



Fourth Quarter 2012 Investor Call

NYSE: ABM

December 11, 2012

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& Tracy Price, EVP

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Questions and Answers

Forward-Looking Statements and Non-GAAP Financial Information:

Our discussions during this conference call will include forward-looking statements. Actual results could differ materially from those projected in the forward-looking statements. The factors that could cause actual results to differ are discussed in the Company's 2011 Annual Report on Form 10-K and in our 2012 reports on Form 10-Q and Form 8-K. These reports are available on our website at <http://investor.abm.com/> under "SEC Filings". A description of factors that could cause actual results to differ is also set forth at the end of this presentation.

Also, the discussion during this conference call will include certain financial measures that were not prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). Reconciliations of those non-GAAP financial measures to the most directly comparable U.S. GAAP financial measures can be found on the Investor Relations portion of our website at <http://investor.abm.com> and at the end of this presentation.

Fourth Quarter 2012 & Fiscal 2012 Review of Financial Results



Fiscal 2012 Highlights

- Achieved record revenue of \$4.3 billion for the fiscal year
 - Excluding the Government business, consolidated revenue in the 4th quarter was up 2.6% year-over-year
- Cash flow from operations of \$151 million
 - Free cash flow of \$123 million¹
- Negotiated Air Serv & HHA transactions
- Generated 18% top-line growth in our ABM Building & Energy Solutions business
- Launched our new brand, OneABM campaign, and strengthened our marketing capabilities
- Surpassed over 800 locations and 360 million sq. ft. for Green cleaning
- Reduced outstanding debt by \$85 million
- Returned over \$31 million to shareholders in the form of dividends

¹ Free cash flow, defined as net cash from operations less capital expenditures

Fourth Quarter Results Synthesis – Key Financial Metrics

Net Income

- Net Income of \$27.7 million, or \$0.50 per diluted share up 51.5% compared to \$0.33 in fiscal 2011. The increase is primarily from a \$0.11 per diluted share net benefit due to a re-measurement of certain unrecognized tax benefits

Adjusted EBITDA¹

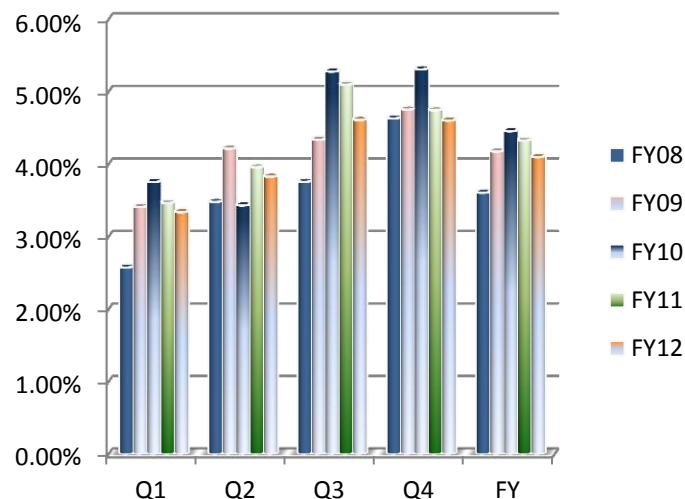
- Adjusted EBITDA of \$50.2 million was down \$1.1 million for the quarter compared to the fourth quarter of fiscal 2011. An increase of \$1.8 million from Janitorial and Facility Solutions was offset by higher health & welfare expenses at Corporate. Fiscal 2011 included a \$2.5 million benefit related to a refund of health insurance premiums

Cash Flow

- For the fourth quarter, cash flow from operations was \$66.8 million compared to \$75.2 million for the comparable period in 2011. Fiscal 2012 fourth quarter included higher income taxes paid of \$4.8 million.

