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

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): August 31, 2010**

**ABM Industries Incorporated**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction  
of incorporation)

**1-8929**

(Commission File Number)

**94-1369354**

(IRS Employer Identification No.)

**551 Fifth Avenue, Suite 300, New York, New York**

(Address of principal executive offices)

**10176**

(Zip Code)

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

**N/A**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

On August 31, 2010, ABM Industries Incorporated (the "Company") issued a press release announcing financial results related to the third quarter of fiscal year 2010. A copy of the press release is attached as Exhibit 99.1, which is incorporated into this item by reference.

**Item 8.01. Other Events.**

On August 31, 2010, the Company announced that the Board of Directors of the Company declared a quarterly dividend of \$0.135 per share, payable on November 1, 2010 to stockholders of record on October 7, 2010. A copy of the press release announcing the declaration of the dividend is attached as Exhibit 99.1, which is incorporated into this item by reference.

As disclosed in the press release attached as Exhibit 99.1, the Company will hold a live web cast on September 1, 2010 relating to the Company's financial results for the third quarter of fiscal year 2010. A copy of the slides to be presented at the Company's web cast and discussed in the conference call relating to such financial results is being furnished as Exhibit 99.2 to this Form 8-K.

**Item 9.01. Financial Statements and Exhibits.**

(c) Exhibits.

99.1 Press Release issued by ABM Industries Incorporated, dated August 31, 2010, announcing financial results related to the third quarter of fiscal year 2010 and the declaration of a dividend payable November 1, 2010 to stockholders of record on October 7, 2010.

99.2 Slides of ABM Industries Incorporated, dated September 1, 2010.

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## SIGNATURES

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

ABM INDUSTRIES INCORPORATED

Dated: August 31, 2010

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

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## **EXHIBIT INDEX**

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- 99.2 Slides of ABM Industries Incorporated, dated September 1, 2010.



551 Fifth Avenue  
Suite 300  
New York, NY 10176

PRESS RELEASE

**Contact:**

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**ABM INDUSTRIES ANNOUNCES THIRD QUARTER 2010 FINANCIAL RESULTS,  
ADJUSTS GUIDANCE AND DECLARES QUARTERLY DIVIDEND**

| (in millions,<br>except per share data)                         | Quarter Ended<br>July 31, |          | Increase<br>(Decrease) | Nine Months Ended<br>July 31, |            | Increase<br>(Decrease) |
|---|---------------------------|----------|------------------------|-------------------------------|------------|------------------------|
|   | 2010                      | 2009     |                        | 2010                          | 2009       |                        |
| Revenues  | \$ 869.0                  | \$ 870.6 | (0.2)%                 | \$ 2,594.4                    | \$ 2,613.8 | (0.7)%                 |
| Net cash provided by continuing<br>operating activities         | \$ 35.2                   | \$ 8.3   | 324.5%                 | \$ 73.0                       | \$ 52.6    | 38.6%                  |
| Net Income  | \$ 21.0                   | \$ 12.3  | 70.8%                  | \$ 42.3                       | \$ 39.3    | 7.8%                   |
| Net income per diluted share                                    | \$ 0.40                   | \$ 0.24  | 66.7%                  | \$ 0.80                       | \$ 0.76    | 5.3%                   |
| Adjusted EBITDA   | \$ 45.9                   | \$ 37.8  | 21.5%                  | \$ 108.0                      | \$ 104.2   | 3.6%                   |
| Income from continuing<br>operations                            | \$ 21.0                   | \$ 12.4  | 69.1%                  | \$ 42.4                       | \$ 40.2    | 5.5%                   |
| Income from continuing<br>operations per diluted share          | \$ 0.40                   | \$ 0.24  | 66.7%                  | \$ 0.80                       | \$ 0.78    | 2.6%                   |
| Adjusted income from continuing<br>operations                   | \$ 22.0                   | \$ 18.6  | 18.0%                  | \$ 47.9                       | \$ 48.0    | (0.1)%                 |
| Adjusted income from continuing<br>operations per diluted share | \$ 0.42                   | \$ 0.36  | 16.7%                  | \$ 0.91                       | \$ 0.93    | (2.2)%                 |

*(This release refers to non-GAAP financial measures described as "Adjusted EBITDA", "Adjusted Income from Continuing Operations", and "Adjusted Income from Continuing Operations per Diluted Share". Refer to the accompanying financial tables for supplemental financial data and corresponding reconciliation of these non-GAAP financial measures to certain GAAP financial measures.)*

**NEW YORK, NY — August 31, 2010 — ABM Industries Incorporated (NYSE:ABM)** today announced revenues for the third quarter of fiscal year 2010 of \$869.0 million compared to third quarter of fiscal year 2009 revenues of \$870.6 million. Net income for the third quarter of fiscal year 2010 was \$21.0 million, a 70.8% increase from \$12.3 million in the third quarter of fiscal year 2009. Net income per diluted share for the third quarter of fiscal year 2010 increased 66.7% to \$0.40 compared to net income per diluted share of \$0.24 in the third quarter of fiscal year 2009. Net income for the third quarter of fiscal year 2010 included a \$2.2 million (\$0.04 per diluted share) after-tax benefit from one less day of labor expense compared to the year-ago quarter. Net income for the third quarter of fiscal year 2009 included \$3.1 million (\$0.06 per diluted share) after-tax expense for corporate initiatives and a \$2.1 million (\$0.04 per diluted share) after-tax insurance expense related to prior years, partially offset by a tax credit of \$1.8 million (\$0.04 per diluted share).

“Overall, the Company delivered good financial results for the quarter,” said Henrik Slipsager, president and chief executive officer, ABM Industries. “Revenues were flat as the Janitorial business in particular was still affected by the slower pace of economic recovery, which continues to pressure client spending. We are focused on client retention to sustain and build revenues; streamlining the Janitorial organization to strengthen sales performance, service delivery and cost controls; and we are expanding our sales pipeline. We also continue to aggressively manage cash, costs and margins to mitigate slow economic growth and maintain profitability. These combined efforts continue to yield positive results as income was up in the quarter, and adjusted EBITDA, a key measure of our performance, grew 22% year-over-year.”

