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

FORM 10-K

(Mark One) X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (FEE REQUIRED)

FOR THE FISCAL YEAR ENDED OCTOBER 31, 1995

OR

__ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

For the Transition Period from _________ to _________

Commission File Number 1-8929

ABM INDUSTRIES INCORPORATED
(Exact name of registrant as specified in its charter)

DELAWARE	94-1369354
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)

50 FREMONT STREET, 26TH FLOOR, SAN FRANCISCO, CALIFORNIA 94105
(Address and zip code of principal executive offices)

TELEPHONE: (415) 597-4500

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

Title of Each Class	Name of Each Exchange on Which Registered
COMMON STOCK, $.01 PAR VALUE	NEW YORK STOCK EXCHANGE AND PACIFIC STOCK EXCHANGE
PREFERRED STOCK PURCHASE RIGHTS	NEW YORK STOCK EXCHANGE AND PACIFIC STOCK EXCHANGE

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes X No _

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. X

As of December 31, 1995, nonaffiliates of the registrant beneficially owned shares of the registrant's common stock with an aggregate market value of $197,113,717.

As of December 31, 1995, there were 9,412,719 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The Proxy Statement to be used by the Company in connection with its 1996 Annual Meeting of Stockholders is incorporated by reference into Part III of this Form 10-K.

PART I

ITEM 1. BUSINESS.

ABM Industries Incorporated ("ABM") is the largest American-owned facility services contractor listed on the New York Stock Exchange. With annual revenues approaching $1 billion and more than 45,000 employees, ABM and its subsidiaries (the "Company") provide air conditioning, elevator, engineering, janitorial, lighting, parking and security services to thousands of commercial, industrial and institutional facilities in hundreds of cities across North America.

ABM was reincorporated in Delaware on March 19, 1985, as the successor to a business founded in California in 1909. By vote of the stockholders on March 16, 1994, the Company's name was changed from American Building Maintenance Industries, Inc. to ABM Industries Incorporated. The corporate headquarters of the Company is located at 50 Fremont Street, 26th Floor, San Francisco, California 94105, and its telephone number is (415) 597-4500.

BUSINESS SEGMENT INFORMATION

The Company's divisions (consisting of one or more subsidiaries of the Company), listed below, operate in three functionally oriented segments of the building services industry -- Janitorial Divisions, Public Service Divisions and Technical Divisions.

JANITORIAL DIVISIONS	PUBLIC SERVICE DIVISIONS	TECHNICAL DIVISIONS
ABM Janitorial Services	ABM Security Services	Amtech Elevator Services
Easterday Janitorial Supply	Ampco System Parking	Amtech Engineering Services
		Amtech Lighting Services
		CommAir Mechanical Services

Additional information relating to the Company's three industry segments appears in Note 15 of Item 8, Financial Statements and Supplementary Data of this Form 10-K. The business activities of the Company's three industry segments and eight operating divisions, as they existed at October 31, 1995, are more fully described below.

JANITORIAL DIVISIONS

The Janitorial Divisions provide janitorial cleaning services as well as janitorial supplies and equipment to their customers. Operating from 86 offices throughout the United States and Canada, this segment accounted for approximately 57%, 54% and 53% of the Company's revenues in the fiscal years ended October 31, 1993, 1994 and 1995, respectively.

/ / ABM JANITORIAL SERVICES provides a wide range of basic janitorial services for a variety of structures and organizations, including office buildings, industrial plants, banks, department stores, theaters, warehouses, educational and health institutions and airport terminals. Services provided by ABM Janitorial Services include floor cleaning and finishing, wall and window washing, furniture polishing, rug cleaning, dusting, and other building cleaning services. This Division maintains 80 offices in 33 states, the District of Columbia and two Canadian provinces and operates under thousands of individually negotiated building maintenance contracts, the majority of which are obtained by competitive bidding. Generally, profit margins on maintenance contracts tend to be inversely proportional to the size of the contract. Although many of the Division's maintenance contracts are fixed price agreements, others contain clauses under which the customer agrees to reimburse the Division for the full amount of wages, payroll taxes, insurance premiums and other expenses plus a profit percentage. The majority of the Division's contracts are for one-year periods, contain automatic renewal clauses and are subject to termination by either party upon 30 to 90 days written notice.

/ / EASTERDAY JANITORIAL SUPPLY markets janitorial supplies and equipment through six sales offices located in San Francisco, Los Angeles and Sacramento, California; Portland, Oregon; Reno, Nevada; and Houston, Texas. Aside from sales to ABM Janitorial Services, which, in 1995, accounted for approximately 32% of Easterday Janitorial Supply's total revenues (before intercompany eliminations), the principal customers for this division are industrial plants, schools, commercial buildings, industrial organizations, transportation terminals, theaters, hotels, retail stores, restaurants, military establishments and janitorial service companies. Among the products sold are paper products, disinfectants, floor cleaners, polishes, glass cleaners, waxes and cleaning equipment. The products sold include a number of nationally advertised brands and, in large part, are manufactured by others. This Division manufactures certain cleaning agents and waxes which it sells, but its manufacturing operations are not significant in relation to Easterday Janitorial Supply as a whole.

PUBLIC SERVICE DIVISIONS

At October 31, 1995, operations of the Company's Public Service Divisions segment provided parking facility management services and commercial security and investigative services to their customers.

The Public Service Divisions operated from 44 offices which were located throughout the United States. For the fiscal years ended October 31, 1993, 1994 and 1995, this segment accounted for approximately 16%, 20% and 21%, respectively, of the Company's revenues.

The two Public Service Divisions are described below:

/ / ABM SECURITY SERVICES provides security guards and special investigative and security consulting services to a wide range of businesses in the major metropolitan areas of San Francisco, San Diego and Los Angeles, California; Houston, Dallas/Fort Worth, Austin and San Antonio, Texas; Chicago, Illinois; Phoenix, Arizona; Seattle, Washington; Portland, Oregon; New Orleans, Louisiana; Minneapolis, Minnesota; Kansas City, Missouri; and the District of Columbia. Much like ABM Janitorial Services, the majority of this Division's contracts are for one-year periods, contain automatic renewal clauses and are subject to termination by either party upon 30 to 90 days written notice.

/ / AMPCO SYSTEM PARKING operates approximately 1,425 parking lots and garages which are either leased from or managed for third parties. Ampco System Parking currently has parking facilities in 23 states: Arizona, California, Colorado, Connecticut, Florida, Georgia, Hawaii, Idaho, Indiana, Iowa, Kansas, Michigan, Missouri, Nebraska, New Jersey, New York, Ohio, Oklahoma, Pennsylvania, Texas, Utah, Washington and Wisconsin.

TECHNICAL DIVISIONS

The Technical Divisions segment provides its customers with a wide range of elevator, engineering, lighting and mechanical services through its four divisions. The Company believes that the offering of such a wide range of services by an affiliated group provides its customers with an attractive alternative to obtaining the services of a larger number of unrelated individual contractors and/or subcontractors. A number of the Divisions' service contracts are for one to three years and are generally renewed after expiration. Installation contracts are either individually negotiated or obtained through competitive bidding. This segment's primary market consists of retail and commercial businesses with multiple locations scattered over wide geographic areas. Examples of such customers include high-rise office buildings, bank and savings and loan branch systems, shopping centers, restaurant chains, service stations, supermarkets and drug, convenience and discount store chains.

The Technical Divisions operate from 47 offices located in Arizona, California, Colorado, Florida, Georgia, Illinois, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Nevada, New Jersey, New Mexico, Oregon, Pennsylvania, Texas, Washington, Washington, D.C., Wisconsin and Mexico. For the fiscal years ended October 31, 1993, 1994 and 1995, this segment accounted for approximately 27%, 26% and 26%, respectively, of the Company's revenues.

Operations of the four Technical Divisions during fiscal year 1995 are described below:

/ / AMTECH ELEVATOR SERVICES installs, maintains and repairs elevators and escalators in major metropolitan areas of California; Houston, Texas; Detroit, Michigan; Upper Marlboro, Maryland; Las Vegas, Nevada; Pennsauken, New Jersey; Atlanta, Georgia; Philadelphia, Pennsylvania; Denver, Colorado; Chicago, Illinois; Cincinnati, Ohio; and Washington, D.C. Amtech Elevator Services builds elevator units in Rosarito, Mexico, maintains fourteen offices and several parts warehouses and operates a fleet of radio-equipped service vehicles.

/ / AMTECH ENGINEERING SERVICES provides building owners and managers with staffs of on-site operating engineers to operate, maintain and repair electrical, mechanical, and plumbing systems within a facility. This service is primarily for high-rise office buildings, but customers also include schools, warehouses and factories. Amtech Engineering Services maintains five offices, two of which are in California and one each in Chicago, Illinois; Philadelphia, Pennsylvania; and Phoenix, Arizona.

/ / AMTECH LIGHTING SERVICES provides relamping, fixture cleaning and periodic maintenance service to its customers. Amtech Lighting Services also repairs, services, designs and installs outdoor signage. This division maintains sixteen offices, six of which are located in California; and one office in each of Austin, Dallas, Houston and San Antonio, Texas; Phoenix, Arizona; Albuquerque, New Mexico; New Orleans, Louisiana; Atlanta, Georgia; and Tampa and Ft. Lauderdale, Florida.

/ / COMMAIR MECHANICAL SERVICES installs and services air conditioning, ventilation and heating equipment and provides energy management services to commercial, industrial and institutional facilities. CommAir Mechanical Services maintains eleven offices, ten of which are located in California, and one in Phoenix, Arizona.

TRADEMARKS

The Company believes that it owns or is licensed to use all corporate names, trade names, trademarks, service marks, copyrights, patents and trade secrets which are material to the Company's operations.

COMPETITION

The Company believes that each aspect of its business is highly competitive, and that such competition is based primarily on price and quality of service. The Company's competitors include a large number of regional and local companies located in major cities throughout the United States and Canada. While the majority of the Company's competitors in the janitorial and building maintenance business operate in a limited geographic area, the operating divisions of a few large, diversified companies compete with the Company on a national basis. In addition, a number of the Company's competitors do not operate under collective bargaining agreements. Generally, these nonunion competitors are able to operate with lower labor and employee benefit costs, thus permitting them to more aggressively compete on the basis of price in geographic areas where the Company has union operations.

MARKETING AND SALES

The Company's marketing and sales efforts are conducted by its various divisions and regional offices. Sales, marketing and operations executives in each of the regional and some of the major branch offices participate directly in obtaining new customers and also service the existing ones. The broad geographic base of the Company's division, regional and branch offices enables the Company to provide a full range of facility services, which are available individually or as a part of the Company's multi-service marketing program.

The Company has a broad customer base including airports, apartment complexes, city centers, colleges and universities, financial institutions, industrial plants, office buildings, retail stores, shopping centers and theme parks. The Company estimates that no customer accounted for more than 5% of its revenues during the fiscal year ended October 31, 1995.

EMPLOYEES

The Company employs approximately 45,000 persons, of whom about 3,100 are in executive, managerial, administrative, professional, sales and clerical positions. The remaining employees perform air conditioning, elevator, engineering, janitorial, lighting, parking and security services. Approximately 18,400 employees are covered under collective bargaining agreements.

PRINCIPAL OFFICERS OF THE COMPANY

The principal officers of the Company are as follows:

NAME	AGE	PRINCIPAL OCCUPATIONS AND BUSINESS EXPERIENCE DURING PAST FIVE YEARS
Sydney J. Rosenberg	81	Chairman of the Board; Chief Executive Officer from November 1991 to November 1994
William W. Steele	59	Chief Executive Officer since November 1994; President since November 1991; Executive Vice President from April 1988 to October 1991
Martinn H. Mandles	55	Executive Vice President since November 1991; Vice President from October 1972 to November 1991
J. E. Benton, III	55	Senior Vice President, Office of the President, since July 1994; Vice President of the Company from November 1977 to July 1994
Sherrill F. Sipes, Jr.	60	Senior Vice President, Office of the President, since July 1994; Vice President from May 1968 to July 1994
William C. Banner	61	Vice President of the Company, and President of the Security Services Division
Donna M. Dell	47	Vice President and Director of Human Resources since July 1994; Vice President and Counsel, Wells Fargo Bank, from February 1990 to June 1994
John F. Egan	59	Vice President of the Company, and President of the Janitorial Services Division
David H. Hebble	60	Vice President and Chief Financial Officer
Harry H. Kahn	52	Vice President, General Counsel and Secretary
Douglas B. Bowlus	51	Treasurer
Hussain A. Khan	59	Controller and Chief Accounting Officer since March 1993; Controller from March 1983 to March 1993

ITEM 2. PROPERTIES.

The Company has sales, operations, warehouse and administrative facilities in over 200 locations throughout the United States, Canada and Mexico. Fifteen of these facilities are owned by the Company and the remainder are leased. At October 31, 1995, the real estate owned by the Company had an aggregate net book value of $4,619,000 and was located in: Phoenix, Arizona; San Francisco, Los Angeles and Fresno, California; Jacksonville and Tampa, Florida; Portland, Oregon; Houston and Austin, Texas; Seattle, Spokane and Tacoma, Washington; Winnipeg, Manitoba, Canada; and Rosarito Beach, Baja, Mexico.

