



BUILDING VALUE at the **Point of Service**

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From the President

Dear Stockholders, Employees and other Friends of ABM:

After more than 14 years, and with deep pride in what we've accomplished together, this is the last annual report letter I will write as your president and CEO.

Over these years, ABM has transformed from a company with annual revenues of \$1.8 billion and approximately 60,000 employees into a leading provider of integrated facility solutions with revenues of more than \$5.0 billion and approximately 118,000 employees throughout the United States and various international locations.

ABM now has the scope, scale, human capital, industry expertise, and proven technology to deliver enterprise-wide facility solutions around the globe. I am incredibly excited about the company's future.

Another reason for this enthusiasm is Scott Salmirs, my successor. Your Board of Directors and I know Scott and his talents very well. He joined the Company in 2003 and currently serves as ABM's executive vice president, and has global responsibilities for ABM's aviation division and international activities. Previously, he led our Northeast Onsite Services organization and held leadership positions at Facilities Groups at Lehman Brothers, Goldman Sachs, and CBRE.



Given his industry expertise, his understanding of our clients and vertical markets, his success in

transforming the Northeast organization and his many contributions in building ABM for more than a decade, Scott is the right leader at the right time. He has the unique blend of experience and skills to lead the company.

Record of Success

Fiscal Year 2014 was another year of record revenue and adjusted operating profit for ABM, reflecting a well-executed growth strategy. We benefited from solid organic growth across many of our businesses as we leveraged our scale and vertical expertise and the success of our realignment and sales initiatives.

Over the past several years, ABM has evolved by expanding our platform with new core capabilities in select verticals, developing an integrated strategy, and enhancing our end-to-end integrated facility service delivery model; yet, our core commitment to provide consistent, quality, and reliable facility services to our clients remains the same. Our shift as a Company away from service lines to focusing on world-class solutions for key markets is reaping benefits, and we're better positioned than ever before to truly impact clients in significant markets.

Progress in Fiscal 2014

In fiscal 2014, we continued to make progress with our initiatives to drive growth and be a global leader in integrated facility solutions. We are particularly proud to report another year of record revenue, which surpassed \$5 billion and increased 4.6% compared to last fiscal year. We generated operating profit of \$128.6 million, up 8.1% from fiscal year 2013

and adjusted operating profit¹ of \$152.8 million, a nearly 10% improvement compared to fiscal 2013 as we benefited from organic growth and from our operational realignment of Onsite Services.

Our strong financial performance reflects organic growth in several of our core business segments. Janitorial grew organically 3.9% in fiscal 2014, driven by increased sales in our sports and entertainment, automotive, industrial, financial services, and high-tech verticals. Building & Energy Solutions delivered organic growth of 14.2%, as we experienced increase demand for energy retrofits and healthcare services, along with another above plan year in our government services business. And, Air Serv, which we acquired in November of 2012 to strengthen our vertical presence in aviation, achieved organic growth of 8.1%, a significant accomplishment. Across our businesses, we ended the year with strong momentum and a healthy pipeline of new opportunities, leaving us well positioned as we begin fiscal 2015.

Our operating cash flow of approximately \$121 million in fiscal 2014 enabled ABM to continue to return value to shareholders through payment of a quarterly dividend and share repurchases. For the year, we repurchased 765,000 shares of common stock at a cost of \$20 million and paid approximately \$35 million in dividends. In addition, we created shareholder value with the acquisitions of GBM Support Services Group Limited, Airco Commercial Services Inc., and Alpha Mechanical Inc.

¹ See accompanying Financial Reports for reconciliation of this non-GAAP financial measure to the corresponding GAAP financial measure.

Executing Our Integrated Strategy and Positioning for Continued Growth

In fiscal 2014, we completed all of the essential elements of our reorganization and alignment to foster collaboration and increase organic sales growth across our operating segments. We also continued to make meaningful progress in expanding service offerings and our client base within strategic vertical markets.

To complement our organic growth and further enhance our business platform, we completed three strategic acquisitions in fiscal 2014. Most recently, in October, we acquired GBM Support Services Group Limited, a leading provider of facilities services for various retail, leisure, public sector, and commercial clients throughout the U.K. With headquarters in London, this acquisition creates a tremendous opportunity to accelerate our growth strategy throughout the U.K.

In August, we acquired Airco Commercial Services, Inc. ("Airco") a Northern California provider of HVAC service, energy solutions, and building controls in commercial and industrial buildings. The acquisition of Airco enables ABM to provide an expansive portfolio of HVAC, mechanical, and energy efficiency solutions throughout Northern California.

Finally, in March, we acquired the service assets of Alpha Mechanical, Inc., a leading provider of HVAC service, energy solutions, building controls, plumbing service, and process piping in commercial, life science, education, and municipal government buildings. This acquisition enabled us to enhance our service in Southern California.

Growth through strategic acquisitions has been a critical driver of our business. These acquisitions will help us execute on our expansion strategy to be the only provider that can offer all the facility services required to support a building in every metro area and key vertical, domestically and abroad.

In fiscal 2014, we also continued to help new and existing clients achieve world-class energy efficiency to reduce both ABM and our clients' impact on the environment. Through infrastructure enhancements, such as installing building envelope improvements, lighting enhancements, occupancy sensors, HVAC equipment, centralized control upgrades, and solar solutions, ABM is helping clients save millions of dollars by lowering their annual energy expenses.

As I review fiscal 2014 and look to the future of ABM, I continue to be thankful and inspired by the enthusiasm and commitment of our employees. Our organic growth initiative, Solve One More, continues to gain traction and foster collaboration across ABM service lines as our employees better communicate our capabilities and help our clients address their integrated facility challenges. Although we are in the process of rolling out the program companywide, we have already received nearly 2,200 leads and have generated a sales pipeline of over \$110 million on an annualized basis.

Looking Ahead

We are excited not only about what we accomplished in fiscal 2014, but about our long-term opportunities and the company's leadership position within the integrated facilities services market. We are encouraged by the response to our vertical focus,



differentiated integrated facility services approach, and superior technical capabilities as they help us continue to gain market share and build value at the point of service for our clients.

And we are confident that under Scott's leadership, ABM will build upon the accomplishments and track record of these past years to achieve even greater success in the years to come. It has been my honor and privilege to serve as your President and CEO. I would like to thank our Board of Directors and shareholders for their confidence and support. And importantly, I thank our dedicated and committed employees to whom we attribute our success. It has been my pleasure to work with you.

Thank you.

Henrik C. Slipsager
President and Chief Executive Officer

BUILDING VALUE at the Point of Service

While it may be cliché, the saying "You only have one chance to make a first impression" is true. Initial perceptions set the tone for the entire customer experience and a brand's reputation.

Every day, ABM performs hundreds of services at thousands of facilities that help our clients make a positive and memorable first impression on their customers. Whether it is a student, employee, patient, tenant, traveler, or guest, we make sure their car is parked efficiently; they are greeted courteously; and they arrive at a clean, comfortable, secure and well-lit building.

Our commitment to *building value at the point of service* means ABM is diligently working visibly and behind the scenes to elevate our clients' brand image and ensure every interaction with their customers results in a first-rate experience that inspires customer loyalty, patronage, and leaves a long-lasting impression.

To better support this commitment, ABM began restructuring the company in 2013. Our goal was to be more collaborative, responsive, and client-focused. We have successfully realigned our Onsite Services businesses, unified sales management and processes, and better leveraged technology in all of our service lines.

We also continued to leverage technology and innovation to be more agile and responsive, as well as drive efficiencies, lower costs, and deliver excellence at the point of service for our clients. In support of our technology-enabled workforce, we launched the Performance Acceleration Suite (PAS), a series of software accelerators focused on streamlining and automating service delivery and improving touch point interactions throughout the

entire customer lifecycle. PAS, which includes the MPower™ platform and was introduced last year, has now been rolled out and enables employees to access and manage customer accounts from any mobile device. We've launched enhancements to a number of our other software platforms, including our mobile parking app, ERP and CRM systems, resource management systems and analytical reporting tools.

We completed our rebranding effort that was started in 2012 and have greatly benefited from the cohesion of a unified brand identity. Presenting a consistent brand has increased exposure and recognition while revealing the significant presence ABM has throughout the United States.



2014 also saw record revenues and significant organic growth across the board.

