



Corrections Corporation of America Completes Issuance of Additional Shares of Series B Cumulative Convertible Preferred Stock; Value of Second Distribution Established

November 22, 2000

NASHVILLE, Tenn.--(BUSINESS WIRE)--Nov. 22, 2000--Corrections Corporation of America (formerly Prison Realty Trust, Inc.) (NYSE:CXW) announced today that it has completed the second distribution of shares of its Series B Cumulative Convertible Preferred Stock in connection with the Company's election to be taxed and qualify as a real estate investment trust, or REIT, with respect to its 1999 taxable year. On November 13, 2000, the Company distributed approximately 1,590,065 shares of its Series B Cumulative Convertible Preferred Stock to common stockholders of record on November 6, 2000, in satisfaction of this requirement. The Company previously issued 5,927,805 shares of its Series B Cumulative Convertible Preferred Stock on September 22, 2000, in connection with its 1999 REIT distribution requirements.

The additional shares of Series B Cumulative Convertible Preferred Stock will be convertible into shares of the Company's common stock, at the option of the holder thereof, only from Thursday, December 7, 2000, to Wednesday, December 20, 2000, at a conversion price based on the average closing price of the Company's common stock on the New York Stock Exchange ("NYSE") during the 10 trading days prior to the first day of the conversion period, subject to a floor of \$1.00. The number of shares of the Company's common stock that will be issuable upon the conversion of each share of Series B Cumulative Convertible Preferred Stock will be calculated by dividing the stated price (\$24.46) plus accrued and unpaid dividends as of the date of conversion of each share of Series B Preferred Stock by the conversion price established for the conversion period.

The shares of Series B Preferred Cumulative Convertible Preferred Stock previously issued by the Company on September 22, 2000, and not converted during their initial conversion period in October 2000 will also be convertible into shares of the company's common stock, at the option of the holder thereof, only from Thursday, December 7, 2000, to Wednesday, December 20, 2000, pursuant to the terms described above.

Tax Consequences and Fair Market Value of Second Distribution

The distribution of the shares of Series B Cumulative Convertible Preferred Stock on November 13, 2000, will generally be treated as a taxable dividend, and thus stockholders receiving such shares will recognize ordinary income equal to the fair market value of the shares received. Future dividends on the shares of Series B Cumulative Convertible Preferred Stock, whether paid in stock or cash, also will generally be taxable as ordinary income to the extent of the Company's current and accumulated earnings and profits.

The company has determined the fair market value of the shares of Series B Cumulative Convertible Preferred Stock distributed by the company on November 13, 2000, to be \$12.81 per share. Accordingly, the Company's common stockholders who received shares of Series B Cumulative Convertible Preferred Stock in the distribution generally will be required to include as ordinary income on their tax returns \$12.81 for each share of Series B Cumulative Convertible Preferred Stock received, which amount will constitute the stockholders' basis in such shares.

About the Company

The Company and its affiliated companies are the nation's largest provider of detention and corrections services to governmental agencies. The Company and its affiliated companies are the industry leader in private sector corrections with approximately 61,000 beds in 68 facilities under contract for management in the United States and Puerto Rico. The Company'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. 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 Commission, and these factors include, but are not limited to, the growth of the private corrections and detention industry, the Company's ability to obtain and maintain facility management contracts and general market conditions. 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.

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