Corrections Corporation of America Announces Third Quarter Results

November 1, 2001

NASHVILLE, Tenn., Nov 1, 2001 /PRNewswire via COMTEX/ -- Corrections Corporation of America (NYSE: CXW) (the "Company") (formerly Prison Realty Trust, Inc.) today announced its operating results for the three and nine-month periods ended September 30, 2001.

The third quarter results discussed below include the operating results of the former operating company that was acquired October 1, 2000, and the former service companies that were acquired December 1, 2000. As a result of these acquisitions, the operating results of the Company for the third quarter of 2001 and the third quarter of 2000 are not comparable.

For the three months ended September 30, 2001, the Company reported a net loss available to common stockholders of $5.7 million, or $0.23 per share, compared with a net loss available to common stockholders of $261.1 million, or $22.04 per share, for the prior-year three-month period. For the nine months ended September 30, 2001, the Company reported a net loss available to common stockholders of $20.3 million, or $0.84 per share, compared with a net loss available to common stockholders of $378.5 million, or $31.96 per share, for the same period in 2000. The results for the three and nine months ended September 30, 2001, include the effects of non-cash charges of $5.6 and $11.9 million, respectively, associated with the accounting for an interest rate swap agreement in accordance with Statement of Financial Accounting Standards No. 133. Per share results for 2000 have been retroactively restated to reflect the one-for-ten reverse stock split of the Company's common stock effective May 18, 2001.

Third quarter consolidated revenue amounted to $248.2 million. Consolidated EBITDA for the quarter was $50.2 million, while average compensated occupancy for the quarter was 88.8%.

Commenting on the results for the third quarter, President and CEO John Ferguson stated, "We are pleased with the Company's continued operational improvement. Revenue per man-day increased for the third consecutive quarter while at the same time we continued to aggressively manage costs. Looking forward, we are pursuing a number of initiatives which, if successful, should increase occupancy and return the Company to profitability."

Asset Sales/Debt Repayment

On October 3, 2001, the Company sold its Southern Nevada Women's Correctional facility for $24.1 million. Proceeds from the sale were used to reduce the outstanding total balance under the Company's senior bank credit facility. During 2001, the Company has reduced total debt balances by approximately $186.8 million through a combination of cash generated from asset sales and working capital.

Refinancing Status

After giving consideration to conditions currently existing in the debt and capital markets, the Company has determined to seek a modification of the revolving loan portion of its senior bank credit facility to convert it into a term loan maturing December 31, 2002. The revolving loan, currently amounting to approximately $269.4 million, is due January 1, 2002. The modification and related amendment to extend the maturity will require the consent of 100% of the participants in the revolving credit portion of the senior bank credit facility, and is currently expected to require the consent of two-thirds of the lenders in the term loan portion of the senior bank credit facility.

Operating EBITDA/Liquidity

EBITDA for the third quarter amounted to $50.2 million while debt service for the quarter, excluding non-cash items, amounted to $25.2 million. At September 30, 2001, the Company had cash on hand of approximately $33.4 million and had $50.0 million available under a working capital line of credit. The outstanding balance under the Company's senior bank credit facility has been reduced from $972.3 million on January 1, 2001, to its current balance of $794.1 million.

Operations Update

For the quarter ended September 30, 2001, key operating statistics were as follows:

Metric	Quarter Ended September 30, 2001	Quarter Ended June 30, 2001	Quarter Ended March 31, 2001	Pro-Forma Quarter Ended December 31, 2000
Average Available Beds	61,343	61,408	61,462	61,462
Average Compensated Occupancy	88.8%	89.1%	88.3%	86.9%
Total Compensated Man-Days	5,010,195	4,979,785	4,883,865	4,915,894
Revenue per Compensated Man-Day	$48.46	$48.03	$47.91	$46.96
Operating Expenses per				

Compensated Man-Day:				
Fixed	$27.28	$27.09	$26.98	$26.32
Variable	9.62	10.05	10.08	12.39
Total	$36.90	$37.14	$37.06	$38.71
Operating Margin per Compensated Man-Day	$11.56	$10.89	$10.85	$8.25
Operating Margin Rate	23.8%	22.7%	22.6%	17.6%

During the quarter, the Company successfully renewed contracts in five jurisdictions at increased rates. In addition, two prison facilities received notification of accreditation from the American Correctional Association. At September 30, 2001, approximately 77% of the Company's facilities have received ACA accreditation.

"The Company generated another solid quarter on a number of fronts," stated Ferguson. "Although this quarter's operating performance is encouraging, we also recognize that there are several objectives we must accomplish before year-end including the modification of our credit facility. We intend to work diligently with our lender group to accomplish the modification with the goal of putting permanent financing in place during the first half of next year."

About the Company

The Company is the nation's largest provider of outsourced detention and corrections management services, housing an inmate population larger than that of all but five public correctional systems in the United States. 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, each of the Company's facilities offers a variety of rehabilitation and educational programs, including basic education, life skills and employment training and substance abuse treatment. The Company also provides health care (including medical, dental and psychiatric services), institutional food services and work and recreational programs. The Company owns or manages approximately 65,000 beds in 70 facilities in the United States and Puerto Rico, with 64 facilities under contract for management containing approximately 61,000 beds, four leased facilities and two facilities under construction.