Rental payments under long and short-term lease agreements amounted to $87,349,000 for the fiscal year ended October 31, 1995. Of this amount, $50,922,000 in rental expense was attributable to Ampco System Parking Division for the public parking lots and garages that it manages and operates. The remaining rent expense was for equipment, vehicles, office and warehouse space.

ITEM 3. LEGAL PROCEEDINGS.

Effective June 30, 1995 and July 20, 1995, respectively, the Company and all current and former officers and directors of the Company who participated in the proposed management led buyout of the Company and who were named defendants in the action entitled ACS FINANCIAL INC. ET AL V AMERICAN BUILDING MAINTENANCE INDUSTRIES, INC. ET AL and/or related cross actions (all of which action and cross-actions had been fully and finally settled as among the various parties on or about October 18, 1994) completed settlements with the Company and its Directors and Officers Liability Insurance carrier, respectively, for all claims for indemnification and expense reimbursement under the Company's existing by-laws, indemnification agreements and insurance policies. These settlements finally conclude all issues arising out of the above-referenced matters.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Not applicable.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

MARKET INFORMATION AND DIVIDENDS

The Company's common stock is listed on the New York Stock Exchange and Pacific Stock Exchange. The Company's credit agreement places certain limitations on dividend payments based on net income (see note 5 to the consolidated financial statements in item 8). The following table sets forth the high and low prices of the Company's common stock and quarterly cash dividends on common shares for the periods indicated:

	FISCAL QUARTER				
	FIRST	SECOND	THIRD	FOURTH	YEAR
1994					
Price range of common stock:					
High	$19 1/4	$19	$23 5/8	$23	
Low	$16 1/8	$17 1/8	$17 3/4	$19 7/8	
Dividends per share	$ 0.125	$ 0.13	$ 0.13	$ 0.13	$ 0.515
1995					
Price range of common stock:					
High	$24 1/4	$24 1/8	$25	$27 5/8	
Low	$20 1/4	$21 1/2	$22	$25 1/8	
Dividends per share	$ 0.15	$ 0.15	$ 0.15	$ 0.15	$ 0.60

At December 31, 1995, there were approximately 4,100 holders of the Company's common stock.

ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA

The selected consolidated financial data presented below is derived from the Company's consolidated financial statements for each of the years in the five-year period ended October 31, 1995:

(in thousands, except per share amounts and ratios)	1991	1992	1993	1994	1995
OPERATIONS					
Revenues and other income	$ 745,721	$ 760,097	$ 773,312	$ 884,633	$ 965,381
Expenses					
Operating expenses and cost of goods sold	632,792	643,346	658,503	760,056	830,749
Selling, general and administrative	91,230	94,273	92,403	96,059	99,521
Interest	3,121	2,061	2,164	3,459	3,699
	727,143	739,680	753,070	859,574	933,969
Income before income taxes	18,578	20,417	20,242	25,059	31,412
Income taxes	7,478	8,425	7,596	9,890	13,193
Net income	$ 11,100	$ 11,992	$ 12,646	$ 15,169	$ 18,219
Net income per common share	$ 1.36	$ 1.43	$ 1.45	$ 1.65	$ 1.85
Common and common equivalent shares	8,146	8,397	8,646	8,908	9,590
FINANCIAL STATISTICS					
Dividends per common share	$ 0.473	$ 0.49	$ 0.50	$ 0.515	$ 0.60
Stockholders' equity per common share	$ 10.53	$ 11.54	$ 12.55	$ 13.74	$ 15.14
Working capital	$ 62,905	$ 76,484	$ 76,613	$ 90,165	$ 95,627
Current ratio	1.79	2.00	1.85	1.91	1.84
Long-term debt	$ 9,477	$ 15,435	$ 20,937	$ 25,254	$ 22,575
Redeemable cumulative preferred stock	$ --	$ --	$ 6,400	$ 6,400	$ 6,400
Stockholders' equity	$ 86,938	$ 98,209	$ 110,188	$ 124,331	$ 141,786
Total assets	$ 209,036	$ 223,724	$ 268,140	$ 299,470	$ 334,973
Property, plant and equipment -- net	$ 15,595	$ 15,009	$ 17,043	$ 19,819	$ 22,647
Capital expenditures	$ 5,647	$ 5,225	$ 6,187	$ 8,539	$ 10,225
Depreciation and amortization	$ 6,970	$ 6,634	$ 7,158	$ 9,300	$ 11,527
Accounts receivable -- net	$ 110,472	$ 120,885	$ 127,908	$ 140,788	$ 158,075

All share and per share amounts have been restated to retroactively reflect the two-for-one stock split in 1992.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

FINANCIAL CONDITION

Funds provided from operations and bank borrowings have historically been the sources for meeting working capital requirements, financing capital expenditures, acquisitions and paying cash dividends. Management believes that funds from these sources will remain available and adequately serve the Company's liquidity needs. Prior to September 22, 1994, the Company had short-term and long-term lines of credit totaling $33,000,000. These lines were canceled as of September 22, 1994, in conjunction with the signing of a new unsecured revolving credit agreement with a syndicate of U.S. banks. This agreement has a $125 million line of credit expiring September 22, 1998, which at the Company's option, may be extended one year. The credit facility provides, at the Company's option, interest at the prime rate or IBOR+.45%. As of October 31, 1995, the total amount outstanding was approximately $93 million which was comprised of loans in the amount of $21 million and standby letters of credit of $72 million. The interest rate at October 31, 1995 was 7.8 %. This agreement requires the Company to meet certain financial ratios and places some limitations on dividend payments and outside borrowing. The Company is prohibited from declaring or paying cash dividends exceeding 50% of its net income for any fiscal year.

In connection with the acquisition of System Parking on September 1, 1993, the Company assumed a note payable in the amount of $3,818,000. Interest on this note is payable at an annual rate of 9.35%, with principal amounts of $636,000 due annually through October 1, 1998. At October 31, 1995, the balance remaining on this note was $1,909,000.

Operating activities in 1994 generated a cash flow of $21.9 million compared to $13.8 million in 1995. At October 31, 1994, working capital was $90.2 million, as compared to $95.6 million at October 31, 1995.

Cost of acquisitions during the fiscal years ended October 31, 1993, 1994 and 1995 (hereinafter referred to as 1993, 1994 and 1995, respectively), including payments pursuant to contractual arrangements involved in prior acquisitions, were approximately $24.1 million, $7.1 million and $12.5 million, respectively. Capital expenditures, including assets acquired for cash through acquisitions, during 1993, 1994, and 1995 were $6.2 million, $8.5 million, and $10.2 million, respectively. Cash dividends paid to stockholders of common and redeemable preferred stock were approximately $4.4 million in 1993, $5.1 million in 1994 and $6.1 million in 1995.

ACCOUNTING PRONOUNCEMENT NOT YET ADOPTED

In October 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 123, Accounting for Stock-Based Compensation. This statement establishes financial accounting and reporting standards for stock-based employee compensation plans. It also applies to transactions in which a company issues equity to acquire goods or services from non-employees. The statement defines a fair value based method of accounting for an employee stock option plan and encourages all entities to adopt this method. The statement also, however, allows an entity the option to continue to measure compensation cost for those plans using the intrinsic value based method in accordance with APB Opinion No. 25, Accounting for Stock Issued to Employees (APB 25), but then requires the entity to adopt the positions of SFAS 123 through pro forma disclosures.

Under the fair value based method, compensation cost is measured at the grant date based on the value of the award and is recognized over the service period. Fair value is determined using an option pricing model that takes into account the stock price at the grant date, the exercise price, the expected life of the option, the volatility of the underlying stock, expected dividends, and the risk-free interest rate over the expected life of the option. Under the intrinsic value based method, compensation cost is the excess, if any, of the quoted market price of the stock at the grant date over the amount the employee must pay to acquire the stock. As ABM's stock option plans have historically issued options at the market value of the stock on the date of the grant, no compensation cost has been recognized in accordance with APB 25. The Company will continue to account for its stock option issuances under the provisions of APB 25 and will make the required pro forma disclosures as prescribed by SFAS 123. The Company plans to implement this statement as required in its fiscal year beginning November 1, 1996.

EFFECT OF INFLATION

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

ENVIRONMENTAL MATTERS

The Company's operations are subject to various federal, state and/or local laws regulating the discharge of materials into the environment or otherwise relating to the protection of the environment, such as discharge into soil, water and air, and the generation, handling, storage, transportation and disposal of waste and hazardous substances.

These laws have the effect of increasing costs and potential liabilities associated with the conduct of the Company's operations, although historically they have not had a material adverse effect on the Company's financial position or its results of operations.

The Company is currently involved in various stages of environmental investigation and/or remediation relating to certain current and former Company facilities. While it is difficult to predict the ultimate outcome of these investigations, or to assess the likelihood and scope of further investigation and remediation activities, based on information currently available, management believes that the costs of these matters are not reasonably likely to have a material adverse affect on the Company's financial position or its results of operations.

ACQUISITIONS

The operating results of businesses acquired have been included in the accompanying consolidated financial statements from their respective dates of acquisition. The following acquisitions made during the fiscal year 1995 accounted for approximately $17.1 million in revenues and had an impact of approximately $0.08 on earnings per share:

Effective November 1, 1994, the Company's ABM Janitorial Services Division acquired substantially all of the maintenance services contracts from Quality Building Maintenance, Inc. of Seattle. This acquisition added approximately $3.4 million in annual revenues during the fiscal year 1995 to the Division's Northwest Region in Seattle.

The South Central Region of ABM Janitorial Services Division acquired the janitorial business of Consolidated Chemical of Tyler, Texas on January 1, 1995, and this acquisition added approximately $800,000 in revenues during the fiscal year 1995.

As of January 1, 1995, the Company's Ampco System Parking Division acquired the parking operations of Pansini Corporation. The parking contracts obtained as a result of this acquisition added approximately 100 facilities in California and Hawaii and approximately $8.5 million in revenues during the fiscal year 1995.

On July 1, 1995, the Company's ABM Janitorial Services Division acquired the janitorial operations of United Cleaning Specialists Corp. in Atlanta, Georgia. For the fiscal year 1995, this acquisition contributed approximately $3.7 million in revenues to the Division's Southeast Region. United Cleaning Specialists operated in Alabama, Florida, Georgia, North and South Carolina, Tennessee and Virginia.

On September 1, 1995, the Company's ABM Janitorial Services Division acquired the janitorial operations of Allied Janitorial Service Company of Spokane, Washington that operated in Eastern Washington and Idaho. This acquisition added approximately $700,000 to the revenues of this Division's Northwest Region for the two months ended October 31, 1995.

RESULTS OF OPERATIONS

COMPARISON OF 1995 TO 1994

The following discussion should be read in conjunction with the consolidated financial statements of the Company and the notes thereto. All information in the discussion and references to the years are based on the Company's fiscal year which ends on October 31.

The Company reported record revenues and earnings for 1995. Revenues and other income (hereinafter called "revenues") were $965 million in 1995, up $80 million or 9%, from the prior year revenues of $885 million. The 9% increase in revenues in 1995 over 1994 was attributable to volume and price increases as well as revenues generated from acquisitions. All eight divisions of the Company reported revenue growth in 1995 except the Amtech Elevator Services Division, and all divisions posted increased operating profits (revenues minus total expenses) for 1995. Net income for 1995 was $18.2 million, a 20% increase, compared to $15.2 million in 1994. As a percentage of revenues, operating expenses and cost of goods sold were 85.9% in 1994 and 86.1% in 1995. Consequently, as a percentage of revenues, gross profit (revenues minus operating expenses and cost of goods sold) was 13.9% in 1995 as compared to 14.1% in 1994. The principal factors that contributed to the slight decline of gross profit percentage were competitive market conditions and pricing pressures experienced by several of the Company's divisions, as well as the impact from certain larger Ampco System Parking Division contracts which had lower gross profit percentages. However, the dollar amount of the Company's gross profit increased resulting from higher revenues more than offset the impact of a lower gross profit percentage in 1995. The total insurance expense included in operating expenses and cost of goods sold increased 2% to $46 million in 1995 from $45 million in 1994. The increase in insurance expense was proportionately less than the 9% increase in revenue growth in 1995 over 1994. With the Company's continued emphasis on safety programs, management expects the insurance costs to increase at a modest rate in relation to the revenue growth.

Selling, general and administrative expenses were $99.5 million in 1995, up $3.4 million, or 4% from $96.1 million in 1994. As a percentage of revenues, these expenses were down to 10% in 1995 from 11% in 1994. The selling, general and administrative expenses decline as a percentage of revenues reflects the Company's continued efforts to contain costs in this area. This percentage decline in selling, general and administrative expenses was partially offset by an increase in profit sharing expense.

Higher debt levels during 1995 caused the interest expense in 1995 to be $3.7 million as compared with $3.5 million in 1994, an increase of $200,000, or 6%. The increase in interest expense was due to higher average bank borrowings in 1995 primarily necessitated by acquisitions and interest assessed on fully accrued state and federal income taxes.

The income tax provisions for the fiscal years 1995 and 1994 were based on annual effective rates of 42.0% and 39.5%, respectively. The annual effective rate for 1995 is higher than 1994 primarily due to the unavailability of certain tax credits in 1995 that were previously available and also due to the increase in nondeductible expenses.

