



The GEO Group, Inc.

Supplemental Financial and Operational Information

Second Quarter 2013

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 on Form 10-K, Form 10-Q and Form 8-K filed with the SEC. Readers are advised to refer to these reports for additional information concerning GEO.

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The GEO Group

The GEO Group is the first fully integrated equity real estate investment trust specializing in the design, financing, development, and operation of correctional, detention, and community reentry facilities around the globe. GEO is the world's leading provider of diversified correctional, detention, and community reentry services to government agencies worldwide with operations in the United States, Australia, South Africa, and the United Kingdom. GEO's worldwide operations include the ownership and/or management of 95 facilities totaling 72,000 beds with a growing workforce of approximately 18,000 professionals.

Board of Directors

George C. Zoley - Chairman, CEO and Founder, The GEO Group
Norman A. Carlson - Former Director, Federal Bureau of Prisons
Clarence E. Anthony - Executive Director, League of Cities

Richard H. Glanton - Chairman and CEO, Philadelphia Television Network
Anne N. Foreman - Former Under Secretary, United States Air Force
Christopher C. Wheeler - Former Member and Partner, Proskauer Rose LLP

Senior Management

George C. Zoley, Chairman, CEO and Founder
John M. Hurley, President, GEO Corrections & Detention
John Bulfin, Senior Vice President and General Counsel
Stephen Fuller, Senior Vice President, Human Resources

Brian R. Evans, Senior Vice President and Chief Financial Officer
Jorge A. Dominicis, Senior Vice President, GEO Community Services
Thomas Wierdsma, Senior Vice President, Project Development

Corporate Headquarters

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621 NW 53rd Street, Suite 700
Boca Raton, Florida 33487
1-866-301-4436

Stock Information

New York Stock Exchange Common Stock Ticker: GEO

CUSIP: 36159R103

Equity Analyst Coverage (*Firms Listed in Alphabetical Order*)

Kevin Campbell, Avondale Partners
Robert Wasserman, Dawson James
Tobey Sommer, SunTrust

Manav Patnaik, Barclays Capital
Kevin McVeigh, Macquarie

Facility Portfolio

GEO owns, leases and/or manages 88 facilities in the United States totaling approximately 65,000 beds located in 18 states.



Facility Portfolio

GEO manages 7 facilities totaling approximately 7,000 beds overseas in Australia, South Africa and the United Kingdom.



Financial Highlights

(In thousands except per share data)
(Unaudited)

	Three Months Ended 30-Jun-13	Three Months Ended 1-Jul-12	Six Months Ended 30-Jun-13	Six Months Ended 1-Jul-12
Revenues⁽¹⁾				
Company owned and leased property	\$ 229,881	\$ 218,997	\$ 450,872	\$ 426,962
Managed only, non-residential services and other	151,772	152,176	307,812	304,253
Total Revenues	<u>\$ 381,653</u>	<u>\$ 371,173</u>	<u>\$ 758,684</u>	<u>\$ 731,215</u>
Net Operating Income (NOI) / Gross Profit⁽¹⁾				
Company owned and leased property	\$ 72,264	\$ 70,907	\$ 137,313	\$ 128,693
Managed only, non-residential services and other	30,143	31,125	61,328	62,661
Total NOI	<u>\$ 102,407</u>	<u>\$ 102,032</u>	<u>\$ 198,641</u>	<u>\$ 191,354</u>
Adjusted EBITDA	\$ 79,604	\$ 81,558	\$ 153,131	\$ 152,708
Normalized Funds from Operations (FFO)	\$ 43,944	\$ 33,683	\$ 83,555	\$ 59,720
Adjusted Funds from Operations (AFFO)	\$ 52,333	\$ 38,985	\$ 101,960	\$ 71,806
AFFO Per Diluted Share	\$ 0.73	\$ 0.64	\$ 1.43	\$ 1.18
GAAP Income from Continuing Operations Per Diluted Share	\$ 0.48	\$ 0.34	\$ 0.81	\$ 0.57
Pro Forma Income from Continuing Operations Per Diluted Share	\$ 0.44	\$ 0.38	\$ 0.82	\$ 0.66
Weighted average common shares outstanding-diluted	71,607	61,066	71,510	60,984
Net Debt	\$ 1,533,083	\$ 1,500,701	\$ 1,533,083	\$ 1,500,701

(1) Joe Corley Detention Center reflected in Company Owned Properties effective at the beginning of three month period ending June 30, 2013.

Condensed Consolidated Statements of Income

(In thousands except per share data)
(Unaudited)

	Three Months Ended 30-Jun-13	Three Months Ended 1-Jul-12	Six Months Ended 30-Jun-13	Six Months Ended 1-Jul-12
Revenues	\$ 381,653	\$ 371,173	\$ 758,684	\$ 731,215
Operating expenses	279,246	269,141	560,043	539,861
Depreciation and amortization	23,657	22,962	46,592	45,201
General and administrative expenses	27,363	26,129	59,403	52,715
Operating income	\$ 51,387	\$ 52,941	\$ 92,646	\$ 93,438
Interest income	1,165	1,761	2,349	3,568
Interest expense	(21,103)	(20,618)	(40,444)	(41,424)
Loss on extinguishment of debt	(5,527)	-	(5,527)	-
Income before income taxes, equity in earnings of affiliates and discontinued operations	\$ 25,922	\$ 34,084	\$ 49,024	\$ 55,582
Income tax (benefit) provision	(7,268)	13,660	(6,387)	22,150
Equity in earnings of affiliates, net of income tax provision	1,029	430	2,246	1,178
Income from continuing operations	\$ 34,219	\$ 20,854	\$ 57,657	\$ 34,610
Income from discontinued operations, net of income tax provision	-	1,622	-	2,925
Net income	\$ 34,219	\$ 22,476	\$ 57,657	\$ 37,535
Net (income) loss attributable to non-controlling interests	(12)	25	(30)	(9)
Net income attributable to The GEO Group, Inc.	\$ 34,207	\$ 22,501	\$ 57,627	\$ 37,526
Weighted average shares outstanding				
	Basic	71,083	60,839	70,967
	Diluted	71,607	61,066	71,510
Income per share from continuing operations				
	Basic	\$ 0.48	\$ 0.34	\$ 0.81
	Diluted	\$ 0.48	\$ 0.34	\$ 0.81
Income per share attributable to The GEO Group, Inc.				
	Basic	\$ 0.48	\$ 0.37	\$ 0.81
	Diluted	\$ 0.48	\$ 0.37	\$ 0.81

