
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): September 3, 2014

ABM Industries Incorporated
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-8929
(Commission
File Number)

94-1369354
(IRS Employer
Identification No.)

551 Fifth Avenue, Suite 300
New York, New York
(Address of principal executive offices)

10176
(Zip Code)

Registrant's telephone number, including area code: **(212) 297-0200**

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On September 3, 2014, ABM Industries Incorporated (the "Company") issued a press release announcing financial results related to the third quarter of fiscal year 2014. A copy of the press release is attached as Exhibit 99.1, which is incorporated into this item by reference.

Item 8.01. Other Events.

On September 3, 2014, the Company announced that the Board of Directors of the Company declared a quarterly dividend of \$0.155 per share, payable on November 3, 2014 to stockholders of record on October 2, 2014. A copy of the press release announcing the declaration of the dividend is attached as Exhibit 99.1, which is incorporated into this item by reference.

As disclosed in the press release attached as Exhibit 99.1, the Company will hold a live web cast on September 4, 2014 relating to the Company's financial results for the third quarter of fiscal year 2014. A copy of the slides to be presented at the Company's web cast and discussed in the conference call relating to such financial results is being furnished as Exhibit 99.2 to this Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

99.1 Press Release issued by ABM Industries Incorporated, dated September 3, 2014, announcing financial results related to the third quarter of fiscal year 2014 and the declaration of a dividend payable November 3, 2014 to stockholders of record on October 2, 2014.

99.2 Slides of ABM Industries Incorporated dated September 4, 2014.

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 hereunto duly authorized.

ABM INDUSTRIES INCORPORATED

Dated: September 3, 2014

By: /s/ Sarah H. McConnell
Sarah H. McConnell
Senior Vice President and
General Counsel

EXHIBIT INDEX

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- 99.2 Slides of ABM Industries Incorporated dated September 4, 2014.
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FOR IMMEDIATE RELEASE

**ABM INDUSTRIES ANNOUNCES
2014 THIRD QUARTER FINANCIAL RESULTS**

Q3 Revenues Increase 4.9%

Adjusted Net Income Increases 16.5%, Net Income Up 21.3%

Company Lifts Guidance to \$1.65 to \$1.69 (includes \$0.08 expected benefit for Work Opportunity Tax Credit)

Declares 194th Consecutive Quarterly Dividend

New York, NY - September 3, 2014 - ABM (NYSE:ABM), a leading provider of facility solutions, today announced financial results for the fiscal 2014 third quarter that ended July 31, 2014.

(\$ in millions, except per share amounts) (unaudited)	Three Month Ended July 31,		Increase (Decrease)	Nine Months Ended July 31,		Increase (Decrease)
	2014	2013		2014	2013	
Revenues	\$ 1,276.1	\$ 1,216.8	4.9%	\$ 3,733.9	\$ 3,572.5	4.5%
Operating Profit	\$ 33.7	\$ 28.7	17.4%	\$ 85.5	\$ 81.6	4.8%
Adjusted Operating Profit	\$ 46.7	\$ 40.4	15.6%	\$ 106.5	\$ 96.9	9.9%
Net income	\$ 19.4	\$ 16.0	21.3%	\$ 47.7	\$ 48.7	(2.1)%
Net income per diluted share	\$ 0.34	\$ 0.29	17.2%	\$ 0.84	\$ 0.87	(3.4)%
Adjusted Net Income	\$ 26.9	\$ 23.1	16.5%	\$ 59.8	\$ 58.0	3.1%
Adjusted Net Income per diluted share	\$ 0.47	\$ 0.41	14.6%	\$ 1.05	\$ 1.04	1.0%
Net cash provided by operating activities	\$ 19.3	\$ 46.5	(58.5)%	\$ 57.0	\$ 84.3	(32.4)%
Adjusted EBITDA	\$ 62.4	\$ 57.2	9.1%	\$ 153.3	\$ 147.8	3.7%

(This release refers to non-GAAP financial measures described as "Adjusted EBITDA", "Adjusted net income", "Adjusted net income per diluted share" (or "Adjusted EPS") and "Adjusted operating profit". Refer to the accompanying financial schedules for supplemental financial data and corresponding reconciliation of these non-GAAP financial measures to certain GAAP financial measures.)

Executive Summary:

- Revenues were a record \$1.28 billion in the third quarter of fiscal 2014, up 4.9% compared to \$1.22 billion last year, due to organic growth of 3.8% and contributions from acquisitions.
- Janitorial achieved organic growth of 3.5%; Building & Energy Solutions and Other (Air Serv) segments delivered organic growth of 14.2% and 11.1%, respectively.
- Adjusted net income after-tax was \$0.47 per diluted share, up 14.6% compared to \$0.41 per diluted share in the third quarter of fiscal 2013, primarily from organic revenue growth, expansion of margins as a result of savings from the Onsite operations realignment and lower insurance expense from enhancements to the Company's risk management and safety programs.
- Net income was \$19.4 million, up \$3.4 million or 21.3% from new business, improved operating margins, and savings from the Onsite realignment. Included in the Company's results is an after-tax charge of \$6.1 million (\$10.5 million pre-tax) to increase expected insurance reserves for policy years before 2014. This compares to an after-tax charge of \$6.0 million (\$9.9 million pre-tax) recorded in the third quarter of fiscal 2013.
- Adjusted EBITDA increased 9.1% to \$62.4 million from margin improvement and contributions from recent acquisitions.
- Net cash from operations was \$19.3 million for the third quarter of fiscal 2014, down 58.5% compared to net cash from operations of \$46.5 million for the same period last year, due to timing of collections and higher cash taxes paid.

Third Quarter Results and Management Commentary

"The company's operating performance in the third quarter was outstanding with record revenues of \$1.28 billion, year-over-year growth of 4.9%. Compared to the third quarter of fiscal 2013, our Janitorial, Parking, Building & Energy Solutions, and Air Serv businesses achieved double-digit improvements in operating profit," said ABM's president and chief executive officer Henrik Slipsager. "Results were driven by continued strong organic growth and we are very encouraged by our 30 basis point improvement in gross margin as all of our operating segments profited from lower insurance expense as a result of enhancements to our risk management and safety programs. Our Janitorial segment posted a 3.5% increase in revenue primarily due to new contract wins and strength in the West and Midwest regions, where organic growth exceeded 4%. Operating profit for Janitorial increased 17.4% mainly due to lower labor and labor related expenses as a result of our safety initiatives, realignment savings, and new business. The Building & Energy Solutions segment revenue increased 21.5% in the third quarter, as we experienced strong organic growth in our healthcare, energy and government businesses and benefited from recent acquisitions. Operating profit in Building & Energy Solutions increased 15.3% due to new business and acquisitions. In our Other segment, Air Serv achieved a 17.9% increase in revenue from new business and the August 2013 acquisition of Blackjack. Air Serv's operations in the United Kingdom had an exceptional quarter and significantly contributed to the 18.4% increase in operating profit. Start-up costs were \$1.5 million pre-tax, essentially flat on a sequential basis."

