

We are focused on delivering high quality services to benefit inmates' rehabilitation and re-entry into society, reduce recidivism rates, and align our business strategy with the long-term goals of our governmental partners.



America's Leader in Partnership Corrections

CCA was selected by U.S. Immigration and Customs Enforcement (ICE) to design, build and operate one of the largest facilities ever developed for ICE by the partnership corrections industry. The 2,400-bed facility in south Texas is designed to provide safe housing and support services to families that are in the custody of ICE.



## 2014 Highlights

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CCA reported growth in revenues from company owned and operated facilities in 2014. As a Real Estate Investment Trust, these facilities were key drivers for our growth in operating margin and operating income compared with 2013. Our improved results contributed to our ability to increase the cash dividend paid to shareholders to \$2.04 per share in 2014.

We achieved a 100% renewal rate for the 22 contracts up for renewal with our government partners in 2014. We believe our position as the largest private owner and operator of correctional facilities in the nation, our conservative and flexible balance sheet, our continued investments in new facilities, re-entry, technology and the CCA team set us apart from the competition. We expect our high contract renewal rate and the contribution from new facilities coming on line in the next year will contribute to our continued revenue growth in 2015.

CCA made a bold commitment to our government partners to focus on re-entry programs as a company-wide policy. We currently provide these programs to more than 20,000 individuals on any given day that are aimed at achieving this goal. We believe the combination of a well-trained and engaged staff focused on a more robust re-entry-centric environment within our facilities can deliver long-term benefits for everyone we serve.

CCA continues to strengthen its ethics and compliance programs to help ensure that we uphold the highest standards. As part of these programs, we expanded our corporate social responsibility standards, including the adoption of a Human Rights policy statement in 2014. We also created an independent Ethics and Compliance office that reports directly to the CEO. Our focus remains on achieving even higher levels of integrity and excellence to benefit all of CCA's stakeholders.

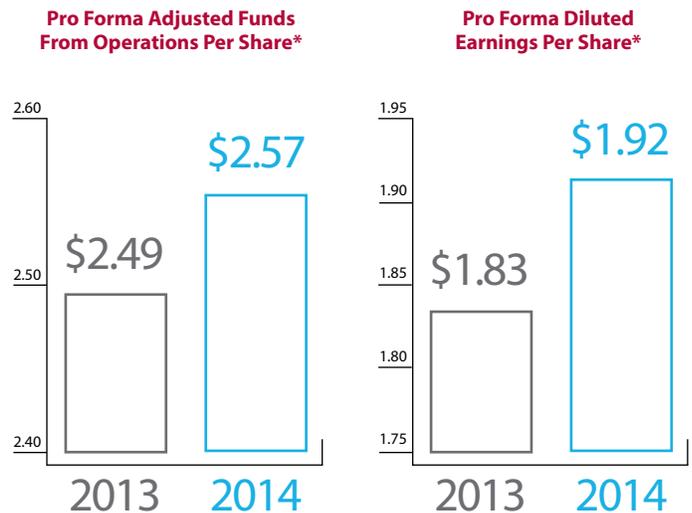
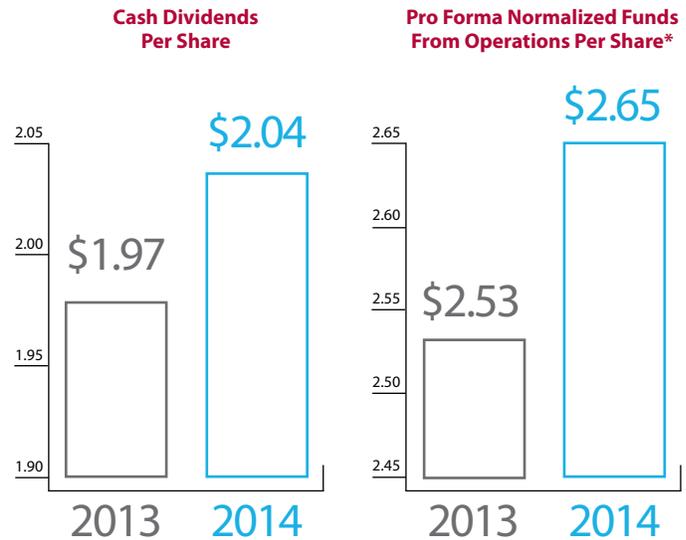


## CCA at a Glance



CCA, a publicly traded real estate investment trust (REIT), is the nation's largest owner of partnership correction and detention facilities and one of the largest prison operators in the United States. As of December 31, 2014, we owned or controlled 52 correctional and detention facilities and managed an additional 12 facilities owned by our government partners, with a total design capacity of approximately 84,500 beds in 19 states and the District of Columbia.