“Operating cash flow from continuing operations increased to \$35.2 million in the third quarter of fiscal year 2010 compared to \$8.3 million in the year-ago quarter. At the same time, our SG&A expenses decreased 15.5% in the third quarter as a result of cost control measures and lower compensation costs. SG&A expenses are down 8.8% for the first nine months of the fiscal year. As planned, we completed the core project work associated with our investment in the Company’s infrastructure and reported no additional one-time expenses associated with these corporate initiatives in the third quarter of fiscal year 2010, compared to \$3.1 million in after-tax expenses in the year-ago quarter.”

“Operationally, the Engineering Division had a terrific quarter as revenues grew more than 14%, driven by sales to both new and existing clients, and operating profit increased 21% year-over-year. Parking revenues were down slightly, primarily as a result of lower management reimbursement revenues. Parking increased operating profit for the quarter by more than 17%. Security revenues increased slightly, driven by new client sales, while operating profit decreased due to cost pressures on existing clients and certain one-time items. Janitorial operating profit increased more than 10%, benefiting from one less workday compared to the prior year. During the quarter, the Janitorial Division also acquired Diversco, Inc., a provider of outsourced facility services, particularly to manufacturing and industrial clients. The acquisition of Diversco strategically expands ABM’s janitorial and security footprint — within key regions and among key client segments — and the integration is proceeding on course. Acquisitions remain a key focus of our strategy.”

Income from continuing operations for the third quarter of fiscal year 2010 was \$21.0 million (\$0.40 per diluted share) compared to \$12.4 million (\$0.24 per diluted share) in the year-ago quarter. Excluding items impacting comparability, adjusted income from continuing operations was \$22.0 million, or \$0.42 per diluted share, for the third quarter of fiscal year 2010. This compares to adjusted income from continuing operations of \$18.6 million, or \$0.36 per diluted share, in the third quarter of fiscal year 2009.

The Company’s adjusted EBITDA (earnings before interest, taxes, depreciation and amortization and excluding discontinued operations and items impacting comparability) for the third quarter of fiscal year 2010 was \$45.9 million compared to \$37.8 million in the third quarter of fiscal year 2009.

The Company reported revenues for the nine months ended July 31, 2010 of \$2.6 billion, flat compared to year-ago revenues of \$2.6 billion. Net income for the first nine months of fiscal year 2010 was \$42.3 million, an increase of 7.8% compared to \$39.3 million for the first nine months of fiscal year 2009. Net income per diluted share for the first nine months of fiscal year 2010 was \$0.80 per diluted share compared to \$0.76 per diluted share for the first nine months of fiscal year 2009. Income from continuing operations for the first nine months of fiscal year 2010 was \$42.4 million, or \$0.80 per diluted share, compared to \$40.2 million, or \$0.78 per diluted share, for the first nine months of fiscal year 2009. Adjusted income from continuing operations for the first nine months of fiscal year 2010 was \$47.9 million, or \$0.91 per diluted share, compared to \$48.0 million, or \$0.93 per diluted share, for the first nine months of fiscal year 2009. Adjusted EBITDA for the first nine months of fiscal year 2010 was \$108.0 million compared to \$104.2 million for the first nine months of fiscal year 2009.

The Company also announced that the Board of Directors has declared a fourth quarter cash dividend of \$0.135 per common share payable on November 1, 2010 to stockholders of record on October 7, 2010. This will be ABM's 178<sup>th</sup> consecutive quarterly cash dividend.

#### **Guidance**

As a result of the slower pace of economic recovery, the Company estimates that full fiscal year 2010 income from continuing operations per diluted share will be in the range of \$1.15 to \$1.19 and adjusted income from continuing operations per diluted share, for the same period, will be in the range of \$1.33 to \$1.37.

#### **Conference Call**

On Wednesday September 1, 2010 at 9:00 a.m. (EDT), ABM will host a live webcast of remarks by President and Chief Executive Officer Henrik Slipsager and Executive Vice President and Chief Financial Officer James Lusk.

The webcast will be accessible at: <http://investor.abm.com/eventdetail.cfm?eventid=85230>

Listeners are asked to be online at least 15 minutes early to register, as well as to download and install any complimentary audio software that might be required.

Following the call, the webcast will be available at this URL for a period of 90 days.

In addition to the webcast, a limited number of toll-free telephone lines will also be available for listeners who are among the first to call 877-664-7395 within 15 minutes before the event. Telephonic replays will be accessible during the period from two hours to seven days after the call by dialing 800-642-1687 and then entering ID # 95089486.

#### **Conference Call Presentation**

In connection with the conference call to discuss earnings (see above), a slide presentation related to earnings and operations will be available at the Company's website at [www.abm.com](http://www.abm.com), and can be accessed through the Investor Relations portion of ABM's website by clicking on the "Presentations" tab.

#### **About ABM Industries Incorporated**

ABM Industries Incorporated (NYSE:ABM), which operates through its subsidiaries (collectively "ABM"), is the leading provider of facility services in the United States. With fiscal 2009 revenues of approximately \$3.5 billion and more than 90,000 employees, ABM provides janitorial, facility, engineering, parking and security services for thousands of commercial, industrial, institutional and retail facilities across the United States, Puerto Rico and British Columbia, Canada. ABM's business services include ABM Janitorial Services, ABM Facility Services, ABM Engineering Services, Ampco System Parking and ABM Security Services. For more information visit [www.abm.com](http://www.abm.com).

