SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 10 Q

(Mark One)

X QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended APRIL 30, 1998

OR

TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ---------- to -----------

Commission file Number 1-8929

ABM INDUSTRIES INCORPORATED

(Exact name of registrant as specified in its charter)

DELAWARE	94-1369354
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

160 PACIFIC AVENUE SUITE 222, SAN FRANCISCO, CALIFORNIA 94111

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (415) 733-4000

Indicate by check mark whether the registrant (1)has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2)has been subject to such filing requirements for the past 90 days.

Yes X No

Number of shares of Common Stock outstanding as of April 30, 1998: 21,167,530

ABM INDUSTRIES INCORPORATED
FORM 10-Q
FOR THE THREE MONTHS AND SIX MONTHS ENDED APRIL 30, 1998

TABLE OF CONTENTS

PART 1. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands except share amounts)

ASSETS:	OCTOBER 31, 1997	APRIL 30, 1998
		(Unaudited)
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,783	$ 1,750
Accounts receivable, net	234,464	240,168
Inventories	21,197	22,285
Deferred income taxes	10,968	9,458
Prepaid expenses and other current assets	26,005	29,467
Total current assets	294,417	303,128
INVESTMENTS AND LONG-TERM RECEIVABLES	12,900	13,281
PROPERTY, PLANT AND EQUIPMENT, AT COST:		
Land and buildings	4,684	4,746
Transportation equipment	11,211	11,609
Machinery and other equipment	46,147	48,060
Leasehold improvements	10,476	11,436
	72,518	75,851
Less accumulated depreciation and amortization	45,934	49,297
Property, plant and equipment, net	26,584	26,554
INTANGIBLE ASSETS - NET	100,313	100,512
DEFERRED INCOME TAXES	25,426	28,492
OTHER ASSETS	7,512	7,101
	$467,152	$479,068

(Continued)

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands except share amounts)

LIABILITIES AND STOCKHOLDERS' EQUITY:	OCTOBER 31, 1997	APRIL 30, 1998
		(Unaudited)
CURRENT LIABILITIES:		
Current portion of long-term debt	$ 1,393	$ 1,492
Bank overdraft	12,975	19,660
Trade accounts payable	34,555	29,710
Income taxes payable	4,265	2,681
Accrued Liabilities:		
Compensation	35,965	36,772
Taxes - other than income	12,609	13,770
Insurance claims	25,479	25,210
Other	29,419	27,062
Total current liabilities	156,660	156,357
Long-Term Debt (less current portion)	38,402	33,725
Retirement plans	13,413	14,950
Insurance claims	54,464	54,441
Total Liabilities	262,939	259,473
SERIES B 8% SENIOR REDEEMABLE CUMULATIVE PREFERRED STOCK	6,400	6,400
STOCKHOLDERS' EQUITY:		
Preferred stock, $0.01 par value, 500,000 shares authorized; none issued	_	_
Common stock, $.01 par value, 28,000,000 shares authorized; 20,464,000 and 21,168,000 shares issued and outstanding at October 31, 1997 and April 30, 1998, respectively	205	254
Additional capital	63,416	71,201
Retained earnings	134,192	141,740
Total stockholders' equity	197,813	213,195
	$467,152	$479,068

The accompanying notes are an integral part of the consolidated financial statements.

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(In thousands except per share amounts)

	THREE MONTHS ENDED APRIL 30		SIX MONTHS ENDED APRIL 30	
	1997	1998	1997	1998
REVENUES AND OTHER INCOME	$ 294,309	$ 369,034	$ 585,947	$ 727,781
EXPENSES:				
Operating Expenses and Cost of Goods Sold	253,255	320,528	506,006	633,022
Selling, General and Administrative	30,427	35,344	60,370	70,971
Interest	542	1,016	1,141	1,839
Total Expenses	284,224	356,888	567,517	705,832
INCOME BEFORE INCOME TAXES	10,085	12,146	18,430	21,949
INCOME TAXES	4,236	5,041	7,741	9,109
NET INCOME	$ 5,849	$ 7,105	$ 10,689	$ 12,840
NET INCOME PER COMMON SHARE				
Basic	$ 0.28	$ 0.33	$ 0.52	$ 0.60
Diluted	$ 0.26	$ 0.30	$ 0.48	$ 0.55
AVERAGE NUMBER OF SHARES OUTSTANDING				
Basic	20,064	20,996	19,985	20,818
Diluted	21,598	23,230	21,507	23,056
DIVIDENDS PER COMMON SHARE	$ 0.10	$ 0.12	$ 0.20	$ 0.24

