

A man in a blue shirt is seen from the back, looking out a large window of a modern building. The window reflects the interior of the building, which has a complex, geometric ceiling structure. The overall scene is bathed in a cool, blue light.

# 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 millions)

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2014	2013	2014	2013
<b>Reconciliation of Adjusted Net Income to Net Income</b>				
Adjusted net income	\$ 26.9	\$ 23.1	\$ 59.8	\$ 58.0
Items impacting comparability:				
Rebranding (a)	(1.4)	(1.4)	(3.2)	(2.1)
U.S. Foreign Corrupt Practices Act investigation (b)	(0.2)	-	(1.1)	(0.4)
Self-insurance adjustment	(10.5)	(9.9)	(10.5)	(9.9)
Acquisition costs	(0.3)	(0.3)	(0.6)	(1.0)
Litigation and other settlements	-	-	(3.4)	(0.1)
Restructuring (c)	(0.6)	(0.1)	(2.2)	(1.8)
Total items impacting comparability	(13.0)	(11.7)	(21.0)	(15.3)
Benefit from income taxes	5.5	4.6	8.9	6.0
Items impacting comparability, net of taxes	(7.5)	(7.1)	(12.1)	(9.3)
Net Income	\$ 19.4	\$ 16.0	\$ 47.7	\$ 48.7

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

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

(c) Restructuring costs associated with realignment of our operational structure.

# Unaudited Reconciliation of non-GAAP Financial Measures

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

(\$ in millions, except per share amounts)

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2014	2013	2014	2013
<b>Reconciliation of Adjusted Operating Profit to Operating Profit</b>				
Adjusted operating profit	\$ 46.7	\$ 40.4	\$ 106.5	\$ 96.9
Total items impacting comparability	(13.0)	(11.7)	(21.0)	(15.3)
Operating profit	\$ 33.7	\$ 28.7	\$ 85.5	\$ 81.6
<b>Reconciliation of Adjusted EBITDA to Net Income</b>				
Adjusted EBITDA	\$ 62.4	\$ 57.2	\$ 153.3	\$ 147.8
Items impacting comparability	(13.0)	(11.7)	(21.0)	(15.3)
Provision for income taxes	(13.2)	(10.9)	(34.0)	(27.1)
Interest expense	(2.7)	(3.4)	(8.1)	(9.7)
Depreciation and amortization	(14.1)	(15.2)	(42.5)	(47.0)
Net income	\$ 19.4	\$ 16.0	\$ 47.7	\$ 48.7
<b>Reconciliation of Adjusted Net Income per Diluted Share to Net Income per Diluted Share</b>				
	Three Months Ended July 31,		Nine Months Ended July 31,	
	2014	2013	2014	2013
Adjusted net income per diluted share	\$ 0.47	\$ 0.41	\$ 1.05	\$ 1.04
Items impacting comparability, net of taxes	(0.13)	(0.12)	(0.21)	(0.17)
Net income per diluted share	\$ 0.34	\$ 0.29	\$ 0.84	\$ 0.87
Diluted shares	57.0	56.3	57.0	55.9

# Unaudited Reconciliation of non-GAAP Financial Measures

## ABM Industries Incorporated and Subsidiaries

### Reconciliation of Estimated Adjusted Net Income per Diluted Share to Estimated Net Income per Diluted Share for the Year Ending October 31, 2014

Estimated net income per diluted share **including** expected Work Opportunity Tax Credit of \$0.08 per diluted share (a)

Adjusted net income per diluted share

Adjustments (b)

Net income per diluted share

	Year Ending October 31, 2014	
	Low Estimate	High Estimate
	(per diluted share)	
	\$ 1.65	\$ 1.69
	\$ (0.23)	\$ (0.23)
	<u>\$ 1.42</u>	<u>\$ 1.46</u>

(a) The Company continues to assume Congress will retroactively reenact the Work Opportunity Tax Credit within the Company's fiscal year, which ends October 31, 2014. This guidance includes the expected Work Opportunity Tax Credit of \$ 0.08 per diluted share

(b) Adjustments include rebranding costs, restructuring costs associated with realignment of our operational structure, certain legal settlements, adjustments to self-insurance reserves pertaining to prior year's claims and other unique items impacting comparability.