



Corrections Corporation of America Announces Contract Award with Federal Bureau of Prisons

December 23, 2004

NASHVILLE, Tenn.--(BUSINESS WIRE)--Dec. 23, 2004--Corrections Corporation of America (NYSE:CXW), the nation's largest provider of corrections management services to government, announced that it has received a contract award from the Federal Bureau of Prisons ("BOP") to house approximately 1,195 federal inmates at the Company's Northeast Ohio Correctional Center located in Youngstown, Ohio.

The contract, awarded as part of the Criminal Alien Requirement Phase 4 Solicitation ("CAR 4"), provides for an initial four-year term with three two-year renewal options. The terms of the contract provide for a 50% guaranteed rate of occupancy for 90 days following a Notice to Proceed, and a 90% guaranteed rate of occupancy thereafter.

The Company expects to receive a Notice to Proceed within 180 days of the contract award. Accordingly, the Company expects to incur staffing and other start-up expenses during the first and second quarters of 2005. Under the provisions of the award, the Company could earn revenues of up to approximately \$129 million during the initial four-year term of the contract.

"We are pleased that the Federal Bureau of Prisons has selected CCA to manage a portion of its inmate population," stated John Ferguson, President and CEO. "We view this contract award as an endorsement by the largest and perhaps the most respected corrections agency in the country and is a positive reflection on our company. We believe our commitment to providing quality service was an important factor in obtaining this award."

Ferguson continued, "The Youngstown community and the State's elected officials have been very supportive of CCA's efforts in regard to the BOP's solicitation process, and we are very appreciative of their endorsement. We look forward to being a strong community partner to them."

The CCA-owned and operated 2,016-bed Northeast Ohio Correctional Center currently houses approximately 300 prisoners on behalf of the U.S. Marshals Service. The Company expects to hire up to an additional 320 employees to manage the increased federal inmate population. CCA currently manages more than 7,000 federal offenders on behalf of the BOP at ten different company correctional facilities.

About CCA

CCA 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 three states. CCA currently operates 63 facilities, including 38 company-owned facilities, with a total design capacity of approximately 68,000 beds in 19 states and the District of Columbia. We specialize 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, our 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. CCA 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 CCA'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 our 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 our services and the timing of the opening of and demand for new prison facilities; (iii) our ability to obtain and maintain correctional facility management contracts, including as the result of sufficient governmental appropriations; (iv) our ability to obtain and maintain correctional facility management contracts, including as the result of inmate disturbances; (v) 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 our control, such as weather, labor conditions and material shortages, resulting in increased construction costs; and (vi) 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 us with the Securities and Exchange Commission.

CCA 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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SOURCE: Corrections Corporation of America