FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended July 4, 1999

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 [X] No [ ]

At August 10, 1999, 22,386,992 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 "Company"), 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. Certain amounts in the prior year have been reclassified to conform to the current presentation. 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 July 4, 1999 are not necessarily indicative of the results for the entire fiscal year ending January 2, 2000.

WACKENHUT CORRECTIONS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THIRTEEN AND TWENTY-SIX WEEKS ENDED
JULY 4, 1999 AND JUNE 28, 1998
(IN THOUSANDS EXCEPT PER SHARE DATA)
(UNAUDITED)

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	July 4, 1999	June 28, 1998	July 4, 1999	June 28, 1998
Revenues	$ 106,049	$ 74,617	$ 203,480	$ 145,886
Operating expenses (including amounts related to Parent of $2,392, $2,018, $4,719 and $4,007)	93,578	63,879	179,701	125,331
Depreciation and amortization	1,175	1,214	2,478	2,251
Contribution from operations	11,296	9,524	21,301	18,304
G&A expense (including amounts related to Parent of $803, $570, $1,655 and $1,111)	4,507	3,155	7,969	6,943
Operating income	6,789	6,369	13,332	11,361
Interest income (including interest income related to Parent of $200, $37, $379, and $72)	654	564	1,061	809
Income before income taxes, equity in earnings of affiliates, and cumulative effect of change in accounting for start-up costs	7,443	6,933	14,393	12,170
Provision for income taxes	2,984	2,816	5,771	4,954
Income before equity in earnings of affiliates and cumulative effect of change in accounting for start-up costs	4,459	4,117	8,622	7,216
Equity in earnings of affiliates, net of income tax provision of $601, $348, $1,054 and $520	898	535	1,574	799
Income before cumulative effect of change in accounting for start-up costs	5,357	4,652	10,196	8,015
Cumulative effect of change in accounting for start-up costs, net of tax	--	--	--	(11,528)
Net income (loss)	$ 5,357	$ 4,652	$ 10,196	$ (3,513)
Basic earnings (loss) per share:				
Income before cumulative effect of change in accounting for start-up costs	$ 0.25	$ 0.21	$ 0.47	$ 0.36
Cumulative effect of change in accounting for start-up costs, net of tax	--	--	--	(0.52)
Net income (loss)	$ 0.25	$ 0.21	$ 0.47	$ (0.16)
Diluted earnings (loss) per share:				
Income before cumulative effect of change in accounting for start-up costs	$ 0.24	$ 0.20	$ 0.46	$ 0.36
Cumulative effect of change in accounting for start-up costs, net of tax	--	--	--	(0.51)
Net income (loss)	$ 0.24	$ 0.20	$ 0.46	$ (0.15)
Basic weighted average shares outstanding	21,654	22,233	21,752	22,209
Diluted weighted average shares outstanding	22,034	22,810	22,157	22,813

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

WACKENHUT CORRECTIONS CORPORATION
CONSOLIDATED BALANCE SHEETS
JULY 4, 1999 AND JANUARY 3, 1999
(IN THOUSANDS EXCEPT SHARE DATA)

	July 4, 1999 (Unaudited)	January 3, 1999
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 43,547	$ 20,240
Accounts receivable, net	63,181	61,188
Current portion of deferred income tax asset, net	2,073	1,769
Other	8,843	11,267
Total current assets	117,644	94,464
Property and equipment, net	23,183	33,005
Investments in and advances to affiliates	19,612	15,447
Goodwill	1,953	2,011
Deferred income tax asset, net	--	1,277
Other	3,396	1,804
	$ 165,788	$ 148,008
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 7,889	$ 5,944
Accrued payroll and related taxes	14,416	9,955
Accrued expenses	14,721	9,850
Current portion of deferred revenue	2,606	2,383
Current portion of long-term debt	--	13
Total current liabilities	39,632	28,145
Deferred income tax liability, net	1,156	--
Long-term debt	--	200
Deferred revenue	15,856	16,723
Shareholders' equity:		
Preferred stock, $.01 par value, 10,000,000 shares authorized	--	--
Common stock, $.01 par value, 60,000,000 shares authorized, 22,392,422 and 22,347,922 shares issued and outstanding	224	223
Additional paid-in capital	83,684	83,164
Retained earnings	41,719	31,523
Accumulated other comprehensive loss	(1,518)	(3,117)
Less: common stock in treasury at cost-- 753,000 and 453,500 shares	(14,965)	(8,853)
Total shareholders' equity	109,144	102,940
	$ 165,788	$ 148,008

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
JULY 4, 1999 AND JUNE 28, 1998
(IN THOUSANDS)
(UNAUDITED)

	Twenty-six Weeks Ended	
	July 4, 1999	June 28, 1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 10,196	$ (3,513)
Adjustments to reconcile net income to net cash provided by (used in) operating activities--		
Depreciation and amortization expense	2,478	2,251
Equity in earnings of affiliates	(2,628)	(1,319)
Cumulative effect of change in accounting for start-up costs, net	--	11,528
Changes in assets and liabilities --		
(Increase) decrease in assets:		
Accounts receivable	(1,569)	(8,191)
Deferred income tax asset	973	--
Other current assets	2,476	(2,773)
Other assets	(1,213)	(1,393)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	5,923	9,238
Accrued payroll and related taxes	4,311	1,483
Deferred income tax liability, net	1,156	(5,523)
NET CASH PROVIDED BY OPERATING ACTIVITIES	22,103	1,788
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investments in affiliates	(1,537)	(1,190)
Capital expenditures	(14,506)	(1,799)
Proceeds from sale of capital assets to CPV	22,281	42,211
NET CASH PROVIDED BY INVESTING ACTIVITIES	6,238	39,222
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from exercise of stock options	209	1,189
Payments on debt	(213)	(6)
Advances to The Wackenhut Corporation	(17,444)	(48,706)
Repayments from The Wackenhut Corporation	17,444	48,706
Repurchase of common stock	(6,112)	--
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(6,116)	1,183
Effect of exchange rate changes on cash	1,082	(969)
Net increase in cash	23,307	41,224
Cash, beginning of period	20,240	28,960
CASH, END OF PERIOD	$ 43,547	$ 70,184
SUPPLEMENTAL DISCLOSURES:		
Impact on equity from tax benefit related to the exercise of options issued under the company's non-qualified stock option plan	$ 311	$ 2,048
Income taxes paid	$ 15,775	$ 850

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 Company's Form 10-K filed with the Securities and Exchange Commission on April 2, 1999 for the fiscal years ended January 3, 1999, December 28, 1997, and December 29, 1996. Certain prior year amounts have been reclassified to conform with current year financial statement presentation.

