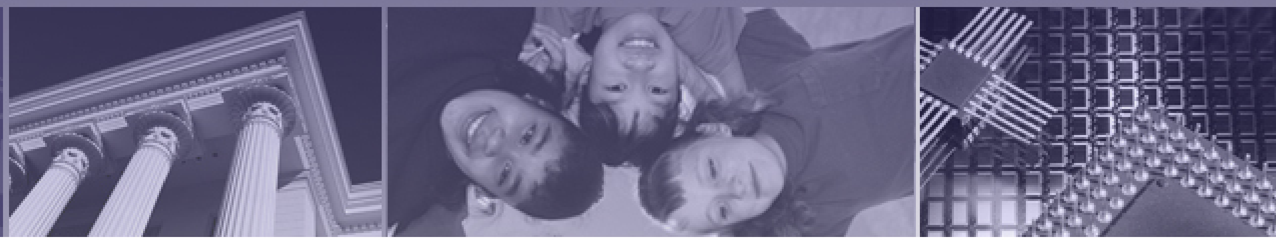
MAXIMUS

HELPING GOVERNMENT SERVE THE PEOPLE®



# David N. Walker

# Chief Financial Officer and Treasurer

# Second Quarter Fiscal 2008

May 8, 2008

# 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

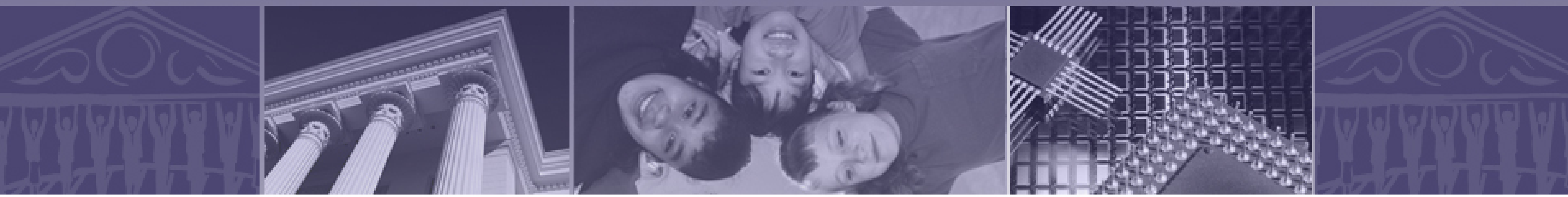
- Total revenue for Q2 totaled $30.5 million
  - Loss of approximately $5.9 million reported for quarter
- Asset Solutions and ERP divisions continue to deliver strong results
- Losses in Education and Justice divisions stem from software commitments that will ultimately position them well in the market
- 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)

| Sales | May 5, 2008 | May 2, 2007 |
|---|---|---|
| New Signed Awards | $615 | $302 |
| New Awards (unsigned) | $149 | $82 |
| **Pipeline** | | |
| Proposals Pending | $581 | $519 |
| Proposals in Preparation | $121 | $86 |
| RFP’s Tracking | $908 | $601 |
| **Total Pipeline** | **$1,609** | **$1,206** |

# 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, non 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