FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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FILER

ABM INDUSTRIES INC /DE/

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Mailing Address
50 FREMONT ST
SUITE 2600
SAN FRANCISCO CA 94105

Business Address
50 FREMONT ST STE 2600
SAN FRANCISCO CA 94105
4155974500

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 10 Q

(Mark One)
X QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES
- --- EXCHANGE ACT OF 1934

For the quarterly period ended April 30, 1995

OR

TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES
- --- EXCHANGE ACT OF 1934

For the transition period ------------------ 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 No.)
50 FREMONT STREET, 26TH FLOOR, SAN FRANCISCO, CALIFORNIA	94105
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (415) 597-4500

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 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 ---

Number of shares of Common Stock outstanding as of April 30, 1995: 9,215,604

PART 1. FINANCIAL INFORMATION

Item 1. Financial Statements

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In Thousands)

<TABLE>
<CAPTION>

ASSETS	OCTOBER 31, 1994	APRIL 30, 1995
		(Unaudited)
<S>	<C>	<C>
CURRENT ASSETS:		
Cash and cash equivalents	$ 7,368	$ 2,019
Accounts and other receivables, net	140,788	151,577
Inventories and supplies	17,420	19,113
Deferred income taxes	11,638	12,020
Prepaid expenses	12,228	15,413
Total current assets	189,442	200,142
INVESTMENTS AND LONG-TERM RECEIVABLES	6,841	6,861
PROPERTY, PLANT AND EQUIPMENT, AT COST:		
Land and buildings	6,063	5,566
Transportation and equipment	8,600	9,414
Machinery and other equipment	33,187	34,510
Leasehold improvements	9,052	9,269
	56,902	58,759
Less accumulated depreciation and amortization	(37,083)	(37,793)
Property, plant and equipment, net	19,819	20,966
INTANGIBLE ASSETS	61,373	65,584
DEFERRED INCOME TAXES	14,982	16,076
OTHER ASSETS	7,013	9,519
	$ 299,470	$ 319,148

</TABLE>

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In Thousands)

<TABLE>
<CAPTION>

LIABILITIES AND STOCKHOLDERS' EQUITY	OCTOBER 31, 1994	APRIL 30, 1995
		(Unaudited)
<S>	<C>	<C>
CURRENT LIABILITIES:		
Current portion of long-term debt	$ 683	$ 679
Bank overdraft	--	9,800
Accounts payable, trade	26,187	22,929

Income taxes payable	1,961	841
Accrued Liabilities:		
Compensation	19,807	17,757
Taxes - other than income	8,693	9,758
Insurance claims	27,185	28,537
Other	14,761	17,100
Total current liabilities	99,277	107,401
LONG-TERM DEBT (LESS CURRENT PORTION)	25,254	27,235
RETIREMENT PLANS	5,978	6,790
INSURANCE CLAIMS	38,230	40,107
SERIES B 8% SENIOR REDEEMABLE CUMULATIVE PREFERRED STOCK	6,400	6,400
STOCKHOLDERS' EQUITY:		
Preferred stock, $0.1 par value, 500,000 shares authorized; none issued	--	--
Common stock, $.01 par value, 12,000,000 shares authorized; 9,049,000 and 9,216,000 shares issued and outstanding at October 31, 1994 and April 30, 1995, respectively	90	92
Additional capital	35,334	37,894
Retained earnings	88,907	93,229
Total stockholders' equity	124,331	131,215
	$ 299,470	$ 319,148

</TABLE>

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(In Thousands Except Per Share Amounts)

<TABLE>
<CAPTION>

	THREE MONTHS ENDED APRIL 30,		SIX MONTHS ENDED APRIL 30,	
	1994	1995	1994	1995
<S>	<C>	<C>	<C>	<C>
REVENUES AND OTHER INCOME	$ 215,872	$ 234,396	$ 426,711	$ 466,458
EXPENSES:				
Operating Expenses and Cost of Goods Sold	184,638	200,989	366,114	400,912
Selling and Administrative	24,770	25,316	48,542	50,874
Interest	743	1,293	1,460	2,034
Total Expenses	210,151	227,598	416,116	453,820
INCOME BEFORE INCOME TAXES	5,721	6,798	10,595	12,638
INCOME TAXES	2,403	2,855	4,450	5,308

NET INCOME	$ 3,318	$ 3,943	$ 6,145	$ 7,330
NET INCOME PER SHARE	$ 0.36	$ 0.40	$ 0.67	$ 0.75
DIVIDENDS PER COMMON SHARE	$ 0.13	$ 0.15	$ 0.255	$ 0.30
AVERAGE NUMBER OF COMMON AND COMMON EQUIVALENT SHARES OUTSTANDING	8,872	9,520	8,838	9,461

</TABLE>

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
FOR THE SIX MONTHS ENDED APRIL 30, 1994 AND 1995
(In Thousands)

