ABM Industries Incorporated

Third Quarter
Earnings Conference Call

September 3, 2009

Agenda

- Introduction of call participants
  - –Henrik C. Slipsager, President & CEO
  - –James S. Lusk, EVP and CFO
  - –Sarah H. McConnell, SVP & General Counsel
- Q3 2009 Highlights
- Financial Review
- Operating Results
- 2009 Guidance

Forward-Looking Statements

Our presentation today contains predictions, estimates and other forward-looking statements. Our use of the words estimate, expect, and similar expressions is intended to identify these statements. These statements represent our current judgment on what the future holds. While we believe them to be reasonable, these statements are subject to risks and uncertainties that could cause our actual results to differ materially. The factors that could cause results to differ are described in our 2008 Annual Report on Form 10-K/A and in our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Statements Relating to Non-GAAP Financial Measures

During the course of this presentation, certain financial measures that were not prepared in accordance with U.S. Generally Accepted Accounting Principles will be presented.

Reconciliations of those non-U.S. GAAP financial measures to the most directly comparable U.S. GAAP financial measures are available on the Company's website under "Investor Relations" and at the end of this presentation.

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Fiscal Third Quarter 2009 Highlights

	2009	2008	
Revenues	**$870.6M**	**$923.7M**	Decrease of 5.7% from Q3 08
Net Income	**$12.3M**	**$16.4M**	Decrease of 25.2% from Q3
Adjusted EBITDA	**$37.8M**	**$35.0M**	Increased 8.0% from Q3 08
Income from Continuing Operations	**$12.4M**	**$16.3M**	Decreased $3.9M from Q3 08 Q3 08 includes a $4.6 million reduction in self-insurance reserves versus a $2.2 million increase recorded in Q3 09
Adjusted Income from Continuing Operations	**$18.7M**	**$15.8M**	Increased $2.9M or 18.4% over Q3 08
Diluted EPS from Continuing Operations	**$0.24**	**$0.32**	Decreased 25.0% from Q3 08 Q3 08 includes a $4.6 million reduction in self-insurance reserves versus a $2.2 million increase recorded in Q3 09
Adjusted Diluted EPS From Continuing Operations	**$0.36**	**$0.31**	Increased 16.1% from Q3 08 Aggressive cost controls
Continuing Operating Activities Cash Flow	**$8.3M**	**$13.4M**	For YTD 09 $52.6M compared to $31.0M YTD 08
Total Operating Activities Cash Flow	**$9.3M**	**$15.7M**	For YTD 09 $76.5M compared to $36.8M YTD 08
Line of Credit	**$196.0M**	**$285.0M**	One year reduction in line of credit of $89.0M

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Third Quarter Fiscal 2009 Highlights

- Adjusted Income from Continuing Operations up over 18%
  - Janitorial division delivers solid growth with operating profit up over 10%
  - Security operating profit up 33%
- Strong adjusted EBITDA growth of 8.0% despite decline in revenues
  - Aggressively managing direct costs and expenses to offset the current economic conditions
- Integration of assets acquired from Control Building Services Inc.

Q3 Financial Results (unaudited)

(in millions)	Three Months Ended July 31 2009		2008		Percent Change
Revenues	$ 870.6		$ 923.7		-5.7%
Operating expenses	782.4		818.9		
Selling, general and administrative	64.7		72.3		
Amortization of intangibles	3.0		2.5		
Operating profit	$ 20.5		$ 29.9	(a)	-31.4%
Other-than-temporary impairment losses on auction rate securities:					
Gross impairment losses	3.6		-		
Impairments recognized in other comprehensive income	(2.0)		-		
Interest expense	1.5		3.3		
Income from continuing operations before income taxes	17.5	(a)	26.6		
Provision for income taxes	5.1		10.3		
Income from continuing operations	12.4		16.3		-23.9%
Items impacting comparability					
Corporate initiatives	5.1		6.7		
Insurance adjustments	3.5		(7.6)		
Credit loss on auction rate security	1.6		-		
Income taxes expense (benefit)	(3.9)		0.4		
Items impacting comparability, net of taxes	6.3		(0.5)		-1360.0%
Adjusted income from continuing operations (b)	$ 18.7		$ 15.8		18.4%
Adjusted EBITDA (b)	$ 37.8		$ 35.0		8.0%

