UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 11, 2004 (February 11, 2004)

Corrections Corporation of America

(Exact name of registrant as specified in its charter)

Maryland	001-16109	62-1763875
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

10 Burton Hills Boulevard, Nashville, Tennessee 37215

(Address of principal executive offices) (Zip Code)

(615) 263-3000

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

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Item 7. Financial Statements and Exhibits

(c) The following exhibit is furnished as part of this Current Report pursuant to Item 12:

Exhibit 99.1 - Press Release dated February 11, 2004

Item 12. Results of Operations and Financial Condition

On February 11, 2004, Corporations Corporation of America, a Maryland corporation (the “Company”), issued a press release announcing its 2003 fourth quarter and year end results. A copy of the release is furnished as a part of this Current Report as Exhibit 99.1 and is incorporated herein in its entirety by this reference. The release contains certain financial information calculated and presented on the basis of methodologies other than in accordance with generally accepted accounting principles, or GAAP, which the Company believes is useful to investors and other interested parties. The Company has included information concerning this non-GAAP information in the release, including a reconciliation of such information to the most comparable GAAP measures, the reasons why the Company believes such information is useful, and the Company’s use of such information for additional purposes.

The information in this Current Report is being furnished pursuant to Item 12 of Form 8-K and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Act of 1934, as amended, and Section 11 of the Securities Act of 1933, as amended, or otherwise subject to the liabilities of those sections. This Current Report will not be deemed an admission by the Company as to the materiality of any information in this report that is required to be disclosed solely by Item 12. The Company does not undertake a duty to update the information in this Current Report and cautions that the information included in this Current Report is current only as of February 11, 2004 and may change thereafter.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

Date: February 11, 2004

CORRECTIONS CORPORATION OF AMERICA

By: /s/ Irving E. Lingo, Jr.

Irving E. Lingo, Jr.
Executive Vice President and
Chief Financial Officer

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EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated February 11, 2004

EXHIBIT 99.1

[CCA LOGO]

NEW RELEASE

Contact: Karin Dember: (615) 263-3005

CORRECTIONS CORPORATION OF AMERICA ANNOUNCES 2003 FOURTH QUARTER AND YEAR END RESULTS

ANNUAL REVENUE EXCEEDS $1.0 BILLION QUARTERLY OCCUPANCY INCREASES TO OVER 95%

NASHVILLE, Tenn. - February 11, 2004 - Corrections Corporation of America (NYSE: CXW) (the "Company") today announced its operating results for the fourth quarter and year ended December 31, 2003.

FINANCIAL HIGHLIGHTS

THREE MONTHS ENDED DECEMBER 31, 2003 COMPARED TO 2002

For the fourth quarter of 2003, the Company reported net income available to common stockholders of $78.8 million, or $2.01 per diluted share, compared with $37.9 million, or $1.14 per diluted share, for the fourth quarter of 2002. Results for the fourth quarter of 2003 included a non-cash income tax benefit for the reversal at December 31, 2003, of the Company's valuation allowance that had been applied to its deferred tax assets, as further described below, as well as other non-recurring income tax benefits, totaling $54.3 million.

Results for the fourth quarter of 2002 included the following special items:

- An income tax benefit of approximately $30.3 million for a reduction of the Company's tax valuation allowance arising primarily as a result of 2002 tax deductions based on a cumulative effect of accounting change for tax depreciation that were reported on the Company's 2002 federal income tax return;

- A charge of $4.0 million for success-based professional fees incurred in connection with the aforementioned tax strategy; and

- A charge of $0.6 million related to the accounting for a derivative instrument in accordance with Statement of Financial Accounting Standards No. 133 ("SFAS 133").

Excluding these special items, for the quarter ended December 31, 2003, the Company generated net income available to common stockholders of $24.5 million, or $0.63 per diluted share, compared with net income available to common stockholders of $12.2 million, or $0.40 per diluted share, for the quarter ended December 31, 2002. The effects of the above items are further illustrated in the following table:

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	THREE MONTHS ENDED DECEMBER 31, 2003	2002
Net income available to common stockholders	$ 78,758	$ 37,876
Success-based tax professional fees	--	4,000
Change in fair value of derivative instruments	--	628
Income tax benefit	(54,276)	(30,259)
	$ 24,482	$ 12,245
Per diluted share	$ 0.63	$ 0.40

