1909-2009

ABM Industries Incorporated
2008 Annual Report to Shareholders

A past that powers our future

ABM Industries Incorporated

1909-2009

This year, ABM Industries celebrates 100 years since its founding as a modest window cleaning business in San Francisco. With just a mop and a bucket, thirty-one-year-old Morris Rosenberg's pioneering efforts began an organization that stands today as one of the largest and most successful of its kind. His ambition, hard work, and vision paved the way to the facility services industry as we know it today.

While the industry and society itself have changed dramatically from the world Rosenberg knew in 1909, our values remain unchanged. From its humble beginning, ABM has continued to build a legacy through industry leadership, growth and innovation, and a commitment to integrity.

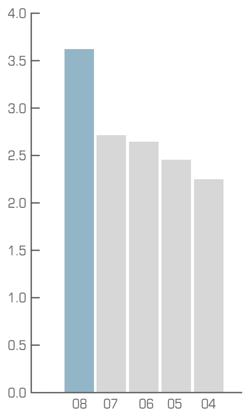
The past 100 years have been filled with both challenges and opportunities. And as ABM steps forward into the next 100 years, its proud past will be the driving force toward a powerful future.

Table of Contents

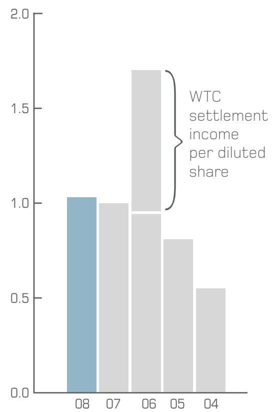
Five-Year Selected Financial Data

Years ended October 31, (in thousands, except per share data)	2008	2007	2006	2005	2004
Total income	**$ 3,623,590**	$ 2,706,105	$ 2,645,351	$ 2,452,753	$ 2,247,379
Income from continuing operations	**52,731**	50,647	84,324	40,852	27,579
Net income	**$ 45,434**	$ 52,440	$ 93,205	$ 57,941	$ 30,473
Income from continuing operations					
Basic	**$ 1.04**	$ 1.02	$ 1.72	$ 0.83	$ 0.57
Diluted	**$ 1.03**	$ 1.00	$ 1.70	$ 0.81	$ 0.55
Weighted-average common and common equivalent shares outstanding					
Basic	**50,519**	49,496	49,054	49,332	48,641
Diluted	**51,386**	50,629	49,678	50,367	50,064
Dividends declared per common share	**$ 0.50**	$ 0.48	$ 0.44	$ 0.42	$ 0.40
Total assets	**$ 1,549,913**	$ 1,120,673	$ 1,069,462	$ 957,818	$ 893,736
Trade accounts receivable - net	**$ 473,263**	$ 349,195	$ 358,569	$ 322,713	$ 281,207
Insurance deposits	**$ 42,506**	$ -	$ -	$ -	$ -
Goodwill	**$ 535,772**	$ 234,177	$ 229,885	$ 225,556	$ 207,749
Other intangibles - net	**$ 62,179**	$ 24,573	$ 23,881	$ 24,463	$ 22,290
Investments in auction rate securities	**$ 19,031**	$ 25,000	$ -	$ -	$ -
Line of credit	**$ 230,000**	$ -	$ -	$ -	$ -
Insurance claims	**$ 346,157**	$ 261,043	$ 248,377	$ 252,677	$ 239,151
Insurance recoverables	**$ 71,617**	$ 55,900	$ 53,188	$ 54,108	$ 51,212

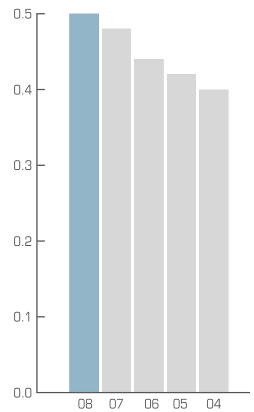
Sales ($ Billions)



Income from Continuing Operations per Diluted Share [1]



Dividends Declared per Common Share



[1] Income from Continuing Operations per Diluted Share for the fiscal year ended October 31, 2006 is $1.70, which includes $0.75 from the settlement of the World Trade Center (WTC) insurance claims.

The President's Perspective

Dear Stockholders, Employees and Other Friends of ABM:

2008 was an extraordinary year.

The Company entered fiscal year 2008 after generating record revenues of more than $2.7 billion in 2007. Shortly into the first quarter of the fiscal year, we completed the strategic acquisition of OneSource, a significant milestone in the Company's history that would give us unmatched scale, scope and customer breadth and diversity. As the fiscal year began, our outlook was positive and our momentum was strong.

We have long held to the recession-resistant nature of our business and, in 2008, ABM was tested by one of the most historically challenging economic climates for doing business. Once again, the Company proved to be resilient. We delivered solid top and bottom line growth, despite the impact of economic conditions in certain geographic regions and industry sectors. We achieved record revenues, and our full-year results, discussed below, reflected the fundamental strength of our operations.

In the course of the year, we also sharpened our focus and targeted our resources on our strongest businesses, as we sold Amtech Lighting Services, and continued the successful integration of OneSource. When we reached the end of fiscal year 2008, concluding one of the most difficult economic periods in our 100-year history, the Company had achieved solid growth and results on the strength of our core operations, our prudent management of the balance sheet and resources and our unrivaled national platform and customer penetration.

It was an extraordinary year.

The 2008 Results in Review

The Company reported revenues of $3.6 billion for the year ended October 31, 2008, a 33.9% increase compared to revenues of $2.7 billion for fiscal year 2007. Operating profit for fiscal year 2008 increased 29% to $99.5 million, compared to fiscal year 2007 operating profit of $77.2 million. Income from continuing operations for fiscal year 2008 was $52.7 million, or $1.03 per diluted share, compared to $50.6 million, or $1.00 per diluted share, in fiscal year 2007. Net income for fiscal year 2008 was $45.4 million, or $0.88 per diluted share, compared to $52.4 million, or $1.04 per diluted share for fiscal year 2007. Net income for fiscal year 2008 included a $7.3 million loss, or ($0.15) per diluted share, related to the Company's former Amtech Lighting Services business.

Leveraging Operational Strength in a Tough Economy

Our core businesses – Janitorial, Parking, Security and Engineering – all turned in strong results in fiscal year 2008. Collectively, these four businesses produced double-digit growth in revenues and operating profit in 2008. Revenues increased 34.1% for the year and the operating profit for our core businesses grew 28.1% to $164.8 million.

