ABM Industries Incorporated

Fourth Quarter
Earnings Conference Call

December 17, 2009

Agenda

- Introduction of call participants
  - Henrik C. Slipsager, President & CEO
  - James S. Lusk, EVP and CFO
  - Sarah H. McConnell, SVP & General Counsel
- Q4 2009 Highlights
- Financial Review
- Operating Results
- 2010 Guidance

Forward-Looking Statements

Our presentation today contains predictions, estimates and other forward-looking statements. In addition, the financial results reported in this release continue to be subject to adjustment until filing of the Company's Annual Report on Form 10-K for the year ended October 31,2009. Any number of factors could cause the Company's actual results to differ materially from those anticipated. Factors that could cause actual results to differ include but are not limited to the following: (1) risks relating to our acquisition strategy may adversely impact our results of operations; (2) intense competition can constrain our ability to gain business, as well as our profitability; (3) we are subject to volatility associated with high deductibles for certain insurable risks; (4) an increase in costs that we cannot pass on to clients could affect our profitability; (5) we provide our services pursuant to agreements which are cancelable by either party upon 30 to 60 days' notice; (6) our success depends on our ability to preserve our long-term relationships with clients; (7) our transition to a Shared Services Function could create disruption in functions affected; (8) we incur significant accounting and other control costs that reduce profitability; (9) a decline in commercial office building occupancy and rental rates could affect our revenues and profitability; (10) deterioration in economic conditions in general could further reduce the demand for facility services and, as a result, reduce our earnings and adversely affect our financial condition; (11) the financial difficulties or bankruptcy of one or more of our major clients could adversely affect results; (12) our ability to operate and pay our debt obligations depends upon our access to cash; (13) because ABM conducts business operations through operating subsidiaries, we depend on those entities to generate the funds necessary to meet financial obligations; (14) certain future declines or fluctuations in the fair value of our investments in auction rate securities that are deemed other-than-temporarily impaired could negatively impact our earnings; (15) uncertainty in the credit markets and the financial services industry may impact our ability to collect receivables on a timely basis and may negatively impact our cash flow; (16) any future increase in the level of debt or in interest rates can affect our results of operations; (17) an impairment charge could have a material adverse effect on our financial condition and results of operations; (18) we are defendants in several class and representative actions or other lawsuits alleging various claims that could cause us to incur substantial liabilities; (19) since we are an attractive employer for recent émigrés to this country and many of our jobs are filled by such, changes in immigration laws or enforcement actions or investigations under such laws could significantly adversely affect our labor force, operations and financial results and our reputation; (20) labor disputes could lead to loss of revenues or expense variations; and (21) we participate in multi-employer defined benefit plans which could result in substantial liabilities being incurred. Additional information regarding these and other risks and uncertainties the Company faces is contained in the Company's Annual Report on Form 10-K/A for the year ended October 31, 2008, in our subsequent reports on Form 10-Q and Form 8-K. We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise.

Statements Relating to Non-GAAP Financial Measures

During the course of this presentation, certain financial measures that were not prepared in accordance with U.S. Generally Accepted Accounting Principles will be presented.

Reconciliations of those non-U.S. GAAP financial measures to the most directly comparable U.S. GAAP financial measures are available on the Company's website under "Investor Relations" and at the end of this presentation.

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Fiscal Fourth Quarter 2009 Highlights

(in millions, except per share data)	Quarter Ended October 31, 2009	Quarter Ended October 31, 2008	Incr (Decr)	Year Ended October 31, 2009	Year Ended October 31, 2008	Incr (Decr)
Revenues	$ 868.0	$ 905.8	(4.2)%	$ 3,481.8	$ 3,623.6	(3.9)%
Net cash provided by operating activities	$ 64.4	$ 31.5	104.6 %	$ 140.9	$ 68.3	106.2 %
Net Income	15.0	11.6	29.7 %	54.3	45.4	19.5 %
Net income per diluted share	$ 0.29	$ 0.21	38.1 %	$ 1.05	$ 0.88	19.3 %
Income from continuing operations	$ 15.3	$ 14.8	3.2 %	55.5	52.7	5.2 %
Income from continuing operations per diluted share	$ 0.29	$ 0.28	3.6 %	$ 1.07	$ 1.03	3.9 %
Adjusted income from continuing operations	20.8	18.9	10.0 %	68.8	56.4	22.0 %
Adjusted income from continuing operations per diluted share	$ 0.39	$ 0.36	8.3 %	$ 1.33	$ 1.10	20.9 %

