September 23, 2008

MAXIMUS Solidifies Position as Pure Play Health and Human Services Provider with Sale of Non-Core Businesses

Updates Fourth Quarter Guidance; Introduces Fiscal 2009 Outlook
MAXIMUS to Host a Conference Call Today at 9:00 a.m. (ET)

RESTON, Va.--(BUSINESS WIRE)--

MAXIMUS (NYSE:MMS), a leading provider of government services, announced today that it has signed an asset purchase agreement for the sale of its Justice Solutions, Education Systems, and Asset Solutions businesses to Toronto-based Constellation Software, Inc. (TSX: CSU). The transaction is expected to close on September 30, 2008. Total consideration for the transaction is $40 million, including a $35 million cash payment due at closing and a $5 million holdback for one year from closing, subject to a purchase price adjustment and any claims based on representations and warranties.

With the sale of the Justice, Education, and Asset businesses, MAXIMUS will focus principally on its core health and human services program administration and consulting offerings. The ERP division, formerly part of the Systems Segment, will be incorporated into the Consulting Segment, and the three divested Systems businesses will be reported as discontinued operations. The Company will report financial results for its remaining Operations and Consulting Segments as continuing operations.

"Today's announcement fulfills a promise we made to our shareholders to center our operations around our core health and human services offerings," commented Richard Montoni, Chief Executive Officer of MAXIMUS. "With increased operational focus, we expect the benefits to include a more predictable base of recurring revenue and stabilized margin performance. We also create the platform to drive future growth as the leading pure-play provider for the administration of government health and human services programs. This concentration will also allow for the accelerated development of leading-edge services and capabilities built upon our market-leading domain expertise."

Mr. Montoni continued, "We believe this divestiture represents an all around win for MAXIMUS, Constellation, and the employees and clients of both companies. Constellation possesses substantial domain expertise in these specific markets, has a long-standing record of successful software implementations and is therefore best positioned to leverage the core capabilities and opportunities of the intellectual property they are acquiring. We would like to thank the employees of these businesses for their long-standing commitment and dedication to MAXIMUS and we wish them well as part of Constellation."

In conjunction with today's announcement, MAXIMUS is updating guidance for its fourth quarter and fiscal 2008 year ending September 30, 2008. As a result of the disposal, MAXIMUS expects a fourth quarter loss from discontinued operations of approximately $0.78

to $0.84. The loss from discontinued operations contains two components, (1) a loss from operations and (2) a loss on disposal which includes non-cash items such as goodwill and capitalized software. For fiscal 2008, MAXIMUS expects a loss from discontinued operations in the range of $1.38 to $1.44 per diluted share. MAXIMUS expects positive cash flow from the divestitures in excess of $20 million, after-tax.

For the fourth quarter, the Company expects revenue from continuing operations in the range of $190 million to $195 million with diluted earnings per share from continuing operations in the range of $0.68 to $0.73. For fiscal 2008, MAXIMUS expects revenue from continuing operations in the range of $745 million to $750 million with diluted earnings per share from continuing operations in the range of $2.91 to $2.96. On a normalized basis, the Company expects pro forma diluted earnings per share from continuing operations in the range of $2.80 to $2.85, which excludes legal and settlement expense, the gain on the sale of the building that occurred in Q3, and interest income before the share repurchase program entered into in November 2007 that is not expected to repeat in fiscal 2009. (See supplemental pro forma table). For year-over-year comparison purposes, the Company will base its fiscal 2009 projections on pro forma results of $2.80 to $2.85 from continuing operations for fiscal 2008.

MAXIMUS is also introducing its fiscal 2009 guidance. The Company expects revenue from continuing operations in the range of $775 million to $800 million and diluted earnings per share in the range of $3.00 to $3.15, excluding any effect of share repurchase activities.

Mr. Montoni concluded, "Fiscal 2008 represented significant growth delivered by the Company's core operations. Moving into fiscal 2009, we will continue with our ongoing strategic objective to optimize business operations and remain selective in the pursuit of new work. We believe this will help drive consistent operating margins above 10%. In fiscal 2009, we expect 4% to 7% top-line growth over revenue from continuing operations in fiscal 2008. Our fiscal 2009 revenue guidance assumes that $55 million to $60 million in revenue recorded in fiscal 2008 will not repeat in fiscal 2009. This relates to work that MAXIMUS chose not to re-bid, consulting business lines that the Company is winding down, and project life cycles where work is ramping down. Our cultural shift towards more profitable, less volume-driven work has taken hold, and we believe we have greatly improved our overall risk-reward profile. Over the longer term, we still see an abundance of opportunities to accelerate our top and bottom line growth."