ABM Janitorial Services felt the impact of the economic slowdown. Despite these market conditions, the division increased revenues by $870.7 million, or 53.7%, and operating profits by

(Continued on page 4.)

Henrik C. Slipsager
President and Chief Executive Officer

(Continued from page 2.)

$31.1 million, or 35.5%, for the year, primarily driven by OneSource. OneSource contributed revenues of $817.5 million, while organic growth increased 3%. The division also successfully continued the integration of OneSource, which produced $30 million in cost-saving synergies in fiscal year 2008.

Ampco System Parking increased revenues by $20.4 million, or 4.5%, in fiscal year 2008. Operating profit was down 6.6% for the year, primarily the result of a one-time gain last year from a lease termination. The Parking division benefited from the 2007 acquisition of HealthCare Parking Services of America, increased profitability from new and existing customers, concentration in managed lots and expanded commercial shuttle business.

ABM Security Services grew revenues by $12.0 million, or 3.7%, and operating profit increased by $3.0 million, or 62.4%, in fiscal year 2008. Security's focus on technology is creating a solid sales pipeline and leading to expansion in several vertical markets. We also expect lower operating expenses through cost-saving initiatives like the centralized purchasing program implemented in fiscal year 2008.

ABM Engineering Services increased revenues by $18.2 million, or 6.1%, and operating profit by $3.5 million, or 22.6%, in fiscal year 2008. The subsidiary's results were driven by a focus on more profitable business, lower insurance costs and expense reductions. We continue to market our outsourcing capabilities, which typically gain momentum in a period of cost reduction and expense control. We also are seeing good progress with generating energy and cost savings for customers through ABM Energy Services, which launched within the Engineering division during fiscal year 2008.

Prudently Managing the Balance Sheet and Resources

We took a number of prudent steps in 2008 to strengthen our balance sheet and the bottom line, helping the Company manage through the economic volatility and be well-positioned when the economy rebounds.

By the end of fiscal 2008, we had achieved, on a run rate basis, over 90% of the previously communicated cost saving synergies from the integration of OneSource, and entered fiscal 2009 at an annualized run rate of over $40 million in synergy savings. This strategic acquisition will continue to deliver bottom line improvements through additional synergies in 2009.

We completed the sale of our lighting business to Sylvania Lighting Services, allowing us to focus attention and resources on our core businesses. The proceeds already received from the sale of the lighting business, and amounts anticipated to be realized over time from retained assets, primarily receivables, are expected to total approximately $70 million to $75 million for the Company.

We also made very solid progress on our multi-year project to transform our corporate systems and infrastructure, an effort that will continue in 2009. We further consolidated certain back office functions and leveraged our enterprise system upgrades and our Shared Services Center to improve both internal operations and the quality of information and transaction support for our customers. We continued to invest in and identify ways to improve our enterprise processes, efficiencies and costs.

We have been very carefully managing our working capital throughout the fiscal year. We improved our operating cash flow in 2008 and continued to strengthen our balance sheet, reducing our borrowings under our line-of-credit facility by $86 million from the first quarter of fiscal year 2008.

In December 2008, we also announced an increase in our quarterly cash dividend of 4% to an all-time high quarterly rate of $0.13 per common share. When the dividend is paid in February 2009, it will be the Company's 171st consecutive quarterly cash dividend.

A Past that Powers the Future

ABM produced strong results in 2008. Our success is a testament to the more than 101,000 ABM employees who every day bring their talents, energy and commitment to the business we have built by serving customers, exceptionally well, for a long time. Their outstanding work and focused dedication, even in the face of a tough business climate, helped the Company, and our customers, weather the difficult times. I would like to thank all of the women and men of ABM for their outstanding efforts and achievements in 2008. I also want to thank our Board of Directors for their continued leadership and guidance throughout the year.

I would like to express a special thanks to Ted Rosenberg, son of ABM's founder and former president of the Company, who will be leaving the Board in March after our Annual Meeting of Shareholders, having served on our Board since 1962. All of us at ABM owe a tremendous debt of gratitude to Ted for his many decades of leadership, service and commitment to the success and growth of the Company.

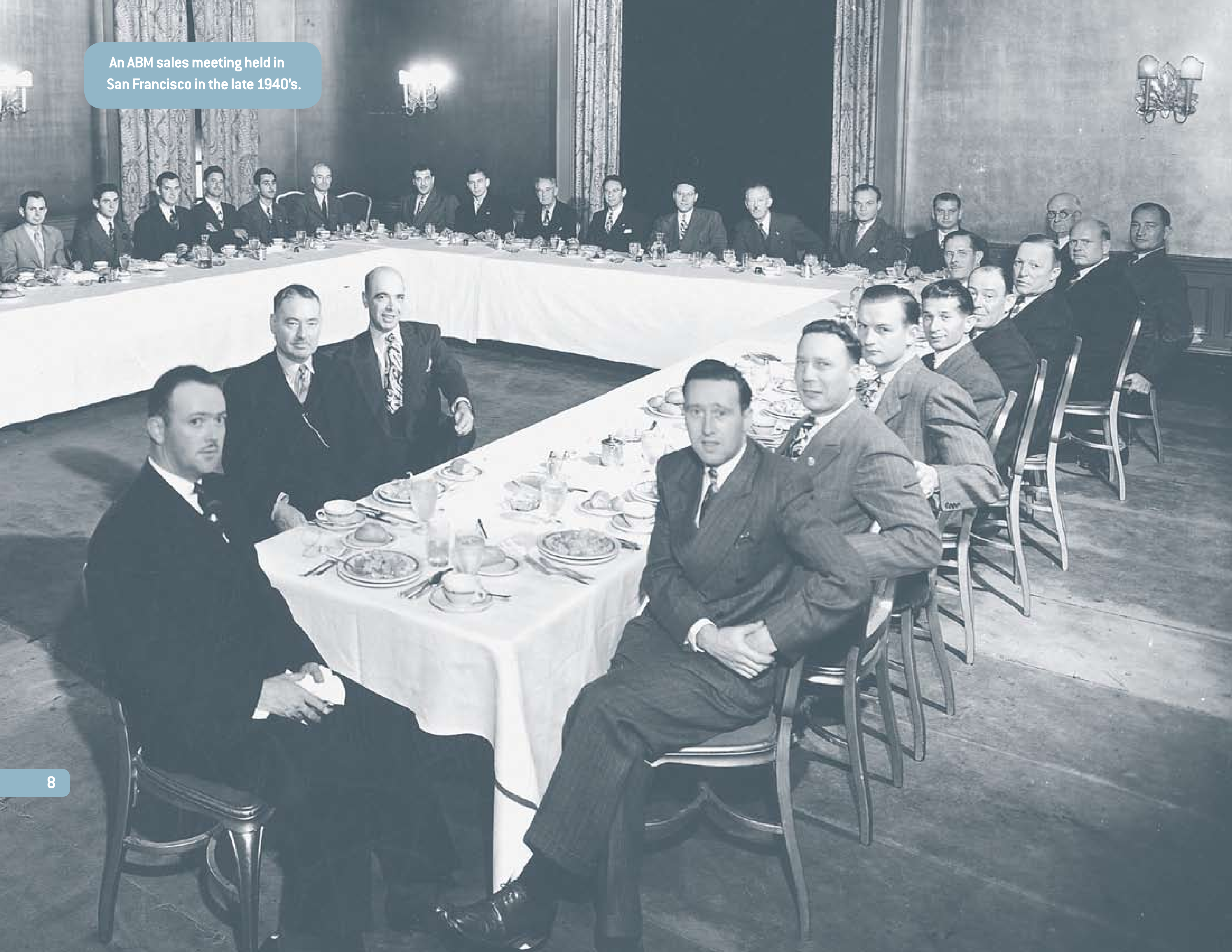
Throughout its history, ABM has found a way to deliver value, despite the times, with persistence, resilience and a steadfast customer focus that have defined this Company for 100 years. As we embark on our next century of service, we will continue to execute on our proven strategies for success – leveraging our strong financial condition, national footprint and exceptional workforce to deliver value to our customers and leadership in the marketplace. We look forward to capitalizing on the opportunities and meeting the challenges of 2009 and, as always, we appreciate your support and confidence in ABM Industries.

