

Annual Meeting of Shareholders | March 8, 2011 James S. Lusk Executive Vice President & Chief Financial Officer



### **Forward Looking Statement**

This presentation contains forward-looking statements that set forth management's anticipated results based on management's current plans and assumptions. Any number of factors could cause the Company's actual results to differ materially from those anticipated. Factors that could cause actual results to differ include but are not limited to the following: (1) risks relating to our acquisition of The Linc Group LLC ("Linc"), including risks relating to reductions in government spending on outsourced services as well as payment delays may adversely affect a significant portion of revenues generated by government contracts, and political and compliance risks in non-U.S. areas in which it operates may adversely affect our operations; (2) our acquisition strategy may adversely impact our results of operations; (3) intense competition can constrain our ability to gain business, as well as our profitability; (4) we are subject to volatility associated with high deductibles for certain insurable risks; (5) an increase in costs that we cannot pass on to clients could affect our profitability; (6) we provide our services pursuant to agreements which are cancelable by either party upon 30 to 90 days' notice; (7) our success depends on our ability to preserve our long-term relationships with clients; (8) we incur significant accounting and other control costs that reduce profitability; (9) a decline in commercial office building occupancy and rental rates could affect our revenues and profitability; (10) deterioration in economic conditions in general could further reduce the demand for facility services and, as a result, reduce our earnings and adversely affect our financial condition; (11) the financial difficulties or bankruptcy of one or more of our major clients could adversely affect results; (12) we are subject to risks relating to foreign currency fluctuations and foreign exchange exposure; (13) our ability to operate and pay our debt obligations depends upon our access to cash; (14) because ABM conducts business operations through operating subsidiaries, we depend on those entities to generate the funds necessary to meet financial obligations; (15) that portion of our revenues which are generated from international operations are subject to political risks and changes in socio-economic conditions, laws and regulations, including labor, monetary and fiscal policies, which could negatively impact our ability to operate and grow our business in the international arena; (16) certain future declines or fluctuations in the fair value of our investments in auction rate securities that are deemed other-than-temporarily impaired could negatively impact our earnings; (17) uncertainty in the credit markets and the financial services industry may impact our ability to collect receivables on a timely basis and may negatively impact our cash flow; (18) any future increase in the level of debt or in interest rates can affect our results of operations; (19) an impairment charge could have a material adverse effect on our financial condition and results of operations; (20) we are defendants in several class and representative actions or other lawsuits alleging various claims that could cause us to incur substantial liabilities; (21) since we are an attractive employer for recent émigrés to this country and many of our jobs are filled by such, changes in immigration laws or enforcement actions or investigations under such laws could significantly and adversely affect our labor force, operations, financial results and reputation; (22) labor disputes could lead to loss of revenues or expense variations; (23) federal health care reform legislation may adversely affect our business and results of operations; (24) we participate in multi-employer defined benefit plans which could result in substantial liabilities being incurred; and (25) natural disasters or acts of terrorism could disrupt our services. Additional information regarding these and other risks and uncertainties the Company faces is contained in the Company's Annual Report on Form 10-K for the year ended October 31, 2010 and in other reports we file from time to time with the Securities and Exchange Commission. We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise.



During the course of these presentations, certain non-GAAP financial measures described as "Adjusted EBITDA," "Adjusted Income from Continuing Operations," and "Adjusted Income from Continuing Operations per Diluted Share" that were not prepared in accordance with U.S. GAAP will be presented.

A reconciliation of these non-GAAP financial measures to GAAP financial measures is available on the Company's website, <u>www.abm.com</u>, under the "Investor Relations" tab.



# Fiscal Year 2010 Highlights

- Achieved the <u>highest cash flow</u> in ABM's 101 year history.
- Exceeded GAAP guidance and performed <u>in-line</u> with non-GAAP guidance
- In June, ABM expanded both Janitorial and Security businesses with the acquisition of <u>Diversco</u>. The Diversco acquisition enhanced the Company's ability to service manufacturing and industrial clients, while expanding the geographic footprint of the Janitorial division.
- In September, the Company expanded Ampco Parking with the acquisition of select assets from: <u>Five Star</u> <u>Parking</u>, <u>Network Parking Company Ltd.</u>, and <u>System</u> <u>Parking</u>, <u>Inc.</u>
- Paid <u>\$28.2 million</u> in dividends



#### Financial Results Synthesis – Fiscal Year 2010

- Net cash provided by operations was \$149.9 million, up over 6%
- Adjusted EBITDA grew by over 7% surpassing the \$150 million threshold and doubling since 2004

The following graph shows Reported EBITDA and EBITDA excluding Items Impacting Comparability (IIC) from 2001 to 2011





## First Quarter 2011 Highlights

- Financial results met the Company's expectations for the first quarter and were <u>consistent</u> with guidance targets for the fiscal year.
- Revenue from recent acquisitions contributed to <u>18%</u> year-over-year top-line growth and first ever fiscal quarter surpassing <u>\$1 billion</u> in revenue
- Linc Group <u>accretive</u>, excluding transaction costs, synergies on schedule and integration moving forward as planned
- Adjusted EBITDA of \$35.7 million, up 9.3% yearover-year





### Thank You