UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report: **May 19, 2010**
Date of earliest event reported: **May 6, 2010**

MAXIMUS, INC.
(Exact name of registrant as specified in its charter)

Virginia	**1-12997**	**54-1000588**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

11419 Sunset Hills Road, Reston, Virginia	**20190-5207**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(703) 251-8500**

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 **Results of Operations and Financial Condition.**

On May 6, 2010, the Company issued a press release announcing its financial results for the quarter ended March 31, 2010. The full text of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and incorporated by reference into this Item 2.02

On May 6, 2010, the Company held a conference call with respect to these financial results. The conference call was open to the public. The transcript and slide presentation that accompanied the call are furnished as Exhibit 99.2 to this Current Report on Form 8-K and incorporated by reference into this Item 2.02.

Item 9.01 **Financial Statements and Exhibits.**

(d) Exhibits. The following exhibits are being furnished pursuant to Item 2.02 above.

Exhibit No.	**Description**
99.1	Press release dated May 6, 2010
99.2	Conference call transcript and slide presentation for Earnings Call – May 6, 2010

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MAXIMUS, Inc.

Date:	May 19, 2010	By:	/s/ David R. Francis
			David R. Francis
			General Counsel and Secretary

EXHIBIT INDEX

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99.1	Press release dated May 6, 2010
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Exhibit 99.1

MAXIMUS Reports Strong Fiscal 2010 Second Quarter Results

-Adjusted EPS from Continuing Ops of $0.81; Company Raises Fiscal 2010 Guidance-

RESTON, Va.--(BUSINESS WIRE)--May 6, 2010--MAXIMUS (NYSE: MMS), a leading provider of government services worldwide, today reported results for the three and six months ended March 31, 2010.

Highlights for the second quarter include:

- Revenue growth of 15.1% to $203.8 million compared the second quarter of last year.
- Adjusted earnings per diluted share from continuing operations of $0.81 (non-GAAP) compared to $0.68 (non-GAAP) for the same period last year. These results reflect better-than-expected profitability from Australia and the United Kingdom as well as the benefit of a lower tax rate that resulted from an increasing mix of international business. GAAP earnings per diluted share from continuing operations were $1.02, which includes $0.21 per diluted share related to legal and settlement recovery.
- Cash provided by operating activities from continuing operations of $21.4 million, free cash flow of $17.6 million, resulting in cash and cash equivalents totaling $121.4 million at quarter end.
- Increased fiscal 2010 guidance to reflect strong results in the quarter, the acquisition of DeltaWare, and a lower tax rate for the remainder of the fiscal year. The Company now expects revenue in the range of $840 million to $860 million and adjusted earnings per diluted share in the range of $3.50 to $3.60.

Revenue for the second quarter increased 15.1% (or 8.5% on a constant currency basis) to $203.8 million driven by the Company's expanding international employment services operations. For the second quarter, organic revenue grew 12.8% compared to the same period last year.

Net income from continuing operations for the second quarter increased to $18.3 million, or $1.02 per diluted share, which included a pre-tax benefit of $6.0 million, or $0.21 per diluted share, for net legal and settlement recovery. Excluding the $0.21 per diluted share recovery, adjusted earnings per diluted share from continuing operations grew 19.1% to $0.81, compared to $0.68 for the second quarter of last year. Adjusted earnings per diluted share in the quarter were $0.11 better than prior guidance, of which $0.06 is attributable to better-than-expected profitability from the Company's international employment services operations and the remaining $0.05 resulting from a lower tax rate due to an increasing mix of international business.

"Our strong second quarter results benefited from the increasing contribution from our global operations, including our new and expanded programs in Australia and the U.K.," commented Richard A. Montoni, President and Chief Executive Officer of MAXIMUS. "We are pursuing additional international opportunities in existing markets as part of our 'land, execute and expand' strategy. Domestically, our operations continue to perform well and as planned. In response to the recently enacted health care reform law, we are building on our leadership position in health and human services program administration as we work to help governments transition their programs to comply with the new requirements by 2014."

Operations Segment

For the fiscal 2010 second quarter, Operations Segment revenue increased 23.0% (or 15.6% on a constant currency basis) to $191.4 million, compared to $155.6 million for the second quarter of fiscal 2009.

Operations Segment operating income for the second quarter grew 10.6% to $21.7 million compared to $19.7 million in the second quarter of last year. Operating margin for the quarter was 11.4%. Segment profitability in the second quarter was slightly better than expected and driven by cost management in the international employment services operations, where the Company tightly managed resources relative to caseload mix and volumes.

Also during the quarter, the Company completed the acquisition of Canada-based DeltaWare. The acquisition is part of the Company's long-term strategy to broaden its core health services offerings by expanding its Business Process Outsourcing capabilities in the emerging eHealth, Drug Information Systems and third party claims administration markets in North America and abroad. In fiscal 2010, the acquisition is expected to contribute approximately $7 million in revenue and to be neutral to earnings.

Consulting Segment

For the fiscal 2010 second quarter, Consulting Segment revenue was $12.5 million compared to $21.5 million for the same period last year. The fiscal 2009 second quarter included revenue from a business line the Company has since exited, as well as $4.8 million in non-recurring, pass-through revenue. Consulting Segment operating income for the fiscal 2010 second quarter was $460,000, with an operating margin of 3.7%, compared to $512,000 for the same period last year.

New Sales and Sales Pipeline

At May 4, 2010, year-to-date signed contract wins totaled $304 million and new contracts pending (awarded, but unsigned) totaled $470 million.

Sales opportunities (pipeline) at May 4, 2010 totaled $1.8 billion (consisting of $290 million in proposals pending, $97 million in proposals in preparation, and $1,453 million in proposals tracking) compared to $1.4 billion the prior year.

Balance Sheet and Cash Flows

At March 31, 2010, the Company had a healthy cash balance with cash and cash equivalents of $121.4 million. Days Sales Outstanding (DSO) from continuing operations were 68 days and were well within the Company’s expected range of 65 to 80 days.

Cash provided by operating activities totaled $21.4 million with free cash flow of $17.6 million. The Company defines free cash flow as cash provided by operating activities from continuing operations less property, equipment and capitalized software expenditures. During the quarter, the Company used cash of $10.7 million related to acquisitions. The Company purchased 120,040 of MAXIMUS common stock for $5.9 million under the Board-authorized share repurchase program and at March 31, 2010, the Company had approximately $45 million available under the program. In addition, the Company recorded a net legal recovery of $6.0 million principally related to an insurance reimbursement in the period.

MAXIMUS also paid a cash dividend of $0.12 per share on February 26, 2010 to shareholders of record as of February 12, 2010. Subsequent to quarter end, the Company declared a quarterly cash dividend of $0.12 per share payable on May 28, 2010 to shareholders of record as of May 14, 2010.

