It's a new day

ABM™

Building Value

ABM 2011 Report to Shareholders

ABM began as a modest window-cleaning business.

Contents

We are now becoming a global leader in building maintenance and manpower provisioning.

Today, we're heralding the transformation of that 100-year-old company,

a company destined
to become the global leader
in Integrated Facility Solutions.

Through transformational strategic acquisitions,

we've become much more.

The Linc Group

ABM's acquisition of The Linc Group marks a critical inflection point in its history. Linc is one of the premier providers of technical building services in the world. It effectively augments ABM's core capabilities; propels its evolution into the integrated facility solutions category; bolsters its technology pedigree; and gives it a significant introduction into the government services market.

OneSource

The integration of OneSource to the ABM portfolio 'extends the franchise,' adding new exteriors and grounds capabilities to a business associated with buildings and their interiors. ABM's industry-leading janitorial business, along with the operating companies of The Linc Group, are major steps toward achieving a 360-degree integrated facilities solutions business.

We've expanded our platform with integrated services and "new core" capabilities in

Energy Solutions, Government Services and new international markets.

We have employees empowered **to deliver value in new ways.**

And, we're leveraging our award-winning technology to drive innovations in workforce automation, building energy management, cost control, and performance solutions. Among the honors we've earned is the Microsoft Customer Excellence Award where we placed 1st in a world-wide competition of over 1,000 companies in 2009.

Microsoft PINNACLE EXCELLENCE AWARD 2007 Microsoft Dynamics

Microsoft CUSTOMER EXCELLENCE AWARD 2009 Microsoft Dynamics

COMPUTERWORLD 100 PREMIER IT LEADERS 2012

We're redefining ABM.

The time has come to speak in a new voice and to project a new image.

The Time

In a volatile world economy, businesses and governments are looking more than ever to find ways to lower operating costs, drive efficiency, maximize resources, improve performance, and thrive. Outsourcing of non-core functions is emerging as one answer to these challenges, and Integrated Facilities Solutions is an area of critical opportunity.

The Voice

ABM is the one Integrated Facilities Solutions company with the scope, scale, human capital, industry expertise, and proven technology to weave together and deliver enterprise-wide total facility solutions and deploy them across the world—while capturing new opportunities well beyond its core markets. ABM offers a seamless set of services that maintains and drives the efficiency, performance, lifespan, and—ultimately—the value, of your physical assets.

The Image

We provide our clients with the simplicity and convenience of a single point of contact and a single platform to coordinate multiple services within and across facilities, on a global scale. Bundled services afford clients economies of scale and free them up to focus on their core business and revenue-generating functions. And they have the confidence of knowing that the work is executed and managed to the highest standards with ABM technology, by ABM people.

We are the new ABM

A company
with a
formula
for success.

The new ABM is…

People + Technology =

Scalable, Global Performance

Scalable, Global Performance

The new ABM, by virtue of a vast labor force of nearly 100,000 employees, empowered and deployed with award-winning technology, will continue to expand to meet the scale of our clients' needs, anywhere around the world, while ensuring a uniform standard of service excellence.

We're all about

ABM™

Building Value

'Building Value' is double entendre by design: the term 'building' can be read both as a noun and as a verb.

The first reading expresses ABM's continuing legacy in building and facility maintenance, while the second points to 'asset value creation'—ABM's future, in which technology-enabled labor and new core opportunities are embraced.

The two readings blend together into a single, holographic message, that references ABM's proud heritage, while looking forward to—and linking it with—its bright future of new opportunities.

THE PROMISE IS TO BUILD VALUE:

FOR
our stakeholders;
THROUGH
a unique set of expert services;
IN
a broad spectrum of markets.

Building Value FOR

Clients,
Employees,
Partners and
Shareholders

BMW North America

In August of 2011, ABM was awarded an integrated facilities services contract with BMW Group for its North American locations, including manufacturing, research-and-design centers, administrative offices, distribution facilities, and BMW's North America headquarters.

ABM will deliver a coordinated package of six services: we will ensure the safety and security of all premises; perform comprehensive janitorial functions; oversee facility system maintenance and repair; maintain grounds and exteriors; provide mail and reception services; and conduct supplier management.

Within two months of award, ABM mobilized a workforce of more than 350 full-time employees to self-perform the majority of services. ABM services are delivered by a single management team and integrated information platform. BMW was instrumental in developing an industry-leading, performance-based structure aligning ABM's performance and services with their facility objectives.

American Girl

American Girl opened its first flagship store in Chicago in 1998. Captivating the imaginations of young girls, American Girl has seen its brand grow dramatically, welcoming over 40 million retail shoppers. In 2005 and 2006, it tapped ABM to manage the cleaning and maintenance of newly opened landmark stores in NY and LA. Since then, American Girl has opened 8 additional stores across the country and ABM has been there every step of the way, helping to realize dramatic benefits.

Operating under a single national contract, it has streamlined operations and realized substantial cost savings. Using one, dedicated Point-of-Contact, American Girl is informed of nationwide operations in real time. Billing is now consolidated and service requests are processed more efficiently. And American Girl benefits from a variety of performance metrics: customer satisfaction surveys, work order reports, financial documentation, and service request tracking. Preventive maintenance translates into further cost savings and smoother operations.

