

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

SCHEDULE TO
(RULE 14D-100)
TENDER OFFER STATEMENT UNDER
SECTION 14(D) (L) OR 13(E) (L)
OF THE SECURITIES EXCHANGE ACT OF 1934

CORRECTIONS CORPORATION OF AMERICA
(Name of Subject Company (Issuer))
CORRECTIONS CORPORATION OF AMERICA
(Names of Filing Person (Offeror))

SERIES B CUMULATIVE CONVERTIBLE PREFERRED STOCK
(Title of Class of Securities)

22025Y 30 8 AND 74264N 30 3
(CUSIP Number of Class of Securities)

JOHN D. FERGUSON
CHIEF EXECUTIVE OFFICER
CORRECTIONS CORPORATION OF AMERICA
10 BURTON HILLS BOULEVARD
NASHVILLE, TN 37215
(615) 263-3000

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications on Behalf of Filing Persons)

Copies to:
F. MITCHELL WALKER, JR.
BASS, BERRY & SIMS PLC
315 DEADERICK STREET, SUITE 2700
NASHVILLE, TENNESSEE 37238
(615) 742-6200

CALCULATION OF FILING FEE

TRANSACTION
VALUATION*
AMOUNT OF
FILING
FEE** - ---

\$109,328,622
\$8,845

* Estimated for purposes of calculating the amount of the filing fee only.
Calculated by multiplying \$26.00 (the per share tender offer price) by
4,204,947, the number of shares of Correction Corporation of America's Series
B Cumulative Convertible Preferred Stock sought in the Offer.

** The amount of the filing fee equals \$80.90 per \$1 million of the transaction
value and is estimated in accordance with Rule 0-11 under the Securities
Exchange Act of 1934.

[] Check the box if any part of the fee is offset as provided by Rule
0-11(a)(2) and identify the filing with which the offsetting fee was
previously paid. Identify the previous filing by registration statement
number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: N/A
Form or Registration No.: N/A

Filing Party: N/A
Date Filed: N/A

[] Check the box if the filing relates solely to preliminary communications
made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which
the statement relates:

- [] third-party tender offer subject to Rule 14d-1.
- [X] issuer tender offer subject to Rule 13e-4.
- [] going-private transaction subject to Rule 13e-3.
- [] amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the
results of the tender offer: []

SCHEDULE TO

This Tender Offer Statement on Schedule TO ("Schedule TO") is being filed by Corrections Corporation of America, a Maryland corporation, pursuant to Rule 13e-4 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), in connection with its offer to purchase for cash up to 4,204,947 shares of its Series B Cumulative Convertible Preferred Stock, par value \$0.01 per share (the "Series B Preferred Stock"), upon the terms and subject to the conditions set forth in the Offer to Purchase, dated April 2, 2003 (the "Offer to Purchase"), and in the related Letter of Transmittal, copies of which are attached hereto as Exhibits (a)(1)(A) and (a)(1)(B), respectively (which, together with any supplements or amendments thereto, collectively constitute the "Offer").

The information in the Offer, including all schedules and annexes thereto, is hereby expressly incorporated herein by reference with respect to items 1-11 of this Schedule TO, except as otherwise set forth below.

ITEM 1. SUMMARY TERM SHEET.

The information set forth in the Offer to Purchase in the section titled "Summary Term Sheet" is incorporated herein by reference.

ITEM 2. SUBJECT COMPANY INFORMATION.

(a) The name of the issuer is Corrections Corporation of America ("CCA"). The address of CCA's principal executive offices is 10 Burton Hills Boulevard, Nashville, Tennessee 37215. CCA's telephone number is (615) 263-3000.

(b) The information set forth in the Offer to Purchase in the section titled "Summary Term Sheet" is incorporated herein by reference.

(c) The information set forth in the Offer to Purchase in the section titled "Certain Information About the Shares" is incorporated herein by reference.

ITEM 3. IDENTITY AND BACKGROUND OF FILING PERSON.

(a) The name of the filing person is Corrections Corporation of America. CCA is the subject company. The address of CCA's principal executive offices is 10 Burton Hills Boulevard, Nashville, Tennessee 37215. CCA's telephone number is (615) 263-3000.

Pursuant to Instruction C to Schedule TO, the following persons are the directors and/or executive officers of CCA:

NAME POSITION - ---- ---
----- William F.
Andrews.....
Chairman of the Board
John D.
Ferguson.....
President, Chief
Executive Officer and
Vice-Chairman of the
Board James A.
Seaton.....
Executive Vice President
and Chief Operating
Officer Irving E. Lingo,
Jr..... Executive
Vice President and Chief
Financial Officer G.A.
Puryear,
IV.....
Executive Vice
President, General
Counsel and Secretary
Ken A.
Bouldin.....
Executive Vice President
and Chief Development
Officer David M.
Garfinkle.....
Vice-President, Finance
Todd J.
Mullenger.....
Vice-President,
Treasurer Jimmy
Turner.....
Vice-President,
Operations Lucius E.
Burch, III.....
Director John D.
Correnti.....
Director John R.
Horne.....
Director C. Michael
Jacobi.....
Director Thurgood
Marshall, Jr.....
Director Charles L.
Overby.....
Director

NAME POSITION - ----
----- John R.
Prann,
Jr.....
Director Joseph V.
Russell.....
Director Henri L.
Wedell.....
Director

The business address and telephone number of each of the above directors and executive officers is c/o Corrections Corporation of America, 10 Burton Hills Boulevard, Nashville, Tennessee 37215 and (615) 263-3000.

ITEM 4. TERMS OF THE TRANSACTION.

- (a)(1)(i) The information set forth in the Offer to Purchase in the sections titled "Summary Term Sheet" and "Terms of the Offer -- General" is incorporated herein by reference.
- (a)(1)(ii) The information set forth in the Offer to Purchase in the sections titled "Summary Term Sheet," "Terms of the Offer," "Effect of the Offer on the Market for the Shares" and "Certain Information About the Shares" is incorporated herein by reference.
- (a)(1)(iii) The information set forth in the Offer to Purchase in the sections titled "Summary Term Sheet," "Terms of the Offer -- General" and "Terms of the Offer -- Extension of Tender Period; Termination; Amendment" is incorporated herein by reference.
- (a)(1)(iv) Not applicable.
- (a)(1)(v) The information set forth in the Offer to Purchase in the sections titled "Summary Term Sheet" and "Terms of the Offer -- Extension of Tender Period; Termination; Amendment" is incorporated herein by reference.
- (a)(1)(vi) The information set forth in the Offer to Purchase in the sections titled "Summary Term Sheet" and "Terms of the Offer -- Withdrawals of Tenders" is incorporated herein by reference.
- (a)(1)(vii) The information set forth in the Offer to Purchase in the sections titled "Summary Term Sheet," "Terms of the Offer -- Procedure for Tendering Shares" and "Terms of the Offer -- Withdrawal of Tenders" is incorporated herein by reference.
- (a)(1)(viii) The information set forth in the Offer to Purchase in the sections titled "Summary Term Sheet" and "Terms of the Offer -- Acceptance for Payment and Payment for Shares" is incorporated herein by reference.
- (a)(1)(ix) The information set forth in the Offer to Purchase in the sections titled "Summary Term Sheet" and "Terms of the Offer -- Acceptance for Payment and Payment for Shares" is incorporated herein by reference.
- (a)(1)(x) The information set forth in the Offer to Purchase in the sections titled "Summary Term Sheet" and "Effect of the Offer on the Market for the Shares" is incorporated herein by reference.
- (a)(1)(xi) Not applicable.
- (a)(1)(xii) The information set forth in the Offer to Purchase in the sections titled "Summary Term Sheet" and "Certain Federal Income Tax Consequences" is incorporated herein by reference.
- (a)(2)(i-vii) Not applicable.
- (b) The information set forth in the Offer to Purchase in the section titled "Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares" is incorporated herein by reference.

ITEM 5. PAST CONTACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS.

- (e) The information set forth in the Offer to Purchase in the sections titled "Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares" is incorporated herein by reference.

ITEM 6. PURPOSES OF THE TRANSACTION AND PLANS OR PROPOSALS.

- (a) The information set forth in the Offer to Purchase in the section titled "Summary Term Sheet," "Introduction," "Purpose of the Offer" and "Sources and Amount of Funds" is incorporated herein by reference.
- (b) The information set forth in the Offer to Purchase in the section titled "Purpose of the Offer" is incorporated herein by reference.
- (c)(1-10) The information set forth in the Offer to Purchase in the sections titled "Introduction," "Purpose of the Offer" and "Sources and Amount of Funds" is incorporated herein by reference.

ITEM 7. SOURCE AND AMOUNT OF FUNDS AND OTHER CONSIDERATION.

- (a) The information set forth in the Offer to Purchase in the sections titled "Summary Term Sheet" and "Sources and Amount of Funds" is incorporated herein by reference.
- (b) The information set forth in the Offer to Purchase in the sections titled "Summary Term Sheet," "Introduction," "Sources and Amount of Funds" and "Terms of the Offer -- Conditions to the Offer" is incorporated herein by reference.
- (d) The information set forth in the Offer to Purchase in the sections titled "Introduction" and "Sources and Amount of Funds" is incorporated herein by reference.

ITEM 8. INTEREST IN SECURITIES OF THE SUBJECT COMPANY.

- (a) The information set forth in the Offer to Purchase in the section titled "Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares" is incorporated herein by reference.
- (b) The information set forth in the Offer to Purchase in the section titled "Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares" is incorporated herein by reference.

ITEM 9. PERSONS/ASSETS, RETAINED, EMPLOYED, COMPENSATED OR USED.

- (a) The information set forth in the Offer to Purchase in the sections titled "Summary Term Sheet," "Dealer Manager, Information Agent and Depositary," "Solicitation Fees" and "Miscellaneous" is incorporated herein by reference.

ITEM 10. FINANCIAL STATEMENTS.

- (a)(1) Incorporated herein by reference from pages F-5 through F-72 of CCA's Annual Report on Form 10-K for the fiscal year ended December 31, 2002.
- (a)(2) Not applicable.
- (a)(3) The information set forth in the Offer to Purchase in the section titled "Ratio of Earnings to Fixed Charges" is incorporated herein by reference.
- (a)(4) The book value per share of the Series B Preferred Stock as of December 31, 2002 was \$24.46.

Copies of the financial statements incorporated herein by reference pursuant to clauses (a)(1-4) of this Item 10 can be obtained as provided in the sections of the Offer to Purchase titled "Where You Can Find Additional Information" and "Incorporation of Information by Reference."

- (b)(1-3) The information set forth in the Offer to Purchase in the sections titled "Ratio of Earnings to Fixed Charges" and "Unaudited Pro Forma Condensed Consolidated Financial Information" is incorporated herein by reference.

ITEM 11. ADDITIONAL INFORMATION

- (a)(1-2) The information set forth in the Offer to Purchase in the sections titled "Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares" and "Certain Legal Matters and Regulatory Approvals" is incorporated herein by reference.
- (a)(3-4) Not applicable.
- (a)(5) None.
- (b) The information set forth in the Offer to Purchase and the related Letter of Transmittal, copies of which are filed as Exhibits (a)(1)(A) and (a)(1)(B) hereto, respectively, is incorporated herein by reference.

ITEM 12. EXHIBITS.

- (a)(1)(A) Offer to Purchase, dated April 2, 2003.
- (a)(1)(B) Letter of Transmittal.
- (a)(1)(C) Form of Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- (a)(1)(D) Form of Letter from Lehman Brothers Inc. to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- (a)(1)(E) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
- (a)(2) None.
- (a)(3) Not applicable.
- (a)(4) Not applicable.
- (a)(5) Summary Advertisement.
- (b) None.
- (d) None.
- (g) Not applicable.
- (h) Not applicable.

ITEM 13. INFORMATION REQUIRED BY SCHEDULE 13E-3.

Not applicable.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

CORRECTIONS CORPORATION OF AMERICA

By: /s/ DAVID M. GARFINKLE

Name: David M. Garfinkle
Title: Vice President, Finance

Dated: April 2, 2003

EXHIBIT INDEX

EXHIBIT NO.
DESCRIPTION -
----- (a)
(1)(A) Offer
to Purchase,
dated April
2, 2003. (a)
(1)(B) Letter
of
Transmittal.
(a)(1)(C)
Form of
Letter to
Clients for
use by
Brokers,
Dealers,
Commercial
Banks, Trust
Companies and
Other
Nominees. (a)
(1)(D) Form
of Letter
from Lehman
Brothers Inc.
to Brokers,
Dealers,
Commercial
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Companies and
Other
Nominees. (a)
(1)(E)
Guidelines
for
Certification
of Taxpayer
Identification
Number on
Substitute
Form W-9. (a)
(5) Summary
Advertisement.

CORRECTIONS CORPORATION OF AMERICA
 OFFER TO PURCHASE FOR CASH
 UP TO 4,204,947 SHARES OF THE 4,672,163 OUTSTANDING SHARES OF ITS
 SERIES B CUMULATIVE CONVERTIBLE PREFERRED STOCK
 (CUSIP NOS. 22025Y 30 8 AND 74264N 30 3)
 AT A PURCHASE PRICE OF \$26.00 PER SHARE

THIS OFFER WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON APRIL 29, 2003, UNLESS EXTENDED (SUCH DATE, AS THE SAME MAY BE EXTENDED, THE "EXPIRATION DATE"). REGISTERED HOLDERS OF SHARES OF THE SERIES B CUMULATIVE CONVERTIBLE PREFERRED STOCK ("HOLDERS") MUST TENDER THEIR SHARES (AS DEFINED BELOW) ON OR PRIOR TO 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THE EXPIRATION DATE TO RECEIVE THE TENDER OFFER CONSIDERATION (AS DEFINED BELOW).

Corrections Corporation of America, a Maryland corporation formerly known as Prison Realty Trust, Inc. (the "Company"), hereby offers to purchase for cash with aggregate net proceeds from the Common Stock Offering and the Notes Offering (each as defined below) up to 4,204,947 shares, representing 90% of the outstanding shares as of April 1, 2003, of its Series B Cumulative Convertible Preferred Stock, par value \$0.01 per share (the "Shares"), upon the terms and subject to the conditions set forth in this Offer to Purchase (this "Offer to Purchase") and in the accompanying Letter of Transmittal (the "Letter of Transmittal," and together with this "Offer to Purchase," the "Offer"). If, at the expiration of the Offer, more than 4,204,947 Shares have been validly tendered and not withdrawn, and all other conditions are satisfied or waived, the Company will purchase 4,204,947 Shares on a pro rata basis from all tendering Holders, disregarding fractions, according to the number of Shares tendered by each Holder; provided, however, that "odd lots" (lots held by beneficial owners of less than 100 Shares) will be purchased on a priority basis.

The total consideration offered hereby is an amount, paid in cash, equal to \$26.00 per share, net to the Holder in cash, without interest (the "Tender Offer Consideration").

Tender of Shares made prior to 12:00 midnight, New York City time, on the Expiration Date may be validly withdrawn at any time until 12:00 midnight, New York City time, on the Expiration Date. In addition, in the event of a termination of the Offer without any Shares being purchased, the Shares tendered pursuant to the Offer will be promptly returned to the tendering Holders.

The Company currently intends to offer and sell 6,400,000 shares of the Company's common stock and raise \$102.3 million in estimated net proceeds (assuming a public offering price of \$17.00 per share) after deducting the underwriting discount and estimated expenses of the offering (the "Common Stock Offering"). In addition, the Company currently intends to offer and sell \$200.0 million aggregate principal amount of senior notes and raise \$194.0 million in estimated net proceeds, after deducting the underwriting discount and estimated expenses of the offering (the "Notes Offering"). The Company intends to use a portion of the net proceeds of the Common Stock Offering and the Notes Offering to fund the purchase of the Shares in connection with the Offer.

Notwithstanding any other provision of the Offer, the Company's obligations to accept for purchase, and to pay the Tender Offer Consideration for, each of the Shares validly tendered pursuant to the Offer is subject to, and conditioned upon, the satisfaction of or, where applicable, the Company's waiver of, the following:

- the receipt by the Company prior to 12:00 midnight, New York City time, on the Expiration Date of at least \$240.0 million of aggregate net proceeds from the Common Stock Offering and the Notes Offering, on terms and conditions satisfactory to the Company (the "Financing Condition"); and
- the General Conditions (as defined below in "Terms of the Offer--Conditions to the Offer").

Subject to the terms and conditions set forth in the Offer, the Tender Offer Consideration to which a tendering Holder is entitled pursuant to the Offer will be paid promptly following the Expiration Date. Under no circumstances will any interest be payable because of any delay in the transmission of funds to Holders by the Depositary (as defined below).

Any questions or requests for assistance may be directed to the Dealer Manager (as defined below). Requests for copies of Offer materials should be directed to the Information Agent at the telephone numbers set forth on the back cover of this Offer to Purchase. Neither the Company nor its Board of Directors nor the Dealer Manager makes any recommendation as to whether or not Holders should tender their Shares pursuant to the Offer.

The Information Agent for the Offer is D.F. King & Co., Inc. (the "Information Agent"). The Depositary for the Offer is The Bank of New York (the "Depositary").

The Dealer Manager for the Offer is
 LEHMAN BROTHERS
 April 2, 2003

IMPORTANT

Any Holder desiring to tender Shares pursuant to the Offer should either (i) complete and sign the Letter of Transmittal (or a facsimile thereof) in accordance with the instructions to the Letter of Transmittal and mail or deliver such manually signed Letter of Transmittal (or such manually signed facsimile thereof), together with a certificate evidencing such Shares (or confirmation of the transfer of such Shares into the account of the Depository with the Depository Trust Company ("DTC") pursuant to the procedures for book-entry transfer set forth herein) and any other documents required by the Letter of Transmittal or an Agent's Message (as defined herein) in the case of a book-entry transfer, to the Depository, or (ii) request its broker, dealer, commercial bank, trust company or other nominee to effect the transaction for such Holder. Beneficial owners whose Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee must instruct such nominee to tender the Shares on the beneficial owner's behalf.

The DTC has authorized DTC participants that hold Shares on behalf of beneficial owners of Shares through DTC to tender their Shares as if they were Holders. To effect a tender, DTC participants may, in lieu of physically completing and signing the Letter of Transmittal, transmit their acceptance to DTC through the DTC Automated Tender Offer Program ("ATOP") for which the transaction will be eligible and follow the procedure for book-entry transfer set forth in "Terms of the Offer--Procedure for Tendering Shares."

A beneficial owner of shares tendered by tendering Holders will not be obligated to pay brokerage fees or commissions to the Dealer Manager, the Depository, the Information Agent or the Company. Beneficial owners may also contact their brokers, dealers, commercial banks or trust companies through which they hold the Shares with questions and requests for assistance.

This Offer to Purchase and the Letter of Transmittal contain important information that should be read before any decision is made with respect to a tender of Shares.

This Offer is not being made to (nor will tenders of shares be accepted from or on behalf of) Holders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on the Company's behalf by the Dealer Manager or one or more registered brokers or dealers licensed under the laws of the jurisdiction.

The delivery of this Offer to Purchase shall not under any circumstances create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein or in any attachments hereto or in the affairs of the Company or any of its subsidiaries or affiliates since the date hereof.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Offer to Purchase and, if given or made, such information or representation may not be relied upon as having been authorized by the Company or the Dealer Manager.

The Company's Board of Directors has approved the Offer. In addition, the Company's directors and executive officers who own Shares have indicated to the Company that they currently intend to tender all of their Shares that they are not restricted by contract from tendering in the Offer. However, neither the Company nor its Board of Directors nor the Dealer Manager makes any recommendation to Holders as to whether to tender or refrain from tendering Shares, and none of them have authorized any person to make such a recommendation. Holders are advised to evaluate carefully all information in the Offer, consult with their own investment and tax advisors and make their own decision as to whether to tender Shares and, if so, how many Shares to tender.

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TO HOLDERS OF CORRECTIONS CORPORATION OF AMERICA'S
SERIES B CUMULATIVE CONVERTIBLE PREFERRED STOCK

This Offer to Purchase and the related Letter of Transmittal contain important information that should be read carefully before any decision is made with respect to the Offer.

SUMMARY TERM SHEET

The following summary is provided solely for the convenience of Holders. This summary is not intended to be complete and is qualified in its entirety by reference to the full text and more specific details contained elsewhere in this Offer to Purchase, the Letter of Transmittal and any amendments or supplements hereto or thereto. Holders are advised to read this Offer to Purchase in its entirety. Each of the capitalized terms used in this summary and not defined herein has the meaning set forth elsewhere in this Offer to Purchase.

