# Earnings Commentary and Supplemental Information

Third Quarter 2015
Unaudited

**Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995:**

This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws and is subject to the safe-harbor created by such Act. Forward-looking statements include our financial performance outlook and statements regarding our operations, economic performance, financial condition, goals, beliefs, future growth strategies; investment objectives, plans and current expectations, such as expected 2015 guidance and preliminary 2016 C$ guidance, 2015 consolidated revenue internal growth rate and capital expenditures and expected cost savings associated with the Transformation initiative. These forward-looking statements are subject to various known and unknown risks, uncertainties and other factors. When we use words such as "believes," "expects," "anticipates," "estimates" or similar expressions, we are making forward-looking statements. You should not rely upon forward-looking statements except as statements of our present intentions and of our present expectations, which may or may not occur. Although we believe that our forward-looking statements are based on reasonable assumptions, our expected results may not be achieved, and actual results may differ materially from our expectations. In addition, important factors that could cause actual results to differ from expectations include, among others: (i) our ability to remain qualified for taxation as a real estate investment trust ("REIT"); (ii) the adoption of alternative technologies and shifts by our customers to storage of data through non-paper based technologies; (iii) changes in customer preferences and demand for our storage and information management services; (iv) the cost to comply with current and future laws, regulations and customer demands relating to privacy issues; (v) the impact of litigation or disputes that may arise in connection with incidents in which we fail to protect our customers' information; (vi) changes in the price for our storage and information management services relative to the cost of providing such storage and information management services; (vii) changes in the political and economic environments in the countries in which our international subsidiaries operate; (viii) our ability or inability to complete acquisitions on satisfactory terms and to integrate acquired companies efficiently; (ix) changes in the amount of our capital expenditures; (x) changes in the cost of our debt; (xi) the impact of alternative, more attractive investments on dividends; (xii) the cost or potential liabilities associated with real estate necessary for our business; (xiii) the performance of business partners upon whom we depend for technical assistance or management expertise outside the United States; (xiv) other trends in competitive or economic conditions affecting our financial condition or results of operations not presently contemplated; and (xv) other risks described more fully in our filings with the Securities and Exchange Commission, including under the caption “Risk Factors” in our periodic reports, or incorporated therein. In addition, with respect to the potential Recall transaction, our ability to close the proposed transaction in accordance with the terms of our agreement with Recall, or at all, is dependent on our and Recall's ability to satisfy the closing conditions set forth in such agreement, including the receipt of governmental and shareholder approvals. Except as required by law, we undertake no obligation to release publicly the result of any revision to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

**Reconciliation of Non-GAAP Measures:** Throughout this document, Iron Mountain will discuss (1) Adjusted Operating Income Before Depreciation, Amortization, Intangible Impairments, (Gain) Loss on Disposal / Write-down of Property, Plant and Equipment, Net (Excluding Real Estate), REIT Costs and Recall Costs (Adjusted OIBDA), (2) Adjusted Earnings Per Share (Adjusted EPS), (3) Funds From Operations (FFO NAREIT), (4) FFO (Normalized) and (5) Adjusted Funds From Operations (AFFO). These measures do not conform to accounting principles generally accepted in the United States (GAAP). The reconciliations of these measures to the appropriate GAAP measure, as required by Regulation G under the Securities Exchange Act of 1934, as amended, are included later in this document (see Table of Contents).

**All figures except per share and facility counts in 000s unless noted**
**All figures in reported dollars unless noted**
**Figures may not foot due to rounding**



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# Iron Mountain Third Quarter 2015 Financial Results

*– Constant Dollar Storage Rental Growth and Continued Volume Gains Support Strong Operating Performance –*

*– Service Gross Margin Turnaround on Track –*

*– Constant Dollar Profits at Upper End of Full-Year Company Constant Dollar Guidance –*

*– Board of Directors Declares Quarterly Dividend Increase to $0.485 per Share –*

- On a constant dollar (C$) basis, total revenue growth for the quarter was 2.0%, reflecting solid storage rental revenue gains of 4.2%, partially offset by service revenue declines of 1.3%. As a result of the continued strengthening of the U.S. dollar, total reported revenues for the third quarter were $747 million in 2015, compared with $783 million in 2014. Year-to-date total reported revenues were $2.26 billion, compared with $2.34 billion in 2014. Year-to-date C$ total revenue growth was 2.1%, driven by storage rental revenue gains of 4.3%, partially offset by service revenue declines of 1.1%.

- Adjusted OIBDA for the third quarter was $228 million, compared with $235 million in 2014, while year-to-date Adjusted OIBDA was $682 million, compared with $706 million in 2014. Adjusted OIBDA for the third quarter of 2015 includes previously communicated costs of $9 million related to the company's Transformation program. On a C$ basis, Adjusted OIBDA increased by 2.3% (6.5% excluding Transformation costs) for the quarter and 1.5% year-to-date.

- Adjusted EPS for the third quarter was $0.31 per diluted share, compared with $0.35 per diluted share in 2014. Year-to-date Adjusted EPS was $0.89 per diluted share, compared with $1.10 in 2014. Adjusted EPS for 2015 reflects a structural tax rate of 16.5%, compared with a structural tax rate of 16.3% in 2014. Adjusted EPS for 2015 reflects a 9% increase in weighted average shares outstanding following the distribution of shares in November 2014 associated with the company's conversion to a REIT effective January 1, 2014 in addition to the Transformation costs noted above. Excluding the increase in shares and transformation charges, Adjusted EPS for the third quarter increased by 8.7%.

- GAAP EPS for the third quarter was $0.11 per share and $0.56 year-to-date, compared with GAAP EPS of $0.00 per share for the third quarter of 2014 and $1.63 year-to-date. Year-to-date 2014 GAAP EPS includes $176 million of a net discrete tax benefit recorded in the second quarter of 2014 primarily related to the reversal of current and deferred tax assets and liabilities, partially offset by incremental taxes related to foreign repatriation associated with the company's conversion to a REIT.

- FFO (Normalized) per share was $0.55 for the quarter and $1.53 year-to-date. AFFO was $137 million for the quarter and $395 million year-to-date.

- On October 29, the company's board of directors declared a quarterly cash dividend of $0.485 per share on the common stock of the company, payable on December 15, 2015 to shareholders of record at the close of business on December 1, 2015.

In support of its strategic plan, the company maintained strong customer retention and increased positive worldwide records management net volume growth in the third quarter by 2.7% (1.6% internal volume growth). Volume growth by segment in the third quarter was:

- 1.1% in North America (0.1% internal volume growth, or 400,000 cubic feet)
- 3.9% in Western Europe (3.2% internal volume growth)
- 8.7% in the Other International segment (7.2% internal volume growth)

- Expanded revenue from Emerging Markets (now Other International excluding Australia) to 14.3% of total revenue in the third quarter on a 2014 constant dollar basis, demonstrating progress toward the company's goal to increase revenue from these markets to 16% by the end of 2016.
- Year-to-date, acquired the record and tape inventories of 10 storage companies, and closed on 14 acquisitions of small records management companies, including one transaction in India, for a total investment of approximately $45 million.
- Increased the expected benefit from its Transformation Program (formerly Speed and Agility) to $125 million from $100 million of savings in overhead expenses by 2018. Actions taken in July 2015 will improve the overhead year-end 2015 exit rate and are expected to deliver the full $50 million of benefit in 2016. In addition, the company intends to take actions early in 2016, which will result in a cumulative net benefit of $100 million of savings in 2017.
- Implemented an initiative to align the service business cost structure with activity declines with the goal of maintaining and improving service gross margins. Total service margins improved to 28.5% in the third quarter of 2015 including one-time items. On a normalized basis prior to accounting reclassifications, third quarter service margins were 26.8%, up from 24.6% in the second quarter of 2015 and on track with our 2015 exit rate guidance of 27% to 27.5%.

"Our third quarter operating results continue to reflect the durable nature of our business, punctuated by solid constant dollar and internal growth in storage rental revenue, while at the same time we are beginning to see the benefits of our increased focus on our service profitability," said William L. Meaney, Iron Mountain's president and chief executive officer. "Contribution also improved across the board, as we begin implementing our Transformation program. These savings, combined with anticipated Recall synergies following a successful close, will drive significant growth in cash that supports growth in dividends and continued investment in the business."

***Operations and Financial Review***

Operating performance continued to demonstrate resilience, with third quarter C$ total storage rental growth of 4.2% reflecting:
- Strong increases of 15.2% in the company's Other International segment,
- 2.0% in the Western Europe segment, and
- 0.9% and 5.6% in North American Records and Information Management (RIM) and North American Data Management (DM), respectively.

Foreign currency rate changes reduced reported worldwide storage rental revenue growth rates by approximately 6.3% in the third quarter compared with the prior year.

Worldwide internal storage rental growth was 2.8% in the third quarter of 2015 compared with 2.2% in the third quarter of 2014. By segment, internal storage rental revenue:
- Increased by 11.5% in the Other International segment,
- Increased by  1.4% in the Western Europe segment, and
- Decreased by 0.3% in North American RIM and increased by 5.4 % in North American DM

Consolidated Adjusted OIBDA margin for the quarter was 30.5%, reflecting continued strong Adjusted OIBDA margins of 39.7% in North American RIM, 51.6% in North American DM, 31.2% in Western Europe and 20.3% in Other International. Year-to-date, total real estate investment including racking was $106 million, acquisition spending was $45 million and other non-real estate investment was $35 million. Maintenance capital expenditures were $44 million, or 2.0% of revenues. At quarter end, the company had liquidity of approximately $1.7 billion, primarily under its revolving credit facility, prior to the October 2015 redemption of its outstanding 6.75% Euro Senior Subordinated Notes due 2018, 7.75% Senior Subordinated Notes due 2019 and 8.375% Senior Subordinated Notes due 2021. Following the redemption, liquidity would be approximately $0.9 billion. The company's net total lease adjusted leverage ratio was 5.7 at quarter end, as compared to a maximum allowable ratio of 6.5x.

***2015 Guidance***

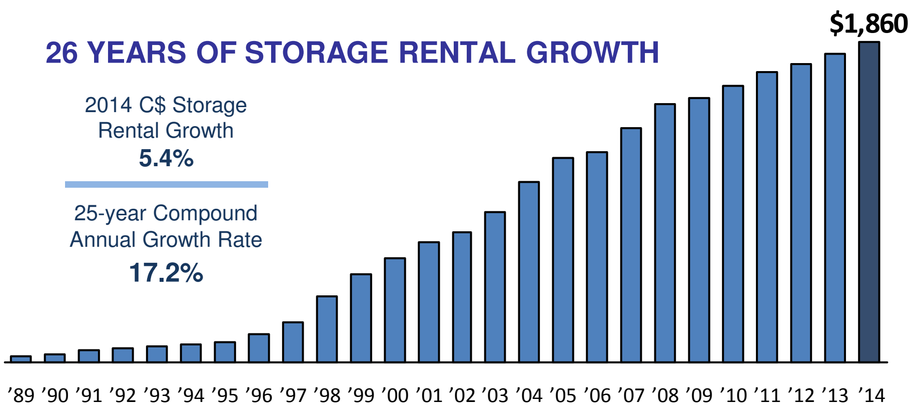
On October 14, the company adjusted its guidance for 2015 Revenue and Adjusted OIBDA to reflect the continued impact of foreign currency on reported results, but maintained its C$ guidance for these metrics. In addition, the company introduced 2016 C$ guidance for Total Revenue, Adjusted OIBDA, Adjusted EPS, FFO (NAREIT) per share, FFO (Normalized) per share and AFFO. Details are available on page 12.

