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Fourth Quarter 2013

Teleconference

Agenda

1. Introduction & Overview | Henrik Slipsager, CEO
2. Fourth Quarter & Fiscal Year 2013 Financial Review | Jim Lusk, CFO
3. **Fourth Quarter 2013 Operational Review | Jim McClure, EVP, Tracy Price, EVP & Henrik Slipsager, CEO**
4. Fiscal 2014 Outlook | Henrik Slipsager, CEO
5. 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 2012 Annual Report on Form 10-K and in our 2013 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.

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Fourth Quarter 2013
Review of Financial Results

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Fiscal Q4 & Fiscal Year 2013 Overview

- Achieved revenue of $1.24 billion, up ~14% Y-o-Y for the fourth quarter
  - Organic growth in Janitorial and Security businesses of 4.1% and 3.9%, respectively
  - Consolidated organic growth of approximately 3.3% for the quarter
  - BES achieved organic growth of 26.7%, excluding acquisitions and Government
- Reported EPS of $0.43; adjusted EPS of $0.48
- For FY2013, reported EPS of $1.30; adjusted EPS of $1.52 up 9.4% compared to FY12
- Adjusted EBITDA growth of 15.7% compared to Q4 2012 and 16.7% compared to FY12
- Reduced outstanding debt by $34 million in Q4
- Free cash flow[1] of $102.7 million for the twelve months ended October 31st 2013
- Increased dividend by over 3%

[1] Free cash flow is net cash provided by operating activities less additions to property, plant and equipment.

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Fourth Quarter Results Synthesis – Key Financial Metrics

Net Income

- Net Income of $24.2 million, or $0.43 per diluted share, down 12.6% compared to $27.7 million in fiscal 2012. The decrease of $3.5 million is primarily due to lower contributions from discrete tax benefits.

Adjusted Income from Continuing Operations[1]

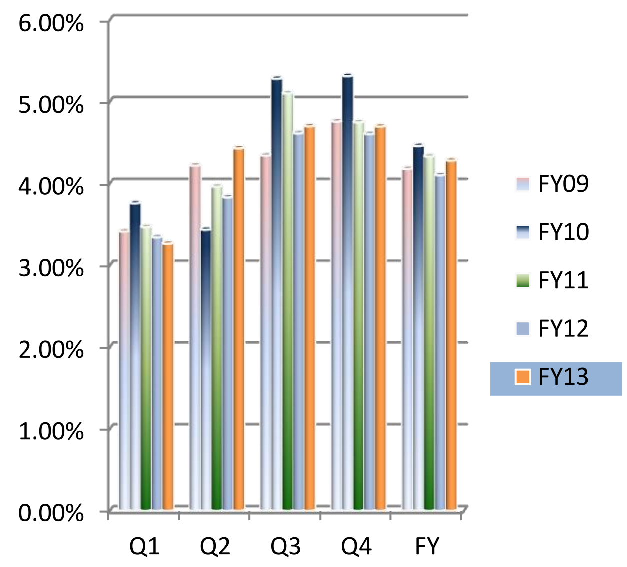
- Adjusted Income from Continuing Operations of $27.0 million was down $0.7 million or 2.5% for the quarter compared to the fourth quarter of fiscal 2012, as contributions from acquisitions and new business was offset by a lower net benefit from discrete tax items.

Adjusted EBITDA[1]

- Adjusted EBITDA of $58.1 million was up $7.9 million or 15.7% for the quarter compared to the fourth quarter of fiscal 2012, primarily from acquisitions and new business.

