

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended June 30, 1996

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from to

COMMISSION FILE NUMBER 1-14260

WACKENHUT CORRECTIONS CORPORATION

(Exact name of registrant as specified in its charter)

Florida

65-0043078

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

4200 Wackenhut Drive #100,
Palm Beach Gardens, Florida

33410-4243

(Address of principal executive offices)

(Zip code)

(561) 622-5656

(Registrant's telephone number, including area code)

Not Applicable

FORMER NAME, FORMER ADDRESS AND FORMER FISCAL YEAR,
IF CHANGED SINCE LAST REPORT.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such report), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

At August 1, 1996, 21,850,026 shares of the registrant's Common Stock were issued and outstanding.

WACKENHUT CORRECTIONS CORPORATION

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The following consolidated financial statements of Wackenhut Corrections Corporation, a Florida corporation (the "Corporation") have been prepared in accordance with the instructions to Form 10-Q and therefore, omit or condense certain footnotes and other information normally included in financial statements prepared in accordance with generally accepted accounting principles. In the opinion of management, all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the financial information for the interim periods reported have been made. Results of operations for the twenty-six weeks ended June 30, 1996 are not necessarily indicative of the results for the entire fiscal year ending December 29, 1996.

WACKENHUT CORRECTIONS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THIRTEEN WEEKS ENDED
JUNE 30, 1996 AND JULY 2, 1995
(IN THOUSANDS EXCEPT PER SHARE DATA)
(UNAUDITED)

	THIRTEEN WEEKS ENDED	
	JUNE 30, 1996	JULY 2, 1995
Revenues	\$33,416	\$22,570
Operating expenses (including amounts related to Parent of \$125 and \$1,237)	28,660	18,327
Depreciation and amortization	770	525
	-----	-----
Contribution from operations	3,986	3,718
G&A expense (including amounts related to Parent of \$970 and \$632)	2,073	1,900
	-----	-----
Operating income	1,913	1,818
Interest income (including interest related to Parent of \$0 and \$41)	656	66
	-----	-----
Income before income taxes and equity income (loss) of affiliate	2,569	1,884
Provision for income taxes	895	792
	-----	-----
Income before equity income (loss) of affiliate	1,674	1,092
Equity income (loss) of affiliate, net of income tax (provision) benefit of \$(88) and \$12	140	(20)
	-----	-----
Net income	\$ 1,814	\$ 1,072
	=====	=====
Earnings per share	\$ 0.08	\$ 0.06
	=====	=====
Weighted average shares outstanding	22,676	17,725
	=====	=====

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

WACKENHUT CORRECTIONS CORPORATION
 CONSOLIDATED STATEMENTS OF INCOME
 FOR THE TWENTY-SIX WEEKS ENDED
 JUNE 30, 1996 AND JULY 2, 1995
 (IN THOUSANDS EXCEPT PER SHARE DATA)
 (UNAUDITED)

	TWENTY-SIX WEEKS ENDED	
	JUNE 30, 1996	JULY 2, 1995
Revenues	\$62,850	\$46,044
Operating expenses (including amounts related to Parent of \$238 and \$2,368)	53,216	37,827
Depreciation and amortization	1,606	1,011
	-----	-----
Contribution from operations	8,028	7,206
G&A expense (including amounts related to Parent of \$1,671 and \$1,348)	4,396	3,798
	-----	-----
Operating income	3,632	3,408
Interest income (including interest related to Parent of \$109 and \$107)	1,297	112
	-----	-----
Income before income taxes and equity income (loss) of affiliate	4,929	3,520
Provision for income taxes	1,829	1,422
	-----	-----
Income before equity income (loss) of affiliate	3,100	2,098
Equity income (loss) of affiliate, net of income tax (provision) benefit of \$(114) and \$61	182	(98)
	-----	-----
Net income	\$ 3,282	\$ 2,000
	=====	=====
Earnings per share	\$ 0.15	\$ 0.115
	=====	=====
Weighted average shares outstanding	21,767	17,691
	=====	=====

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

WACKENHUT CORRECTIONS CORPORATION
CONSOLIDATED BALANCE SHEETS
JUNE 30, 1996 AND DECEMBER 31, 1995
(IN THOUSANDS EXCEPT SHARE DATA)