<TABLE>
<CAPTION>

	APRIL 30, 1994	APRIL 30, 1995
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 416,475	$ 454,074
Other operating cash receipts	933	1,210
Interest received	201	240
Cash paid to suppliers and employees	(408,097)	(451,260)
Interest paid	(1,684)	(2,231)
Income taxes paid	(6,648)	(7,904)
Net cash provided by (used in) operating activities	1,180	(5,871)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(5,087)	(4,573)
Proceeds from sale of assets	318	200
(Increase) decrease in investments and long-term receivables	213	(20)
Intangibles resulting from acquisitions	(5,918)	(6,416)
Net cash used in investing activities	(10,474)	(10,809)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Common stock issued	1,882	2,562
Dividends paid	(2,519)	(3,008)
Increase(decrease) in cash overdraft	2,948	9,800
Increase(decrease) in notes payable	4,977	--
Long-term borrowings	22,000	32,000
Repayments of long-term borrowings	(20,000)	(30,023)
Net cash provided by financing actvities	9,288	11,331
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6)	(5,349)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	1,688	7,368
CASH AND CASH EQUIVALENTS END OF PERIOD	$ 1,682	$ 2,019

RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net Income	$ 6,145	$ 7,330
Adjustments:		
Depreciation and amortization	4,338	5,487
Provision for bad debts	808	809
Gain on sale of assets	(80)	(56)
(Increase) decrease in accounts and other receivables	(7,616)	(11,598)
(Increase) decrease in inventories and supplies	362	(1,693)
(Increase) decrease in prepaid expenses	(2,452)	(3,185)
(Increase) decrease in other assets	(499)	(2,506)
(Increase) decrease in deferred income taxes	(124)	(1,476)
Increase (decrease) in income taxes payable	(2,074)	(1,120)
Increase (decrease) in retirement plans accrual	745	812
Increase (decrease) in insurance claims liablilty	38	3,229
Increase (decrease) in accounts payable and other accrued liabilities	1,589	(1,904)
Total adjustments to net income	(4,965)	(13,201)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 1,180	$ (5,871)

</TABLE>

ABM INDUSTRIES INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. GENERAL

In the opinion of management, the accompanying unaudited consolidated financial statements contain all material adjustments which are necessary to present fairly the financial position as of April 30, 1995 and the results of operations and cash flows for the three months and six months then ended.

It is suggested that these financial statements be read in conjunction with the financial statements and the notes thereto included in the Company's 1994 Form 10K filed with the Securities and Exchange Commission.

2. EARNINGS PER SHARE

NET INCOME PER COMMON SHARE: Net income per common and common equivalent share, after the reduction for preferred stock dividends in the amount of $256,000 during the six months ended April 30, 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.

ITEM 2. 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. On September 22, 1994, the Company signed a $100 million unsecured revolving credit agreement with a syndicate of U.S. banks, and on May 1, 1995, this credit line was increased to $125 million. This agreement expires September 22, 1998, and 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 April 30, 1995, the total amount outstanding under this facility, before the increase to $125 million discussed above, was approximately $90.2 million which was comprised of loans in the amount of $25 million and standby letters of credit of $65.2 million. The effective interest rate on bank borrowings for the six months ended April 30, 1995 was approximately 7.44%. 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, 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 April 30, 1995, the balance remaining on this note was $2,545,000.

At April 30, 1995, working capital was $92.7 million, as compared to $90.2 million at October 31, 1994.

EFFECT OF INFLATION

The low rates of inflation experienced in recent years 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

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 for a cash downpayment made at the time of closing plus annual contingent payments based upon gross profit of acquired contracts to be made over a four-year period.

As of January 1, 1995, the Company's Ampco System Parking Division acquired the parking operations of Pansini Corporation for a cash downpayment made at the time of the closing plus annual contingent payments based upon gross profit of acquired contracts to be made over a five-year period. The parking contracts obtained as a result of this acquisition are expected to add approximately 100 facilities in California and Hawaii.

RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the consolidated financial statements of the Company. All information in the discussion and references to the years and quarters are based on the Company's fiscal year and second quarter which ended on October 31 and April 30, respectively.

SIX MONTHS ENDED APRIL 30, 1995 VS. SIX MONTHS ENDED APRIL 30, 1994

Revenues and other income (hereafter called revenues) for the first six months of fiscal year 1995 were $466 million compared to $427 million in 1994, a 9% increase over the same period of the prior year. The 9% increase in revenues was attributed to volume and price increases as well as revenues generated from acquisitions. As a percentage of revenues, operating expenses and cost of goods sold were 85.9% during the six months of fiscal year 1995 compared to 85.8% for the same period in 1994. Consequently, as a percentage of revenues, gross profit (revenue minus operating expenses and cost of goods sold) was 14.1% for the six months ended April 30, 1995, as compared to 14.2% for the same period of fiscal year 1994. The principal factors which contributed to the decline of gross profit margin were competitive market conditions 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 expects this competitive environment to continue throughout 1995.

