



The GEO Group, Inc.

Reconciliation Tables and Supplemental Disclosure
Second Quarter and Year-to-Date 2012

The GEO Group's ("GEO") Reconciliation Tables and Supplemental Disclosure presented herein speaks only as of the date or period indicated, and GEO does not undertake any obligation, and disclaims any duty, to update any of this information. GEO's future financial performance is subject to various risks and uncertainties that could cause actual results to differ materially from expectations. The factors that could affect GEO's future financial results are discussed more fully in our reports filed with the SEC. Readers are advised to refer to these reports for additional information concerning GEO.



**Reconciliation Tables and Supplemental Disclosure
Second Quarter and Year-to-Date 2012**

Reconciliation of Pro Forma Income from Continuing Operations to Income from Continuing Operations

(In thousands except per share data)

	13 Weeks Ended <u>1-Jul-12</u>	13 Weeks Ended <u>3-Jul-11</u>	26 Weeks Ended <u>1-Jul-12</u>	26 Weeks Ended <u>3-Jul-11</u>
Income from continuing operations	\$ 23,046	\$ 20,246	\$ 38,058	\$ 35,978
Start-up/transition expenses, net of tax	1,084	3,348	4,139	5,537
International bid and proposal expenses, net of tax	753	416	1,171	416
Net loss (income) attributable to non-controlling interests	25	415	(9)	825
M&A related expenses, net of tax	209	394	482	4,129
Pro forma income from continuing operations	<u>\$ 25,117</u>	<u>\$ 24,819</u>	<u>\$ 43,841</u>	<u>\$ 46,885</u>
Diluted earnings per share from continuing operations (1)	\$ 0.38	\$ 0.31	\$ 0.62	\$ 0.56
Start-up/transition expenses, net of tax	0.02	0.05	0.07	0.09
International bid and proposal expenses, net of tax	0.01	0.01	0.02	0.01
Net loss attributable to non-controlling interests	-	0.01	-	0.01
M&A related expenses, net of tax	-	0.01	0.01	0.06
Diluted pro forma earnings per share from continuing operations	<u>\$ 0.41</u>	<u>\$ 0.38</u>	<u>\$ 0.72</u>	<u>\$ 0.72</u>
Weighted average common shares outstanding-diluted	61,066	64,858	60,984	64,787

(1) Note that earnings per share tables may contain slight summation differences due to rounding



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Reconciliation from Adjusted EBITDA to Income from Continuing Operations

(In thousands)

	13 Weeks Ended <u>1-Jul-12</u>	13 Weeks Ended <u>3-Jul-11</u>	26 Weeks Ended <u>1-Jul-12</u>	26 Weeks Ended <u>3-Jul-11</u>
Income from continuing operations	\$ 23,046	\$ 20,246	\$ 38,058	\$ 35,978
Interest expense, net	18,856	17,783	37,856	33,175
Income tax provision	14,991	12,302	24,208	21,674
Depreciation and amortization	23,807	20,945	46,882	39,646
Tax provision on equity in earnings of affiliate	303	563	624	1,587
EBITDA	<u>\$ 81,003</u>	<u>\$ 71,839</u>	<u>\$ 147,628</u>	<u>\$ 132,060</u>
Adjustments				
Net loss (income) attributable to non-controlling interests	\$ 25	\$ 415	\$ (9)	\$ 825
Stock based compensation expenses, pre-tax	1,988	1,537	3,494	3,598
Start-up/transition expenses, pre-tax	1,535	4,996	6,424	8,563
International bid and proposal expenses, pre-tax	1,050	645	1,615	645
M&A related expenses, pre-tax	351	651	804	6,308
Adjusted EBITDA	<u>\$ 85,952</u>	<u>\$ 80,083</u>	<u>\$ 159,956</u>	<u>\$ 151,999</u>



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Reconciliation of Adjusted Funds from Operations to Income from Continuing Operation

(In thousands)

