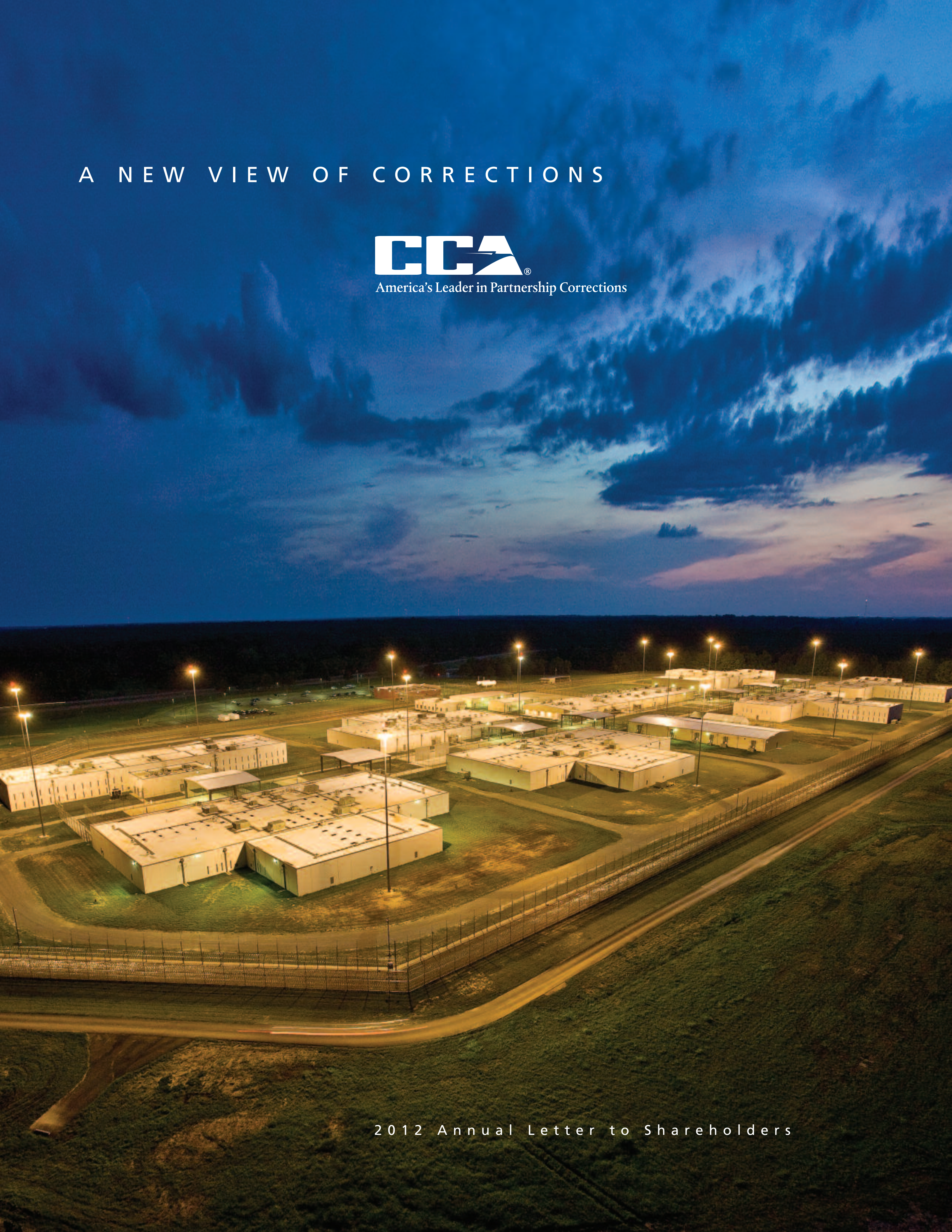
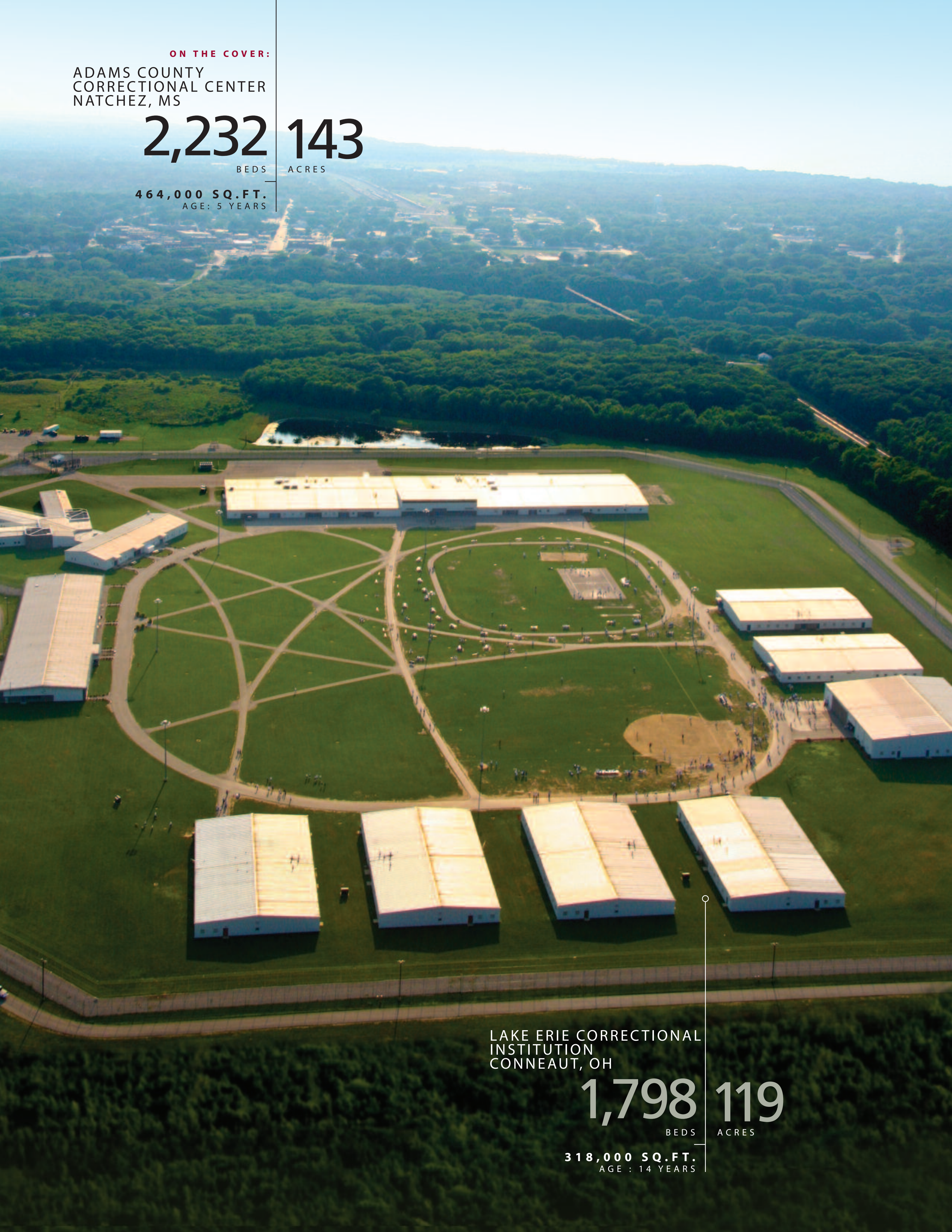
A NEW VIEW OF CORRECTIONS

