



Prison Realty Corporation Announces Tax Treatment Of 1998 Distributions

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NASHVILLE, Tenn., Jan. 26 /PRNewswire/ -- Prison Realty Corporation, a Maryland real estate investment trust (the "Company") (NYSE: [PZN PZN Pr A](#)) today announced the estimated tax characteristics of distributions declared by the board of trustees of CCA Prison Realty Trust prior to December 31, 1998. The Company is the surviving entity of the merger transaction of CCA Prison Realty Trust and Corrections Corporation of America consummated on January 1, 1999. The amount of distribution referred to as return of capital is considered by the Internal Revenue Service to be a return of invested capital and should be applied to reduce the tax cost basis of the shares upon which the distributions were paid.

(Photo: <http://www.newscom.com/cgi-bin/prnh/19981120/CHF004>)

This release is based on the preliminary results of work on the Company's tax filings and is subject to correction or adjustment when the filings are completed. The Company is releasing information at this time to aid those required to distribute Form 1099s on the Company's distributions. No material change in these classifications is expected. The classifications of the distributions are as follows:

Common Shares:

Declaration Date	Record Date	Payment Date	Distribution Per Share	To be Reported as 1998 Income- Distributions	Return of Capital- 1998	Ordinary Taxable	Return of Capital
12/2/97	12/31/97	1/15/98	\$0.425	25.2%(1)	73.79%	26.21%	
3/2/98	3/31/98	4/15/98	\$0.425	100%	73.79%	26.21%	
6/26/98	7/1/98	7/15/98	\$0.425	100%	73.79%	26.21%	
8/25/98	9/30/98	10/15/98	\$0.480	100%	73.79%	26.21%	
12/9/98	12/21/98	12/31/98	\$0.480	100%	73.79%	26.21%	

(1) Approximately 74.8% of this distribution was reported as a 1997 distribution.

8.0% Series A Cumulative Preferred Shares ("Preferred Shares"):

Declaration Date	Record Date	Payment Date	Distribution Per Share	To be Reported as 1998 Income- Distributions	Return of Capital- 1998	Ordinary Taxable	Return of Capital
3/2/98	3/31/98	4/15/98	\$0.417	100%	0.0%	0.0%	
6/26/98	7/1/98	7/15/98	\$0.500	100%	0.0%	0.0%	
8/25/98	9/30/98	10/15/98	\$0.500	100%	0.0%	0.0%	
12/9/98	12/31/98	1/15/99	\$0.500	0.0%	0.0%	100%	

The Company's preferred share distribution paid January 15, 1999 will be treated as a 1999 distribution for federal income tax reporting purposes and will be characterized for reporting purposes at the end of 1999.

Prison Realty Corporation is based in Nashville, Tennessee and has elected to qualify as a real estate investment trust under the Internal Revenue Code. The Company's business is to build new and acquire existing correctional and detention facilities to be leased to both private prison managers and government entities.