Second Quarter Financial Results

• Q2 revenue was $210.6 million – an 18% increase over same period last year

• All growth was organic - driven by new or expanding work in Operations segment

• MAXIMUS incurred charges totaling $5.4 million (approximately $0.17 per share) to include:
  
  • A $2.2 million charge related to a contract modification that MAXIMUS initiated as part of a requirement to build software functionality for a large education contract in the Systems segment. The modification allows us to earn back the $2.2 million provided we meet the deliverable schedule over the next 18 months
  
  • A $2.3 million charge in Consulting segment related to our share of a client’s reduced reimbursement on a legacy claiming project – amount may be recovered depending on client’s appeal effort
  
  • Approximately $0.9 million of legal expenses related to ongoing Accenture issue

• Company reported net income of $9.6 million or $0.51 per diluted share
Proceeds & Gains From Divested Businesses & Property Sale

• Two non-core divisions successfully divested in early May
  – Security Solutions from our Systems segment sold for cash proceeds of $5 million
  – Unison, a subsidiary from our Consulting segment sold for approximately $6.5 million

• Entered into contract to sell a building in McLean, Virginia in near term

• EPS gain from divestitures and building sale expected to be in range of $0.21 to $0.24
  – Gain to be recorded in third quarter
Operations Segment

• Revenue increased 33% to $159.8 million compared to the same period last year
  – Growth driven by Health Operations, the Texas project and domestic and international Workforce Services operations
  – Segment revenue benefited from hardware and software purchases of approximately $6.9 million

• Operating income totaled $23.6 million – operating margin of 15%
  – Expansion in income reflects optimization of current book of business, transformation on Texas project and solid margins on new work

• Segment is expected to deliver operating margin in 12-15% range for full fiscal year 2008
Consulting Segment

- Consulting segment revenue for Q2 totaled $20.2 million
  - Loss of approximately $800,000 reported for the quarter
  - Loss reflects $2.3 million charge related to legacy claiming project which the client is appealing and may be recovered at a future date

- Transitioning away from legacy claiming business

- Established presence in new markets targeting two areas
  - Program Integrity
  - Fraud, Waste & Abuse

- Optimistic about new markets and other plans which are developing for this segment
Systems Segment

- Total revenue for Q2 totaled $30.5 million
  - Loss of approximately $5.9 million reported for quarter

- Asset Solutions and ERP divisions continue to deliver strong results

- Losses in Education and Justice divisions stem from software commitments that will ultimately position them well in the market

- Steps being taken to improve underperforming divisions
  - Manage scope of existing contracts very judiciously and modify contracts where necessary
  - Tightly control new contract terms that contain software requirements
  - Change and supplement the management teams with individuals who have proven track records
  - Prudent cost management
Expenses & Margin

- Majority of charges in quarter impacted revenue and gross margins in Consulting and Systems segments

- An 8% operating margin was achieved in quarter – driven by Operations segment which offset charges in Systems and Consulting segments

- SG&A as a percent of revenue was 17.7%
  - An improvement over same period last year
  - Consistent with first quarter of fiscal 2008
Balance Sheet and Cash Flow Items

• Cash at March 31, 2008 totaled $63.4 million

• Total Current Accounts Receivable for Q2 was $175.0 million

• Additional $1.7 million in long-term accounts receivable classified within other assets on balance sheet

• DSO’s totaled 76 days
  – Anticipate DSO’s to run between 75 to 85 days
  – Continue to trend under 80 days

• Cash from operations totaled $4.5 million

• Free cash flow (cash from operations less Property & Equipment and Capitalized Software) was $1.5 million

• Full fiscal year cash from operations expected to total $50 to $60 million, with free cash flow ranging from $30 to $40 million expected for full fiscal 2008
Richard A. Montoni
President and Chief Executive Officer
Second Quarter Fiscal 2008

May 8, 2008
Financial Results:
Continuing Strength in Operations Offset Weakness in Systems

• Redefining MAXIMUS as a leading pure play in government Health and Human Services’ outsourcing

• Sharpened focus on core business should provide long-term sustained growth and increased shareholder value

• Results for the second quarter were impacted by charges in Consulting, Systems and legal expenses

• Management determined to improve underperforming areas and actively pursuing all alternatives

• Last week, MAXIMUS closed the sale of two non-core divisions
Operations Segment

• Operations Segment on Course for Long-Term Success
  – Strong Segment leadership promotes focus and diligence
  – Contractual discipline in how we acquire and structure new awards
    • Declined unacceptable rebid opportunities
    • Renegotiated inequitable contracts
  – Developing and pursuing new opportunities that represent sources of new incremental revenue

