Corrections Corporation of America Announces Fourth Quarter and Full Year Results

March 14, 2001

NASHVILLE, Tenn.--(BUSINESS WIRE)--March 14, 2001--Corrections Corporation of America (NYSE:CXW) (the "Company") (formerly Prison Realty Trust, Inc.) today announced its results for the three and twelve months ended December 31, 2000. The fourth quarter and full year results discussed below include the operating results of the recently acquired operating company since its acquisition date of October 1, 2000. As previously announced, on September 12, 2000, the Company's shareholders approved a change in the Company's tax status from a real estate investment trust to a subchapter C corporation effective January 1, 2000.

Results for 1999 include the accounts of the former Prison Realty Trust, a real estate investment trust ("REIT"). Due to the acquisitions of the operating company and two service companies during the fourth quarter 2000 and the operations of the Company as a REIT for the year ended December 31, 1999, the operating results of the Company for the fourth quarter and full year 2000 are not comparable to the operating results of the Company for the fourth quarter and full year 1999.

The Company reported a net loss per share of $2.15 and $5.67 for the fourth quarter and full year 2000, respectively. The Company had previously recorded a net loss per share of $1.20 and $0.71 for the fourth quarter and full year 1999, respectively. Results for the fourth quarter of 2000 include the effect a of non-cash pre-tax charge of $508.7 million or approximately $2.02 per share after the related tax benefit, associated with writing down certain real estate assets to net realizable value in accordance with Statement of Financial Accounting Standards No. 121 ("SFAS 121") discussed below. Results for the full year 2000 include the effects of non-cash pre-tax charges of $527.9 million or approximately $2.76 per share after the related tax benefit also associated with SFAS 121.

Fourth quarter consolidated revenues were $238.3 million. Consolidated EBITDA for the quarter, after excluding the effects of the aforementioned SFAS 121 write-downs, was $45.9 million.

Commenting on the operating results, President and CEO John Ferguson stated, "We continue to make progress in our plans to reshape the financial and operating structure of the Company. Our occupancy at December 31 was at its highest level of the year, revenue per man-day continues to increase, and we are in full compliance with the provisions of our various debt agreements." Ferguson continued, "Over the past several months we have completed the recruitment of a Chief Financial Officer, General Counsel and Chief Development Officer. The Company now has in place a solid senior management team with outstanding credentials."

Non-Cash Charges

Included in the results for the fourth quarter and full year of 2000 were non-cash pre-tax charges in the amount of $508.7 million and $527.9 million, respectively. The charges were the result of a comprehensive review and strategic assessment of all of the Company's operating facilities, real estate and other non-current assets. The review, completed during the fourth quarter, resulted in the write-down of certain assets to values supported by the estimated future cash flows to be realized from these assets in accordance with SFAS 121.

Capitalization

The Company had approximately 235.4 million shares of common stock issued and outstanding on December 31, 2000. During September and November of 2000, the Company issued approximately 7.5 million shares of its Series B Cumulative Convertible Preferred Stock ("Preferred B"), in satisfaction of its remaining 1999 REIT distribution requirements. As the result of the conversion of approximately 4.2 million of these shares during two separate conversion periods during the fourth quarter of 2000, the Company issued approximately 95.1 million shares of common stock. The Company currently has approximately 3.4 million shares of Preferred B issued and outstanding, including shares issued as a paid-in-kind dividend on January 2, 2001. The remaining shares of Series B are no longer convertible into shares of the Company's common stock.

In February 2001, the Company announced that it had received final court approval of the definitive agreements with respect to the settlement of a series of class action and derivative lawsuits brought against the Company by current and former stockholders of the Company and its predecessors. Pursuant to the terms of the settlements, the Company will issue an aggregate of 46.9 million shares of common stock and a subordinated promissory note due January 2, 2009, of $29.0 million. The note and accrued interest may be extinguished should the average trading price of the Company's common stock meet or exceed $1.63 per share for 15 consecutive trading days at any time prior to maturity. To the extent the highest average trading price of the common stock does not reach $1.63 during the period, the note will be reduced by the appreciation in value of the common stock pursuant to a calculation to be made at the maturity of the note.

In December 2000, the Company's shareholders approved a reverse split of the Company's common stock at a ratio of not less than one-for-ten and not more than one-for-twenty, to be implemented in order to meet NYSE listing requirements. The Company's Board of Directors has the authority to determine whether to implement the reverse split and if so, the timing and magnitude of the reverse split. It is currently anticipated that the reverse split, if approved by the Board, would take place during the Company's second quarter.