## Cautionary Statement under the Private Securities Litigation Reform Act of 1995

*This press release contains forward-looking statements that set forth management's anticipated results based on management's current plans and assumptions. In addition, the financial results reported in this release continue to be subject to adjustment until filing of the Company's quarterly report on Form 10-Q for the quarter ended July 31, 2010. Any number of factors could cause the Company's actual results to differ materially from those anticipated. Factors that could cause actual results to differ include but are not limited to the following: (1) risks relating to our acquisition strategy may adversely impact our results of operations; (2) intense competition can constrain our ability to gain business, as well as our profitability; (3) we are subject to volatility associated with high deductibles for certain insurable risks; (4) an increase in costs that we cannot pass on to clients could affect our profitability; (5) we provide our services pursuant to agreements which are cancelable by either party upon 30 to 60 days' notice; (6) our success depends on our ability to preserve our long-term relationships with clients; (7) our transition to a shared services function could create disruption in functions affected; (8) we incur significant accounting and other control costs that reduce profitability; (9) a decline in commercial office building occupancy and rental rates could affect our revenues and profitability; (10) deterioration in economic conditions in general could further reduce the demand for facility services and, as a result, reduce our earnings and adversely affect our financial condition; (11) the financial difficulties or bankruptcy of one or more of our major clients could adversely affect results; (12) our ability to operate and pay our debt obligations depends upon our access to cash; (13) because ABM conducts business operations through operating subsidiaries, we depend on those entities to generate the funds necessary to meet financial obligations; (14) certain future declines or fluctuations in the fair value of our investments in auction rate securities that are deemed other-than-temporarily impaired could negatively impact our earnings; (15) uncertainty in the credit markets and the financial services industry may impact our ability to collect receivables on a timely basis and may negatively impact our cash flow; (16) any future increase in the level of debt or in interest rates can affect our results of operations; (17) an impairment charge could have a material adverse effect on our financial condition and results of operations; (18) we are defendants in several class and representative actions or other lawsuits alleging various claims that could cause us to incur substantial liabilities; (19) since we are an attractive employer for recent émigrés to this country and many of our jobs are filled by such, changes in immigration laws or enforcement actions or investigations under such laws could significantly and adversely affect our labor force, operations and financial results and our reputation; (20) labor disputes could lead to loss of revenues or expense variations; (21) federal health care reform legislation may adversely affect our business and results of operations; (22) we participate in multi-employer defined benefit plans which could result in substantial liabilities being incurred; and (23) natural disasters or acts of terrorism could disrupt our services. Additional information regarding these and other risks and uncertainties the Company faces is contained in the Company's Annual Report on Form 10-K for the year ended October 31, 2009 and in other reports we file from time to time with the Securities and Exchange Commission. We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise.*

### **Use of Non-GAAP Financial Information**

To supplement ABM's consolidated financial information, the Company has presented income from continuing operations, as adjusted for items impacting comparability, for the third quarter and first nine months of fiscal years 2010 and 2009. The Company also presents guidance for fiscal year 2010, as adjusted. These adjustments have been made with the intent of providing financial measures that give management and investors a better understanding of the underlying operational results and trends and ABM's marketplace performance. In addition, the Company has presented earnings before interest, taxes, depreciation and amortization and excluding discontinued operations and items impacting comparability (adjusted EBITDA) for the third quarter and first nine months of fiscal years 2010 and 2009. Adjusted EBITDA is among the indicators management uses as a basis for planning and forecasting future periods. The presentation of these non-GAAP financial measures is not meant to be considered in isolation or as a substitute for financial statements prepared in accordance with generally accepted accounting principles in the United States. (See accompanying financial tables for supplemental financial data and corresponding reconciliations to certain GAAP financial measures.)

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ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

SELECTED CONSOLIDATED CASH FLOW INFORMATION (UNAUDITED)

| (In thousands)  | Quarter Ended July 31, |                    |
|---|------------------------|--------------------|
|   | 2010                   | 2009               |
| Net cash provided by continuing operating activities                    | 35,219                 | 8,296              |
| Net cash provided by discontinued operating activities                  | 748                    | 968                |
| <b>Net cash provided by operating activities</b>                        | <b>\$ 35,967</b>       | <b>\$ 9,264</b>    |
| <b>Net cash used in investing activities</b>                            | <b>\$ (36,193)</b>     | <b>\$ (24,179)</b> |
| Proceeds from exercises of stock options (including income tax benefit) | 3,121                  | 1,690              |
| Dividends paid  | (7,037)                | (6,693)            |
| Borrowings from line of credit  | 69,500                 | 182,000            |
| Repayment of borrowings from line of credit                             | (64,500)               | (168,000)          |
| Changes in book cash overdrafts   | 11,101                 | 9,427              |
| <b>Net cash provided by financing activities</b>                        | <b>\$ 12,185</b>       | <b>\$ 18,424</b>   |

| (In thousands)  | Nine Months Ended July 31, |                    |
|---|----------------------------|--------------------|
|   | 2010                       | 2009               |
| Net cash provided by continuing operating activities                    | 72,959                     | 52,636             |
| Net cash provided by discontinued operating activities                  | 7,331                      | 23,829             |
| <b>Net cash provided by operating activities</b>                        | <b>\$ 80,290</b>           | <b>\$ 76,465</b>   |
| <b>Net cash used in investing activities</b>                            | <b>\$ (47,932)</b>         | <b>\$ (32,293)</b> |
| Proceeds from exercises of stock options (including income tax benefit) | 6,166                      | 3,206              |
| Dividends paid  | (21,051)                   | (20,007)           |
| Borrowings from line of credit  | 298,500                    | 525,000            |
| Repayment of borrowings from line of credit                             | (321,000)                  | (559,000)          |
| Changes in book cash overdrafts   | 3,776                      | 3,461              |
| <b>Net cash used in financing activities</b>                            | <b>\$ (33,609)</b>         | <b>\$ (47,340)</b> |

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET INFORMATION (UNAUDITED)

| (In thousands)                                 | July 31,<br>2010    | October 31,<br>2009 |
|--|---------------------|---------------------|
| <b>Assets</b>                                  |                     |                     |
| Cash and cash equivalents                      | \$ 32,902           | \$ 34,153           |
| Trade accounts receivable, net                 | 458,689             | 445,241             |
| Prepaid income taxes                           | 6,238               | 13,473              |
| Current assets of discontinued operations      | 5,554               | 10,787              |
| Prepaid expenses                               | 41,760              | 38,781              |
| Notes receivable and other                     | 17,964              | 21,374              |
| Deferred income taxes, net                     | 49,752              | 52,171              |
| Insurance recoverables                         | 4,898               | 5,017               |
| Total current assets                           | 617,757             | 620,997             |
| Non-current assets of discontinued operations  | 2,060               | 4,567               |
| Insurance deposits                             | 42,161              | 42,500              |
| Other investments and long-term receivables    | 4,980               | 6,240               |
| Deferred income taxes, net                     | 55,994              | 63,444              |
| Insurance recoverables                         | 65,819              | 67,100              |
| Other assets                                   | 34,425              | 32,446              |
| Investments in auction rate securities         | 19,589              | 19,531              |
| Property, plant and equipment, net             | 59,860              | 56,892              |
| Other intangible assets, net                   | 62,749              | 60,199              |
| Goodwill                                       | 563,404             | 547,237             |
| Total assets                                   | <u>\$ 1,528,798</u> | <u>\$ 1,521,153</u> |
| <b>Liabilities</b>                             |                     |                     |
| Trade accounts payable                         | \$ 80,313           | \$ 84,701           |
| Accrued liabilities                            |                     |                     |
| Compensation                                   | 85,673              | 93,095              |
| Taxes — other than income                      | 15,293              | 17,539              |
| Insurance claims                               | 78,397              | 78,144              |
| Other  | 74,098              | 66,279              |
| Income taxes payable                           | 1,591               | 1,871               |
| Current liabilities of discontinued operations | 845                 | 1,065               |
| Total current liabilities                      | 336,210             | 342,694             |
| Income taxes payable                           | 27,432              | 17,763              |
| Line of credit                                 | 150,000             | 172,500             |
| Retirement plans and other                     | 31,694              | 32,963              |
| Insurance claims                               | 266,572             | 268,183             |
| Total liabilities                              | 811,908             | 834,103             |
| <b>Stockholders' Equity</b>                    | <u>716,890</u>      | <u>687,050</u>      |
| Total liabilities and stockholders' equity     | <u>\$ 1,528,798</u> | <u>\$ 1,521,153</u> |