CCA®
America's Leader in Partnership Corrections



2012 Annual Letter to Shareholders


ON THE COVER:
ADAMS COUNTY
CORRECTIONAL CENTER
NATCHEZ, MS
2,232
BEDS
143
ACRES
464,000 SQ.FT.
AGE: 5 YEARS
LAKE ERIE CORRECTIONAL
INSTITUTION
CONNEAUT, OH
1,798
BEDS
119
ACRES
318,000 SQ.FT.
AGE : 14 YEARS

DEAR SHAREHOLDERS:

We are pleased to report that CCA posted record revenues in 2012 due to new contracts, higher compensated populations and growth in our average per diem rates. Our business benefited from solid returns from our large real-estate portfolio of correctional facilities that we acquired or custom designed and built for customers in the federal, state and local government, and from our specialized management services of these facilities.

Our Board of Directors continued to focus on building long-term shareholder value by instituting a quarterly cash dividend of $0.20 per share in the second quarter of 2012. Our Board also initiated a process to review the opportunities to leverage our significant real estate portfolio to enhance future shareholder returns.

John D. Ferguson
Chairman of the Board

We launched an exhaustive feasibility analysis of converting to a Real Estate Investment Trust (REIT) during 2012, including hiring legal, tax and accounting advisors to review our corporate structure and financial profile as a REIT, and to benchmark CCA's financial performance as a REIT compared with a traditional "C" Corporation. We also had discussions with security analysts, institutional investors and CCA shareholders to review the opportunities to build shareholder value in the future as a REIT. We concluded that CCA had the potential to create additional value for our investors as a REIT by lowering our cost of capital and expanding our base of potential investors. The REIT structure also provides us with an efficient financial and operating structure, while providing the flexibility to pursue future growth opportunities.