Outlook

MAXIMUS is increasing its fiscal 2010 full year revenue guidance by $10 million principally to reflect the acquisition of DeltaWare. As a result, the Company now expects revenue from continuing operations in the range of $840 million to $860 million. The Company is also updating its guidance for adjusted earnings per diluted share from continuing operations to reflect strong results and the lower tax rate as a result of an increasing mix of international business. The Company now expects 2010 non-GAAP adjusted earnings per diluted share from continuing operations of $3.50 to $3.60, a $0.15 increase compared to its previously forecasted range. Adjusted earnings per diluted share exclude the net legal and settlement recovery as reflected in the supplemental table in the financial statements.

Web Site Presentation, Conference Call and Web Cast Information

MAXIMUS will host a conference call this morning, May 6, 2010, at 9:00 a.m. (ET). The Company has also posted a presentation on its Web site, under the Investor Relations page, for analysts to follow during the conference call. The call can be accessed through the Investor Relations page of the Company's Web site at www.maximus.com or by calling:

877.407.8289 (Domestic)/201.689.8341 (International)

For those unable to listen to the live call, a replay will be available through May 14, 2010. Callers can access the replay by calling:

877.660.6853 (Domestic)/201.612.7415 (International)
Replay account number: 316
Replay conference ID number: 349764

About MAXIMUS

MAXIMUS is a leading provider of government services worldwide and is devoted to providing health and human services program management and consulting services to its clients. The Company has more than 6,500 employees located in more than 220 offices in the United States, Canada, Australia, the United Kingdom, and Israel. 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 to the Company's most recent Quarterly Report filed with the Securities and Exchange Commission, found on www.maximus.com.

Non-GAAP Financial Information

This press release includes certain non-GAAP financial information as defined by Securities and Exchange Commission Regulation G. Pursuant to the requirements of this regulation, reconciliations of this non-GAAP financial information to MAXIMUS financial statements as prepared under generally accepted accounting principles (GAAP) are included in this press release. MAXIMUS management believes providing investors with this information gives additional insights into MAXIMUS results of operations. While MAXIMUS management believes that these non-GAAP financial measures are useful in evaluating MAXIMUS operations, this information should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with GAAP.

MAXIMUS, Inc.
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

	September 30, 2009	March 31, 2010 (unaudited)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 87,815	$ 121,362
Restricted cash	3,919	3,971
Accounts receivable — billed, net of reserves of $5,812 and $5,521	132,058	129,715
Accounts receivable — unbilled	16,706	21,688
Note receivable	736	167
Income taxes receivable	7,501	5,478
Deferred income taxes	5,389	6,846
Prepaid expenses and other current assets	19,749	20,341
Current assets of discontinued operations	18,238	6,560
Total current assets	292,111	316,128
Property and equipment, at cost	98,781	107,189
Less accumulated depreciation and amortization	(53,495)	(60,380)
Property and equipment, net	45,286	46,809
Capitalized software	26,475	31,496
Less accumulated amortization	(7,506)	(9,379)
Capitalized software, net	18,969	22,117
Deferred contract costs, net	8,206	7,298
Goodwill	61,029	69,067
Intangible assets, net	2,455	8,826
Deferred income taxes	1,239	—
Other assets, net	3,939	3,999
Total assets	$ 433,234	$ 474,244
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 44,368	$ 53,151
Accrued compensation and benefits	31,713	34,799
Deferred revenue	22,177	30,319
Other accrued liabilities	15,083	10,554
Liabilities of discontinued operations	14,124	4,448
Total current liabilities	127,465	133,271
Deferred revenue, less current portion	6,527	13,039
Long-term debt	—	885
Acquisition-related contingent consideration	—	3,092
Income taxes payable, less current portion	1,871	2,041
Deferred income tax liability	243	2,714
Total liabilities	136,106	155,042
Shareholders' equity:		
Common stock, no par value; 60,000,000 shares authorized; 27,161,849 and 27,326,677 shares issued and 17,599,029 and 17,457,016 shares outstanding at September 30, 2009 and March 31, 2010, at stated amount, respectively	338,739	345,591
Treasury stock, at cost; 9,562,820 and 9,869,661 shares at September 30, 2009 and March 31, 2010, respectively	(319,149)	(333,657)
Accumulated other comprehensive income	8,268	11,007
Retained earnings	269,270	296,261
Total shareholders' equity	297,128	319,202
Total liabilities and shareholders' equity	$ 433,234	$ 474,244

MAXIMUS, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except per share data)
(Unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2009	2010	2009	2010
Revenue	$ 177,158	$ 203,844	$ 346,868	$ 406,199
Cost of revenue	130,624	153,013	253,430	303,253
Gross profit	46,534	50,831	93,438	102,946
Selling, general and administrative expenses	26,714	28,629	53,128	55,953
Legal and settlement expense (recovery), net	368	(6,037)	368	(5,351)
Operating income from continuing operations	19,452	28,239	39,942	52,344
Interest and other income, net	35	186	129	285
Income from continuing operations before income taxes	19,487	28,425	40,071	52,629
Provision for income taxes	7,697	10,160	15,828	19,736
Income from continuing operations	11,790	18,265	24,243	32,893
Discontinued operations, net of income taxes:				
Income (loss) from discontinued operations	(763)	478	(1,248)	(1,522)
Loss on disposal	—	—	(5)	—
Income (loss) from discontinued operations	(763)	478	(1,253)	(1,522)
Net income	$ 11,027	$ 18,743	$ 22,990	$ 31,371
Basic earnings (loss) per share:				
Income from continuing operations	$ 0.68	$ 1.05	$ 1.38	$ 1.88
Income (loss) from discontinued operations	(0.05)	0.03	(0.08)	(0.09)
Basic earnings per share	$ 0.63	$ 1.08	$ 1.30	$ 1.79
Diluted earnings (loss) per share:				
Income from continuing operations	$ 0.66	$ 1.02	$ 1.36	$ 1.83
Income (loss) from discontinued operations	(0.04)	0.02	(0.07)	(0.09)
Diluted earnings per share	$ 0.62	$ 1.04	$ 1.29	$ 1.74
Dividends paid per share	$ 0.12	$ 0.12	$ 0.22	$ 0.24
Weighted average shares outstanding:				
Basic	17,435	17,408	17,621	17,503
Diluted	17,751	17,980	17,832	18,012

MAXIMUS, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)
(Unaudited)