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

REVENUES AND OPERATING PROFIT BY SEGMENT (UNAUDITED)

| (In thousands)   | Quarter Ended July 31, |                   | Increase<br>(Decrease) |
|--|------------------------|-------------------|------------------------|
|  | 2010                   | 2009              |                        |
| <b>Revenues</b>  |                        |                   |                        |
| Janitorial   | \$ 583,015             | \$ 595,115        | (2.0)%                 |
| Parking  | 114,222                | 114,721           | (0.4)%                 |
| Security   | 84,900                 | 84,501            | 0.5%                   |
| Engineering  | 86,572                 | 75,782            | 14.2%                  |
| Corporate  | 320                    | 516               | (38.0)%                |
|  | <u>\$ 869,029</u>      | <u>\$ 870,635</u> | <u>(0.2)%</u>          |
| <b>Operating Profit</b>  |                        |                   |                        |
| Janitorial   | \$ 38,615              | \$ 35,043         | 10.2%                  |
| Parking  | 5,823                  | 4,968             | 17.2%                  |
| Security   | 2,026                  | 2,751             | (26.4)%                |
| Engineering  | 5,883                  | 4,857             | 21.1%                  |
| Corporate  | (17,021)               | (27,121)          | 37.2%                  |
| <b>Operating profit</b>  | 35,326                 | 20,498            | 72.3%                  |
| Other-than-temporary impairment losses on auction rate security: |                        |                   |                        |
| Gross impairment losses  | —                      | 3,575             | NM*                    |
| Impairments recognized in other comprehensive income             | —                      | (2,009)           | NM*                    |
| Interest expense   | 1,149                  | 1,472             | (21.9)%                |
| Income from continuing operations before income taxes            | <u>\$ 34,177</u>       | <u>\$ 17,460</u>  | <u>95.7%</u>           |

| (In thousands)   | Nine Months Ended July 31, |                     | Increase<br>(Decrease) |
|--|----------------------------|---------------------|------------------------|
|  | 2010                       | 2009                |                        |
| <b>Revenues</b>  |                            |                     |                        |
| Janitorial   | \$ 1,741,140               | \$ 1,792,879        | (2.9)%                 |
| Parking  | 340,813                    | 343,737             | (0.9)%                 |
| Security   | 249,209                    | 252,487             | (1.3)%                 |
| Engineering  | 262,113                    | 223,192             | 17.4%                  |
| Corporate  | 1,099                      | 1,523               | (27.8)%                |
|  | <u>\$ 2,594,374</u>        | <u>\$ 2,613,818</u> | <u>(0.7)%</u>          |
| <b>Operating Profit</b>  |                            |                     |                        |
| Janitorial   | \$ 101,724                 | \$ 102,248          | (0.5)%                 |
| Parking  | 16,033                     | 13,969              | 14.8%                  |
| Security   | 4,313                      | 5,942               | (27.4)%                |
| Engineering  | 15,731                     | 13,561              | 16.0%                  |
| Corporate  | (64,720)                   | (66,610)            | 2.8%                   |
| <b>Operating profit</b>  | 73,081                     | 69,110              | 5.7%                   |
| Other-than-temporary impairment losses on auction rate security: |                            |                     |                        |
| Gross impairment losses  | 114                        | 3,575               | NM*                    |
| Impairments recognized in other comprehensive income             | 13                         | (2,009)             | NM*                    |
| Interest expense   | 3,541                      | 4,453               | (20.5)%                |
| Income from continuing operations before income taxes            | <u>\$ 69,413</u>           | <u>\$ 63,091</u>    | <u>10.0%</u>           |

