



CCA Reports Arizona Budget Proposals to Phase Out Utilization of Private Prisons Outside of Arizona

January 21, 2010

NASHVILLE, TN, Jan 21, 2010 (MARKETWIRE via COMTEX) -- CCA (Corrections Corporation of America) (NYSE: CXW), the nation's largest partnership corrections provider to government agencies, announced today that the proposed budgets by the Arizona Governor and Legislature, released on January 15, 2010, would phase out the utilization of private out-of-state beds. CCA currently has management contracts with Arizona at its 752-bed Huerfano County Correctional Center in Walsenburg, Colorado and at its 2,160-bed Diamondback Correctional Facility in Watonga, Oklahoma.

The proposed phase-out of utilizing out-of-state beds is based on Arizona's budget crisis and its desire to utilize additional in-state capacity that will come on-line in 2010.

As a result of the budget proposals, there is a significant risk that CCA will lose the opportunity to house offenders from Arizona at its Huerfano and Diamondback facilities during 2010. Our contract with Arizona at Huerfano expires on March 8, 2010, and our contract at Diamondback expires on May 1, 2010. In the event that Arizona should not renew one or both of these contracts, CCA will work with Arizona officials related to the timing of any phase-out of Arizona inmate populations. We would anticipate that such populations would be transferred out within 30 to 60 days following expiration of each management contract. If Arizona removes its offender populations housed at these facilities, CCA will likely close both facilities. During 2009, CCA generated approximately \$56.5 million in revenues from both of these contracts.

"Although we are disappointed with the proposed budgets' initiative to eliminate utilization of out-of-state prison capacity, we understand our partner's fiscal concerns in a very difficult budgetary environment," said Damon Hinger, president and CEO. "We are hopeful that Arizona will move forward with a Request for Proposal for the construction and management of 5,000 partnership prison beds in the state of Arizona and remain committed to continuing our partnership with the state of Arizona. Although we do not currently manage any inmate populations from the state of Arizona at any of the six facilities we own in the state of Arizona, we are one of the state's top 50 employers and pay millions of dollars in taxes every year, making us a compelling partner for Arizona as it considers the addition of in-state partnership capacity."

About CCA

CCA is the nation's largest owner and operator of partnership correction and detention facilities and one of the largest prison operators in the United States, behind only the federal government and three states. We currently operate 65 facilities, including 44 company-owned facilities, with a total design capacity of approximately 87,000 beds in 19 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. We also provide 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 our 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) general economic and market conditions, including the impact governmental budgets can have on our per diem rates and occupancy; (ii) 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; (iii) our ability to obtain and maintain correctional facility management contracts, including as a result of sufficient governmental appropriations and as a result of inmate disturbances; (iv) changes in the privatization of the corrections and detention industry, the public acceptance of our services, the timing of the opening of and demand for new prison facilities and the commencement of new management contracts; (v) risks associated with judicial challenges regarding the transfer of California inmates to out of state private correctional facilities; and (vi) 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 our control, such as weather, labor conditions and material shortages, resulting in increased construction costs. Other factors that could cause operating and financial results to differ are described in the filings made from time to time by us 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.

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