



Prison Realty Trust, Inc. Completes \$100 Million Offering of Senior Notes

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NASHVILLE, Tenn., June 14 /PRNewswire/ -- Prison Realty Trust, Inc. ("Prison Realty" or the "Company") (NYSE: PZN), a Maryland corporation, today announced that it completed its offering of \$100 million aggregate principal amount of 12% Senior Notes Due 2006 (the "Notes"). Lehman Brothers was the underwriter of the offering. Interest on the Notes will be paid semi-annually in arrears and the Notes have a seven year non-callable term.

Net proceeds from the offering are approximately \$96 million after deducting expenses payable by Prison Realty in connection with the offering. The Company intends to use the net proceeds from the sale of the Notes for general corporate purposes and to repay revolving bank borrowings under its bank credit facility. The credit facility repayments do not permanently reduce the commitments under the credit facility.

"We are pleased to have successfully raised this long-term capital in the face of extremely challenging market conditions. While we anticipated a lower interest rate on the Notes, our anticipated returns on invested capital make this financing viable. Now we will turn our attention to closing the \$350 million expansion of our existing bank credit facility. We intend to close this facility as expeditiously as possible," said Prison Realty Chairman and CEO Doctor R. Crants.

"During the Notes offering we encountered a turbulent market for a new issue of debt securities for which there had been no trading market. We expect to utilize our universal shelf to selectively access the long term debt market over the course of the year as market conditions permit. These Notes along with debt securities sold off the universal shelf and the funds anticipated to be available under the expanded bank credit facility should provide the Company with sufficient liquidity over the balance of the year."

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 50 correctional and detention facilities in 17 states, the District of Columbia and the United Kingdom having a total design capacity of 49,000 beds, of which 11 new facilities are under construction. Prison Realty is based in Nashville, Tennessee and plans to qualify as a real estate investment trust under the Internal Revenue Code.

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.