2. DOMESTIC AND INTERNATIONAL OPERATIONS

A summary of domestic and international operations is presented below (dollars in thousands):

	Twenty-six Weeks Ended	
	July 4, 1999	June 28, 1998
REVENUES		
Domestic operations	$ 175,304	$ 121,348
International operations	28,176	24,538
Total revenues	$ 203,480	$ 145,886
OPERATING INCOME		
Domestic operations	$ 10,814	$ 9,692
International operations	2,518	1,669
Total operating income	$ 13,332	$ 11,361

	As of	
	July 4, 1999	January 3, 1999
LONG-LIVED ASSETS		
Domestic operations	$ 18,586	$ 28,944
International operations	4,597	4,061
Total long-lived assets	$ 23,183	$ 33,005

Long-lived assets consist of property, plant and equipment.

3. DEFERRED CHARGES

Effective December 29, 1997, the Company adopted the American Institute of Certified Public Accountants' Statement of Position 98-5 ("SOP 98-5") on Accounting for Costs of Start-up Activities. Under this policy, the Company is required to expense all start-up and project development costs as incurred. In fiscal 1998, the Company wrote-off existing unamortized start-up costs and project development costs of $19.5 million (or $11.5 million after-tax) to record the cumulative effect of the change in accounting principle. The adoption of SOP 98-5 required a restatement of the previously issued financial statements for the thirteen weeks and twenty-six weeks ended June 28, 1998.

WACKENHUT CORRECTIONS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

4. COMPREHENSIVE INCOME

Statement of Financial Accounting Standards No. 130 "Reporting Comprehensive Income," establishes standards for reporting and display of comprehensive income and its components in financial statements. The components of the Company's comprehensive income are as follows (dollars in thousands):

	Twenty-six Weeks Ended	
	July 4, 1999	June 28, 1998
Net income (loss)	$ 10,196	$ (3,513)
Foreign currency translation adjustments, net of income tax expense of $1,070 and $875, respectively.	1,599	(1,274)
Comprehensive income (loss)	$ 11,795	$ (4,787)

5. EARNINGS PER SHARE

The following table shows the amounts used in computing earnings (loss) per share in accordance with Statement of Financial Accounting Standards No. 128 and the effects on income and the weighted average number of shares of potential dilutive common stock (in thousands except per share data).

	Thirteen Weeks Ended		Twenty-six Weeks Ended	
	July 4, 1999	June 28, 1998	July 4, 1999	June 28, 1998
Net Income.....................	$ 5,357	$ 4,652	$ 10,196	$ (3,513)
Basic earnings (loss) per share:				
Weighted average shares outstanding..................	21,654	22,233	21,752	22,209
Per share amount..............	$ 0.25	$ 0.21	$ 0.47	$ (0.16)
Diluted earnings (loss) per share:				
Weighted average shares outstanding..................	21,654	22,233	21,752	22,209
Effect of dilutive securities:				
Employee and director stock options......................	380	577	405	604
Weighted average shares assuming dilution............	22,034	22,810	22,157	22,813
Per share amount..............	$ 0.24	$ 0.20	$ 0.46	$ (0.15)

Options to purchase 368,500 shares of the Company's common stock, with exercise prices ranging from $20.25 to $29.56 per share and expiration dates between 2006 and 2009, were outstanding at July 4, 1999, but were not included in the computation of diluted EPS because their effect would be anti-dilutive if exercised. At June 28, 1999, outstanding options to purchase 168,000 shares of the Company's common stock, with exercise prices ranging from $25.06 to $29.56 and expiration dates between 2006 and 2008, were also excluded from the computation of diluted EPS because their effect would be anti-dilutive if exercised.

WACKENHUT CORRECTIONS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

6. SALE OF FACILITIES TO CORRECTIONAL PROPERTIES TRUST

On January 15, 1999, the Company sold its right to acquire a 1,500-bed correctional facility located in Lawton, Oklahoma and sold the 600-bed expansion of the Lea County Correctional Facility to Correctional Properties Trust ("CPV") for a total of approximately $66.1 million. Net proceeds to the Company from the sale were approximately $22.3 million. Simultaneous with these purchases, the Company entered into ten-year operating leases with CPV for these facilities. These properties require initial annual lease payments of $6.3 million and include annual increases for changes in the consumer price index with minimum increases of 3% for each of the following two years.

7. STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 133

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 133 ("SFAS 133"), "Accounting for Derivative Instruments and Hedging Activities." The Statement establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. SFAS 133 requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. In June 1999, FASB amended the effective date of SFAS 133 to fiscal years beginning after June 15, 2000. In management's opinion, the impact of adopting this statement will not have a material impact upon the Company's results of operations or financial position.

8. TREASURY STOCK

On August 7, 1998, the Board of Directors of the Company authorized the repurchase, at the discretion of the senior management, of up to 500,000 shares of the Company's common stock. As of January 3, 1999, the Company had repurchased 453,500 shares of common stock. In February 1999, the Company's Board of Directors authorized the repurchase of up to an additional 500,000 shares of the Company's common stock. As of July 4, 1999, the Company had repurchased a total of 753,000 of the one million common shares authorized for repurchase at an average price per share of $19.87. For fiscal year 1999, the Company had repurchased 299,500 shares at an average price of $20.47. The repurchased shares had been recorded by the Company as treasury stock resulting in a reduction of shareholders' equity.

WACKENHUT CORRECTIONS CORPORATION

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

FINANCIAL CONDITION

Reference is made to Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1999, filed with the Securities and Exchange Commission on April 2, 1999, for further discussion and analysis of information pertaining to the Company's results of operations, liquidity and capital resources.

