



Prison Realty Reports Second Quarter Results

August 11, 1999

NASHVILLE, Tenn., Aug. 11 /PRNewswire/ -- Prison Realty Trust, Inc. ("Prison Realty" or the "Company") (NYSE: PZN), a Maryland corporation, today announced second quarter 1999 results. Funds from operations (FFO) of \$70.4 million, or \$0.60 per diluted share were earned on revenues of \$73.8 million for the quarter ended June 30, 1999. In addition, the Company announced selected occupancy and financial data related to the Company's primary tenant, Corrections Corporation of America ("CCA"), and the two service companies affiliated with the Company who together operate under the name of Corrections Corporation of America.

Corrections Corporation of America's June 30, 1999 system-wide occupancy level was 94.1%, up from 91.4% at March 31, 1999. The occupancy level for Prison Realty-owned facilities managed by CCA has increased from 85.4% at March 31, 1999 to 89.6% at June 30, 1999. Currently, the CCA managed facilities are 89.8% occupied. In addition, CCA reported a net decrease in cash and cash equivalents of \$4.3 million for the six month period ended June 30.

Chairman and CEO Doctor R. Crants commented as follows: "Since our last earnings report we have successfully increased our credit facility to \$1.0 billion and issued \$100.0 million in high yield notes, enabling us to continue to develop quality bed space for government in keeping with our business plan. Operating results were negatively impacted by the issuance of equity in the second quarter as we worked to arrange our long term debt financing. We feel the short term effect of this dilution is more than offset by the long term competitive advantage we gain by remaining the primary private provider of available cell space. For instance, on August 6th a Commerce Business Daily notice announced that the Federal Bureau of Prisons expected to issue an RFP for 7,500 bed spaces in contractor-owned, contractor-managed facilities on September 1. The CBD notice specifically excludes from participation new construction or new expansions started after the date of the notice. Only facilities already under construction and able to accept inmates within 90 days of contract award are eligible to participate in this RFP. In light of this and other identified customer requests for secure beds in the immediate future, I could not be more pleased with our current position."

"In keeping with our commitment to enhance CCA disclosure, we are including certain cash performance measures and selected data of our primary tenant CCA in conjunction with our earnings release. In addition, we will be including CCA financials in our 10Q when filed."

Prison Realty's business is the ownership of correctional and detention facilities. The Company provides financing, design, construction and renovation of new and existing jails and prisons that it leases to both private and governmental managers. Prison Realty currently owns 51 correctional and detention facilities in 17 states, the District of Columbia and the United Kingdom having a total design capacity in excess of 49,000 beds, of which twelve new facilities are under construction. Prison Realty Trust, Inc. is based in Nashville, Tennessee and plans to qualify as a

real estate investment trust under the Internal Revenue Code. Entities operated under the name of Corrections Corporation of America provide correctional and detention facility management services to governments under contracts for 83 correctional and detention facilities with an approximate design capacity of 73,000 beds, of which 69 facilities with an approximate design capacity of 53,000 beds are in operation.

This press release contains forward-looking statements that involve various risks and uncertainties. Actual results could differ materially from those contained in these forward-looking statements due to certain factors. These and other risks and uncertainties are detailed in the Company's reports filed with the SEC.

Financial Tables to follow.

Prison Realty Trust, Inc.
Consolidated Statement of Income

For the Three and Six Months Ended June 30, 1999

(Unaudited and amounts in thousands, except per share amounts)

	Three Months Ended June 30, 1999	Six Months Ended June 30, 1999
REVENUES:		
Rental revenues	\$65,828	\$129,468
Interest income	5,827	12,041
Licensing fees	2,186	4,318
	73,841	145,827
EXPENSES:		
Depreciation and amortization	10,502	20,419
General and administrative	1,725	2,607
Interest expense	7,036	15,309
Loss on disposition of property	1,631	1,631
	20,894	39,966
OPERATING INCOME	52,947	105,861
Equity in earnings of subsidiaries and amortization of deferred gains	7,476	15,157
INCOME BEFORE INCOME TAXES	60,423	121,018
Provision for change in tax status	--	83,200
NET INCOME	60,423	37,818
Dividends to preferred shareholders	(2,150)	(4,300)
NET INCOME AVAILABLE FOR COMMON SHARES	\$58,273	\$33,518
NET INCOME AVAILABLE PER COMMON SHARE:		
Basic	\$0.50	\$0.30

