



David N. Walker Chief Financial Officer and Treasurer Third Quarter Fiscal Year 2009

August 6, 2009



Third Quarter Fiscal 2009 Financial Results

- Revenue of \$185.2 million, up 1% on a constant currency basis compared to same period last year
- Net income from continuing operations of \$15.0 million
- Q3 09 diluted EPS of \$0.84 from continuing operations
 - Pro Forma diluted EPS from continuing operations of \$0.68, excludes legal and settlement net recovery of \$0.16 per diluted share
- Operating margin of 10.7%
- Clean, solid quarter



Operations Segment

- Revenue increased 8.3% to \$165.5 million on a constant currency basis
 - Driven by organic growth in the base business
 - Sequential growth over Q2 driven principally by contribution from the recently launched PA Medicaid managed services program and healthy revenue stream as we complete work under the old contract in Australia
- Q3 operating income of \$20 million with a 12.1% operating margin
- Significant new contract win to provide employment services in the UK
 - Five-year program will be worth approximately \$200 million (USD)
 - Revenue will initially lag behind cost, so we expect to generate approximately \$15 million in revenue in FY 10 and expect to lose between \$0.05 and \$0.10 per diluted share in FY 10
 - Expect that the program will be fully accretive by 2011 with margins well within our targeted range
 - Current outlook for start-up expenditures for our expansion in Australia are expected to be sufficiently lower to offset the start-up costs in the UK



Consulting Segment

- Revenue totaled \$19.7 million in Q3 09
- Segment is nearing break-even with a nominal loss of \$146,000
- Focus on bringing the Segment to consistent profitability through:
 - Tightly managed labor utilization
 - Aggressive cost controls
 - Bringing the last remaining legacy contracts to successful resolution





Balance Sheet

- MAXIMUS maintains strong liquidity and flexibility in this demanding market
- In Q3 09, MAXIMUS generated cash from operating activities related to continuing operations of \$12.4 million and free cash flow¹ from continuing operations of \$6.3 million
 - Includes the insurance recovery
- Cash at March 31, 2009 totaled \$91.7 million and a credit line of \$24.7 million
- DSOs were 73 days, well within guidance
 - Included 6 days related to the timing of certain milestone billings on two large programs where we are delivering technology refreshes
 - California payments on our significant contracts are current and have not increased DSOs
- MAXIMUS did not repurchase any shares this quarter
 - At June 30, \$54.1 million was available under the Board-authorized program
- Paid quarterly cash dividend of \$0.12, a cash use of \$2.1 million

¹The Company defines free cash flow as cash from operations less purchased property and equipment and capitalized software costs

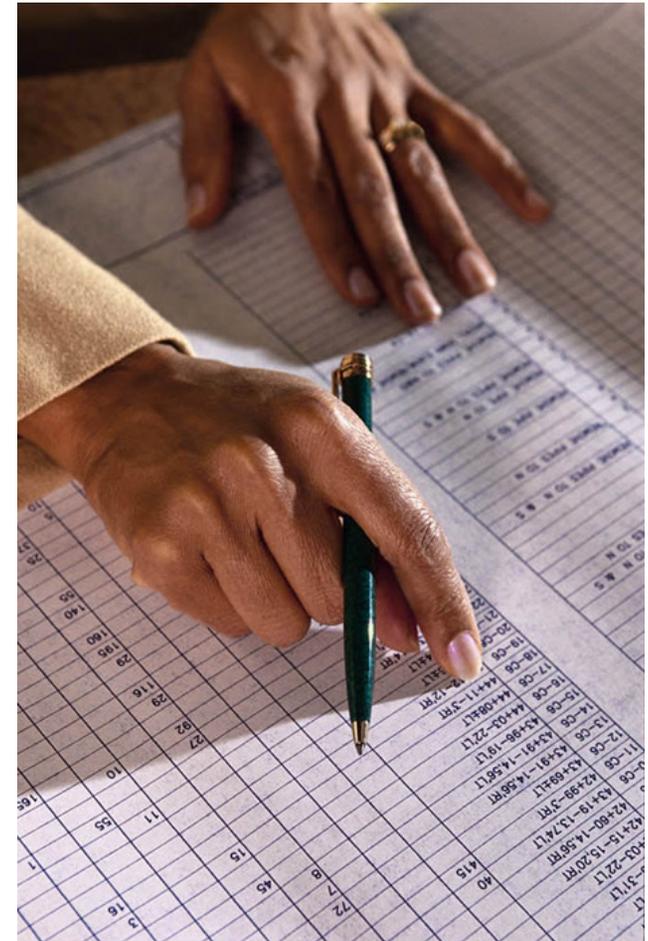


Guidance

- Reiterating fiscal 2009 guidance
 - Revenue to be in the range of \$745 million to \$755 million
 - Earnings per share in the range of \$2.75 to \$2.85, excluding the one-time \$0.16 benefit from the legal and settlement reimbursement