Within ABM's Onsite Services business, our janitorial services remain a global leader in sustainable cleaning practices. Facility Services worked diligently to expand offerings and won major national accounts in our automotive and high tech verticals. Parking continued to leverage technology to improve services and is playing a key role in ABM's success in the aviation industry. Security achieved significant cross-selling success and ended the year with incredible momentum. Our landscaping service line was rebranded from OneSource Landscape and Golf to ABM Landscape and Turf Services.

Within ABM's Building & Energy Solutions Group, our clients continue to seek solutions for reducing operating expenses and upgrading their

aging facilities' infrastructure and our industry-leading energy solutions are meeting these needs across multiple vertical markets. We are able to drive green building and maintenance strategies, technologies, and services that help clients manage and reduce energy consumption and better meet sustainability goals. Our expertise continues to help clients save millions on energy and operating costs through ABM's market-leading Bundled Energy Solutions program, solar solutions, lighting upgrades, and other energy technologies.

In addition, ABM Government Services had another above plan year with revenues and external profit, including certain joint ventures, rising 11.8% and 13.8% respectively, on the strength of new business. ABM Healthcare Support Services continued its momentum as revenues rose nearly 24% on the strength of a number of new contracts with varying hospitals around the country as clients continue to respond well to our integrated healthcare services approach.

All these efforts to drive positive change and deliver services that meet emerging trends caught the attention of the industry and the media. In 2014 they sought out our industry experts and solution specialists and more than 50 articles featuring ABM's unique service offerings appeared in leading publications across the U.S. and Europe.

This report highlights ABM's leading strategies, amazing facts, and impressive successes in our key vertical markets. To enhance readability, we have presented the information in a more visual way that leverages a crisp, clean infographic format and features our latest photography. We hope you enjoy this approach and learn more about how ABM is tailoring our business to build true value at the point of service for our clients.



Leading Provider
of Facility Solutions



300+
U.S. &
International
Locations

**ELECTRICAL
& LIGHTING**



We service
and maintain
40,000+
parking lot
poles & lights

ABM[®]

Building Value



**SECURITY
PERSONNEL**

Our **11,000+**
licensed security
personnel help keep
buildings safe
and hospitable

ENERGY

We've reduced our
BES clients' energy use

21.5%
saving them
\$30+ Million



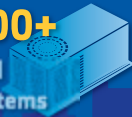
**FACILITIES
ENGINEERING**

Our **3,800+**
Certified Engineers
keep buildings running



**HVAC &
MECHANICAL**

We service and maintain
500,000+
heating and
cooling systems



JANITORIAL

Each day, we clean
2+ Billion
square feet
of buildings



**LANDSCAPE
& TURF**

We maintain **25,000+** acres
of landscaping and golf courses



**PARKING &
TRANSPORTATION**

We collect for
our clients

\$1.5+ Billion
in parking revenue



20,000+
Clients
118,000+
Employees

ABM
LISTED
NYSE



Building Value in AVIATION

Travelers are demanding better, faster, and more personalized service. They are more informed and have more choices. In exchange for their patronage and loyalty, passengers expect a superior level of service, convenience, and value-added amenities from both airlines and airports.

On top of this, a weak global economy, unpredictable oil prices, and frugal leisure travelers have put a huge dent in airports' revenue streams. Challenged airport operators are feeling the pressure to make up for this lost income through more diversified revenue sources.

DID YOU KNOW?

We deliver a comprehensive range of support services in Aviation.



Aircraft Services



Energy



Facilities Maintenance



Parking & Transportation



Passenger Services



Retail



Security



We serve **100+** airports globally



We service **13** of the largest global airports



We clean **38 million sq. ft.** of airport properties

We operate **700+** airport shuttle buses



We respond to **4+ million** wheelchair requests annually



We clean **150,000+** airplanes annually

By Providing an **Enhanced Traveler Experience**

To tackle these challenges, airports and airlines are turning to ABM to improve service delivery, reduce operational costs, and attract and retain customers.

ABM is in over 100 airports globally, focused each day on enhancing the total travel experience through:

- **Aircraft Services:** cabin cleaning, ramp handling, baggage transfers, lavatory and water, and more
- **Facilities Maintenance:** HVAC, mechanical, electrical, elevators, escalators, jet bridges, baggage handling systems, janitorial, and more
- **Parking & Transportation:** lot management, taxi starter, shuttle and valet services, and revenue generating parking solutions
- **Passenger Services:** multi-lingual concierge and ambassador programs, wheelchair assistance, skycap services, and more
- **Retail Services:** custom marketing, promotional, and experiential programs to enhance the traveler experience and increase revenue
- **Security Services:** pre-departure and cargo screening; aircraft, perimeter and door guarding; access control and more



Denver International Airport



Denver International Airport (DEN) is the 15th-busiest airport in the world and the fifth-busiest airport in the United States. Each year, more than 53 million passengers travel through the airport.

Operating the second largest public transportation service in the state of Colorado, ABM transports more than seven million passengers annually. When Denver International Airport wanted to reduce costs and improve traveler logistics, they turned to ABM.

By deploying sophisticated analytics, ABM successfully applied a dynamic scheduling program to align service levels with observed demand trends. Rather than maintaining a traditional set schedule to meet the needs of peak ridership, ABM monitors demand in 15-minute intervals and adjusts service levels accordingly.

DEN has saved \$20+ million in total operating expenses while providing more responsive transportation.

Expediting the Travel Experience

ABM's aviation team completed a technology upgrade to all passenger service employees this year to expedite passenger travel.

Over 2,200 handheld devices were replaced with sophisticated tablets to deliver world-class customer services. A few capabilities include:

- Real-time access to passenger reservations
- Instant translation for 80 languages
- Immediate access to airport information and procedures

Airports as a Destination

"Airport Cities" are taking off as travelers begin to view airports as a destination -- one with high-end retail options, hotels and meeting venues, specialty and upscale restaurants, and entertainment venues.

Blackjack Promotions, an OmniServ subsidiary, is an expert on promoting and executing great retail experiences for airport guests. Based on their expertise, they have helped ABM land several contracts in the United Kingdom where "Airport Cities" are expanding.



Airport Business featured Air Serv CEO, Tom Marano in their August edition on "Airport Cities."

Building Value in **COMMERCIAL REAL ESTATE**

The Commercial Real Estate (CRE) market saw sustained growth in 2014 and many expect this to continue into 2015. While competition remains unrelenting, CRE firms continue to adapt to trends such as increasing urbanization and demographic shifts to stay ahead of the game.

Also ever-present is the impact CRE buildings have on their tenants' brand reputation. The moment a tenant's customer walks in the front door, an impression is made. When the concierge is friendly and the building is clean, well-lit, odor-free, and has comfortable temperatures, they will arrive with a positive impression.



DID YOU KNOW?

We deliver a comprehensive range of support services in Commercial Real Estate.



We clean
1+ billion sq. ft.
of buildings daily

We maintain
350+ LEED®
certified buildings



We reduced Brandsmart
USA's energy use by **34%**,
saving them **\$135K** annually

We maintain
300 buildings
for a single
client

More than **50%**
of the
Fortune 500 are
ABM clients



By Providing **Great Everlasting Impressions**

For over 100 years, ABM has been developing market-leading solutions that help make great everlasting impressions and improve tenant satisfaction in commercial buildings. In fact, numerous buildings ABM maintains have won BOMA's prestigious TOBY awards.

While some of our employees are visible to building occupants, others are working hard behind the scenes to ensure satisfied tenants by providing:

- **Electrical Safety Solutions:** help reduce electrical-related injuries and OSHA fines
- **Energy Solutions:** Solar PV and Bundled Energy Solutions that reduce energy costs
- **Facilities Engineering:** HVAC, mechanical, lighting and building controls maintenance and upgrades
- **Janitorial Services:** environmentally friendly cleaning through ABM GreenCare®
- **Landscaping:** design, maintenance, installation, irrigation, fertilization, and pest management
- **Parking Services:** parking management, valet and shuttle services, and EV charging stations
- **Security Services:** enhanced building occupant safety and expert access control services



Commonwealth Partners

Building on a strong relationship with ABM Parking Services, Commonwealth Partners added Facilities Engineering into its contract with ABM in 2014.

Commonwealth Partners was seeking a partner with the ability to scale Facilities Engineering for 11 of its locations, including San Francisco, Seattle, Austin, Chicago, and Washington, DC.

ABM's customized operations plan is providing consistent quality and lower costs, plus our technology has provided transparency through key performance metrics across their portfolio.

