CCA Announces New Management Contract at California City Correctional Center to House Federal Prisoner and Detainee Populations

September 27, 2010

Raises 2010 Adjusted EPS Guidance to a Range of $1.34 - $1.37 From $1.26 - $1.30

NASHVILLE, TN, Sep 27, 2010 (MARKETWIRE via COMTEX) --

CCA (NYSE: CXW) (the Company or Corrections Corporation of America), America's leader in partnership corrections and the nation's largest provider of corrections management services to government agencies, announced today an agreement with California City, California to manage federal populations at CCA's 2,304-bed California City Correctional Center under an Intergovernmental Service Agreement (IGA).

The management contract allows the housing of prisoners and detainees from multiple federal agencies. Under a 15-year agreement, CCA expects California City will begin ramping U.S. Marshals Service populations at the facility in early October 2010, utilizing approximately 1,200 beds by the third quarter of 2011.

As previously announced, CCA had planned to close the facility effective October 1, 2010 at the conclusion of a previous contract with the Federal Bureau of Prisons (BOP), but this new agreement will allow a portion of the California City facility to remain operational.

"Our more than 10 years of support within the California City community and the professionalism of our dedicated CCA employees have been instrumental in allowing us to meet the immediate needs of our federal partners," said Damon Hininger, President and CEO.

He continued, "This agreement reflects the significant progress we are making toward our goal of increasing utilization of CCA's existing facilities. It also demonstrates the long-term market opportunity for the outsourcing of corrections management services -- and that CCA is extremely well positioned to capitalize on it."

Guidance Update

CCA is raising its third quarter Diluted Earnings Per Share (EPS) guidance to a range of $0.37 to $0.38 from $0.31 to $0.33, and its fourth quarter EPS guidance to a range of $0.33 to $0.35 from $0.31 to $0.33. As a result, CCA is now expecting Adjusted Earnings Per Share (Adjusted EPS) for the full-year 2010 to be in the range of $1.34 to $1.37, compared to previous guidance of $1.26 to $1.30. CCA is also raising its full year Adjusted Funds From Operations Per Diluted Share guidance to a range of $2.15 to $2.23. Adjusted EPS for the full-year 2010 excludes goodwill impairment charges of $1.7 million, or $0.02 per diluted share, associated with the termination of the contracts to manage the Gadsden Correctional Institution and the Hernando County Jail, which charges were reported during the second quarter of 2010.

CCA is raising its third quarter earnings per share guidance primarily as a result of higher than anticipated U.S. Marshals Service (USMS) populations and better than expected operating performance at certain facilities. We believe the growth in USMS populations has been driven by increased demand and a delay in transfers of detainees from USMS custody to the custody of the BOP. This delay in transfers appears to be due to a temporary decline in available bed capacity within the BOP system related to its transition from our California City facility to a facility in Georgia operated by another third-party provider.

The increase in fourth quarter earnings per share guidance is primarily due to the new agreement at CCA's California City Correctional Center announced today as well as some continuation of the higher USMS population levels experienced in the third quarter. However, fourth quarter EPS is projected to decline sequentially from the third quarter, as current USMS populations at certain facilities are expected to decline when detainees are transferred from these facilities to our new Nevada Southern facility and to our California City facility beginning in October. Margins per man-day will be negatively impacted by these transfers, as populations are removed from facilities that are operating at very high occupancy levels and moved into facilities that will operate initially at lower occupancy levels. Current USMS populations are also expected to be negatively impacted as certain of the USMS detainees currently housed at CCA facilities are transferred to the custody of the BOP, which is expected to begin in October of this year. In addition, as previously reported, our California City facility has been operating under a BOP contract with a 95% occupancy guarantee which will expire on September 30, 2010. The previously announced end of this contract will negatively impact earnings in the fourth quarter.

The timing and level of inmate population transfers is uncertain, as is the projected level of USMS populations going forward. In developing our earnings guidance, we have incorporated our best estimate of the range of potential outcomes related to these uncertainties.

In addition to the factors favorably impacting Adjusted EPS, Adjusted Funds From Operations is also expected to be positively impacted by a reduction in income taxes CCA will pay during 2010 as a result of certain tax planning strategies implemented during the third quarter.