(a) does not foot due to rounding

(b) A reconciliation of certain non-GAAP financial information to GAAP financial measures is available on the Company's website under "Investor Relations" and at the end of this presentation

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Condensed Balance Sheet (unaudited)

(in millions)		July 31, 2009			October 31, 2008 (a)	
Assets						
Cash and cash equivalents	$	23.6		$	26.7	
Trade accounts receivable, net		470.5			473.3	
Prepaid income taxes		15.2			7.1	
Current assets of discontinued operations		16.8			34.5	
Prepaid expenses and other		59.0			57.0	
Deferred income taxes, net		55.4			57.5	
Insurance recoverables		4.8			5.0	
Total current assets		645.3			661.1	
Insurance deposits		42.5			42.5	
Deferred income taxes, net		72.5			88.7	
Insurance recoverables		67.3			66.6	
Other assets		42.5			38.9	
Investments in auction rate securities		19.7			19.0	
Property, plant and equipment, net		59.4			61.1	
Goodwill & other intangible assets, net		612.1			598.0	
Total assets	$	1,561.3		$	1,575.9	
Liabilities						
Trade accounts payable	$	87.5		$	104.9	
Accrued liabilities						
Compensation		93.0			89.0	
Taxes - other than income		19.6			20.3	
Insurance claims		84.5			84.3	
Other		78.0			76.6	
Income taxes payable		4.5			2.0	
Current liabilities of discontinued operations		12.3			10.1	
Total current liabilities		379.5	(b)		387.1	(b)
Income taxes payable		14.4			15.8	
Line of credit		196.0			230.0	
Retirement plans and other		37.8			37.1	
Insurance claims		259.0			261.9	
Total liabilities		886.6	(b)		931.9	
Stockholders' Equity		674.6			644.1	
Total liabilities and stockholders' equity	$	1,561.3	(b)	$	1,575.9	(b)

(a) Amounts shown as of October 31, 2008 reflect the reclassification of certain net book credit cash balances which increased cash and cash equivalents and trade accounts payable. The reclassification resulted in an increase in cash and cash equivalents and trade accounts payable as of October 31, 2008 in the amount of $26.0 million. In addition, $8.9 million has been reclassed from other accrued liabilities to trade accounts payable as of October 31, 2008, related to certain net book credit cash balances that were previously reclassed.

(b) Does not foot due to rounding

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Condensed Consolidated Cash Flow Information (Unaudited)

(in thousands)	Three Months Ended July 31, 2009		2008 (a)	
Net cash provided by continuing operating activities		8,295		13,369
Net cash provided by discontinued operating activities		968		2,326
Net cash provided by operating activities	$	9,263	$	15,695
Net cash used in continuing investing activities		(24,179)		(10,363)
Net cash provided by discontinued investing activities		-		189
Net cash used in investing activities	$	(24,179)	$	(10,174)
Proceeds from exercises of stock options (including income tax benefit)		1,690		5,197
Dividends paid		(6,693)		(6,330)
Borrowings from line of credit		182,000		136,000
Repayment of borrowings from line of credit		(168,000)		(152,500)
Book overdraft payable		9,427		7,079
Net cash provided by (used in) financing activities	$	18,424	$	(10,554)

	Nine Months Ended July 31, 2009		2008 (a)	
Net cash provided by continuing operating activities		52,636		30,950
Net cash provided by discontinued operating activities		23,829		5,883
Net cash provided by operating activities	$	76,465	$	36,833
Net cash used in continuing investing activities		(32,293)		(446,990)
Net cash provided by discontinued investing activities		-		174
Net cash used in investing activities	$	(32,293)	$	(446,816)
Proceeds from exercises of stock options (including income tax benefit)		3,206		12,985
Dividends paid		(20,007)		(18,901)
Borrowings from line of credit		525,000		658,500
Repayment of borrowings from line of credit		(559,000)		(373,500)
Book overdraft payable		3,461		7,776
Net cash (used in) provided by financing activities	$	(47,340)	$	286,860