Henrik C. Slipsager
President and
Chief Executive Officer

Ted and Sydney Rosenberg (center and right) stand on the floor of the New York Stock Exchange in 1971 and purchase the first 100 shares of ABM stock to cross the NYSE tape.

...a Century of GROWTH

Over the last 100 years, ABM has evolved from a one-man window cleaning business to one of the largest facility services contractors listed on the New York Stock Exchange. As the cornerstone of our growth strategy, we invest. We invest in new technologies for our trades and for our infrastructure, and most importantly, we invest in our people, who make all our service and success possible. We deepen our relationships with customers, expand our service platform and continue to cultivate leaders with a passion for service and a desire to grow. The personal growth of our people goes hand in hand with the growth of ABM.



An ABM sales meeting held in San Francisco in the late 1940's.

...a Century of TALENT and EXPERIENCE

The experience and quality of our workforce are a tribute to the foundation Rosenberg established. Maintaining and building upon our reputation as the employer of choice in our industry allows us to recruit the best and most experienced talent available while retaining and developing our key personnel. It is the talent, experience and creativity of our more than 101,000 employees, together with our expansive range of service capabilities, that have laid the groundwork for our successful future.

Sydney Rosenberg testing an ABM window washing vehicle in the 1950's in Los Angeles.

...a Century of INNOVATION

Today, our business strategy has been rooted in our founder's vision and commitment to innovation. We pursue opportunities for innovation in every discipline of our operations and service. For decades, we have entered new market segments, created technologies to increase efficiencies and invested in environmental sustainability. We recently enhanced our state-of-the-art Green Care Program that incorporates tools, products and processes that help improve the environment in the facilities we service, and our energy services solutions are helping customers curb energy consumption and costs. We have a long track record of investment in innovation and we remain committed to continuous improvements for generations to come.

In the mid-1930s, ABM pioneered the steam cleaning of office buildings. Some of ABM's steam cleaning trucks also served as rolling billboards.

...a Century of INDUSTRY COMMITMENT

The impact that Rosenberg has had on facility services is immeasurable. And ABM has remained wholly dedicated to the industry ever since. No matter what ABM office you travel to, you will find men and women dedicated to the organization, working just as diligently as ever to deliver outstanding service to their customers. We have the strategies in place to embrace growth, enter emerging markets and develop in existing ones. Rosenberg's campaign to build an organization unlike any other has had a ripple effect, and we're proud to uphold his early tradition.

Only ABM has maintained its level of commitment to our industry. We have been there for our customers for a century; we are prepared to be there throughout the next century.

ABM was responsible for lighting the Golden Gate and San Francisco Bay bridges in the mid-1930s.

...a Century of TEAMWORK

Our single greatest asset is and always has been our people. Since the beginning, our organization has continuously operated out of a deep respect for our employees, embracing the diversity and experience of our workforce. At every level and in every discipline, we have aimed to cultivate innovation and help our people grow personally and professionally.

And the same focus on our people still exists today.

ABM is known for its culture of learning, teamwork and mutual accountability. We believe in the values of our people, their abilities, and their dedication and commitment to excellence – and that continues to be our most solid investment for reliable, sustained growth.

ABM Industries Incorporated®

The Journey of our next 100 years begins...

Jerry Kelso, Sydney and Ted Rosenberg aboard an early three-wheel ABM motor-scooter.

Do you know the WAY?

We at ABM believe that there is a right way and a wrong way to do business. We have often spoken about TRADITIONAL VALUES, VISIONARY THINKING, which reflect not only our flexibility as a solution provider, but our uncompromising adherence to our values. Ours is a culture of respect, fairness and dignity, of integrity, compliance and good corporate citizenship. We bring added value to our customers not only through the services we perform, but because of who we are. We will continue throughout our centennial year to invest in our people for the future by reinforcing our values throughout the organization.

We know the WAY.

Reports from the Subsidiaries


CAUTION
WET FLOOR
ABM

Subsidiary Overview

ABM Janitorial Services' steady expansion continued in fiscal year 2008, delivering exceptional growth and financial results. Revenues increased by 53.7% to nearly $2.5 billion. With a work force of 75,000 employees servicing all 50 states, Washington, DC and Puerto Rico, ABM continued to expand its ability to serve diverse customers throughout the nation, including: commercial, communications, education, government, financial, health care, high-tech, hospitality, manufacturing, public venues, residential, retail and transportation.

Last year we announced the completion of the acquisition of OneSource Services, Inc., a leading provider of commercial cleaning and building maintenance services with sales in excess of $800 million. The acquisition offered a powerful potential for growth, and we are proud to report that in fiscal year 2008, the successful integration with OneSource remained on schedule. We achieved our 2008 cost-saving synergy goals related to the integration, attributable to office consolidation, the elimination of corporate redundancies, and the reduction of professional services and fees.

