EXECUTE SUCCESS℠

CBOE Research Circular #RS12-673

Date: December 7, 2012

To: Permit Holders
From: Scott Speer
RE: The GEO Group, Inc. ("GEO")
SPECIAL CASH/STOCK DIVIDEND (ELECTION)
Ex-Date: December 10, 2012

The GEO Group, Inc. ("GEO") has declared a Special Dividend to GEO Common Shareholders. The dividend is $5.68 per share, and GEO Shareholders have the right to elect to receive the Special Dividend in Common Stock (Share Election) or cash (Cash Election). The Cash Election is subject to proration. The Election Deadline is December 24, 2012. GEO Shareholders who fail to make an election will be deemed to have made the Cash Election. The exact amount of Common Stock and Cash to be distributed will be determined by the company two business days following the Election Deadline.

The Payable Date is December 31, 2012. The Record Date is December 12, 2012. **The Ex-distribution Date will be Monday, December 10, 2012.**

IMPORTANT EXERCISE CONSIDERATIONS

GEO CALL OPTION HOLDERS WHO DO NOT WISH TO RECEIVE THE NON-ELECTING DIVIDEND CONSIDERATION MUST EXERCISE THEIR OPTIONS IN ADVANCE OF THE CONTRACT ADJUSTMENT AND MAKE THEIR OWN ELECTIONS. GEO OPTIONS WILL BE ADJUSTED TO CALL FOR THE NON-ELECTING CONSIDERATION THAT IS PAID TO GEO SHAREHOLDERS.

Contract Adjustment for the Special Dividend

Pursuant to Article VI, Section 11 and 11A, of OCC's By-Laws, all GEO options outstanding as of Monday, December 10, 2012, shall be adjusted to require the per-contract delivery or receipt of the following**: (A) 1OO shares of The GEO Group, Inc. ("GEO") Common Stock; plus (B) 100 times of The GEO Group, Inc. ("GEO") Common Shares which will accrue to non-electing GEO Shareholders; plus (C) cash in lieu of any fractional GEO shares, if any.** Premiums for the adjusted The GEO Group, Inc. options will continue to be calculated on the basis of a multiplier of 100, *i.e.,* for premium and strike-price extensions, 1.00 will equal $100. The GEO Group, Inc. option symbol will change to **GEO1**. [Any FLEX series that may exist will be adjusted in a similar manner to the standardized option.]

Adjusted Option Symbols

On Monday, December 10, 2012, trading in GEO series will be on an adjusted basis. At 8:30 A.M., Chicago time, an opening rotation will be effected with the following adjustments:

EXISTING SERIES					ADJUSTED SERIES*			
GEO	12.50	2012-12-22	C/P	=>	GEO1	12.50	2012-12-22	C/P

EXISTING SERIES					ADJUSTED SERIES*			
GEO	15.00	2012-12-22	C/P	=>	GEO1	15.00	2012-12-22	C/P
GEO	17.50	2012-12-22	C/P	=>	GEO1	17.50	2012-12-22	C/P
GEO	20.00	2012-12-22	C/P	=>	GEO1	20.00	2012-12-22	C/P
GEO	22.50	2012-12-22	C/P	=>	GEO1	22.50	2012-12-22	C/P
GEO	25.00	2012-12-22	C/P	=>	GEO1	25.00	2012-12-22	C/P
GEO	30.00	2012-12-22	C/P	=>	GEO1	30.00	2012-12-22	C/P
GEO	35.00	2012-12-22	C/P	=>	GEO1	35.00	2012-12-22	C/P
GEO	40.00	2012-12-22	C/P	=>	GEO1	40.00	2012-12-22	C/P
GEO	15.00	2013-01-19	C/P	=>	GEO1	15.00	2013-01-19	C/P
GEO	17.50	2013-01-19	C/P	=>	GEO1	17.50	2013-01-19	C/P
GEO	20.00	2013-01-19	C/P	=>	GEO1	20.00	2013-01-19	C/P
GEO	22.50	2013-01-19	C/P	=>	GEO1	22.50	2013-01-19	C/P
GEO	25.00	2013-01-19	C/P	=>	GEO1	25.00	2013-01-19	C/P
GEO	30.00	2013-01-19	C/P	=>	GEO1	30.00	2013-01-19	C/P
GEO	35.00	2013-01-19	C/P	=>	GEO1	35.00	2013-01-19	C/P
GEO	40.00	2013-01-19	C/P	=>	GEO1	40.00	2013-01-19	C/P
GEO	12.50	2013-03-16	C/P	=>	GEO1	12.50	2013-03-16	C/P
GEO	15.00	2013-03-16	C/P	=>	GEO1	15.00	2013-03-16	C/P
GEO	17.50	2013-03-16	C/P	=>	GEO1	17.50	2013-03-16	C/P
GEO	20.00	2013-03-16	C/P	=>	GEO1	20.00	2013-03-16	C/P
GEO	22.50	2013-03-16	C/P	=>	GEO1	22.50	2013-03-16	C/P
GEO	25.00	2013-03-16	C/P	=>	GEO1	25.00	2013-03-16	C/P
GEO	30.00	2013-03-16	C/P	=>	GEO1	30.00	2013-03-16	C/P
GEO	35.00	2013-03-16	C/P	=>	GEO1	35.00	2013-03-16	C/P
GEO	40.00	2013-03-16	C/P	=>	GEO1	40.00	2013-03-16	C/P
GEO	15.00	2013-06-22	C/P	=>	GEO1	15.00	2013-06-22	C/P
GEO	17.50	2013-06-22	C/P	=>	GEO1	17.50	2013-06-22	C/P
GEO	20.00	2013-06-22	C/P	=>	GEO1	20.00	2013-06-22	C/P
GEO	22.50	2013-06-22	C/P	=>	GEO1	22.50	2013-06-22	C/P
GEO	25.00	2013-06-22	C/P	=>	GEO1	25.00	2013-06-22	C/P
GEO	30.00	2013-06-22	C/P	=>	GEO1	30.00	2013-06-22	C/P
GEO	35.00	2013-06-22	C/P	=>	GEO1	35.00	2013-06-22	C/P
GEO	40.00	2013-06-22	C/P	=>	GEO1	40.00	2013-06-22	C/P

*** Any additional GEO series that are added prior to the ex-date will also be adjusted in the manner described above.**

Settlement Procedures

The OCC will delay settlement of GEO1 exercise and assignment activity until the determination of the consideration which will accrue to non-electing GEO Shareholders.

New Unadjusted Series

To facilitate the maintenance of a fair and orderly market in The GEO Group, Inc. options, new GEO series with a contract unit of 100 shares will be introduced on Tuesday, December 11, 2012. The GEO series will be added for December, January, March, and June expirations at exercise prices nearest the money.

GTC Order Conversion

On Friday, December 7, 2012, immediately after the CBOE close, the system will convert or cancel all resting orders in the GEO order book. If your firm has requested, all booked orders (phone, wire, and electronic) and all ORS orders residing outside the book (booth or crowd routed) will be converted reflecting the adjustment. If your firm has requested, all booked orders and ORS orders residing outside of the book will be canceled. If your firm receives CXL drops, the CXL confirms will print at your booth at 3:15 p.m. ORS CXLs will also be transmitted electronically to your branches.

A report will be available at the Help Desk listing the orders that are converted or canceled. If converted, this list will also show how the new orders will be adjusted. This report will be available on request anytime during the day prior to the night of the adjustment.

Position and Exercise Limits

The CBOE Department of Market Regulation has determined that: "The position and exercise limits following this distribution will remain the same."

Questions regarding this memo can be addressed to Options Industry Services at 1-888-OPTIONS (1-888-678-4667). CBOE contract adjustment memos can also be accessed from CBOE.com at the following web address:

http://www.cboe.com/ContractAdjustments