Website Presentation, Conference Call and Webcast Information

MAXIMUS will host a conference call today at 9:00 a.m. (ET). The Company has also posted a presentation on its website, under the Investor Relations page, for analysts to follow along with during the conference call. The call is open to the public and can be accessed under the Investor Relations page of the Company's website at www.maximus.com or by calling:

877.407.8289 (Domestic)/201.689.8341 (International)

A replay will be available through October 10, 2008. Callers can access the replay by dialing:

877.660.6853 (Domestic)/201.612.7415
Replay account number: 316
Replay conference ID number: 297999

MAXIMUS is one of America's leading government services companies devoted to providing program management, consulting and information technology services. The Company has more than 6,000 employees located in more than 220 offices in the United States, Canada and Australia. Additionally, MAXIMUS is included in the Russell 2000 Index and the S&P SmallCap 600 Index.

Statements that are not historical facts, including statements about the Company's confidence and strategies and the Company's expectations about revenues, results of operations, profitability, future contracts, market opportunities, market demand or acceptance of the Company's products, are forward-looking statements that involve risks and uncertainties. These uncertainties could cause the Company's actual results to differ materially from those indicated by such forward-looking statements and include reliance on government clients; risks associated with government contracting; risks involved in managing government projects; legislative changes and political developments; opposition from government unions; challenges resulting from growth; adverse publicity; and legal, economic, and other risks detailed in Exhibit 99.1 of the Company's most recent Annual Report filed with the Securities and Exchange Commission, found on www.maximus.com.

MAXIMUS, Inc.
Selected Consolidated Statements of Operations data for the Nine Months Ended June 30, 2008
Unaudited
(Dollars in thousands)

	As Previously Reported Before Divestiture			
	Q1	Q2	Q3	Total
Revenue				
Operations	$146,807	$160,982	$157,917	$465,706
Consulting	18,628	16,882	19,736	55,246
Systems	31,151	26,546	28,671	86,368
Total	$196,586	$204,410	$206,324	$607,320
Income (loss) from Operations				
Operations	$ 18,793	$ 23,701	$ 23,797	$ 66,291
Consulting	446	(1,035)	466	(123)
Systems	(3,105)	(6,388)	(5,609)	(15,102)
Corporate/Other	(230)	(93)	(224)	(547)
Legal and settlement expense	-	(931)	(7,675)	(8,606)
Gain on sale of building	-	-	3,938	3,938
Total	$ 15,904	$ 15,254	$ 14,693	$ 45,851
Interest and other income, net	1,501	107	490	2,098
Income from continuing operations before income taxes	17,405	15,361	15,183	47,949
Provision for income taxes	7,159	6,056	5,379	18,594

Income from continuing operations	10,246	9,305	9,804	29,355
Income (loss) from discontinued operations, net of income taxes	359	322	1,601	2,282
Net Income	$ 10,605	$ 9,627	$ 11,405	$ 31,637
Diluted earnings per share				
Income from continuing operations	$ 0.49	$ 0.50	$ 0.52	$ 1.51
Income (loss) from discontinued operations	0.02	0.01	0.09	0.11
Diluted earnings per share	$ 0.51	$ 0.51	$ 0.61	$ 1.62

	As Reclassified Assuming Divestiture			
	Q1	Q2	Q3	Total
Revenue				
Operations	$146,807	$160,982	$157,917	$465,706
Consulting	30,282	28,629	31,447	90,358
Systems	-	-	-	-
Total	$177,089	$189,611	$189,364	$556,064
Income (loss) from Operations				
Operations	$ 17,826	$ 22,848	$ 22,845	$ 63,519
Consulting	1,779	496	1,262	3,537
Systems	-	-	-	-
Corporate/Other	(359)	(243)	(268)	(870)
Legal and settlement expense	-	(931)	(700)	(1,631)
Gain on sale of building	-	-	3,938	3,938
Total	$ 19,246	$ 22,170	$ 27,077	$ 68,493
Interest and other income, net	1,501	107	490	2,098
Income from continuing operations before income taxes	20,747	22,277	27,567	70,591
Provision for income taxes	8,479	8,788	10,271	27,538
Income from continuing operations	12,268	13,489	17,296	43,053
Income (loss) from discontinued operations, net of income taxes	(1,663)	(3,862)	(5,891)	(11,416)

Net Income	$ 10,605	$ 9,627	$ 11,405	$ 31,637
Diluted earnings per share				
Income from continuing operations	$ 0.59	$ 0.72	$ 0.92	$ 2.21
Income (loss) from discontinued operations	(0.08)	(0.21)	(0.31)	(0.59)
Diluted earnings per share	$ 0.51	$ 0.51	$ 0.61	$ 1.62

MAXIMUS, Inc.
Selected Consolidated Statements of Operations Data for the Twelve Months Ended September 30, 2007
Unaudited
(Dollars in thousands)