Selling and administrative expense for the six months of fiscal year 1995 was $50.9 million compared to $48.5 million, up $2.4 million or 5%, for the corresponding six months of fiscal year 1994. As a percentage of revenues, selling and administrative expense decreased from 11.4% for the six months ended April 30, 1994 to 10.9% for the same period in 1995. The increase in the dollar amount of selling and administrative expense for the six months ended April 30, 1995, compared to the same period in 1994, is due to revenue growth, expenses associated with acquisitions, and an increase in the profit sharing expense.

Interest expense was $2,034,000 for the first six months of fiscal year 1995 compared to $1,460,000 in 1994, an increase of $574,000 over the same period of the prior fiscal year. The increase in interest expense was due to higher bank borrowings in 1995 primarily necessitated by acquisitions and interest paid to state and federal tax authorities on fully accrued income taxes.

The effective income tax rate for the first six months of both fiscal year 1994 and 1995 was 42%.

Net income for the first six months of fiscal year 1995 was $7,330,000, an increase of 19%, compared to the prior year's net income of $6,145,000. However, due to the increase in average shares outstanding and the deduction of a preferred stock dividend of $256,000 in the calculation of earnings per share, per common share earnings increased 12% to 75 cents for the first six months of 1995 compared to 67 cents for the same period in 1994.

The results of operations from the Company's three industry segments and its eight operating divisions for the six months ended April 30, 1995 as compared to the six months ended April 30, 1994 are more fully described below:

> Revenues of the Janitorial Services segment for the first six months of fiscal year 1995 were $249 million, an increase of $16 million or 6.7%, over the first six months of fiscal 1994, while its operating profits increased by 6.5% over the comparable period of 1994. Janitorial Services accounted for approximately 53% of the Company's consolidated revenues for the six months of fiscal year 1995. The Janitorial Division's revenues increased by 6.7% during the first six

months of fiscal year 1995 as compared to the same period of 1994 primarily as a result of acquisitions and volume increases recorded by this Division's Northeast, Northwest, and Southeast Regions partially offset by revenue losses in its Midwest and Canadian Regions. As a result of an overall increase in revenues, this Division's operating profits increased 6% when compared to the same period last year. Labor and labor-related expenses and other direct expenses remained fairly constant whereby this Division was able to maintain its gross margin during the first six months of the fiscal year 1995 over the same period of the prior year. The Division's selling and administrative expenses were in line with its revenue growth. The Janitorial Supply Division's revenue for the first six months increased by approximately 8.3% compared to the same period in 1994 generally due to increased sales from new customers in Northern California. An increase of 25% in operating profits was a result of a larger sales volume as well as its efforts to control its selling and administrative expenses.

Amtech Services reported revenues of $120 million, which represent approximately 26% of the Company's consolidated revenues for the first six months of 1995, an increase of approximately 9% over the same period of last year. Amtech Services' profit

increased 58% compared to the first six months of fiscal year 1994 as all its divisions posted higher operating profits for the six months ended April 30, 1995. The Mechanical Division's operating profits for the first six months of 1995 increased by 29% even with a 3% drop in revenues caused generally by the poor weather conditions in California during the Winter and Spring months. This Division's successful efforts in reducing its overhead expenses enabled it to increase its operating profits. The Lighting Division's revenues were up 29% largely due to increased sales volume posted by the majority of its branches by obtaining additional time and material contracts and supplemented by increased business from existing customers. As a result of this revenue growth, operating profits increased by 23% during the first six months of fiscal year 1995. Operating profits were somewhat negatively impacted by lower margin retrofit contracts. Revenues for the Elevator Division were down by 8% for the first six months of fiscal year 1995 over the same period of 1994 generally due to decreased construction business as the Division is down-sizing this line of business since it remains highly competitive and contributes lower margins. However, the Division increased its operating profits by 169% for the six months of 1995. 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 has enabled the Division to improve its gross profits. In addition, this Division's reduction of its selling and administrative expenses were offset by currency translation losses arising from its Mexican subsidiary. The Engineering Division's revenues increased by 23% and reported a 61% increase in operating profits in the first six months of 1995 compared to the same period in 1994. Revenues increased generally from the start-up of the Midwest and Northeast Regions, obtaining several new contracts, and price increases to its existing customers. The increase in operating profit resulted from increased business and reductions in insurance and other direct expenses, as well as containing its selling and administrative expenses.