Condensed Consolidated Balance Sheets

(In thousands)
(Unaudited)

	ASSETS	30-Jun-13	31-Dec-12
<i>Current Assets</i>			
Cash and cash equivalents		\$ 38,511	\$ 31,755
Restricted cash and investments		15,646	15,654
Accounts receivable, less allowance for doubtful accounts		239,001	246,635
Current deferred income tax assets		18,290	18,290
Prepaid expenses and other current assets		25,142	24,849
Total current assets		336,590	337,183
<i>Restricted Cash and Investments</i>		37,748	32,756
<i>Property and Equipment, Net</i>		1,739,986	1,687,159
<i>Assets Held for Sale</i>		1,200	3,243
<i>Direct Finance Lease Receivable</i>		20,445	26,757
<i>Non-Current Deferred Income Tax Assets</i>		2,532	2,532
<i>Goodwill</i>		490,216	490,308
<i>Intangible Assets, Net</i>		170,743	178,318
<i>Other Non-Current Assets</i>		88,742	80,938
Total Assets		\$ 2,888,202	\$ 2,839,194
	LIABILITIES AND SHAREHOLDERS' EQUITY		
<i>Current Liabilities</i>			
Accounts payable		47,391	50,110
Accrued payroll and related taxes		34,314	39,322
Accrued expenses		109,179	116,557
Current portion of capital lease obligation, long-term debt, and non-recourse debt		22,341	53,882
Total current liabilities		213,225	259,871
<i>Non-Current Deferred Income Tax Liabilities</i>		15,703	15,703
<i>Other Non-Current Liabilities</i>		74,137	82,025
<i>Capital Lease Obligations</i>		11,426	11,926
<i>Long-Term Debt</i>		1,444,475	1,317,529
<i>Non-Recourse Debt</i>		93,352	104,836
<i>Total Shareholders' Equity</i>		1,035,884	1,047,304
Total Liabilities and Shareholders' Equity		\$ 2,888,202	\$ 2,839,194

Reconciliation of Income from Continuing Operations to Funds from Operations, Normalized FFO, and Adjusted Funds from Operations

(In thousands)

(Unaudited)

	Three Months Ended 30-Jun-13	Three Months Ended 1-Jul-12	Six Months Ended 30-Jun-13	Six Months Ended 1-Jul-12
Income from Continuing Operations	\$ 34,219	\$ 20,854	\$ 57,657	\$ 34,610
Net (Income) Loss Attributable to Non-controlling Interests	(12)	25	(30)	(9)
Real Estate Related Depreciation and Amortization	12,727	12,804	25,251	25,119
Funds from Operations	<u>\$ 46,934</u>	<u>\$ 33,683</u>	<u>\$ 82,878</u>	<u>\$ 59,720</u>
Funds from Operations	\$ 46,934	\$ 33,683	\$ 82,878	\$ 59,720
REIT Conversion Related Expenses, net of tax	1,030	-	4,697	-
Tax Benefit Related to IRS Settlement & REIT Conversion	(8,416)	-	(8,416)	-
Loss on Extinguishment of Debt, net of tax	4,396	-	4,396	-
Normalized Funds from Operations	<u>\$ 43,944</u>	<u>\$ 33,683</u>	<u>\$ 83,555</u>	<u>\$ 59,720</u>
Normalized Funds from Operations	\$ 43,944	\$ 33,683	\$ 83,555	\$ 59,720
Non-Real Estate Related Depreciation & Amortization	10,930	10,158	21,341	20,082
Consolidated Maintenance Capital Expenditures	(5,679)	(7,496)	(9,296)	(12,798)
Stock Based Compensation Expenses	1,660	1,961	3,345	3,433
Amortization of Debt Costs and Other Non-Cash Interest	1,478	679	3,015	1,369
Adjusted Funds from Operations (AFFO)	<u>\$ 52,333</u>	<u>\$ 38,985</u>	<u>\$ 101,960</u>	<u>\$ 71,806</u>
Normalized FFO Per Diluted Share	<u>\$ 0.61</u>	<u>\$ 0.55</u>	<u>\$ 1.17</u>	<u>\$ 0.98</u>
AFFO Per Diluted Share	<u>\$ 0.73</u>	<u>\$ 0.64</u>	<u>\$ 1.43</u>	<u>\$ 1.18</u>
Weighted Average Common Shares Outstanding-Diluted	71,607	61,066	71,510	60,984

Reconciliation of Income from Continuing Operations to Adjusted EBITDA

(In thousands)

(Unaudited)

