



## Prison Realty Announces Third Quarter Results

November 10, 1999

NASHVILLE, Tenn., Nov. 10 /PRNewswire/ -- Prison Realty Trust, Inc., a Maryland corporation ("Prison Realty" or the "Company") (NYSE: PZN), announced today its financial results for the third quarter of 1999. Funds from operations, or FFO, of \$66.2 million, or \$0.56 per diluted share, were earned on revenues of \$75.0 million for the quarter. In addition, the Company also announced selected occupancy related to the Company's primary tenant, Corrections Corporation of America ("CCA"), and the two service companies affiliated with the Company who, together with CCA, operate under the name of Corrections Corporation of America.

During the third quarter, system wide CCA brought on line 4,056 new beds, increasing its beds in operation from 49,069 at the beginning of the quarter to 53,125 at September 30, 1999. Corrections Corporation of America's average system wide occupancy for the third quarter was 93.2% compared to 92.7% for the second quarter. The average occupancy level for the third quarter for Prison Realty owned facilities that are managed by CCA was 88.8% compared to 87.3% for the second quarter.

In addition, CCA announced that it has been advised by the Department of Corrections of the State of Wisconsin that CCA has been selected as the preferred vendor in the recently completed Wisconsin procurement. Wisconsin has indicated that they intend to contract for all of CCA's vacant beds at its Prairie facility, all of CCA's vacant beds at its West Tennessee facility and all of CCA's beds at its Tallahatchie County, Mississippi facility when it is completed, for a total of 1,896 beds.

The Company and CCA also announced that they have engaged Merrill Lynch & Co. ("Merrill Lynch") as their respective financial advisors. Merrill Lynch was engaged in connection with the requirement in the Company's credit facility that the companies complete a sale of equity and/or debt securities in order for the Company to make its special dividend payment in cash. As part of this process, both companies and Merrill Lynch have evaluated the Company's and CCA's financial conditions and results of operations and are considering a broad range of financing and strategic alternatives to address the liquidity needs of both companies. The companies and Merrill Lynch are in the process of evaluating proposals received with respect to these financing and strategic alternatives. No assurance can be given that any transaction will ultimately be consummated. In addition, no assurance can be given as to the exact timing of the payment of the special dividend, whether paid in cash and/or in securities. The Company will not update its review and negotiation of financing and strategic alternative proposals until this process has been completed.

Additional information regarding the Company's and CCA's financial results and liquidity needs, the payment of dividends by the Company, and the Company's and CCA's engagement of Merrill Lynch can be found in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1999, filed today with the United States Securities and Exchange Commission.

Prison Realty's business is the ownership of correctional and detention facilities. Prison Realty 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 or is in the process of developing 51 correctional and detention facilities in 18 states, the District of Columbia and the United Kingdom having a total design capacity of 50,000 beds, of which 40 facilities are operating, eight are under construction or expansion and three are in the planning stage. Prison Realty is based in Nashville, Tennessee and operates so as to qualify as a real estate investment trust under the Internal Revenue Code. The entities operating under the Corrections Corporation of America name provide correctional and detention facility management services to governments under contracts for 83 facilities with an approximate design capacity of 75,000 beds, of which 70 facilities with an approximate design capacity of 55,000 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 Commission.

PRISON REALTY TRUST, INC.  
 Consolidated Statements of Income  
 For the Three and Nine Months Ended September 30, 1999  
 (Unaudited and amounts in thousands, except per share amounts)

	Three Months Ended Sept. 30, 1999	Nine Months Ended Sept. 30, 1999
REVENUES:		
Rental revenues	\$67,075	\$196,543
Interest income	5,708	17,749
Licensing fees	2,192	6,510
	74,975	220,802
EXPENSES:		
Depreciation and amortization	11,224	31,643
General and administrative	1,979	4,586
Interest expense	11,610	26,919
Write off of loan cost	8,967	8,967
Loss on disposition of property	--	1,631
	33,780	73,746
OPERATING INCOME	41,195	147,056
Equity in earnings of subsidiaries and amortization of deferred gains	6,950	22,107
Interest income	--	--
INCOME BEFORE INCOME TAXES	48,145	169,163
Provision for change in tax status	--	83,200