Slipsager continued, "Adjusted operating profit before-tax increased 15.6% or \$6.3 million to \$46.7 million, compared to the third quarter of fiscal 2013. The increase was largely due to strong top-line growth and margin improvement as a result of lower insurance expense, primarily in our Janitorial segment, realignment savings achieved in our Onsite businesses and higher margin business in our Building & Energy Solutions segment, partially offset by higher operating expenses on new business and

increased compensation expense to support our growth initiatives. In addition, the third quarter of 2014 is without the anticipated benefit of \$0.02 per diluted share from the Work Opportunity Tax Credit ("WOTC") under the American Taxpayer Relief Act of 2012. On a reported basis, net income after-tax increased \$3.4 million or 21.3% to \$19.4 million (\$0.34 per diluted share)."

James Lusk, executive vice president and chief financial officer, added, "The Company generated \$19.3 million in cash flow in the third quarter, which was down 59% from the prior year largely due to timing of client collections and higher taxes paid. In the fourth quarter, we anticipate strong collections of client receivables, similar to prior fiscal years. We continue to use our free cash flow to enhance shareholder value. During the quarter, the Company executed share repurchases totaling \$10.0 million and paid a quarterly cash dividend of \$8.6 million. We ended the third quarter with \$311.7 million of borrowings under our credit facility, down \$15.5 million from \$327.2 million in the prior quarter."

Interest expense for the third quarter of fiscal 2014 was \$2.7 million, a decrease from \$3.4 million in the third quarter of 2013 due to lower average borrowings and a lower average rate under the Company's credit facility compared to the third quarter of fiscal 2013.

The effective tax rate for the third quarter of fiscal 2014 was 40.5%, flat with the same period last year. The anticipated effective tax rate for fiscal year 2014 continues to be in a range of 36% to 38% and assumes the retroactive reenactment of WOTC by Congress prior to the end of the Company's fiscal year on October 31, 2014. If the WOTC is not retroactively reenacted by Congress prior to October 31, 2014, the estimated annual effective income tax rate will be between 40% and 42%.

Slipsager concluded, "Our pipeline of new business remains robust and our strategic focus on key verticals, such as high-tech, sports and entertainment, aviation, financial services and healthcare, should continue to drive sales growth. We have also been extremely pleased with our Air Serv business and during the quarter they started a significant amount of new business. With the success of their operations in the United Kingdom, and the new business, Air Serv is well positioned moving into the fourth quarter. In addition, we recently completed the acquisition of Airco Commercial Services Inc. to add to our offering of best-in-class HVAC and energy efficiency services. With the realignment of our infrastructure largely completed, we believe we have ample opportunity to leverage our fully collaborative and integrated sales-driven strategy across the company as our Onsite businesses continue to identify new opportunities to cross sell our services and we further develop our end-to-end service delivery model. I am looking forward to a strong finish to fiscal 2014."

Nine Months Results

The Company reported revenues for the nine months ended July 31, 2014 of \$3.73 billion, a 4.5% increase compared to year- ago revenues of \$3.57 billion, primarily due to additional revenues from new business.

Income from continuing operations for the first nine months of fiscal year 2014 was \$47.7 million, or \$0.84 per diluted share, compared to \$48.7 million, or \$0.87 per diluted share, for the first nine months of fiscal year 2013.

Adjusted after-tax net income from continuing operations for the first nine months of fiscal year 2014 was \$59.8 million, or \$1.05 per diluted share, compared to \$58.0 million, or \$1.04 per diluted share, for the first nine months of fiscal year 2013. The increase of \$1.8 million is primarily the result of a \$7.4 million after-tax contribution from operations, partially offset by higher taxes of \$5.5 million. Adjusted income

from continuing operations for the first nine months of fiscal 2013 included a higher benefit of \$0.09 per diluted share primarily from WOTC compared to the first nine months of fiscal 2014. Fiscal 2013 included a \$0.05 per diluted share benefit related to retroactive reinstatement of WOTC from fiscal 2012.

Dividend

The Company also announced that the Board of Directors has declared a fourth quarter cash dividend of \$0.155 per common share payable on November 3, 2014 to stockholders of record on October 2, 2014. This will be ABM's 194th consecutive quarterly cash dividend.

Guidance

The Company is lifting fiscal 2014 guidance for adjusted after-tax net income to \$1.65 to \$1.69 per diluted share. Guidance for after-tax net income is \$1.42 to \$1.46 per diluted share. This guidance continues to include an expected benefit of \$0.08 per diluted share for the Work Opportunity Tax Credit, which the Company anticipates Congress will retroactively reenact by the end of the Company's fiscal year-end of October 31, 2014.

Earnings Webcast

On Thursday, September 4, 2014 at 9:00 a.m. ET, ABM will host a live webcast of remarks by president and chief executive officer Henrik Slipsager, executive vice president and chief financial officer James Lusk, executive vice president Jim McClure, and executive vice president Tracy Price. A supplemental presentation will accompany the webcast and will be accessible through the Investor Relations portion of ABM's website by clicking on the "Events and Presentations" tab.

The webcast will be accessible at: <http://investor.abm.com/events.cfm>.

Listeners are asked to be online at least 15 minutes early to register, as well as to download and install any complimentary audio software that might be required. Following the call, the webcast will be available at this URL for a period of 90 days.

In addition to the webcast, a limited number of toll-free telephone lines will also be available for listeners who are among the first to call (877) 664-7395 within 15 minutes before the event. Telephonic replays will be accessible during the period from two hours to seven days after the call by dialing (855) 859-2056 and then entering ID # 92091818.

Earnings Webcast Presentation

In connection with the webcast to discuss earnings (see above), a slide presentation related to earnings and operations will be available on the Company's website at www.abm.com and can be accessed through the Investor Relations section of ABM's website by clicking on the "Events and Presentations" tab.

ABOUT ABM

ABM (NYSE: ABM) is a leading provider of end-to-end facility solutions with fiscal year 2013 revenues of approximately \$4.8 billion and 110,000 employees in over 350 offices deployed throughout the United States and various international locations. ABM's comprehensive capabilities include facilities engineering, commercial cleaning, energy solutions, HVAC, electrical, landscaping, parking and security,

provided through stand-alone or integrated solutions. ABM provides custom facility solutions in urban, suburban and rural areas to properties of all sizes - from schools and commercial buildings to hospitals, manufacturing plants and airports. ABM Industries Incorporated, which operates through its subsidiaries, was founded in 1909. For more information, visit www.abm.com.