Our most recent acquisition, Southern Management, came to us through OneSource, which owned 50 percent. We acquired the remaining 50 percent in January to expand our presence in the southeast region.

Top Achievements

The acquisition of OneSource Services, Inc. continued to enhance our position in the marketplace in fiscal year 2008, providing us with the scale to better capitalize on growth opportunities, while minimizing the impact of economic slowing in individual regions. We retained top executive, operational, sales and marketing, and new vertical market specialization personnel and have retained most customer accounts with minimal disruption to operations. The acquisition broadened our domestic geographic footprint, adding commitments for multi-site as well as multi-state, multi-region, and multi-national customer contracts, including clients in a variety of developing vertical markets. Most noteworthy of these new markets were aviation, and food processing and bakery operations. We continue to focus on increasing revenue in higher education, health care and pharmaceutical markets.

We successfully moved our headquarters to a centralized location in Houston, Texas. The move enabled us to operate more cost-effectively while supporting growth from a centralized location.

Industry Trends

Implementing sustainability initiatives as part of building operations and maintenance continued to be a priority for our customers and our business in 2008. Increasingly, as our clients pursued ways to "green" their facilities, our Green Care program helped to keep up with the increased demand for improved green cleaning services. The new Green Care program, which was the result of collaboration between ABM's Green Care and OneSource's GreenSweep, officially re-launched in the fall. The more comprehensive program included assessment tools, an approved chemical and equipment program, operational manuals and extensive employee training. The customizable program provided clients with the ability to choose from three levels of green cleaning. We also have a dedicated sustainability team led by our Director of Quality and Sustainability to assist with implementation and operations across the country.

Noteworthy Programs

A major innovation this year was the integration and expansion of our Web-based enterprise work-order management system. The benefits to our clients included a reduction in the work order cycle time by implementing a logical workflow process with clear ownership at each stage. Doing so enabled us to accurately capture and track work orders, minimizing the chance of a lost or stalled service request. The system also eliminated our reliance on paper and provided faster and more accurate billing through the integration with our financial systems.

Future Outlook

The relocation of our headquarters to Houston was part of a multi-year project to consolidate our operations and integrate and upgrade our computer and accounting systems in conjunction with our Shared Services Centers. The integration will transform our business processes, providing us with a better infrastructure platform to support continued growth.

Our future will also include sustained efforts to expand into the international marketplace. We will focus on leveraging our international customer relationships in order to better respond to the increasing demand for a global provider.

Ampco System Parking

Subsidiary Overview

Ampco System Parking completed another strong and successful year, during which we strengthened our focus on our customers and enhanced productivity across the entire organization. Ampco System Parking posted $475 million in revenues for the year. With a work force of more than 10,000 employees working out of 26 branch offices in 37 states, Ampco aggressively expanded its ability to serve key customer segments, including: airports, amusement, education, financial, government, hospitality, health care, off-airport, office buildings, special events, sports, street parking and meters, retail, and valet. Operating profits continued to improve, due in part to the strength of our Southwest region.

We also saw an increase in profit as a direct result of higher lease and fixed allowance revenue. More contracts appeared to be moving to fixed allowance agreements in large part because clients enjoyed predictable expenses.

Top Achievements

We have successfully developed and expanded in select market segments over the past year, which include airports, health care and transportation. However, the off-airport segment of our industry was negatively impacted in the past year due to the dramatic reduction in the number of available seats offered by airlines. In response, we benefited from our strategy to decrease exposure to off-airport lots.

We have considerably stepped up the pace of our operations in the health care and commercial parking segments. The most notable single event enabling us to do so was fiscal year 2007's acquisition of Healthcare Parking Services of America (HPSA). During fiscal year 2008, we increased profit and revenue due to continued contributions by HPSA and our presence in ten additional states. HPSA was very successful in growing sales and adding new locations. We are working closely together to increase synergistic benefits.

During fiscal year 2008, we demonstrated our ability to grow within our existing client base. We were awarded a multi-million-dollar contract with the University of California, Los Angeles to oversee the UCLA Ronald Reagan Medical Center that opened in June 2008. The contract was awarded to us as part of an open bid process. ABM has managed previous management contracts with UCLA and has demonstrated excellent on-site management and invaluable revenue control equipment consulting capability. The multi-year agreement covers valet parking operations for the entire UCLA Ronald Reagan Medical Center Hospital and the adjacent Medical Plaza.

Technology Update

The year also saw the implementation of ABM4WD.com, our 24/7 client management website portal. The self-service portal has enabled us to automate our entire accounting process, providing clients with up-to-the-minute invoice and payment history, account balances and facility reports.

Because ABM4WD is Web-based, all of the benefits are available to every user from any location, subject to access permission controlled by the client. Streamlining these daily transactions has provided us with increased speed and accuracy, freed up administrative resources, improved customer retention and made possible an entirely paperless work environment.

Future Outlook

Organic growth and prudent acquisitions will be the focus of our future vision. We will continue the development of our existing operations through refinement of our service offerings and further specialization of our current operations. Carefully planned acquisitions as well as further integration with previously acquired companies will create opportunities for far-reaching development of Ampco products and services and enable us to further expand our geographic footprint.

Subsidiary Overview

ABM Security Services continued to expand its service platform, now reaching 32 states with 17,000 employees and 73 branch offices. Stronger customer relationships combined with increased breadth of service have enabled us to maintain a powerful presence in all market segments, including: office buildings, educational institutions, industrial, health care, retail, residential, agricultural, technology, and others.

ABM Security Services showed strong growth across the board, posting $334 million in revenue for fiscal year 2008, an increase of 3.7% from fiscal 2007. Our strategy for growth was to focus on technology developments and how these could better support our business operations. Partnerships with leading technology companies provided us with the systems to enhance our capability to connect and interact with customers more efficiently than ever before. While we believe that it is essential to focus on better managing expenses and controlling overtime costs, our growth efforts were rewarded as our sales pipeline remained strong. We saw significant growth in the North, West, Southwest, and Midwest regions.

Top Achievements

ABM Security Services was awarded the United States Postal Service (USPS) 2007 Supplier Performance Award. The annual awards recognize leading companies that have demonstrated outstanding supply chain management performance and positive relationships with USPS.

We were also awarded several major national portfolios in fiscal year 2008. One of the most notable of the contracts included Jones Lang LaSalle's Chicago portfolio, consisting of 26 properties.

