Fiscal 2012 Third Quarter Earnings

David N. Walker

Chief Financial Officer and Treasurer

August 7, 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.

MAXIMUS®

HELPING GOVERNMENT SERVE THE PEOPLE®

Selected Financial Results from Continuing Operations

($ in millions, except per share data)	Q3 FY12 Actual	Q3 FY11 Actual	% Change
Revenue			
Health Services	$ 170.4	$ 141.8	20%
Human Services	96.0	96.5	(1%)
Total	**$ 266.4**	**$ 238.3**	12%
Operating Income (Loss)			
Health Services	$ 25.7	$ 15.9	62%
Human Services	9.2	14.9	(38%)
Other	-	0.3	nm
Legal, Settlement, & Acq. Expenses	(1.6)	(0.3)	nm
Total	**33.3**	**30.8**	8%
*Operating Margin %**	*13.1%*	*13.1%*	
Interest and Other Income, net	1.2	0.9	nm
Income Before Taxes - Continuing Ops	34.5	31.7	9%
Provision for Income Taxes	14.0	11.7	20%
Net Income - Continuing Operations	$ 20.5	$ 20.0	3%
Adj. EPS - Continuing Ops*	**$ 0.62**	$ 0.57	9%

- Q3 revenue grew 12% compared to last year, driven by Health Services and contributions from the PSI acquisition
- Quarterly results included a change order that contributed $10.2 M in revenue and $0.10 of diluted EPS
- Q3 operating income, excluding legal and acquisition expenses, was $34.8 M and operating margins were 13.1%
- Q3 tax rate was 41%, slightly higher than forecasted due to a larger mix of profits from higher tax rate jurisdictions tempering earnings by approx. $0.03
- Q3 GAAP income from continuing operations, net of taxes, totaled $20.5 M, or $0.59 per diluted share
- Adjusted diluted EPS from continuing operations, excluding legal and acquisition-related expenses, were $0.62

*Excludes legal settlement expense, acquisition expense, and integration expense

Health Services Segment

$ in millions	Q3 FY 12	Q3 FY 11	% change
Revenue			
Health Services	$ 170.4	$ 141.8	20%
Operating Income			
Health Services	$ 25.7	$ 15.9	61%
Operating Margin %	*15.1%*	*11.2%*	

- Segment results were better-than-expected and bolstered by the acceleration of $10.2 million in revenue related to a change order on a large health project; the change order relates to a new program where the scope of services increased once the program launched and it also reimburses the Company for services performed in prior quarters
- Q3 revenue increased 20% to $170.4 million
  - Excluding the change order, revenue grew 13% from strong organic growth and two months of PSI revenue
- Q2 operating income was $25.7 million and operating margin was 15.1%

Human Services Segment

$ in millions	Q3 FY 12	Q3 FY 11	% change
Revenue			
Human Services	$ 96.0	$ 96.5	(1%)
Operating Income			
Human Services	$ 9.2	$ 14.9	(38%)
Operating Margin %	*9.6%*	*15.4%*	

- Q3 revenue was $96.0 million, comparable to the same period last year and grew 2% on a constant currency basis; Q3 operating income totaled $9.2 million, delivering operating margin of 9.6%
- As expected, the ongoing ramp up on the UK Work Programme damped revenue and income compared to last year; the contract remains on track to achieve breakeven during Q4
- The Segment benefitted from PSI contributions , which were offset by lower year-over-year results from Australia; in Australia, a couple of short term government initiatives ended and we experienced lower volumes and currency headwinds
- In the UK, we are still experiencing caseload volumes and placements that are slightly ahead of our original plan, but outcomes remain slightly behind our original plan; we remain optimistic on the longer-term outlook of the program

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 of $20.5 million contributed to strong cash flows
- DSOs were 58 days
- Cash provided by operating activities from continuing operations of $16.0 million in the quarter, with free cash flow* of $9.7 million
  - In Q3, used cash of $66 million to complete the acquisition of PSI
- Sound balance sheet at June 30, 2012 with cash and cash equivalents of $168.9 million, of which approximately 31% was held domestically
- Looking ahead, we will continue to employ the same fundamental principles of cash deployment, which include:
  - Investing in business development and growth prospects across all our markets – including both organic opportunities and strategic acquisitions; we are actively looking for targets that meet our criteria
  - Continuing our quarterly cash dividend strategy
  - Executing share buybacks on an opportunistic basis