Safe Electrical Environments

NFPA 70E is designed to help companies and employees comply with OSHA regulations and avoid workplace injuries and fatalities due to shock, electrocution, arc flash, and arc blast.

ABM is one of the only electrical service providers in the country who can self-perform the entire spectrum of NFPA 70E compliance services.



Building Services Management featured ABM's Van Wilkins in their NFPA 70E article in their September issue

Clean and Healthy Environments

The U.S. Green Building Council has said indoor air is a major factor in a facility's environmental quality and in employees' health.

Providing a clean environment without the use of toxic chemicals can impact absenteeism, productivity, tenant satisfaction, and a building's brand reputation.

This was a primary reason we developed the ABM GreenCare program nearly a decade ago – to focus on environmentally friendly solutions that improve facility environments.

A component of ABM GreenCare includes our industry-leading cleaning processes and techniques that can include electrolyzed water and using Green Seal certified products, which are being implemented in more than 400 million square feet of facilities in the U.S.

In addition to employee health, these unique cleaning processes also help prevent excessive wear and extend the life of building assets such as carpets, floors, and tile surfaces.



Retail Facility Business featured ABM's Bob Clarke in their "Clean Sweep" article in their September issue

Building Value in EDUCATION

Dwindling funding, shrinking operating budgets, and rising utility costs have plagued K-12 schools, colleges, and universities across the country for the past decade. At the same time, outdated and inefficient equipment is costing them millions in wasted energy costs, but budget cuts have forced them to defer facility maintenance and improvements.

To compound this, studies have shown that a school's physical environment directly impacts student learning, test scores, productivity, and achievement. So in the midst of these challenges, schools still need to provide a clean, comfortable, well-lit and safe setting to cultivate a passion for learning, success, and social responsibility.



DID YOU KNOW?

We deliver a comprehensive range of support services in Education.



We service and maintain
200+ campuses and
100+ school districts

We clean
95+ million
sq. ft. of K-12
space annually



Southern Management, an ABM company,
has a client retention rate of **98%**

We reduced our Education
clients' energy use by
28.6%
Saving them
\$20+ Million



In AZ, we maintain
14+ million sq. ft.
across **140**
school buildings

By Providing an Optimal Learning Environment

Schools are outsourcing to ABM to improve efficiencies, leverage our domain expertise, and reduce costs. Our job is to create an optimal learning environment for children and adults through:

- **Custodial Services:** keep campuses, classrooms, and dormitories clean and hygienic utilizing ABM GreenCare®
- **Energy Solutions:** Solar PV and EV charging stations support sustainability goals
- **Financing Solutions:** our Bundled Energy Solutions program turns wasted energy into a funding source for building improvements
- **HVAC and Electrical Services:** provide peak indoor comfort, ideal lighting levels, and lower costs
- **Landscape & Turf Services:** design, installation, pest control, irrigation, fertilization, field design, turf maintenance, and restoration
- **Security Services:** campus security programs that enhance student and staff safety and help create a more secure learning environment



Cornell University



One of America's most prestigious higher education institutions, Cornell University, developed its award-winning Climate Action Plan to achieve campus-wide carbon neutrality by 2050 using solar and other renewables.

However, funding was an issue so they turned to ABM to help leverage grants, tax benefits, and solar financing solutions.

Mission accomplished, ABM installed a 2MW solar array, consisting of 6,766 solar panels across 10 acres of land, marking Cornell's first large solar endeavor.

Hamilton County Schools

Hamilton County's Board of Education was experiencing high overhead, benefit costs, and employee turnover in a school system that encompasses 85 sites, 7 million square feet of facility floor space, and 40,000 students.

They selected Southern Management, an ABM company to outsource their custodial functions, grounds maintenance, and construction cleanup as new schools are built.

Altar Valley School District

ABM was providing custodial services to the Altar Valley School District when we became aware of their concerns surrounding outdated HVAC equipment, excessive energy costs, and planned budget cuts of \$147,000 per year.

Altar Valley turned to ABM's Bundled Energy Solutions program to provide a financing solution and energy cost reductions so they could obtain new equipment throughout their campus while overcoming the budget cuts.

ABM installed state-of-the-art LED lighting, automated energy controls, high efficiency HVAC equipment, and building envelope upgrades, as well as returned an abandoned well to operation.

Altar Valley received \$430,000 in facility upgrades with no upfront capital and no budget impact. Students now benefit from improved lighting, indoor air quality and more comfortable classrooms.

Altar Valley will save \$782,000+ in energy and operating costs over the next 15 years.



School Planning & Management featured ABM in its article on Charlotte County Schools, VA saving \$300K through ABM's Bundled Energy Solutions program.

Building Value in GOVERNMENT

Federal, state and local government agencies face many of the same challenges as the private sector. The economic downturn has shrunk operating budgets, reduced spending, and delayed critical facility infrastructure upgrades and maintenance.

With these challenges, facility managers for government office buildings, military bases and hospitals, court houses, and other facilities must still provide their employees with clean, comfortable, safe, energy efficient and in some cases, top secret environments.

DID YOU KNOW?

We deliver a comprehensive range of support services in Government.



We maintain government facilities in **30 countries**



We help keep Lower Manhattan **graffiti free**



We service **20+** military medical facilities worldwide



We maintain **10,000+** city blocks in **15** different cities

After a hurricane in **Atlanta**, ABM quickly responded by removing **48,000 pounds of debris**



By Providing an Efficient Work Environment

For 50 years, ABM has been providing federal, state, and local government entities with many of the same services as our commercial clients.

U.S. Army Medical Research

ABM provides all manpower, management, equipment, supplies, and tools for the performance of Operations & Maintenance services for the U.S. Army Medical Research and Materiel Command, and United States Navy.

Our services include project management and preventive, emergency response, and demand maintenance. Our work that is completed in accordance with applicable codes and standards ensures that occupant life safety, infection control, and utility systems are maintained in compliance with accreditation standards.

A few U.S. military facilities we proudly serve:

- Walter Reed Army Institute of Research
- National Museum of Health and Medicine
- U.S. Army Medical Research and Materiel Command
- U.S. Navy Medical Research Laboratory
- U.S. Army Aeromedical Research Laboratory
- Armed Forces Medical Examiner System

Through LED lighting upgrades, ABM reduced Camp Pendleton Marine Base's energy use in several buildings by **81%**, saving **\$70,000+** annually.

Judicial Council of California

ABM Facility Services began working with the Judicial Council of California (JCC) in 2011, primarily performing preventive maintenance in 150 courthouses in Southern California. Most of the HVAC work was outsourced.



However, an immediate need arose for a new building automation system and ABM's site-based engineers called ABM's HVAC team to install the new state-of-the-art system. The project was completed so successfully that when additional technical resources were required the next year, ABM's HVAC team was selected for all chiller services.

Our HVAC team's demand service model was ideal for the JCC because hiring full-time engineers can introduce personnel challenges if annual budget cuts take place. Instead, ABM's HVAC team can increase or decrease maintenance hours based on the allotted budget.

The integration of ABM's teams to provide these services at all 150 locations has been seamless. ABM's facility manager leverages both onsite, full-time ABM engineers and demand-based ABM chiller technicians to optimize service. The JCC has been pleased with the results. In fact, the JCC tracks ABM on 17 Key Performance Indicators, and since ABM's joint service teams began working together satisfaction has improved despite an increased workload.

Columbia County

With its bicentennial anniversary looming, Columbia County, PA officials were keen to modernize their landmark buildings. The town wanted the courthouse to be the showpiece since the facility is on the historical register. It was critical to residents to preserve the original profile of the building while transforming it into the modern, ultra-efficient facility the county was expecting.



However, no budget existed for the upgrades. So, Columbia County selected ABM's Bundled Energy Solutions program, which allowed them to leverage future guaranteed energy cost savings to fund all of the necessary upgrades. There was no upfront capital required, zero impact to the existing operating budget, and no added burden to taxpayers.

Now residents walk into these buildings to find new high-efficiency lighting, HVAC equipment and advanced automation control systems. Further, ABM used excess savings to address IT needs and resurface several parking lots.

ABM slashed Columbia County's energy use by **30%**, saving them at least **\$190,000+** annually in energy and operating costs.

Building Value in HEALTHCARE

From the soaring costs of healthcare delivery and aging baby-boomers stretching capacity levels, to the Affordable Care Act and stringent regulatory environment, the healthcare industry is experiencing enormous change. To compound matters, Medicare and Medicaid continue to increase pay-for-performance measures that impact reimbursement rates to hospitals.