Iron Mountain is a global leader in enterprise storage with a high-return, real estate-based, business model, yielding revenues over $3 billion per annum. The company provides storage and information management services to a high-quality, diversified customer base across numerous industries and government organizations. Iron Mountain serves over 155,000 customers, including more than 92% of the Fortune 1000, and no single customer accounts for more than 2% of revenues. Iron Mountain provides storage and information management services in 36 countries on five continents, storing 530 million cubic feet of records in a portfolio of approximately 1,100 facilities containing more than 67 million square feet of space. The company employs over 20,000 people.

Iron Mountain is organized as a REIT and its financial model is based on the recurring nature of its storage rental revenues and the resulting storage net operating income (NOI). Supported by its consistent, predictable storage rental revenues, which have increased for 26 consecutive years, the company generates predictable, low volatility growth in key metrics such as storage NOI and AFFO. This fundamental financial characteristic provides stability through economic cycles.

Iron Mountain has the opportunity to invest capital at attractive returns both domestically and internationally. The company believes that there remains a large un-vended opportunity that can support sustained storage volumes in developed markets such as North America and high growth opportunities in emerging markets that are just beginning to outsource their storage of physical documents.

## 26 YEARS OF STORAGE RENTAL GROWTH

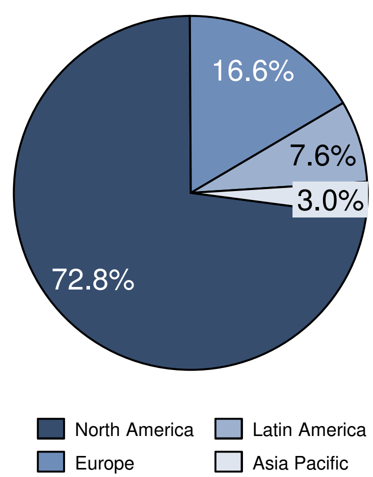



## Countries Served

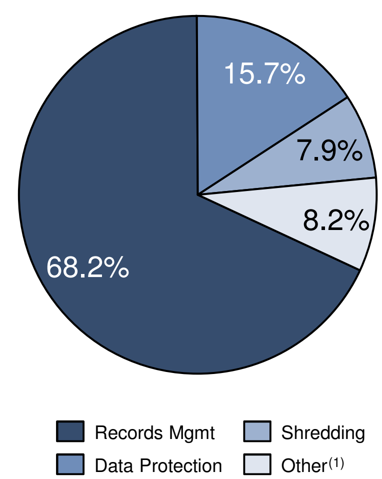
## Diversification of Total Revenue

(As of 9/30/2015)

Region




Product




(1) Includes Fulfillment Services, Document Management Services, Intellectual Property Management, Data Center, Consulting, Entertainment Services and other ancillary services

| | Q3 2014 | Q3 2015 | % Change | YTD 2014 | YTD 2015 | % Change |
|---|---|---|---|---|---|---|
| Storage Rental | $469,064 | $460,052 | (1.9)% | $1,394,842 | $1,380,133 | (1.1)% |
| Service | 313,633 | 286,477 | (8.7)% | 944,873 | 875,416 | (7.4)% |
| **Total Revenues** | **$782,697** | **$746,529** | **(4.6)%** | **$2,339,715** | **$2,255,549** | **(3.6)%** |
| Gross Profit | $447,191 | $428,866 | (4.1)% | $1,332,103 | $1,289,949 | (3.2)% |
| Gross Margin % | 57.1% | 57.4% | 30 bps | 56.9% | 57.2% | 30 bps |
| Adjusted OIBDA | $235,391 | $227,835 | (3.2)% | $705,764 | $682,281 | (3.3)% |
| Adjusted OIBDA % | 30.1% | 30.5% | 40 bps | 30.2% | 30.2% | 0 bps |
| Adjusted EPS | $0.35 | $0.31 | (11.4)% | $1.10 | $0.89 | (19.1)% |
| FFO Applicable to Iron Mountain (Normalized) per Share | $0.57 | $0.55 | (3.5)% | $1.75 | $1.53 | (12.6)% |
| Ordinary Dividends per Share | $0.475 | $0.475 | 0.0% | $1.015 | $1.425 | 40.4% |
| Weighted Average Fully-diluted Shares Outstanding | 194,905 | 211,917 | 8.7% | 193,833 | 212,081 | 9.4% |
| Storage Net Operating Income (NOI) | $363,213 | $347,200 | (4.4)% | $1,069,371 | $1,059,112 | (1.0)% |
| **Storage Profit and Margin** | | | | | | |
| Storage Gross Profit | 363,213 | 347,200 | (4.4%) | 1,069,371 | 1,059,112 | (1.0%) |
| Storage Gross Margin | 77.4% | 75.5% | -190 bps | 76.7% | 76.7% | 0 bps |
| **Service Profit and Margin** | | | | | | |
| Service Gross Profit | 83,979 | 81,668 | (2.8%) | 262,734 | 230,841 | (12.1%) |
| Service Gross Margin | 26.8% | 28.5% | 170 bps | 27.8% | 26.4% | -140 bps |
| **Capital Expenditures[(1)] and Investments** | | | | | | |
| **Real Estate:** | | | | | | |
| Investment[(2)] | 56,414 | $34,052 | (39.6)% | $145,410 | $105,531 | (27.4)% |
| Maintenance | 17,422 | 12,269 | (29.6)% | 31,230 | 28,111 | (10.0)% |
| | 73,836 | 46,321 | (37.3)% | 176,640 | 133,642 | (24.3)% |
| **Non-Real Estate:** | | | | | | |
| Investment | 10,698 | 10,633 | (0.6)% | 33,464 | 34,956 | 4.5% |
| Maintenance[(3)] | (3,252) | 5,431 | n/a | 13,371 | 16,043 | 20.0% |
| | 7,446 | 16,064 | 115.7% | 46,835 | 50,999 | 8.9% |
| Business and Customer Acquisitions | 26,238 | 10,868 | (58.6)% | 92,195 | 44,559 | (51.7)% |
| **Total Capital Expenditures and Investments** | **$107,520** | **$73,252** | **(31.9)%** | **$315,670** | **$229,200** | **(27.4)%** |

(1) Excludes $0.6 million of CapEx in Q3 2014 and $4.1 million YTD 2014 related to the company's conversion to a REIT
(2) Includes Land, Buildings, Improvements, and Racking Structures
(3) In Q3 2014, we reclassified certain maintenance CapEx to Real Estate Investment; this reclassification is immaterial to our results.



Selected metric definitions are available in the appendix

# Year-over-Year Revenue Growth

| Revenue Growth Rates | Q3 2015 Storage Rental Revenue | Q3 2015 Service Revenue | Q3 2015 Total Revenue | YTD 2015 Storage Rental Revenue | YTD 2015 Service Revenue | YTD 2015 Total Revenue |
|---|---|---|---|---|---|---|
| Reported | (1.9)% | (8.7)% | (4.6)% | (1.1)% | (7.4)% | (3.6)% |
| Less: Impact of FX Rate Changes and Adjustments | (6.1)% | (7.3)% | (6.6)% | (5.3)% | (6.3)% | (5.7)% |
| Constant Currency | 4.2% | (1.3)% | 2.0% | 4.3% | (1.1)% | 2.1% |
| Less: Impact of Acquisitions and Dispositions | 1.5% | (0.5)% | 0.7% | 1.4% | (0.5)% | 0.7% |
| **Internal Growth Rate** | **2.8%** | **(0.9)%** | **1.3%** | **2.8%** | **(0.6)%** | **1.5%** |

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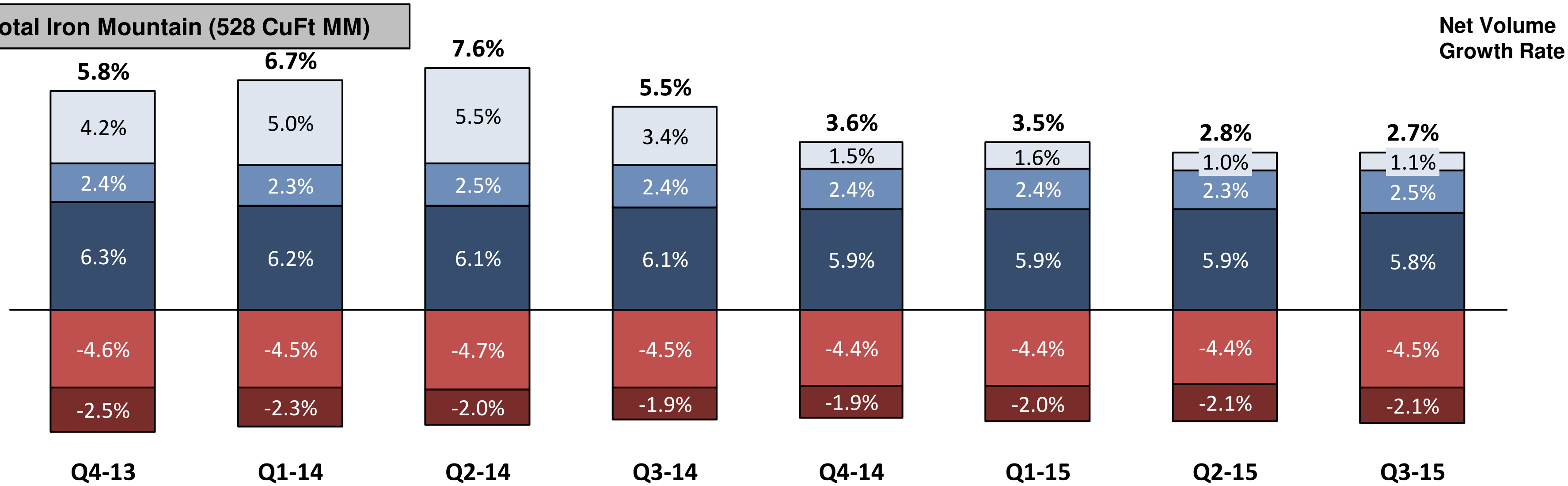
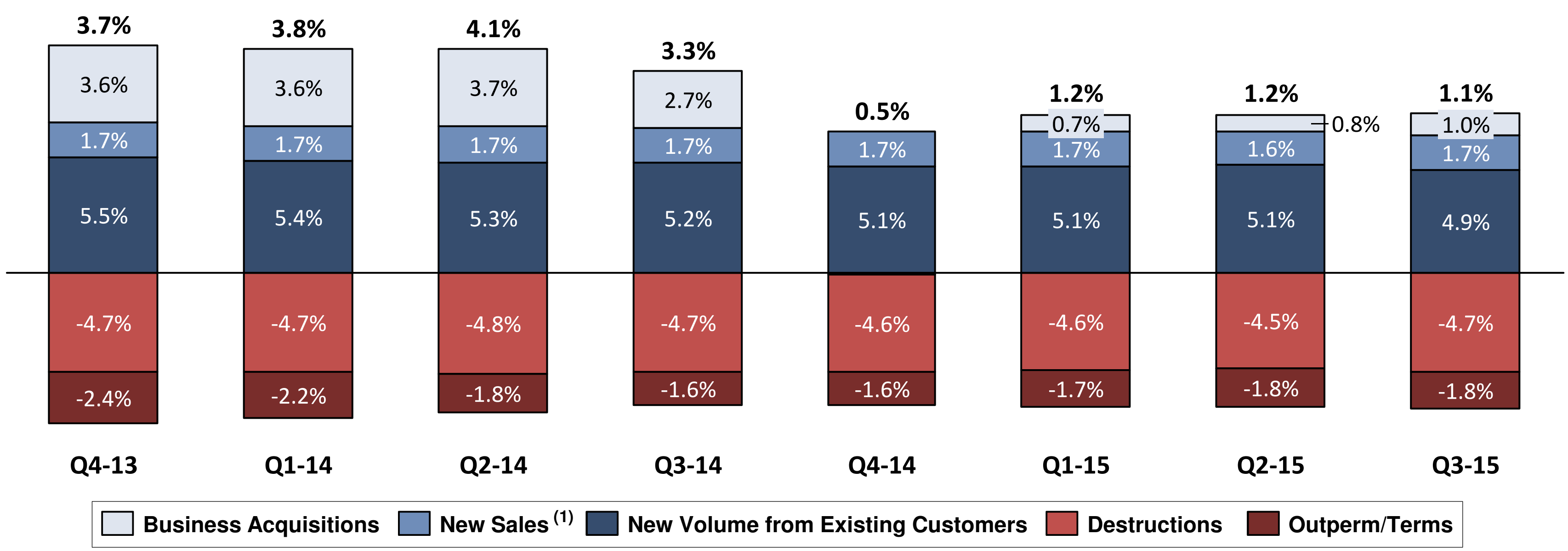
# Records Management Volume Growth

