




Corrections Corporation of America Announces Record Date for First Quarter Paid-In-Kind Dividend on Shares of Series B Preferred Stock

March 13, 2002

NASHVILLE, Tenn. – (BUSINESS WIRE) – March 13, 2002 – Corrections Corporation of America (NYSE: CXW  news) announced today that, pursuant to the terms of the Company's Series B Cumulative Preferred Stock (the "Series B Preferred Stock"), the Company's board of directors has declared a paid-in-kind dividend on the shares of Series B Preferred Stock for the period from January 1, 2002 through March 31, 2002, payable on Monday, April 1, 2002 to the holders of record of the Company's Series B Preferred Stock on Friday, March 22, 2002. As a result of the board's declaration, the holders of the Company's Series B Preferred Stock will be entitled to receive 3.0 shares of Series B Preferred Stock for every 100 shares of Series B Preferred Stock they hold on the record date. The number of shares to be issued as the dividend is based on a dividend rate of 12% per annum of the stock's stated value (\$24.46 per share). The Company will pay cash in lieu of issuing fractional shares based on the shares' stated value, a courtesy that will be extended to the beneficial holders of the Series B Preferred Stock.

Under the terms of the Series B Preferred Stock, the Company is required to pay quarterly dividends in arrears, when and as declared by the Company's board of directors, in additional shares of Series B Preferred Stock at a rate of 12% per year for the first three years following the issuance of the shares (i.e., until September 2003). Cash dividends are payable thereafter at a rate of 12% per year, provided that all accrued and unpaid cash dividends have been made on the Company's Series A Preferred Stock. The shares of Series B Preferred Stock currently outstanding and those to be issued as the dividend are not, and will not be, convertible at any time into shares of the Company's common stock.

The distribution of the shares of Series B Preferred Stock on April 1, 2002, as well as all future dividends whether paid in stock or cash, will generally be treated as a taxable dividend to the extent the Company has earnings or profits during 2002.

About the Company

The Company is the nation's largest provider of outsourced corrections 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 educational 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), food services and work and recreational programs. The Company owns or manages 70 facilities including 68 correctional and detention facilities with a total design capacity of approximately 65,000 beds in 21 states, the District of Columbia and Puerto Rico, of which 68 facilities are operating (two of which are idle) and two are under constructions.

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 this press release or the information contained herein by any third-parties, including, but not limited to, any wire or internet services.

SOURCE Corrections Corporation of America

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