CCA specializes in owning, operating and managing prisons and other correctional facilities and providing residential, community re-entry and prisoner transportation services for governmental agencies. In addition to providing fundamental residential services, our facilities offer a variety of rehabilitation and educational programs, including basic education, faith-based services, life skills and employment training and substance abuse treatment. These services are intended to reduce recidivism and to prepare offenders for their successful re-entry into society upon their release.



\* Pro Forma Normalized FFO, Pro Forma AFFO and Pro Forma Diluted EPS are calculated as if the shares issued in connection with the special dividend in 2013 were issued as of the beginning of the periods presented and are measures calculated and presented on the basis of methodologies other than GAAP. Please refer to page A-1 in the Form 10-K insert accompanying the Annual Letter to Shareholders for a reconciliation to Pro Forma Normalized FFO, Pro Forma AFFO and Pro Forma Diluted EPS.

# Dear Shareholder:

CCA completed 2014 with solid momentum to propel future growth in our revenues, earnings and funds from operations. We are pleased to report growth in revenues from company owned and operated facilities in 2014 compared with the prior year. As a Real Estate Investment Trust (REIT), these facilities represent an essential core of our business and were the key drivers for our growth in operating margin and net operating income compared with 2013. Our improved results also allowed us to increase the cash dividend paid to shareholders to \$2.04 per share in 2014. We ended the year with a strong balance sheet that we expect will support our continued growth in the coming years.

We are pleased to report a 100% contract renewal rate in 2014 for company owned and managed facilities. We believe our success in renewing these contracts was due in part to our commitment to provide high quality services through a well-trained and committed team that is focused on providing safe and secure facilities. We also made a bold commitment to our government partners to focus on re-entry programs as a company-wide priority. We believe the combination of a well-trained and engaged staff focused on a more robust re-entry-centric environment within our facilities can deliver long-term benefits for everyone we serve.

## **Investing in CCA's Future New Facilities Drive Growth Opportunities**

CCA was selected by U.S. Immigration and Customs Enforcement (ICE) to design, build and operate one of the largest facilities ever developed for ICE by the partnership corrections industry. The South Texas Family Residential Center is a campus-style center designed to meet the needs of 2,400 women and children in a safe, humane and appropriate residential care center for families as they await their civil due process before immigration courts.

ICE was faced with the unprecedented task of addressing the humanitarian crisis on our nation's southwestern border and turned to CCA as a proven partner for this new facility. We accepted the first residents at the new facility on December 19, 2014, just 86 days after ICE selected CCA for the project.

The South Texas Family Residential Center is located in Dilley, Texas, and is being developed by a third-party lessor in two phases. The first phase that came online in December 2014 includes 480 beds, while the second phase is being constructed in neighborhood clusters of 480 beds that will open on a staggered timeline until we reach the planned capacity of 2,400 beds in the second quarter of 2015. In addition, the facility includes private rooms for attorney meetings, health care services, food services, child care opportunities and educational and support programs. We expect the new facility to be a major contributor to our growth in 2015.

We continue to expand our presence in California with added services and new facilities, including a new 1,492-bed company owned and managed facility outside of San Diego, California, to address this underserved market. The new Otay Mesa Detention Center will replace the San Diego Correctional Facility that we currently lease and manage. In addition to expanding our capacity by 500 beds, the Otay Mesa facility is LEED (Leadership in Energy and Environmental Design) certified and is designed to minimize the environmental impact of the new facility with state-of-the-art green features and energy conservation resources. We expect to transfer the populations we house for ICE and the United States Marshals Service at the San Diego Correctional Facility to Otay Mesa in the second half of 2015.

We expect to complete construction of a 2,552-bed correctional facility in Trousdale County, Tennessee in late 2015. CCA is financing, designing and building this state-of-the-art correctional facility in partnership with Trousdale County for the Tennessee Department of Correction. The new company owned facility will feature expanded programming opportunities for male residents that we expect to be an important part of their re-entry. We expect to open the new facility in the first quarter of 2016. It will be the fourth facility that CCA operates with Tennessee, a partnership that has spanned 20 years.