- Who is Offering to Purchase My Shares?..... Corrections Corporation of America, a Maryland corporation.
- What is the Purpose of the Offer?..... The purpose of the Offer is to acquire up to 4,204,947 Shares. The Company is undertaking the Offer and simultaneously undertaking certain other transactions described herein in order to enhance the Company's capital structure and to provide the Company additional financing flexibility to enable it to more effectively execute its business objectives in the future. See "Purpose of the Offer."
- What will the Purchase Price for the Shares be?..... \$26.00 per share, net to the Holder in cash, without interest. No payments will be made for any dividends on the Shares that are accrued and unpaid as of the date payment is made for the Shares. See "Terms of the Offer--General."
- How Many Shares will the Company Purchase?..... The Company is offering to purchase for cash up to 4,204,947 Shares, representing 90% of the 4,672,163 outstanding Shares as of April 1, 2003, at the price per Share set forth below, on the terms and subject to the conditions set forth herein, including without limitation the Financing Condition. If, at the expiration of the Offer, more than 4,204,947 Shares have been validly tendered and not withdrawn, and all other conditions are satisfied or waived, the Company will purchase 4,204,947 Shares on a pro rata basis from all tendering Holders, disregarding fractions, according to the number of Shares tendered by each Holder; provided, however, that "odd lots" (lots held by beneficial owners of less than 100 Shares) will be purchased on a priority basis. All securities tendered and not purchased pursuant to the Offer because of such pro-ration will be returned to the tendering Holders at the Company's expense as promptly as practicable following the Expiration Date. See "Introduction" and "Terms of the Offer."
- How Long do I Have to Tender My Shares?..... The Offer will expire at 12:00 midnight, New York City time, on April 29, 2003, unless extended or earlier terminated by the Company. The Company retains the right to extend the Offer, if necessary, so that the Expiration Date occurs upon or shortly

after the satisfaction of the conditions to the Offer. Any extension, delay, termination, waiver or amendment of the Offer will be followed as promptly as practicable by public announcement in the case of an extension of the Offer to be made no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. Any public announcement made pursuant to the Offer will be disseminated promptly to the Holders in a manner reasonably designed to inform Holders of such change. See "Terms of the Offer--Extension of Tender Period; Termination; Amendment."

When will the Company Pay Me
for the Shares I Tender?.....

Payment in respect of any Shares that are validly tendered prior to 12:00 midnight, New York City time, on the Expiration Date is expected to be promptly following the Expiration Date. The Company reserves the right, in its sole discretion, to delay payment in order to comply with any applicable law. See "Terms of the Offer--General."

How do I Tender My Shares?....

See "Terms of the Offer--Procedure for Tendering Shares." For further information, call the Dealer Manager at the telephone numbers set forth on the back cover of this Offer to Purchase or consult your broker, dealer, commercial bank or trust company for assistance.

Once I Have Tendered My
Shares, Can I Withdraw My
Tendered Shares?.....

Tenders of Shares made prior to 12:00 midnight, New York City time, on the Expiration Date may be validly withdrawn at any time up until 12:00 midnight, New York City time, on the Expiration Date, or if the Company has not yet accepted your Shares, after May 28, 2003. In the event of a termination of the Offer, the Shares tendered pursuant to the Offer will be promptly returned to the tendering Holders. For proper procedures on how to withdraw your tendered Shares, please see "Terms of Offer--Withdrawal of Tenders."

What Do the Company and Its
Board of Directors Think of
the Offer?.....

The Company's Board of Directors has approved the Offer. In addition, the Company's directors and executive officers who own Shares have indicated to the Company that they currently intend to tender all of their Shares that they are not restricted by contract from tendering in the Offer. However, neither the Company nor its Board of Directors nor the Dealer Manager makes any recommendation to Holders as to whether to tender or refrain from tendering Shares, and none of them have authorized any person to make such a recommendation. Holders are advised to evaluate carefully all information in the Offer, consult with their own investment and tax advisors and make their own decision as to whether to tender Shares and, if so, how many Shares to tender.

How will the Company Pay for My Shares and Does It Have the Financial Resources to Make Payment?.....

The Company currently intends to raise \$296.3 million in estimated net proceeds from the Common Stock Offering and the Notes Offering to fund the purchase of the Shares. If such offerings do not raise \$240.0 million in aggregate net proceeds on terms and conditions satisfactory to the Company, the Company may elect to terminate the Offer. At the time of this Offer, the Company does not have any alternative financing arrangements or plans in the event such offerings do not raise the necessary capital for the Offer. See "Sources and Amount of Funds."

Are there any Conditions to the Offer?.....

The Company's obligation to accept for payment, and to pay for, Shares validly tendered pursuant to the Offer is conditioned upon satisfaction of the Financing Condition and the General Conditions. See "Terms of the Offer--Conditions to the Offer."

If I Decide Not to Tender, How will the Offer Affect My Shares?.....

If you decide not to tender your Shares in the Offer, you will continue to hold your Shares. To the extent that Shares are tendered and accepted in the Offer, the trading market for the Shares may be adversely affected due to the smaller number of Shares available for trading. Regardless of the number of Shares tendered in the Offer, the Company does not intend to delist the Shares from the New York Stock Exchange ("NYSE") upon completion of the Offer and does not believe that the rules of the NYSE would require the Shares to be delisted. See "Effect of the Offer on the Market for the Shares."

What are the U.S. Federal Income Tax Consequences if I Tender My Shares?.....

Your receipt of cash for Shares validly tendered in the Offer will be a taxable transaction for U.S. federal income tax purposes. Any cash you receive that is attributable to accrued and unpaid dividends will be taxable as ordinary income to you to the extent the Company has sufficient current or accumulated earnings and profits. In addition, if you meet certain conditions, you will recognize gain or loss in an amount equal to the difference between (1) the cash that you receive in the Offer that is attributable to the exchange of your Shares and (2) your adjusted tax basis in the Shares that you surrender in the Offer. That gain or loss will be a capital gain or loss if the Shares are capital assets in your hands and if you meet certain additional requirements. Any capital gain or loss will be long term capital gain or loss if you have held the Shares for more than one year at the time the Offer is completed. The tax consequences of the Offer to you may vary depending on your particular circumstances, and it is possible that the entire amount of the cash you receive in the Offer will be treated as a dividend distribution. For a summary of the federal income tax consequences of the Offer, see "Certain Federal Income Tax Consequences." The Company recommends that you consult with your own tax advisor.

Will I Have to Pay Brokerage Commissions if I Tender My Shares?..... No brokerage commissions are payable by Holders to the Dealer Manager, the Information Agent, the Company or the Depositary. See "Dealer Manager, Information Agent and Depositary."

Will any Solicitation Fees be Payable?..... The Company will pay solicitation fees to any broker, dealer or other person who qualifies as a Soliciting Dealer (as defined below in "Solicitation Fees") for soliciting tenders of Shares pursuant to the Offer. The solicitation fee will be \$0.25 per Share tendered for cash; provided, however, that Soliciting Dealers shall only receive the solicitation fee with respect to beneficial owners that own no more than 10,000 Shares. Brokers, dealers, commercial banks and trust companies will, upon request, be reimbursed by the Company for reasonable and necessary costs and expenses incurred in forwarding materials to Holders and their other customers. See "Solicitation Fees."

Who is the Dealer Manager for the Offer?..... Lehman Brothers Inc.

Who is the Information Agent for the Offer?..... D.F. King & Co., Inc.

Who is the Depositary for the Offer?..... The Bank of New York

Whom do I Contact if I Have Questions About the Offer?.... Questions may be directed to the Dealer Manager, and additional copies of this Offer to Purchase and the Letter of Transmittal may be obtained by contacting the Information Agent, at their respective telephone numbers and addresses set forth on the back cover of this Offer to Purchase.

INTRODUCTION

The Company is the nation's largest owner and operator of private correctional and detention facilities and one of the largest prison operators in the United States behind only the federal government and four states. The Company provides the fundamental residential and health care services for the Company's adult and juvenile inmates, as well as a variety of rehabilitation and educational programs designed to reduce recidivism and prepare the Company's inmates for their successful reentry into society upon their release. Some of these additional services include life skills training, basic education, employment training, religious services, behavioral rehabilitation and treatment, substance abuse treatment and work and recreational programs.

The Company provides its essential services through 59 facilities, including 38 facilities that the Company owns, with a total design capacity of over 59,000 beds in 20 states and the District of Columbia. The Company also provides inmate transportation services for government agencies through the Company's subsidiary, TransCor America, LLC. For the year ended December 31, 2002, the Company had revenues of \$962.8 million and operating income of \$130.0 million.

The Company's services address a total U.S. market that the Company believes exceeds \$50 billion, of which only approximately 6.5% is currently outsourced to the private sector. The Company believes that the U.S. market will demonstrate consistent growth over the next decade as a result of stricter sentencing guidelines, longer prison sentences and prison terms for juvenile offenders, as well as the growing demographic of the 14 to 24 year-old at-risk population. The Company also expects the size of the private market to grow as a result of governments' demonstrated need to augment their overcrowded and aging facilities, reduce costs, increase accountability and improve overall quality of service.

Under the Company's management services contracts, government agencies pay the Company at an inmate per diem rate based upon actual or minimum guaranteed occupancy levels. The Company's management service contracts typically have terms of one to five years, and contain multiple renewal options exercisable at the option of the contracting government agency. More than 40 of the Company's approximately 80 contracts are with government entities for which the Company has been providing services for five years or more. The Company's management services contracts provide a reliable source of revenue, reflected by the renewal of more than 95% of the Company's contracts over the past four years.

The Company has increased its average compensated occupancy, based on rated capacity, for facilities in operation to 89.6% for the year ended December 31, 2002 from 88.4% for the year ended December 31, 2001. The Company's average compensated occupancy for facilities in operation for the quarter ended December 31, 2002 was 91.2%.

The Company is offering to purchase for cash up to 4,204,947 Shares upon the terms and subject to the conditions set forth in this Offer to Purchase and the related Letter of Transmittal. The Offer and the payment for the Shares are conditioned upon, among other things, the satisfaction of the Financing Condition and the General Conditions. See "Terms of the Offer--Conditions to the Offer."

The Company has determined to undertake the Offer and the transactions described below in order to enhance the Company's capital structure and to provide the Company additional financing flexibility to enable the Company to more effectively execute the Company's business objectives in the future. The Company cannot assure you that these transactions will be successfully completed. The transactions that the Company is undertaking include the following:

Common Stock Offering

The Company is undertaking the common stock offering in which the Company is offering 6,400,000 shares of common stock for sale (the "Common Stock Offering") and a selling stockholder of the Company is offering 1,200,000 shares of common stock for sale. The Company will not receive any proceeds from the sale of shares from the selling stockholder.

Notes Offering

Concurrently with the Common Stock Offering, the Company is also offering \$200.0 million aggregate principal amount of the Company's senior notes due 2011 (the "Notes Offering"). The Company has not yet determined the interest rate or the maturity date of the senior notes. The senior notes will be senior unsecured obligations of the Company and will be guaranteed by the Company's domestic subsidiaries.

Redemption of Series A Preferred Stock

Immediately following consummation of the Common Stock Offering and the Notes Offering, the Company intends to use approximately \$100.0 million of the net proceeds from the Common Stock Offering and the Notes Offering to redeem approximately 4.0 million (90%) of the 4.3 million shares of the Company's 8% Series A Cumulative Preferred Stock issued and outstanding at a price per share equal to the liquidation preference plus accrued and unpaid dividends to the redemption date.

Purchase of Shares of Common Stock Issuable Upon Conversion of the MDP Notes

The Company has entered into an agreement with Income Opportunity Fund I LLC, Millennium Holdings II LLC and Millennium Holdings III LLC (collectively, "MDP") in which MDP has agreed to convert the \$40.0 million aggregate principal amount of the Company's 10% convertible subordinated notes due 2008 into 3,362,899 shares of the Company's common stock and sell such shares to the Company. The aggregate purchase price for the shares and accrued interest payable on the notes is anticipated to be approximately \$72.5 million (assuming a \$17.00 price per share in the Common Stock Offering).

Payments on and Amendments to Senior Secured Credit Facility

The Company intends to repay approximately \$47.0 million in borrowings outstanding under the term loan portion of the Company's senior secured credit facility. Depending upon the results of the Offer, the amount of senior debt the Company will pay down would be adjusted. A consent and amendment (to provide certain additional financial flexibility) under the senior secured credit facility will be obtained in connection with the transactions contemplated hereby.

STATEMENTS IN THIS OFFER REGARDING THE COMMON STOCK OFFERING AND THE NOTES OFFERING SHALL NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES. EACH OF THOSE SECURITIES WILL ONLY BE OFFERED THROUGH THE MEANS OF A PROSPECTUS.

PURPOSE OF THE OFFER

The purpose of the Offer is to acquire up to 4,204,947 Shares. The Company is undertaking the Offer and simultaneously undertaking the transactions described above in "Introduction" in order to enhance the Company's capital structure and to provide the Company additional financing flexibility to enable the Company to more effectively execute the Company's business objectives in the future. The Shares bear dividends at the rate of 12% per annum which the Company currently pays in additional Shares but must pay in cash after September 30, 2003. Such dividend payments will constitute a significant use of cash at that time and will reduce the Company's working capital, cash available for operations and earnings attributable to the Company's common stock, thereby reducing the Company's earnings per share of common stock.

The Offer will provide an opportunity of cash liquidity to Holders of the Shares at a price above what the Holders would receive if the Shares were redeemed pursuant to the Company's redemption right, in accordance with the terms of the Company's Charter. Pursuant to the Company's Charter, the Shares are redeemable at the option of the Company at a redemption price of \$24.46 per share, plus accrued and unpaid dividends, no earlier than three years and six months following the date of issuance. The Company has not determined whether it will redeem any Shares pursuant to the Company's Charter, regardless of whether this Offer is consummated. In addition, the Company may not be able to redeem the Shares in accordance with the Charter due to limitations imposed by debt agreements or other agreements entered into by the Company from time to time.

All Shares acquired by the Company pursuant to the Offer will be retired and cancelled, restored to the status of authorized but unissued shares of the Company's preferred stock, and may be issued as part of another series of the Company's preferred stock in accordance with the Company's Charter.

Subject to Rule 13e-4 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which generally prohibits an offeror from purchasing subject shares other than through the offer for at least ten business days following the expiration of the offer, the Company expressly reserves the right in the future to purchase additional Shares not tendered and purchased by the Company in the Offer. Such purchases may be made in the open market or through privately negotiated transactions, tender offers or otherwise. Any such purchases may be made on the same terms as, or on terms more or less favorable to Holders than, the terms of the Offer. Any possible future purchases by the Company will depend on many factors, including the results of the Offer, the business and financial position of the Company and the general economic conditions.

Except as disclosed herein or in the Company's Exchange Act periodic reports, or as may occur in the ordinary course of the Company's business, the Company currently has no plans or proposals that relate to or would result in:

- (i) an extraordinary transaction, such as a merger, reorganization or liquidation, involving the Company or any of its subsidiaries;
- (ii) a purchase, sale or transfer of a material amount of the Company's assets or of any of its subsidiaries assets;
- (iii) a material change in the Company's dividend rate or policy, indebtedness or capitalization;
- (iv) a change in the Company's present Board of Directors or management;
- (v) a material change in the Company's corporate structure or business;
- (vi) a class of equity securities of the Company being delisted from the NYSE;
- (vii) a class of equity securities of the Company becoming eligible for termination of registration under Section 12(g)(4) of the Exchange Act;
- (viii) a suspension of the Company's obligation to file reports under Section 15(d) of the Exchange Act;

(ix) the acquisition by any person of additional securities of the Company or the disposition of the securities of the Company; or

(x) a change in the Company's Charter, bylaws or other governing instruments or other action that could impede the acquisition or control of the Company.

SOURCES AND AMOUNT OF FUNDS

The Company currently intends to raise approximately \$296.3 million in estimated net proceeds from the Common Stock Offering and the Notes Offering. The Company intends to use a portion of the net proceeds of such offerings to fund the purchase of the Shares in connection with the Offer. The Company estimates that the amount of funds required to purchase all of the outstanding Shares that are being sought in the Offer is \$109,328,622. If the Common Stock Offering and the Notes Offering do not result in at least \$240.0 million of aggregate net proceeds on terms and conditions satisfactory to the Company, the Company shall not be required to accept for payment, purchase or pay for, and may delay the acceptance for payment of, any tendered Shares, subject to Rule 14e-1(c) under the Exchange Act, and may terminate the Offer. At the time of this Offer, the Company does not have any alternative financing arrangements or alternative financing plans in the event that the Common Stock Offering and the Notes Offering are not successful in raising the necessary capital for the Offer. Statements in this Offer regarding the Common Stock Offering and the Notes Offering shall not constitute an offer to sell or a solicitation of an offer to buy any securities. Each of those securities will only be offered through the means of a prospectus. See "Terms of the Offer--Conditions to the Offer."

TERMS OF THE OFFER

GENERAL

Upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal and any supplements or amendments thereto, the Company hereby offers to purchase for cash up to 4,204,947 Shares, representing 90% of the outstanding Shares as of April 1, 2003. Holders which validly tender their Shares prior to 12:00 midnight, New York City time, on the Expiration Date and that do not withdraw such shares prior to 12:00 midnight, New York City time, on the Expiration Date will, subject to the terms and conditions of the Offer, receive the Tender Offer Consideration.

The Tender Offer Consideration of \$26.00 per Share will, subject to applicable withholding of United States federal, state and local taxes, be net to the tendering Holder in cash, without interest, upon the terms and subject to the conditions of the Offer. No payments will be made for any dividends on the Shares that are accrued and unpaid as of the date payment is made for the Shares.

All Shares validly tendered in accordance with the procedures set forth herein and not withdrawn in accordance with the procedures set forth herein prior to 12:00 midnight, New York City time, on the Expiration Date, will, upon the terms and subject to the conditions hereof, including satisfaction of the Financing Condition and the General Conditions, be accepted for payment by the Company, and payments will be made therefor promptly following the Expiration Date. If the Offer is not consummated, no such payments will be made. All conditions to the Offer shall be either satisfied or waived by the Company prior to the acceptance of any Shares for purchase by the Company.

Tenders of Shares made prior to 12:00 midnight, New York City time, on the Expiration Date may be validly withdrawn at any time up until 12:00 midnight, New York City time, on the Expiration Date. In addition, in the event of a termination of the Offer without Shares being purchased, Shares tendered pursuant to the Offer will be promptly returned to the tendering Holders.

The Company's obligation to accept, and pay for, Shares validly tendered pursuant to the Offer is conditioned upon satisfaction of the Financing Condition and the General Conditions as set forth in "Terms of the Offer--Conditions to the Offer." As described therein, subject to applicable securities laws

and the terms set forth in this Offer to Purchase, the Company reserves the right, prior to the expiration of the Offer on the Expiration Date, (1) to waive any and all conditions to the Offer, (2) to terminate the Offer or extend the Expiration Date or (3) otherwise to amend the Offer in any respect. The rights reserved by the Company in this paragraph are in addition to the Company's rights to terminate the Offer described in "Terms of the Offer--Conditions to the Offer."

Any amendment to the Offer will apply to all Shares tendered in the Offer. Any extension, amendment or termination will be followed as promptly as practicable by public announcement thereof, the announcement in the case of an extension of the Offer to be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. Without limiting the manner in which any public announcement may be made, the Company shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a release to the Dow Jones News Service.

If the Company makes a material change in the terms of the Offer or the information concerning the Offer, the Company will disseminate additional Offer materials and extend such Offer to the extent required by law.

The Company's Board of Directors has approved the Offer. In addition, the Company's directors and executive officers who own Shares have indicated to the Company that they currently intend to tender all of their Shares that they are not restricted by contract from tendering in the Offer. However, neither the Company nor its Board of Directors nor the Dealer Manager makes any recommendation to Holders as to whether to tender or refrain from tendering Shares, and none of them have authorized any person to make such a recommendation. Holders are advised to evaluate carefully all information in the Offer, consult with their own investment and tax advisors and make their own decision as to whether to tender Shares and, if so, how many Shares to tender.