Adjusted EPS, Funds From Operations and Adjusted Funds From Operations, and their corresponding per share amounts, are measures calculated and presented on the basis of methodologies other than in accordance with generally accepted accounting principles (GAAP). Please refer to the Calculation of Adjusted Funds From Operations and related note provided at the end of this release.

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 66 facilities, including 44 company-owned facilities, with a total design capacity of approximately 90,000 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. 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, occupancy and overall utilization; (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.

CALCULATION OF ADJUSTED FUNDS FROM OPERATIONS PER SHARE GUIDANCE:

	Year Ending December 31, 2010	
	Low End of Guidance	High End of Guidance
Net income	$ 151,513	$ 154,344
Income tax expense	91,687	93,399
Income taxes paid	(69,312)	(70,607)
Depreciation and amortization	106,445	106,445
Other non-cash items	12,500	13,000
Funds From Operations	$ 292,833	$ 296,581
Maintenance and technology capital expenditures	(50,000)	(45,000)
Adjusted Funds From Operations	$ 242,833	$ 251,581
Funds From Operations Per Diluted Share	$ 2.59	$ 2.62
Adjusted Funds From Operations Per Diluted Share	$ 2.15	$ 2.23

NOTE TO SUPPLEMENTAL FINANCIAL INFORMATION

Adjusted diluted earnings, Funds From Operations or Adjusted Funds From Operations, and their corresponding per share metrics are non-GAAP financial measures. The Company believes that these measures are important operating measures that supplement discussion and analysis of the Company's results of operations and are used to review and assess operating performance of the Company and its correctional facilities and their management teams. The Company believes that it is useful to provide investors, lenders and security analysts disclosures of its results of operations on the same basis as that used by management.

Management and investors review both the Company's overall performance using GAAP and non-GAAP measures including Adjusted diluted earnings, Funds From Operations and Adjusted Funds From Operations, and their corresponding per share metrics, to assess the operating performance of the Company's correctional facilities. Funds From Operations and Adjusted Funds From Operations are useful as supplemental measures of the performance of the Company's correctional facilities because they do not take into account depreciation and amortization. Because the historical cost accounting convention used for real estate assets requires depreciation (except on land), this accounting presentation assumes that the value of real estate assets diminishes at a level rate over time. Because of the unique structure, design and use of the Company's correctional facilities, management believes that assessing performance of the Company's correctional facilities without the impact of depreciation or amortization is useful. The calculation of Adjusted Funds From Operations substitutes capital expenditures incurred to maintain the functionality and condition of the Company's correctional facilities in lieu of a provision for depreciation. Some of these capital expenditures contain a discretionary element with respect to when they are incurred, while others may be more urgent. Therefore, maintenance capital expenditures may fluctuate from quarter to quarter, depending on the nature of the expenditures required, seasonal factors such as weather, and budgetary conditions. The calculation of Funds

From Operations and Adjusted Funds From Operations also reflect the amount of income taxes paid. We continuously evaluate tax planning strategies to reduce the effective tax rate for financial reporting purposes as well as strategies to reduce the amount of taxes we pay. As a result, the amount of taxes we pay may fluctuate from period to period depending on the effectiveness of our strategies. The amount of taxes we pay may also result from many factors beyond our control, such as changes in tax law. Finally, income taxes paid fluctuate significantly from quarter to quarter based on statutory methods of computing inter-period payment requirements and the date such taxes are due.

The Company may make adjustments to GAAP net income, Funds From Operations and Adjusted Funds From Operations from time to time for certain other income and expenses that it considers non-recurring, infrequent or unusual, even though such items may require cash settlement, because such items do not reflect a necessary component of the ongoing operations of the Company. Other companies may calculate Adjusted net income, Funds From Operations and Adjusted Funds From Operations differently than the Company does, or adjust for other items, and therefore comparability may be limited. Adjusted diluted earnings, Funds From Operations and Adjusted Funds From Operations, and their corresponding per share measures, are not measures of performance under GAAP, and should not be considered as an alternative to cash flows from operating activities, a measure of liquidity or an alternative to net income as indicators of the Company's operating performance or any other measure of performance derived in accordance with GAAP. This data should be read in conjunction with the Company's consolidated financial statements and related notes included in its filings with the Securities and Exchange Commission.

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