Cautionary Statement under the Private Securities Litigation Reform Act of 1995

This press release 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 actual results to differ materially from those anticipated. These factors include, but are not limited to the following: (1) risks relating to our acquisition strategy may adversely impact our results of operations; (2) our strategy of moving to an integrated facility solutions services provider platform, which focuses on vertical market strategy, may not generate the organic growth in revenues or profitability that we expect; (3) we are subject to intense competition that can constrain our ability to gain business as well as our profitability; (4) increases in costs that we cannot pass on to clients, including certain costs relating to electronic workforce management and client management tools, could affect our profitability; (5) federal health care reform legislation may adversely affect our business and results of operations; (6) our business success depends on retaining senior management and attracting and retaining qualified personnel; (7) we have high deductibles for certain insurable risks, and therefore we are subject to volatility associated with those risks; (8) we are defendants in class and representative actions and other lawsuits alleging various claims that could cause us to incur substantial liabilities; (9) we are at risk of losses stemming from any accident or other incident involving our airport operations; (10) our business success depends on our ability to preserve our long-term relationships with clients; (11) our restructuring initiatives may not achieve the expected cost reductions; (12) we are at risk of losses stemming from damage to our reputation; (13) negative or unexpected tax consequences could adversely affect our results of operations; (14) changes in energy prices and government regulations could adversely impact the results of operations of our Building & Energy Solutions business; (15) sequestration under the Budget Control Act of 2011 may negatively impact our business; (16) significant delays or reductions in appropriations for our government contracts may negatively affect our business and could have an adverse effect on our financial position, results of operations, and cash flows; (17) 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; (18) our services in areas of military conflict expose us to additional risks; (19) we are subject to business continuity risks associated with centralization of certain administrative functions; (20) we could incur additional costs to cover energy savings guarantees; (21) we are subject to cyber-security risks arising out of breaches of security relating to sensitive company, client, and employee information and to the technology that manages our operations and other business processes; (22) a decline in commercial office building occupancy and rental rates could affect our revenues and profitability; (23) deterioration in general economic conditions could reduce the demand for facility services and, as a result, reduce our earnings and adversely affect our financial condition; (24) financial difficulties or bankruptcy of one or more of our clients could adversely affect our results; (25) future declines in the fair value of our investments in auction rate securities could negatively impact our earnings; (26) we incur accounting and other control costs that reduce profitability; (27) any future increase in the level of our debt or in interest rates could affect our results of operations; (28) our ability to operate and pay our debt obligations depends upon our access to cash; (29) goodwill impairment charges could have a material adverse effect on our financial condition and results of operations; (30) impairment of long-lived assets may adversely affect our operating results; (31) changes in immigration laws or enforcement actions or investigations under such laws could significantly

adversely affect our labor force, operations, and financial results; (32) labor disputes could lead to loss of revenues or expense variations; (33) we participate in multiemployer pension plans that under certain circumstances could result in material liabilities being incurred; and (34) 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, 2013, and in other reports the Company files from time to time with the Securities and Exchange Commission. The Company urges readers to consider these risks and uncertainties in evaluating its forward-looking statements. The Company cautions readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. The Company disclaims any obligation or undertaking to publicly release any updates or revisions to any forward-looking statements contained herein (or elsewhere) to reflect any change in the Company's expectations with regard thereto, or any change in events, conditions or circumstances on which any such statement is made, whether as a result of new information, future events or otherwise.

Use of Non-GAAP Financial Information

To supplement ABM's consolidated financial information, the Company has presented net income and operating profit, as adjusted for items impacting comparability, for the third quarter and nine months of fiscal years 2014 and 2013. These adjustments have been made with the intent of providing financial measures that give management and investors a better understanding of the underlying operational results and trends as well as ABM's marketplace performance. In addition, the Company has presented earnings before interest, taxes, depreciation and amortization and excluding items impacting comparability (adjusted EBITDA) for the third quarter and nine months of fiscal years 2014 and 2013. 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 accounting principles generally accepted in the United States of America. (See accompanying financial tables for supplemental financial data and corresponding reconciliations to certain GAAP financial measures.)

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ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT INFORMATION (UNAUDITED)

	Three Months Ended July 31,		
	2014	2013	Increase / (Decrease)
<i>(\$ in millions, except per share amounts)</i>			
Revenues	\$ 1,276.1	\$ 1,216.8	4.9%
Expenses			
Operating	1,144.7	1,095.7	4.5%
Selling, general and administrative	91.2	85.4	6.8%
Amortization of intangible assets	6.5	7.0	(7.1)%
Total expenses	1,242.4	1,188.1	4.6%
Operating profit	33.7	28.7	17.4%
Income from unconsolidated affiliates, net	1.6	1.6	—%
Interest expense	(2.7)	(3.4)	(20.6)%
Income before income taxes	32.6	26.9	21.2%
Provision for income taxes	(13.2)	(10.9)	21.1%
Net income	\$ 19.4	\$ 16.0	21.3%
Net income per common share			
Basic	\$ 0.34	\$ 0.29	17.2%
Diluted	\$ 0.34	\$ 0.29	17.2%
Weighted-average common and common equivalent shares outstanding			
Basic	56.2	55.0	
Diluted	57.0	56.3	
Dividends declared per common share	\$ 0.155	\$ 0.150	

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT INFORMATION (UNAUDITED)

(\$ in millions, except per share amounts)	Nine Months Ended July 31,		Increase / (Decrease)
	2014	2013	
Revenues	\$ 3,733.9	\$ 3,572.5	4.5%
Expenses			
Operating	3,356.6	3,211.8	4.5%
Selling, general and administrative	271.9	257.6	5.6%
Amortization of intangible assets	19.9	21.5	(7.4)%
Total expenses	3,648.4	3,490.9	4.5%
Operating profit	85.5	81.6	4.8%
Income from unconsolidated affiliates, net	4.3	3.9	10.3%
Interest expense	(8.1)	(9.7)	(16.5)%
Income before income taxes	81.7	75.8	7.8%
Provision for income taxes	(34.0)	(27.1)	25.5%
Net income	<u>\$ 47.7</u>	<u>\$ 48.7</u>	<u>(2.1)%</u>
Net income per common share			
Basic	0.85	0.89	(4.5)%
Diluted	0.84	0.87	(3.4)%
Weighted-average common and common equivalent shares outstanding			
Basic	56.0	54.7	
Diluted	57.0	55.9	
Dividends declared per common share	\$ 0.465	\$ 0.450	