	Six Months Ended March 31, 2009	Six Months Ended March 31, 2010
Cash flows from operating activities:		
Net income	$ 22,990	$ 31,371
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss from discontinued operations	1,253	1,522
Depreciation	4,090	6,236
Amortization	1,525	2,782
Deferred income taxes	22,660	(155)
Gain on sale of fixed assets	(51)	—
Deferred interest income on note receivable	211	179
Non-cash equity based compensation	3,950	3,953
Change in assets and liabilities, net of effect of business combinations:		
Accounts receivable — billed	25,079	4,661
Accounts receivable — unbilled	(13,597)	(4,644)
Prepaid expenses and other current assets	(9,925)	(414)
Deferred contract costs	(2,486)	966
Due from insurance carrier	12,500	—
Other assets	(766)	(287)
Accounts payable	6,878	1,292
Accrued compensation and benefits	(1,646)	2,888
Deferred revenue	2,549	14,126
Income taxes	(29,494)	3,768
Other liabilities	(35,478)	1,945
Cash provided by operating activities — continuing operations	10,242	70,189
Cash provided by (used in) operating activities — discontinued operations	1,442	(434)
Cash provided by operating activities	11,684	69,755
Cash flows from investing activities:		
Proceeds from sale of fixed assets	54	—
Decrease in note receivable	366	390
Purchases of property and equipment	(4,890)	(6,031)
Capitalized software costs	(4,686)	(4,325)
Acquisition of business, net of cash acquired	—	(10,673)
Cash used in investing activities — continuing operations	(9,156)	(20,639)
Cash used in investing activities — discontinued operations	(14)	—
Cash used in investing activities	(9,170)	(20,639)
Cash flows from financing activities:		
Employee stock transactions	(97)	1,615
Repurchases of common stock	(30,046)	(14,511)
Payments on capital lease obligations	(417)	—
Tax benefit due to option exercises and restricted stock units vesting	287	1,103
Cash dividends paid	(3,854)	(4,201)
Cash used in financing activities — continuing operations	(34,127)	(15,994)
Cash used in financing activities — discontinued operations	—	—
Cash used in financing activities	(34,127)	(15,994)
Effect of exchange rate changes on cash and cash equivalents	(2,902)	425
Net increase (decrease) in cash and cash equivalents	(34,515)	33,547
Cash and cash equivalents, beginning of period	119,605	87,815
Cash and cash equivalents, end of period	$ 85,090	$ 121,362

Segment Information

The following table provides certain financial information for each of the Company’s business segments (in thousands):

	Three Months Ended March 31,				Six Months Ended March 31,			
	2009	**% (1)**	**2010**	**% (1)**	**2009**	**% (1)**	**2010**	**% (1)**
Revenue:								
Operations	$ 155,626	100%	$ 191,390	100%	$ 311,964	100%	$ 380,121	100%
Consulting	21,532	100%	12,454	100%	34,904	100%	26,078	100%
Total	177,158	100%	203,844	100%	346,868	100%	406,199	100%
Gross Profit:								
Operations	40,233	25.9%	46,412	24.2%	81,702	26.2%	93,501	24.6%
Consulting	6,301	29.3%	4,419	35.5%	11,736	33.6%	9,445	36.2%
Total	46,534	26.3%	50,831	24.9%	93,438	26.9%	102,946	25.3%
Selling, general, and administrative expense:								
Operations	20,570	13.2%	24,674	12.9%	41,012	13.1%	47,801	12.6%
Consulting	5,789	26.9%	3,959	31.8%	11,526	33.0%	8,015	30.7%
Corporate/Other	355	NM(2)	(4)	NM(2)	590	NM(2)	137	NM(2)
Total	26,714	15.1%	28,629	14.0%	53,128	15.3%	55,953	13.8%
Operating income (loss) from continuing operations:								
Operations	19,663	12.6%	21,738	11.4%	40,690	13.0%	45,700	12.0%
Consulting	512	2.4%	460	3.7%	210	0.6%	1,430	5.5%
Consolidating adjustments	(355)	NM(2)	4	NM(2)	(590)	NM(2)	(137)	NM(2)
Subtotal: Segment Operating Income	19,820	11.2%	22,202	10.9%	40,310	11.6%	46,993	11.6%
Legal recovery (expense)	(368)	NM(2)	6,037	NM(2)	(368)	NM(2)	5,351	NM(2)
Operating income from continuing operations	$ 19,452	11.0%	$ 28,239	13.9%	$ 39,942	11.5%	$ 52,344	12.9%

(1) % of respective segment revenue

(2) Not meaningful

MAXIMUS, Inc.
Supplemental Pro Forma Diluted EPS from Continuing Operations ("Adjusted EPS")
FY 2009 and First Half FY 2010

	Q1 09	Q2 09	Q3 09	Q4 09	Total FY 09	Q1 10	Q2 10
Diluted EPS from continuing operations- GAAP basis	$0.69	$0.66	$0.89	$0.80	$3.05	$0.81	$1.02
Pro forma adjustments:							
Legal and settlement expense (recovery), net	-	0.01	(0.16)	0.01	(0.14)	0.02	(0.21)
Severance	-	0.01	-	-	-	-	-
Subtotal pro forma adjustments	$0.00	$0.02	($0.16)	$0.01	($0.14)	$0.02	($0.21)
Adjusted EPS from continuing operations	**$0.69**	**$0.68**	**$0.73**	**$0.81**	**$2.91**	**$0.83**	**$0.81**

CONTACT:
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CORPORATE PARTICIPANTS

Lisa Miles
MAXIMUS, Inc. - VP - IR

David Walker
MAXIMUS, Inc. - CFO

Richard Montoni
MAXIMUS, Inc. - President, CEO

CONFERENCE CALL PARTICIPANTS

Brian Kinstlinger
Sidoti & Co. - Analyst

Charles Strauzer
CJS Securities - Analyst

PRESENTATION

Operator

Ladies and gentlemen, greetings and welcome to the MAXIMUS Second Quarter Conference Call. At this time, all participants are in a listen-only mode. A brief question-and-answer session will follow the formal presentation.

(Operator Instructions)

As a reminder, this conference is being recorded. It is now my pleasure to introduce your host, Miss Lisa Miles, Vice President - Investor Relations for MAXIMUS. Thank you, Miss Miles. You may begin.

Lisa Miles - *MAXIMUS, Inc. - VP - IR*

Good morning. Thank you, for joining us today on today's conference call. I would like to point out that we've posted a presentation to our website under the Investor Relations page to assist you in following along with today's call.

With me today is Rich Montoni, Chief Executive Officer, and David Walker, Chief Financial Officer. Following Rich's prepared comments, we will open the call up for Q&A.

Before we begin, I'd like to remind everyone that a number of statements today will be forward-looking in nature. Please remember that such statements are only predictions and actual events or results may differ materially as a result of risks we face, including those discussed in Exhibit 99.1 out of our SEC filings.

We encourage you to review the summary of these risks in our most recent 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.

With that, I'll turn the call over to Dave.

David Walker - *MAXIMUS, Inc. - CFO*

Thank you, Lisa. Good morning, and thanks for joining us. This morning, MAXIMUS reported strong second quarter financial results. These strong results were driven by better than expected bottom line performance in our international employment services operations, sound results in our domestic business and a favorable tax rate. Results also included a net $6 million pretax legal recovery.