Net income for 1995 was $18.2 million, an increase of 20%, compared to the prior years net income of $15.2 million. As a result of the exercise of stock options and purchases made by employees under the Company's Employee Stock Purchase Plan, the number of common and common equivalent shares increased from 8,908,000 shares in 1994 to 9,590,000 shares in 1995, an increase of approximately 8%. The resultant earnings per share increased 12% to $1.85 for 1995 compared to $1.65 in 1994. Earnings per share calculations include the effects of a preferred stock dividend deduction of $512,000 for 1994 and 1995.

The results of operations from the Company's three industry segments and its operating divisions for 1995 as compared to 1994 are more fully described below:

Revenues for the Janitorial Divisions segment in 1995 were $512 million, an increase of $30 million, or 6% over 1994, while its operating profits increased by 10% over 1994. The Janitorial Divisions segment, which includes ABM Janitorial Services and Easterday Janitorial Supply, accounted for approximately 53% of the Company's consolidated revenues for 1995. Revenues of ABM Janitorial Services increased by 6% in 1995 as compared to 1994 as a result of acquisitions and internal growth by all of its regions except its Southwest and Canadian Regions. As a result of the revenue increase, ABM Janitorial Services' operating profits increased 10% in 1995 compared to 1994. Labor and labor related expenses and other direct costs were slightly higher for the fiscal year 1995 over the prior year primarily due to start-up expenses associated with new contracts as well as acquisitions. This Division's operating expenses (indirect, selling and administrative expenses excluding costs of goods sold) were in line with its revenue growth. Easterday Janitorial Supply's revenues for 1995 were up approximately 9% compared to 1994 generally due to revenue increases in Northern California from obtaining several large customers. An increase of 11% in operating profits was a result of a larger sales volume as well as the Supply Division's efforts to control its selling, general and administrative expenses, which were partially offset by lower margins resulting from increased material costs.

Revenues from the Public Service Divisions segment for 1995 were $206 million, an increase of 18% over 1994. Public Service Divisions accounted for approximately 21% of the Company's consolidated revenues in 1995. The operating profits of this segment were up by 30% per the discussion that follows of its ABM Security Services ("Security") and Ampco System Parking ("Parking") Divisions. Security reported an increase in revenues of 22% in 1995 compared to 1994 and its profits increased by 10%, primarily due to obtaining new customers. This Division was also successful in securing several large contracts, especially in the San Francisco Bay Area. The gross profit amount increased as a result of higher revenues; however, the gross profit percentage declined as the Security Division had to bid for contracts at lower margins in order to be competitive. The Company's Parking Division revenues increased by 17% while its profits increased by 50% in 1995 over 1994. The increase in revenues is primarily due to the January 1995 acquisition of a parking business based in Northern California with operations in California and Hawaii, and also from obtaining contracts to manage parking operations at several major U.S. airports. Several factors contributed to the increase in operating profits: the acquisitions of the parking business discussed above; improved business condition in its Southern California region which was partially offset by loss of a few large contracts in its Northeast Region; and income derived from its expanded airport operations.

The Technical Divisions segment through its four divisions reported revenues of $248 million, which represent approximately 26% of the Company's consolidated revenues for 1995, and an increase of approximately 8% over last year. Profits of the Technical Divisions were up 36% compared to 1994. The Amtech Engineering Services Division's revenues increased by 22% and reported a 45% increase in operating profits for 1995 compared to 1994. Revenues increased generally from the start-up of the Midwest and Northeast Regions and obtaining several new contracts. Operating profits increased from new business and the reduction in insurance and other direct expenses, as well as containing its selling, general and administrative expenses. Revenues for Amtech Elevator Services Division were down by 10% for 1995 from 1994, principally due to phasing out its new construction market and a slow-down caused by the Mexican economy. However, this Division increased its operating profits by 55% in 1995 over the prior year. The improved operating results are due to a fundamental change in management's strategy to emphasize services related to maintenance and repair business; this change enabled Amtech Elevator Services to improve its gross profits. Additionally, this Division's reduction of its selling, general and administrative expenses was partially offset by currency translation losses arising from its Mexican subsidiary. Amtech Lighting Services Division's revenues were up 23% largely due to increased sales volume posted by the majority of its branches through obtaining additional time and material contracts, supplemented by increased business from its nationwide customers. Operating profits increased by 18% during 1995, primarily due to increased sales volume and efficiencies realized in the selling, general and administrative areas, particularly in payroll, travel and other office expenses. The CommAir Mechanical Services Division's revenues and operating profits for 1995 increased by 9% and 37%, respectively. The revenue increase was primarily due to increased level of construction and installation contracts. Although the margins on some job categories decreased, this Division's successful efforts in increasing its revenues, coupled with management's efforts to reduce overhead expenses, more than offset the decrease in margins.

COMPARISON OF 1994 TO 1993

Revenues and other income rose to $885 million in 1994, up $112 million, or 14%, from $773 million in 1993. The 14% increase in revenues in 1994 over 1993 was attributable to volume and price increases as well as revenues generated from acquisitions. Net income for 1994 was $15.2 million, a 21% increase compared to $12.6 million in 1993. Earnings per share increased 14% to $1.65 in 1994 from $1.45 in 1993. Operating expenses and cost of goods sold expressed as a percentage of revenues were 85.2% in 1993 and 85.9% in 1994. The increase in operating expenses and cost of goods sold from $659 million in 1993 to $760 million in 1994 was $101 million, or 15%. As a result of this increase, the Company's gross profit percentage declined although the gross profit amount for 1994 exceeded 1993's gross profit by approximately $9.8 million. The gross profit amount increase resulting from higher revenues more than offset the impact of a lower gross profit percentage in 1994. The gross profit percentage was unfavorably impacted by intense competition and pricing pressures experienced by some of the operating divisions of the Company, as well as the impact from certain larger Ampco System Parking Division contracts whose gross profit percentage is much lower. The Company's total insurance expense increased 7% to $45 million in 1994 from $42.1 million in 1993. The increase in insurance expense was lower than the 14% revenue growth in 1994 over 1993. The Company's safety program impacted the frequency and severity of workers' compensation claims which led to a reduction in claims expense. This expense decrease was more than offset by an escalating dollar value of liability claims, leading to the overall increase in insurance expense.

Selling, general and administrative expenses were $96.1 million in 1994, up $3.7 million, or 4% from $92.4 million in 1993. As a percentage of revenues, these expenses were down to 11% in 1994 from 12% in 1993. Management was successful in attaining its cost containment goals as revenues grew 14% while selling, general and administrative expense growth was only 4%.

Higher debt levels during 1994 caused the interest expense in 1994 to be $3.5 million as compared with $2.2 million in 1993, an increase of $1.3 million, or 59%. The increase in bank borrowing was necessitated primarily by acquisitions.

The effective income tax rates for 1994 and 1993 were 39.5% and 37.5%, respectively. The effective income tax rate for 1994 would be comparable to 1993 after taking into account the decrease in income tax expenses for 1993 of $540,000 arising from the effect of the Omnibus Budget Reconciliation Act of 1993's federal income tax rate change on the Company's deferred taxes as calculated under Statement of Financial Accounting Standards No. 109.

The Company's pre-tax income in 1994 was $25.1 million, an increase of 24%, compared to $20.2 million in 1993. The growth in pre-tax income outpaced the revenue growth in 1994 due primarily to benefits arising from the realization of certain operating consolidation economies from recent acquisitions and, in part, due to lower selling, general and administrative expenses resulting from cost containment programs.

The results of operations from the Company's three industry segments and its operating divisions for 1994 as compared to 1993 are more fully described below:

Revenues for the Janitorial Divisions segment in 1994 were $482 million, an increase of $39 million, or 9% over 1993, while its operating profits increased by 13% over 1993. The Janitorial Divisions segment accounted for approximately 54% of the Company's consolidated revenues for 1994. Revenue of ABM Janitorial Services increased by 9% in 1994 as compared to 1993 primarily as a result of acquisitions and, to a lesser extent, revenue increases from internal growth by this Division's Northeast, Northwest and Southeast Regions. As a result of the revenue increase, ABM Janitorial Services' operating profits increased 13% in 1994 compared to 1993. Continued decreases in labor and labor-related expenses contributed to an improvement in gross profit for this Division in 1994 over the prior year. The Division's selling, general and administrative expenses were in line with its revenue growth. Easterday Janitorial Supply's revenues for 1994 were up approximately 9% compared to 1993 generally due to revenue increases in Northern California from obtaining several large customers. In 1994, compared to 1993, an increase of 12% in operating profits was attained even with a lower than expected gross profit percentage as a result of higher sales volume and a reduction in selling, general and administrative expenses.

Revenues from the Public Service Divisions segment for 1994 were $174 million, a 44% increase over 1993. The Company's Public Service Divisions accounted for approximately 20% of the Company's consolidated revenues. The operating profits of these Divisions were up by 35% principally due to acquisitions and new contracts obtained by Ampco System Parking. ABM Security Services reported a slight decrease in revenues from loss of certain large accounts and its profits increased by 8% in 1994 compared to 1993. The increase in operating income in 1994 as compared to 1993 was due to a decrease in direct labor and related expenses and a decrease in selling, general and administrative expenses which resulted from this Division's cost cutting measures. Ampco System Parking's revenues increased by 93% and its profits increased by 78% in 1994 over 1993. The increases in revenues and operating profits were primarily due to the acquisition of System Parking and from obtaining contracts to manage parking operations at several major airports in the U.S., including Los Angeles, California; Honolulu, Hawaii; Cedar Rapids, Iowa; Newark, New Jersey and Buffalo, New York, among others.

The Technical Divisions segment reported revenues of $229 million, which represent approximately 26% of the Company's consolidated revenues for 1994, an increase of approximately 9% over last year. Profit of the Technical Divisions increased 19% compared to 1993. Amtech Engineering Services reported increased revenues of 12% and a 45% increase in operating profits for 1994 compared to 1993. Revenue increases generally were recorded by all its regions due to geographic expansion and penetration into new markets. The increase in operating profits continues to result from increased volume, reductions in payroll related costs including insurance expense and containment of selling, general and administrative expenses. Revenues for Amtech Elevator Services were up by 8% for 1994 over 1993 principally due to increases in its service, repair and installation lines of business, as well as an improved performance by its Mexican subsidiary. Amtech Elevator's operating profits for 1994 compared to 1993 were up by 45% due to a combination of increased revenues, improved gross profits and containment of selling, general and administrative expenses. Amtech Lighting Services' revenues were up 10% largely due to an expanded contract base from existing customers, as well as obtaining a large one-time energy saving retrofit contract. Operating profits decreased by 3% during 1994 primarily due to start-up administrative expenses and lower than expected gross margins associated with the opening of three new branches. CommAir Mechanical Services' revenues for 1994 were 5% above 1993, primarily due to construction revenues which more than offset the decline in service maintenance revenues. Operating profits of this Division were up 15% largely due to the start and completion of a large installation contract during the fourth quarter of 1994 and a reduction in selling, general and administrative expenses.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEPENDENT AUDITORS' REPORT

To the Stockholders and Board of Directors
ABM Industries Incorporated:

We have audited the accompanying consolidated balance sheets of ABM Industries Incorporated and subsidiaries as of October 31, 1994 and 1995, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the years in the three-year period ended October 31, 1995. In connection with our audits of the consolidated financial statements, we also have audited financial statement schedule II. These consolidated financial statements and the financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and the financial statement schedule based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ABM Industries Incorporated and subsidiaries as of October 31, 1994 and 1995, and the results of their operations and their cash flows for each of the years in the three-year period ended October 31, 1995, in conformity with generally accepted accounting principles. Also in our opinion, the related financial statement schedule II, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

KPMG Peat Marwick LLP

San Francisco, California
December 15, 1995

ABM Industries Incorporated and Subsidiaries

CONSOLIDATED BALANCE SHEETS

OCTOBER 31 (in thousands of dollars except share amounts)	1994	1995
ASSETS		
Cash and cash equivalents	$ 7,368	$ 1,840
Accounts receivable (less allowances of $3,067 and $3,755)	140,788	158,075
Inventories	17,420	19,389
Deferred income taxes	11,638	11,429
Prepaid expenses and other current assets	12,228	19,134
Total current assets	189,442	209,867
Investments and long-term receivables	6,841	5,988
Property, plant and equipment -- at cost	56,902	61,648
Less accumulated depreciation and amortization	(37,083)	(39,001)
Property, plant and equipment -- net	19,819	22,647
Intangible assets (less accumulated amortization of $15,095 and $19,688)	61,373	69,279
Deferred income taxes	14,982	18,745
Other assets	7,013	8,447
	$ 299,470	$ 334,973
LIABILITIES		
Current portion of long-term debt	$ 683	$ 679
Bank overdraft	--	5,361
Trade accounts payable	26,187	25,453
Income taxes payable	1,961	2,270
Accrued liabilities:		
Compensation	19,807	25,595
Taxes -- other than income	8,693	10,725
Insurance claims	27,185	27,532
Other	14,761	16,625
Total current liabilities	99,277	114,240
Long-term debt	25,254	22,575
Retirement plans	5,978	7,627
Insurance claims	38,230	42,345
Commitments and contingencies		
Series B 8% Senior redeemable cumulative preferred stock	6,400	6,400
STOCKHOLDERS' EQUITY		
Preferred stock, $.01 par value; 500,000 shares authorized; none issued	--	--
Common stock, $.01 par value; 12,000,000 shares authorized: 9,049,000 and 9,366,000 shares issued and outstanding in 1994 and 1995, respectively	90	94
Additional capital	35,334	40,627
Retained earnings	88,907	101,065
Total stockholders' equity	124,331	141,786
	$ 299,470	$ 334,973