Technology Update

Key to our success in the past year has been our powerful portfolio of exclusive partnerships with technology companies, delivering a more robust QMS 24/7 service program which provides our security officers with the operational technology to more quickly respond to customer needs. Our partners have supported our service operations by providing the latest technology for our clients, including remote real-time monitoring and communication between customers and management, fire and life safety training, online tracking services, and call center redundancy backup so that rapid response to customers' requests remained available 24 hours a day, seven days a week.

QMS 24/7 was introduced two years ago and together with these additional technologies, has gained incredible momentum. We were included in many large-scale portfolio opportunities in the past year as a result of the added-value that QMS 24/7 has to offer. The Jones Lang LaSalle's Chicago portfolio took advantage of QMS 24/7. The program promoted productivity, profitability and convenience for customers, giving clients the ability to minimize costs by rolling up all reports and managing a portfolio spread across a city, region, or nation from one point of contact.

Future Plans

With the continued interest in QMS 24/7 from clients and prospective clients across the country, we will focus our efforts on expanding and improving the program. We will broaden its service capabilities to include invoicing and payment services.

Our focus remains on customer benefit as we continue to refine our services, while the size of our operational infrastructure will position us for continued leadership and organic growth in security services. This is the basis by which we will continue to accelerate organic growth.


P9
ABM
STARTS AUTOMATICALLY

Subsidiary Overview

ABM Engineering Services was ABM's fastest growing segment in fiscal year 2008, delivering solid financial results across the board. Sales increased by $18 million or 6.1% to $320 million. We posted 22.6% in operating profit growth for the year. This performance was enhanced by ABM Energy Services, which delivered energy reduction services to our clients in order to curb the rising costs of utilities.

Our expansion of service offerings boosted revenues particularly in the Eastern, Northern California, and Mid-Atlantic regions. With 9 branch offices that service customers in 34 states and more than 2,800 employees, ABM Engineering Services continued to serve key customer markets, including: airports, banking and financial institutions, biotech labs, pharmaceutical, data centers, commercial investment and real estate companies, educational and government facilities, health care, hospitality, manufacturing, office and industrial parks, retail, telecommunications, and transportation systems.

Top Achievements

Targeting highly specialized industries, such as high-tech and pharmaceutical, was a central part of our growth strategy. We've seen tremendous success in these selective markets despite an increasingly challenging economic environment.

Our success in fiscal year 2008 was also demonstrated in our ability to help our customers' facilities achieve an Energy Star rating. Energy Star is a joint program of the US Environmental Protection Agency and the US Department of Energy that offers a rating system for facilities that cost measurably less to operate and improve the quality of the environment. We are proud to report that our engineers were able to identify several key areas for energy savings in our customers' facilities, ultimately helping 58 facilities achieve this rating. And we are currently working with the EPA and several of our data center facilities to support a new Energy Star benchmark for data centers.

Industry Trends

We made huge strides to keep up with the increasing global demand for energy efficiency, making ABM Energy Services a key focal point of our business plan. Our investment in innovative, sustainable technologies delivered bottom-line results to our customers while also generating growth for the company. Our engineers identified energy savings across a range of customer systems, equipment and infrastructure.

ABM Energy Services provided the design, implementation and ongoing operational assistance for its energy programs. Flexible financing and contracting options provided our customers with payback and cash flow options to better meet their objectives. Upon the completion of projects, we verified the savings by measuring the actual energy consumption against the established baseline consumption for each facility. Our engineers also tracked and handled the entire application process for rebates and tax incentives and continued to monitor and operate the building systems following implementation in order to ensure ongoing savings throughout the life of the contract.

Our customers continued to challenge us to achieve even higher energy standards; and we listened, setting even more aggressive targets to ensure that we continually exceeded their expectations. As a part of our ABM Energy Services initiatives, several of our key personnel attained their USGBC LEED Accredited Professional (AP) designation.

Technology Update

The year also saw the enhancement of our wireless work order management system. It enabled us to respond faster than ever to our customers' requests while also making possible an entirely paperless work environment. Simplifying these daily transactions freed up more resources to invest in our customers.

Greatest Strengths

Our geographic footprint now includes most major cities in the United States. Local operational expertise combined with national corporate oversight enabled our engineers to deliver exceptional service, no matter the size or location. Inhouse expertise, including retaining licensed Professional Engineers (PEs) throughout our organization, ensures our continued operational expansion.

Future Plans

Looking ahead, we see opportunities to further expand ABM Energy Services throughout the nation. We truly believe that it is a business with good potential. We are pleased with the successful rollout in fiscal year 2008; and our strategic focus remains on meeting every energy service commitment we make. Engaging our customers in the process will increase awareness of the program and help to identify further opportunities for improvement and development. Retention in our existing client base will provide us the strength to forge new relationships.

Additionally, a majority of all newly leased fleet vehicles in fiscal year 2009 will be hybrids, supporting our goal to phase out non-hybrid fleet vehicles and significantly reduce our carbon emissions.

Financial Tables

Condensed Consolidated Balance Sheets

October 31, (in thousands, except share amounts)	2008	2007
Assets		
Cash and cash equivalents	$ 710	$ 136,192
Trade accounts receivable (less allowances of $12,466 and $6,379)	473,263	349,195
Prepaid income taxes	7,097	3,031
Current assets of discontinued operations	34,508	58,171
Prepaid expenses and other	56,367	51,221
Inventories	644	833
Deferred income taxes, net	57,463	39,827
Insurance recoverables	5,017	4,420
Total current assets	635,069	642,890
Non-current assets of discontinued operations	11,205	45,533
Insurance deposits	42,506	-
Other investments and long-term receivables	4,470	4,837
Deferred income taxes, net	88,704	43,899
Insurance recoverables	66,600	51,480
Other assets	23,310	12,688
Investments in auction rate securities	19,031	25,000
Property, plant and equipment (less accumulated depreciation of $85,377 and $77,363)	61,067	35,596
Other intangible assets (less accumulated amortization of $32,571 and $20,836)	62,179	24,573
Goodwill	535,772	234,177
Total assets	$ 1,549,913	$ 1,120,673
Liabilities		
Trade accounts payable	$ 70,034	$ 61,456
Accrued liabilities		
Compensation	88,951	82,026
Taxes - other than income	20,270	18,567
Insurance claims	84,272	63,427
Other	85,455	45,048
Income taxes payable	2,025	1,560
Current liabilities of discontinued operations	10,082	17,660
Total current liabilities	361,089	289,744
Income taxes payable	15,793	-
Line of credit	230,000	-
Retirement plans and other non-current liabilities	37,095	23,380
Insurance claims	261,885	197,616
Non-current liabilities of discontinued operations	-	4,175
Total liabilities	905,862	514,915
Commitment and Contingencies		
Stockholders' equity		
Preferred stock, $0.01 par value; 500,000 shares authorized; none issued	-	-
Common stock, $0.01 par value; 100,000,000 shares authorized; 57,992,072 and 57,047,837 shares issued at October 31, 2008 and 2007, respectively	581	571
Additional paid-in capital	284,094	261,182
Accumulated other comprehensive (loss) income, net of taxes	(3,422)	880
Retained earnings	485,136	465,463
Cost of treasury stock (7,028,500 shares at both October 31, 2008 and 2007)	(122,338)	(122,338)
Total stockholders' equity	644,051	605,758
Total liabilities and stockholders' equity	$ 1,549,913	$ 1,120,673