For the 2010 second quarter, revenue from continuing operations increased 15% to $203.8 million compared to the same period last year. On a constant currency basis, revenue grew 8.5%. As expected, international revenue continues to grow and in the second quarter accounted for 27% of total company revenue.

Second quarter net income from continuing operations totaled $18.3 million, or $1.02 per diluted share. This included a pretax benefit of $6 million, or $0.21 per share, reported on the legal line of the financial statement, driven primarily by an insurance recovery, which was collected in the quarter.

Excluding the $0.21 legal recovery, adjusted diluted earnings per share from continuing operations were $0.81, which is 40.11 ahead of our prior guidance. Approximately $0.06 is related to over-delivery in our business operations, most notably in Australia and the United Kingdom. The remaining $0.5 reflects the benefit from a decreasing tax rate as our international work becomes a larger part of the overall business mix.

As noted in our press release we've modestly increased our guidance, largely to reflect the favorable results in the quarter as well as the lower tax rate for the remainder of fiscal 2010.

With continued strong top line and bottom line results, we continue to hit our objective of 10-percent-plus total company operating margin. For the second fiscal quarter, MAXIMUS delivered a total company operating margin of 10.9%, which excludes income reported on the legal line.

Let's turn our attention to the financial results by segment, starting with the operations segment. For the second quarter, revenue from the operations segment grew 23% to $191.4 million compared to the same period last year, driven by growth in our international employment services operations. On a constant currency basis, operations segment revenue grew 15.6%.

Despite the current state fiscal environment, the domestic BPO business continues to perform well and meet expectations, growing modestly compared to last year. Strong operational delivery in the second fiscal quarter bolstered the segment's operating income by 10.6% to $21.7 million compared to the same period last year.

For the 2010 second quarter, segment operating margin was 11.4%. This margin was better than expected as a result of tight cost management and resource management in our Australia and UK operations. Our ability to manage resources relative to caseload mix and volume is an important component delivering exceptional operational and financial performance.

The team continues to do an outstanding job in managing our international growth. Rich will talk more about the positive operational trends in Australia and the UK, but both programs remain on track with our financial expectations for the remainder of fiscal 2010.

Moving on to the consulting segment, as expected consulting revenue for the second quarter totaled $12.5 million, which decreased compared to the same period in fiscal 2009. The revenue was unusually high in the prior fiscal quarter from delivery of a large passthrough item related to a large education contract.

Also, we exited the RevMax business after the second quarter of last year. Consulting currently constitutes 6% of total company revenue. For the 2010 fiscal second quarter, the consulting segment remained profitable with operating income of $460,000 and margin of 3.7%.

Moving on to the balance sheet and cash flow items, at March 31st, MAXIMUS continued to enjoy healthy cash levels with cash and cash equivalents totalling $121.4 million. During the quarter, day sales outstanding were 68 and in line with our expectations.

With a sharper focus on health and human services business process outsourcing MAXIMUS continues to generate consistently strong levels of cash from a recurring stream of predictable and profitable operations. During the quarter, cash provided by operating activities from continuing operations totaled $21.4 million with free cash flow from continuing operations totaling $17.6 million.

During the quarter, there were both sources and uses of cash, so I'll summarize the major drivers. We received net cash of $6 million, primarily from a legal recovery related to the Accenture settlement.

We used cash of $10.7 million for the acquisition of Canadian-based DeltaWare and other earn-out payments on previous acquisitions. The DeltaWare acquisition is expected to be neutral to earnings in fiscal 2010, and Rich will talk more about how the acquisition will complement our core business offerings.

Relative to our share repurchase program we used cash of $5.9 million for the purchase of approximately 120,000 shares of MAXIMUS common stock during the second quarter. In March 31, $45 million remains available for future stock repurchases under the current authorization.

Moving on to guidance, we are increasing our fiscal 2010 revenue guidance by $10 million to include the DeltaWare acquisition. We now expect revenue for fiscal 2010 to range between $840 million and $860 million.

While we expect DeltaWare to be neutral to earnings, we are making an upward revision to our earnings per share guidance to account for the expected lower tax rate resulting from a greater mix of international business and better than expected results in the second quarter. On the bottom line, we now expected 2010 diluted earnings per share from continuing operations to be in the range of $3.50 to $3.60 per share.

Similarly, we are increasing our fiscal 2010 cash flow guidance. We now expect cash provided by operating activities derived from continuing operations to be in the range of $110 million to $120 million and free cash flow from continuing operation of $90 million to $100 million.

Thank you, for your continued support. With that, I'll turn the all over to Rich.

Richard Montoni - *MAXIMUS, Inc. - President, CEO*

Thanks, David. Good morning, everyone, and thank you for joining us today. Once again, I am pleased to be reporting on our progress on the heels of another strong quarterly performance.

Since our last call, President Obama signed comprehensive healthcare reform legislation into law. This landmark legislation entitled the Patient Protection and Affordable Care Act is set to expand access to healthcare coverage to over 30 million Americans, protect patient rights, control healthcare cost and improve the healthcare delivery system.

Now, while the associated rules and regulations have yet to be finalized and much of the details of administering the expansion of health insurance have yet to be determined, we are pleased that the bulk of the program implementation is happening at the state level. Naturally, we also see opportunities at the federal level.

As the leading pure-play provider in the administration of government, health and human services programs, MAXIMUS is ideally positioned to help states implement the many programmatic changes required under the new law. MAXIMUS brings thought leadership and demonstrated operational success to help stated navigate these transformative times.

We believe that many provisions within healthcare reform create opportunities for organic growth in our existing lines of service as well as new adjacent markets that build upon our core competencies.

While the new law is expected to create many opportunities across a wide spectrum of health insurance services, we're concentrating our marketing efforts in those key areas that represent the best fit for our core capabilities.

Across these priority areas we have assigned leaders and added marketing resources. We are actively engaged with our partners at the state and federal level and are working with various associations to help translate the requirements of the new law into practical operational plans.

It's important to understand where states are today in their healthcare reform planning processes.

First, states are required, and in some regards they are stretched to address the mandates of the new law while achieving concurrent health information technology requirements. MAXIMUS is ready to help mitigate the resources gap, to help our clients plan, and implement in this environment of doing more with less. We bring efficiencies to administrative functions, which can relieve some of the fiscal pressure faced by states.

Second, although all states are considering whether they can expand Medicaid and set up the health insurance exchanges before the 2014 deadline, they are approaching the planning and design phase with a varying individual pace.

For those of you who are not familiar with the concept of health insurance exchanges, exchange is simply a marketplace where people can compare health insurance plans and purchase coverage in an efficient and consumer friendly way.