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

ABM Industries Incorporated and Subsidiaries

CONSOLIDATED STATEMENTS OF INCOME

YEARS ENDED OCTOBER 31 (in thousands, except per share amounts)	1993	1994	1995
REVENUES AND OTHER INCOME	$ 773,312	$ 884,633	$ 965,381
EXPENSES			
Operating expenses and cost of goods sold	658,503	760,056	830,749
Selling, general and administrative	92,403	96,059	99,521
Interest	2,164	3,459	3,699
	753,070	859,574	933,969
INCOME BEFORE INCOME TAXES	20,242	25,059	31,412
Income taxes	7,596	9,890	13,193
NET INCOME	$ 12,646	$ 15,169	$ 18,219
NET INCOME PER COMMON SHARE	$ 1.45	$ 1.65	$ 1.85
COMMON AND COMMON EQUIVALENT SHARES	8,646	8,908	9,590

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

YEARS ENDED OCTOBER 31, 1993, 1994 AND 1995 (in thousands, except per share amounts)	COMMON STOCK		ADDITIONAL	RETAINED
	SHARES	AMOUNT	CAPITAL	EARNINGS
BALANCE OCTOBER 31, 1992	8,514	$ 85	$ 27,488	$ 70,636
Net income				12,646
Dividends:				
Common stock at $0.50 per share				(4,339)
Preferred stock at $13.56 per share				(87)
Stock issued under employees' stock purchase and option plans	264	3	3,756	
BALANCE OCTOBER 31, 1993	8,778	88	31,244	78,856
Net income				15,169
Dividends:				
Common stock at $0.515 per share				(4,606)
Preferred stock at $80.00 per share				(512)
Stock issued under employees' stock purchase and option plans	271	2	4,090	
BALANCE OCTOBER 31, 1994	9,049	90	35,334	88,907
Net income				18,219
Dividends:				
Common stock at $0.60 per share				(5,549)
Preferred stock at $80.00 per share				(512)
Stock issued under employees' stock purchase and option plans	317	4	5,293	
BALANCE OCTOBER 31, 1995	9,366	$ 94	$ 40,627	$ 101,065

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

ABM Industries Incorporated and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED OCTOBER 31 (in thousands of dollars)	1993	1994	1995
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	$ 766,610	$ 868,041	$ 944,570
Other operating cash receipts	2,334	1,638	1,931
Interest received	634	505	489
Cash paid to suppliers and employees	(739,819)	(830,861)	(912,617)
Interest paid	(2,689)	(3,982)	(4,096)
Income taxes paid	(9,825)	(13,485)	(16,438)
Net cash provided by operating activities	17,245	21,856	13,839
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to property, plant and equipment	(6,187)	(8,539)	(10,225)
Proceeds from sale of assets	320	162	590
Decrease in investments and long-term receivables	1,071	288	853
Intangible assets acquired	(17,694)	(7,148)	(12,499)
Net cash used in investing activities	(22,490)	(15,237)	(21,281)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Common stock issued	3,759	4,092	5,297
Dividends paid	(4,426)	(5,118)	(6,061)
Increase (decrease) in bank overdraft	4,231	(4,231)	5,361
Decrease in notes payable	(1,301)	--	(4)
Long-term borrowings	15,000	50,000	89,000
Repayments of long-term borrowings	(12,695)	(45,682)	(91,679)
Net cash provided by (used in) financing activities	4,568	(939)	1,914
Net increase (decrease) in cash and cash equivalents	(677)	5,680	(5,528)
Cash and cash equivalents beginning of year	2,365	1,688	7,368
CASH AND CASH EQUIVALENTS END OF YEAR	$ 1,688	$ 7,368	$ 1,840
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Net income	$ 12,646	$ 15,169	$ 18,219
ADJUSTMENTS:			
Depreciation and amortization	7,158	9,300	11,527
Provision for bad debts	2,187	1,915	1,536
Gain on sale of assets	(147)	(141)	(127)
Deferred income taxes	(4,256)	(2,353)	(3,554)
Increase in accounts receivable	(3,767)	(14,793)	(18,823)
Increase in inventories	(2,486)	(1,132)	(1,969)
Increase in prepaid expenses and other current assets	(2,707)	(2,139)	(6,906)
Increase in other assets	(1,055)	(1,070)	(1,434)
Increase (decrease) in income taxes payable	2,027	(1,242)	309
Increase in retirement plans accrual	926	1,404	1,649
Increase in insurance claims liability	4,948	4,086	4,462
Increase in trade accounts payable and other accrued liabilities	1,771	12,852	8,950
Total adjustments to net income	4,599	6,687	(4,380)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 17,245	$ 21,856	$ 13,839

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

ABM Industries Incorporated and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION: The consolidated financial statements include the accounts of ABM Industries Incorporated and all its subsidiaries (the "Company"). All material intercompany transactions and balances have been eliminated. Certain reclassifications of prior year amounts have been made to conform with the current year presentation.

ACCOUNTS RECEIVABLE: The Company's accounts receivable are principally trade receivables arising from services provided to its customers and are generally due and payable on terms varying from the receipt of invoice to net thirty days. The Company does not believe that it has any material exposure due to either industry or regional concentrations of credit risk.

INVENTORIES: Inventories are valued at amounts approximating the lower of cost (first-in, first-out basis) or market.

PROPERTY, PLANT AND EQUIPMENT: Major renewals, replacements and betterments are capitalized at cost. At the time property, plant and equipment is retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income. Maintenance and repairs are charged against income.

Depreciation is calculated principally on the straight-line method. Lives used in computing depreciation for transportation equipment average 3 to 5 years and 2 to 20 years for machinery and other equipment. Buildings are depreciated over periods of 20 to 40 years. Leasehold improvements are amortized over the terms of the respective leases.

AMORTIZATION OF INTANGIBLE ASSETS: Intangible assets consist of goodwill, customer lists and noncompete agreements. Goodwill, which represents the excess of cost over fair value of assets of businesses acquired, is amortized on a straight-line basis over periods not exceeding 40 years. It is the Company's policy to carry goodwill applicable to acquisitions prior to 1971 of $1,094,000 at cost until such time as there may be evidence of diminution in value. Customer lists and noncompete agreements are amortized over the estimated period to be benefited, generally from 5 to 15 years. The Company annually evaluates the existence of goodwill impairment on the basis of whether the goodwill is fully recoverable from projected, undiscounted net cash flows of the related business unit. Impairment would be recognized in operating results if a permanent diminution in value were to occur.

INCOME TAXES: Income tax expense is based on reported results of operations before income taxes. In accordance with Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes, deferred income taxes reflect the impact of temporary differences between the amount of assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes. These deferred taxes are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

REVENUE RECOGNITION: Revenues are recorded at the time services are performed or when products are shipped except for long-term contracts that are recorded on the percentage-of-completion method. The percentage-of-completion method is used by both the Amtech Elevator Services and CommAir Mechanical Services Divisions of the Technical Divisions segment for their long-term contracts. Revenues and gross profit are recognized as work is performed based on the relationship between actual costs incurred and total estimated costs at completion. Revenues and gross profit are adjusted prospectively for revisions in estimated total contract costs and contract values. Estimated losses are recorded when identified.

NET INCOME PER COMMON SHARE: Net income per common share and common equivalent share (principally outstanding stock options), after the reduction for preferred stock dividends in the amount of $87,000 in 1993 and $512,000 in 1994 and 1995, is based on the weighted average number of shares outstanding during the year and the common stock equivalents that have a dilutive effect. Net income per common share assuming full dilution is not significantly different than net income per share as shown.

STATEMENTS OF CASH FLOWS: For purposes of the comparative statements of cash flows, the Company considers all highly liquid instruments with original maturities of three months or less to be cash and cash equivalents.

2. INSURANCE

Certain insurable risks such as general liability, property damage and workers' compensation are self-insured by the Company. However, the Company has umbrella insurance coverage for certain risk exposures subject to specified limits. Accruals for claims under the Company's self-insurance program are recorded on a claim-incurred basis. Under this program, the estimated liability for claims incurred but unpaid at October 31, 1994 and 1995 was $65,415,000 and $69,877,000, respectively. In connection with certain self-insurance agreements, the Company has standby letters of credit at October 31, 1995 supporting the estimated unpaid liability in the amounts of $71,895,000.

3. INVENTORIES

The inventories at October 31, consisted of the following:

(in thousands of dollars)	1994	1995
Janitorial supplies and equipment held for sale	$ 3,278	$ 3,301
Parts and materials	12,683	14,444
Work in process	1,459	1,644
	$17,420	$19,389

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at October 31, consisted of the following:

(in thousands of dollars)	1994	1995
Land	$ 1,901	$ 1,718
Buildings	4,162	4,647
Transportation equipment	8,599	9,825
Machinery and other equipment	33,187	37,076
Leasehold improvements	9,053	8,382
	$56,902	$61,648

5. LONG-TERM DEBT AND CREDIT AGREEMENT

Prior to September 22, 1994, the Company had a $20,000,000 credit agreement with a major U.S. bank. In conjunction with the negotiation of the new credit facility described below, this line was terminated. On September 22, 1994, the Company signed a new $100,000,000 credit agreement with a syndicate of U.S. banks. This agreement expires September 22, 1998, and at the Company's option, may be extended one year. This agreement was amended effective May 1, 1995 to increase the amount available to $125,000,000. The unsecured revolving credit facility provides, at the Company's option, interest at the prime rate or IBOR+.45%. The facility calls for a commitment fee payable quarterly, in arrears, of .15% based on the average daily unused portion. For purposes of this calculation, irrevocable standby letters of credit issued in conjunction with the Company's self-insurance program plus cash borrowings are considered to be outstanding amounts. As of October 31, 1995, the total outstanding amount under this facility was $93,255,000 comprised of $21 million in loans and $72,255,000 in standby letters of credit. The interest rate at October 31, 1995 was 7.8%. The Company is required, under this agreement, to maintain financial ratios and places certain limitations on dividend payments. The Company is prohibited from paying cash dividends exceeding 50% of its net income for any fiscal year.

In connection with the Company's acquisition of System Parking, $3,818,000 of 9.35% fixed rate fully amortizing debt with a major insurance company was assumed. Terms call for monthly interest payments and equal annual principal payments. The loan matures October 1, 1998.

The long-term debt of $22,575,000 matures in the years ending October 31 as follows: $679,000 in 1997; $21,679,000 in 1998; $43,000 in 1999; $43,000 in 2000; and $131,000 in subsequent years.

Long-term debt at October 31, is summarized as follows:

(in thousands of dollars)	1994	1995
Note payable to bank	$23,000	$21,000
Note payable to insurance company	2,545	1,909
Notes payable, contracts and annuities payable with interest rates from 8% to 8.75% payable through 2001	392	345
	25,937	23,254
Less current portion	683	679
	$25,254	$22,575

6. EMPLOYEE BENEFIT PLANS

(A) RETIREMENT AGREEMENTS

The Company has unfunded retirement agreements for 27 current and former senior executives, all of which are fully vested. The agreements provide for annual benefits for ten years commencing with the respective retirement dates of those executives. The benefits are being accrued over the period the senior executives are expected to be employed by the Company. During 1993, 1994 and 1995, amounts accrued under these agreements were $301,000, $178,000 and $307,000, respectively. Payments were made in 1993, 1994 and 1995 in the amounts of $150,000, $112,000 and $112,000, respectively.

(B) PROFIT SHARING AND EMPLOYEE SAVINGS PLAN

The Company has a discretionary noncontributory profit sharing and employee savings plan covering all nonmanual employees (except highly compensated individuals) not covered under collective bargaining agreements, which includes employer participation in accordance with the provisions of Section 401(k) of the Internal Revenue Code. The plan allows participants to make pretax contributions and the Company matches certain percentages of employee contributions depending on the participant's length of service. All amounts contributed to the plan are deposited in a trust fund with a national bank and administered by independent trustees.

The Company provided for profit sharing contributions of $417,000, $385,000 and $920,000 for 1993, 1994 and 1995, respectively. The Company's matching contributions required by the employee savings plan for 1993, 1994 and 1995 were approximately $567,000, $500,000 and $602,000, respectively.

(C) SERVICE AWARD BENEFIT PLAN

The Company established an unfunded service award benefit plan effective November 1, 1989, with a retroactive vesting period of five years. This plan is a "severance pay plan" as defined by the Employee Retirement Income Security Act (ERISA) and covers all highly compensated nonmanual employees excluded from the Profit Sharing and Employee Savings Plan discussed above. The plan provides participants, upon termination, with a guaranteed seven days pay for each year of employment subsequent to November 1, 1989. The Company, at its discretion, may also award additional days each year.

Net cost of the plan is comprised of:

(in thousands of dollars)	1993	1994	1995
Service cost	$ 380	$ 324	$ 352
Interest	91	108	139
Net cost	$ 471	$ 432	$ 491
Actuarial present value of:			
Vested benefit obligation	$ 1,053	$ 1,436	$ 1,863
Accumulated benefit obligation	$ 1,164	$ 1,523	$ 1,949
Projected benefit obligation	$ 1,833	$ 1,970	$ 2,470

Assumptions used in accounting for the plan as of October 31, were:

	1993	1994	1995
Weighted average discount rate	7%	7%	7%
Rates of increase in compensation level	6%	5%	5%

(D) PENSION PLAN UNDER COLLECTIVE BARGAINING

Certain employees of the Company are covered under union-sponsored collectively bargained multi-employer defined benefit plans. Contributions for these plans were approximately $8,600,000, $10,800,000 and $10,100,000 in 1993, 1994 and 1995, respectively. These plans are not administered by the Company and contributions are determined in accordance with provisions of negotiated labor contracts.