	13 Weeks Ended <u>1-Jul-12</u>	13 Weeks Ended <u>3-Jul-11</u>	26 Weeks Ended <u>1-Jul-12</u>	26 Weeks Ended <u>3-Jul-11</u>
Income from continuing operations	\$ 23,046	\$ 20,246	\$ 38,058	\$ 35,978
Net loss (income) attributable to non-controlling interests	25	415	(9)	825
Depreciation and Amortization	23,807	20,945	46,882	39,646
Income Tax Provision	14,991	12,302	24,208	21,674
Income Taxes (Paid) Refunded	(4,934)	(7,794)	4,397	(8,734)
Stock Based Compensation Expenses	1,988	1,537	3,494	3,598
Maintenance Capital Expenditures	(8,090)	(6,875)	(14,212)	(15,194)
Equity in Earnings of Affiliates, Net of Income Tax	(430)	(1,418)	(1,178)	(2,080)
Tax provision on equity in earnings of affiliate	303	563	624	1,587
Amortization of Debt Costs and Other Non-Cash Interest	679	415	1,369	641
Start-up/transition expenses	1,535	4,996	6,424	8,563
M&A Related Expenses	351	651	804	6,308
International bid and proposal expenses	1,050	645	1,615	645
Adjusted Funds from Operations	<u>\$ 54,321</u>	<u>\$ 46,628</u>	<u>\$ 112,476</u>	<u>\$ 93,457</u>
Adjusted Funds from Operations Per Share	<u>\$ 0.89</u>	<u>\$ 0.72</u>	<u>\$ 1.84</u>	<u>\$ 1.44</u>
Weighted average common shares outstanding-diluted	61,066	64,858	60,984	64,787



**Reconciliation Tables and Supplemental Disclosure
Second Quarter and Year-to-Date 2012**

Business Segment Results (1)

(In thousands)

	13 Weeks Ended <u>1-Jul-12</u>	13 Weeks Ended <u>3-Jul-11</u>	26 Weeks Ended <u>1-Jul-12</u>	26 Weeks Ended <u>3-Jul-11</u>
Revenues				
U.S. Corrections & Detention	\$ 246,060	\$ 230,662	\$ 481,094	\$ 460,870
GEO Care	110,320	110,857	220,013	207,746
International Services	55,968	55,285	112,498	108,413
Facility Construction & Design	-	-	-	119
	<u>\$ 412,348</u>	<u>\$ 396,804</u>	<u>\$ 813,605</u>	<u>\$ 777,148</u>
Operating Expenses				
U.S. Corrections & Detention	\$ 170,467	\$ 164,568	\$ 343,228	\$ 327,230
GEO Care	81,610	82,232	165,323	159,926
International Services	52,958	52,413	104,744	101,062
Facility Construction & Design	-	23	-	39
	<u>\$ 305,035</u>	<u>\$ 299,236</u>	<u>\$ 613,295</u>	<u>\$ 588,257</u>
Depreciation & Amortization Expense				
U.S. Corrections & Detention	\$ 15,744	\$ 13,213	\$ 30,906	\$ 26,042
GEO Care	7,507	7,182	14,863	12,527
International Services	556	550	1,113	1,077
Facility Construction & Design	-	-	-	-
	<u>\$ 23,807</u>	<u>\$ 20,945</u>	<u>\$ 46,882</u>	<u>\$ 39,646</u>

(1) Business segment results exclude the results from discontinued operations



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Business Segment Results (1) (Continued)

	13 Weeks Ended <u>1-Jul-12</u>	13 Weeks Ended <u>3-Jul-11</u>	26 Weeks Ended <u>1-Jul-12</u>	26 Weeks Ended <u>3-Jul-11</u>
Compensated Mandays				
U.S. Corrections & Detention	4,176,788	4,021,939	8,178,000	8,010,570
GEO Care	481,663	491,257	959,782	974,030
International Services	647,890	641,958	1,293,554	1,292,335
	<u>5,306,341</u>	<u>5,155,154</u>	<u>10,431,336</u>	<u>10,276,935</u>
Revenue Producing Beds				
U.S. Corrections & Detention	47,634	46,469	47,634	46,469
GEO Care	5,911	6,180	5,911	6,180
International Services	7,149	6,932	7,149	6,932
	<u>60,694</u>	<u>59,581</u>	<u>60,694</u>	<u>59,581</u>
Average Occupancy (2)				
U.S. Corrections & Detention	96.4%	95.9%	96.2%	94.8%
GEO Care	87.5%	87.5%	87.1%	87.0%
International Services	99.6%	100.0%	99.4%	100.0%
	95.9%	95.5%	95.7%	94.6%

(1) Business segment results exclude the results from discontinued operations

(2) Average occupancy excludes the impact of GEO's idle facilities.



