

# 2013 Second Quarter Unaudited Reconciliation of non-GAAP Financial Measures



# Unaudited Reconciliation of non-GAAP Financial Measures

## ABM Industries Incorporated and Subsidiaries Reconciliations of Non-GAAP Financial Measures (Unaudited)

(in thousands)

	<u>Three Months Ended April 30,</u>		<u>Six Months Ended April 30,</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Reconciliation of Adjusted Income from Continuing Operations to Net Income</b>				
Adjusted income from continuing operations	\$ 20,159	\$ 16,251	\$ 34,851	\$ 28,037
Items impacting comparability, net of taxes	(885)	(4,504)	(2,195)	(5,650)
Income from continuing operations	<u>19,274</u>	<u>11,747</u>	<u>32,656</u>	<u>22,387</u>
Loss from discontinued operations, net of taxes	-	(35)	-	(45)
Net income	<u>\$ 19,274</u>	<u>\$ 11,712</u>	<u>\$ 32,656</u>	<u>\$ 22,342</u>
<b>Reconciliation of Adjusted Income from Continuing Operations to Income from Continuing Operations</b>				
Adjusted income from continuing operations	\$ 20,159	\$ 16,251	\$ 34,851	\$ 28,037
Items impacting comparability:				
Corporate initiatives and other (a)	-	(945)	-	(2,371)
Rebranding (b)	(349)	(759)	(709)	(1,490)
U.S. Foreign Corrupt Practices Act investigation (c)	(135)	(855)	(356)	(2,728)
Gain from equity investment (d)	-	846	-	2,927
Auction rate security credit loss	-	(313)	-	(313)
Acquisition costs	(428)	(147)	(748)	(147)
Litigation and other settlements	-	(5,390)	(63)	(5,390)
Restructuring (e)	(538)	-	(1,722)	-
Total items impacting comparability	<u>(1,450)</u>	<u>(7,563)</u>	<u>(3,598)</u>	<u>(9,512)</u>
Benefit from income taxes	<u>565</u>	<u>3,059</u>	<u>1,403</u>	<u>3,862</u>
Items impacting comparability, net of taxes	<u>(885)</u>	<u>(4,504)</u>	<u>(2,195)</u>	<u>(5,650)</u>
Income from continuing operations	<u>\$ 19,274</u>	<u>\$ 11,747</u>	<u>\$ 32,656</u>	<u>\$ 22,387</u>

(a) Corporate initiatives and other includes the integration costs associated with The Linc Group acquisition on December 1, 2010 and data center consolidation costs.

(b) Represents costs related to the Company's branding initiative.

(c) Includes legal and other costs incurred in connection with an internal investigation into a foreign entity affiliated with a former joint venture partner.

(d) The Company's share of a gain associated with property sales completed by one of its investments in a low income housing partnership.

(e) Restructuring costs associated with realignment of our infrastructure and operations.

# Unaudited Reconciliation of non-GAAP Financial Measures (in thousands, except per share data)

## ABM Industries Incorporated and Subsidiaries Reconciliation of Adjusted EBITDA to Net Income

	Three Months Ended April 30,		Six Months Ended April 30,	
	2013	2012	2013	2012
Adjusted EBITDA	\$ 52,014	\$ 40,500	\$ 90,607	\$ 76,413
Items impacting comparability	(1,450)	(7,563)	(3,598)	(9,512)
Loss from discontinued operations, net of taxes	-	(35)	-	(45)
Provision for income taxes	(12,443)	(5,863)	(16,252)	(13,317)
Interest expense	(3,033)	(2,441)	(6,343)	(5,275)
Depreciation and amortization	(15,814)	(12,886)	(31,758)	(25,922)
Net income	<u>\$ 19,274</u>	<u>\$ 11,712</u>	<u>\$ 32,656</u>	<u>\$ 22,342</u>

## Reconciliation of Adjusted Income from Continuing Operations per Diluted Share to Income from Continuing Operations per Diluted Share (Unaudited)

	Three Months Ended April 30,		Six Months Ended April 30,	
	2013	2012	2013	2012
Adjusted income from continuing operations per diluted share	\$ 0.36	\$ 0.30	\$ 0.63	\$ 0.51
Items impacting comparability, net of taxes	(0.01)	(0.09)	(0.04)	(0.10)
Income from continuing operations per diluted share	<u>\$ 0.35</u>	<u>\$ 0.21</u>	<u>\$ 0.59</u>	<u>\$ 0.41</u>
Diluted shares	55,804	54,963	55,650	54,728

# Unaudited Reconciliation of non-GAAP Financial Measures

## ABM Industries Incorporated and Subsidiaries

### Reconciliation of Estimated Adjusted Income from Continuing Operations per Diluted Share to Income from Continuing Operations per Diluted Share for the Year Ending October 31, 2013

	<u>Year Ending October 31, 2013</u>	
	<u>Low Estimate</u>	<u>High Estimate</u>
	(per diluted share)	
Adjusted income from continuing operations per diluted share	\$ 1.40	\$ 1.50
Adjustments to income from continuing operations (a)	\$ (0.19)	\$ (0.19)
Income from continuing operations per diluted share	<u>\$ 1.21</u>	<u>\$ 1.31</u>

(a) Adjustments to income from continuing operations include rebranding costs, restructuring costs associated with realignment of our infrastructure and operations, certain legal settlements and other unique items impacting comparability.