ACCEPTANCE FOR PAYMENT AND PAYMENT FOR SHARES

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment) and applicable law, the Company will purchase, by accepting for payment, and will promptly pay for, all Shares validly tendered pursuant to the Offer (and not withdrawn, or if withdrawn and then validly retendered). Such payment shall be made by the deposit of the Tender Offer Consideration in immediately available funds by the Company promptly after the Expiration Date with the Depository, which will act as agent for tendering Holders for the purpose of receiving payment from the Company and transmitting such payment to tendering Holders. Under no circumstances will interest on the Tender Offer Consideration be paid by the Company by reason of any delay in making payment. The Company expressly reserves the right, in its sole discretion and subject to Rule 14e-1(c) under the Exchange Act, to delay acceptance for payment of or payment for Shares in order to comply, in whole or in part, with any applicable law. See "Terms of the Offer--Conditions to the Offer." In all cases, payment by the Depository to Holders or beneficial owners of the Tender Offer Consideration for Shares purchased pursuant to the Offer will be made only after receipt by the Depository of (1) the certificates evidencing such shares (the "Share Certificates") or timely confirmation of a book-entry transfer of such Shares into the Depository's account at DTC pursuant to the procedures set forth in "Terms of the Offer--Procedure for Tendering Shares," (2) a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof) or a properly transmitted Agent's Message (as defined below) through ATOP and (3) any other documents required by the Letter of Transmittal.

For purposes of the Offer, tendered Shares will be deemed to have been accepted for payment if, as and when the Company gives oral or written notice thereof to the Depository.

Tendering Holders will not be obligated to pay brokerage fees or commissions to the Dealer Manager, the Information Agent, the Depository or the Company, or, except as set forth in Instruction 7 of the Letter of Transmittal, transfer taxes on the purchase of Shares pursuant to the Offer.

If, after expiration of the Offer, more than 4,204,947 Shares are validly tendered and not withdrawn and all of the conditions are either satisfied or waived, including completion of the Financing Condition and the General Conditions, the Company will purchase Shares on a pro rata basis from all tendering Holders, disregarding fractions, according to the number of Shares tendered by each Holder. Pursuant to Rule 13e-4(f)(3)(i) under the Exchange Act, the Company reserves the right to accept all Shares tendered by persons who own, beneficially or of record, an aggregate of not more than a specified number which is less than 100 Shares ("odd lots") and who tender all their Shares, before prorating Shares tendered by others. All Share Certificates tendered and not purchased by the Company pursuant to the Offer because of such pro-ration will be returned to the tendering Holders at the Company's expense as soon as practicable after the Expiration Date (or, in the case of Shares tendered by book-entry transfer into the Depository's account at a book-entry transfer facility, pursuant to the procedure set forth in "Terms of the Offer--Procedure for Tendering Shares").

Additionally, if any tendered Shares are not accepted for payment for any other reason pursuant to the terms and conditions of the Offer, Share Certificates evidencing unpurchased Shares will be returned, without expense to the tendering Holder (or, in the case of Shares tendered by book-entry transfer into the Depository's account at a book-entry transfer facility, pursuant to the procedure set forth in "Terms of the Offer--Procedure for Tendering Shares").

The Company reserves the right to transfer or assign, in whole at any time or in part from time to time, to one or more affiliates, the right to purchase Shares tendered pursuant to the Offer, but any such transfer or assignment will not relieve the Company of its obligations under the Offer or prejudice the rights of tendering Holders to receive payment of the Tender Offer Consideration for Shares validly tendered and accepted for payment pursuant to the Offer.

PROCEDURE FOR TENDERING SHARES

The tender of Shares pursuant to the Offer and in accordance with the procedures described below will constitute a tender of the Shares. Holders will not be entitled to receive the Tender Offer Consideration unless they tender their Shares pursuant to the Offer prior to 12:00 midnight, New York City time, on the Expiration Date.

THE METHOD OF DELIVERY OF SHARES AND LETTERS OF TRANSMITTAL, ANY REQUIRED SIGNATURE GUARANTEES AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH DTC AND ANY ACCEPTANCE OF AN AGENT'S MESSAGE TRANSMITTED THROUGH ATOP, IS AT THE ELECTION AND RISK OF THE PERSON TENDERING SHARES AND DELIVERING LETTERS OF TRANSMITTAL OR TRANSMITTING AN AGENT'S MESSAGE AND, EXCEPT AS OTHERWISE PROVIDED IN THE LETTER OF TRANSMITTAL, DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY. IF DELIVERY IS BY MAIL, IT IS SUGGESTED THAT HOLDERS USE PROPERLY INSURED, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, AND THAT THE MAILING BE MADE SUFFICIENTLY IN ADVANCE OF THE EXPIRATION DATE, AS APPLICABLE, TO PERMIT DELIVERY TO THE DEPOSITARY ON OR PRIOR TO SUCH DATE. MANUALLY SIGNED FACSIMILE COPIES OF THE LETTER OF TRANSMITTAL, PROPERLY COMPLETED AND DULY EXECUTED, WILL BE ACCEPTED.

Valid Tender

The tender by a Holder of Shares (and subsequent acceptance of such tender by the Company) pursuant to one of the procedures set forth below will constitute a binding agreement between such Holder and the Company in accordance with the terms and subject to the conditions set forth herein and in the Letter of Transmittal. A tender of Shares pursuant to any of the procedures described below will constitute the tendering of the Holder's acceptance of the terms and conditions of the Offer, as well as the Holder's representation and warranty to the Company that (i) such Holder has the full power and authority to tender, sell, assign and transfer the tendered Shares (and any and all other Shares or other securities issued or issuable in respect of such Shares) and (ii) when the same are accepted for payment by the Company, the Company will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claims.

Only Holders are authorized to tender Shares. Holders that tender their Shares prior to 12:00 midnight, New York City time, on the Expiration Date and that do not withdraw such Shares prior to 12:00 midnight, New York City time, on the Expiration Date will receive the Tender Offer Consideration.

Tender of Shares Held Through a Custodian

To effectively tender Shares that are held of record by a custodian bank, depositary, broker, trust company or other nominee, the beneficial owner thereof must instruct such custodian to tender the Shares on the beneficial owner's behalf. Any beneficial owner of Shares held of record by DTC or its nominee, through authority granted by DTC, may direct the DTC participant through which such beneficial owner's Shares are held in DTC to tender, on such beneficial owner's behalf, the Shares beneficially owned by such beneficial owner.

Tender of Shares Held Through DTC

To effectively tender Shares that are held through DTC, DTC participants should either (1) properly complete and duly execute the Letter of Transmittal (or a manually signed facsimile thereof), together with any other documents required by the Letter of Transmittal, and mail or deliver the Letter of Transmittal and such other documents to the Depositary, or (2) electronically transmit their acceptance through ATOP (and thereby tender the Shares), for which the transaction will be eligible, followed by a properly completed and duly executed Letter of Transmittal or transmitted Agent's Message delivered to the Depositary. Upon receipt of such Holder's acceptance through ATOP, DTC will edit and verify the acceptance and send an Agent's Message to the Depositary for its acceptance. Delivery of tendered Shares must be made to the Depositary pursuant to the book-entry delivery procedures set forth below.

Except as provided below, unless the Shares being tendered are deposited with the Depositary prior to 12:00 midnight, New York City time, on the Expiration Date (accompanied by a properly completed and duly executed Letter of Transmittal or a properly transmitted Agent's Message, as applicable), the Company may, at its option, treat such tender as defective for purposes of the right to receive the applicable Tender Offer Consideration. Payment for the Shares will be made only against deposit of the tendered Shares and delivery of all other required documents.

In order to validly tender Shares prior to 12:00 midnight, New York City time, on the Expiration Date with respect to Shares transferred pursuant to ATOP, a DTC participant using ATOP must also properly transmit an Agent's Message. Pursuant to authority granted by DTC, any DTC participant that has Shares credited to its DTC account at any time (and thereby held of record by DTC's nominee) may directly instruct the Depositary to tender Shares prior to 12:00 midnight, New York City time, on the Expiration Date as though it were the registered Holder by so transmitting an Agent's Message.

Book-Entry Delivery Procedures

The Depositary will establish accounts with respect to the Shares at DTC for purposes of the Offer within two business days after the date of this Offer to Purchase, and any financial institution that is a participant in DTC may make book-entry delivery of the Shares by causing DTC to transfer such Shares into the Depositary's account in accordance with DTC's procedures for such transfer. However, although delivery of Shares may be effected through book-entry transfer into the Depositary's account at DTC, the Letter of Transmittal (or manually signed facsimile thereof), with any required signature guarantees or an Agent's Message in connection with a book-entry transfer, and any other required documents, must, in any case, be transmitted to and received by the Depositary at one or more of its addresses set forth on the back cover of this Offer to Purchase on or prior to the Expiration Date. Delivery of documents to DTC does not constitute delivery to the Depositary. The confirmation of a book-entry transfer into the Depositary's account at DTC as described above is referred to herein as a "Book-Entry Confirmation."

The term "Agent's Message" means a message transmitted by DTC to, and received by, the Depositary and forming a part of the Book-Entry Confirmation, which states that DTC has received an express acknowledgment from the participant in DTC tendering the Shares and that such participant has

received the Letter of Transmittal and agrees to be bound by the terms of the Letter of Transmittal and the Company may enforce such agreement against such participant.

Signature Guarantees

Signatures on all Letters of Transmittal, if necessary, must be guaranteed by a recognized participant in the Securities Transfer Agents Medallion Program, the NYSE Medallion Signature Program or the Stock Exchange Medallion Program (a "Medallion Signature Guarantor"), unless the Shares tendered thereby are tendered (1) by a registered Holder of Shares (or by a participant in DTC whose name appears on a security position listing as the owner of such Shares) that has not completed the box marked "Special Issuance Instructions" or the box marked "Special Delivery Instructions" in the Letter of Transmittal, or (2) for the account of a member firm of a registered national securities exchange, a member of the National Association of Securities Dealers, Inc. or a commercial bank or trust company having an office or correspondent in the United States (each, an "Eligible Institution"). See Instruction 4 of the Letter of Transmittal. If the Shares are registered in the name of a person other than the signer of the Letter of Transmittal or if Shares not accepted for payment or not tendered are to be returned to a person other than the registered Holder, then the signatures on the Letter of Transmittal accompanying the tendered Shares must be guaranteed by a Medallion Signature Guarantor as described above. See Instructions 1 and 4 of the Letter of Transmittal.

Backup Withholding

To prevent U.S. federal income tax backup withholding, each tendering Holder of Shares that is a United States person generally must provide the Depository with such Holder's correct taxpayer identification number and certify that such Holder is not subject to U.S. federal income tax backup withholding by completing the Substitute Form W-9 included in the Letter of Transmittal. For a discussion of the U.S. federal income tax considerations relating to backup withholding, please see "Certain Federal Income Tax Consequences--Information Reporting and Backup Withholding."

Certain Holders (including, among others, all corporations and certain foreign stockholders (in addition to foreign corporations)) are not subject to these backup withholding rules. In order for a foreign stockholder to qualify as an exempt recipient, that stockholder must submit an IRS Form W-8BEN or a substitute Form W-8BEN, signed under penalties of perjury, attesting to that stockholder's exempt status. The applicable form can be obtained from the Depository.

Determination of Validity

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any tendered Shares pursuant to any of the procedures described above will be determined by the Company in the Company's sole discretion (whose determination shall be final and binding). The Company reserves the absolute right to reject any or all tenders of any Shares determined by it not to be in proper form or if the acceptance for payment of, or payment for, such Shares may, in the opinion of the Company's counsel, be unlawful. The Company also reserves the absolute right, in its sole discretion, to waive any of the conditions of the Offer or any defect or irregularity in any tender with respect to Shares of any particular Holder, whether or not similar defects or irregularities are waived in the case of other Holders. The Company's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the instructions thereto) will be final and binding. None of the Company, the Depository, the Dealer Manager, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or will incur any liability for failure to give any such notification. If the Company waives its right to reject a defective tender of Shares, the Holder will be entitled to the Tender Offer Consideration.

WITHDRAWAL OF TENDERS

Except as expressly provided herein, tenders of Shares pursuant to the Offer are irrevocable. Tenders of Shares made prior to 12:00 midnight, New York City time, on the Expiration Date may be validly withdrawn at any time up until 12:00 midnight, New York City time, on the Expiration Date, or if the Company has not yet accepted the Shares, after the expiration of 40 business days from the commencement of the Offer, which is May 28, 2003. In addition, in the event of a termination of the Offer, the Shares tendered pursuant to the Offer will be promptly returned to the tendering Holders. If the Company extends the period of time during which the Offer is open, or is delayed in accepting for payment or paying for Shares pursuant to the Offer for any reason, then, without prejudice to the Company's rights under the Offer, the Depositary may, on the Company's behalf and subject to the Holders' withdrawal rights, as set forth herein, retain all Shares tendered.

For a withdrawal of a tender of Shares to be effective, a written or facsimile transmission notice of withdrawal must be received by the Depositary on or prior to 12:00 midnight, New York City time, on the Expiration Date at its address set forth on the back cover of this Offer to Purchase. Any such notice of withdrawal must (1) specify the name of the person that tendered the Shares to be withdrawn, (2) specify the number of Shares to be withdrawn and (3) be signed by the Holder of such Shares in the same manner as the original signature on the Letter of Transmittal by which such Shares were tendered (including any required signature guarantees), if any, or be accompanied by (x) documents of transfer sufficient to have the Depositary register the transfer of the Shares into the name of the person withdrawing such Shares and (y) a properly completed irrevocable proxy that authorized such person to effect such revocation on behalf of such Holder. If the Shares to be withdrawn have been delivered or otherwise identified to the Depositary, a signed notice of withdrawal is effective immediately upon written or facsimile notice of withdrawal even if physical release is not yet effected. Any Shares properly withdrawn will be deemed to be not validly tendered for purposes of the Offer.

If the Shares to be withdrawn have been delivered to the Depositary, a signed notice of withdrawal with (except in the case of Shares tendered by an Eligible Institution) signatures guaranteed by an Eligible Institution must be submitted prior to the release of such Shares. In addition, such notice must specify, in the case of Shares tendered by book-entry transfer, the name and number of the account at the DTC to be credited with the withdrawn Shares. In the case of Shares tendered by delivery of Share Certificates, such notice must specify the name of the registered holder (if different from the name of the tendering Holder) and the serial numbers shown on the particular certificates representing the Shares to be withdrawn.

Withdrawals may not be rescinded, and Shares withdrawn will thereafter be deemed not validly tendered for purposes of the Offer. Withdrawn Shares, however, may be tendered by again following one of the procedures described in "Terms of the Offer--Procedure for Tendering Shares" at any time prior to the Expiration Date.

Withdrawal of Shares can be accomplished only in accordance with the foregoing procedures.

ALL QUESTIONS AS TO THE VALIDITY (INCLUDING TIME OF RECEIPT) OF NOTICES OF WITHDRAWAL WILL BE DETERMINED BY THE COMPANY IN THE COMPANY'S SOLE DISCRETION, AND THE COMPANY'S DETERMINATIONS SHALL BE FINAL AND BINDING. NONE OF THE COMPANY, THE DEPOSITARY, THE DEALER MANAGER, THE INFORMATION AGENT OR ANY OTHER PERSON WILL BE UNDER ANY DUTY TO GIVE NOTIFICATION OF ANY DEFECTS OR IRREGULARITIES IN ANY NOTICE OF WITHDRAWAL, OR INCUR ANY LIABILITY FOR FAILURE TO GIVE ANY SUCH NOTIFICATION.

EXTENSION OF TENDER PERIOD; TERMINATION; AMENDMENT

The Company expressly reserves the right, in its sole discretion, at any time and from time to time, to extend the period of time during which the Offer is open and thereby delay the acceptance for payment of, and payment for, the Shares by giving oral or written notice of such extension to the Depositary and making a public announcement of the extension. The Company also expressly reserves the right, in its sole discretion, to terminate the Offer and not accept for payment or pay for Shares not already accepted for

payment or paid for or, subject to applicable law, to postpone payment for the Shares until the satisfaction of all of the conditions specified below in "Terms of the Offer -- Conditions to the Offer," by giving oral or written notice of such termination or postponement to the Depository and making a public announcement of the termination or postponement.

Subject to compliance with applicable law, the Company further reserves the right, in its sole discretion, and regardless of whether any of the events set forth below in "Terms of the Offer--Conditions to the Offer" will occur or are deemed by the Company to have occurred, to amend the Offer in any respect. If the Company makes a material change in the Offer, or if the Company waives a material condition to the Offer, the Company will extend the Offer to the extent required by Rule 13e-4(d)(2) and 13e-4(e)(3) under the Exchange Act. If (i) the Company increases or decreases the price to be paid for the Shares or the Company increases or decreases the number of Shares being sought and (ii) the Offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that notice of such increase or decrease is first published, sent or given, the Company will extend the Offer, if required by applicable law, until the expiration of such period of ten (10) business days from the date of publication of such notice. If the Company makes a material change to the other terms of the Offer or to the information concerning the Offer, or waive a material condition to the Offer, the Company will extend the offer, if required by applicable law, for a period of five (5) business days to allow you to consider the amended terms of the Offer. Business day means any day other than Saturday, Sunday or a federal holiday and shall consist of the time period from 12:01 a.m. through 12:00 midnight, New York City time.

Any extension, delay, termination, waiver or amendment will be followed as promptly as practicable by public announcement in the case of an extension of the Offer to be made no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. Any public announcement made pursuant to the Offer will be disseminated promptly to the Holders in a manner reasonably designed to inform Holders of such change. Without limiting the manner in which the Company may choose to make any public announcement, except as provided by applicable law, including Rule 13e-4(d)(2) and 13e-4(e)(3) under the Exchange Act, the Company shall have no obligations to publish, advertise or otherwise communicate any such public announcement other than by issuing a press release to the Dow Jones News Service.

If the Company extends the time during which the Offer is open, or if the Company is delayed in accepting for payment of or payment for the Shares pursuant to the Offer for any reason, then without prejudice to the Company's rights under the Offer, the Depository may retain tendered Shares on the Company's behalf and Shares may not be withdrawn except to the extent tendering Holders are entitled to withdrawal rights as described in "Terms of the Offer--Withdrawal of Tenders."

CONDITIONS TO THE OFFER

Financing Condition

Notwithstanding any other provision of the Offer, the Company's obligation to accept for purchase, and to pay the Tender Offer Consideration for, the Shares validly tendered pursuant to the Offer, is in each case subject to and conditioned upon, unless waived, the receipt by the Company before 12:00 midnight, New York City time, on the Expiration Date of at least \$240.0 million of aggregate net proceeds from the Common Stock Offering and the Notes Offering, on terms and conditions satisfactory to the Company. In addition, any purchase of Shares pursuant to the Offer is subject to the consent of the lenders under the Company's senior secured credit facility and the Company's meeting certain financial tests contained in its outstanding 9.875% senior notes due 2009. The Company expects to receive such lender consent upon or prior to the closing of the Common Stock Offering and the Notes Offering, and it is expected that the financial tests will be satisfied if the proposed transactions are consummated. If the Common Stock Offering and the Notes Offering do not result in at least \$240.0 million of aggregate net proceeds, on terms and conditions satisfactory to the Company, the Company shall not be required to accept for payment, purchase or pay for, and may delay the acceptance for payment of, any tendered

Shares, subject to Rule 14e-1(c) under the Exchange Act, and may terminate the Offer. The Company expects that it will return all tendered Shares promptly if it does not receive the proceeds of such issue by 12:00 midnight, New York City time, on the Expiration Date.

General Conditions

Notwithstanding any other provision of the Offer and in addition to (and not in limitation of) the Company's rights to extend or amend the Offer, the Company shall not be required to accept for payment, purchase or pay for, and may delay the acceptance for payment of, any tendered Shares, subject to Rule 14e-1(c) under the Exchange Act, and may terminate the Offer, if any of the following (the "General Conditions") have occurred:

(i) there has been instituted, threatened or is pending any action or proceeding (or there shall have been any material adverse development to any action or proceeding currently instituted, threatened or pending) before or by any court, governmental, regulatory or administrative agency or instrumentality, or by any other person, in connection with the Offer that, in the sole judgment of the Company, either (a) is, or is reasonably likely to be, materially adverse to the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of the Company and its subsidiaries, taken as a whole, or (b) would or might prohibit, prevent, restrict or delay consummation of the Offer;

(ii) an order, statute, rule, regulation, executive order, stay, decree, judgment or injunction has proposed, enacted, entered, issued, promulgated, enforced or deemed applicable by any court or governmental, regulatory or administrative agency or instrumentality that, in the sole judgment of the Company, either (a) would or might prohibit, prevent, restrict or delay consummation of the Offer or (b) is, or is reasonably likely to be, materially adverse to the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of the Company and its subsidiaries, taken as a whole;

(iii) there has occurred or is likely to occur any event affecting the business or financial affairs of the Company that, in the sole judgment of the Company, would or might prohibit, prevent, restrict or delay consummation of the Offer; or

(iv) there has occurred (a) any general suspension of, or limitation on prices for, trading in securities in the United States securities or financial markets, (b) any significant adverse change in the price of the Shares in the United States or other major securities or financial markets, (c) a material impairment in the trading market for equity securities, (d) a declaration of a banking moratorium or any suspension of payments in respect to banks in the United States or other major financial markets, (e) any limitation (whether or not mandatory) by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, or other event that, in the reasonable judgment of the Company, might affect the extension of credit by banks or other lending institutions, (f) a commencement of a war or armed hostilities or other national or international calamity directly or indirectly involving the United States or (g) in the case of any of the foregoing existing on the date hereof, a material acceleration or worsening thereof.