7. LEASE COMMITMENTS AND RENTAL EXPENSE

The Company is obligated under noncancelable operating leases for various facilities and equipment. Assets held under these leases consist of offices, warehouses, vehicles and parking facilities.

As of October 31, 1995, future minimum lease commitments under noncancelable operating leases are as follows:

Years ending (in thousands of dollars)	
1996	$ 58,367
1997	52,353
1998	29,150
1999	13,740
2000	6,525
Thereafter	8,498
Total minimum lease commitments	$ 168,633

Rental expense for the years ended October 31, is summarized as follows:

(in thousands of dollars)	1993	1994	1995

Minimum rentals under noncancelable leases	$ 26,565	$ 36,724	$ 47,114
Contingent rentals	9,648	17,398	16,400
Short-term rental agreements	5,792	20,855	23,835
	$ 42,005	$ 74,977	$ 87,349

Contingent rentals are applicable to leases of parking lots and garages and are based on percentages of the gross receipts attributable to the related facilities.

8. COMMITMENTS AND CONTINGENCIES

The Company and some of its subsidiaries have been named defendants in certain litigation arising in the ordinary course of business. In the opinion of management, based on advice of legal counsel, such matters should have no material effect on the Company's financial position.

9. REDEEMABLE CUMULATIVE PREFERRED STOCK

On June 23, 1993, the Company authorized 6,400 shares of preferred stock having a par value of $0.01 per share. These shares designated as Series B 8% Senior Redeemable Cumulative Preferred Stock (Series B Preferred Stock) shall be entitled to one vote per share on all matters upon which common stockholders are entitled to vote and have a redemption price of $1,000 per share, together with accrued and unpaid dividends thereon. Redemption of the Series B Preferred Stock is at the option of the holders for any or all of the outstanding shares after September 1, 1998 or at the option of the Company after September 1, 2002. The total redemption value of the shares outstanding at October 31 in an amount of $6,400,000 is classified on the Company's balance sheet as redeemable cumulative preferred stock. In the event of any liquidation, dissolution or winding up of the affairs of the Company, holders of the Series B Preferred

Stock shall be paid the redemption price plus all accrued dividends to the date of liquidation, dissolution or winding up of affairs before any payment to other stockholders.

On September 1, 1993, the Company issued 6,400 shares of its Series B Preferred Stock in conjunction with the acquisition of System Parking. The acquisition agreement provided that one-half, or 3,200 shares, of the Series B Preferred Stock be placed in escrow and will be released upon certain annual earnout requirements.

Dividends of $128,000 are due and payable each quarter and are deducted from net income in determining net income per common share.

10. CAPITAL STOCK

In 1984, the Company adopted an executive stock option plan whereby 340,000 shares were reserved for grant. As amended December 20, 1994, options which have been granted at fair market value are 50% exercisable when the option holders reach their 61st birthday and the remaining 50% will vest on their 64th birthday. To the extent vested, the options may be exercised at any time prior to one year after termination of employment. Options which terminate without being exercised may be reissued. At October 31, 1995, 19,500 options were exercisable and 500 options remained available for grant.

Transactions under this plan are summarized as follows:

	Number of Shares under Option	Option Price per Share
Balance October 31, 1992	238,000	$11.44 - $17.44
Options exercised	(6,000)	$11.44
Balance October 31, 1993	232,000	$11.44 - $17.44
Options terminated	(3,000)	$11.44
Balance October 31, 1994	229,000	$11.44 - $17.44
Granted	104,500	$22.50 - $26.56
Options exercised	(6,000)	$11.44
Balance October 31, 1995	327,500	$11.44 - $26.56

In 1987, the Company adopted a stock option plan under which 600,000 shares were reserved for grant until December 31, 1996. In March 1994, this plan was amended to reserve an additional 500,000 shares. During 1994, 454,500 options were granted at a fair market price of $17.81 and $19.59. During 1995, 18,000 options were granted at a fair market price of $20.63 to $26.56. Options which terminate without being exercised may be reissued.

Transactions under this plan are summarized as follows:

	Number of Shares under Option	Option Price per Share
Balance October 31, 1992	516,990	$ 9.57 - $16.97
Options exercised	(26,485)	$11.56 - $16.97
Options terminated	(6,640)	$12.13 - $16.97
Balance October 31, 1993	483,865	$ 9.57 - $16.97
Granted	454,500	$17.81 - $19.59
Options exercised	(15,600)	$12.13 - $16.97
Options terminated	(26,400)	$12.13 - $16.97
Balance October 31, 1994	896,365	$ 9.57 - $19.59
Granted	18,000	$20.63 - $26.56
Options exercised	(27,305)	$11.44 - $17.81
Options terminated	(22,200)	$12.13 - $20.63
Balance October 31, 1995	864,860	$ 9.57 - $26.56

At October 31, 1995, there were 451,260 options exercisable and 82,140 options remained available for grant.

The Company has an employee stock purchase plan under which sale of 2.5 million shares of its common stock has been authorized. The purchase price of the shares under the plan is the lesser of 85% of the fair market value at the commencement of each plan year or 85% of the fair market value on the date of purchase. Employees may designate up to 10% of their compensation for the purchase of stock. During 1993, 1994 and 1995, 232,000, 255,000 and 283,000 shares of stock were issued under the plan for an aggregate purchase price of $3,362,000, $3,849,000 and $4,805,000, respectively. At October 31, 1995, 368,992 shares remained unissued under the plan.

The Company is authorized to issue 500,000 shares of preferred stock, of which 50,000 shares have been designated as Series A Junior Participating Preferred Stock of $.01 par value. None of these preferred shares have been issued.

On April 22, 1988, the Company distributed a dividend of one half of one right for each outstanding share of common stock. The rights are attached to all outstanding shares of common stock. Each right entitles the holder to purchase 1/100 of a share of the Series A Junior Participating Preferred Stock for $80, subject to adjustment. The rights are exercisable only after a third party (other than Sydney and Theodore Rosenberg, individually or as members of a group, or their permitted transferees) acquires 20% or more or commences a tender offer which would result in such party's acquiring 30% or more of the Company's common stock. The rights expire on April 22, 1998, and may be redeemed at a price of $.01 under certain circumstances.

After the rights become exercisable, if the Company is acquired and is not the surviving corporation or 50% or more of its assets or its earnings power is transferred, each right will entitle its holder to purchase shares of the acquiring company at a 50% discount. If the Company is acquired and is the surviving corporation, or a 20% or greater holder engages in "self-dealing" transactions or increases its beneficial ownership of the Company by more than 1% in a transaction involving the Company, each right will entitle its holder, other than the acquirer, to purchase common stock of the Company at a similar 50% discount.

11. INCOME TAXES

The provision for income taxes is made up of the following components for each of the years ended October 31:

(in thousands of dollars)	1993	1994	1995
Current			
Federal	$ 9,693	$ 9,621	$ 14,630
State	2,325	1,992	2,016
Foreign	224	630	100
Deferred			
Federal	(3,947)	(2,111)	(3,237)
State	(699)	(242)	(316)
	$ 7,596	$ 9,890	$ 13,193

The 1993 deferred federal income tax benefit includes a $540,000 benefit associated with the Omnibus Budget Reconciliation Act of 1993 enacted on August 10, 1993.

Income tax expense attributable to income from operations differs from the amounts computed by applying the U.S. statutory rates to pretax income from operations as a result of the following for the years ended October 31:

	1993	1994	1995
Statutory rate	35.0%	35.0%	35.0%
State and local taxes on income, net of federal tax benefit	5.2%	4.5%	3.4%
Tax rate change on deferred tax assets and liabilities	(2.7)%	--	--
Targeted job tax credits	(2.0)%	(2.6)%	(1.5)%
Nondeductible expenses and other -- net	2.0 %	2.6 %	5.1 %
	37.5 %	39.5 %	42.0 %

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at October 31, are presented below:

(in thousands of dollars)	1994	1995
Deferred tax assets:		
Self-insurance claims	$ 23,930	$ 25,396
Bad debt allowance	1,480	1,737
Deferred and other compensation	2,847	3,719
State taxes	508	827
Other	419	1,060
Total deferred tax assets	29,184	32,739
Deferred tax liabilities:		
Union pension contributions	(2,179)	(2,426)
Customer lists	(118)	(21)
Depreciation	(267)	(118)
Total deferred tax liabilities	(2,564)	(2,565)
Net deferred tax assets	$ 26,620	$ 30,174

The Company believes that a valuation reserve is not needed to reduce deferred tax assets because it is expected that all deferred assets will ultimately be realized.

12. ACQUISITIONS AND DIVESTITURES

All acquisitions have been accounted for as purchases; operations of the companies and businesses acquired have been included in the accompanying consolidated financial statements from their respective dates of acquisition. The excess of the purchase price over fair value of the net assets acquired is generally included in goodwill. Most purchase agreements provide for contingent payments based on the annual pretax income for subsequent periods ranging generally from three to five years. Any such future payments are generally capitalized as goodwill or customer lists when paid. Cost of acquisitions, including amounts based on subsequent earnings, were approximately $24.1 million in 1993, $7.1 million in 1994 and $12.5 million in 1995. Included in the 1993 amount is the redemption value of redeemable preferred stock of the Company of $6,400,000 issued in conjunction with the acquisition of System Parking (see Note 9).

On November 1, 1994, the Company acquired the janitorial operations of Quality Building Maintenance, Inc. of Seattle, Washington. In addition to the amount paid in cash at closing of this transaction, annual contingent payments based on gross profit of acquired contracts will be made over a four-year period. On January 1, 1995, the janitorial operations of Consolidated Chemical of Tyler, Texas were acquired for a cash down payment plus contingent payments to be made over a period of four years based on gross profit from the contracts acquired.

On January 1, 1995, the Company's subsidiary, Ampco Auto Parks, Inc., acquired in a cash transaction, substantially all of the parking operations of Pansini Corporation, a San Francisco based company that had approximately 100 facilities in California and Hawaii. In addition to amounts paid at closing, the acquisition agreement provides for additional payments over the subsequent five years based upon the gross profit of contracts acquired.

On July 1, 1995, the Company acquired the janitorial operations of United Cleaning Specialists Corp. of Atlanta, Georgia. United Cleaning Specialists provided janitorial services in Alabama, Florida, Georgia, North and South Carolina, Tennessee and Virginia. In addition to the amount paid at closing, annual contingent payments based upon gross profit of acquired contracts will be made over the next five years. On September 1, 1995, the Company acquired the janitorial business of Allied Janitorial Service Company of Spokane, Washington, for a cash down payment plus contingent payments to be made over a five-year period based on gross profits derived from the contracts acquired.

13. DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts reported in the balance sheet for cash and cash equivalents approximate fair value due to the short-maturity of these instruments.

Financial instruments included in investments and long-term receivables have no quoted market prices and, accordingly, a reasonable estimate of fair market value could not be made without incurring excessive costs. However, the Company believes by reference to stated interest rates and security held, the fair value of the assets would not differ significantly from the carrying value.

The fair value of the Company's long-term debt approximates carrying value based on the quoted market prices for the same or similar issues or on the current rates offered to the Company for debt of the same remaining maturities.

The Company believes that it is not practical to estimate a fair market value different from the redeemable preferred stock's carrying value of $6.4 million, as this security was issued in conjunction with an acquisition and has numerous features unique to this security as described in Note 9.

