Fiscal 2012 Second Quarter Earnings

David N. Walker

Chief Financial Officer and Treasurer

May 3, 2012

A number of statements being made today will be forward-looking in nature. Such statements are only predictions and actual events or results may differ materially as a result of risks we face, including those discussed in our SEC filings. We encourage you to review the summary of these risks in Exhibit 99.1 to our most recent Form 10-K filed with the SEC. The Company does not assume any obligation to revise or update these forward-looking statements to reflect subsequent events or circumstances.

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Selected Financial Results from Continuing Operations

($mm, except per share data)	Q2 FY12	Q2 FY11	$ change	% change
Revenue				
Health Services	$ 161.2	$ 137.8	$ 23.4	17.0%
Human Services	82.3	89.3	(7.0)	(7.8%)
Total	**$ 243.5**	**$ 227.1**	**$ 16.4**	7.2%
Operating Income (Loss)				
Health Services	$ 18.2	$ 19.4	$ (1.2)	(6.2%)
Human Services	8.6	10.1	(1.5)	(14.9%)
Legal & settlement recovery	0.6	-	0.6	nm
Total	**27.4**	**29.5**	**(2.1)**	(7.1%)
Operating Margin % (excluding legal)	*11.0%*	*13.0%*		
Interest and Other Income	0.8	0.9	(0.1)	(11.1%)
Income Before Taxes - Continuing Ops	28.2	30.4	(2.2)	(7.2%)
Provision for Income Taxes	14.0	11.4	2.6	22.8%
Net Income - Continuing Operations	$ 14.2	$ 19.0	$ (4.8)	(25.3%)
Income (Loss) - Discontinued Operations	$ -	$ (0.8)	$ 0.8	nm
Net Income	**$ 14.2**	**$ 18.2**	**$ (4.0)**	(22.0%)
Fully Diluted EPS - Continuing Ops	$ 0.41	$ 0.54	$ (0.13)	(24.1%)
Fully Diluted EPS - Discontinuing Ops	$ -	$ (0.03)	$ 0.03	nm
Fully Diluted EPS - Total	$ 0.41	$ 0.51	$ (0.10)	(19.6%)
Adj. EPS - Continuing Ops (adj for legal & tax)	$ 0.49	$ 0.55	$ (0.06)	(10.9%)

*All numbers reflect the two-for-one stock split

- Q2 revenue grew 7% compared to last year, driven by Health Services and offset by lower revenue in Human Services due to the planned ramp up in the UK
- Q2 operating income, excluding net legal recoveries, was $26.8 million and operating margins were 11.0%
- Revising tax rates upward, Q2 results include a discrete tax charge of $3.0 million, or $0.09 per diluted share; in addition, increased tax rate for the year to 38%
- GAAP income from continuing operations, net of taxes, totaled $14.2 million, or $0.41 per diluted share, which also includes $0.01 of legal recovery benefit
- Excluding the $0.01 recovery and $0.09 tax charge, adjusted diluted EPS from continuing operations were $0.49

Health Services Segment

$ in millions	Q2 FY 12	Q2 FY 11	% change
Revenue			
Health Services	$ 161.2	$ 137.8	17%
Operating Income			
Health Services	$ 18.2	$ 19.4	(6%)
Operating Margin %	*11.3%*	*14.0%*	

- Q2 revenue increased 17% to $161.2 million driven by the managed care expansion in Texas, organic growth from new work and strong volumes in existing programs.
  - Completed contractually planned activities for the managed care roll out in Texas which bolstered revenue in the first half of the year. Since ramped down the expansion activities and expect contributions from this contract will return to more normalized levels beginning in Q3
- Q2 operating income was $18.2 million and operating margin was 11.3%.
  - Continue to experience favorable volumes in a couple of contracts, most notably in our federal Medicare appeals business
  - Operating margin lower due to normal life-cycle fluctuations in contracts such as new programs in the first year of the business cycle and recent rebids. Also had increased bid and proposal activities in SG&A. Revenue growth from the lower margin TX contract lowered margin in the quarter.

