



ABM Industries Incorporated

First Quarter and Fiscal 2009
Earnings Conference Call

March 3, 2009



Agenda

- Introduction of call participants
 - Henrik C. Slipsager, President & CEO
 - James S. Lusk, EVP and CFO
 - Sarah H. McConnell, SVP & General Counsel
- Q1 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. Some of the important factors relating to our business are described in our Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and Annual Reports on Form 10-K.

Statements Relating to Non-GAAP Financial Measures

During the course of this presentation, certain non-GAAP financial information will be presented.

A reconciliation of those numbers to GAAP financial measures is available on the Company's website under "Investor Relations" and at the end of this presentation.

First Quarter Fiscal 2009 Highlights

- Exceptional quarter. Strong growth in operating profit across all core businesses. Adjusted income from Continuing Operations up 63%
- Strong adjusted EBITDA growth of 27% on flat revenues
 - Strict management of operating expenses
 - Increasing operating synergies across platform
- OneSource acquisition continues to drive top and bottom line growth
- Improving Balance Sheet and solid cash flow generation

Fiscal First Quarter 2009 Highlights

Revenues	\$887.5M	
Adjusted EBITDA	\$30.3M	Increased 27% from Q1 08
Income from Continuing Operations	\$14.8M	Increased \$8.5M or 135% over Q1 08 Growth across all 4 core businesses
	Adjusted \$13.0M	Increased \$5.0M or 63% over Q1 08
Diluted EPS from Continuing Operations	\$0.29	
	Adjusted \$0.25	
Continuing Operating Cash Flow	\$13.5M	Improved by \$36.5M compared to FY08
Total Operating Cash Flow	\$26.1M	Improved by \$51.0 M compared to FY08
Long-Term Debt	\$227M	Represents sequential reduction in long-term debt by \$3M from Q408

Strategic Initiatives

- Focused on aspects of business within our control
 - Pricing and service, expenses, and generating free cash flow
- Proactive steps to mitigate pricing pressures on customer base
 - Pricing and scope of service concessions
 - Careful management of labor resources and expenses
 - Reduction of less profitable contracts
 - Manage exposure to credit risk by reducing high risk customers
- Multi-year project to transform corporate platform and infrastructure on plan to be completed by end of 2009

Q1 Financial Results (unaudited)

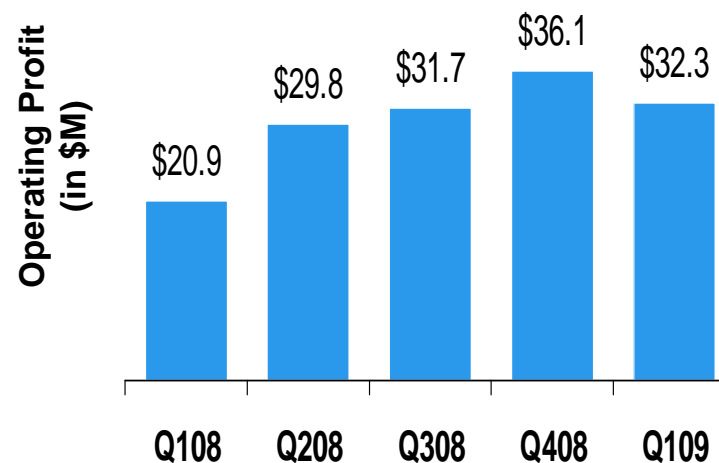
(in thousands)	Three Months Ended January 31,		Percent
	2009	2008	Change
Revenues	\$887,472	\$887,792	0%
Operating expenses	787,268	803,953	
Selling, general and administrative	71,387	66,442	
Amortization of intangibles	2,823	2,381	
Operating profit	\$25,994	\$15,016	73%
Interest expense	1,668	4,610	
Income from continuing operations before income taxes	24,326	10,406	
Provision for income taxes	9,571	4,139	
Income from continuing operations	\$14,755	\$6,267	135%
Items impacting comparability			
Corporate initiatives	(6,648)	(2,816)	
Third-Party administrator legal settlement	9,601	-	
Income taxes (expense) benefit	(1,161)	1,098	
Items impacting comparability, net of taxes	1,792	(1,718)	-204%
Income from continuing operations excluding items impacting comparability, net of taxes	\$12,963	\$7,985	63%
Adjusted EBITDA*	\$30,348	\$23,811	27%

* Reconciliation of Adjusted EBITDA located at the back of this presentation and on ABM's website.

