



Corrections Corporation of America Announces Record Date for Dividend On Shares of Series A Preferred Stock

September 28, 2001

NASHVILLE, Tenn., Sep 28, 2001 (BUSINESS WIRE) -- Corrections Corporation of America (NYSE: CXW) announced today that pursuant to the terms of its 8% Series A Cumulative Preferred Stock (the "Series A Preferred Stock"), the Company's board of directors has declared a cash dividend on the shares of Series A Preferred Stock, payable on Monday, October 15, 2001, to the holders of record on Friday, October 5, 2001. As a result of the board's declaration, the holders of the Company's Series A Preferred Stock will be entitled to receive a cash dividend of \$0.50 per share, for every share of Series A Preferred Stock held on the record date. Under the terms of the Company's Charter, the dividend will be credited against the first quarter of previously accrued and unpaid dividends on the shares.

The Company is currently prohibited under the terms of its senior credit facility from paying dividends on the Company's Series A Preferred Stock. However, the Company has obtained a consent and waiver from the lenders under its senior credit facility to make this dividend payment. The waiver relates to only this dividend and the Company remains prohibited from paying any future dividends on the Series A Preferred Stock at this time. Following the payment of this dividend, Series A Preferred Stock dividends continue to be unpaid and in arrears for five quarters. In the event that dividends on the Series A Preferred Stock are unpaid and in arrears for six or more quarterly periods, the holders of the Series A Preferred Stock will have the right to elect two additional directors to the Company's board of directors.

The terms of the Series A Preferred Stock provide for the payment of quarterly dividends when and if declared by the Company's Board of Directors at a rate of 8% per year, based on the stated value of \$25.00 per share of the Series A Preferred Stock. The cash dividend paid on the Series A Preferred Stock on October 15, 2001, as well as all future dividends, will generally be treated as a taxable dividend.

About the Company

The Company is the nation's largest provider of outsourced correctional management services, housing an inmate population larger than that of all but five public correctional systems in the United States. 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, each of the Company's facilities offers a variety of rehabilitation and education programs, including basic education, life skills and employment training and substance abuse treatment. The Company also provides health care (including medical, dental and psychiatric services), institutional food services and work and recreational programs. The Company owns or manages approximately 65,000 beds in 70 facilities in the United States and Puerto Rico, with 64 facilities under contract for management containing approximately 61,000 beds, four leased facilities and two facilities under construction.

Forward-Looking Statements

This press release contains statements that are forward-looking statements as defined within 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. Factors that could cause operating and financial results to differ are described in the Company's Form 10-K, as well as in other documents filed with the Securities and Exchange Commission, and these factors include, but are not limited to, the growth of the private corrections and detention industry, the Company's ability to obtain and maintain facility management contracts and general market conditions. The Company does not undertake any obligation to publicly release the result of any revisions to forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

The Company takes no responsibility for updating the information contained in this press release following the date hereof or for any changes or modifications made to the 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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