Human Services Segment

$ in millions	Q2 FY 12	Q2 FY 11	% change
Revenue			
Human Services	$ 82.3	$ 89.3	(8%)
Operating Income			
Human Services	$ 8.6	$ 10.1	(15%)
Operating Margin %	*10.5%*	*11.3%*	

- Q2 revenue totaled $82.3 million and lower than the previous year due to transition and associated revenue ramp up on the new UK Work Programme contract
  - As expected, losses in the UK peaked in Q2 and we still remain on track for the contract to break even in Q4
- Similarly, the UK contract lowered Q2 operating income in the quarter which totaled $8.6 million with operating margin of 10.5%
  - Despite the losses in the UK, results compared to last year were only slightly down because the prior year period included a $4.2 million loss on a fixed price contract that has been successfully resolved

Updated Guidance for the UK Contract

	FY 11A	FY 12E	FY 13E	FY 14E
Revenue ($millions)	**$ 36.9**	**$22.0-$24.0**	**$70.0**	**$90.0**
EBIT	$5.0	($8.0)-($9.0)	$10.5	$13.5
Operating margin	14%	(36%)-(38%)	15%	15%
Net income	**$3.7**	**($5.9)-($6.7)**	**$7.8**	**$10.0**
Tax rate	27%	26%	26%	26%
Shares outstanding	35.2	34.7	34.7	34.7
EPS	**$ 0.10**	**($0.17)-($0.19)**	**$ 0.22**	**$ 0.29**
Y/Y change	**—**	**($0.27)-($0.29)**	**$0.39-$0.41**	**$0.07**

FY12 Headwind

FY13 Boomerang

- Program ties vendors to longer-term outcome-based payments; we are starting to achieve confirming data points that provide us with better trend data, improve visibility and allow us to update our financial model
- Now expect revenue to be a little lower but the bottom line is still tracking in-line with expectations and operating margin assumptions remain unchanged at 15% for the out years. Top-line refinement driven by a number of factors.
- Current trends: 1) Experiencing higher volumes than original plan. 2) Caseload mix is self correcting with harder-to-serve caseloads returning to expected levels. 3) We are achieving our planned job placements. 4) Our outcome achievements rates are softer, due in part, to the outcome verification process which DWP modified and should help outcome rates going forward.
- All these factors create a short-term impact on revenue. We remain on track to break even in the fourth quarter
- Most importantly, fundamentally on track for FY 13 and beyond. We remain optimistic on the longer-term outlook of the program and expect it to be a solid contributor to profitability over the life of the contract

Balance Sheet and Cash Flows

We remain committed to the right balance of capital deployment to drive long-term, sustainable growth and shareholder value.

- Net income contributed to strong cash flows; exceptionally strong cash flows due to solid receivable collections with DSOs of 55 days
- Cash provided by operating activities from continuing operations of $41.5 million in the quarter, with free cash flow* of $36.4 million
- Sound balance sheet at March 31, 2012 with cash and cash equivalents of $229.5 million, of which approximately 51% was held overseas
- No share repurchases in quarter in anticipation of the PSI acquisition; purchased PSI with $67 million in cash and expect non-recurring merger-related expenses of approximately $4 million

*The Company defines free cash flow as cash provided by operating activities less cash paid for property, plant and equipment and capitalized software

Updating FY 2012 Guidance

Consolidated Guidance	FY12 E
Revenue	$1.030B - $1.060B
Adjusted Diluted EPS	$2.20 - $2.30
Cash from Continuing Ops	$100M - $120M
Free Cash Flow from Cont Ops	$75M - $95M