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

Updating FY 2012 Guidance

Consolidated Guidance	FY12 E
Revenue	$1.030B - $1.060B
Adjusted Diluted EPS	$2.25 - $2.35
Cash from Continuing Ops	$100M - $120M
Free Cash Flow from Cont Ops	$75M - $95M

- Reiterating fiscal 2012 revenue guidance and increasing earnings estimates to a range of $2.25 and $2.35, excluding non-recurring acquisition related charges
- Continue to expect approximately $4 million in acquisition related expense, which we've excluded from our adjusted diluted earnings per share; during the third quarter, we incurred $1.9 million of the estimated $4 million
- Reiterating cash flow guidance

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Richard A. Montoni

President and Chief Executive Officer

August 7, 2012

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New Award Under First Wave of HIX Technology Bids

- Health care reform remains a great opportunity for MAXIMUS; the recent decision by the U.S. Supreme Court clarified that states must proceed with some form of health insurance exchange (HIX), but Medicaid expansion is now optional
- Most of the health insurance exchange procurements to-date have been heavily weighted towards technology-only bids
- Recently announced our first health insurance exchange award, a $41 million contract to design, develop and implement the technical solution for Minnesota's exchange
  - Minnesota RFP was the first in the marketplace, with a strong focus on the consumer-facing components of the exchange
  - As the prime contractor, MAXIMUS will lead a team of specialized technology firms
  - With our direct experience in process model development and delivery execution, our role in Minnesota is a natural extension of our core competencies
  - We can draw on our deep experience of implementing business process model improvements, and delivering efficiencies in eligibility and enrollment for large public health insurance programs

As we've said very early on, our focus for exchanges is primarily in operations and business process management

Well-Positioned for Downstream Exchange Operations

- We believe there are only a handful logical BPO players in the HIX operations market; as the fall 2013 deadline approaches for exchange operations to begin, states are evaluating procurement approaches and some states may leverage existing service center infrastructures and contractual relationships
- Approximately 20 states, most of which have received substantial grants, are best positioned for a state-based exchange
- Approximately 24 states remain undecided; they are considering whether to develop their own exchange, or adopt either the Federally Facilitated Exchange (FFE) or State Partnership models, either as a long-term solution or a temporary bridge to a fully state-based exchange
- Remaining six states will most likely participate in the FFE
  - The federal government is building the technology for their exchange and we expect to see additional procurements for the operations and other support functions later this year
  - We believe MAXIMUS is well positioned to support the federal exchange initiatives through our federal services subsidiary

Regardless of the path states choose, health care reform is a multi-year effort and revenue from health insurance exchanges will not reach mature levels until FY15 or FY16

States Study Impact of Medicaid Expansion

- SCOTUS ruling gives states additional flexibility on Medicaid expansion, so states are carefully studying the economic impacts of this expansion
  - With 100% federal funding initially decreasing to 90% in later years, states may have a hard time turning down federal dollars
  - States must also consider how hospitals will handle lower disproportionate hospital share (DSH) payments for uninsured individuals without the additional coverage from Medicaid
  - There's been substantial discussion on how Medicaid expansion can benefit local economies through job creation in the health services industry
- However, recent GAO survey highlights concerns that the costs of Medicaid expansion would outweigh prospective savings for states in the near term
- Some states are waiting for the November elections, while others are requesting additional flexibility through the waiver process, such as block grants or unrestricted lump sum payments

Not all states will proceed with Medicaid expansion,
and those that do may implement at different points in time

Revised Total Addressable Medicaid Expansion Market

- The Congressional Budget Office revised their coverage expectations noting that the direction of states remains uncertain; CBO now estimates that 11 million new enrollees will come in by 2022, down 35% from their original estimate of 17 million
- MAXIMUS has modified our expectations for the annual total addressable market under Medicaid expansion accordingly; we now expect this addressable market to range between $130 million and $200 million annually
  - Low end of the range establishes a floor if certain states never expand Medicaid
  - We think the more likely scenario is that many states will ultimately elect to expand their Medicaid programs over time
- As a result of the Affordable Care Act's enhanced outreach and streamlined eligibility rules and systems, most Medicaid programs, even those in the non-expansion states, will likely experience increased enrollments of currently eligible individuals
  - Often referred to as the "welcome mat" or "woodwork" effect

