UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): **February 9, 2009**

THE GEO GROUP, INC.

(Exact Name of Registrant as Specified in Its Charter)

Florida
(State or Other Jurisdiction of Incorporation)

1-14260	**65-0043078**
(Commission File Number)	(IRS Employer Identification No.)
621 NW 53rd Street, Suite 700, Boca Raton, Florida	**33487**
(Address of Principal Executive Offices)	(Zip Code)

(561) 893-0101
(Registrant's Telephone Number, Including Area Code)

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 Instruction A.2. below):

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

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

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

o 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 February 12, 2009, The GEO Group, Inc. (“GEO”) issued a press release (the “Press Release”) announcing its financial results for the quarter and fiscal year ended December 28, 2008, a copy of which is incorporated herein by reference and attached hereto as Exhibit 99.1. GEO also held a conference call on February 12, 2009 to discuss its financial results for the quarter and fiscal year, a transcript of which is incorporated herein by reference and attached hereto as Exhibit 99.2.

In the Press Release, GEO provided certain pro forma financial information for the quarter and fiscal year ended December 28, 2008 that was not calculated in accordance with Generally Accepted Accounting Principles (the “Non-GAAP Information”). 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 Press Release presents the financial measure calculated and presented in accordance with GAAP which is most directly comparable to the Non-GAAP Information with a prominence equal to or greater than its presentation of the Non-GAAP Information. The Press Release also contains a reconciliation of the Non-GAAP Information to the financial measure calculated and presented in accordance with GAAP which is most directly comparable to the Non-GAAP Information.

The Press Release includes three non-GAAP measures, Pro Forma Income from Continuing Operations, Adjusted EBITDA and Adjusted Free Cash Flow, that are presented as supplemental disclosures. Pro Forma Income from Continuing Operations is defined as income from continuing operations excluding start-up expenses, construction overrun expenses, international bid and proposal expenses, international tax benefit, contract phase-out expenses and write-off of deferred financing fees. Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization, excluding start-up expenses, construction overrun expenses, international bid and proposal expenses, contract phase-out expenses and write-off of deferred financing fees. In calculating these adjusted financial measures, GEO excludes certain expenses which it believes are unusual or non-recurring in nature, in order to facilitate an understanding of GEO’s operating performance. GEO’s management uses these adjusted financial measures in conjunction with GAAP financial measures 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. Adjusted Free Cash Flow is defined as income from continuing operations excluding start-up expenses, construction overrun expenses, international bid and proposal expenses, contract phase-out expenses, write-off of deferred financing fees and the other items referenced in the Press Release. GEO’s management believes that the Adjusted Free Cash Flow measure provides useful information to GEO’s management and investors regarding cash that GEO’s operating business generates before taking into account certain cash and non-cash items that are non-operational or infrequent in nature.

GEO’s management believes that these adjusted financial measures are useful to investors to provide them with disclosures of GEO’s operating results on the same basis as that used by GEO’s management. Additionally, GEO’s management believes that these adjusted financial measures provide useful information to investors about the performance of GEO’s overall business because such financial measures eliminate the effects of unusual or non-recurring charges that are not directly attributable to GEO’s underlying operating performance. GEO’s management believes that because it has historically provided similar non-GAAP Financial Information in its earnings releases, continuing to do so provides consistency in its financial reporting and continuity to investors for comparability purposes.

The Non-GAAP Financial Information should be considered in addition to results that are prepared under current accounting standards but should not be considered a substitute for, or superior to, financial information prepared in accordance with GAAP. The Non-GAAP Financial Information may differ from similarly titled measures presented by other companies. The Non-GAAP Financial Information, as well as other information in the Press Release, should be read in conjunction with GEO's financial statements filed with the Securities and Exchange Commission.

The information 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 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.

Item 5.02 — Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers

(b) Retirement of Principal Officer

On February 12, 2009, GEO announced that John G. O'Rourke, GEO's Chief Financial Officer, will retire effective August 2, 2009. Following his retirement, Mr. O'Rourke will continue to work with GEO in a consulting capacity pursuant to a two-year Consulting Agreement with GEO, dated February 9, 2009 (the "Consulting Agreement").

Under the terms of the Consulting Agreement, which begins on the date of Mr. O'Rourke's retirement and continues through July 31, 2011, Mr. O'Rourke will provide technical assistance to GEO and its subsidiaries involving the administration of Finance and Business Management Services for a monthly consulting fee. In addition, Mr. O'Rourke will, among other things, remain entitled to receive his retirement payment of $2,040,000 under the terms of his existing retirement agreement with GEO (plus applicable gross ups) and all of his GEO restricted stock grants vesting on May 4 and May 9, 2009 totaling 9,222 shares of GEO common stock. The Consulting Agreement also contains customary provisions related to non-competition, work product and confidentiality.

(c) Appointment of Principal Officer

On February 12, 2009, GEO announced that effective August 2, 2009, Mr. Brian R. Evans will become GEO's Chief Financial Officer.

Mr. Evans, 41, has been GEO's Vice President of Finance and Treasurer since May 2007 and Chief Accounting Officer since May 2003. Mr. Evans joined GEO in October 2000 as Corporate Controller. From 1994 until joining GEO, Mr. Evans was with the West Palm Beach office of Arthur Andersen, LLP where his most recent position was Manager in the Audit and Business Advisory Services Group. From 1990 to 1994, Mr. Evans served in the U.S. Navy as an officer in the Supply Corps. Mr. Evans has a B.S. in Accounting from the University of Notre Dame and is a member of the American Institute of Certified Public Accountants.

A copy of the press release announcing Mr. O'Rourke's retirement as GEO's Chief Financial Officer and Mr. Evan's appointment as GEO's Chief Financial Officer is incorporated herein by reference and attached hereto as Exhibit 99.3.

Section 9 — Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

c) <u>Exhibits</u>

- 99.1 Press Release, dated February 12, 2009, announcing GEO's financial results for the quarter ended December 28, 2008 and the fiscal year ended December 28, 2008
- 99.2 Transcript of Conference Call discussing GEO's financial results for the quarter ended December 28, 2008 and fiscal year ended December 28, 2008
- 99.3 Press Release, dated February 12, 2009, announcing the retirement of Chief Financial Officer John G. O'Rourke and Appointment of Brian R. Evans as GEO's new Chief Financial Officer

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.

Date: February 13, 2009

By: /s/ John G. O'Rourke
John G. O'Rourke
Senior Vice President and Chief Financial Officer
(Principal Financial Officer and duly authorized signatory)

Exhibit 99.1

The GEO Group, Inc.

NEWS RELEASE

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

CR-09-05

THE GEO GROUP REPORTS FOURTH QUARTER 2008 RESULTS

- **4Q GAAP Income from Continuing Operations Increased to $20.2 Million — $0.39 EPS**
- **4Q Pro-Forma Income from Continuing Operations Increased to $19.3 Million — $0.37 EPS**
- **4Q Operating Revenues Increased to $256.5 Million from $250.0 Million**
- **Issues 2009 Earnings Guidance — Pro Forma EPS Range of $1.30 to $1.36**

Boca Raton, Fla. — February 12, 2009 — The GEO Group (NYSE: GEO) (“GEO”) today reported fourth quarter and full-year 2008 financial results. GEO reported fourth quarter 2008 GAAP income from continuing operations of $20.2 million, or $0.39 per share, based on 51.7 million diluted weighted average shares outstanding compared to $10.5 million, or $0.20 per share, based on 51.8 million diluted weighted average shares outstanding in the fourth quarter of 2007. GEO’s fourth quarter 2008 GAAP results benefited from a one-time international tax benefit in South Africa and a lower than expected effective tax rate as a result of state tax related benefits. For the full-year 2008, GEO reported GAAP income from continuing operations of $61.5 million, or $1.19 per share, based on 51.8 million diluted weighted average shares outstanding compared to $38.1 million, or $0.77 per share, based on 49.2 million diluted weighted average shares outstanding for the full-year 2007.

Fourth quarter 2008 pro forma income from continuing operations increased to $19.3 million, or $0.37 per share, based on 51.7 million diluted weighted average shares outstanding from pro forma income from continuing operations of $13.1 million, or $0.25 per share, based on 51.8 million diluted weighted average shares outstanding in the fourth quarter of 2007. For the full-year 2008, pro forma income from continuing operations increased to $65.0 million, or $1.25 per share, on 51.8 million diluted weighted average shares outstanding from pro forma income from continuing operations of $48.3 million, or $0.98 per share, based on 49.2 million diluted weighted average shares outstanding for the full-year 2007.

George C. Zoley, Chairman and Chief Executive Officer of GEO, said: “We are pleased with our strong fourth quarter earnings results. During the quarter, we brought on-line more than 2,650 new correctional and detention beds representing approximately $51.0 million in annual operating revenues. These latest projects demonstrate the strength of our business and our industry. Our business units continue to deliver sound operational and financial results, and the demand drivers in our industry remain fundamentally strong. Our pipeline of new projects under development scheduled for opening between 2009 and 2010 now totals more than 8,000 beds, and we remain optimistic about the new business development opportunities being pursued by all three of our business units.”