- Raising revenue guidance from $980M - $1.015M to $1.030B - $1.060B
  - Expect PSI acquisition to bring additional revenue of $55M - $60M for FY12 (40% attributable to the Health Services Segment and 60% attributable to the Human Services Segment
  - Still expect fiscal 2012 top-line growth, driven by Health Services Segment
- Reiterating adjusted diluted EPS from continuing operations of $2.20 - $2.30; We expect up to $0.05 of accretion from PSI which is offset by the increase in full-year tax rates to 38%
- Making significant progress on the change order discussed last quarter; still expected to occur in the back half of the year, likely Q4. Estimated at approximately $0.08 per diluted share
  - Still expect to achieve our guidance range with or without the change order
- Updating cash flow guidance; now expect cash provided by operating activities derived from continuing operations of $100M - $120M and free cash flow from continuing operations of $75M - $95M

Fiscal 2012 Second Quarter Earnings

Richard A. Montoni

President and Chief Executive Officer

May 3, 2012

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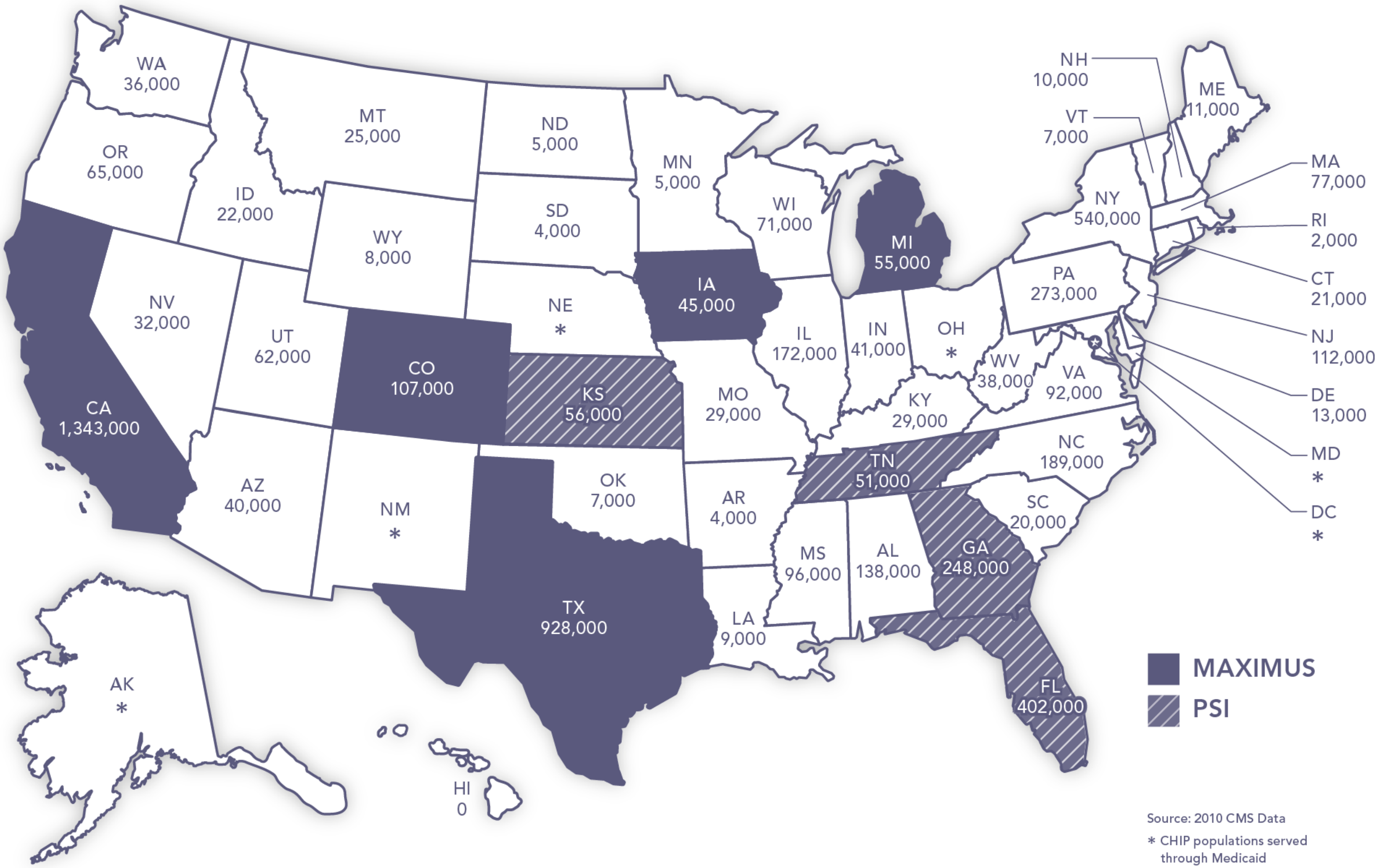
Overview of PSI Acquisition

