



## **Corrections Corporation of America Receives Federal Bureau of Prisons Notice Not to Exercise Renewal Option at Eloy Detention Center**

January 11, 2006

NASHVILLE, Tenn.--(BUSINESS WIRE)--Jan. 11, 2006--Corrections Corporation of America (NYSE:CXW), the nation's largest provider of corrections management services to government agencies, announced today that it received notification from the Federal Bureau of Prisons ("BOP") of its intent not to exercise its renewal option at the Company's 1,500-bed Eloy Detention Center, located in Eloy, Arizona. At December 31, 2005, the Eloy facility housed approximately 500 inmates from the BOP and approximately 800 detainees from the Bureau of Immigration and Customs Enforcement ("ICE"), pursuant to a subcontract between the BOP and ICE. The Company anticipates that the BOP will complete the transfer of the approximately 500 BOP inmates from the Eloy facility to other BOP facilities by February 28, 2006.

The notice from the BOP expressly stated that its decision was not due to performance issues with the Company, but instead resulted from internal streamlining initiatives within the BOP. The Company does not believe the BOP's decision will affect other existing or potential future contracts between the Company and the BOP.

The agreement with the BOP, which commenced on March 1, 1999, provided for a fixed per-diem for the entire term of the contract, including renewal options, which could have run through February 28, 2009. Because the ICE detainees in the facility are currently housed under a subcontract with the BOP, the Company has begun discussions with ICE about plans to allow ICE to continue utilizing the Eloy facility for existing and potential future requirements. Should such an arrangement be reached with ICE, which the Company cannot assure, the Company would anticipate the loss of only BOP inmates. The Company intends that any new arrangement with any potential customer would provide for normal and customary revenue escalators as found in many of the Company's existing contracts.

Because discussions with ICE are in a preliminary stage, the Company is currently unable to determine the financial impact of these events. The Company does intend to provide earnings guidance for 2006 in the press release and conference call announcing its financial results for the fourth quarter and full year 2005 during February 2006.

### 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 three states. CCA currently operates 63 facilities, including 38 company-owned facilities, with a total design capacity of approximately 71,000 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 (including, in this instance, whether or not ICE will continue to utilize the Eloy facility for its detainees and the terms on which those detainees might be housed); (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.

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