(in millions, except per share data) (unaudited)	Quarter Ended			Year Ended		
	October 31,		Increase (Decrease)	October 31,		Increase (Decrease)
	2012	2011		2012	2011	
Revenues	\$1,090.0	\$1,081.3	0.8 %	\$4,300.3	\$4,246.8	1.3 %
Income from continuing operations	\$ 27.7	\$ 18.2	52.2 %	\$ 62.7	\$ 68.7	(8.7)%
Income from continuing operations per diluted share	\$ 0.50	\$ 0.33	51.5 %	\$ 1.14	\$ 1.27	(10.2)%
Adjusted income from continuing operations	\$ 27.7	\$ 20.4	35.8 %	\$ 76.1	\$ 75.0	1.5 %
Adjusted income from continuing operations per diluted share	\$ 0.50	\$ 0.37	35.1 %	\$ 1.39	\$ 1.39	0.0 %
Net income	\$ 27.7	\$ 18.0	53.9 %	\$ 62.6	\$ 68.5	(8.6)%
Net income per diluted share	\$ 0.50	\$ 0.33	51.5 %	\$ 1.14	\$ 1.27	(10.2)%
Net cash provided by operating activities	\$ 66.8	\$ 75.2	(11.2)%	\$ 150.6	\$ 160.0	(5.9)%
Adjusted EBITDA	\$ 50.2	\$ 51.3	(2.1)%	\$ 176.4	\$ 184.0	(4.1)%

Adjusted EBITDA Margins



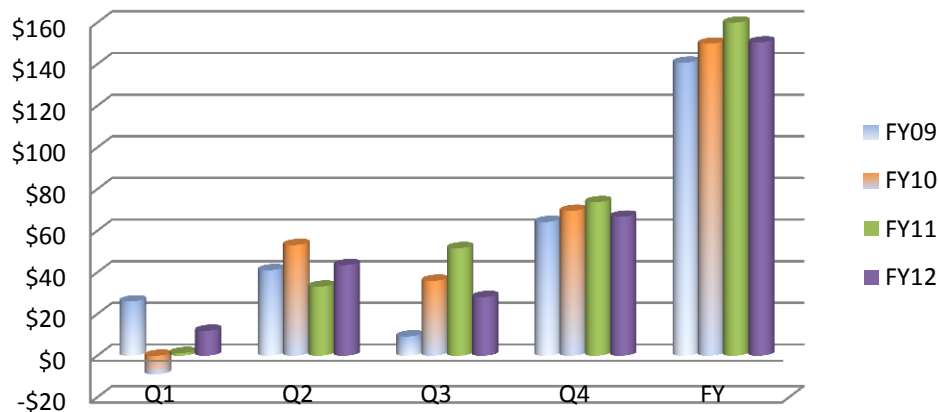
¹ Reconciliation of Adjusted Income from Continuing Operations and Adjusted EBITDA in the appendix of this presentation

Insurance Analysis & Cash Flow Information

Cash Flow

- Days sales outstanding (DSO) for the fourth quarter were 49 days
- DSO flat year-over-year and down 2 days sequentially

Cash Flow from Operating Activities
(in millions)



Insurance review

(In millions)	FY12	FY11	FY10	FY09	FY08
Adjustment to self-insurance reserve – prior fiscal years	7.3	0.9	1.2	9.4	(22.5)
Cumulative amount by fiscal year	(3.7)	(11.0)	(11.9)	(13.1)	-

(In thousands)	October 31, 2012	October 31, 2011
Short-term Insurance claim liabilities	\$ 80,192	\$ 78,828
Long-term Insurance claim liabilities	263,612	262,573
Total insurance claims	\$ 343,804	\$ 341,401

(In thousands)	October 31, 2012	October 31, 2011
Self-insurance claims paid	\$ 22,488	\$ 20,404

Q4 2012 Results Synthesis - Revenues

- Revenues flat at \$1.1 billion but up 2.6% excluding Government business

Janitorial Services



- Revenues of \$604.1 million, up \$7.5 million compared to 2011
- Tag business of ~\$40 million, \$2 million lower year-over-year and up \$1 million sequentially

Facility Solutions



- Revenues of \$238.2 million, down \$3.1 million compared to 2011
- Excluding Gov't business, revenue for FSG up 8.2%

Parking & Shuttle Services



- Revenue of \$154.0 million, up \$0.6 million compared to 2011
- Reimbursement revenue from managed accounts was ~\$76 million