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS ENDED APRIL 30, 1997 AND 1998
(In thousands)

	1997	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 583,433	$ 717,976
Other operating cash receipts	748	582
Interest received	309	352
Cash paid to suppliers and employees	(554,098)	(699,748)
Interest paid	(1,337)	(1,626)
Income taxes paid	(10,222)	(12,249)
Net cash provided by operating activities	18,833	5,287
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(5,102)	(6,371)
Proceeds from sale of assets	219	1,255
Decrease (increase) in investments and long-term receivable	188	(381)
Intangible assets acquired	(4,410)	(3,124)
Net cash used in investing activities	(9,105)	(8,621)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Common stock issued	4,106	6,486
Dividends paid	(4,266)	(5,292)
Increase (decrease) in cash overdraft	3,269	6,685
Increase (decrease) in notes payable	482	99
Long-term borrowings	23,662	52,126
Repayments of long-term borrowings	(37,050)	(56,803)
Net cash (used in) provided by financing activities	(9,797)	3,301
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(69)	(33)
CASH AND CASH EQUIVALENTS BEGINNING OF PERIOD	1,567	1,783
CASH AND CASH EQUIVALENTS END OF PERIOD	$ 1,498	$ 1,750

(Continued)

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS ENDED APRIL 30, 1997 AND 1998
(In thousands)

	1997	1998
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net Income	$ 10,689	$ 12,840
Adjustments:		
Depreciation and amortization	7,614	9,527
Provision for bad debts	880	1,508
Gain on sale of assets	(13)	(108)
Deferred income taxes	(2,610)	(1,556)
Decrease (increase) in accounts receivable	(5,040)	(7,212)
Increase in inventories	(3,306)	(1,088)
Increase in prepaid expenses and other current assets	(2,019)	(3,462)
Decrease in other assets	402	411
Increase in income taxes payable	129	(1,584)
Increase in retirement plans accrual	2,288	1,537
Increase (decrease) in insurance claims liability	3,817	(292)
Increase in accounts payable and other accrued liabilities	6,002	(5,234)
Total Adjustments to net income	8,144	(7,553)
Net Cash Provided by Operating Activities	$ 18,833	$ 5,287

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. GENERAL

In the opinion of management, the accompanying unaudited consolidated financial statements contain all material adjustments which are necessary to present fairly the Company's financial position as of April 30, 1998, and the results of operations and cash flows for the six months then ended. These adjustments are of a normal, recurring nature.

These consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's Form 10K filed for the fiscal year ended October 31, 1997 with the Securities and Exchange Commission.

2. NET INCOME PER COMMON SHARE

The company has reported its earnings in accordance with Statement of Financial Accounting Standards No. 128, Earnings per Share. Basic net income per common share, after the reduction for preferred stock dividends, is based on the weighted average number of shares actually outstanding during the period. Diluted net income per common share, after the reduction for preferred stock dividends, is based on the weighted average number of shares outstanding during the period, including common stock equivalents. Diluted net income per common share is consistent with the Company's former presentation of primary net income per common share. The calculation of these amounts is as follows:

	Six months Ended April 30, 1997	Six months Ended April 30, 1998
Net Income	$ 10,689,000	$ 12,840,000
Preferred Stock Dividends	(256,000)	(256,000)
	$ 10,433,000	$ 12,584,000
Common shares outstanding - basic	19,985,000	20,818,000
Effect of dilutive securities:		
Stock options	1,174,000	2,039,000
Other	348,000	199,000
Common shares outstanding - diluted	21,507,000	23,056,000

	Three months Ended April 30, 1997	Three months Ended April 30, 1998
Net Income	$ 5,849,000	$ 7,105,000
Preferred Stock Dividends	(128,000)	(128,000)
	$ 5,721,000	$ 6,977,000
Common shares outstanding - basic	20,412,000	20,996,000
Effect of dilutive securities:		
Stock options	1,186,000	2,035,000
Other	348,000	199,000
Common shares outstanding - diluted	21,598,000	23,030,000