14. QUARTERLY INFORMATION (UNAUDITED)

(in thousands, except earnings per share)

	FISCAL QUARTER				
OPERATIONS	FIRST	SECOND	THIRD	FOURTH	YEAR
1994					
Revenues and other income	$210,839	$215,872	$224,965	$232,957	$884,633
Gross profit	29,363	31,234	30,562	33,418	124,577
Net income	2,827	3,318	4,146	4,878	15,169
Net income per common share	0.31	0.36	0.45	0.53	1.65
1995					
Revenues and other income	$232,062	$234,396	$245,792	$253,131	$965,381
Gross profit	32,139	33,407	33,325	35,761	134,632
Net income	3,387	3,943	5,010	5,879	18,219
Net income per common share	0.35	0.40	0.51	0.59	1.85

15. SEGMENT INFORMATION

(in thousands of dollars)

FOR THE YEAR ENDED OCTOBER 31, 1993	JANITORIAL DIVISIONS	PUBLIC SERVICE DIVISIONS	TECHNICAL DIVISIONS	CORPORATE	ELIMINATIONS	CONSOLIDATED TOTALS
Revenues and other income	$442,241	$121,053	$209,520	$ 498	$	$773,312
Intersegment revenues	9,609	60	293		(9,962)	--
Total Revenues	$451,850	$121,113	$209,813	$ 498	$ (9,962)	$773,312
Operating profit	$ 19,545	$ 4,797	$ 9,111	$(11,047)	$	$ 22,406
Interest, expense	(45)	(5)	(47)	(2,067)		(2,164)
Income before income taxes	$ 19,500	$ 4,792	$ 9,064	$(13,114)	$	$ 20,242
Identifiable assets	$ 99,128	$ 64,545	$ 75,628	$ 28,839	$	$268,140
Depreciation expense	$ 2,059	$ 963	$ 1,615	$ 368	$	$ 5,005
Amortization expense	$ 763	$ 754	$ 636	$	$	$ 2,153
Capital expenditures	$ 2,764	$ 1,008	$ 2,020	$ 395	$	$ 6,187
FOR THE YEAR ENDED OCTOBER 31, 1994						
Revenues and other income	$481,604	$173,707	$228,962	$ 360	$	$884,633
Intersegment revenues	9,944	61	175		(10,180)	--
Total Revenues	$491,548	$173,768	$229,137	$ 360	$(10,180)	$884,633
Operating profit	$ 22,045	$ 6,480	$ 10,817	$(10,824)	$	$ 28,518
Interest, expense	(36)	(10)	(632)	(2,781)		(3,459)
Income before income taxes	$ 22,009	$ 6,470	$ 10,185	$(13,605)	$	$ 25,059
Identifiable assets	$111,869	$ 71,418	$ 81,913	$ 34,270	$	$299,470
Depreciation expense	$ 2,283	$ 1,328	$ 1,723	$ 409	$	$ 5,743
Amortization expense	$ 1,298	$ 1,619	$ 640	$	$	$ 3,557
Capital expenditures	$ 2,946	$ 2,092	$ 1,987	$ 1,514	$	$ 8,539
FOR THE YEAR ENDED OCTOBER 31, 1995						
Revenues and other income	$511,801	$205,578	$247,748	$ 254	$	$965,381
Intersegment revenues	11,135	75	239		(11,449)	--
Total Revenues	$522,936	$205,653	$247,987	$ 254	$(11,449)	$965,381
Operating profit	$ 24,211	$ 8,449	$ 14,665	$(12,214)	$	$ 35,111
Interest, expense	(34)	(11)	(93)	(3,561)		(3,699)
Income before income taxes	$ 24,177	$ 8,438	$ 14,572	$(15,775)	$	$ 31,412
Identifiable assets	$130,657	$ 82,580	$ 90,403	$ 31,333	$	$334,973
Depreciation expense	$ 2,706	$ 1,701	$ 1,964	$ 563	$	$ 6,934
Amortization expense	$ 1,832	$ 2,085	$ 676	$	$	$ 4,593
Capital expenditures	$ 3,871	$ 3,405	$ 2,248	$ 701	$	$ 10,225

Intersegment revenues are recorded at prices negotiated between the entities.

SCHEDULE II

ABM Industries Incorporated and Subsidiaries

CONSOLIDATED VALUATION ACCOUNTS

For the Three Years Ended October 31, 1993, 1994 and 1995
(in thousands of dollars)

	BALANCE BEGINNING OF YEAR	CHARGES TO COSTS AND EXPENSES	DEDUCTIONS NET OF RECOVERIES	OTHER ADDITIONS (REDUCTIONS)	BALANCE END OF YEAR
Allowance for Doubtful Accounts					
Years ended October 31:					
1993	$ 2,806	$ 1,187	$ (892)		$ 3,101
1994	3,101	1,915	(1,949)		3,067
1995	3,067	1,536	(848)		3,755

ITEM 9. DISAGREEMENTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

The information required by this item is incorporated by reference to the information set forth under the caption "Election of Directors" contained in the Proxy Statement to be used by the Company in connection with its 1996 Annual Meeting of Stockholders. See also the cover page of this Form 10-K and item 1.

ITEM 11. EXECUTIVE COMPENSATION.

The information required by this item is incorporated by reference to the information set forth under the caption "Executive Compensation" contained in the Proxy Statement to be used by the Company in connection with its 1996 Annual Meeting of Stockholders.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The information required by this item is incorporated by reference to the information set forth under the caption "Principal Stockholders" contained in the Proxy Statement to be used by the Company in connection with its 1996 Annual Meeting of Stockholders.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The information required by this item is incorporated by reference to the information set forth under the captions "Executive Compensation" and "Certain Relationships and Related Transactions" contained in the Proxy Statement to be used by the Company in connection with the 1996 Annual Meeting of Stockholders.

PART IV

ITEM 14. EXHIBITS, CONSOLIDATED FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

(A) THE FOLLOWING DOCUMENTS ARE FILED AS PART OF THIS FORM 10-K:

1. and 2. Consolidated Financial Statements and Consolidated Financial Statement Schedule.

The following consolidated financial statements of ABM Industries Incorporated and subsidiaries are included in Item 8:

Independent Auditors' Report

Consolidated balance sheets -- October 31, 1994 and 1995

Consolidated statements of income -- Years ended October 31, 1993, 1994 and 1995

Consolidated statements of stockholders' equity -- Years ended October 31, 1993, 1994 and 1995

Consolidated statements of cash flows -- Years ended October 31, 1993, 1994 and 1995

Notes to consolidated financial statements -- October 31, 1995.

The following consolidated financial statement schedule of ABM Industries Incorporated and subsidiaries is included in Item 8.

Schedule II -- Consolidated Valuation Accounts for the Three Years Ended October 31, 1993, 1994 and 1995.

All other schedules are omitted because they are not applicable or because the required information is included in the consolidated financial statements or the notes thereto.

The individual financial statements of the registrant's subsidiaries have been omitted since the registrant is primarily an operating company and all subsidiaries included in the consolidated financial statements are wholly-owned subsidiaries.

Exhibit Number		Description
3.1	[j]	Certificate of Incorporation, as amended.
3.2		Restated Bylaws, as amended effective September 19, 1995.
4.1	[l]	Credit Agreement, dated September 22, 1994, between Bank of America National Trust and Savings Association and the Company.
4.2	[k]	First Amendment to Credit Agreement dated September 22, 1994.
4.3	[k]	Second Amendment to Credit Agreement dated September 22, 1994.
10.2	[a]*	1985 Employee Stock Purchase Plan.
10.3	[b]*	Supplemental Medical and Dental Plan.
10.4	[m]*	1984 Executive Stock Option Plan.
10.6	[f]*	Consulting Agreement with R. David Anacker.
10.7	[f]*	Executive Employment Agreement with Sydney J. Rosenberg.
10.9	[f]*	Short Form Deed of Trust and Assignment of Rents (dated December 17, 1991) between the Company and John F. Egan, together with the related Promissory Note (dated January 1, 1992).
10.13	[c]*	1987 Stock Option Plan.
10.16	[d]	Rights Agreement, dated as of April 11, 1988, between the Company and Bank of America National Trust and Savings Association, as Rights Agent with Chemical Trust Company of California as successor-in-interest to Bank of America as Rights Agent.
10.19	[e]*	Service Award Plan.
10.20	[f]*	Executive Employment Agreement with William W. Steele.
10.21	[f]*	Amended and Restated Retirement Plan for Outside Directors.
10.22	[f]*	Amendment No. 1 to Service Award Plan.
10.23	[g]*	Form of Outside Director Retirement Agreement (dated June 16, 1992).
10.24	[g]*	Executive Employment Agreement with John F. Egan.
10.25	[g]*	Executive Employment Agreement with Jess. E. Benton, III.
10.27	[h]	Guaranty of American Building Maintenance Industries, Inc.
10.28	[i]*	Deferred Compensation Plan.
10.29	[i]*	Form of Existing Executive Employment Agreement Other Than Those Named Above.
10.30	[l]*	Executive Employment Agreement with Martinn H. Mandles, as amended by Amendments One and Two.
10.31	[l]*	Amendment of Corporate Executive Employment Agreement with William W. Steele.
10.32	[l]*	First and Second Amendments of Corporate Executive Employment Agreement with John F. Egan.
10.33	[l]*	Amendment of Corporate Executive Employment Agreement with Sydney J. Rosenberg.
10.34	[l]*	First and Second Amendments of Corporate Executive Employment Agreement with Jess E. Benton, III.
10.35	[l]*	Form of Amendments of Corporate Executive Employment Agreements with Other Than Those Named Above.
10.36	[n]	Form of Indemnification for Directors
22.1		Subsidiaries of the Registrant.
24.1		Consent of Independent Certified Public Accountants.
27.1		Financial Data Schedule.

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[a] Incorporated by reference to exhibit 4.1 of the Company's Registration Statement on Form S-8 filed March 30, 1994.

[b] Incorporated by reference to the exhibit bearing the same numeric description which was filed as an exhibit to the Company's annual report on Form 10-K for the fiscal year ended October 31, 1984.

[c] Incorporated by reference to exhibit 4.1 of the Company's Registration Statement on Form S-8 filed March 31, 1994.

[d] Incorporated by reference to exhibit 1 to the Company's report on Form 8-K dated April 11, 1988.

[e] Incorporated by reference to the exhibit bearing the same numeric description which was filed as an exhibit to the Company's annual report on Form 10-K for the fiscal year ended October 31, 1990.

[f] Incorporated by reference to the exhibit bearing the same numeric description which was filed as an exhibit to the Company's annual report on Form 10-K for the fiscal year ended October 31, 1991.

[g] Incorporated by reference to the exhibit bearing the same numeric description which was filed as an exhibit to the Company's quarterly report on Form 10-Q for the fiscal quarter ended July 31, 1992.

[h] Incorporated by reference to the exhibit bearing the same numeric reference which was filed as an exhibit to the Company's quarterly report on Form 10-Q for the fiscal quarter ended July 31, 1993.

[i] Incorporated by reference to the exhibit bearing the same numeric description which was filed as an exhibit to the Company's annual report on Form 10-K for the fiscal year ended October 31, 1993.

[j] Incorporated by reference to the exhibit bearing the same numeric description which was filed as an exhibit to the Company's quarterly report on Form 10-Q for the fiscal quarter ended April 30, 1994.

[k] Incorporated by reference to the exhibit bearing the same numeric description which was filed as an exhibit to the Company's quarterly report on Form 10-Q for the fiscal quarter ended April 30, 1995.

[l] Incorporated by reference to the exhibit bearing the same numeric description which was filed as an exhibit to the Company's annual report on Form 10-K for the fiscal year ended October 31, 1994.

[m] Incorporated by reference to Appendix A of the Company's Proxy Statement for the 1995 Annual Meeting.

[n] Incorporated by reference to exhibit 10.20 which was filed as an exhibit to the Company's quarterly report on Form 10-Q for the fiscal quarter ended April 30, 1991.

* Management contract, compensatory plan or arrangement.

(B) REPORTS ON FORM 8-K:

No reports on Form 8-K have been filed during the last quarter of the period covered by this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ABM INDUSTRIES INCORPORATED

By: /s/ Sydney J. Rosenberg

Sydney J. Rosenberg
Chairman of the Board and Director
January 26, 1996

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Sydney J. Rosenberg Sydney J. Rosenberg Chairman of the Board and Director January 26, 1996	/s/ David H. Hebble David H. Hebble Corporate Vice President and Chief Financial Officer (Principal Financial Officer) January 26, 1996
/s/ William W. Steele William W. Steele, President, Chief Executive Officer and Director January 26, 1996	/s/ Hussain A. Khan Hussain A. Khan, Corporate Controller (Principal Accounting Officer) January 26, 1996
/s/ Maryellen B. Cattani Maryellen B. Cattani, Director January 26, 1996	/s/ John F. Egan John F. Egan Corporate Vice President and Director January 26, 1996
/s/ Luke S. Helms Luke S. Helms, Director January 26, 1996	/s/ Charles T. Horngren Charles T. Horngren, Director January 26, 1996
/s/ Henry L. Kotkins, Jr. Henry L. Kotkins, Jr., Director January 26, 1996	/s/ Martinn H. Mandles Martinn H. Mandles Executive Vice President and Director January 26, 1996
/s/ Theodore Rosenberg Theodore Rosenberg, Chairman of the Executive Committee and Director January 26, 1996	/s/ William E. Walsh William E. Walsh, Director January 26, 1996
/s/ Boniface A. Zaino Boniface A. Zaino, Director January 26, 1996	

BOARD OF DIRECTORS

SYDNEY J. ROSENBERG (a,b)
Chairman of the Board of the Company
Los Angeles, California

THEODORE ROSENBERG (a,c)
Chairman of the Executive Committee of the Company
Daly City, California

MARYELLEN B. CATTANI (c,d)
Executive Vice President, General
Counsel and Secretary
American President Companies, Ltd.
Oakland, California

JOHN F. EGAN
Vice President of the Company,
and President of the Janitorial
Services Division
San Francisco, California

LUKE HELMS (b)
Vice Chairman
BankAmerica Corporation
San Francisco, California

CHARLES T. HORNGREN (d)
Edmund W. Littlefield Professor of
Accounting, Stanford University
Graduate School of Business
Stanford, California

HENRY L. KOTKINS, JR. (b)
President and Chief Executive Officer
Skyway Luggage Company
Seattle, Washington

MARTINN H. MANDLES, (a)
Executive Vice President and Chief
Administrative Officer of the Company
San Francisco, California

WILLIAM W. STEELE (a)
President and Chief Executive Officer
of the Company
San Francisco, California

WILLIAM E. WALSH (c)
Management Consultant and Author
Menlo Park, California

BONIFACE A. ZAINO (b,e)
Managing Director of
The Trust Company of the West
New York, New York

PRINCIPAL OFFICERS

SYDNEY ROSENBERG (a,b)
Chairman of the Board

WILLIAM W. STEELE (a)
President and Chief Executive Officer

MARTINN H. MANDLES (a)
Executive Vice President

J.E. BENTON, III
Senior Vice President, Office of the President

SHERRILL F. SIPES, JR.
Senior Vice President, Office of the President

WILLIAM C. BANNER
Vice President of the Company, and President of the Security Services Division

DONNA M. DELL
Vice President and Director of Human Resources

JOHN F. EGAN
Vice President of the Company, and President of the Janitorial Services Division

DAVID H. HEBBLE
Vice President and Chief Financial Officer

HARRY H. KAHN
Vice President, General Counsel and Secretary

DOUGLAS B. BOWLUS
Treasurer

HUSSAIN A. KHAN
Controller and Chief Accounting Officer

(a) Executive Committee
(b) Nominating Committee
(c) Officer Compensation & Stock Option Committee

(d) Audit Committee
(e) Effective February 1, 1996

SPECIAL NOTES

LISTINGS
New York Stock Exchange
Pacific Stock Exchange

TICKER SYMBOL
ABM

REGISTRARS AND TRANSFER AGENTS
Chemical Mellon Shareholder
Services, L.L.C.
50 California Street, 10th Floor
San Francisco, CA 94111

AUDITORS
KPMG Peat Marwick LLP
Three Embarcadero Center
San Francisco, CA 94111

10-K REPORT
Additional copies available to stockholders at no charge upon request to:
ABM Corporation
Communications
Post Office Box 193224
San Francisco, CA 94119

STOCKHOLDERS
As of December 31, 1995, there were approximately 4,100 holders of record of the Company's Common Stock.