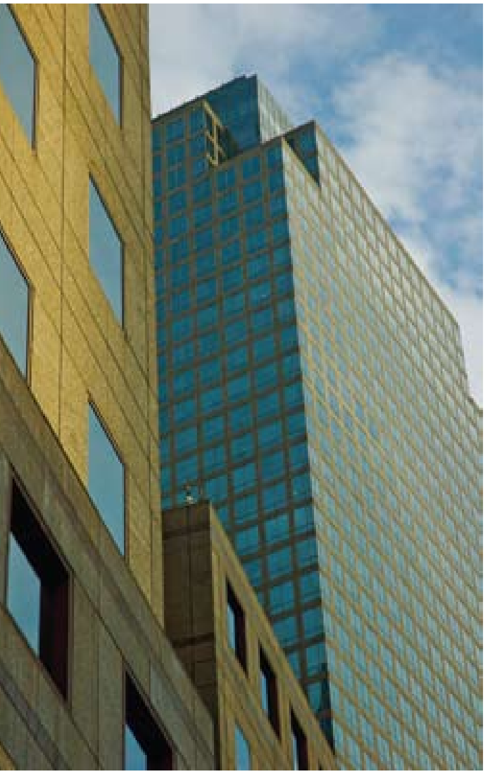
Condensed Consolidated Statements of Income

Years ended October 31, (in thousands, except per share data)	2008	2007	2006
Income			
Revenues	**$ 3,623,590**	$ 2,706,105	$ 2,579,351
Gain on insurance claim	**–**	-	66,000
Total income	**3,623,590**	2,706,105	2,645,351
Expenses			
Operating	**3,224,696**	2,429,694	2,312,161
Selling, general and administrative	**287,650**	193,658	185,113
Amortization of intangible assets	**11,735**	5,565	5,764
Total expenses	**3,524,081**	2,628,917	2,503,038
Operating profit	**99,509**	77,188	142,313
Interest expense	**15,193**	453	494
Income from continuing operations before income taxes	**84,316**	76,735	141,819
Provision for income taxes	**31,585**	26,088	57,495
Income from continuing operations	**52,731**	50,647	84,324
Discontinued Operations			
Income (loss) from discontinued operations, net of taxes	**(3,776)**	1,793	1,122
Gain on insurance claim, net of taxes	**–**	-	7,759
Loss on sale of discontinued operations, net of taxes of $1,008	**(3,521)**	-	-
Income (loss) from discontinued operations, net	**(7,297)**	1,793	8,881
Net income	**$ 45,434**	$ 52,440	$ 93,205
Net income per common share – diluted			
Income from continuing operations	**$ 1.03**	$ 1.00	$ 1.70
Income (loss) from discontinued operations	**(0.15)**	0.04	0.18
Net Income	**$ 0.88**	$1.04	$1.88

Condensed Consolidated Statements of Stockholders' Equity and Comprehensive Income

	Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
(in thousands)	Shares	Amount	Shares	Amount				
Balance October 31, 2005	54,651	$ 547	(5,600)	$ (96,377)	$ 206,369	$ (68)	$ 365,455	$ 475,926
Net income	-	-	-	-	-	-	93,205	93,205
Foreign currency translation	-	-	-	-	-	217	-	217
Dividends:								
Common stock	-	-	-	-	-	-	(21,577)	(21,577)
Stock purchases	-	-	(1,428)	(25,961)	-	-	-	(25,961)
Stock issued	1,012	10	-	-	16,183	-	-	16,193
Share-based compensation expense	-	-	-	-	3,244	-	-	3,244
Balance October 31, 2006	55,663	$ 557	(7,028)	$ (122,338)	$ 225,796	$ 149	$ 437,083	$ 541,247
Net income	-	-	-	-	-	-	52,440	52,440
Foreign currency translation	-	-	-	-	-	520	-	520
Adjustment to initially apply SFAS No. 158, net of taxes	-	-	-	-	-	211	-	211
Dividends:								
Common stock	-	-	-	-	-	-	(23,805)	(23,805)
Stock issued	1,385	14	-	-	27,227	-	(255)	26,986
Share-based compensation expense	-	-	-	-	8,159	-	-	8,159
Balance October 31, 2007	57,048	$ 571	(7,028)	$ (122,338)	$ 261,182	$ 880	$ 465,463	$ 605,758
Net income	-	-	-	-	-	-	45,434	45,434
Foreign currency translation, net of taxes of $590	-	-	-	-	-	(909)	-	(909)
Unrealized loss on auction rate securities, net of taxes of $2,348	-	-	-	-	-	(3,621)	-	(3,621)
Actuarial gain - adjustments to pension and other post-retirement benefit plans, net of taxes of $148	-	-	-	-	-	228	-	228
Dividends:								
Common stock	-	-	-	-	-	-	(25,271)	(25,271)
Stock issued	944	10	-	-	15,717	-	(490)	15,237
Share-based compensation expense	-	-	-	-	7,195	-	-	7,195
Balance October 31, 2008	57,992	$ 581	(7,028)	$ (122,338)	$ 284,094	$ (3,422)	$ 485,136	$ 644,051