\* Not Meaningful

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

| (in thousands, except per share data)  | <b>Quarter Ended July 31,</b> |                  | <b>Nine Months Ended July 31,</b> |                  |
|--|-------------------------------|------------------|-----------------------------------|------------------|
|  | <b>2010</b>                   | <b>2009</b>      | <b>2010</b>                       | <b>2009</b>      |
| <b>Reconciliation of Adjusted Income from Continuing Operations to Net Income</b>                        |                               |                  |                                   |                  |
| Adjusted Income from Continuing Operations   | \$ 21,952                     | \$ 18,611        | \$ 47,917                         | \$ 47,970        |
| Items Impacting Comparability, net of taxes  | (979)                         | (6,211)          | (5,485)                           | (7,766)          |
| Income from Continuing Operations  | 20,973                        | 12,400           | 42,432                            | 40,204           |
| Loss from Discontinued Operations  | (10)                          | (124)            | (117)                             | (934)            |
| Net Income   | <u>\$ 20,963</u>              | <u>\$ 12,276</u> | <u>\$ 42,315</u>                  | <u>\$ 39,270</u> |
| <b>Reconciliation of Adjusted Income from Continuing Operations to Income from Continuing Operations</b> |                               |                  |                                   |                  |
| Adjusted Income from Continuing Operations   | \$ 21,952                     | \$ 18,611        | \$ 47,917                         | \$ 47,970        |
| <b>Items Impacting Comparability:</b>  |                               |                  |                                   |                  |
| Corporate Initiatives (a)  | —                             | (5,131)          | (1,869)                           | (17,294)         |
| Acquisition Costs (b)  | (552)                         | —                | (1,658)                           | —                |
| Third-Party Administrator Legal Settlement   | —                             | —                | —                                 | 9,601            |
| Litigation Contingency   | (1,006)                       | —                | (5,406)                           | —                |
| Insurance Adjustments  | —                             | (3,535)          | —                                 | (3,535)          |
| Credit Loss on Auction Rate Security   | —                             | (1,566)          | —                                 | (1,566)          |
| Total Items Impacting Comparability  | (1,558)                       | (10,232)         | (8,933)                           | (12,794)         |
| Income Taxes Benefit   | 579                           | 4,021            | 3,448                             | 5,028            |
| Items Impacting Comparability, net of taxes  | (979)                         | (6,211)          | (5,485)                           | (7,766)          |
| Income from Continuing Operations  | <u>\$ 20,973</u>              | <u>\$ 12,400</u> | <u>\$ 42,432</u>                  | <u>\$ 40,204</u> |
| <b>Reconciliation of Adjusted EBITDA to Net Income</b>   |                               |                  |                                   |                  |
| Adjusted EBITDA  | \$ 45,912                     | \$ 37,798        | \$ 107,959                        | \$ 104,209       |
| Items Impacting Comparability  | (1,558)                       | (10,232)         | (8,933)                           | (12,794)         |
| Discontinued Operations  | (10)                          | (124)            | (117)                             | (934)            |
| Income Tax   | (13,204)                      | (5,060)          | (26,981)                          | (22,887)         |
| Interest Expense   | (1,149)                       | (1,472)          | (3,541)                           | (4,453)          |
| Depreciation and Amortization  | (9,028)                       | (8,634)          | (26,072)                          | (23,871)         |
| Net Income   | <u>\$ 20,963</u>              | <u>\$ 12,276</u> | <u>\$ 42,315</u>                  | <u>\$ 39,270</u> |

(Continued)

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

|  | <u>Quarter Ended July 31,</u> |                | <u>Nine Months Ended July 31,</u> |                |
|--|-------------------------------|----------------|-----------------------------------|----------------|
|  | <u>2010</u>                   | <u>2009</u>    | <u>2010</u>                       | <u>2009</u>    |
| Adjusted Income from Continuing Operations per Diluted Share | \$ 0.42                       | \$ 0.36        | \$ 0.91                           | \$ 0.93        |
| Items Impacting Comparability, net of taxes                  | (0.02)                        | (0.12)         | (0.11)                            | (0.15)         |
| Income from Continuing Operations per Diluted Share          | <u>\$ 0.40</u>                | <u>\$ 0.24</u> | <u>\$ 0.80</u>                    | <u>\$ 0.78</u> |
| Diluted Shares   | 52,996                        | 51,937         | 52,754                            | 51,653         |

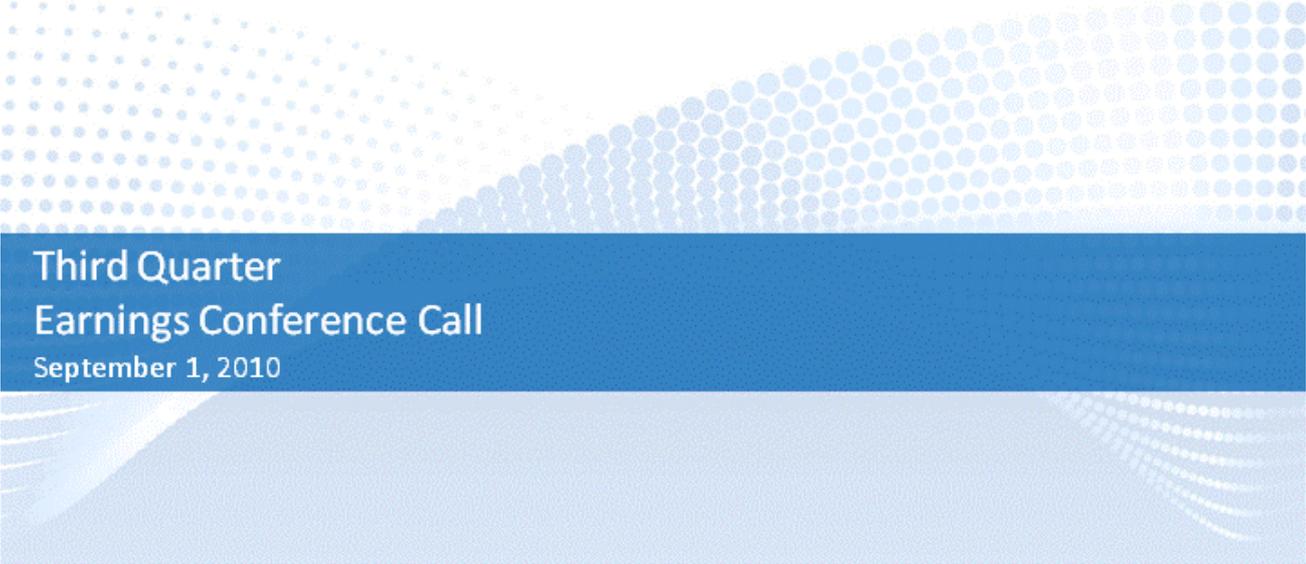
- (a) Corporate initiatives and other include: (i) costs associated with the implementation of a new payroll and human resources information system, (ii) the upgrade of the Company's accounting system, (iii) the completion of the corporate move from San Francisco, and (iv) the integration costs associated with OneSource
- (b) Includes the write-off of deferred acquisition costs and the expensing of costs incurred related to potential acquisitions due to the adoption of an accounting principle.

**ABM Industries Incorporated and Subsidiaries**

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

|  | <b>Year Ending October 31, 2010</b> |                      |
|--|-------------------------------------|----------------------|
|  | <u>Low Estimate</u>                 | <u>High Estimate</u> |
|  | (per diluted share)                 |                      |
| Adjusted Income from Continuing Operations per Diluted Share | \$ 1.33                             | \$ 1.37              |
| Adjustments to Income from Continuing Operations (a)         | <u>(0.18)</u>                       | <u>(0.18)</u>        |
| Income from Continuing Operations per Diluted Share          | <u>\$ 1.15</u>                      | <u>\$ 1.19</u>       |

(a) Adjustments to income from continuing operations are expected to include additional costs associated with the implementation of new information technology systems and other unique items impacting comparability.