Revenues of the Other Services segment for the first six months of 1995 were approximately $97 million, a 17% increase over the same period of fiscal year 1995. Other Services accounted for approximately 21%

of the Company's consolidated revenues. The operating profits of

Other Services were up by 5% primarily due to profit improvement by its Parking Division. The Parking Division's revenues increased by 19% and its profits increased by 13% during the first six months of fiscal year 1995 compared to 1994. The increase in revenues is primarily due to the acquisition of a parking business in Northern California and from obtaining contracts to manage parking operations at several major airports in the U.S. The increase in operating profits was primarily due to improved business conditions in its Southern California Region and income derived from its airport operations, offset partially by the loss of some contracts in the Midwest. The Security Division reported an increase in revenues of 14% compared to 1994, but its profits decreased by 4% in the first six months of 1995 compared to the same period of 1994. The increase in revenues resulted from obtaining several new contracts during the latter part of fiscal year 1994 and earlier in the fiscal year 1995. The decrease in operating income during the first six months as compared to the prior year was primarily due to lower margins necessitated by competitive bidding in order to obtain certain larger contracts.

THREE MONTHS ENDED APRIL 30, 1995 VS. THREE MONTHS ENDED APRIL 30, 1994

Revenues and other income for the second quarter of fiscal year 1995 were $234 million compared to $216 million in 1994, a 9% increase over the same quarter of the prior year. The growth in revenues for the second quarter of 1995 over the same quarter of the prior year was attributable to volume and price increases as well as revenues generated from acquisitions. As a percentage of revenues, operating expenses and cost of goods sold increased slightly from 85.7% for the second quarter of 1995 compared to 85.5% in 1994. Consequently, as a percentage of revenues, the Company's gross profit decreased to 14.3% from the prior year's second quarter at 14.5% due to strong competition and continued pricing pressures faced by several of its divisions in the market place.

Selling and administrative expense for the second quarter of fiscal year 1995 was $25.3 million compared to $24.8 million, an increase of approximately $500,000 or 2%, compared to the corresponding three months of fiscal year 1994. As a percentage of revenues, selling and

administrative expense decreased from 11.5% for the three months ended April 30, 1994, to 10.8% for the same period in 1995 primarily as a result of management's continued efforts to contain expenses. The increase in the dollar amount of selling and administrative expense for the three months ended April 30, 1995, compared to the same period in 1994, was in line with the Company's revenue growth.

Interest expense was $1,293,000 for the second three months of fiscal year 1995 compared to $743,000 in 1994, an increase of $550,000 over the same period of the prior fiscal year. Interest expense increased primarily due to tax payments made to federal and state tax authorities on fully accrued income taxes as well as interest expenses associated with higher bank borrowings during the three months ended April 30, 1995, as compared to 1994.

The effective income tax rate for the second three months of both fiscal year 1995 and 1994 was 42%.

Net income for the second quarter of 1995 was $3,943,000, an increase of 19%, compared to the net income of $3,318,000 for the second quarter of 1994. Cost controls, coupled with the revenue growth, enabled the Company to realize improved earnings. However, due to the increase in the average number of common and common equivalent shares outstanding, earnings per share rose 11% to 40 cents for the second quarter of 1995 compared to 36 cents for the same period in 1994.

The results of operations from the Company's three industry segments and its eight operating divisions for the three months ended April 30, 1995, as compared to the three months ended April 30, 1994, are more fully described below:

Revenues of the Janitorial Divisions of the second quarter of fiscal year 1995 were $124 million, an increase of approximately $15 million or 14%, over the second quarter of fiscal 1994, while its operating profitsincreased by 8% over the comparable quarter of 1994. Janitorial Divisions accounted for approximately53% of the Company's revenues for the current quarter. ABM Janitorial Services' revenues increased by 14% during the second quarter of fiscal year 1995 as compared to the same quarter of 1994 as a result of acquisitions made during the latter part of fiscal year 1994 and earlier in fiscal year 1995 as well as revenue growth throughout the majority of its regions except for its Canadian and Midwest Regions. The Division's operating profits only increased 8% when compared to the same period last year. In comparison with the 14%

revenue increase, a lower than expected 8% increase in operating profits is principally due to higher selling and administrative expenses associated with marketing efforts to increase its revenues. Easterday Janitorial Supply Division's second quarter revenues increased by approximately 15% compared to the same quarter in 1994 generally due to an increase in new customers. An increase of 7% in operating profits results from a higher sales volume, containment of selling and administrative expenses, and partially offset by higher paper products and plastic liners material expenses.

Amtech Divisions reported revenues of $60 million, which represent approximately 26% of the Company's revenues for the second quarter of fiscal year 1995, an increase of approximately 17% over the same quarter of last year. Amtech Divisions' profit increased 48% for the second quarter of 1995 when compared to the second quarter of fiscal year 1994 as all its divisions recorded profit increases. CommAir Mechanical Services Division's operating profits for the second quarter of 1995 increased by 25% on a revenue increased by 8%. Revenues from project oriented type of contracts increased during the second quarter of 1995. As a result of depressed market conditions in Southern California one-time service and repair jobs are still sluggish. Improved gross profit margins and a reduction in selling and administrative expenses accounted for the profit increase. Amtech Lighting Services Division reported a 34% revenue increase benefiting from a continued expansion in the Southeast and an expanded customer contract base from existing customers and its operating profits increased by 23%. While the selling and administrative expenses were in line with the level of revenue increase, a decline in gross profit as a percentage of revenues partially offset its operating profits. This erosion of gross margins was caused by increases in material expenses. Revenues for the Amtech Elevator Services Division were down by 4% for the second quarter of fiscal year 1995 over the same quarter of 1994 largely due to management's decision to allocate the Division's resources to its repair and service maintenance business rather than obtaining lower margin construction contracts. The Division more than doubled its operating profit for the second quarter compared to the corresponding quarter of fiscal year 1994 primarily due to higher gross margins from its maintenance and repair jobs and, as discussed above, from management's decision to de-emphasize the construction business where margins are historically lower. ABM Engineering

