



## CCA Assessing Feasibility of a REIT Conversion

May 3, 2012

NASHVILLE, TN, May 03, 2012 (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 it is assessing the feasibility of a Real Estate Investment Trust (REIT) conversion.

The board of directors and management of CCA evaluate on an ongoing basis how best to allocate the Company's capital resources and deliver long-term value to the Company's stockholders, as demonstrated by the Company's past stock repurchase programs and the Company's recently announced intention to initiate a quarterly dividend beginning in June 2012.

In the fourth quarter of 2011, following a review of various REIT structures, CCA initiated a project (the REIT Project) to assess the feasibility, benefits, costs and other issues associated with a potential conversion of the Company into a REIT where the Company would provide correctional services through a taxable REIT subsidiary (TRS, and collectively referred to as the TRS Structure). The Company initiated the REIT Project to evaluate the potential benefits the TRS Structure could provide, including an increase in long-term shareholder value, a more tax-efficient corporate structure with higher cash flow, and a lower cost of capital, while maintaining access to ample capital to fund future growth. The REIT Project will also assess the potential costs and operational challenges involved in converting to a TRS Structure.

Reorganizing under a TRS Structure could potentially provide CCA the ability to own correctional facilities and deliver the correctional services currently provided to our customers under a single consolidated entity. Thus, the TRS Structure could avoid the need to divide the Company into an independent REIT entity and independent operating company, as would generally be necessary for the Company under many other alternative REIT conversion structures (Alternative REIT Structures). Accordingly, the Company believes the TRS Structure could provide significant advantages over Alternative REIT Structures such as avoiding or minimizing certain unfavorable tax consequences associated with the division and distribution of the Company's assets, avoiding the need to reconfigure our management contracts, and providing greater flexibility to pursue growth opportunities following conversion.

The REIT Project involves the research and analysis of numerous complex tax, legal, financial and business issues. Recognizing the complexities associated with the REIT Project, the Company has assembled a team of outside tax, legal and financial advisors to assist in its evaluation of the TRS Structure. We are not in a position to reasonably assess the feasibility of the TRS Structure at this time nor are we able to reasonably estimate the date by which we will finalize our assessment; however, we have concluded that it would not be advisable to begin implementing the TRS Structure without a private letter ruling from the Internal Revenue Service. We have not submitted a request for a private letter ruling from the Internal Revenue Service at this stage in the REIT Project. While we will be thorough and diligent in performing the assessment, we also recognize the benefits of completing the assessment in a timely manner.

### 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 67 facilities, including 47 company-owned facilities, with a total design capacity of approximately 92,000 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) the outcome of our and our advisors' analysis of the feasibility of and the potential costs and operational challenges involved in converting the Company to a real estate investment trust structure, including our assessment of various complex tax, legal, financial and business issues and the likelihood of obtaining a favorable private letter ruling from the Internal Revenue Service; (ii) general economic and market conditions, including the impact governmental budgets can have on our per diem rates, occupancy and overall utilization; (iii) 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; (iv) 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; (v) 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; (vi) the outcome of California's realignment program and utilization of out of state private correctional capacity; and (vii) 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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