	END OF PERIOD	
	JUNE 30, 1996	DECEMBER 31, 1995
	----- (UNAUDITED)	-----
ASSETS		
Current Assets:		
Cash	\$52,015	\$ 909
Accounts receivable	21,079	17,826
Deferred income tax asset - current	--	51
Other	4,549	3,567
	-----	-----
Total current assets	77,643	22,353
Property and equipment, net	8,519	8,211
Investments in and advances to affiliates	696	400
Deferred charges, net	5,527	4,587
Unamortized cost in excess of net assets of acquired companies, net	2,379	2,408
Other	860	881
	-----	-----
	\$95,624	\$38,840
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 1,824	\$ 1,852
Accrued payroll and related taxes	4,156	3,330
Accrued expenses	3,587	3,705
Current portion of long-term debt	11	11
Deferred income tax liability - current	63	--
	-----	-----
Total current liabilities	9,641	8,898
	-----	-----
Deferred income taxes, net	4,440	3,733
	-----	-----
Long-term debt	231	980
	-----	-----
Shareholders' equity:		
Preferred stock, \$.01 par value, 10,000,000 shares authorized	--	--
Common stock, \$.01 par value, 60,000,000 shares authorized, 21,848,026 and 17,078,162 shares issued and outstanding	218	171
Additional paid-in capital	71,375	18,860
Retained earnings	9,368	6,087
Cumulative translation adjustment	351	111
	-----	-----
Total shareholders' equity	81,312	25,229
	-----	-----
	\$95,624	\$38,840
	=====	=====

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

WACKENHUT CORRECTIONS CORPORATION
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 FOR THE TWENTY-SIX WEEKS ENDED
 JUNE 30, 1996 AND JULY 2, 1995
 (IN THOUSANDS)
 (UNAUDITED)

	TWENTY-SIX WEEKS ENDED	
	JUNE 30, 1996	JULY 2, 1995
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 3,282	\$ 2,000
Adjustments to reconcile net income to net cash provided by operating activities--		
Depreciation and amortization expense	1,606	1,011
Equity (income) loss of affiliates	(296)	159
Changes in assets and liabilities --		
(Increase) decrease in assets:		
Accounts receivable	(3,175)	(4,656)
Deferred income tax asset - current	51	79
Other current assets	(890)	(560)
Other assets	99	51
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(294)	893
Accrued payroll and related taxes	763	23
Deferred income tax liability - current	63	--
Deferred income taxes - non-current	1,343	1,285
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,552	285
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investments in affiliates	--	(667)
Capital expenditures	(1,107)	(633)
Deferred charge expenditures	(1,648)	(1,471)
NET CASH USED IN INVESTING ACTIVITIES	(2,755)	(2,771)

(Continued)

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

WACKENHUT CORRECTIONS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE TWENTY-SIX WEEKS ENDED
JUNE 30, 1996 AND JULY 2, 1995
(IN THOUSANDS)
(UNAUDITED)

(Continued)

	TWENTY-SIX WEEKS ENDED	
	----- JUNE 30, 1996 -----	----- JULY 2, 1995 -----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from issuance of common stock	51,606	--
Proceeds from exercise of stock options	320	897
Retirement of debt	(779)	(375)
Advances from Parent	45,124	29,514
Repayments to Parent	(45,124)	(29,641)
	-----	-----
NET CASH PROVIDED BY FINANCING ACTIVITIES	51,147	395
	-----	-----
Effect of exchange rate changes on cash	162	(202)
Net (decrease) increase in cash	51,106	(2,293)
Cash, beginning of period	909	5,981
	-----	-----
CASH, END OF PERIOD	\$ 52,015	\$ 3,688
	=====	=====
SUPPLEMENTAL DISCLOSURES:		
Impact on equity from tax benefit related to the exercise of options issued under the company's non-qualified stock option plan	\$ 636	\$ --
	=====	=====

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

WACKENHUT CORRECTIONS CORPORATION
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 (UNAUDITED)

1. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed for the quarterly financial reporting are the same as those disclosed in Note 2 of the Notes To Consolidated Financial Statements included in the Corporation's Form 10-K filed with the Securities and Exchange Commission on March 28, 1996 for the fiscal years ended December 31, 1995, January 1, 1995, and January 2, 1994. Certain prior year amounts have been reclassified to conform with current year financial statement presentation.