Services Division's revenues increased by 37% and it reported a 54% increase in operating profits the second quarter of 1995 compared to the same period in 1994. Revenue increases generally were recorded by all its regions primarily reflecting increased penetration into new markets as well as from price increases to existing customers. The increase in operating profits resulted from increased revenues, reductions in payroll related costs including insurance expenses, and containment of selling and administrative expenses.

Revenues of the Other Divisions for the second quarter of 1995 were approximately $50 million, a 76% increase over the same quarter of fiscal year 1994. Other Divisions accounted for approximately 21% of the Company's revenues. The operating profits of Other Divisions were up by 17% primarily due to improved operating profits by its Ampco System Parking Division and ASI Security Services. Ampco System Parking Division's revenues increased by 146% while its profits increased 25% during the second quarter of fiscal year 1995. The increase in revenues resulted from a recent acquisition in Northern California as well as procuring parking management contracts of several major airports. Operating profits were up primarily due to the recent acquisition, airport contracts, and improved economic conditions in the Division's Southern California Region. ASI Security Services reported an increase in revenues of 17% but its profits were up only 8% in the second quarter of 1995 compared to the same period of 1994. The revenue growth was largely due to obtaining several large customers and increases posted by its South Central Region. Revenue increases during the second quarter as compared to the second quarter of the prior year contributed to the increase in operating profits; however, competitive market conditions eroded the gross margins historically realized by this Division.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings - not applicable.

Item 4. Submission of Matters to a Vote of Stockholders

a) The Annual Meeting of Stockholders was held on March 21, 1995.

b)The following directors nominated by management were approved by a vote of stockholders: Henry L. Kotkins, Jr., Robert S. Dickerman, Esq., William E. Walsh.

The following directors remained in office: Maryellen B. Cattani,Esq., John F. Egan, Charles T. Horngren, Martinn H. Mandles. Sydney J. Rosenberg, Theodore Rosenberg, William W. Steele and Boniface A. Zaino.

c) Proposal 1 - Election of Directors

Nominee:	For	Against or Withheld	Abstentions	Broker Nonvotes
Henry L Kotkins, Jr.	7,697,978	51,567	0	0
Robert S. Dickerman	7,697,842	51,703	0	0
William E. Walsh	7,630,920	118,625	0	0

d) Proposal 2 - Amendment to the Company's 1984 Executive Stock Option Plan.

For: 6,972,996 Against: 340,002 Abstain: 436,541
Broker Nonvotes:0

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

Exhibit 4.2 - First Amendment to Credit Agreement
Exhibit 4.3 - Second Amendment to Credit Agreement
Exhibit 27.1 - Financial Data Schedule.

(b) Reports on Form 8-K: No reports on Form 8-K were filed during the quarter ended April 30, 1995.

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 thereunto duly authorized.

ABM Industries Incorporated

June 13, 1995

/s/ David H. Hebble

Vice President and Principal Financial Officer

EXHIBIT 4.2

FIRST AMENDMENT TO CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT ("AMENDMENT"), dated as of March 3, 1995, is entered into by and among ABM INDUSTRIES INCORPORATED (the "COMPANY"), BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, as agent for the Banks (the "AGENT"), and the several financial institutions from time to time party to the Credit Agreement (collectively, the "BANKS"; individually, a "BANK").

RECITALS

A. The Company, the Banks, and the Agent are parties to a Credit Agreement dated as of September 22, 1994 (the "CREDIT AGREEMENT") pursuant to which the Agent and the Banks have extended to the Company a revolving credit facility including letters of credit.

B. The Company has requested the Banks to increase the amount of credit they have committed to extend under the revolving credit facility and to agree to amend the Credit Agreement accordingly.

C. The Banks are willing to amend the Credit Agreement in order to increase the amount of each Bank's Commitment, subject to the terms and conditions of this Amendment.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. DEFINED TERMS. Unless otherwise defined herein, capitalized terms used herein shall have the meanings, if any, assigned to them in the Credit Agreement.