FORWARD-LOOKING STATEMENTS: The management's discussion and analysis of financial condition and results of operations and the August 5, 1999 press release contain forward-looking statements that are based on current expectations, estimates and projections about the segments in which the Company operates. This section of the quarterly report also includes management's beliefs and assumptions made by management. Words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", and variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions ("Future Factors") which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. The Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Future Factors include increasing price and product/service competition by foreign and domestic competitors, including new entrants; rapid technological developments and changes; the ability to continue to introduce competitive new products and services on a timely, cost effective basis; the mix of products/services; the achievement of lower costs and expenses; domestic and foreign governmental and public policy changes including environmental regulations; protection and validity of patent and other intellectual property rights; reliance on large customers; technological, implementation and cost/financial risks in increasing use of large, multi-year contracts; the outcome of pending and future litigation and governmental proceedings and continued availability of financing; financial instruments and financial resources in the amounts, at the times and on the terms required to support the Company's future business. These are representative of the Future Factors that could affect the outcome of the forward-looking statements. In addition, such statements could be affected by general industry and market conditions and growth rates, general domestic and international economic conditions including interest rate and currency rate fluctuations and other future factors.

LIQUIDITY AND CAPITAL RESOURCES

On January 15, 1999 the Company sold its right to acquire a 1,500-bed correctional facility located in Lawton, Oklahoma and sold the 600-bed expansion of the Lea County Correctional Facility located in Hobbs, New Mexico to CPV for approximately $66.1 million. Net proceeds to the Company from the sale were approximately $22.3 million. Both facilities are being leased back to the Company under an operating lease.

Cash and cash equivalents at July 4, 1999 of $43.5 million increased $23.3 million from January 3, 1999. Cash provided by operating activities amounted to $22.1 million in the twenty-six weeks ended July 4, 1999 ("First Half 1999") versus cash provided by operating activities of $1.8 million in twenty-six weeks ended June 28, 1998 ("First Half 1998") primarily reflecting lower trade accounts receivable, other current assets and deferred income tax balances. Cash provided by investing activities amounted to $6.2 million in the First Half 1999, including capital expenditures of $14.5 million representing the investment in facilities and purchase of equipment offset by proceeds from the sale of the Lea County Correctional Facility to CPV. Cash used in financing activities in First Half 1999 amounted to $6.1 million, reflecting primarily purchases of treasury stock of the Company.

Working capital increased from $66.3 at January 3, 1999 to $78.0 at the end of the Second Quarter of 1999 primarily due to the sale of the Lea County Correctional Facility offset by increases in payables and accrued expenses.

As of July 4, 1999, approximately $74.0 million of the Company's $220 million operating lease facility, established to acquire and develop new correctional facilities, was outstanding for properties under development.

YEAR 2000 READINESS DISCLOSURE

Management continued its review of the installation of new information systems hardware and software and determined that the installation is on schedule for completion before the year 2000. This review also encompasses other systems including embedded technology, such as security systems.

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that make operations beyond the year 1999 troublesome. The internal clocks in computers and other equipment will roll over from "12/31/99" to "01/01/00" and programs and hardware, if not corrected, will be unable to distinguish between the year 2000 and the year 1900. This may result in processing data inaccurately or in stopping data processing altogether.

There are five phases that describe the Company's process in becoming year 2000 compliant. The awareness phase encompasses developing a budget and project plan. The assessment phase identifies mission-critical systems to check for compliance. Based on current information, both of these phases have been completed. The Company is at various stages in the three remaining phases: renovation, validation and implementation. Renovation is the design of the systems to be year 2000 compliant. Validation is testing the systems followed by implementation.

Implementation of the Company's year 2000 compliant financial operating systems has begun and is scheduled for complete implementation in third quarter 1999. Implementation of all other major year 2000 compliant systems is scheduled for completion in the third quarter of 1999.

The Company has incurred and will continue to incur expenses related to year 2000 compliance. These costs include time and effort of internal staff and consultants for renovation, validation and implementation, and computer and embedded technology systems enhancements and/or replacements. The total costs, funded from working capital and not considered material, for achieving year 2000 compliance, are estimated at approximately $0.5 million. Of the total estimated amount, $0.3 million will be capitalized and amortized and $0.2 million will be expensed.

These total estimated costs exclude payroll costs of internal staff related to year 2000 compliance as the Company does not separately track such costs. In addition, the total estimated amount to achieve year 2000 compliance excludes the Company's total costs estimated to be incurred in previously planned new systems. Implementation of these new systems has not been accelerated due to the year 2000 problem. Deferral of other projects that would have a material effect on operations has not been required, nor anticipated, as a result of the Company's year 2000 efforts.

The state of year 2000 readiness for third parties with whom the Company shares material relations, such as banks and vendors used by the Company, is being reviewed by management. The Company had sent written inquiries to these third parties. At this time, the Company is unaware of any third party year 2000 issues that would materially effect these relationships.

The Company expects to be year 2000 compliant in 1999 for all major systems. The Company is assessing its risk and full impact on operations should the most reasonably likely worst case year 2000 scenario occur. In conjunction with this assessment, the Company is developing contingency plans and expects completion during the third quarter of 1999.

RESULTS OF OPERATIONS

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

COMPARISON OF THIRTEEN WEEKS ENDED JULY 4, 1999 AND THIRTEEN WEEKS ENDED JUNE 28, 1998

Revenues increased by 42.1% to $106.0 million in the thirteen weeks ended July 4, 1999 ("Second Quarter 1999") from $74.6 million in the thirteen weeks ended June 28, 1998 ("Second Quarter 1998"). Approximately $27.8 million of the increase in revenues in Second Quarter 1999 compared to Second Quarter 1998 is attributable to increased compensated resident days resulting from the opening of six facilities in 1998, (Lea County Correctional Facility, Hobbs, New Mexico in May, 1998; Lawton Correctional Facility, Lawton, Oklahoma in July, 1998; George W. Hill Correctional Facility, Thornton, Pennsylvania in July, 1998; South Florida State Hospital, Pembroke Pines, Florida in November, 1998; Jena Juvenile Justice Center, Jena, Louisiana in December, 1998; and Cleveland Correctional Center, Cleveland, Texas in January, 1999) and with the opening of three facilities in the Second Quarter 1999; (Guadalupe County Correctional Facility, Santa Rosa, New Mexico in January, 1999; Melbourne Custody Detention Centre, Melbourne, Australia in March 1999; and East Mississippi Correctional Facility, Meridian, Mississippi in April, 1999). The 1,562-bed George W. Hill Correctional Facility opened in 1998 replaced the existing 1,000-bed facility managed by the Company. The balance of the increase in revenues was attributable to facilities open during all of both periods and to development activities.