### Strengthening Re-entry Programs

The high rate of recidivism remains a costly issue for our federal, state and local partners. CCA increased its corporate focus on reducing recidivism with the acquisition in 2013 of Correctional Alternatives, Inc. (CAI), an operator of community corrections facilities in California. We believe CAI's cost-effective programs for housing and rehabilitation that include work furloughs, residential re-entry and home confinement will be important additions to our focus on re-entry programs.

It's estimated that over 95% of individuals in correctional settings will be released back into our communities upon serving out their sentence. We believe effective re-entry programming can deliver long-term benefits to these individuals and their communities by preparing them for a successful life after prison. As part of our increased focus on re-entry, we are expanding programs that teach life and vocational skills. We currently provide these programs to more than 20,000 individuals on any given day that are aimed at achieving this goal.



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Damon T. Hinger  
President and CEO

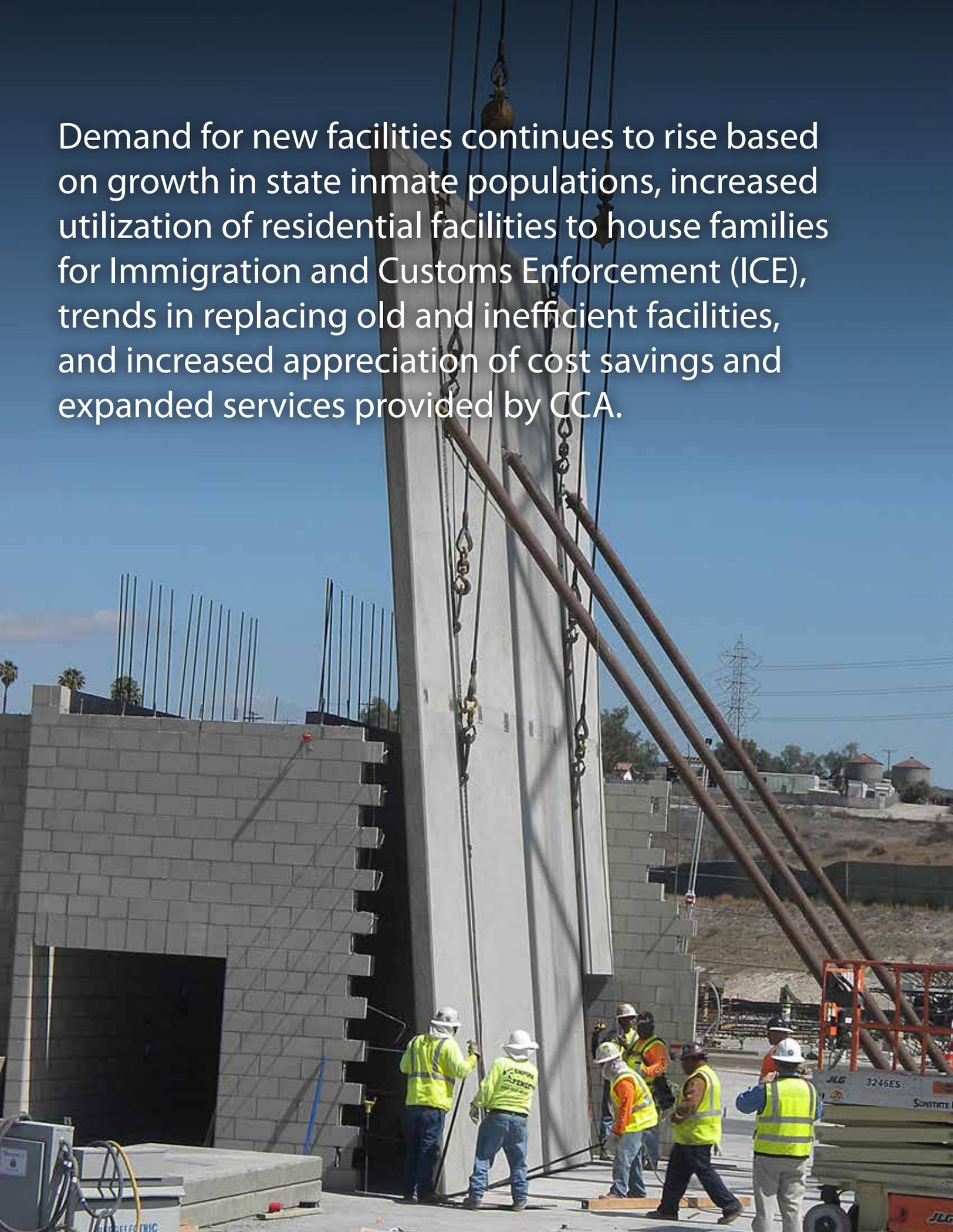


# 97.1%

As of December 31, 2014, CCA owned and controlled 52 correctional and detention facilities. These facilities represent our core real estate operations that generated 97.1% of our facility net operating income in 2014.



