



Corrections Corporation of America Announces Notice of Termination of Contract for Tallahatchie County Correctional Facility

January 13, 2004

Nashville, Tenn., January 13, 2004 - Corrections Corporation of America (NYSE: CXW) announced today that it has received notice from the Alabama Department of Corrections that it will withdraw 1,424 inmates currently housed at the Company's Tallahatchie County Correctional Facility in Tutwiler, Mississippi. These inmates are housed at the facility pursuant to a management contract that became effective July 6, 2003 under a temporary emergency agreement to provide the State of Alabama immediate relief to its overcrowded prison system. Although a specific date has not been set at this time, the Alabama Department of Corrections is expected to notify CCA as to when they will begin taking custody of the inmates. Based upon the terms of the contract, Alabama is required to compensate the Company at the guaranteed rate of 95% occupancy of the facility through March 11, 2004. For the most recent quarter, the facility generated approximately \$0.3 million in operating income for the Company, including the effect of depreciation and amortization expense of \$0.6 million.

Commissioner Donal Campbell, Alabama Department of Corrections stated in the letter of notification, "Our association with CCA was a very positive experience for the State of Alabama. CCA stepped in during a time of critical need and delivered exactly what they promised: high quality operations; excellent service, tailored to our specific needs; and seamless integration with our own state system." Commissioner Campbell continued, "Though temporary in nature, it was a good partnership for us. CCA was responsive and highly professional. Should our future needs dictate that we use an outside provider to supplement our own state resources, it is reassuring to know that we have a strong potential partner in CCA."

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 59 facilities, including 38 company-owned facilities, with a total design capacity of approximately 59,000 beds in 20 states and the District of Columbia. We specialize 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; the timing of the opening of new prison facilities; and obtaining new contracts or the renewal of existing contracts; and (iii) 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 SEC.

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.