2. AMENDMENTS TO CREDIT AGREEMENT. The respective amounts set forth opposite the Banks' names on the signature pages of the Credit Agreement under the caption "Commitment" are hereby increased to the following amounts:

<TABLE>
<CAPTION>

Bank	Amount of Commitment
<S>	<C>
Bank of America National Trust and Savings Association	$43,200,000
NationsBank of Texas, N.A.	$27,000,000

United States National Bank of Oregon	$16,200,000
Seattle-First National Bank	$21,600,000

</TABLE>

3. REPRESENTATIONS AND WARRANTIES. The Company hereby represents and warrants to the Agent and the Banks as follows:

(a) No Default or Event of Default has occurred and is

continuing.

(b) The execution, delivery and performance by the Company of this Amendment have been duly authorized by all necessary corporate and other action and do not and will not require any registration with, consent or approval of, notice to or action by, any Person (including any Governmental Authority) in order to be effective and enforceable. The Credit Agreement as amended by this Amendment constitutes the legal, valid and binding obligations of the Company, enforceable against it in accordance with its respective terms, without defense, counterclaim or offset.

(c) All representations and warranties of the Company contained in the Credit Agreement are true and correct.

(d) The Company is entering into this Amendment on the basis of its own investigation and for its own reasons, without reliance upon the Agent and the Banks or any other Person.

4. EFFECTIVE DATE. This Amendment will become effective as of March 3, 1995 (the "EFFECTIVE DATE"), PROVIDED that each of the following conditions is satisfied:

(a) By no later than March 7, 1995, the Agent has received from the Company and the Banks a duly executed original (or, if elected by the Agent, an executed facsimile copy) of this Amendment.

(b) By no later than March 13, 1995, the Agent has received from the Company a copy of a resolution passed by the board of directors of such corporation, certified by the Secretary or an Assistant Secretary of such corporation as being in full force and effect on the date hereof, authorizing the execution, delivery and performance of this Amendment.

(c) All representations and warranties contained herein are true and correct as of the Effective Date.

5. MISCELLANEOUS.

(a) Except as herein expressly amended, all terms, covenants and provisions of the Credit Agreement are and shall remain in full force and effect and all references therein to such Credit Agreement shall henceforth refer to the Credit Agreement as amended by this Amendment. This Amendment shall be deemed incorporated into, and a part of, the Credit Agreement.

(b) This Amendment shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns. No third party beneficiaries are intended in connection with this Amendment.

(c) This Amendment shall be governed by and construed in accordance with the law of the State of California.

(d) This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Each of the parties hereto understands and agrees that this document (and any other document required herein) may be delivered by any party thereto either in the form of an executed original or an executed original sent by facsimile transmission to be followed promptly by mailing of a hard copy original, and that receipt by the Agent of a facsimile transmitted document purportedly bearing the signature of a Bank or the Company shall bind such Bank or the Company, respectively, with the same force and effect as the delivery of a hard copy original. Any failure by the Agent to receive the hard copy executed original of such document shall not diminish the binding effect of receipt of the facsimile transmitted executed original of such document of the party whose hard copy page was not received by the Agent.

(e) This Amendment, together with the Credit Agreement, contains the entire and exclusive agreement of the parties hereto with reference to the matters discussed herein and therein. This Amendment supersedes all prior drafts and communications with respect thereto. This Amendment may not be amended except in accordance with the provisions of Section 11.1 of the Credit Agreement.

(f) If any term or provision of this Amendment shall be deemed prohibited by or invalid under any applicable law, such provision shall be invalidated without affecting the remaining provisions of this Amendment or the Credit Agreement, respectively.

(g) The Company covenants to pay to or reimburse the Agent and the Banks, upon demand, for all costs and expenses (including allocated costs of in-house counsel) incurred in connection with the development, preparation, negotiation, execution and delivery of this Amendment, including without limitation appraisal, audit, search and filing fees incurred in connection therewith.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Waiver and Amendment as of the date first above written.

COMPANY:

ABM INDUSTRIES INCORPORATED

By: /s/ David H. Hebble

Title: Vice President & CFO

By: /s/ Douglas B. Bowlus

Title: Treasurer

AGENT:

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, as Agent

By: /s/ Shannon Collins

Title: Vice President

ISSUING BANK:

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, as Issuing Bank

By: /s/ Jack K. Telian

Title: Vice President

BANKS:

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, as a Bank

By: /s/ Jack K. Telian

Title: Vice President

NATIONSBANK OF TEXAS, N.A.,
as a Bank

By: /s/ Keith Ferris

Title: Officer

UNITED STATES NATIONAL BANK
OF OREGON, as a Bank

By: /s/ Jonathan A. Horton

Title: Assistant Vice President

SEATTLE-FIRST NATIONAL BANK,
as a Bank

By: /s/ Michael J. Collum

Title: Vice President

ABM INDUSTRIES INCORPORATED

SECRETARY'S CERTIFICATE

The undersigned, Harry H. Kahn hereby certifies that he is the Secretary of ABM Industries Incorporated, a Delaware corporation (the "Company") and that as such he is authorized to execute this certificate on behalf of the Company, and further certifies that the attached copy of the resolutions adopted by the Board of Directors of said Company on August 30, 1994, continue to be in full force and effect as of March 3, 1995, and authorize the execution, delivery and performance of the First Amendment to Credit agreement dated as of March 3, 1995.