In March 1998, the Company's Board of Directors adopted a stockholder rights plan to replace an existing rights plan that expired on April 22, 1998. The new plan provides for a dividend distribution of one preferred stock purchase right (a "Right") for each outstanding share of common stock, distributed to stockholders of record on April 22, 1998. The Rights will be exercisable only if a person or group acquires 20% or more of the Company's common stock (an "Acquiring Person") or announces a tender offer for 20% or more of the common stock. Each Right will entitle stockholders to buy one-thousandth of a share of newly created Participating Preferred Stock, par value $.01 per share, of the Company at an initial exercise price of $175 per Right, subject to adjustment from time to time. However, if any person becomes an Acquiring Person, each Right will then entitle its holder (other than the Acquiring Person) to purchase at the exercise price common stock (or, in certain circumstances, Participating Preferred Stock) of the Company having a market value at that time of twice the Right's exercise price. These Rightsholders would also be entitled to purchase an equivalent number of shares at the exercise price if the Acquiring Person were to control the Company's Board of Directors and cause the Company to enter into certain mergers or other transactions. In addition, if an Acquiring Person acquired between 20% and 50% of the Company's voting stock, the Company's Board of Directors may, at its option, exchange one share of the Company's common stock for each Right held (other than Rights held by the Acquiring Person). Rights held by the Acquiring Person will become void. The Rights Plan excludes from its operation Theodore Rosenberg and Sydney J. Rosenberg, and certain related persons, and, as a result, their holdings will not cause the Rights to become exercisable or nonredeemable or trigger the other features of the Rights. The Rights will expire on April 22, 2008, unless earlier redeemed by the Board at $0.01 per Right.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCIAL CONDITION

Funds provided from operations and bank borrowings have historically been the sources for meeting working capital requirements, financing capital expenditures and acquisitions, and paying cash dividends. Management believes that funds from these sources will remain available and adequately serve the Company's liquidity needs. The Company has an unsecured revolving credit agreement with a syndicate of U.S. banks. This agreement had a $125 million line of credit expiring July 1, 2002. Effective November 1, 1997, the agreement was amended to increase the amount available to $150 million. At the Company's option, the credit facility provides interest at the prime rate or IBOR+.35%. As of April 30, 1998, the total amount outstanding was approximately $101.0 million, which was comprised of loans in the amount of $30.0 million and standby letters of credit of $71.0 million. This agreement requires the Company to meet certain financial ratios and places some limitations on dividend payments and outside borrowing. The Company is prohibited from declaring or paying cash dividends exceeding 50% of its net income for any fiscal year. In February 1996, the Company entered into a loan agreement with a major U.S. bank which provides a seven-year term loan of $5 million. This loan bears interest at a fixed rate of 6.78 % with annual payments of principal in varying amounts, and interest due February 15, 1997 through February 15, 2003. The Company's effective interest rate for all long term debt for the six months ended April 30, 1998 was 6.99%.

At April 30, 1998, working capital was $146.8 million, as compared to $137.8 million at October 31, 1997.

EFFECT OF INFLATION

The low rates of inflation experienced in recent years had no material impact on the financial statements of the Company. The Company attempts to recover inflationary costs by increasing sales prices to the extent permitted by contracts and competition.

ENVIRONMENTAL MATTERS

The nature of the Company's operations, primarily services, would not ordinarily involve it in environmental contamination. However, the Company's operations are subject to various federal, state and/or local laws regulating the discharge of materials into the environment or otherwise relating to the protection of the environment, such as discharge into soil, water and air, and the generation, handling, storage, transportation and disposal of waste and hazardous substances. These laws generally have the effect of increasing costs and potential liabilities associated with the conduct of the Company's operations, although historically they have not had a material adverse effect on the Company's financial position or its results of operations.

The Company is currently involved in four proceedings relating to environmental matters: one involving alleged potential soil and groundwater contamination at a Company facility in Florida; one involving alleged soil contamination at a former Company facility in Arizona; one involving alleged potential soil and groundwater contamination of a parking garage previously operated by the Company; and, one involving alleged potential soil and groundwater contamination at a former dry-cleaning facility leased by the Company in Nevada. While it is difficult to predict the ultimate outcome of these matters, based on information currently available, management believes that none of these matters, individually or in the aggregate, are reasonably likely to have a material adverse affect on the Company's financial position or its results of operations.