"The final conversion of the Preferred B shares and the settlement of the shareholder litigation removes much of the uncertainty with respect to the number of our common shares outstanding," said Ferguson. "Management continues moving forward with its plans to rationalize the Company's capital structure. Such plans may include the divestiture of certain assets, refinancing or extending the Company's borrowings and potential capital raising transactions." Ferguson continued, "Implementation of the reverse split is an important element of this plan, as it should enable the Company to maintain its NYSE listing."

Liquidity

The Company is currently in compliance with all of its loan covenants. Debt service cost for the quarter, excluding non-cash items, amounted to $31.9

million. At December 31, 2000, the Company had cash on hand of approximately $20.9 million and had $42.4 million available under its working capital line of credit.

Operations Update

At December 31, 2000, key operating statistics for the Company were as follows:

Metric	Pro-Forma Quarter Ended December 31, 2000	Pro-Forma Year Ended December 31, 2000
Average Available Beds	61,462	60,432
Average Compensated Occupancy	86.9%	84.8%
Total Compensated Man-Days	4,915,894	18,750,204
Revenue per Compensated Man-Day	$46.96	$45.94
Operating Cost per Compensated Man-Day	$38.71	$37.69
Operating Margin per Compensated Man-Day	$ 8.25	$ 8.25
Operating Margin Rate	17.6%	18.0%

During the quarter the Company successfully renewed contracts in four jurisdictions representing approximately 9,000 beds. In addition, contract increases were negotiated in an additional two jurisdictions. President and CEO Ferguson stated, "We continue to emphasize the importance of high quality operations and along these lines, during the fourth quarter, an additional three facilities received accreditation from the American Correctional Association. We are proud of the fact that 70% of our facilities have earned this certification."

Ferguson continued, "Although the Company faces a number of remaining challenges, we are nevertheless pleased with our progress during the most recent quarter. Our corporate reorganization has been completed, our management team is in place, and we are in full compliance with our loan covenants. System-wide occupancy increased

- 5.1% over the previous quarter, and we ended the year at a healthy occupancy level from which we can build going into 2001. We continue to pursue a number of proposals for new beds while at the same time continuing to focus intensively on managing our existing facilities."

About the Company

The Company is the nation's largest provider of detention and corrections services to governmental agencies with approximately 61,000 beds in 65 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 Securities and Exchange 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.

Corrections Corporation of America and Subsidiaries
(Formerly Prison Realty Trust, Inc.)

Combined and Consolidated Statements of Operations
(Unaudited and Amounts in Thousands, Except Per Share Amounts)

	Combined Quarter Ended December 31, 2000	Consolidated Quarter Ended December 31, 1999
REVENUE:		
Management and other	$235,708	$ --
Rental	2,548	73,591
Licensing fees	--	2,189

	238,256	75,780
EXPENSES:		
Operating	192,511	--
General and administrative	11,058	19,539
Lease	2,187	--
Depreciation and amortization	18,029	12,419
Licensing fees to Operating Company	--	--
Administrative service fee to Operating Company	--	--
Write-off of amounts under lease agreements	--	65,677
Impairment loss	508,680	76,433
	732,465	174,068
OPERATING INCOME (LOSS)	(494,209)	(98,288)
OTHER (INCOME) EXPENSE:		
Equity (earnings) loss and amortization of deferred gains	(1,754)	(62)
Interest expense, net	36,046	35,866
Other income	--	--
Strategic investor fees	(8,782)	--
Unrealized foreign currency transaction (gain) loss	(1,293)	--
(Gain) loss on sales of assets	(1,591)	364
Stockholder litigation settlements	--	--
Write-off of loan costs	--	5,600
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTEREST	(516,835)	(140,056)
(Provision) benefit for income taxes	157,890	--
LOSS BEFORE MINORITY INTEREST	(358,945)	(140,056)
Minority interest in net (income) loss of PMSI and JJFMSI	(193)	--
NET LOSS	(359,138)	(140,056)
Distributions to Series A Preferred Stockholders	(2,150)	(2,150)
Distributions to Series B Preferred Stockholders	(4,492)	--
NET LOSS AVAILABLE TO COMMON STOCKHOLDERS	$(365,780)	$(142,206)
NET LOSS PER SHARE:		
Basic	$(2.15)	$(1.20)
Diluted	$(2.15)	$(1.20)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	169,752	118,344