The background features a decorative pattern of light blue dots that form a wave-like shape across the top half of the page. Below this pattern is a solid blue horizontal banner containing the text. The bottom portion of the page has a light blue gradient background with faint, curved lines.

Third Quarter  
Earnings Conference Call  
September 1, 2010

# Agenda

- 1 Introduction of Call Participants
- 2 Third Quarter 2010 Highlights
- 3 Financial Review
- 4 Operating Results
- 5 Fiscal 2010 Annual Guidance

## Forward Looking Statement

*This presentation contains forward-looking statements that set forth management's anticipated results based on management's current plans and assumptions. In addition, the financial results reported in this release continue to be subject to adjustment until filing of the Company's quarterly report on Form 10-Q for the quarter ended July 31, 2010. Any number of factors could cause the Company's actual results to differ materially from those anticipated. Factors that could cause actual results to differ include but are not limited to the following: (1) risks relating to our acquisition strategy may adversely impact our results of operations; (2) intense competition can constrain our ability to gain business, as well as our profitability; (3) we are subject to volatility associated with high deductibles for certain insurable risks; (4) an increase in costs that we cannot pass on to clients could affect our profitability; (5) we provide our services pursuant to agreements which are cancelable by either party upon 30 to 60 days' notice; (6) our success depends on our ability to preserve our long-term relationships with clients; (7) our transition to a shared services function could create disruption in functions affected; (8) we incur significant accounting and other control costs that reduce profitability; (9) a decline in commercial office building occupancy and rental rates could affect our revenues and profitability; (10) deterioration in economic conditions in general could further reduce the demand for facility services and, as a result, reduce our earnings and adversely affect our financial condition; (11) the financial difficulties or bankruptcy of one or more of our major clients could adversely affect results; (12) our ability to operate and pay our debt obligations depends upon our access to cash; (13) because ABM conducts business operations through operating subsidiaries, we depend on those entities to generate the funds necessary to meet financial obligations; (14) certain future declines or fluctuations in the fair value of our investments in auction rate securities that are deemed other-than-temporarily impaired could negatively impact our earnings; (15) uncertainty in the credit markets and the financial services industry may impact our ability to collect receivables on a timely basis and may negatively impact our cash flow; (16) any future increase in the level of debt or in interest rates can affect our results of operations; (17) an impairment charge could have a material adverse effect on our financial condition and results of operations; (18) we are defendants in several class and representative actions or other lawsuits alleging various claims that could cause us to incur substantial liabilities; (19) since we are an attractive employer for recent émigrés to this country and many of our jobs are filled by such, changes in immigration laws or enforcement actions or investigations under such laws could significantly and adversely affect our labor force, operations and financial results and our reputation; (20) labor disputes could lead to loss of revenues or expense variations; (21) federal health care reform legislation may adversely affect our business and results of operations; (22) we participate in multi-employer defined benefit plans which could result in substantial liabilities being incurred; and (23) natural disasters or acts of terrorism could disrupt our services. Additional information regarding these and other risks and uncertainties the Company faces is contained in the Company's Annual Report on Form 10-K for the year ended October 31, 2009 and in other reports we file from time to time with the Securities and Exchange Commission. We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise.*

## Statements Relating to Non-GAAP Financial Measures

*During the course of this presentation, certain non-GAAP financial measures described as “Adjusted EBITDA,” “Adjusted Income from Continuing Operations,” and “Adjusted Income from Continuing Operations per Diluted Share” that were not prepared in accordance with U.S. GAAP will be presented.*

*A reconciliation of these non-GAAP financial measures to GAAP financial measures is available on the Company’s website under “Investor Relations” and at the end of this presentation.*

## Third Quarter 2010 Financial Highlights

| (in millions,<br>except per share data)                      | Quarter Ended<br>July 31, |         |                        | Nine Months Ended<br>July 31, |           |                        |
|--|---------------------------|---------|------------------------|-------------------------------|-----------|------------------------|
|  | 2010                      | 2009    | Increase<br>(Decrease) | 2010                          | 2009      | Increase<br>(Decrease) |
| Revenues   | \$ 869.0                  | \$870.6 | (0.2)%                 | \$ 2,594.4                    | \$2,613.8 | (0.7)%                 |
| Net cash provided by continuing operating activities         | \$ 35.2                   | \$ 8.3  | 324.5 %                | \$ 73.0                       | \$ 52.6   | 38.6 %                 |
| Net Income   | \$ 21.0                   | \$ 12.3 | 70.8 %                 | \$ 42.3                       | \$ 39.3   | 7.8 %                  |
| Net income per diluted share                                 | \$ 0.40                   | \$ 0.24 | 66.7 %                 | \$ 0.80                       | \$ 0.76   | 5.3 %                  |
| Adjusted EBITDA  | \$ 45.9                   | \$ 37.8 | 21.5 %                 | \$ 108.0                      | \$ 104.2  | 3.6 %                  |
| Income from continuing operations                            | \$ 21.0                   | \$ 12.4 | 69.1 %                 | \$ 42.4                       | \$ 40.2   | 5.5 %                  |
| Income from continuing operations per diluted share          | \$ 0.40                   | \$ 0.24 | 66.7 %                 | \$ 0.80                       | \$ 0.78   | 2.6 %                  |
| Adjusted income from continuing operations                   | \$ 22.0                   | \$ 18.6 | 18.0 %                 | \$ 47.9                       | \$ 48.0   | (0.1)%                 |
| Adjusted income from continuing operations per diluted share | \$ 0.42                   | \$ 0.36 | 16.7 %                 | \$ 0.91                       | \$ 0.93   | (2.2)%                 |

## Third Quarter 2010 Fiscal Highlights

- Met our expectations for the third quarter
- Q3 revenue flat
- Adjusted EBITDA up nearly 22% to \$45.9 million
  - One less day of labor expense accounted for \$3.6 million
  - SG&A expenses decrease over 15% due to cost controls and lower compensation costs
- Fiscal 2009 Third Quarter included \$1.8 million tax credit
- Cash Flow from continuing operations of \$35 million, up \$27million
- Integration of Diversco proceeding as planned
- Announced our 178<sup>th</sup> consecutive dividend