- Fourth quarter is driven by seasonality in the Operations Segment
 - The largest driver is our tax credit business

- Reiterating cash flow guidance to be in the range of \$35 to \$45 million with free cash flow of \$15 to \$25 million





Richard A. Montoni President and Chief Executive Officer Third Quarter Fiscal Year 2009

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Strengthening The Base And Adding New Business

- Third quarter results in line with expectations
- Rebids: Strengthening existing client relationships
 - Texas Eligibility Support Services
 - Georgia Families Medicaid & CHIP
 - Iowa CHIP
 - Virginia Medicaid
 - Ticket to Work
 - Australia
 - Fiscal year to date, won 91% of total contract value of rebids that were up for bid
- New business
 - United Kingdom Employment Services: Estimated at \$200 million over five years
 - Centers for Medicare & Medicaid (CMS): First ARRA-related contract out of CMS. Project related to expedited reviews and information services for COBRA premium assistance benefits

Rebids, scope expansion, new awards are offsetting reductions in limited domestic projects. Net impact will be positive growth.

California Budgetary Situation

MAXIMUS work centered around three main programs

1. Medicaid Program (California Managed Care Health Care Options)
 - Provide administrative and enrollment services
 - No expected impact. Reductions to this program were outside managed care population which is the group we serve
2. Welfare to Work (CalWORKS)
 - No expected impact. Funded at county level so impact varies by contract region. We expect caseloads to decrease in regions where recipients were transitioned out of CalWORKS but expect increase in other regions. Net neutral event
3. CHIP (California Healthy Families)
 - Reductions may impact MAXIMUS where funding was reduced. Program cap instituted on July 17th which will have immaterial impact in Q4
 - MAXIMUS reduced its FY 2010 revenue expectations by \$12 million for this program
 - Program is seeking additional funding to plug the gap through an outside foundation that has provided funding in the past
 - At this time, not certain how potential new funding could affect MAXIMUS



2010 Preliminary Outlook

- Fiscal 2010 top-line preview
 - Provided preliminary top-line outlook on Q2 call and still believe that 7% top-line growth estimate remains achievable (MAXIMUS has not completed its annual budget planning process)
 - 7% compares to midpoint of fiscal 2009 revenue guidance of \$745 million to \$755 million
 - Represents best take at this time
 - Includes new UK win which offsets reductions in base business principally related to state fiscal environment in California
- Other new work opportunities still on the runway, which could improve outlook; offsetting factors or further reductions would also have to be factored in
- Not providing bottom-line guidance today
 - Continue disciplined approach to new work with focus on profitable long-term growth
 - Will provide formal guidance when we report Q4 in November



Capitalizing on New Opportunities

CHIP Reauthorization & Expanded Funding

- Thirteen states have moved to expand programs including Iowa which has expanded funding to cover families up to 300% of the Federal Poverty Level (FPL)
- Other states like California remain challenged by lack of necessary state funding needed to receive additional federal funds to broaden coverage
- MAXIMUS is the leading administrator for CHIP eligibility and enrollment





Health Care Reform

- A must-do initiative for President Obama
- Several bills on the table with common themes where MAXIMUS is well-positioned to be a partner:
 - Administration of health exchanges or gateways, similar to our current Medicaid and CHIP work
 - Monitoring quality of care and providing medical review, appeals, and dispute resolution, an area where MAXIMUS is recognized as the industry leader
- We are uniquely positioned as an independent vendor, with no ties to health care providers or insurance companies
- We launched a comprehensive media campaign to increase awareness of our capabilities on the Hill
- We've enhanced our online presence with a website (www.maximusforhealth.com) dedicated solely to health reform





New Sales Awards and Pipeline

Sales	Q3 2008*	Q3 2009
Signed Contracts	\$684M	\$877M
Awarded Unsigned Contracts	\$265M	\$542M
Pipeline		
Proposals Pending	\$385M	\$228M
Proposals in Preparation	\$261M	\$87M
RFPs Tracking	\$1,010M	\$910M
Total Pipeline	\$1,656M	\$1,225M

*Restated to reflect divested businesses

Conclusion

- MAXIMUS maintains a healthy cash balance, strong balance sheet, and no debt
- We continue to consider ways to deploy cash in a strategic fashion
 - Stock repurchase and dividend programs
 - Evaluation and pursuit of tuck-in acquisitions as appropriate
- Q3 results demonstrate that we continue to perform and deliver, even in the current economic environment, and demand for our services remains strong
- Our recent successes stem from our focused operations and market leadership and are offsetting scope reductions
- We are guiding MAXIMUS towards a year of top-line and bottom-line growth in fiscal 2010