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

SELECTED CONSOLIDATED CASH FLOW INFORMATION (UNAUDITED)

<i>(In millions)</i>	Three Months Ended July 31,	
	2014	2013
Net cash provided by operating activities	\$ 19.3	\$ 46.5
Purchase of businesses, net of cash acquired	\$ (0.3)	\$ 0.7
Other	(8.1)	(10.4)
Net cash used in investing activities	\$ (8.4)	\$ (9.7)
Proceeds from exercises of stock options	\$ 2.5	\$ 7.8
Incremental tax benefit from share-based compensation awards	5.0	—
Repurchases of common stock	(10.0)	—
Dividends paid	(8.6)	(8.2)
Borrowings from line of credit	261.0	173.0
Repayment of borrowings from line of credit	(276.5)	(208.5)
Changes in book cash overdrafts	3.5	0.9
Other	(0.9)	(1.0)
Net cash used in financing activities	\$ (24.0)	\$ (36.0)

<i>(In millions)</i>	Nine Months Ended July 31,	
	2014	2013
Net cash provided by operating activities	\$ 57.0	\$ 84.3
Purchase of businesses, net of cash acquired	\$ (12.4)	\$ (191.3)
Other	(26.8)	(15.3)
Net cash used in investing activities	\$ (39.2)	\$ (206.6)
Proceeds from exercises of stock options	\$ 7.3	\$ 9.8
Incremental tax benefit from share-based compensation awards	5.0	—
Repurchases of common stock	(10.0)	—
Dividends paid	(25.9)	(24.3)
Deferred financing costs paid	(1.2)	—
Borrowings from line of credit	795.1	768.0
Repayment of borrowings from line of credit	(798.3)	(634.5)
Changes in book cash overdrafts	5.0	1.4
Other	(2.8)	(2.9)
Net cash (used in) provided by financing activities	\$ (25.8)	\$ 117.5

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET INFORMATION (UNAUDITED)

<i>(In Millions)</i>	<u>July 31, 2014</u>	<u>October 31, 2013</u>
ASSETS		
Cash and cash equivalents	\$ 24.6	\$ 32.6
Trade accounts receivable, net	726.1	672.5
Notes receivable and other	40.6	36.6
Prepaid expenses	68.8	59.6
Prepaid income taxes	5.1	5.1
Deferred income taxes, net	50.2	47.1
Insurance recoverables	11.2	11.1
Total current assets	<u>926.6</u>	<u>864.6</u>
Insurance deposits	16.0	28.5
Other investments and long-term receivables	9.1	5.0
Investments in unconsolidated affiliates, net	19.3	18.0
Investments in auction rate securities	13.0	13.0
Property, plant and equipment, net	82.6	77.2
Other intangible assets, net	127.2	144.4
Goodwill	879.1	872.4
Noncurrent insurance recoverables	56.4	57.6
Other assets	38.9	38.5
Total assets	<u>\$ 2,168.2</u>	<u>\$ 2,119.2</u>
LIABILITIES		
Trade accounts payable	\$ 162.8	\$ 157.8
Accrued liabilities		
Compensation	135.7	138.4
Taxes—other than income	31.0	25.7
Insurance claims	79.9	84.6
Other	112.2	101.9
Income taxes payable	0.2	0.1
Total current liabilities	<u>521.8</u>	<u>508.5</u>
Noncurrent income taxes payable	53.5	50.4
Line of credit	311.7	314.9
Retirement plans and other	38.6	41.4
Deferred income tax liability, net	16.4	13.1
Noncurrent insurance claims	272.5	273.4
Total liabilities	<u>1,214.5</u>	<u>1,201.7</u>
Stockholders' Equity	<u>953.7</u>	<u>917.5</u>
Total liabilities and stockholders' equity	<u>\$ 2,168.2</u>	<u>\$ 2,119.2</u>

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES
REVENUES AND OPERATING PROFIT BY SEGMENT (UNAUDITED)

(\$ in millions)	Three Months Ended July 31,		Increase/ (Decrease)
	2014	2013	
Revenues			
Janitorial	\$ 648.3	\$ 626.1	3.5%
Facility Services	151.0	152.8	(1.2)%
Parking	156.5	154.0	1.6%
Security	95.4	96.2	(0.8)%
Building & Energy Solutions	127.5	104.9	21.5%
Other	97.4	82.6	17.9%
Corporate	—	0.2	(100.0)%
Total Revenues	<u>\$ 1,276.1</u>	<u>\$ 1,216.8</u>	<u>4.9%</u>
Operating profit			
Janitorial	\$ 40.4	\$ 34.4	17.4%
Facility Services	7.5	7.0	7.1%
Parking	9.4	8.2	14.6%
Security	3.9	4.0	(2.5)%
Building & Energy Solutions	6.8	5.9	15.3%
Other	4.5	3.8	18.4%
Corporate	(37.2)	(32.9)	13.1%
Adjustment for income from unconsolidated affiliates, net included in Building & Energy Solutions	(1.6)	(1.7)	5.9%
Total operating profit	<u>33.7</u>	<u>28.7</u>	<u>17.4%</u>
Income from unconsolidated affiliates, net	1.6	1.6	—%
Interest expense	(2.7)	(3.4)	(20.6)%
Income before income taxes	32.6	26.9	21.2%
Provision for income taxes	(13.2)	(10.9)	21.1%
Net Income	<u>\$ 19.4</u>	<u>\$ 16.0</u>	<u>21.3%</u>

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES
REVENUES AND OPERATING PROFIT BY SEGMENT (UNAUDITED)

(\$ in millions)	Nine Months Ended July 31,		Increase/ (Decrease)
	2014	2013	
Revenues			
Janitorial	\$ 1,917.1	\$ 1,848.2	3.7%
Facility Services	452.2	456.6	(1.0)%
Parking	459.4	456.8	0.6%
Security	288.9	284.4	1.6%
Building & Energy Solutions	348.1	286.8	21.4%
Other	268.2	239.0	12.2%
Corporate	—	0.7	(100.0)%
Total Revenues	<u>\$ 3,733.9</u>	<u>\$ 3,572.5</u>	<u>4.5%</u>
Operating profit			
Janitorial	\$ 105.7	\$ 101.3	4.3%
Facility Services	18.4	19.3	(4.7)%
Parking	21.5	19.1	12.6%
Security	8.7	7.8	11.5%
Building & Energy Solutions	13.0	7.5	73.3%
Other	8.8	7.9	11.4%
Corporate	(86.3)	(77.2)	11.8%
Adjustment for income from unconsolidated affiliates, net included in Building & Energy Solutions	(4.3)	(4.1)	(4.9)%
Total operating profit	<u>85.5</u>	<u>81.6</u>	<u>4.8%</u>
Income from unconsolidated affiliates, net	4.3	3.9	10.3%
Interest expense	(8.1)	(9.7)	(16.5)%
Income before income taxes	81.7	75.8	7.8%
Provision for income taxes	(34.0)	(27.1)	25.5%
Net Income	<u>\$ 47.7</u>	<u>\$ 48.7</u>	<u>(2.1)%</u>

ABM Industries Incorporated and Subsidiaries
Reconciliations of Non-GAAP Financial Measures
(Unaudited)

(\$ in millions, except per share amounts).

