



The GEO Group, Inc.

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

The GEO Group's ("GEO") Unaudited 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
Third 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)

(Unaudited)

	13 Weeks Ended <u>30-Sep-12</u>	13 Weeks Ended <u>2-Oct-11</u>	39 Weeks Ended <u>30-Sep-12</u>	39 Weeks Ended <u>2-Oct-11</u>
Income from continuing operations	\$ 16,456	\$ 20,668	\$ 54,514	\$ 56,646
Start-up/transition expenses, net of tax	1,250	4,330	5,389	9,867
International bid and proposal expenses, net of tax	1,140	287	2,311	703
Net loss attributable to non-controlling interests	890	225	881	1,050
M&A related and other non-recurring expenses, net of tax	998	-	1,480	4,129
Early extinguishment of debt, net of tax	4,977	-	4,977	-
Pro forma income from continuing operations	<u>\$ 25,711</u>	<u>\$ 25,510</u>	<u>\$ 69,552</u>	<u>\$ 72,395</u>
Diluted earnings per share from continuing operations (1)	\$ 0.27	\$ 0.33	\$ 0.89	\$ 0.88
Start-up/transition expenses, net of tax	0.02	0.07	0.09	0.15
International bid and proposal expenses, net of tax	0.02	-	0.04	0.01
Net loss attributable to non-controlling interests	0.01	-	0.01	0.02
M&A related and other non-recurring expenses, net of tax	0.02	-	0.02	0.06
Early extinguishment of debt, net of tax	0.08	-	0.08	-
Diluted pro forma earnings per share from continuing operations	<u>\$ 0.42</u>	<u>\$ 0.40</u>	<u>\$ 1.14</u>	<u>\$ 1.12</u>
Weighted average common shares outstanding-diluted	61,302	63,555	61,083	64,388

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



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

Reconciliation from Adjusted EBITDA to Income from Continuing Operations

(In thousands)

(Unaudited)

	13 Weeks Ended <u>30-Sep-12</u>	13 Weeks Ended <u>2-Oct-11</u>	39 Weeks Ended <u>30-Sep-12</u>	39 Weeks Ended <u>2-Oct-11</u>
Income from continuing operations	\$ 16,456	\$ 20,668	\$ 54,514	\$ 56,646
Interest expense, net	18,955	17,560	56,811	50,735
Income tax provision	11,304	12,255	35,512	33,929
Depreciation and amortization	23,761	21,850	70,643	61,496
Tax provision on equity in earnings of affiliates	234	118	858	1,705
EBITDA	<u>\$ 70,710</u>	<u>\$ 72,451</u>	<u>\$ 218,338</u>	<u>\$ 204,511</u>
Adjustments				
Net loss attributable to non-controlling interests	\$ 890	\$ 225	\$ 881	\$ 1,050
Stock based compensation expenses, pre-tax	1,619	1,245	5,113	4,843
Start-up/transition expenses, pre-tax	1,803	6,717	8,227	15,280
International bid and proposal expenses, pre-tax	1,538	446	3,153	1,091
M&A related and other non-recurring expenses, pre-tax	1,696	-	2,500	6,308
Early extinguishment of debt	8,462	-	8,462	-
Adjusted EBITDA	<u>\$ 86,718</u>	<u>\$ 81,084</u>	<u>\$ 246,674</u>	<u>\$ 233,083</u>



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

Reconciliation of Adjusted Funds from Operations to Income from Continuing Operations

(In thousands)

(Unaudited)

	13 Weeks Ended <u>30-Sep-12</u>	13 Weeks Ended <u>2-Oct-11</u>	39 Weeks Ended <u>30-Sep-12</u>	39 Weeks Ended <u>2-Oct-11</u>
Income from continuing operations	\$ 16,456	\$ 20,668	\$ 54,514	\$ 56,646
Net loss attributable to non-controlling interests	890	225	881	1,050
Depreciation and Amortization	23,761	21,850	70,643	61,496
Income Tax Provision	11,304	12,255	35,512	33,929
Income Taxes (Paid) Refunded	(2,144)	(1,282)	2,253	(10,016)
Stock Based Compensation Expenses	1,619	1,245	5,113	4,843
Maintenance Capital Expenditures	(8,194)	(8,906)	(22,406)	(24,100)
Equity in Earnings of Affiliates, Net of Income Tax	(474)	(272)	(1,652)	(2,352)
Tax provision on equity in earnings of affiliates	234	118	858	1,705
Amortization of Debt Costs and Other Non-Cash Interest	971	507	2,340	1,148
Start-up/transition expenses	1,803	6,717	8,227	15,280
M&A related and other non-recurring expenses	1,696	-	2,500	6,308
International bid and proposal expenses	1,538	446	3,153	1,091
Early extinguishment of debt	8,462	-	8,462	-
Adjusted Funds from Operations	<u>\$ 57,922</u>	<u>\$ 53,571</u>	<u>\$ 170,398</u>	<u>\$ 147,028</u>
Adjusted Funds from Operations Per Share	<u>\$ 0.94</u>	<u>\$ 0.84</u>	<u>\$ 2.79</u>	<u>\$ 2.28</u>
Weighted average common shares outstanding-diluted	61,302	63,555	61,083	64,388



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

Business Segment Results (1)

(In thousands)

(Unaudited)