- Pleased to report another solid quarter; on track to achieve full-year guidance
- One of our short-term goals was to make qualified acquisitions; we've been deliberately selective, seeking opportunities that complement and fit well within our current business portfolio; seeking close-fitting companies that we understand well and we view as low risk with attractive upside; the PSI acquisition fits this model perfectly and is an important step towards achieving our short term goals
- Like MAXIMUS, PSI has a core focus on the administration of health and human services government programs: Medicaid and CHIP administration, child support enforcement and welfare-to-work contracts, as well as specialized consulting services
- PSI contracts currently run below our 10-15% operating margin range with several key projects in start-up phase; our long-term goal is to institute business optimization strategies to bring these margins up to at least 10% over the next several years
- A full integration effort is in place for a swift, but thoughtful, combination of our businesses with a seamless transition; service delivery to clients remains our number one priority
- The addition of PSI improves our ability to help our clients meet their challenges of running efficient and effective public programs; acquisition yields a great number of benefits to clients, including increased effective operational resources, efficient shared services, enhanced subject matter expertise, innovative BPO and technology, and financial stability

PSI Acquisition: Health Services

- The acquisition of PSI brings seven new Medicaid and CHIP contracts, including marquee CHIP clients, such as Georgia and Florida
- With the addition of PSI's health portfolio, MAXIMUS serves an additional two million CHIP and Medicaid beneficiaries
- PSI brings innovative approaches to meeting policy and program requirements
- The combination offers a broader range of technical and operational capabilities, and additional economies of scale to meet the diverse needs of our clients better
- As states plan for Health Insurance Exchanges, MAXIMUS and PSI together offer additional options and long-term stability for existing and potential clients