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Pro forma income from continuing operations excludes start-up/transition expenses, international bid and proposal costs, and other items as set forth in the table below, which presents a reconciliation of pro forma income from continuing operations to GAAP income from continuing operations for the fourth quarter and full-year 2008. Please see the section of this press release below entitled “Important Information on GEO’s Non-GAAP Financial Measures” for information on how GEO defines pro forma income from continuing operations.

Table 1. Reconciliation of Pro Forma Income from Continuing Operations to GAAP Income from Continuing Operations

In thousands except per share data)	13 Weeks Ended 28-Dec-08	13 Weeks Ended 30-Dec-07	52 Weeks Ended 28-Dec-08	52 Weeks Ended 30-Dec-07
Income from continuing operations	$ 20,216	$ 10,523	$ 61,453	$ 38,089
2008 Adjustments				
Start-up/transition expenses, net of tax	839	—	5,063	—
International bid and proposal expenses, net of tax	131	—	377	—
International tax benefit	(1,875)	—	(1,875)	—
2007 Adjustments				
Start-up/transition expenses, net of tax	—	1,316	—	5,085
Write off deferred financing fees, net of tax	—	—	—	2,972
Deferred acquisition expenses, net of tax	—	844	—	844
Construction cost overruns, net of tax	—	—	—	536
Contract phase out costs, net of tax	—	424	—	813
Pro forma income from continuing operations	$ 19,311	$ 13,107	$ 65,018	$ 48,339
Diluted earnings per share				
Income from Continuing Operations	$ 0.39	$ 0.20	$ 1.19	$ 0.77
2008 Adjustments				
Start-up/transition expenses, net of tax	0.02	—	0.10	—
International bid and proposal expenses, net of tax	—	—	—	—
International tax benefit	(0.04)	—	(0.04)	—
2007 Adjustments				
Start-up/transition expenses, net of tax	—	0.02	—	0.10
Write off deferred financing fees, net of tax	—	—	—	0.06
Deferred acquisition expenses, net of tax	—	0.02	—	0.02
Construction cost overruns, net of tax	—	—	—	0.01
Contract phase out costs, net of tax	—	0.01	—	0.02
Diluted pro forma earnings per share	$ 0.37	$ 0.25	$ 1.25	$ 0.98
Weighted average shares outstanding	51,731	51,774	51,830	49,192

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Business Segment Results
The following table presents a summary of GEO's segment financial results for the fourth quarter and full-year 2008.

Table 2. Business Segment Result

	13 Weeks Ended 28-Dec-08	13 Weeks Ended 30-Dec-07	52 Weeks Ended 28-Dec-08	52 Weeks Ended 30-Dec-07
Revenues				
U.S. Corrections	191,008	158,176	711,038	629,339
International Services	25,746	33,909	128,672	127,991
GEO Care	28,336	30,274	117,399	110,165
Construction	11,363	27,635	85,897	108,804
	$ 256,453	$ 249,994	$ 1,043,006	$ 976,299
Operating Expenses				
U.S. Corrections	135,099	116,418	516,963	464,617
International Services	23,048	30,672	116,379	115,618
GEO Care	24,761	26,619	103,140	98,557
Construction	11,350	27,998	85,571	109,070
	$ 194,258	$ 201,707	$ 822,053	$ 787,862
Depreciation & Amortization Expense				
U.S. Corrections	9,093	7,916	34,010	30,401
International Services	355	359	1,556	1,351
GEO Care	435	485	1,840	1,466
Construction	—	—	—	—
	$ 9,883	$ 8,760	$ 37,406	$ 33,218
Compensated Mandays				
U.S. Corrections	3,827,665	3,451,104	14,649,701	13,842,264
International Services	525,161	500,346	2,100,643	2,017,750
GEO Care	133,980	136,773	542,849	510,627
	4,486,806	4,088,223	17,293,193	16,370,641
Revenue Producing Beds				
U.S. Corrections	45,925	40,063	45,925	40,063
International Services	5,771	5,771	5,771	5,771
GEO Care	1,476	1,503	1,476	1,503
	53,172	47,337	53,172	47,337
Average Occupancy				
U.S. Corrections	95.0%	96.0%	96.0%	96.3%
International Services	100%	100%	100%	100%
GEO Care	100%	100%	100%	100%
	95.7%	96.0%	96.6%	96.6%

Adjusted EBITDA
Fourth quarter 2008 Adjusted EBITDA increased to $49.0 million from $35.4 million in the fourth quarter of 2007. Adjusted EBITDA for the full-year 2008 increased to $164.8 million from $137.4 million for the full-year 2007. Please see the section of this press release below entitled "Important Information on GEO's Non-GAAP Financial Measures" for information on how GEO defines Adjusted EBITDA. The following table presents a reconciliation from Adjusted EBITDA to GAAP Net income for the fourth quarter and full-year 2008.

Table 3. Reconciliation from Adjusted EBITDA to GAAP Net Income

(In thousands)	13 Weeks Ended 28-Dec-08	13 Weeks Ended 30-Dec-07	52 Weeks Ended 28-Dec-08	52 Weeks Ended 30-Dec-07
Net income	$ 16,437	$ 11,477	$ 58,902	$ 41,845
Discontinued operations, (income) loss	3,779	(954)	2,551	(3,756)
Interest expense, net	7,070	5,793	23,157	27,305
Income tax provision	10,235	6,123	34,033	22,293
Depreciation and amortization	9,883	8,760	37,406	33,218
EBITDA	$ 47,404	$ 31,199	$ 156,049	$ 120,905
Adjustments, pre-tax				
2008 Adjustments				
Start-up/transition expenses	1,358	—	8,187	—
International bid and proposal expenses	212	—	606	—
2007 Adjustments				
Start-up/transition expenses	—	2,122	—	8,203
Write off deferred financing fees	—	—	—	4,794
Deferred acquisition expenses	—	1,361	—	1,361
Construction cost overruns	—	—	—	864
Contract phase out costs	—	685	—	1,313
Adjusted EBITDA	$ 48,974	$ 35,367	$ 164,842	$ 137,440

Adjusted Free Cash Flow

Adjusted Free Cash Flow for the fourth quarter of 2008 increased to $35.6 million from $17.8 million for the fourth quarter of 2007. Adjusted Free Cash Flow for the full-year 2008 increased to $103.3 million from $76.9 million for the full-year 2007. Please see the section of this press release below entitled "Important Information on GEO's Non-GAAP Financial Measures" for information on how GEO defines Adjusted Free Cash Flow. The following table presents a reconciliation from Adjusted Free Cash Flow to GAAP income from continuing operations for the fourth quarter and full-year 2008.

Table 4. Reconciliation of Adjusted Free Cash Flow to GAAP Income from Continuing Operations

(In thousands)	13 Weeks Ended 28-Dec-08	13 Weeks Ended 30-Dec-07	52 Weeks Ended 28-Dec-08	52 Weeks Ended 30-Dec-07
Income from Continuing Operations	$ 20,216	$ 10,523	$ 61,453	$ 38,089
Depreciation and Amortization	9,883	8,760	37,406	33,218
Income Tax Provision	10,235	6,123	34,033	22,293
Income Taxes Paid	(3,839)	(9,668)	(29,895)	(26,413)
Stock Based Compensation Included in G&A	1,563	1,035	4,469	3,409
Maintenance Capital Expenditures	(2,476)	(2,971)	(11,749)	(10,767)
Equity in Earnings of Affiliates, Net of Income Tax	(2,614)	(671)	(4,623)	(2,151)
Minority Interest	79	115	376	397
Amortization of Debt Costs and Other Non-Cash Interest	985	406	3,040	2,271
Write-off of Deferred Financing Fees	—	—	—	4,794
Start-up/transition expenses	1,358	2,122	8,187	8,203
International bid and proposal expenses	212	—	606	—
Deferred acquisition expenses	—	1,361	—	1,361
Construction cost overruns	—	—	—	864
Contract phase out costs	—	685	—	1,313
Adjusted Free Cash Flow	$ 35,602	$ 17,820	$ 103,303	$ 76,881

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2009 Financial Guidance

GEO has issued its financial guidance for 2009. GEO expects 2009 operating revenues to be in the range of $1.01 billion to $1.03 billion, excluding pass-through construction revenues. GEO expects 2009 earnings to be in the pro forma range of $1.30 to $1.36 per share, exclusive of $0.04 per share in after-tax start-up/transition expenses and international proposal costs. GEO expects GAAP earnings to be in a range of $1.26 to $1.32 per share.

GEO's 2009 earnings guidance is impacted by higher interest expense and negative trends in key foreign exchange rates. Interest expense is negatively impacted by approximately $2.0 million pre-tax as a result of the recent exercise by a counterparty of a call provision on GEO's senior unsecured notes interest rate swap agreement in the notional amount of $25.0 million, and the expected exercise of a separate interest rate swap agreement for GEO's senior unsecured notes in the notional amount of $25.0 million.