	13 Weeks Ended <u>30-Sep-12</u>	13 Weeks Ended <u>2-Oct-11</u>	39 Weeks Ended <u>30-Sep-12</u>	39 Weeks Ended <u>2-Oct-11</u>
Revenues				
U.S. Corrections & Detention	\$ 244,102	\$ 232,788	\$ 725,196	\$ 693,657
GEO Care	110,186	109,729	330,199	317,475
International Services	57,236	53,166	169,734	161,580
Facility Construction & Design	-	-	-	119
	<u>\$ 411,524</u>	<u>\$ 395,683</u>	<u>\$ 1,225,129</u>	<u>\$ 1,172,831</u>
Operating Expenses				
U.S. Corrections & Detention	\$ 169,532	\$ 165,708	\$ 512,760	\$ 492,937
GEO Care	82,951	83,974	248,274	243,901
International Services	53,349	47,975	158,093	149,037
Facility Construction & Design	-	43	-	82
	<u>\$ 305,832</u>	<u>\$ 297,700</u>	<u>\$ 919,127</u>	<u>\$ 885,957</u>
Depreciation & Amortization Expense				
U.S. Corrections & Detention	\$ 15,775	\$ 13,893	\$ 46,681	\$ 39,936
GEO Care	7,290	7,429	22,153	19,956
International Services	696	528	1,809	1,604
Facility Construction & Design	-	-	-	-
	<u>\$ 23,761</u>	<u>\$ 21,850</u>	<u>\$ 70,643</u>	<u>\$ 61,496</u>

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



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

Business Segment Results (1) (Continued)

(Unaudited)

	13 Weeks Ended <u>30-Sep-12</u>	13 Weeks Ended <u>2-Oct-11</u>	39 Weeks Ended <u>30-Sep-12</u>	39 Weeks Ended <u>2-Oct-11</u>
Compensated Mandays				
U.S. Corrections & Detention	4,192,879	4,061,025	12,370,879	12,071,595
GEO Care	478,386	478,249	1,438,168	1,452,279
International Services	647,393	632,548	1,940,947	1,924,883
	<u>5,318,658</u>	<u>5,171,822</u>	<u>15,749,994</u>	<u>15,448,757</u>
Revenue Producing Beds				
U.S. Corrections & Detention	48,756	46,637	48,756	46,637
GEO Care	6,043	5,971	6,043	5,971
International Services	7,149	7,149	7,149	7,149
	<u>61,948</u>	<u>59,757</u>	<u>61,948</u>	<u>59,757</u>
Average Occupancy (2)				
U.S. Corrections & Detention	96.6%	96.3%	96.3%	95.3%
GEO Care	87.0%	87.4%	87.0%	87.1%
International Services	99.5%	100.0%	99.5%	100.0%
	96.0%	95.8%	95.8%	95.0%

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

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



**Reconciliation Tables and Supplemental Disclosure
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GEO Corrections & Detention (1)

(Unaudited)

	13-weeks Ended <u>30-Sep-12</u>	13-weeks Ended <u>2-Oct-11</u>	39 Weeks Ended <u>30-Sep-12</u>	39 Weeks Ended <u>2-Oct-11</u>
Revenues (In thousands)				
U.S. Corrections & Detention				
Federal	\$ 148,288	\$ 140,552	\$ 449,238	\$ 420,844
State	92,979	89,553	267,478	264,754
Local	1,023	1,196	3,250	3,299
Other	1,812	1,487	5,230	4,760
Total U.S. Corrections & Detention	<u>\$ 244,102</u>	<u>\$ 232,788</u>	<u>\$ 725,196</u>	<u>\$ 693,657</u>
 Compensated Mandays				
U.S. Corrections & Detention				
Federal	2,100,559	2,034,045	6,259,099	6,015,521
State	2,063,388	1,995,340	6,024,551	5,966,625
Local	28,932	31,640	87,229	89,449
Other	-	-	-	-
Total U.S. Corrections & Detention	<u>4,192,879</u>	<u>4,061,025</u>	<u>12,370,879</u>	<u>12,071,595</u>

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



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GEO Care
(Unaudited)

	13-weeks Ended <u>30-Sep-12</u>	13-weeks Ended <u>2-Oct-11</u>	39 Weeks Ended <u>30-Sep-12</u>	39 Weeks Ended <u>2-Oct-11</u>
Revenues (In thousands)				
Residential Treatment Services	\$ 37,529	\$ 37,324	\$ 112,517	\$ 109,656
Community Based Services	23,818	22,928	70,925	68,070
Youth Services	24,369	25,381	73,150	78,666
BI	24,470	24,096	73,607	61,083
	<u>\$ 110,186</u>	<u>\$ 109,729</u>	<u>\$ 330,199</u>	<u>\$ 317,475</u>
Compensated Mandays				
Residential				
Residential Treatment Services	169,657	167,806	508,371	492,430
Community Based Services	218,386	218,599	657,335	671,444
Youth Services	90,343	91,844	272,462	288,405
Total Residential Mandays	<u>478,386</u>	<u>478,249</u>	<u>1,438,168</u>	<u>1,452,279</u>
Non-Residential Units				
Community Based Services (1)	207,039	202,448	602,965	545,287
Youth Services (2)	81,100	116,846	292,441	406,338
BI (3)	5,711,558	5,801,531	17,067,385	14,393,748
Total Non-Residential Units	<u>5,999,697</u>	<u>6,120,825</u>	<u>17,962,791</u>	<u>15,345,373</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



**Reconciliation Tables and Supplemental Disclosure
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Beds in Inventory

(Unaudited)

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
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
		6,056	

The combined carrying costs for GEO's beds in inventory equal approximately \$0.14 per share.