Operating income for the fourth quarter of 2003 increased to $44.1 million compared with $31.4 million for the fourth quarter of 2002. Excluding the success-based tax professional fees incurred during the fourth quarter of 2002, operating income for the fourth quarter 2003 increased $8.7 million, or 24.6 percent. EBITDA adjusted for special items ("Adjusted EBITDA")(1) for the fourth quarter of 2003 was $58.1 million, compared with $48.8 million for the fourth quarter of 2002. The increases in operating income and Adjusted EBITDA were primarily the result of higher occupancy levels and operating margins, including contributions resulting from the opening of the McRae Correctional Facility in December 2002 and the acquisition of the Crowley County Correctional Facility in January 2003.

Adjusted free cash flow(1) continued to improve, with $27.4 million generated during the fourth quarter of 2003, compared with $23.1 million generated during the fourth quarter of 2002. The increase in adjusted free cash flow resulted from higher occupancy levels and operating margins, as well as the fact that the fourth quarter of 2002 was negatively impacted by the $4.0 million in success-based tax professional fees. Adjusted free cash flow for the fourth quarter of 2003 was negatively impacted by an increase in cash used for investments in technology and facility improvements compared with the same period in the prior year. Please refer to the Calculation of Adjusted Free Cash Flow and Adjusted EBITDA and related information following the financial statements herein.

TWELVE MONTHS ENDED DECEMBER 31, 2003 COMPARED TO 2002

For the year ended December 31, 2003, the Company reported net income available to common stockholders of $126.5 million, or $3.44 per diluted share, compared with a net loss available to common stockholders of $28.9 million, or $0.82 per diluted share, in 2002. In addition to the fourth quarter items discussed above, results for the year ended December 31, 2003, included the following special items:

- A charge of $6.7 million associated with the Company's debt refinancing and recapitalization transactions completed in 2003;

- A gain of $2.9 million related to the accounting for a derivative instrument in accordance with SFAS 133; and

- A charge of approximately $4.5 million for additional distributions paid to series B preferred stockholders in connection with the Company's tender offer for such shares. The additional distributions represented a tender premium over and above the regular dividend accruing on approximately 3.7 million shares that were tendered on May 13, 2003.

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In addition to the fourth quarter items discussed above, results for the year ended December 31, 2002 also included:

- An additional income tax benefit of $32.2 million resulting from an income tax change that was signed into law in March 2002, which enabled the Company to utilize net operating losses incurred during 2001 to offset taxable income generated in 1997 and 1996 to obtain a cash refund of approximately $32.2 million during April 2002;

- A charge of $36.7 million associated with the Company's refinancing of its senior indebtedness in May 2002;

- Gains of $2.2 million related to the accounting for certain derivative instruments in accordance with SFAS 133; and

- A charge of $80.3 million for the cumulative effect of a change in accounting for goodwill in accordance with Statement of Financial Accounting Standards No. 142 ("SFAS 142").

Excluding these special items, for the year ended December 31, 2003, the Company generated net income available to common stockholders of $80.5 million, or $2.23 per diluted share, compared with net income available to common stockholders of $27.4 million, or $0.92 per diluted share, for the year ended December 31, 2002. The effects of the above items are further illustrated in the following table:

	TWELVE MONTHS ENDED DECEMBER 31, 2003	TWELVE MONTHS ENDED DECEMBER 31, 2002
Net income (loss) available to common stockholders	$ 126,521	$ (28,875)
Success-based tax professional fees	--	4,000
Expenses associated with debt refinancing and recapitalization transactions	6,687	36,670
Change in fair value of derivative instruments	(2,900)	(2,206)
Income tax benefit	(54,276)	(62,483)
Excess distributions to series B preferred stockholders	4,472	--
Cumulative effect of accounting change	--	80,276
	$ 80,504	$ 27,382
Per diluted share	$ 2.23	$ 0.92

In addition to operating income generated from the McRae Correctional Facility and the Crowley County Correctional Facility during 2003, as stated above, financial results also reflect a reduction in interest expense and preferred stock distributions generated as a result of the debt refinancing and recapitalization transactions completed during the second and third quarters of 2003 and during the second quarter of 2002. For the year ended December 31, 2003, revenues increased to $1,036.7 million compared with $937.8 million for the year ended December 31, 2002, representing an increase of 10.6 percent. Adjusted EBITDA increased 20.4% to $221.4 million from $183.9 million in 2003, while adjusted free cash flow increased 30.6% to $111.3 million from $85.2 million in 2002. Average compensated occupancy for continuing operations for the year ended December 31, 2003, improved to 92.9% from 89.1% in 2002, while facility operating margins also increased to 25.7 % from 23.3 percent .