A reconciliation of certain non-GAAP financial information to GAAP financial measures is available on the Company's website under "Investor Relations" and at the end of this presentation

Fourth Quarter & Fiscal 2009 Highlights

- Adjusted Income from Continuing Operations up 10% for the quarter and 22% for the year
  - Operating segments deliver 4^{th} straight quarter of solid growth with operating profit up nearly 4%
  - Operating profit, excluding corporate segment, up 14% for the year
- Adjusted EBITDA for the quarter flat despite decline in revenues
  - Adjusted EBITDA margins up 12 basis to 4.75% compared to year ago period
  - For the year, Adjusted EBITDA margins up 50 basis points to 4.20%
- Cash Flow from Operations of $64 million
  - For the year, record cash flow from operations of $140 million

Q4 Financial Results (unaudited)

(in thousands)	Quarter Ended October 31 2009	2008	Percent Change
Revenues	$ 868,005	$ 905,782	-4.2%
Operating expenses	778,834	795,706	
Selling, general and administrative	63,245	79,955	
Amortization of intangibles	2,929	4,292	
Operating profit	$ 22,997	$ 25,829	-11.0%
Interest expense	1,428	3,265	
Income from continuing operations before income taxes	21,569	22,564	
Provision for income taxes	6,283	7,746	
Income from continuing operations	15,286	14,818	3.2%
Items impacting comparability			
Corporate initiatives	3,371	7,623	
Insurance adjustments	5,900	(7,700)	
IT deferred expense charge	-	6,250	
Income taxes expense	(3,798)	(2,117)	
Items impacting comparability, net of taxes	5,473	4,056	34.9%
Adjusted income from continuing operations	$ 20,759	$ 18,874	10.0%
Adjusted EBITDA (a)	$ 41,272	$ 41,977	-1.7%

(a) A reconciliation of certain non-GAAP financial information to GAAP financial measures is available on the Company's website under "Investor Relations" and at the end of this presentation

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Fiscal 2009 Financial Results (unaudited)

(in thousands)	Year Ended October 31, 2009	2008	Percent Change
Revenues	$ 3,481,823	$ 3,623,590	-3.9%
Operating expenses	3,114,699	3,224,696	
Selling, general and administrative	263,633	287,650	
Amortization of intangibles	11,384	11,735	
Operating profit	92,107	99,509	-7.4%
Other-than-temporary impairment losses on auction rate securities:			
Gross impairment losses	3,695	-	
Impairments recognized in other comprehensive income	(2,129)	-	
Interest expense	5,881	15,193	
Income from continuing operations before income taxes	84,660	84,316	
Provision for income taxes	29,170	31,585	
Income from continuing operations	55,490	52,731	5.2%
Items impacting comparability			
Corporate initiatives	20,666	22,122	
Third-Party administrator legal settlement	(9,601)	-	
Insurance adjustment	9,435	(22,500)	
IT deferred expense charge	-	6,250	
Credit loss on auction rate security	1,566	-	
Income taxes expense	(8,738)	(2,202)	
Items impacting comparability, net of taxes	13,328	3,670	263.2%
Adjusted income from continuing operations	$ 68,818	$ 56,401	22.0%
Adjusted EBITDA (a)	$ 145,482	$ 133,456	9.0%

(a) A reconciliation of certain non-GAAP financial information to GAAP financial measures is available on the Company's website under "Investor Relations" and at the end of this presentation

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Cash Flow Highlights (Unaudited)

	Fiscal Year	
<u>Operating Activities</u>	2009	2008
Adjusted EBITDA[1]	$ 145.5	$ 133.5
Less: Items impacting Comparability	22.1	5.9
Plus: Cash from Discontinued Operations	19.6	6.0
Plus: Working Capital & Other	-2.1	-65.3
Net Cash provided by Operations	**$ 140.9**	**$ 68.3**
Primary Uses of Cash		
Capital Expenses	$ (18.6)	$ (34.1)
Acquistions	(21.1)	(422.9)
Dividends	(26.7)	(25.2)
Other	2.2	0.2
Net Cash Outflows	**(64.2)**	**(482.0)**
Sale of Business	**-**	**33.6**
Net Proceeds from Stock Option Exercises and Other Financing	**(11.8)**	**29.1**
Net Debt Repayment/(Borrowing)	**$ 57.5**	**$ (230.0)**

[1] See appendix for corresponding reconciliations to certain GAAP financial measures

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Condensed Balance Sheet (unaudited)

