Corrections Corporation of America Announces First Quarter 2008 Financial Results and Additional Construction to Increase Design Capacity of Adams County Correctional Center

May 6, 2008

NASHVILLE, Tenn. - May 6, 2008 —Corrections Corporation of America (NYSE: CXW) (the "Company" or "CCA"), the nation's largest provider of corrections management services to government agencies, today announced its financial results for the first quarter ended March 31, 2008.

Financial Review
First Quarter of 2008 Compared with First Quarter of 2007

- Net income increased to $35.0 million from $32.6 million
- Net income per diluted share increased to $0.28 from $0.26
- EBITDA increased to $91.4 million from $84.1 million
- Adjusted Free Cash Flow increased to $72.7 million from $61.5 million
- 849 expansion beds placed into service during the first quarter of 2008

Financial results for the first quarter of 2008 were positively impacted by an increase in average daily compensated inmate populations from both federal and state customers. Management revenue from federal customers increased 6.9% to $152.0 million during the first quarter of 2008 from $142.2 million during the first quarter of 2007. The increase in federal revenue from the first quarter of 2007 resulted from an increase in utilization at our Stewart Detention Center under a contract with the Immigration and Customs Enforcement ("ICE") that became effective in October 2006, combined with the utilization by the U.S. Marshals Service ("USMS") of the 360-bed expansion at the Citrus County Detention Facility completed during the first quarter of 2007 as well as an increase in populations from all three federal agencies at several other facilities.

Management revenue from state customers increased 16.4% to $196.4 million during the first quarter of 2008 from $168.7 million for the same period in 2007. The increase in state revenue from the prior year quarter primarily resulted from contract awards resulting in additional inmates from the state of California, which now utilizes beds in five of our facilities, as well as the state of Arizona for which we house inmates at our Diamondback Correctional Facility. Additionally, our inmate populations from the state of Florida increased as a result of the expansions at Gadsden Correctional Institution and Bay Correctional Facility, both of which were completed during the third quarter of 2007. These increases were partially offset by a reduction in revenue resulting from lower populations at our D.C. Correctional Treatment Facility.

Also contributing to the improvement in federal and state revenue were increases in per diems obtained on several management contracts.

Our average daily compensated population increased 6.1% to 75,544 during the first quarter of 2008 from 71,206 during the first quarter of 2007. However, total portfolio occupancy decreased to 97.0% during the first quarter of 2008 from 98.0% during the first quarter of 2007 as a result of placing nearly 5,000 new beds into service since the first quarter of 2007.

Adjusted Free Cash Flow increased to $72.7 million during the first quarter of 2008 from $61.5 million generated during the same period in 2007. The increase in Adjusted Free Cash Flow was primarily attributable to an improvement in operating performance driven by new management contracts and a decrease in maintenance and technology capital expenditures.

EBITDA and Adjusted Free Cash Flow are non-GAAP financial measures. Please refer to the Supplemental Financial Information and related note following the financial statements herein for further discussion and reconciliations of these measures to GAAP financial measures.

Commenting on the financial results, President and CEO John Ferguson stated, "We delivered solid financial performance during the first quarter, and we are optimistic about our prospects in future quarters as we deliver new bed capacity. We continue to effectively execute our development program and expect to bring on-line approximately 6,900 additional beds during the remainder of 2008, preparing a foundation for future growth."

Ferguson continued, "Based on projected demand for prison beds by many of our existing state and federal customers we continue to pursue additional expansion and development opportunities."

Operations Highlights

For the quarters ended March 31, 2008 and 2007, key operating statistics for the continuing operations of the Company were as follows:

Metric		Quarter Ended March 31, 2008		2007	% Change
Average Available Beds		**77,899**		72,643	7.2%
Average Compensated Occupancy		**97.0%**		98.0%	-1.0%
Total Compensated Man-Days		**6,874,470**		6,408,581	7.3%
Average Daily Compensated Population		**75,544**		71,206	6.1%
Revenue per Compensated Man-Day	$	**55.98**	$	54.01	3.6%
Operating Expense per Compensated Man-Day:					
Fixed		**29.70**		28.55	4.0%
Variable		**9.88**		9.49	4.1%
Total		**39.58**		38.04	4.0%
Operating Margin per Compensated Man-Day	$	**16.40**	$	15.97	2.7%
Operating Margin		**29.3%**		29.6%	-1.0%

Total revenue for the first quarter of 2008 increased 10.8% to $388.4 million from $350.5 million during the same period in 2007, as total compensated man-days increased to 6.9 million from 6.4 million, and as revenue per compensated man-day increased to $55.98 from $54.01. The increase in revenue from the prior year period was predominately due to higher inmate populations from the state of California at our Florence and Tallahatchie facilities, the state of Arizona at our Diamondback facility as well as from the USMS at the Citrus facility and from ICE at our Stewart facility.