Some states are taking a more cautious approach to the design phase while others have existing structures and funding to expand Medicaid early and set up the exchanges. These early adopter states are already creating committees, task forces, and study groups to prepare a road map of critical task, the expansion and exchange models.

We are participating in these planning discussions and helping states devise their strategies for dealing with the legislative program expansions and creation of additional programs including those under the new exchanges.

Many of the Early Adopter states have already moved to simplify and modernize their current eligibility enrollment models for public health insurance programs, like Medicaid and CHIP. We believe these new models will serve as a bridge, between where states are today in their eligibility enrollment systems and processes and where they need to be by 2014.

In fact, MAXIMUS is in the trenches already helping some states outline implementation road maps to meet the new requirements. We recently received notification of intent to award for the eligibility and modernization of Colorado's medical assistance programs. This includes CHIP and Medicaid.

The state is seeking to approve the overall efficiency and effectiveness of these programs by the modernization and simplification of eligibility enrollment services across all subsidized populations.

The new Colorado project represents an important win for two reasons. First, it further expands our market share and gives us good qualifications as other states look to modernize their programs.

Secondly, new eligibility enrollment platforms of this type, they represent a strong reference design model to meet many core needs of the future states health insurance exchanges. At the same time, the Colorado project represents our second state contract win related to modernization and simplification of eligibility and enrollment services.

We've previously announced the award of a multi-year Medicaid and CHIP contract that includes the consolidation, simplification and centralization of enrollment services for a large state. That same contract also includes work to provide beneficiaries with a single point of entry and to target those who are currently uninsured, phasing in different beneficiary groups over time, much like the exchange function created under the new law.

This is fertile ground as governments must seek new ways to streamline processes and create programs that are more efficient. In the current political and economic climate, many governments are moving away from a localized approach to centralized functions.

Under the new health care reform law, states must create efficiencies in how they determine and process eligibility for programs like Medicaid and CHIP, moving away from a case worker approach, which is high touch but inefficient. Moving towards a centralized task based function.

Another important provision within the law lays the groundwork for overhauling the long-term care system to promote greater usage of home and community based services. Consumers and advocacy groups want to move away from the most costly institutional services for seniors and individuals with disabilities.

Helping states implement changes in long term care service delivery, touches on many of our core competencies, including contact centre operations, outreach, materials development, eligibility screening, application intake and processing, choice counseling, selection of providers, quality assurance and oversight, financial transaction processing and core course development.

We see a similar Early Adopter situation in the long term care market. In many states, agencies use a case-worker approach to help people apply for long-term care programs, however, we are starting to see states implement centralized and streamline administrative models.

As I mentioned last quarter, a large state selected MAXIMUS to provide enrollment assistance for individuals with disabilities seeking long term care services. This is a new flagship program for MAXIMUS. This provides us with a strategic win in an adjacent market where we see significant opportunities unfolding over the next several years.

As states are adapting to new ways to meet the needs of aging and disabled populations that require long term care, these contracts will likely be used as platforms for the long term care components of the health care reform law.

Overall, states are at varying points of readiness along the planning continuum for health care reform. This works to our advantage as we can best balance resources to meet a steady stream of demand. At this point, we are quite pleased to be partnering with the Early Adopter states.

Our extensive experience in Medicaid and CHIP, working in partnership with these states will help us gain additional insights and continue to develop best practices that we can later leverage as we work with states that will need assistance.

Ultimately, however, all states will need to have a Medicaid expansion model and state health insurance exchange in place by 2014. Under the health insurance exchanges provision of the law states must create one or more exchanges to expand access to health insurance options for individuals and for small businesses.

The goal of the exchange is to provide a seamless experience for beneficiaries who traverse the program boundaries between public health insurance programs like Medicaid, and the subsidized and unsubsidized coverage offered through the exchange. Our experience, serving a large portion of our nation's low and moderate income populations leaves us well equipped to ensure a positive consumer experience and maximize beneficiary choice on behalf of our state clients.

As most of you know, the new law uses Medicaid expansion as a key building block for expanding coverage, we think to about 16 million individuals. And expansion of this magnitude may serve as a tipping point, where states may need to turn to a partner to fill resource gaps.

MAXIMUS has the largest installed base in the nation, with the necessary infrastructure, people and resources in place to help states deal with expansion in an efficient and effective way. In addition to Medicaid, the Children's Health Insurance Program, or CHIP, remains a core stone of health care reform and the new law sustains program funding for CHIP through 2015. This is two years beyond the most recent CHIP Re-authorization Act of 2009.

After 2015, other improvements will be enacted including participant expansion, and increased federal matching rates. MAXIMUS can help states achieve their goals for expansion and maximization of the benefits of the new CHIP options for their low to moderate-income families.

Further, as millions of Americans gain insurance coverage for the first time and regulatory reforms take hold, we believe that the demand for our capabilities in the areas of health appeals and related consumer protection services are also likely to increase. While these represent just a few solutions in our portfolio, we believe they will resonate with governments as they seek to meet programmatic goals under health care reform.

Turning now to our growing international markets, we are on track for our international revenue to reach approximately 30% of our total business mix by fiscal year end. We see increased demand internationally as governments contend with social issues related to increasing health care demands, aging populations, job and employment services and a rising number of cases with increased complexity.

We are excited with our progress on our new projects in Australia and the United Kingdom. We are meeting the key performance requirements for both contracts. Consistent with our strategy of land, execute and expand. We are actively pursuing new opportunities in both of these markets.

In the UK, we expect to hear a decision on Phase 2 of the Flexible New Deal, which would represent a geographic expansion of the work we're already doing.

We are also seeking to expand our presence where we completed an acquisition in the [Corps]. DeltaWare and MAXIMUS have long been partners in British Colombia. We've enjoyed a rewarding relationship and the acquisition is a natural fit that complements our core offerings. DeltaWare brings new capabilities to MAXIMUS and broadens our portfolio in the adjacent e-health, medical claims and drug information systems markets.

We are well positioned in our international markets and believe there are many opportunities to further penetrate and gain market share within our current markets.

Turning now to Sales and pipeline. At May 4, we had new signed awards at $303.7 million and new contracts pending of $470.4 million. The increase in the awarded unsigned category, this quarter, is really just due to timing of final contract negotiations and signature. We have a number of contract set to be signed in the coming weeks, so we expect to have the bulk of them signed by the time we report third quarter earnings.

Our total pipeline of new opportunities remains quite healthy at $1.8 billion. We continue to see a good stream of domestic and international opportunities and we remain optimistic with the current level of RFP and bidding activity.

In closing, we're very pleased with another strong quarter, highlighted by our solid operational and financial delivery in our international markets, where we continue to see significant opportunities for our core offerings.

We are also excited about the many long-term opportunities we see as healthcare reform unfolds over the next several years. Yes, we've already gained early traction with bridge programs that are laying the groundwork and helping states devise their road map to achieve the fundamental requirements under the new law. But as important, we see healthcare reform as a decades' long growth driver.