GEO's foreign exchange rates have been negatively impacted by the strengthening of the U.S. Dollar against the Australian Dollar, the U.K. Pound Sterling, and the South African Rand, which is expected to result in an annualized, pre-tax decrease of approximately $3.5 million in GEO's International Services operating profit.

For the first quarter 2009, GEO expects revenues to be in the range of $243.0 million to $248.0 million, excluding pass-through construction revenues, and earnings to be in the pro forma range of $0.27 to $0.28 per share, excluding $0.03 per share in after-tax start-up/transition expenses.

Compared to the fourth quarter 2008, GEO's first quarter 2009 earnings per share estimate reflects a higher projected effective tax rate of approximately 39 percent compared to 37 percent and higher payroll tax costs estimated to be between $0.02 to $0.03 per share which are front-loaded in the first quarter of the year. GEO's first quarter 2009 earnings are also negatively impacted by higher interest expense as discussed above; normal seasonal population declines; and the discontinuation at year-end 2008 of the managed-only contract at the 1,000-bed Sanders Estes Unit in Texas.

GEO expects 2009 Adjusted EBITDA to be in the range of $175 million to $180 million and 2009 Adjusted Free Cash Flow to be in the range of $105 million to $110 million.

GEO's guidance is based on a number of assumptions related to GEO's business including the continued operation of GEO's current contracts at projected occupancy levels and the activation of GEO's announced projects under development as scheduled. GEO's initial 2009 guidance does not include any contribution or negative carrying costs associated with the expansion of GEO's North Lake Correctional Facility in Baldwin, Michigan, which is scheduled to be completed in the fourth quarter of 2009.

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Conference Call Information
GEO has scheduled a conference call and simultaneous webcast at 11:00 AM (Eastern Time) today to discuss GEO's fourth quarter 2008 financial results as well as its progress and outlook. The call-in number for the U.S. is 1-866-700-7101 and the international call-in number is 1-617-213-8837. The participant pass-code for the conference call is 76714761. In addition, a live audio webcast of the conference call may be accessed on the Conference Calls/Webcasts section of GEO's investor relations home page at www.thegeogroupinc.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 March 12, 2009 at 1-888-286-8010 (U.S.) and 1-617-801-6888 (International). The pass-code for the telephonic replay is 12588151. GEO will discuss Non-GAAP ("Pro Forma") basis information on the conference call. A reconciliation from Non-GAAP ("Pro Forma") basis information to GAAP basis results may be found on the Conference Calls/Webcasts section of GEO's investor relations home page at www.thegeogroupinc.com.

About The GEO Group, Inc.
The GEO Group, Inc. ("GEO") is a world leader in the delivery of correctional, detention, and residential treatment services to federal, state, and local government agencies around the globe. GEO offers a turnkey approach that includes design, construction, financing, and operations. GEO represents government clients in the United States, Australia, South Africa, and the United Kingdom. GEO's worldwide operations include the management and/or ownership of 62 correctional and residential treatment facilities with a total design capacity of approximately 60,000 beds, including projects under development.

Important Information on GEO's Non-GAAP Financial Measures
Pro forma income from continuing operations, Adjusted EBITDA, and Adjusted Free Cash Flow are non-GAAP financial measures. Pro forma income from continuing operations is defined as income from continuing operations excluding start-up/transition expenses, international bid and proposal expenses, and other items as set forth in Table 1 above. Adjusted EBITDA is defined as EBITDA excluding start-up/transition expenses, international bid and proposal expenses, and other items as set forth in Table 3 above. Adjusted Free Cash Flow is defined as income from continuing operations after giving effect to the items set forth in Table 4 above. A reconciliation of these non-GAAP measures to the most directly comparable GAAP measurements of these items is included above in Tables 1, 3, and 4, respectively. GEO believes that these financial measures are important operating measures that supplement discussion and analysis of GEO's financial results derived in accordance with GAAP. These non-GAAP financial measures should be read in conjunction with GEO's consolidated financial statements and related notes included in GEO's filings with the Securities and Exchange Commission.

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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 estimated earnings, revenues and costs and our ability to maintain growth and strengthen contract relationships. 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 2009 given the various risks to which its business is exposed; (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 the forms 10-K, 10-Q and 8-K reports.

Fourth quarter and full-year financial tables to follow:

THE GEO GROUP, INC.
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THIRTEEN AND FIFTY-TWO WEEKS ENDED
DECEMBER 28, 2008 (UNAUDITED) AND DECEMBER 30, 2007
(In thousands, except per share data)

	Thirteen Weeks Ended		Fifty-Two Weeks Ended	
	December 28, 2008	December 30, 2007	December 28, 2008	December 30, 2007
Revenues	$ 256,453	$ 249,994	$ 1,043,006	$ 976,299
Operating expenses	194,258	201,707	822,053	787,862
Depreciation and amortization	9,883	8,760	37,406	33,218
General and administrative expenses	17,326	17,644	69,151	64,492
Operating income	34,986	21,883	114,396	90,727
Interest income	1,465	2,210	7,045	8,746
Interest expense	(8,535)	(8,003)	(30,202)	(36,051)
Write off of deferred financing fees from extinguishment of debt	—	—	—	(4,794)
Income before income taxes, minority interest, equity in earnings of affiliate and discontinued operations	27,916	16,090	91,239	58,628
Provision for income taxes	10,235	6,123	34,033	22,293
Minority interest	(79)	(115)	(376)	(397)
Equity in earnings of affiliate, net of income tax provision (benefit) of $250, $340, ($805) and $1,030	2,614	671	4,623	2,151
Income from continuing operations	20,216	10,523	61,453	38,089
Income (loss) from discontinued operations, net of tax provision (benefit) of ($639), $574, $236 and $2,310	(3,779)	954	(2,551)	3,756
Net income	$ 16,437	$ 11,477	$ 58,902	$ 41,845
Weighted-average common shares outstanding:				
Basic	50,669	50,347	50,539	47,727
Diluted	51,731	51,774	51,830	49,192
Income per common share:				
Basic:				
Income from continuing operations	$ 0.40	$ 0.21	$ 1.22	$ 0.80
Income (loss) from discontinued operations	(0.08)	0.02	(0.05)	0.08
Net income per share-basic	$ 0.32	$ 0.23	$ 1.17	$ 0.88
Diluted:				
Income from continuing operations	$ 0.39	$ 0.20	$ 1.19	$ 0.77
Income (loss) from discontinued operations	(0.07)	0.02	(0.05)	0.08
Net income per share-diluted	$ 0.32	$ 0.22	$ 1.14	$ 0.85

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THE GEO GROUP, INC.
CONSOLIDATED BALANCE SHEETS
DECEMBER 28, 2008 AND DECEMBER 30, 2007
(In thousands)

	December 28, 2008 (Unaudited)	December 30, 2007
ASSETS		
Current Assets		
Cash and cash equivalents	$ 31,655	$ 44,403
Restricted cash	13,318	13,227
Accounts receivable, less allowance for doubtful accounts of $625 and $926	199,665	164,773
Deferred income tax asset	17,340	19,705
Other current assets	12,911	14,638
Current assets of discontinued operations	7,031	7,772
Total current assets	281,920	264,518
Restricted Cash	19,379	20,880
Property and Equipment, Net	878,616	783,363
Assets Held for Sale	4,348	1,265
Direct Finance Lease Receivable	31,195	43,213
Deferred income tax assets, net	4,417	4,918
Goodwill and Other Intangible Assets, Net	34,595	34,676
Other Non Current Assets	33,942	36,998
Non-current assets of discontinued operations	209	2,803
	$ 1,288,621	$ 1,192,634
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ 56,143	$ 47,068
Accrued payroll and related taxes	27,957	34,718
Accrued expenses	82,442	85,498
Current portion of capital lease obligations, long-term debt and non-recourse debt	17,925	17,476
Current liabilities of discontinued operations	1,459	1,672
Total current liabilities	185,926	186,432
Deferred Income Tax Liability	14	223
Minority Interest	1,101	1,642
Other Non Current Liabilities	28,876	30,179
Capital Lease Obligations	15,126	15,800
Long-Term Debt	378,448	305,678
Non-Recourse Debt	100,634	124,975
Total shareholders' equity	578,496	527,705
	$ 1,288,621	$ 1,192,634

- End -

CORPORATE PARTICIPANTS

Pablo Paez
The GEO Group, Inc. — Director-Corporate Relations

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

Brian Evans
The GEO Group, Inc. — VP-Finance, Treasurer, CAO

Jerry O'Rourke
The GEO Group, Inc. — SVP, CFO

Wayne Calabrese
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CONFERENCE CALL PARTICIPANTS

Todd Van Fleet
First Analysis — Analyst

Kevin Campbell
Avondale Partners — Analyst

Manav Patnaik
Barclays Capital — Analyst

Jason Trujillo
Barclays Capital — Analyst

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Westfield Capital — Analyst

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Hoover Investments — Analyst

PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the Q4 2008 GEO Group earnings conference call. My name is Becky, and I will be your coordinator for today. At this time, all participants are in a listen-only mode. We will be facilitating a question-and-answer session towards the end of this conference. (Operator Instructions).