(a) Amounts shown for the three months and nine months ended July 31, 2008 reflect the reclassification of certain net book credit cash balances which increased cash and cash equivalents and trade accounts payable. These reclassifications resulted in an increase in net cash provided by (used in) financing activities for the three and nine months ended July 31, 2008 in the amounts of $7.1 million and $7.8 million, respectively.

Division Revenues[1]

($ in thousands)

	Third Quarter			Sequential	
	2009	2008	Change	Q2 2009	Change
Janitorial	595,115	638,508	(6.8%)	589,344	1.0%
Parking	114,721	119,814	(4.3%)	113,347	1.2%
Security	84,501	85,347	(1.0%)	82,403	2.5%
Engineering	75,782	79,616	(4.8%)	70,194	8.0%
Total Division Revenues[1]	870,119	923,285	(5.8%)	855,288	1.7%

Summary:

•Sequential revenue growth of 1.7%

•Stabilization of Janitorial revenue base and tag revenues

•Approximately $5.5 million or 10.4% of revenue decline due to reduction of expenses incurred on the behalf of managed parking facilities. These expenses have no impact on operating profit

•Sales pipeline and sales activity remains solid

(1) Excludes Corporate

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Division Profits[1]

($ in thousands)

	Third Quarter			Year To Date		
	2009	2008	Change	2009	2008	Change
Janitorial	35,043	31,678	10.6%	102,248	82,464	24.0%
Parking	4,968	5,464	(9.1%)	13,969	13,717	1.8%
Security	2,751	2,068	33.0%	5,942	4,933	20.5%
Engineering	4,857	5,523	(12.1%)	13,561	13,335	1.7%
Total Divisions Profits[1]	47,619	44,733	6.5%	135,720	114,449	18.6%

Summary:

•Aggressive cost controls coupled with proactive steps taken in 1st half of fiscal year enabled divisions to achieve year-over-year increase

•Continue to focus on job margins and credit strength of customers

(1) Excludes Corporate

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Closing Observations

- Strong relative performance in a weak U.S. Economy
  - Prior period actions have mitigated impact of current environment and positioned the company for the rebound in the U.S. economy
- Expect revenue in Q4 to be essentially flat year-over-year but anticipating revenue growth returning in Q1 2010
- Well-positioned to capitalize on additional M&A opportunities

FY09 Outlook

- ABM will continue to follow proven strategies of:
  - Actively managing customer accounts
  - Focusing on cost control
  - Managing credit risk and generating cash flow
- Guidance
  - FY09 Income from Continuing Operations, per diluted share, in the range of $1.05 - $1.15, which takes into consideration the unanticipated impact of insurance expense related to prior years and a non-cash charge associated with an auction rate security; Reaffirming for FY 09 Adjusted Income from Continuing Operations, excluding Items Impacting Comparability, per diluted share, in the range of $1.25 - $1.35*

*A reconciliation of certain non-GAAP financial information to GAAP financial measures is available on the Company's website under "Investor Relations" and at the end of this presentation

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Appendix – Unaudited Reconciliation of Non-GAAP Financial Measures (in millions, except per share data)