	Three Months Ended <u>30-Jun-13</u>	Three Months Ended <u>1-Jul-12</u>	Six Months Ended <u>30-Jun-13</u>	Six Months Ended <u>1-Jul-12</u>
Income from continuing operations	\$ 34,219	\$ 20,854	\$ 57,657	\$ 34,610
Interest expense, net	19,938	18,857	38,095	37,856
Income tax (benefit) provision	(7,268)	13,660	(6,387)	22,150
Depreciation and amortization	23,657	22,962	46,592	45,201
Tax provision on equity in earnings of affiliates	417	303	894	624
EBITDA	<u>\$ 70,963</u>	<u>\$ 76,636</u>	<u>\$ 136,851</u>	<u>\$ 140,441</u>
Adjustments				
Net (income) loss attributable to non-controlling interests	(12)	25	(30)	(9)
Stock based compensation expenses, pre-tax	1,660	1,961	3,345	3,433
Start-up/transition expenses, pre-tax	-	1,535	-	6,424
International bid related costs, pre-tax	-	1,050	-	1,615
REIT conversion related expenses, pre-tax	1,466	-	7,438	-
M&A related expenses, pre-tax	-	351	-	804
Loss on extinguishment of debt, pre-tax	5,527	-	5,527	-
Adjusted EBITDA	<u><u>\$ 79,604</u></u>	<u><u>\$ 81,558</u></u>	<u><u>\$ 153,131</u></u>	<u><u>\$ 152,708</u></u>

Reconciliation of Income from Continuing Operations to Pro Forma Income from Continuing Operations⁽¹⁾

(In thousands except per share data)

(Unaudited)

	Three Months Ended 30-Jun-13	Three Months Ended 1-Jul-12	Six Months Ended 30-Jun-13	Six Months Ended 1-Jul-12
Income from continuing operations	\$ 34,219	\$ 20,854	\$ 57,657	\$ 34,610
Net (income) loss attributable to non-controlling interests	(12)	25	(30)	(9)
Start-up/transition expenses, net of tax	-	1,084	-	4,139
International bid related costs, net of tax	-	753	-	1,171
REIT conversion related expenses, net of tax	1,030	-	4,697	-
M&A related expenses, net of tax	-	209	-	482
Loss on extinguishment of debt, net of tax	4,396	-	4,396	-
Tax benefit related to IRS settlement & REIT conversion	(8,416)	-	(8,416)	-
Pro forma income from continuing operations	<u>\$ 31,217</u>	<u>\$ 22,925</u>	<u>\$ 58,304</u>	<u>\$ 40,393</u>
Income from continuing operations per diluted share	\$ 0.48	\$ 0.34	\$ 0.81	\$ 0.57
Net (income) loss attributable to non-controlling interests	-	-	-	-
Start-up/transition expenses, net of tax	-	0.02	-	0.07
International bid related costs, net of tax	-	0.01	-	0.02
REIT conversion related expenses, net of tax	0.01	-	0.07	-
M&A related expenses, net of tax	-	-	-	0.01
Loss on extinguishment of debt, net of tax	0.06	-	0.06	-
Tax benefit related to IRS settlement & REIT conversion	(0.12)	-	(0.12)	-
Diluted Pro forma income from continuing operations per diluted share	<u>\$ 0.44</u>	<u>\$ 0.38</u>	<u>\$ 0.82</u>	<u>\$ 0.66</u>
Weighted average common shares outstanding-diluted	71,607	61,066	71,510	60,984

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

Reconciliation of Operating Income to Net Operating Income

(In thousands)
(Unaudited)

	Three Months Ended <u>30-Jun-13</u>	Three Months Ended <u>1-Jul-12</u>	Six Months Ended <u>30-Jun-13</u>	Six Months Ended <u>1-Jul-12</u>
Operating Income	\$ 51,387	\$ 52,941	\$ 92,646	\$ 93,438
Depreciation and amortization	23,657	22,962	46,592	45,201
General and administrative expenses	27,363	26,129	59,403	52,715
Net Operating Income	<u>\$ 102,407</u>	<u>\$ 102,032</u>	<u>\$ 198,641</u>	<u>\$ 191,354</u>

2013 Outlook/Reconciliation

(Unaudited)

(In thousands except per share data)

	Full Year 2013	
	<u> </u>	<u> </u>
Net Income	\$ 118,000	to \$ 123,000
Real Estate Related Depreciation and Amortization	52,000	52,000
Funds from Operations (FFO)	<u>\$ 170,000</u>	<u>to \$ 175,000</u>
REIT Conversion Related Expenses & Write-Off of Deferred Financing Fees	10,000	10,000
Tax Benefit	(8,000)	(8,000)
Normalized Funds from Operations	<u>\$ 172,000</u>	<u>to \$ 177,000</u>
Non-Real Estate Related Depreciation and Amortization	43,000	43,000
Consolidated Maintenance Capex	(26,000)	(26,000)
Non-Cash Stock Based Compensation and Non-Cash Interest Expense	14,000	14,000
Adjusted Funds From Operations (AFFO)	<u>\$ 203,000</u>	<u>to \$ 208,000</u>
Net Cash Interest Expense	80,000	80,000
Consolidated Maintenance Capex	26,000	26,000
Income Taxes	7,000	10,000
Adjusted EBITDA	<u>\$ 316,000</u>	<u>to \$ 324,000</u>
G&A Expenses	103,000	103,000
Non-Cash Stock Based Compensation	(8,000)	(8,000)
Net Operating Income	<u>\$ 411,000</u>	<u>to \$ 419,000</u>
FFO Per Share	\$ 2.36	to \$ 2.43
AFFO Per Share	\$ 2.82	to \$ 2.89
Weighted Average Common Shares Outstanding-Diluted	72,000	72,000

Business Segment Results⁽¹⁾

(In thousands)
(Unaudited)