YEAR 2000 ISSUE

The Company has identified the accounting software it uses which is not year 2000 compliant, and has begun its effort to coordinate the identification, evaluation, and implementation of changes to its computer systems and applications necessary to achieve year 2000 compliance. A study is underway to determine the other areas of the Company's business that could be affected, including the possible impact of the failure of the Company's customers and suppliers to be year 2000 compliant. The total cost of compliance and its effect on the Company's financial condition and future results of operations have not been determined.

ACQUISITIONS

The operating results of businesses acquired have been included in the accompanying consolidated financial statements from their respective dates of acquisition.

RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the consolidated financial statements of the Company. All information in the discussion and references to the years and quarters are based on the Company's fiscal year and second quarter which end on October 31 and April 30, respectively.

THREE MONTHS ENDED APRIL 30, 1998 VS. THREE MONTHS ENDED APRIL 30, 1997

Revenues and other income (hereafter called revenues) for the first three months of 1998 were $369.0 million compared to $294.3 million in

1997, a 25% increase over the same quarter of the prior year. Much of this growth was attributable to acquisitions during 1997 as well as new business and price increases. For the quarter ended April 30, 1998, the increase in revenues relating to acquisitions made during 1997 was approximately $42.5 million, or 57% of the total revenue increase of $74.7 million.

As a percentage of revenues, operating expenses and cost of goods sold were 86.9% for the second quarter of 1998, compared to 86.1% in 1997. Consequently, as a percentage of revenues, the Company's gross profit (revenue minus operating expenses and cost of goods sold) of 13.1% in the second quarter of 1998 was lower than the gross profit of 13.9% for the second quarter of 1997. The gross profit percentage declined mostly due to higher labor and related costs. The Company expects these costs to be gradually recovered through price increases.

Selling, general and administrative expenses for the second quarter of 1998 were $35.3 million compared to $30.4 million for the corresponding three months of 1997. As a percentage of revenues, selling, general and administrative expenses decreased from 10.3% for the three months ended April 30, 1997, to 9.6% for the same period in 1998, primarily as a result of certain fixed and variable costs not increasing at the same rate as sales. The $4.9 million increase in selling, general and administrative expenses for the three months ended April 30, 1998, compared to the same period in 1997, is primarily due to expenses related to growth, the move of corporate offices, and expenses associated with acquisitions.

Interest expense was $1,016,000 for the second quarter of 1998 compared to $542,000 for the same period in 1997, an increase of $474,000. This increase was primarily due to higher weighted average borrowings during the second quarter of 1998, which were needed to fund acquisitions and working capital.

The pre-tax income for the second quarter of 1998 was $12,146,000 compared to $10,085,000, an increase of 20% over the same quarter of 1997. The growth in pre-tax income did not keep pace with revenue growth for the current quarter of 1998 due to lower gross profit.

The estimated effective income tax rate for the second quarter of 1998 was 41.5%, compared to 42% in the second quarter of 1997. The lower tax rate was for the most part attributed to an increase in various federal and state tax credits.

As a result, net income for the second quarter of 1998 was $7.1 million an increase of 21%, compared to the net income of $5.8 million for the second quarter of 1997. Diluted net income per common share rose 15% to 30 cents for the second quarter of 1998 compared to 26 cents for the same period in 1997. The increase in diluted net income per share was not proportional to the increase in net income due to an 8% increase in diluted shares outstanding.

The results of operations from the Company's three industry segments and its nine operating Divisions for the three months ended April 30, 1998, as compared to the three months ended April 30, 1997, are more fully described below:

The Janitorial Divisions segment, which includes American Building Maintenance (also known as ABM Janitorial Services) and Easterday Janitorial Supply, reported revenues for the second quarter of 1998 of $217.5 million, an increase of approximately $52.7 million, or 32% over the second quarter of 1997. This segment's operating profits (revenue minus expenses, excluding interest and corporate allocations) increased by 21% over the comparable quarter of 1997. This is the Company's largest segment and accounted for approximately 59% of the Company's total revenues for the current quarter. AMERICAN BUILDING MAINTENANCE revenues increased by 32% during the second quarter of 1998 as compared to the same quarter of 1997 as a result of several acquisitions made during the latter half of 1997, particularly in New York. This Division's operating profits increased 21% when compared to the same period last year. The increase in operating profits is principally due to increased sales. Operating profit increased at a slower rate than revenues due primarily to higher labor costs that resulted in lower margins on accounts acquired through recent acquisitions. EASTERDAY JANITORIAL SUPPLY'S 1998 second quarter revenue increased by approximately 19% compared to the same quarter in 1997 generally due to strong sales in the Los Angeles, Portland, and Houston markets. The increase of 3% in operating profits was achieved because of higher sales, but at a lower gross profit percentage, mostly related to an increase in the cost of materials sold.