The number of compensated resident days in domestic facilities increased to 2,135,658 in Second Quarter 1999 from 1,639,688 in Second Quarter 1998. Compensated resident days in Australian facilities increased to 251,701 from 205,934 for the comparable periods primarily due to higher compensated resident days at the immigration detention facilities as well as the opening of the Melbourne Custody Detention Centre. The average facility occupancy in domestic facilities was 97.4% of capacity in Second Quarter 1999 compared to 96.9% in Second Quarter 1998.

Operating expenses increased by 46.5% to $93.6 million in Second Quarter 1999 compared to $63.9 million in Second Quarter 1998. This increase primarily reflected the nine facilities that were opened in 1998 and 1999, as described above. As a percentage of revenues, operating expenses increased to 88.2% from 85.6% due primarily to lease payments to CPV of $5.2 million offset by the amortization of deferred revenue of $0.4 million from the sale of properties.

Depreciation and amortization remained constant in Second Quarter 1999 at $1.2 million as compared with Second Quarter 1998. As a percentage of revenues, depreciation and amortization decreased to 1.1% from 1.6% in the Second Quarter in 1998.

Contribution from operations increased 18.6% to $11.3 million in Second Quarter 1999 from $9.5 million in Second Quarter 1998. As discussed above, this increase is primarily attributable to nine new facilities that opened in 1998 and 1999. As a percentage of revenue, contribution from operations decreased to 10.7% in Second Quarter 1999 from 12.8% in Second Quarter 1998. This decrease is primarily due to the lease payments resulting from the sale of correctional facilities to CPV in the Second Quarter of 1998 and from additional expenses related to the start-up of new facilities.

General and administrative expenses increased by 42.9% to $4.5 million in Second Quarter 1999 from $3.2 million in Second Quarter 1998. The increase reflects costs related to additional infrastructure and continued growth in the Company's business development efforts. As a percentage of revenue, general and administrative expenses remained constant at 4.2% for both periods.

Operating income increased by 6.6% to $6.8 million in Second Quarter 1999 from $6.4 million in Second Quarter 1998. As a percentage of revenue operating income decreased to 6.4% in Second Quarter 1999 from 8.5% in Second Quarter 1998 due to the factors impacting contribution from operations.

Interest income was $654,000 during the Second Quarter 1999 compared to $564,000 in Second Quarter 1998 resulting from an increase in the return on investment in overseas projects.

Income before income taxes, equity in earnings of affiliates, and cumulative effect of change in accounting for start-up costs increased to $7.4 million in Second Quarter 1999 from $6.9 million in Second Quarter 1998 due to the factors described above.

Provision for income taxes increased to $3.0 million in Second Quarter 1999 from $2.8 million in Second Quarter 1998 due to higher taxable income.

Equity in earnings of affiliates increased to $898,000 in Second Quarter 1999 from $535,000 in Second Quarter 1998 due to the commencement of home monitoring contracts in January 1999 and the opening of H.M. Prison Kilmarnock in March, 1999.

Net income increased to $5.4 million in Second Quarter 1999 from $4.7 million in Second Quarter 1998 as a result of the factors described above.

COMPARISON OF TWENTY-SIX WEEKS ENDED JULY 4, 1999 AND TWENTY-SIX WEEKS ENDED JUNE 28, 1998:

Revenues increased by 39.5% to $203.5 million in the twenty-six weeks ended July 4, 1999 ("First Half 1999") from $145.9 million in the twenty-six weeks ended June 28, 1998 ("First Half 1998"). Approximately $52.1 million of the increase in revenues in First Half 1999 compared to First Half 1998 is attributable to increased compensated resident days resulting from the opening of ten facilities in 1998 (Scott Grimes Correctional Facility, Newport, Arkansas in January, 1998; Ronald McPherson Correctional Facility, Newport, Arkansas in January, 1998; Karnes County Correctional Center, Karnes City, Texas in January, 1998; Broward County Work Release Center, Broward County, Florida in February, 1998; Lea County Correctional Facility, Hobbs, New Mexico in May, 1998; Lawton Correctional Facility, Lawton, Oklahoma in July, 1998; George W. Hill Correctional Facility, Thornton, Pennsylvania in July, 1998; South Florida State Hospital, Pembroke Pines, Florida in November, 1998; Jena Juvenile Justice Center, Jena, Louisiana in December, 1998; and Cleveland Correctional Center, Cleveland, Texas in January, 1999) and with the opening of three facilities in the First Half 1999 (Guadalupe County Correctional Facility, Santa Rosa, New Mexico in January, 1999; Melbourne Custody Detention Centre, Melbourne, Australia in March 1999; and East Mississippi Correctional Facility. Meridian, Mississippi in April, 1999). The 1,562-bed George W. Hill Correctional Facility opened in 1998 replaced the existing 1,000-bed facility managed by the Company. The balance of the increase in revenues was attributable to facilities open during all of both periods and to development activities.

The number of compensated resident days in domestic facilities increased to 4,165,528 in First Half 1999 from 3,185,025 in First Half 1998. Compensated resident days in Australian facilities increased to 473,970 from 411,297 for the comparable period primarily due to higher compensated resident days at the immigration detention facilities and the opening of the Melbourne Custody Detention Centre. The average facility occupancy in domestic facilities was 97.3% of capacity in First Half 1999 compared to 96.3% in First Half 1998.

Operating expenses increased by 43.4% to $179.7 million in First Half 1999 compared to $125.3 million in First Half 1998. The increase primarily reflected the thirteen facilities that opened in 1998 and 1999, as described above.

Depreciation and amortization increased by 10.1% to $2.5 million in the First Half 1999 from $2.3 million in the First Half 1998. As a percentage of revenue, depreciation and amortization decreased to 1.2% from 1.5%.

Contributions from operations increased by 16.4% to $21.3 million in First Half 1999 from $18.3 million in First Half 1998. As discussed above, this increase is primarily attributable to thirteen new facilities that opened in 1998 and 1999. As a percentage of revenue, contribution from operations decreased to 10.5% in First Half 1999 from 12.5% in First Half 1998. This decrease is primarily due to the lease payments to CPV resulting from the sale of correctional facilities in the Second Quarter of 1998 and First Quarter of 1999.

