



Corrections Corporation of America Announces Record Date for Second Quarter Paid-In-Kind Dividend on Shares of Series B Preferred Stock

June 11, 2002

NASHVILLE, Tenn., Jun 11, 2002 /PRNewswire-FirstCall via COMTEX/ -- Corrections Corporation of America (NYSE: CXW) announced today that, pursuant to the terms of the Company's Series B Cumulative Preferred Stock (the "Series B Preferred Stock"), the Company's board of directors has declared a paid-in-kind dividend on the shares of Series B Preferred Stock for the period from April 1, 2002 through June 30, 2002, payable on Monday, July 1, 2002 to the holders of record of the Company's Series B Preferred Stock on Friday, June 21, 2002. As a result of the board's declaration, the holders of the Company's Series B Preferred Stock will be entitled to receive 3.0 shares of Series B Preferred Stock for every 100 shares of Series B Preferred Stock they hold on the record date. The number of shares to be issued as the dividend is based on a dividend rate of 12% per annum of the stock's stated value (\$24.46 per share). The Company will pay cash in lieu of issuing fractional shares based on the shares' stated value.

Under the terms of the Series B Preferred Stock, the Company is required to pay quarterly dividends in arrears, when and as declared by the Company's board of directors, in additional shares of Series B Preferred Stock at a rate of 12% per year for the first three years following the issuance of the shares (i.e., until September 2003). Cash dividends are payable thereafter at a rate of 12% per year, provided that all accrued and unpaid cash dividends have been made on the Company's Series A Preferred Stock. The shares of Series B Preferred Stock currently outstanding and those to be issued as the dividend are not, and will not be, convertible at any time into shares of the Company's common stock.

The distribution of the shares of Series B Preferred Stock on July 1, 2002, as well as all future dividends whether paid in stock or cash, will generally be treated as a taxable dividend to the extent the Company has current or accumulated earnings or profits.

About the Company

The Company is the nation's largest owner and operator of privatized correctional and detention facilities and one of the largest prison operators in the United States, behind only the federal government and four states. The Company currently owns 40 correctional, detention and juvenile facilities, three of which are leased to other operators, and an additional facility which is not yet in operation. The Company also has a leasehold interest in a juvenile facility. Following the previously announced termination of the Company's Guayama, Puerto Rico contract, the Company will operate 61 facilities, including 37 company-owned facilities, with a total design capacity of approximately 60,000 beds in 21 states and the District of Columbia. 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, the Company's facilities offer a variety of rehabilitation and educational programs, including basic education, life skills and employment training and substance abuse treatment. These services are intended to reduce recidivism and to prepare inmates for their successful re-entry into society upon their release. The Company also provides health care (including medical, dental and psychiatric services), food services and work and recreational programs.

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.

MAKE YOUR OPINION COUNT - Click Here
<http://tbutton.prnewswire.com/prn/11690X73832813>

SOURCE Corrections Corporation of America

CONTACT: Karin Demler of Corrections Corporation of America,
+1-615-263-3005
(CXW)

<http://www.prnewswire.com>

Copyright (C) 2002 PR Newswire. All rights reserved.