UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 7, 2013

THE GEO GROUP, INC.
(Exact Name of Registrant as Specified in its Charter)

Florida	**1-14260**	**65-0043078**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

621 NW 53rd Street, Suite 700, Boca Raton, Florida	**33487**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code (561) 893-0101

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instructions A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 2 - Financial Information

Item 2.02. Results of Operations and Financial Condition.

On August 7, 2013, The GEO Group, Inc. (“GEO” or the “Company”) issued a press release (the “Earnings Press Release”) announcing its financial results for the second quarter and six months ended June 30, 2013, updating its financial guidance for full year 2013 and issuing its financial guidance for the third quarter 2013 and fourth quarter 2013. A copy of the Earnings Press Release is furnished hereto as Exhibit 99.1. GEO also held a conference call on August 7, 2013 to discuss these matters, a transcript of which is furnished hereto as Exhibit 99.3.

In the Earnings Press Release, GEO provided Net Operating Income, Pro Forma Income from Continuing Operations, EBITDA, Adjusted EBITDA, Funds From Operations, Normalized Funds From Operations and Adjusted Funds From Operations for the second quarter and six months ended June 30, 2013 and the comparable prior-year periods that were not calculated in accordance with Generally Accepted Accounting Principles (the “Non-GAAP Information”) and are presented as supplemental disclosures. Generally, for purposes of Regulation G under the Securities Exchange Act of 1934, Non-GAAP Information is any numerical measure of a company’s performance, financial position, or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP. The Earnings Press Release presents the financial measure calculated and presented in accordance with GAAP, which is the most directly comparable to the Non-GAAP Information, with a prominence equal to or greater than its presentation of the Non-GAAP Information. The Earnings Press Release also contains a reconciliation of the Non-GAAP Information to the financial measure calculated and presented in accordance with GAAP which is the most directly comparable to the Non-GAAP Information.

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 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. GEO believes that Pro Forma Income from Continuing Operations is useful to investors as it provides information about the performance of GEO’s overall business because such measure eliminates the effects of certain charges that are not directly attributable to GEO’s underlying operating performance, it provides disclosure on the same basis as that used by GEO’s management and it provides consistency in GEO’s financial reporting and therefore continuity to investors for comparability purposes. GEO’s management uses Pro Forma Income from Continuing Operations to monitor and evaluate its operating performance and to facilitate internal and external comparisons of the historical operating performance of GEO and its business units.

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 EBITDA is defined as EBITDA 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. Given the nature of GEO’s business as a real estate owner and operator, GEO believes that EBITDA and Adjusted EBITDA are helpful to investors as measures of GEO’s operational performance, providing disclosure on the same basis as that used by GEO’s management and providing consistency in GEO’s financial reporting and therefore continuity to investors for comparability purposes. GEO uses Adjusted EBITDA to monitor and evaluate its operating performance and to facilitate internal and external comparisons of the historical operating performance of GEO and its business units.

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 United States 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, 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 GEO's actual operating performance. GEO may make adjustments to FFO from time to time for certain other income and expenses that do not reflect a necessary component of GEO's operational performance even though such items may require cash settlement.

Adjusted Funds From Operations, or AFFO, is defined as Normalized FFO 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. Given the nature of GEO's business as a real estate owner and operator, GEO believes that FFO, Normalized FFO and AFFO are helpful to investors as measures of GEO's operational performance. FFO is a widely recognized measure in the Company's industry as a real estate investment trust. Because of the unique design, structure and use of the Company's correctional facilities, GEO believes that assessing performance of its correctional facilities without the impact of depreciation or amortization is useful. GEO believes Normalized FFO and AFFO provide investors and analysts additional measures in comparing the Company's performance across reporting periods on a consistent basis by excluding items that GEO does not believe are indicative of the Company's core operating performance. GEO's management uses these measures to monitor and evaluate its operational performance and to facilitate internal and external comparisons of the historical operating performance of GEO and its business units.

The Earnings Press Release contains reconciliation tables for Net Operating Income, Pro Forma Income from Continuing Operations, EBITDA, Adjusted EBITDA, Funds From Operations, Normalized Funds From Operations and Adjusted Funds From Operations.

GEO has presented in the Earnings Press Release certain forward-looking statements about GEO's future financial performance that include non-GAAP financial measures, including, Net Operating Income, Adjusted EBITDA and Adjusted Funds From Operations. The determination of the amounts that are excluded from these non-GAAP financial measures is a matter of management judgment and depends upon, among other factors, the nature of the underlying expense or income amounts recognized in a given period. While GEO has provided in the Earnings Press Release a high level reconciliation for the guidance ranges for full year 2013, GEO is unable to present a more detailed quantitative reconciliation of the forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures because management cannot reliably predict all of the necessary components of such GAAP measures. The quantitative reconciliation of the forward-looking non-GAAP financial measures will be provided for completed annual and quarterly periods, as applicable, calculated in a consistent manner with the quantitative reconciliation of non-GAAP financial measures previously reported for completed annual and quarterly periods.

The Non-GAAP Information should be considered in addition to results that are prepared under current accounting standards but should not be considered a consolidated substitute for, or superior to, financial information prepared in accordance with GAAP. The Non-GAAP Information may differ from similarly titled measures presented by other companies. The Non-GAAP Information, as well as other information in the Earnings Press Release, should be read in conjunction with GEO's financial statements filed with the Securities and Exchange Commission. The information set forth in Item 2.02 in this Form 8-K is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information set forth in Item 2.02 in this Form 8-K shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

Section 8 - Other Events

Item 8.01. Other Events.

On August 7, 2013, GEO issued a press release (the “Dividend Press Release”) announcing that its Board of Directors declared a quarterly cash dividend of $0.50 per share which will be paid on August 29, 2013 to shareholders of record as of the close of business on August 19, 2013. A copy of the Dividend Press Release is attached as Exhibit 99.2.

Section 9 - Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits*

Exhibit No.	Description
99.1	Press Release, dated August 7, 2013, announcing GEO’s financial results for the second quarter and six months ended June 30, 2013.
99.2	Press Release, dated August 7, 2013, announcing GEO’s declaration of a quarterly cash dividend.
99.3	Transcript of Conference Call discussing GEO’s financial results for the second quarter and six months ended June 30, 2013.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE GEO GROUP, INC.

August 13, 2013	By: /s/ Brian R. Evans
Date	Brian R. Evans Senior Vice President and Chief Financial Officer (Principal Financial Officer)

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release, dated August 7, 2013, announcing GEO's financial results for the second quarter and six months ended June 30, 2013.
99.2	Press Release, dated August 7, 2013, announcing GEO's declaration of a quarterly cash dividend.
99.3	Transcript of Conference Call discussing GEO's financial results for the second quarter and six months ended June 30, 2013.