General and administrative expenses increased by 14.8% to $8.0 million in First Half 1999 from $6.9 million in First Half 1998. This increase reflects costs related to additional infrastructure and continued growth in the Company's business development efforts. As a percentage of revenue, general and administrative expenses decreased to 3.9% in the First Half 1999 from 4.8% in the First Half 1998.

Operating income increased by 17.3% to $13.3 million in First Half 1999 from $11.4 million in First Half 1998. As a percentage of revenue operating income decreased to 6.6% in First Half 1999 from 7.8% in First Half 1998 due to the factors impacting contribution from operations offset by leveraging of overhead.

Interest income increased 31.1% to $1.1 million in First Half 1999 from $809,000 in First Half 1998 resulting from an increase in the average invested cash balance.

Income before income taxes, equity in earnings of affiliates, and the cumulative effect of change in accounting for start-up costs increased by 18.3% to $14.4 million in First Half 1999 from $12.2 million in First Half 1998 due to the factors described above.

Provision for income taxes increased to $5.8 million in First Half 1999 from $5.0 million in First Half 1998 due to higher taxable income.

Equity in earnings of affiliates increased 97.0% to $1.6 million for First Half 1999 from $799,000 in First Half 1998 due to the commencement of home monitoring contracts in January 1999 and the opening of H.M. Prison Kilmarnock in March 1999.

Income before cumulative effect of change in accounting for start-up costs increased 27.2% to $10.2 million in First Half 1999 from $8.0 million in First Half 1998 as a result of the factors discussed above.

Cumulative effect of change in accounting for start-up costs was $11.5 million in First Quarter 1998 representing the Company's adoption of SOP 98-5. On a diluted basis, the cumulative effect of the change in accounting principle was ($0.51) per share.

Net income increased to $10.2 million in First Half 1999 from a loss of $3.5 million in First Half 1998 as a result of the factors described above.

WACKENHUT CORRECTIONS CORPORATION

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Reference is made to Item 7A, Part II of the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1999, for discussion pertaining to the Company's exposure to certain market risks. There have been no material changes in the disclosure for the twenty-six weeks ended July 4, 1999.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Except for routine litigation incidental to the business of the Company, there are no pending material legal proceedings to which the Company or any of its subsidiaries is a party or to which any of their property is subject. The nature of the Company's business results in claims or litigation against the Company for damages arising from the conduct of its employees or others. The Company 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 Company was held on May 6, 1999 in Manalapan, Florida. All directors nominated for election were elected by a majority of the votes cast and the tabulation of the votes cast were as follows:

	Votes For	Votes Withheld
Wayne H. Calabrese	21,237,542	183,186
Norman Carlson	21,236,742	183,986
Benjamin R. Civilette	21,236,597	184,131
Richard H. Glanton	21,237,397	183,331
Manuel J. Justiz	21,238,642	182,086
John Ruffle	21,260,792	159,936
George R. Wackenhut	21,235,570	185,158
Richard R. Wackenhut	21,236,975	183,753
George C. Zoley	21,237,942	182,786

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 Company for the fiscal year 1999. The tabulation of the votes on this matter was as follows:

For: 21,373,820 Against: 21,326 Abstain: 25,582

WACKENHUT CORRECTIONS CORPORATION

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

The final matter voted upon at the Annual Meeting was the approval of the Wackenhut Corrections Corporation Stock Option Plan and the setting aside of 550,000 shares for future issuance under that plan. The tabulation of the votes on this matter was as follows:

For: 20,073,537 Against: 1,274,979 Abstain: 72,212

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

Exhibit Number	Description
10.1	Wackenhut Corrections Corporation 1999 Stock Option Plan
27.1	Financial Data Schedule (SEC use only)

(b) Reports on Form 8-K - The Company did not file a Form 8-K during the second quarter of the fiscal year ending January 2, 2000.

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 16, 1999	/s/ John G. O'Rourke
Date	John G. O'Rourke Senior Vice President - Finance, Chief Financial Officer and Treasurer (Principal Financial Officer)

EXHIBIT 10.1

WACKENHUT CORRECTIONS CORPORATION

1999 STOCK OPTION PLAN

CONTENTS

- --

WACKENHUT CORRECTIONS CORPORATION STOCK OPTION PLAN

ARTICLE 1. ESTABLISHMENT, OBJECTIVES, AND DURATION

1.1 ESTABLISHMENT OF THE PLAN. Wackenhut Corrections Corporation, a Florida corporation (hereinafter referred to as the "Company"), hereby establishes an incentive compensation plan to be known as the "Wackenhut Corrections Corporation Stock Option Plan" (hereinafter referred to as the "Plan"), as set forth in this document. The Plan permits the grant of Nonqualified Stock Options and Incentive Stock Options.

Subject to approval by the Company's Board of Directors, the Plan shall become effective as of February 18, 1999, (the "Effective Date") subject to approval by the shareholders at the 1999 annual meeting, and shall remain in effect as provided in Section 1.3 hereof.

1.2 OBJECTIVES OF THE PLAN. The objectives of the Plan are to optimize the profitability and growth of the Company through annual and long-term incentives which are consistent with the Company's goals and which link the personal interests of Participants to those of the Company's stockholders; to provide Participants with an incentive for excellence in individual performance; and to promote teamwork among Participants.

The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of Participants who make significant contributions to the Company's success and to allow Participants to share in the success of the Company.

1.3 DURATION OF THE PLAN. The Plan shall commence on the Effective Date, as described in Section 1.1 hereof, and shall remain in effect, subject to the right of the Committee to amend or terminate the Plan at any time pursuant to Article 11 hereof, until all Shares subject to it shall have been purchased or acquired according to the Plan's provisions. However, in no event may an Award be granted under the Plan on or after February 17, 2009.

ARTICLE 2. DEFINITIONS

Whenever used in the Plan, the following terms shall have the meanings set forth below, and when the meaning is intended, the initial letter of the word shall be capitalized:

2.1 "AFFILIATE" shall have the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations of the Exchange Act.

2.2 "AWARD" means, individually or collectively, a grant under this Plan of Nonqualified Stock Options or Incentive Stock Options.

2.3 "AWARD AGREEMENT" means an agreement entered into by the Company and each Participant setting forth the terms and provisions applicable to Awards granted under this Plan.