($ in millions, except per share data) *(unaudited)*	Three Months Ended October 31, 2013	Three Months Ended October 31, 2012	Increase (Decrease)	Year Ended October 31, 2013	Year Ended October 31, 2012	Increase (Decrease)
Revenues	$ 1,236.8	$ 1,090.0	13.5 %	$ 4,809.3	$ 4,300.3	11.8 %
Income from continuing operations	$ 24.2	$ 27.7	(12.6)%	$ 72.9	$ 62.7	16.3 %
Income from continuing operations per diluted share	$ 0.43	$ 0.50	(14.0)%	$ 1.30	$ 1.14	14.0 %
Adjusted income from continuing operations	$ 27.0	$ 27.7	(2.5)%	$ 85.0	$ 76.1	11.7 %
Adjusted income from continuing operations per diluted share	$ 0.48	$ 0.50	(4.0)%	$ 1.52	$ 1.39	9.4 %
Net income	$ 24.2	$ 27.7	(12.6)%	$ 72.9	$ 62.6	16.5 %
Net income per diluted share	$ 0.43	$ 0.50	(14.0)%	$ 1.30	$ 1.14	14.0 %
Net cash provided by operating activities	$ 51.0	$ 66.8	(23.7)%	$ 135.3	$ 150.6	(10.2)%
Adjusted EBITDA	$ 58.1	$ 50.2	15.7 %	$ 205.9	$ 176.4	16.7 %

Adjusted EBITDA Margins



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

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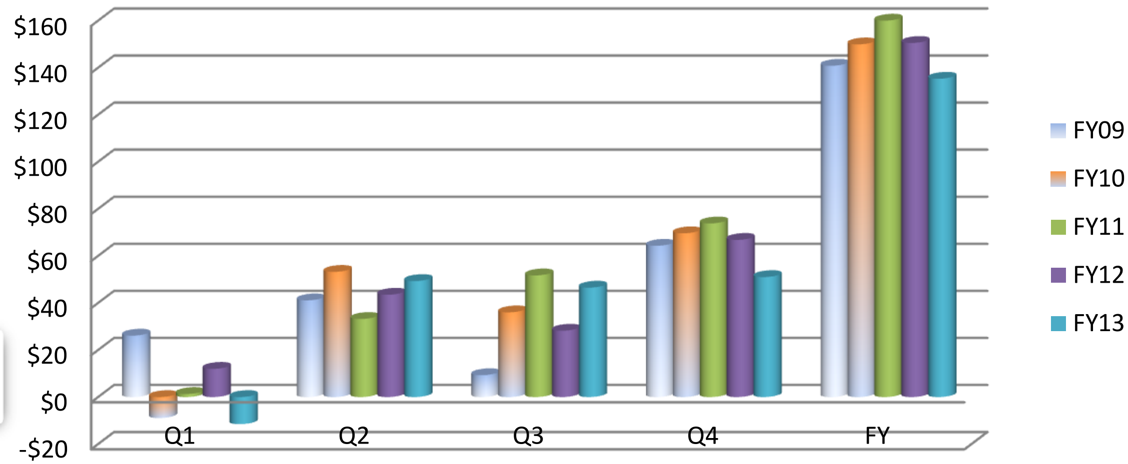
Select Balance Sheet Items

- Days sales outstanding (DSO) for the fourth quarter were 52 days
- DSO was up 3 days year-over-year and up 1 day sequentially

Cash Flows from Operating Activities
(in millions)

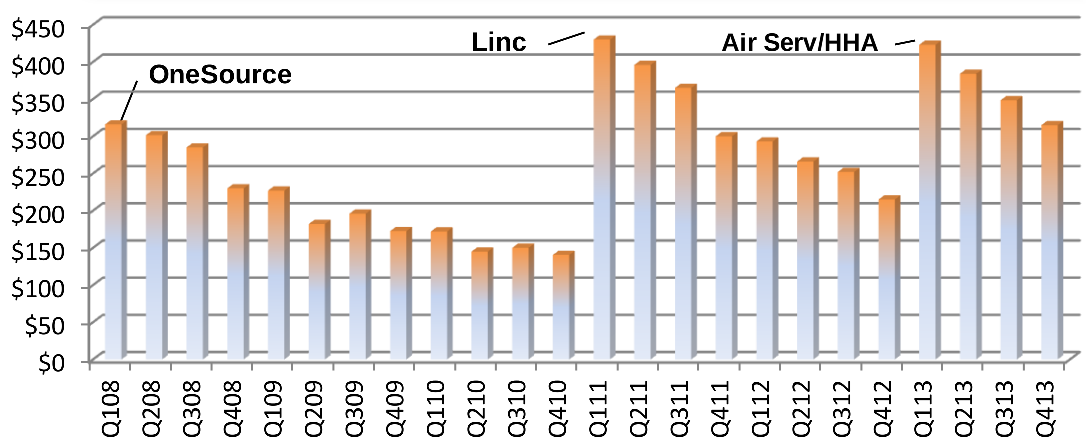


Insurance Claims – Balance Sheet & Claims Paid Data
(in thousands)