NEWS RELEASE

One Park Place, Suite 700 • 621 Northwest 53rd Street • Boca Raton, Florida 33487 • www.geogroup.com

CR-13-17

THE GEO GROUP REPORTS SECOND QUARTER 2013 RESULTS

- **2Q13 Income from Continuing Operations per Share up 41.2%**
- **2Q13 Normalized FFO up 30.5%; 2Q13 AFFO up 34.2%**
- **2013 AFFO Guidance of $203-$208 million or $2.82 to $2.89 per Diluted Share**
- **Expects to Increase Quarterly Dividend Payout to Approximately 75% of AFFO, or $0.53 to $0.55 per share, in 4Q13**

Boca Raton, Fla. — August 7, 2013 — The GEO Group, Inc. (NYSE: GEO) ("GEO"), the world's leading provider of diversified correctional, detention, and community reentry services, reported today its financial results for the second quarter 2013.

Second Quarter 2013 Highlights

- **Income from Continuing Operations of $0.48 per Diluted Share**
- **Pro Forma Income from Continuing Operations of $0.44 per Diluted Share**
- **Net Operating Income of $102.4 million**
- **Normalized FFO of $0.61 per Diluted Share**
- **AFFO of $0.73 per Diluted Share**

For the second quarter 2013, GEO reported Normalized FFO of $43.9 million, or $0.61 per diluted share, an increase of 30.5% from $33.7 million, or $0.55 per diluted share, for the second quarter 2012. GEO reported second quarter 2013 AFFO of $52.3 million, or $0.73 per diluted share, an increase of 34.2% from $39.0 million, or $0.64 per diluted share, for the second quarter 2012.

Net operating income for the second quarter 2013 increased to $102.4 million from $102.0 million for the second quarter of 2012. Net operating income, or gross profit, is defined as revenues less operating expenses, excluding depreciation and amortization expense and general and administrative expenses.

George C. Zoley, Chairman and Chief Executive Officer of GEO, said: "We are pleased with our second quarter results, which continue to reflect strong operational and financial performance from our diversified business units. During the second quarter, we achieved several important milestones with the purchase of the Joe Corley Detention Center in Montgomery County, Texas and the amendment of our senior credit facility. We continue to be optimistic regarding the growth opportunities in our industry which we expect will continue to create value for our shareholders."

GEO reported total revenues for the second quarter 2013 of $381.7 million compared to total revenues of $371.2 million for the second quarter 2012. GEO reported second quarter 2013 income from continuing operations of $0.48 per diluted share, compared to $0.34 per diluted share for the second quarter 2012.

—More—

Contact: Pablo E. Paez (866) 301 4436
Vice President, Corporate Relations

GEO's second quarter 2013 earnings reflect a one-time, net tax benefit of $2.0 million related to GEO's recent conversion to a Real Estate Investment Trust ("REIT") and miscellaneous nonrecurring items as well as a release of $6.4 million of tax reserves primarily due to the settlement of Internal Revenue Service audit years 2010 and 2011.

This net tax benefit was offset by $1.0 million, after-tax, in one-time expenses associated with GEO's REIT conversion and by $4.4 million, after-tax, related to the write-off of deferred financing fees in connection with GEO's recently completed amendment to its senior credit facility.

Excluding these one-time expenses and the write-off of deferred financing fees, GEO reported Pro Forma income from continuing operations of $0.44 per diluted share for the second quarter 2013, compared to $0.38 per diluted share for the second quarter 2012.

First Six Months 2013 Highlights

- **Income from Continuing Operations of $0.81 per Diluted Share**
- **Pro Forma Income from Continuing Operations of $0.82 per Diluted Share**
- **Net Operating Income of $198.6 million**
- **Normalized FFO of $1.17 per Diluted Share**
- **AFFO of $1.43 per Diluted Share**

For the first six months of 2013, GEO reported Normalized FFO of $83.6 million, or $1.17 per diluted share, an increase of 39.9% from $59.7 million, or $0.98 per diluted share, for the first six months of 2012. GEO reported AFFO of $102.0 million, or $1.43 per diluted share, for the first six months of 2013, an increase of 42.0% from $71.8 million, or $1.18 per diluted share, for the first six months of 2012.

Net operating income for the first six months of 2013 increased to $198.6 million from $191.4 million for the first six months of 2012. Net operating income, or gross profit, is defined as revenues less operating expenses, excluding depreciation and amortization expense and general and administrative expenses.

For the first six months of 2013, GEO reported total revenues of $758.7 million compared to total revenues of $731.2 million for the first six months of 2012. GEO reported income from continuing operations of $0.81 per diluted share for the first six months of 2013, compared to $0.57 per diluted share for the first six months of 2012.

GEO's earnings for the first six months of 2013 reflect a one-time, net tax benefit of $2.0 million related to GEO's recent conversion to a REIT and miscellaneous nonrecurring items as well as a release of $6.4 million of tax reserves primarily due to the settlement of Internal Revenue Service audit years 2010 and 2011.

—More—

Contact: Pablo E. Paez (866) 301 4436
Vice President, Corporate Relations

This net tax benefit was offset by $4.7 million, after-tax, in one-time expenses associated with GEO's REIT conversion and by $4.4 million, after-tax, related to the write-off of deferred financing fees in connection with GEO's recently completed amendment to its senior credit facility.

Excluding these one-time expenses, GEO reported Pro Forma income from continuing operations of $0.82 per diluted share for the first six months of 2013, compared to $0.66 per diluted share for the first six months of 2012.

Net Operating Income, Funds from Operations ("FFO"), Normalized Funds from Operations ("Normalized FFO"), and Adjusted Funds from Operations ("AFFO") are widely used non-GAAP supplemental financial measures of REIT performance. GEO also uses Pro Forma Income from Continuing Operations and Adjusted EBITDA as Non-GAAP supplemental financial measures. Please see the section of this press release below entitled "Note to Reconciliation Tables and Supplemental Disclosure — Important Information on GEO's Non-GAAP Financial Measures" for information on how GEO defines these supplemental Non-GAAP financial measures.

2013 Financial Guidance

GEO updated its previously issued financial guidance for 2013 and issued additional financial guidance for the third quarter 2013 and fourth quarter 2013. GEO expects full year 2013 AFFO to be in a range of $2.82 to $2.89 per diluted share, or $203 million to $208 million. On a GAAP basis, GEO expects its income from continuing operations for the full year 2013 to be in a range of $1.65 to $1.70 per diluted share, including the second quarter one-time, net tax benefit; one-time expenses related to GEO's REIT conversion; and the write-off of deferred financing fees in connection with GEO's recently completed amendment to its senior credit facility.