THE FOREGOING FINANCING CONDITION AND THE GENERAL CONDITIONS ARE FOR THE SOLE BENEFIT OF THE COMPANY AND MAY BE ASSERTED BY THE COMPANY REGARDLESS OF THE CIRCUMSTANCES GIVING RISE TO ANY SUCH CONDITION (INCLUDING ANY ACTION OR INACTION BY THE COMPANY) AND MAY BE WAIVED BY THE COMPANY, IN WHOLE OR IN PART, AT ANY TIME AND FROM TIME TO TIME, IN THE SOLE DISCRETION OF THE COMPANY TO THE EXTENT PERMITTED BY APPLICABLE LAW. IF SUCH WAIVER CONSTITUTES A MATERIAL CHANGE TO THE OFFER, THE COMPANY WILL PROMPTLY DISCLOSE SUCH WAIVER BY MEANS OF AN OFFER TO PURCHASE SUPPLEMENT THAT WILL BE DISTRIBUTED TO THE HOLDERS AND WILL OTHERWISE COMPLY WITH APPLICABLE LAW. ALL CONDITIONS TO THE OFFER SHALL BE EITHER SATISFIED OR WAIVED BY THE COMPANY PRIOR TO THE ACCEPTANCE OF ANY SHARES FOR PURCHASE BY THE COMPANY. THE FAILURE BY THE COMPANY AT ANY TIME TO EXERCISE ANY OF THE FOREGOING RIGHTS WILL NOT BE DEEMED A WAIVER OF ANY OTHER RIGHT AND EACH RIGHT WILL BE DEEMED AN ONGOING RIGHT WHICH MAY BE ASSERTED AT ANY TIME AND FROM TIME TO TIME.

EFFECT OF THE OFFER ON THE MARKET FOR THE SHARES

To the knowledge of the Company, the trading market for the Shares on the NYSE is limited and sporadic. To the extent that Shares are tendered and accepted in the Offer, the trading market for the Shares may become even more limited. If most of the Shares are tendered in the Offer and purchased by the Company, the liquidity of the trading market for the remaining Shares may be adversely affected due to the smaller number of Shares available for trading. Regardless of the number of Shares tendered in the Offer, the Company does not intend to delist the Shares from the NYSE upon completion of the Offer and does not believe that the rules of the NYSE would require the Shares to be delisted.

CERTAIN INFORMATION ABOUT THE SHARES

The Shares are listed on the NYSE under the ticker symbol "CXW PrB." Although the Shares are listed on the NYSE, trading is limited and sporadic. The following table sets forth for the calendar quarters indicated the range of the high and low sales prices for the Shares. As of April 1, 2003, there were 4,672,163 Shares outstanding.

	HIGH	LOW		
Quarter.....			2001	Second
	\$13.90	\$ 8.50	Third	
Quarter.....				
	\$15.50	\$13.30	Fourth	
Quarter.....				
	\$19.70	\$14.61	2002	First
Quarter.....				
	\$20.64	\$19.11	Second	
Quarter.....				
	\$24.35	\$19.00	Third	
Quarter.....				
	\$24.10	\$21.50	Fourth	
Quarter.....				
	\$25.00	\$22.90	2003	First
Quarter.....				
	\$25.10	\$24.35		

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

The transactions which are given effect to in the following unaudited pro forma condensed consolidated financial statements include:

- the sale of \$200.0 million aggregate principal amount of notes in the Notes Offering and the Company's receipt of \$194.0 million in estimated net proceeds, after deducting the underwriting discount and estimated expenses of the Notes Offering;
- the sale of 6,400,000 shares of the Company's common stock in the Common Stock Offering and the Company's receipt of \$102.3 million in estimated net proceeds, after deducting the underwriting discount and estimated expenses of the Common Stock Offering; and
- the application of the estimated net proceeds from the Common Stock Offering and the Notes Offering.

The unaudited pro forma condensed consolidated balance sheet has been prepared as if the transactions described above in "Introduction" (the "Transactions") occurred on December 31, 2002, and the pro forma condensed consolidated statement of operations has been prepared as if the Transactions occurred on January 1, 2002.

The unaudited pro forma financial statements appearing below are based upon a number of assumptions and estimates and are subject to uncertainties, and do not purport to be indicative of the actual results of operations or financial condition that would have occurred had the transactions described above in fact occurred on the dates indicated, nor do they purport to be indicative of the results of operations or financial condition that the Company may achieve in the future.

CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES
 UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
 AS OF DECEMBER 31, 2002
 (IN THOUSANDS)

ACTUAL PRO
 FORMA
 DECEMBER 31,
 TOTAL
 DECEMBER 31,
 2002

ADJUSTMENTS
 2002 -----

ASSETS Cash
 and cash
 equivalents
 \$ 65,406 \$ -
 - \$ 65,406
 Restricted
 cash 7,363 -
 - 7,363
 Accounts
 receivable,
 net 122,829
 -- 122,829
 Income tax
 receivable
 32,499 --
 32,499
 Prepaid
 expenses and
 other
 current
 assets
 12,435 --
 12,435
 Current
 assets of
 discontinued
 operations
 13,815 --
 13,815 -----

--- TOTAL
 CURRENT
 ASSETS
 254,347 --
 254,347

Property and
 equipment,
 net
 1,552,265 --
 1,552,265
 Investment
 in direct
 financing
 lease 18,346
 -- 18,346
 Goodwill
 20,902 --
 20,902 Other
 assets
 28,211
 5,735(A)
 33,946 -----

--- TOTAL
 ASSETS
 \$1,874,071 \$
 5,735
 \$1,879,806
 =====
 =====

LIABILITIES

&

STOCKHOLDERS'

EQUITY

Accounts
 payable and
 accrued
 expenses \$
 152,905 \$
 (12,585)(B)
 \$ 140,320
 Income tax
 payable
 3,685 --
 3,685
 Distributions
 payable

5,330 --
5,330
Current
portion of
long-term
debt 23,054
-- 23,054
Current
liabilities
of
discontinued
operations
992 -- 992 -

TOTAL
CURRENT
LIABILITIES
185,966
(12,585)
173,381
Long-term
debt, net of
current
portion
932,905
113,025(C)
1,045,930
Other
liabilities
21,202 --
21,202 -----

--- TOTAL
LIABILITIES
1,140,073
100,440
1,240,513 --

Stockholders'
Equity
Preferred
stock --
series A
107,500
(100,000)(D)
7,500
Preferred
stock --
series B
107,831
(68,598)(E)
39,233
Common stock
280 64(F)
344
Additional
paid-in-
capital
1,343,066
84,730(F)
1,427,796
Deferred
compensation
(1,604) --
(1,604)
Retained
deficit
(822,111)
(10,901)(G)
(833,012)
Accumulated
other
comprehensive
loss (964) -
- (964) -----

---- TOTAL
STOCKHOLDERS'
EQUITY
733,998
(94,705)
639,293 -----

---- TOTAL
LIABILITIES
&
STOCKHOLDERS'
EQUITY
\$1,874,071 \$
5,735
\$1,879,806
=====

=====
=====

See Footnote Explanations to these Unaudited Pro Forma Condensed Consolidated
Financial Statements.

CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES
 UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2002
 (IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

ACTUAL PRO FORMA YEAR ENDED YEAR ENDED DECEMBER 31, TOTAL DECEMBER 31, 2002 ADJUSTMENTS 2002 ----- ----- ----- ----- ----- -----	
	Revenues:
	Management and other
\$959,137 \$ --	
\$959,137	
Rental 3,701	
-- 3,701 -----	

	TOTAL
	REVENUES
962,838 --	
962,838	
EXPENSES:	
Operating	
744,074 --	
744,074	
General and administrative	
36,907 --	
36,907	
Depreciation and amortization	
51,878 --	
51,878 -----	

	OPERATING INCOME
129,979 --	
129,979 -----	

	OTHER (INCOME) EXPENSE:
	Equity loss of joint venture 153 -
- 153	
Interest expense, net	
87,478	
5,949(A), (C)	
93,427 Change in fair value of derivative instruments	
(2,206) --	
(2,206) Loss on disposals of assets 111	
-- 111	
Unrealized foreign currency transaction gain (622) --	
(622) -----	

84,914	
5,949 90,863	

	INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES, EXTRAORDINARY CHARGE AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE
45,065(D)	
(5,949)	
39,116(D)	

Income tax benefit
63,284 --
63,284 -----

----- INCOME FROM CONTINUING OPERATIONS BEFORE EXTRAORDINARY CHARGE AND CUMULATIVE EFFECT OF ACCOUNTING CHARGE
108,349
(5,949)
102,400
Series A Preferred Stock Dividends (8,600)
8,000(B) (600) Series B Preferred Stock Dividends (12,359)
8,849(B),(C)
(3,510) -----

INCOME FROM CONTINUING OPERATIONS AVAILABLE TO COMMON STOCKHOLDERS BEFORE EXTRAORDINARY CHARGE AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE \$ 87,390
\$10,900 \$ 98,290
=====

===== EPS BASIC: Income from continuing operations available to common stockholders before extraordinary charge and cumulative effect of accounting change \$ 3.17
\$ 2.88
=====

===== EPS DILUTED: Income from continuing operations available to common stockholders before extraordinary charge and cumulative effect of accounting change \$ 2.75
\$ 2.61
=====

===== Weighted Average Shares: Basic 27,669 6,400 34,069
===== Diluted 35,574 3,037 38,611
=====

=====
=====

See Footnote Explanations to these Unaudited Pro Forma Condensed Consolidated
Financial Statements.

CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES
 UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOOTNOTE EXPLANATIONS

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET -- DECEMBER 31, 2002

(A) Reflects the estimated payment of \$6,905 for fees and expenses related to the issuance of \$200,000 of new senior notes. These fees will be capitalized and amortized over the term of the new senior notes of eight years. Additionally, this adjustment reflects the reduction of capitalized debt issuance costs as a result of the conversion of the \$40,000 convertible subordinated notes and the anticipated \$46,975 prepayment of the senior secured credit facility. The gross adjustments to capitalized debt issuance costs are as follows:

Issuance of new senior notes.....	\$6,905
Conversion of \$40,000 convertible subordinated notes.....	(309)
Prepayment on senior secured credit facility.....	(861)

Pro forma adjustment.....	\$5,735
	=====

(B) Reflects the portion of the total interest payment on the \$40,000 convertible subordinated notes, expected to be made on the close of the Transactions, which was accrued as of December 31, 2002. The difference between the total expected interest payment of \$15,329 at April 30, 2003 and the balance accrued as of December 31, 2002 of \$12,585 is included as an adjustment to retained earnings on this pro forma balance sheet (see note G).

(C) Reflects the issuance of \$200,000 of the Company's new senior notes, the estimated prepayment of the senior secured credit facility, and the conversion of the \$40,000 convertible subordinated notes. The gross adjustments are as follows:

Issuance of new senior notes.....	\$200,000
Prepayment on senior secured credit facility.....	(46,975)
Conversion of \$40,000 convertible subordinated notes.....	(40,000)

Pro forma adjustment.....	\$113,025
	=====

(D) Reflects the estimated redemption of 4,000 shares of series A preferred stock (out of 4,300 issued and outstanding) at the liquidation preference of \$25.00 per share. See footnote (G) for a discussion of the associated transaction fees.

(E) Reflects the redemption of 2,804 Shares purchased under the Offer, assuming that approximately 60% of the shares outstanding as of April 30, 2003, are tendered at \$26.00 per share. The liquidation preference of the Shares is \$24.46 per Share.

The maximum percentage of Shares that the Company is tendering for is equal to 90% of the Shares issued and outstanding as of the date of the Offer. Every 10 percentage point change in the percent of Shares tendered changes the payment to repurchase Shares by approximately \$11,433, including the tender premium and fees. As a result of every 10 percentage point change in the percent of Shares tendered, the amount of the prepayment on the senior secured credit facility changes by approximately \$12,327.

(F) Reflects the issuance of 6,400 shares of common stock. The pro forma calculations assume a stock issuance price of \$17.00 per share. The adjustment also reflects the issuance of 3,363 shares of common stock upon conversion of the \$40,000 convertible subordinated notes and the purchase of those shares by the Company, as treasury stock, as soon as practicable following the closing of the Common Stock Offering at a purchase price of \$17.00 per share. Upon conversion of the \$40,000 convertible subordinated

CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES
 UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOOTNOTE EXPLANATIONS

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

notes, the associated unamortized loan issuance costs of \$309 is charged to additional paid-in-capital. The changes to the common stock and additional paid-in-capital accounts are as follows:

COMMON STOCK PAID-IN CAPITAL -----	
----- Issuance of primary	
shares.....	\$
64 \$108,736 Less: stock issuance costs at	
6.0%.....	-- (6,528) --
-- ----- 64 102,208 Conversion of	
\$40.0 million convertible subordinated	
notes into 3,363 common shares and the	
write-off of \$309 of unamortized loan	
issuance costs.....	34 39,657
Purchase of 3,363 treasury	
shares.....	(34)
(57,135) ---- ----- Pro forma	
adjustment.....	
\$ 64 \$ 84,730 =====	

(G) Reflects a summary of the various transaction fees and expenses and other payments that will be charged to the statement of operations in 2003 upon closing of the Transactions, including (1) the Share tender premium of \$1.54 per share; (2) fees and expenses associated with the series A preferred stock redemption and Share tender; (3) legal and other fees associated with the conversion of the \$40,000 convertible subordinated notes; (4) the \$1,333 of series A preferred stock dividends accrued as of April 30, 2003 to be paid in cash on the shares that are redeemed; (5) a pro rata reduction in the unamortized loan issuance costs related to the senior secured credit facility as a result of the \$46,975 prepayment; and (6) the difference between the total expected interest payment of \$15,329 at April 30, 2003 and the balance accrued as of December 31, 2002 (see Note B). The table below details the components of this pro forma adjustment:

Tender premium on purchase of 2,804 Shares.....	\$ 4,319
Series A and series B preferred stock redemption fees and	
expenses.....	1,544
\$40.0 million convertible subordinated notes conversion	
fees.....	100
Series A preferred stock dividends.....	1,333
Write-off of unamortized loan issuance costs -- senior	
secured credit facility.....	861
Difference between interest accrual of \$12,585 at December	
31, 2002 and \$15,329 payment due at conversion on April	
30, 2003 of the \$40.0 million convertible subordinated	
notes.....	2,744

Pro forma adjustment.....	\$10,901
	=====

CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES
 UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOOTNOTE EXPLANATIONS

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS -- FOR THE YEAR ENDED DECEMBER 31, 2002

(A) Reflects the net adjustment to interest expense related to (1) additional interest expense associated with the issuance of \$200,000 of new senior notes at 8.0%, (2) reduction in interest expense associated with the anticipated prepayment of \$46,975 of term loans under the senior secured credit facility at a weighted average interest rate of 6.05% for the year ended December 31, 2002, (3) reduction in amortization of debt issuance costs associated with the prepayment of the senior secured credit facility, (4) amortization of debt issuance costs, amortized over the eight year term of the new senior notes, (5) elimination of interest expense associated with the conversion of the \$40,000 convertible subordinated notes, and (6) reduction in amortization of debt issuance costs associated with the conversion of the \$40,000 convertible subordinated notes. The following table details the components of this pro forma adjustment:

Interest on new senior notes.....	\$16,000
Interest on senior secured credit facility.....	(2,842)
Amortization of debt issuance costs on senior secured credit facility.....	(174)
Amortization of debt issuance costs on new senior notes.....	863
Interest on \$40.0 million subordinated convertible notes....	(7,847)
Amortization of debt issuance costs on \$40.0 million subordinated convertible notes.....	(51)

Pro forma adjustment.....	\$ 5,949
	=====

(B) Reflects the elimination of the preferred stock dividends resulting from the redemption of the 4,000 series A preferred shares and the tender of approximately 60% of the Shares. The redemption of the series A preferred shares would result in the pro forma reduction in series A preferred dividends of \$8,000. The tender of approximately 60% of the Shares would result in the pro forma reduction in Share dividends of \$8,849.

(C) The pro forma statement of operations for the year ended December 31, 2002 included herein assumes that approximately 60% of the Shares are tendered. Each incremental 10% increase or decrease of Shares tendered will result in an increase/(decrease) in the following pro forma adjustments:

10% INCREASE	10% DECREASE	-----
	- Interest	
expense.....		
	\$ 791	Preferred dividend
distributions.....		\$(1,435)
	\$1,435	

(D) Primarily as the result of a change in tax law, the Company experienced a significant tax benefit in 2002 which may not recur in future years. Therefore, the Company believes it is useful to compare historical pretax income from continuing operations before extraordinary charge and cumulative effect of accounting change available to common stockholders with pro forma pretax income from continuing operations before extraordinary charge and cumulative effect of accounting change available to common

CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES
 UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOOTNOTE EXPLANATIONS

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

stockholders in analyzing the effects of the Transactions. The calculation of comparative pretax income from continuing operations, extraordinary charge and cumulative effect of accounting charge available to common stockholders is as follows:

YEAR ENDED DECEMBER 31, 2002 -----	-----
ACTUAL PRO FORMA -----	Income from continuing
operations before income taxes, extraordinary charge and	operations before income taxes, extraordinary charge and
cumulative effect of accounting	cumulative effect of accounting
change.....	change.....
\$45,065 \$39,116 Series A Preferred Stock	
Dividends.....	(8,600) (600) Series
B Preferred Stock Dividends.....	
(12,359) (3,510) -----	Income from continuing
operations before income taxes, extraordinary charge and	operations before income taxes, extraordinary charge and
cumulative effect of accounting change available to	cumulative effect of accounting change available to
common stockholders.....	\$24,106 \$35,006
=====	=====

In addition, the Transactions will provide an additional potential benefit because interest on the new senior notes is deductible for federal income tax purposes while preferred stock dividends are not.

INTERESTS OF DIRECTORS AND EXECUTIVE OFFICERS; TRANSACTIONS AND
ARRANGEMENTS CONCERNING THE SHARES

Except as provided in the table below, to the Company's knowledge after making reasonable inquiry, none of its executive officers, directors or persons who would be considered to be "controlling the corporation" (a "Controlling Person"), or any associate or majority-owned subsidiary of such persons, own any of the Shares.

NUMBER OF SHARES BENEFICIALLY PERCENT OF NAME OF BENEFICIAL OWNER POSITION OWNED(1)(2) CLASS(3) ----- -----
----- John D. Ferguson..... President, Chief Executive Officer 22,134 * and Vice- Chairman of the Board Henri L. Wedell..... Director 274,069(4) 5.9% Todd J. Mullenger..... Vice President, Treasurer 18,447(5) * David M. Garfinkle..... Vice President, Finance 1,559 * Jimmy Turner..... Vice President, Operations 15,567(6) * All Directors and Executive Officers as a Group..... 331,776 7.1%

* Represents beneficial ownership of less than 1% of the outstanding Shares.

- (1) Includes shares as to which such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power and/or investment power, as these terms are defined in Rule 13d-3(a) under the Exchange Act.
- (2) Does not include Shares that have accrued as dividends since March 31, 2003.
- (3) Based on 4,672,163 Shares issued and outstanding on April 1, 2003.
- (4) Includes: (i) 211,509 Shares held in an IRA; (ii) 28,294 Shares owned by Mr. Wedell's wife; and (iii) 34,266 Shares held by the Wedell Spendthrift Trust.
- (5) Mr. Mullenger does not currently have investment power with respect to 6,149 Shares held pursuant to the terms of a restricted stock plan.
- (6) Mr. Turner does not currently have investment power with respect to 9,417 Shares held pursuant to the terms of a restricted stock plan.

The Company's directors and executive officers who are also Holders of Shares are listed in the table above and will receive the Offer and be eligible to tender their Shares on the same basis as any other Holder of Shares. However, certain of the Shares held by Todd J. Mullenger and Jimmy Turner are subject to restricted stock agreements that prohibit the transfer or sale of Shares that have not vested. Accordingly, certain of the Shares held by Mr. Mullenger and Mr. Turner will not be eligible to be tendered pursuant to the Offer. The Company's directors and executive officers who own Shares have indicated to the Company that they currently intend to tender all of their Shares that they are not restricted by contract from tendering in the Offer.