For example, Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey results, which measure patient satisfaction, determine reimbursement rates and are now publicly available for over 4,500 hospitals. Improving the total patient experience is now vital to healthcare providers.



DID YOU KNOW?

We deliver a comprehensive range of support services in Healthcare.



We service the entire healthcare ecosystem:





We park **22.8+ million** cars annually at hospitals 

We maintain **500,000+** medical devices 

300+ hospitals & **700+** medical facilities rely on ABM

 We serve **10+ million** meals annually

We clean **125,000+** square feet of healthcare space daily 
We process **15+ million pounds** of laundry annually 

By Improving the Patient Experience

By delivering the most comprehensive range of support services in healthcare, ABM is uniquely positioned to impact the patient experience from “on-site arrival to the hospital bed.”

The service quality we deliver at each patient touch point significantly impacts the total hospital experience through:

- **Environmental Services:** keep rooms and surrounding areas sterile
- **Food & Nutrition Programs:** healthy, appetizing and provide a lasting impression
- **Patient Transportation:** deliver attentive wheel chair and gurney assistance
- **Facility Management:** keep HVAC, elevators, escalators, and plumbing operating properly
- **Laundry Services:** deliver fresh, clean and aseptic linens
- **Concierge & Front Door Services:** result in informed and pleased patients
- **Parking, Valet & Shuttle Services:** ensure memorable first and last patient touch points
- **Clinical Engineering:** ensure MRI, CAT scan, and other medical equipment operate safely



Southwest General Health Center

In the face of inefficiency, slipping patient satisfaction, and high turnover rates, Southwest General Health Center was devoted to raising patient care and satisfaction.



They chose ABM to elevate their environmental services (EVS), food and nutrition offerings, and establish a patient transportation program.

ABM implemented automated monitoring and quality systems, best practice cleaning protocols, and our proven Healthcare-Associated Infections (HAI) reduction program. ABM also implemented certification programs, web-based ordering systems, restaurant style room service, healthier meal options and a manufacturer rebate program. Lastly, a patient transportation group was jointly developed with automated patient tracking to speed discharge and improve bed throughput.

Result: Improved employee morale and patient satisfaction scores, reduced costs and increased rebates.



ABM's Stephen Grimes was featured in several publications, including *MED*, *Becker's Hospital Review* and *Modern Healthcare* on new medical equipment regulations

Reducing Infections

While there is heightened public attention on blood-borne and airborne pathogens, hospitals deal with infectious diseases daily. In fact, Medicare and Medicaid deny payment for HAI that occur during the hospital stay and were not present on admission.

This is why healthcare providers must employ environmental services and infection prevention measures that go well beyond traditional visual inspection and sanitation procedures.



ABM is on the cutting edge of supplemental technology that is redefining how healthcare providers combat HAI risk for patients.

Fluorescent marking and adenosine triphosphate (ATP) measuring devices are now used by ABM to augment traditional surface inspection and these devices are quickly becoming the gold standard in the healthcare industry.



ABM's Gary Pollack was featured in several articles including *Healthcare Facilities Today* and *MED* on HAI Best Practices

Building Value in INDUSTRIAL/MANUFACTURING

In recent decades, emerging markets have facilitated fierce competition around the globe in the manufacturing of a wide range of consumer products. This continues to drive cost-cutting and efficiencies in all aspects of their business.

Not surprisingly, many of the world's largest manufacturers already have large economies of scale in purchasing but are now seeking to consolidate facility services from single-source providers for scalability and cost-effectiveness so they can focus on their core competencies.

DID YOU KNOW?

We deliver a comprehensive range of support services in Industrial/Manufacturing.



700+
industrial
clients depend
on ABM

We maintain
**20+ million
square feet**
of FDA
regulated space

All **90** food
production clients
have the highest
inspection ratings

50+ years
experience in
food processing
facilities



ABM's third-party
sanitation audit
scores are
rated superior



By Providing a **Highly Efficient Environment**

ABM is providing facility services to a broad range of industrial companies -- Consumer Goods, Food & Beverage, Warehousing & Shipping, and Distribution & Logistics.

Whether ABM is performing 'hard services' like operations and maintenance, 'soft services' like janitorial and security, or facility management to keep these environments firing on all cylinders, ABM is counted on to deliver:

- **Energy Solutions:** including solar PV, lighting upgrades and automation controls
- **Facilities Engineering:** facility management, HVAC, lighting, electrical, mechanical, operations, plumbing, and general repairs
- **Janitorial Services:** including food production, sanitation services, cleanroom cleaning and maintenance, production floor cleaning and more
- **Landscape & Turf Services:** maintenance, pest control, irrigation maintenance, and fertilization
- **Security Personnel & Consulting:** screening and investigations, loss prevention and asset tracking, and roving guards



Integrated Facility Solutions

Over 50% of ABM's 700+ industrial and manufacturing clients bundle two or more of our services. In most cases, ABM self-performs services, helping to maximize value and reinforce a client's culture no matter the location. ABM's expertise in controlled industrial and manufacturing environments ensures compliance with governmental, industry, and client-specific regulations.

ABM is one of the only facility services providers with the scope, scale, human capital, industry expertise, and proven technology to weave together and deliver enterprise-wide solutions and deliver them across the globe.

Kuehne + Nagel

In 2014, Kuehne + Nagel Inc. selected ABM Facility Services to provide building and facilities management services for its U.S. sites. ABM will provide Kuehne + Nagel with consistent service levels to improve service, performance measurement, and costs through this Integrated Facility Solutions contract.

With approximately 63,000 employees at 1,000 locations in over 100 countries, the Kuehne + Nagel Group is one of the world's leading logistics companies. Its strong market position lies in the sea freight, airfreight, contract logistics, and overland businesses, with a clear focus on providing IT-based lead logistics.



Automotive Market Expansion

In 2014, ABM continued its expansion in the automotive market when BMW extended its partnership with ABM. We are providing integrated facility services at 18 BMW North American locations.



As part of ABM's full suite of service offerings for BMW, we are integrating work from across our service lines – including our janitorial, facilities engineering, security, and landscape & turf businesses.



The contract extension further built on our 2013 agreement with BMW North America as their preferred EV charging station installation and service partner for its BMW i Centers in the U.S. and for BMW i Retailers in Canada. In 2014, ABM installed hundreds of charging ports in over 320 BMW dealerships.



ABM's Ken Sapp was featured in *CHARGED Magazine* on EV charging station planning and installation.

Building Value in **SPORTS & ENTERTAINMENT**

There is nothing like the thrill and excitement of being amongst an electric crowd at a sporting event or concert. However, as technology advancements accelerate, some sports fans and concert goers are beginning to prefer watching events on their state-of-the-art HD televisions, computers, tablets, and mobile devices, from the comfort of their own homes.

To overcome this, astute entertainment venue owners and managers are focusing on providing their guests with top-quality services and memorable experiences at every turn, from the moment they enter the parking lot until the final bow or whistle blows.

DID YOU KNOW?

We deliver a comprehensive range of support services in Sports & Entertainment.



75+
sports &
entertainment
clients
rely on ABM

ABM ensures
6+ million
MLB fans arrive to
a clean stadium



ABM ensures
3+ million
NFL fans arrive to
a clean stadium



ABM serviced the
NHL's **first outdoor**
game in California

We service **4,000+** events per year

We service
and maintain
100+
venues

30+ years' experience in
sports &
entertainment
venues

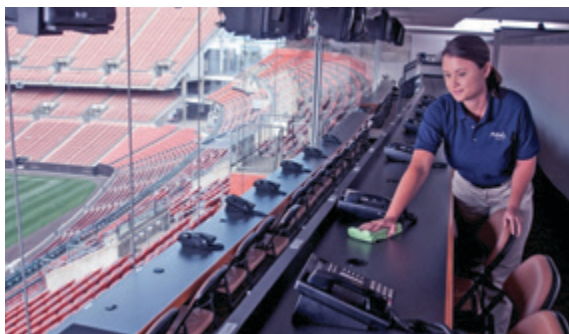


By Providing a **Memorable Guest Experience**

ABM understands that exceptional guest services are the key for venue owners and managers, and we have the industry expertise, seasoned local employees, and a proven approach to deliver memorable experiences.