	October 31, 2009	October 31, 2008 (a)
Assets		
Cash and cash equivalents	$ 34,153	$ 26,741
Trade accounts receivable, net	445,241	473,263
Prepaid income taxes	13,473	7,097
Current assets of discontinued operations	10,787	34,508
Prepaid expenses	38,781	45,030
Notes receivable and other	21,374	11,981
Deferred income taxes, net	52,171	57,463
Insurance recoverables	5,017	5,017
Total current assets	620,997	661,100
Non-current assets of discontinued operations	4,567	11,205
Insurance deposits	42,500	42,506
Other investments and long-term receivables	6,240	4,470
Deferred income taxes, net	63,444	88,704
Insurance recoverables	67,100	66,600
Other assets	32,446	23,310
Investments in auction rate securities	19,531	19,031
Property, plant and equipment, net	56,892	61,067
Other intangible assets, net	60,199	62,179
Goodwill	547,237	535,772
Total assets	$ 1,521,153	$ 1,575,944
Liabilities		
Trade accounts payable	$ 84,701	$ 104,930
Accrued liabilities		
Compensation	93,095	88,951
Taxes - other than income	17,539	20,270
Insurance claims	78,144	84,272
Other	66,279	76,590
Income taxes payable	1,871	2,025
Current liabilities of discontinued operations	1,065	10,082
Total current liabilities	342,694	387,120
Income taxes payable	17,763	15,793
Line of credit	172,500	230,000
Retirement plans and other	32,963	37,095
Insurance claims	268,183	261,885
Total liabilities	834,103	931,893
Stockholders' Equity	687,050	644,051
Total liabilities and stockholders' equity	$ 1,521,153	$ 1,575,944

(a) Amounts shown as of October 31, 2008 reflect an immaterial correction of certain net book credit cash balances which increased cash and cash equivalents and trade accounts payable by $26.0 million and $34.9 million, respectively and reduced other accrued liabilities by $8.9 million.

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Division Revenues(1)

($ in thousands)

	Fourth Quarter			Sequential	
	2009	2008	Change	Q3 2009	Change
Janitorial	$ 589,146	$ 622,174	-5.3%	$ 595,115	-1.0%
Parking	113,740	119,003	-4.4%	114,721	-0.9%
Security	82,123	84,952	-3.3%	84,501	-2.8%
Engineering	82,502	79,070	4.3%	75,782	8.9%
Total Division Revenues[1]	$ 867,511	$ 905,199	-4.2%	$ 870,119	-0.3%

Summary:

•Sequential revenue growth essentially flat

•Engineering revenue increases both year over year and sequentially

•Continued stabilization of Janitorial tag revenues but at pre recession levels

•Sales pipeline and sales activity remains solid

(1) Excludes Corporate

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Division Profits(1)

($ in thousands)

	Fourth Quarter			Year To Date		
	2009	2008	Change	2009	2008	Change
Janitorial	$ 37,610	$ 36,074	4.3%	$ 139,858	$ 118,538	18.0%
Parking	6,316	5,721	10.4%	20,285	19,438	4.4%
Security	2,279	2,790	-18.3%	8,221	7,723	6.4%
Engineering	6,097	5,794	5.2%	19,658	19,129	2.8%
Total Division Profits[1]	$ 52,302	$ 50,379	3.8%	$ 188,022	$ 164,828	14.1%

Summary:

- Continued focus on job profitability and expense management leads to another quarter of growth in division profits
- Parking business achieves double digit growth in the quarter
- For the year, divisions record growth of 14%
- Continue to aggressively monitor credit strength of customers

(1) Excludes Corporate

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Closing Observations

- Company well positioned for fiscal 2010
  - Anticipate another year of growth in key financial measures
- Continue to anticipate sequential revenue growth in Q1 2010
- Well-positioned to capitalize on additional M&A opportunities
  - Poised to leverage investments in infrastructure

FY10 Outlook

- ABM will continue to follow proven strategies of:
  - Actively managing customer accounts
  - Focusing on cost control
  - Managing credit risk and generating cash flow
- Fiscal 2010 notable expectations
  - Approximately $4 million higher costs for depreciation and maintenance related to systems upgrades
  - Effective tax rate of approximately 39%
  - Tag revenue remains below pre-recession levels
- Guidance
  - FY10 Income from Continuing Operations, per diluted share, in the range of $1.25 - $1.35
  - Adjusted Income from Continuing Operations, excluding Items Impacting Comparability, per diluted share, in the range of $1.35 - $1.45