2.4 "BENEFICIAL OWNER" or "BENEFICIAL OWNERSHIP" shall have the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Exchange Act.

2.5 "BOARD" or "BOARD OF DIRECTORS" means the Board of Directors of the Company.

2.6 "CAUSE" means (i) willful and gross misconduct on the part of a Participant that is materially and demonstrably detrimental to the Company; or (ii) the commission by a Participant of one or more acts which constitute an indictable crime under United States federal, state, or local law. "Cause" under either (i) or (ii) shall be determined in good faith by a written resolution duly adopted by the affirmative vote of not less than two-thirds (2/3) of all the Directors at a meeting duly called and held for that purpose after reasonable notice to the Participant and opportunity for the Participant and his or her legal counsel to be heard.

2.7 "CHANGE IN CONTROL" of the Company shall be deemed to have occurred as of the first day that any one or more of the following conditions shall have been satisfied:

(a) The stockholders of the Company approve: (i) a plan of complete liquidation of the Company; or (ii) an agreement for the sale or disposition of all or substantially all the Company's assets; or (iii) a merger, consolidation, or reorganization of the Company with or involving any other corporation, other than a merger, consolidation, or reorganization that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least sixty-five percent (65%) of the combined voting power of the voting securities of the Company (or such surviving entity) outstanding immediately after such merger, consolidation, or reorganization; or

(b) Notwithstanding anything else contained herein to the contrary, in no event shall a Change in Control be deemed to occur solely by reason of (1) a distribution to the Parent's shareholders, whether as dividend or otherwise, of all or any portion of Shares or any other voting securities of the Company held, directly or indirectly, by the Parent; or (2) a sale of all or any portion of Shares or any other voting securities of the Company held, directly or indirectly, by the Parent in an underwritten public offering.

However, in no event shall a "Change in Control" be deemed to have occurred, with respect to a Participant, if the Participant is part of a purchasing group which consummates the Change-in-Control transaction. A Participant shall be deemed "part of a purchasing group" for purposes of the preceding sentence if the Participant is an equity participant in the purchasing company or group except: (i) passive ownership of less than three percent (3%) of the stock of the purchasing company; or (ii) ownership of equity participant in the purchasing company or group which is otherwise not significant, as determined prior to the Change in Control by a majority of the nonemployee continuing Director.

2.8 "CODE" means the Internal Revenue Code of 1986, as amended from time to time.

2.9 "COMMITTEE" means the Nomination and Compensation Committee of the Company.

2.10 "COMPANY" means Wackenhut Corrections Corporation, a Florida corporation, including any and all Subsidiaries and Affiliates, and any successor thereto as provided in Article 14 herein.

2.11 "COVERED EMPLOYEE" means a Participant who, as of the date of vesting and/or payout of an Award, as applicable, is one of the group of "covered employees," as defined in the regulations promulgated under Code Section 162(m), or any successor statute.

2.12 "DIRECTOR" means any individual who is a member of the Board of Directors of the Company or any Subsidiary or Affiliate.

2.13 "DISABILITY" shall have the meaning ascribed to such term in the Participant's governing long-term disability plan, or if no such plan exists, at the discretion of the Committee.

2.14 "EFFECTIVE DATE" shall have the meaning ascribed to such term in Section 1.1 hereof.

2.15 "EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended from time to time, or any successor act thereto.

2.16 "FAIR MARKET VALUE" shall mean:

(a) If the security is traded on a national securities exchange, the closing sale price on the principal securities exchange on which the Shares are traded on the preceding day or, if there is no such sale on the relevant date, then on the last previous day on which a sale was reported; or

(b) If the security is not currently traded on a national securities exchange, the fair market value of the security as determined by the Committee after consideration of an appraisal conducted by an outside valuation firm.

2.17 "INCENTIVE STOCK OPTION" or "ISO" means an option to purchase Shares granted under Article 6 herein and which is designated as an Incentive Stock Option and which is intended to meet the requirements of Code Section 422.

2.18 "INSIDER" shall mean an individual who is, on the relevant date, an executive officer, director or ten percent (10%) beneficial owner of any class of the Company's equity securities that is registered pursuant to Section 12 of the Exchange Act, all as defined under Section 16 of the Exchange Act.

2.19 "KEY EMPLOYEE" means an employee or consultant of the Company, including an employee who is an officer of the Company, who, in the opinion of members of the Committee, can contribute significantly to the growth and profitability of the Company. "Key Employee" also may include those employees, identified by the Committee, in situations concerning extraordinary performance, promotion, retention, or recruitment. The granting of an Award under this Plan shall be deemed a determination by the Committee that such employee is a Key Employee.

2.20 "NONQUALIFIED STOCK OPTION" or "NQSO" means an option to purchase Shares granted under Article 6 herein and which is not intended to meet the requirements of Code Section 422.

2.21 "OPTION" means an Incentive Stock Option or a Nonqualified Stock Option, as described in Article 6 herein.

2.22 "OPTION PRICE" means the price at which a Share may be purchased by a Participant pursuant to an Option.

2.23 "PARENT" shall mean The Wackenhut Corporation.

2.24 "PARTICIPANT" means a Key Employee who has been selected to receive an Award or who has an outstanding Award granted under the Plan.

2.25 "PERSON" shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a "group" as defined in Section 13(d) thereof.

2.26 "RETIREMENT" shall mean normal retirement at age 60 or early retirement before that age.

2.27 "SHARES" means the shares of common stock of the Company, par value $.01.

2.28 "SUBSIDIARY" means any corporation, partnership, joint venture, or other entity in which the Company has a majority voting interest.

ARTICLE 3. ADMINISTRATION

3.1 GENERAL. The Plan shall be administered by the Committee except where expressly reserved by the Board. The members of the Committee shall be appointed from time to time by, and shall serve at the discretion of, the Board of Directors. To the extent that the Board has not delegated to the Committee any authority and responsibility under the Plan, all applicable references to the Committee in the Plan shall be to the Board. The Committee shall have the authority to delegate administrative duties to officers or Directors of the Company.