Damon T. Hininger
President and CEO

Corrections Corporation of America is the nation's largest owner of partnership correctional facilities and the leading corrections management provider to federal, state, and local governmental agencies. We currently operate 67 facilities, including 51 facilities that we own or control, with a total design capacity of approximately 92,500 beds in 20 states and the District of Columbia. We specialize in owning, operating and managing prisons and other correctional and detention facilities, and providing inmate residential and prisoner transportation services for governmental agencies. We also offer a variety of rehabilitation and educational programs intended to help reduce recidivism and to prepare inmates for their successful re-entry into society.

JENKINS
CORRECTIONAL CENTER
MILLEN, GA

1,124 BEDS | 105 ACRES

233,000 SQ.FT.
AGE: 1 YEAR

CCA To Elect REIT Status in 2013

During 2012, we began the process of meeting the stringent requirements of the Internal Revenue Service to qualify CCA as a REIT following authorization by our Board of Directors. Importantly, this structure allowed us to retain ownership of all of our correctional and detention facilities while performing services under a single consolidated entity. A key part of this reorganization was our ability to continue delivering our high level of service without interruption to our customers, any impact on our employees or the divestiture of any assets.

We completed the company reorganization in late 2012 and received a favorable Private Letter Ruling in early 2013 from the IRS, upon which the Board of Directors unanimously approved CCA to elect REIT status in 2013. Due to our advance planning, we expect to elect REIT status effective January 1, 2013. Since a REIT generally pays no income tax as long as its taxable earnings are distributed to shareholders as dividends, we have a significant tax advantage compared with a traditional "C" Corporation. We expect the reduction in taxes to contribute to our double digit growth in net income and to enable us to increase the regular quarterly dividend to our investors by 165% in 2013.

CCA'S Real Estate Portfolio

CCA is the largest owner and operator of partnership correctional and detention facilities in the US, with only three states and the Federal Bureau of Prisons operating larger correctional systems. At year-end 2012, we had over 14 million square feet of correctional and detention facilities within 51 owned or controlled facilities. Our owned facilities accounted for about 90% of our $3.6 billion in fixed assets and generated about 90% of our net operating income.

The correctional and detention facilities operated by CCA provide shareholders with some unique investment characteristics for income producing properties. Our revenue is primarily from government entities at the federal, state and local level that have investment grade credit ratings. Our contracts are typically for three-to-five years, have multiple long-term renewal options and have staggered expiration dates. CCA enjoys over a 90% contract renewal rate on company-owned facilities.

Prison facilities consist primarily of concrete and steel and don't require the level of capital improvements as many traditional real estate properties. Therefore, prison facilities typically have economic lives much longer than many traditional real estate properties. CCA's owned facilities have a median age of 16 years which is newer and more modern in comparison to many prisons in the federal, state and local systems. On-going capital expenditures to maintain our properties are less than the annual depreciation. In addition, CCA's facilities have proven a solid hedge against inflation, in part due to the continued demand from federal, state and local governments. We have continued to invest in our facilities while there has been no meaningful new correctional capacity built by states in recent years due to significant budget restraints.

The partnership corrections industry represents only about 10% of the total corrections market with the remainder controlled by federal, state and local governments. We have a limited number of competitors in this market due to the unique nature of our real estate that is difficult and expensive to replace, constraints related to long development times for siting, permitting and zoning correctional facilities, as well as significant barriers to entry related to experience necessary to operate correctional facilities. New facilities can cost $50-$100 million or more, and require specialized expertise to design, build and staff. We believe the partnership corrections industry has proven largely resistant to downturns in the overall economy because of essential services, compelling value and the cost-effective alternative we offer to our partners. Utilizing partnership corrections reduces our partners' costs for correctional services, reduces their long-term pension obligations and allows them to avoid large upfront capital investments to expand their capacity.

CCA's owned facilities have been a key driver in winning and retaining long-term contracts. We have consistently added capacity through new and expanded facilities that provide potential customers with immediate space to address rising inmate populations and overcrowding in many federal, state and local facilities. We expanded our contracts with the states of Oklahoma and Idaho, and entered into a new agreement with the Commonwealth of Puerto Rico during 2012 to address their need for increased capacity. We had approximately 14,000 bought-and-paid-for available beds in inventory as we entered 2013 that we expect to provide additional growth opportunities in the coming years.