ANNUAL MEETING
The Annual Meeting of Stockholders of ABM Industries Incorporated will be held on Tuesday, March 19, 1996 at 10:00 a.m. at 50 Fremont Street, San Francisco, California

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.

EXHIBIT 3.2

ABM INDUSTRIES INCORPORATED

BY-LAWS

AS AMENDED EFFECTIVE 9/19/95

ARTICLE I

OFFICES

SECTION 1.1. REGISTERED OFFICE. The registered office shall be located in the City of Wilmington, County of New Castle, State of Delaware.

SECTION 1.2. OTHER OFFICES. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

SECTION 2.1. PLACE OF MEETING. All meetings of stockholders shall be held at the principal executive office of the Corporation or at any other place, either within or without the State of Delaware, as may be designated by the Board of Directors.

SECTION 2.2. ANNUAL MEETING. The annual meeting of stockholders shall be held on such date and at such time as the Board of Directors may designate.

At each annual meeting the stockholders shall elect directors to succeed those whose terms expire in that year and to serve until their successors are elected, and shall transact such other business as may properly be brought before the meeting.

SECTION 2.3. NOTICE OF ANNUAL MEETING. Written notice of the annual meeting stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting. Such notice shall be given either personally or by mail or other means of written communication, addressed or delivered to each stockholder entitled to vote at such meeting at the address of such stockholder appearing on the books of the Corporation or given by him to the Corporation for the purpose of such notice. If no such address appears or is given, notice shall be given either personally or by mail or other means of written communication addressed to the stockholder at the place where the principal executive office of the Corporation is located. The notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by other means of written communication.

SECTION 2.4. LIST OF STOCKHOLDERS. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of the stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

SECTION 2.5. SPECIAL MEETINGS. Special meetings of the stockholders, for any purpose or purposes, may be called at any time by the Board of Directors, or by a committee of the Board of Directors which has been duly designated by the Board of Directors and whose power and authority, as provided in a resolution of the Board of Directors, include the power to call such meetings, but such special meetings may not be called by any other person or persons.

SECTION 2.6. NOTICE OF SPECIAL MEETINGS. Written notice of a special meeting of stockholders stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting.

SECTION 2.7. BUSINESS AT SPECIAL MEETINGS. The business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

SECTION 2.8. ADJOURNED MEETINGS AND NOTICE THEREOF. Any stockholders' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the shares represented either in person or by proxy, but in the absence of a quorum, no other business may be transacted at such meeting, except as provided in Section 2.10 of these by-laws.

When a stockholders' meeting is adjourned to another time or place, notice of the adjourned meeting need not be given if the time and place thereof are announced at the meeting at which the adjournment is taken; except that if the adjournment is for more than thirty days or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote thereat.

At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting.

SECTION 2.9. QUORUM. The holders of a majority of the shares issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation.

SECTION 2.10. MAJORITY VOTE. If a quorum is present at any meeting, the vote of the holders of a majority of the shares having voting power, present in person or represented by proxy, shall decide any question brought before such meeting, unless a different vote is required on that question by express provision of statute or of the certificate of incorporation, in which case such express provision shall govern and control.

The stockholders present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum, in any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum, unless a different vote is required as set forth above.

SECTION 2.11. VOTING. Except as otherwise provided in the certificate of incorporation and subject to Section 8.4 of these by-laws, each stockholder shall be entitled to one vote, in person or by proxy, for each share of capital stock having voting power held by such stockholder, but no proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. Vote may be viva voce or by ballot; provided, however, that elections for directors must be by ballot.

Any holder of shares entitled to vote on any matter may vote part of the shares in favor of the proposal and refrain from voting the remaining shares or vote them against the proposal, other than elections to office but, if the stockholder fails to specify the number of shares such stockholder is voting affirmatively, it shall be conclusively presumed that the stockholder's approving vote is with respect to all shares said stockholder is entitled to vote.

SECTION 2.12. STOCKHOLDER ACTION. Any action required or permitted to be taken by the stockholders must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders.

Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when a person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened; provided, that attendance at a meeting is not a waiver of any right to object to the consideration of matters required by law or these by-laws to be included in the notice but not so included if such objection is expressly made at the meeting.

SECTION 2.13. PRESIDING OFFICER. The chairman of the Board of Directors, if there be such officer, shall, if present, call the meetings of the stockholders to order and shall act as the presiding officer thereof.

SECTION 2.14. SECRETARY. The secretary of the Corporation, if present, shall act as secretary of all meetings of the stockholders. In the absence of the secretary, an assistant secretary if present shall act as secretary of the meetings of the stockholders. In the absence of the secretary or any assistant secretary, the presiding officer may appoint a person to act as secretary of such meeting.

ARTICLE III

DIRECTORS

SECTION 3.1. NUMBER OF DIRECTORS, ELECTION AND TERM OF OFFICE. The number of directors which shall constitute the whole board shall be eleven. The Board of Directors shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible, as determined by the Board of Directors, one class to hold office initially for a term expiring at the annual meeting of stockholders to be held in 1986, another class to hold office initially for a term expiring at the annual meeting of stockholders to be held in 1987, and another class to hold office initially for a term expiring at the annual meeting of stockholders to be held in 1988, with the members of each class to hold office until their successors are elected and qualified. At each annual meeting of stockholders, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election.

The term "entire board" as used in these by-laws means the total number of directors which the Corporation would have if there were no vacancies.

SECTION 3.2. VACANCIES. A vacancy in the Board of Directors shall be deemed to exist in case of the death, resignation, or removal of any director, or if the authorized number of directors be increased, or if the stockholders fail at any annual or special meeting of stockholders to elect the full authorized number of directors to be voted for at that meeting.

Unless otherwise provided in the certificate of incorporation, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director, and any director so chosen shall hold office until the next election of the class for which he was chosen and until his successor is fully elected and qualified, unless sooner displaced. If at any time the Corporation should have no directors in office, then an election of directors may be held in the manner provided by statute. If, at the time of filling any vacancy or any newly created directorship, the directors then in office constitute less than a majority of the entire board (as constituted immediately prior to any such increase), the Court of the Chancery may upon application of any stockholder or stockholders holding at least ten percent (10%) of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships or to replace the directors chosen by the directors then in office.

SECTION 3.3. POWERS. The business and affairs of the Corporation shall be managed by its Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these by-laws directed or required to be exercised or done by the stockholders.

SECTION 3.4. COMPENSATION OF DIRECTORS. The Board of Directors shall have the authority to fix the compensation of directors. No such compensation shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

SECTION 3.5. RESIGNATION. Any director may resign effective upon giving written notice to the chief executive officer, the secretary, or the Board of Directors of the Corporation, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

SECTION 3.6. NOMINATION OF DIRECTORS. Nominations for the election of directors may be made by the Board of Directors or a committee appointed by the Board of Directors authorized to make such nominations or by any stockholder entitled to vote in the election of directors generally. However, stockholders may nominate one or more persons for election as directors at a meeting only if written notice of such stockholder's intent to make such nomination or nominations has been given, either by personal delivery or by United States mail, postage prepaid, to the secretary of the Corporation not later than (i) with respect to an election to be held at an annual meeting of stockholders, 60 days in advance of such meeting, and (ii) with respect to an election to be held at a special meeting of stockholders for the election of directors, the close of business on the tenth day following the date on which notice of such meeting is first given to stockholders. Each such notice shall set forth: (a) the name and address of the stockholder who intends to make the nomination and of the person or persons to be nominated; (b) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (c) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder; (d) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission, had the nominee been nominated, or intended to be nominated, by the Board of Directors; and (e) the consent of each nominee to serve as a director of the Corporation if so elected. The presiding officer of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

ARTICLE IV

MEETINGS OF THE BOARD OF DIRECTORS

SECTION 4.1. PLACE OF MEETING. The Board of Directors of the Corporation may hold meetings, both regular and special, either within or without the State of Delaware.

SECTION 4.2. ORGANIZATION MEETING. Immediately after each annual meeting of stockholders, the Board of Directors shall hold a regular meeting for the purpose of organization, electing officers and transacting other business. No notice of such meeting need be given. In the event such meeting is not so held, the meeting may be held at such time and place as shall be specified in a notice given as hereafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

SECTION 4.3. REGULAR MEETINGS. Regular meetings of the Board of Directors may be held at such time and at such place as shall from time to time be determined by the Board of Directors; provided, however, that if the date so designated falls upon a legal holiday, then the meeting shall be held at the same time and place on the next succeeding day which is not a legal holiday. Such regular meetings may be held without notice.

SECTION 4.4. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the chairman of the board of directors, chairman of the executive committee of the Board of Directors, the chief executive officer or the president or on the written request of the directors constituting a majority of the entire board.

SECTION 4.5. NOTICE OF SPECIAL MEETINGS. Notice of the time and place of special meetings of the Board of Director shall be delivered personally to each director, or sent to each director by mail, telephone, or telegraph. In case such notice is sent by mail or telegraphed it shall be deposited in the United States mail or delivered to the telegraph company in the place in which the principal office of the Corporation is located at least 48 hours prior to the time of the holding of the meeting. In case such notice is delivered personally or by telephone, it shall be so delivered at least 24 hours prior to the time of the holding of the meeting. Such notice shall not be necessary if appropriate waivers, consents and/or approvals are filed in accordance with Section 4.6 of these by-laws.

SECTION 4.6. WAIVER OF NOTICE. Notice of a meeting need not be given to any director who signs a waiver of notice, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such director.

The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

SECTION 4.7. QUORUM. At all meetings of the board, the presence of one-third of the entire board shall constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meetings at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting without notice other than announcement at the meeting, until a quorum shall be present. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

SECTION 4.8. ADJOURNMENT. Any meeting of the Board of Directors, whether or not a quorum is present, may be adjourned to another time and place by the vote of a majority of the directors present. Notice of the time and place of the adjourned meeting need not be given to absent directors if said time and place are fixed at the meeting adjourned.

SECTION 4.9. ACTION WITHOUT MEETING. Unless otherwise restricted by the certificate of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board or committee.

SECTION 4.10. CONFERENCE COMMUNICATION. Unless otherwise restricted by the certificate of incorporation or these by-laws, members of the Board of Directors or any committee designated by the board may participate in a meeting of the Board of Directors or committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear one another. Participation in a meeting pursuant to this action shall constitute presence in person at such meeting.

ARTICLE V

COMMITTEES OF DIRECTORS

SECTION 5.1. COMMITTEES OF DIRECTORS. The Board of Directors may, by resolution passed by a majority of the entire board, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolutions of the Board of Directors, shall have and may exercise all the power and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to amending the certificate of incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of substantially all of the Corporation's property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution, or amending the by-laws of the Corporation and, unless the resolution or the certificate of incorporation expressly so provide, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors.

SECTION 5.2. COMMITTEE MINUTES. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

ARTICLE VI

OFFICERS

SECTION 6.1 OFFICERS The officers of the Corporation shall be a chairman of the Board, a president, one or more executive vice presidents, one or more senior vice presi-dents, one or more vice presidents, a secretary, a controller, and a treasurer, each of whom shall be a principal officer of the Corporation appointed by the Board of Directors. The Corporation may also have one or more assistant vice presidents, one or more assistant secretaries, one or more assistant controllers, and one or more assistant treasurers, each of whom shall be an assistant officer of the Corporation appointed by the Executive Committee of the Board of Directors. Any number of offices may be held by the same person, unless the certificate of incorporation or these bylaws otherwise provide".

SECTION 6.2 ELECTION. The Board of Directors at its first meeting after each annual meeting of stockholders shall elect all principal officers for the ensuing year and shall designate a chief executive officer and a chief financial officer. At its first meeting after each annual meeting of stockholders, the Executive Committee shall elect all assistant officers.