	Combined	Consolidated
	Year Ended December 31,	
	2000	1999
REVENUE:		

Management and other	$261,774	$ --
Rental	40,938	270,134
Licensing fees	7,566	8,699
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	310,278	278,833
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EXPENSES:		
Operating	214,872	--
General and administrative	21,241	24,125
Lease	2,443	--
Depreciation and amortization	59,799	44,062
Licensing fees to Operating Company	501	--
Administrative service fee to Operating Company	900	--
Write-off of amounts under lease agreements	11,920	65,677
Impairment loss	527,919	76,433
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	839,595	210,297
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OPERATING INCOME (LOSS)	(529,317)	68,536
OTHER (INCOME) EXPENSE:		
Equity (earnings) loss and amortization of deferred gains	11,638	(3,609)
Interest expense, net	131,545	45,036
Other income	(3,099)	--
Strategic investor fees	24,222	--
Unrealized foreign currency transaction (gain) loss	8,147	--
(Gain) loss on sales of assets	1,733	1,995
Stockholder litigation settlements	75,406	--
Write-off of loan costs	--	14,567
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INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTEREST	(778,909)	10,547
(Provision) benefit for income taxes	48,002	(83,200)
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LOSS BEFORE MINORITY INTEREST	(730,907)	(72,653)
Minority interest in net (income) loss of PMSI and JJFMSI	125	--
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NET LOSS	(730,782)	(72,653)
Distributions to Series A Preferred Stockholders	(8,600)	(8,600)
Distributions to Series B Preferred Stockholders	(4,926)	--
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NET LOSS AVAILABLE TO COMMON STOCKHOLDERS	$(744,308)	$(81,253)
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NET LOSS PER SHARE:		
Basic	$(5.67)	$(0.71)
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Diluted	$(5.67)	$(0.71)
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WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	131,324	115,097
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Corrections Corporation of America and Subsidiaries

(Formerly Prison Realty Trust, Inc.)

Consolidated Balance Sheets
(Unaudited and Amounts in Thousands, Except Per Share Amounts)

ASSETS	December 31, 2000	1999
CURRENT ASSETS:		
Cash and cash equivalents	$ 20,889	$ 84,493
Restricted cash	9,209	24,409
Accounts receivable, net of allowance	132,306	5,105
Receivable from affiliates	-	29,891
Income tax receivable	32,662	-
Prepaid expenses and other current assets	18,726	5,801
Total current assets	213,792	149,699
PROPERTY AND EQUIPMENT, NET	1,615,130	2,208,496
OTHER ASSETS:		
Notes receivable	6,703	129,232
Investment in direct financing leases	23,808	70,255
Assets held for sale	163,517	-
Goodwill	109,006	-
Investment in affiliates and others	-	113,482
Other assets	45,036	45,481
Total assets	$ 2,176,992	$ 2,716,645

LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 243,312	$ 67,595
Payables to Operating Company	-	3,316
Income taxes payable	8,437	5,476
Distributions payable	9,156	2,150
Short-term debt	14,594	6,084
Total current liabilities	275,499	84,621
Long-term debt	1,137,976	1,092,907
Deferred tax liabilities	56,450	32,000
Deferred gains on sales of contracts	-	106,045
Other liabilities	19,052	-
Total liabilities	1,488,977	1,315,573
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Preferred Stock - Series A, $.01 par value; 20,000 shares authorized; 4,300 issued and outstanding, stated at liquidation preference of $25.00 per share	107,500	107,500

Preferred Stock - Series B, $.01 par value; 30,000 shares authorized; 3,297 issued and outstanding at December 31, 2000, stated liquidation preference of $24.46 per share	80,642	-
Common stock-Class A; $.01 par value; 400,000 and 300,000 shares authorized; 235,395 and 118,406 issued; and 235,383 and 118,394 outstanding at December 31, 2000 and 1999, respectively	2,354	1,184
Additional paid-in capital	1,299,390	1,347,318
Deferred compensation	(2,723)	(91)
Retained deficit	(798,906)	(54,597)
Treasury stock, at cost	(242)	(242)
Total stockholders' equity	688,015	1,401,072
Total liabilities and stockholders' equity	$ 2,176,992	$ 2,716,645

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