## Total Iron Mountain (528 CuFt MM)



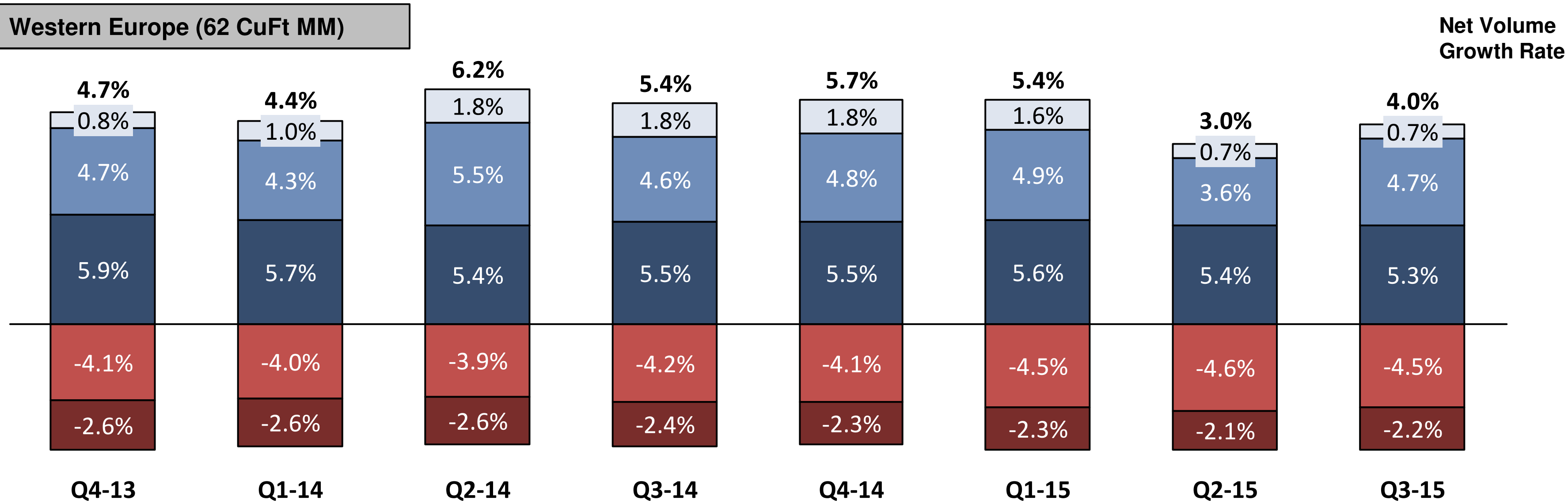

## North America (376 CuFt MM)



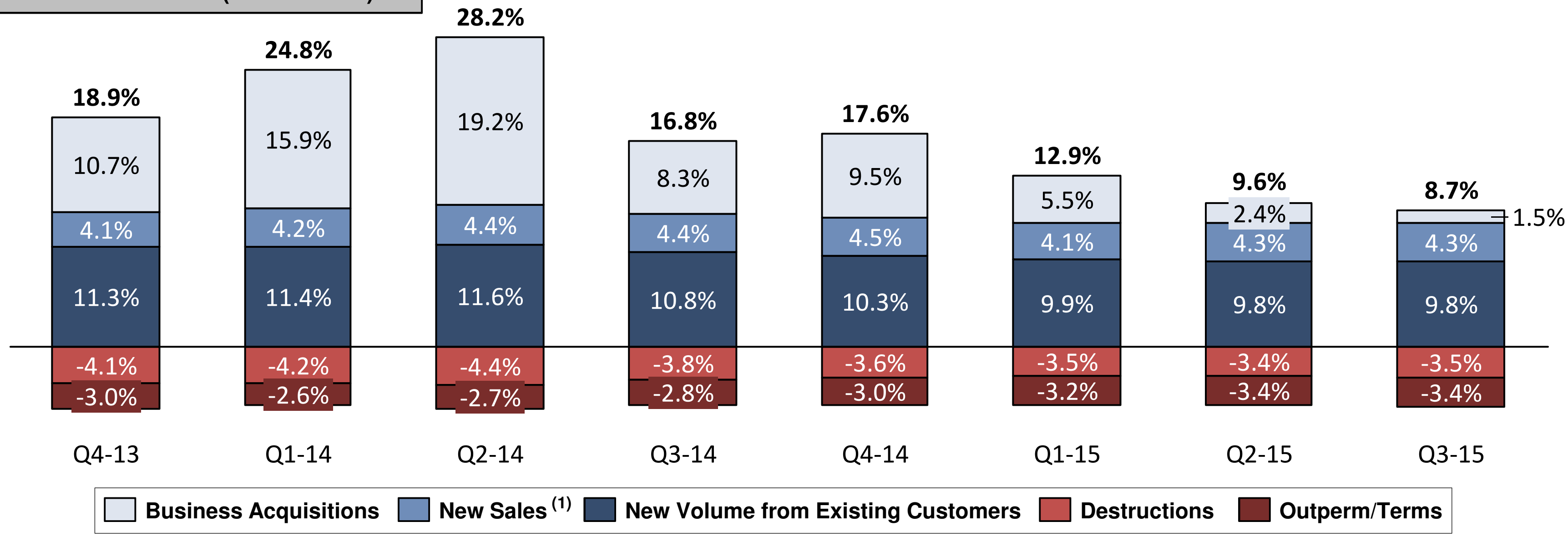

(1) Customer acquisitions are now included in new sales as the nature of these transactions is similar to new customer wins

# Records Management Volume Growth

## Western Europe (62 CuFt MM)




## Other International (90 CuFt MM)




(1) Customer acquisitions are now included in new sales as the nature of these transactions is similar to new customer wins

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# Guidance Summary

## Financial Performance Outlook

| $MM | 2015 Guidance as of July 30, 2015 | 2015 Revised Guidance as of October 14, 2015 | 2015 C$ Guidance as of October 14, 2015 | C$ YOY Growth | Preliminary C$ 2016 Guidance[5] | C$ YOY Growth[5] |
|---|---|---|---|---|---|---|
| **Operating Performance** | | | | | | |
| Revenue | $3,030 - $3,150 | $3,000 - $3,060 | $3,050 - $3,110 | 1% - 3%[1] | $3,165 - $3,265 | 4% - 5%[4] |
| Adjusted OIBDA | $905 - $945 | $905 - $930 | $925 - $945 | 3% - 5%[1] | $990 - $1,030 | 7% - 9%[4] |
| Adjusted EPS – Fully Diluted | $1.15 - $1.30[2] | $1.15 - $1.30[2] | $1.20 - $1.30[2] | | $1.28 - $1.43[2] | 7% - 10% |
| FFO Applicable to Iron Mountain(Normalized) | $425 - $465 | $425 - $465 | $425 - $465 | | $455 - $520 | |
| FFO Applicable to Iron Mountain (Normalized) per share | $2.00 - $2.20[2] | $2.00 - $2.20[2] | $2.00 - $2.20[2] | | $2.15 - $2.45[2] | |
| AFFO Applicable to Iron Mountain (Old Definition) | $550 - $590 | $545 - $585 | $545 - $585 | | | |
| AFFO Applicable to Iron Mountain (New Definition)[3] | $480 - $520 | $480 - $520 | $480 - $520 | | $510 - $550 | |

| | 2015 Revised Guidance as of June 8, 2015 | Guidance as of October 14, 2015 |
|---|---|---|
| **Estimated Capital Allocation** | | |
| Real Estate Investment | $200 - $240 | $180 - $200[6] |
| Non-Real Estate Investment | $70 - $90 | $65 |
| Real Estate and Non-Real Estate Maintenance | $70 - $90 | $80 |
| Business and Customer Acquisitions | $75 - $125 | $125 -$145 |
| Total Capital Expenditures and Investments (excluding Dividends) | $415 - $545 | $450 - $510 |

(1) YOY growth compared to 2015 constant dollar (C$) budget rates; includes 1% - 2% internal revenue growth
(2) Assumes 212 million shares outstanding
(3) AFFO (New Definition) is defined in the appendix (page 36) and deducts Non-Real Estate Investments from how AFFO was previously calculated
(4) YOY growth compared to the 2015 constant dollar (C$) budget rates; includes 1% - 3% internal revenue growth
(5) 2016 excludes potential Recall acquisition
(6) Real Estate Investment guidance range has been lowered by approximately $30 million at the midpoint relative to the guidance provided at our Investor Day on October 14th, 2015

