



Second Quarter 2014
Teleconference
Non-GAAP Reconciliation

June 4, 2014

Unaudited Reconciliation of non-GAAP Financial Measures

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

(\$ in millions)

	Three Months Ended April 30,		Six Months Ended April 30,	
	2014	2013	2014	2013
Reconciliation of Adjusted Net Income to Net Income				
Adjusted net income	\$ 18.8	\$ 20.2	\$ 32.9	\$ 34.9
Items impacting comparability:				
Rebranding (a)	(1.4)	(0.4)	(1.8)	(0.7)
U.S. Foreign Corrupt Practices Act investigation (b)	(0.3)	(0.2)	(0.9)	(0.4)
Acquisition costs	(0.2)	(0.4)	(0.3)	(0.7)
Litigation and other settlements	(3.4)	-	(3.4)	(0.1)
Restructuring (c)	(1.0)	(0.5)	(1.6)	(1.7)
Total items impacting comparability	(6.3)	(1.5)	(8.0)	(3.6)
Benefit from income taxes	2.7	0.6	3.4	1.4
Items impacting comparability, net of taxes	(3.6)	(0.9)	(4.6)	(2.2)
Net Income	\$ 15.2	\$ 19.3	\$ 28.3	\$ 32.7

(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 data)

	<u>Three Months Ended April 30,</u>		<u>Six Months Ended April 30,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Reconciliation of Adjusted Operating Profit to Operating Profit				
Adjusted operating profit	\$ 34.2	\$ 35.1	\$ 59.8	\$ 56.5
Total items impacting comparability	(6.3)	(1.5)	(8.0)	(3.6)
Operating profit	<u>\$ 27.9</u>	<u>\$ 33.6</u>	<u>\$ 51.8</u>	<u>\$ 52.9</u>

Reconciliation of Adjusted EBITDA to Net Income

Adjusted EBITDA	\$ 49.4	\$ 52.0	\$ 90.9	\$ 90.6
Items impacting comparability	(6.3)	(1.5)	(8.0)	(3.6)
Provision for income taxes	(11.2)	(12.4)	(20.8)	(16.2)
Interest expense	(2.7)	(3.0)	(5.4)	(6.3)
Depreciation and amortization	(14.0)	(15.8)	(28.4)	(31.8)
Net income	<u>\$ 15.2</u>	<u>\$ 19.3</u>	<u>\$ 28.3</u>	<u>\$ 32.7</u>

Reconciliation of Adjusted Net Income per Diluted Share to Net Income per Diluted Share (Unaudited)

	<u>Three Months Ended April 30,</u>		<u>Six Months Ended April 30,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Adjusted net income per diluted share	\$ 0.33	\$ 0.36	\$ 0.58	\$ 0.63
Items impacting comparability, net of taxes	(0.06)	(0.01)	(0.08)	(0.04)
Net income per diluted share	<u>\$ 0.27</u>	<u>\$ 0.35</u>	<u>\$ 0.50</u>	<u>\$ 0.59</u>
Diluted shares	57.0	55.8	57.0	55.7

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

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

(a) 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.