	Three Months Ended <u>30-Jun-13</u>	Three Months Ended <u>1-Jul-12</u>	Six Months Ended <u>30-Jun-13</u>	Six Months Ended <u>1-Jul-12</u>
Revenues				
U.S. Corrections & Detention	\$ 254,043	\$ 245,916	\$ 502,815	\$ 480,710
GEO Community Services	75,072	72,767	149,013	145,025
International Services	52,538	52,490	106,856	105,480
Facility Construction & Design	-	-	-	-
	<u>\$ 381,653</u>	<u>\$ 371,173</u>	<u>\$ 758,684</u>	<u>\$ 731,215</u>
Operating Expenses				
U.S. Corrections & Detention	\$ 181,855	\$ 170,425	\$ 361,438	\$ 342,952
GEO Community Services	48,753	48,983	98,086	98,453
International Services	48,638	49,733	100,519	98,456
Facility Construction & Design	-	-	-	-
	<u>\$ 279,246</u>	<u>\$ 269,141</u>	<u>\$ 560,043</u>	<u>\$ 539,861</u>
Depreciation & Amortization Expense				
U.S. Corrections & Detention	\$ 15,557	\$ 15,729	\$ 30,654	\$ 30,897
GEO Community Services	7,465	6,691	14,668	13,230
International Services	635	542	1,270	1,074
Facility Construction & Design	-	-	-	-
	<u>\$ 23,657</u>	<u>\$ 22,962</u>	<u>\$ 46,592</u>	<u>\$ 45,201</u>

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

Business Segment Results⁽¹⁾ (Continued)

(Unaudited)

	Three Months Ended <u>30-Jun-13</u>	Three Months Ended <u>1-Jul-12</u>	Six Months Ended <u>30-Jun-13</u>	Six Months Ended <u>1-Jul-12</u>
Compensated Mandays				
U.S. Corrections & Detention	4,315,087	4,176,788	8,497,671	8,178,000
GEO Community Services	293,665	312,043	587,507	621,068
International Services	647,414	647,890	1,286,158	1,293,554
	<u>5,256,166</u>	<u>5,136,721</u>	<u>10,371,336</u>	<u>10,092,622</u>
Revenue Producing Beds⁽²⁾				
U.S. Corrections & Detention	49,401	47,634	49,401	47,634
GEO Community Services	3,778	3,941	3,778	3,941
International Services	7,181	7,149	7,181	7,149
	<u>60,360</u>	<u>58,724</u>	<u>60,360</u>	<u>58,724</u>
Average Occupancy⁽³⁾				
U.S. Corrections & Detention	96.0%	96.4%	96.0%	96.2%
GEO Community Services	78.4%	84.1%	79.2%	83.5%
International Services	99.2%	99.6%	99.2%	99.4%
	<u>95.2%</u>	<u>95.9%</u>	<u>95.2%</u>	<u>95.7%</u>

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

(2) Revenue Producing Beds exclude 3,763 beds at Reeves County Detention Complex R1/R2 & R3 (Management Fee Contracts) and 1,200-bed Delaney Hall (Owned-Not Managed Facility)

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

U.S. Corrections & Detention⁽¹⁾

(Unaudited)

	Three Months Ended <u>30-Jun-13</u>	Three Months Ended <u>1-Jul-12</u>	Six Months Ended <u>30-Jun-13</u>	Six Months Ended <u>1-Jul-12</u>
Revenues (In thousands)				
U.S. Corrections & Detention				
Federal	\$ 162,744	\$ 152,211	\$ 319,463	\$ 300,950
State	87,616	91,270	176,363	174,499
Local	2,347	1,073	4,236	2,227
Other	1,336	1,362	2,753	3,034
Total U.S. Corrections & Detention	<u>\$ 254,043</u>	<u>\$ 245,916</u>	<u>\$ 502,815</u>	<u>\$ 480,710</u>
Compensated Mandays				
U.S. Corrections & Detention				
Federal	2,236,979	2,118,187	4,344,473	4,158,540
State	2,049,462	2,029,666	4,095,791	3,961,163
Local	28,646	28,935	57,407	58,297
Other	-	-	-	-
Total U.S. Corrections & Detention	<u>4,315,087</u>	<u>4,176,788</u>	<u>8,497,671</u>	<u>8,178,000</u>

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

GEO Community Services

(Unaudited)

	Three Months Ended <u>30-Jun-13</u>	Three Months Ended <u>1-Jul-12</u>	Six Months Ended <u>30-Jun-13</u>	Six Months Ended <u>1-Jul-12</u>
Revenues (In thousands)				
Community Based Services	\$ 24,724	\$ 23,284	\$ 48,511	\$ 47,107
Youth Services	23,749	24,893	48,039	48,781
BI Electronic & Location Monitoring	26,599	24,590	52,463	49,137
Total GEO Community Services	<u>\$ 75,072</u>	<u>\$ 72,767</u>	<u>\$ 149,013</u>	<u>\$ 145,025</u>
Compensated Mandays				
Residential				
Community Based Services	209,139	218,455	418,235	438,949
Youth Services	84,526	93,588	169,272	182,119
Total Residential Mandays	<u>293,665</u>	<u>312,043</u>	<u>587,507</u>	<u>621,068</u>
Non-Residential Units				
Community Based Services ⁽¹⁾	222,102	195,655	434,842	395,926
Youth Services ⁽²⁾	75,714	101,401	151,112	211,341
BI Electronic & Location Monitoring ⁽³⁾	5,930,460	5,683,786	11,740,505	11,355,827
Total Non-Residential Units	<u>6,228,276</u>	<u>5,980,842</u>	<u>12,326,459</u>	<u>11,963,094</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.