GEO expects full year 2013 revenues to be in a range of $1.51 billion to $1.53 billion. GEO's full year 2013 Net Operating Income is expected to be in a range of $411 million to $419 million, and full year 2013 Adjusted EBITDA is expected to be in a range of $316 million to $324 million.

GEO's 2013 guidance reflects the purchase of the Joe Corley Detention Center during the second quarter 2013 as well as the offering of $300 million in senior unsecured notes completed on March 19, 2013 and the amendment to GEO's senior credit facility completed on April 3, 2013.

Further, GEO's 2013 guidance does not assume the potential reactivation of approximately 6,000 current beds in inventory which GEO is actively marketing to local, state, and federal customers.

—More—

Contact: Pablo E. Paez (866) 301 4436
Vice President, Corporate Relations

With respect to the third quarter 2013, GEO expects AFFO to be in a range of $0.70 to $0.73 per diluted share, or $50 million to $53 million. On a GAAP basis, GEO expects its third quarter 2013 income from continuing operations to be in a range of $0.42 to $0.44 per diluted share. GEO expects third quarter 2013 revenues to be in a range of $378 million to $383 million.

With respect to the fourth quarter 2013, GEO expects AFFO to be in a range of $0.70 to $0.73 per diluted share, or $50 million to $53 million. On a GAAP basis, GEO expects its fourth quarter 2013 income from continuing operations to be in a range of $0.42 to $0.45 per diluted share. GEO expects fourth quarter 2013 revenues to be in a range of $378 million to $383 million.

Dividend Update

GEO announced today that it expects to increase its quarterly dividend payout ratio to approximately 75% of AFFO, or $0.53 to $0.55 per share, in the fourth quarter of 2013. The declaration of future quarterly cash dividends will be subject to approval by GEO's Board of Directors and to meeting the requirements of all applicable laws and regulations. GEO's Board of Directors retains the power to modify its dividend policy as it may deem necessary or appropriate in the future.

Reconciliation Tables and Supplemental Disclosure

GEO has made available a Supplemental Disclosure which contains reconciliation tables of operating income to net operating income, income from continuing operations to pro forma income from continuing operations, income from continuing operations to EBITDA and Adjusted EBITDA, and income from continuing operations to FFO, Normalized FFO and AFFO along with supplemental financial and operational information on GEO's business segments and other important operating metrics. Please see the section of this press release below entitled "Note to Reconciliation Tables and Supplemental Disclosure — Important Information on GEO's Non-GAAP Financial Measures" for information on how GEO defines these supplemental financial measures and reconciles them to the most directly comparable GAAP measures. GEO's Reconciliation Tables can be found herein and in GEO's Supplemental Disclosure which is available on GEO's Investor Relations webpage at www.geogroup.com.

GEO's 2012 financial results are presented throughout as retrospectively revised for discontinued operations resulting from the discontinuation of three managed-only contracts with the State of Mississippi during the third quarter of 2012 and the divestiture of the healthcare facility contracts previously held by GEO's former wholly-owned subsidiary, GEO Care, Inc., which was completed on December 31, 2012.

—More—

Contact: Pablo E. Paez (866) 301 4436
Vice President, Corporate Relations

Conference Call Information

GEO has scheduled a conference call and simultaneous webcast for today at 11:00 AM (Eastern Time) to discuss GEO's second quarter 2013 financial results as well as its progress and outlook. The call-in number for the U.S. is 1-888-713-4218 and the international call-in number is 1-617-213-4870. The conference call participant passcode is 83857648. In addition, a live audio webcast of the conference call may be accessed on the Conference Calls/Webcasts section of GEO's investor relations webpage at www.geogroup.com. A replay of the audio webcast will be available on the website for one year. A telephonic replay of the conference call will be available until September 7, 2013 at 1-888-286-8010 (U.S.) and 1-617-801-6888 (International). The conference call participant passcode for the telephonic replay is 67061279.

About The GEO Group

The GEO Group, Inc. (NYSE: GEO) 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 approximately 72,000 beds with a growing workforce of approximately 18,000 professionals.

Note to Reconciliation Tables and Supplemental Disclosure —

Important Information on GEO's Non-GAAP Financial Measures

Net Operating Income, Pro Forma Income from Continuing Operations, EBITDA, Adjusted EBITDA, Funds from Operations, Normalized Funds from Operations and Adjusted Funds from Operations are non-GAAP financial measures that are presented as supplemental disclosures.

GEO has presented herein certain forward-looking statements about GEO's future financial performance that include non-GAAP financial measures, including, Net Operating Income, Adjusted EBITDA and Adjusted Funds from Operations. The determination of the amounts that are excluded from these non-GAAP financial measures is a matter of management judgment and depends upon, among other factors, the nature of the underlying expense or income amounts recognized in a given period. While we have provided a high level reconciliation for the guidance ranges for full year 2013, we are unable to present a more detailed quantitative reconciliation of the forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures because management cannot reliably predict all of the necessary components of such GAAP measures. The quantitative reconciliation of the forward-looking GAAP financial measures will be provided for completed annual and quarterly periods, as applicable, calculated in a consistent manner with the quantitative reconciliation of non-GAAP financial measures previously reported for completed annual and quarterly periods.

Net Operating Income, or gross profit, is defined as revenues less operating expenses, excluding depreciation and amortization expense and general and administrative expenses.

—More—

Contact: Pablo E. Paez (866) 301 4436
Vice President, Corporate Relations

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. GEO believes that Pro Forma Income from Continuing Operations is useful to investors as it provides information about the performance of GEO's overall business because such measure eliminates the effects of certain charges that are not directly attributable to GEO's underlying operating performance, it provides disclosure on the same basis as that used by GEO's management and it provides consistency in GEO's financial reporting and therefore continuity to investors for comparability purposes. GEO's management uses Pro Forma Income from Continuing Operations to monitor and evaluate its operating performance and to facilitate internal and external comparisons of the historical operating performance of GEO and its business units.

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 EBITDA is defined as EBITDA 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. Given the nature of our business as a real estate owner and operator, we believe that EBITDA and Adjusted EBITDA are helpful to investors as measures of our operational performance, providing disclosure on the same basis as that used by GEO's management and providing consistency in GEO's financial reporting and therefore continuity to investors for comparability purposes. GEO uses Adjusted EBITDA to monitor and evaluate its operating performance and to facilitate internal and external comparisons of the historical operating performance of GEO and its business units.

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 United States 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, 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 GEO's actual operating performance. We may make adjustments to FFO from time to time for certain other income and expenses that do not reflect a necessary component of our operational performance even though such items may require cash settlement.