3.2 AUTHORITY OF THE COMMITTEE. Except as limited by law or by the Certificate of Incorporation or Bylaws of the Company, and subject to the provisions herein and ratification by the Board, the Committee shall have full power to select Participants who shall participate in the Plan; determine the sizes of Awards; determine the terms and conditions of Awards in a manner consistent with the Plan; construe and interpret the Plan and any agreement or instrument entered into under the Plan; establish, amend, or waive rules and regulations for the Plan's administration; and (subject to the provisions of Article 11 herein) amend the terms and conditions of any outstanding Award as provided in the Plan. Further, the Committee shall make all other determinations which may be necessary or advisable for the administration of the Plan. As permitted by law (and subject to Section 3.1 herein), the Committee may delegate its authority as identified herein.

3.3 DECISIONS BINDING. All determinations and decisions made by the Committee and the Board pursuant to the provisions of the Plan and all related orders and resolutions of the Committee and the Board shall be final, conclusive and binding on all persons, including the Company, its stockholders, Directors, Key Employees, Participants, and their estates and beneficiaries.

ARTICLE 4. SHARES SUBJECT TO THE PLAN AND MAXIMUM AWARDS

4.1 NUMBER OF SHARES AVAILABLE FOR GRANTS. Subject to adjustment as provided in Section 4.2 herein, the number of Shares hereby reserved for issuance to Participants under the Plan shall be Five Hundred Fifty Thousand (550,000).

4.2 ADJUSTMENTS IN AUTHORIZED SHARES. In the event of any change in corporate capitalization, such as a stock split, or a corporate transaction, such as any merger, consolidation, separation, including a spin-off, or other distribution of stock or property of the Company, any reorganization (whether or not such reorganization comes within the definition of such term in Code Section 368) or any partial or complete liquidation of the Company, such adjustment shall be made in the number and class of Shares which may be delivered under the Plan, in the number and class of and/or price of Shares subject to outstanding Awards granted under the Plan, and in the Award limits set forth in Section 4.1, as may be determined to be appropriate and equitable by the Committee, in its sole discretion, to prevent dilution or enlargement of rights; provided, however, that the number of Shares subject to any Award shall always be a whole number.

ARTICLE 5. ELIGIBILITY AND PARTICIPATION

5.1 ELIGIBILITY. Key Employees are eligible to participate in this Plan.

5.2 ACTUAL PARTICIPATION. Subject to the provisions of the Plan, the Committee may, from time to time, select from all eligible Key Employees, those to whom Awards shall be granted and shall determine the nature and amount of each Award.

ARTICLE 6. STOCK OPTIONS

6.1 GRANT OF OPTIONS. Subject to the terms and provisions of the Plan, Options may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee.

6.2 AWARD AGREEMENT. Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the duration of the Option, the number of Shares to which the Option pertains, and such other provisions as the Committee shall determine. The Award Agreement also shall specify whether the Option is intended to be an ISO within the meaning of Code Section 422, or an NQSO whose grant is intended not to fall under the provisions of Code Section 422.

6.3 OPTION PRICE. The Option Price for each grant of an Option under this Plan shall be at least equal to one hundred percent (100%) of the Fair Market Value of a Share on the date the Option is granted.

6.4 DURATION OF OPTIONS. Each Option granted to a Participant shall expire at such time as the Committee shall determine at the time of grant; provided, however, that no Option shall be exercisable later than the tenth (10th) anniversary date of its grant.

6.5 EXERCISE OF OPTIONS. Options granted under this Article 6 shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall in each instance approve, which need not be the same for each grant or for each Participant.

6.6 PAYMENT. Options granted under this Article 6 shall be exercised by the delivery of a written notice of exercise to the Company, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares and any applicable taxes.

The Option Price upon exercise of any Option, and any applicable taxes shall be payable to the Company in full either: (a) in cash or its equivalent, or (b) by tendering previously acquired Shares having an aggregate Fair Market Value at the time of exercise equal to the total Option Price (provided that the Shares which are tendered must have been held by the Participant for at least six (6) months prior to their tender to satisfy the Option Price), or (c) by a combination of (a) and (b).

The Committee also may allow cashless exercise as permitted under Federal Reserve Board's Regulation T, subject to applicable securities law restrictions, or by any other means which the Committee determines to be consistent with the Plan's purpose and applicable law.

Subject to any governing rules or regulations, as soon as practicable after receipt of a written notification of exercise and full payment, the Company shall deliver to the Participant, in the Participant's name, Share certificates in an appropriate amount based upon the number of Shares purchased under the Option(s).

6.7 NONTRANSFERABILITY OF OPTIONS.

(A) INCENTIVE STOCK OPTIONS. No ISO granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, all ISOs granted to a Participant under the Plan shall be exercisable during his or her lifetime only by such Participant.

(B) NONQUALIFIED STOCK OPTIONS. Except as otherwise provided in a Participant's Award Agreement, no NQSO granted under this Article 6 may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, except as otherwise provided in a Participant's Award Agreement, all NQSOs granted to a Participant under this Article 6 shall be exercisable during his or her lifetime only by such Participant.

6.8 TERMINATION OF EMPLOYMENT.

(A) TERMINATION OF EMPLOYMENT DUE TO DEATH, DISABILITY, OR RETIREMENT. In the event the employment of a Participant is terminated by reason of death or Disability, any outstanding Options shall become immediately exercisable at any time prior to the expiration date of the Options or within one year after such date of termination of employment, whichever period is shorter, by such person or persons as shall have acquired the Participant's rights under the Option by will or by the laws of descent and distribution.

In the event the employment of a Participant is terminated by reason of Retirement, any outstanding Options shall become immediately exercisable at any time prior to the expiration date of the options.

In its sole discretion, and prior to the termination of the employment due to death, Disability, or Retirement, the Committee may extend the period during which outstanding Options may be exercised.

In the case of ISOs, the tax treatment prescribed under Section 422A of the Code may not be available if the Options are not exercised within the Section 422A prescribed time period after termination of employment.

(B) TERMINATION OF EMPLOYMENT FOR OTHER REASONS. If the employment of the Participant shall terminate for any reason other than for death, Disability, Retirement, or for Cause, the Participant shall have the right to exercise Options that were vested in the Participant at the date of termination within the 90 days after the date of termination, but in no event beyond the expiration of the term of the Option and only to the extent that the Participant was entitled to exercise the Option at the date of termination of employment. The Committee, in its sole discretion, shall have the right to extend the 90 days up to one (1) year after the date of such termination, but, however, in no event beyond the expiration date of the Options.