INCOME TAX VALUATION ALLOWANCE

Throughout 2002 and 2003, the Company did not recognize an income tax provision due to the application of a valuation allowance applied to its deferred tax assets, in accordance with generally accepted accounting principles ("GAAP"). At December 31, 2003, the Company concluded that it was more likely than not that substantially all of its deferred tax assets would be realized. As a result, in accordance with GAAP, the valuation allowance applied to such deferred tax assets was reversed, resulting in a non-cash income tax benefit, along with other non-recurring income tax benefits, of approximately $54.3 million, or $1.38 per diluted share for the fourth quarter of 2003.

As the result of the reversal of the valuation allowance, beginning with the first quarter of 2004, the Company will begin providing for an income tax provision at a rate on income before taxes equal to the combined federal and state effective tax rates, currently estimated to be 40 percent. Please refer to the illustration following the financial statements herein of 2003 adjusted net income assuming a tax provision using an estimated effective tax rate of 40 percent.

OPERATIONS HIGHLIGHTS

For the quarters ended December 31, 2003 and 2002, key operating statistics for the continuing operations of the Company were as follows:

	THREE MONTHS ENDED DECEMBER 31,	
Metric	2003	2002
Average Available Beds	58,732	56,610
Average Compensated Occupancy	95.4%	90.9%
Total Compensated Man-Days	5,152,403	4,732,062
Revenue per Compensated Man-Day	$ 51.07	$ 50.13
Operating Expense per Compensated Man-Day:		
Fixed	27.74	27.49
Variable	9.94	10.55
Total	$ 37.68	$ 38.04
Operating Margin per Compensated Man-Day	$ 13.39	$ 12.09
Operating Margin	26.2%	24.1%

Total revenue for the three months ended December 31, 2003 increased 11.1% to $268.9 million from $242.0 million during the fourth quarter of 2002. Total compensated man-days during the fourth quarter of 2003 increased to 5.2 million compared with 4.7 million in the same period in the prior year, while average compensated occupancy for the quarter increased to 95.4% from 90.9% in the fourth quarter of 2002. The increased revenues resulted from strong occupancy increases at existing facilities, where "same-store" facility EBITDA increased 12%, as well as from the Crowley Colorado and McRae facilities which were added in 2003.

Operating margins increased to $13.39 per compensated man-day in the fourth quarter of 2003 from $12.09 per compensated man-day in the prior year fourth quarter, while operating margins improved to 26.2% compared with 24.1 percent. The higher margins were driven by increasing occupancy levels, increases in per-diem rates at a number of facilities and strong expense control. Total operating expenses per man-day decreased $0.36 from the prior year comparable quarter primarily due to reductions achieved in the areas of food and medical expense.

Commenting on the Company's results, John Ferguson, President and CEO stated, "We are clearly pleased with the Company's financial results for 2003. Revenues, occupancy, operating margins and earnings all increased, and our financial position improved significantly as a result of several financing transactions over the course of the year. As we enter 2004, prisons remain overcrowded, and the ongoing fiscal difficulties facing many states have restricted the supply of new prison beds. CCA is well positioned to take advantage of this environment with numerous avenues to supply as-needed beds to meet the needs of our government customers."

BUSINESS DEVELOPMENT HIGHLIGHTS

In November 2003, the Company announced that the Texas Department of Criminal Justice ("TDCJ") awarded new contracts to manage a total of 7,314 beds in six state facilities as part of a procurement re-bid process. The management contracts, which became effective January 15, 2004, consist of four jails and two correctional facilities. Based on the TDCJ's recommendation, the Company also retained its contract to manage the 962-bed Bartlett State Jail, but was not awarded the contract to continue managing the 1,000-bed Sanders Estes Unit, which expired January 15, 2004.

On January 5, 2004, the Company announced that it entered into an agreement with the State of Vermont to manage up to 700 inmates. The agreement represents the first time Vermont has partnered with the private corrections sector to provide residential services for its inmates. The Company has begun receiving Vermont inmates at its Lee Adjustment Center and Marion Adjustment Center, both located in Kentucky.