	As Previously Reported Before Divestiture				
	Q1	Q2	Q3	Q4	Total
Revenue					
Operations	$102,830	$121,391	$140,277	$142,988	$507,486
Consulting	20,800	19,606	19,218	18,678	78,302
Systems	30,955	31,603	30,178	33,139	125,875
Total	$154,585	$172,600	$189,673	$194,805	$711,663
Income (loss) from Operations					
Operations	$(15,996)	$ 7,120	$ 24,566	$ 23,626	$ 39,316
Consulting	1,938	708	1,592	(107)	4,131
Systems	(1,869)	(330)	(3,910)	(290)	(6,399)
Corporate/Other	451	241	108	(196)	604
Gain (gain adjustment) on sale of Corrections Services Business	684	-	(233)	-	451
Legal and settlement expense	(3,000)	(6,104)	(33,010)	(2,524)	(44,638)
Total	$(17,792)	$ 1,635	$(10,887)	$ 20,509	$ (6,535)
Interest and other income, net	477	1,615	1,131	2,581	5,804
Income (loss) from continuing operations before income taxes	(17,315)	3,250	(9,756)	23,090	(731)
Provision for income taxes	(6,254)	1,302	5,074	9,731	9,853
Income (loss) from					

continuing operations	(11,061)	1,948	(14,830)	13,359	(10,584)
Income (loss) from discontinued operations, net of income taxes	666	414	439	810	2,329
Net Income	$(10,395)	$ 2,362	$(14,391)	$ 14,169	$ (8,255)
Diluted earnings (loss) per share					
Income (loss) from continuing operations	$ (0.51)	$ 0.09	$ (0.67)	$ 0.59	$ (0.48)
Income (loss) from discontinued operations	0.03	0.02	0.02	0.04	0.10
Diluted earnings (loss) per share	$ (0.48)	$ 0.11	$ (0.65)	$ 0.63	$ (0.38)

	As Reclassified Assuming Divestiture				
	Q1	Q2	Q3	Q4	Total
Revenue					
Operations	$102,830	$121,391	$140,277	$142,988	$507,486
Consulting	28,891	29,436	29,694	30,724	118,745
Systems	-	-	-	-	-
Total	$131,721	$150,827	$169,971	$173,712	$626,231
Income (loss) from Operations					
Operations	$(16,943)	$ 6,345	$ 23,447	$ 22,766	$ 35,615
Consulting	2,218	1,538	2,079	1,913	7,748
Systems	-	-	-	-	-
Corporate/Other	143	114	(124)	(404)	(271)
Gain (gain adjustment) on sale of Corrections Services Business	684	-	(233)	-	451
Legal and settlement expense	(3,000)	(6,104)	(33,010)	(2,324)	(44,438)
Total	$(16,898)	$ 1,893	$ (7,841)	$ 21,951	$ (895)
Interest and other income, net	477	1,615	1,131	2,581	5,804
Income (loss) from					

continuing operations before income taxes	(16,421)	3,508	(6,710)	24,532	4,909
Provision for income taxes	(5,901)	1,404	6,277	10,301	12,081
Income (loss) from continuing operations	(10,520)	2,104	(12,987)	14,231	(7,172)
Income (loss) from discontinued operations, net of income taxes	125	258	(1,404)	(62)	(1,083)
Net Income	$(10,395)	$ 2,362	$(14,391)	$ 14,169	$ (8,255)
Diluted earnings (loss) per share					
Income (loss) from continuing operations	$ (0.49)	$ 0.10	$ (0.59)	$ 0.63	$ (0.33)
Income (loss) from discontinued operations	0.01	0.01	(0.06)	-	(0.05)
Diluted earnings (loss) per share	$ (0.48)	$ 0.11	$ (0.65)	$ 0.63	$ (0.38)

MAXIMUS, Inc.
Supplemental Pro Forma Earnings per Diluted Share from Continuing Operations
Fiscal Year 2008

	Q1 08A	Q2 08A	Q3 08A	Q4 08E	FY08 - E
Diluted EPS from Continuing Operations - GAAP Basis	$ 0.59	$ 0.72	$ 0.92	$0.68 - $0.73	$2.91 - $2.96
Pro Forma Adjustments					
Add back legal and settlement charges	-	0.03	0.02	-	0.05
Less gains from sale of building			(0.13)	-	(0.13)
Less Pre-ASR interest income	(0.03)				(0.03)
Subtotal pro forma adjustments	$(0.03)	$ 0.03	$(0.11)	$ -	$ (0.11)

Pro forma diluted EPS from Continuing Operations	$ 0.56	$ 0.75	$ 0.81	$ 0.68	- $0.73	$2.80 - $2.85

Source: MAXIMUS