

CCA to Modify Contract With California Reducing Total Population

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NASHVILLE, TN, Jun 29, 2012 (MARKETWIRE via COMTEX) --CCA (Corrections Corporation of America) (NYSE: CXW), the nation's largest partnership corrections provider to government agencies, announced today that it has agreed to modify its existing contract with the California Department of Corrections and Rehabilitation (CDCR) to reduce the total number of inmates CCA houses for California from up to 9,588 to an average daily population of 9,038 for the upcoming fiscal year ending June 30, 2013. CCA currently houses approximately 9,200 inmates from the state of California.

As a result, CCA expects to begin ramping down the California out-of-state population to align with the CDCR's new budgeted level beginning in July 2012. The reduction is expected to be completed by October 1, 2012. The contractual 90% occupancy guarantee will be adjusted to reflect the lower contract capacity. All other terms of the contract remain unchanged. The full-year impact of the contract modification on earnings per share is estimated to be approximately \$0.04. However, at the present time, we are not revising our 2012 guidance, but will consider this and other factors when we provide updated guidance as part of our second quarter earnings release in August.

About CCA CCA is the nation's largest owner and operator of partnership correction 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 67 facilities, including 47 company-owned facilities, with a total design capacity of approximately 92,000 beds in 20 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 inmates 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) general economic and market conditions, including the impact governmental budgets can have on our per diem rates, occupancy and overall utilization; (ii) 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; (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) 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; (v) the outcome of California's realignment program and utilization of out of state private correctional capacity; and (vi) 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. 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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