

Third Quarter – Fiscal Year 2011 Earnings



David N. Walker

Chief Financial Officer and Treasurer

August 4, 2011

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.

Note: All share and per share data has been adjusted to reflect the two-for-one stock split effective June 30, 2011.



Selected Financial Results from Continuing Operations

(\$mm, except per share data)	Q3		\$	%
	FY '11	Q3		
	Actual	Actual		
Revenue				
Health Services	\$ 141.8	\$ 127.3	\$ 14.5	11.4%
Human Services	96.5	84.2	12.3	14.6%
Total	\$ 238.3	\$ 211.5	\$ 26.8	12.7%
Operating income (loss)				
Health Services	\$ 15.9	\$ 14.5	\$ 1.4	9.7%
Human Services	14.9	10.7	4.2	39.5%
Other	0.3	0.2	0.1	50.0%
Legal & settlement recovery	(0.3)	-	(0.3)	nm
Total	30.8	25.4	5.4	21.3%
<i>Operating margin % (excluding legal)</i>	<i>13.1%</i>	<i>12.0%</i>		
Interest and other income, net	1.0	0.4	0.6	150.0%
Income from continuing ops, net of taxes	31.8	25.8	6.0	23.3%
Provision for income taxes	11.8	9.7	2.1	21.6%
Net income - continuing operations	\$ 20.0	\$ 16.1	\$ 3.9	24.2%
Income (loss) - discontinued operations	\$ (0.1)	\$ 1.2	\$ (1.3)	nm
Net income	\$ 19.9	\$ 17.3	\$ 2.6	15.0%
Fully diluted EPS - continuing ops*	\$ 0.56	\$ 0.45	\$ 0.11	24.4%
Fully diluted EPS - discontinued ops*	\$ -	\$ 0.03	\$ (0.03)	nm
Fully diluted EPS - total*	\$ 0.56	\$ 0.48	\$ 0.08	16.7%
Adj. EPS - continuing ops, excl legal and tax*	\$ 0.56	\$ 0.46	\$ 0.10	21.7%

Record FY 11 Q3 Revenue

Q3 revenue from continuing operations grew 13% (8% on a constant currency basis) to \$238.3 million, driven by solid delivery and favorable currency

Strong performance resulted in an operating margin of 13.1%

Record FY 11 Q3 Earnings

Income from continuing operations, net of taxes, increased to \$20.0 million

Adjusted diluted EPS from continuing operations increased 22% to \$0.56 compared to \$0.46 for the same period last year

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

Health Services Segment

	Q3	Q3	%
	FY 11	FY 10	change
Revenue			
Health Services	\$ 141.8	\$ 127.3	11%
Operating Income			
Health Services	\$ 15.9	\$ 14.5	10%
<i>Operating Margin %</i>	<i>11.2%</i>	<i>11.4%</i>	

\$ in millions

- FY 11 Q3 Health Services Segment revenue grew 11% to \$141.8 million, driven primarily by new work and expansion on existing contracts
- Operating income grew to \$15.9 million
- As expected, operating margin was 11.2%, which included start up costs for a new program launched in June; as a reminder we typically expect that margins will fluctuate quarter to quarter as a result of timing

Human Services Segment

	Q3 FY 11	Q3 FY 10	% change
Revenue			
Human Services	\$ 96.5	\$ 84.2	15%
Operating Income			
Human Services	\$ 14.9	\$ 10.7	40%
<i>Operating Margin %</i>	<i>15.4%</i>	<i>12.7%</i>	

\$ in millions

- FY 11 Q3 Human Services Segment revenue grew 15% (4% on a constant currency basis) to \$96.5 million, driven by growth in our international welfare-to-work programs
- Operating income grew 40% to \$14.9 million
- Operating margin increased to 15.4% compared to 12.7% in the prior year
- The Segment benefitted from favorable currency and over-delivery in certain programs
 - In Australia, job outcomes retention rates exceeded forecasts
 - In the UK, revenue and profit accelerated into the third quarter from the transition of the legacy FND1 program, which offset start up expenses from the new Work Programme