Strong Balance Sheet (unaudited)

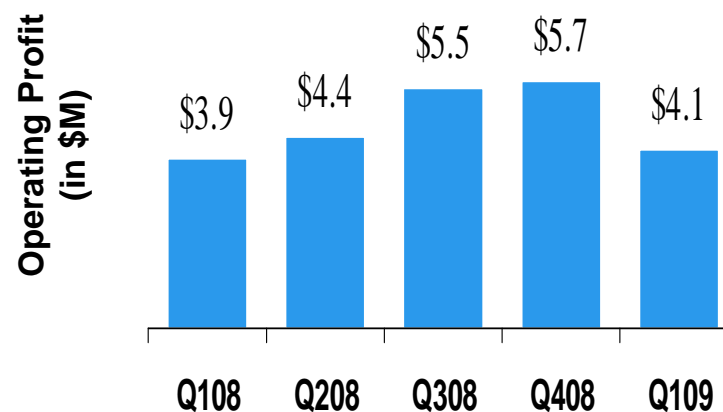
(in thousands)	January 31, 2009	October 31, 2008
	(UNAUDITED)	
Assets		
Cash and cash equivalents	\$ 11,962	\$ 710
Trade accounts receivable, net	500,094	473,263
Current assets of discontinued operations	17,004	34,508
Prepaid expenses and other	71,782	69,125
Deferred income taxes, net	53,995	57,463
Total current assets	654,837	635,069
Non-current assets of discontinued operations	10,546	11,205
Deferred income taxes, net	90,199	88,704
Insurance recoverables	66,600	66,600
Other non-current assets	72,433	70,286
Investments in auction rate securities	18,891	19,031
Property, plant and equipment, net	61,654	61,067
Other intangible assets, net	59,358	62,179
Goodwill	537,119	535,772
Total assets	\$ 1,571,637	\$ 1,549,913
Liabilities		
Trade accounts payable	\$ 84,788	\$ 70,034
Accrued liabilities		
Taxes - other than income	25,213	20,270
Other	259,319	258,678
Income taxes payable	565	2,025
Current liabilities of discontinued operations	5,429	10,082
Total current liabilities	375,314	361,089
Line of credit	227,000	230,000
Insurance claims	261,482	261,885
Other non-current liabilities	54,430	52,888
Total liabilities	918,226	905,862
Stockholders' Equity	653,411	644,051
Total liabilities and stockholders' equity	\$ 1,571,637	\$ 1,549,913

Segment Highlights: Janitorial



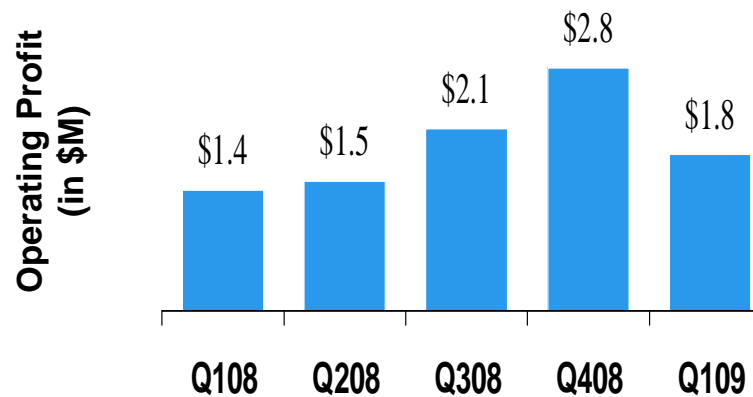
- First quarter 2009 revenue of \$608.4 million, up \$2.4 million or 0.4% compared to 2008
- First quarter 2009 operating profit, up \$11.4 million or 54.3% compared to 2008
 - Synergies from OneSource acquisition
 - Improved operational efficiencies across all regions
- Solid pipeline of new business and margin enhancement opportunities

Segment Highlights: Parking



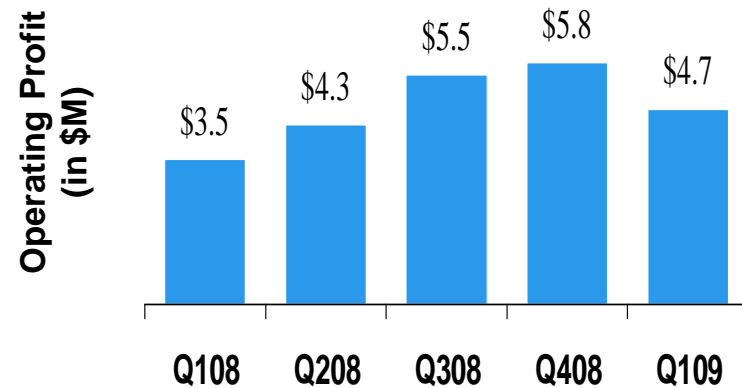
- First quarter 2009 revenue down 2% to \$115.7 million; excluding management reimbursement revenues, parking revenues increased 3.7% or \$2.0 million compared to 2008.
- First quarter 2009 operating profit, up 6.5% to \$4.1 million compared to 2008.
 - Ongoing operating expense management
 - Continued organic growth at HealthCare Parking Services of America
- Universities, business parks, hospitals and municipalities represent opportunities

