



Corrections Corporation of America Enters into New Contract with Kentucky and Also Announces Closure of T. Don Hutto Correctional Center

July 14, 2005

NASHVILLE, Tenn., Jul 14, 2005 (BUSINESS WIRE) -- Corrections Corporation of America (CCA) (NYSE:CXW), the nation's largest provider of corrections management services to government agencies, announced today that it has entered into a new agreement with the state of Kentucky to house some of that state's female inmates at the Company's owned and operated Otter Creek Correctional Center in Wheelwright, Kentucky. CCA presently manages nearly 1,200 male inmates for Kentucky at two CCA facilities located in Kentucky.

Under the agreement between CCA and the Kentucky Department of Corrections, CCA will manage up to 400 female inmates at the 656-bed, recently-vacant Otter Creek facility. This facility previously housed Indiana inmates until May of 2005, when the inmate population was returned to the state. The Company expects to begin receiving prisoners at the facility on or before September 1, 2005. The terms of the contract include an initial two-year period, with four (4) two-year renewal options.

"We are very appreciative of the confidence Kentucky has placed in CCA by entrusting an additional population of their inmates to our care," said John Ferguson, president and CEO. "CCA has a strong level of experience in managing female inmate populations, including an emphasis on quality education, vocation and substance abuse treatment programming, and we are eager to provide our corrections management services for this new contract with Kentucky."

Closure of T. Don Hutto Correctional Center

The Company also announced its intention to cease operations at the CCA-owned and operated T. Don Hutto Correctional Center located in Taylor, Texas, effective early September 2005. The decision was based on the Company's assessment of near-term customer demand, primarily the United States Marshals Service (USMS). The facility currently houses approximately 100 USMS inmates, some of which will be transferred to other CCA facilities. CCA will work closely with the USMS to facilitate a smooth transfer of the inmates to other facilities. CCA will immediately begin pursuing opportunities to fill the vacant space.

The Company will update its 2005 earnings per share guidance in the news release announcing its financial results for the second quarter and first half of 2005 on August 4, 2005.

About CCA

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 four states. CCA currently operates 63 facilities, including 38 company-owned facilities, with a total design capacity of approximately 69,000 beds in 19 states and the District of Columbia. CCA 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, 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. CCA 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 CCA'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 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; (ii) changes in the privatization of the corrections and detention industry, the public acceptance of our services and the timing of the opening of and demand for new prison facilities; (iii) increases in costs to 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 costs; and (iv) 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 CCA 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 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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