Balance Sheet and Cash Flows

- FY 11 Q3 cash provided by operating activities from continuing operations totaled \$34.1 million, with free cash flow* from continuing operations of \$27.8 million
- Strong cash flows in the quarter were driven by solid net income and record low DSOs of 54 days
- During the quarter, MAXIMUS paid a quarterly cash dividend of \$2.6 million, which reflected the 25% dividend increase declared in January; additionally, we announced another 20% increase to the dividend to be paid in August
- MAXIMUS repurchased 238,600 shares of common stock for \$9.4 million and at June 30th we had \$115.4 million available for future repurchases; subsequent to quarter close, we purchased an additional 204,000 shares of common stock for \$8.1 million
- Since 2008, we have repurchased nearly \$250 million of MMS common stock, buying back 12.4 million shares during this time
- Cash and cash equivalents totaling \$204.0 million at June 30, 2011, of which 48% is held in the U.S.; cash held in foreign subsidiaries cannot be used for repurchases or dividend payments without incurring significant U.S. tax upon repatriation

We recognize that investors want us to put our cash to work, we remain actively engaged in acquisition activities to supplement organic growth and continue to evaluate cash and dividend yields and the level of share repurchases.

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

Updated FY 11 Guidance

	FY 11E
Revenue	\$925-\$935 million
Adjusted Diluted EPS	\$2.15-\$2.20
Cash from Continuing Ops	\$70-\$90 million
Free Cash Flow from Cont. Ops	\$50-\$70 million

- Increasing our FY 11 revenue guidance to \$925-\$935 million and adjusted diluted earnings per share in the range of \$2.15-\$2.20
- The increase in guidance reflects over delivery in the third quarter as well as additional benefit from accretive, non-recurring contract modifications in the Health Segment that we expect to receive in the fourth quarter
- Cash flow guidance remains unchanged but expect to be in the upper end of the range; receivables management process showing exceptional results as demonstrated by record low DSOs, but MAXIMUS does not forecast that level of efficiency
- We are in the heart of our annual budgeting and planning process for next year and will provide formal FY 12 guidance on our November call

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Richard A. Montoni

President and Chief Executive Officer

August 4, 2011



Another Quarter of Record Results for MAXIMUS



- Another quarter of record financial results
- Continue to see growth and opportunities in both Segments and across all geographies
- Will provide formal guidance for FY12 in November, but wanted to touch upon major themes from last quarter and Investor Day in June, starting with the UK contract

Long-Term Impacts from the UK Work Programme

Expected Ramp on the UK Contract (\$ in millions)

	FY 11E	FY 12E	FY 13E	FY 14E
Revenue	\$ 38.0	\$25.0	\$75.0	\$95.0
EBIT	5.5	(10.6)	11.3	14.3
Operating margin	14%	-42%	15%	15%
Net income	4.0	(7.8)	8.4	10.6
Tax rate	27.0%	26.0%	26.0%	26.0%
Shares outstanding*	35.6	35.6	35.6	35.6
EPS*	\$ 0.11	\$ (0.22)	\$ 0.24	\$ 0.30
Year /year change*		\$ (0.33)	\$ 0.46	\$ 0.06

FY 12
Headwind

FY 13
Sling-shot

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

2012 impacts

- Expect to lose \$10.6 million, pre-tax, in FY 12 – or \$0.22 per share; FY 11/FY 12 represents a \$0.33 headwind to earnings
- Still expect total Company revenue growth in FY 12, driven by new work and organic growth
- Growing the bottom-line will be more challenging given the over-delivery in FY 11 and expected loss from the UK in FY 12
- Remain cautiously optimistic about our FY 12 earnings growth potential

2013 & 2014

- Long-term economics on the UK contracts are favorable
- Healthy contributions in FY 13 with expected earnings from the UK contract of \$0.24 per share; offers a ready-made growth acceleration with a favorable \$0.46 sling-shot to earnings over FY 12
- Expected to be fully ramped in FY 14 and contributing approximately \$0.30 per share with annual revenue of \$95 million

United Kingdom's Work Programme Update

- Operations went live on time with positive client feedback on the smooth implementation of our case management technology solution
- Local management team has made strides to finalizing facilities requirements and bringing new employees on board
- Initial case referral volumes came in strong and largely as expected and the UK team is hard at work achieving placement targets



We have set the stage for a successful project, drawing on best practices gained as the top provider under the previous welfare-to-work program.