Revenues of the Public Service Divisions segment, which includes American Commercial Security Services (also known as "ACSS" and "ABM Security Services"), Ampco System Parking, and ABM Facility Services, for the second quarter of 1998 were approximately $64.7 million, an 11% increase over the same quarter of 1997. Public Service Divisions accounted for approximately 18% of the Company's revenues for the quarter. The operating profits of this segment increased 10% in the second quarter of 1998 as both Ampco System Parking and American Commercial Security Services reported increased profits when compared to the prior year quarter. AMERICAN COMMERCIAL SECURITY SERVICES reported a decrease in revenues of 1%, but its operating profits were up by 18% in the second quarter of 1998 compared to the same period of 1997. The revenue decline was largely due to loss of a several large customers in the San Francisco Bay area and in Minneapolis, Minnesota. The increase in operating profit was primarily due to a reduction in insurance charges and slightly lower labor costs. AMPCO SYSTEM PARKING revenues increased by 17%, while its operating profits increased 18% during the second quarter of 1998 compared to the second quarter of 1997. The increase in revenues was mostly due to growth in its national airport business, as well as in Texas. The operating profit increase was due for the most part to the sales increase with slightly higher profit margins as a result of decreased legal and insurance costs. The Company's new Division, ABM FACILITY SERVICES, was established as a result of customer requests to provide services from two or more of its Divisions (the ABM Family of Services) under one management. Because this Division is new and depends primarily on management fees for its income, start up costs exceeded revenues during the current quarter. Revenue generated by this Division is generally reported by the respective Division providing services. Management does not expect this Division to be profitable during the current year, although management expects sales made by other Divisions under the auspices of this Division to be profitable.

The Company's Technical Divisions segment includes ABM Engineering Services, Amtech Elevator Services, Amtech Lighting Services and CommAir Mechanical Services. This segment reported revenues of $86.7 million, which represents approximately 23% of the Company's revenues for the second quarter of 1998. Revenues increased approximately 22% over the same quarter of last year due to increases in revenues reported by all its Divisions. Operating profit of this segment increased 6% compared to the second quarter of 1997 due to increases in operating profits of its Elevator and Lighting Divisions, offset by decreases in its CommAir Mechanical and Engineering Divisions. ABM ENGINEERING SERVICES' revenues increased by 60% and its operating profits decreased 1% for the second quarter of 1998 compared to the same period in 1997. The large revenue increase was due primarily to an acquisition in New York in August 1997. The small percentage decrease in operating profits is due to lower gross profits on existing jobs due to increased insurance costs and pressure from competition to reduce fees, and lower margins on contracts purchased through the New York acquisition. Revenues for AMTECH ELEVATOR SERVICES were up by 5% for the second quarter of 1998 over the same quarter of 1997 largely due to an increased customer base in the maintenance and repair sector. The Division posted a dramatic 40% increase in operating profit for the second quarter compared to the corresponding quarter of 1997. This increase can be attributed primarily to higher profit margin on service contracts, as well as a reduction in insurance costs. AMTECH LIGHTING SERVICES reported a 6% revenue increase and operating profits increased by 4% during the second quarter of 1998 compared to the same quarter of the prior year. The lower percentage increase in operating profit was primarily due to increases in selling and administrative expenses. COMMAIR MECHANICAL SERVICES revenues increased by 14%, resulting primarily from an acquisition in Southern California during the second quarter of 1997. Operating profits for the second quarter of 1998 decreased by 41% from the prior year second quarter as a result of lower profit margins on several large projects, and weaker service revenues due to unseasonably cool and wet weather in California. The increase in selling, general and administrative expenses was also proportionately greater than the increase in revenues.