# Quarterly Operating Performance

| | Q3 Results[1] | | % Growth | | | | |
|---|---|---|---|---|---|---|---|
| | Q3 2014 | Q3 2015 | Reported | - Impact of FX Rate Changes and Adjustments | = Constant Currency | - Impact of Acquisitions and Dispositions | = Internal Growth |
| **NA Records and Information Management** | | | | | | | |
| Storage Revenue | $271,417 | $269,239 | (0.8)% | (1.7)% | 0.9% | 1.2% | (0.3)% |
| Service Revenue | 178,862 | 171,998 | (3.8)% | (2.3)% | (1.5)% | 1.1% | (2.6)% |
| Total Revenue | $450,279 | $441,237 | (2.0)% | (1.9)% | (0.1)% | 1.1% | (1.2)% |
| Adjusted OIBDA | 179,590 | 175,331 | | | | | |
| Adjusted OIBDA Margin % | 39.9% | 39.7% | | | | | |
| **NA Data Management** | | | | | | | |
| Storage Revenue | $61,250 | $63,947 | 4.4% | (1.2)% | 5.6% | 0.2% | 5.4% |
| Service Revenue | 35,485 | 33,438 | (5.8)% | (1.2)% | (4.6)% | 0.3% | (4.9)% |
| Total Revenue | $96,735 | $97,385 | 0.7% | (1.2)% | 1.9% | 0.2% | 1.6% |
| Adjusted OIBDA | 54,799 | 50,268 | | | | | |
| Adjusted OIBDA Margin % | 56.6% | 51.6% | | | | | |
| **Western Europe** | | | | | | | |
| Storage Revenue | $67,277 | $61,654 | (8.4)% | (10.3)% | 2.0% | 0.6% | 1.4% |
| Service Revenue | 47,941 | 39,284 | (18.1)% | (10.2)% | (7.9)% | (6.6)% | (1.3)% |
| Total Revenue | $115,218 | $100,938 | (12.4)% | (10.3)% | (2.1)% | (2.4)% | 0.3% |
| Adjusted OIBDA | 35,923 | 31,511 | | | | | |
| Adjusted OIBDA Margin % | 31.2% | 31.2% | | | | | |
| **Other International** | | | | | | | |
| Storage Revenue | $66,061 | $59,176 | (10.4)% | (25.6)% | 15.2% | 3.7% | 11.5% |
| Service Revenue | 50,886 | 42,216 | (17.0)% | (26.8)% | 9.8% | (2.5)% | 12.3% |
| Total Revenue | $116,947 | $101,392 | (13.3)% | (26.2)% | 12.9% | 1.1% | 11.8% |
| Adjusted OIBDA | 18,867 | 20,545 | | | | | |
| Adjusted OIBDA Margin % | 16.1% | 20.3% | | | | | |
| **Corporate and Other** | | | | | | | |
| Storage Revenue | 3,059 | $6,036 | 97.3% | 0.0% | 97.3% | 12.9% | 84.4% |
| Service Revenue | 459 | (459) | n/a | n/a | n/a | n/a | n/a |
| Total Revenue | $3,518 | $5,577 | 58.5% | 0.0% | 58.5% | (2.0)% | 60.5% |
| Adjusted OIBDA | (53,788) | (49,820) | | | | | |

(1) 2014 results exclude REIT Costs, and 2015 results exclude Recall Costs

# Year-to-Date Operating Performance

| | YTD Results(1) | | % Growth | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | YTD 2014 | YTD 2015 | Reported | - | Impact of FX Rate Changes and Adjustments | = | Constant Currency | - | Impact of Acquisitions and Dispositions | = | Internal Growth |
| **NA Records and Information Management** | | | | | | | | | | | |
| Storage Revenue | $810,402 | $809,039 | (0.2)% | | (1.3)% | | 1.1% | | 1.1% | | 0.0% |
| Service Revenue | 538,280 | 523,772 | (2.7)% | | (1.8)% | | (0.9)% | | 1.0% | | (1.9)% |
| Total Revenue | $1,348,682 | $1,332,811 | (1.2)% | | (1.5)% | | 0.3% | | 1.0% | | (0.7)% |
| Adjusted OIBDA | 524,226 | 533,598 | | | | | | | | | |
| Adjusted OIBDA Margin % | 38.9% | 40.0% | | | | | | | | | |
| **NA Data Management** | | | | | | | | | | | |
| Storage Revenue | $183,424 | $191,867 | 4.6% | | (0.9)% | | 5.5% | | 0.2% | | 5.3% |
| Service Revenue | 107,586 | 102,353 | (4.9)% | | (0.9)% | | (4.0)% | | 0.2% | | (4.1)% |
| Total Revenue | $291,010 | $294,220 | 1.1% | | (0.9)% | | 2.0% | | 0.2% | | 1.8% |
| Adjusted OIBDA | 168,887 | 152,178 | | | | | | | | | |
| Adjusted OIBDA Margin % | 58.0% | 51.7% | | | | | | | | | |
| **Western Europe** | | | | | | | | | | | |
| Storage Revenue | $199,438 | $182,825 | (8.3)% | | (11.7)% | | 3.4% | | 0.6% | | 2.8% |
| Service Revenue | 151,308 | 119,085 | (21.3)% | | (10.9)% | | (10.4)% | | (7.5)% | | (2.9)% |
| Total Revenue | $350,746 | $301,910 | (13.9)% | | (11.4)% | | (2.5)% | | (3.0)% | | 0.5% |
| Adjusted OIBDA | 104,881 | 88,859 | | | | | | | | | |
| Adjusted OIBDA Margin % | 29.9% | 29.4% | | | | | | | | | |
| **Other International** | | | | | | | | | | | |
| Storage Revenue | $192,797 | $182,653 | (5.3)% | | (21.5)% | | 16.2% | | 4.8% | | 11.4% |
| Service Revenue | 146,642 | 129,152 | (11.9)% | | (22.3)% | | 10.3% | | (0.6)% | | 10.9% |
| Total Revenue | $339,438 | $311,805 | (8.1)% | | (21.8)% | | 13.7% | | 2.5% | | 11.2% |
| Adjusted OIBDA | 64,376 | 61,430 | | | | | | | | | |
| Adjusted OIBDA Margin % | 19.0% | 19.7% | | | | | | | | | |
| **Corporate and Other** | | | | | | | | | | | |
| Storage Revenue | $8,781 | $13,749 | 56.6% | | 0.0% | | 56.6% | | 5.8% | | 50.8% |
| Service Revenue | 1,057 | 1,054 | n/a | | n/a | | n/a | | n/a | | n/a |
| Total Revenue | $9,838 | $14,803 | 50.5% | | 0.0% | | 50.5% | | 1.6% | | 48.9% |
| Adjusted OIBDA | (156,606) | (153,784) | | | | | | | | | |

(1) 2014 results exclude REIT Costs, and 2015 results exclude Recall Costs

# Consolidated Balance Sheets

| ASSETS | 12/31/2014 | 9/30/2015 |
|---|---|---|
| Current Assets: | | |
| Cash and Cash Equivalents | $125,933 | $492,899 |
| Restricted Cash | 33,860 | - |
| Accounts Receivable, Net | 604,265 | 573,889 |
| Other Current Assets | 153,661 | 161,510 |
| Total Current Assets | 917,719 | 1,228,298 |
| Property, Plant and Equipment: | | |
| Property, Plant and Equipment at Cost | 4,668,705 | 4,643,654 |
| Less: Accumulated Depreciation | (2,117,978) | (2,214,929) |
| Property, Plant and Equipment, Net | 2,550,727 | 2,428,725 |
| Other Assets, Net: | | |
| Goodw ill | 2,423,783 | 2,347,064 |
| Other Non-Current Assets, Net: | 678,113 | 665,735 |
| Total Other Assets, Net | 3,101,896 | 3,012,799 |
| **Total Assets** | **$6,570,342** | **$6,669,822** |
| **LIABILITIES AND EQUITY** | | |
| Current Liabilities: | | |
| Current Portion of Long-Term Debt | $52,095 | $253,726 |
| Other Current Liabilities | 804,641 | 657,051 |
| Total Current Liabilities | 856,736 | 910,777 |
| Long-Term Debt, Net of Current Portion | 4,611,436 | 4,920,568 |
| Other Long-term Liabilities | 232,215 | 218,700 |
| Total Long-term Liabilities | 4,843,651 | 5,139,268 |
| **Total Liabilities** | **$5,700,387** | **$6,050,045** |
| Equity | | |
| Total Stockholders' Equity | $856,355 | $607,204 |
| Noncontrolling Interests | 13,600 | 12,573 |
| **Total Equity** | 869,955 | 619,777 |
| **Total Liabilities and Equity** | **$6,570,342** | **$6,669,822** |

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# Consolidated Statements of Operations

| | Q3 2014 | Q3 2015 | % Change | YTD 2014 | YTD 2015 | % Change |
|---|---|---|---|---|---|---|
| **Revenues:** | | | | | | |
| Storage Rental | $469,064 | $460,052 | (1.9)% | $1,394,842 | $1,380,133 | (1.1)% |
| Service | 313,633 | 286,477 | (8.7)% | 944,873 | 875,416 | (7.4)% |
| **Total Revenues** | **$782,697** | **$746,529** | **(4.6)%** | **$2,339,715** | **$2,255,549** | **(3.6)%** |
| | | | | | | |
| **Operating Expenses:** | | | | | | |
| Cost of Sales (excluding Depreciation and Amortization) | $335,506 | $317,663 | (5.3)% | $1,007,612 | $965,600 | (4.2)% |
| Selling, General and Administrative | 216,337 | 215,693 | (0.3)% | 644,924 | 627,992 | (2.6)% |
| Depreciation and Amortization | 89,194 | 86,492 | (3.0)% | 264,568 | 259,992 | (1.7)% |
| (Gain) Loss on Disposal/Write-Down of PP&E (excluding Real Estate), Net | 184 | (141) | n/a | 1,229 | 707 | (42.5)% |
| **Total Operating Expenses** | **$641,221** | **$619,707** | **(3.4)%** | **$1,918,333** | **$1,854,291** | **(3.3)%** |
| | | | | | | |
| **Operating Income (Loss)** | **$141,476** | **$126,822** | **(10.4)%** | **$421,382** | **$401,258** | **(4.8)%** |
| Interest Expense, Net | 63,220 | 65,135 | 3.0% | 187,733 | 196,120 | 4.5% |
| Other Expense (Income), Net | 22,508 | 35,246 | 56.6% | 22,987 | 59,599 | n/a |
| Income (Loss) from Continuing Operations before Provision (Benefit) for Income Taxes and (Gain) Loss on Sale of Real Estate | 55,748 | 26,441 | (52.6)% | 210,662 | 145,539 | (30.9)% |
| Provision (Benefit) for Income Taxes | 54,890 | 3,774 | (93.1)% | (98,151) | 27,126 | n/a |
| (Gain) Loss from Sale of Real Estate, Net of Tax | - | (850) | n/a | (7,468) | (850) | (88.6)% |
| Income (Loss) from Continuing Operations | 858 | 23,517 | n/a | 316,281 | 119,263 | (62.3)% |
| Income (Loss) from Discontinued Operations, Net of Tax | - | - | n/a | (938) | - | n/a |
| Net Income (Loss) | 858 | 23,517 | n/a | 315,343 | 119,263 | (62.2)% |
| Less: Net Income (Loss) Attributable to Noncontrolling Interests | 792 | 407 | (48.6)% | 1,973 | 1,727 | (12.5)% |
| **Net Income (Loss) Attributable to Iron Mountain Incorporated** | **$66** | **$23,110** | **n/a** | **$313,370** | **$117,536** | **(62.5)%** |
| | | | | | | |
| **Earnings (Losses) per Share - Basic:** | | | | | | |
| Income (Loss) from Continuing Operations | $0.00 | $0.11 | n/a | $1.64 | $0.57 | (65.2)% |
| Total Income (Loss) from Discontinued Operations | - | - | n/a | ($0.00) | - | n/a |
| **Net Income (Loss) Attributable to Iron Mountain Incorporated** | **$0.00** | **$0.11** | **n/a** | **$1.63** | **$0.56** | **(65.6)%** |
| | | | | | | |
| **Earnings (Losses) per Share - Diluted:** | | | | | | |
| Income (Loss) from Continuing Operations | $0.00 | $0.11 | n/a | $1.63 | $0.56 | (65.6)% |
| Total (Loss) Income from Discontinued Operations | - | - | n/a | ($0.00) | - | n/a |
| **Net Income (Loss) Attributable to Iron Mountain Incorporated** | **$0.00** | **$0.11** | **n/a** | **$1.62** | **$0.55** | **(66.0)%** |
| | | | | | | |
| Weighted Average Common Shares Outstanding - Basic | 193,360 | 210,912 | 9.1% | 192,540 | 210,616 | 9.4% |
| Weighted Average Common Shares Outstanding - Diluted | 194,905 | 211,917 | 8.7% | 193,833 | 212,081 | 9.4% |