Forward-Looking Statements

This press release contains statements that are forward-looking statements as defined within 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. Factors that could cause operating and financial results to differ are described in the Company's Form 10-K, as well as in other documents filed with the Securities and Exchange Commission, and these factors include, but are not limited to, the growth of the private cohe date hereof or for any changes or modifications made to the press release or the information contained herein by any third-parties, including, but not limited to, any wire or internet services.

CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES
(FORMERLY PRISON REALTY TRUST, INC.)
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED AND AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

ASSETS	September 30, 2001	December 31, 2000
Cash and cash equivalents	$33,376	$20,889
Restricted cash	10,024	9,209
Accounts receivable, net of allowance of $838 and $1,486, respectively	147,292	132,306
Income tax receivable	1,293	32,662
Prepaid expenses and other current assets	17,664	18,726
Assets held for sale under contract	23,912	24,895
Total current assets	233,561	238,687
Property and equipment, net	1,578,544	1,615,130
Investment in direct financing lease	--	23,808
Assets held for sale	46,429	138,622
Goodwill	105,905	109,006
Other assets	36,265	51,739
Total assets	$2,000,704	$2,176,992

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts payable and accrued expenses	$198,994	$243,312
Income tax payable	8,824	8,437
Distributions payable	15,865	9,156
Current portion of long-term debt	286,528	14,594
Total current liabilities	510,211	275,499
Long-term debt, net of current portion	708,392	1,137,976
Deferred tax liabilities	58,426	56,450
Fair value of interest rate swap agreement	15,084	--
Other liabilities	19,329	19,052
Total liabilities	1,311,442	1,488,977
Commitments and contingencies		
Preferred stock - $0.01 par value; 50,000 shares authorized: Series A - 4,300 shares issued and outstanding; stated at liquidation preference of $25.00 per share	107,500	107,500
Series B - 3,828 and 3,297 shares issued and outstanding at September 30, 2001 and December 31, 2000, respectively; stated at liquidation preference of $24.46 per share	93,622	80,642
Common stock - $0.01 par value; 80,000 and 400,000 shares authorized; 25,133 and 235,395 shares issued and 25,132 and 235,383 shares outstanding at September 30,2001 and December 31, 2000, respectively	251	2,354
Additional paid-in capital	1,314,092	1,299,390
Deferred compensation	(3,644)	(2,723)
Retained deficit	(819,178)	(798,906)
Treasury stock, 1.2 shares and 12 shares, respectively, at cost	(242)	(242)
Accumulated other comprehensive loss	(3,139)	--
Total stockholders' equity	689,262	688,015
Total liabilities and stockholders' equity	$2,000,704	$2,176,992

CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES
(FORMERLY PRISON REALTY TRUST, INC.)
CONDENSED COMBINED AND CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED AND AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Consolidated Three Months Ended September 30, 2001	Combined Three Months Ended September 30, 2000	Consolidated Nine Months Ended September 30, 2001	Combined Nine Months Ended September 30, 2000
REVENUE:				
Management and other	$247,072	$26,066	$728,981	$26,066
Rental	1,116	15,464	5,314	38,390
Licensing fees from affiliates	--	2,324	--	7,566
	248,188	43,854	734,295	72,022
EXPENSES:				
Operating	189,552	21,691	563,388	21,691
General and administrative	8,431	9,024	25,465	43,764
Lease	--	256	--	256
Depreciation and				

amortization	14,211	15,439	40,088	41,770
Licensing fees to Operating Company	--	501	--	501
Administrative service fee to Operating Company	--	900	--	900
Write-off of amounts under lease arrangements	--	3,504	--	11,920
Impairment loss	--	19,239	--	19,239
	212,194	70,554	628,941	140,041
OPERATING INCOME (LOSS)	35,994	(26,700)	105,354	(68,019)
OTHER (INCOME) EXPENSE:				
Equity loss and amortization of deferred gain, net	90	9,135	265	13,392
Interest expense, net	29,637	35,741	96,752	95,490
Other income	--	(3,099)	--	(3,099)
Change in fair value of interest rate swap agreement	5,649	--	11,945	--
Loss on disposal of assets	180	3,023	141	3,324
Unrealized foreign currency transaction (gain) loss	(215)	2,012	129	9,542
Stockholder litigation settlements	--	75,406	--	75,406
	35,341	122,218	109,232	194,055
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTEREST	653	(148,918)	(3,878)	(262,074)
Income tax expense	(1,217)	(109,888)	(1,479)	(109,888)
LOSS BEFORE MINORITY INTEREST	(564)	(258,806)	(5,357)	(371,962)
Minority interest in net loss of PMSI and JJFMSI	--	318	--	318
NET LOSS	(564)	(258,488)	(5,357)	(371,644)
Distributions to preferred stockholders	(5,114)	(2,585)	(14,915)	(6,885)
NET LOSS AVAILABLE TO COMMON STOCKHOLDERS	$(5,678)	$(261,073)	$(20,272)	$(378,529)
BASIC AND DILUTED NET LOSS AVAILABLE TO COMMON STOCKHOLDERS PER COMMON SHARE	$(0.23)	$(22.04)	$(0.84)	$(31.96)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING, BASIC AND DILUTED	24,749	11,846	24,215	11,842

MAKE YOUR OPINION COUNT - Click Here
http://tbutton.prnewswire.com/prn/11690X47261942

SOURCE Corrections Corporation of America

CONTACT:
Karin Demler of Corrections Corporation of America,
+1-615-263-3005 (CXW)
http://www.prnewswire.com