Based on the Company's records and information provided to the Company by its officers, directors, associates and subsidiaries, neither the Company, nor any of the Company's associates or subsidiaries, nor, to the Company's knowledge after making reasonable inquiry, any of its or any of its majority-owned subsidiary's directors, executive officers or Controlling Persons or any associates or subsidiaries thereof, have effected any transactions in the Shares during the 60 days before April 2, 2003.

Except for (i) outstanding options or other awards pursuant to the Company's benefits plans to purchase shares of common stock or Shares granted to certain employees, including executive officers, as further described in Note 19 to the Company's financial statements contained in the Company's Annual Report on Form 10-K filed for the year ended December 31, 2002 and (ii) outstanding notes, bank debt and related loan agreements, indentures, guaranty agreements and registration rights agreements as further

described in Note 13 and Note 14 to the Company's financial statements contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2002 and except as otherwise described herein, neither the Company nor any Controlling Person nor, to the Company's knowledge, any of the Company's executive officers or directors is a party to any agreement, arrangement, understanding or relationship with the Company or any other person relating, directly or indirectly, to any of the Company's securities, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or voting of any such securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or the giving or withholding of proxies, consents or authorizations.

From time to time, the Company issues debt and equity securities, and, in connection with such issuances, the Company may enter into customary arrangements with respect to the sale and placement of securities.

CERTAIN LEGAL MATTERS AND REGULATORY APPROVALS

The Company is not aware of (i) any license or other regulatory permit that appears to be material to the business of the Company or any of its subsidiaries, taken as a whole, which might be adversely affected by the Company's acquisition of Shares pursuant to the offer or (ii) any approval or other action by any domestic (federal or state) or foreign governmental authority which would be required prior to the Company's acquisition of Shares pursuant to the Offer. Should any such approval or other action be required, it is the Company's current intention to seek such approval or action. The Company does not currently intend, however, to delay the purchase of Shares tendered pursuant to the Offer pending the outcome of any such action or the receipt of any such approval (subject to the Company's right to decline to purchase Shares if any of the conditions described in "Terms of the Offer-- Conditions to the Offer" shall have occurred). There can be no assurance that any such approval or other action, if needed, would be obtained without substantial conditions or that adverse consequences might not result to the business of the Company. The Company's obligation to accept for payment and pay for Shares is subject to certain conditions. See "Terms of the Offer--Conditions to the Offer."

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following discussion is a summary of certain U.S. federal income tax consequences to Holders of the sale of Shares to the Company pursuant to the Offer. This discussion is general in nature and does not discuss all aspects of U.S. federal income taxation that may be relevant to a particular Holder in light of the Holder's particular circumstances, or to certain types of Holders subject to special treatment under U.S. federal income tax laws (such as insurance companies, tax-exempt organizations, regulated investment companies, real estate investment trusts, U.S. Holders, as defined below, whose "functional currency" is not the United States dollar, persons holding Shares as part of a hedging, integrated, conversion or constructive sale transaction or a straddle, financial institutions, brokers, dealers in securities or currencies and traders that elect to mark-to-market their securities). In addition, the discussion does not consider the effect of any alternative minimum taxes or foreign, state, local or other tax laws, or any U.S. tax considerations (e.g., estate or gift tax) other than U.S. federal income tax considerations, that may be applicable to particular Holders. Further, this summary assumes that Holders hold their Shares as "capital assets" (generally, property held for investment) within the meaning of section 1221 of the Internal Revenue Code of 1986, as amended (the "Code").

If a partnership holds Shares, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. A Holder that is a partner of a partnership tendering Shares should consult its tax advisor.

This summary is based on the Code and applicable U.S. Treasury regulations, rulings, administrative pronouncements and judicial decisions thereunder as of the date hereof, all of which are subject to change or differing interpretations at any time with possible retroactive effect.

The Company has not sought, nor will it seek, any ruling from the U.S. Internal Revenue Service (the "IRS") with respect to the matters discussed below. There can be no assurances that the IRS will not take a different position concerning tax consequences of the sale of Shares to the Company pursuant to the Offer or that any such position would not be sustained.

As used herein, a "U.S. Holder" means a beneficial owner of Shares that is (1) a citizen or resident of the United States, (2) a corporation or other entity taxed as a corporation created or organized in or under the laws of the United States or any political subdivision thereof, (3) an estate the income of which is subject to United States federal income taxation regardless of its source or (4) a trust if (x) it is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust, or (y) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

As used herein, a "Non-U.S. Holder" means a beneficial owner of Shares that is not a U.S. Holder.

EACH HOLDER IS ADVISED TO CONSULT ITS OWN TAX ADVISOR TO DETERMINE THE FEDERAL, STATE, LOCAL, FOREIGN, AND OTHER TAX CONSEQUENCES TO IT OF THE OFFER.

TAX CONSEQUENCES TO U.S. HOLDERS

A sale of Shares by a U.S. Holder pursuant to the Offer, will be a taxable transaction to the U.S. Holder for U.S. federal income tax purposes. The cash received by the U.S. Holder will be attributable to the tendered Shares in part and to the accrued dividend on such Shares in part. Pursuant to the terms of the Shares, the dividends thereon accrue on a daily basis. Thus, the amount of cash received by a U.S. Holder that is attributable to the accrued dividend will depend on how many days will have elapsed between the last dividend payment date preceding the date payment is made for the Shares and the date payment is made for the Shares. If the receipt of cash by a U.S. Holder in exchange for the tender of Shares pursuant to the Offer is treated as a sale or exchange (as described below) of such Shares for U.S. federal income tax purposes, the U.S. Holder will recognize capital gain or loss equal to the difference between (1) the amount of cash received by the U.S. Holder for such Shares and (2) the U.S. Holder's "adjusted tax basis" for such Shares at the time of the sale. Generally, a U.S. Holder's adjusted tax basis for the Shares will be equal to the cost of the Shares to the U.S. Holder. This gain or loss will be characterized as long-term capital gain or loss if the U.S. Holder's holding period for the Shares that were sold exceeds one year as of the date of purchase by the Company in the Offer. A U.S. Holder's ability to deduct capital losses may be limited.

The receipt of cash by a U.S. Holder pursuant to the Offer in exchange for the tender of Shares will be treated as a sale or exchange of the Shares for federal income tax purposes pursuant to Section 302 of the Code if the sale (i) results in a "complete termination" of the U.S. Holder's equity interest in the Company, or (ii) is "not essentially equivalent to a dividend. Each of these tests, referred to as "Section 302 Tests," are explained in more detail below.

A portion of the cash received by a U.S. Holder pursuant to the Offer will be attributable to the accrued dividend on the Shares tendered by the U.S. Holder and will be treated as a distribution and not as a sale or exchange of the Shares. In addition, if a U.S. Holder's receipt of cash attributable to the tender of Shares pursuant to the Offer does not meet either of the Section 302 Tests described below, then the U.S. Holder's receipt of cash in exchange for its tender of Shares will instead be treated as a distribution and not as a sale or exchange of Shares. Any amounts treated as a distribution will be taxed as a dividend (and hence as ordinary income) to the extent of the Company's current or accumulated earnings and profits, as determined under U.S. federal income tax principals. To the extent that the amount of the distribution exceeds the Company's current and accumulated earnings and profits, the excess first will be treated as a return of capital that will reduce the U.S. Holder's tax basis in the Shares exchanged in the Offer, and any remaining portion will be taxable to the U.S. Holder as capital gain. Any such capital gain will be long-term capital gain if the U.S. Holder has held the Shares for more than one year at the time of the exchange. A dividend received by a corporate U.S. Holder may be (i) eligible for a dividends-received deduction (subject to applicable exceptions and limitations) and (ii) subject to the "extraordinary dividend" provision of Section 1059 of the Code.

SECTION 302 TESTS

In applying each of the Section 302 Tests explained below, a Holder must take into account not only the Shares and any other stock in the Company that the Holder actually owns but also the Shares and any other stock in the Company that the Holder is treated as owning under the constructive ownership rules of Section 318 of the Code. Under these constructive ownership rules, a Holder is treated as owning any Shares and any other stock in the Company that is owned (actually, and in some cases constructively) by certain related individuals and entities as well as Shares and other stock in the Company that the Holder has the right to acquire by exercise of an option or by conversion or exchange of a security, including any convertible stock or debt of the Company. Due to the factual nature of the Section 302 Tests explained below, Holders should consult their tax advisors to determine whether the purchase of their Shares in the Offer qualifies for sale or exchange treatment in their particular circumstances.

One of the following tests must be satisfied with respect to the a Holder in order for the Company's purchase of the Shares to be treated as a sale or exchange by that Holder for federal income tax purposes:

Complete Termination Test

Assuming the Holder actually or constructively owns no stock in the Company other than the Shares, the Company's purchase of the Holder's Shares will result in a "complete termination" of that Holder's equity interest in the Company if (i) all of the Shares that are actually owned by the Holder are sold to the Company in the Offer and (ii) all of the Shares that are constructively owned by the Holder, if any, are sold to the Company in the Offer. If the purchase of Shares from a Holder would qualify for exchange treatment under this test but for the fact that, under Section 318 of the Code, the Holder is considered to own stock owned by the Holder's spouse, children, grandchildren or parents, the statute allows these family attribution rules to be waived under certain circumstances, so that the redemption can otherwise qualify under this test. In order for this waiver to apply, among other things, the Holder must have no interest in the Company, including an interest as an officer, director or employee, other than an interest as a creditor, for ten years following the redemption.

Not Essentially Equivalent to a Dividend Test

The purchase of the Holder's Shares pursuant to the Offer will be treated as "not essentially equivalent to a dividend" if the reduction in the U.S. Holder's proportionate stock interest in the Company as a result of the purchase constitutes a "meaningful reduction" given that Holder's particular circumstances. Whether the receipt of cash by a Holder who sells his Shares in the Offer will be "not essentially equivalent to a dividend" will depend on the Holder's particular facts and circumstances. The IRS has indicated that even a small reduction in the percentage interest of a stockholder whose relative stock interest in a publicly held corporation is minimal (for example, an interest of less than 1%) and who exercises no control over corporate affairs should constitute a "meaningful reduction." Holders should consult their tax advisors as to the application of this test to their particular circumstances.

INFORMATION REPORTING AND BACKUP WITHHOLDING

In general, information reporting requirements will apply to the Tender Offer Consideration paid to U.S. Holders other than certain exempt recipients (such as corporations). U.S. Holders may be subject to backup withholding at a rate of 30% on payments received with respect to the Shares unless such U.S. Holder (1) comes within certain exempt categories (such as corporations) and demonstrates this fact when required, or (2) provides a correct taxpayer identification number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. Each U.S. Holder will be asked to provide such Holder's correct taxpayer identification number and certify that such Holder is not subject to backup withholding by completing the Substitute Form W-9 that is included in the Letter of Transmittal.

Backup withholding is not an additional tax. A U.S. Holder subject to the backup withholding rules will be allowed a credit in the amount withheld against such Holder's U.S. federal income tax liability and, if withholding results in an overpayment of tax, such Holder may be entitled to a refund, provided that the requisite information is furnished to the IRS.

TAX CONSEQUENCES TO NON-U.S. HOLDERS

Gain realized by a Non-U.S. Holder on the sale of the Shares pursuant to the Offer generally will not be subject to United States federal income tax if the sale is treated as a sale or exchange for tax purposes pursuant to the Section 302 Tests unless (1) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States (and, if a treaty applies, the gain is generally attributable to the United States permanent establishment maintained by such Non-U.S. Holder) or (2) in the case of gain realized by a Non-U.S. Holder that is an individual, such Non-U.S. Holder is

present in the United States for 183 days or more in the taxable year of the sale or redemption and certain other conditions are met.

A portion of the cash received by a Non-U.S. Holder pursuant to the Offer will be attributable to the accrued dividend on the Shares tendered by the Non-U.S. Holder and will be treated as a distribution and not as a sale or exchange. Pursuant to the terms of the Shares, the dividends thereon accrue on a daily basis. Thus, the amount of cash received by a U.S. Holder that is attributable to the accrued dividend will depend on how many days will have elapsed between the last dividend payment date preceding the date payment is made for the Shares and the date payment is made for the Shares. In addition, if a Non-U.S. Holder's receipt of cash in exchange for the tender of Shares pursuant to the Offer does not meet any of the Section 302 tests described above, then the Non-U.S. Holder's receipt of cash in exchange for the Non-U.S. Holder's tender of Shares will instead be treated as a distribution and not as a sale or exchange. Any amounts treated as a distribution will be treated as a dividend to the extent of the Company's current or accumulated earnings and profits, as determined under U.S. federal income tax principals. The Company will have to withhold a U.S. federal withholding tax at a rate of 30%, or a lower rate under an applicable income tax treaty, on any amounts paid to Non-U.S. Holders pursuant to the Offer that the Company reasonably estimates will be treated as a dividend. Generally, in order for the Company to withhold tax at a lower treaty rate, you must provide the Company with a Form W-8BEN certifying your eligibility for the lower treaty rate.

If you claim the benefit of an applicable income tax treaty rate, you generally will be required to satisfy applicable certification and other requirements.

If you are eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty, you may obtain a refund or credit of any excess amounts withheld by filing an appropriate claim for a refund with the IRS.

If payments pursuant to the Offer are treated as dividends which are effectively connected with your conduct of a trade or business in the United States and if an income tax treaty applies, the dividend is attributable to a permanent establishment maintained by you in the United States, the dividend will be taxed on a net income basis at the regular graduated rates and in the manner applicable to U.S. persons. In such a case, if you are a foreign corporation, you may be subject to an additional branch profits tax at a rate of 30% or a lower rate as may be specified by an applicable income tax treaty.

Information reporting and backup withholding at a rate of 30% may apply to payments of the Tender Offer Consideration to Non-U.S. Holders that fail to certify their exempt status by properly completing an IRS Form W-8BEN.

THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO PARTICULAR HOLDERS IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES AND INCOME TAX SITUATIONS. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE OFFER, INCLUDING THE EFFECT OF ANY FEDERAL, STATE, LOCAL, FOREIGN OR OTHER TAX LAWS.

DEALER MANAGER, INFORMATION AGENT AND DEPOSITORY

In connection with the Offer, the Company has retained Lehman Brothers Inc. to act as a Dealer Manager, D.F. King & Co., Inc. to act as Information Agent and The Bank of New York to act as Depository, each of which will receive customary fees for their services. The Company has agreed to reimburse the Dealer Manager, the Information Agent and the Depository for their out-of-pocket expenses and to indemnify them against certain liabilities, including liabilities under federal securities laws.

At any time, the Dealer Manager may trade the Shares for its own accounts or for the accounts of customers and, accordingly, may hold a long or short position in the Shares. In addition, the Dealer Manager may contact Holders of Shares regarding the Offer and may request brokers, dealers, commercial banks, trust companies and other nominees to forward the Offer to Purchase and related materials to beneficial owners of Shares.

The Dealer Manager and each of their respective affiliates have provided in the past, and are currently providing, investment banking and financial advisory services to the Company and its respective affiliates. The Dealer Manager and its affiliates have, and will receive, customary fees for such services. The Company anticipates that the Dealer Manager will act as an underwriter in connection with the Common Stock Offering and the Notes Offering.

None of the Dealer Manager, the Information Agent or the Depository assumes any responsibility for the accuracy or completeness of the information concerning the Company contained in this Offer to Purchase or for any failure by the Company to disclose events that may have occurred and may affect the significance or accuracy of such information.

Except as set forth below under "Solicitation Fees," no fees or commissions have been or will be paid by the Company to any broker, dealer or other person, other than the Dealer Manager, the Information Agent and the Depository, in connection with the Offer.

Any Holder that has questions concerning the terms of the Offer may contact the Dealer Manager or the Information Agent at its respective address and telephone number set forth on the back cover page of this Offer to Purchase. Questions and requests for assistance or additional copies of this Offer to Purchase or the Letter of Transmittal may be directed to the Information Agent at the address and telephone number set forth on the back cover page of this Offer to Purchase. Holders of Shares may also contact their broker, dealer, commercial bank or trust company for assistance concerning the Offer.

The Bank of New York has been appointed as Depository for the Offer. Letters of Transmittal and all correspondence in connection with the Offer should be sent or delivered by each Holder or a beneficial owner's broker, dealer, commercial bank, trust company or other nominee to the Depository at the addresses or to the facsimile number set forth on the back cover page of this Offer to Purchase. Any Holder or beneficial owner that has questions concerning tender procedures should contact the Depository at the addresses and telephone number set forth on the back cover of this Offer to Purchase.

SOLICITATION FEES

The Company will pay to Soliciting Dealers (as defined below) designated by the beneficial owner of the Shares which are validly tendered and accepted pursuant to the Offer a solicitation fee of \$0.25 per Share tendered for cash, subject to certain conditions; provided, however, that Soliciting Dealers shall only receive the solicitation fee with respect to beneficial owners that own no more than 10,000 Shares. "Soliciting Dealer" includes (i) any broker or dealer in securities, including the Dealer-Manager in its capacity as dealer or broker, who is a member of any national securities exchange or of the National Association of Securities Dealers, Inc. (the "NASD"), (ii) any foreign broker or dealer not eligible for membership in the NASD who agrees to conform to the NASD's Rules of Fair Practice in soliciting tenders outside the United States to the same extent as if it were an NASD member, or (iii) any bank or trust company, any of whom has solicited and obtained a tender pursuant to the Offer. No such fee shall be payable to a Soliciting Dealer in respect of Shares owned, directly or indirectly, in the name of such Soliciting Dealer unless such Shares are being tendered for the benefit of one or more beneficial owners identified on the Letter of Transmittal or on the Notice of Solicited Tenders (included in the materials provided to brokers and dealers).

In order to receive a solicitation fee, the Soliciting Dealer must return a Notice of Solicited Tenders to the Depository within two NYSE trading days after the Expiration Date. No solicitation fee shall be payable to a Soliciting Dealer in respect of Shares (i) directly or indirectly owned by such Soliciting Dealer or (ii) registered in the name of such Soliciting Dealer unless such Shares are held by such Soliciting Dealer as nominee and such Shares are being tendered for the benefit of one or more beneficial owners identified on the Letter of Transmittal or the Notice of Solicited Tenders. No solicitation fee shall be payable to the Soliciting Dealer with respect to the tender of Shares by the holder of record, for the benefit of the beneficial owner, unless the beneficial owner has designated such Soliciting Dealer.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

The Company files reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). The Company's SEC filings are also available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document the Company files at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 to obtain information on the operation of the public reference room.

INCORPORATION OF INFORMATION BY REFERENCE

The SEC allows the Company to "incorporate by reference" information that the Company has filed with the SEC, which means that the Company can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this Offer to Purchase. The Offer to Purchase may update and supersede the information the Company incorporates by reference. The Company incorporates by reference the documents listed below:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2002, filed with the SEC on March 28, 2003; and

(ii) the Current Reports on Form 8-K, filed with the SEC on January 22, 2003 and February 14, 2003.

The Information Agent will provide without charge to each person to whom this Offer is delivered upon the request of such person, a copy of any or all of the documents incorporated herein by reference, other than exhibits to such documents (unless such exhibits are specifically incorporated by reference into such documents). Requests for such documents should be directed to the Information Agent at its address set forth on the back cover of this Offer to Purchase.

MISCELLANEOUS

The Company is not aware of any jurisdiction in which the making of the Offer is not in compliance with applicable law. If the Company becomes aware of any jurisdiction in which the making of the Offer or the acceptance of Shares pursuant to the Offer would not be in compliance with applicable law, the Company will make a good faith effort to comply with any such law. If, after such good faith effort, the Company cannot comply with any such law, the Offer will not be made to (nor will tenders of Shares be accepted from or on behalf of) the Holders of Shares residing in such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on the Company's behalf by the Dealer Manager or one or more registered brokers or dealers licensed under the laws of the jurisdiction.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Offer to Purchase and, if given or made, such information or representation may not be relied upon as having been authorized by the Company or the Dealer Manager.

Pursuant to Rule 13e-4 under the Exchange Act, the Company has filed with the SEC the Issuer Tender Offer Statement on Schedule TO, together with exhibits, furnishing certain additional information with respect to the Offer. The Issuer Tender Offer Statement on Schedule TO and any amendments thereto, including exhibits may be inspected at, and copies may be obtained from, the same places and in the same manner as set forth in "Where You Can Find Additional Information" (except that they will not be available at the regional offices of the SEC).