Security Services

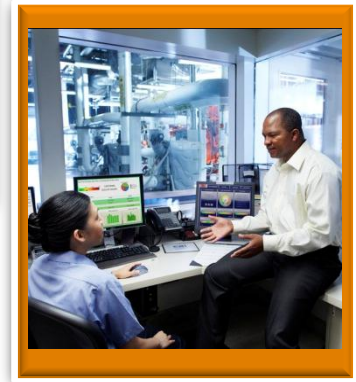


- Revenues of \$93.5 million, up over 4% due to new business
- Majority of new business from integrated facility solutions jobs

Q4 2012 Results Synthesis - Operating Profits¹

(in thousands)	Fourth Quarter		
	2012	2011	Change
Janitorial	\$ 37,115	\$ 35,679	4.0 %
Facility Solutions	10,434	9,214	13.2 %
Parking	7,579	7,458	1.6 %
Security	3,016	2,957	2.0 %
Operating Profit	\$ 58,144	\$ 55,308	5.1 %

¹Excludes Corporate



- Janitorial's operating profit of \$37.1 million, increased \$1.4 million or 4.0%. This segment benefited from improved margins and higher client retention rates
- Operating profit for Facility Solutions, increased \$1.2 million or 13.2% to \$10.4 million, resulting from new business and continued growth in the ABM Building and Energy Services business
- Parking's operating profit of \$7.6 million was up 1.6% from a slight improvement in operating margins due to tighter expense controls
- Operating profit for Security was up by \$0.1 million to \$3.0 million as higher profits from new business offset increases in legal expenses

Q4 2012 Sales & Marketing Highlights

- Announced expanded relationship with AEG into Europe
- Continued to gain traction on installation of EV Charging Stations
- Metropolis website was introduced six months ago and continues to be used as a daily tool (149,251 views to date with 25,052 unique visitors)
- Rang the closing bell and gained national exposure for ABM's new brand



Strategy Review



Leading the way to Integrated Facility Solutions

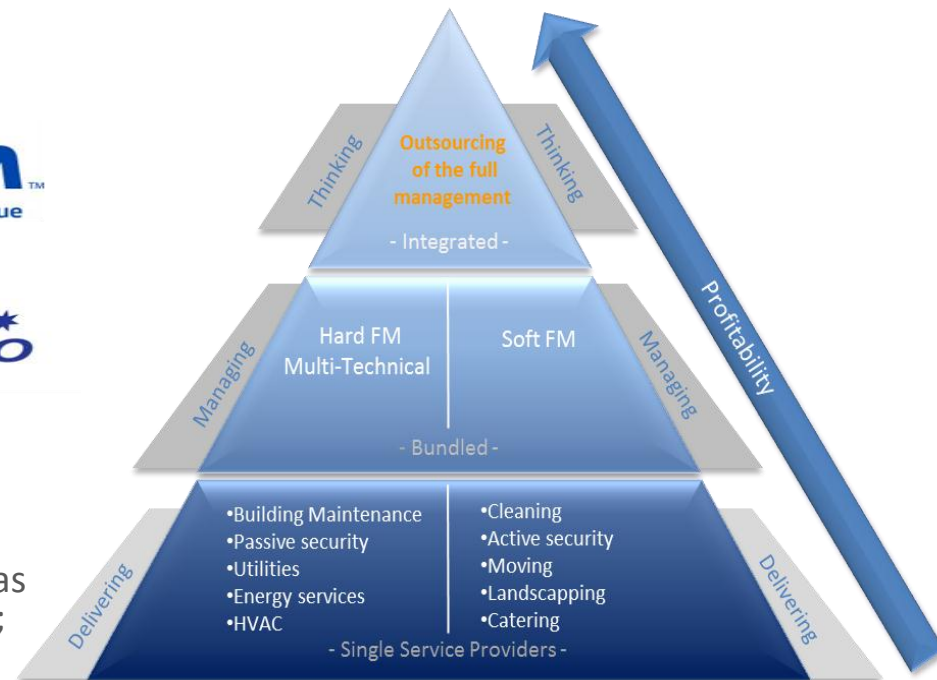
From Single To Integrated Facility Solutions