With our proven capabilities and experience, MAXIMUS combines thought leadership and proven strategies to help our state and federal clients. We are excited to build upon our leadership position and long-standing client relationships to meet the challenges and opportunities in this fast evolving global health and human services market.

With that, let's open it up for questions. Operator?

QUESTIONS AND ANSWERS

Operator

Thank you. Ladies and gentlemen, at this time, we will be conducting a question and answer session. (Operator Instructions). Our first question today comes from the line of Brian Kinstlinger with Sidoti and Company. Please proceed with your question.

Brian Kinstlinger - *Sidoti & Co. - Analyst*

Great. Thanks. Good morning. The -- when I look at the international business, where you're saying the margins are better than you would have expected, is that being driven more by more cases or more placements? Then as a result of this higher margin, are your margins approaching the average for the company or will that still happen a year or two out?

David Walker - *MAXIMUS, Inc. - CFO*

Hey, Brian. It's Dave Walker. How are you this morning.

Brian Kinstlinger - *Sidoti & Co. - Analyst*

Great. Thanks.

David Walker - *MAXIMUS, Inc. - CFO*

Good. Good. Hey, really the benefit and the trick to managing that business is managing the mix of cases. They aren't all created equal in terms of what we could pay per case. So it's a matter of math, balancing the mix with the staff required to do it. They actually -- Barry did a very skillful job of doing that. So it's really in the costs more than it is the cases.

So the cases are coming in as expected, but we were able to mix and blend the staff levels to achieve the objectives. So it's cost management.

Brian Kinstlinger - *Sidoti & Co. - Analyst*

But revenue is being driven by cases right now and not placements so much?

David Walker - *MAXIMUS, Inc. - CFO*

That's right.

Brian Kinstlinger - *Sidoti & Co. - Analyst*

Okay. Then my second question is, though, Rich, you mentioned timing was the key issue awarded, but on the signed contracts keep growing. I think it is the second straight all-time high you've had. So I'm wondering if there's any more behind timing, such as budgets?

Then, when I look at this -- the second quarter bookings, based on where you're awarded, but unsigned contracts for last quarter, I would have expected them to be higher. So maybe talk about those, please?

Richard Montoni - *MAXIMUS, Inc. - President, CEO*

I'd be glad to talk about them, Brian. As it relates to the amount that we have in the unsigned category, there's really -- it's really pretty simple. There's three large contracts that we've been awarded. I talk about them -- I believe I talk about two of them in the call notes. I view it as really normal core is just the complicity of getting something through government approval.

Three of them, which are actively in the process of being finalized, constitutes 90% of that balance in the unsigned category. Our expectation is that we're going to have those buttoned up by the time we talk next quarter.

Brian Kinstlinger - *Sidoti & Co. - Analyst*

So I'm going to squeeze one more in, because normally maybe the Medicaid and CHIP contracts, it sounded like you mentioned one of those and enrollment contracts have some start-up costs or they have at points in time. Will these have start-up costs?

Richard Montoni - *MAXIMUS, Inc. - President, CEO*

No, I don't think we've got significant start-up costs associated with these. Any such start-up costs are factored into our expectations at this point, in signing those contracts.

David Walker - *MAXIMUS, Inc. - CFO*

Yes, (inaudible).

Richard Montoni - *MAXIMUS, Inc. - President, CEO*

The other point you had raised, I wanted to answer the second half of your question as it relates to the signed awards year-to-date, which I think are relatively comparable to the first quarter. I think it's -- there's no big, large, particular award. I think it's normal course and, again, if you look at it quarter-to-quarter, we do see lumpiness in those statistics. But overall, we're very pleased with the level of new business we have in front of us year-to-date and I'd say short term as well as long term.

Brian Kinstlinger - *Sidoti & Co. - Analyst*

Great. I'll get back in the queue. Thanks.

Richard Montoni - *MAXIMUS, Inc. - President, CEO*

Thank you.

Operator

Thank you. (Operator Instructions). Our next question comes from the line of Charles Strauzer with CJS Securities. Please proceed with your question.

Charles Strauzer - *CJS Securities - Analyst*

Hi. Good morning.

Richard Montoni - *MAXIMUS, Inc. - President, CEO*

Good morning, Charles. How are you?

Charles Strauzer - *CJS Securities - Analyst*

Good, Rich. Thanks for taking my questions. Just a quick thing, if you look at the pipeline, it looks very strong. Especially when I look at the RFPs tracking up year-over-year, and one that double. You talk about some of the areas that you're most excited about there and also particularly are you seeing any push-back from the states in terms of the budget and the problems they're having in terms of maybe the lengthening of the sales cycle there?

Richard Montoni - *MAXIMUS, Inc. - President, CEO*

I'd be glad to talk about that. We are excited about where the pipeline stands and there is a significant increase in the RFP tracking. I think a lot of it, we're getting traction on the international side. We've got some exciting opportunities, not only in the United Kingdom, but in Canada and even in the United States, we have some very significant opportunities.

We talked about the -- those early adopters who are kind of out front and taking a look at their systems and improving their systems, really getting ready for healthcare reform requirements.

So I think that's what's driving the excitement and the improvement, the continued improvement, in that pipeline number. I think that's a couple of years now running where we're seeing sort of continuous improvement and that RFP tracking number.

As it relates to the states, that an interesting topic for discussion. It's been a worry point for everybody as we've gone through a pretty serious recession. There's been a lot of focus on the Californias of the world and other states.

I don't think it's fair to say that all states are up from underneath it. I think they're going to continue to struggle and watch their spend, not only in the rest -- I think the rest of fiscal '10, it's pretty much in hand. But fiscal '11 will have continued challenges.

We may see reductions on the margin. But there's -- as we've experienced in prior sessions, those reductions on the margin have not been material. I think in the prior year, we added it up and it was about 1.5% of our revenues. So it was immaterial and we managed to not only recover that, but still add significant growth on top of it.

So I look for much the same. The one ray of light is that we're starting to see some breaking in the clouds, if you will, with discussions that the recession may be over. We're seeing corporations report increased earnings and hence that does mean increased tax revenues to the states. So that could be helpful from that perspective.

So I think it's -- that one is in the category of perhaps in the direction of good news. So we'll continue to monitor it.

Charles Strauzer - *CJS Securities - Analyst*

Excellent. Just for a quick follow-up, when you look at your margins of roughly 11% in the quarter and kind of rapidly approaching the low-teens as the year progresses, if our numbers are correct, it seems that you're kind of your goal -- on track to kind of hit your long-term objectives of more of a kind of mid-teens operating margin, even maybe next year. Is there anything that could get in the way of you getting there?

