Corrections Corporation of America Reports Third Quarter Results

November 15, 2000

NASHVILLE, Tenn.--(BUSINESS WIRE)--Nov. 15, 2000--Corrections Corporation of America (NYSE: CXW) (formerly Prison Realty Trust, Inc.) (the "Company") today announced its results for the third quarter and nine months ended September 30, 2000. The third quarter operating results discussed below include the combined operating results for the Company for the three months ended September 30, 2000, and its two service subsidiaries, Prison Management Services Inc. ("PMSI") and Juvenile and Jail Facility Management Services Inc ("JJFMSI") for the one month ended September 30, 2000. However, the results do not include the operating results of the Company's management subsidiary due to the fact that the effective date of its merger with the Company was October 1, 2000.

The Company reported combined revenues of $47.0 million for the third quarter ended September 30, 2000, compared with consolidated revenues of $69.3 million for the third quarter of 1999. The Company reported a combined net loss available to common stockholders of $253.7 million, or $2.14 per share, compared with consolidated income of $46.0 million, or $0.39 per share, for the third quarter of 1999.

The third quarter loss for 2000 includes the following significant non-cash charges which in aggregate total $204.5 million: (a) $109.9 million income tax provision, due primarily to the Company's change in tax status from a non-taxable REIT to a taxable subchapter C corporation; (b) $75.4 million related to the settlement of the shareholder litigation; (c) $19.2 million of impairment loss under FAS 121.

"Our third quarter results included a number of one-time, non-cash transactions that relate to our corporate restructuring," stated President and CEO John Ferguson. "Our priorities remain focused on increasing occupancy through increased utilization of existing facilities, improving operating margins, potential divestiture of non-core assets, and strengthening the Company's capital structure."

Management is currently developing a plan to improve operating profits as well as address the overall financial condition of the Company including, but not limited to: (i) the potential refinancing of all or a portion of the Company's borrowings; (ii) capital-raising transactions; (iii) renegotiating certain operating management contracts; (iv) cost containment strategies; and (v) potential asset divestitures. There can be no assurance, however, that any such plan developed by the Company will be successful in addressing the Company's financial condition. The implementation of this plan could result in significant cash and non-cash charges to the Company's statement of operations such as: losses on disposition of assets, asset impairment charges, write-off of unamortized debt issuance costs, costs incurred in the issuance of debt or equity, employee severance costs, and professional fees.

Effective October 1, 2000, the Company completed its merger with Corrections Corporation of America, a privately held Tennessee corporation ("Operating Company"). Management expects to complete the merger of PMSI and JJFMSI into the Company in the fourth quarter of 2000.

The consolidated pro forma EBITDA of the Company, Operating Company, PMSI and JJFMSI for the third quarter of 2000 was approximately $34 million. Pro forma EBITDA excludes one-time charges and other restructuring costs.

After the close of the quarter, the Company began receiving inmates under two contracts totaling 3,316 beds with the Federal Bureau of Prisons (FBOP) at its Milan, New Mexico, facility and at its California City, California, facility. In addition, CCA recently signed two contract amendments for the addition of 1,000 beds with the state of Georgia. The amendments represent an additional 500 beds in each of the Coffee County Correctional and Wheeler County Correctional facilities.

Occupancy for the quarter was 81.8% this year compared with 92.2% last year, and compensated man-days for the quarter rose 7.2% to 4.7 million from 4.4 million in the third quarter of 1999.

At September 30, 2000, the Company was not in compliance with certain financial covenants contained in its senior bank credit facility. The Company, through Lehman Brothers, is currently soliciting the consent of its bank lenders to amend the terms of the credit facility to, among other things, replace the facility's existing financial covenants. There can be no assurance, however, that the consent of the Lenders will be obtained on or before November 17, 2000, and that, as a result, the Company will not be in default under the terms of its credit facility or other indebtedness.

The accompanying combined financial statements present the consolidated financial statements of the Company as of and for the three and nine months ended September 30, 2000, combined with the financial statements of PMSI and JJFMSI as of and for the one month ended September 30, 2000. The accompanying consolidated financial statements as of December 31, 1999, and for the three and nine months ended September 30, 1999, have not been combined with the financial statements of PMSI and JJFMSI.

About the Company

CCA and its affiliated companies are the nation's largest provider of detention and corrections services to governmental agencies. The Company is the industry leader in private sector corrections with approximately 68,000 beds in 75 facilities under contract or under development and ownership of 45 facilities in the United States, Puerto Rico and the United Kingdom. CCA's full range of services includes design, construction, ownership, renovation and management of new or existing jails and prisons, as well as long distance inmate transportation services.

Forward-Looking Statements

This press release contains statements that are forward-looking statements as defined within the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the statements made. Other factors that could cause operating and financial results to differ are described in the Company's Form 10-K, as well as in other documents filed with the SEC. Other risks may be detailed from time to time in reports to be filed with the SEC. The Company does not undertake any obligation to publicly release the result of any revisions to forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES
(FORMERLY PRISON REALTY TRUST, INC.)

