



## **Corrections Corporation of America Re-Affirms Guidance and Intention to Open Stewart County Correctional Facility**

May 30, 2006

NASHVILLE, Tenn., May 30, 2006 - Corrections Corporation of America (NYSE: CXW) (the "Company") today announced that in light of the Federal Bureau of Prisons ("BOP") decision to award its Criminal Alien Requirement 5 ("CAR 5") to Reeves County, Texas, the Company is reaffirming its full year guidance issued in its May 3, 2006 first quarter earnings release and conference call. The Company expects diluted earnings per share for the second quarter of 2006 to be in the range of \$0.55 to \$0.59, and full year EPS to be in the range of \$2.20 to \$2.27, excluding \$0.02 per diluted share, net of taxes, for expenses associated with the debt refinancing transactions completed in the first quarter of 2006. The full year guidance includes expenses totaling \$0.07 per diluted share, net of taxes, for stock-based compensation.

CCA President and CEO, John Ferguson stated, "Despite the fact that the BOP has chosen a competing site for CAR 5 rather than our Stewart County Correctional Facility, as discussed in our first quarter earnings conference call, the Company expects to open its Stewart facility during the second half of 2006 based on our assessment of near-term business prospects. Further, in addition to the potential new business at the Stewart facility, the BOP's award to Reeves County will require the relocation of a significant number of Arizona inmates currently being housed in the Reeves County Detention Center III. We have several hundred beds we can make available to the state of Arizona in meeting any bed requirements they may have."

The Company currently houses approximately 1,200 Arizona inmates under an existing contract at its Diamondback Correctional Facility.

### **About the Company**

The Company is the nation's largest owner and operator of privatized correctional and detention facilities and the fifth largest prison operator in the United States, behind only the federal government and three states. The Company currently operates 63 facilities, including 39 company-owned facilities, with a total design capacity of approximately 71,000 beds in 19 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, religious services, 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.

### **Forward-Looking Statements**

This press release contains statements as to the Company's beliefs and expectations of the outcome of future events that are forward-looking statements as defined within the meaning of 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. These include, but are not limited to, the risks and uncertainties associated with: (i) fluctuations in the Company's 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; (ii) changes in the privatization of the corrections and detention industry, the public acceptance of the Company's services and the timing of the opening of and demand for new prison facilities; (iii) the Company's ability to obtain and maintain correctional facility management contracts, including as the result of sufficient governmental appropriations and as the result of inmate disturbances; (iv) increases in costs to construct 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, such as weather, labor conditions and material shortages, resulting in increased construction costs; and (v) general economic and market conditions. Other factors that could cause operating and financial results to differ are described in the filings made from time to time by the Company with the Securities and Exchange Commission.

The Company takes no responsibility for updating the information contained in this press release following the date hereof to reflect events or circumstances occurring after the date hereof or the occurrence of unanticipated events 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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