

Indiana Department of Correction Announces Finalized Contract Negotiations With The GEO Group, Inc.

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J David Donahue, Commissioner

"We appreciate being selected by the Indiana Department of Correction to be the State of Indiana's first contract manager of a state prison, and we are eager to begin working closely with the community of New Castle to maximize the local and state economic development impact of this project."

George C. Zoley, Chairman and Chief Executive Officer of GEO

Indianapolis - (September 29, 2005) - The Indiana Department of Correction announced today that it has finalized contract negotiations with the [GEO Group, Inc. \(NYSE: GGI\)](#) and executed a contract with an initial term of four years and three two-year extensions, totaling a contract term of 10 years, to provide operation and management services at the 2,416-bed New Castle Correctional Facility located in New Castle, Indiana.

J. David Donahue, Commissioner of the Indiana Department of Correction, said, “I am excited about this new partnership with the GEO Group, Inc. This relationship will help the Department fully utilize the New Castle Correctional facility, meet the on-going capacity needs of the Department and improve our business.”

The prison is currently operated by the Indiana Department of Correction and houses approximately 500 inmates. It is expected that GEO will assume full management and operational responsibility on or before January 2, 2006. Prior to that date, GEO will conduct job interviews with all staff currently employed at the prison by the Indiana Department of Correction, select and hire qualified staff who wish to work for GEO, and establish relationships with local officials, community leaders and area vendors.

George C. Zoley, Chairman and Chief Executive Officer of GEO, said, "We appreciate being selected

by the Indiana Department of Correction to be the State of Indiana's first contract manager of a state prison, and we are eager to begin working closely with the community of New Castle to maximize the local and state economic development impact of this project."

During the first year of operation, the 2,416-bed prison is expected to house approximately 1,068 security level 1-4 adult male inmates for the Indiana Department of Correction and generate approximately \$12.8 million. Under the terms of the contract, GEO will be paid for a guaranteed average daily population of 961 inmates, or 90 per cent of the initial contract capacity, following a ramp-up period of approximately four weeks.

GEO is pleased to be working with two excellent certified Indiana-based companies: Midwest Psychological Center, Inc. (MBE), which will be providing program staffing and services, and Action Temporary Services, Inc. (WBE), which will be providing office and other support services staffing.



New Castle Correctional Facility

About The Department of Correction

The Department employs over 8,000 employees and houses 24,000 adult and juveniles in 32 facilities, ranging from minimum to maximum custody, prison camps, juvenile facilities and work release centers. The Department's home page on the Internet can be found at: <http://www.in.gov/indcorrection>. The Department's Re-entry Site can be found: <http://www.reentry.in.gov>.