



# **ABM Industries Inc. Unaudited Reconciliation of non- GAAP Financial Measures**

# Unaudited Reconciliation of non-GAAP Financial Measures

## ABM Industries Incorporated and Subsidiaries

(in thousands)

	Quarter Ended January 31,	
	2014	2013
<b>Reconciliation of Adjusted Net Income to Net Income</b>		
Adjusted net income	\$ 14,052	\$ 14,692
Items impacting comparability:		
Rebranding (a)	(428)	(360)
U.S. Foreign Corrupt Practices Act investigation (b)	(538)	(221)
Acquisition costs	(121)	(320)
Litigation and other settlements	-	(63)
Restructuring (c)	(629)	(1,184)
Total items impacting comparability	(1,716)	(2,148)
Benefit from income taxes	733	838
Items impacting comparability, net of taxes	(983)	(1,310)
Net Income	\$ 13,069	\$ 13,382

(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 (in thousands, except per share data)

	<u>Quarter Ended January 31,</u>	
	<u>2014</u>	<u>2013</u>
<b>Reconciliation of Adjusted Operating Profit to Operating Profit</b>		
Adjusted operating profit	\$ 25,648	\$ 21,454
Total items impacting comparability	<u>(1,716)</u>	<u>(2,148)</u>
Operating profit	<u>\$ 23,932</u>	<u>\$ 19,306</u>

## Reconciliation of Adjusted EBITDA to Net Income

Adjusted EBITDA	\$ 41,527	\$ 38,593
Items impacting comparability	(1,716)	(2,148)
Provision for income taxes	(9,649)	(3,809)
Interest expense	(2,707)	(3,310)
Depreciation and amortization	<u>(14,386)</u>	<u>(15,944)</u>
Net income	<u>\$ 13,069</u>	<u>\$ 13,382</u>

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

	<u>Quarter Ended January 31,</u>	
	<u>2014</u>	<u>2013</u>
Adjusted net income per diluted share	\$ 0.25	\$ 0.26
Items impacting comparability, net of taxes	<u>(0.02)</u>	<u>(0.02)</u>
Net income per diluted share	<u>\$ 0.23</u>	<u>\$ 0.24</u>
Diluted shares	57,065	55,497

# 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

	<u>Year Ending October 31, 2014</u>	
	<u>Low Estimate</u>	<u>High Estimate</u>
	<u>(per diluted share)</u>	
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.