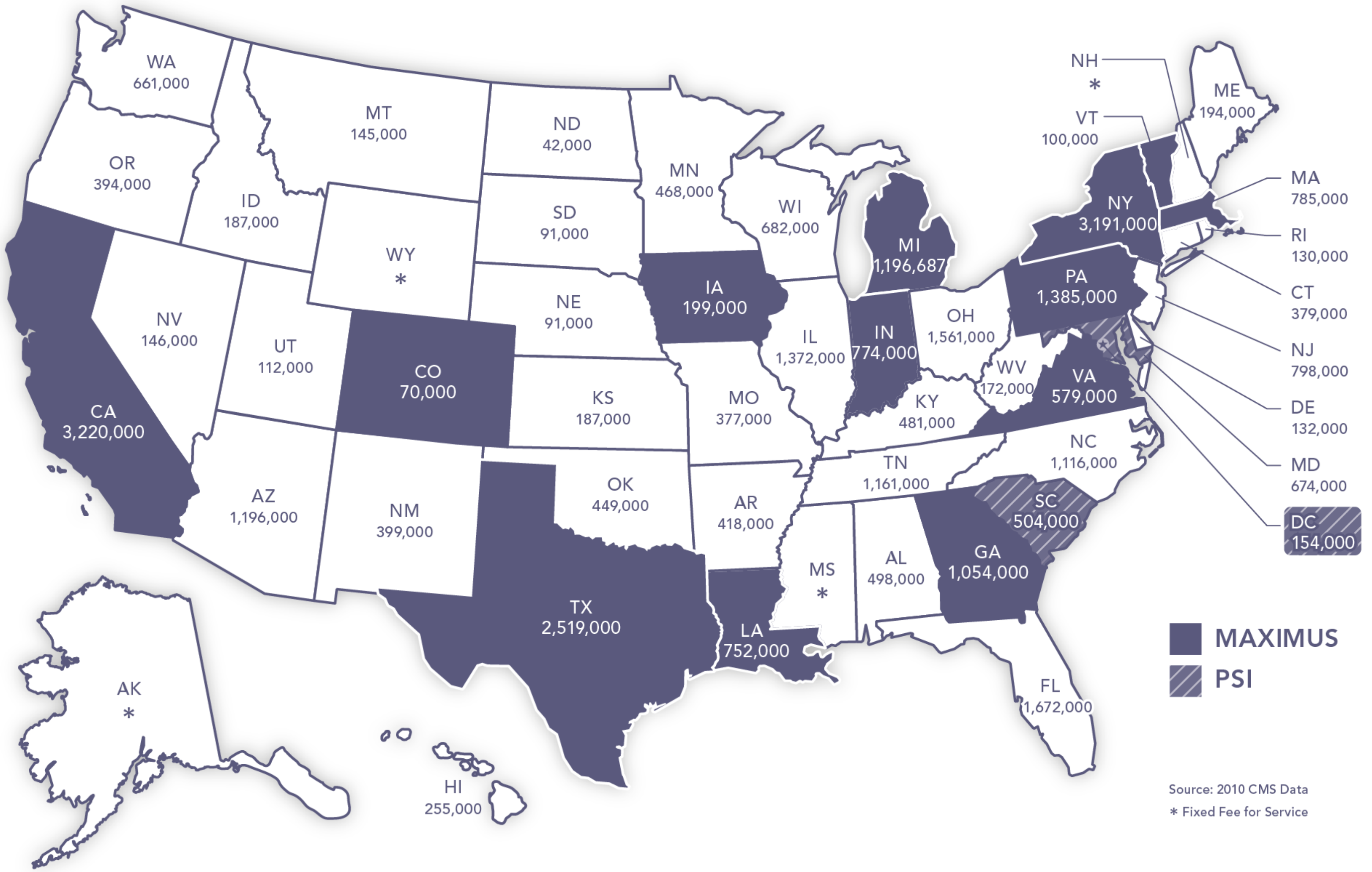
CHIP Market Presence Grows by Four States