Dated: 3/6/95 /s/ HARRY H. KAHN

Harry H. Kahn, Secretary

(SEAL)

ABM INDUSTRIES INCORPORATED

SECRETARY'S CERTIFICATE

The undersigned, Harry H. Kahn hereby certifies that he is Secretary of ABM Industries Incorporated, a Delaware corporation (the "Company") and that as such he is authorized to execute this certificate on behalf of the Company, and further certifies, represents and warrants on behalf of the Company that the following resolutions were adopted by the Executive Committee of the Board of Directors of said Company on August 30, 1994:

RESOLVED, that this Company (a) borrow and (b) obtain for the account of this corporation commercial and standby letters of credit issued by one or more of such banks, from various domestic banks, from time to time, such sums of money, all as, in the judgment of the authorized persons hereinafter, this Company may require for its general corporate purposes.

RESOLVED FURTHER, that any one of the following authorized persons, the Chairman of the Executive Committee of the Board of Directors, or the Chairman of the Board of Directors; or any two of the following authorized persons, the President, a Vice President, the Treasurer and the Secretary (such persons being hereinafter referred to as the "authorized persons"), are hereby authorized, directed and empowered, in the name of this Company, to execute and deliver to such banks, and the banks are requested to accept, financing agreements, the note or notes, security agreements and documents, advance account agreements, acceptance agreements or other instruments evidencing the indebtedness of this Company for the monies borrowed, or to be borrowed, with interest thereon, said authorized officers being also hereby authorized to execute renewals or extensions of said notes, security agreements, advance account agreements, acceptance agreements or other instruments;

RESOLVED FURTHER, that any authorized person as delineated above may borrow upon telephoned request, and any bank to which such request is telephoned is authorized to make advances of the amounts so requested to be borrowed to this Company; provided, however, that such advances shall be made only by making deposit in one or more of the Company's commercial accounts with such bank or with another bank with which it maintains a commercial account. Such bank shall not be responsible for acting in accordance with such telephonic requests and directions as to which account the advances are to be deposited, provided it reasonably believes the person making the request to be so authorized. Any such advances shall be conclusively presumed to have been made to or for the benefit of the Company when deposited by such bank in good faith in accordance with such requests and directions. Each such request shall be followed by a confirming letter signed by one of the authorized persons to be delivered or mailed to the bank as soon as reasonably possible. All borrowings shall be approved upon like telephonic instructions confirmed by such confirming letter.

RESOLVED FURTHER, that the Secretary or Assistant Secretary of this Company shall file with each such bank a certified copy of these resolutions and shall certify to the banks, from time to time, the names of the authorized officers and the persons designated by the authorized persons to act with respect to the accounts of this Company, together with specimen signatures of such authorized persons and other individuals; and,

RESOLVED FURTHER, that effective upon the filing with the banks of the certificates of the Secretary or Assistant Secretary of this Company as provided hereinabove, the foregoing resolutions shall supersede and replace all prior resolutions of the Board of Directors filed with such banks, and the foregoing resolutions shall remain in full force and effect until written notice of their amendment or recision shall have been received by each bank and the receipt of such notice shall not affect any action taken by a bank prior thereto.

Dated: 8/30/94 /s/ HARRY H. KAHN

Harry H. Kahn
Secretary

(SEAL)

EXHIBIT 4.3

SECOND AMENDMENT TO CREDIT AGREEMENT

THIS SECOND AMENDMENT TO CREDIT AGREEMENT ("AMENDMENT"), dated as of May 1, 1995, is entered into by and among ABM INDUSTRIES INCORPORATED (the "COMPANY"), BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, as agent for the Banks (the "AGENT"), and the several financial institutions from time to time party to the Credit Agreement (collectively, the "BANKS"; individually, a "BANK").

RECITALS

A. The Company, the Banks, and the Agent are parties to a Credit Agreement dated as of September 22, 1994 (as previously amended, the "CREDIT AGREEMENT") pursuant to which the Agent and the Banks have extended to the Company a revolving credit facility including letters of credit.

B. The Company has requested the Banks to increase the amount of credit they have committed to extend under the revolving credit facility and to agree to amend the Credit Agreement accordingly.

C. The Banks are willing to amend the Credit Agreement in order to increase the amount of each Bank's Commitment, subject to the terms and conditions of this Amendment.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. DEFINED TERMS. Unless otherwise defined herein, capitalized terms used herein shall have the meanings, if any, assigned to them in the Credit Agreement.

