

## **CCA Announces Acquisition of Correctional Alternatives, Inc.**

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NASHVILLE, TN -- (Marketwired) -- 08/05/13 -- **CCA** (NYSE: CXW) (the "Company" or "Corrections Corporation of America"), America's largest owner of partnership correctional and detention facilities, announced today that it has closed on the acquisition of Correctional Alternatives, Inc. (CAI), a privately held community corrections company, for approximately \$36 million, excluding transaction related expenses. The all-cash transaction closed July 31, 2013 and CCA will not assume any debt as part of the transaction.

Founded in 1987, CAI provides cost-effective solutions for housing and rehabilitation through community corrections. CAI is currently responsible for approximately 450 residents and inmates concentrating on community corrections and specializing in work furloughs, residential reentry programs and home confinement for San Diego County, the Federal Bureau of Prisons (BOP) and United States Pretrial Services and Probation. CAI owns a 120-bed facility and controls a 483-bed facility through a long-term lease.

CAI has contracted with the County of San Diego since 1995 and CCA looks forward to continuing to serve the Probation and Sheriff Department's needs. Additionally, CAI has partnered with the BOP, a long and valued partner of CCA, since 1990.

"CCA has made a strategic investment in a complementary business that broadens the scope of solutions we provide. This acquisition enables us to provide a range of solutions from incarceration through release, supporting our belief in helping inmates successfully transition to society, which is important to both our business and our communities," stated Damon Hininger, president and CEO of CCA.

Hininger continued, "CAI's expertise within the community corrections market, combined with the knowledge, experience and financial resources of CCA, results in an acquisition that aligns well with our existing business model and customer base. Further, the long-standing contracts and difficult to replace infrastructure assets we obtain through this acquisition aligns well with our strategy of providing real estate to existing and potential government partners. Through this strategic acquisition, we believe we can grow and expand upon the community corrections business that CAI has developed, primarily with other counties in California as they seek solutions to the challenges of realignment on a long-term basis, as well as with the BOP."

### ***Financial Impact***

The acquisition is expected to increase CCA's total annual revenues by approximately \$14 million and EBITDA by approximately \$5 million on a fully annualized basis, excluding transaction related expenses and transitional costs. After considering recurring depreciation and amortization expenses, CCA expects the acquisition will be approximately \$0.03 accretive to fully annualized 2014 pro forma earnings per share, with a neutral impact on 2013 earnings per share.

### ***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 operate 68 facilities, including 53 facilities that we own or control, 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 and community reentry 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) the estimated financial impact to CCA of the CAI acquisition and our ability to grow and expand CAI's community corrections business; (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) the availability of debt and equity financing on terms that are favorable to us; (v) 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; (vi) 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; (vii) 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; (viii) the outcome of California's realignment program and utilization of out of state private correctional capacity; and (xi) 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.

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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