Adjusted Funds from Operations, or AFFO, is defined as Normalized FFO 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. Given the nature of our business as a real estate owner and operator, we believe that FFO, Normalized FFO and AFFO are helpful to investors as measures of our operational performance. FFO is a widely recognized measure in our industry as a real estate investment trust. Because of the unique design, structure and use of our correctional facilities, we believe that assessing performance of our correctional facilities without the impact of depreciation or amortization is useful. We believe Normalized FFO and AFFO provide investors and analysts additional measures in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. GEO's management uses these measures to monitor and evaluate its operational performance and to facilitate internal and external comparisons of the historical operating performance of GEO and its business units.

—More—

Contact: Pablo E. Paez (866) 301 4436
Vice President, Corporate Relations

Safe-Harbor Statement

This press release contains forward-looking statements regarding future events and future performance of GEO that involve risks and uncertainties that could materially affect actual results, including statements regarding financial guidance for third quarter 2013, fourth quarter 2013, and full year 2013. Factors that could cause actual results to vary from current expectations and forward-looking statements contained in this press release include, but are not limited to: (1) GEO's ability to meet its financial guidance for 2013 given the various risks to which its business is exposed; (2) GEO's ability to declare future quarterly cash dividends and the timing and amount of such future cash dividends; (3) GEO's ability to successfully pursue further growth and continue to create shareholder value; (4) risks associated with GEO's ability to control operating costs associated with contract start-ups; (5) GEO's ability to timely open facilities as planned, profitably manage such facilities and successfully integrate such facilities into GEO's operations without substantial costs; (6) GEO's ability to win management contracts for which it has submitted proposals and to retain existing management contracts; (7) GEO's ability to obtain future financing on acceptable terms; (8) GEO's ability to sustain company-wide occupancy rates at its facilities; (9) GEO's ability to access the capital markets in the future on satisfactory terms or at all; (10) GEO's ability to remain qualified as a REIT; (11) the incurrence of REIT related expenses; and (12) other factors contained in GEO's Securities and Exchange Commission periodic filings, including its form 10-K, 10-Q and 8-K reports.

Second quarter and first six months 2013 financial tables to follow:

Contact: Pablo E. Paez (866) 301 4436
Vice President, Corporate Relations

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	60,803
Diluted	71,607	61,066	71,510	60,984
Income per share from continuing operations				
Basic	$ 0.48	$ 0.34	$ 0.81	$ 0.57
Diluted	$ 0.48	$ 0.34	$ 0.81	$ 0.57
Income per share attributable to The GEO Group, Inc.				
Basic	$ 0.48	$ 0.37	$ 0.81	$ 0.62
Diluted	$ 0.48	$ 0.37	$ 0.81	$ 0.62

—More—

Contact: Pablo E. Paez (866) 301 4436
Vice President, Corporate Relations

Condensed Consolidated Balance Sheets

(In thousands)
(Unaudited)

	30-Jun-13	31-Dec-12
ASSETS		
Current Assets		
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
Restricted Cash and Investments	37,748	32,756
Property and Equipment, Net	1,739,986	1,687,159
Assets Held for Sale	1,200	3,243
Direct Finance Lease Receivable	20,445	26,757
Non-Current Deferred Income Tax Assets	2,532	2,532
Goodwill	490,216	490,308
Intangible Assets, Net	170,743	178,318
Other Non-Current Assets	88,742	80,938
Total Assets	$2,888,202	$2,839,194
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
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
Non-Current Deferred Income Tax Liabilities	15,703	15,703
Other Non-Current Liabilities	74,137	82,025
Capital Lease Obligations	11,426	11,926
Long-Term Debt	1,444,475	1,317,529
Non-Recourse Debt	93,352	104,836
Total Shareholders' Equity	1,035,884	1,047,304
Total Liabilities and Shareholders' Equity	$2,888,202	$2,839,194

—More—

Contact: Pablo E. Paez (866) 301 4436
Vice President, Corporate Relations

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	$ 46,934	$ 33,683	$ 82,878	$ 59,720
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	$ 43,944	$ 33,683	$ 83,555	$ 59,720
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)	$ 52,333	$ 38,985	$101,960	$ 71,806
Normalized FFO Per Diluted Share	$ 0.61	$ 0.55	$ 1.17	$ 0.98
AFFO Per Diluted Share	$ 0.73	$ 0.64	$ 1.43	$ 1.18
Weighted Average Common Shares Outstanding-Diluted	71,607	61,066	71,510	60,984

Reconciliation of Operating Income to Net Operating Income

(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
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	$ 102,407	$ 102,032	$198,641	$191,354

—More—

Contact: Pablo E. Paez (866) 301 4436
Vice President, Corporate Relations

Reconciliation of Income from Continuing Operations to Adjusted EBITDA

(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
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	$ 70,963	$ 76,636	$136,851	$140,441
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	$ 79,604	$ 81,558	$153,131	$152,708

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	$ 31,217	$ 22,925	$ 58,304	$ 40,393
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	$ 0.44	$ 0.38	$ 0.82	$ 0.66
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.

—More—

Contact: Pablo E. Paez (866) 301 4436
Vice President, Corporate Relations

2013 Outlook/Reconciliation

(Unaudited)
(In thousands except per share data)

	Full Year 2013		
Net Income	$118,000	to	$123,000
Real Estate Related Depreciation and Amortization	52,000		52,000
Funds from Operations (FFO)	$170,000	to	$175,000
REIT Conversion Related Expenses & Write-Off of Deferred Financing Fees	10,000		10,000
Tax Benefit	(8,000)		(8,000)
Normalized Funds from Operations	$172,000	to	$177,000
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)	$203,000	to	$208,000
Net Cash Interest Expense	80,000		80,000
Consolidated Maintenance Capex	26,000		26,000
Income Taxes	7,000		10,000
Adjusted EBITDA	$316,000	to	$324,000
G&A Expenses	103,000		103,000
Non-Cash Stock Based Compensation	(8,000)		(8,000)
Net Operating Income	$411,000	to	$419,000
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

—End—

Contact: Pablo E. Paez (866) 301 4436
Vice President, Corporate Relations

Exhibit 99.2

NEWS RELEASE

The GEO Group, Inc.

One Park Place, Suite 700 • 621 Northwest 53rd Street • Boca Raton, Florida 33487 • www.geogroup.com

CR-13-18

**THE GEO GROUP DECLARES QUARTERLY
CASH DIVIDEND OF $0.50 PER SHARE**

Boca Raton, Fla. — August 7, 2013 — The GEO Group, Inc. (NYSE: GEO) (“GEO”) announced that on July 30, 2013, its Board of Directors declared a quarterly cash dividend of $0.50 per share which will be paid on August 29, 2013 to shareholders of record as of the close of business on August 19, 2013.

George C. Zoley, Chairman and Chief Executive Officer of GEO, said: “We are pleased to declare our quarterly cash dividend of $0.50 per share, which is indicative of our continued commitment to return value to our shareholders.”