Owned and Leased Properties

	Facility Name	City	State	Year(s) Contracted	Primary Customer(s)	Design Capacity	Ownership Type	Term(s)	Renewal Option(s)
1	Adelanto Detention Facility	Adelanto	California	May-11	ICE - IGA	1,300	Owned	5 years	None
2	Central Valley MCCF	McFarland	California	None	Idle	640	Owned	None	None
3	Desert View MCCF	Adelanto	California	None	Idle	650	Owned	None	None
4	Leo Chesney Female CCF	Live Oak	California	None	Idle	318	Leased	None	None
5	McFarland Female CCF	McFarland	California	None	Idle	260	Owned	None	None
6	Mesa Verde Female CCF	Bakersfield	California	None	Idle	400	Owned	None	None
7	Golden State MCCF	McFarland	California	March-97	CDCR	625	Owned	10 year	One, Five-year
8	Western Region Detention Facility	San Diego	California	January-06	USMS	770	Leased	5 year	One, Five-year
9	Aurora ICE Processing Center	Aurora	Colorado	September 2011/October 2012	ICE/USMS	1,532	Owned	2 year/2 year	Four, Two-year/Four, Two-year
10	Hudson Correctional Facility	Hudson	Colorado	September-09	AK DOC	1,250	Leased	2 years 9 1/2 months	Seven, One-year
11	Broward Transition Center	Deerfield Beach	Florida	April-09	ICE	700	Owned	11 months	Four, One-year, Unlimited 6-month
12	D. Ray James Correctional Facility	Folkston	Georgia	October-10	BOP	2,507	Owned	4 years	Three, Two-year
13	D. Ray James Detention Facility	Folkston	Georgia	January-07	USMS - IGA	340	Owned	Perpetual	N/A
14	Riverbend Correctional Facility	Milledgeville	Georgia	July-10	GA DOC	1,500	Owned	Partial 1 year	Forty, One-year
15	Robert A. Deyton Detention Facility	Lovejoy	Georgia	February-08	USMS	768	Leased	5 years	Three, Five year
16	LaSalle Detention Facility	Jena	Louisiana	July-07	ICE - IGA	1,160	Owned	Perpetual	N/A
17	North Lake Correctional Facility	Baldwin	Michigan	None	Idle	1,740	Owned	None	None
18	Delaney Hall	Newark	New Jersey	May-03	Tenant-CEC	1,200	Owned-Not Managed	None	None
19	Guadalupe County Correctional Facility	Santa Rosa	New Mexico	January-99	NMCD - IGA	600	Owned	Perpetual	N/A
20	Lea County Correctional Facility	Hobbs	New Mexico	September-98	NMCD - IGA	1,200	Owned	Perpetual	N/A
21	Queens Detention Facility	Jamaica	New York	January-08	USMS	222	Owned	2 year	Four, Two-year
22	Rivers Correctional Institution	Winton	North Carolina	April-11	BOP	1,450	Owned	4 year	Three, Two-year
23	Great Plains Correctional Facility	Hinton	Oklahoma	None	Idle	2,048	Owned	None	None
24	Lawton Correctional Facility	Lawton	Oklahoma	July-08	OK DOC	2,526	Owned	1 year	Five, One-year, Unlimited, Four-year
25	Moshannon Valley Correctional Center	Phillipsburg	Pennsylvania	April-06	BOP	1,820	Owned	36 months	Seven, One-year
26	Big Spring Correctional Center	Big Spring	Texas	April-07	BOP	3,509	Owned	4 years	Three, Two-year, ICE 100 day renew
27	Joe Corley Detention Facility	Conroe	Texas	August 2008/ July 2008	USMS / ICE - IGA	1,287	Owned	USMS Perpetual	not to exceed 60 months
28	Karnes Correctional Center	Karnes City	Texas	February-98	USMS - IGA	679	Owned	Perpetual	N/A
29	Karnes County Civil Detention Center	Karnes County	Texas	December-10	ICE - IGA	600	Owned	5 years	None
30	Rio Grande Detention Center	Laredo	Texas	October-08	USMS	1,500	Owned	5 years	Three, Five-year
31	South Texas Detention Complex	Pearsall	Texas	December-11	ICE	1,904	Owned	11 months	Four, One-year
32	Val Verde Correctional Facility	Del Rio	Texas	January-01	USMS - IGA	1,407	Owned	Perpetual	N/A
33	Northwest Detention Center	Tacoma	Washington	October-09	ICE	1,575	Owned	1 year	Four, One-year