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2014	2013	2014	2013
Reconciliation of Adjusted Net Income to Net Income				
Adjusted net income	\$ 26.9	\$ 23.1	\$ 59.8	\$ 58.0
Items impacting comparability:				
Rebranding (a)	(1.4)	(1.4)	(3.2)	(2.1)
U.S. Foreign Corrupt Practices Act investigation (b)	(0.2)	—	(1.1)	(0.4)
Self- Insurance adjustment	(10.5)	(9.9)	(10.5)	(9.9)
Acquisition costs	(0.3)	(0.3)	(0.6)	(1.0)
Litigation and other settlements	—	—	(3.4)	(0.1)
Restructuring (c)	(0.6)	(0.1)	(2.2)	(1.8)
Total items impacting comparability	(13.0)	(11.7)	(21.0)	(15.3)
Benefit from income taxes	5.5	4.6	8.9	6.0
Items impacting comparability, net of taxes	(7.5)	(7.1)	(12.1)	(9.3)
Net Income	\$ 19.4	\$ 16.0	\$ 47.7	\$ 48.7

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2014	2013	2014	2013
Reconciliation of Adjusted Operating Profit to Operating Profit				
Adjusted operating profit	\$ 46.7	\$ 40.4	\$ 106.5	\$ 96.9
Total items impacting comparability	(13.0)	(11.7)	(21.0)	(15.3)
Operating profit	\$ 33.7	\$ 28.7	\$ 85.5	\$ 81.6

Reconciliation of Adjusted EBITDA to Net Income				
Adjusted EBITDA	\$ 62.4	\$ 57.2	\$ 153.3	\$ 147.8
Items impacting comparability	(13.0)	(11.7)	(21.0)	(15.3)
Provision for income taxes	(13.2)	(10.9)	(34.0)	(27.1)
Interest Expense	(2.7)	(3.4)	(8.1)	(9.7)
Depreciation and amortization	(14.1)	(15.2)	(42.5)	(47.0)
Net Income	\$ 19.4	\$ 16.0	\$ 47.7	\$ 48.7

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2014	2013	2014	2013
Reconciliation of Adjusted Net Income per Diluted Share to Net Income per Diluted Share				
Adjusted net income per diluted share	\$ 0.47	\$ 0.41	\$ 1.05	\$ 1.04
Items impacting comparability, net of taxes	(0.13)	(0.12)	(0.21)	(0.17)
Net income per diluted share	\$ 0.34	\$ 0.29	\$ 0.84	\$ 0.87
Diluted shares	57.0	56.3	57.0	55.9

(a) Represents costs related to the Company's branding initiative.

(b) Includes legal and other cost incurred in connection with an internal investigation into a foreign entity affiliated with a former joint venture partner. (c)

Restructuring costs associated with realignment of our operational structure.

ABM Industries Incorporated and Subsidiaries**Reconciliation of Estimated Adjusted Income per Diluted Share to Estimated Net Income per Diluted Share for the Year Ending October 31, 2014**

	Year Ended October 31, 2014	
	Low Estimate	High Estimate
Estimated net income per diluted share including expected Work Opportunity Tax Credit of \$0.08 per diluted share (a)		
	(per diluted share)	
Adjusted net income per diluted share	\$ 1.65	\$ 1.69
Adjustments (b)	\$ (0.23)	\$ (0.23)
Net income per diluted share	<u>\$ 1.42</u>	<u>\$ 1.46</u>

(a) The Company continues to assume Congress will retroactively reenact the Work Opportunity Tax Credit within the Company's fiscal year, which ends October 31, 2014. This guidance includes the expected Work Opportunity Tax Credit of \$0.08 per diluted share.

(b) Adjustments include rebranding costs, restructuring costs associated with realignment of our operational structure, certain legal settlements, adjustments to self-insurance reserves pertaining to prior year's claims and other unique items impacting comparability.



**Third Quarter 2014
Teleconference**

September 4, 2014

Agenda

1

Introduction & Overview | Henrik Slipsager, CEO

2

Third Quarter 2014 Review of Financial Results | Jim Lusk, CFO

3

Third Quarter 2014 Operational Review | Jim McClure, EVP, Tracy Price, EVP & Henrik Slipsager, CEO

4

Fiscal 2014 Outlook | Henrik Slipsager, CEO

5

Questions & Answers

Forward-Looking Statements and Non-GAAP Financial Information:

Our discussions during this conference call will include forward-looking statements. Actual results could differ materially from those projected in the forward-looking statements. The factors that could cause actual results to differ are discussed in the Company's 2013 Annual Report on Form 10-K and in our 2014 reports on Form 10-Q and Form 8-K. These reports are available on our website at <http://investor.abm.com/> under "SEC Filings". A description of factors that could cause actual results to differ is also set forth at the end of this presentation.

Also, the discussion during this conference call will include certain financial measures that were not prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). Reconciliations of those non-GAAP financial measures to the most directly comparable U.S. GAAP financial measures can be found on the Investor Relations portion of our website at <http://investor.abm.com> and at the end of this presentation.



**Third Quarter 2014
Review of Financial Results**

Fiscal Q3 2014 Overview

- Achieved record revenue for the third quarter of \$1.28 billion, up 4.9%
 - Select organic growth rates:
 - Janitorial 3.5%;
 - Building & Energy Solutions 14.2%¹; and
 - Other (Air Serv) 11.1%²
- Net Income up 21.3%, Adjusted Net Income per share rises 14.6% to \$0.47
 - Items affecting adjusted net income:
 - Organic growth
 - Realignment savings in the Onsite businesses
 - Lower insurance expense due to enhancements in the Company's risk management and safety programs
- Repurchased 377,364 shares at a cost of \$10 million
- Announced 194th consecutive quarterly dividend

¹ Excludes revenue from acquisition of BEST Infrared Services, Inc. & Alpha Mechanical, Inc.