Demand for new facilities continues to rise based on growth in state inmate populations, increased utilization of residential facilities to house families for Immigration and Customs Enforcement (ICE), trends in replacing old and inefficient facilities, and increased appreciation of cost savings and expanded services provided by CCA.





CCA plans to add almost 6,500 new beds in the next year, including the 2,400-bed facility for ICE in south Texas, a 1,492-bed detention facility in Otay Mesa, California, and a 2,552-bed medium-security facility in Trousdale County, Tennessee. The new facilities, combined with existing capacity at other CCA facilities to meet just-in-time demand, provide meaningful growth opportunities for revenue, net income and improved cash flow in coming years.

### Technology Investments Drive Efficient Operations

CCA continues to make investments in new technologies that improve delivery of services, enhance safety and security, and drive efficient operations. We expanded CCA's Telehealth technology to additional facilities in 2014 to enhance the availability and quality of health services provided to offenders in our care. The new technology results in faster access to health care specialists without leaving the secure correctional environment.

We continue to develop our proprietary Inmate Management System to streamline facility processes. Our investment in new software upgrades increases staff effectiveness while providing operating efficiency benefits. In addition, CCA continues to enhance its in-facility technologies, such as state-of-the-art video surveillance and recording systems. We believe our investments in these new technologies highlight our ongoing commitment to improve our operations and enhance the quality of services we deliver on behalf of our government partners.

### Investing in Our People

CCA's team of nearly 14,000 employees are responsible for delivering high quality services in a challenging environment that operates 24 hours a day, seven days a week. It's a job that can be stressful at times, but also very rewarding. We are committed to investing in programs that support our team members, enhance their delivery of services and foster a company-wide culture that creates a sense of PRIDE that is unique to our team.

At CCA, PRIDE stands for Professionalism, Respect, Integrity, Duty and Excellence. We believe it is critically important to create a work environment that promotes safe and secure operations with role models for positive behaviors. It's "The CCA Way."

Last year, we launched CCA University to foster and develop future CCA leaders. Our goal is to train employees in areas such as leadership, operations and business management. We believe it will enhance the career paths for our team and strengthen our depth of management across our company. We graduated more than 325 managers from our College of Leadership program in 2014, and our goal is to graduate all 2,000 frontline leaders from the College over the next three years. We are currently developing the curriculum for CCA's Colleges of Business and Operations as expanded programs. In addition, we created the CCA Scholarship Fund to provide funding for CCA employees seeking educational opportunities outside the company. The program is available to every CCA employee and is administered by an independent community foundation. The Fund is about investing in our people, because we believe that an educated mind is an empowered mind.



# 100%

We launched CCA University to foster and develop future CCA leaders. We graduated our first class of 325 managers in 2014 and our goal is to graduate 100% of our frontline leaders over the next three years.



CCA continued to invest in our future with the development of new facilities, expanded re-entry programs, new technology to drive efficiencies and expanded training programs for employees. We believe our investments highlight our ongoing commitment to improve our operations and enhance the quality of services we deliver on behalf of our government partners.



John D. Ferguson  
Chairman of the Board



## Positive Outlook for Growth Opportunities

We remain very positive about CCA's growth opportunities as a REIT in the private corrections industry. Key drivers for expanding demand for private corrections beds include facility overcrowding, aging public facilities, growth in inmate populations, increased interest in re-entry programming and reducing operating costs for our governmental partners.

Almost half of the states and the Federal Bureau of Prisons have facilities that are operating at over 100% of stated capacity. In addition, demand for new beds at the state level has increased due to growth in their inmate populations. Many states are also under pressure to replace aging prison facilities that are inefficient to operate and provide a lower quality of life for inmates compared with newer facilities. There are almost 200,000 inmates housed in facilities that are at least 75 years old. We believe the economics of replacing these facilities and increased demand for programs that promote re-entry will result in opportunities for CCA in the future.