Owned and Leased Properties

	Facility Name	City	State	Year Contracted	Primary Customer(s)	Design Capacity	Ownership Type	Term(s)	Renewal Option(s)
COMMUNITY-BASED SERVICES									
1	Beaumont Transitional Treatment Center	Beaumont	Texas	Sep-03	TDCJ	180	Owned	2 year	Five, Two year/ One, Six-month
2	Bronx Community Re-entry Center	Bronx	New York	Apr-13	BOP	110	Leased	1 year	Four, One-year Three, One- year/Four, One year/One, Five - month
3	Cordova Center	Anchorage	Alaska	Jan-13	ABOP / AK DOC	262	Owned	2 year / 4 months	
4	El Monte Center	El Monte	California	Mar-08	BOP	70	Leased	1 year	Four, One-year
5	Grossman Center	Leavenworth	Kansas	Oct-07	BOP	150	Leased	2 years	Three, One-year
6	Las Vegas CCC	Las Vegas	Nevada	Oct-10	BOP	124	Owned	2 years	Three, One-year
7	Leidel Comprehensive Sanction Center	Houston	Texas	Jan-11	BOP	190	Owned	2 years	Three, One-year
8	Marvin Gardens Center	Los Angeles	California	May-06	BOP	60	Leased	2 years	Three, One-year
9	McCabe Center	Austin	Texas	Apr-07	Travis Co/VA	113	Owned	1 year / 1 year	Two, One- year/Four, One- year
10	Mid Valley House	Edinburg	Texas	Dec-08	BOP	100	Leased	2 years	Three, One-year
11	Midtown Center	Anchorage	Alaska	Sep-07	AK DOC	32	Owned	4 months	Four, One-year, One, Five-month
12	Northstar Center	Fairbanks	Alaska	Feb-11	AK DOC	143	Leased	5 months	Four, One-year, One, Five-month
13	Oakland Center	Oakland	California	Nov-08	BOP	69	Owned	3 years	Seven, One-year
14	Parkview Center	Anchorage	Alaska	Sep-07	AK DOC	112	Owned	4 months	Four, One-year, One Five-month
15	Reality House	Brownsville	Texas	Sep-11	BOP	94	Owned	2 year	Three, One-year
16	Southeast Texas Transitional Center	Houston	Texas	Sep-03	TDCJ	500	Owned	2 year	Five, Two year
17	Salt Lake City Center	Salt Lake City	Utah	Jun-11	BOP	115	Leased	2 years	Three, One-year
18	Seaside Center	Nome	Alaska	Dec-07	AK DOC	50	Leased	7 months	Four, One- year/One, Five month
19	Taylor Street Center	San Francisco	California	Feb-06	BOP / CDCR	210	Owned	2 year, 8 month / 3 year	Seven, One-year
20	Tundra Center	Bethel	Alaska	Dec-06	AK DOC	85	Owned	5 month	Four, One- year/One, Six- month
YOUTH SERVICES									
1	Southern Peaks Regional Treatment Center	Canon City	Colorado	2004	CO Counties of DHS,DYC, CDE	136	Owned	N/A	N/A
2	Southwood Interventions	Chicago	Illinois	1999	OASA, City of Chicago, Medicaid	128	Owned	N/A	N/A
3	Woodridge Interventions	Woodridge	Illinois	1999	IL DASA, insurance	90	Owned	N/A	N/A
4	DuPage Interventions	Hinsdale	Illinois	1999	IL DASA, Medicaid, Private	36	Owned	N/A	N/A
5	Contact Interventions	Wauconda	Illinois	None	Idle	32	Owned	None	None
6	Abraxas Ohio	Shelby	Ohio	1993	Various Counties	100	Owned	N/A	N/A
7	Abraxas Academy	Morgantown	Pennsylvania	2006	Various Agencies	214	Owned	N/A	N/A
8	Abraxas I	Marienville	Pennsylvania	1973	Various Counties	266	Owned	N/A	N/A
9	Abraxas Youth Center	South Mountain	Pennsylvania	1999	PA Dept of Public Welfare	72	Leased	N/A	N/A
10	Erie Residential Programs	Erie	Pennsylvania	1974	Various Clients	41	Owned	N/A	N/A
	Abraxas II (23 Beds)	Erie	Pennsylvania		Various Counties		Owned		
	Erie Residential Mental Health (17 Beds)	Erie	Pennsylvania		Counties via State Medicaid		Owned		
11	Leadership Development Program	South Mountain	Pennsylvania	1994	Various Counties	128	Leased	N/A	N/A
12	Hector Garza Center	San Antonio	Texas	2003	TYC	133	Owned	N/A	N/A

