CCA to Lease California City Correctional Center to the California Department of Corrections and Rehabilitation

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Provides Update on Fourth Quarter Operating Trends

NASHVILLE, TN -- (Marketwired) -- 10/15/13 -- ***CCA (Corrections Corporation of America)*** (NYSE: CXW), America's largest owner of partnership correctional and detention facilities, announced today that it has entered into a lease for its 2,304-bed California City Correctional Center with the California Department of Corrections and Rehabilitation (CDCR). The Company is also providing an update on certain operating trends it believes will negatively impact fourth quarter financial results.

California City Lease

The lease agreement includes a three-year base term with unlimited two-year renewal options upon mutual agreement. Annual rent during the three-year base term is fixed at $28.5 million. After the three-year base term, the rent will be increased annually by the lesser of CPI (Consumer Price Index) or 2%. CCA will be responsible for repairs and maintenance, property taxes and property insurance, while all other aspects and costs of facility operations will be the responsibility of the CDCR.

Lease payments are expected to commence on December 1, 2013. Monthly lease payments are subject to reductions until certain tenant improvements are completed and until all inmate populations currently housed at the facility are removed. The facility currently houses detainees for the U.S. Marshals Service (USMS) and Immigration and Customs Enforcement (ICE). CCA has been working with both the USMS and ICE to relocate their detainees and expects that some of the populations will be relocated to other CCA facilities. We expect all current inmate populations will be removed before the end of December.

CCA will provide $10 million in tenant improvements at no additional cost to the CDCR. Additional tenant improvements, if deemed necessary by the CDCR and agreed upon by CCA, would be funded by CCA and repaid by CDCR in monthly installments over 15 years, beginning July 1, 2014.

Damon Hininger, President and CEO, stated, "We appreciate the opportunity to expand upon our longstanding relationship with the CDCR and the state of California, and we're especially pleased to have reached this agreement, which provides California an immediate solution to help reach its population capacity goals. Our ability to react quickly to our partners' needs with innovative solutions that make the best use of taxpayer dollars exemplifies the flexibility that CCA is able to provide the CDCR and other government agencies."

Fourth Quarter Operating Trends

The Company's USMS and ICE populations have recently been trending below expectations which we believe is largely due to the furlough of government employees and other consequences of the federal government shutdown. The Company also made a strategic decision to activate vacant bed capacity in order to compete for the potential opportunity to house higher populations for the state of California beginning in the fourth quarter of this year. While the Company has begun to incur operating expenses associated with the activation of the beds, California has not yet made a decision on whether to contract for additional out-of-state beds. The Company also expects to incur operating losses during the fourth quarter from the ramp down of USMS and ICE populations at our California City facility necessary to make the facility available for lease to California. While these issues are expected to negatively impact fourth quarter operating results, we cannot make a precise estimate of the impact at this time. The Company is reaffirming its previously issued earnings per share guidance for the third quarter of 2013 as disclosed in its press release announcing Second Quarter Financial Results issued on August 7, 2013 and expects to provide updated earnings guidance for the fourth quarter and year ending December 31, 2013 reflecting the issues described above as part of our regular third quarter earnings press release to be issued after the close of business on November 6, 2013.

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, behind only the federal government and three states. We currently own or control 53 correctional and detention facilities and manage 16 additional facilities owned by our government partners, with a total design capacity of approximately 90,000 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, community re-entry and prisoner transportation services for governmental agencies. In addition to providing the fundamental residential services relating to inmates, our facilities offer a variety of rehabilitation and educational programs, including basic education, religious services, life skills and employment training and substance abuse treatment.

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 as a result of sufficient governmental appropriations 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 governmental policy and in legislation and regulation of the corrections and detention industry that affect our business, including but not limited to, the impact of the government shut down and furlough of federal government employees including U.S. attorneys and other Justice Department employees and the impact of the Budget Control Act of 2011 on federal corrections budgets, and California's continued utilization of out of state private correctional capacity; and (vi) increases in costs to construct or expand correctional facilities that exceed original estimates, or the inability to complete such projects on schedule as a result of various factors, many of which are beyond our control, such as weather, labor conditions and material shortages, resulting in increased construction costs. Other factors that could cause operating and financial results to differ are described in the filings made from time to time by us with the Securities and Exchange Commission.

CCA takes no responsibility for updating the information contained in this press release following the date hereof to reflect events or circumstances occurring after the date hereof or the occurrence of unanticipated events or for any changes or modifications made to this press release.

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