	Three Months Ended July 31, 2009	Three Months Ended July 31, 2008	Nine Months Ended July 31, 2009	Nine Months Ended July 31, 2008	
Reconciliation of Adjusted Income from Continuing Operations to Net Income					
Adjusted Income from Continuing Operations	$ 18.7	$ 15.8	$ 48.0	$ 37.7	
Items Impacting Comparability, net of taxes	(6.3)	0.5	(7.8)	0.2	
Income from Continuing Operations	12.4	16.3	40.2	37.9	
Loss (Income) from Discontinued Operations	(0.1)	0.1	(0.9)	(4.1)	
Net Income	$ 12.3	$ 16.4	$ 39.3	$ 33.9	(a)
Reconciliation of Adjusted Income from Continuing Operations to Income from Continuing Operations					
Adjusted Income from Continuing Operations	$ 18.7	$ 15.8	$ 48.0	$ 37.7	
Items Impacting Comparability					
Corporate Initiatives (b)	(5.1)	(6.7)	(17.3)	(14.5)	
Third-Party Administrator Legal Settlement	-	-	9.6	-	
Insurance Adjustments	(3.5)	7.6	(3.5)	14.8	
Credit Loss on Auction Rate Security	(1.6)	-	(1.6)	-	
Total Items Impacting Comparability	(10.2)	0.9	(12.8)	0.3	
Income Taxes (Expense) Benefit	3.9	(0.4)	5.0	(0.1)	
Items Impacting Comparability, net of taxes	(6.3)	0.5	(7.8)	0.2	
Income from Continuing Operations	$ 12.4	$ 16.3	$ 40.2	$ 37.9	

(a) Does not foot due to rounding

(b) Corporate initiatives include: (i) costs associated with the implementation of a new payroll and human resources information system, (ii) the upgrade of the Company's accounting system, (iii) the completion of the corporate move from San Francisco, and (iv) the integration costs associated with OneSource.

Appendix – Unaudited Reconciliation of Non-GAAP Financial Measures (in millions, except per share data)

Reconciliation of Adjusted EBITDA to Net Income

	Three Months Ended July 31, 2009	Three Months Ended July 31, 2008		Nine Months Ended July 31, 2009		Nine Months Ended July 31, 2008
Adjusted EBITDA	$ 37.8	$ 35.0		$ 104.2		$ 91.5
Total Items Impacting Comparability	(10.2)	0.9		(12.8)		0.3
Discontinued Operations	(0.1)	0.1		(0.9)		(4.1)
Income Tax	(5.1)	(10.3)		(22.9)		(23.8)
Interest Expense	(1.5)	(3.3)		(4.5)		(11.9)
Depreciation and Amortization	(8.6)	(5.9)		(23.9)		(18.1)
Net Income	$ 12.3	$ 16.4	(a)	$ 39.3	(a)	$ 33.9

Reconciliation of Adjusted Income from Continuing Operations per Diluted Share to Income from Continuing Operations per Diluted Share

	Three Months Ended July 31, 2009	Three Months Ended July 31, 2008	Nine Months Ended July 31, 2009	Nine Months Ended July 31, 2008
Adjusted Income from Continuing Operations per Diluted Share	$ 0.36	$ 0.31	$ 0.93	$ 0.74
Items Impacting Comparability, net of taxes	(0.12)	0.01	(0.15)	-
Income from Continuing Operations per Diluted Share	$ 0.24	$ 0.32	$ 0.78	$ 0.74
Diluted Shares	51.9	51.7	51.7	51.3

(a) Does not foot due to rounding

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Appendix – Reconciliation (unaudited)

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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, 2009

	Year Ending October 31, 2009	
	Low Estimate	High Estimate
	(per diluted share)	
Adjusted Income from Continuing Operations per Diluted Share	$ 1.25	$ 1.35
Adjustments to Income from Continuing Operations (a)	(0.20)	(0.20)
Income from Continuing Operations per Diluted Share	$ 1.05	$ 1.15

(a) The adjustment to income from continuing operations includes: (i) costs associated with the implementation of a new payroll and human resources information system, the upgrade of the Company's accounting system, the completion of the corporate move from San Francisco and the integration costs associated with OneSource aggregating ($0.25) per share, unanticipated impact of the insurance expense related to prior years ($0.04) per share and non-cash credit loss charge associated with an auction rate security ($0.02) per share, offset by (ii) the positive settlement with a former third-party administrator of workers' compensation claims in the amount of $0.11 per share.