Condensed Consolidated Statements of Cash Flows



Years ended October 31, (in thousands)	2008	2007	2006
Cash flows from operating activities:			
Net income	$ 45,434	$ 52,440	$ 93,205
Income (loss) from discontinued operations, net of taxes	(7,297)	1,793	8,881
Income from continuing operations	52,731	50,647	84,324
Adjustments to reconcile income from continuing operations to net cash provided by continuing operating activities:			
Depreciation and amortization of intangible assets	28,075	17,205	19,405
Deferred income taxes	28,156	2,339	7,156
Share-based compensation expense	7,195	8,159	3,244
Provision for bad debt	4,954	1,295	663
Discount accretion on insurance claims	1,766	-	-
Loss on sale of assets	(23)	(352)	(604)
Changes in assets and liabilities, net of effects of acquisitions:			
Trade accounts receivable, net	(34,333)	8,079	(36,227)
Inventories	189	170	(215)
Prepaid expenses and other current assets	6,753	(16,247)	(1,915)
Insurance recoverables	3,401	(2,712)	920
Other assets and long-term receivables	1,424	3,104	(3,296)
Income taxes payable	(1,053)	(39,442)	34,113
Retirement plans and other non-current liabilities	(6,659)	(365)	(502)
Insurance claims	(17,900)	12,666	(4,300)
Trade accounts payable and other accrued liabilities	(12,401)	10,681	11,671
Total adjustments	9,544	4,580	30,113
Net cash provided by continuing operating activities	62,275	55,227	114,437
Net cash provided by (used in) discontinued operating activities	6,032	(932)	15,930
Net cash provided by operating activities	68,307	54,295	130,367
Cash flows from investing activities:			
Additions to property, plant and equipment	(34,063)	(20,184)	(12,062)
Proceeds from sale of assets	1,784	961	1,940
Purchase of businesses	(422,883)	(10,311)	(10,002)
Investment in auction rate securities	–	(534,750)	(297,050)
Proceeds from sale of auction rate securities	–	509,750	297,050
Net cash used in continuing investing activities	(455,162)	(54,534)	(20,124)
Net cash provided by (used in) discontinued investing activities	33,640	(260)	(1,690)
Net cash used in investing activities	(421,522)	(54,794)	(21,814)
Cash flows from financing activities:			
Proceeds from exercises of stock options (including income tax benefit)	14,620	26,495	16,193
Common stock purchases	-	-	(25,961)
Dividends paid	(25,271)	(23,805)	(21,577)
Deferred financing costs paid	(1,616)	-	-
Borrowings from line of credit	810,500	-	-
Repayment of borrowings from line of credit	(580,500)	-	-
Net cash provided by (used in) financing activities	217,733	2,690	(31,345)
Net increase (decrease) in cash and cash equivalents	(135,482)	2,191	77,208
Cash and cash equivalents at beginning of period	136,192	134,001	56,793
Cash and cash equivalents at end of period	$ 710	$ 136,192	$ 134,001
Supplemental Data:			
Cash paid for income taxes, net of refunds received	$ 3,529	$ 59,005	$ 13,166
Excess tax benefit from exercise of options	899	4,046	3,055
Cash received from exercise of options	13,721	22,449	13,138
Interest paid on line of credit	16,626	-	-
Non-cash investing activities:			
Common stock issued for business acquired	$ 621	$ 491	$ -

Condensed Consolidated Segment Information

(in thousands)	Janitorial	Parking	Security	Engineering	Corporate	Totals
Year ended October 31, 2008						
Revenues	$ 2,492,270	$ 475,349	$ 333,525	$ 319,847	$ 2,599	$ 3,623,590
Operating profit from continuing operations	$ 118,538	$ 19,438	$ 7,723	$ 19,129	$ (65,319)	$ 99,509
Interest expense	-	-	-	-	(15,193)	(15,193)
Income from continuing operations before income taxes	$ 118,538	$ 19,438	$ 7,723	$ 19,129	$ (80,512)	$ 84,316
Identifiable assets	$ 1,030,761	$ 102,740	$ 107,203	$ 64,588	$ 198,908	$ 1,504,200
Year ended October 31, 2007						
Revenues	$ 1,621,557	$ 454,964	$ 321,544	$ 301,600	$ 6,440	$ 2,706,105
Operating profit from continuing operations	$ 87,471	$ 20,819	$ 4,755	$ 15,600	$ (51,457)	$ 77,188
Interest expense	-	-	-	-	(453)	(453)
Income from continuing operations before income taxes	$ 87,471	$ 20,819	$ 4,755	$ 15,600	$ (51,910)	$ 76,735
Identifiable assets	$ 416,127	$ 100,690	$ 103,753	$ 65,007	$ 331,392	$ 1,016,969
Year ended October 31, 2006						
Revenues	$ 1,563,756	$ 419,730	$ 307,851	$ 285,241	$ 2,773	$ 2,579,351
Gain on insurance claim	-	-	-	-	66,000	66,000
Total income	$ 1,563,756	$ 419,730	$ 307,851	$ 285,241	$ 68,773	$ 2,645,351
Operating profit from continuing operations	$ 81,578	$ 13,658	$ 4,329	$ 16,736	$ (39,988)	$ 76,313
Gain on insurance claim	-	-	-	-	66,000	66,000
Interest expense	-	-	-	-	(494)	(494)
Income from continuing operations before income taxes	$ 81,578	$ 13,658	$ 4,329	$ 16,736	$ 25,518	$ 141,819
Identifiable assets	$ 416,097	$ 86,541	$ 104,174	$ 69,467	$ 293,325	$ 969,604

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders, ABM Industries Incorporated:

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of ABM Industries Incorporated and subsidiaries as of October 31, 2008 and 2007, and the related consolidated statements of income, stockholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended October 31, 2008 (not presented herein); and in our report dated December 22, 2008, we expressed an unqualified opinion on those consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated balance sheets of ABM Industries Incorporated and subsidiaries as of October 31, 2008 and 2007, and the related condensed consolidated statements of income, stockholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended October 31, 2008 is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

As discussed in Note 6 of the consolidated financial statements included in the 2008 Annual Report on Form 10-K/A filed by the Company with the Securities and Exchange Commission, effective October 31, 2007, the Company adopted the provisions of Statement of Financial Accounting Standards No. 158, Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans – an amendment of FASB Statements No. 87, 88, 106, and 132(R).