While we might not be noticed, we are continually working to help clients better engage guests and enhance their entertainment environment. From the parking lot to the stands, luxury boxes and locker rooms, concourses and scoreboards, ABM delivers exceptional guest services through:

- **Energy Solutions:** including solar PV, lighting upgrades and automation controls
- **Facilities Engineering:** HVAC, mechanical and electrical services that create comfortable indoor temperatures and well-lit venues
- **Janitorial Services:** provide clean seats, restrooms, and concourses utilizing ABM GreenCare®
- **Landscape & Turf Services:** design, installation, pest control, irrigation, fertilization, field design, turf maintenance, and restoration
- **Parking Services:** help guests quickly arrive and depart from parking lots
- **Security & Concierge Services:** help create a friendly and secure venue



AEG

One of the world's leading sports and entertainment companies, AEG, owns, controls, or is affiliated with the most recognizable brands, teams, events and venues across the globe. Notable among those are The O2 in London and L.A. Live in Los Angeles.



These marquee destinations are known worldwide for hosting a wide variety of events and performers -- from concerts and sporting events to awards shows and exhibitions. Often scheduled on back-to-back days, the millions of guests attending these events still expect superior service and an impeccable environment at all times and occasions.

AEG chose ABM because it was looking for an experienced and flexible maintenance and cleaning service provider who had the sophisticated technology, equipment, and operational acumen to handle their diversity, high volumes, and large nightly turnover.

Each day, we strive to deliver the exceptional service AEG's guests demand.

College and Major League Stadiums

While the NFL, NBA, and MLB are a significant portion of ABM's sports and entertainment strategy and business, ABM is also working in other professional sports leagues, such as the NHL and MLS as well as college stadiums to provide a world-class experience for sports fans.

In 2014, ABM was named the official services partner for Tulane University's Yulman Stadium. The 30,000-seat stadium is the brand new home to the Tulane Green Wave football team and marks ABM's fifth collegiate football stadium partnership.

Other notable college stadium clients include the L.A. Coliseum, home of the USC Trojans, and Darrell K. Royal – Texas Memorial Stadium, home of the Texas Longhorns.

Los Angeles Kings



ABM's Larios Genaro receives the Los Angeles Kings' "Royal Treatment Award" for delivering exceptional customer service to its fans.

"ABM has been a tremendous partner to the Los Angeles Kings," said Kings President Luc Robitaille. "We have the greatest fans in the world, and we wouldn't trust their comfort each night to just any service provider."

Building Value in CORPORATE SUSTAINABILITY

ABM's diverse clientele have a wide range of service needs, but all of our key markets have one need in common: more ABM clients than ever before demand a socially and environmentally responsible provider with a clear focus on positively impacting our shared environment. ABM has been setting the industry standard with our corporate sustainability program since its inception in 2006 and we back up our talk by reporting on ABM's corporate sustainability efforts based on the Global Reporting Initiative (GRI) guidelines. View our most recent Corporate Sustainability results at www.abm.com/sustainability.

ABM GreenCare® helps clients make improvements in four key areas: environmental and social responsibility, employee productivity and retention, property protection and fiscal responsibility. ABM GreenCare® offerings span our Janitorial, Energy, Parking, Security, and Landscaping businesses. Some of the key value-adds the program offers ABM clients include:

- Green cleaning programs with Green Seal certified chemicals and USGBC LEED® compliant equipment to improve indoor environmental quality for building occupants, recycling programs, touch-free water conservation, and related certification assistance for clients pursuing LEED®.
- ABM's energy conservation methods for clients include its Bundled Energy Solutions Program, EV Charging Station installation and maintenance, and solar solutions for reduced energy costs.
- ABM's customized mobile app, pay by phone option, and web services help drivers spend less time in their cars.
- Round-the-clock technology helps ABM manage security communications in a paperless environment and ABM security guards use electric or hybrid vehicles at many sites.
- ABM utilizes alternative fuel vehicles and equipment, as well as battery powered and electric equipment. Additionally, ABM uses smart water management systems, as well as systems that use reclaimed water; and we have many timers/controllers that run off low-voltage or solar power.

And while we remain focused on impacting our clients' environments, we keep a similarly sharp focus on ABM's own carbon footprint across the enterprise.



By Providing our Clients and their Customers with Clean, Healthy Environments

Emissions

| | | 2014 | 2013 |
|------------------|--------|---------|---------|
| Scope 1 CO2 - e | Tonnes | 47,763 | 48,007 |
| Scope 2 CO2 - e | Tonnes | 9,696 | 10,181 |
| Scope 3 CO2 - e | Tonnes | 2,046 | 1,706 |
| Fuel used | MWh | 198,398 | 199,058 |
| Electricity Used | MWh | 17,981 | 19,333 |

ABM's Overall Fuel Consumption

(Fleet and Office Locations)

| | MWh |
|----------------|---------|
| Electricity | 17,981 |
| Motor Gasoline | 180,640 |
| Diesel | 7,663 |
| Biogasoline | 132 |
| Natural Gas | 9,963 |

ABM 2014 Client Awards

ABM Honored with Superior Partnership Award by the Irvine Company LLC

On February 6, 2014, ABM was invited to accept the award for "Superior Partner" at the first ever Irvine Company Cross Divisional Service Partner Awards ceremony. The event honored Irvine Company vendor partners "admired as the best in their respective fields of service."

ABM's Charlotte Jensen-Murphy, Rene Jacobsen, Bob Clarke, Jim Altieri, Carlos Murrieta, David Casarez, and Aaron Cohen were presented the award by Senior Director of Operations for the Irvine Company Maureen Quintanar. ABM was nominated in December 2013 by the real estate

company with the criteria being that the service provider must perform exemplary work within more than one division.

ABM provides janitorial, engineering and parking services for the Irvine Company across their expansive operations that include: campus office, retail, high-rise office, apartments, and their exclusive resort division. As one of only six service partners invited to be in attendance, this was a terrific honor for ABM.

New York/New Jersey Airports Honor ABM Parking Services

The Port Authority of New York and New Jersey's PANYNJ Aviation Department presented ABM Parking Services at John F. Kennedy International Airport (JFK), Newark Liberty International Airport (EWR), and LaGuardia Airport (LGA) with their highest recognition award, **Best Performance by a Port Authority Contractor for 2013**.

In addition, two employees of ABM Parking Services, Supervisor Dennis Polanco at JFK and Cashier Crystal Sewell at EWR were named Port Authority Employees of the Year, 2013 for Consistency in Service.



ABM in the Community

We continue to work hard to give back to the communities in which we live and work. Here are just a few of the many examples of how ABM gave back in 2014.

Children's Memorial Hermann Hospital



In August, ABM's 16 Houston-based internal audit team members and friends of the department spent the afternoon decorating ABM-supplied T-shirts and stuffed animals alongside approximately 40

pediatric patients at Children's Memorial Hermann Hospital. Everyone had a fantastic time – it was an opportunity to help brighten the day of patients and the ABM team alike!

ABM Gives Back in Atlantic City

In May, more than 150 ABM volunteers gave their time to help beautify Atlantic City's Police Athletic League (PAL). PAL is geared towards positive instruction for youth



and young adults and is involved with 400 kids in Atlantic City. 100 ABM volunteers helped makeover PAL's North New York Avenue facility, while another 50 worked alongside Atlantic City Public Works to renovate the courtyard between City Hall and the Atlantic County Office Building.