On January 9, 2004, the Company announced a new contract with the United States Marshals Service ("USMS") to manage up to 800 inmates at its Leavenworth Detention Center located in Leavenworth, Kansas. To fulfill the requirements of the contract, the Company will expand the Leavenworth Detention Facility by 256 beds, increasing the total design capacity to 739 beds. The anticipated cost to expand the Leavenworth facility is approximately $10.4 million, with completion estimated to occur during the fourth quarter of 2004.

Also on January 9, 2004, the Company announced its intention to expand its Florence Correctional Center located in Florence, Arizona by 216 beds, increasing the total design capacity to 1,816 beds. The estimated cost of the expansion is approximately $6.2 million and is expected to be completed during the first quarter of 2005. The expansion is being undertaken in anticipation of increasing demand from Hawaii, Alaska, the Bureau of Immigration and Customs Enforcement and USMS.

On January 13, 2004, the Company announced that it had received notice from the Alabama Department of Corrections that it will withdraw 1,424 inmates currently housed at the Company's Tallahatchie County Correctional Facility located in Tutwiler, Mississippi. The inmates are housed at the facility pursuant to a management contract that became effective July 6, 2003 under a temporary emergency agreement to provide the State of Alabama immediate relief to its overcrowded prison system. Based on the terms of the contract, Alabama is required to compensate the Company at a guaranteed rate of 95% occupancy of the facility through March 11, 2004. For the fourth quarter of 2003, the facility generated approximately $0.3 million in operating income for the Company, net of depreciation and amortization expense of $0.6 million.

On January 20, 2004, the Company announced that the TDCJ awarded the Company contracts to continue managing the 2,100-bed Mineral Wells Pre-Parole Transfer Facility located in Mineral Wells, Texas and the 200-bed Bridgeport Pre-Parole Transfer Facility located in Bridgeport, Texas. The new contracts have a three-year base term with four one-year renewal options and were awarded after a competitive procurement process.

GUIDANCE

The Company is providing initial earnings guidance for 2004 stating that for the first quarter of 2004, the Company expects fully-diluted earnings per share ("EPS") to be in the range of $0.34 to $0.36 and full-year EPS to be in the range of $1.52 to $1.58. As previously discussed, the guidance includes a provision for income taxes. Please refer to the illustration following the financial statements herein of 2003 adjusted net income assuming a tax provision using an estimated effective tax rate of 40 percent. During 2004, the Company expects to invest approximately $124.7 million in capital expenditures consisting of approximately $78.8 million in previously announced prison construction and expansions, $25.2 million in maintenance capital expenditures and approximately $20.7 million in information technology.

SUPPLEMENTAL FINANCIAL INFORMATION

The Company has made available on its website supplemental financial information and other data for the fourth quarter and year ended December 31, 2003. The Company does not undertake any obligation, and disclaims any duty, to update any of the information disclosed in this report. Interested parties may access this information through the Company's website at www.correctionscorp.com under the Financial Information of the Investor section.

WEBCAST AND REPLAY INFORMATION

The Company will host a webcast conference call at 2:00 p.m. Central Time on Thursday, February 12, 2004 to discuss its fourth quarter and year-end results. To listen to this discussion, please access Webcasts and Conference Calls under the Investor Section at www.correctionscorp.com. A replay will be available today at 5:00 p.m. Central Time through 5:00 app. Central Time on February 19, 2004 at the Company's website, or by dialing 1-800-405-2236, pass code 568343.

ABOUT THE COMPANY

The Company is the nation's largest owner and operator of privatized correctional and detention facilities and one of the largest prison operators in the United States, behind only the federal government and four states. The Company currently operates 64 facilities, including 38 company-owned facilities, with a total design capacity of approximately 65,000 beds in 20 states and the District of Columbia. The Company specializes in owning, operating and managing prisons and other correctional facilities and providing inmate residential and prisoner transportation services for governmental agencies. In addition to providing the fundamental residential services relating to inmates, the Company's facilities offer a variety of rehabilitation and educational programs, including basic education, religious services, life skills and employment training and substance abuse treatment. These services are intended to reduce recidivism and to prepare inmates for their successful re-entry into society upon their release. The Company also provides health care (including medical, dental and psychiatric services), food services and work and recreational programs.