² Excludes revenue from acquisition of Blackjack Promotions Limited

Third Quarter Results Synthesis – Key Financial Metrics

Adjusted Net Income

- Adjusted net income of \$26.9 million, or \$0.47 per diluted share, up 16.5% compared to \$23.1 million, or \$0.41 per diluted share in fiscal 2013 third quarter. The increase in adjusted net income is primarily from organic growth, savings from the realignment of Onsite businesses, and lower insurance expense for policy year 2014 due to enhancements in risk management & safety programs.

Net Income

- Net income of \$19.4 million or \$0.34 per diluted share was up 21.3% compared to \$16.0 million, or \$0.29 per diluted share in fiscal 2013. The increase is the result of new business, improved operating margins including savings from the realignment of Onsite businesses and lower insurance expense. Also in the Company's results is an after-tax charge of \$6.1 million (\$10.5 million pre-tax) to increase expected insurance reserves for policy years before 2014. This compares to an after-tax charge of \$6.0 million (\$9.9 million pre-tax) recorded in the third quarter of fiscal 2013.

Net Cash from Operating Activities

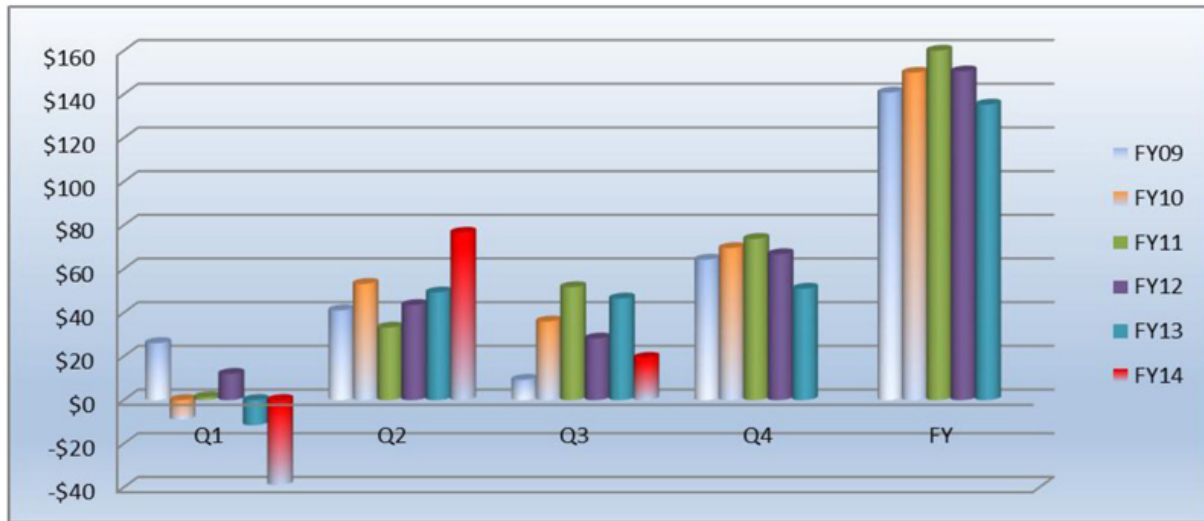
- For the quarter, net cash from operating activities decreased 58.5% to \$19.3 million, primarily related to the timing of collecting client receivables and higher cash taxes paid.

(\$ in millions, except per share amounts) (unaudited)	Three Months Ended July 31,			Increase (Decrease)	Nine Months Ended July 31,			Increase (Decrease)
	2014	2013			2014	2013		
Revenues	\$ 1,276.1	\$ 1,216.8		4.9 %	\$ 3,733.9	\$ 3,572.5		4.5 %
Operating profit	\$ 33.7	\$ 28.7		17.4 %	\$ 85.5	\$ 81.6		4.8 %
Adjusted operating profit	\$ 46.7	\$ 40.4		15.6 %	\$ 106.5	\$ 96.9		9.9 %
Net income	\$ 19.4	\$ 16.0		21.3 %	\$ 47.7	\$ 48.7		(2.1)%
Net income per diluted share	\$ 0.34	\$ 0.29		17.2 %	\$ 0.84	\$ 0.87		(3.4)%
Adjusted net income	\$ 26.9	\$ 23.1		16.5 %	\$ 59.8	\$ 58.0		3.1 %
Adjusted net income per diluted share	\$ 0.47	\$ 0.41		14.6 %	\$ 1.05	\$ 1.04		1.0 %
Net cash provided by operating activities	\$ 19.3	\$ 46.5		(58.5)%	\$ 57.0	\$ 84.3		(32.4)%
Adjusted EBITDA	\$ 62.4	\$ 57.2		9.1 %	\$ 153.3	\$ 147.8		3.7 %

Note: Reconciliation of adjusted operating profit, adjusted net income, adjusted net income per diluted share, and adjusted EBITDA is in the appendix of this presentation.

Select Cash Flow & Balance Sheet Items

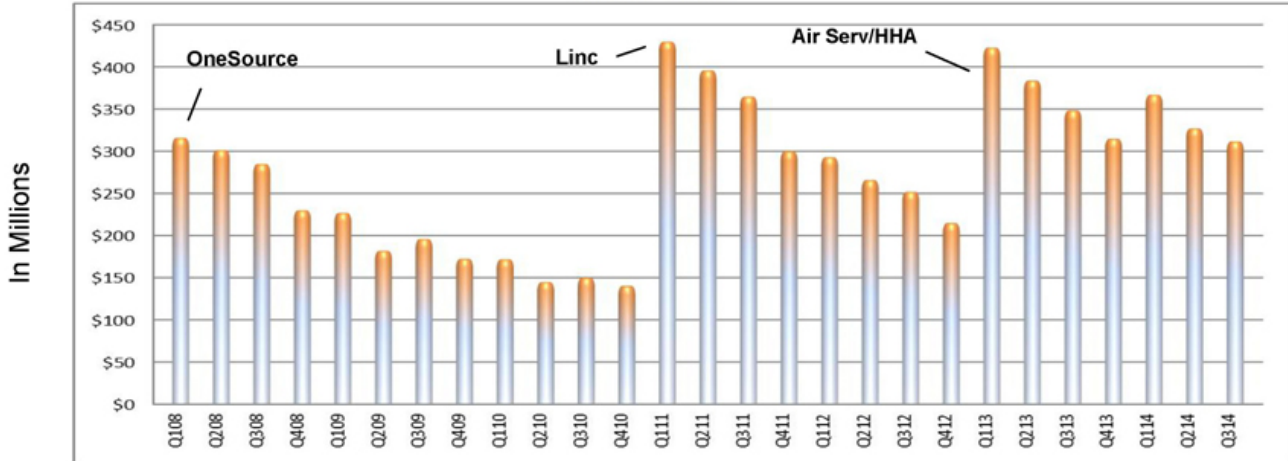
Cash Flow from Operating Activities
(in millions)