# Reconciliation of Operating Income to Adjusted OIBDA

| | Q3 2014 | Q3 2015 | % Change | YTD 2014 | YTD 2015 | % Change |
|---|---|---|---|---|---|---|
| **Net Income (Loss) Attributable to Iron Mountain Incorporated** | **$66** | **$23,110** | **n/a** | **$313,370** | **$117,536** | **(62.5)%** |
| Add: | | | | | | |
| Net Income (Loss) Attributable to Noncontrolling Interests | 792 | 407 | (48.6)% | 1,973 | 1,727 | (12.5)% |
| Loss (Income) from Discontinued Operations, Net of Tax | - | - | n/a | 938 | - | n/a |
| (Gain) Loss from Disposition of Real Estate, Net of Tax | - | (850) | n/a | (7,468) | (850) | (88.6)% |
| Provision (Benefit) for Income Taxes | 54,890 | 3,774 | (93.1)% | (98,151) | 27,126 | n/a |
| FX (Gains) Losses[1] | 23,502 | 32,539 | 38.5% | 25,591 | 56,461 | n/a |
| Other (Income) Expense[2] | (994) | 2,707 | n/a | (2,604) | 3,138 | n/a |
| Interest Expense, Net | 63,220 | 65,135 | 3.0% | 187,733 | 196,120 | 4.5% |
| **Operating Income (Loss)** | **$141,476** | **$126,822** | **(10.4)%** | **$421,382** | **$401,258** | **(4.8)%** |
| Depreciation and Amortization | 89,194 | 86,492 | (3.0)% | 264,568 | 259,992 | (1.7)% |
| (Gain) Loss on Disposal/Write-Down of PP&E (excluding Real Estate), Net | 184 | (141) | n/a | 1,229 | 707 | (42.5)% |
| Recall Costs | - | 14,662 | n/a | - | 20,324 | n/a |
| REIT Costs | 4,537 | - | n/a | 18,585 | - | n/a |
| **Adjusted OIBDA** | **$235,391** | **$227,835** | **(3.2)%** | **$705,764** | **$682,281** | **(3.3)%** |

(1) Includes realized and unrealized FX (gains) losses
(2) Excludes realized and unrealized FX (gains) losses

# Reconciliation of Reported Earnings per Share to Adjusted Earnings per Share(1)

| | Q3 2014 | Q3 2015 | % Change | YTD 2014 | YTD 2015 | % Change |
|---|---|---|---|---|---|---|
| **Reported EPS - Fully Diluted from Continuing Operations** | **$ -** | **$ 0.11** | **n/a** | **$ 1.63** | **$ 0.56** | **(65.6)%** |
| Add: | | | | | | |
| Gain (Loss) on Disposal/Write-Down of PP&E (excluding Real Estate), Net | - | - | n/a | 0.01 | - | n/a |
| REIT Costs | 0.02 | - | n/a | 0.10 | - | n/a |
| Recall Costs | - | 0.07 | n/a | - | 0.10 | n/a |
| Other (Income) Expense, Net | 0.12 | 0.17 | 41.7% | 0.12 | 0.28 | n/a |
| Gain (Loss) on Sale of Real Estate, Net of Tax | - | - | n/a | (0.04) | - | n/a |
| Tax Impact of Reconciling Items and Discrete Tax Items | 0.21 | (0.04) | n/a | (0.72) | (0.05) | (93.1)% |
| **Adjusted EPS - Fully Diluted from Continuing Operations** | **$ 0.35** | **$ 0.31** | **(11.4)%** | **$ 1.10** | **$ 0.89** | **(19.1)%** |

(1) Adjusted EPS for 2015 reflects a structural tax rate of 16.5%, while 2014 results have been restated to reflect a structural tax rate of 16.3% for comparability with 2014, the year in which the company's conversion to a REIT became effective

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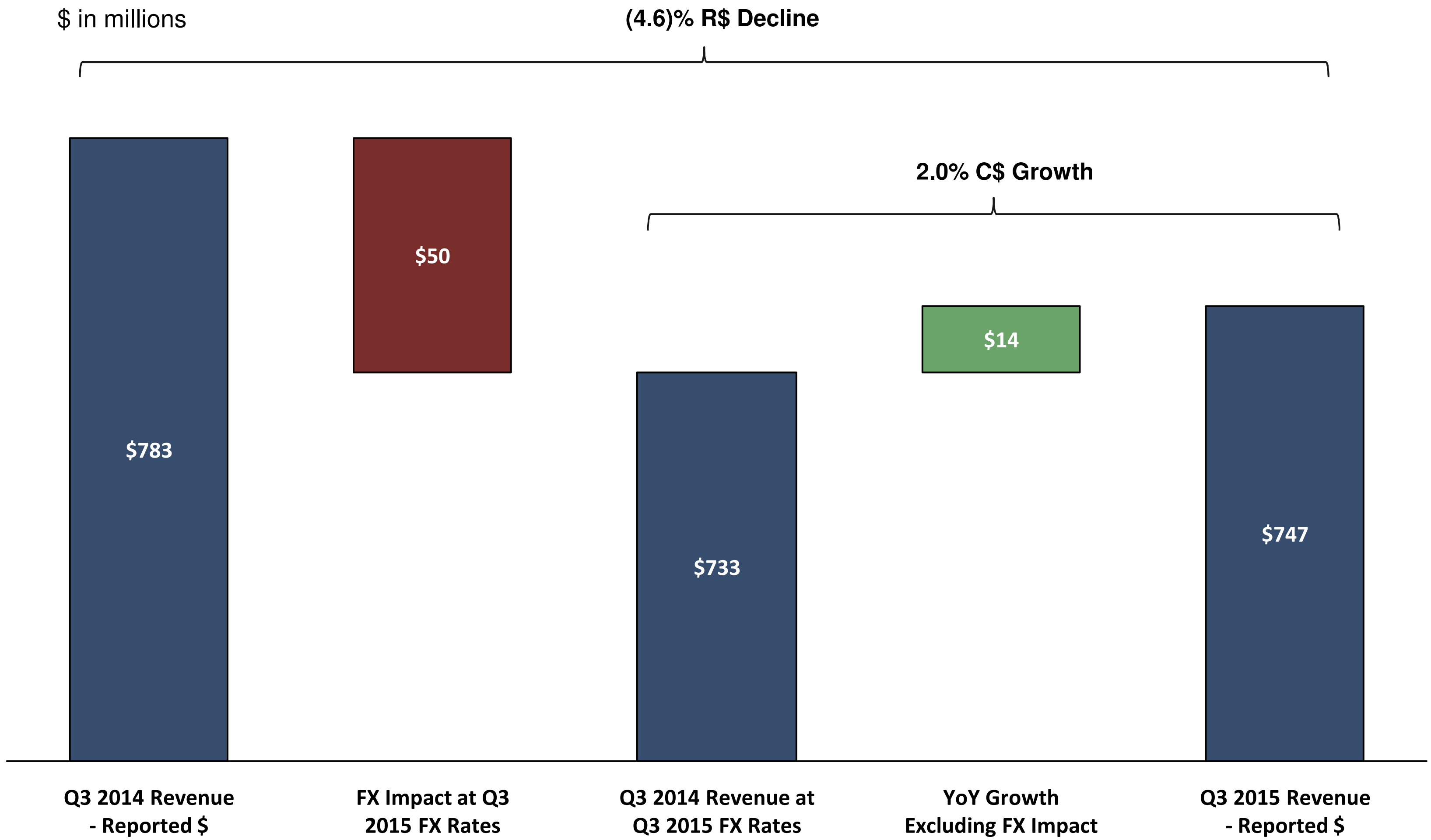
# Reconciliation of Net Income Attributable to IRM to FFO & AFFO