- Outsourcing of Facility Services is being delivered by:
 - Single Services providers: limited to one service line
 - Facility Managers: primarily outsource the services they deliver
 - Integrated Facility Solutions: self-perform all hard and soft services to reduce costs and improve performance

Consolidation Into Integrated Providers



- ABM is demonstrating to clients our IFS capabilities:
 - By** continuing investments in key initiatives, such as OneABM, Solve One More, & Client Collaboration;
 - By** focusing resources on and providing subject matter experts to vertical markets; and
 - By** expanding our client service ecosystem through **ABM Mobile & ABM On-Demand**



Market Opportunity Profile

ONSITE BUSINESS

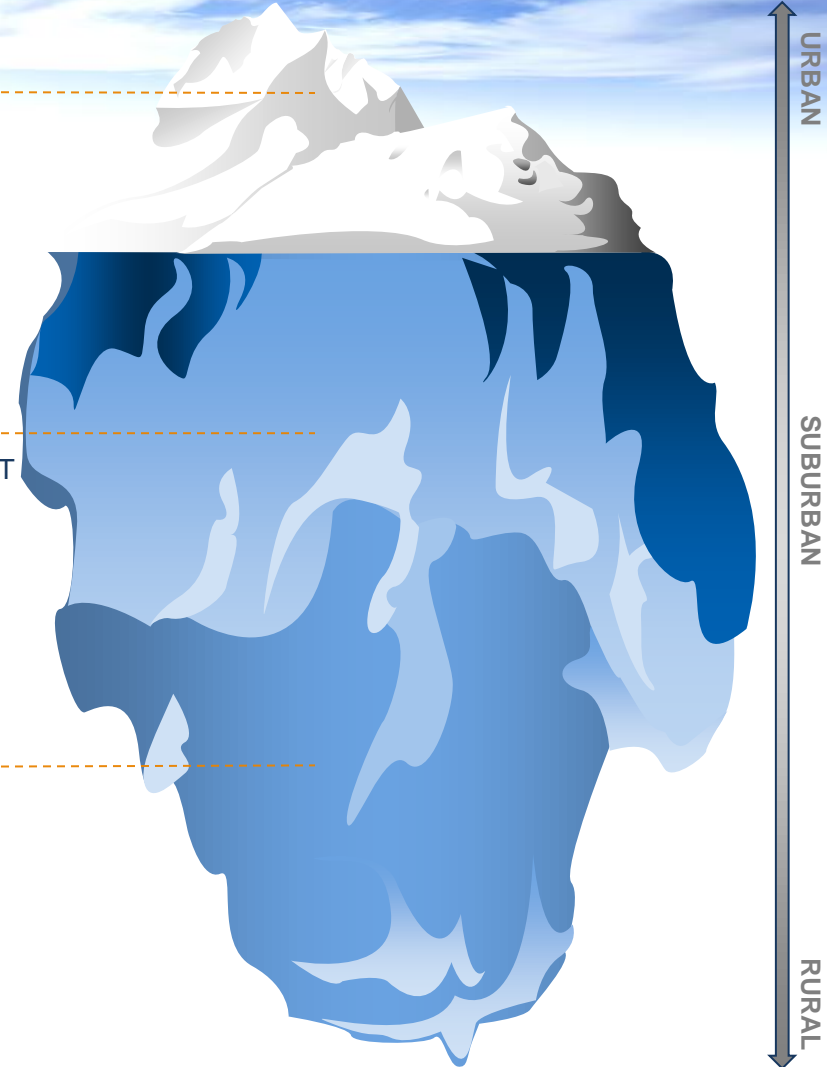
PRIMARY PRODUCT CATEGORY: Over 200K Square Feet
REVENUE OPPORTUNITY: \$45 BILLION - \$50 BILLION
OF BLDGS: 34,000 % OF TOTAL SQ/FT: 21.15%
Historical Growth Profile: GDP

MOBILE

PRIMARY PRODUCT CATEGORY: FROM 25K TO 200K SQUARE FEET
REVENUE OPPORTUNITY: \$30 BILLION - \$32 BILLION
OF BLDGS: 482,000 % OF TOTAL SQ/FT: 41.71%
HISTORICAL GROWTH PROFILE: GDP +