## Third Quarter Financial Results (unaudited)

| (in thousands)   | Quarter Ended<br>July 31, |            | Percent<br>Change |
|--|---------------------------|------------|-------------------|
|  | 2010                      | 2009       |                   |
| Revenues   | \$ 869,029                | \$ 870,635 | NM*               |
| Operating expenses   | 776,224                   | 782,449    |                   |
| Selling, general and administrative                              | 54,697                    | 64,736     |                   |
| Amortization of intangibles                                      | 2,782                     | 2,952      |                   |
| Operating profit   | \$ 35,326                 | \$ 20,498  | 72.3%             |
| Other-than-temporary impairment losses on auction rate security: |                           |            |                   |
| Gross impairment losses  | -                         | 3,575      |                   |
| Impairments recognized in other comprehensive income             | -                         | (2,009)    |                   |
| Interest expense   | 1,149                     | 1,472      |                   |
| Income from continuing operations before income taxes            | 34,177                    | 17,460     |                   |
| Provision for income taxes                                       | 13,204                    | 5,060      |                   |
| Income from continuing operations                                | 20,973                    | 12,400     | 69.1%             |
| Adjusted income from continuing operations (a)                   | \$ 21,952                 | \$ 18,611  | 18.0%             |
| Adjusted EBITDA (a)  | \$ 45,912                 | \$ 37,798  | 21.5%             |

\* Not Meaningful

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

## Select Cash Flow Information (unaudited)

| (In thousands)   | Quarter Ended July 31, |                    |
|--|------------------------|--------------------|
|  | 2010                   | 2009               |
| Net cash provided by continuing operating activities                       | 35,219                 | 8,296              |
| Net cash provided by discontinued operating activities                     | 748                    | 968                |
| <b>Net cash provided by operating activities</b>                           | <b>\$ 35,967</b>       | <b>\$ 9,264</b>    |
| <b>Net cash used in investing activities</b>                               | <b>\$ (36,193)</b>     | <b>\$ (24,179)</b> |
| Proceeds from exercises of stock options<br>(including income tax benefit) | 3,121                  | 1,690              |
| Dividends paid   | (7,037)                | (6,693)            |
| Borrowings from line of credit   | 69,500                 | 182,000            |
| Repayment of borrowings from line of credit                                | (64,500)               | (168,000)          |
| Changes in book cash overdrafts  | 11,101                 | 9,427              |
| <b>Net cash provided by financing activities</b>                           | <b>\$ 12,185</b>       | <b>\$ 18,424</b>   |

| (In thousands)   | Nine Months Ended July 31, |                    |
|--|----------------------------|--------------------|
|  | 2010                       | 2009               |
| Net cash provided by continuing operating activities                       | 72,959                     | 52,636             |
| Net cash provided by discontinued operating activities                     | 7,331                      | 23,829             |
| <b>Net cash provided by operating activities</b>                           | <b>\$ 80,290</b>           | <b>\$ 76,465</b>   |
| <b>Net cash used in investing activities</b>                               | <b>\$ (47,932)</b>         | <b>\$ (32,293)</b> |
| Proceeds from exercises of stock options<br>(including income tax benefit) | 6,166                      | 3,206              |
| Dividends paid   | (21,051)                   | (20,007)           |
| Borrowings from line of credit   | 298,500                    | 525,000            |
| Repayment of borrowings from line of credit                                | (321,000)                  | (559,000)          |
| Changes in book cash overdrafts  | 3,776                      | 3,461              |
| <b>Net cash used in financing activities</b>                               | <b>\$ (33,609)</b>         | <b>\$ (47,340)</b> |

## Select Balance Sheet Information

Comparison of  
working capital  
and net trade  
receivables

|                       | <b>July 31,<br/>2010</b> | <b>October 31,<br/>2009</b> |
|-----------------------|--------------------------|-----------------------------|
| Current assets        | \$ 617,757               | \$ 620,997                  |
| Current liabilities   | 936,210                  | 942,694                     |
| Working capital       | <u>\$ 281,547</u>        | <u>\$ 278,303</u>           |
| Net trade receivables | \$ 458,689               | \$ 445,241                  |

- Days sales outstanding for third quarter were 48 days. Unchanged on a sequential basis and down two days on a year-over-year basis

Insurance  
comparison

|   | <b>July 31,<br/>2010</b> | <b>October 31,<br/>2009</b> |
|---|--------------------------|-----------------------------|
| Short-term Insurance<br>claim liabilities | \$ 78,597                | \$ 78,144                   |
| Long-term Insurance<br>claim liabilities  | 266,572                  | 268,183                     |
| Total insurance claims                    | <u>\$ 344,969</u>        | <u>\$ 346,327</u>           |
|   | <b>July 31,<br/>2010</b> | <b>July 31,<br/>2009</b>    |
| Self-insurance<br>claim paid              | \$ 17,935                | \$ 20,800                   |

## Division Revenues<sup>1</sup>

(\$ in thousands)

|                         | Third Quarter |            |        |
|-------------------------|---------------|------------|--------|
|                         | 2010          | 2009       | Change |
| Janitorial              | \$ 583,015    | \$ 595,115 | (2.0)% |
| Parking                 | 114,222       | 114,721    | (0.4)% |
| Security                | 84,900        | 84,501     | 0.5 %  |
| Engineering             | 86,572        | 75,782     | 14.2 % |
| Total Division Revenues | \$ 868,709    | \$ 870,119 | NM*    |

### Summary

- Revenue flat year-over-year with lower than anticipated contribution from Janitorial segment but largest region by revenue - Northeast – achieved year over year increase
- Engineering revenue up 14.2% year-over-year as division secures new customers and continues to build on momentum
- Parking experienced modest pickup from airport clients and lease revenue but revenues from managed parking facilities down \$1.4 million
- All segments continue to report improving sales activity
- Diversco contributes \$6.9 million

<sup>1</sup>Excludes Corporate



## Division Profits<sup>1</sup>

(\$ in thousands)

|                       | Third Quarter |           |         |
|-----------------------|---------------|-----------|---------|
|                       | 2010          | 2009      | Change  |
| Janitorial            | \$ 38,615     | \$ 35,043 | 10.2 %  |
| Parking               | 5,823         | 4,968     | 17.2 %  |
| Security              | 2,026         | 2,751     | (26.4)% |
| Engineering           | 5,883         | 4,857     | 21.1 %  |
| Total Division Profit | \$ 52,347     | \$ 47,619 | 9.9 %   |