I would now like to turn the presentation over to your host for today's call, Mr. Pablo Paez, Director of Corporate Relations. Please proceed.

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

Thank you, operator. Good morning, everyone, and thank you for joining us for today's discussion of the GEO Group's fourth-quarter 2008 earnings results. With us today is George Zoley, Chairman and Chief Executive Officer; Wayne Calabrese, Vice Chairman, President and Chief Operating Officer; Jerry O'Rourke, Chief Financial Officer; and Brian Evans, Vice President of Finance and Treasurer.

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

Today, we will discuss non-GAAP basis information. A reconciliation from non-GAAP basis information to GAAP basis results may be found in the press release we issued this morning.

Before I turn the call over to George, please let me remind you that 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 Forms 10-K, 10-Q and 8-K reports. With that, please allow me to turn this call over to George Zoley.

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

Thank you, Pablo, and good morning to everyone. Thank you for joining us today. We are very pleased with our fourth-quarter results, which continue to show strong performance from our core operations in the US Corrections, GEO Care, and International Services.

During the quarter, we successfully activated approximately 2,650 new beds, which demonstrates the continued strong business demand in our industry and our Company's ability to meet that demand.

Our quarterly pro forma EPS increased 48% year-over-year to $0.37, and our GAAP EPS increased to $0.39, representing a year-over-year increase of 95%. Our quarterly operating revenues increased to $256.5 million. Our fourth-quarter revenues were approximately $11 million below our previously guided range. That is because we discontinued two contracts during the quarter for the Delaware County, Pennsylvania facility and for the housing of Idaho inmates in Texas. These two contracts moved into discontinued operations, thus reducing our quarterly revenues by approximately $11 million.

Our quarterly adjusted EBITDA grew 38% to $49 million year-over-year. Our adjusted free cash flow for the quarter was $35.6 million. The primary drivers for the growth in revenues and earnings in the quarter were the opening of our 1500-bed Company-owned facility in Laredo, Texas for the US Marshals Service and the activation of a 500-bed expansions to our East Mississippi facility.

Our quarterly companywide average per diem rate, excluding construction, slightly increased to $54.62 from $54.39 a year ago. Our quarterly companywide average per diem rate was impacted by foreign exchange rates. However, our US corrections average per diem rate increased 9% to $49.90.

This morning, we also issued our initial guidance for 2009. We expect our 2009 operating revenues to be between $1.01 billion and $1.03 billion. This revenue estimate doesn't include pass-through revenue construction dollars. Our 2009 revenue projection is impacted by the discontinuation of two managed-only contracts at the end of 2008. They are located in Delaware County, Pennsylvania and Venus, Texas, and had a combined value of approximately $50 million in annual operating revenues.

This revenue loss is offset by the additive revenues from the projects we activated during 2008, as well as the 2009 opening of two expansion projects in the US, in Clinton County, Georgia and Graceville, Florida, and one new facility in the UK.

We expect our 2009 earnings to be in a pro forma range of $1.36 to — $1.36 per share. Excuse me. That is a pro forma range of $1.30 to $1.36 per share, excluding $0.04 in startup expenses and international proposal costs. We expect our GAAP earnings to be in a range of $1.26 to $1.32. Our earnings guidance for 2009 reflects $3.5 million annualized impact of unfavorable foreign exchange rates and $2 million increase in interest expense due to the cancellation of our interest rate swap agreements.

We expect our first-quarter operating revenues to be between $243 million and $248 million. This revenue estimate doesn't include pass-through construction revenues.

We expect our first-quarter earnings to be in a pro forma range of $0.27 to $0.28 per share, excluding $0.03 in startup expenses and international proposal costs. Compared to the fourth quarter 2008 pro forma earnings per share of $0.37, our first quarter 2009 earnings per share estimate is lower by approximately $0.09, which reflects the following factors.

First, a higher projected effective tax rate of approximately 39% compared to 37%, which represents $0.01 per share. Higher payroll tax costs, estimated to be between $0.02 to $0.03 per share, which are frontloaded in the first quarter. Normal seasonal population fluctuations, which represent $0.02 to $0.03 per share. And the discontinuation and related closeout costs of our Venus, Texas managed-only contract, which represents $0.01 per share. And higher interest expense related to the cancellation of our swap agreements, as well as other factors, including the absence of contract award fees that we generally received in the second and fourth quarters, which, combined, represent $0.01 per share.

We expect our 2009 adjusted EBITDA to be in the range of $175 million to $180 million, and our 2009 adjusted free cash flow to be in a range of $105 million to $110 million.

Our guidance is based on a number of assumptions, including the combined operation of our current contracts at projected occupancy levels, and the activation of our announced projects under development as scheduled. However, our guidance also does not include any contribution or negative carrying costs associated with the expansion of our North Lake Correctional Facility in Michigan scheduled to be completed in the fourth quarter of 2009.

Now I would like to discuss our 2009 and 2010 activations, before I address our capital projects and financing, as well as our key market segments.

In January, we opened the 192-bed expansion at our Robert Deyton Federal Detention Facility in Georgia, which will add $4 million to our operating revenues. In the UK, we are scheduled to assume operation of the 260-bed Harmondsworth Immigration Center in July of 2009. This new facility will contribute $14 million in annual operating revenues. We also expect to complete a 360-bed expansion of this facility by mid-2010.

The 384-bed expansion of our Graceville, Florida facility has been delayed and now expected to open in the month of July to coincide with the state’s new fiscal year. In Michigan, we expect to complete a 1225-bed expansion of our 500-bed North Lake facility by October 2009. We expect to complete the 545-bed expansion of our immigration center in Tacoma by December 2009.

In Colorado, we expect to complete the 1100-bed expansion of our Aurora Immigration Detention Facility in early 2010. In Florida, we expect to complete the 100-bed expansion of our Broward Immigration Transition Center in early 2010. Also in Florida, we expect to complete construction of a new 2000-bed healthcare prison in Santa Rosa County by mid-2010. This new facility will be managed jointly by GEO and GEO Care, and will generate combined annual revenues of approximately $48 million.

Our growth pipeline requires the investment of company capital. Our current committed capital projects will require CapEx of approximately $155 million in 2009 and $10 million in 2010. As you may recall, last quarter, we executed an accordion feature in our credit facility and added $90 million in additional borrowing capacity to our revolver facility. Our expanded revolver now has a total capacity of $240 million. At year-end, we had $74 million in borrowings outstanding under the revolver, along with $45 million set aside for letters of credit. Our cash on hand was approximately $32 million.

With this expanded borrowing capacity, we have the necessary capital to support our previously committed capital, while retaining approximately $60 million in liquidity when these projects are completed. We also have an additional accordion feature on our credit facility for another $150 million.

I would now like to address our market segments, beginning with the state market. We are pleased that our 2009 financial guidance reflects an 8% increase in EBITDA performance derived from our 10 correctional state clients over 2008. The state correctional EBITDA represents only approximately one-third of our total Company EBITDA, while providing 40% of our revenues.

We presently don’t house any out-of-state prisoners, and therefore don’t have the exposure to prisoners being returned home to their home states. But we are well aware that states are facing significant budget deficits, which can create pressures on our per diem rates; but they also create more interest to privatize new prison projects. Our state guidance assumes mostly flat per diem rates from our state clients, with three states required to give us increases.

The EBITDA growth is made possible by the growth in additional facilities and beds at four of our state clients, such as New Mexico, Mississippi, Florida and Indiana. With the exception of our Graceville, Florida 384-bed expansion, all other expansion projects were already activated and ramped in 2008.

We expect states will also receive additional help from the stimulus package being debated presently in Congress and expected to pass in the next few days. As much as $150 billion will be provided for states and local municipalities. This additional funding will help states cover some of their budget shortfalls.

That being said, we believe that the opportunists at the state level outweigh the potential near-term challenges. Our 10 state clients continue to face significant correctional bed needs and inmate populations, and will likely continue to increase. As states across the country face budgetary pressures, their ability to achieve cost savings becomes an even more important priority, which leads to the use of public/private partnerships to develop and manage major correctional infrastructure projects.

We believe the states of Oklahoma, Idaho, California, Georgia, Arizona, Virginia and others have an aggregate need for approximately 15,000 new correctional beds or more. Idaho has recently indicated its desire to privatize an existing correctional facility to achieve operational cost savings. The state of Florida has issued two RFPs for private beds, one involving 1500 expansion beds; another involving the development of a new 1000 bed facility. And in Arizona, the prior administration issued an RFP for 1500 beds which has yet to be awarded. With the change in administration, it is possible that additional RFPs may be issued for private beds.