Building Value THROUGH

Service Excellence,
Technology-Enabled Workforce,
Collaboration,
Breadth of Services,
Deep Industry Expertise
and more...

Columbia College

The liberal arts college faced a dilemma—it needed to replace an inefficient, deteriorating heating and cooling infrastructure that was draining cash and diminishing the quality of student life. But it was hemmed in by borrowing restrictions that prevented it from making the critical upgrades.

ABM's Building & Energy Solutions developed an affordable, innovative solution: it replaced the aging infrastructure with high-efficiency boilers, water heaters, air handlers, circulating pumps and state-of-the-art building controls, that would reduce energy use by more than 30%, including 66% savings on natural gas, while diminishing adverse environmental impacts. In addition, the project will generate $6 million in capital funding over the 15-year term of the financing agreement and is credited with helping raise student retention from 91% to 97%.

City of Galveston

In 2008, Hurricane Ike devastated Galveston's Historic District, flooding nearly 75% of the Texas island, wrecking its tourist-based economy. Amidst the devastation, every parking meter in the City was destroyed by salt-water infiltration.

ABM's Ampco System Parking worked with Galveston to rebuild the parking infrastructure, implementing a high-tech, cost-effective, tourist-friendly solution. Ampco installed a system featuring 100 solar-powered meters that communicate wirelessly with each other to provide real-time monitoring, while giving visitors the convenience of remotely paying for parking from any City meter, parking station, or cell phone. In addition, the meters provide public Wi-Fi access city-wide—providing a convenient, free entry point for Internet access to visitors.

Alicia Cahill, City of Galveston: "Ampco's assistance in restoring parking and implementing this state-of-the-art, customer-focused program—(while) delivering public Internet access downtown—is an important part of the rebuilding of our historic downtown."

Building Value IN

Aviation & Transportation, Commercial Real Estate, Education, Government, Healthcare and more...

Womack Army Medical Center

Womack Army Medical Center serves over 160,000 beneficiaries—the largest such population in the Army. The complex encompasses 30 different medical facilities, occupying over 1.2 million square feet.

More than a decade ago, Womack—dissatisfied with its current service provider—decided to give ABM's Government Services team a try. What began as a single-service contract has since evolved into a multiple-service relationship and a vastly expanded scope of work. Leveraging extensive experience with government clients, and its successful track record at Womack, ABM provides the labor, material, equipment, and management to perform 24/7 integrated facility services to one of the Army's busiest medical facilities, including:

Operations and maintenance: managing heating and refrigeration; mechanical and electrical systems; plumbing and carpentry; elevator and fire system maintenance.

Janitorial: comprehensive, base-wide 24/7 housekeeping services, including "environmental cleaning," a specialized service reflecting the unique cleaning requirements of a major medical facility, led by certified healthcare professionals.

Grounds: all exterior maintenance and management for the 160-acre property.

Cargill

Cargill—an international producer of food, agricultural, financial, and industrial products and services—generates sales of $119 billion in the industrial & manufacturing sector. Given the nature of its business, Cargill has intellectual property, trade secrets and proprietary manufacturing processes that must be protected. Cargill entrusted ABM Security with developing innovative, client-driven solutions that include:

Product Protection: custom-designed program monitors, protects and maintains product condition through security measures, including pre-screening, hourly verification and identifying problems with product shipments.