### Summary

- Janitorial benefited from one less day of labor expense
- Engineering continues to benefit from growing revenues and an improved client mix
- Parking benefits from higher lease and allowance revenues and cost controls
- Security profitability down from reduction in the level and scope of client services provided to certain accounts with higher gross profit margins

<sup>1</sup>Excludes Corporate



## Fiscal 2010 Outlook

- Anticipate revenue improvement in fourth quarter
- Expect operating cash flow to remain strong
- On track to leverage investments in infrastructure for 2011 savings
- Guidance Fiscal Year 2010
  - Full year income from continuing operations of \$1.15 to \$1.19 per diluted share
  - Adjusted income from continuing operations of \$1.33 to \$1.37 per diluted share

# Appendix

## Unaudited Reconciliation of non-GAAP Financial Measures (in thousands)

|  | Quarter Ended July 31, |           | Nine Months Ended July 31, |           |
|--|------------------------|-----------|----------------------------|-----------|
|  | 2010                   | 2009      | 2010                       | 2009      |
| <b>Reconciliation of Adjusted Income from Continuing Operations to Net Income</b>                        |                        |           |                            |           |
| Adjusted Income from Continuing Operations   | \$ 21,952              | \$ 18,611 | \$ 47,917                  | \$ 47,970 |
| Items Impacting Comparability, net of taxes  | (979)                  | (5,211)   | (5,485)                    | (7,755)   |
| Income from Continuing Operations  | 20,973                 | 12,400    | 42,432                     | 40,204    |
| Loss from Discontinued Operations  | (10)                   | (124)     | (117)                      | (934)     |
| Net Income   | \$ 20,963              | \$ 12,276 | \$ 42,315                  | \$ 39,270 |
| <b>Reconciliation of Adjusted Income from Continuing Operations to Income from Continuing Operations</b> |                        |           |                            |           |
| Adjusted Income from Continuing Operations   | \$ 21,952              | \$ 18,611 | \$ 47,917                  | \$ 47,970 |
| Items Impacting Comparability:   |                        |           |                            |           |
| Corporate Initiatives (a)  | -                      | (5,131)   | (1,869)                    | (17,294)  |
| Acquisition Costs (b)  | (552)                  | -         | (1,658)                    | -         |
| Third-Party Administrator Legal Settlement   | -                      | -         | -                          | 9,601     |
| Litigation Contingency   | (1,005)                | -         | (5,405)                    | -         |
| Insurance Adjustments  | -                      | (3,535)   | -                          | (3,535)   |
| Credit Loss on Auction Rate Security   | -                      | (1,565)   | -                          | (1,565)   |
| Total Items Impacting Comparability  | (1,557)                | (10,232)  | (8,933)                    | (12,794)  |
| Income Taxes Benefit   | 579                    | 4,021     | 3,448                      | 5,028     |
| Items Impacting Comparability, net of taxes  | (979)                  | (6,211)   | (5,485)                    | (7,755)   |
| Income from Continuing Operations  | \$ 20,973              | \$ 12,400 | \$ 42,432                  | \$ 40,204 |

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

(b) Includes the write-off of deferred acquisition costs and the expensing of costs incurred related to potential acquisitions due to the adoption of an accounting principle.



## Unaudited Reconciliation of non-GAAP Financial Measures (in thousands, except per share data)

|  | <u>Quarter Ended July 31,</u> |             | <u>Nine Months Ended July 31,</u> |             |
|--|-------------------------------|-------------|-----------------------------------|-------------|
|  | <u>2010</u>                   | <u>2009</u> | <u>2010</u>                       | <u>2009</u> |
| <b>Reconciliation of Adjusted EBITDA to Net Income</b> |                               |             |                                   |             |
| Adjusted EBITDA  | \$ 45,912                     | \$ 37,798   | \$ 107,959                        | \$ 104,209  |
| Items Impacting Comparability                          | (1,558)                       | (10,232)    | (8,933)                           | (12,794)    |
| Discontinued Operations                                | (10)                          | (124)       | (117)                             | (934)       |
| Income Tax   | (13,204)                      | (5,060)     | (26,981)                          | (22,887)    |
| Interest Expense                                       | (1,149)                       | (1,472)     | (3,541)                           | (4,453)     |
| Depreciation and Amortization                          | (9,028)                       | (8,634)     | (26,072)                          | (23,871)    |
| Net Income   | \$ 20,963                     | \$ 12,276   | \$ 42,315                         | \$ 39,270   |

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

|  | <u>Quarter Ended July 31,</u> |             | <u>Nine Months Ended July 31,</u> |             |
|--|-------------------------------|-------------|-----------------------------------|-------------|
|  | <u>2010</u>                   | <u>2009</u> | <u>2010</u>                       | <u>2009</u> |
| Adjusted Income from Continuing Operations per Diluted Share | \$ 0.42                       | \$ 0.36     | \$ 0.91                           | \$ 0.93     |
| Items Impacting Comparability, net of taxes                  | (0.02)                        | (0.12)      | (0.11)                            | (0.15)      |
| Income from Continuing Operations per Diluted Share          | \$ 0.40                       | \$ 0.24     | \$ 0.80                           | \$ 0.78     |
| Diluted Shares   | 52,996                        | 51,937      | 52,754                            | 51,653      |

## Unaudited Reconciliation of non-GAAP Financial Measures

ABM Industries Incorporated and Subsidiaries

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

|  | Year Ending October 31, 2010 |                |
|--|------------------------------|----------------|
|  | Low Estimate                 | High Estimate  |
|  | (per diluted share)          |                |
| Adjusted Income from Continuing Operations per Diluted Share | \$ 1.33                      | \$ 1.37        |
| Adjustments to Income from Continuing Operations (a)         | (0.18)                       | (0.18)         |
| Income from Continuing Operations per Diluted Share          | <u>\$ 1.15</u>               | <u>\$ 1.19</u> |

(a) Adjustments to income from continuing operations are expected to include additional costs associated with the implementation of new information technology systems and other unique items impacting comparability.