Provision for income taxes	--	--
NET INCOME	48,145	85,963
Dividends to preferred shareholders	(2,150)	(6,450)
NET INCOME AVAILABLE FOR COMMON SHARES	\$45,995	\$79,513
NET INCOME AVAILABLE PER COMMON SHARE:		
Basic	\$0.39	\$0.70
Diluted	\$0.39	\$0.69
WEIGHTED AVERAGE COMMON SHARES		
OUTSTANDING, BASIC	118,196	114,003
WEIGHTED AVERAGE COMMON SHARES		
OUTSTANDING, DILUTED	118,315	114,547
FUNDS FROM OPERATIONS:		
Net Income Available for Common Shares	\$45,995	\$79,513
Plus real estate depreciation	11,224	31,643
Add back non-recurring items:		
Write off of deferred tax asset	--	83,200 (a)
Loss on disposition of property	--	1,631 (b)
Write off of loan costs	8,967	8,967 (c)
	\$66,186	\$204,954
FUNDS FROM OPERATIONS PER COMMON SHARE:		
Basic	\$0.56	\$1.80
Diluted	\$0.56	\$1.79
WEIGHTED AVERAGE COMMON SHARES		
OUTSTANDING, BASIC	118,196	114,003
WEIGHTED AVERAGE COMMON SHARES		
OUTSTANDING, DILUTED	119,533	115,915

(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).

(c) - Write off of loan costs related to amendment and restatement of Credit Facility.

PRISON REALTY TRUST, INC.  
Consolidated Balance Sheet  
September 30, 1999  
(Unaudited and amounts in thousands)

September 30,  
1999

ASSETS

Real estate properties, at cost:	
Correctional and detention facilities	\$2,306,074
Less accumulated depreciation	(39,015)
Net real estate properties	2,267,059
Cash and cash equivalents	19,743
Restricted cash	24,205
Notes Receivable	138,549
Investments in affiliates and others	126,875
Investments in direct financing leases	74,042
Amounts under lease arrangements, net	49,499
Receivable from New CCA	26,221
Other assets	57,340
 Total assets	 \$2,783,533

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES:

Distributions payable	\$209,729
Bank credit facility	845,250
Notes payable	100,000
Convertible subordinated notes and other debt	70,778
Accounts payable and accrued expenses	59,135
Income taxes payable	6,029
Deferred gains on sales of contracts	108,079
Deferred tax liability	32,000
 Total liabilities	 1,431,000

COMMITMENTS AND CONTINGENCIES

STOCKHOLDERS' EQUITY

Preferred stock, \$.01 par value;	
20,000 shares authorized;	
4,300 outstanding	43
Common stock, \$.01 par value;	
300,000 shares authorized,	
118,284 shares issued and	
outstanding	1,183
Treasury stock	(242)
Additional paid-in-capital	1,380,469
Cumulative net income	169,163
Accumulated distributions	(198,083)
 Total stockholders' equity	 1,352,533

Total liabilities and stockholders'	
equity	\$2,783,533

The following table includes selected financial information from Prison Realty's primary tenant, CCA, for the nine months ended September 30, 1999:

CORRECTIONS CORPORATION OF AMERICA  
Selected Financial Information  
For the Nine Months Ended September 30, 1999

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

	Nine Months Ended September 30, 1999
Revenues	\$365,222
Net loss	(84,488)
Current assets	87,970
Total assets	237,740
Current liabilities	76,026
Deferred credits	87,268
Total liabilities	300,294 (a)
Stockholders' equity	(62,554)
Cash flows used in operating activities	\$(6,999)
Cash flows used in investing activities	(3,383)
Cash flows used in financing activities	(6,125)
Net decrease in cash for the nine months ended September 30, 1999	(16,507)
CASH AND CASH EQUIVALENTS, beginning of the period	19,057
CASH AND CASH EQUIVALENTS, end of the period	\$2,550

(a) - At September 30, 1999 there were no borrowings under CCA's revolving credit facility. Currently, there are borrowings of approximately \$20 million outstanding under CCA's revolving credit facility.