



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

# Unaudited Reconciliation of non-GAAP Financial Measures (in thousands)

ABM Industries Incorporated and Subsidiaries	Three Months Ended October 31,		Year Ended October 31,	
	2013	2012	2013	2012
<b>Reconciliation of Adjusted Income from Continuing Operations to Net Income</b>				
Adjusted income from continuing operations	\$ 26,995	\$ 27,730	\$ 85,007	\$ 76,122
Items impacting comparability, net of taxes	(2,827)	(25)	(12,107)	(13,404)
Income from continuing operations	24,168	27,705	72,900	62,718
Loss from discontinued operations, net of taxes	-	(42)	-	(136)
Net income	\$ 24,168	\$ 27,663	\$ 72,900	\$ 62,582
<b>Reconciliation of Adjusted Income from Continuing Operations to Income from Continuing Operations</b>				
Adjusted income from continuing operations	\$ 26,995	\$ 27,730	\$ 85,007	\$ 76,122
Items impacting comparability:				
Corporate initiatives and other (a)	-	(27)	-	(2,482)
Rebranding (b)	(1,522)	(672)	(3,671)	(2,755)
U.S. Foreign Corrupt Practices Act investigation (c )	(419)	(182)	(775)	(3,504)
Gain from equity investment (d)	-	(63)	-	2,925
Auction rate security credit loss	-	-	-	(313)
Self-insurance adjustment	(607)	2,182	(10,556)	(7,278)
Acquisition costs	(116)	(1,010)	(1,116)	(1,329)
Litigation and other settlements	-	(270)	(63)	(7,830)
Restructuring (e)	(2,001)	-	(3,797)	-
Total items impacting comparability	(4,665)	(42)	(19,978)	(22,566)
Benefit from income taxes	1,838	17	7,871	9,162
Items impacting comparability, net of taxes	(2,827)	(25)	(12,107)	(13,404)
Income from continuing operations	\$ 24,168	\$ 27,705	\$ 72,900	\$ 62,718

(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

	Three Months Ended October 31,		Year Ended October 31,	
	2013	2012	2013	2012
<b>Reconciliation of Adjusted EBITDA to Net Income</b>				
Adjusted EBITDA	\$ 58,148	\$ 50,189	\$ 205,926	\$ 176,353
Items impacting comparability	(4,665)	(42)	(19,978)	(22,566)
Loss from discontinued operations, net of taxes	-	(42)	-	(136)
Provision for income taxes	(12,417)	(7,727)	(39,552)	(29,931)
Interest expense	(3,214)	(2,317)	(12,892)	(9,999)
Depreciation and amortization	(13,684)	(12,398)	(60,604)	(51,139)
Net income	<u>\$ 24,168</u>	<u>\$ 27,663</u>	<u>\$ 72,900</u>	<u>\$ 62,582</u>

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

	Three Months Ended October 31,		Year Ended October 31,	
	2013	2012	2013	2012
Adjusted income from continuing operations per diluted share	\$ 0.48	\$ 0.50	\$ 1.52	\$ 1.39
Items impacting comparability, net of taxes	(0.05)	-	(0.22)	(0.25)
Income from continuing operations per diluted share	<u>\$ 0.43</u>	<u>\$ 0.50</u>	<u>\$ 1.30</u>	<u>\$ 1.14</u>
Diluted shares	56,686	55,200	56,067	54,914

# Unaudited Reconciliation of non-GAAP Financial Measures

## 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, 2014

	Year Ending October 31, 2014	
	Low Estimate	High Estimate
	(per diluted share)	
Adjusted income from continuing operations per diluted share	\$ 1.58	\$ 1.68
Adjustments to income from continuing operations (a)	\$ (0.20)	\$ (0.20)
Income from continuing operations per diluted share	<u>\$ 1.38</u>	<u>\$ 1.48</u>

(a) Adjustments to income from continuing operations include rebranding costs, restructuring costs associated with realignment of our infrastructure and operations, certain legal settlements, adjustments to self-insurance reserves pertaining to prior year's claims and other unique items impacting comparability.