



Prison Realty to Construct 1,600 Bed Florence Correctional Facility

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NASHVILLE, Tenn., March 8 /PRNewswire/ -- Prison Realty Corporation ("Prison Realty" or the "Company") (NYSE: PZN), a Maryland corporation, today announced that it will design and build a 1,600 bed, all-cell, medium security prison in Florence, Arizona for lease by primary tenant Correctional Management Services Corporation (CMSC). When constructed, the \$60 million facility will be leased to CMSC to house male inmates for CMSC's federal government and state customers currently requesting additional bed capacity in the existing Company-owned, CMSC-operated 2,304 bed, facility in Florence. CMSC expects to generate additional annual revenues exceeding \$31 million when the new facility is fully occupied. Construction began in February 1999 and the facility is expected to be operational in the first quarter of the year 2000.

CMSC, along with two other management companies operating under the name of Corrections Corporation of America (CCA), provides management services to governments under contracts for 79 correctional and detention facilities with a total design capacity of 68,647 beds, of which 67 facilities with a total design capacity of 50,005 beds are in operation.

"Meeting the needs of CCA customers in the Southwestern United States has been an important priority for CCA over the years," said Chairman and CEO Doctor R. Crants. "In 1994, the Central Arizona Detention Center began as a 500 bed facility, built in anticipation of customer needs. Three expansions and 1,804 beds later, we feel that we have exhausted expansion capability in the existing Florence facility and to adequately serve our customers, we must start the process anew. We are thrilled that the access to development capital available to Prison Realty enables both companies to continue meeting government's pressing needs for quality bed space in a first class way."

The Company is the successor entity to the mergers of CCA Prison Realty Trust and Corrections Corporation of America into the Company consummated January 1, 1999 and currently owns 45 correctional and detention facilities in 16 states, the District of Columbia and the United Kingdom having a total design capacity in excess of 41,000 beds, of which eight new facilities are under construction. Prison Realty Corporation is based in Nashville, Tennessee and plans to qualify as a real estate investment trust under the Internal Revenue Code. The Company's business is to provide the integrated design, construction and finance of new correctional and detention facilities and the redesign, renovation and finance of older facilities for both private prison managers and government entities. Doctor R. Crants serves as Chairman and CEO of both the Company and CMSC.

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.