ABM ON-DEMAND

PRIMARY PRODUCT CATEGORY: UNDER 25K SQUARE FEET
REVENUE OPPORTUNITY: \$35 BILLION - \$37 BILLION
OF BLDGS: 4,344,000 % OF TOTAL SQ/FT: 37.14%
HISTORICAL GROWTH PROFILE: GDP +



End-to-End Service Delivery System for Markets

ABM On-Site Business



Drives Demand

ABM Mobile Network



- HVAC
- Energy Solutions
- Electrical
- Day Porters

ABM On Demand

Service Center

- Electrical
- HVAC
- Janitorial
- Landscape
- Plumbing
- Associated Building Trades



Multi-location utilizing local labor

Urban - Suburban - Rural

Operational & Enterprise Convergence



Fiscal 2013 Outlook

- The recent acquisitions of Air Serv, HHA, and Calvert-Jones are expected to be slightly accretive (excluding transaction & integration costs). Collectively, LTM revenue for the three acquisitions was approximately \$350 million
- Labor work days are 261 days, which is one work day fewer than fiscal 2012. The second quarter of fiscal 2013 has the one fewer work day
 - The Company estimates one work day of labor expense for the Janitorial segment is in the range of \$3.5 million to \$4.5 million on a pre-tax basis
- Anticipating \$1.5 million to \$2.5 million increase in State Unemployment Insurance on a pre-tax basis. This increase in operating expense is expected to mostly impact the first half of the fiscal year
- Annual depreciation and amortization expense because of recent acquisitions, is expected to increase from fiscal 2012 in the range of \$17 million to \$19 million
- Interest expense anticipated to be in the range of \$14 million to \$16 million
- Capital expenditures are expected to be in the range of \$39 million to \$43 million
- Cash taxes are expected to be in the range of \$23 million to \$27 million; and
- Effective tax rate in the range of 38 percent to 40 percent. This assumes that the Federal Government extends the Workers Opportunity Tax Credit (WOTC) retroactively

Forward-Looking Statement

Cautionary Statement under the Private Securities Litigation Reform Act of 1995

This press release 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. These factors include but are not limited to the following: (1) risks relating to our acquisition strategy may adversely impact our results of operations; (2) our strategy of moving to an integrated facility solutions provider platform, focusing on vertical market strategy, may not generate the growth in revenues or profitability that we expect; (3) we are subject to intense competition that can constrain our ability to gain business, as well as our profitability; (4) increases in costs that we cannot pass on to clients could affect our profitability; (5) we have high deductibles for certain insurable risks and, therefore, are subject to volatility associated with those risks; (6) we primarily 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) our international business exposes us to additional risks; (9) we conduct some of our operations through joint ventures and our ability to do business may be affected by the failure of our joint venture partners to perform their obligations or the improper conduct of joint venture employees, joint venture partners or agents; (10) significant delays or reductions in appropriations for our government contracts as well as changes in government and client priorities and requirements (including cost-cutting, the potential deferral of awards, reductions or terminations of expenditures in response to the priorities of Congress and the Executive Office, or budgetary cuts) may negatively affect our business, and could have a material adverse effect on our financial position, results of operations or cash flows; (11) negative or unexpected tax consequences could adversely affect our results of operations; (12) we are subject to business continuity risks associated with centralization of certain administrative functions; (13) a decline in commercial office building occupancy and rental rates could affect our revenues and profitability; (14) deterioration in economic conditions in general could further reduce the demand for facility services and, as a result, could reduce our earnings and adversely affect our financial condition; (15) a variety of factors could adversely affect the results of operations of our building and energy services business; (16) financial difficulties or bankruptcy of one or more of our major clients could adversely affect our results; (17) our ability to operate and pay our debt obligations depends upon our access to cash; (18) future declines in the fair value of our investments in auction rate securities could negatively impact our earnings; (19) uncertainty in the credit markets may negatively impact our costs of borrowing, our ability to collect receivables on a timely basis and our cash flow; (20) we incur accounting and other control costs that reduce profitability; (21) sequestration under the Budget Control Act of 2011 or alternative measures that may be adopted in lieu of sequestration may negatively impact our business; (22) any future increase in the level of debt or in interest rates can negatively affect our results of operations; (23) an impairment charge could have a material adverse effect on our financial condition and results of operations; (24) we are defendants in a number of class and representative actions or other lawsuits alleging various claims that could cause us to incur substantial liabilities; (25) federal health care reform legislation may adversely affect our business and results of operations; (26) changes in immigration laws or enforcement actions or investigations under such laws could significantly adversely affect our labor force, operations and financial results; (27) labor disputes could lead to loss of revenues or expense variations; (28) we participate in multi-employer pension plans which under certain circumstances could result in material liabilities being incurred; and (29) natural disasters or acts of terrorism could disrupt 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, 2011 and in other reports the Company files from time to time with the Securities and Exchange Commission.