KPMG LLP
New York, New York
December 22, 2008

Factors That May Affect Future Results

This Annual Report 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 risks and uncertainties include, but are not limited to: (1) slowdown in the Company's acquisition activity and diversion of management focus from operations as a result of acquisitions or the failure to timely realize anticipated cost savings and synergies from acquisitions; (2) functional delays and resource constraints from the Company's transition to new information technology systems; (3) disruption in functions affected by the transition to Shared Services Centers and relocation of corporate headquarters from San Francisco to New York City; (4) the inability to collect accounts receivable retained by the Company in connection with the sale of its lighting business, which could result in the Company realizing less than anticipated in connection with the sale of the lighting business; (5) a change in the frequency or severity of claims against the Company, a deterioration in claims management, the cancellation or non-renewal of the Company's primary insurance policies or a change in our customers' insurance needs; (6) a change in estimated claims; (7) debt service requirements that cause expense variations and affect cash flow; (8) continuation of the current economic crisis and a deepening of the current recession which could result in further decline in commercial office building occupancy and rental rates that lowers sales and profitability; (9) turmoil in the credit markets could impact our ability to collect receivables; (10) events or circumstances that may result in impairment of goodwill recognized on the OneSource or other acquisitions; (11) labor disputes that lead to a loss of sales or expense variations; (12) participation in multi-employer benefit plans which could result in Company liability for unfunded liabilities under those plans; (13) financial difficulties or bankruptcy of a major customer or multiple customers; (14) the loss of long-term customers; (15) intense competition that lowers revenue or reduces margins; (16) an increase in costs that the Company cannot pass on to customers; (17) natural disasters or acts of terrorism that disrupt the Company in providing services; (18) significant accounting and other control costs that reduce the Company's profitability; (19) the unfavorable outcome in one or more of the several class and representative action lawsuits alleging various wage and hour claims; and (20) other issues and uncertainties that may include: unanticipated adverse jury determinations, judicial rulings or other developments in litigation to which the Company is subject, new accounting pronouncements or changes in accounting policies, changes in U.S. immigration law that raise the Company's administration costs, labor shortages that adversely affect the Company's ability to employ entry level personnel, legislation or other governmental action that detrimentally impacts the Company's expenses or reduces sales by adversely affecting the Company's customers, a reduction or revocation of the Company's line of credit that increases interest expense and the cost of capital; and the resignation, termination, death or disability of one or more of the Company's key executives that adversely affects customer retention or day-to-day management of the Company. Additional information regarding these and other risks and uncertainties the Company faces is contained in the Company's Annual Report on Form 10-K/A and in other reports it files from time to time with the Securities and Exchange Commission. The Company undertakes no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise.

Board of Directors

Maryellen C. Herringer (a, b)
Chairman of the Board
Attorney at Law

Dan T. Bane (c)
Chairman and Chief Executive Officer, Trader Joe's Company

Linda Chavez (b, d)
President, Center for Equal Opportunity

Tony G. Fernandes (c)
Former Chairman, President and Chief Executive Officer of Phillip Services Corporation

Luke S. Helms (a, c, d)
Managing Partner,
Sonata Capital Management

Henry L. Kotkins, Jr. (b, d)
Chairman and Chief Executive Officer, Skyway Luggage Company

Theodore T. Rosenberg (a)
Former Chairman of the Board

Henrik C. Slipsager (a)
President and Chief Executive Officer

William W. Steele (a, c)
Former President and Chief Executive Officer

(a) Executive Committee
(b) Compensation Committee
(c) Audit Committee
(d) Governance Committee

Executive Officers

Henrik C. Slipsager (a)
President and Chief Executive Officer

James S. Lusk
Executive Vice President and Chief Financial Officer

James P. McClure
Executive Vice President and President, Janitorial Services

Steven M. Zaccagnini
Executive Vice President and President, Facility Services

Erin M. Andre
Senior Vice President,
Human Resources

David L. Farwell
Senior Vice President,
Chief of Staff and Treasurer

Sarah H. McConnell
Senior Vice President,
General Counsel and Secretary

Gary R. Wallace
Senior Vice President,
Business Development and Chief Marketing Officer

Joseph F. Yospe
Senior Vice President,
Controller and
Chief Accounting Officer

Special Notices

Listing:
New York Stock Exchange

Ticker Symbol:
ABM

Registrar and Transfer Agent
BNY Mellon Shareowner Services
P.O. Box 358015
Pittsburgh, PA 15252-8015
Tel: 800-850-3292
e-mail: www.shrrelations@bnymellon.com
Web Address: www.bnymellon.com/shareowner/isd

Auditors
KPMG LLP
345 Park Avenue
New York, NY 10154

10-K/A Report
Additional copies available to stockholders at no charge upon request to:
ABM Corporate Communications
551 Fifth Avenue, Suite 300
New York, NY 10176 or at
www.abm.com

Stockholders
As of December 31, 2008, there were 3,292 registered holders of the Company's Common Stock, in addition to stockholders in street name.

Annual Meeting
The Annual Meeting of Stockholders of ABM Industries Incorporated will be held on Tuesday, March 3, 2009, at 10:00 a.m. at The Roosevelt Hotel, 45 East 45th Street New York, NY 10017.

Dividends
The Company has paid quarterly cash dividends on its Common Stock without interruption since 1965. The Board of Directors considers the payment of cash dividends on a quarterly basis, subject to the Company's earnings, financial condition and other factors.

1909-2009

The ABM Century

1909 The future ABM Industries is founded in San Francisco by Morris Rosenberg as a one-man window washing business called Chicago Window Cleaning.

ABM
AMERICAN BUILDING MAINTENANCE CO.

1913 Rosenberg expands into complete janitorial services, renaming his business American Building Maintenance.

1920 The company opens offices in Los Angeles, Portland and Seattle.

1921 Rosenberg contracts with Stanford and becomes the first janitorial company to clean a major college campus.

1935 Ted Rosenberg becomes President of American Building Maintenance upon the untimely death of his father, Morris.

1941 The company joins the war effort by cleaning thousands of Navy ships docked at West Coast ports.

1945 By the end of World War II, the company is operating 17 offices in the U.S. and Canada.

1964 The Company establishes Security as a full-fledged subsidiary, American Commercial Security Services and ABM Security Services.

1965 ABM shares are listed on the American Stock Exchange as annual sales total $41 million.

1967 Ampco Auto Parks, which will become Ampco System Parking in 1993, becomes the newest subsidiary of the Company.

NYSE

1972 The stock of the Company is listed on the New York Stock Exchange. The Company surpasses $100 million in annual sales.

2001 ABM Janitorial Services exceeds $1 billion in sales.

ONESOURCE

2007 ABM acquires OneSource Services and further strengthens growth prospects in the global market.

2008 ABM Industries achieves revenues in excess of $3.6 billion and more than 101,000 employees.

ABM Industries Incorporated

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ABM-934