	October 31, 2013	October 31, 2012
Short-term Insurance claim liabilities	$ 84,546	$ 80,192
Long-term Insurance claim liabilities	273,418	263,612
Total insurance claims	$ 357,964	$ 343,804

	October 31, 2013	October 31, 2012
Q4 Self-insurance claims paid	$ 25,130	$ 22,488

Line of Credit
(in millions)



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Q4 2013 Results Synthesis - Revenues

- Consolidated revenues up 13.5% at $1.24 billion – A Q4 Record

Janitorial Services
- Revenues of $628.7 million, up $24.6 million or 4.1% compared to 2012 Q4
- Significant improvement in South Central & Midwest regions

Facility Services
- Revenues of $152.9 million, up $1.0 million or nearly 1% compared to 2012 Q4
- Growth in new business and increases in the scope of work for existing clients

Parking Services
- Revenues of $152.2 million, a decrease of 1.2% compared to 2012 Q4
- Management reimbursement revenues were $74.8 million

Security Services
- Revenues of $97.1 million, up $3.6 million or nearly 4% compared to 2012 Q4
- New client wins continue to drive solid revenue growth

Building & Energy Solutions
- Revenues of $114.8 million, up $28.6 million or 33.1.% compared to 2012 Q4
- Revenues from November acquisitions contributed $18.7 million; Best IR - $1.2 million

Other
- Revenues of $90.9 million
- $85.6 million from Air Serv and $5.3 million from Blackjack

Note: In the first fiscal quarter of 2013, ABM revised its reportable segments. The previous Facility Solutions segment has been separated into two new segments: Facility Services, and Building & Energy Solutions (includes energy services, government services, and the franchise network). The recently acquired HHA Services, Inc. and Calvert-Jones Company business are included in the Building & Energy Solutions segment. In addition, Building & Energy Solutions includes the results of certain investments in unconsolidated affiliates that provide facility solutions primarily to the U.S. Government. Air Serv Corporation, which was acquired in November 2012, is reported in the new segment "Other".

Q4 2013 Results Synthesis - Total Profits[1]

(in thousands)	Fourth Quarter		
	2013	2012	Change
Janitorial	$ 34,047	$ 37,115	(8.3%)
Facility Services	8,127	6,810	19.3%
Parking	8,476	7,579	11.8%
Security	5,126	3,016	70.0%
Building & Energy Solutioı	8,609	4,718	82.5%
Other	3,928	-	*NM
Total Profit[1]	$ 68,313	$ 59,238	15.3%

[1]Excludes Corporate

* Not meaningful

- Janitorial's profit of $34.0 million, decreased $3.1 million or 8.3%. Higher expenses associated with new jobs was the primary reason for the year-over-year decline
- Profit for Facility Services increased 19.3% to $8.1 million, primarily from cost control measures
- Parking's profit of $8.5 million was up $0.9 million from prior year comparable period
- Profit for Security was up by $2.1 million or 70.0% to $5.1 million from higher revenues and cost control measures. First time Security's quarterly operating profit exceeded $5 million
- Building & Energy Solutions profit of $8.6 million, an increase of 82.5% was the result of new projects, contributions from acquisitions, and improved margins on certain government business
- Other profit, which represents the results of the Air Serv and Blackjack acquisitions, includes $1.6 million of amortization expense and $0.3 million of depreciation related to Air Serv

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Q4 2013 Business & Marketing Highlights