CCA'S Capital Policy as a REIT

The fundamentals of operating our business are unchanged as a REIT; however, our capital markets policy and some key financial metrics will reflect our new status as a REIT. We expect to pay out about 75% of our adjusted funds from operations (AFFO) as dividends to shareholders, which is equal to about 100% of our REIT taxable net income. We currently expect to retain approximately 25% of AFFO for reinvestment in our business. Funds not used for reinvestments in growth could fund an increase in our cash dividend or be used to reduce debt. Retaining a portion of AFFO for growth provides us the flexibility to quickly react to market demands. We believe there are opportunities to acquire facilities from state governments, like the acquisition we completed last year of the Lake Erie Correctional Institution from the state of Ohio for $73 million, representing the industry's first purchase of a state-owned facility by a private corrections operator.

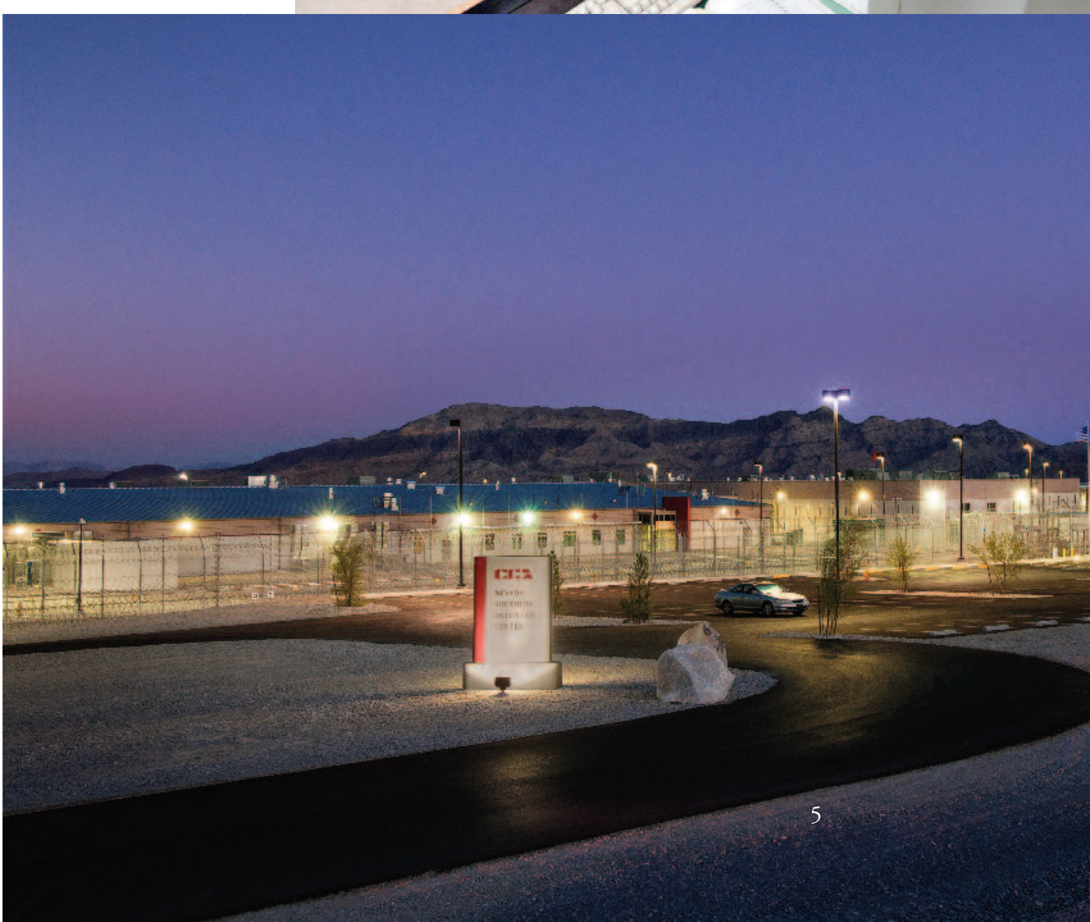
Our first quarter 2013 cash dividend was $0.53 per share compared with $0.20 per share paid in 2012, an increase of 165%. We also expect to declare a special one-time cash and stock dividend totaling approximately $6.50 to $7.00 per share in 2013 that will include CCA's accumulated earnings and profits prior to electing REIT status. This special payment of accumulated earnings and profits is an IRS requirement for companies converting to a REIT. The per share dividend amount will be adjusted in future quarters to reflect the additional shares that will be distributed.