CONDENSED COMBINED AND CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED AND AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Combined Three Months Ended Sept. 30, 2000	Consolidated Three Months Ended Sept. 30, 1999	Combined Nine Months Ended Sept. 30, 2000	Consolidated Nine Months Ended Sept. 30, 1999
REVENUES:				
Management	$ 26,066	$ --	$ 26,066	--
Rental	15,464	67,075	38,390	196,543
Trade name use agreement	2,324	2,192	7,566	6,510
	43,854	69,267	72,022	203,053
EXPENSES:				
Operating	21,691	--	21,792	--
Trade name use agreement	501	--	501	--
Lease	256	--	256	--
Depreciation and amortization	15,439	11,224	41,770	31,643
Administrative service fee	900	--	900	--
General and administrative	4,174	1,979	10,752	4,586
Write-off of amounts under lease arrangements	3,504	--	11,920	--
Impairment loss	19,239	--	19,239	--
	65,704	13,203	107,130	36,229
OPERATING INCOME (LOSS)	(21,850)	56,064	(35,108)	166,824
Equity (earnings) loss and amortization of deferred gains	1,770	(6,950)	(7,218)	(22,107)
Interest expense, net	35,741	5,902	95,501	9,170
Other income	(3,099)	--	(3,099)	--
Strategic investor fees	4,850	--	33,003	--
Unrealized foreign currency transaction loss	2,012	--	9,440	--
Loss on disposals of assets	3,023	--	3,324	1,631
Shareholder litigation settlements	75,406	--	75,406	--
Write-off of loan costs	--	8,967	--	8,967
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTEREST	(141,553)	48,145	(241,465)	169,163
PROVISION FOR INCOME TAXES	109,888	--	109,888	83,200

NET INCOME (LOSS) BEFORE MINORITY INTEREST	$(251,441)	$ 48,145	$(351,353)	$85,963
MINORITY INTEREST IN NET LOSS OF PMSI AND JJFMSI	318	--	318	--
NET INCOME (LOSS)	$(251,123)	$ 48,145	$(351,035)	$85,963
DIVIDENDS TO PREFERRED STOCKHOLDERS - A	(2,150)	(2,150)	(6,450)	(6,450)
DIVIDENDS TO PREFERRED STOCKHOLDERS - B	(435)	--	(434)	--
NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS	$(253,708)	$45,995	$(357,919)	$79,513
NET INCOME (LOSS) AVAILABLE TO STOCKHOLDERS PER COMMON SHARE:				
BASIC	$(2.14)	$0.39	$(3.02)	$0.70
DILUTED	$(2.14)	$0.39	$(3.02)	$0.69
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING - BASIC	118,458	118,196	118,421	114,003
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING - DILUTED	118,458	118,315	118,421	114,547

CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES
(FORMERLY PRISON REALTY TRUST, INC.)

CONDENSED COMBINED AND CONSOLIDATED BALANCE SHEETS
(UNAUDITED AND AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Combined Sept. 30, 2000	Consolidated Dec. 31, 1999
CURRENT ASSETS:		
Cash and cash equivalents	$ 16,501	$ 84,493
Restricted cash	9,571	24,409
Accounts receivable, net of allowances	49,412	5,105
Receivable from Operating Company	7,962	28,608
Receivable from PMSI and JJFMSI	--	1,283
Income tax receivable	34,756	--
Prepaid expenses	1,636	166
Deferred tax assets	11,977	--

Other current assets	9,561	5,635
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Total current assets	141,376	149,699
PROPERTY AND EQUIPMENT, NET	2,166,472	2,208,496
OTHER ASSETS:		
Notes receivable	137,616	137,000
Investments in direct financing leases	146,227	70,255
Investment in affiliates and others	21,955	118,232
Other assets	56,278	52,240
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Total assets	$ 2,669,924	$ 2,735,922
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CONDENSED COMBINED AND CONSOLIDATED BALANCE SHEETS
(UNAUDITED AND AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
(CONTINUED)

	Combined Sept. 30, 2000	Consolidated Dec. 31, 1999
CURRENT LIABILITIES:		
Accounts payable	$ 26,904	$ 36,564
Payables to Operating Company	25,529	3,316
Accrued salaries and wages	4,837	208
Accrued interest	10,284	14,968
Income taxes payable	8,968	5,476
Distributions payable	4,735	2,150
Other accrued expenses	128,613	15,855
Bank credit facility	967,782	928,234
Senior notes	100,000	100,000
Convertible subordinated notes and other debt	79,108	70,757
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Total current liabilities	1,356,760	1,177,528
Deferred tax liabilities	180,906	32,000
Deferred gains on sales of contracts	63,523	106,045
Other liabilities	413	--
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Total liabilities	1,601,602	1,315,573
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COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Preferred Stock - Series A	107,500	107,500
Preferred Stock - Series B	144,994	--
Common Stock - Class A	1,186	1,184
Additional paid-in capital	1,203,706	1,347,227
Retained deficit	(393,240)	(35,320)
Treasury stock, at cost	(242)	(242)
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Equity of CCA	1,063,904	1,420,349
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Equity of PMSI	2,339	--
Equity of JJFMSI	2,079	--
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Total stockholders' equity	1,068,322	1,420,349
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Total liabilities and stockholders' equity	$ 2,669,924	$ 2,735,922
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