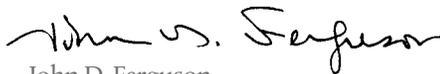
We believe CCA is positioned well to take advantage of these market dynamics. We had approximately 12,000 bought-and-paid-for available beds in inventory and an additional 800 available beds we manage in facilities owned by our government partners as we entered 2015. This inventory represents approximately \$0.80 to \$0.85 per diluted share in potential earnings. We are also actively marketing our design, build and manage services to a number of government partners for new or expanded facilities. Our contracts are typically three-to-five years, have multiple renewal options and are primarily with government entities at the federal, state and local levels that have investment grade credit ratings.

We believe CCA has additional growth opportunities to expand our real estate portfolio by purchasing correction and detention facilities from state and local governments. We offer a compelling value proposition to states by paying cash for their facilities and reducing their operational costs, including stemming the growth of long-term pension obligations.

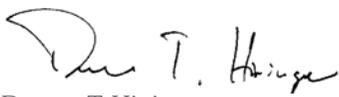
CCA owned facilities have been key drivers in winning new business and retaining existing business with government partners at the federal, state and local levels. We've experienced a 92.5% contract renewal rate for company-owned facilities over the past six years and we renewed 100% of the 22 contracts up for renewal last year. We believe our position as the largest private owner and operator of correctional facilities in the nation, our conservative and flexible balance sheet, our continued investments in new facilities, re-entry, technology and the CCA team set us apart from the competition.

We remain excited about the significant opportunities to build long-term shareholder value in the partnership corrections industry. We believe it's a growth market that holds the promise for CCA to expand our portfolio of company owned properties.

We want to thank our entire team at CCA for their continued contributions to our success. We value your investment in CCA and look forward to reporting on our continued progress in 2015.



John D. Ferguson  
Chairman of the Board



Damon T. Hininger  
President and Chief Executive Officer



# +6

CCA enhanced its already strong corrections programs, adding 6 new programs and placing a heavier emphasis on classes and resources that prepare offenders to live a productive life outside the correctional system.

## Directors

John D. Ferguson  
Chairman of the Board

Damon T. Hininger  
President and CEO

Donna M. Alvarado  
Audit and Risk Committee  
Nominating and Governance Committee

John D. Correnti  
Compensation Committee

Robert J. Dennis  
Compensation Committee

Mark A. Emkes  
Compensation Committee  
Nominating and Governance Committee

C. Michael Jacobi  
Audit and Risk Committee Chair

Anne L. Mariucci  
Audit and Risk Committee

Thurgood Marshall, Jr.  
Nominating and Governance Committee

Charles L. Overby  
Nominating and Governance  
Committee Chair  
Audit and Risk Committee

John R. Prann, Jr.  
Audit and Risk Committee  
Compensation Committee

Joseph V. Russell  
Compensation Committee Chair  
Nominating and Governance Committee

## Executive Officers

Damon T. Hininger  
President and CEO

Anthony L. Grande  
Executive Vice President and  
Chief Development Officer

Steven E. Groom  
Executive Vice President and  
General Counsel

Harley G. Lappin  
Executive Vice President and  
Chief Corrections Officer

Lucibeth N. Mayberry  
Senior Vice President, Real Estate

David M. Garfinkle  
Executive Vice President and  
Chief Financial Officer

Kim White  
Senior Vice President, Human Resources

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## Shareholder Information

Corporate Office  
Corrections Corporation of America  
10 Burton Hills Boulevard  
Nashville, TN 37215  
(615) 263-3000  
Website: [www.cca.com](http://www.cca.com)

Stock Information  
Our Common Stock is listed on the  
New York Stock Exchange, under the  
symbol CXW.

Stock Transfer Agent and Registrar  
American Stock Transfer &  
Trust Company, LLC  
6201 15th Avenue  
Brooklyn, NY 11219  
800-937-5449

Inquiries regarding stock transfers, lost  
certificates or address changes should  
be directed to the registrar and transfer  
agent at the address above.

Form 10-K and NYSE Certifications  
Upon written request, we will provide  
without charge a copy of our Form 10-K  
for the fiscal year ended December 31,  
2014 to our shareholders. Requests  
should be directed to:

Investor Relations  
Corrections Corporation of America  
10 Burton Hills Boulevard  
Nashville, TN 37215

Our Form 10-K is also available on our  
website at [www.cca.com](http://www.cca.com).



**America's Leader in Partnership Corrections**

Corrections Corporation of America  
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