-Looking Statements

This press release contains statements that are forward-looking statements as defined within the Private Securities Litigation Reform Act of 1995. These forward-looking statements 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, and these factors include, but are not limited to, the growth of the private corrections and detention industry, the Company's ability to obtain and maintain facility management contracts and general market conditions. The Company does not undertake any obligation to publicly release 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.

The Company takes no responsibility for updating the information contained in this press release following the date hereof or for any changes or modifications made to this press release or the information contained herein by any third-parties, including, but not limited to, any wire or Internet services.

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