| | Q3 2014 | Q3 2015 | % Change | YTD 2014 | YTD 2015 | % Change |
|---|---|---|---|---|---|---|
| **Net Income Attributable to Iron Mountain** | **$66** | **$23,110** | **n/a** | **$313,370** | **$117,536** | **(62.5)%** |
| Add: | | | | | | |
| Real Estate Depreciation | 45,416 | 44,896 | (1.1)% | 137,742 | 134,454 | (2.4)% |
| (Gain) Loss from Disposition of Real Estate, Net of Tax | - | (850) | n/a | (7,468) | (850) | (88.6)% |
| **FFO Applicable to Iron Mountain (NAREIT)** | **$45,482** | **$67,156** | **47.7%** | **$443,644** | **$251,140** | **(43.4)%** |
| Add: | | | | | | |
| (Gain) Loss on Disposal/Write-Down of PP&E (excluding Real Estate), Net | 184 | (141) | n/a | 1,229 | 707 | (42.5)% |
| FX (Gains) Losses[1] | 23,502 | 32,539 | 38.5% | 25,591 | 56,461 | n/a |
| Other (Income) Expense[2] | (994) | 2,707 | n/a | (2,604) | 3,138 | n/a |
| Deferred Taxes and REIT Tax Adjustments[3] | 37,780 | (685) | n/a | (148,109) | (7,175) | (95.2)% |
| (Income) Loss from Discontinued Operations, Net of Tax | - | - | n/a | 938 | - | n/a |
| Recall Costs | - | 14,662 | n/a | - | 20,324 | 0.0% |
| REIT Costs | 4,537 | - | n/a | 18,585 | - | n/a |
| **FFO Applicable to Iron Mountain (Normalized)** | **$110,491** | **$116,238** | **5.2%** | **$339,274** | **$324,595** | **(4.3)%** |
| Add: | | | | | | |
| Non-Real Estate Depreciation | 31,344 | 30,585 | (2.4)% | 90,134 | 92,043 | 2.1% |
| Amortization Expense[4] | 14,269 | 13,093 | (8.2)% | 42,227 | 39,938 | (5.4)% |
| Non-Cash Rent Expense (Income)[5] | (1,937) | (572) | (70.5)% | (3,420) | (2,969) | (13.2)% |
| Non-Cash Equity Compensation Expense (Income) | 8,671 | 6,159 | (29.0)% | 23,129 | 20,936 | (9.5)% |
| Less: | | | | | | |
| Non-Real Estate Investment | 10,698 | 10,633 | (0.6)% | 33,464 | 34,956 | 4.5% |
| Real Estate and Non-Real Estate Maintenance CapEx[6] | 14,170 | 17,700 | 24.9% | 44,601 | 44,154 | (1.0)% |
| **AFFO Applicable to Iron Mountain** | **$137,970** | **$137,170** | **(0.6)%** | **$413,280** | **$395,433** | **(4.3)%** |
| **Per Share Amounts (Fully Diluted Shares)** | | | | | | |
| FFO Applicable to Iron Mountain (NAREIT) | $0.23 | $0.32 | 39.1% | $2.29 | $1.18 | (48.5)% |
| FFO Applicable to Iron Mountain (Normalized) | $0.57 | $0.55 | (3.5)% | $1.75 | $1.53 | (12.6)% |
| Weighted Average Common Shares Outstanding - Basic | 193,360 | 210,912 | 9.1% | 192,540 | 210,616 | 9.4% |
| Weighted Average Common Shares Outstanding - Diluted | 194,905 | 211,917 | 8.7% | 193,833 | 212,081 | 9.4% |

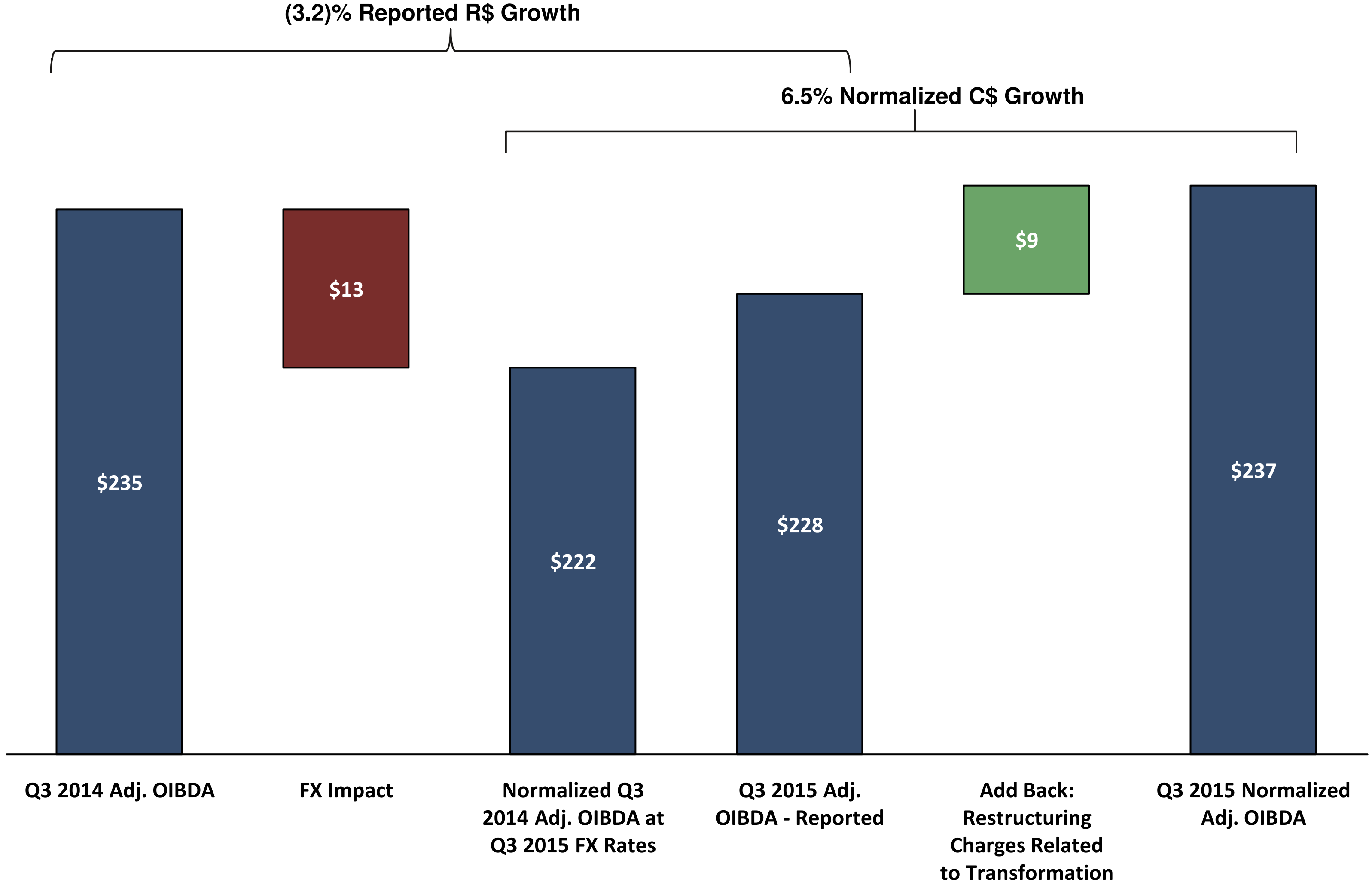
(1) Includes realized and unrealized FX (gains) losses
(2) Excludes realized and unrealized FX (gains) losses
(3) Includes repatriation, recapture (including amended return impact) and other current tax expenses; excludes normalized cash tax expense of $17,110 in Q3 2014 and $4,459 in Q3 2015 ($49,958 2014 and $34,301 2015 YTD respectively)
(4) Reflects amortization of customer acquisition intangibles, transportation and permanent withdrawal fees in addition to amortization of deferred financing charges
(5) Q3 2014 and 2015 non-cash rent expense (income) was adjusted to exclude cash receipts and other changes in deferred rent which did not have an impact on net income in such period
(6) Represents total maintenance capital expenditures, including maintenance capital expenditures related to real estate and non-real estate assets