Total operating expenses per compensated man-day increased 4.0% to $39.58 during the first quarter of 2008 compared with $38.04 during the same period in 2007. In addition to general inflationary increases, our operating expenses included incremental costs associated with ramping-up inmate populations at a number of our facilities, primarily those facilities where expansion projects have recently been completed or where expansions will be completed in the near term.

Business Development Update

Today, CCA is announcing its intent to increase the total capacity of its Adams County Correctional Center, in Adams County, Mississippi which is currently under construction, by an additional 564-beds. The incremental cost of construction is estimated to be $30.0 million and is anticipated to be completed during the first quarter of 2009. Upon completion of the additional beds, the Adams County facility will have a total design capacity of 2,232 beds at a total estimated cost of $135.0 million.

Although we currently do not have a management contract for the Adams County facility, CCA decided to move forward with increasing the design capacity based on anticipated demand from federal and state agencies.

Facility Development Update ***Facilities Currently Under Development or Expansion*** Based upon our expectation of increased demand for bed capacity on behalf of a number of state and federal agencies, we expect to complete the following expansion and development projects:

Facilities Under Expansion or Development	Additional Beds	Total Bed Capacity Following Expansion	Estimated Completion	Estimated Total Cost *(in millions)*	Potential Customer(s)
Bent County Correctional Facility, Colorado	720	1,420	Q2 2008	$ 45.0	Colorado [1]
Leavenworth Detention Center, Kansas	266	1,033	Q2 2008	22.0	USMS [1]
Tallahatchie County Correctional Facility, Mississippi	720 128	2,672	Q2 2008 Q3 2008	53.5	California [1]
Cimarron Correctional Facility, Oklahoma	660	1,692	Q3 2008	45.0	Various States
Davis Correctional Facility, Oklahoma	660	1,670	Q3 2008	45.0	Various States
Adams County Correctional Center, Mississippi	1,668 564	2,232	Q4 2008 Q1 2009	135.0	Federal or Various States
La Palma Correctional Center, Arizona	3,060	3,060	Q3 2008 – Q2 2009	205.0	California [1]
Trousdale Correctional Center, Tennessee	2,040	2,040	Q4 2009	143.0	Various States and Federal
Total	10,486			$ 693.5	

[1] We currently have contracts in place with the stated customers to occupy these facilities; however, the contracts do not provide a guarantee of utilization.

In addition to the above listed projects, we continue to pursue additional development and expansion opportunities in order to satisfy increasing demand from existing and potential customers. We believe we have the ability to fund our current development activity with cash on hand, availability under our new $450.0 million revolving credit facility, and cash generated from operations.

Expansions or Developments Completed During 2007 and During First Quarter of 2008

Expansions or New Facilities Completed	Additional Beds	Completed	Customer(s)
2007			
Citrus County Detention Facility, Florida	360	Q1 2007	Citrus County
Crossroads Correctional Center, Montana	96	Q1 2007	State of Montana and USMS
Saguaro Correctional Facility, Arizona	1,896	Q2 2007	State of Hawaii
Gadsden Correctional Institution, Florida	384	Q3 2007	State of Florida
Bay Correctional Facility, Florida	235	Q3 2007	State of Florida
Tallahatchie County Correctional Facility, Mississippi	720	Q4 2007	State of California
North Fork Correctional Facility, Oklahoma	960	Q4 2007	State of California
Total 2007 Additional Beds Completed	4,651		
2008			
Eden Detention Center, Texas	129	Q1 2008	BOP
Kit Carson Correctional Center, Colorado	720	Q1 2008	State of Colorado
Total 2008 Additional Beds Completed	849		
Total	5,500		

Guidance

We expect diluted earnings per share ("EPS") for the second quarter of 2008 to be in the range of $0.28 to $0.30, and full year 2008 EPS to be in the range of $1.21 to $1.28.