We continue to expect that states will seek multiple paths to drive efficiencies and contain costs, including shifting Medicaid populations into managed care

State Efforts to Increase Efficiencies & Manage Costs

- California is expanding Medicaid managed care by shifting additional counties into managed care beginning in mid-2013 and also planning to move Medicare benefits for its dual eligibles into Medi-Cal
  - We are in the early planning stages to support the state on both efforts
  - Under the two initiatives, the state estimates savings of approx. $1.7 billion by the end of 2014
- California's FY13 budget includes an initiative to move the children served by the Healthy Families CHIP program into Medi-Cal
  - Transition currently expected to begin no earlier than January 2013, will be done in multiple phases, and is expected to last a full year — we believe we may likely retain several of the operational functions we perform in the CHIP program today
  - The program generated just over $50 million in revenue in FY11; since the shift from Healthy Families to Medi-Cal won't be a one-to-one revenue match, we know revenue will be lower; at this point in time, we cannot speculate by how much until we finalize the scope of work that we may continue to perform
- New Hampshire is also moving individuals into managed care in response to increased Medicaid expenditures and the need to improve services for beneficiaries
  - MAXIMUS has won a small, but strategic, contract with the state to operate a temporary call center to assist Medicaid participants with the self-selection and enrollment into managed care plans

Other Initiatives

- We remain very much on track with our federal expansion strategy, enhancing our current offerings and looking at new agencies and adjacent markets where we can apply our core competencies
  - See promising new emerging opportunities in the health and human services space
  - Sales pipeline for longer-term federal opportunities grown significantly over the last 18 months
  - Successfully added seven new Government Wide Acquisition Contract (GWAC) vehicles
  - Recently won a small, but strategic CMS duals program assessment contract
- The integration of PSI is moving forward as planned and the additional resources we've picked up are a tremendous asset to our human services business development efforts
  - Recently started work on a new child support services project in Missouri under a three-year, $5.7 million contract, which also carries an additional three option years thereafter
  - Also expanded our geographic presence with a one-year, $2 million workforce services contract in South Carolina for the Jobs Upfront Mean More Pay (JUMMP) program; this program has four additional one-year option periods following the base contract

Global Operations Continue to Grow

- In the **United Kingdom**, Work Programme operations remain on track and we still expect the contract to break even during the fourth quarter
  - The economy continues to be a challenge for the UK and the Work Programme has received both positive and negative media attention
  - However, the government and MAXIMUS both remain committed to the success of this important welfare reform initiative
- In **Australia**, we were recently awarded a contract with a new client, the Department of Immigration and Citizenship
  - The 20-month contract has an estimated value between $15 million and $20 million, depending on specific client volumes, and has a 12-month extension option; this new work more than offsets a couple of short-term initiatives that were completed earlier in the year
  - MAXIMUS will provide client support and independent observer services for young unaccompanied asylum seekers and refugees arriving in Australia
- MAXIMUS has been selected for a workforce services pilot program in **Saudi Arabia**
  - Contract was signed in June, operations went live last week, and the program is expected to provide 15 months of revenue in the range of $12 million to $15 million
  - MAXIMUS is serving job seekers through five sites, providing case management support and addressing barriers to employment; each site has a business development officer to develop and maintain relationships with employers and local industries

Governments around the world face similar challenges with social issues, and we are pleased to expand our core service offerings to new programs and geographies

New Awards and Sales Pipeline

New Sales	Aug. 3, 2012
YTD signed awards	$1.2 billion
New contracts pending	$185.8 million
Sales Opportunities	
Total pipeline	$3.4 billion

Sales pipeline is at a record level of $3.4 billion; most notably, of this $3.4 billion, we are awaiting decisions on submitted proposals that have a total contract value of $1.7 billion

Conclusion

- Pleased with our progress on our short-term goals to grow the business:
  - ✓ Integration of PSI going well
  - ✓ Signed our first HIX contract
  - ✓ Gaining more traction in our federal operations
  - ✓ Continue to expand the global footprint with a new pilot program in Saudi Arabia and a new population in Australia
  - ✓ UK contract remains on track to achieve breakeven before the end of FY12

- With increased EPS guidance for the remainder of this fiscal year, FY13 shaping up to be a great year as a result of:
  - ✓ A full year's contribution from PSI
  - ✓ A profitable contract in the UK
  - ✓ The many domestic and global opportunities on the horizon