



## Prison Realty Declares First Quarter Dividends

March 5, 1999

NASHVILLE, Tenn., March 5 /PRNewswire/ -- Prison Realty Corporation ("Prison Realty" or the "Company") (NYSE: PZN, PZN Pr A), a Maryland corporation, today announced that its board of directors has declared quarterly dividends for the Company's Common Stock ("Common Stock") and the Company's 8.0% Series A Cumulative Preferred Stock ("Preferred Stock").

The board of directors declared a first quarter dividend of \$0.60 per share, comprised of a regular quarterly dividend of \$0.55 per share and a special dividend of \$0.05 per share, to be made to stockholders of record of the Common Stock on March 19, payable on March 31, 1999.

The board of directors has also declared a quarterly dividend of \$0.50 per share for stockholders of record of the Preferred Stock on March 31, 1999, payable on April 15, 1999. Dividends on the Preferred Stock are cumulative from the date of original issue and accrue each quarter to the dividend payment dates of the fifteenth day of January, April, July, and October of each year.

D. Robert Crants, III, President of the Company, commented on the declarations as follows: "We are pleased to report a regular dividend increase of 15% based on our fourth quarter 1998 per share amount of \$.48. We have now raised our dividend over 29% since the Company's inception July, 1997, while maintaining a conservative payout ratio. In addition, we have decided to prepay a portion of our special dividend due to be paid in late 1999 because of our strong capital raising program and our solid growth in funds from operations."

The Company is the successor entity to the mergers of CCA Prison Realty Trust and Corrections Corporation of America ("CCA") into the Company consummated January 1, 1999 and currently owns 44 correctional and detention facilities in 16 states, the District of Columbia and the United Kingdom having a total design capacity in excess of 40,000 beds, of which seven 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. The Company, as the successor to CCA, a former C corporation, will be required to pay a special one-time dividend of CCA's earnings and profits prior to the end of calendar year 1999.

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.