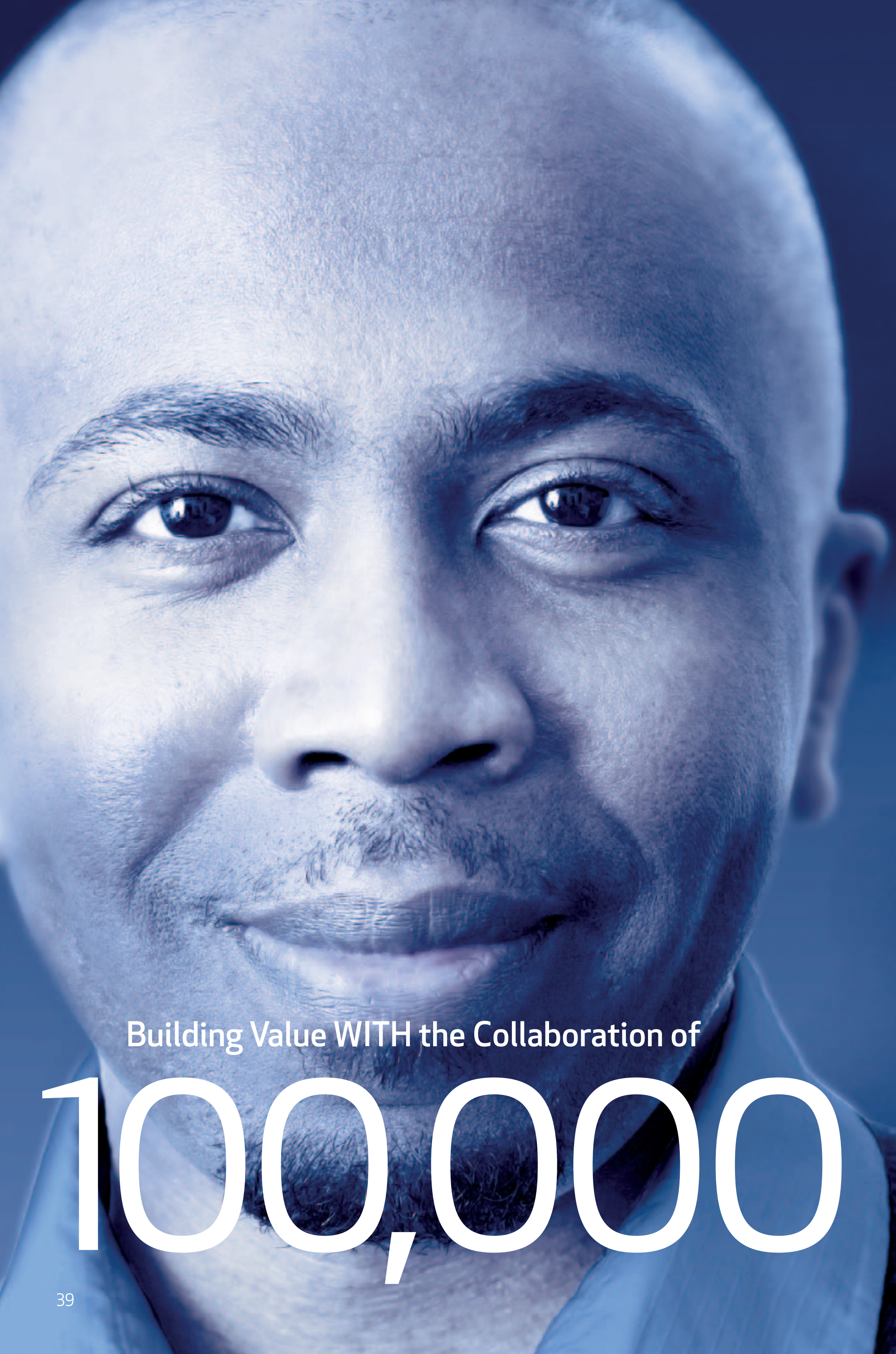
Product Investigation & Monitoring: unique monitoring, security and investigative functions, including covert operative placement and product surveillance.

Traffic Assist: seamless extension of Billing and Shipping Departments, managing and monitoring inbound and outbound truck traffic through a computerized system, coordinating billing and inspecting outbound vehicles.

A 25-year client, Cargill recently expanded ABM's portfolio to include its Animal Protein Division. ABM serves 19 locations in 12 states. ABM assumed functions previously carried out in-house, helped assess enterprise security needs, and reduced costs.

Building Value WITH the Collaboration of

100,000 people



employees with deep industry expertise, empowered to deliver value

as one, unified workforce, one ABM.

Our clients will see us as more than building maintenance; they'll see us as

extending the life of their assets, continually adding new value and

becoming the
global leader
in Integrated
Facility Solutions.

Welcome to the new ABM.

Henrik C. Slipsager
President and Chief Executive Officer
ABM

Dear Stockholders, Employees and other Friends of ABM:

It's a new day.

The 2011 fiscal year launched the start of an exciting journey towards a new direction, new approach and new identity for ABM.

With the legacy of more than a century of service behind us, and an infusion of new assets driving us forward, today's ABM offers more client services, to more industries and in more places than at any point in our 103-year history.

New Businesses, New Results

We began the transformation by combining our traditional advantages—our core businesses, clients, resources and people—with the expansive and innovative capabilities we strategically acquired to define the new ABM.

In the 2011 fiscal year, our recently acquired businesses—Diversco, L&R and The Linc Group ("Linc")—delivered nearly $725 million in revenues combined with year-over-year organic growth to generate record revenues of $4.2 billion, a 65% increase in the past five years.

The increased sales also boosted operating profit year-over-year while mitigating the impact of a U.S. economy that performed less than universally anticipated in 2011. Notably, we increased net cash flow from continuing operating activities to nearly $157 million and grew adjusted EBITDA to $184 million, marking a doubling of EBITDA in just the past four years.

Our combined facility services businesses navigated successfully against the economic headwinds through the course of the fiscal year:

- Despite the impact of price compression, rebidding and other client-driven cost-cutting, Janitorial continued to generate strong cash, producing almost $2.4 billion in revenues and more than $140 million in operating profit in fiscal 2011.
- The Facility Solutions group experienced explosive growth, driven by the Linc acquisition, as revenues increased nearly $517 million, or more than 135%, while operating profit grew to $33 million, a robust 45.6% increase.
- The L&R companies helped Parking raise revenues more than 31% and operating profit nearly 7%, despite the impact of higher state unemployment insurance expense and certain legal costs.
- The acquisition of Diversco, which added capabilities to both Janitorial and Security, contributed more than half of Security's year-over-year revenue growth while operating profit increased more than 6% year-over-year, driven primarily by lower expenses.