• Emphasis on sustainable, recurring revenues and profitable growth
  – Top-line gains of 33% compared to same period last year
  – Operating margin of 15%
  – Confident in the strides we’ve made to strengthen the segment and are now raising the lower end of target operating margin from 8-15% range to 10-15% range
  – Best validation of segment’s success
Operations Segment Productization Efforts

• Productization is a key element to advancing technology efforts
  – Streamlining of processes
  – Moving away from highly customized solutions to more component based/modular approach
  – Utilize plug-and-play technology anchored in Services Oriented Architecture (SOA)

• Operating Enhancements
  – Completed and installed new enrollment broker platform in Indiana
  – Currently upgrading other existing clients to this new technology platform
  – On a path to complete productization of other core components by the end of this fiscal year

• Coupling new technology with standardized business processes will allow us to compete most cost effectively
Consulting Segment

- Consulting segment incurred a $2.3 million charge related to legacy claiming project
  - Client is appealing
  - Prior to job start, brought in specialized counsel to review and approve claiming methodology which had be utilized before
  - View this as a normal course exercise
  - We no longer provide federal claiming on contingency basis

- Our emphasis has been on expanding into other areas which overlap more with our core program management offerings like program integrity – fraud, waste, abuse

- Consulting services very important to our customer base and dovetail with our core services

- Pursuing opportunities to pair our consulting services with our health and human services portfolio

- Collaborative efforts will facilitate better cross-selling while sharing best practices from state to state
Significant Progress on Divestitures of Non-Core Assets

• Subsequent to quarter end, closed the sale of two business

• UNISON-MAXIMUS, which was part of the Consulting segment, was divested through a division management-led buyout
  – This is an airport, retail and financial consulting business
  – A profitable contributor but outside our core business

• Security Solutions, which was part of the Systems segment, was sold to Cogent
  – While a stable contributor, was not consistent with our refined business focus
Systems Segment

• Challenges limited to Justice and Education divisions
  – Trying to complete software development and generate business unit improvement, while at the same time meeting contractual obligations
  – Near-term emphasis on balancing commitments and changing the way we go to market to emphasize product standardization over customized solutions
  – In Justice, initiated cost cutting measures with 25% reduction in force – expect annualized savings of approximately $4 million, some of which we expect to realize in the fourth quarter

• New segment leadership: John Hines stepping up to lead our efforts

• Deployed top technologists to help accelerate the completion of software products and provide added oversight

• Bottom line is to effect near-term change
  – Successful renegotiation of our largest Education contract with modified terms and conditions now provides a well-constituted correlation between the plan and the commitment milestones
  – Concurrently exploring parallel path of strategic alternatives for other non-core businesses
Overall Market Outlook

- Even with State budgets under pressure, the need for our services remains strong. We have not seen a slow down to date.

- MAXIMUS is well positioned to capitalize on international opportunities that are developing in our core health and human services operations.

- In March, awarded a $14.2 million amendment to our Master Services Agreement in British Columbia:
  - Amendment for PharmaNet program which we have administered since 2005
  - MAXIMUS will lead effort to upgrade application to next generation platform

- Pursuing other meaningful opportunities with substantial marketing efforts underway in Australia, Canada and the UK:
  - Potential contracts quite large – may be bid in regions as in US which would make a perfect fit in terms of scope and size
  - Revenue may potentially begin as early as second half of fiscal 2009 and stretching beyond
### New Awards and Sales Pipeline

($ in millions)

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<th>Sales</th>
<th>May 5, 2008</th>
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<td>New Awards (unsigned)</td>
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<td><strong>Pipeline</strong></td>
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<td>Proposals Pending</td>
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<tr>
<td><strong>Total Pipeline</strong></td>
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<td><strong>$1,206</strong></td>
</tr>
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Rebids & Options

• Rebids: Notified of award on 3, totaling $36 million, this leaves 8 remaining rebids with a total value estimated at $237 million

• Option year exercises; to date out of the 27 options with a total value of $223 million up for exercise this year, we have won or been notified of intent to award on 14 options with a value of $122 million

• No options have been lost, none have been canceled or taken in house due to funding issues
Guidance

• Revising fiscal 2008 guidance resulting from the sale of businesses and impacts of this quarter

• While results in Systems have been disappointing we have made critical progress and are in better position to pursue alternatives for non-core assets

• Operations segment continues to record solid financial performance

• For fiscal 2008 we now expect revenue in the range of $830 million to $850 million

• GAAP basis diluted EPS of $2.55 to $2.70
  – This GAAP basis guidance includes a gain of approximately $0.21 to $0.24 related to the sale of Security Solutions and Unison-MAXIMUS and the pending sale of a building in McLean, Virginia. Guidance also includes $0.07 of forecasted legal charges for fiscal 2008