During 2008, we expect to invest approximately $495.4 million in capital expenditures, consisting of approximately $450.0 million in prison construction and expansions that have been previously announced, $31.9 million in maintenance capital expenditures and $13.5 million in information technology. We also currently expect to pay approximately $50.0 million to $55.0 million in federal and state income taxes during 2008.

Supplemental Financial Information and Investor Presentations

We have made available on our website supplemental financial information and other data for the first quarter of 2008. We do not undertake any obligation, and disclaim any duty, to update any of the information disclosed in this report. Interested parties may access this information through our website at www.correctionscorp.com under "Financial Information" of the Investor section.

Management may meet with investors from time to time during the second quarter of 2008. Written materials used in the investor presentations will also be available on our website beginning on or about May 13, 2008. Interested parties may access this information through our website at www.correctionscorp.com under "Webcasts" of the Investor section.

Webcast and Replay Information

We will host a webcast conference call at 11:00 a.m. eastern time (10:00 a.m. central time) today, to discuss our first quarter 2008 financial results. To listen to this discussion, please access "Webcasts" on the Investor page at www.correctionscorp.com. The conference call will be archived on our website following the completion of the call. In addition, a telephonic replay will be available today at 2:00 p.m. eastern time through 11:59 p.m. eastern time on May 13, 2008, by dialing 888-203-1112, pass code 7611394.

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. We currently operate 65 facilities, including 41 company-owned facilities, with a total design capacity of approximately 78,500 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. We also provide 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 our 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, the timing of the opening of and demand for new prison facilities and the commencement of new management contracts; (iii) our ability to obtain and maintain correctional facility management contracts, including as a result of sufficient governmental appropriations and as a 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 our control, such as weather, labor conditions and material shortages, resulting in increased construction costs; (v) risks associated with judicial challenges regarding the transfer of California inmates to out of state private correctional facilities; 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.

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NOTE TO SUPPLEMENTAL FINANCIAL INFORMATION

EBITDA and Adjusted Free Cash Flow are non-GAAP financial measures. The Company believes that these measures are important operating measures that supplement discussion and analysis of the Company's results of operations and are used to review and assess operating performance of the Company and its correctional facilities and their management teams. The Company believes that it is useful to provide investors, lenders and security analysts disclosures of its results of operations on the same basis as that used by management.

Management and investors review both the Company's overall performance (including GAAP EPS, net income, and Adjusted Free Cash Flow) and the operating performance of the Company's correctional facilities (EBITDA). EBITDA is a useful supplemental measure of the performance of the Company's correctional facilities because it does not take into account depreciation and amortization and tax provisions. Because the historical cost accounting convention used for real estate assets requires depreciation (except on land), this accounting presentation assumes that the value of real estate assets diminishes at a level rate over time. Because of the unique structure, design and use of the Company's correctional facilities, management believes that assessing performance of the Company's correctional facilities without the impact of depreciation or amortization is useful. The calculation of Adjusted Free Cash Flow substitutes capital expenditures incurred to maintain the functionality and condition of the Company's correctional facilities in lieu of a provision for depreciation; Adjusted Free Cash Flow also excludes certain other non-cash expenses that do not affect the Company's ability to service debt.

The Company may make adjustments to GAAP net income, EBITDA and Adjusted Free Cash Flow from time to time for certain other income and expenses that it considers non-recurring, infrequent or unusual and because such items do not reflect a necessary component of the ongoing operations of the Company. Other companies may calculate EBITDA and Adjusted Free Cash Flow differently than the Company does, or adjust for other items, and therefore comparability may be limited. EBITDA and Adjusted Free Cash Flow are not measures of performance under GAAP, and should not be considered as an alternative to cash flows from operating activities, a measure of liquidity or an alternative to net income as indicators of the Company's operating performance or any other measure of performance derived in accordance with GAAP. This data should be read in conjunction with the Company's consolidated financial statements and related notes included in its filings with the Securities and Exchange Commission.

Contact:
Karin Demler:
(615) 263-3005