NEVADA SOUTHERN
DETENTION CENTER
PAHRUMP, NV

1,072
BEDS

120
ACRES

189,000 SQ.FT.
AGE: 3 YEARS



SAGUARO
CORRECTIONAL FACILITY
ELOY, AZ

1,896 BEDS | 34 ACRES

352,000 SQ.FT.
AGE: 6 YEARS

Building Shareholder Value in the Future

We are excited about CCA's future as a REIT and believe our new corporate structure will create additional opportunities to build shareholder value. CCA's conversion to a REIT provides immediate benefits to shareholders by significantly increasing the cash dividend. In addition, CCA has the potential to expand its valuation by increasing net income as a REIT and attracting a larger investor base. We also expect that the REIT structure will enhance our access to capital at more favorable rates. Our financial condition remains strong as a REIT with excellent liquidity and a modest leverage ratio.

CCA's bought-and-paid-for capacity has the potential to provide shareholders with an immediate return as this space is utilized. It also provides CCA with a marketing advantage due to our ability to address customer demand for new prison beds without the long lead times associated with building a new facility. We believe that continued government budget constraints, aging public prison systems, and moderate growth in inmate populations will lead to future growth for the partnership corrections sector and CCA specifically. We expect that federal, state and local governments will continue to turn to CCA to manage their growth in inmate populations rather than divert scarce resources from other critical infrastructure needs to fund new prisons.

We believe CCA has additional growth opportunities to expand our real estate portfolio by purchasing correctional and detention facilities from state governments. We offer a compelling value proposition to states by paying them cash for the facility, providing much needed funding for other state programs, while adding long-term operational savings of the facility through our management services.

CCA celebrates its 30th year of operations in 2013. We want to thank our team of nearly 17,000 CCA employees for their dedication, energy and great work in making CCA the clear leader in the partnership corrections industry.

We value your investment in CCA and look forward to reporting on our continued progress under our new REIT structure in 2013.

John D. Ferguson
Chairman of the Board

Damon T. Hininger
President and Chief Executive Officer

DIRECTORS

John D. Ferguson
Chairman of the Board

Damon T. Hininger
President and CEO

Donna M. Alvarado
President – Aguila International
Audit Committee

William F. Andrews
Former Chairman – Corrections Corporation of America
Principal – Kohlberg & Company

John D. Correnti
Chairman and Executive Officer – Big River Steel, LLC
Compensation Committee

Dennis W. DeConcini
Former U.S. Senator
Nominating and Governance Committee

Robert J. Dennis
Chairman, President and Chief Executive Officer – Genesco Inc.

John R. Horne
Former Chairman – Navistar International Corporation
Compensation Committee

C. Michael Jacobi
Owner and President – Stable House, LLC
Audit Committee Chair

Anne L. Mariucci
Private Investor
Audit Committee

Thurgood Marshall, Jr.
Partner – Bingham McCutchen LLP
Nominating and Governance Committee

Charles L. Overby
Former Chairman and Chief Executive Officer – The Freedom Forum
Nominating and Governance Committee Chair
Audit Committee

John R. Prann, Jr.
Former President and Chief Executive Officer – Katy Industries, Inc.
Compensation Committee

Joseph V. Russell
Co-Chairman and Co-Chief Executive – Elan-Polo, Inc.
Compensation Committee Chair
Nominating and Governance Committee

EXECUTIVE OFFICERS

Damon T. Hininger
President and CEO

Brian D. Collins
Executive Vice President and Chief Human Resources Officer

Steven E. Groom
Executive Vice President and General Counsel

Anthony L. Grande
Executive Vice President and Chief Development Officer

Todd J Mullenger
Executive Vice President and Chief Financial Officer

Harley G. Lappin
Executive Vice President and Chief Corrections Officer

SHAREHOLDER INFORMATION

Corporate Office
Corrections Corporation of America
10 Burton Hills Boulevard
Nashville, TN 37215
(615) 263-3000
Website: www.cca.com

Stock Information
Our Common Stock is listed on the New York Stock Exchange, under the symbol CXW.

Stock Transfer Agent and Registrar
American Stock Transfer and Trust Company
59 Maiden Lane
New York, NY 10038
800-937-5449

Inquiries regarding stock transfers, lost certificates or address changes should be directed to the registrar and transfer agent at the address above.

Form 10-K and NYSE Certifications
Upon written request, we will provide without charge a copy of our Form 10-K for the fiscal year ended December 31, 2012 to our shareholders. Requests should be directed to:

Investor Relations
Corrections Corporation of America
10 Burton Hills Boulevard
Nashville, TN 37215

Our Form 10-K is also available on our website at www.cca.com.

America's Leader in Partnership Corrections

Corporate Office
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