

# Fourth Quarter 2013 Unaudited Reconciliation of nonGAAP Financial Measures

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

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

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

	Thre	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 Income from continuing operations		(0.05)				(0.22)		(0.25)	
per diluted share	\$	0.43	\$	0.50	\$	1.30	\$	1.14	
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

	Yea	Year Ending October 31, 2014					
	Low E	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	\$	1.38	\$	1.48			



<sup>(</sup>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.