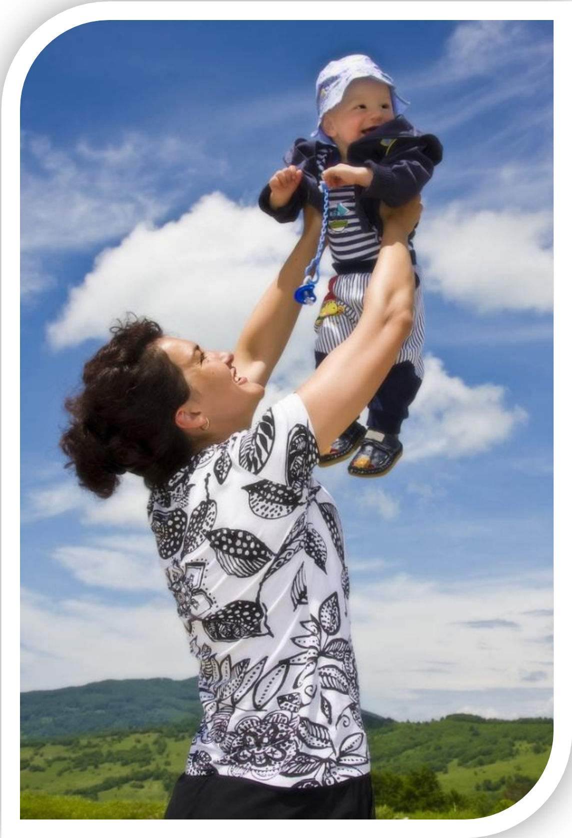
Source: 2010 CMS Data

* CHIP populations served through Medicaid

Medicaid Market Presence Grows by Two States & DC

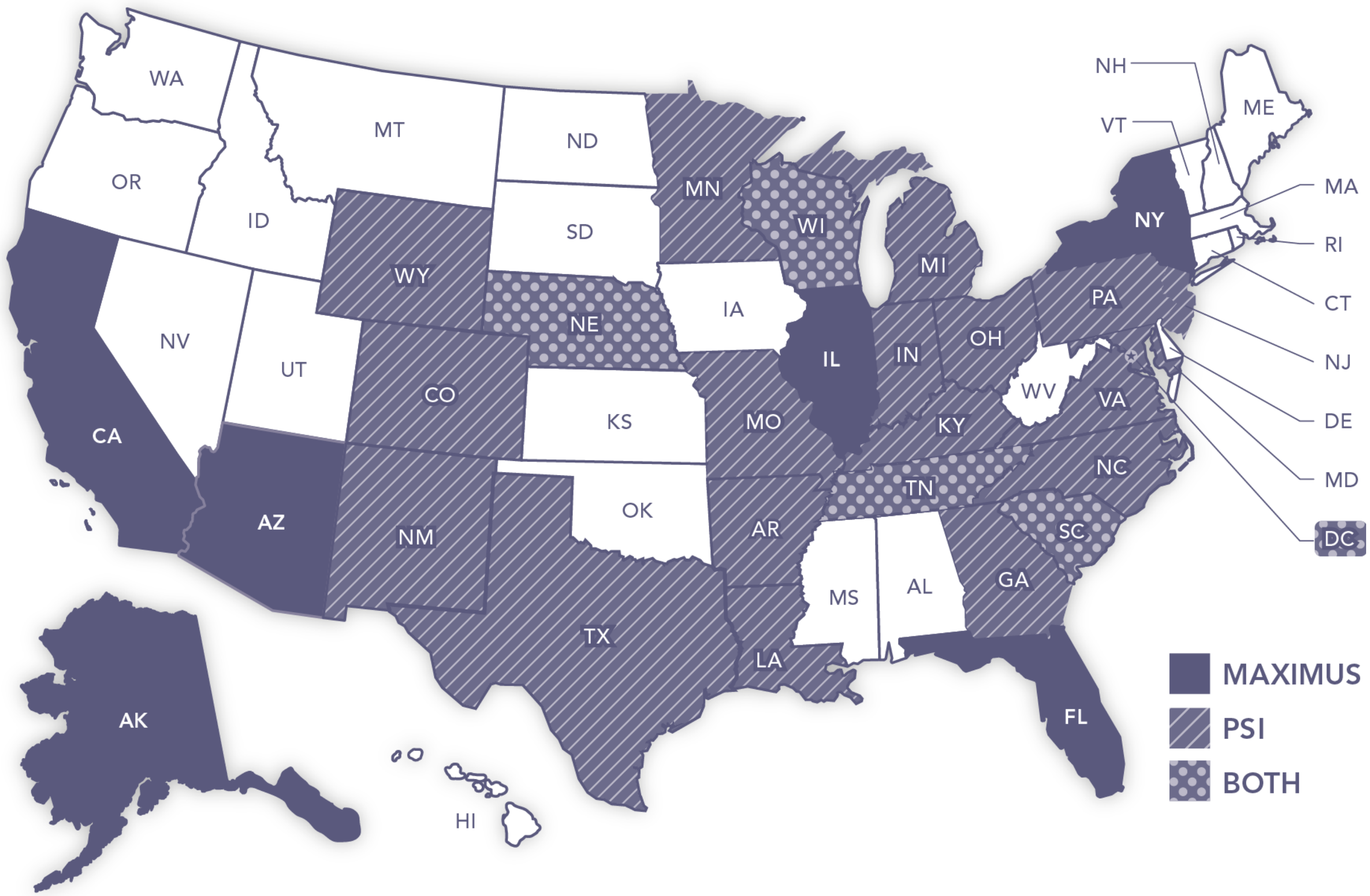


PSI Acquisition: Human Services



- The acquisition of brings on new welfare-to-work and consulting contracts and meaningfully grows our market share in child support
- PSI brings new qualifications that now open up entirely new adjacent child support markets where MAXIMUS has historically not been a meaningful player
- PSI brings a long-history of success in the child support market with extensive experience and industry-leading best practices

Enhanced Child Support & Workforce Services Presence



Acquisition of PSI brings an additional 44 child support and 4 workforce services contracts to the MAXIMUS Human Services portfolio.