Segment Highlights: Security



- First quarter 2009 revenue, up 5.7% to \$85.6 million compared to 2008
 - Added new customers
 - Continued service expansion in Northwest and Midwest regions
- First quarter 2009 operating profit, up 28.9% to \$1.8 million
 - Leverage from added revenues and insurance expense reduction
- Solid pipeline of new sales in place

Segment Highlights: Engineering



- First quarter 2009 revenue decreased 5.6% to \$77.2 million compared to 2008
 - Lost business in Eastern and Mid-Atlantic regions partially offset by service expansion in Northwest region
- First quarter 2009 operating profit, up 32.3% to \$4.7 million compared to 2008
 - Benefitting from higher margin new business

Closing Observations

- Strong relative performance in challenged economy
 - Solid business fundamentals
 - Ongoing actions to mitigate impact of deteriorating environment
- Well-positioned to benefit from size, scale and diversity of business operations
 - Opportunity to gain new accounts and increase penetration with existing accounts
 - Negotiating concessions on pricing and scope of services
- Implementing ongoing cost reductions to drive profitability
- Solid Balance Sheet with strong operating cash flow
- Well-positioned to capitalize on M&A opportunities

FY09 Outlook

- Continued challenging economic and market conditions
- ABM will continue to follow proven strategies of:
 - Actively managing customer accounts
 - Focusing on outsourcing trends as customers look for integrated solutions
- Guidance
 - Increasing 1st half
 - Income from Continuing Operations per diluted in the range of \$0.48 - \$0.52; Adjusted Income from Continuing Operations, excluding Items Impacting Comparability, per diluted share basis, in the range of \$0.52 - \$0.56*
 - Estimate for FY09 Income from Continuing Operations, per diluted share, in the range of \$1.10 - \$1.20; 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

Appendix – Reconciliation (unaudited)

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

(in millions, except per share data)

	<u>Quarter ended January 31,</u>	
	<u>2009</u>	<u>2008</u>
Reconciliation of Adjusted Income from Continuing Operations to Income from Continuing Operations		
Adjusted Income from Continuing Operations	\$ 13.0	\$ 8.0
Items Impacting Comparability		
Corporate Initiatives	(6.6)	(2.8)
Third-Party Administrator Legal Settlement	<u>9.6</u>	<u>-</u>
Total Items Impacting Comparability	3.0	(2.8)
Income Taxes (Expense) Benefit	<u>(1.2)</u>	<u>1.1</u>
Items Impacting Comparability, net of taxes	<u>1.8</u>	<u>(1.7)</u>
Income from Continuing Operations	<u>\$ 14.8</u>	<u>\$ 6.3</u>
Reconciliation of Adjusted EBITDA to Net Income		
Adjusted EBITDA	\$ 30.3	\$ 23.8
Items Impacting Comparability	3.0	(2.8)
Discontinued Operations	(0.5)	0.1
Income Tax	(9.6)	(4.1)
Interest Expense	(1.7)	(4.6)
Depreciation and Amortization	<u>(7.3)</u>	<u>(6.0)</u>
Net Income	<u>\$ 14.2</u>	<u>\$ 6.4</u>
Reconciliation of Adjusted Income from Continuing Operations per Diluted Share to Income from Continuing Operations per Diluted Share		
Adjusted Income from Continuing Operations per Diluted Share	\$ 0.25	\$ 0.16
Items Impacting Comparability, net of taxes	<u>0.04</u>	<u>(0.03)</u>
Income from Continuing Operations per Diluted Share	<u>\$ 0.29</u>	<u>\$ 0.13</u>
Diluted Shares	51.5	50.9

Appendix – Reconciliation (unaudited)

ABM Industries Incorporated
Reconciliation of Adjusted Income from Continuing Operations per Diluted Share to
Income from Continuing Operations per Diluted Share for the Six Months Ending April 30, 2009

	Six months Ending April 30, 2009	
	2009 Low Estimate	2009 High Estimate
	(per diluted share)	
Adjusted Income from Continuing Operations per Diluted Share	\$ 0.52	\$ 0.56
Adjustments to Continuing Operations (a)	(0.04)	(0.04)
Income from Continuing Operations per Diluted Share	<u>\$ 0.48</u>	<u>\$ 0.52</u>

(a) The adjustment to 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, the integration costs associated with OneSource aggregating (\$0.15) 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. The adjusted estimate is (\$0.04.)

Appendix – Reconciliation (unaudited)

ABM Industries Incorporated
Reconciliation of 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	
	2009 Low Estimate	2009 High Estimate
	(per diluted share)	
Adjusted Income from Continuing Operations per Diluted Share	\$ 1.25	\$ 1.35
Adjustments to Continuing Operations (a)	(0.15)	(0.15)
Income from Continuing Operations per Diluted Share	<u>\$ 1.10</u>	<u>\$ 1.20</u>

(a) The adjustment to 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, the integration costs associated with OneSource aggregating (\$0.26) 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. The adjusted estimate is (\$0.15.)