CORRECTIONS CORPORATION OF AMERICA

Dated: April 2, 2003

The Depository for the Offer is:

THE BANK OF NEW YORK

By Mail:

The Bank of New York
Corrections Corporation of
America (Tender)
165 Bay State Road
Braintree, MA 02184

By Hand:

The Bank of New York
Tender and Exchange
Department-11 West
101 Barclay Street
Receive & Delivery Window,
Street Level
New York, NY 10286

By Overnight Delivery:

The Bank of New York
Corrections Corporation of
America (Tender)
165 Bay State Road
Braintree, MA 02184

Any questions or requests for assistance may be directed to the Dealer Manager at the addresses and telephone numbers set forth below. Additional copies of this Offer to Purchase or the Letter of Transmittal may be obtained from the Information Agent at the telephone numbers or address set forth below. A Holder may also contact such Holder's broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer.

The Information Agent for the Offer is:

D.F. KING & CO., INC.

48 Wall Street
New York, New York
10005 Call Collect:
(212) 269-5550

or

Call Toll Free: (888) 605-1956

The Dealer-Manager for the Offer is:

LEHMAN BROTHERS INC.

745 Seventh Avenue
3rd Floor
New York, New York 10019
Call Collect: (212) 528-7581

or

Call Toll Free: (800) 438-3242
Attention: Darrell Chiang

List above the Shares to which this Letter of Transmittal relates. If the space provided above is inadequate, list the certificate numbers and share amounts on a separately executed schedule and affix the schedule to this Letter of Transmittal.

IF YOUR SHARE CERTIFICATE(S) HAVE BEEN LOST, STOLEN OR DESTROYED, SEE INSTRUCTION 10.

The instructions contained herein should be read carefully before this Letter of Transmittal is completed.

HOLDERS THAT WISH TO BE ELIGIBLE TO RECEIVE THE TENDER OFFER CONSIDERATION PURSUANT TO THE OFFER MUST VALIDLY TENDER THEIR SHARES TO THE DEPOSITORY PRIOR TO 12:00 P.M. MIDNIGHT, NEW YORK CITY TIME, ON THE EXPIRATION DATE.

All capitalized terms used herein and not defined herein shall have the meaning ascribed to them in the Offer to Purchase of Corrections Corporation of America, a Maryland corporation (the "Company"), dated April 2, 2003 (as the same may be amended or supplemented from time to time, the "Offer to Purchase").

This Letter of Transmittal (this "Letter of Transmittal") is to be used by Holders if: (1) certificates representing Shares are to be physically delivered to the Depository herewith by such Holders; or (2) tender of the Shares is to be made by book-entry transfer to the Depository's account at The Depository Trust Company ("DTC") pursuant to the procedures set forth in the Offer to Purchase under the caption "Terms of the Offer -- Procedure for Tendering Shares -- Book-Entry Delivery Procedures" by any financial institution that is a participant in DTC and whose name appears on a security position listing as the owner of the Shares.

THE OFFER IS NOT BEING MADE TO (NOR WILL TENDERS OF SHARES BE ACCEPTED FROM OR ON BEHALF OF) HOLDERS IN ANY JURISDICTION IN WHICH THE MAKING OR ACCEPTANCE OF THE OFFER WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION. IN ANY JURISDICTION WHERE THE SECURITIES, BLUE SKY OR OTHER LAWS REQUIRE THE OFFER TO BE MADE BY A LICENSED BROKER OR DEALER, THE OFFER WILL BE DEEMED TO BE MADE ON THE COMPANY'S BEHALF BY THE DEALER MANAGER OR ONE OR MORE REGISTERED BROKERS OR DEALERS LICENSED UNDER THE LAWS OF THE JURISDICTION.

Your bank or broker can assist you in completing this form. The instructions included with this Letter of Transmittal must be followed. Questions and requests for assistance may be directed to the Dealer Manager and requests for additional copies of the Offer to Purchase and the Letter of Transmittal may be directed to the Information Agent, whose respective addresses and telephone numbers appear at the end of this Letter of Transmittal. See Instruction 12 below.

The Offer is being made for 4,204,947 Shares. If, at the expiration of the Offer, more than 4,204,947 Shares have been validly tendered and not withdrawn, and all other conditions are satisfied or waived, the Company will purchase 4,204,947 Shares on a pro rata basis from all tendering Holders, disregarding fractions, according to the number of Shares tendered by each Holder; provided, however, that "odd lots" (lots held by beneficial owners of less than 100 Shares) will be purchased on a priority basis.

METHOD OF DELIVERY

- CHECK HERE IF CERTIFICATES FOR TENDERED SHARES ARE ENCLOSED HEREWITH.
- CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO THE ACCOUNT MAINTAINED BY THE DEPOSITORY WITH DTC AND COMPLETE THE FOLLOWING:

Name of Tendering Institution

Account Number

Transaction Code Number

NOTE: SIGNATURES MUST BE PROVIDED BELOW
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY

Ladies and Gentlemen:

By execution hereof, the undersigned acknowledges receipt of the Offer to Purchase and this Letter of Transmittal and instructions hereto, which together constitute the Company's offer to purchase for up to 4,204,947 shares of its Series B Cumulative Convertible Preferred Stock (the "Shares"), upon the terms and subject to the conditions set forth in the Offer to Purchase, from registered holders of the Shares ("Holders"), as described in the Offer to Purchase.

Upon the terms and subject to the conditions of the Offer, the undersigned hereby sells, assigns and transfers to, or upon the order of, the Company, all right, title and interest in and to the Shares that are being tendered hereby (and any and all other Shares or other securities or rights issued in respect thereof on or after April 2, 2003), subject to the acceptance for purchase of, and payment for, the Shares tendered with this Letter of Transmittal. The undersigned hereby irrevocably constitutes and appoints the Depositary the true and lawful agent and attorney-in-fact of the undersigned (with full knowledge that the Depositary also acts as the agent of the Company) to the full extent of the undersigned's rights with respect to such Shares, with full power of substitution (such power-of-attorney being deemed to be an irrevocable power coupled with an interest) to (1) deliver share certificates evidencing such Shares (and any such other securities or rights), or transfer ownership of, such Shares (and any such other securities or rights) on the account books maintained by DTC, together with all accompanying evidences of transfer and authenticity to or upon the order of, the Company, (2) present such Shares (and any such other securities or rights) for transfer of ownership on the books of the Company, and (3) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares, all in accordance with the terms of and conditions to the Offer as described in the Offer to Purchase.

The undersigned understands that tenders of Shares pursuant to any of the procedures described in the Offer to Purchase and in the instructions hereto and acceptance thereof by the Company will constitute a binding agreement between the undersigned and the Company upon the terms and subject to the conditions of the Offer.

The undersigned hereby represents and warrants that (i) the undersigned has full power and authority to tender, sell, assign and transfer the tendered Shares (and any and all other Shares or other securities issued or issuable in respect of such Shares) and (ii) when the same are accepted for purchase and payment by the Company, the Company will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claims or rights. The undersigned will, upon request, execute and deliver any additional documents deemed by the Depositary or by the Company to be necessary or desirable to complete the sale, assignment and transfer of the Shares tendered hereby.

For purposes of the Offer, the undersigned understands that the Company will be deemed to have accepted for purchase validly tendered Shares (or defectively tendered Shares with respect to which the Company has waived such defect) if, as and when the Company gives oral or written notice thereof to the Depositary.

The Offer is being made for 4,204,947 Shares. If, at the expiration of the Offer, more than 4,204,947 Shares have been validly tendered and not withdrawn, and all other conditions are satisfied or waived, the Company will purchase 4,204,947 Shares on a pro rata basis from all tendering Holders, disregarding fractions, according to the number of Shares tendered by each Holder; provided, however, that "odd lots" (lots held by beneficial owners of less than 100 Shares) will be purchased on a priority basis.

The undersigned understands that, notwithstanding any other provision of the Offer, the Company's obligations to accept for purchase, and to pay the Tender Offer Consideration for the Shares validly

tendered pursuant to the Offer is subject to, and conditioned upon, the satisfaction of or, where applicable, the Company's waiver of, the following:

- the receipt by the Company before 12:00 midnight, New York City time, on the Expiration Date of at least \$240.0 million of aggregate net proceeds from the Common Stock Offering and the Notes Offering, on terms and conditions satisfactory to the Company; and
- the General Conditions.

Any Shares not accepted for purchase will be returned promptly to the undersigned at the address set forth above, unless otherwise indicated herein under "Special Delivery Instructions" below. The Company reserves the right, in its sole discretion, to waive any one or more of the conditions to the Offer at any time as set forth in the Offer to Purchase under the caption "Terms of the Offer -- Conditions to the Offer."

All authority conferred or agreed to be conferred by this Letter of Transmittal shall survive the death or incapacity of the undersigned and every obligation of the undersigned under this Letter of Transmittal shall be binding upon the undersigned's heirs, personal representatives, executors, administrators, successors, assigns, trustees in bankruptcy and other legal representatives.

The undersigned understands that the delivery and surrender of the Shares is not effective, and the risk of loss of the Shares does not pass to the Depository, until receipt by the Depository of this Letter of Transmittal, or a facsimile hereof, properly completed and duly executed, together with all accompanying evidences of authority and any other required documents in form satisfactory to the Company. All questions as to form of all documents and the validity (including time of receipt) and acceptance of tenders of withdrawals of Shares will be determined by the Company, in its sole discretion, which determination shall be final and binding.

Unless otherwise indicated herein under "Special Issuance Instructions," the undersigned hereby requests that any Share Certificates representing Shares not tendered or not accepted for purchase be issued in the name(s) of the undersigned (and in the case of Shares tendered by book-entry transfer, by credit to the account at DTC designated above), and checks for payments of the Tender Offer Consideration, to be made in connection with the Offer be issued to the order of the undersigned. Similarly, unless otherwise indicated herein under "Special Delivery Instructions," the undersigned hereby requests that any Share Certificates evidencing Shares not tendered or not accepted for purchase and checks for payments of the Tender Offer Consideration to be made in connection with the Offer be delivered to the undersigned at the address shown above. In the event that the "Special Issuance Instructions" box or the "Special Delivery Instructions" box is, or both are, completed, the undersigned hereby requests that any Share Certificates evidencing Shares not tendered or not accepted for purchase be issued in the name(s) of, certificates for such Shares be delivered to, and checks for payments of the Tender Offer Consideration to be made in connection with the Offer be issued in the name(s) of, and be delivered to, the person(s) at the address so indicated, as applicable. The undersigned recognizes that the Company has no obligation pursuant to the "Special Issuance Instructions" box or "Special Delivery Instructions" box to transfer any Shares from the name of the Holder(s) thereof if the Company does not accept for purchase any Shares so tendered.

PLEASE SIGN ON THIS PAGE
(TO BE COMPLETED BY ALL TENDERING HOLDERS OF SHARES REGARDLESS OF WHETHER SHARES
ARE
BEING PHYSICALLY DELIVERED HEREWITH)

This Letter of Transmittal must be signed by the registered Holder(s) of Shares exactly as their name(s) appear(s) on certificate(s) for Shares or, if tendered by a DTC participant, exactly as such participant's name appears on a security position listing as the owner of Shares, or by person(s) authorized to become registered Holder(s) by endorsements and documents transmitted with this Letter of Transmittal. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer or other person acting in a fiduciary or representative capacity, such person must set forth his or her full title below under "Capacity" and submit evidence satisfactory to the Company of such person's authority to so act. See Instruction 4 below.

X

X

SIGNATURE(S) OF REGISTERED HOLDER(S) OR AUTHORIZED SIGNATORY

Date: ----- , 2003

Name(s):

(PLEASE PRINT)

Capacity:

Address:

(INCLUDING ZIP CODE)

Area Code and Telephone No.:

IMPORTANT: COMPLETE SUBSTITUTE FORM W-9 HEREIN

SIGNATURE GUARANTEE (SEE INSTRUCTION 4 BELOW)
CERTAIN SIGNATURES MUST BE GUARANTEED BY A MEDALLION SIGNATURE GUARANTOR

(NAME OF ELIGIBLE INSTITUTION GUARANTEEING SIGNATURES)

(ADDRESS (INCLUDING ZIP CODE) AND TELEPHONE NUMBER (INCLUDING AREA CODE) OF FIRM)

(AUTHORIZED SIGNATURE)

(PRINTED NAME)

TITLE

Date: ----- , 2003

SPECIAL ISSUANCE INSTRUCTIONS
(SEE INSTRUCTIONS 3, 4, 5 AND 7)

To be completed ONLY if Share Certificates evidencing Shares not tendered or not accepted for purchase are to be issued in the name of, or payment for the Tender Offer Consideration is to be made to, someone other than the person or persons whose signature(s) appear(s) within this Letter of Transmittal, or if Shares tendered by book-entry transfer that are not accepted for purchase are to be credited to an account maintained at DTC other than the account designated above.

Issue: Share Certificates
 Payment
(check as applicable)

Name:

(PLEASE PRINT)

Address:

(INCLUDE ZIP CODE)

(TAX IDENTIFICATION OR SOCIAL SECURITY NUMBER)
(SEE SUBSTITUTE FORM W-9 HEREIN)

Credit unpurchased Shares by book-entry to the DTC account set forth below:

(DTC ACCOUNT NUMBER)

(NAME OF ACCOUNT PARTY)

SPECIAL DELIVERY INSTRUCTIONS
(SEE INSTRUCTIONS 3, 4 AND 5)

To be completed ONLY if Share Certificates evidencing Shares not tendered or not accepted for purchase or a check for the Tender Offer Consideration are to be sent to someone other than the person or persons whose signature(s) appear(s) within this Letter of Transmittal or to such person or persons at an address different from that shown in the box entitled "Description of Shares" within this Letter of Transmittal.

Deliver: Share Certificates
 Payment
(check as applicable)

Name:

(PLEASE PRINT)

Address:

(INCLUDE ZIP CODE)

(TAX IDENTIFICATION OR SOCIAL SECURITY NUMBER)
(SEE SUBSTITUTE FORM W-9 HEREIN)

INSTRUCTIONS
FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER

1. DELIVERY OF THIS LETTER OF TRANSMITTAL AND CERTIFICATES FOR SHARES OR BOOK-ENTRY CONFIRMATIONS. To tender Shares in the Offer, physical delivery of Share Certificates for Shares or a confirmation of any book-entry transfer into the Depository's account with DTC of Shares tendered electronically, as well as a properly completed and duly executed copy or facsimile of this Letter of Transmittal, and any other documents required by this Letter of Transmittal, must be received by the Depository at its address set forth herein prior to 12:00 midnight, New York City time, on the Expiration Date in order to receive the Tender Offer Consideration. The method of delivery of this Letter of Transmittal, Shares and all other required documents to the Depository is at the election and risk of Holders. If such delivery is by mail, it is suggested that Holders use properly insured registered mail, return receipt requested, and that the mailing be made sufficiently in advance of the Expiration Date, to permit delivery to the Depository prior to such date. Except as otherwise provided below, the delivery will be deemed made when actually received or confirmed by the Depository. This Letter of Transmittal and Shares should be sent only to the Depository, not to the Company, the Dealer Manager, the Information Agent or DTC.

2. WITHDRAWAL OF TENDERS. Except as expressly provided herein or in the Offer to Purchase, tenders of Shares pursuant to the Offer are irrevocable. Tenders of Shares made prior to 12:00 midnight, New York City Time, on the Expiration Date, may be validly withdrawn at any time prior to 12:00 midnight, New York City Time, on the Expiration Date, or if the Company has not yet accepted the Shares, after May 28, 2003. In the event of a termination of the Offer, the Shares tendered pursuant to the Offer will be promptly returned to the tendering Holder.

For a withdrawal of a tender of Shares to be effective, a written or facsimile transmission notice of withdrawal must be received by the Depository on or prior to 12:00 midnight, New York City time, on the Expiration Date at its address set forth on the first page of this Letter of Transmittal. Any such notice of withdrawal must (1) specify the name of the person that tendered the Shares to be withdrawn, (2) specify the number of Shares to be withdrawn and (3) be signed by the Holder of such Shares in the same manner as the original signature on the Letter of Transmittal by which such Shares were tendered (including any required signature guarantees), if any, or be accompanied by documents of transfer sufficient to have the Depository register the transfer of the Shares into the name of the person withdrawing such Shares. If the Shares to be withdrawn have been delivered or otherwise identified to the Depository, a signed notice of withdrawal is effective immediately upon written or facsimile notice of withdrawal even if physical release is not yet effected. Any Shares properly withdrawn will be deemed to be not validly tendered for purposes of the Offer.

If the Shares to be withdrawn have been delivered to the Depository, a signed notice of withdrawal with (except in the case of Shares tendered by an Eligible Institution) signatures guaranteed by an Eligible Institution must be submitted prior to the release of such Shares. In addition, such notice must specify, in the case of Shares tendered by book-entry transfer, the name and number of the account at the DTC to be credited with the withdrawn Shares. In the case of Shares tendered by delivery of Share Certificates, such notice must specify the name of the registered holder (if different from the name of the tendering Holder) and the serial numbers shown on the particular certificates representing the Shares to be withdrawn.

Withdrawals may not be rescinded, and Shares withdrawn will thereafter be deemed not validly tendered for purposes of the Offer. Withdrawn Shares, however, may be tendered by again following one of the procedures described in the Offer to Purchase and in this Letter of Transmittal at any time prior to the Expiration Date.

Withdrawal of Shares can be accomplished only in accordance with the foregoing procedures.

All questions as to the validity (including time of receipt) of notices of withdrawal will be determined by the Company in the Company's sole discretion, and the Company's determinations shall be final and binding. None of the Company, the Depository, the Dealer Manager, the Information Agent or any other

person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal, or incur any liability for failure to give any such notification.

3. PARTIAL TENDERS (NOT APPLICABLE TO HOLDERS WHO TENDER BY BOOK-ENTRY TRANSFER). If fewer than all the Shares represented by any certificate delivered to the Depository are to be tendered, fill in the number of Shares which are to be tendered in the box entitled "Number of Shares Tendered." In such case, a new certificate for the remainder of the Shares represented by the old certificate will be sent to the Holders signing this Letter of Transmittal, unless otherwise provided in the appropriate box on this Letter of Transmittal, as promptly as practicable following the expiration or termination of the Offer. All Shares represented by certificates delivered to the Depository will be deemed to have been tendered unless otherwise indicated.

4. SIGNATURES ON THIS LETTER OF TRANSMITTAL; STOCK POWERS AND ENDORSEMENT; GUARANTEE OF SIGNATURES. If this Letter of Transmittal is signed by the Holder(s) of the Shares tendered hereby, the signature(s) must correspond exactly with the name(s) as written on the face of the Share Certificate(s) without any change whatsoever.

If any of the Shares tendered hereby are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal. If any tendered Shares are registered in different names on several Share Certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are names in which certificates are held.

If this Letter of Transmittal or any Share Certificates are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and proper evidence satisfactory to the Company of their authority so to act must be submitted, unless waived by the Company.

If this Letter of Transmittal is signed by the Holder(s) of the Shares listed and transmitted hereby, no endorsements of certificates are required unless payment is to be made to, or Share Certificates for Shares not tendered or not accepted for purchase are to be issued to, a person other than the Holder(s). Signatures on such Share Certificates must be guaranteed as provided below.

If this Letter of Transmittal is signed by a person other than the Holder(s) of the Shares listed, the Share Certificates representing such Shares must be properly endorsed for transfer by the Holder or be accompanied by a properly completed stock power from the holder in form satisfactory to the Company.

Signatures on all Letters of Transmittal must be guaranteed by a participant in a recognized Medallion Signature Program (a "Medallion Signature Guarantor"), unless the Shares tendered thereby are tendered (1) by a Holder of Shares (or by a participant in DTC whose name appears on a security position listing as the owner of such Shares) who has not completed either the box entitled "Special Issuance Instructions" or "Special Delivery Instructions" on the Letter of Transmittal, or (2) for the account of an Eligible Institution. If the Shares are registered in the name of a person other than the signer of the Letter of Transmittal or if Shares not accepted for payment or not tendered are to be returned to a person other than the Holder, then the signatures on the Letters of Transmittal accompanying the tendered Shares must be guaranteed by a Medallion Signature Guarantor as described above.

5. SPECIAL ISSUANCE AND SPECIAL DELIVERY INSTRUCTIONS. Tendering Holders should indicate in the applicable box or boxes the name and address to which Shares amounts not tendered or not accepted for purchase or checks for payment of the Tender Offer Consideration, to be made in connection with the Offer are to be issued or sent, if different from the name and address of the person signing this Letter of Transmittal. In the case of issuance in a different name, the taxpayer identification or social security number of the person named must also be indicated. If no instructions are given, Shares not tendered or not accepted for purchase will be returned to the Holder of the Shares tendered. Any Holder tendering by book-entry transfer may request that Shares not tendered or not accepted for purchase be credited to such account at DTC as such Holder may designate under the caption "Special Issuance Instructions." If no

such instructions are given, any such Shares not tendered or not accepted for purchase will be returned by crediting the Holder's account at DTC.