- Continue to be on schedule with reorganized operational structure: Onsite, Mobile and On-demand. This realignment will continue during 2014 and should improve the Company's long-term growth prospects as well as provide higher margin opportunities in the future
- Announced selection by BMW as preferred electric vehicle (EV) charging station installation and services partner for U.S. and Canada
- Successfully commissioned a 1.2 MW solar in Baltimore, Md. Will be responsible for construction and will maintain the 4,150 panel array on behalf of Washington Gas Energy Systems
- ABM Building Solutions has been selected by the Harris County, GA Public School District to implement energy and facility improvements including lighting retrofits, control systems, and water conservation

Outlook

Fiscal 2014 Outlook

- Leveraging our fiscal 2013 performance and current initiatives, the Company is providing the following guidance for fiscal 2014:
  - $1.38 to $1.48 for Income from Continuing Operations per diluted share
  - $1.58 to $1.68 for Adjusted Income from Continuing Operations per diluted share
- Labor work days for FY14 are 261. This is identical to fiscal 2013 on both a quarterly and annual basis
- Depreciation and amortization expense, is expected to remain consistent with fiscal 2013. The range is $60 million to $62 million
- Effective tax rate[1] in the range of 36 percent to 38 percent, which is an increase over fiscal 2013's effective tax rate of 35.2%
- Interest expense anticipated to be in the range of $10 million to $12 million
- Capital expenditures are expected to be in the range of $43 million to $47 million
- Cash taxes are expected to be in the range of $37 million to $40 million

[1] Assumes Workers Opportunity Tax Credits are extended for 2014

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Forward-Looking Statement

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, which focuses 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 we are subject to volatility associated with those risks; (6) we primarily provide our services pursuant to agreements that 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 are at risk of losses and adverse publicity stemming from any accident or other incident involving our airport operations; (9) our international business exposes us to additional risks; (10) 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, partners, or agents; (11) significant delays or reductions in appropriations for our government contracts may negatively affect our business and could have an adverse effect on our financial position, results of operations, or cash flows; (12) we are subject to a number of procurement rules and regulations relating to our business with the U.S. Government and if we fail to comply with those rules, our business and our reputation could be adversely affected; (13) negative or unexpected tax consequences could adversely affect our results of operations; (14) we are subject to business continuity risks associated with centralization of certain administrative functions; (15) a decline in commercial office building occupancy and rental rates could affect our revenues and profitability; (16) deterioration in economic conditions in general could reduce the demand for facility services and, as a result, reduce our earnings and adversely affect our financial condition; (17) a variety of factors could adversely affect the results of operations of our building and energy services business; (18) financial difficulties or bankruptcy of one or more of our major clients could adversely affect our results; (19) our ability to operate and pay our debt obligations depends upon our access to cash; (20) future declines in the fair value of our investments in auction rate securities could negatively impact our earnings; (21) 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; (22) we incur accounting and other control costs that reduce profitability; (23) sequestration under the Budget Control Act of 2011 or alternative measures that may be adopted in lieu of sequestration may negatively impact our business; (24) any future increase in our level of debt or in interest rates could affect our results of operations; (25) an impairment charge could have a material adverse effect on our financial condition and results of operations; (26) we are defendants in class and representative actions and other lawsuits alleging various claims that could cause us to incur substantial liabilities; (27) federal health care reform legislation may adversely affect our business and results of operations; (28) changes in immigration laws or enforcement actions or investigations under such laws could significantly adversely affect our labor force, operations, and financial results; (29) labor disputes could lead to loss of revenues or expense variations; (30) we participate in multiemployer pension plans which, under certain circumstances, could result in material liabilities being incurred; and (31) 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, 2012 and in other reports the Company files from time to time with the Securities and Exchange Commission. The Company urges readers to consider these risks and uncertainties in evaluating its forward-looking statements. The Company cautions readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. The Company disclaims any obligation or undertaking to publicly release any updates or revisions to any forward-looking statement contained herein (or elsewhere) to reflect any change in the Company's expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

Appendix - Unaudited Reconciliation of non-GAAP Financial Measures

Unaudited Reconciliation of non-GAAP Financial Measures (in thousands)