SECTION 6.3 OTHER OFFICERS. The Board of Directors may appoint such other officers and agents as it shall deem necessary and they shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

SECTION 6.4 TERM. Subject to an applicable written employment agreement, if any, between the Corporation and any principal officer elected or appointed by the Board of Directors or any assistant officer appointed by the Executive Committee of the Board of Directors, said officer may be removed at any time, either with or without cause, by the affirmative vote of a majority of the Board of Directors or of the Executive Committee of the Board of Directors, respectively. Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors or by the Executive Committee of the Board of Directors pursuant to the requirements of Section 6.1 of this Article VI.

Compensation and other terms and conditions of employment of any principal officer shall be subject to approval of the Officer Compensation and Stock Option Committee and the Board of Directors. Compensation and other terms and conditions of employment of assistant officers shall be subject to approval of the Executive Committee of the Board of Directors.

SECTION 6.5 THE CHAIRMAN OF THE BOARD OF DIRECTORS. The chairman of the Board of Directors shall, if present, preside at all meetings of the Board of Directors and of the stockholders and shall exercise and perform such other powers and duties as may be, from time to time, prescribed by the by-laws or assigned by the Board of Directors.

SECTION 6.6 THE PRESIDENT. The president shall have general and active management over the business and affairs of the corporation, subject, however, to the powers and authority of the chief executive officer and to the control of the Board of Directors. In the absence or disability of the chief executive officer, the president shall perform the duties of the chief executive officer, and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the chief executive officer.

SECTION 6.7 THE EXECUTIVE VICE PRESIDENT. In the absence or disability of the chief executive officer and the president, the executive vice president or any other officer of the corporation designated by the Board of Directors, shall perform the duties of the chief executive officer, and when so acting shall have all the powers of, and be subject to all the restrictions upon the chief executive officer. The executive vice president shall have such other powers and perform such other duties as from time to time may be prescribed by the chief executive officer.

SECTION 6.8 THE SENIOR VICE PRESIDENTS. In the absence of the chairman of the board or any executive vice presidents, the senior vice presidents, in order of their rank as fixed by the board of directors, or, if not ranked, the senior vice president designated by the Board of Directors shall perform the duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions upon the president. The senior vice presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Executive Committee of the Board of Directors.

SECTION 6.9 THE VICE PRESIDENTS . The vice presidents shall have such powers and perform such duties as may from time to time be prescribed by the Executive Committee of the Board of Directors.

SECTION 6.10 THE SECRETARY. The secretary shall keep, or cause to be kept, a book of minutes in written form of the proceedings of the Board of Directors, committees of the board, and stockholders. Such minutes shall include all waivers of notice, consents to the holding of meeting, or approvals of the minutes of meetings executed pursuant to these by-laws or statute. The secretary shall keep, or cause to be kept, at the principal executive office or at the office of the Corporation's transfer agent or registrar, a record of its stockholders, giving the names and addresses of all stockholders, and the number and class of shares held by each.

The secretary shall give, or cause to be given, notice of all meetings of the stockholders and of the Board of Directors required by these by-laws or by law to be given, and shall keep the seal of the Corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these by-laws.

SECTION 6.11 THE ASSISTANT SECRETARY. The assistant secretary shall have all the powers, and perform all the duties of, the secretary in the absence or inability of the secretary to act.

SECTION 6.12 THE CONTROLLER. The Controller of the Corporation shall be the general manager of the accounting, tax and internal audit functions of the Corporation and its subsidiaries, subject to the control of the chief financial officer. The controller shall have such other powers and perform such other duties as from time to time may be prescribed by the chief financial officer.

SECTION 6.13 THE TREASURER. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company and shall deposit all monies and other valuables in the name and to the credit of the Company. The treasurer shall also have such other powers and perform such other duties as may be prescribed by the Executive Committee of the Board of Directors.

ARTICLE VII

INDEMNIFICATION OF DIRECTORS,
OFFICERS, EMPLOYEES AND AGENTS

SECTION 7.1. ACTIONS, SUITS OR PROCEEDINGS OTHER THAN BY OR IN THE RIGHT OF THE CORPORATION. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was or has agreed to become a director, officer, employee or agent of the Corporation, or is or was serving or has agreed to serve at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, against costs, charges, expenses (including attorneys' fees) judgments, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf in connection with such action, suit or proceeding and any appeal therefrom, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful; PROVIDED HOWEVER, that the foregoing indemnity shall not be applicable as to any person who is or was or agreed to become an employee or agent of the Corporation (other than employees or agents who are or were also officers or directors of the Corporation), or is or was serving or agreed to serve at the request of the Corporation as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise (other than employees or agents who are or were also officers or directors of any such other corporation, partnership, joint venture, trust or enterprise), unless and until such indemnity is specifically approved by the Board of Directors. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of NOLO CONTENDERE or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

SECTION 7.3. INDEMNIFICATION FOR COSTS, CHARGES AND EXPENSES OF SUCCESSFUL PARTY. Notwithstanding the other provisions of this Article, to the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise, including, without limitation, the dismissal of an action without prejudice, in defense of any action, suit or proceeding referred to in Sections 7.1 and 7.2 of this Article, or in defense of any claim, issue or matter therein, he shall be indemnified against all costs, charges and expenses (including attorneys' fees) actually and reasonably incurred by him or on his behalf in connection therewith.

SECTION 7.4. DETERMINATION OF RIGHT TO INDEMNIFICATION. Any indemnification under Sections 7.1 and 7.2 of this Article (unless ordered by a court) shall be paid by the Corporation unless a determination is made (1) by the Board of Directors by a majority vote of the quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the stockholders, that indemnification of the director, officer, employee or agent is not proper in the circumstances because he has not met the applicable standard of conduct set forth in Sections 7.1 and 7.2 of this Article.

SECTION 7.5. ADVANCE OF COSTS, CHARGES AND EXPENSES. Costs, charges and expenses (including attorneys' fees incurred by a person referred to in Sections 7.1 and 7.2 of this Article in defending a civil or criminal action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding; PROVIDING, HOWEVER, that the payment of such costs, charges and expenses incurred by a director or officer in his capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer) in advance of the final disposition of such action, suit or proceeding shall be made only upon receipt of an undertaking by or on behalf of the director or officer to repay all amounts so advanced in the event that it shall ultimately be determined that such director or officer is not entitled to be indemnified by the Corporation as authorized in this Article. Such costs, charges and expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate. The Board of Directors may, in the manner set forth above, and upon approval of such director, officer, employee or agent of the Corporation, authorize the Corporation's counsel to represent such person, in any action, suit or proceeding, whether or not the Corporation is a party to such action suit or proceeding.

SECTION 7.7. OTHER RIGHTS; CONTINUATION OF RIGHT TO INDEMNIFICATION. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under any law (common or statutory), agreement, vote of stockholders or disinterested director or otherwise, both as to action in his official capacity and as to action in another capacity while holding office or while employed by or acting as agent for the Corporation, and shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of the estate, heirs, executors and administrators of such person. All rights to indemnification under this Article shall be deemed to be a contract between the Corporation and each director, officer, employee or agent of the Corporation who serves or served in such capacity at any time while this Article is in effect. Any repeal or modification of this Article or any repeal or modification of relevant provisions of the Delaware General Corporation Law or any other applicable laws shall not in any way diminish any rights to indemnification of such director, officer, employee or agent or the obligations of the Corporation arising hereunder.

SECTION 7.8. INSURANCE. The Corporation shall purchase and maintain insurance on behalf of any person who is or was or has agreed to become a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him or on his behalf in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article, PROVIDED that such insurance is available on acceptable terms, which determination shall be made by a vote of a majority of the entire Board of Directors.

SECTION 7.9. SAVINGS CLAUSE. If this Article or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each director, officer, employee and agent of the Corporation as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Corporation, to the full extent permitted by any applicable portion of this Article that shall not have been invalidated and to the full extent permitted by applicable law.

ARTICLE VIII

STOCKHOLDERS

SECTION 8.1. CERTIFICATES OF STOCK. Every holder of shares in the Corporation shall be entitled to have a certificate, signed by, or in the name of the Corporation by, the chairman, the president or a vice president and the secretary or an assistant secretary of the Corporation, or the treasurer or an assistant treasurer, certifying the number of shares owned by him in the Corporation. Any or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

SECTION 8.2. LOST CERTIFICATES. The Board of Directors may direct a new certificate or certificates of stock to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the Corporation may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or to give the Corporation a bond (or other adequate security) in such sum as it may direct as indemnity against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

SECTION 8.3. TRANSFER OF STOCK. Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

SECTION 8.4. STOCKHOLDERS OF RECORD. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of the stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion, or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting, unless the Board of Directors fixes a new record date for the adjourned meeting, but the board shall fix a new record date if the meeting is adjourned for more than forty-five days from the date set for the original meeting.

SECTION 8.5. NO RECORD DATE. If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business at the day next preceding the day on which notice is given, or, if notice is waived, at the end of business of the day next preceding the day on which the meeting is held. The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

SECTION 8.6. REGISTERED STOCKHOLDERS. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE IX

GENERAL PROVISIONS

SECTION 9.1. FISCAL YEAR. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

SECTION 9.2. SEAL. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization, and the name of the state of its incorporation. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE X

AMENDMENTS

SECTION 10.1. AMENDMENTS. Subject to the provisions of the Certificate of Incorporation, these by-laws may be altered, amended or repealed at any regular meeting of the stockholders (or at any special meeting thereof duly called for that purpose) by a vote of not less than 70% of the outstanding stock entitled to vote at such meeting; provided that in the notice of such special meeting notice of such purpose shall be given. Subject to the laws of the State of Delaware, the certificate of incorporation and these by-laws, the Board of Directors may by majority vote of those present at any meeting at which a quorum is present amend these by-laws, or enact such other by-laws as in their judgment may be advisable for the regulation of the conduct of the affairs of the Corporation.

Exhibit 22.1

SUBSIDIARIES OF REGISTRANT
as of 12/31/95

NAME	State of Incorporation	Percentage of Voting Securities Owned by Immediate Parent
ABM Industries Incorporated	Delaware	Registrant
(*) ABM Janitorial Services - Northern California	California	100%
ABM Janitorial Services - Southern California +	California	100%
ABM Janitorial Services Co. Ltd.	British Columbia	100%
Supreme Building Maintenance Ltd.	British Columbia	100%
American Building Maintenance Co. of Canada Ltd. +	Canada	100%
American Building Maintenance Co. of Georgia	California	100%
American Building Maintenance Co. of Illinois	California	100%
American Building Maintenance Co. of Nebraska +	California	100%
American Building Maintenance Co. of New York	California	100%
American Building Service Company +	California	100%
American Building Maintenance Co. of Utah +	California	100%
American Building Maintenance Co. - West	California	100%
California Janitorial and Supply Co. +	California	100%
Commercial Property Services, Inc.	California	100%
Bonded Maintenance Company	Texas	100%
Servall Services Inc.	Texas	100%
American Plant Protection, Inc.	California	100%
American Public Services +	California	100%
Easterday Janitorial Supply Company	California	100%
ABMI Security Services of Texas, Inc. +	Texas	100%
American Security and Investigative Services, Inc.	California	100%
ABMI Investigative Services +	California	100%
ABMI Security Services, Inc.	California	100%
American Commercial Security Services, Inc.	California	100%
Amtech Services Inc.	California	100%
ABM Facility Services Company	California	100%
Amtech Energy Services	California	100%
Amtech Lighting Services	California	100%
CommAir Mechanical Services	California	100%
Amtech Elevator Services	California	100%
Amtech Reliable Elevator Company of Texas +	Texas	100%
ABM Engineering Services Company	California	100%
Bradford Building Services, Inc.	California	100%
Commercial Air Conditioning of Northern California, Inc. +	California	100%
Southern California Building Services +	California	100%
Accurate Janitor Service, Inc. +	California	100%
Ampco System Parking	California	100%
Beehive Parking, Inc.	Utah	100%
System Parking, Inc.	California	100%
Towel and Linen Service, Inc. +	California	100%
Internacional de Elevadores, S.A. de C.V.	Mexico	100%

(*) Subsidiary relationship to registrant or to subsidiary parents shown by progressive indentation.
+ Inactive companies.

Exhibit 24.1

Consent of Independent Auditors

The Board of Directors
ABM Industries Incorporated:

We consent to incorporation by reference in the following registration statements on Form S-8 of ABM Industries Incorporated of our report dated December 15, 1995, relating to the consolidated balance sheets of ABM Industries Incorporated and subsidiaries as of October 31, 1995 and 1994, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the years in the three-year period ended October 31, 1995, and the related schedule, which report appears in the October 31, 1995, annual report on Form 10-K of ABM Industries Incorporated.

Registration No.	Form	Plan
2-86666	S-8	Executive Stock Option Plan
2-96416	S-8	1985 Employee Stock Purchase Plan
33-14269	S-8	1987 Stock Option Plan

KPMG Peat Marwick LLP

San Francisco, California
January 26, 1996

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1,000

YEAR
OCT-31-1995
OCT-31-1995
1,840
0
158,075
3,755
19,389
209,867
61,648
39,001
334,973
114,240
0
0
6,400
94
141,786
334,973
965,381
965,381
830,749
830,749
99,521
0
3,699
31,412
13,193
18,219
0
0
0
18,219
1.85
1.85