On April 25, 1996, the Company's Board of Directors declared a two-for-one stock split effected in the form of a 100% stock dividend paid on June 4, 1996. Except as otherwise noted, all share data relating to the Company's common stock has been restated to reflect the two-for-one split.

Reference is made to Item 7, Part II of the Corporation's Annual Report on Form 10-K for the fiscal year ended January 1, 1995, for further discussion and analysis of information pertaining to liquidity and capital resources.

2. DOMESTIC AND INTERNATIONAL OPERATIONS

A summary of domestic and international operations is presented below:

	TWENTY-SIX WEEKS ENDED JUNE 30, 1996 -----	JULY 2, 1995 -----
	(in thousands)	
REVENUES		
Domestic operations	\$48,218	\$33,364
International operations	14,632	12,680
	-----	-----
Total revenues	\$62,850	\$46,044
	=====	=====
OPERATING INCOME		
Domestic operations	\$ 2,203	\$ 1,997
International operations	1,429	1,411
	-----	-----
Total operating income	\$ 3,632	\$ 3,408
	=====	=====
	JUNE 30, 1996 -----	DECEMBER 31, 1995 -----
IDENTIFIABLE ASSETS		
Domestic operations	\$87,198	\$28,221
International operations	8,426	6,229
	-----	-----
Total identifiable assets	\$95,624	\$34,450
	=====	=====

WACKENHUT CORRECTIONS CORPORATION

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

FINANCIAL CONDITION

In January 1996, the Company sold 2,300,000 shares of its common stock in connection with a public offering at a price of \$24.00 per share, before deducting underwriting discounts and commissions and estimated offering expenses. The net proceeds from the offering of approximately \$51,606,000 will be used for possible future acquisitions, capital investments in new facilities, working capital requirements and general corporate purposes.

In May 1996, the Corporation repaid the remaining \$1,000,000 Australian (approximately \$773,400 United States) of its outstanding balance under a credit facility with a bank.

Reference is made to Item 7, Part II of the Corporation's Annual Report on Form 10-K for the fiscal year ended January 1, 1995, for further discussion and analysis of information pertaining to liquidity and capital resources.

RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the Corporation's consolidated financial statements and the notes thereto.

SECOND QUARTER 1996 COMPARED TO SECOND QUARTER 1995:

Revenues increased by 48.0% to \$33.4 million in the thirteen weeks ended June 30, 1996 ("Second Quarter 1996") from \$22.6 million in the thirteen weeks ended July 2, 1995 ("Second Quarter 1995"). The increase in revenues in Second Quarter 1996 compared to Second Quarter 1995 is primarily attributable to increased compensated resident days resulting from the opening of two facilities in the second half of 1995 (Moore Haven Correctional Facility, Moore Haven, Florida in July 1995 and John R. Lindsey Unit, Jack County, Texas in September 1995), one facility that opened in 1996 (Willacy County Unit, Willacy County, Texas in January 1996), one facility for which the company assumed correctional services in 1996 (Delaware County Prison, Delaware County, Pennsylvania in April 1996) and the expansion of two facilities in the second half of 1995 (Arthure Gorrie Correctional Centre, Wacol, Australia and Allen Correctional Center, Kinder, Louisiana).

The number of compensated resident days in domestic facilities increased to 754,658 in Second Quarter 1996 from 438,879 in Second Quarter 1995. In addition, compensated resident days in Australian facilities increased to 111,748 from 103,358 for the comparable periods. As a result of the increase in compensated resident days, average facility occupancy in domestic facilities increased to 95.3% of capacity in Second Quarter 1996 compared to 91.5% in the same period in Second Quarter 1995.

Operating expenses increased by 56.3% to \$28.7 million in Second Quarter 1996 compared to \$18.3 million in Second Quarter 1995. The increase primarily reflected the opening of the three facilities, the assumption of correctional services at one facility and the expansion of two facilities discussed above.

WACKENHUT CORRECTIONS CORPORATION

Depreciation and amortization increased by 46.7% to \$770,000 in Second Quarter 1996 from \$525,000 in Second Quarter 1995. This increase is due to an increase in capital and deferred charge expenditures resulting from the opening of the three facilities, assumption of correctional services at one facility, and the expansion of two facilities discussed above.