Managed-Only Facilities

	Facility Name	City	State	Year(s) Contracted	Primary Customer(s)	Design Capacity	Ownership Type	Term(s)	Renewal Option(s)
1	Arizona State Prison- Florence West	Florence	Arizona	October-02	AZ DOC	750	Managed	10 years	Two, Five-year
2	Arizona State Prison- Phoenix West	Phoenix	Arizona	July-02	AZ DOC	450	Managed	10 years	Two, Five-year
3	Central Arizona Correctional Facility	Florence	Arizona	December-06	AZ DOC	1,280	Managed	10 years	Two, Five-year
4	Blackwater River Correctional Facility	Milton	Florida	April-10	FL DMS	2,000	Managed	3 years	Two, Two-year
5	South Bay Correctional Facility	South Bay	Florida	July-09	FL DMS	1,898	Managed	3 years	Unlimited, Two-year
6	Allen Correctional Center	Kinder	Louisiana	July-10	LA DOC	1,538	Managed	10 years	None
7	New Castle Correctional Facility	New Castle	Indiana	January-06	IN DOC	3,094	Managed	22 year	Three, Two-year
8	Plainfield Indiana STOP Facility	Plainfield	Indiana	March-11	IN DOC	1,066	Managed	4 year	One, Four-year
9	Northeast New Mexico Detention Facility	Clayton	New Mexico	August-08	NMCD-IGA	625	Managed	22 year	Unlimited, 1-year
10	Central Texas Detention Facility	San Antonio	Texas	April-09	USMS - IGA	688	Managed	Perpetual	N/A
11	Cleveland Correctional Center	Cleveland	Texas	January-09	TDCJ	520	Managed	2.6 years	Two, Two-year
12	Lockhart Work Program Facilities	Lockhart	Texas	January-09	TDCJ	1,000	Managed	2.6 years	Two, Two-year
13	Maverick County Detention Center	Maverick	Texas	April-07	USMS - IGA	688	Managed	Perpetual	Perpetual Until Terminated
14	Reeves County Detention Complex R1/R2	Pecos	Texas	February-07	Reeves County / BOP	2,407	Managed	10 years/4 year	One, Ten year/ Three, Two-year
15	Reeves County Detention Complex R3	Pecos	Texas	January-07	Reeves County / BOP	1,356	Managed	10 years/4 year	One, Ten year/ Three, Two-year
16	Lawrenceville Correctional Center	Lawrenceville	Virginia	March-03	VA DOC	1,536	Managed	5 years	Ten, One-year
<u>LA COUNTY CITY JAILS</u>									
17	Alhambra City Jail	Alhambra	California	July-08	Los Angeles County	67	Managed	3 years	Two, One-year
18	Baldwin Park City Jail	Baldwin Park	California	July-03	Los Angeles County	32	Managed	3 years	Three, Three-year
19	Downey City Jail	Downey	California	June-03	Los Angeles County	30	Managed	3 years	Three, Three-year
20	Fontana City Jail	Fontana	California	February-07	Los Angeles County	39	Managed	5 months	Five, One-year
21	Garden Grove City Jail	Garden Grove	California	January-10	Los Angeles County	16	Managed	30 months	Unlimited
22	Montebello City Jail	Montebello	California	January-96	Los Angeles County	25	Managed	2 years	One year
23	Ontario City Jail	Ontario	California	September-06	Los Angeles County	40	Managed	3 years	Unlimited
INTERNATIONAL									
1	Arthur Gorrie Correctional Centre	Brisbane, AUS	Queensland	January-08	Queensland DOC	890	Managed	5 years	One, Five-year
2	Fulham Correctional Centre	West Sale, AUS	Victoria	October-95	Victoria Ministry of Corrections	717	Managed	22 years	None
	Fulham Nalu Challenge Community Unit	West Sale, AUS	Victoria	October-95	Victoria Ministry of Corrections	68	Managed	22 years	None
3	Junee Correctional Centre	Junee, AUS	New South Wales	April-09	New South Wales Corrective Servies	790	Managed	5 years	Two, Five-year
4	Parklea Correctional Centre	Parklea, AUS	New South Wales	October-09	New South Wales Corrective Servies	823	Managed	5 years	One, Three-year
5	Dungavel House Immigration Removal Centre	Kidlington, ENG		September-11	U.K. Border Agency	217	Managed	5 years	None
6	Harmondsworth Immigration Removal Centre	London, ENG		June-09	U.K. Border Agency	620	Managed	3 years	None
7	Kutama-Sinthumule Correctional Centre	Louis Trichardt, South Africa		February-02	RSA Dept. of Correctional Services	3,024	Managed	25 years	None

Customer and Facility Portfolio Summary⁽¹⁾⁽²⁾

As of June 30, 2013

Facility Ownership

	<u>Facility Count</u>	<u>Bed Count</u>	<u>% Beds</u>	<u>% of Revenue Three Months Ended 6/30/13</u>	<u>% of Revenue Six Months Ended 6/30/13</u>
Company Owned	44	34,258	51.6%	52.5%	51.5%
Company Leased	13	3,786	5.7%	9.9%	10.1%
Managed-Only	30	28,294	42.7%	30.2%	31.1%
Non-Residential Services and Other	N/A	N/A	N/A	7.4%	7.3%
Total	87	66,338	100.0%	100.0%	100.0%

Customer Concentration

	<u>Facility Count</u>	<u>Bed Count</u>	<u>% Beds</u>	<u>% of Revenue Three Months Ended 6/30/13</u>	<u>% of Revenue Six Months Ended 6/30/13</u>
<i>Company-Owned & Company-Leased</i>					
Bureau of Prisons	16	10,651	16.1%	16.5%	16.3%
U.S. Immigration and Customs Enforcement	8	9,388	14.2%	16.6%	15.8%
United States Marshals Service	7	6,356	9.6%	10.2%	9.9%
State of Alaska	7	1,914	2.9%	2.2%	2.5%
State of New Mexico	2	1,800	2.7%	2.5%	2.6%
State of Georgia	1	1,500	2.3%	1.8%	1.8%
State of Oklahoma	1	2,526	3.8%	2.4%	2.4%
State of California	1	685	1.0%	1.1%	1.1%
State of Illinois	3	254	0.4%	1.1%	1.1%
Various Others	11	2,970	4.3%	8.0%	8.1%
<i>Managed-Only, Non-Residential, and Other</i>					
Australia	4	3,288	5.0%	10.5%	10.8%
U.S. Federal (Managed Only & Non-Residential)	4	5,139	7.7%	2.3%	4.3%
State of Florida	2	3,898	5.9%	3.9%	3.9%
State of Arizona	3	2,480	3.7%	2.9%	2.9%
State of Indiana	2	4,160	6.3%	3.0%	3.0%
State of Texas	2	1,520	2.3%	1.1%	1.1%
Commonwealth of Virginia	1	1,536	2.3%	1.6%	1.6%
State of Louisiana	1	1,538	2.3%	1.2%	1.2%
South Africa	1	3,024	4.6%	1.2%	1.2%
United Kingdom	2	837	1.3%	2.0%	2.0%
Various Others	8	874	1.3%	7.9%	6.4%
Total	87	66,338	100.0%	100.0%	100.0%

(1) Excludes Idle Facilities/Beds in Inventory and a smaller Youth Services asset held for sale (32-bed Contact Interventions) .

