



## Corrections Corporation of America Contracts for San Diego Prison

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NASHVILLE, Tenn., Jan. 7 /PRNewswire/ -- Prison Realty Trust, Inc. (NYSE: PZN) announced today that its primary tenant Corrections Corporation of America (CCA) has signed a contract with the Immigration and Naturalization Service to house 800 detainees in Prison Realty's 1,000-bed facility in San Diego, California. Opening is expected in the second quarter of 2000. The company expects the full capacity of this facility to be used by the INS or other federal agencies by the end of 2000. This contract is in addition to CCA's existing contract to house 200 INS detainees in a separate building on the same site.

The contract provides for a per diem of \$89.50. The term of the contract is for one year and provides for four one-year renewal options.

"We are extremely pleased to announce this contract. It is one of the largest contracts ever to be awarded to the private corrections industry," said Interim Chairman Tom Beasley. "This contract award shows continued confidence in CCA by federal agencies."

CCA provides detention and corrections services for governmental agencies. The company is the industry leader in private sector corrections with more than 73,000 beds in 79 facilities under contract in the United States, Puerto Rico, Australia and the United Kingdom. CCA's full range of services includes finance, design, construction, renovation and management of new or existing jails and prisons as well as long-distance inmate transportation services.

Prison Realty's business is the ownership of correctional and detention facilities. The Company provides financing, design, construction and renovation of new and existing jails and prisons that it leases to both private and governmental managers. Prison Realty currently owns or is in the process of developing 51 correctional and detention facilities in 17 states, the District of Columbia and the United Kingdom. Prison Realty, which is based in Nashville, Tennessee, has announced a restructuring which will, pending shareholder approval, result in the combination of the Company with the companies operating under the name Corrections Corporation of America ("CCA"), which include CCA, the Company's primary tenant, and two privately-held service companies which provide correctional and detention facility management services to governments. The combined company, which would operate under the Corrections Corporation of America name, is expected to be a taxable subchapter C corporation, as Prison Realty would terminate its status as a REIT in connection with the restructuring. Pending shareholder approval, Prison Realty expects that upon the completion of the restructuring, it will issue up to \$350 million in convertible securities to a group of investors.

This news release contains statements that are forward-looking, including statements relating to the amount and timing of the proposed offering transactions. These statements are not projections or assured results. Actual results may differ materially from the results anticipated in the forward-looking statements due to a variety of factors, including but not limited to, changing market conditions. Additional factors will be described in the company's filings with the SEC. The company does not undertake an obligation to update its forward-looking statements to reflect future events or circumstances. Accordingly, individuals should not place undue reliance on such statements.