Factors that **May Affect Future Results**

This Annual Report contains forward-looking statements that set forth management's expectations about the future performance of the Company and its various businesses based on management's current plans and assumptions. Undue reliance should not be placed on these statements because there are any number of factors that could cause the Company's performance and 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 markets, may not generate the organic 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) our business success depends on our ability to preserve our long-term relationships with clients; (5) increases in costs that we cannot pass on to clients could affect our profitability; (6) we have high deductibles for certain insurable risks, and therefore we are subject to volatility associated with those risks; (7) our restructuring initiatives may not achieve the expected cost reductions; (8) our business success depends on retaining senior management and attracting and retaining qualified personnel; (9) we are at risk of losses stemming from accidents or other incidents at facilities in which we operate, which could cause significant damage to our reputation and financial loss; (10) negative or unexpected tax consequences could adversely affect our results of operations; (11) federal health care reform legislation may adversely affect our business

and results of operations; (12) changes in energy prices and government regulations could adversely impact the results of operations of our Building & Energy Solutions business; (13) 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, and cash flows; (14) 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; (15) our business may be negatively affected by adverse weather conditions; (16) we are subject to business continuity risks associated with centralization of certain administrative functions; (17) our services in areas of military conflict expose us to additional risks; (18) we are subject to cybersecurity risks arising out of breaches of security relating to sensitive company, client, and employee information and to the technology that manages our operations and other business processes; (19) a decline in commercial office building occupancy and rental rates could affect our revenues and profitability; (20) deterioration in general economic conditions could reduce the demand for facility services and, as a result, reduce our earnings and adversely affect our financial condition; (21) financial difficulties or bankruptcy of one or more of our clients could adversely affect our results; (22) we incur accounting and other control costs that reduce profitability; (23) any future increase in the level of our debt or in interest rates could affect our results of operations; (24) our ability to operate and pay our debt obligations depends upon our access to cash; (25) goodwill impairment charges could have a material adverse effect on our financial condition and results of operations;

(26) impairment of long-lived assets may adversely affect our operating results; (27) we are defendants in class and representative actions and other lawsuits alleging various claims that could cause us to incur substantial liabilities; (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 that under certain circumstances could result in material liabilities being incurred; and (31) 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, 2014 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.

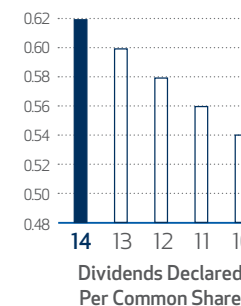
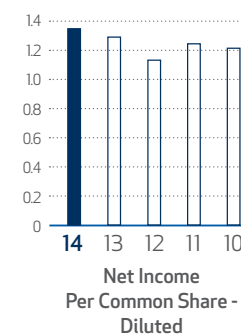
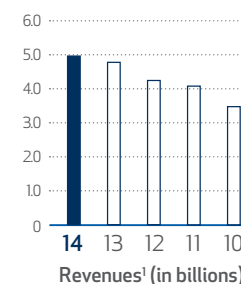
Financial **REPORTS**



Five-Year Selected Financial Data

| Statements of Income Data: Year Ended October 31, (in millions, except per share amounts) | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|------------|------------|------------|------------|------------|
| Revenues | \$ 5,032.8 | \$ 4,809.3 | \$ 4,300.3 | \$ 4,246.8 | \$ 3,495.7 |
| Operating profit | 128.6 | 119.0 | 96.6 | 117.6 | 108.8 |
| Income from continuing operations | 75.6 | 72.9 | 62.7 | 68.7 | 63.9 |
| Per Share Data: | | | | | |
| Net income per common share - Basic | \$ 1.35 | \$ 1.33 | \$ 1.16 | \$ 1.29 | \$ 1.23 |
| Net income per common share - Diluted | \$ 1.32 | \$ 1.30 | \$ 1.14 | \$ 1.27 | \$ 1.21 |
| Weighted-average common and common equivalent shares outstanding | | | | | |
| Basic | 56.1 | 54.9 | 54.0 | 53.1 | 52.1 |
| Diluted | 57.1 | 56.1 | 54.9 | 54.1 | 52.9 |
| Dividends declared per common share | \$ 0.62 | \$ 0.60 | \$ 0.58 | \$ 0.56 | \$ 0.54 |
| Statements of Cash Flow Data: | | | | | |
| Net cash provided by continuing operating activities | \$ 120.7 | \$ 135.3 | \$ 148.9 | \$ 156.8 | \$ 140.7 |

| Balance Sheet Data: As of October 31, (in millions) | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|------------|------------|------------|------------|------------|
| Total assets | \$ 2,192.9 | \$ 2,119.2 | \$ 1,851.2 | \$ 1,861.5 | \$ 1,548.7 |
| Trade accounts receivable, net of allowances | 748.2 | 690.8 | 573.6 | 561.3 | 450.5 |
| Insurance recoverables | 66.4 | 68.7 | 64.5 | 70.6 | 76.1 |
| Goodwill | 904.6 | 872.4 | 751.6 | 750.9 | 594.0 |
| Other intangible assets, net of accumulated amortization | 128.8 | 144.4 | 109.1 | 129.0 | 65.8 |
| Line of credit | 319.8 | 314.9 | 215.0 | 300.0 | 140.5 |
| Insurance claims | 349.7 | 358.0 | 343.8 | 341.4 | 348.3 |



¹Revenues in the year ended October 31, 2013 included \$408.1 million associated with our acquisitions on November 1, 2012 consisting of Air Serv Corporation, HHA Services, Inc., and certain assets and liabilities of Calvert-Jones Company, Inc. Revenues in the year ended October 31, 2011 included \$512.9 associated with the December 1, 2010 acquisition of The Linc Group.

Consolidated Balance Sheets

| As of October 31, (in millions, except share and per share amounts) | 2014 | 2013 |
|--|-------------------|-------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 36.7 | \$ 32.6 |
| Trade accounts receivable, net of allowances of \$10.6 and \$10.2 at October 31, 2014 and 2013, respectively | 748.2 | 690.8 |
| Prepaid expenses | 65.5 | 64.7 |
| Deferred income taxes, net | 46.6 | 47.1 |
| Other current assets | 30.2 | 29.4 |
| Total current assets | 927.2 | 864.6 |
| Other investments | 32.9 | 32.3 |
| Property, plant and equipment, net of accumulated depreciation of \$138.6 and \$127.5 at October 31, 2014 and 2013, respectively | 83.4 | 77.2 |
| Other intangible assets, net of accumulated amortization of \$142.9 and \$115.5 at October 31, 2014 and 2013, respectively | 128.8 | 144.4 |
| Goodwill | 904.6 | 872.4 |
| Other assets | 116.0 | 128.3 |
| Total assets | \$ 2,192.9 | \$ 2,119.2 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities | | |
| Trade accounts payable | \$ 175.9 | \$ 157.3 |
| Accrued compensation | 131.2 | 138.4 |
| Accrued taxes - other than income | 29.4 | 25.7 |
| Insurance claims | 80.0 | 84.6 |
| Income taxes payable | 2.0 | 0.1 |
| Other accrued liabilities | 107.9 | 102.4 |
| Total current liabilities | 526.4 | 508.5 |
| Noncurrent income taxes payable | 53.7 | 50.4 |
| Line of credit | 319.8 | 314.9 |
| Deferred income tax liability, net | 16.4 | 13.1 |
| Noncurrent insurance claims | 269.7 | 273.4 |
| Other liabilities | 38.1 | 41.4 |
| Total liabilities | 1,224.1 | 1,201.7 |

| As of October 31, (in millions, except share and per share amounts) | 2014 | 2013 |
|---|-------------------|-------------------|
| Commitments 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; 55,691,350 and 55,477,813 shares issued and outstanding at October 31, 2014 and 2013, respectively | 0.6 | 0.6 |
| Additional paid-in capital | 274.1 | 261.8 |
| Accumulated other comprehensive loss, net of taxes | (2.8) | (1.7) |
| Retained earnings | 696.9 | 656.8 |
| Total stockholders' equity | 968.8 | 917.5 |
| Total liabilities and stockholders' equity | \$ 2,192.9 | \$ 2,119.2 |

Consolidated Statements of Income

| Year ended October 31, (in millions, except per share amounts) | 2014 | 2013 | 2012 |
|---|----------------|------------|------------|
| Revenues | \$ 5,032.8 | \$ 4,809.3 | \$ 4,300.3 |
| Expenses | | | |
| Operating | 4,513.5 | 4,313.4 | 3,854.4 |
| Selling, general and administrative | 363.9 | 348.3 | 327.8 |
| Amortization of intangible assets | 26.8 | 28.6 | 21.5 |
| Total expenses | 4,904.2 | 4,690.3 | 4,203.7 |
| Operating profit | 128.6 | 119.0 | 96.6 |
| Other-than-temporary impairment credit losses on auction rate security recognized in earnings | - | - | (0.3) |
| Income from unconsolidated affiliates, net | 6.5 | 6.3 | 6.4 |
| Interest expense | (10.7) | (12.9) | (10.0) |
| Income from continuing operations before income taxes | 124.4 | 112.4 | 92.7 |
| Provision for income taxes | (48.8) | (39.5) | (30.0) |
| Income from continuing operations | 75.6 | 72.9 | 62.7 |
| Loss from discontinued operations, net of taxes | - | - | (0.1) |
| Net income | \$ 75.6 | \$ 72.9 | \$ 62.6 |
| Net income per common share | | | |
| Basic | \$ 1.35 | \$ 1.33 | \$ 1.16 |
| Diluted | \$ 1.32 | \$ 1.30 | \$ 1.14 |
| Weighted-average common and common equivalent shares outstanding | | | |
| Basic | 56.1 | 54.9 | 54.0 |
| Diluted | 57.1 | 56.1 | 54.9 |
| Dividends declared per common share | \$ 0.62 | \$ 0.60 | \$ 0.58 |