The GEO Group, Inc. (NYSE: GEO) 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 approximately 72,000 beds with a growing workforce of approximately 18,000 professionals.

This press release contains forward-looking statements regarding future events and the future performance of GEO that involve risks and uncertainties that could materially affect actual results, including statements regarding the timing and amount of dividends. Factors that could cause actual results to vary from current expectations and forward-looking statements contained in this press release include, but are not limited to: (1) GEO’s ability to declare future quarterly cash dividends and the timing and amount of such future dividends; (2) GEO’s ability to successfully pursue further growth and continue to enhance shareholder value; (3) GEO’s ability to access the capital markets in the future on satisfactory terms or at all; (4) risks associated with GEO’s ability to control operating costs associated with contract start-ups; (5) GEO’s ability to timely open facilities as planned, profitably manage such facilities and successfully integrate such facilities into GEO’s operations without substantial costs; (6) GEO’s ability to win management contracts for which it has submitted proposals and to retain existing management contracts; (7) GEO’s ability to obtain future financing on acceptable terms; (8) GEO’s ability to sustain company-wide occupancy rates at its facilities; and (9) other factors contained in GEO’s Securities and Exchange Commission filings, including its form 10-K, 10-Q and 8-K reports.

-End-

Contact: Pablo E. Paez — 1-866-301-4436
Vice President, Corporate Relations

Exhibit 99.3

CORPORATE PARTICIPANTS

Pablo Paez *The GEO Group, Inc.—VP, Corporate Relations*

George Zoley *The GEO Group, Inc.—Chairman & CEO*

Brian Evans *The GEO Group, Inc.—SVP & CFO*

John Hurley *The GEO Group, Inc.—SVP & President*

CONFERENCE CALL PARTICIPANTS

Manav Patnaik *Barclays Capital—Analyst*

Toby Sommer *SunTrust Robinson Humphrey—Analyst*

Kevin McVeigh *Macquarie Securities—Analyst*

Chuck Ruff *Insight Investments – Analyst*

Unidentified Participant on behalf of Kevin Campbell
of Avondale Partners

PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the Q2 2013 GEO Group, Inc. earnings conference call. My name is Allison and I will be your operator for today. At this time all participants are in listen-only mode. We will conduct a question-and-answer session towards the end of this conference. (Operator Instructions). As a reminder, this call is being recorded for replay purposes. I would now like to turn the call over to Mr. Pablo Paez, Vice President of Corporate Relations. Please proceed, sir.

Pablo Paez —*The GEO Group, Inc.—VP, Corporate Relations*

Thank you, operator. Good morning, everyone, and thank you for joining us for today's discussion of The GEO Group's second-quarter 2013 earnings results. With us today is George Zoley, Chairman and Chief Executive Officer; Brian Evans, Chief Financial Officer; and John Hurley, President of GEO Corrections and Detention.

This morning we will discuss our second-quarter performance and business development activities. We will conclude the call with a question-and-answer session. This conference call is also being webcast live on our website at www.GEOGroup.com.

Today we will discuss non-GAAP basis information. A reconciliation from non-GAAP basis information to GAAP basis results is included in the press release and supplemental disclosure we issued this morning.

Additionally, much of the information we will discuss today, including the answers we give in response to your questions, may include forward-looking statements regarding our beliefs and current expectations with respect to various matters. These forward-looking statements are intended to fall within the safe harbor provisions of the securities laws.

Our actual results may differ materially from those in the forward-looking statements as a result of various factors contained in our Securities and Exchange Commission filings including the Form 10-K, 10-Q and 8-K reports. With that please allow me to turn this call over to our Chairman and CEO, George Zoley. George.

George Zoley —*The GEO Group, Inc.—Chairman & CEO*

Thanks, Pablo, and good morning to everyone, thanks for joining us as we review our second-quarter results and provide an update of our efforts to pursue quality growth opportunities and return value to our shareholders.

Our strong quarterly earnings results continue to be driven by sound operational and financial performance from our diversified business units in the U.S. and internationally. During the second quarter we achieved a number of important milestones.

In June we closed on our previously announced acquisition of the Joe Corley Detention Center in Montgomery County, Texas for $65 million. The center was previously owned by the county and houses ICE and U.S. Marshals detainees. We manage the center under a contract with the county and this is one of the best performing management contracts with annual revenues of approximately $27 million.

The acquisition of the center has allowed us to secure long-term benefits of this contract and it is expected to generate returns on investment consistent with our owned facilities. Further, we believe this important acquisition significantly improves our competitive position to pursue expansion opportunities given the ongoing need for federal bed space in this region of the country.

Early in the quarter we took important steps to restructure our balance sheet. In April we amended our $1 billion senior credit facility at favorable rates and more flexible terms. The restructuring of our credit facility was preceded by the March offering of $300 million in senior unsecured notes at a yield of 5.125%, a historically low rate for our Company.

The important steps have given us more flexibility as we continue to pursue accretive opportunities for new organic development projects and potential asset purchases. These opportunities are expected to drive growth for our Company as we continue to return value to our shareholders.

Today we announced our third-quarter dividend of $0.50 per share consistent with our prior guidance. As we have expressed to you in the past, our Board and our management team remain focused on the careful evaluation of our allocation of capital to enhance shareholder value. We remain committed to increasing our dividend payout in our adjusted funds from operations through the continued organic growth of the Company. In line with that commitment we expect to increase our quarterly dividend payout ratio to approximately 75% of AFFO or $0.53 to $0.55 per share in the fourth quarter of this year.

Our recently completed refinancing, the potential reactivation of idle facilities and new organic opportunities will give us the flexibility to return a higher portion of our funds available for distribution to our shareholders.

With respect to the outlook for our industry, we continue to be optimistic regarding several new opportunities that we are currently pursuing. Our most immediate potential catalysts are at the prospective reactivation of our current inventory of idle facilities which total approximately 6,000 beds.

Specifically as it relates to our current idle facilities in inventory we are currently participating in known public procurements in California, Michigan and at the federal level. These procurements are expected to have contract awards announced this year and next year and may result in the reactivation of several of our idle facilities. Further, we are exploring a number of nonpublic opportunities that relate to both new project development as well as potential asset purchases.

We believe that our Company is well positioned to benefit from these important opportunities. We also believe that our Company has attractive investment characteristics which are underpinned by our robust real estate portfolio of company owned and leased facilities. Our Company profile has evolved over several years during which time we have developed and financed dozens of new detention and correctional facilities for federal and state government clients.

We currently own or lease approximately 70% of our facilities and 60% of our beds worldwide. And approximately 60% of our total revenues are generated by our Company owned and Company leased facilities. Our owned and leased real estate portfolio encompasses approximately 8 million square feet in diversified facilities located on more than 4,000 acres of land across the United States. We have stable and sustainable income through increasingly longer-term contract arrangements.