Last year, California issued a request for information regarding additional out-of-state beds. While no awards have been made yet, we continue to believe that California has a need for several thousand of additional correctional beds in-state and out-of-state. In Virginia, we're continuing to negotiate a proposal for a 2000-bed correctional facility.

Turning to the federal market, the primary driver for growth continues to be the detention of criminal aliens. We are pleased that our 2009 guidance reflects a 21% increase in EBITDA contribution from our federal clients over 2008. Federal client EBITDA now represents one half of our total Company EBITDA, even though it represents only 37% of our revenues. The added profitability is mostly derived from Company-owned or controlled facilities.

US marshals and the BOP both house criminal aliens facing charges or serving time as a result of criminal conviction, and ICE houses alien populations facing deportation proceedings. ICE populations include both undocumented aliens and criminal aliens who have completed their federal or state sentences.

In 2008, ICE launched a new $800 million initiative targeting criminal aliens throughout the country. Funding for this secured community's initiative was subsequently increased to $1 billion by Congress. Current estimates show that federal, state and local prisons and jails hold between [300] and 450,000 criminal aliens who are deportable upon completing their sentences.

While we may see some changes in policy with a new administration, we believe that both the administration and Congress will continue to support the federal initiatives to target, detain and deport criminal aliens throughout the country. My personal view is that the US border security and the detention that is necessary to detain illegal aliens will increasingly be seen as a national imperative to protect US workers and their jobs. We house a population of approximately 10,000 aliens at our federal facilities. Of that population, two-thirds are criminal aliens with only one-third non-criminal aliens.

With regard to specific projects, the BOP has four RFPs outstanding related to the housing of criminal aliens, CARs 8 through 11. CARs 8 and 9 will result in awards with a combined total of 4000 new beds. We now expect these procurements to be awarded in the next 90 days, which will likely coincide with the final passage of a new federal budget under the new administration.

CARs 10 and 11 will result in awards with a combined total of 3800 beds, which are currently provided at two existing private facilities. We expect these awards to be made in the second quarter.

ICE has issued three pre-solicitation notices or sources-sought notices. Two of these opportunities relate to the expansion of GEO-owned facilities by 545 the beds at our Tacoma, Washington facility, and by 100 beds at our Broward facility.

The third opportunity relates to 2200 new beds to be developed and managed in the Southern California area. We expect the RFP for this project to be issued this quarter.

Finally, I would like to update you on our international and GEO Care business development efforts in South Africa. We are responding to RFPs that were issued in December for the construction and management of 12,000 new beds. The bids are due on April 30, and the contract awards are expected in the fourth quarter of this year.

GEO Care has been involved with two separate RFPs in the state of Georgia which have been temporarily suspended, but are expected to be reissued in the near future. The first opportunity relates to the renovation, construction and operation of a state psychiatric hospital with a minimum of 600 beds. The second opportunity relates to the development and management of a 250-bed civil psychiatric hospital in the Atlanta area.

In closing, we are pleased with our fourth-quarter results and we have issued our outlook for 2009, which reflects the continued growth of our Company in a tough economic environment. The fundamentals of our industry remain strong, with continued demand in our primary business segments at the federal and state levels, as evidenced by our project pipeline and the numerous RFPs.

We've expanded our credit agreements to support our capital projects, which will increase our long-term asset book value to approximately $1 billion by 2010 and continue to drive our future growth. We expect to compete for more than 20,000 beds in the US and overseas in the next 12 months. We hope to win at least our fair share.

In a separate press release we issued this morning, we announced the retirement of our CFO, Jerry O'Rourke, effective August 2 after 18 years of service to GEO. Jerry has done a great job overseeing our financial management functions since 1991. His professionalism and dedication to our Company are very much appreciated.

Our Vice President of Finance and Treasurer, Brian Evans, will succeed Jerry in August. Jerry will remain available to our Company on a part-time consulting basis. Brian is uniquely qualified to lead our financial management team, having been with our Company since 2000 and serving in increasingly senior roles. Both Jerry and Brian are with us today on the call.

This concludes my presentation. I would now like to open the call to any questions.

QUESTION AND ANSWER

Operator

(Operator Instructions) Todd Van Fleet, First Analysis.

Todd Van Fleet - ***First Analysis — Analyst***

Good morning, guys. Nice quarter. I wanted to, I guess, ask kind of a fairly involved series of questions on the revenue guidance for 2009 and to kind of couple that with your thoughts on the pricing environment. If we look at your guidance for Q1, revenue guidance of, I believe it is — what — $240 million to $245 million? And we consider — I'm sorry — $243 million to $248 million. And we consider the additions throughout the course of the year, which at this point I think is the expansion at Georgia, right? And then you have the other expansion at Graceville, Florida. Is that right?

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

Yes.

Todd Van Fleet - ***First Analysis — Analyst***

And those two expansions, I guess, combined on an annualized basis are maybe — what — $9 million, $10 million, I guess, in revenue? I'm just wondering, given the pricing environment that is out there, given that those are the only two additional pieces of business adding revenue to the pie in 2009, if you take Q1 at, say, $245 million, you annualize that, you get $980 million for the full year. Maybe you throw in — you get some, perhaps, partial-quarter benefit from the expansion in Georgia. So maybe you add another $7 million, $8 million onto that, probably less than that, actually, to account for the two expanded facilities coming on in 2009.

So maybe you are at $985 million. But yet your guidance is to $1.01 billion to $1.03 billion, so you've got an additional anywhere from $25 million to $45 million of revenue included in the guidance. So correct me if I am incorrect at any point along the way here, but that is kind of the way I see your outlook for the year at this point.

Now, you couple that with what has — what we see at play in the landscape now regarding pricing. You've talked a little bit about the states. You said that you expect maybe some pricing improvement from three customers, maybe another seven, it could be — it sounded like you think that pricing at the state level is going to hold flat by and large. Is that right?

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

Per diems are holding flat, but EBITDA is increasing.

Todd Van Fleet - ***First Analysis — Analyst***

Right, EBITDA is increasing. So again, I'm just thinking about revenue here for the moment —

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

And revenues are increasing, because, Todd, you are aware that we opened several facilities last year, which will provide additive normalized revenues this year.

Todd Van Fleet - ***First Analysis — Analyst***

Of course. Again, I am thinking about the Q1 guidance and then what is coming on incrementally throughout 2009. Because as I said, with the exception of the Florida expansion and the Georgia expansion, Q1 — and perhaps maybe the seasonality impact of the (multiple speakers) — Q1 should look pretty much the same as the rest of the quarters. Is that fair?

Brian Evans - ***The GEO Group, Inc. — VP-Finance, Treasurer, CAO***

Well, I think you — Todd, it's Brian. You have the normalization going into Q2 of the cyclicality that George mentioned previously that we (multiple speakers). And you also have some facilities normalizing through Q1, like the Maverick County facility coming online this quarter and its population is ramping up during the quarter.

Todd Van Fleet - ***First Analysis — Analyst***

And Maverick County was $10 million a year, right? So you didn't really get much of a contribution from Maverick County in Q4 then?

Brian Evans - ***The GEO Group, Inc. — VP-Finance, Treasurer, CAO***

No.

Todd Van Fleet - ***First Analysis — Analyst***

Okay, all right. So again, I am just trying to reconcile that $25 million to $45 million Delta, I guess, in my own mind. So that can be accounted for through Maverick County —.

Brian Evans - ***The GEO Group, Inc. — VP-Finance, Treasurer, CAO***

And then, Todd, you also have the Harmondsworth project coming online in the second half of the year in the UK.

Todd Van Fleet - ***First Analysis — Analyst***

Okay. And then seasonality from the Feds is probably another portion of that then, to sort of fill that up.

Brian Evans - ***The GEO Group, Inc. — VP-Finance, Treasurer, CAO***

That's right.

Todd Van Fleet - ***First Analysis — Analyst***

Okay. And then with respect to pricing at the federal level, what is your expectation there?

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

We really don't see any changes there.

Todd Van Fleet - ***First Analysis — Analyst***

And by you say don't see any changes, do you mean that you don't see any changes from 2004, meaning prices will be flat? Or do you expect that changes from historical patterns, which is you will be able to get some degree of increase?

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

In the federal contracts, it is not really a pricing issue. Pricing is already established for the terms of the agreements, which are very lengthy, as you know. It really becomes an occupancy issue and whether the fluctuations in occupancy impact your financial performance, which is for the most part a function of whether you have a guarantee. Now, two-thirds of our contracts have a minimum guarantee. Only one-third have a floating per diem — of our total Company revenues.

Todd Van Fleet - ***First Analysis — Analyst***

Right.

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

We are fortunate that with the growth that has occurred, primarily in the federal sector, that those contracts have brought with them these minimum guarantees, which provide the stability certainly on the pricing side. And although there may be occupancy fluctuations, where there is a minimum guarantee, they are kind of neutral or irrelevant. Where there is not, then they are meaningful. But in two thirds of the cases, we have minimum guarantees.