New Businesses, New Capabilities

While our fiscal year 2011 financial results clearly reflected the substantial top and bottom line contributions of the businesses we recently acquired, these new companies also expanded the possibilities and charted a new course for ABM.

We embarked on our new direction four years ago with the strategic acquisition of OneSource. On the strength of that purchase, Janitorial increased scope, scale and talent to a level unmatched in the industry. That step propelled us to a clear position of leadership, growing to five times the revenues of our next largest competitor.

Similarly, the 2010 acquisition of Diversco extended the reach of both our Janitorial and Security offerings.

Specifically, Diversco added strength to our vertical market strategy by bringing experience, expertise and clients in the industrial and manufacturing sector, including geographic expansion in the Southeast, Midwest and mid-Atlantic.

The acquisition of the L&R assets complemented existing strengths in our Parking business while expanding our scope in key areas. Specifically, L&R added to our already strong leadership in airport parking management with well-established geographic presence in Los Angeles, New York, New Jersey, Cleveland and Cincinnati. The acquisition also situated us in new geographic markets, gaining a foothold in the major markets of Chicago, Philadelphia, Boston and San Diego.

Our most transformational acquisition occurred with Linc in December 2010. At the time of the acquisition, Linc operated in 30 countries, serviced more than one billion square feet of space and maintained and managed the core infrastructure of more than 25,000 client facilities worldwide.

The combined companies fundamentally repositioned ABM. Adding new industries to our portfolio, Linc brought significant presence, experience and expertise in serving Government at all levels, including a broad range of facility, operations and other services supporting the U.S. military at home and abroad.

Linc also brought new capabilities like innovative Energy Solutions, where its expert teams are partnering with clients to achieve the twin goals of achieving energy efficiency while lowering operating costs.

Energy Solutions and other Linc offerings complemented and expanded ABM's investment in and deployment of state-of-the-art technology, with Linc bringing additional client-focused solutions leveraging technology.

Further, Linc brought the Company into new geographic markets, specifically bringing an international presence for ABM in 30 countries.

During the 2011 fiscal year, we began to see the advantages of the expanded capabilities we acquired:

- Our acquired Government Services business continued to secure new clients and business in the fiscal year, including being one of the six contractors awarded the opportunity to bid on a $9.7 billion contract for language services worldwide.
- We also helped a wide range of clients—from colleges and universities to high-tech businesses—significantly reduce their energy consumption and operating costs with our expansive bundled energy solutions.
- During the year, we again demonstrated our proficiency with innovative, cutting-edge technology by installing consumer-friendly electric vehicle charging stations for municipalities and other clients. We are well-positioned to capitalize on emerging trends in the electric vehicle market.

Combining Our Strengths – One ABM

What we launched with OneSource and culminated with Linc fundamentally changed ABM. The ABM we began to see in 2011 was built on the solid foundation of our core businesses, expanded through new businesses and transformed by the combination.

In 2011, our strategic plans came together and we began to realize the benefits of the course we charted via new sales, new clients and an expanded set of services.

Together, we created a whole even greater than the sum of its parts. ABM's business was strengthened by the added capabilities, clients and markets of the acquired companies while ABM brought scale, scope and resources to each of the acquired businesses.

By bundling these services and solutions, the new ABM can meet the comprehensive facility needs of diverse clients and multiple industries across an international landscape—all through a single source and single point of contact. This capability both defines and differentiates the new ABM and is the cornerstone of our new vision: *To become the global leader in Integrated Facility Solutions.*

To capture the dynamic evolution of the "new core" ABM, we needed a compelling brand that conveyed our transformation and articulated our direction.

We are proud to have shared in this Annual Report the rationale, narrative and visual elements of our rebranded identity—a fresh face and a new vision for a 103-year-old enterprise.

We also hope that you will connect to www.abm.com/metropolis to discover our interactive web tool illustrating the breadth of industries we serve and scope of services we provide today.

On the rock-solid foundation of our global reach, empowered people, innovative technology and scalable performance, we aim to have: *employees for generations and clients for life.*

As always, we appreciate your interest, support and confidence in ABM.

