

CCA Awarded New Management Contract With Arizona

December 17, 2015 8:01 AM ET

NASHVILLE, Tenn., Dec. 17, 2015 (GLOBE NEWSWIRE) -- CCA (NYSE:CXW) (the "Company" or "Corrections Corporation of America"), America's largest owner of partnership correctional, detention, and re-entry facilities, announced today that it received an award from the Arizona Department of Corrections to house up to an additional 1,000 medium-security inmates at CCA's Red Rock Correctional Center in Arizona.

The new management contract contains an initial term of ten years, with two 5-year renewal options, and was awarded pursuant to a Request for Proposal issued by the Arizona Department of Corrections, which included an occupancy guarantee of 90 percent of the contracted beds once the 90 percent occupancy rate is achieved. The Red Rock Correctional Center currently has a design capacity of 1,596 beds and is housing up to 1,000 Arizona inmates under a pre-existing, multi-year contract with the Arizona Department of Corrections, in addition to a temporary agreement with the state of Arizona to house approximately 560 inmates which commenced in July 2015 that we expect to end December 30, 2015.

In connection with the new award, CCA will expand its Red Rock Correctional Center to a design capacity of 2,024 beds and add additional space for inmate re-entry programming at a total cost of approximately \$40.0 million. CCA expects it will begin receiving inmates from Arizona under the new contract beginning late in the third quarter or early fourth quarter of 2016, at which time the new contract will commence. However, a definitive ramp schedule has yet to be determined. The new contract is expected to generate approximately \$22.0 million to \$25.0 million of annual revenue.

Damon Hininger, CCA's president and CEO, stated, "We are delighted for the opportunity to expand our valued partnership with the Arizona Department of Corrections through the expansion of our Red Rock Correctional Center. Upon completion of the facility expansion our Red Rock facility will be under contract, in aggregate, to house up to 2,000 medium-security inmates for the state of Arizona."

About CCA

CCA, a publicly traded real estate investment trust (REIT), is the nation's largest owner of partnership correction and detention facilities and one of the largest prison operators in the United States. Following completion of construction of our Trousdale Turner Correctional Center, we will own or control 66 correctional, detention and re-entry facilities, with a design capacity of approximately 75,000 beds, and manage 11 additional facilities owned by our government partners with a total design capacity of approximately 14,000 beds, in 20 states and the District of Columbia. CCA specializes in owning, operating and managing prisons and other correctional facilities and providing residential, community re-entry and prisoner transportation services for governmental agencies. In addition to providing fundamental residential services, our facilities offer a variety of rehabilitation and educational programs, including basic education, faith-based services, life skills and employment training and substance abuse treatment. These services are intended to reduce recidivism and to prepare offenders for their successful re-entry into society upon their release.

Forward-Looking Statements

This press release contains statements as to our beliefs and expectations of the outcome of future events that are forward-looking statements as defined within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the statements made. These include, but are not limited to, the risks and uncertainties associated with: (i) general economic and market conditions, including the impact governmental budgets can have on our per diem rates, occupancy, and overall utilization; (ii) fluctuations in our operating results because of, among other things, changes in occupancy levels, competition, increases in cost of operations, fluctuations in interest rates and risks of operations; (iii) our ability to obtain and maintain correctional facility management contracts, including, but not limited to, sufficient governmental

appropriations, contract compliance and as a result of inmate disturbances; (iv) changes in the privatization of the corrections and detention industry, the public acceptance of our services, the timing of the opening of and demand for new prison facilities and the commencement of new management contracts; (v) changes in government policy and in legislation and regulation of the corrections and detention industry that affect our business, including but not limited to, California's continued utilization of out of state private correctional capacity and the continued utilization of the South Texas Family Residential Center by U.S. Immigration and Customs Enforcement; (vi) our ability to successfully integrate operations of Avalon and realize projected returns resulting therefrom; (vii) our ability to meet and maintain REIT qualification status; and (viii) increases in costs to construct or expand correctional and other facilities that exceed original estimates, or the inability to complete such projects on schedule as a result of various factors, many of which are beyond our control, such as weather, labor conditions and material shortages, resulting in increased construction costs. Other factors that could cause operating and financial results to differ are described in the filings we make from time to time with the Securities and Exchange Commission.

CCA takes no responsibility for updating the information contained in this press release following the date hereof to reflect events or circumstances occurring after the date hereof or the occurrence of unanticipated events or for any changes or modifications made to this press release or the information contained herein by any third-parties, including, but not limited to, any wire or internet services.

Contact: Investors: Cameron Hopewell - Managing Director, Investor Relations - (615) 263-3024
Media: Steve Owen - Managing Director, Communications - (615) 263-3107



Corrections Corporation of America