(2) Joe Corley Detention Center reflected in Company Owned Properties effective at the beginning of three month period ending June 30, 2013

Beds in Inventory

(Unaudited)

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

<u>Facility</u>	<u>Location</u>	<u>Bed Count</u>	<u>Prospective Customer</u>
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	Federal, State & County
Central Valley Community Correctional Facility	California	640	Federal, State & County
Leo Chesney Community Correctional Facility	California	318	Federal, State & County
Mesa Verde Community Correctional Facility	California	400	Federal, State & County
McFarland Community Correctional Facility	California	260	Federal, State & County
		6,056	

The combined cash carrying costs for GEO's beds in inventory equal approximately \$0.10 per share.

Summary of Capital Expenditures

(In thousands)

(Unaudited)

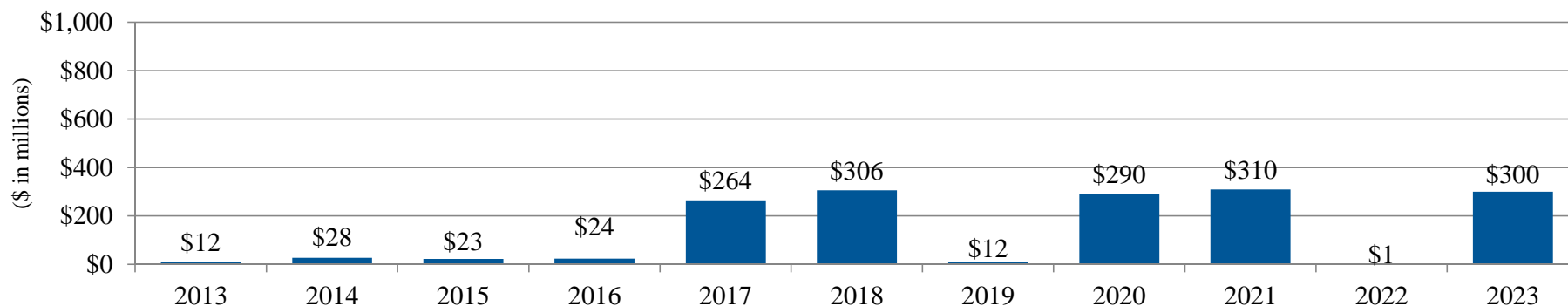
Capital Expenditures

	For the Three Months Ended			
	30-Jun-13	31-Mar-13	31-Dec-12	30-Sep-12
New facility development	\$ 65,240	\$ -	\$ 310	\$ 4,680
Existing facility improvements	7,600	7,785	6,279	7,629
Maintenance capital expenditures	5,679	3,617	10,551	7,388
Total Capital Expenditures	<u>\$ 78,519</u>	<u>\$ 11,402</u>	<u>\$ 17,140</u>	<u>\$ 19,697</u>

Debt Maturities, Leverage/Coverage Ratios, and Return Metrics

(In Thousands except leverage and coverage ratios)

Maturity Schedule (June 30, 2013)



	30-Jun-13	31-Mar-13	31-Dec-12
Total Debt	\$ 1,571,594	\$ 1,539,436	\$ 1,488,173
Cash and Cash Equivalents	38,511	83,724	31,755
Net Debt	<u>\$ 1,533,083</u>	<u>\$ 1,455,712</u>	<u>\$ 1,456,418</u>
Total Debt to Total Market Capitalization	64%	57%	74%
Total Debt to Total Assets	54%	53%	52%
Net Debt to Adjusted EBITDA	4.80x	4.53x	4.57x
Total Senior Secured Net Debt to Adjusted EBITDA	1.74x	1.48x	1.89x
Interest Coverage Ratio Based on Adjusted EBITDA	4.22x	4.30x	4.23x
Long Term Assets	1,739,986	1,680,165	1,687,159
Book Net Asset Value	1,035,884	1,039,778	1,047,304
Return on Equity	16.2%	14.8%	13.8%
Return on Capital Employed	9.0%	9.0%	9.0%
Return on Invested Capital	14.5%	13.5%	14.6%

Definitions of Non-GAAP Measures

Adjusted EBITDA: Adjusted EBITDA is defined as income from continuing operations before net interest expense, income tax provision (benefit), depreciation and amortization, and tax provision on equity in earnings of affiliates, adjusted for net income/loss attributable to non-controlling interests, non-cash stock-based compensation expenses, and certain other adjustments as defined from time to time.

Adjusted Funds From Operations (AFFO): Adjusted Funds From Operations, or AFFO, is defined as Normalized Funds From Operations adjusted by adding non-cash expenses such as stock based compensation and the amortization of deferred financing costs and by subtracting recurring real estate expenditures that are capitalized and then amortized, but which are necessary to maintain REIT properties and their revenue stream.

Funds From Operations (FFO): Funds From Operations, or FFO, is defined in accordance with standards established by the National Association of Real Estate Investment Trusts, or NAREIT, which defines FFO as net income (loss) attributable to common shareholders (computed in accordance with Generally Accepted Accounting Principles), excluding real estate related depreciation and amortization, excluding gains and losses from the cumulative effects of accounting changes, extraordinary items and sales of properties, and including adjustments for unconsolidated partnerships and joint ventures.

Normalized Funds From Operations (FFO): Normalized Funds From Operations, or Normalized FFO, is defined as FFO adjusted for certain items which by their nature are not comparable from period to period or that tend to obscure the Company's actual operating performance.

Net Operating Income (NOI): Net Operating Income, or Gross Profit, is defined as revenues less operating expenses, excluding depreciation and amortization expense, and general and administrative expenses.

Pro Forma Income from Continuing Operations: Pro Forma Income from Continuing Operations is defined as income from continuing operations adjusted for net income/loss attributable to non-controlling interests, start-up/transition expenses, net of tax, international bid related costs, net of tax, and certain other adjustments as defined from time to time.