If the employment of the Participant shall terminate for Cause, all outstanding Options immediately shall be forfeited to the Company and no additional exercise period shall be allowed, regardless of the vested status of the Options.

6.9 RESTRICTIONS ON SHARE TRANSFERABILITY.

The Committee may impose such restrictions on any Shares acquired pursuant to the exercise of an Option granted under this Article 6 as it may deem advisable, including, without limitation, restrictions under applicable federal securities laws, under the requirements of any stock exchange or market upon which such Shares are then listed and/or traded, and under any blue sky or state securities laws applicable to such Shares.

ARTICLE 7. BENEFICIARY DESIGNATION

Each Participant under the Plan may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid in case of his or her death before he or she receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

ARTICLE 8. DEFERRALS

The Committee may permit or require a Participant to defer such Participant's receipt of delivery of Shares that would otherwise be due to such

Participant by virtue of the exercise of an Option. If any such deferral election is required or permitted, the Committee shall, in its sole discretion, establish rules and procedures for such payment deferrals.

ARTICLE 9. RIGHTS OF PARTICIPANTS

9.1 EMPLOYMENT. Nothing in the Plan shall interfere with or limit in any way the right of the Company to terminate any Participant's employment at any time, nor confer upon any Participant any right to continue in the employ of the Company.

9.2 PARTICIPATION. No Key Employee shall have the right to be selected to receive an Award under this Plan, or, having been so selected, to be selected to receive a future Award.

ARTICLE 10. CHANGE IN CONTROL

10.1 TREATMENT OF OUTSTANDING AWARDS. Upon the occurrence of a Change in Control, unless otherwise specifically prohibited under applicable laws, or by the rules and regulations of any governing governmental agencies or national securities exchanges, any and all Options granted hereunder shall become immediately exercisable, and shall remain exercisable throughout their entire term.

10.2 TERMINATION, AMENDMENT, AND MODIFICATIONS OF CHANGE-IN-CONTROL PROVISIONS. Notwithstanding any other provision of this Plan (but subject to the limitations of Section 11.3 hereof) or any Award Agreement provision, the provisions of this Article 10 may not be terminated, amended, or modified on or after the date of a Change in Control to affect adversely any Award theretofore granted under the Plan without the prior written consent of the Participant with respect to said Participant's outstanding Awards; provided, however, the Committee may terminate, amend, or modify this Article 10 at any time and from time to time prior to the date of a Change in Control.

10.3 POOLING OF INTERESTS ACCOUNTING. Notwithstanding any other provision of the Plan to the contrary, in the event that the consummation of a Change in Control is contingent on using pooling of interests accounting methodology, the Committee may take any action necessary to preserve the use of pooling of interests accounting.

ARTICLE 11. AMENDMENT, MODIFICATION, AND TERMINATION

11.1 AMENDMENT, MODIFICATION, AND TERMINATION. Subject to the terms of the Plan, the Committee may at any time and from time to time, alter, amend, suspend or terminate the Plan in whole or in part.

11.2 ADJUSTMENT OF AWARDS UPON THE OCCURRENCE OF CERTAIN UNUSUAL OR NONRECURRING EVENTS. The Committee may make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4.2 hereof) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan; provided that, unless the Committee determines otherwise at the time such adjustment is considered, no such adjustment shall be authorized to the extent that such authority would be inconsistent with the Plan's meeting the requirements of Section 162(m) of the Code, as from time to time amended.

11.3 AWARDS PREVIOUSLY GRANTED. Notwithstanding any other provision of the Plan to the contrary (but subject to Section 10.3 hereof), no termination, amendment, or modification of the Plan shall adversely affect in any material way any Award previously granted under the Plan, without the written consent of the Participant holding such Award.

11.4 COMPLIANCE WITH CODE SECTION 162(M). At all times when Code Section 162(m) is applicable, all Awards granted under this Plan shall comply with the requirements of Code Section 162(m); provided, however, that in the event the Committee determines that such compliance is not desired with respect to any Award or Awards available for grant under the Plan, then compliance with Code Section 162(m) will not be required. In addition, in the event that changes are made to Code Section 162(m) to permit greater flexibility with respect to any Award or Awards available under the Plan, the Committee may, subject to this Article 11, make any adjustments it deems appropriate.

ARTICLE 12. WITHHOLDING

12.1 TAX WITHHOLDING. The Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Plan.

12.2 SHARE WITHHOLDING. With respect to withholding required upon the exercise of Options, Participants may elect, subject to the approval of the Committee, to satisfy the withholding requirement, in whole or in part, by having the Company withhold Shares having a Fair Market Value on the date the tax is to be determined equal to the minimum statutory total tax which could be imposed on the transaction. All such elections shall be irrevocable, made in writing, signed by the Participant, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

ARTICLE 13. INDEMNIFICATION

Each person who is or shall have been a member of the Committee, or of the Board, shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgement in any such action, suit, or proceeding against him or her, provided he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Incorporation of Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

ARTICLE 14. SUCCESSORS

All obligations of the Company under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

ARTICLE 15. LEGAL CONSTRUCTION

15.1 GENDER AND NUMBER. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.

15.2 SEVERABILITY. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

15.3 REQUIREMENTS OF LAW. The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

15.4 SECURITIES LAW COMPLIANCE. With respect to Insiders, transactions under this Plan are intended to comply with all applicable conditions of Rule 16b-3 or its successors under the 1934 Act. To the extent any provision of the plan or action by the Committee fails to so comply, it shall be deemed null and void, to the extent permitted by law and deemed advisable by the Committee.

15.5 GOVERNING LAW. To the extent not preempted by federal law, the Plan, and all agreements hereunder, shall be construed in accordance with and governed by the laws of the state of Florida.

5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEET AT JULY 4, 1999 AND CONSOLIDATED STATEMENTS OF INCOME FOR THE FISCAL PERIOD ENDING JULY 4, 1999 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

YEAR
JAN-02-2000
JAN-04-1999
JUL-04-1999
43,547
0
65,658
2,477
0
117,644
30,149
6,966
165,788
39,632
0
0
0
224
108,920
165,788
0
203,480
0
179,701
10,447
0
0
14,393
5,771
10,196
0
0
0
10,196
0.47
0.46