

***Customer Legend:***

<b>Abbrevia tion</b>	<b>Customer</b>
AZ DOC	Arizona Department of Corrections
AK DOC	Alaska Department of Corrections
BOP	Federal Bureau of Prisons
CDCR	California Department of Corrections & Rehabilitation
CO DOC	Colorado Department of Corrections
FL DOC	Florida Department of Corrections
FL DMS	Florida Department of Management Services
GA DOC	Georgia Department of Corrections
ICE	U.S. Immigration & Customs Enforcement
IN DOC	Indiana Department of Correction
IGA	Intergovernmental Agreement
IL DAS	Illinois Department of Alcoholism and Substance Abuse
A	
LA DOC	Louisiana Department of Corrections
NMCD	New Mexico Corrections Department
NSW	Commissioner of Corrective Services for New South Wales
OK DOC	Oklahoma Department of Corrections
PNB	Province of New Brunswick
QLD DC	Department of Corrective Services of the State of Queensland
S	
RSA	Republic of South Africa Department of Correctional Services
DCS	
TDCJ	Texas Department of Criminal Justice
TYC	Texas Youth Commission
UKBA	United Kingdom Border Agency
USMS	United States Marshals Service
VA DOC	Virginia Department of Corrections
VIC DOJ	Department of Justice of the State of Victoria
VT DOC	Vermont Department of Corrections
WA	Washington Department of Corrections
DOC	

**THE GEO GROUP, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
Years Ended December 31, 2015, 2014 and 2013

	2015	2014	2013	
	(In thousands, except per share data)			
<b>Revenues</b>	\$ 1,843,307	\$ 1,691,620	\$ 1,522,074	
<b>Operating Expenses (excluding depreciation and amortization)</b>	1,363,782	1,245,700	1,124,865	
<b>Depreciation and Amortization</b>	106,756	96,171	94,664	
<b>General and Administrative Expenses</b>	137,040	115,018	117,061	
<b>Operating Income</b>	235,729	234,731	185,484	
<b>Interest Income</b>	11,578	4,747	3,324	
<b>Interest Expense</b>	(106,136)	(87,368)	(83,004)	
<b>Loss on Extinguishment of Debt</b>	—	—	(20,657)	
<b>Income Before Income Taxes, Equity in Earnings of Affiliates and Discontinued Operations</b>	141,171	152,110	85,147	
<b>Provision (Benefit) for Income Taxes</b>	7,389	14,093	(26,050)	
<b>Equity in Earnings of Affiliates, net of income tax provision of \$2,038, \$2,302 and \$2,389</b>	5,533	5,823	6,265	
<b>Income from Continuing Operations</b>	139,315	143,840	117,462	
<b>Loss from Discontinued Operations, net of income tax provision (benefit) of \$0</b>	—	—	(2,265)	
<b>Net Income</b>	139,315	143,840	115,197	
<b>(Income) loss Attributable to Noncontrolling Interests</b>	123	90	(62)	
<b>Net Income Attributable to The GEO Group, Inc.</b>	\$ 139,438	\$ 143,930	\$ 115,135	
<b>Weighted Average Common Shares Outstanding:</b>				
Basic	73,696	72,270	71,116	
Diluted	73,995	72,547	71,605	
<b>Income per Common Share Attributable to The GEO Group, Inc. (1):</b>				
<b>Basic:</b>				
Income from continuing operations	\$ 1.89	\$ 1.99	\$ 1.65	
Loss from discontinued operations	—	—	(0.03)	
Net income per share — basic	\$ 1.89	\$ 1.99	\$ 1.62	
<b>Diluted:</b>				
Income from continuing operations	\$ 1.88	\$ 1.98	\$ 1.64	
Loss from discontinued operations	—	—	(0.03)	
Net income per share — diluted	\$ 1.88	\$ 1.98	\$ 1.61	
<b>Net Income</b>		\$ 139,315	\$ 143,840	\$ 115,197
Foreign currency translation adjustments		(4,936)	(4,512)	(8,296)
Pension liability adjustment, net of income tax (provision) benefit of \$(867), \$1,621 and \$(576), respectively		1,276	(2,522)	914
Change in fair value of derivative instrument classified as cash flow hedge, net of income tax (provision) benefit of \$213, \$2,926 and \$(134), respectively		(1,375)	(16,048)	183
Total other comprehensive loss, net of tax		(5,035)	(23,082)	(7,199)
Total comprehensive income		134,280	120,758	107,998
Comprehensive loss attributable to noncontrolling interests		215	140	38
Comprehensive income attributable to The GEO Group, Inc.		\$ 134,495	\$ 120,898	\$ 108,036

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

The accompanying notes are an integral part of these consolidated financial statements.

**THE GEO GROUP, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
**December 31, 2015 and December 31, 2014**

	<u>2015</u>	<u>2014</u>
	(In thousands, exc share data)	
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 59,638	\$ 41,337
Restricted cash and investments	8,489	4,341
Accounts receivable, less allowance for doubtful accounts of \$3,088 and \$3,315, respectively	314,097	269,038
Current deferred income tax assets	27,914	25,884
Prepaid expenses and other current assets	28,208	36,806
Total current assets	438,346	377,406
<b>Restricted Cash and Investments</b>	20,236	19,578
<b>Property and Equipment, Net</b>	1,916,386	1,772,166
<b>Contract Receivable</b>	174,141	66,229
<b>Direct Finance Lease Receivable</b>	1,826	9,256
<b>Non-Current Deferred Income Tax Assets</b>	7,399	5,873
<b>Goodwill</b>	615,438	493,890
<b>Intangible Assets, Net</b>	224,148	155,275
<b>Other Non-Current Assets</b>	105,422	102,535
Total Assets	\$ 3,503,342	\$ 3,002,208
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 77,523	\$ 58,155
Accrued payroll and related taxes	48,477	38,556
Accrued expenses and other current liabilities	135,483	140,612
Current portion of capital lease obligations, long-term debt and non-recourse debt	17,141	16,752
Total current liabilities	278,624	254,075
<b>Non-Current Deferred Income Tax Liabilities</b>	11,471	10,068
<b>Other Non-Current Liabilities</b>	87,694	87,429
<b>Capital Lease Obligations</b>	8,693	9,856
<b>Long-Term Debt</b>	1,875,556	1,462,819
<b>Non-Recourse Debt</b>	234,467	131,968
<b>Commitments and Contingencies</b> (Note 19)		
<b>Shareholders' Equity</b>		
Preferred stock, \$0.01 par value, 30,000,000 shares authorized, none issued or outstanding	—	—
Common stock, \$0.01 par value, 125,000,000 shares authorized, 74,642,859 and 74,190,688 issued and outstanding, respectively	747	742
Additional paid-in capital	879,599	866,056
Earnings in excess of distributions	158,796	206,342
Accumulated other comprehensive loss	(32,404)	(27,461)
Total shareholders' equity attributable to The GEO Group, Inc.	1,006,738	1,045,679
Noncontrolling interests	99	314
Total shareholders' equity	1,006,837	1,045,993
Total Liabilities and Shareholders' Equity	\$ 3,503,342	\$ 3,002,208