We have a diversified base of investment-grade government customers with multiple individual contract arrangements with no single customer contract representing more than 5% of our revenues. We have historically enjoyed solid occupancy rates in the mid to high 90%s and strong customer retention rates in excess of 90%. Our long-term assets require relatively low levels of maintenance CapEx.

As we have discussed historically, our maintenance CapEx requirements of approximately $25 million to $30 million annually are less than half of our annual depreciation expense of $70 million. Now I would like to turn the call over to Brian Evans to review our financial performance and outlook.

Brian Evans —*The GEO Group, Inc.—SVP & CFO*

Thank you, George, good morning, everyone. We are very pleased with our second-quarter results as well as our outlook for 2013. As disclosed in our press release today, our adjusted funds from operations for the second quarter 2013 increased to $0.73 per share from $0.64 per share last year. On a GAAP basis we reported second-quarter 2013 income from continuing operations of $0.48 per share compared to $0.34 per share a year ago.

Our quarterly results include a tax benefit of $8.4 million associated with our recent REIT conversion. This tax benefit is offset by $1 million after-tax, one time REIT conversion related expenses, and $4.4 million after-tax associated with the write-off of deferred financing fees in connection with our recent financing activities.

Our total revenues for the second quarter 2013 increased to approximately $382 million from $371 million a year ago. Approximately 60% of our revenues are generated by our Company owned and Company leased properties. For the second quarter 2013 we reported net operating income of approximately $102 million. Approximately 70% of our NOI is generated by our Company owned and Company leased properties.

Second-quarter 2013 results reflect a normalization of approximately 4,000 new beds activated by our U.S. corrections division during 2012. These beds added approximately $80 million in fully annualized revenues. Additionally, our GEO community services business unit added normalized revenues during the second quarter as a result of the activation of new day reporting centers, the expansion of one of our residential reentry facilities in Alaska and the addition of new electronic monitoring contracts during 2012.

Moving to our outlook for 2013, we expect our full year AFFO per share to be in a range of $2.82 to $2.89 or $203 million to $208 million. On a GAAP basis we expect our income from continuing operations for the year to be between $1.65 and $1.70 per share including the tax benefit in the second quarter offset by one-time expenses related to our REIT conversion and the write-off of deferred financing fees.

We expect our full-year revenues to be in a range of $1.51 billion to $1.53 billion. Our NOI is expected to be in a range of $411 million to $419 million, again with approximately 70% of NOI being generated by our Company owned and Company leased properties. Our guidance does not assume the potential reactivation of our idle facilities totaling approximately 6,000 beds or any new projects, both of which would represent significant upside to our financial performance.

With respect to our third quarter 2013 we expect revenues to be in a range of $378 million to $383 million. We expect our income from continuing operations for the third-quarter to be in a range of $0.42 to $0.44 per share. And we expect our third-quarter 2013 AFFO per share to be in a range of $0.70 to $0.73.

With respect to the fourth quarter 2013 we expect revenues to be in a range of $378 million to $383 million. On a GAAP basis we expect our income from continuing operations for the fourth quarter to be in a range of $0.42 to $0.45 per share and we expect our fourth-quarter 2013 AFFO to be in a range of $0.70 to $0.73 per share.

Our guidance for the second half of the year reflects the effect of negative foreign exchange fluctuations in our international business unit as a result of the strengthening of the U.S. dollar, which will result in an impact or revenues of approximately $10 million for the second half of the year.

As George mentioned, during the second quarter we completed an amendment to our senior credit facility which is now comprised of a $300 million term loan and a $700 million revolver. As of early August 2013 we had approximately $280 million outstanding and $60 million set aside for letters of credit under the revolver leaving $350 million in additional capacity.

This important milestone has resulted in a more flexible debt structure, which has allowed us to eliminate approximately $25 million to $30 million in mandatory annual principal payments, increasing our funds available for distribution from $155 million to $185 million and giving us additional flexibility to continue to maximize shareholder value.

With respect to our other uses of cash, we expect our project and growth CapEx to be approximately $20 million to $30 million in 2013, of which approximately $15 million was spent in the first half of the year. Additionally, during the second quarter, as George discussed, we acquired the Joe Corley Detention Center for $65 million. We believe that this important acquisition is indicative of additional opportunities we may pursue for the purchase or development of state and county assets.

And our restructured balance sheet will give us the flexibility to pursue these important opportunities and create value for our shareholders. With that I will turn the call over to John Hurley for a review of our market opportunities. John.

John Hurley —*The GEO Group, Inc.—SVP & President*

Thanks, Brian, and good morning, everyone. I would like to address select publicly known business development opportunities in our key segments starting with the federal market and the three federal government agencies that we serve. We have a long-standing partnership with the Federal Bureau of Prisons; the United States Marshals Service and the U.S. Immigration and Customs Enforcement, or ICE. And we provide cost effective solutions for them at a number of our facilities across the country.

We continue to see meaningful opportunities for us to partner with all three of these federal agencies notwithstanding the various issues with the federal budget which we believe will have no material negative impact on our business. Federal Bureau of Prisons continues to face capacity constraints coupled with a growing offender population.

ICE and the U.S. Marshal Service continue to consolidate existing populations into larger, more modern facilities which has driven the need for additional private beds as evidenced by the activation late last year of our ICE contract in Adelanto, California, and our new contract with the U.S. Marshal Service in Aurora, Colorado.

With regard to new business opportunities the Bureau of Prisons has issued a solicitation for up to 1,600 beds at existing facilities which can be located anywhere in the country. Proposals under this procurement were submitted last September. An award under this solicitation has been delayed pending resolution on the agency's new budget for fiscal year 2013-2014.

The Bureau of Prisons has also recently issued a new solicitation with two requirements, each requirement is to house approximately 1,565 to 2,000 low security adult males. One facility must be located in one of the following states — Ohio, Michigan, Pennsylvania, New Jersey, or New York. The other purposed facility may be located anywhere in the continental United States.

This procurement will include the rebid of our Company owned facility in Pennsylvania whose contract expires in April 2016, and the rebid of another BOP privately operated facility in Ohio whose contract expires in May 2015. Proposals for this procurement will be submitted this month with awards expected in mid-2014.

Additionally, the Customs and Border Protection Agency issued a request for proposal for the provision of secure transportation services for the Southwest border of the United States. We expect the contract award to be announced this year.

Turning to our state market segment, as states across the country continue to face budgetary pressures their ability to achieve cost savings becomes an even more important priority, which leads to increased interest in privatization projects. Several states across the country continue to face capacity constraints and inmate population growth.

Many of our state clients require additional beds as inmate populations continue to increase and aging inefficient prisons need to be replaced with new more cost efficient facilities. For instance, in the states where we currently operate the average age of state facilities ranges from approximately 30 to 60 years old.