Todd Van Fleet - ***First Analysis — Analyst***

Okay. And on that UK contract that starts midyear then, do you get the full annualized benefit of that revenue day one? I would imagine you do because it is management-only.

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

And it's an existing facility where the detainees are already there.

Todd Van Fleet - ***First Analysis — Analyst***

Okay. Thank you very much.

Operator

Kevin Campbell, Avondale Partners.

Kevin Campbell - ***Avondale Partners — Analyst***

Thanks. Just another question about pricing as it relates to states. And you had said that you had that essentially in your models or in your guidance as flat. Is that just flat starting in the back half of the year because state budgets are already set through the first half of '09, or are you assuming flat for first and second quarter as well from states in general?

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

I said they are mostly flat. Three of the 10 will result in increases.

Kevin Campbell - ***Avondale Partners — Analyst***

Right, but the other seven, then you are assuming flat year-over-year in the first and second quarters as well?

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

Yes.

Kevin Campbell - ***Avondale Partners — Analyst***

Okay. And could you — you mentioned, too, as it relates to your liquidity, you commented on having, I think, $60 million left after your committed projects, which I think was a similar number that you used last quarter. Does that include the Comanche County development that you have in the works, or is that still, as it was last quarter, just for the purchase price of the land and some of the preliminary costs?

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

The latter. We've only committed ourselves to the purchase of the land and the design of the facility, the planning costs of the facility.

Kevin Campbell - ***Avondale Partners — Analyst***

Okay. And what is your — what are your thoughts on that facility right now? Are you planning to move forward with construction? When you gave your CapEx guidance, it doesn't sound like it, based on the numbers that you used.

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

We are not planning to move forward construction until we have more visibility as to who the client is and what the contract terms are.

Kevin Campbell - ***Avondale Partners — Analyst***

Okay.

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

And the sizing of the project.

Kevin Campbell - ***Avondale Partners — Analyst***

Okay, thank you very much.

Operator

Manav Patnaik, Barclays Capital.

Manav Patnaik - ***Barclays Capital — Analyst***

I guess — we've already talked about per diems. Can you give us a little feel for with your discussions with customers, you mentioned a few of the different RFI, RFP solicitations out there. What are you hearing with them? Clearly, they are all holding back and delaying these contracts coming out. But around what timeframe do you expect these state awards to sort of be awarded or at least start moving ahead?

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

I would expect by the [second quarter] that some of the things we are following in the — I guess I'm thinking about Georgia, California — I would think there will be decisions by the end of the second quarter, beginning of the third.

Manav Patnaik - ***Barclays Capital — Analyst***

Okay. And I guess once they are awarded, are most of them, with respect to at least your pipeline, going to be pretty much a question of ramp-up, or would there be a lag with you might need to expand some other facilities? What are your thoughts on that?

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

In the case of GEO Care, GEO Care is able to move faster than Corrections because it usually takes over existing facilities while it is developing new ones. So it will be a faster lead time to get to generation of revenues, which could be this year.

And as we've said in our conference call that our present guidance does not reflect the award of any new contracts in our guidance. So we are hopeful that we win some new contracts, either through GEO Care or through US Corrections, and that would be additive to the guidance we've given.

Manav Patnaik - ***Barclays Capital — Analyst***

Got it. And I guess also on the G&A line, you did a good job I think keeping those in the range. Is that — what level should we assume going forward for '09?

Brian Evans - ***The GEO Group, Inc. — VP-Finance, Treasurer, CAO***

Probably about 6% to 6.2% of revenue.

Manav Patnaik - ***Barclays Capital — Analyst***

Okay, and I guess that is about it. Finally, just congratulations and thank you, Jerry, and congrats to Brian as well.

Brian Evans - ***The GEO Group, Inc. — VP-Finance, Treasurer, CAO***

Thank you.

Jerry O'Rourke - ***The GEO Group, Inc. — SVP, CFO***

Thank you.

Operator

Emily Shanks, Barclays Capital.

Jason Trujillo - ***Barclays Capital — Analyst***

Good morning. This is actually Jason Trujillo in for Emily. Just to come back to pricing at the state level, are you currently seeing any states come to you to try to renegotiate some of the contract pricing lower?

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

Yes. Out of our 10, we've had a couple of discussions with states who are looking to revise scope of services; what can we do to help them reduce costs. And we've had opportunities of this nature in the past where we have been collaborative in finding a mutually agreeable solution to reduce scope of services while giving them a reduction in cost.

Jason Trujillo - ***Barclays Capital — Analyst***

All right, great. That's very helpful. So given your guidance then, do you assume that you are going to see any new reduction in state pricing in general, whether it is a cutback in services, so to speak? Or do you think for the year for the most part, pricing is pretty stable at what you are baking in right now for your guidance?

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

But if the outcome is as I've just described — that is a discussion on how to reduce scope of services — it is really neutral to our EBITDA. And that our modeling assumes based on what we know at this time.

Jason Trujillo - ***Barclays Capital — Analyst***

That is very helpful. That is what I was trying to get at. And just lastly, as of a 4Q end, generally who are your three largest customers and what percent of sales do they represent, if you can give that?

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

Our three largest customers?

Jason Trujillo - ***Barclays Capital — Analyst***

Yes.

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

Would be the three federal agencies.

Jason Trujillo - ***Barclays Capital — Analyst***

And how much of revenues do they represent?

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

They represent, I think, 37% of our revenues and 50% of our EBITDA.

Jason Trujillo - ***Barclays Capital — Analyst***

All right, great. Thank you very much.

Operator

Todd Van Fleet, First Analysis.

Todd Van Fleet - ***First Analysis — Analyst***

I think the outlook on the pricing that you guys are describing is a little bit different than perhaps what we heard earlier this week, where there was a little bit, I think, more pessimism that was assumed. I'm just wondering, assuming we get the stimulus bill sometime in the near future here, you think that — I know you'd said that with respect to the maybe California and Georgia, you thought maybe it would be the end of Q2, beginning of Q3.

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

For states.

Todd Van Fleet - ***First Analysis — Analyst***

For states, right. So you think the states by and large, your state customers, your 10 state customers, will have a better picture and be giving you a better understanding and better visibility on what your per diem is going to be with them by the end of Q2, beginning of Q3, or will it be a little bit sooner than that?

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

Well, we think we have some idea right now, but most of these states' official budgets start July 1. So the decisions will likely be made in the next 60 to 90 days officially, but we think we have some idea of what they are thinking about right now because they are not waiting for the next 60 to 90 days. They're discussions regarding their budgets with all their vendors and their agencies.

Todd Van Fleet - ***First Analysis — Analyst***

So in —.

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

Let me add that our situation is different than maybe other companies in our industry that we are not materially dependent on the out-of-state prisoner business. And that is possibly under more pressure than the in-state business. Often people have to justify why are you sending people out of state.

Presently, we don't have any prisoners out of state, so we are not worried about that kind of exposure. And we have only 10 state clients, and we know them well. We have done business with them 10, 15, 20 years.

Todd Van Fleet - ***First Analysis — Analyst***

All right. So I guess what I'm wondering is then by the time your next earnings call comes around for Q1, in early — what — I guess it is probably early May, if there is any material change in your thinking regarding pricing for state customers, you would be able to have that incorporated into your thinking at that point in time. Or do you think it would come even after that?

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

I would hope so.

Todd Van Fleet - ***First Analysis — Analyst***

Okay. Let me ask about Baldwin, then. The construction is going to be ending, I guess — be pretty much complete by October, right?

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

Yes.

Todd Van Fleet - ***First Analysis — Analyst***

And fair to assume, then, that the carrying costs associated with that, the depreciation and such, you are going to have to start recording in Q4 —

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

Yes.

Todd Van Fleet - ***First Analysis — Analyst***

— for a fully completed, kind of maintained to a certain degree facility in Q4?

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

Yes.

Todd Van Fleet - ***First Analysis — Analyst***

Okay. And —.

Brian Evans - ***The GEO Group, Inc. — VP-Finance, Treasurer, CAO***

We haven't baked that into the number right now.

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

That would be $0.01 per quarter. We have taken what we think is a conservative or neutral position that we haven't assumed an award on that facility and the revenues that would be derived from such an award on an owned facility. And we haven't assumed the carrying costs of $0.01.

Todd Van Fleet - ***First Analysis — Analyst***

Okay, but in the $1.30 to $1.36, that $0.01 — just to understand — it is a $0.01 of costs associated with Baldwin incrementally after it is done?

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

Yes.

Todd Van Fleet - ***First Analysis — Analyst***

Attributed to interest expense and you're not capitalizing interest anymore; you are depreciating. That is $0.01 per quarter?

Brian Evans - ***The GEO Group, Inc. — VP-Finance, Treasurer, CAO***

Right. It is really just the depreciation and amortization, the property taxes. The interest expense is already factored in because we know we are going to have that borrowing in place.

Todd Van Fleet - ***First Analysis — Analyst***

Okay, so that — but that $0.01 per quarter is not in the $1.30 to $1.36?