- Days sales outstanding (DSO) for the third quarter were 54 days
- DSO up 3 days on a Y-o-Y basis and up 1 day sequentially
- Q3 2014 Depreciation and amortization of \$14.1 million down \$1.1 million Y-o-Y basis
- Q3 2014 Insurance claim liabilities of \$352.4 million down \$7.4 million compared to Q3 2013
- Q3 2014 Self-insurance claims paid \$25.4 million up \$1.9 million compared to Q3 2013
- Q3 2014 capital expenditures of \$9.2 million, down \$1.8 million Y-o-Y

Select Cash Flow & Balance Sheet Items – Continued

Line of Credit



Dividends Paid (Fiscal Year Basis)





**Third Quarter 2014
Operational Review**

Q3 2014 Results Synthesis - Revenues

Consolidated revenues up 4.9% at \$1.28 billion – A Q3 Record

Janitorial Services

- Revenues of \$648.3 million, up organically \$22 million or 3.5% compared to 2013 Q3
- Janitorial tag business up 7.1%

Facility Services

- Revenues of \$151.0 million, down \$1.8 million or 1.2% compared to 2013 Q3
- Expecting flat to lower revenue growth in fourth quarter as new jobs ramp up

Parking & Shuttle Services

- Revenues of \$156.5 million, up \$2.5 million or 1.6% compared to 2013 Q3
- Management reimbursement revenues were up \$2.6 million to \$78.0 million

Security Services

- Revenues of \$95.4 million, down \$0.8 million compared to 2013 Q3
- Anticipating new business in high-tech vertical to generate growth in upcoming quarters

Building & Energy Solutions

- Revenues of \$127.5 million, up \$22.6 million or 21.5% compared to 2013 Q3; organic revenue grew 14.2%
- Y-o-Y organic growth of 14.4% in ABES, 11.0% in ABM Government, and 17.2% in ABM Healthcare Support Services

Other (Air Serv)

- Revenues of \$97.4 million, up \$14.8 million or 17.9% compared to 2013 Q3; organic revenue grew 11.1%
- Blackjack acquisition contributed revenue of \$5.6 million

Q3 2014 Results Synthesis - Operating Profits¹

(\$ in millions)	Third Quarter		
	2014	2013	Change
Janitorial	\$ 40.4	\$ 34.4	17.4 %
Facility Services	7.5	7.0	7.1 %
Parking	9.4	8.2	14.6 %
Security	3.9	4.0	(2.5)%
Building & Energy Solutions	6.8	5.9	15.3 %
Other	4.5	3.8	18.4 %
Total Profit	72.5	63.3	14.5 %

¹Excludes Corporate



- Janitorial operating profit of \$40.4 million, increased \$6.0 million or 17.4%. This significant growth was primarily related to lower labor and labor related expenses as a result of safety initiatives and realignment savings, and new business added.
- Operating profit for Facility Services was \$7.5 million, up \$0.5 or 7.1% on a number of items.
- Parking operating profit increased \$1.2 million, or 14.6%, as compared to the fiscal third quarter of 2013. The increase is attributable to reduced insurance expense, lower expense from the Onsite realignment and lower legal expense.
- Operating profit for Security was flat at \$3.9 million.
- Building & Energy Solutions profit increased 15.3% to \$6.8 million from new business and acquisitions.
- Operating profit for the Other segment, which represents the results of Air Serv, increased \$0.7 million to \$4.5 million, primarily driven by new business in the United Kingdom and contribution from the Blackjack acquisition.

Q3 2014 Business & Sales Highlights

- ABM Building Solutions business was selected by Colquitt County Schools to implement district-wide comprehensive infrastructure improvements. The customized solution developed by ABM will provide energy efficient upgrades and facility enhancements to all fourteen schools within the county.
- ABM's Facility Services selected to provide a full range of facilities engineering maintenance services for Commonwealth Partner's properties across the Western and Midwestern United States. The deal builds upon Commonwealth Partner's existing contract with ABM Parking Services.
- Company completed acquisition of Airco Commercial Services Inc., a provider of HVAC services, energy solutions and building controls. The acquisition is part of ABM's strategy to deliver an entire portfolio of services in every major metro area in Northern California.





Outlook

Fiscal 2014 Outlook

- Based on the Company's year-to-date operational results and its current expectations, the Company is lifting guidance for:
 - Adjusted net income to \$1.65 to \$1.69 per diluted share
- Guidance for net income of \$1.42 to \$1.46 per diluted share
- Effective tax rate in the range of 36% to 38%. This is an increase over fiscal 2013's effective tax rate of 35.2%.
- This guidance continues to assume an \$0.08 per diluted share benefit based on the Work Opportunity Tax Credit, which the Company assumes Congress will retroactively reenact by the end of the Company's fiscal year-end of October 31, 2014.
- Depreciation and amortization expense is expected to remain relatively consistent with fiscal 2013. The range is \$58 million to \$60 million.
- Capital expenditures are expected to be in the range of \$34 million to \$36 million.
- Cash taxes are expected to be in the range of \$35 million to \$37 million.

