



## **CCA Receives Notice of Termination of Contract to Manage Guayama Correctional Center Located in Guayama, Puerto Rico**

May 8, 2002

NASHVILLE, Tenn., May 8, 2002 /PRNewswire-FirstCall via COMTEX/ -- Corrections Corporation of America (NYSE: CXW) announced today that it has received notice dated May 7, 2002, from the Commonwealth of Puerto Rico terminating the Company's contract to manage the 1,000 bed medium-security Guayama Correctional Center located in Guayama, Puerto Rico. The contract, which, during the fourth quarter of 2001, was extended by Puerto Rico through December 2006, is terminable at any time without cause by the Puerto Rican government. Puerto Rico has requested that the transfer of operations of the facility be completed by June 30, 2002. During the first quarter of 2002, the Company generated approximately \$1.6 million in EBITDA and approximately \$900,000 in EBITDA after taxes from the operation of the facility. As of May 6, 2002, 993 beds were being utilized at the facility.

The Company previously announced the termination by Puerto Rico of the Company's contracts to manage the Ponce Adult Correctional Facility and the Ponce Young Adult Correctional Facility located in Ponce, Puerto Rico. Puerto Rico assumed the management of these facilities on May 4, 2002. Together with the operation of the Guayama Correctional Center, during the first quarter of 2002, the Company generated approximately \$2.5 million in EBITDA and approximately \$1.4 million in EBITDA after taxes from the operation of the Puerto Rican facilities.

### **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 owns 39 correctional, detention and juvenile facilities, three of which are leased to other operators, and two additional facilities which are not yet in operation. The Company also has a leasehold interest in a juvenile facility. Following the termination of the Guayama contract discussed above, and following the previously announced termination of the Company's other two contracts with the Commonwealth of Puerto Rico effective May 4, 2002, the Company will operate 60 facilities, including 36 company-owned facilities, with a total design capacity of approximately 59,000 beds in 21 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, 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 that are forward-looking statements as defined within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the Company's current plans and actual future activities, and the Company's results of operations may be materially different from those set forth in the forward-looking statements. Investors should refer to documents that the Company files from time to time with the Securities and Exchange Commission for a description of certain factors that could cause actual results to vary from current expectations and from the forward-looking statements contained in this press release. Such factors include, but are not limited to: (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) the growth in the privatization of the corrections and detention industry and the public acceptance of the Company's services; (iii) general economic and market conditions; and (iv) other factors that could cause results to differ as 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 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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