*A reconciliation of certain non-GAAP financial information to GAAP financial measures is available on the Company's website under "Investor Relations" and at the end of this presentation

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

	Quarter Ended October 31, 2009	Quarter Ended October 31, 2008	Year Ended October 31, 2009	Year Ended October 31, 2008
Reconciliation of Adjusted Income from Continuing Operations to Net Income				
Adjusted Income from Continuing Operations	$ 20,759	$ 18,874	$ 68,818	$ 56,401
Items Impacting Comparability, net of taxes	(5,473)	(4,056)	(13,328)	(3,670)
Income from Continuing Operations	15,286	14,818	55,490	52,731
Loss from Discontinued Operations	(263)	(3,232)	(1,197)	(7,297)
Net Income	$ 15,023	$ 11,586	$ 54,293	$ 45,434
Reconciliation of Adjusted Income from Continuing Operations to Income from Continuing Operations				
Adjusted Income from Continuing Operations	$ 20,759	$ 18,874	$ 68,818	$ 56,401
Items Impacting Comparability:				
Corporate Initiatives (a)	(3,371)	(7,623)	(20,666)	(22,122)
Third-Party Administrator Legal Settlement	-	-	9,601	-
Insurance Adjustments	(5,900)	7,700	(9,435)	22,500
IT Deferred Expense Charge	-	(6,250)	-	(6,250)
Credit Loss on Auction Rate Security	-	-	(1,566)	-
Total Items Impacting Comparability	(9,271)	(6,173)	(22,066)	(5,872)
Income Taxes Expense	(3,798)	(2,117)	(8,738)	(2,202)
Items Impacting Comparability, net of taxes	(5,473)	(4,056)	(13,328)	(3,670)
Income from Continuing Operations	$ 15,286	$ 14,818	$ 55,490	$ 52,731

(a) Corporate initiatives include: (i) costs associated with the implementation of a new payroll and human resources information system, (ii) the upgrade of the Company's accounting system, (iii) the completion of the corporate move from San Francisco, and (iv) the integration costs associated with OneSource.

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

	Quarter Ended October 31, 2009	Quarter Ended October 31, 2008	Year Ended October 31, 2009	Year Ended October 31, 2008
Reconciliation of Adjusted EBITDA to Net Income				
Adjusted EBITDA	$ 41,272	$ 41,977	$ 145,482	$ 133,456
Items Impacting Comparability	(9,271)	(6,173)	(22,066)	(5,872)
Discontinued Operations	(263)	(3,232)	(1,197)	(7,297)
Income Tax	(6,283)	(7,746)	(29,170)	(31,585)
Interest Expense	(1,428)	(3,265)	(5,881)	(15,193)
Depreciation and Amortization	(9,004)	(9,975)	(32,875)	(28,075)
Net Income	$ 15,023	$ 11,586	$ 54,293	$ 45,434

Reconciliation of Adjusted Income from Continuing Operations per Diluted Share to Income from Continuing Operations per Diluted Share

	Quarter Ended October 31, 2009	Quarter Ended October 31, 2008	Year Ended October 31, 2009	Year Ended October 31, 2008
Adjusted Income from Continuing Operations per Diluted Share	$ 0.39	$ 0.36	$ 1.33	$ 1.10
Items Impacting Comparability, net of taxes	(0.10)	(0.08)	(0.26)	(0.07)
Income from Continuing Operations per Diluted Share	$ 0.29	$ 0.28	$ 1.07	$ 1.03
Diluted Shares	52,419	51,711	51,845	51,386

(a) Corporate initiatives include: (i) costs associated with the implementation of a new payroll and human resources information system, (ii) the upgrade of the Company's accounting system, (iii) the completion of the corporate move from San Francisco, and (iv) the integration costs associated with OneSource.

Appendix – Reconciliation (unaudited)

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Reconciliation of Estimated Adjusted Income from Continuing Operations per Diluted Share to Income from Continuing Operations per Diluted Share for the Year Ending October 31, 2010

	Year Ending October 31, 2010	
	Low Estimate	High Estimate
	(per diluted share)	
Adjusted Income from Continuing Operations per Diluted Share	$ 1.35	$ 1.45
Adjustments to Income from Continuing Operations (a)	(0.10)	(0.10)
Income from Continuing Operations per Diluted Share	$ 1.25	$ 1.35

(a) The adjustment to income from continuing operations includes: (i) additional costs associated with the implementation of new information technology systems and other unique one time items.