Brian Evans - ***The GEO Group, Inc. — VP-Finance, Treasurer, CAO***

Right, that $0.01 is not factored in there.

Todd Van Fleet - ***First Analysis — Analyst***

Okay. And so I think you guys have been — based on kind of the targeted customer there, and based on who your targeted customer is at this stage, how long would it be between the time you would expect an RFP for that procurement? So if it is one of the CAR procurements, let's say. You get an RFP, the RFP process takes X amount of time. They award the contract. That facility is up and ready to go in pretty short order then?

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

Yes.

Todd Van Fleet - ***First Analysis — Analyst***

Okay, one more. Were you guys impacted at all by what is going on there in Victoria, in Australia in terms of the fires, anything — any issues related to your facilities?

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

Wayne?

Wayne Calabrese - ***The GEO Group, Inc. — Vice Chairman, President, COO***

No, we're not, Todd. It's Wayne. They are not affecting our facility in Victoria or even in New South Wales. Nothing is being affected by those fires.

Todd Van Fleet - ***First Analysis — Analyst***

Good to hear. Thanks.

Operator

Greg Williams, Sidoti & Company.

Greg Williams - ***Sidoti & Company — Analyst***

Good morning and thanks for taking my call. Just had a quick question on your CapEx needs and your borrowing capacity. The CapEx, first off, I think I heard $155 million needed. That does not include the maintenance finance CapEx as well. True?

Brian Evans - ***The GEO Group, Inc. — VP-Finance, Treasurer, CAO***

That's correct.

Greg Williams - ***Sidoti & Company — Analyst***

Okay. And adds maybe another $15 million to that?

Brian Evans - ***The GEO Group, Inc. — VP-Finance, Treasurer, CAO***

$10 million to $15 million.

Greg Williams - ***Sidoti & Company — Analyst***

$10 million to $15 million. Okay. And you've borrowed $75 million on your $240 million credit facility?

Brian Evans - ***The GEO Group, Inc. — VP-Finance, Treasurer, CAO***

At the end of the year, outstanding borrowings were $74 million.

Greg Williams - ***Sidoti & Company — Analyst***

Okay. And then the letters of credit for $45 million. I guess I'm just looking at —.

Brian Evans - ***The GEO Group, Inc. — VP-Finance, Treasurer, CAO***

But I would say on the liquidity number of $60 million, we have factored in the maintenance CapEx. So I think what George has discussed is what our Project CapEx is. But from a liquidity perspective, we have factored that $10 million to $15 million in. So the $60 million is net of all CapEx, including maintenance CapEx.

Greg Williams - ***Sidoti & Company — Analyst***

Okay, great. That clears it up. And if new projects come along, Idaho or some of the other RFPs start ramping up, can you just talk about the accordion feature, how quickly can you get the $150 million [in light] of what goes on there?

Brian Evans - ***The GEO Group, Inc. — VP-Finance, Treasurer, CAO***

Hold on a second. Ask that again, please.

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

Repeat that one more time.

Greg Williams - ***Sidoti & Company — Analyst***

Just the $150 million accordion feature, are the banks already lined up? How quickly can you get that capital if need be?

Brian Evans - ***The GEO Group, Inc. — VP-Finance, Treasurer, CAO***

Well, it is a feature in the credit facility that allows us to go to the existing lenders, but it would be a new money raise. So it will take the normal process that you would have to go through with a bank deal, probably two to four weeks, maybe six at the outset.

Greg Williams - ***Sidoti & Company — Analyst***

Okay, sort of six weeks. Thank you.

Brian Evans - ***The GEO Group, Inc. — VP-Finance, Treasurer, CAO***

I think we want to clarify, just to make sure that you understand, on the Michigan facility, when we said it was $0.01 negative in carrying costs potentially in the fourth quarter 2009, that is $0.01 per quarter, so it would be $0.04 annualized.

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

But it is only $0.01 in 2009.

Brian Evans - ***The GEO Group, Inc. — VP-Finance, Treasurer, CAO***

In 2009, that’s right.

Operator

[Bill Gilchrist, Westfield Capital.]

Bill Gilchrist - ***Westfield Capital — Analyst***

Thanks for taking my questions. The first one I had was can you guys talk about what the outlook is for labor — obviously, sort of a big component of your costs for operating the facilities. What kind of inflationary outlook should we be thinking about, and what are you seeing in terms of candidate pool, quantity, quality and how does this potentially benefit you guys?

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

You know from our past discussions that labor represents almost 60% of our cost, and it fluctuates from facility to facility whether there is a wage determination. But it is always the majority of our operating costs. And with an economy which the unemployment rate continues to rise, that creates a larger available labor pool to us for future applications, helps us reduce our overtime and stabilize our labor costs, actually. So it is actually a positive impact to our business, which is a labor-intensive business.

Bill Gilchrist - ***Westfield Capital — Analyst***

Is there a sense, if you guys run through the numbers, on how much overtime and turnover cost in a typical year you have to pay?

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

I don’t think we have that as a percentage, but it is significant. It is millions of dollars.

Bill Gilchrist - ***Westfield Capital — Analyst***

Second question I had, George, can you talk a little about the circumstances around the Georgia GEO Care RFP situation? What I’m getting at here is just they have pulled it, and now you guys expect it to come back out at some point — who knows when. But why would they put it back out there if they just took it off?

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

I’m hesitant to try to characterize the view of a governmental agency, but I guess I will try to take that risk in this case. They issued a very complicated RFP which apparently only one company responded to. I believe it was us. And I think there is a desire to have a bit more competition. And I think we will see some technical revisions to the RFP that will make it less complicated and will attract more competition.

Bill Gilchrist - ***Westfield Capital — Analyst***

Great. Thanks, and Jerry, thanks a lot for all your hard work.

Jerry O’Rourke - ***The GEO Group, Inc. — SVP, CFO***

Thanks, Bill.

Operator

[Rod Heinz], Keypoint Capital.

Rod Heinz - ***Keypoint Capital — Analyst***

Thanks for taking my question. On the 8000 beds you have scheduled for development in ‘09 and 2010, can you just outline whether those are assigned or speculative and how that differs from your competitors? And then also if you could just walk through the split between US, International and GEO Care?

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

The 8000 beds are several projects. I can go through them one at a time, I guess. Clayton County expansion, Georgia, that is open, and that has a client, which is the US Marshal Service.

The Graceville expansion, we have announced that we are expecting that facility to open July 1 and that has a client, the state of Florida. That is 384 beds.

Harmondsworth Immigration Center, 260 beds. That is in the UK. There is an existing client there.

Northlake expansion, which will total 1725 beds, that is a speculative project. There is not a signed client at this time.

Tacoma bed expansion of the 545 beds, we have a facility in Tacoma presently. That is 1000 beds. It is with ICE. There is a solicitation or a pre-solicitation asking for another 500 beds in that area. So we are responding to that solicitation with our expansion of 545 beds.

In Broward County, we are operating a 600-bed facility. There is a pre-solicitation or an actual solicitation asking for at least 100 more beds in that area. We are responding to that solicitation, and actually expanding that facility by 294 beds.

Aurora Processing Center Colorado, that is presently a 400-bed facility for ICE. We are expanding it by 1100 beds, and there is not a signed-up client yet for those 1100 beds. We are hopeful that it will be under federal usage among any of the three federal agencies.

Harmondsworth expansion in the UK, once again, another 360 beds expansion. There is an existing client in the UK for those 360 beds.

Santa Rosa Prison, that is a 2000-bed facility that will begin construction very shortly. It is being designed presently, and the client there is the state of Florida.

We have identified a state-type project in Oklahoma and acquired land for that project. It could be for approximately 1500 beds. We are just in the planning stages on that project. We do not have a signed-up state client as yet.

And that completes the 8,360 beds of pipeline. What was your second question?

Rod Heinz - ***Keypoint Capital — Analyst***

The second question is how that differs from your competitors in terms of having speculative projects.

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

I think, in general, people see us as being more conservative in the speculative business. We have said that we prefer to expand facilities and to have a shorter window as far as when we believe a client would need these beds. We don’t have as a company philosophy to have a certain amount of beds in inventory. We don’t have that kind of aggressive philosophy. We try to target any kind of speculative or quasi-speculative project based on a probable client that will need beds in the near future.

Rod Heinz - ***Keypoint Capital — Analyst***

Okay, thank you.

Operator

Kevin Campbell, Avondale Partners.

Kevin Campbell - ***Avondale Partners — Analyst***

Just a quick follow-up as it relates to Baldwin and depreciation and amortization and other expenses you expect in the fourth quarter. Why would you not include that in your guidance if you expect that to come online?

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

Well, if we expected it to come online, then we would likely have to model the revenues as well. We thought this is, in effect, a neutral treatment of the probable outcome. So if we won the contract, as we hope, we would have a beneficial impact to our guidance.

Kevin Campbell - ***Avondale Partners — Analyst***

Right, but either way — I mean, if you don't win the contract, then you will still have those costs. Is that correct?