With respect to state solicitations, the state of California has a pending procurement for 1,225 in-state community correctional facility beds. Proposals were submitted in late May with contract awards expected in the near future. We have more than 2,200 community correctional facility beds in inventory in California.

Given the recent ruling from the United States Supreme Court denying the state’s request for a stay, we expect additional opportunities to partner with CDCR as the state continues to look for cost-efficient bed space in-state and potentially out-of-state. Following the Supreme Court’s decision it has been reported that state officials are considering the transfer of at least 4,000 inmates and potentially several thousand more to private prison facilities both in-state and out-of-state in order to comply with the court’s order.

In Michigan the Department of Corrections has a pending RFP for approximately 1,000 in-state beds. Proposals were submitted in late May with a contract award expected in the third or fourth quarter.

In Florida the Department of Management Services has issued an invitation to negotiate for the competitive rebid of three existing private prisons which are not currently operated by GEO. The Moore Haven, Graceville and Bay Facilities total more than 3,800 beds.

Turning to our GEO community services segment, each of our community services divisions continues to pursue several new growth opportunities. Our reentry services division is competing for a number of formal solicitations from the federal Bureau of Prisons for residential community based reentry centers across the country.

Additionally, we’re working with our existing local and state correctional clients to leverage new opportunities in the provision of community-based reentry services in both residential facilities as well as non-residential day reporting centers. Our BI subsidiary continues to market its supervision and electronic monitoring services to local, state and federal correctional agencies nationwide. In the last year BI added more than $4 million in annual revenues and we expect to compete on additional opportunities as correctional agencies across the U.S. increase their use of electronic monitoring technologies to track offenders who have been placed under community supervision. At this time I will turn the call back to George for his closing remarks. George.

George Zoley —*The GEO Group, Inc.—Chairman & CEO*

Thanks, John. In closing we are very pleased with our second quarter results and the outlook which continues to be driven by solid operational and financial performance from our core operations in the U.S. and internationally. Our Company remains focused on effectively allocating capital to enhance value for its shareholders.

We have taken several steps to restructure our balance sheet and attain the flexibility to return a higher portion of our funds available for distribution to our shareholders over time. We are actively participating in a number of procurements that are expected to have contract awards later this year and could result in the reactivation of several of our idle facilities in inventory.

Further, we are exploring a number of other growth opportunities for the development of new projects and the potential purchase of assets in our core market segments similar to the acquisition of the Joe Corley Detention Center. We believe that this important transaction is indicative of other potential opportunities we may pursue for the purchase of existing assets or the development of new assets. We expect that all of these efforts will continue to drive the growth for our Company and create value for our shareholders.

In recognition of our continued Company growth we expect our fourth-quarter dividend to increase to $0.53 to $0.55 per share representing a payout ratio of AFFO of approximately 75%. We also believe that our diversified growth in investment strategies have positioned GEO as the leading provider of corrections, detention and community reentry services through a GEO continuum of care that can deliver performance-based outcomes and significant cost savings for our clients worldwide.

As I've expressed to you in the past, we view all these different initiatives to enhance shareholder value as complementary and none pursued to the detriment of the others. This concludes our presentation. We would now like to open the call to your questions.

QUESTION AND ANSWER

Operator

(Operator Instructions). Manav Patnaik, Barclays.

Manav Patnaik —*Barclays Capital—Analyst*

My first question was just sort of big picture. I wanted to get your updated thoughts. I guess right now your net debt to EBITDA is about 4.8 times and putting that in context with I guess the ATM program that you had initiated I think it was last quarter.

I just wanted to get your thoughts on how aggressive you can or would want to be in terms of two things, one, discontinued acquisitions whether that is one of the facilities or it seems like your competitor obviously bought a small player, if there are many more of those? And also in terms of share buybacks if that is an option?

George Zoley —*The GEO Group, Inc.—Chairman & CEO*

As I said in our prepared remarks, we are aggressively pursuing other nonpublic opportunities, which also include the possible purchase of facilities and additional assets. So we think we are well-positioned and by virtue of our financial agreements and capacity to act on those opportunities and (multiple speakers).

Brian Evans —*The GEO Group, Inc.—SVP & CFO*

I think just to supplement that, obviously with the revolver we think we have significant liquidity there to pursue those growth opportunities. We are comfortable with the leverage level that we are at right now and we obviously have the ATM in place as just an additional source of liquidity if we need it.

Manav Patnaik —*Barclays Capital—Analyst*

Okay. And can you remind us what your, I guess, covenant levels are for the net debt to EBITDA?

Brian Evans —*The GEO Group, Inc.—SVP & CFO*

5.75.

Manav Patnaik —*Barclays Capital—Analyst*

5.75, okay, cool. And then just to touch on your comments on California again. Has — I guess maybe a little more if possible in terms of has California reached out specifically to you guys in terms of discussing opportunities or was that comment on potentially looking for 4,000 more beds more just a public statement?

George Zoley —*The GEO Group, Inc.—Chairman & CEO*

That was a public statement in addition to the current procurement in which we are participating for the 1,225 beds, community treatment beds.

Manav Patnaik —*Barclays Capital—Analyst*

Okay. Fair enough. All right, thanks, I will get back in the queue.

Operator

Toby Sommer, SunTrust.

Toby Sommer —*SunTrust Robinson Humphrey—Analyst*

First is just a housekeeping question. The intention to increase the dividend in the fourth quarter, that is something new you are revealing on the call, right?

Brian Evans —*The GEO Group, Inc.—SVP & CFO*

Yes.

Toby Sommer —*SunTrust Robinson Humphrey—Analyst*

Okay, thanks. And then for the opportunities for new projects and potentially acquisitions of facilities, are those kinds of discussions proceeding at a pace that you would describe as steady or are they progressing at a more rapid pace now than comparable conversations and discussions of six months or a year ago?

George Zoley —*The GEO Group, Inc.—Chairman & CEO*

I think there are more opportunities this year than there ever have been in the past.

Toby Sommer —*SunTrust Robinson Humphrey—Analyst*

Thank you, that was very direct and very helpful. And of the facilities that you have that you could reactivate, are there certain facilities that you feel are kind of the most attractive and most likely to be reactivated versus the others in your portfolio?

George Zoley —*The GEO Group, Inc.—Chairman & CEO*

Well, I think it is fair to say that our California in-state facilities would be the most attractive to a potential client like California. I would begin with those. And then we do have some other large-scale facilities like our 2,000 bed Hinton, Oklahoma facility, our 1,750 bed Michigan facility, in particular that are well placed and sized for large scale needs by a state or a federal client.