Richard Montoni - *MAXIMUS, Inc. - President, CEO*

Boy, longer term, and we've always -- and years back, we started -- we said we'd be at 10% plus operating margin, 10% top-line grower. We've delivered handily over the 10% and it seems to -- the flux seems to be, right now, the big drivers and flux seems to be seasonality. So as you know, we do have a tax credit business that loses money in Q1 and Q2, makes money in Q3 and Q4. Believe it or not, while it's not a very big business, the margin flux is significant enough to move the needle in terms of operating income percentage. So that's always a factor year-to-year.

Then we'll see flux in the margin as it relates to new work that we take on or if that we've got large projects that are towards the tail-end of their maturity, where they may be more profitable, that will move the margin year-to-year.

I think it's premature to say we've got a beat on mid-teens in terms of operating margin percentage. I think we're sticking to our current mantra as it relates to where we think our margins could be.

Charles Strauzer - *CJS Securities - Analyst*

Excellent. Rich, congratulations again, to you and the team on doing an excellent job.

Richard Montoni - *MAXIMUS, Inc. - President, CEO*

Well, thanks, Charles. I appreciate that very much.

Charles Strauzer - *CJS Securities - Analyst*

You got it.

Operator

Thank you, ladies and gentlemen. (Operator Instructions). Thank you, ladies and gentlemen, but we have no further questions at this time. I'd like to turn the call back to management.

Lisa Miles - *MAXIMUS, Inc. - VP - IR*

We just want to thank everyone very much for joining us today and if you have any additional questions, please feel to -- feel free to give us a call and follow-up. Have a great day.

Richard Montoni - *MAXIMUS, Inc. - President, CEO*

Thank you.

Operator

Ladies and gentlemen, this concludes today's teleconference and you may disconnect your lines at this time. Thank you for your participation.

MAXIMUS

HELPING GOVERNMENT SERVE THE PEOPLE®

David N. Walker

Chief Financial Officer and Treasurer

Second Quarter - Fiscal Year 2010

May 6, 2010

MAXIMUS

Select Financial Data: Q2 FY10 Compared to Q2 FY09

($mm, except per share data)	Q2 FY '09 Actual	Q2 FY '10 Actual	$ change	% change
Revenue				
Operations	$ 155.6	$ 191.4	$ 35.8	23%
Consulting	21.5	12.4	(9.1)	(42%)
Total	177.1	203.8	$ 26.7	15%
Operating Income (Loss)				
Operations	$ 19.7	$ 21.7	$ 2.0	10%
Consulting	0.5	0.5	-	0%
Other	(0.3)	-	0.3	nm
Legal (expense) recovery	(0.4)	6.0	6.4	nm
Total	19.5	28.2	$ 8.7	45%
Operating Margin %, excluding legal	*11.2%*	*10.9%*		
Interest and Other Income, net	-	0.2	0.2	nm
Income Before Taxes - Continuing Ops	19.5	28.4	8.9	46%
Provision for Income Taxes	7.7	10.1	2.4	31%
Net Income - Continuing Operations	11.8	18.3	$ 6.5	55%
Income - Discontinued Operations	(0.8)	0.4	$ 1.2	nm
Net Income	$ 11.0	$ 18.7	$ 7.7	70%
Fully Diluted EPS - Continuing Ops	$ 0.66	$ 1.02	$ 0.36	55%
Fully Diluted EPS - Discontinuing Ops	$ (0.04)	$ 0.02	$ 0.06	nm
Fully Diluted EPS - Total	$ 0.62	$ 1.04	$ 0.42	68%
Adjusted EPS - continuing ops, (excl legal)	$ 0.68	$ 0.81	$ 0.13	19%

Key Highlights:

Strong Q2 results driven by:

- International operations
- Sound results in our domestic business
- Favorable tax rate
- Net recovery of $6.0 million (pre-tax), or $0.21 per diluted share related to legal/settlement

Revenue up 15.1%; 8.5% on a constant currency basis; international work represents 27% of total Company revenue

Income from continuing ops of $18.3 million, or $1.02 per diluted share, (includes pre-tax $6.0 million or $0.21 per diluted share legal recovery)

Adjusted EPS from continuing operations of $0.81 -- $0.11 ahead of prior guidance, which includes $0.06 for over delivery in Australia and UK and a $0.05 benefit from decreasing tax rate as a result of more international work

Total company operating margin of 10.9%, excluding legal recovery

Operations Segment

Second Quarter Revenue

- Operations Segment revenue grew 23% to $191.4 million compared to last year
- On a constant currency basis, revenue grew 15.6%

Second Quarter Operating Income

- Operations Segment operating income of $21.7 million
- Segment operating margin was 11.4%, slightly better than expected, as a result of cost and resource management

International team doing an outstanding job of resource management relative to caseload mix and volumes in Australia and the United Kingdom

Consulting Segment

- Second quarter revenue totaled $12.5 million
  - Decreased compared to Q2 09 which was unusually high from delivery of a large pass-through item related to an education contract; we also exited the RevMax business after Q2 09
- Operating income of $460,000
- Operating margin of 3.7%
- Consulting revenue currently constitutes 6% of total Company revenue

Balance Sheet & Cash Flow

- Healthy cash and cash equivalents totaling $121.4 million at March 31, 2010
- Fourth quarter DSOs of 68 days, well within our expectations of 65-80 days
- Cash provided by operating activities from continuing operations totaled $21.4 million; free cash flow* from continuing operations of $17.6 million
- Use of cash in the quarter:
  - Received net cash of $6.0 million primarily from a legal recovery related to the Accenture settlement
  - Used cash of $10.7 million for the acquisition of DeltaWare and other earn-out payments on previous acquisitions
  - Used cash of $5.9 million for the purchase of 120,040 shares of MAXIMUS common stock.
- At March 31, 2010, $45 million remains available under the Board-authorized program

With a sharper focus on health and human services BPO, MAXIMUS continues to generate consistently strong levels of cash from a recurring stream of predictable and profitable operations

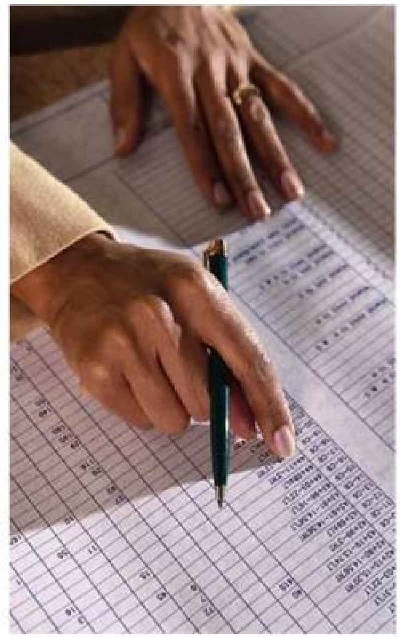
*The Company defines free cash flow as cash provided by operating activities, less property, plant and equipment and capitalized software

