



## Prison Realty Corporation's Primary Tenant Closes New Credit Facility

March 2, 1999

NASHVILLE, Tenn., March 2 /PRNewswire/ -- Prison Realty Corporation (the "Company") (NYSE: PZN), a Maryland corporation, today announced that its primary tenant, prison manager Correctional Management Services Corporation (CMSC), has successfully closed a \$100 million loan from Foothill Capital Corporation. The new CMSC loan is a four year revolving credit facility, primarily collateralized by trade accounts receivable, and bearing interest at LIBOR plus 2.375%. CMSC's new facility replaces a \$30 million revolving facility closed on December 31, 1998.

(Photo: <http://www.newscom.com/cgi-bin/prnh/19981120/CHF004> ) D. Robert Crants, III, President of the Company, commented on CMSC's increased financial flexibility provided by the improved financing as follows: "The high credit quality of government-direct CMSC receivables has enabled the management company to increase borrowing capacity by \$70 million and improve its borrowing rate by nearly 200 basis points. CMSC's new relationship with lender Foothill Capital Corporation has eliminated a standstill agreement required by CMSC's previous credit facility as well as certain rent deferral and paid in kind interest provisions affecting Prison Realty Corporation. We feel that the new CMSC facility recognizes the solid operating performance potential of the management company and provides the necessary liquidity to enable the smooth, efficient delivery of CMSC's business plan for the foreseeable future."

CMSC, along with two other management companies operating under the name of Corrections Corporation of America (CCA), provides management services to governments under contracts for 79 correctional and detention facilities with a total design capacity of 68,647 beds, of which 67 facilities with a total design capacity of 50,005 beds are in operation. Facilities are managed under the CCA name in 22 states, Washington, D.C., Puerto Rico, Australia and the United Kingdom. In addition, CMSC provides inmate transportation services for numerous government agencies.

The Company is the successor entity to the mergers of CCA Prison Realty Trust and Corrections Corporation of America into the Company consummated January 1, 1999 and currently owns 44 correctional and detention facilities in 16 states, the District of Columbia and the United Kingdom having a total design capacity in excess of 40,000 beds, of which seven new facilities are under construction. Prison Realty Corporation is based in Nashville, Tennessee and plans to qualify as a real estate investment trust under the Internal Revenue Code. The Company's business is to provide the integrated design, construction and finance of new correctional and detention facilities and the redesign, renovation and finance of older facilities for both private prison managers and government entities.

This press release contains forward-looking statements that involve various risks and uncertainties. Actual results could differ materially from those contained in these forward-looking statements due to certain factors. These and other risks and uncertainties are detailed in the Company's reports filed with the SEC.