Appendix - 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 thousands, except per share data)

	Quarter Ended October 31,		Year Ended October 31,	
	2012	2011	2012	2011
Reconciliation of Adjusted Income from Continuing Operations to Net Income				
Adjusted income from continuing operations	\$ 27,730	\$ 20,377	\$ 76,122	\$ 74,962
Items impacting comparability, net of taxes	(25)	(2,195)	(13,404)	(6,264)
Income from continuing operations	27,705	18,182	62,718	68,698
Loss from discontinued operations, net of taxes	(42)	(134)	(136)	(194)
Net income	\$ 27,663	\$ 18,048	\$ 62,582	\$ 68,504
Reconciliation of Adjusted Income from Continuing Operations to Income from Continuing Operations				
Adjusted income from continuing operations	\$ 27,730	\$ 20,377	\$ 76,122	\$ 74,962
Items impacting comparability:				
Corporate initiatives and other (a)	(27)	(2,924)	(2,482)	(3,252)
Rebranding (b)	(672)	-	(2,755)	-
U.S. Foreign Corrupt Practices Act investigation (c)	(182)	-	(3,504)	-
Gain from equity investment (d)	(63)	-	2,925	-
Auction rate security credit loss	-	-	(313)	-
Self-insurance adjustment	2,182	223	(7,278)	(856)
Linc purchase accounting	-	-	-	(838)
Acquisition costs	(1,010)	(780)	(1,329)	(6,092)
Litigation and other settlements	(270)	355	(7,830)	1,402
Total items impacting comparability	(42)	(3,126)	(22,566)	(9,636)
Benefit from income taxes	17	931	9,162	3,372
Items impacting comparability, net of taxes	(25)	(2,195)	(13,404)	(6,264)
Income from continuing operations	\$ 27,705	\$ 18,182	\$ 62,718	\$ 68,698

(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.

Unaudited Reconciliation of non-GAAP Financial Measures (in thousands, except per share data)

Reconciliation of Adjusted EBITDA to Net Income

	Quarter Ended October 31,		Year Ended October 31,	
	2012	2011	2012	2011
Adjusted EBITDA	\$ 50,189	\$ 51,339	\$ 176,353	\$ 184,023
Items impacting comparability	(42)	(3,126)	(22,566)	(9,636)
Loss from discontinued operations, net of taxes	(42)	(134)	(136)	(194)
Provision for income taxes	(7,727)	(13,040)	(29,931)	(36,980)
Interest expense	(2,317)	(3,328)	(9,999)	(15,805)
Depreciation and amortization	(12,398)	(13,663)	(51,139)	(52,904)
Net income	<u>\$ 27,663</u>	<u>\$ 18,048</u>	<u>\$ 62,582</u>	<u>\$ 68,504</u>

Reconciliation of Adjusted Income from Continuing Operations per Diluted Share to Income from Continuing Operations per Diluted Share

	Quarter Ended October 31,		Year Ended October 31,	
	2012	2011	2012	2011
Adjusted income from continuing operations per diluted share	\$ 0.50	\$ 0.37	\$ 1.39	\$ 1.39
Items impacting comparability, net of taxes	-	(0.04)	(0.25)	(0.12)
Income from continuing operations per diluted share	<u>\$ 0.50</u>	<u>\$ 0.33</u>	<u>\$ 1.14</u>	<u>\$ 1.27</u>
Diluted shares	55,200	54,158	54,914	54,103