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) fluctuations in the Company's 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; (ii) changes in the privatization of the corrections and detention industry, the public acceptance of the Company's services and the timing of the opening of and demand for new prison facilities; (iii) increases in costs to 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 the Company's control, such as weather, labor conditions and material shortages, resulting in increased construction costs; and (iv) general economic and market conditions. Other factors that could cause operating and financial results to differ are described in the filings made from time to time by the Company with the Securities and Exchange Commission.

The Company 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.

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CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED AND AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	December 31, 2003	December 31, 2002
ASSETS		
Cash and cash equivalents	$ 84,231	$ 65,406
Restricted cash	12,823	7,363
Accounts receivable, net of allowance of $1,999 and $1,344, respectively	136,465	119,197
Deferred tax assets	50,473	--
Income tax receivable	--	32,499
Prepaid expenses and other current assets	8,028	12,299
Current assets of discontinued operations	1,158	17,583
Total current assets	293,178	254,347
Property and equipment, net	1,586,979	1,551,781
Investment in direct financing lease	17,751	18,346
Goodwill	15,563	20,902
Deferred tax assets	6,739	--
Other assets	38,818	28,211
Non-current assets of discontinued operations	--	484
Total assets	$ 1,959,028	$ 1,874,071
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable and accrued expenses	$ 156,656	$ 151,516
Income tax payable	913	3,685
Distributions payable	150	5,330
Current portion of long-term debt	1,146	23,054
Current liabilities of discontinued operations	761	2,381
Total current liabilities	159,626	185,966
Long-term debt, net of current portion	1,002,282	932,905
Other liabilities	21,655	21,202
Total liabilities	1,183,563	1,140,073
Commitments and contingencies		
Preferred stock - $0.01 par value; 50,000 shares authorized:		
Series A - stated at liquidation preference of $25.00 per share	7,500	107,500
Series B - stated at liquidation preference of $24.46 per share	23,528	107,831
Common stock - $0.01 par value; 80,000 shares authorized; 35,020 and 27,986 shares issued and outstanding at December 31, 2003 and 2002, respectively	350	280
Additional paid-in capital	1,441,742	1,343,066
Deferred compensation	(1,479)	(1,604)
Retained deficit	(695,590)	(822,111)
Accumulated other comprehensive loss	(586)	(964)
Total stockholders' equity	775,465	733,998
Total liabilities and stockholders' equity	$ 1,959,028	$ 1,874,071

CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED AND AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	FOR THE THREE MONTHS ENDED DECEMBER 31,		FOR THE TWELVE MONTHS ENDED DECEMBER 31,	
	2003	2002	2003	2002
REVENUE:				
Management and other	$ 267,915	$ 241,105	$ 1,032,995	$ 934,050
Rental	945	920	3,742	3,701
	268,860	242,025	1,036,737	937,751
EXPENSES:				
Operating	199,856	184,011	775,311	721,352
General and administrative	11,101	13,245	40,467	36,907
Depreciation and amortization	13,831	13,399	52,937	51,292
	224,788	210,655	868,715	809,551
OPERATING INCOME	44,072	31,370	168,022	128,200
OTHER (INCOME) EXPENSE:				
Equity in (earnings) loss of joint venture	(75)	90	(119)	153
Interest expense, net	17,987	18,101	74,446	87,478
Expenses associated with debt refinancing and recapitalization transactions	--	--	6,687	36,670
Change in fair value of derivative instruments	--	628	(2,900)	(2,206)
Loss on disposal of assets	282	53	261	110
Unrealized foreign currency transaction gain	(357)	(180)	(556)	(622)
	17,837	18,692	77,819	121,583
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE	26,235	12,678	90,203	6,617
Income tax benefit	52,459	30,021	52,352	63,284
INCOME FROM CONTINUING OPERATIONS BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	78,694	42,699	142,555	69,901
Income (loss) from discontinued operations, net of taxes	920	562	(772)	2,459
Cumulative effect of accounting change	--	--	--	(80,276)
NET INCOME (LOSS)	79,614	43,261	141,783	(7,916)
Distributions to preferred stockholders	(856)	(5,385)	(15,262)	(20,959)
NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS	$ 78,758	$ 37,876	$ 126,521	$ (28,875)
BASIC EARNINGS (LOSS) PER SHARE:				
Income from continuing operations before cumulative effect of accounting change	$ 2.24	$ 1.35	$ 3.95	$ 1.77
Income (loss) from discontinued operations, net of taxes	0.03	0.02	(0.03)	0.09
Cumulative effect of accounting change	--	--	--	(2.90)
Net income (loss) available to common stockholders	$ 2.27	$ 1.37	$ 3.92	$ (1.04)
DILUTED EARNINGS (LOSS) PER SHARE:				
Income from continuing operations before cumulative effect of accounting change	$ 1.99	$ 1.12	$ 3.46	$ 1.59
Income (loss) from discontinued operations, net of taxes	0.02	0.02	(0.02)	0.08
Cumulative effect of accounting change	--	--	--	(2.49)
Net income (loss) available to common stockholders	$ 2.01	$ 1.14	$ 3.44	$ (0.82)

CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES
SUPPLEMENTAL FINANCIAL INFORMATION
CALCULATION OF ADJUSTED FREE CASH FLOW AND EBITDA
(UNAUDITED AND AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	FOR THE THREE MONTHS ENDED DECEMBER 31,		FOR THE TWELVE MONTHS ENDED DECEMBER 31,	
	2003	2002	2003	2002
Pre-tax income (loss) available to common stockholders	$ 26,299	$ 7,855	$ 74,169	$ (92,159)
Expenses associated with debt refinancing and recapitalization transactions	--	--	6,687	36,670
Cumulative effect of accounting change	--	--	--	80,276
Income taxes paid	(454)	(141)	(2,183)	(4,251)
Depreciation and amortization	13,831	13,399	52,937	51,292
Depreciation and amortization for discontinued operations	--	154	1,074	3,095
Income tax (benefit) expense for discontinued operations	(920)	--	(920)	600
Amortization of debt costs and other non-cash interest	1,798	1,380	7,505	11,816
Change in fair value of derivative instruments	--	628	(2,900)	(2,206)
Series B preferred stock dividends satisfied with series B preferred stock and non-recurring tender premium	--	3,235	10,476	12,359
Maintenance capital expenditures	(13,167)	(3,428)	(35,522)	(12,254)
ADJUSTED FREE CASH FLOW	$ 27,387	$ 23,082	$ 111,323	$ 85,238

	FOR THE THREE MONTHS ENDED DECEMBER 31,		FOR THE TWELVE MONTHS ENDED DECEMBER 31,	
	2003	2002	2003	2002
Net income (loss)	$ 79,614	$ 43,261	$ 141,783	$ (7,916)
Interest expense, net	17,987	18,101	74,446	87,478
Depreciation and amortization	13,831	13,399	52,937	51,292
Income tax expense (benefit)	(52,459)	(30,021)	(52,352)	(63,284)
Cumulative effect of accounting change	--	--	--	80,276
(Income) loss from discontinued operations, net of taxes	(920)	(562)	772	(2,459)
EBITDA	58,053	44,178	217,586	145,387
Success-based tax professional fees	--	4,000	--	4,000
Expenses associated with debt refinancing and recapitalization transactions	--	--	6,687	36,670
Change in fair value of derivative instruments	--	628	(2,900)	(2,206)
ADJUSTED EBITDA	$ 58,053	$ 48,806	$ 221,373	$ 183,851

Note 1: Net income, excluding special items; Adjusted EBITDA; and Adjusted free cash flow are non-GAAP financial measures. The Company believes that net income, excluding special items; Adjusted EBITDA; and Adjusted free cash flow are important operating measures that supplement discussion and analysis of the Company's results of operations and are used to review and assess operating performance of the Company and its correctional facilities and their management teams. The Company believes that it is useful to provide investors, lenders and security analysts disclosures of its results of operations on the same basis as that used by management.

Management and investors review both the Company's overall performance (including GAAP EPS; net income excluding special items; and Adjusted free cash flow) and the operating performance of the Company's correctional facilities (Adjusted EBITDA). Adjusted EBITDA is useful as a supplemental measure of the performance of the Company's correctional facilities because it does not take into account depreciation and amortization or the impact of the Company's financing strategies or tax provisions. Because the historical cost accounting convention used for real estate assets requires depreciation (except on land), this accounting presentation assumes that the value of real estate assets diminishes at a level rate over time. Because of the unique structure, design and use of the Company's correctional facilities, management believes that assessing performance of the Company's correctional facilities without the impact of depreciation or amortization is useful. The calculation of Adjusted free cash flow substitutes capital expenditures incurred to maintain the functionality and condition of the Company's correctional facilities in lieu of a provision for depreciation; Adjusted free cash flow also excludes certain other non-cash expenses that do not affect the Company's ability to service debt.