To supplement ABM's consolidated financial information, the Company has presented operating profit, as adjusted for items impacting comparability, for fiscal years 2014 and 2013. These adjustments have been made with the intent of providing financial measures that give management and investors a better understanding of the underlying operational results and trends as well as ABM's marketplace performance. The presentation of this non-GAAP financial measure is not meant to be considered in isolation or as a substitute for financial statements prepared in accordance with accounting principles generally accepted in the United States of America.

| Years Ended October 31, (in millions) | 2014 | 2013 |
|--|-----------------|-----------------|
| Unaudited Reconciliation of Adjusted Operating Profit to Operating Profit | | |
| Adjusted operating profit | \$ 152.8 | \$ 139.0 |
| Total items impacting comparability | (24.2) | (20.0) |
| Operating profit | \$ 128.6 | \$ 119.0 |

Consolidated Statements of Comprehensive Income

| Year Ended October 31, (in millions) | 2014 | | | 2013 | | | 2012 | | |
|--|--------------------|------------------------------|----------------------|--------------------|------------------------------|----------------------|--------------------|------------------------------|----------------------|
| | Pre-tax amounts | Tax (benefit)/ expense | After-tax amounts | Pre-tax amounts | Tax expense/ (benefit) | After-tax amounts | Pre-tax amounts | Tax expense/ (benefit) | After-tax amounts |
| Net income | | | \$ 75.6 | | | \$ 72.9 | | | \$ 62.6 |
| Other comprehensive (loss) income: | | | | | | | | | |
| Unrealized gains on auction rate securities: | | | | | | | | | |
| Unrealized gains on auction rate securities | \$ - | \$ - | \$ - | \$ 0.2 | \$ 0.1 | \$ 0.1 | \$ 2.1 | \$ 0.9 | \$ 1.2 |
| Reclassification adjustment for credit losses recognized in earnings | - | - | - | - | - | - | 0.3 | 0.1 | 0.2 |
| Net unrealized gains on auction rate securities | - | - | - | 0.2 | 0.1 | 0.1 | 2.4 | 1.0 | 1.4 |
| Unrealized (losses) gains on interest rate swaps: | | | | | | | | | |
| Unrealized losses arising during the period | (0.5) | (0.2) | (0.3) | (0.4) | (0.2) | (0.2) | (0.1) | - | (0.1) |
| Reclassification adjustment for loss included in interest expense | 0.5 | 0.2 | 0.3 | 0.5 | 0.2 | 0.3 | 0.1 | - | 0.1 |
| Net unrealized gains on interest rate swaps | - | - | - | 0.1 | - | 0.1 | - | - | - |
| Foreign currency translation | (1.3) | - | (1.3) | (0.2) | - | (0.2) | (0.1) | - | (0.1) |
| Defined and postretirement benefit plans adjustments: | | | | | | | | | |
| Actuarial gains (losses) arising during the current year | 0.2 | 0.1 | 0.1 | 0.7 | 0.3 | 0.4 | (1.6) | (0.7) | (0.9) |
| Reclassification adjustment for amortization of actuarial losses | 0.1 | - | 0.1 | 0.1 | 0.1 | - | 0.1 | 0.1 | - |
| Reclassification adjustment for settlement losses | 0.1 | 0.1 | - | 0.1 | - | 0.1 | 0.1 | - | 0.1 |
| Net defined and postretirement benefit plans adjustments | 0.4 | 0.2 | 0.2 | 0.9 | 0.4 | 0.5 | (1.4) | (0.6) | (0.8) |
| Total other comprehensive (loss) income | \$ (0.9) | \$ 0.2 | \$ (1.1) | \$ 1.0 | \$ 0.5 | \$ 0.5 | \$ 0.9 | \$ 0.4 | \$ 0.5 |
| Comprehensive income | | | \$ 74.5 | | | \$ 73.4 | | | \$ 63.1 |

Consolidated Statements of Stockholders' Equity

| Year Ended October 31, (in millions) | 2014 | | 2013 | | 2012 | |
|--|-------------|-----------------|-------------|-----------------|-------------|-----------------|
| | Shares | Amount | Shares | Amount | Shares | Amount |
| Common Stock: | | | | | | |
| Balance, beginning of year | 55.5 | \$ 0.6 | 54.4 | \$ 0.6 | 53.3 | \$ 0.6 |
| Stock issued under employee stock purchase and share-based compensation plans | 1.0 | - | 1.1 | - | 1.1 | - |
| Repurchase of common stock | (0.8) | - | - | - | - | - |
| Balance, end of year | 55.7 | 0.6 | 55.5 | 0.6 | 54.4 | 0.6 |
| Additional Paid-in Capital: | | | | | | |
| Balance, beginning of year | | 261.8 | | 234.6 | | 211.4 |
| Stock issued under employee stock purchase and share-based compensation plans (including incremental tax benefit) | | 16.0 | | 13.9 | | 13.0 |
| Share-based compensation expense | | 16.3 | | 13.3 | | 10.2 |
| Repurchase of common stock | | (20.0) | | - | | - |
| Balance, end of year | | 274.1 | | 261.8 | | 234.6 |
| Accumulated Other Comprehensive Loss, net of taxes: | | | | | | |
| Balance, beginning of year | | (1.7) | | (2.2) | | (2.7) |
| Other comprehensive (loss) income | | (1.1) | | 0.5 | | 0.5 |
| Balance, end of year | | (2.8) | | (1.7) | | (2.2) |
| Retained Earnings: | | | | | | |
| Balance, beginning of year | | 656.8 | | 617.4 | | 586.6 |
| Net income | | 75.6 | | 72.9 | | 62.6 |
| Dividends: | | | | | | |
| Common stock | | (34.6) | | (32.9) | | (31.3) |
| Stock issued under share-based compensation plans | | (0.9) | | (0.6) | | (0.5) |
| Balance, end of year | | 696.9 | | 656.8 | | 617.4 |
| Total Stockholders' Equity | | \$ 968.8 | | \$ 917.5 | | \$ 850.4 |

Consolidated Statements of Cash Flows

| Year ended October 31, (in millions) | 2014 | 2013 | 2012 |
|--|--------------|--------------|--------------|
| Cash flows from operating activities: | | | |
| Net income | \$ 75.6 | \$ 72.9 | \$ 62.6 |
| Loss from discontinued operations, net of taxes | - | - | 0.1 |
| Income from continuing operations | 75.6 | 72.9 | 62.7 |
| Adjustments to reconcile income from continuing operations to net cash provided by continuing operating activities: | | | |
| Depreciation and amortization | 57.3 | 60.4 | 50.9 |
| Deferred income taxes | 2.2 | 12.5 | 9.8 |
| Share-based compensation expense | 16.3 | 13.3 | 10.2 |
| Provision for bad debt | 3.2 | 2.8 | 2.6 |
| Discount accretion on insurance claims | 0.4 | 0.5 | 0.7 |
| Auction rate security credit loss impairment | - | - | 0.3 |
| Gain on sale of assets | (1.2) | (0.2) | (2.0) |
| Income from unconsolidated affiliates, net | (6.5) | (6.3) | (6.4) |
| Distributions from unconsolidated affiliates | 5.6 | 3.0 | 5.8 |
| Changes in operating assets and liabilities, net of effects of acquisitions: | | | |
| Trade accounts receivable | (43.4) | (56.8) | (14.5) |
| Prepaid expenses and other current assets | (4.9) | 6.3 | (10.1) |
| Other assets | 14.2 | 2.3 | 14.5 |
| Income taxes payable | 8.3 | 8.7 | 4.5 |
| Other liabilities | (1.4) | (5.1) | (1.6) |
| Insurance claims | (8.7) | 3.9 | 1.7 |
| Trade accounts payable and other accrued liabilities | 3.7 | 17.1 | 19.8 |
| Total adjustments | 45.1 | 62.4 | 86.2 |
| Net cash provided by continuing operating activities | 120.7 | 135.3 | 148.9 |
| Net cash provided by discontinued operating activities | - | - | 1.7 |
| Net cash provided by operating activities | 120.7 | 135.3 | 150.6 |

