



Corrections Corporation of America Receives Final Notice to Proceed from Federal Bureau of Prisons

May 26, 2005

NASHVILLE, Tenn.--(BUSINESS WIRE)--May 26, 2005--Corrections Corporation of America ("CCA") (NYSE:CXW), the nation's largest provider of corrections management services to government, received on May 25, 2005, a Notice to Proceed from the Federal Bureau of Prisons ("BOP") to begin performance of services on June 1, 2005, in regard to CCA's contract with the BOP to manage inmates at the Company's 2,016-bed Northeast Ohio Correctional Center. A Notice to Proceed serves as the last official procedure in the federal contract award process.

On December 23, 2004, the BOP awarded CCA the contract to manage an estimated 1,195 low-security federal inmates at the Northeast Ohio facility located in Youngstown, Ohio, with a provision to manage up to 1,374 federal inmates. The four-year contract, awarded as part of the Criminal Alien Requirement-Phase 4 solicitation, also provides for three (3) two-year renewal options. The terms of the contract provide for a 50% guaranteed rate of occupancy for 90 days following the commencement of services, and a 90% guaranteed rate of occupancy thereafter. Under provisions of the award, CCA could earn revenues of up to approximately \$129 million in the aggregate during the first four years of the contract.

In addition to the inmates to be housed on behalf of the BOP, the Company currently houses approximately 500 prisoners on behalf of the U.S. Marshals Service at the Northeast Ohio Correctional Center.

About the Company

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. The Company currently operates 64 facilities, including 39 company-owned facilities, with a total design capacity of approximately 70,000 beds in 19 states and the District of Columbia. 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, the Company's 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. The Company also provides 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 the Company's 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 the Company's 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 the Company's services and the timing of the opening of and demand for new prison facilities; (iii) the Company's ability to obtain and maintain correctional facility management contracts, including as the result of sufficient governmental appropriations and as the 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 the Company's control, such as weather, labor conditions and material shortages, resulting in increased construction costs; and (v) 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 the Company with the Securities and Exchange Commission.

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

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SOURCE: Corrections Corporation of America