Henrik C. Slipsager
President and Chief Executive Officer
ABM

Factors That May Affect Future Results

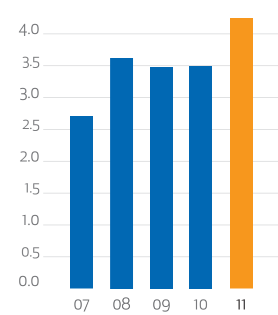
This Annual Report contains forward-looking statements that set forth management's anticipated results based on management's current plans and assumptions. Any number of factors could cause the Company's actual results to differ materially from those anticipated. These factors include but are not limited to the following: (1) we may not be able to achieve anticipated global growth due to various factors, including, but not limited to, an inability to make strategic acquisitions or compete internationally, and our acquisition strategy may adversely impact our results of operations as we may not be able to achieve anticipated results from any given acquisition and activities relating to integrating the acquired business may divert management's focus on operational matters; (2) we are subject to intense competition that can constrain our ability to gain business, as well as our profitability; (3) any increases in costs that we cannot pass on to clients could affect our profitability; (4) we have high deductibles for certain insurable risks, and, therefore are subject to volatility associated with those risks; (5) we primarily provide our services pursuant to agreements which are cancelable by either party upon 30 to 90 days' notice; (6) our success depends on our ability to preserve our long-term relationships with clients; (7) our international business exposes us to additional risks, including risks related to compliance with both U.S. and foreign laws; (8) 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 or the improper conduct of employees, joint venture partners or agents; (9) significant delays or reductions in appropriations for our government contracts may negatively affect our business, and could have a material adverse effect on our financial position, results of operations or cash flows; (10) we incur significant accounting and other control costs that reduce profitability; (11) a decline in commercial office building occupancy and rental rates could affect our revenues and profitability; (12) deterioration in economic conditions in general could further reduce the demand for facility services and, as a result, could reduce our earnings and adversely affect our financial condition; (13) financial difficulties or bankruptcy of one or more of our major clients could adversely affect our results; (14) our ability to operate and pay our debt obligations depends upon our access to cash; (15) future declines in the fair value of our investments in auction rate securities could negatively impact our earnings; (16) uncertainty in the credit markets may negatively impact our costs of borrowing, our ability to collect receivables on a timely basis and our cash flow; (17) any future increase in the level of debt or in interest rates can affect our results of operations; (18) an impairment charge could have a material adverse effect on our financial condition and results of operations; (19) we are defendants in a number of class and representative actions or other lawsuits alleging various claims that could cause us to incur substantial liabilities; (20) federal health care reform legislation may adversely affect our business and results of operations; (21) changes in immigration laws or enforcement actions or investigations under such laws could significantly adversely affect our labor force, operations and financial results; (22) labor disputes could lead to loss of revenues or expense variations; (23) we participate in multi-employer defined benefit plans which could result in substantial liabilities being incurred; and (24) natural 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, 2011 and in other reports the Company files from time to time with the Securities and Exchange Commission. We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise.

Five-Year Selected Financial Data

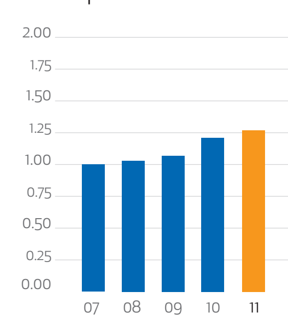
Years ended October 31, *(in thousands, except per share data)*	2011	2010	2009	2008	2007
Revenues	**$4,246,842**	$3,495,747	$3,481,823	$3,623,590	$2,706,105
Adjusted EBIDTA(1)	**184,023**	155,892	145,482	133,456	91,514
Income from continuing operations	**68,698**	63,870	55,490	52,731	50,647
Net income	**$ 68,504**	$ 64,121	$ 54,293	$ 45,434	$ 52,440
Income from continuing operations					
Basic	**$ 1.29**	$ 1.23	$ 1.08	$ 1.04	$ 1.02
Diluted	**$ 1.27**	$ 1.21	$ 1.07	$ 1.03	$ 1.00
Weighted-average common and common equivalent shares outstanding					
Basic	**53,121**	52,117	51,373	50,519	49,496
Diluted	**54,103**	52,908	51,845	51,386	50,629
Dividends declared per common share	**$0.56**	$0.54	$0.52	$0.50	$0.48
Total assets	**$1,879,598**	$1,548,670	$1,521,153	$1,575,944	$1,132,198
Trade accounts receivable – net	**552,098**	450,513	445,241	473,263	349,195
Insurance deposits	**35,974**	36,164	42,500	42,506	–
Goodwill	**750,872**	593,983	547,237	535,772	234,177
Other intangibles – net	**128,994**	65,774	60,199	62,179	24,573
Investments in auction rate securities	**15,670**	20,171	19,531	19,031	25,000
Investments in unconsolidated affiliates, net	**14,423**	–	–	–	–
Line of credit	**300,000**	140,500	172,500	230,000	–
Insurance claims	**341,401**	348,314	346,327	346,157	261,043
Insurance recoverables	**$ 70,610**	$ 76,098	$ 72,117	$ 71,617	$ 55,900

(1) The Company has presented earnings before interest, taxes, depreciation and amortization and excluding discontinued operations and items impacting comparability (adjusted EBITDA) for fiscal years 2007 through 2011. Adjusted EBITDA is among the indicators management uses as a basis for planning and forecasting future periods. The presentation of these non-GAAP financial measures is not meant to be considered in isolation or as a substitute for financial statements prepared in accordance with generally accepted accounting principles in the United States. Refer to the accompanying financial table for supplemental financial data and the corresponding reconciliations of this non-GAAP financial measure to the GAAP financial measure.