Health & Human Services Opportunities in Canada



- More provinces are looking for ways to provide secure electronic pharmacy and medical records through Drug Information Systems (DIS)
- Recently awarded a contract in Nova Scotia for the implementation of our DIS product, Medigent®
- Contract represents a significant step towards the creation of individual electronic health records for the province
- Additional opportunities in other provinces align with our core health and human services offerings
- We are actively pursuing these opportunities and expect to have further clarity by the end of the calendar year

Potential Contract Extension in Australia

- The Australian government has notified all welfare-to-work vendors of a potential three-year contract extension if vendors continue to achieve required star ratings targets
- Contract extension is contingent on the achievement of specific targets in the next Star Ratings review in August
- Based on our current Star Ratings, we are tracking towards a \$450 million extension through June 30, 2015



Our continued success and solid ratings further demonstrate our commendable performance and solid execution in this key market.

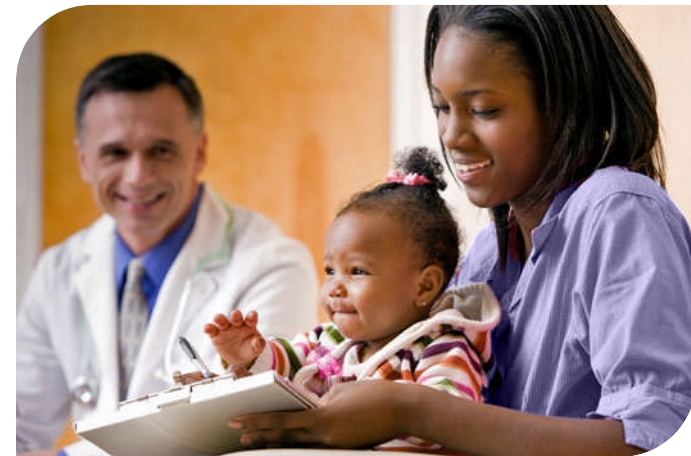
Growth in our U.S. Health Operations



- In June, launched operations for the New York Enrollment Center contract, which consolidates, standardizes and simplifies the renewal process for the state's public health insurance programs
- This week, launched a new customer contact center in Edinburg, TX to enroll Texans in Medicaid, SNAP and TANF, as part of the state's expansion of Medicaid managed care
- Recently received notification of a new contract award to provide enrollment broker services for Louisiana's Medicaid Coordinated Care Network

Affordable Care Act (ACA) Update

- In July, the Department of Health & Human Services released proposed regulations on the implementation of health insurance exchanges
- Provides states with a more flexible implementation timeline
- We are still awaiting subsequent regulations and rulemaking related to eligibility, appeals and quality standards
- A growing number of states are taking advantage of federal establishment grants to help them put the proper structures in place to operate an exchange
- We are actively responding to a number of formal RFIs and RFPs related to exchange technology components, and expect they may lead states to issue procurements for technology and administrative services for exchanges



Marketing our Exchange Solution with Connecture

MAXIMUS® | connecture®



- MAXIMUS is actively marketing the health insurance exchange solution developed through our strategic alliance with Connecture
- Connecture is a leading provider of Web-based marketplaces and administration solutions for health insurance distribution
- The alliance team is meeting with potential clients to demonstrate, StateAdvantage, our ready-to-implement solution for SHOP and Individual Exchanges
- The response from potential state clients has been very positive with specific reference to:
 - Seamless consumer experience
 - User-friendly content
 - Easy-to-navigate shopping
 - Ability to address the needs of families with changing eligibilities for public programs

New Awards and Sales Pipeline (in millions)

New Sales	Aug. 2, 2011
YTD signed awards	\$ 1,391
New contracts pending	\$ 338
Sales Opportunities	
Total pipeline	\$ 1,818

Includes rebids in TX and CA, as well as UK Work Programme contract

We will routinely experience fluctuations between the pipeline and new sales categories, driven by the procurement process and the timing of when contracts are awarded and signed.

Conclusion

With consistent, solid performance over the last couple of years, MAXIMUS stands well-positioned to capitalize on the many opportunities in front of us.

- Record results in Q3 combined with our recent stock split and dividend increases demonstrate our continued success in driving profitable growth and delivering shareholder value over the long-term
- Governments continue to experience financial pressure and MAXIMUS remains a trusted partner to provide efficient solutions and high-quality administrative services
- With multiple domestic and global expansion initiatives before us, we see many opportunities across both Segments
- We look forward to delivering another great year and setting the growth platform for FY 12 and beyond