Diluted	\$ 0.50	\$ 0.30
WEIGHTED AVERAGE COMMON SHARES		
OUTSTANDING, BASIC	116,421	111,871
WEIGHTED AVERAGE COMMON SHARES		
OUTSTANDING, DILUTED	117,763	112,687
FUNDS FROM OPERATIONS:		
Net Income Available		
for Common Shares	\$58,273	\$33,518
Plus real estate depreciation	10,502	20,419
Add back non-recurring items:		
Write off of deferred tax asset	--	83,200 (a)
Loss on disposition of property	1,631	1,631 (b)
	\$70,406	\$138,768
FUNDS FROM OPERATIONS PER COMMON SHARE:		
Basic	\$0.60	\$1.24
Diluted	\$0.60	\$1.23
WEIGHTED AVERAGE COMMON SHARES		
OUTSTANDING, BASIC	116,421	111,871
WEIGHTED AVERAGE COMMON SHARES		
OUTSTANDING, DILUTED	117,763	114,071

(a) -- One-time charge related to change of Company tax status from C-corporation to REIT.

(b) -- Non-cash loss resulting from resolution of CCA pre-Merger facility issue (1997).

Prison Realty Trust, Inc.
Consolidated Balance Sheet
June 30, 1999

(Unaudited and amounts in thousands)

	June 30, 1999
ASSETS	
Real estate properties, at cost:	
Correctional and detention facilities	\$2,200,325
Less accumulated depreciation	(27,799)
Net real estate properties	2,172,526
Cash and cash equivalents	2,052
Restricted cash	38,870
Notes Receivable from New CCA	138,549
Investments in affiliates and others	129,975
Investments in direct financing leases	74,981
Amounts under lease arrangements	44,423
Receivable from New CCA	10,593
Other assets	41,607

Total assets	\$2,653,576
LIABILITIES AND STOCKHOLDERS' EQUITY	
LIABILITIES:	
Distributions payable	\$215,642
Bank credit facility	648,750
Notes payable	100,000
Convertible subordinated notes and other debt	70,796
Accounts payable and accrued expenses	99,373
Income taxes payable	5,746
Deferred gains on sales of contracts	110,996
Deferred tax liability	32,000
Total liabilities	1,283,303
COMMITMENTS AND CONTINGENCIES	
STOCKHOLDERS' EQUITY	
Preferred stock, \$.01 par value; 10,000 shares authorized; 4,300 outstanding	43
Common stock, \$.01 par value; 300,000 shares authorized, 118,116 shares issued and outstanding	1,182
Additional paid-in-capital	1,378,922
Cumulative net income	121,018
Accumulated distributions	(130,892)
Total stockholders' equity	1,370,273
Total liabilities and stockholders' equity	\$2,653,576

Corrections Corporation of America
 Selected Financial Information
 For the Six Months Ended June 30, 1999
 (Unaudited and amounts in thousands, except per share amounts)

The following table includes selected financial information from Prison Realty Trust's primary tenant, Corrections Corporation of America, for the six months ended June 30, 1999:

	Six Months Ended June 30, 1999
Revenues	\$244,109
Net loss	(48,134)
Current assets	94,955
Total assets	224,995
Current liabilities	49,910
Deferred credits	64,479
Total liabilities	251,389 (a)
Stockholders' equity	(26,394)

Cash flows provided by operating activities	\$3,091
Cash flows used in investing activities	(1,256)
Cash flows used in financing activities	(6,125)
Net decrease in cash for the six months ended June 30, 1999	(4,290)
CASH AND CASH EQUIVALENTS, beginning of the period	19,057
CASH AND CASH EQUIVALENTS, end of the period	\$14,767

(a) -- At June 30, 1999 there were no borrowings under CCA's revolving credit facility, nor are there currently.