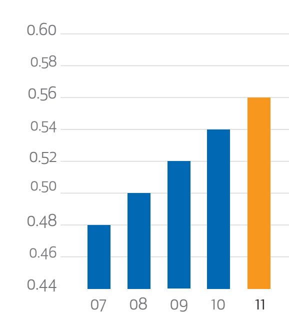
Revenues(1)
(In Billions)



Income from Continuing Operations per Diluted Share



Dividends Declared per Common Share



(1) Revenues in 2011 include amounts associated with The Linc Group of approximately $512.9 million, which was acquired on December 1, 2010. Beginning in 2010, revenues include amounts associated with the acquisitions of Five Star Parking, Network Parking Company Ltd., and System Parking, Inc. (collectively, this asset acquisition is referred to as "L&R") and Diversco, Inc., which were acquired on October 1, 2010 and June 30, 2010, respectively, totaling $43.0 million in revenues in 2010, the year of acquisition. Beginning in 2008, revenues include additional amounts associated with the acquisition of OneSource Services, Inc. ("OneSource") and Healthcare Parking Services America, which were acquired on November 14, 2007, and April 2, 2007, respectively, generating $836.6 million in revenues in the year of acquisition.

Condensed Consolidated Balance Sheets

Years ended October 31, *(in thousands, except share amounts)*	2011	2010
ASSETS		
Current assets		
Cash and cash equivalents	$ 26,467	$ 39,446
Trade accounts receivable, net of allowances of $13,485 and $10,672 at October 31, 2011 and 2010, respectively	552,098	450,513
Prepaid income taxes	7,205	1,498
Current assets of discontinued operations	1,992	4,260
Prepaid expenses	41,823	41,306
Notes receivable and other	52,756	20,402
Deferred income taxes, net	40,565	46,193
Insurance recoverables	10,851	5,138
Total current assets	733,757	608,756
Non-current assets of discontinued operations	216	1,392
Insurance deposits	35,974	36,164
Other investments and long-term receivables	5,798	4,445
Deferred income taxes, net	30,948	51,068
Insurance recoverables	59,759	70,960
Other assets	43,178	37,869
Investments in auction rate securities	15,670	20,171
Investments in unconsolidated affiliates, net	14,423	–
Property, plant and equipment, net of accumulated depreciation of $97,819 and $98,884 at October 31, 2011 and 2010, respectively	60,009	58,088
Other intangible assets, net of accumulated amortization of $78,669 and $54,889 at October 31, 2011 and 2010, respectively	128,994	65,774
Goodwill	750,872	593,983
Total assets	$1,879,598	$1,548,670
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Trade accounts payable	$ 130,464	$ 78,928
Accrued liabilities		
Compensation	112,233	89,063
Taxes – other than income	19,144	17,663
Insurance claims	78,828	77,101
Other	102,220	70,119
Income taxes payable	307	977
Total current liabilities	443,196	333,851
Income taxes payable	38,236	29,455
Line of credit	300,000	140,500
Retirement plans and other	39,707	34,626
Insurance claims	262,573	271,213
Total liabilities	1,083,712	809,645
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; 53,333,071 and 52,635,343 shares issued and outstanding at October 31, 2011 and 2010, respectively	533	526
Additional paid-in capital	211,389	192,418
Accumulated other comprehensive loss, net of taxes	(2,661)	(1,863)
Retained earnings	586,625	547,944
Total stockholders' equity	795,886	739,025
Total liabilities and stockholders' equity	$1,879,598	$1,548,670

Condensed Consolidated Statement of Income

Years ended October 31, (in thousands, except per share data)	2011	2010	2009
REVENUES	$4,246,842	$3,495,747	$3,481,823
EXPENSES			
Operating	3,781,264	3,134,018	3,114,699
Selling, general and administrative	324,762	241,526	263,633
Amortization of intangible assets	23,248	11,364	11,384
Total expenses	4,129,274	3,386,908	3,389,716
Operating profit	117,568	108,839	92,107
Other-than-temporary impairment losses on auction rate security:			
Gross impairment losses	–	–	(3,695)
Impairments recognized in other comprehensive income	–	(127)	2,129
Income from unconsolidated affiliates, net	3,915	–	–
Interest expense	(15,805)	(4,639)	(5,881)
Income from continuing operations before income taxes	105,678	104,073	84,660
Provision for income taxes	(36,980)	(40,203)	(29,170)
Income from continuing operations	68,698	63,870	55,490
DISCONTINUED OPERATIONS			
(Loss) income from discontinued operations, net of taxes	(194)	251	(1,197)
NET INCOME	$ 68,504	$ 64,121	$ 54,293
NET INCOME PER COMMON SHARE – DILUTED			
Income from continuing operations	$ 1.27	$ 1.21	$ 1.07
Loss from discontinued operations	–	–	(0.02)
Net income	$ 1.27	$ 1.21	$ 1.05

Unaudited Reconciliation of non-GAAP Financial Measures

Years ended October 31, *(in thousands)*	2011	2010	2009	2008	2007
Adjusted EBITDA	$184,023	$155,892	$145,482	$133,456	$91,514
Items impacting comparability	(9,636)	(10,865)	(22,066)	(5,872)	2,879
Discontinued operations	(194)	251	(1,197)	(7,297)	1,793
Income tax	(36,980)	(40,203)	(29,170)	(31,585)	(26,088)
Interest expense	(15,805)	(4,639)	(5,881)	(15,193)	(453)
Depreciation and amortization	(52,904)	(36,315)	(32,875)	(28,075)	(17,205)
Net income	$68,504	$64,121	$54,293	$45,434	$52,440