Contribution from operations increased 7.2% to \$4.0 million in Second Quarter 1996 from \$3.7 million in Second Quarter 1995 due primarily to the three new facilities, the assumption of correctional services at one facility, and the two expansions discussed above.

General and administrative expenses increased 9.1% to \$2.1 million in Second Quarter 1996 from \$1.9 million in Second Quarter 1995. This increase is primarily attributable to increased business development activities in response to additional interest in the Company's services.

Operating income increased by 5.2% to \$1.9 million in Second Quarter 1996 from \$1.8 million in Second Quarter 1995 due to increased income from the three new facilities, assumption of correctional services at one facility, and two expansions, offset by higher general and administrative expenses.

Income before taxes and equity income increased by 36.4% to \$2.6 million in Second Quarter 1996 from \$1.9 million in Second Quarter 1995 due to an increase in interest income, which represents interest earned on the proceeds of the January 1996 stock offering, and the factors described above.

Provision for income taxes increased to \$895,000 in Second Quarter 1996 from \$792,000 in Second Quarter 1995 due to higher taxable income, offset partially by a decrease in the Corporation's effective tax rate.

Equity income of affiliates was \$140,000 in Second Quarter 1996 compared to a loss of \$20,000 in Second Quarter 1995. Current and prior year performance reflects the activities of Premier Prison Services, a U.K. joint venture. Current year income results from two expansions at the H.M. Prison Doncaster (Doncaster, England) in November 1995 and June 1996, and income earned from two court escort contracts that were awarded in December 1995.

Net income increased by 69.2% to \$1.8 million in Second Quarter 1996 from \$1.1 million in Second Quarter 1995 as a result of the factors described above.

FIRST HALF 1996 COMPARED TO FIRST HALF 1995:

Revenues increased by 36.5% to \$62.9 million in the twenty-six weeks ended June 30, 1996 ("First Half 1996") from \$46.0 million in the twenty-six weeks ended July 2, 1995 ("First Half 1995"). The increase in revenues in First Half 1996 compared to First Half 1995 is primarily attributable to increased compensated resident days resulting from the opening of two facilities in the second half of 1995 (Moore Haven Correctional Facility, Moore Haven, Florida in July 1995 and John R. Lindsey Unit, Jack County, Texas in September 1995), one facility in the first half of 1996 (Willacy County Unit, Willacy County, Texas in January 1996), one facility for which the company assumed correctional services in 1996 (Delaware County Prison, Delaware County, Pennsylvania in April 1996) and the expansion of two facilities in the second half of 1995 (Arthur Gorrie Correctional Centre, Wacol, Australia and Allen Correctional Center, Kinder, Louisiana).

WACKENHUT CORRECTIONS CORPORATION

The number of compensated resident days in domestic facilities increased to 1,393,663 in First Half 1996 from 890,738 in First Half 1995. In addition, compensated resident days in Australian facilities increased to 223,496 from 205,096 for the comparable periods. As a result of the increase in compensated resident days, average facility occupancy in domestic facilities increased to 95.8% of capacity in First Half of 1996 compared to 92.9% in First Half of 1995.

Operating expenses increased by 40.7% to \$53.2 million in First Half 1996 compared to \$37.8 million in First Half 1995. This increase primarily reflected the opening of the three facilities, the assumption of correctional services at one facility, and the two expansions discussed above.

Depreciation and amortization increased by 58.9% to \$1.6 million in the First Half 1996 from \$1.0 million in the First Half 1995. This increase is due to the increase in capital and deferred charge expenditures resulting from the opening of the three new facilities, the assumption of correctional services at one facility, and the expansion of two facilities discussed above.

Contributions from operations increased by 11.4% to \$8.0 million in First Half 1996 from \$7.2 million in First Half 1995 due primarily to the three new facilities, the assumption of correctional services at one facility, and the two expansions discussed above.

General and administrative expenses increased by 15.6% to \$4.4 million in First Half 1996 from \$3.8 million in First Half 1995. This increase is primarily attributable to increased business development activities in response to additional interest in the Company's services.