ABM Industries Incorporated and Subsidiaries	Three Months Ended October 31, 2013	Three Months Ended October 31, 2012	Year Ended October 31, 2013	Year Ended October 31, 2012
Reconciliation of Adjusted Income from Continuing Operations to Net Income				
Adjusted income from continuing operations	$ 26,995	$ 27,730	$ 85,007	$ 76,122
Items impacting comparability, net of taxes	(2,827)	(25)	(12,107)	(13,404)
Income from continuing operations	24,168	27,705	72,900	62,718
Loss from discontinued operations, net of taxes	-	(42)	-	(136)
Net income	$ 24,168	$ 27,663	$ 72,900	$ 62,582
Reconciliation of Adjusted Income from Continuing Operations to Income from Continuing Operations				
Adjusted income from continuing operations	$ 26,995	$ 27,730	$ 85,007	$ 76,122
Items impacting comparability:				
Corporate initiatives and other (a)	-	(27)	-	(2,482)
Rebranding (b)	(1,522)	(672)	(3,671)	(2,755)
U.S. Foreign Corrupt Practices Act investigation (c)	(419)	(182)	(775)	(3,504)
Gain from equity investment (d)	-	(63)	-	2,925
Auction rate security credit loss	-	-	-	(313)
Self-insurance adjustment	(607)	2,182	(10,556)	(7,278)
Acquisition costs	(116)	(1,010)	(1,116)	(1,329)
Litigation and other settlements	-	(270)	(63)	(7,830)
Restructuring (e)	(2,001)	-	(3,797)	-
Total items impacting comparability	(4,665)	(42)	(19,978)	(22,566)
Benefit from income taxes	1,838	17	7,871	9,162
Items impacting comparability, net of taxes	(2,827)	(25)	(12,107)	(13,404)
Income from continuing operations	$ 24,168	$ 27,705	$ 72,900	$ 62,718

(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.
(e) Restructuring costs associated with realignment of our infrastructure and operations.

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

ABM Industries Incorporated and Subsidiaries

	Three Months Ended October 31, 2013	Three Months Ended October 31, 2012	Year Ended October 31, 2013	Year Ended October 31, 2012
Reconciliation of Adjusted EBITDA to Net Income				
Adjusted EBITDA	$ 58,148	$ 50,189	$ 205,926	$ 176,353
Items impacting comparability	(4,665)	(42)	(19,978)	(22,566)
Loss from discontinued operations, net of taxes	-	(42)	-	(136)
Provision for income taxes	(12,417)	(7,727)	(39,552)	(29,931)
Interest expense	(3,214)	(2,317)	(12,892)	(9,999)
Depreciation and amortization	(13,684)	(12,398)	(60,604)	(51,139)
Net income	$ 24,168	$ 27,663	$ 72,900	$ 62,582

Reconciliation of Adjusted Income from Continuing Operations per Diluted Share to Income from Continuing Operations per Diluted Share (Unaudited)

	Three Months Ended October 31, 2013	Three Months Ended October 31, 2012	Year Ended October 31, 2013	Year Ended October 31, 2012
Adjusted income from continuing operations per diluted share	$ 0.48	$ 0.50	$ 1.52	$ 1.39
Items impacting comparability, net of taxes	(0.05)	-	(0.22)	(0.25)
Income from continuing operations per diluted share	$ 0.43	$ 0.50	$ 1.30	$ 1.14
Diluted shares	56,686	55,200	56,067	54,914

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Unaudited Reconciliation of non-GAAP Financial Measures

Reconciliation of Estimated Adjusted Income from Continuing Operations per Diluted Share to Income from Continuing Operations per Diluted Share for the Year Ending October 31, 2014

	Year Ending October 31, 2014	
	Low Estimate	High Estimate
	(per diluted share)	
Adjusted income from continuing operations per diluted share	$ 1.58	$ 1.68
Adjustments to income from continuing operations (a)	$ (0.20)	$ (0.20)
Income from continuing operations per diluted share	$ 1.38	$ 1.48

(a) Adjustments to income from continuing operations include rebranding costs, restructuring costs associated with realignment of our infrastructure and operations, certain legal settlements, adjustments to self-insurance reserves pertaining to prior year's claims and other unique items impacting comparability.