SIX MONTHS ENDED APRIL 30, 1998 VS. SIX MONTHS ENDED APRIL 30, 1997

Revenues and other income for the first six months of 1998 were $727.8 million compared to $585.9 million in 1997, a 24% increase over the same period of the prior year. Much of this growth was attributable to acquisitions during 1997 as well as new business and price increases. For the six months ended April 30, 1998, the increase in revenues relating to acquisitions made during 1997 was approximately $86.5 million or 60% of the total revenue increase of $141.8 million.

As a percentage of revenues, operating expenses and cost of goods sold were 87.0% for the first half of 1998, compared to 86.4% in 1997. Consequently, as a percentage of revenues, the Company's gross profit of 13.0% in the first six months of 1998 was lower than the gross profit of 13.6% for the first six months of 1997. The gross profit percentage declined mostly due to higher labor and related costs. The Company expects these costs to be gradually recovered through price increases.

Selling, general and administrative expenses for the first six months of 1998 were $71.0 million compared to $60.4 million for the corresponding six months of 1997. As a percentage of revenues, selling, general and administrative expenses decreased slightly, from 10.3% for the six months ended April 30, 1997, to 9.8% for the same period in 1998, primarily as a result of certain fixed and variable costs not increasing at the same rate as sales. The increase in the dollar amount, of selling, general and administrative expenses, $10.6 million, for the six months ended April 30, 1998, compared to the same period in 1997, is primarily due to expenses related to growth and to a somewhat lesser extent expenses associated with acquisitions.

Interest expense was $1,839,000 for the first six months of 1998 compared to $1,141,000 for the same period in 1997, an increase of $698,000. This increase was primarily due to higher weighted average borrowings during the first six months of 1998, which were needed to fund acquisitions and working capital.

The pre-tax income for the first six months of 1998 was $21.9 million compared to $18.4 million, an increase of 19% over the same period in 1997. The growth in pre-tax income did not keep pace with revenue growth for the first half of 1998 due to lower gross profit.

The estimated effective income tax rate for the first six months of 1998 was 41.5%, compared to 42.0% in the first six months of 1997. The lower tax rate was due for the most part to an increase in various federal and state tax credits.

As a result, net income for the first six months of 1998 was $12.8 million an increase of 20%, compared to the net income of $10.7 million for the same period of 1997. Diluted net income per common share rose 15% to 55 cents for the first six months of 1998 compared to 48 cents for the same period in 1997. The increase in diluted net income per share was not proportional to the increase in net income due to the increased average number of common and common equivalent shares outstanding.

The results of operations from the Company's three industry segments and its nine operating Divisions for the six months ended April 30, 1998, as compared to the six months ended April 30, 1997, are more fully described below:

The Janitorial Divisions segment, which includes the operating Divisions of American Building Maintenance (also known as ABM Janitorial Services) and Easterday Janitorial Supply, reported revenues for the first six months of 1998 of $430.6 million, an increase of approximately $100.2 million, or 30% over the same period of 1997. This segment's operating profits increased by 25% over the comparable period of 1997. This is the Company's largest segment and accounted for approximately 59% of the Company's total revenues for the current six months. AMERICAN BUILDING MAINTENANCE'S revenues increased by 31% during the first six months of 1998, as compared to the same period of 1997, as a result of several acquisitions made during the latter half of 1997, particularly in the Midwest and New York. This Division's operating profits increased 26% when compared to the same period last year. Operating profit increased at a slower rate than revenues due primarily to lower margin percentages on accounts purchased through recent acquisitions. EASTERDAY JANITORIAL SUPPLY'S 1998 first six months revenue increased by approximately 17% compared to the same period in 1997 generally due to strong sales in the Los Angeles and Houston markets. The increase of 9% in operating profits was achieved because of higher sales, but at a lower gross profit percentage, mostly related to increased insurance costs.