Operating income increased by 6.6% to \$3.6 million in First Half 1996 from \$3.4 million in First Half 1995 due to additional income from the opening of three new facilities, assumption of correctional services at one facility, and two expansions, offset by higher general and administrative expenses.

Income before taxes and equity loss increased by 40% to \$4.9 million in First Half 1996 from \$3.5 million in First Half 1995 due to an increase in interest, which represents interest earned on the proceeds of the January 1996 stock offering, and the factors described above.

Provision for income taxes increased to \$1.8 million in First Half 1996 from \$1.4 million in First Half 1995 due to higher taxable income, offset partially by a decrease in the Corporation's effective tax rate.

Equity income of affiliates was \$182,000 for First Half 1996 compared to a loss of \$98,000 in First Half 1995. Current and prior year performance reflects the activities of Premier Prison Services, a U.K. joint venture. Current year income results from two expansions at the H.M. Prison Doncaster (Doncaster, England) in November 1995 and June 1996, and income earned from two court escort contracts that were awarded in December 1995.

Net income increased by 64% to \$3.3 million in First Half 1996 from \$2.0 million in First Half 1995 as a result of the factors described above.

WACKENHUT CORRECTIONS CORPORATION

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The nature of the Corporation's business results in claims or litigation against the Corporation for damages arising from the conduct of its employees or others.

Except for routine litigation incidental to the business of the Corporation, there are no pending material legal proceedings to which the Corporation or any of its subsidiaries is a party or to which any of their property is subject. The Corporation believes that the outcome of the proceedings to which it is currently a party will not have a material adverse effect upon its operations or financial condition.

ITEM 2. CHANGES IN SECURITIES

Not applicable

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Annual Meeting of Shareholders of the Corporation was held on April 25, 1996 in Palm Beach Gardens, Florida. All directors nominated for election were elected by a majority of the votes and are as follows:

	Votes For -----	Votes Withheld -----
Norman A. Carlson	8,706,551	11,550
Benjamin R. Civiletti	8,699,451	18,650
Timothy P. Cole	8,698,801	19,300
Manuel J. Justiz	8,712,451	5,650
James R. Thompson	8,706,451	11,650
Anthony P. Travisono	8,699,409	18,692
George R. Wackenhut	8,706,551	11,550
Richard R. Wackenhut	8,699,801	18,300
George C. Zoley	8,699,801	18,300

The second matter voted upon at the Annual Meeting was the ratification of the action of the Board of Directors appointing the firm of Arthur Andersen LLP to be the independent certified public accountants of the Corporation for the fiscal year 1996. Tabulation of the vote on this matter is as follows:

For: 8,682,642 Against: 6,300 Abstain: 29,159

WACKENHUT CORRECTIONS CORPORATION

The final matter voted upon at the Annual Meeting was the ratification of a proposal to establish a Stock Option Plan (the "Plan") for non-employee Directors and to set aside 30,000 shares of Common Stock of the Corporation for future issuance under the Plan. Tabulation of the vote on this matter is as follows:

For: 8,512,978 Against: 107,670 Abstain: 37,815

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits - 27 Financial Data Schedule (for SEC use only).
- (b) Reports on Form 8-K - The Corporation did not file a Form 8-K during the first half of 1996.

WACKENHUT CORRECTIONS CORPORATION

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, thereunto duly authorized.

WACKENHUT CORRECTIONS CORPORATION

August 12, 1996

/s/ John G. O'Rourke

John G. O'Rourke
Senior Vice President - Finance,
Chief Financial Officer and
Treasurer
(Duly Authorized Officer and
Principal Financial Officer)

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEET AT JUNE 30, 1996, (UNAUDITED) AND THE CONSOLIDATED STATEMENT OF INCOME FOR THE TWENTY-SIX WEEKS ENDED JUNE 30, 1996 (UNAUDITED) AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

6-MOS		
	DEC-29-1996	
	JAN-01-1996	
	JUN-30-1996	
		52,015
		0
	21,079	0
		0
	4,549	11,106
	2,587	
	95,624	
9,641		
		242
0		0
		218
	81,094	
95,624		0
	62,850	0
	54,822	
	0	
	0	
	0	
	4,929	
	1,829	
3,282		
	0	
	0	
		0
	3,282	
	.15	
	.15	