



2013 Third Quarter

**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 July 31,		Nine Months Ended July 31,	
	2013	2012	2013	2012
Reconciliation of Adjusted Income from Continuing Operations to Net Income				
Adjusted income from continuing operations	\$ 23,161	\$ 20,355	\$ 58,012	\$ 48,392
Items impacting comparability, net of taxes	(7,085)	(7,729)	(9,280)	(13,379)
Income from continuing operations	16,076	12,626	48,732	35,013
Loss from discontinued operations, net of taxes	-	(49)	-	(94)
Net income	\$ 16,076	\$ 12,577	\$ 48,732	\$ 34,919
Reconciliation of Adjusted Income from Continuing Operations to Income from Continuing Operations				
Adjusted income from continuing operations	\$ 23,161	\$ 20,355	\$ 58,012	\$ 48,392
Items impacting comparability:				
Corporate initiatives and other (a)	-	(84)	-	(2,455)
Rebranding (b)	(1,440)	(593)	(2,149)	(2,083)
U.S. Foreign Corrupt Practices Act investigation (c)	-	(594)	(356)	(3,322)
Gain from equity investment (d)	-	61	-	2,988
Auction rate security credit loss	-	-	-	(313)
Self-insurance adjustment	(9,949)	(9,460)	(9,949)	(9,460)
Acquisition costs	(252)	(172)	(1,000)	(319)
Litigation and other settlements	-	(2,170)	(63)	(7,560)
Restructuring (e)	(74)	-	(1,796)	-
Total items impacting comparability	(11,715)	(13,012)	(15,313)	(22,524)
Benefit from income taxes	4,630	5,283	6,033	9,145
Items impacting comparability, net of taxes	(7,085)	(7,729)	(9,280)	(13,379)
Income from continuing operations	\$ 16,076	\$ 12,626	\$ 48,732	\$ 35,013

(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.

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

ABM Industries Incorporated and Subsidiaries

	<u>Three Months Ended July 31,</u>		<u>Nine Months Ended July 31,</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Reconciliation of Adjusted EBITDA to Net Income				
Adjusted EBITDA	\$ 57,171	\$ 49,751	\$ 147,778	\$ 126,164
Items impacting comparability	(11,715)	(13,012)	(15,313)	(22,524)
Loss from discontinued operations, net of taxes	-	(49)	-	(94)
Provision for income taxes	(10,883)	(8,887)	(27,135)	(22,204)
Interest expense	(3,335)	(2,407)	(9,678)	(7,682)
Depreciation and amortization	(15,162)	(12,819)	(46,920)	(38,741)
Net income	<u>\$ 16,076</u>	<u>\$ 12,577</u>	<u>\$ 48,732</u>	<u>\$ 34,919</u>

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

	<u>Three Months Ended July 31,</u>		<u>Nine Months Ended July 31,</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Adjusted income from continuing operations per diluted share	\$ 0.41	\$ 0.37	\$ 1.04	\$ 0.88
Items impacting comparability, net of taxes	(0.12)	(0.14)	(0.17)	(0.24)
Income from continuing operations per diluted share	<u>\$ 0.29</u>	<u>\$ 0.23</u>	<u>\$ 0.87</u>	<u>\$ 0.64</u>
Diluted shares	56,281	55,000	55,861	54,819

Unaudited Reconciliation of non-GAAP Financial Measures

ABM Industries Incorporated and Subsidiaries

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, 2013

	<u>Year Ending October 31, 2013</u>	
	<u>Low Estimate</u>	<u>High Estimate</u>
	(per diluted share)	
Adjusted income from continuing operations per diluted share	\$ 1.45	\$ 1.50
Adjustments to income from continuing operations (a)	\$ (0.19)	\$ (0.19)
Income from continuing operations per diluted share	<u>\$ 1.26</u>	<u>\$ 1.31</u>

(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.