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

We will have that additive $0.01 fourth quarter. But if we won a contract, it would be much more material in a beneficial sense than that.

Kevin Campbell - ***Avondale Partners — Analyst***

Okay. Thank you.

Operator

David Schneider, [Hoover Investments.]

David Schneider - ***Hoover Investments — Analyst***

Maybe you can correct me if I'm wrong, but I have been reading things about potential changes in how criminal aliens are treated currently. A lot are deported after they serve their sentences. It seems that there is a movement towards not deporting them, kind of asking them to swear that they won't return to gang life, and then all of a sudden they are made a citizen, and I guess given free housing, food and a college education on the taxpayer's dime.

So are you aware of any of those kinds of provisions in what is floating around in Congress? And if that were to occur, how big of a positive would it be for the industry?

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

No, I'm not really aware of any policy changes of that nature. I would remind you that we hold approximately 10,000 aliens. One-third of them are undocumented aliens. Two-thirds are criminal aliens. And that is where a lot of the new funding is going, is to provide detention, bed space to house criminal aliens that have been identified either existing in the corrections system at the federal, state and local levels, having almost served or having served their time, and need to be sent to one of these centers for deportation. I think that policy is intact, and I don't believe it is going to be modified. I think there is bipartisan support to properly detain criminal aliens, identify them, detain them and deport them.

David Schneider - ***Hoover Investments — Analyst***

From what I have read, the change in that would be in the final stage, in deportation. The reason I brought it up is that after they serve their time, if they are let out in the community, then it is quite probable they are going to not become good citizens, but crime would increase as a result of these policy changes. So we'll have to wait and see.

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

I find it hard to believe that they would make such a change. As you may recall from my discussion, that the funding for this program was increased from $800 million to $1 billion because of the strong support for the identification of these criminal aliens and their deportation. This is part of the Secure Communities initiative.

David Schneider - ***Hoover Investments — Analyst***

Okay.

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

Any other questions?

Operator

Todd Van Fleet, First Analysis.

Todd Van Fleet - ***First Analysis — Analyst***

I'm trying to quantify the impact of seasonality on the federal front. Is there a way that you can help us out there in terms of the number of inmates that — the decline in the number of inmates processed in December? How much of that has come back in March? You think it is going to escalate in June, September quarters? Just trying to understand that flow a little bit better, seeing how it seems to be a meaningful part of the revenue outlook.

Brian Evans - ***The GEO Group, Inc. — VP-Finance, Treasurer, CAO***

One other thing that we want to bring up — in Q4, you recall, we're a 52-, 53-week calendar year. So this year is a 53-week year and in Q4 there is an extra week. So that probably helps you bridge some of that revenue that you are trying to get to for the year-to-date number.

And then I think on the granularity that you are looking for on the population, we are probably not willing to give that. But it is several millions of dollars or more relative to that cyclicality that we experience in the first quarter.

Todd Van Fleet - ***First Analysis — Analyst***

Okay, so instead of 12 weeks, it's 13 weeks this year in Q4?

Brian Evans - ***The GEO Group, Inc. — VP-Finance, Treasurer, CAO***

In Q4.

Todd Van Fleet - ***First Analysis — Analyst***

That's another maybe $20 million in revenue then. Okay. And then — so but the population as it waned in December, have you seen it come back then in the March quarter to this point? And is the funding there and there are no funding-related issues, I guess, that are holding up processing of illegal immigrants and such?

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

No, not that we are aware of. Also, part of it is judges take vacation — in the months of December and even in early January, and it takes a while to get the judicial system back in swing in detaining these people and putting them into the system. So we are seeing all the numbers come up. We receive daily census reports. And they are coming up. And we expect by our — I would think by the end of this month, they get back to normal.

Todd Van Fleet - ***First Analysis — Analyst***

But George, for that type of effect, then, where the judges take vacations, you would see the swelling perhaps — not that they stop enforcing the laws, but you would see kind of a bulging in local jails' populations. And then once the process starts working again, caseloads start getting processed, you would see those individuals transferred to other facilities outside of jails. Is that accurate?

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

I'm not sure. Some of these jails are only 40 beds, 70 beds. You are talking about rural locations along the southern border, very small communities, which have very small jails, which is incongruent with the numbers coming across the border. But that is who is fighting this battle on securing the borders. It is really small, rural communities along the southern border with very limited capabilities in detention.

Todd Van Fleet - ***First Analysis — Analyst***

But just to understand again the seasonality and what seasonality is in this business at the federal level, when it comes to federal prisoners, and affecting your population, it is just — well, we know flows across the border tend to wane because of the holidays and so forth. You say that there is vacations. So the process works a little bit more slowly. But I would think that the folks that are out there collecting the illegal immigrants, criminals, they still keep on doing what they are supposed to be doing.

So I'm just trying to understand when we talk about seasonality, is it related to the flow of inmates or flow of illegals across the border? Is it crime in general tends to wane around the holidays? So when you talk about seasonality, just so there is no misunderstanding, what are you referring to when you refer to seasonality? It sounds like there is a caseload for judges, it is slower flow across the border, what else?

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

Well, it is certainly those two dimensions, so it is a multi-dimensional issue. One dimension is the flow, less people coming across the borders, staying in Mexico or other places of origin. The second dimension is the judges take holidays, and nobody is sentenced, and they are not processed. And I guess the third dimension is what I said about the capacity of the facilities. And the capacity of the jurisdictions that are involved in this secure border detention initiative are very small, rural communities with limited capacity. The numbers of people just don't build up in the facility. If you only have 40 beds, you have 40 beds. You can never have more than that number of detainees.

Todd Van Fleet - ***First Analysis — Analyst***

So once they are full, they just don't pursue any more?

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

That's correct.

Todd Van Fleet - ***First Analysis — Analyst***

Okay, very good. Thank you.

Operator

There are no further questions. I would now like to turn the call back over to George Zoley for closing remarks.

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

Well, thank you to everyone for joining us on this call. We look forward to addressing you in the next one. Thank you.

Operator

Thank you for your participation in today's conference. This concludes the presentation. You may now disconnect. Have a great day.

Exhibit 99.3

NEWS RELEASE

The GEO Group, Inc.

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CR-09-06

THE GEO GROUP ANNOUNCES RETIREMENT OF CHIEF FINANCIAL OFFICER, JOHN G. O'ROURKE AND APPOINTMENT OF BRIAN R. EVANS AS GEO'S NEW CHIEF FINANCIAL OFFICER

Boca Raton, Fla. — February 12, 2009 — The GEO Group (NYSE:GEO) ("GEO") announced today that John G. O'Rourke, GEO's Chief Financial Officer, will retire effective August 2, 2009 after 18 years of service with GEO. Mr. O'Rourke will turn 59 years old on August 1, 2009 and has been responsible for GEO's financial management functions since 1991, assuming the position of Chief Financial Officer in 1994. Prior to joining GEO, Mr. O'Rourke was a career officer in the United States Air Force. Mr. O'Rourke will be succeeded by Brian R. Evans, GEO's Vice President, Finance and Treasurer. Mr. Evans is 41 years old and joined GEO in 2000. He is a graduate of the University of Notre Dame with a Bachelor's Degree in Accounting. During his time at GEO, Mr. Evans has served in increasingly senior positions with the company, including as Vice President, Finance, Chief Accounting Officer, and Controller.

George C. Zoley, Chairman of the Board and Chief Executive Officer of GEO said: "We have been very fortunate to have counted Jerry O'Rourke as a member of our senior management team for eighteen years. His contributions to our company and his professionalism and dedication have been unmatched. Mr. O'Rourke has decided to retire but will remain available for GEO on a part-time consulting basis. Our Vice President of Finance and Treasurer, Brian Evans, will succeed Mr. O'Rourke effective August 2nd. Mr. Evans is uniquely qualified to lead our business management team having served in increasingly senior positions in our company over the last eight years."

The GEO Group, Inc. ("GEO") is a world leader in the delivery of correctional, detention, and residential treatment services to federal, state, and local government agencies around the globe. GEO offers a turnkey approach that includes design, construction, financing, and operations. GEO represents government clients in the United States, Australia, South Africa, and the United Kingdom. GEO's worldwide operations include the management and/or ownership of 62 correctional and residential treatment facilities with a total design capacity of approximately 60,000 beds, including projects under development.

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 estimated earnings, revenues and costs and our ability to maintain growth and strengthen contract relationships. 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 successfully pursue further growth and continue to enhance shareholder value; (2) GEO's ability to access the capital markets in the future on satisfactory terms or at all; (3) risks associated with GEO's ability to control operating costs associated with contract start-ups; (4) 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; (5) GEO's ability to win management contracts for which it has submitted proposals and to retain existing management contracts; (6) GEO's ability to obtain future financing on acceptable terms; (7) GEO's ability to sustain company-wide occupancy rates at its facilities; and (8) other factors contained in GEO's Securities and Exchange Commission filings, including the forms 10-K, 10-Q and 8-K reports.

-End-