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GEO Corrections & Detention (1)

	13-weeks Ended <u>1-Jul-12</u>	13-weeks Ended <u>3-Jul-11</u>	26 Weeks Ended <u>1-Jul-12</u>	26 Weeks Ended <u>3-Jul-11</u>
Revenues (In thousands)				
U.S. Corrections & Detention				
Federal	\$ 152,211	\$ 140,149	\$ 300,950	\$ 280,293
State	91,271	88,134	174,499	175,201
Local	1,073	994	2,227	2,103
Other	1,505	1,385	3,418	3,273
Total U.S. Corrections & Detention	<u>\$ 246,060</u>	<u>\$ 230,662</u>	<u>\$ 481,094</u>	<u>\$ 460,870</u>
Compensated Mandays				
U.S. Corrections & Detention				
Federal	2,118,187	1,990,769	4,158,540	3,981,476
State	2,029,666	2,001,057	3,961,163	3,971,285
Local	28,935	30,113	58,297	57,809
Other	-	-	-	-
Total U.S. Corrections & Detention	<u>4,176,788</u>	<u>4,021,939</u>	<u>8,178,000</u>	<u>8,010,570</u>

(1) Business segment results exclude the results from discontinued operations



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GEO Care

	13-weeks Ended <u>1-Jul-12</u>	13-weeks Ended <u>3-Jul-11</u>	26 Weeks Ended <u>1-Jan-12</u>	26 Weeks Ended <u>2-Jan-11</u>
Revenues (In thousands)				
Residential Treatment Services	\$ 37,554	\$ 37,201	\$ 74,988	\$ 72,332
Community Based Services	23,284	24,388	47,107	45,142
Youth Services	24,892	25,908	48,781	53,285
BI	24,590	23,360	49,137	36,987
	<u>\$ 110,320</u>	<u>\$ 110,857</u>	<u>\$ 220,013</u>	<u>\$ 207,746</u>
Compensated Mandays				
Residential				
Residential Treatment Services	169,620	166,204	338,714	324,624
Community Based Services	218,455	229,723	438,949	452,845
Youth Services	93,588	95,330	182,119	196,561
Total Residential Mandays	<u>481,663</u>	<u>491,257</u>	<u>959,782</u>	<u>974,030</u>
Non-Residential Units				
Community Based Services (1)	195,655	217,647	395,926	342,839
Youth Services (2)	101,401	146,856	211,341	289,492
BI (3)	5,683,786	5,598,462	11,355,827	8,592,217
Total Non-Residential Units	<u>5,980,842</u>	<u>5,962,965</u>	<u>11,963,094</u>	<u>9,224,548</u>

Non-Residential Units presented in the table are calculated based on number of days within the period times number of units:

- (1) Community Based Services Non-Residential units include home confinement populations and day reporting center participants.
- (2) Youth Non-Residential units include education, counseling, and other outpatient treatment services.
- (3) BI Non-Residential units include electronic monitoring services and ISAP participants



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Beds in Inventory

The following table contains a list of beds in inventory, which GEO is currently marketing to correctional and detention agencies.

Facility	Location	Bed Count	Prospective Customer
Great Plains Correctional Facility	Oklahoma	2,048	State & Federal
Aurora Detention Facility	Colorado	1,000	Federal
North Lake Correctional Facility	Michigan	1,740	State & Federal
Desert View Community Correctional Facility	California	650	Counties & Federal
Central Valley Community Correctional Facility	California	640	Counties & Federal
Leo Chesney Community Correctional Facility	California	318	Counties & Federal
Mesa Verde Community Correctional Facility	California	400	Counties & Federal
McFarland Community Correctional Facility	California	260	Counties & Federal
		7,056	

The combined carrying costs for GEO's beds in inventory equal approximately \$0.15 per share.