Forward-Looking Statement

This presentation 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 actual results to differ materially from those anticipated. These factors include, but are not limited to the following: (1) risks relating to our acquisition strategy may adversely impact our results of operations; (2) our strategy of moving to an integrated facility solutions services provider platform, which focuses on vertical market strategy, may not generate the organic growth in revenues or profitability that we expect; (3) we are subject to intense competition that can constrain our ability to gain business as well as our profitability; (4) increases in costs that we cannot pass on to clients, including certain costs relating to electronic workforce management and client management tools, could affect our profitability; (5) federal health care reform legislation may adversely affect our business and results of operations; (6) our business success depends on retaining senior management and attracting and retaining qualified personnel; (7) we have high deductibles for certain insurable risks, and therefore we are subject to volatility associated with those risks; (8) we are defendants in class and representative actions and other lawsuits alleging various claims that could cause us to incur substantial liabilities; (9) we are at risk of losses stemming from any accident or other incident involving our airport operations; (10) our business success depends on our ability to preserve our long-term relationships with clients; (11) our restructuring initiatives may not achieve the expected cost reductions; (12) we are at risk of losses stemming from damage to our reputation; (13) negative or unexpected tax consequences could adversely affect our results of operations; (14) changes in energy prices and government regulations could adversely impact the results of operations of our Building & Energy Solutions business; (15) sequestration under the Budget Control Act of 2011 may negatively impact our business; (16) significant delays or reductions in appropriations for our government contracts may negatively affect our business and could have an adverse effect on our financial position, results of operations, and cash flows; (17) 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; (18) our services in areas of military conflict expose us to additional risks; (19) we are subject to business continuity risks associated with centralization of certain administrative functions; (20) we could incur additional costs to cover energy savings guarantees; (21) we are subject to cyber-security risks arising out of breaches of security relating to sensitive company, client, and employee information and to the technology that manages our operations and other business processes; (22) a decline in commercial office building occupancy and rental rates could affect our revenues and profitability; (23) deterioration in general economic conditions could reduce the demand for facility services and, as a result, reduce our earnings and adversely affect our financial condition; (24) financial difficulties or bankruptcy of one or more of our clients could adversely affect our results; (25) future declines in the fair value of our investments in auction rate securities could negatively impact our earnings; (26) we incur accounting and other control costs that reduce profitability; (27) any future increase in the level of our debt or in interest rates could affect our results of operations; (28) our ability to operate and pay our debt obligations depends upon our access to cash; (29) goodwill impairment charges could have a material adverse effect on our financial condition and results of operations; (30) impairment of long-lived assets may adversely affect our operating results; (31) changes in immigration laws or enforcement actions or investigations under such laws could significantly adversely affect our labor force, operations, and financial results; (32) labor disputes could lead to loss of revenues or expense variations; (33) we participate in multiemployer pension plans that under certain circumstances could result in material liabilities being incurred; and (34) natural disasters or acts of terrorism could disrupt services.

A man in a dark suit and light shirt is seen from behind, walking through a large, modern airport terminal. The ceiling is a complex, geometric grid of white panels with recessed lighting. The floor is highly reflective, showing the man's reflection and the surrounding environment. The overall color palette is dominated by light blues and whites, with a semi-transparent blue overlay at the bottom where the text is located.

**Appendix - Unaudited Reconciliation
of non-GAAP Financial Measures**

Unaudited Reconciliation of non-GAAP Financial Measures

ABM Industries Incorporated and Subsidiaries Reconciliations of Non-GAAP Financial Measures (Unaudited)

(\$ in millions)

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2014	2013	2014	2013
Reconciliation of Adjusted Net Income to Net Income				
Adjusted net income	\$ 26.9	\$ 23.1	\$ 59.8	\$ 58.0
Items impacting comparability:				
Rebranding (a)	(1.4)	(1.4)	(3.2)	(2.1)
U.S. Foreign Corrupt Practices Act investigation (b)	(0.2)	-	(1.1)	(0.4)
Self-insurance adjustment	(10.5)	(9.9)	(10.5)	(9.9)
Acquisition costs	(0.3)	(0.3)	(0.6)	(1.0)
Litigation and other settlements	-	-	(3.4)	(0.1)
Restructuring (c)	(0.6)	(0.1)	(2.2)	(1.8)
Total items impacting comparability	(13.0)	(11.7)	(21.0)	(15.3)
Benefit from income taxes	5.5	4.6	8.9	6.0
Items impacting comparability, net of taxes	(7.5)	(7.1)	(12.1)	(9.3)
Net Income	\$ 19.4	\$ 16.0	\$ 47.7	\$ 48.7

(a) Represents costs related to the Company's branding initiative.

(b) Includes legal and other costs incurred in connection with an internal investigation into a foreign entity affiliated with a former joint venture partner.

(c) Restructuring costs associated with realignment of our operational structure.

Unaudited Reconciliation of non-GAAP Financial Measures

ABM Industries Incorporated and Subsidiaries Reconciliations of Non-GAAP Financial Measures (Unaudited)

(\$ in millions, except per share amounts)

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2014	2013	2014	2013
Reconciliation of Adjusted Operating Profit to Operating Profit				
Adjusted operating profit	\$ 46.7	\$ 40.4	\$ 106.5	\$ 96.9
Total items impacting comparability	(13.0)	(11.7)	(21.0)	(15.3)
Operating profit	\$ 33.7	\$ 28.7	\$ 85.5	\$ 81.6
Reconciliation of Adjusted EBITDA to Net Income				
Adjusted EBITDA	\$ 62.4	\$ 57.2	\$ 153.3	\$ 147.8
Items impacting comparability	(13.0)	(11.7)	(21.0)	(15.3)
Provision for income taxes	(13.2)	(10.9)	(34.0)	(27.1)
Interest expense	(2.7)	(3.4)	(8.1)	(9.7)
Depreciation and amortization	(14.1)	(15.2)	(42.5)	(47.0)
Net income	\$ 19.4	\$ 16.0	\$ 47.7	\$ 48.7
Reconciliation of Adjusted Net Income per Diluted Share to Net Income per Diluted Share				
	Three Months Ended July 31,		Nine Months Ended July 31,	
	2014	2013	2014	2013
Adjusted net income per diluted share	\$ 0.47	\$ 0.41	\$ 1.05	\$ 1.04
Items impacting comparability, net of taxes	(0.13)	(0.12)	(0.21)	(0.17)
Net income per diluted share	\$ 0.34	\$ 0.29	\$ 0.84	\$ 0.87
Diluted shares	57.0	56.3	57.0	55.9

Unaudited Reconciliation of non-GAAP Financial Measures

ABM Industries Incorporated and Subsidiaries
Reconciliation of Estimated Adjusted Net Income per Diluted Share to
Estimated Net Income per Diluted Share for the Year Ending October 31, 2014

Estimated net income per diluted share **including** expected Work Opportunity Tax Credit of \$0.08 per diluted share (a)

	Year Ending October 31, 2014	
	Low Estimate	High Estimate
	(per diluted share)	
Adjusted net income per diluted share	\$ 1.65	\$ 1.69
Adjustments (b)	\$ (0.23)	\$ (0.23)
Net income per diluted share	<u>\$ 1.42</u>	<u>\$ 1.46</u>

Adjusted net income per diluted share

Adjustments (b)

Net income per diluted share

(a) The Company continues to assume Congress will retroactively reenact the Work Opportunity Tax Credit within the Company's fiscal year, which ends October 31, 2014. This guidance includes the expected Work Opportunity Tax Credit of \$ 0.08 per diluted share

(b) Adjustments include rebranding costs, restructuring costs associated with realignment of our operational structure, certain legal settlements, adjustments to self-insurance reserves pertaining to prior year's claims and other unique items impacting comparability.