More Resources for Future Opportunities

- PSI offers additional operational resources to tackle the increasing demand and fill in gaps where we may have been resource constrained in the past

- As market demand for our services continues to increase, acquisition brings more resources to bear as we grow the business and capitalize on new opportunities, here in the U.S. and abroad

- Excited about the breadth and depth of experience and innovation PSI employees bring; we share a common commitment of serving our government partners, and ultimately improving the lives of citizens around the world

U.S. Health Care Reform Update

- While we can't speculate on the outcome of the ACA hearings, we have a completed a thorough analysis of our strategy under the various potential outcomes
- One variation is a gradual ramp for the establishment of exchanges on a state-by-state basis; April 17 Reuters piece noted that some states are moving ahead with reform efforts regardless of Supreme Court direction; 16 states and the District of Columbia have legislation or executive orders for the implementation of ACA
- Underlying fundamental social challenges don't go away just because the law is changed or modified; underserved and uninsured populations more likely to use costly emergency services for routine medical problems and must be connected to coverage that best meets their individual needs.
- HIX procurements rolling out as anticipated, with initial focus on technology bids designed for system integrators; MMS is not a system integrator, so selectively participating on initial bids in a subcontractor role to gain tactical presence as HIX market continues to progress
- HIX isn't just about technology; once the technology is built out, the operational focus will shift to the BPO and health care consumer engagement and service; these administrative functions are right in the sweet spot for MAXIMUS; look forward to applying our experience and best practices from Medicaid and CHIP to the Exchanges

Update on International Operations

- In the UK, Work Programme operations running at full speed; still expect to break even in Q4 of FY12; lower revenue forecast for the year balanced by the recent process modifications implemented by DWP are expected to improve the outcome verification going forward; we run these programs with a large portion of variable costs which allows us to efficiently and effectively manage resources to achieve our bottom-line results
- UK government plans to publish performance outcomes for Work Programme vendors; results are expected in the fall, but UK Employment Minister anticipates results could lead to a "shakeout" in the supply chain of vendors; we believe our performance has been strong relative to the pack and we are well on our way to making this a successful project
- Recently signed the three-year, $450 million extension to our Job Services Australia contract; as a result of our exceptional performance, we picked up some new work in Ipswich, South Brisbane and Western Downs through reallocations; new work increases our national caseload by approximately 3%

New Awards and Sales Pipeline

New Sales	May 1, 2012
YTD signed awards	$812 million
New contracts pending	$284 million
Sales Opportunities	
Total pipeline	$1.7 billion

Includes $450 million extension in Australia, which takes current contract through June 30, 2015

Investors should expect routine fluctuations among the new sales and pipeline categories, driven by the different stages in the procurement process, as well as the timing of when contracts are awarded and ultimately signed.

Conclusion

- Making solid progress on our short-term goals
  - Successfully ramping up operations in the UK and remain on track to achieve breakeven status in the fourth quarter
  - Continue to move forward with our business development plans for winning our fair share of health care reform contracts
  - Completed the strategic acquisition of PSI, a growth platform that will help us drive long-term value for our shareholders.
- Acquisition is prudent use of cash as we drive growth in our core markets; moving forward, we intend to employ the same fundamental principles of cash deployment :
  - Investing in business development and growth prospects across all our markets, including both organically and through acquisition
  - Continuing our quarterly cash dividend strategy
  - Executing our share buybacks in an opportunistic fashion
- The team remains committed to growing the business and delivering long-term shareholder value