6. TAXPAYER IDENTIFICATION NUMBER. Each tendering Holder is required to provide the Depository with the Holder's correct taxpayer identification number ("TIN"), generally the Holder's social security or federal employer identification number, on Substitute Form W-9, which is provided under "Important Tax Information" below, or, alternatively, to establish another basis for exemption from backup withholding. A Holder must cross out item (2) in the Certification box on Substitute Form W-9 if such Holder is subject to backup withholding. In addition to potential penalties, failure to provide the correct information on the form may subject the tendering Holder to 30% federal income tax backup withholding on the payments made to the Holder or other payee with respect to Shares purchased pursuant to the Offer. A Holder shall write "applied for" in the box in Part 1 of the form and complete the attached Certificate of Awaiting Taxpayer Identification Number if the tendering Holder has not been issued a TIN and has applied for a TIN or intends to apply for a TIN in the near future. In such case, the Depository will withhold 30% on all such payments of the Tender Offer Consideration until a TIN is provided to the Depository, and if the Depository is not provided with a TIN within 60 days, such amounts will be paid over to the Internal Revenue Service. A Holder who writes "applied for" in Part 1 in lieu of furnishing his or her TIN should furnish his or her TIN as soon as it is received.

7. TRANSFER TAXES. The Company will pay all transfer taxes applicable to the purchase and transfer of Shares pursuant to the Offer, except in the case of deliveries of Share Certificates for Shares not tendered or not accepted for payment that are to be registered or issued in the name of any person other than the Holder of Shares tendered thereby.

8. IRREGULARITIES. All questions as to the form of all documents and the validity (including time of receipt) and acceptance of tenders and withdrawals of Shares will be determined by the Company, in its sole discretion, which determination shall be final and binding. Alternative, conditional or contingent tenders will not be considered valid. The Company reserves the absolute right to reject any or all tenders of Shares that are not in prior form or the acceptance of which would, in the Company's opinion, be unlawful. The Company also reserves the right to waive any defects, irregularities or conditions of tender as to particular Shares. The Company's interpretations of the terms and conditions of the Offer (including the instructions in this Letter of Transmittal) will be final and binding. Any defect or irregularity in connection with tenders of Shares must be cured within such time as the Company determines, unless waived by the Company. Tenders of Shares shall not be deemed to have been made until all defects or irregularities have been waived by the Company or cured. None of the Company, the Depository, the Dealer Manager, the Information Agent or any other person will be under any duty to give notice of any defects or irregularities in tenders of Shares, or will incur any liability to Holders for failure to give any such notice.

9. WAIVER OF CONDITIONS. The conditions to the Offer are for the sole benefit of the Company and may be asserted by the Company regardless of the circumstances giving rise to any such condition (including any action or inaction by the Company) and may be waived by the Company, in whole or in part, at any time and from time to time, in the sole discretion of the Company to the extent permitted by applicable law. If such waiver constitutes a material change to the Offer, the Company will promptly disclose such waiver by means of an Offer to Purchase supplement that will be distributed to the Holders and will otherwise comply with applicable law. All conditions to the Offer shall be either satisfied or waived by the Company prior to the acceptance of any Shares for purchase by the Company. The failure by the Company at any time to exercise any of the foregoing rights will not be deemed a waiver of any other right and each right will be deemed an ongoing right which may be asserted at any time and from time to time.

10. MUTILATED, LOST, STOLEN OR DESTROYED CERTIFICATES FOR SHARES. Any Holder whose Share Certificates have been mutilated, lost, stolen or destroyed should write to or telephone American Stock Transfer & Trust Company at the following address or telephone number:

American Stock Transfer & Trust Company
59 Maiden Lane
New York, NY 10038
(800) 937-5449

11. SOLICITED TENDERS. The Company will pay to Soliciting Dealers (as defined below) designated by the beneficial owner of the Shares which are validly tendered and accepted pursuant to the Offer a solicitation fee of \$0.25 per Share tendered for cash, subject to certain conditions; provided, however, that Soliciting Dealers shall only receive the solicitation fee with respect to beneficial owners that own no more than 10,000 Shares. "Soliciting Dealer" includes (i) any broker or dealer in securities, including the Dealer-Manager in its capacity as dealer or broker, who is a member of any national securities exchange or of the National Association of Securities Dealers, Inc. (the "NASD"), (ii) any foreign broker or dealer not eligible for membership in the NASD who agrees to conform to the NASD's Rules of Fair Practice in soliciting tenders outside the United States to the same extent as if it were an NASD member, or (iii) any bank or trust company, any of whom has solicited and obtained a tender pursuant to the Offer. No such fee shall be payable to a Soliciting Dealer in respect of Shares owned, directly or indirectly, in the name of such Soliciting Dealer unless such Shares are being tendered for the benefit of one or more beneficial owners identified on this Letter of Transmittal or on the Notice of Solicited Tenders (included in the materials provided to brokers and dealers).

In order to receive a solicitation fee, the Soliciting Dealer must return a Notice of Solicited Tenders to the Depository within two NYSE trading days after the Expiration Date. No solicitation fee shall be payable to a Soliciting Dealer in respect of Shares (i) directly or indirectly owned by such Soliciting Dealer or (ii) registered in the name of such Soliciting Dealer unless such Shares are held by such Soliciting Dealer as nominee and such Shares are being tendered for the benefit of one or more beneficial owners identified on this Letter of Transmittal or the Notice of Solicited Tenders. No solicitation fee shall be payable to the Soliciting Dealer with respect to the tender of Shares by the holder of record, for the benefit of the beneficial owner, unless the beneficial owner has designated such Soliciting Dealer.

12. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES. Questions and requests for assistance should be directed to, and additional copies of the Offer to Purchase, this Letter of Transmittal, and other documents may be obtained from, the Information Agent, whose address and telephone numbers appear at the end of this Letter of Transmittal.

IMPORTANT: THIS LETTER OF TRANSMITTAL TOGETHER WITH ANY SIGNATURE GUARANTEES, OR, IN THE CASE OF A BOOK-ENTRY TRANSFER, AN AGENT'S MESSAGE, AND ANY OTHER REQUIRE DOCUMENTS, MUST BE RECEIVED BY THE DEPOSITORY PRIOR TO THE EXPIRATION DATE AND EITHER CERTIFICATES FOR TENDERED SHARES MUST BE RECEIVED BY THE DEPOSITORY OR SHARES MUST BE DELIVERED PURSUANT TO THE PROCEDURES FOR BOOK-ENTRY TRANSFER, IN EACH CASE PRIOR TO THE EXPIRATION DATE.

IMPORTANT TAX INFORMATION

A Holder whose tendered Shares are accepted for payment is required to provide the Depository with such Holder's correct TIN on the Substitute Form W-9 below or otherwise establish a basis for exemption from backup withholding. If such Holder is an individual, the TIN is his or her social security number. If the Depository is not provided with the correct TIN or an adequate basis for exemption made to such Holder with respect to Shares purchased pursuant to the Offer may be subject to backup withholding and the Holder may be subject to a \$50 penalty imposed by the Internal Revenue Service.

Certain Holders (including, among others, all corporations and certain foreign persons) are not subject to these backup withholding and reporting requirements. Exempt Holders should indicate their exempt status on Substitute Form W-9. A foreign person may qualify as an exempt recipient by submitting to the Depository a properly completed Internal Revenue Service Form W-8BEN (instead of a Form W-9), signed under penalties of perjury, attesting to that Holder's exempt status. A Form W-8BEN can be obtained from the Depository. See the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional instructions. Holders are advised to consult their own tax advisors to determine whether they are exempt from these backup withholding and reporting requirements.

If backup withholding applies, the Depository is required to withhold 30% of any payments made to the Holder or other payee. Backup withholding is not an additional federal income tax. If the required information is furnished to the Internal Revenue Service in a timely manner, the federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld, and, if withholding results in an overpayment of taxes, a refund may be obtained from the Internal Revenue Service.

PURPOSE OF SUBSTITUTE FORM W-9

To prevent backup withholding on payments made with respect to Shares purchased pursuant to the Offer, the Holder is required to provide the Depository with (i) the Holder's correct TIN by completing the form below, certifying (x) that the TIN provided on Substitute Form W-9 is correct (or that such Holder is awaiting a TIN), (y) that (A) such Holder is exempt from backup withholding, (B) the Holder has not been notified by the Internal Revenue Service that the Holder is subject to backup withholding as a result of failure to report all interest or dividends or (C) the Internal Revenue Service has notified the Holder that the Holder is no longer subject to backup withholding, and (z) that the Holder is a U.S. person (including a U.S. resident alien); or (ii) if applicable, an adequate basis for exemption.

WHAT NUMBER TO GIVE THE DEPOSITARY

The Holder is required to give the Depository the TIN (e.g., social security number or employer identification number) of the Holder. If the Shares are held in more than one name or are held not in the name of the actual owner, consult the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional guidance on which number to report.

TO BE COMPLETED BY ALL TENDERING HOLDERS OF SHARES

PAYOR'S NAME: THE BANK OF NEW YORK

Name

(if in joint names, list first and circle the name of the person or entity whose number you enter in Part I)

Business Name (Sole proprietors see the instructions in the enclosed Guidelines for Certification of Number on Substitute Taxpayer Identification Form W-9 (the "Guidelines"))

Address

SUBSTITUTE: Form W-9

Part I -- Taxpayer Identification Number accounts, enter taxpayer identification number in the box at right, (For most individuals, this is your social security number. If you do not have a number, see Obtaining a Number in the enclosed Guidelines.) Certify by signing and dating below. Identification Number

Social Security Number

OR

Employer identification Number

Note: If the account is in more than one name, which number to give the payer.

("Applied write "Applied For) "Applied For")

Department of the Treasury Internal Revenue Service

Part II -- For Payees exempt from backup withholding, see the enclosed Guidelines and complete as instructed therein.

Payer's Request for Taxpayer Identification Number ("TIN") and Certification

Part III -- Certification -- Under penalties of perjury, I certify that:

- (1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me);
(2) I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service ("IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends or (c) the IRS notified me that I am no longer subject to backup withholding; and
(3) I am a U.S. person (including a U.S. resident alien).

Certification Instructions. You must cross out item (2) above if the IRS has notified you that you are subject to backup withholding because you have failed to report all interest and dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you were no longer subject to backup withholding, do not cross out item (2). (Also see instructions in the enclosed Guidelines.)

Signature Date, 2003

YOU SHOULD COMPLETE THE FOLLOWING CERTIFICATE IF YOU WROTE "APPLIED FOR" IN PART I OF THIS SUBSTITUTE FORM W-9

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (b) I intend to mail or deliver an application in the near future. I understand that, notwithstanding the information I provided in Part III of the Substitute Form W-9 (and the fact that I have completed this Certificate of Awaiting Taxpayer Identification Number), all reportable payments made to me thereafter will be subject to a 30% backup withholding tax until I provide a properly certified taxpayer identification number.

Signature Date: 2003

NOTE: FAILURE TO COMPLETE AND RETURN THE SUBSTITUTE FORM W-9 MAY RESULT IN BACKUP WITHHOLDING TAX OF 30% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

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The Information Agent for the Offer is:

D.F. KING & CO., INC.

48 Wall Street
New York, New York 10005
Call Collect: (212) 269-5550

or

Call Toll Free: (888) 605-1956

The Dealer-Manager for the Offer is:

LEHMAN BROTHERS INC.

745 Seventh Avenue
3rd Floor
New York, New York 10019
Call Collect: (212) 528-7581

or

Call Toll Free: (800) 438-3242
Attention: Darrell Chiang

CORRECTIONS CORPORATION OF AMERICA

OFFER TO PURCHASE FOR CASH
UP TO 4,204,947 SHARES OF THE 4,672,163 OUTSTANDING SHARES OF ITS
SERIES B CUMULATIVE CONVERTIBLE PREFERRED STOCK
(CUSIP NOS. 22025Y 30 8 AND 74264N 30 3)
AT A PURCHASE PRICE OF \$26.00 PER SHARE

THIS OFFER WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON APRIL 29, 2003, UNLESS EXTENDED (SUCH DATE, AS THE SAME MAY BE EXTENDED, THE "EXPIRATION DATE"). REGISTERED HOLDERS OF SHARES OF THE SERIES B CUMULATIVE CONVERTIBLE PREFERRED STOCK ("HOLDERS") MUST TENDER THEIR SHARES (AS DEFINED BELOW) ON OR PRIOR TO 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THE EXPIRATION DATE TO RECEIVE THE TENDER OFFER CONSIDERATION (AS DEFINED BELOW).

April 2, 2003

To Our Clients:

Enclosed for your consideration is an Offer to Purchase, dated April 2, 2003 (the "Offer to Purchase"), and a Letter of Transmittal (the "Letter of Transmittal" and, together with the Offer to Purchase, the "Offer"), relating to the offer by Corrections Corporation of America, a Maryland corporation (the "Company"), to purchase for cash with net proceeds from the Common Stock Offering and the Notes Offering, together if necessary with other available funds, up to 4,204,947 Shares, representing 90% of the outstanding Shares as of April 1, 2003, of its Series B Cumulative Convertible Preferred Stock, par value \$0.01 per share (the "Shares"). Capitalized terms used but not defined herein shall have the meanings given to them in the Offer to Purchase.

The total consideration for Shares tendered pursuant to the Offer shall be an amount, paid in cash, equal to \$26.00 per Share, net to the Holder in cash, without interest (the "Tender Offer Consideration"). Holders that validly tender their Shares prior to 12:00 midnight, New York City time, on the Expiration Date and do not withdraw their Shares before 12:00 midnight, New York City time, on the Expiration Date, will receive the Tender Offer Consideration, subject to the terms and conditions set forth in the Offer.

The materials relating to the Offer are being forwarded to you as the beneficial owner of Shares carried by us for your account or benefit but not registered in your name. Any tender of Shares may only be made by us as the Holder and pursuant to your instructions. Therefore, the Company advises beneficial owners of Shares registered in the name of a broker, dealer, commercial bank, trust company or other nominee to contact such Holder promptly if they wish to tender their Shares pursuant to the Offer.

Accordingly, we request instructions as to whether you wish for us to tender your Shares with respect to any or all of the Shares held by us for your account. Please so instruct us by completing, executing and returning to us the instruction form set forth below. If you authorize us to tender your Shares, all such Shares will be tendered, unless otherwise specified below. We recommend that you read carefully the Offer to Purchase and the Letter of Transmittal and the other materials provided herewith before instructing us to tender your Shares.

Your instructions to us should be forwarded to us sufficiently in advance of the Expiration Date to permit us to tender your Shares on your behalf and to ensure receipt by the Depository of the Letter of Transmittal and other required documents by the Expiration Date. The Offer will expire at 12:00 midnight, New York City time, on April 29, 2003 unless extended or earlier terminated.

Tenders of Shares made prior to 12:00 midnight, New York City time, on the Expiration Date may be validly withdrawn at any time until 12:00 midnight, New York City time, on the Expiration Date, or if the Company has not yet accepted the Shares, after May 28, 2003. In addition, in the event of a termination of the Offer, the Shares tendered pursuant to the Offer will be promptly returned to the tendering Holders.

Your attention is directed to the following:

(1) If you desire to tender any Shares pursuant to the Offer and receive the Tender Offer Consideration, we must receive your instructions in ample time to permit us to effect a tender of Shares on your behalf on or prior to 12:00 midnight, New York City time, on the Expiration Date.

(2) Notwithstanding any other provision of the Offer, the Company's obligations to accept for purchase, and to pay the Tender Offer Consideration for the Shares validly tendered pursuant to the Offer, is subject to, and conditioned upon, the satisfaction of or, where applicable, the Company's waiver of, the following:

- the receipt by the Company before 12:00 midnight, New York City time, on the Expiration Date of at least \$240.0 million of aggregate net proceeds from the Common Stock Offering and the Notes Offering, on terms and conditions satisfactory to the Company; and
- the General Conditions.

(3) The Offer is being made for 4,204,947 Shares. If, at the expiration of the Offer, more than 4,204,947 Shares have been validly tendered and not withdrawn, and all other conditions are satisfied or waived, the Company will purchase 4,204,947 Shares on a pro rata basis from all tendering Holders, disregarding fractions, according to the number of Shares tendered by each Holder; provided, however, that "odd lots" (lots held by beneficial owners of less than 100 Shares) will be purchased on a priority basis.

(4) Any transfer taxes incident to the transfer of Shares from the tendering Holder will be paid by the Company, except as otherwise provided in the Offer to Purchase and Letter of Transmittal.

This Offer is not being made to (nor will tenders of shares be accepted from or on behalf of) holders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on the Company's behalf by the Dealer Manager or one or more registered brokers or dealers licensed under the laws of the jurisdiction.

Payment for Shares purchased pursuant to the Offer will in all cases be made only after timely receipt by The Bank of New York (the "Depositary") of (a) certificates representing the Shares tendered or timely confirmation of the book-entry transfer of such Shares into the account maintained by the Depositary at The Depositary Trust Company (the "DTC"), pursuant to the procedures set forth in the Offer to Purchase in the section titled "Terms of the Offer -- Procedure for Tendering Shares", (b) the Letter of Transmittal, properly completed and duly executed, with any required signature guarantees or an Agent's Message (as defined in the Offer to Purchase), in connection with a book-entry delivery, and (c) any other documents required by the Letter of Transmittal. Accordingly, payment may not be made to all tendering stockholders at the same time depending upon when certificates for or confirmations of book-entry transfer of such Shares into the Depositary's account at the DTC are actually received by the Depositary.

INSTRUCTIONS

The undersigned acknowledge(s) receipt of your letter and the enclosed material referred to therein relating to the Offer of the Company with respect to its Shares.*

This will instruct you to tender the Shares indicated below held by you for the account or benefit of the undersigned pursuant to the terms of and conditions set forth in the Offer to Purchase, dated April 2, 2003, and the Letter of Transmittal.

Aggregate Shares of Series B Cumulative Convertible Preferred Stock beneficially owned which are being tendered:

* If no amount is provided above with respect to the Shares and this Instruction Form is signed in the space provided below, we are authorized to tender with respect to the entire amount of such Shares in which we hold an interest through DTC for your account.

PLEASE SIGN HERE

Signature(s)

Name(s) (Please Print)

Address

Zip Code

Area Code and Telephone No.

Tax Identification or Social Security No.

My Account Number with You

Date

CORRECTIONS CORPORATION OF AMERICA

OFFER TO PURCHASE FOR CASH
UP TO 4,204,947 SHARES OF THE 4,672,163 OUTSTANDING SHARES OF ITS
SERIES B CUMULATIVE CONVERTIBLE PREFERRED STOCK
(CUSIP NOS. 22025Y 30 8 AND 74264N 30 3)
AT A PURCHASE PRICE OF \$26.00 PER SHARE

THIS OFFER WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON APRIL 29, 2003, UNLESS EXTENDED (SUCH DATE, AS THE SAME MAY BE EXTENDED, THE "EXPIRATION DATE"). REGISTERED HOLDERS OF SHARES OF THE SERIES B CUMULATIVE CONVERTIBLE PREFERRED STOCK ("HOLDERS") MUST TENDER THEIR SHARES (AS DEFINED BELOW) ON OR PRIOR TO 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THE EXPIRATION DATE TO RECEIVE THE TENDER OFFER CONSIDERATION (AS DEFINED BELOW).

April 2, 2003

To Brokers, Dealers, Commercial Banks,
Trust Companies and Other Nominees:

Enclosed for your consideration is an Offer to Purchase, dated April 2, 2003 (the "Offer to Purchase"), and a Letter of Transmittal (the "Letter of Transmittal" and, together with the Offer to Purchase, the "Offer"), relating to the offer by Corrections Corporation of America, a Maryland corporation (the "Company"), to purchase for cash with net proceeds from the Common Stock Offering and the Notes Offering, together if necessary with other available funds, up to 4,204,947 shares, representing 90% of the outstanding shares as of April 1, 2003, of its Series B Cumulative Convertible Preferred Stock, par value \$0.01 per share (the "Shares"). Capitalized terms used but not defined herein shall have the meanings given to them in the Offer to Purchase.

The total consideration for Shares tendered pursuant to the Offer shall be an amount, paid in cash, equal to \$26.00 per Share, net to the Holder in cash, without interest (the "Tender Offer Consideration"). Holders that validly tender their Shares pursuant to the Offer prior to 12:00 midnight, New York City time, on the Expiration Date and do not withdraw their Shares before 12:00 midnight, New York City time, on the Expiration Date will receive the Tender Offer Consideration, subject to the terms and conditions set forth in the Offer. If, at the expiration of the Offer, more than 4,204,947 Shares have been validly tendered and not withdrawn, and all other conditions are satisfied or waived, the Company will purchase 4,204,947 Shares on a pro rata basis from all tendering Holders, disregarding fractions, according to the number of Shares tendered by each Holder; provided, however, that "odd lots" (lots held by beneficial owners of less than 100 Shares) will be purchased on a priority basis.

