

CCA Completes Internal Reorganization

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Awaits Private Ruling From IRS

Jan 02, 2013 (Marketwire via COMTEX) --CCA (NYSE: CXW) (the "Company" or "Corrections Corporation of America"), announced today that it has completed an internal reorganization of its business operations so that it now has the ability to elect to qualify as a real estate investment trust ("REIT") for the taxable year commencing January 1, 2013. However, the Company's Board of Directors has not yet completed its assessment of the feasibility of a REIT conversion. Also, as previously disclosed, the Board has concluded that it would not be advisable to elect REIT status without a private letter ruling (PLR) from the Internal Revenue Service (IRS). We have not yet received a PLR from the IRS and there is no specific schedule for the IRS to respond to our PLR request. Although we believe there is a sound legal basis for the IRS to grant the PLR we have requested, we can provide no assurances the IRS will issue a favorable PLR. The Board of Directors unanimously authorized management to take all necessary steps to complete the internal reorganization following a thorough analysis which concluded that our customers would experience no change in the people, procedures or the high quality of service they have come to expect from CCA. Likewise, our employees will be unaffected by the reorganization and it requires no divestiture of assets.

About CCA

CCA is the nation's largest owner of partnership correction and detention facilities and one of the largest prison operators in the United States, behind only the federal government and three states. We currently operate 67 facilities, including 47 company-owned facilities, with a total design capacity of approximately 92,000 beds in 20 states and the District of Columbia. CCA specializes in owning, operating and managing prisons and other correctional facilities and providing inmate residential services for governmental agencies. In addition to providing the fundamental residential services relating to inmates, our facilities offer a variety of rehabilitation and educational programs, including basic education, religious services, life skills and employment training and substance abuse treatment.

Forward-Looking Statements

This press release contains statements as to the Company's beliefs and expectations of the outcome of future events that are forward-looking statements as defined within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the statements made. These include, but are not limited to, the risks and uncertainties associated with: (i) obtaining a favorable private letter ruling from the IRS in the form submitted by CCA in July 2012; (ii) our ability to meet and maintain REIT qualification tests; (iii) general economic and market conditions, including the impact governmental budgets can have on our per diem rates, occupancy and overall utilization; (iv) fluctuations in our operating results because of, among other things, changes in occupancy levels, competition, increases in cost of operations, fluctuations in interest rates and risks of operations; (v) our ability to obtain and maintain correctional facility management contracts, including as a result of sufficient governmental appropriations and as a result of inmate disturbances; (vi) changes in the privatization of the corrections and detention industry, the public acceptance of our services, the timing of the opening of and demand for new prison facilities and the commencement of new management contracts; (vii) the outcome of California's realignment program and utilization of out of state private correctional capacity; (viii) the availability of debt and equity financing on terms that are favorable to us and (ix) increases in costs to construct or expand correctional facilities that exceed original estimates, or the inability to complete such projects on schedule as a result of various factors, many of which are beyond our control, such as weather, labor conditions and material shortages, resulting in increased construction costs.

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