Toby Sommer —*SunTrust Robinson Humphrey—Analyst*

Thank you. And my last question relates to California. Where would the next actions need to take place for the state to effectively contract for incremental in-state or even out-of-state beds? Should our eyes be focused on the legislature in terms of appropriating funding?

George Zoley —*The GEO Group, Inc.—Chairman & CEO*

Well, I think that is certainly part of it, that there will be a need for additional funds. And then another part of it is by what means? Is it the traditional procurement process or some expedited basis? Because it’s I guess my interpretation that the three federal judge panel gave the department significant leeway and relief from certain legal restrictions in moving forward and increasing capacity.

So it is yet to — it remains to be seen as to how they approach that. But I think they will need more money and they will need very possibly some kind of procurement approach to reactivating additional capacity. But in answer to one of the previous questions, although we haven't been contacted per se directly, we have obviously marketed to the state and given them additional information as to the availability of our different facilities in-state and out-of-state. They are well aware of our capacity.

Toby Sommer —*SunTrust Robinson Humphrey—Analyst*

Thank you very much.

Operator

(Operator Instructions). Kevin McVeigh, Macquarie.

Kevin McVeigh —*Macquarie Securities—Analyst*

I wonder if you could comment — it seems like we have kind of seen the sequester and it looks like there has been minimal impact if any on the business. Just any thoughts on that first.

George Zoley —*The GEO Group, Inc.—Chairman & CEO*

You are correct; there has been minimal impact, no material impact. We have seen kind of periodic blips, ups and downs, but nothing sustained, which we are thankful for.

Kevin McVeigh —*Macquarie Securities—Analyst*

And then, not to belabor California, but obviously it has been a state that is a tremendous opportunity but also comes with its fair share of headaches. Given kind of what the judge has come down with do you see any more staying power in terms of the way you are going to negotiate those contracts where there may not be as much volatility, where you have Jerry Brown come in and say, all right, we're going to not fund these beds this year and then the funding comes in?

I guess what I am saying is, are you better positioned to maybe get a little more length out of those contracts as you are negotiating now just given the mandate that doesn't seem like its got too much flexibility by the 12-31 deadline?

George Zoley —*The GEO Group, Inc.—Chairman & CEO*

I think the answer is yes for two reasons. One, there has been more clarity as to what the demands are by the three judge federal panel and what objectives have to be met by the state. And then two, I think the decentralization of the low level security prisoners has kind of played out and we have seen that the counties have reached their capacity being able to absorb low-level prisoners. And so we have seen that.

And I think the state has seen that and heard back from the counties in effect that they are pretty much at their limits. So the only two possible solutions as reported in the papers have been — it is either a release of prisoners or adding additional capacity primarily through private beds.

Kevin McVeigh —*Macquarie Securities—Analyst*

And then just — not to get too, too precise with the timing, but I would imagine those awards would have to come out relatively soon just given the fact that you've got to transport them and to scale them down from whatever facilities they are currently at into an alternative would take some time. Is that the right way to think about it?

George Zoley —*The GEO Group, Inc.—Chairman & CEO*

Well, each — I guess each year or each period of time the state has different objectives it must meet. And the next milestone I think is the end of this year that they have to achieve between 9,000 and 10,000 additional beds of capacity or release of a similar number of prisoners. So I think they are going to have to move fairly quickly. On (technical difficulty) the next year has an additional timetable to it.

Kevin McVeigh —***Macquarie Securities—Analyst***

And can you remind us just — not to get too far ahead of ourselves, but into 2014, is there a certain number in terms of — I know this year it's between 9,000 and 10,000 — what next year would look like?

George Zoley —***The GEO Group, Inc.—Chairman & CEO***

I regret to say I don't know.

Kevin McVeigh —***Macquarie Securities—Analyst***

Okay. Thank you. Nice job.

Operator

Chuck Ruff, Insight Investments.

Chuck Ruff —***Insight Investments—Analyst***

I see that in the second quarter your adjusted EBITDA was down about $2 million from last year's second quarter. I know you lost the Alaska inmates, but I would have thought that would have been more than offset by Phase 2 of Adelanto and Aurora, Colorado. Can you explain why adjusted EBITDA declined?

Brian Evans —***The GEO Group, Inc.—SVP & CFO***

Well, I think during the — we had probably two main impacts to it that are outside the pro forma adjustments. One is the conversion to a REIT, just there is more ongoing or recurring overhead cost related to the REIT compliance and so forth. And the other piece is there's probably about $1 million or so in impact in the first half of the year related to the strengthening of the U.S. dollar and the follow-on impact on FX rates.

Chuck Ruff —***Insight Investments—Analyst***

Okay. And the conversion to a REIT, how much did that increase annual overhead by?

Brian Evans —***The GEO Group, Inc.—SVP & CFO***

By $3 million to $5 million.

Chuck Ruff —***Insight Investments—Analyst***

Okay. So those two things along with losing Alaska more than offset Adelanto and Aurora?

Brian Evans —***The GEO Group, Inc.—SVP & CFO***

During the — and with regards to Adelanto, the new expansion opened in the fourth quarter and I would say in the first part of this year it has been normalizing. We would expect in the second half of the year to have more consistent regular run rate margin or profitability from that project. But the contract was still stepping up its population levels; we had full staffing that we were incurring all the expense for. So that facility wasn't generating normalized profits during the first half of this year.

Chuck Ruff —***Insight Investments—Analyst***

Okay. Thank you.

Operator

Kevin Campbell, Avondale Partners.

Unidentified Participant

Hi, this is Clara on for Kevin. Could you just give us your thoughts maybe on the RFP that was recently issued in McAllen, Texas?

George Zoley —*The GEO Group, Inc.—Chairman & CEO*

I think it is a request for qualifications for approximately a 1,000 bed facility to be developed jointly with McAllen, Texas.

Unidentified Participant

All right and then also could you give us some insight on your interest maybe in community corrections acquisitions and also the size of that market and how fragmented it is?

George Zoley —*The GEO Group, Inc.—Chairman & CEO*

I am not sure the size of the market, I would guess it's $1 billion to $2 billion. And there are a number of different players in the market, I can't name them all but I think we are the largest.

Brian Evans —*The GEO Group, Inc.—SVP & CFO*

There is a combination, like George said, the number is smaller obviously you are familiar with some of the larger ones, there are some not-for-profits that are involved in it. So it is a pretty fragmented diverse market.

Unidentified Participant

Okay. All right, thank you.

Operator

Thank you. I would now like to turn the call over to George Zoley for closing remarks.

George Zoley —*The GEO Group, Inc.—Chairman & CEO*

Thank you, everyone, for joining us on this call. We look forward to addressing you on the fourth-quarter call. Thank you. Bye.

Operator

Ladies and gentlemen, thank you for your participation in today's conference. This concludes the presentation. You may now disconnect and good day.