Consolidated Statements of Cash Flows (continued)

| Year ended October 31, (in millions) | 2014 | 2013 | 2012 |
|--|----------------|----------------|----------------|
| Cash flows from investing activities: | | | |
| Additions to property, plant and equipment | (37.4) | (32.6) | (28.0) |
| Proceeds from sale of assets and other | 3.6 | 1.2 | 4.2 |
| Purchase of businesses, net of cash acquired | (48.2) | (199.3) | (6.0) |
| Investments in unconsolidated affiliates | - | (0.2) | - |
| Proceeds from redemption of auction rate security | - | 5.0 | - |
| Net cash used in investing activities | (82.0) | (225.9) | (29.8) |
| Cash flows from financing activities: | | | |
| Proceeds from exercises of stock options | 10.0 | 13.3 | 12.5 |
| Incremental tax benefit from share-based compensation awards | 5.1 | - | - |
| Repurchases of common stock | (20.0) | - | - |
| Dividends paid | (34.6) | (32.9) | (31.3) |
| Deferred financing costs paid | (1.2) | - | - |
| Borrowings from line of credit | 1,089.1 | 1,006.0 | 773.0 |
| Repayment of borrowings from line of credit | (1,084.2) | (906.1) | (858.0) |
| Changes in book cash overdrafts | 6.6 | 2.9 | - |
| Repayment of capital lease obligations | (5.4) | (3.5) | - |
| Net cash (used in) provided by financing activities | (34.6) | 79.7 | (103.8) |
| Net increase (decrease) in cash and cash equivalents | 4.1 | (10.9) | 17.0 |
| Cash and cash equivalents at beginning of year | 32.6 | 43.5 | 26.5 |
| Cash and cash equivalents at end of year | \$ 36.7 | \$ 32.6 | \$ 43.5 |
| Supplemental data | | | |
| Cash paid for income taxes, net of refunds received | \$ 32.9 | \$ 18.7 | \$ 15.5 |
| Interest paid on line of credit | 6.2 | 7.7 | 5.3 |

Financial Information by Reportable Segment

| Years ended October 31, (in millions) | 2014 | 2013 | 2012 |
|--|-------------------|-------------------|-------------------|
| Revenues: | | | |
| Janitorial | \$ 2,583.2 | \$ 2,480.5 | \$ 2,390.6 |
| Facility Services | 599.3 | 609.4 | 576.1 |
| Parking | 616.1 | 609.1 | 615.1 |
| Security | 383.1 | 381.5 | 365.9 |
| Building & Energy Solutions | 483.8 | 401.5 | 348.3 |
| Other | 367.3 | 326.4 | 3.8 |
| Corporate | - | 0.9 | 0.5 |
| | \$ 5,032.8 | \$ 4,809.3 | \$ 4,300.3 |
| Operating profit: | | | |
| Janitorial | \$ 144.4 | \$ 135.4 | \$ 135.4 |
| Facility Services | 26.9 | 27.4 | 23.1 |
| Parking | 30.9 | 27.5 | 26.2 |
| Security | 12.5 | 13.0 | 7.8 |
| Building & Energy Solutions | 23.1 | 15.3 | 10.2 |
| Other | 12.2 | 11.8 | 0.6 |
| Corporate | (114.8) | (105.2) | (103.3) |
| Adjustment for income from unconsolidated affiliates, net, included in Building & Energy Solutions | (6.6) | (6.2) | (3.4) |
| | 128.6 | 119.0 | 96.6 |
| Other-than-temporary impairment credit losses on auction rate security recognized in earnings | - | - | (0.3) |
| Income from unconsolidated affiliates, net | 6.5 | 6.3 | 6.4 |
| Interest expense | (10.7) | (12.9) | (10.0) |
| Income from continuing operations before income taxes | \$ 124.4 | \$ 112.4 | \$ 92.7 |
| Total assets:* | | | |
| Janitorial | \$ 952.8 | \$ 887.5 | \$ 861.2 |
| Facility Services | 198.8 | 211.3 | 214.6 |
| Parking | 140.6 | 141.9 | 153.6 |
| Security | 116.0 | 112.7 | 111.3 |
| Building & Energy Solutions | 334.9 | 296.2 | 232.1 |
| Other | 224.4 | 231.9 | 2.6 |
| Corporate | 225.4 | 237.7 | 275.4 |
| | \$ 2,192.9 | \$ 2,119.2 | \$ 1,850.8 |

Effective in the first quarter of 2014, certain operations were transferred between our Janitorial segment and our Other segment to better align activities conducted in the respective segments. The net impact of these changes on the reported revenues and operating profit for 2013 was a reclassification of \$15.1 million and \$0.8 million, respectively, from our Other segment to our Janitorial segment. The impact of these changes on the reported revenues and operating profit for 2012 was a reclassification of \$3.8 million and \$0.6 million, respectively, from our Janitorial segment to our Other segment. Additionally, certain sales and marketing costs associated with initiatives to expand our energy and government services were transferred from Corporate to our Building & Energy Solutions segment, resulting in a reclassification of expenses of \$3.4 million and \$2.1 million from Corporate to the Building & Energy Solutions segment for 2013 and 2012, respectively. Prior-period segment results have been restated to conform to these changes.

* Excludes assets of discontinued operations of \$0.4 million as of October 31, 2012.

Financial Information by Reportable Segment (continued)

| Year ended October 31, (in millions) | 2014 | 2013 | 2012 |
|---|----------------|----------------|----------------|
| Depreciation and amortization: | | | |
| Janitorial | \$ 17.9 | \$ 18.0 | \$ 18.0 |
| Facility Services | 3.9 | 4.4 | 5.0 |
| Parking | 2.9 | 3.2 | 3.5 |
| Security | 0.9 | 1.0 | 1.2 |
| Building & Energy Solutions | 11.4 | 11.3 | 8.8 |
| Other | 11.9 | 11.5 | - |
| Corporate | 8.4 | 11.0 | 14.4 |
| | \$ 57.3 | \$ 60.4 | \$ 50.9 |
| Capital expenditures: | | | |
| Janitorial | \$ 13.2 | \$ 14.7 | \$ 12.4 |
| Facility Services | 0.1 | - | - |
| Parking | 2.2 | 2.5 | 2.2 |
| Security | - | 0.2 | 0.2 |
| Building & Energy Solutions | 3.1 | 1.2 | 0.8 |
| Other | 5.1 | 2.4 | - |
| Corporate | 13.7 | 11.6 | 12.4 |
| | \$ 37.4 | \$ 32.6 | \$ 28.0 |

Geographic Information Based on the Country in Which the Sale Originated

| Years Ended October 31, (in millions) | 2014 | 2013 | 2012 |
|--|-------------------|-------------------|-------------------|
| Revenues: | | | |
| United States | \$ 4,902.5 | \$ 4,703.0 | \$ 4,243.0 |
| All other countries | 130.3 | 106.3 | 57.3 |
| | \$ 5,032.8 | \$ 4,809.3 | \$ 4,300.3 |

Substantially all of our long-lived assets are related to United States operations.

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, 2014 and 2013, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended October 31, 2014 (not presented herein); and in our report dated December 17, 2014, 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, 2014 and 2013, and the related condensed consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended October 31, 2014 is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

KPMG LLP

KPMG LLP

New York, New York
December 17, 2014

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Chief Executive Officer, Kestrel Corporate Advisors

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[B] Audit Committee

[C] Governance Committee

[D] Corporate Citizenship and Communications Committee

As of January 15, 2015

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Senior Vice President, Treasurer, Mergers and Acquisitions

SPECIAL NOTICES

Listing
New York Stock Exchange

Ticker Symbol
ABM

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eMail: www-us.computershare.com/investor/contact
Web Address: computershare.com/investor

Auditors
KPMG LLP
345 Park Avenue
New York, NY 10154

Annual Report on Form 10-K
Additional copies available to stockholders at no charge
upon request to:
ABM Investor Relations
551 Fifth Avenue, Suite 300
New York, NY 10176 or abm.com

Annual Meeting
The Annual Meeting of Stockholders of ABM Industries
will be held on Wednesday, March 4, 2015 at 10:00 a.m.
Eastern Time at:
Hotel Sofitel New York
45 West 44th Street
New York, NY 10036

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.



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Logo

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