Revenues of the Public Service Divisions segment, which includes American Commercial Security Services (also known as "ACSS" and "ABM Security Services"), Ampco System Parking, and ABM Facility Services, for the first six months of 1998 were approximately $126.4 million, a 8% increase over the same period of 1997. Public Service Divisions accounted for approximately 17% of the Company's revenues. The operating profits of this segment increased 13% in the first six months of 1998 as both Ampco System Parking and American Commercial Security Services reported increased profits when compared to the prior year period. AMERICAN COMMERCIAL SECURITY SERVICES reported a decrease in revenues of 2%, but its profits were up by 17% in the first six months of 1998 compared to the same period of 1997. The revenue decline was largely due to loss of a several large customers in the San Francisco Bay Area and in Minneapolis, Minnesota. The increase in operating profit was primarily due to a reduction in insurance charges. Price increases compensated for higher wages driven by low unemployment levels in this division's major markets. AMPCO SYSTEM PARKING Division's revenues increased by 15%, while its profits increased 24% during the first six months of 1998 compared to the first six months of 1997. The increase in revenues was mostly due to growth in its national airport business, as well as the Texas region. The operating profit increase was due for the most part to higher profit margins as a result of containment of management and overhead costs, decreased legal and insurance costs and increased sales. As reported in the first quarter, this segment now includes the Company's new Division, ABM FACILITY SERVICES. The Company has responded to customer requests to provide services from two or more of its Divisions (the ABM Family of Services) under one management. Because this Division is new and depends primarily on management fees for its income, start up costs exceeded revenues during the first six months. The respective Division providing services generally reports revenue generated by this Division. Management does not expect this Division to be profitable during the current year, although management expects sales made by other Divisions under the auspices of this Division to be profitable.

The Company's Technical Divisions segment includes ABM Engineering Services (also known as Amtech Engineering Services), Amtech Elevator Services, Amtech Lighting Services and CommAir Mechanical Services. This segment reported revenues of $170.3 million, which represent approximately 24% of the Company's revenues for the first six months of 1998. This represents an increase of approximately 23% over the same quarter of last year due to increases in revenues reported by all its Divisions. Operating profit of this segment increased 8% compared to the first six months of 1997 due to increases in operating profits of its Elevator and Engineering Divisions, offset by decreases in its CommAir Mechanical and Lighting Divisions. ABM ENGINEERING SERVICES' revenues increased by 54% and its operating profits increased 4% for the first six months of 1998 compared to the same period in 1997. The large revenue increase was due primarily to an acquisition in New York in August 1997. The small percentage decrease in operating profits is due to lower gross profits on existing jobs due to increased insurance costs and pressure from competition to reduce fees, and lower margins on contracts purchased through the New York acquisition. Revenues for AMTECH ELEVATOR SERVICES were up by 9% for the first six months of 1998 over the same period of 1997 largely due to an increased customer base in the maintenance and repair sector. The Division posted a 43% increase in operating profit for the first six months compared to the corresponding period of 1997. This increase in profits can be attributed primarily to a higher profit margin on service contracts and reduction of insurance costs. AMTECH LIGHTING SERVICES reported a 7% revenue increase due to increased sales in most regions. Operating profits decreased by 1% during the first six months of 1998 compared to the same period of the prior year primarily due to increases in selling and administrative expenses due to one time expenses associated with a computer system upgrade and the relocation of the division's headquarters. COMMAIR MECHANICAL SERVICES revenues increased by 15%, resulting primarily from an acquisition in Southern California during the second quarter of 1997. Operating profits for the first six months of 1998 decreased by 31% from the prior year period as a result of an increase in selling, general and administrative expenses, unseasonably mild weather, and a decline in the operating profit for the Los Angeles branch.

SAFE HARBOR STATEMENT

Cautionary Safe Harbor Disclosure for Forward Looking Statements under the Private Securities Litigation Reform Act of 1995: Because of the factors set forth below, as well as other variables affecting the Company's operating results, past financial performance should not be considered a reliable indicator of future performance and investors should not use historical trends to anticipate results or trends in future periods. The statements contained herein which are not historical facts are forward-looking statements that are subject to meaningful risks and uncertainties, including, but not limited to: (1) the widespread failure of commercial real estate occupancy to improve in the Company's major markets since it relates directly to the need for janitorial and other buildings services, (2) the loss or bankruptcy of one or more of the Company's major customers, which could adversely affect the Company's ability to collect deferred costs or its accounts receivable, (3) the untimely departure of one or more of the Company's key executives, which could affect retention of customers as well as the day to day management of operations, (4) any major labor disruptions that may cause loss of revenue or cost increases that non-union companies can use to their advantage in obtaining market share, (5) significant shortfall in achieving any acquisition plan to acquire either businesses in new markets or expand customer base in existing ones, (6) any legislation or other government action that severely impacts one or more of the Company's lines of business, such as price controls that could prevent cost recovery and fuel restrictions that might increase the cost to deliver services, (7) the reduction or revocation of the Company's lines of credit which would increase interest expense or the cost of capital, (8) the cancellation or non-renewal of the Company's primary insurance policies, as many customers retain services based on the provider's ability to provide adequate insurance including performance bonds and proof of adequate insurance, (9) any catastrophic uninsured or underinsured claims against the Company, which also might include insurance companies financially incapable of paying claims, (10) the inability to recruit and hire entry level personnel due to labor shortages, and (11) other material factors that are disclosed from time-to-time in the Company's public filings with the United States Securities and Exchange Commission, such as reports on Forms 8-K, 10-K and 10-Q.

