



CCA Buys Management Contract In Webb County, Texas

December 21, 1998

NASHVILLE, Tenn., Dec. 21 /PRNewswire/ -- Corrections Corporation of America (NYSE: CCA) announced today that it is buying the contract rights to manage a 480-bed, medium-security prison in Laredo, Webb County, Texas from Bobby Ross Group. The \$600,000 deal is set to close on December 28.

Prison Realty Trust (NYSE: PZN) will purchase the facility, currently under development by Webb County, for approximately \$22 million. Opening is scheduled for February 1999, after which the prison is expected to house federal inmates and county prisoners for Webb County.

CCA and PZN plan to expand the facility by 520 beds and could have the additional beds on line during the second quarter of 1999. After expansion, the facility should generate approximately \$17 million in annual revenues for CCA.

"One of our longest-standing community relationships is with Laredo and Webb County, Texas," said CCA Chairman, CEO Doctor R. Crants. "We look forward to building on that relationship and to assisting the local and federal agencies with their bed needs."

CCA developed the Laredo Processing Center in 1985 to house illegal aliens for the Immigration and Naturalization Service. It later sold the facility to PZN and still manages the 258-bed center today.

On April 20, 1998, CCA and PZN announced that the companies entered into an agreement in which CCA will be merged into PZN. The merger, scheduled to close in January 1999, was approved by shareholders of CCA on December 1 and shareholders of PZN on December 3.

CCA manages prisons and other correctional institutions for governmental agencies. The company is the industry leader in private sector corrections with 68,505 beds in 81 facilities under contract in the U.S. and abroad. CCA provides a full range of services that includes finance, design, construction and management of new or existing facilities, as well as long-distance inmate transportation.

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, including business and economic conditions and availability of financing. These and other risks and uncertainties are detailed in the company's reports filed with the SEC.