2. AMENDMENTS TO CREDIT AGREEMENT. The respective amounts set forth opposite the Banks' names on the signature pages of the Credit Agreement under the caption "Commitment" are hereby increased to the following amounts:

<TABLE>
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Bank	Amount of Commitment
<S>	<C>
Bank of America National Trust and Savings Associations	$50,000,000
NationsBank of Texas, N.A.	$31,250,000

United States National Bank of Oregon	$18,750,000
Seattle-First National Bank	$25,000,000

</TABLE>

3. REPRESENTATIONS AND WARRANTIES. The Company hereby represents and warrants to the Agent and the Banks as follows:

(a) No Default or Event of Default has occurred and is

continuing.

(b) The execution, delivery and performance by the Company of this Amendment have been duly authorized by all necessary corporate and other action and do not and will not require any registration with, consent or approval of, notice to or action by, any Person (including any Governmental Authority) in order to be effective and enforceable. The Credit Agreement as amended by this Amendment constitutes the legal, valid and binding obligations of the Company, enforceable against it in accordance with its respective terms, without defense, counterclaim or offset.

(c) All representations and warranties of the Company contained in the Credit Agreement are true and correct.

(d) The Company is entering into this Amendment on the basis of its own investigation and for its own reasons, without reliance upon the Agent and the Banks or any other Person.

4. EFFECTIVE DATE. This Amendment will become effective as of May 1, 1995 (the "EFFECTIVE DATE"), PROVIDED that each of the following conditions is satisfied:

(a) By no later than May 1, 1995, the Agent has received from the Company and the Banks a duly executed original (or, if elected by the Agent, an executed facsimile copy) of this Amendment.

(b) By no later than May 1, 1995, the Agent has received from the Company a copy of a resolution passed by the board of directors of such corporation, certified by the Secretary or an Assistant Secretary of such corporation as being in full force and effect on the date hereof, authorizing the execution, delivery and performance of this Amendment.

(c) All representations and warranties contained herein are true and correct as of the Effective Date.

(d) The Company pays a fee of $15,000, to be shared pro rata by the Banks.

5. MISCELLANEOUS.

(a) Except as herein expressly amended, all terms, covenants and provisions of the Credit Agreement are and shall remain in full force and effect and all references therein to such Credit Agreement shall henceforth refer to the Credit Agreement as amended by this Amendment. This Amendment shall be deemed incorporated into, and a part of, the Credit Agreement.

(b) This Amendment shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns. No third party beneficiaries are intended in connection with this Amendment.

(c) This Amendment shall be governed by and construed in accordance with the law of the State of California.

(d) This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Each of the parties hereto understands and agrees that this document (and any other document required herein) may be delivered by any party thereto either in the form of an executed original or an executed original sent by facsimile transmission to be followed promptly by mailing of a hard copy original, and that receipt by the Agent of a facsimile transmitted document purportedly bearing the signature of a Bank or the Company shall bind such Bank or the Company, respectively, with the same force and effect as the delivery of a hard copy original. Any failure by the Agent to receive the hard copy executed original of such document shall not diminish the binding effect of receipt of the facsimile transmitted executed original of such document of the party whose hard copy page was not received by the Agent.

(e) This Amendment, together with the Credit Agreement, contains the entire and exclusive agreement of the parties hereto with reference to the matters discussed herein and therein. This Amendment supersedes all prior drafts and communications with respect thereto. This Amendment may not be amended except in accordance with the provisions of Section 11.1 of the Credit Agreement.

(f) If any term or provision of this Amendment shall be deemed prohibited by or invalid under any applicable law, such provision shall be invalidated without affecting the remaining provisions of this Amendment or the Credit Agreement, respectively.

(g) The Company covenants to pay to or reimburse the Agent and the Banks, upon demand, for all costs and expenses (including allocated costs of in-house counsel) incurred in connection with the development, preparation, negotiation, execution and delivery of this Amendment, including without limitation appraisal, audit, search and filing fees incurred in connection therewith.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Waiver and Amendment as of the date first above written.

COMPANY: ABM INDUSTRIES INCORPORATED

By: /s/ DAVID H. HEBBLE

Title: Vice President & CFO

By: /s/ DOUGLAS B. BOWLUS

Title: Treasurer

AGENT: BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, as Agent

By: /s/ CHRISTINE CORTI

Title: Vice President

ISSUING BANK: BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, as Issuing Bank

By: /s/ HAGOP BOULDIKIAN

Title: Vice President

BANKS: BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, as a

Bank

By: /s/ HAGOP BOULDIKIAN

Title: Vice President

NATIONSBANK OF TEXAS, N.A.,
as a Bank

By: /s/ SCOTT LARUE

Title: Senior Vice President

UNITED STATES NATIONAL BANK
OF OREGON, as a Bank

By: /s/ JONATHAN A. HORTON

Title: Assistant Vice President

SEATTLE-FIRST NATIONAL BANK,
as a Bank

By: /s/ THOMAS W. ESSIG

Title: Assistant Vice President

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