# Quarterly Total Revenue Growth Bridge



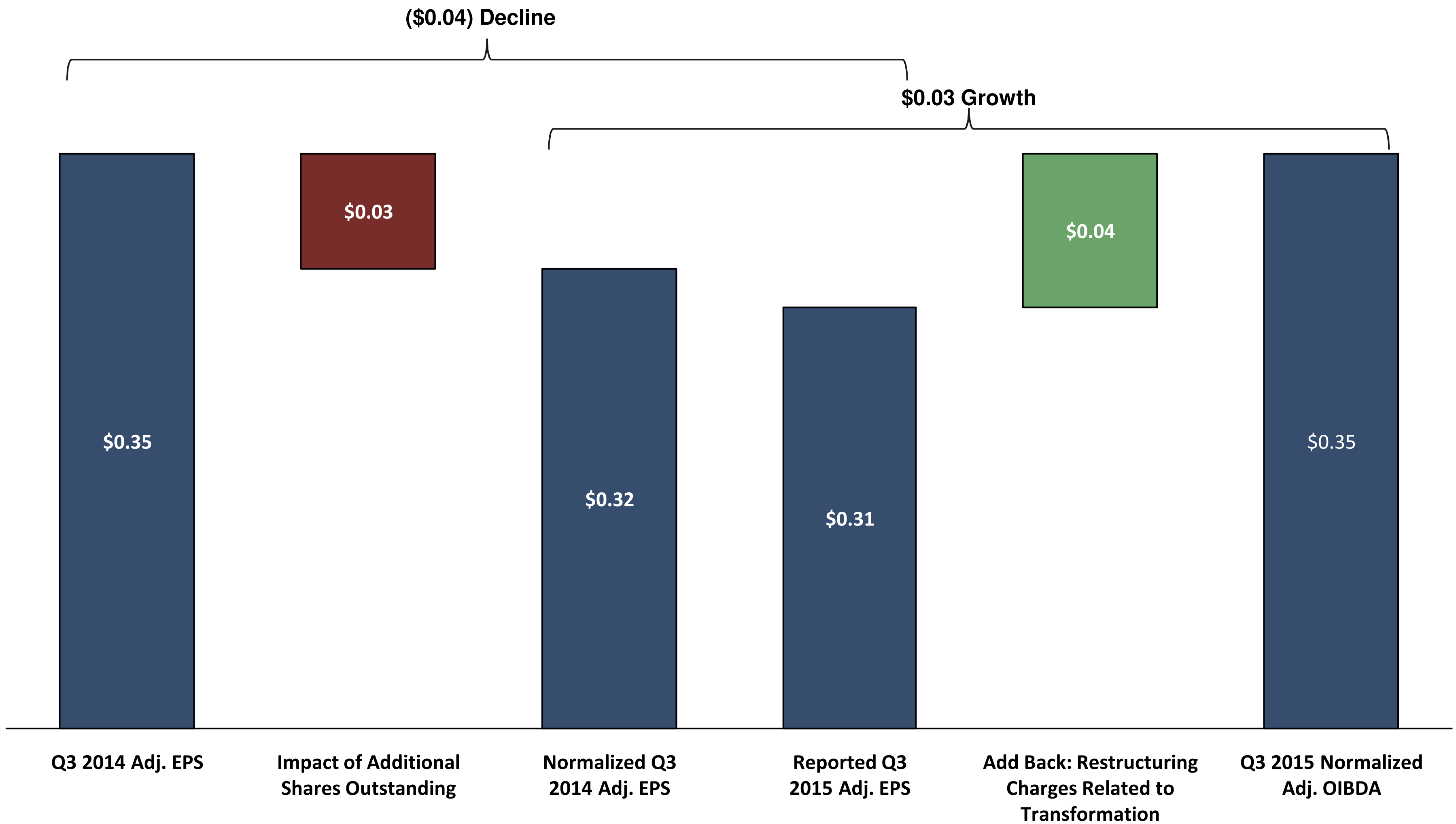

Figures may not foot due to rounding

# Quarterly Normalized Adjusted OIBDA Bridge




Figures may not foot due to rounding

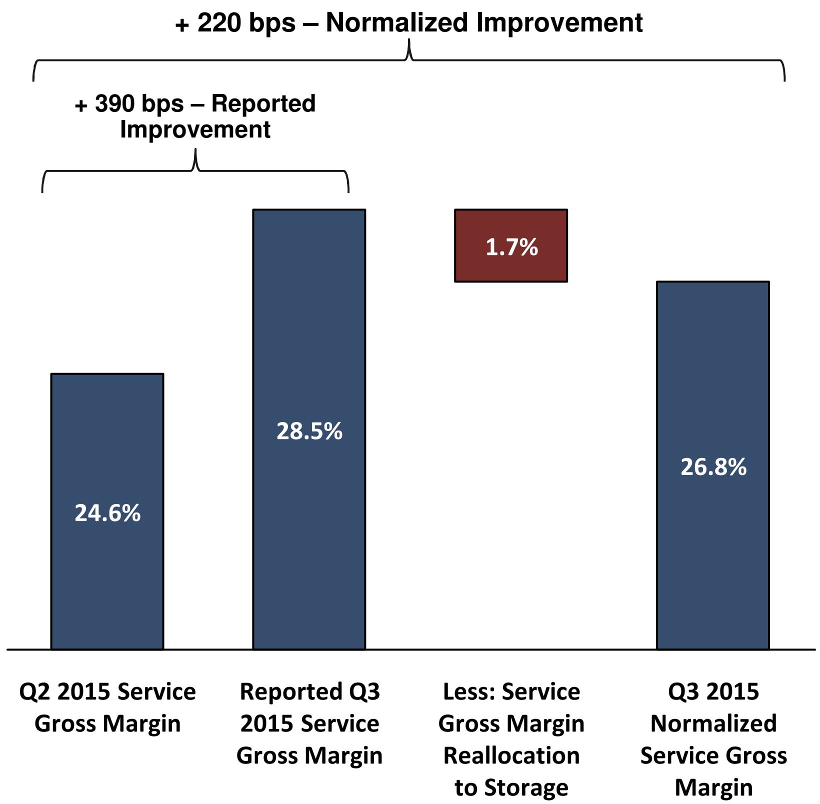
# Quarterly Normalized Adjusted EPS Bridge



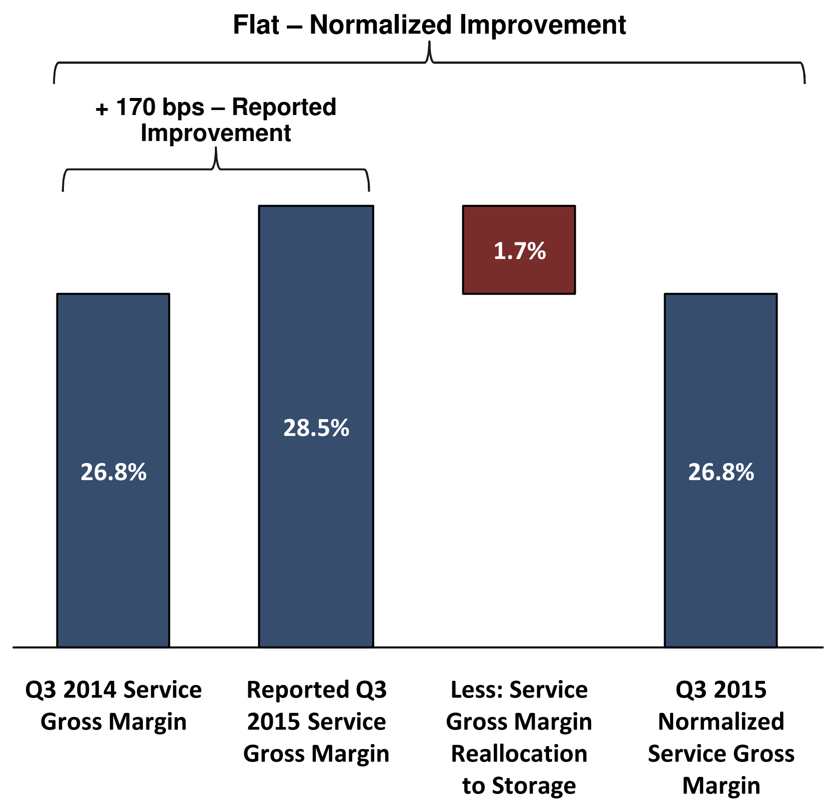

Figures may not foot due to rounding

# Quarterly Total Service Margin Bridge

## Service Gross Margin: Sequential Performance




## Service Gross Margin: Y-o-Y Performance




Q3 2015 Total Service Gross Margin is higher than forecasted at our Investor Day due to an accounting reallocation between service and storage.

# Reported $ Storage Net Operating Income (NOI)

| | Q3 2014 | Q3 2015 | % Change | YTD 2014 | YTD 2015 | % Change |
|---|---|---|---|---|---|---|
| **Revenue from Storage Rental Activities** | | | | | | |
| Records Management | $374,933 | $361,290 | (3.6)% | $1,115,193 | $1,088,926 | (2.4)% |
| Data Protection | 74,955 | 74,719 | (0.3)% | 223,859 | 224,613 | 0.3% |
| Other[1] | 19,176 | 24,043 | 25.4% | 55,790 | 66,594 | 19.4% |
| Total Storage Rental | 469,064 | 460,052 | (1.9)% | 1,394,842 | 1,380,133 | (1.1)% |
| Terminations/Permanent Withdrawal Fees | 7,049 | 6,897 | (2.2)% | 18,020 | 19,750 | 9.6% |
| **Total Revenue from Storage Rental Activities** | **$476,112** | **$466,949** | **(1.9)%** | **$1,412,862** | **$1,399,883** | **(0.9)%** |
| **Less: Storage Rental Expenses** | | | | | | |
| Facility Costs[2] | 100,316 | 102,206 | 1.9% | 308,946 | 304,287 | (1.5)% |
| Storage Rental Labor | 860 | 1,404 | 63.3% | 4,199 | 2,598 | (38.1)% |
| Other Storage Rental Expenses | 4,674 | 9,242 | 97.7% | 12,326 | 14,136 | 14.7% |
| Allocated Overhead[3] | 35,986 | 35,637 | (1.0)% | 106,762 | 107,432 | 0.6% |
| Total Storage Rental Expenses | 141,836 | 148,489 | 4.7% | 432,233 | 428,453 | (0.9)% |
| Storage Rent | 50,401 | 50,378 | (0.0)% | 152,630 | 149,301 | (2.2)% |
| **Storage Rental Expenses (excluding Storage Rent)** | **$91,435** | **$98,111** | **7.3%** | **$279,603** | **$279,152** | **(0.2)%** |
| | | | | | | |
| **Storage Net Operating Income** | **$384,677** | **$368,838** | **(4.1%)** | **$1,133,259** | **$1,120,731** | **(1.1%)** |
| Storage Net Operating Income Margin | 80.8% | 79.0% | -180 bps | 80.2% | 80.1% | -20 bps |
| | | | | | | |
| **Storage Gross Profit** | **$363,213** | **$347,200** | **(4.4)%** | **$1,069,371** | **$1,059,112** | **(1.0)%** |
| Storage Gross Margin | 77.4% | 75.5% | -190 bps | 76.7% | 76.7% | 0 bps |

(1) Includes Fulfillment Services, Document Management Services, Intellectual Property Management, Data Center, Entertainment Services and other ancillary services
(2) Includes Rent Expense, Building Maintenance, Property Taxes, Utilities and Insurance costs
(3) Refer to 'Components of Value' and appendix for overhead allocations and definitions

# Global Real Estate Portfolio[1]

**As of 6/30/2015 Adjusted[2]**

| | Owned Facilities | | Leased Facilities | | Total | |
|---|---|---|---|---|---|---|
| | Buildings | Sq. Ft. | Buildings | Sq. Ft. | Buildings | Sq. Ft. |
| **North America** | **184** | **20,124** | **496** | **30,347** | **680** | **50,471** |
| Europe | 53 | 2,776 | 186 | 7,338 | 239 | 10,113 |
| Latin America | 29 | 1,583 | 74 | 3,612 | 103 | 5,195 |
| Asia Pacific | 3 | 71 | 73 | 2,410 | 76 | 2,481 |
| **International** | **85** | **4,430** | **333** | **13,360** | **418** | **17,790** |
| **Total** | **269** | **24,554** | **829** | **43,707** | **1,098** | **68,261** |

**Q3 2015 Additions & Expansions**

| | Owned Facilities | | Leased Facilities[3] | | Total | |
|---|---|---|---|---|---|---|
| | Buildings | Sq. Ft. | Buildings | Sq. Ft. | Buildings | Sq. Ft. |
| **North America** | **5** | **247** | **3** | **95** | **8** | **342** |
| Europe | - | - | 8 | 108 | 8 | 108 |
| Latin America | - | - | - | - | - | - |
| Asia Pacific | - | - | 6 | 116 | 6 | 116 |
| **International** | **-** | **-** | **14** | **224** | **14** | **224** |
| **Total** | **5** | **247** | **17** | **319** | **22** | **566** |

**Q3 2015 Dispositions & Move Outs**

| | Owned Facilities | | Leased Facilities | | Total | |
|---|---|---|---|---|---|---|
| | Buildings | Sq. Ft. | Buildings | Sq. Ft. | Buildings | Sq. Ft. |
| **North America** | **-** | **-** | **(12)** | **(258)** | **(12)** | **(258)** |
| Europe | (4) | - | (6) | (131) | (10) | (131) |
| Latin America | - | - | (1) | (124) | (1) | (124) |
| Asia Pacific | - | - | (5) | (148) | (5) | (148) |
| **International** | **(4)** | **-** | **(12)** | **(403)** | **(16)** | **(403)** |
| **Total** | **(4)** | **-** | **(24)** | **(661)** | **(28)** | **(661)** |

**As of 9/30/2015**

| | Owned Facilities | | Leased Facilities | | Total | |
|---|---|---|---|---|---|---|
| | Buildings | Sq. Ft. | Buildings | Sq. Ft. | Buildings | Sq. Ft. |
| **North America** | **189** | **20,371** | **487** | **30,184** | **676** | **50,555** |
| Europe | 49 | 2,776 | 188 | 7,315 | 237 | 10,090 |
| Latin America | 29 | 1,583 | 73 | 3,489 | 102 | 5,072 |
| Asia Pacific | 3 | 71 | 74 | 2,378 | 77 | 2,449 |
| **International** | **81** | **4,430** | **335** | **13,181** | **416** | **17,611** |
| **Total** | **270** | **24,801** | **822** | **43,365** | **1,092** | **68,166** |
| **Total %** | **24.7%** | **36.4%** | **75.3%** | **63.6%** | | |

(1) Includes real estate held in joint ventures
(2) Adjustments to previous periods due to refinements to real estate basis and reclassification of multiple adjoining facilities into single buildings
(3) Out of the 17 leased building additions and expansions, 3 were the result of acquiring leases in business acquisitions and 8 were the result of short-term leases associated with customer acquisitions

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# Revenue from Rental Activities and Storage NOI per Racked Square Foot