Condensed Consolidated Statements of Stockholders' Equity and Comprehensive Income

(in thousands)	Common Stock Shares	Common Stock Amount	Treasury Stock Shares	Treasury Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
BALANCE OCTOBER 31, 2008	57,992	$581	(7,028)	$(122,338)	$ 284,094	$(3,422)	$485,136	$644,051
Comprehensive income:								
Net income	–	–	–	–	–	–	54,293	54,293
Unrealized gain on auction rate securities, net of taxes of $203	–	–	–	–	–	297	–	297
Reclass adjustment for credit losses recognized in earnings, net of taxes of $636	–	–	–	–	–	930	–	930
Foreign currency translation, net of taxes of $241	–	–	–	–	–	577	–	577
Actuarial loss – Adjustments to pension and other post-retirement benefit plans, net of taxes of $139	–	–	–	–	–	(203)	–	(203)
Unrealized loss on interest rate swaps, net of taxes of $412	–	–	–	–	–	(602)		(602)
Comprehensive income	–	–	–	–	–	–	–	55,292
Dividends:								
Common stock	–	–	–	–	–	–	(26,727)	(26,727)
Tax effect from exercise of stock options	–	–	–	–	(1,314)	–	–	(1,314)
Stock issued under employees' stock purchase and option plans	724	6	–	–	8,557	–	(226)	8,337
Share-based compensation expense	–	–	–	–	7,411	–	–	7,411
Treasury stock retirement	(7,028)	(70)	7,028	122,338	(122,268)	–	–	–
BALANCE OCTOBER 31, 2009	51,688	$517	–	$ –	$ 176,480	$(2,423)	$512,476	$687,050
Comprehensive income:								
Net income	–	–	–	–	–	–	64,121	64,121
Unrealized gain on auction rate securities, net of taxes of $179	–	–	–	–	–	461	–	461
Reclass adjustment for credit losses recognized in earnings, net of taxes of $53	–	–	–	–	–	74	–	74
Foreign currency translation	–	–	–	–	–	68	–	68
Actuarial loss – Adjustments to pension and other post-retirement benefit plans, net of taxes of $108	–	–	–	–	–	(381)	–	(381)
Unrealized gain on interest rate swaps, net of taxes of $230	–	–	–	–	–	338	–	338
Comprehensive income	–	–	–	–	–	–	–	64,681
Dividends:								
Common stock	–	–	–	–	–	–	(28,152)	(28,152)
Tax effect from exercise of stock options	–	–	–	–	383	–	–	383
Stock issued under employees' stock purchase and option plans	947	9	–	–	11,484	–	(501)	10,992
Share-based compensation expense	–	–	–	–	4,071	–	–	4,071
BALANCE OCTOBER 31, 2010	52,635	$526	–	$ –	$ 192,418	$(1,863)	$547,944	$739,025
Comprehensive income:								
Net income	–	–	–	–	–	–	68,504	68,504
Foreign currency translation						214	–	214
Unrealized gain on auction rate securities, net of taxes of $193	–	–	–	–	–	306	–	306
Net unrealized gain on interest rate swaps, net of taxes of $76	–	–	–	–	–	115	–	115
Actuarial loss - Adjustments to pension and other post-retirement benefit plans, net of taxes of $996	–	–	–	–	–	(1,433)	–	(1,433)
Comprehensive income								67,706
Dividends:								
Common stock	–	–	–	–	–	–	(29,744)	(29,744)
Tax effect from exercise of stock options	–	–	–	–	(467)	–	–	(467)
Stock issued under employees' stock purchase and option plans	698	7	–	–	10,247	–	(79)	10,175
Share-based compensation expense	–	–	–	–	9,191	–	–	9,191
BALANCE OCTOBER 31, 2011	**53,333**	**$533**	**–**	**$ –**	**$ 211,389**	**$(2,661)**	**$586,625**	**$795,886**