The Company may make adjustments to Adjusted EBITDA and Adjusted free cash flow from time to time for certain other income and expenses that it considers non-recurring, infrequent or unusual, even though such items may require cash settlement, because such items do not reflect a necessary component of the ongoing operations of the Company. Other companies may calculate Adjusted EBITDA and Adjusted free cash flow differently than the Company does, and therefore comparability may be limited. Adjusted EBITDA and Adjusted free cash flow are not measures of performance under GAAP, and should not be considered as an alternative to cash flows from operating activities or as a measure of liquidity or an alternative to net income as indicators of the Company's operating performance or any other measure of performance derived in accordance with GAAP. This data should be read in conjunction with the Company's consolidated financial statements and related notes included in its filings with the Securities and Exchange Commission.

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CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES
ILLUSTRATION OF 2003 NET INCOME EXCLUDING SPECIAL ITEMS AND
ASSUMING A TAX PROVISION
(UNAUDITED AND AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	FOR THE THREE MONTHS ENDED				FOR THE YEAR ENDED
	MARCH 31, 2003	JUNE 30, 2003	SEPTEMBER 30, 2003	DECEMBER 31, 2003	DECEMBER 31, 2003
Pre-tax income, as reported	$ 22,732	$ 20,230	$ 19,314	$ 26,235	$ 88,511
Special Items:					
Expenses associated with debt refinancing and recapitalization transactions	--	4,135	2,552	--	6,687
Change in fair value of derivative instruments	--	(2,900)	--	--	(2,900)
	22,732	21,465	21,866	26,235	92,298
Income tax adjustment	(9,093)	(8,586)	(8,746)	(10,494)	(36,919)
Net income, as adjusted for special items and assuming a tax provision	13,639	12,879	13,120	15,741	55,379
Preferred stock distributions, as reported	(5,480)	(8,090)	(836)	(856)	(15,262)
Excess distributions to series B preferred stockholders	--	4,472	--	--	4,472
Net income available to common stockholders, excluding special items and assuming a tax provision	$ 8,159	$ 9,261	$ 12,284	$ 14,885	$ 44,589
Per diluted share	$ 0.26	$ 0.26	$ 0.32	$ 0.38	$ 1.23

Note 2: Generally accepted accounting principles require that a valuation allowance be established and maintained when it is more likely than not that all or a portion of a deferred tax asset will not be realized. In determining whether a valuation allowance is required, the Company takes into consideration all positive and negative evidence with regard to the utilization of its deferred tax assets including its past earnings history, expected future earnings, the character and jurisdiction of such earnings, unsettled circumstances that, if unfavorably resolved, would adversely affect utilization of its deferred tax assets, carryback and carryforward periods, and tax strategies that could potentially enhance the likelihood of realization of a deferred tax asset.

Throughout 2003, the Company did not recognize an income tax provision due to the application of a valuation allowance applied to its deferred tax assets. At December 31, 2003, the Company concluded that it was more likely than not that substantially all of its deferred tax assets would be realized. As a result, the valuation allowance applied to such deferred tax assets was reversed and, beginning with the first quarter of 2004, the Company will begin providing for an income tax provision at a rate on income before taxes equal to the combined federal and state effective tax rates, which the Company currently estimates to be 40% using current tax rates.

Net income available to common stockholders and earnings per diluted share for the four quarterly and annual periods of 2003, adjusted for the special items and for a tax provision, have been presented for illustrative purposes because the Company believes such amounts are important measures that supplement discussion and analysis of the Company's results of operations, particularly when comparing results of operations during 2003 to future results of operations, because the results of operations in future periods are expected to include an income tax provision and the results of operations for 2003 did not. (Refer to Note 1 for a discussion of why special items are presented.) The income tax adjustment was computed by applying the 40% effective tax rate currently estimated for 2004 to pre-tax net income, as adjusted for the special items detailed in the foregoing table. The income tax adjustment is not intended to represent the adjustment to the historical income taxes that would have resulted using the effective tax rate the Company actually experienced during the periods presented, and is not necessarily what the actual effective tax rate will be for 2004. Effective tax rates are dependent on many factors, some of which are beyond the Company's control.

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