Notwithstanding any other provision of the Offer, the Company's obligations to accept for purchase, and to pay the Tender Offer Consideration for, Shares validly tendered pursuant to the Offer is subject to, and conditioned upon, the satisfaction of or, where applicable, the Company's waiver of, the following:

- the receipt by the Company before 12:00 midnight, New York City time, on the Expiration Date of at least \$240.0 million of aggregate net proceeds from the Common Stock Offering and the Notes Offering, on terms and conditions satisfactory to the Company; and
- the General Conditions.

Please furnish copies of the enclosed materials to those of your clients for whose accounts you hold Shares registered in your name or in the name of your nominee. For your information and for forwarding to your clients, we are enclosing the following documents:

- (1) the Offer to Purchase, dated April 2, 2003;
- (2) a Letter of Transmittal for each of the Shares for your use and for the information of your clients, together with a Substitute Form W-9 and Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 providing information relating to U.S. federal income tax backup withholding; and
- (3) a printed form of letter that may be sent to your clients for whose accounts you hold Shares registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Offer.

DTC participants will be able to execute tenders through the DTC Automated Tender Offer Program.

WE RECOMMEND THAT YOU CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE IN ORDER TO OBTAIN THEIR INSTRUCTIONS.

The Company will pay to Soliciting Dealers (as defined below) designated by the beneficial owner of the Shares which are validly tendered and accepted pursuant to the Offer a solicitation fee of \$0.25 per Share tendered for cash, subject to certain conditions; provided, however, that Soliciting Dealers shall only receive the solicitation fee with respect to beneficial owners that own no more than 10,000 Shares. "Soliciting Dealer" includes (i) any broker or dealer in securities, including the Dealer-Manager in its capacity as dealer or broker, who is a member of any national securities exchange or of the National Association of Securities Dealers, Inc. (the "NASD"), (ii) any foreign broker or dealer not eligible for membership in the NASD who agrees to conform to the NASD's Rules of Fair Practice in soliciting tenders outside the United States to the same extent as if it were an NASD member, or (iii) any bank or trust company, any of whom has solicited and obtained a tender pursuant to the Offer. No such fee shall be payable to a Soliciting Dealer in respect of Shares owned, directly or indirectly, in the name of such Soliciting Dealer unless such Shares are being tendered for the benefit of one or more beneficial owners identified on the Letter of Transmittal or on the Notice of Solicited Tenders attached to this letter.

In order to receive a solicitation fee, the Soliciting Dealer must return a Notice of Solicited Tenders to the Depository within two NYSE trading days after the Expiration Date. No solicitation fee shall be payable to a Soliciting Dealer in respect of Shares (i) directly or indirectly owned by such Soliciting Dealer or (ii) registered in the name of such Soliciting Dealer unless such Shares are held by such Soliciting Dealer as nominee and such Shares are being tendered for the benefit of one or more beneficial owners identified on the Letter of Transmittal or the Notice of Solicited Tenders. No solicitation fee shall be payable to the Soliciting Dealer with respect to the tender of Shares by the holder of record, for the benefit of the beneficial owner, unless the beneficial owner has designated such Soliciting Dealer.

Soliciting Dealers should take care to ensure proper record-keeping to document their entitlement to any solicitation fee.

Any inquiries you may have with respect to the Offer should be addressed to, and additional copies of the enclosed material may be obtained from, D.F. King & Co., Inc., the Information Agent, at (212) 269-5550 or (888) 605-1956 or at the address set forth on the back cover of the Offer to Purchase.

Very truly yours,

LEHMAN BROTHERS INC.
(212) 528-7581
or (800) 438-3242

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU THE AGENT OF THE COMPANY, THE DEALER MANAGER, THE INFORMATION AGENT OR THE DEPOSITORY, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE OFFER OTHER THAN THE DOCUMENTS ENCLOSED HERewith AND THE STATEMENTS CONTAINED THEREIN.

The Offer is not being made to (nor will tenders of Shares be accepted from or on behalf of) Holders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on the Company's behalf by the Dealer Manager or one or more registered brokers or dealers licensed under the laws of the jurisdiction.

- - - - -
Address

- - - - -
City, State, Zip Code

- - - - -
Authorized Signature

- - - - -
Area Code and Telephone Number Attention

SOLICITATION FEE PAYMENT INSTRUCTIONS

ISSUE CHECK TO:

Firm

(Please Print)

Attention

Address

(Include Zip Code)

Phone Number (including Area Code)

Taxpayer Identification or Social Security No.

Applicable VOI Number ----- Number of Shares -----

If solicitation fees are to be paid to another Eligible Institution(s), please complete the following:

Firm

(Please Print)

Attention

Address

(Include Zip Code)

Phone Number (including Area Code)

Taxpayer Identification or Social Security No.

Applicable VOI Number ----- Number of Shares -----

Firm

(Please Print)

Attention

Address

(Include Zip Code)

Phone Number (including Area Code)

Taxpayer Identification or Social Security No.

Applicable VOI Number ----- Number of Shares -----

* NOTE: IF ADDITIONAL PAYMENT INSTRUCTIONS, PLEASE COPY AND ATTACH.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION
NUMBER ON SUBSTITUTE FORM W-9

GUIDELINES FOR DETERMINING THE PROPER IDENTIFICATION NUMBER TO GIVE THE PAYER. The taxpayer identification number for an individual is the individual's Social Security number. Social Security numbers have nine digits separated by two hyphens: e.g., 000-00-0000. The taxpayer identification number for an entity is the entity's Employer Identification number. Employer Identification numbers have nine digits separated by only one hyphen: e.g., 00-0000000. The table below will help determine the number to give the payer.

----- GIVE
THE NAME AND
SOCIAL
SECURITY FOR
THIS TYPE OF
ACCOUNT:
NUMBER OF --

----- 1.
An
individual's
account The
individual 2.
Two or more
individuals
The actual
owner of the
(joint
account)
account or,
if combined
funds, the
first
individual on
the
account(1) 3.
Custodian
account of a
The minor(2)
minor
(Uniform Gift
to Minors
Act) 4. a.
The usual
revocable The
grantor-
trustee(1)
savings trust
account
(grantor is
also trustee)
b. So-called
trust The
actual
owner(1)
account that
is not a
legal or
valid trust
under State
law 5. Sole
proprietorship
The owner(3)
account - ---

----- GIVE
THE NAME AND
EMPLOYER
IDENTIFICATION
FOR THIS TYPE
OF ACCOUNT:
NUMBER OF --

----- 6. A
valid trust,
estate or The

legal entity
(Do not
pension trust
furnish the
identifying
number of the
personal
representative
or trustee
unless the
legal entity
itself is not
designated in
the account
title)(4) 7.

Corporate
account The
corporation
8.

Partnership
account held
The
partnership
in the name
of the
business 9.

Association,
club or The
organization
other tax-
exempt
organization

10. A broker
or registered
The broker or
nominee
nominee 11.

Account with
the The
public entity
Department of
Agriculture
in the name
of a public
entity (such
as a State or
local
government,
school
district or
prison) that
receives
agriculture
program
payments - - -

- (1) List first and circle the name of the person whose number you furnish. If only one person on a joint account has a Social Security number, that person's number must be furnished.
- (2) Circle the minor's name and furnish the minor's Social Security number.
- (3) Show the name of the owner. The name of the business or the "doing business as" name may also be entered. Either the Social Security number or the Employer Identification number may be used.
- (4) List first and circle the name of the legal trust, estate or pension trust.

NOTE: If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION
NUMBER ON SUBSTITUTE FORM W-9

Section references are to the Internal Revenue Code.

OBTAINING A NUMBER

If you do not have a taxpayer identification number or you do not know your number, obtain Form SS-5, Application for a Social Security Number Card, or Form SS-4, Application for Employer Identification Number, at the local office of the Social Security Administration or the Internal Revenue Service (the "IRS") and apply for a number.

To complete the Substitute Form W-9, if you do not have a taxpayer identification number, write "Applied For" in the space for the taxpayer identification number in Part 1, sign and date the Form, and give it to the requester. If the requester does not receive your taxpayer identification number within 60 days, backup withholding, if applicable, will begin and will continue until you furnish your taxpayer identification number to the requester.

PAYEES EXEMPT FROM BACKUP WITHHOLDING

The following is a list of payees exempt from backup withholding and for which no information reporting is required. For interest and dividends, all listed payees are exempt except item (9). For broker transactions, payees listed in (1) through (13) and a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker are exempt. Payments subject to reporting under sections 6041 and 6041A are generally exempt from backup withholding only if made to payees described in items (1) through (7), except that a corporation that provides medical and health care services or bills and collects payments for such services is not exempt from backup withholding or information reporting. Only payees described in items (2) through (6) are exempt from backup withholding for barter exchange transactions, patronage dividends, and payments by certain fishing boat operators.

- (1) A corporation.
- (2) An organization exempt from tax under section 501(a), or an individual retirement plan ("IRA"), or a custodial account under 403(b)(7), if the account satisfies the requirements of section 401(f)(2).
- (3) The United States or any of its agencies or instrumentalities.
- (4) A State, the District of Columbia, a possession of the United States, or any of its political subdivisions or instrumentalities.
- (5) A foreign government or any of its political subdivisions, agencies or instrumentalities.
- (6) An international organization or any of its agencies or instrumentalities.
- (7) A foreign central bank of issue.
- (8) A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States.
- (9) A futures commission merchant registered with the Commodity Futures Trading Commission.
- (10) A real estate investment trust.
- (11) An entity registered at all times during the year under the Investment Company Act of 1940.
- (12) A common trust fund operated by a bank under section 584(a).
- (13) A financial institution.
- (14) A middleman known in the investment community as a nominee or listed in the most recent publication of the American Society of Corporate Secretaries, Inc., Nominee List.
- (15) A trust exempt from tax under section 664 or described in section 4947.

Payments of dividends and patronage dividends generally not subject to backup withholding include the following:

- Payments to nonresident aliens subject to withholding under section 1441.
- Payments to partnerships not engaged in a trade or business in the United States and that have at least one nonresident partner.
- Payments of patronage dividends not paid in money.
- Payments made by certain foreign organizations.

Payments of interest generally not subject to backup withholding include the following:

- Payments of interest on obligations issued by individuals. Note: You may be subject to backup withholding if this interest is \$600 or more and is paid in the course of the payer's trade or business and you have not provided your correct taxpayer identification number to the payer.
- Payments of tax-exempt interest (including exempt interest dividends under section 852).

- Payments described in section 6049(b)(5) to nonresident aliens.
- Payments on tax-free covenant bonds under section 1451.
- Payments made by certain foreign organizations.
- Mortgage interest paid by you.

Payments that are not subject to information reporting are also not subject to backup withholding. For details see sections 6041, 6041A(a), 6042, 6044, 6045, 6049, 6050A and 6050N, and the regulations under those sections.

Exempt payees described above should file Form W-9 to avoid possible erroneous backup withholding. ENTER YOUR TAXPAYER IDENTIFICATION NUMBER. WRITE "EXEMPT" ON THE FACE OF THE FORM, SIGN AND DATE THE FORM AND RETURN IT TO THE PAYER.

PRIVACY ACT NOTICE

Section 6109 requires you to give your correct taxpayer identification number to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. You must provide your taxpayer identification number whether or not you are qualified to file a tax return. Payers must generally withhold 30% of taxable interest, dividend, and certain other payments to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply.

PENALTIES

(1) PENALTY FOR FAILURE TO FURNISH TAXPAYER IDENTIFICATION NUMBER. If you fail to furnish your correct taxpayer identification number to a payer, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

(2) CIVIL PENALTY FOR FALSE INFORMATION WITH RESPECT TO WITHHOLDING. If you make a false statement with no reasonable basis which results in no backup withholding, you are subject to a \$500 penalty.

(3) CRIMINAL PENALTY FOR FALSIFYING INFORMATION. Falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE INTERNAL REVENUE SERVICE.

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares (as defined below). The Offer (as defined below) is made only by the Offer to Purchase, dated April 2, 2003, and the related Letter of Transmittal, and any amendments and supplements to the Offer to Purchase and the Letter of Transmittal, which are being distributed to registered holders of Shares (the "Holders"). The Offer is not being made to (nor will tenders be accepted from or on behalf of) Holders in any jurisdiction in which making or accepting the Offer would violate that jurisdiction's laws. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of Corrections Corporation of America by Lehman Brothers Inc. (the "Dealer Manager") or one or more registered brokers or dealers licensed under that jurisdiction's laws.

NOTICE OF OFFER TO PURCHASE FOR CASH

BY

CORRECTIONS CORPORATION OF AMERICA

[LOGO]

UP TO 4,204,947 SHARES OF THE 4,672,163 OUTSTANDING SHARES OF ITS
SERIES B CUMULATIVE CONVERTIBLE PREFERRED STOCK
(CUSIP NOS. 22025Y 30 8 AND 74264N 30 3)
AT A PURCHASE PRICE OF \$26.00 PER SHARE

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT,
NEW YORK CITY TIME, ON APRIL 29, 2003, UNLESS THE OFFER IS EXTENDED.

OFFER

Corrections Corporation of America, a Maryland corporation (the "Company"), is offering to purchase for cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated April 2, 2003, and the related Letter of Transmittal (which, together with any amendments or supplements thereof, collectively constitute the "Offer"), up to 4,204,947 shares, representing 90% of the outstanding shares as of April 1, 2003, of its Series B Cumulative Convertible Preferred Stock (the "Shares"), at \$26.00 per Share, net to the Holder in cash, without interest. The payment by the Company for Shares that are validly tendered prior to 12:00 midnight, New York City time, on the Expiration Date (as defined below) is expected to be promptly following such Expiration Date. The Offer and withdrawal rights will expire at 12:00 midnight, New York City

time, on April 29, 2003, or such later date to which the Offer is extended ("Expiration Date"). An extension would be communicated by issuance of a press release issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date.

THE COMPANY'S BOARD OF DIRECTORS HAS APPROVED THIS OFFER. IN ADDITION, THE COMPANY'S DIRECTORS AND EXECUTIVE OFFICERS WHO OWN SHARES HAVE INDICATED TO THE COMPANY THAT THEY CURRENTLY INTEND TO TENDER ALL OF THEIR SHARES THAT THEY ARE NOT RESTRICTED BY CONTRACT FROM TENDERING IN THE OFFER. HOWEVER, NEITHER THE COMPANY NOR ITS BOARD OF DIRECTORS NOR THE DEALER MANAGER IS MAKING ANY RECOMMENDATION TO THE HOLDERS WHETHER TO TENDER OR REFRAIN FROM TENDERING THEIR SHARES. HOLDERS MUST DECIDE WHETHER TO TENDER THEIR SHARES AND, IF SO, HOW MANY SHARES TO TENDER. HOLDERS SHOULD ALSO DISCUSS WHETHER TO TENDER THEIR SHARES WITH THEIR BROKER OR OTHER FINANCIAL ADVISOR.

If, at the expiration of the Offer, more than 4,204,947 Shares have been properly tendered and not withdrawn, and all other conditions are satisfied or waived, the Company will purchase 4,204,947 Shares on a pro rata basis from all tendering Holders, disregarding fractions, according to the number of Shares tendered by each Holder; provided, however, that "odd lots" (lots held by beneficial owners of less than 100 Shares) will be purchased on a priority basis. All securities tendered and not purchased pursuant to the Offer because of such pro-ration will be returned to the tendering Holders at the Company's expense promptly following the Expiration Date.

THE OFFER IS CONDITIONED ON, AMONG OTHER THINGS, THE RECEIPT BY THE COMPANY OF FINANCING, ON TERMS AND CONDITIONS SATISFACTORY TO THE COMPANY, AND CERTAIN OTHER CONDITIONS, ALL AS MORE FULLY DESCRIBED IN THE OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL. IN ITS DISCRETION AND SUBJECT TO APPLICABLE LAW, THE COMPANY MAY WAIVE ANY SUCH CONDITIONS AND PURCHASE THE SHARES.

This Offer is part of the Company's plan to enhance the Company's capital structure and to provide the Company with additional financing flexibility to enable the Company to more effectively execute its business objectives in the future.

PAYMENT; TENDERING PROCEDURES

For purposes of the Offer, the Company will be deemed to have accepted for payment (and therefore purchased) Shares that are validly tendered and not withdrawn prior to 12:00 midnight, New York City time, on the Expiration Date only if it gives oral or written notice to The Bank of New York (in such capacity, the "Depository") of its acceptance of such Shares for payment pursuant to the Offer. In all cases, payment for Shares tendered and accepted for payment pursuant to the Offer will be made promptly following the Expiration Date, but only after timely receipt by the Depository of certificates for such Shares (or a timely confirmation of a book-entry transfer of such Shares into the Depository's account at the book-entry transfer facility), a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof), an Agent's Message (as defined in the Offer to Purchase) in the case of book-entry transfer, or the specific acknowledgement in the case of tender through ATOP (as defined in the Offer to Purchase) and any other required documents. Under no circumstances will interest be paid on the purchase price for the Shares, regardless of any delay in making payment for the Shares.

EXTENSION; TERMINATION; WITHDRAWAL

The Company expressly reserves the right, in its sole discretion, at any time and from time to time, to extend the period of time during which the Offer is open and thereby delay the acceptance for payment of, and payment for, the Shares by giving oral or written notice of such extension to the Depository and making a public announcement of the extension. The Company also expressly reserves the right, in its sole discretion, to terminate the Offer and not accept for payment or pay for Shares not already accepted for payment or paid for or, subject to applicable law, to postpone payment for the Shares until the satisfaction of all of the conditions specified in the Offer to Purchase, by giving oral or written notice of such termination or postponement to the Depository and making a public announcement of the termination or postponement.

Tenders of Shares made prior to 12:00 midnight, New York City time, on the Expiration Date may be validly withdrawn at any time up until 12:00 midnight, New York City time, on the Expiration Date, or if the Company has not yet accepted the Shares, after May 28, 2003. For a withdrawal of a tender of Shares to be effective, a written or facsimile transmission notice of withdrawal must be received by the Depository on or prior to 12:00 midnight, New York City time, on the Expiration Date. Details regarding the notice of withdrawal are set forth in the Offer to Purchase. If the Shares to be withdrawn have been delivered or otherwise identified to the Depository, a signed notice of withdrawal is effective immediately upon receipt even if physical release is not yet effected.

OTHER MATTERS

THE OFFER TO PURCHASE AND THE LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ CAREFULLY BEFORE HOLDERS DECIDE WHETHER TO ACCEPT OR REJECT THE OFFER.

The information required to be disclosed by Rule 13e-4(d)(1) under the Securities Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference. The Offer materials are being mailed to Holders of Shares and are being furnished to brokers, banks, and similar persons whose names, or the names of whose nominees, appear on the Company's stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for transmittal to beneficial owners of Shares.

In certain circumstances, some tendering Holders whose Shares are purchased in the Offer may be treated for U.S. federal tax purposes as having received an amount taxable as a distribution or dividend rather than as a capital gain or loss. Holders are encouraged to read the Offer to Purchase for additional information regarding the U.S. federal tax consequences of participating in the Offer.

In certain cases, soliciting dealers, including brokers, dealers, banks and trust companies who solicit and obtain tenders pursuant to the Offer and are designated by the beneficial owners of tendered Shares on the Letter of Transmittal, will be paid a fee equal to \$0.25 per share tendered, provided that such Shares have been validly tendered and accepted for payment and that certain other conditions are met. Soliciting dealers shall only receive the solicitation fee with respect to beneficial owners that own no more than 10,000 Shares. See the Offer to Purchase for more information.

QUESTIONS & REQUESTS FOR INFORMATION

Any questions or requests for assistance may be directed to the Dealer Manager at the address and telephone numbers set forth below. Additional copies of the Offer to Purchase or the Letter of Transmittal may be obtained from the Information Agent at the telephone numbers or address set forth below. Such additional copies will be promptly furnished at the Company's expense. A Holder may also contact such Holder's broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer.

The Information Agent for the Offer is:

D.F. KING & CO., INC.

48 Wall Street
New York, New York 10005
Call Collect: (212) 269-5550

or

Call Toll Free: (888) 605-1956

The Dealer-Manager for the Offer is:

LEHMAN BROTHERS INC.

745 Seventh Avenue
3rd Floor
New York, New York 10019
Call Collect: (212) 528-7581

or

Call Toll Free: (800) 438-3242
Attention: Darrell Chiang