Condensed Consolidated Statements of Cash Flows

Years ended October 31, (in thousands)	2011	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	**$ 68,504**	$ 64,121	$ 54,293
(Loss) income from discontinued operations, net of taxes	**(194)**	251	(1,197)
Income from continuing operations	**68,698**	63,870	55,490
ADJUSTMENTS TO RECONCILE INCOME FROM CONTINUING OPERATIONS TO NET CASH PROVIDED BY CONTINUING OPERATING ACTIVITIES:			
Depreciation and amortization of intangible assets	**52,658**	36,315	33,325
Deferred income taxes	**24,227**	17,654	16,191
Share-based compensation expense	**9,191**	4,071	7,411
Provision for bad debt	**3,142**	2,636	3,960
Discount accretion on insurance claims	**874**	912	1,248
Auction rate security credit loss impairment	**–**	127	1,566
Gain on sale of assets	**(150)**	(1,059)	(941)
Income from unconsolidated affiliates, net	**(3,915)**	–	–
Distributions from unconsolidated affiliates	**2,539**	–	–
Changes in assets and liabilities, net of effects of acquisitions:			
Trade accounts receivable	**(18,432)**	1,976	19,931
Prepaid expenses and other current assets	**(7,786)**	(297)	(1,431)
Insurance recoverables	**5,488**	(3,981)	(500)
Other assets and long-term receivables	**5,962**	3,856	(8,764)
Income taxes payable	**4,396**	22,629	12,623
Retirement plans and other non-current liabilities	**(4,085)**	(317)	(5,144)
Insurance claims	**(11,950)**	(247)	(1,497)
Trade accounts payable and other accrued liabilities	**25,943**	(7,399)	(12,213)
Total adjustments	**88,102**	76,876	65,765
Net cash provided by continuing operating activities	**156,800**	140,746	121,255
Net cash provided by discontinued operating activities	**3,190**	9,118	19,616
Net cash provided by operating activities	**159,990**	149,864	140,871
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to property, plant and equipment	**(22,124)**	(23,942)	(18,582)
Proceeds from sale of assets and other	**912**	1,512	2,165
Purchase of businesses, net of cash acquired	**(290,985)**	(65,430)	(21,050)
Investments in unconsolidated affiliates	**(215)**	–	–
Proceeds from sale of auction rate securities	**5,000**	–	–
Net cash used in investing activities	**(307,412)**	(87,860)	(37,467)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from exercises of stock options (including income tax benefit)	**9,708**	11,376	6,331
Dividends paid	**(29,744)**	(28,152)	(26,727)
Deferred financing costs paid	**(5,021)**	–	–
Borrowings from line of credit	**885,500**	448,000	638,000
Repayment of borrowings from line of credit	**(726,000)**	(480,000)	(695,500)
Changes in book cash overdraft	**–**	(7,935)	(18,096)
Net cash provided by (used in) financing activities	**134,443**	(56,711)	(95,992)
Net (decrease) increase in cash and cash equivalents	**(12,979)**	5,293	7,412
Cash and cash equivalents at beginning of year	**39,446**	34,153	26,741
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 26,467**	$ 39,446	$ 34,153
SUPPLEMENTAL DATA:			
Cash paid for income taxes, net of refunds received	**$ 9,651**	$ (108)	$ 1,426
Tax effect from exercise of options	**(467)**	383	57
Cash received from exercise of options	**10,175**	10,993	7,145
Interest paid on line of credit	**10,055**	3,398	4,740
Non-cash investing activities:			
Common stock issued for business acquired	**$ –**	$ –	$ 1,198

Segment Information

Year ended October 31, *(in thousands)*	2011	2010	2009
REVENUES			
Janitorial(1)	**$2,380,195**	$2,306,098	$2,346,257
Engineering(1)	**899,381**	382,629	341,462
Parking	**615,679**	469,398	457,477
Security	**350,377**	336,249	334,610
Corporate	**1,210**	1,373	2,017
	$4,246,842	$3,495,747	$3,481,823
OPERATING PROFIT			
Janitorial(1)	**140,621**	140,007	139,170
Engineering(1)	**33,384**	22,931	20,346
Parking	**24,257**	22,738	20,285
Security	**7,968**	7,487	8,221
Corporate	**(88,662)**	(84,324)	(95,915)
Operating profit	**117,568**	108,839	92,107
Other-than-temporary impairment losses on auction rate security:			
Gross impairment losses	**–**	–	(3,695)
Impairments recognized in other comprehensive income	**–**	(127)	2,129
Income from unconsolidated affiliates, net	**3,915**	–	–
Interest expense	**(15,805)**	(4,639)	(5,881)
Income from continuing operations before income taxes	**$105,678**	$104,073	$84,660
TOTAL IDENTIFIABLE ASSETS(2)			
Janitorial	**$859,318**	$902,541	$881,862
Engineering	**469,807**	68,710	68,482
Parking	**149,052**	145,801	100,549
Security	**111,304**	112,194	107,667
Corporate	**287,909**	313,772	347,239
	$1,877,390	$1,543,018	$1,505,799

(1) Effective November 1, 2010, the Company changed the management reporting responsibility for a subsidiary from the Janitorial segment to the Engineering segment. Amounts for the years ended October 31, 2010 and 2009 have been retrospectively adjusted to reflect this organizational change. The impact of the organizational change on the reported results for the years ended October 31, 2010 and 2009 was a reclassification of $31.8 million and $35.8 million of revenues, respectively, and $1.0 million and $0.7 million of operating profit, respectively, from the Janitorial segment to the Engineering segment.

(2) Excludes assets of discontinued operations of $2.2 million, $5.7 million and $15.4 million as of October 31, 2011, 2010 and 2009, respectively.

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, 2011 and 2010, and the related consolidated statements of income, stockholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended October 31, 2011 (not presented herein); and in our report dated December 23, 2011, 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, 2011 and 2010, and the related condensed consolidated statements of income, stockholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended October 31, 2011 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 23, 2011

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ABM Industries Incorporated

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As of January 15, 2012

Special Notices

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New York Stock Exchange

TICKER SYMBOL
ABM

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

ANNUAL MEETING
The Annual Meeting of Stockholders of ABM Industries will be held on Tuesday, March 6, 2012 at 10:00 a.m. at the Pierre Hotel, 2 East 61st Street, New York, NY 10065

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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