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Stockholders.

a) The Annual Meeting of Stockholders was held on March 17, 1998.

b) The following directors nominated by management were elected by a vote of stockholders: Luke S. Helms, Henry L. Kotkins, Jr., and William E. Walsh.

The following directors remained in office: Maryellen B. Cattani, Esq., John F. Egan, Charles T. Horngren, Linda Chavez, Martinn H. Mandles, Theodore Rosenberg and William W. Steele.

c) Proposal 1 - Election of Directors

Nominee:	For	Against or Withheld	Abstentions	Broker Nonvotes
Luke S. Helms	17,111,584	25,663	0	0
Henry L. Kotkins, Jr.	17,113,364	23,883	0	0
William E. Walsh	17,097,460	39,787	0	0

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits.

Exhibit 27.1 - Financial Data Schedule
Exhibit 27.2 - Financial Data Schedule
Exhibit 27.3 - Financial Data Schedule

(b) Reports on Form 8-K: ABM Industries Incorporated filed a Current Report on Form 8-K, dated March 17, 1998, relating to the approval by the board of directors of a replacement stockholders rights plan, and the declaration of a dividend of one right for each share of common stock outstanding at the close of business on April 22, 1998.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ABM Industries Incorporated

June 12, 1998	/s/ David H. Hebble
- --------------	------------------------------------
	Vice President, Principal Financial Officer

5
1,000

6-MOS
OCT-31-1998
APR-30-1998
1,750
0
240,168
0
22,285
303,128
75,851
49,297
479,068
156,357
0
0
6,400
254
212,941
479,068
727,781
727,781
633,022
633,022
0
0
1,839
21,949
9,109
12,840
0
0
0
12,840
0.60
0.58

5

1,000

YEAR	3-MOS	6-MOS	9-MOS
OCT-31-1997	OCT-31-1997	OCT-31-1997	OCT-31-1997
OCT-31-1997	JAN-31-1997	APR-30-1997	JUL-31-1997
1,783	6,361	1,498	1,665
0	0	0	0
240,387	185,352	191,300	197,562
5,923	0	0	0
21,197	19,207	20,134	19,772
294,417	244,349	248,582	253,757
72,518	64,072	65,660	68,799
45,934	41,445	42,256	44,085
467,152	294,892	402,343	409,469
156,660	121,622	125,485	120,200
38,402	0	0	0
0	0	0	0
6,400	6,400	6,400	6,400
205	200	201	203
197,608	174,883	180,721	188,303
467,152	394,892	402,343	409,469
1,252,472	291,638	585,947	894,418
1,252,472	291,638	585,947	894,418
1,076,078	252,751	506,006	770,744
1,076,078	252,751	506,006	770,744
0	0	0	0
2,968	0	0	0
2,675	897	1,693	2,667
46,964	8,345	18,430	31,336
19,725	3,505	7,741	13,161
27,239	4,840	10,689	18,175
0	0	0	0
0	0	0	0
0	0	0	0
27,239	4,840	10,689	18,175
1.33	0.24	0.52	0.89
1.22	0.22	0.48	0.82

5

1,000

YEAR
OCT-31-1996
OCT-31-1996
1,567
0
183,716
4,442
16,492
233,755
62,601
40,031
379,770
113,798
0
0
6,400
195
164,098
379,770
1,086,925
1,086,925
940,296
940,296
0
2,039
2,581
38,105
16,385
21,720
0
0
0
21,720
1.11
1.05