Raising FY 2010 Guidance From Continuing Operations

Updated FY 2010 guidance from continuing operations

	FY 2010E
Revenue	**$840 - $860 million**
Adjusted EPS from Continuing Ops	**$3.50 - $3.60**
Cash from Continuing Ops	**$110 - $120 million**
Free Cash Flow from Continuing Ops	**$90 - $100 million**

- Increased revenue guidance by $10 million to include the DeltaWare acquisition
- Increased EPS guidance by $0.15 to account for the expected lower tax rate from a greater mix of international business and strong earnings results
- Increasing FY 2010 cash flow guidance



MAXIMUS
HELPING GOVERNMENT SERVE THE PEOPLE®

Richard A. Montoni
President and Chief Executive Officer
Second Quarter - Fiscal Year 2010

May 6, 2010

Landmark Legislation: Health Care Reform

- **Patient Protection and Affordable Care Act (PPACA)**
  - Expand access to health coverage to over 30 million Americans, protect patient rights, control health care costs and improve health care delivery system
  - Rules & regulations have yet to be finalized
  - Much of the program implementation happening at the state level

- **What MAXIMUS is Doing in Response to PPACA**
  - MAXIMUS is ideally positioned to help states implement required changes under the law, creating opportunities in existing service lines and in adjacent markets
  - The new law will create many opportunities across a wide spectrum of health insurance services
  - We have concentrated our marketing efforts in areas that represent the best fit for our capabilities

MAXIMUS is actively engaged with partners in helping them translate the requirements of the new law into practical operational plans

Health Care Reform: Where Are States Today?

- States are required to meet the mandates of PPACA
  - States must **"Do More With Less"** as resources are stretched and they must achieve concurrent health information technology requirements
  - MAXIMUS can fill the resource gap and bring efficiencies to administrative functions
- States are in varying stages of planning
  - Exchange is a marketplace where people compare health insurance plans and purchase coverage
  - Operational Exchanges must be in place by January 1, 2014
  - States considering if they can expand Medicaid and set up the Exchanges before 2014
- "Early Adopter" states already in planning phases
  - Some states have existing structures to expand Medicaid and set up the Exchanges
  - **"Early Adopters"** have created committees, task forces and study groups to create a roadmap of critical tasks for Medicaid expansion and Exchange models
  - MAXIMUS has a seat at the table; participating in planning and helping states devise strategies for implementing Medicaid expansion and the Exchanges

Early Adopters: A Bridge to Future Requirements

- A bridge between current programs and where they need to be in 2014
  - "**Early Adopter**" states already moving to simplify and modernize current eligibility and enrollment models for public health insurance programs

- New Contract Awards for "Early Adopters"
  1. Intent to Award for Colorado Eligibility and Modernization
     - Contract covers medical assistance programs (both Medicaid and CHIP); seeks to improve efficiency and effectiveness by simplifying eligibility and enrollment across all subsidized populations
     - Represents a strong reference design model to meet the core needs of future health insurance Exchanges
  2. Notified of Award for Medicaid and CHIP contract for a large state
     - Consolidation, simplification and centralization of enrollment services
     - Phases in different beneficiary groups over time, much like the Exchange function created under PPACA
  3. Notified of Award for enrollment services for the long-term care population
     - Flagship win in the adjacent long-term care market
     - Touches on core competencies of contact centers, outreach, eligibility screening, application intake

Fertile ground as states seek to streamline processes and create efficiencies and move to centralized task-based functions

MAXIMUS Core Competencies Intersect with New Laws

Provision/Function	Opportunity	MMS Qualifications
Health Exchanges	Education, outreach, and enrollment services administrative support; health appeals; administration of Navigators	Aligned with current core capabilities
Medicaid Expansion	Key building block for expanding coverage under HCR; administration simplification and eligibility modernization	Largest installed base in US
CHIP	HCR assures funding through 2015; participant expansion; increased federal matching rate; CHIP program now authorized through 2019	Largest installed base in US
Long-term Care	HCR provides greater flexibility and financial support for LTC programs; growth in the senior population	Aligned with current core capabilities

As regulatory reforms take hold, we believe the demand for our health appeals and related consumer protections services will also increase

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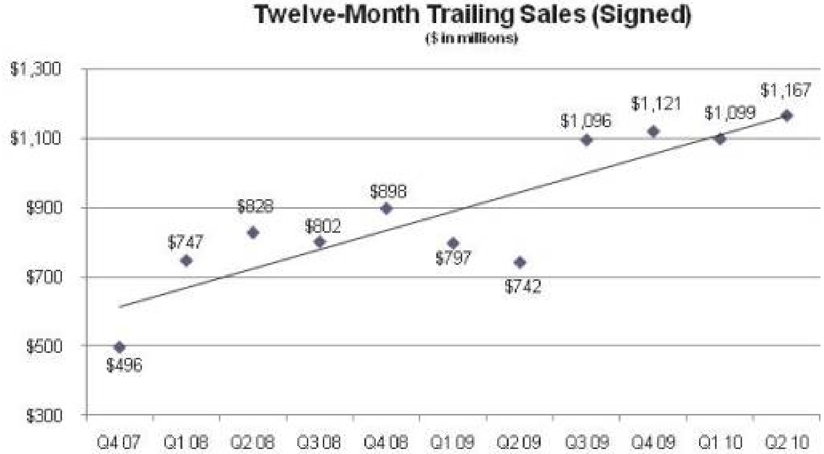
International Business Update

- Remain on track for international revenue to reach approximately 30% of total mix of business by fiscal year end
- Meeting all the key performance requirements in both Australia and the U.K.
- Actively pursuing new opportunities in international markets, including the U.K. where we are awaiting a decision on Phase 2 of the Flexible New Deal which represents a geographic expansion of the work we're already doing
- Expanding presence in Canada; Acquired DeltaWare
  - Complements core offerings
  - Brings new capabilities to MAXIMUS and broadens portfolio in the adjacent e-health, medical claims and drug information systems markets

Sales and Pipeline



Pipeline	Q2 2009*	Q2 2010
Proposals Pending	$651M	$290M
Proposals in Preparation	$110M	$97M
RFPs Tracking	$646M	$1,453M
Total Pipeline	$1,406	$1,840M

*Restated to reflect divested businesses and ERP

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Conclusion

- Solid second quarter results highlighted by our solid operational and financial delivery in our international markets
- Excited about the many long-term opportunities as Health Care Reform unfolds
- Gained early traction with 'bridge' programs that are laying the groundwork in helping states devise a roadmap to achieve the fundamental requirements under the new Health Care Reform laws
- Health Care Reform will be a decades-long growth driver
- MAXIMUS combines thought leadership and proven strategies to meet the challenges and opportunities in the global health and human services market