## Square Footage by Region

| | As of September 30, 2015 | | | | |
|---|---|---|---|---|---|
| | North America | Europe | Latin America | Asia Pacific | Total |
| **Records Management Racked Space** | 38,247 | 7,084 | 3,393 | 1,530 | **50,254** |
| **Data Protection Racked Space** | 705 | 121 | 38 | 35 | **899** |
| **Other[(1)]** | 11,602 | 2,886 | 1,641 | 884 | **17,013** |
| **Total** | 50,555 | 10,090 | 5,072 | 2,449 | **68,166** |

## Annualized Revenue from Rental Activities and Storage NOI per Racked Square Foot[(2)]

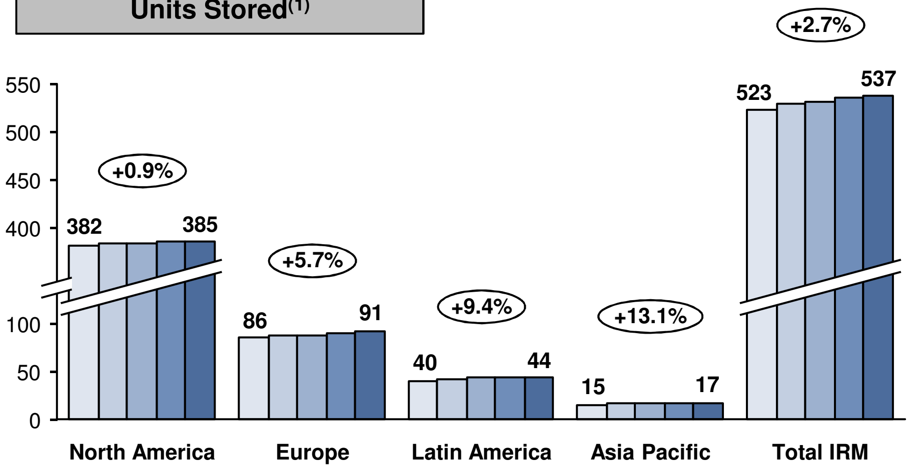
| | Q3 2015 Annualized | | YTD 2015 | |
|---|---|---|---|---|
| | Revenue | NOI | Revenue | NOI |
| **North America** | | | | |
| Records Management $ per Sq Ft | $27.61 | $22.55 | $27.65 | $22.44 |
| Data Protection $ per Sq Ft | $331.99 | $291.95 | $333.12 | $291.20 |
| **Europe** | $41.63 | $35.04 | $41.18 | $33.90 |
| **Latin America** | $36.54 | $31.20 | $38.39 | $33.34 |
| **Asia Pacific** | $32.75 | $24.67 | $33.10 | $25.51 |
| **Total** | **$34.09** | **$28.23** | **$34.24** | **$28.16** |

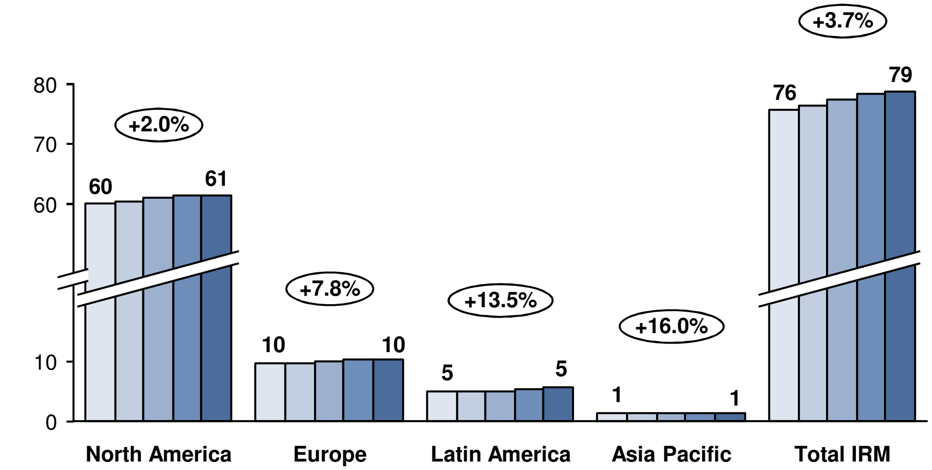
(1) Includes loading docks, unracked space, office space, common areas, as well as space in service-related facilities
(2) Excludes Revenue and NOI associated with Intellectual Property Management, Fulfillment Services, Data Center, Entertainment Services and other ancillary services

**Records Management Storage Portfolio (CuFt MM)**
**As of 9/30/2015**

**Data Protection Storage Portfolio (DPUs MM)**
**As of 9/30/2015**

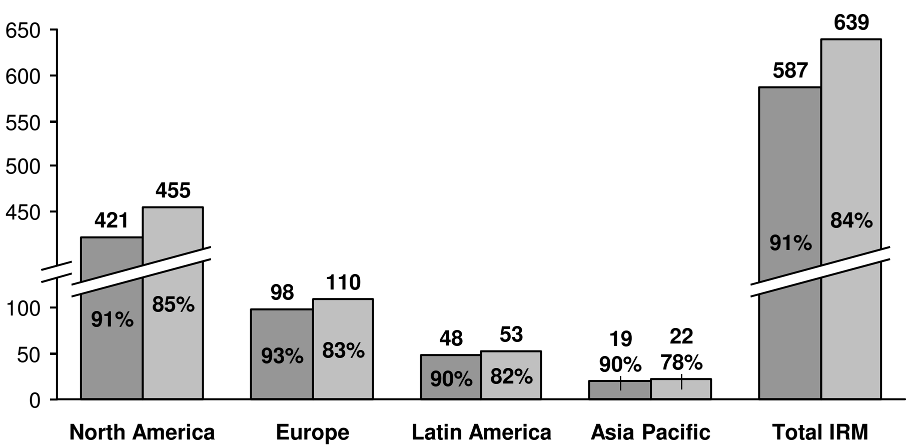
## Units Stored[1]

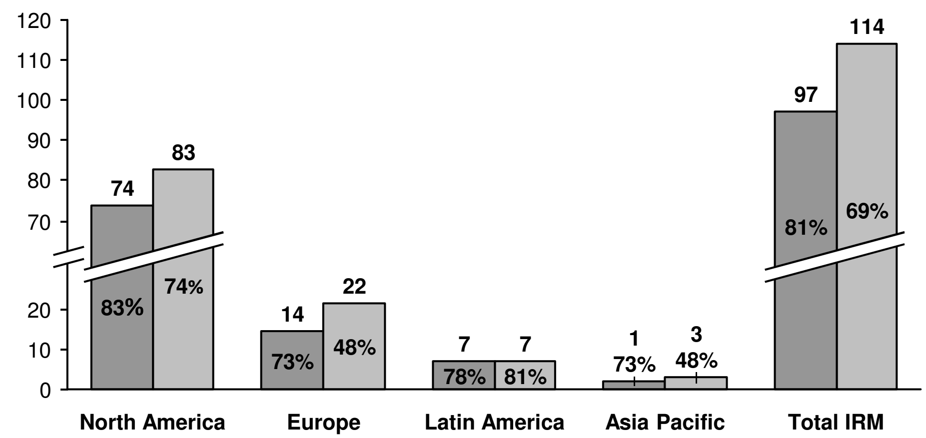



Q3 2014 | Q4 2014 | Q1 2015 | Q2 2015 | Q3 2015

## Capacity and Utilization[2] (%)




Q3 2015 Total Installed Racking Capacity | Q3 2015 Total Potential Building Capacity

(1) RM units stored includes cubic feet of storage in dedicated space leased to customers on a square foot basis; these dedicated space storage units are excluded from our RM volume growth chart on page 10
(2) Iron Mountain operates its storage business to achieve a desired utilization of between 94% – 98% to attain maximum operating efficiency

# Gross Book Value of Real Estate Assets

| | As of 9/30/2015 |
|---|---|
| **Real Estate Assets** | |
| **Storage Operations** | |
| Land | $198,492 |
| Buildings & Building Improvements | 1,425,467 |
| Leasehold Improvements | 415,448 |
| Racking | 1,440,540 |
| Construction In Progress | 54,231 |
| **Total Storage Gross Book Value** | **$3,534,178** |
| **Service Operations** | |
| Land | $7,309 |
| Buildings & Building Improvements | 16,115 |
| Leasehold Improvements | 36,199 |
| Racking | 110,302 |
| Construction In Progress | 2,599 |
| **Total Service Gross Book Value** | **$172,523** |
| **Total Real Estate Gross Book Value** | **$3,706,701** |
| **Non-Real Estate Assets** | |
| **All Other Non-Real Estate Assets Gross Book Value[1]** | **936,953** |
| **Total PP&E Gross Book Value** | **$4,643,654** |

(1) Includes warehouse equipment, vehicles, furniture, fixtures, computer hardware and software

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# Service Business Detail

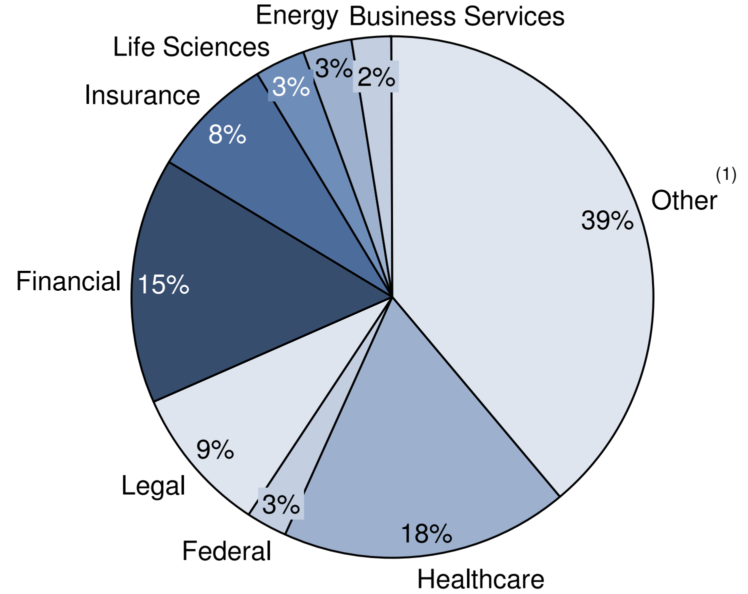
| | Q3 2014 | Q3 2015 | % Change | YTD 2014 | YTD 2015 | % Change |
|---|---|---|---|---|---|---|
| **Service Operations Revenue by Product Line** | | | | | | |
| Records Management | $159,482 | $143,758 | (9.9)% | $480,576 | $448,513 | (6.7)% |
| Data Protection | 50,333 | 42,971 | (14.6)% | 152,037 | 129,577 | (14.8)% |
| Shredding | 64,138 | 60,230 | (6.1)% | 194,377 | 178,494 | (8.2)% |
| Other[1] | 39,680 | 39,518 | (0.4)% | 117,883 | 118,832 | 0.8% |
| **Total Service Revenue** | **$313,633** | **$286,477** | **(8.7)%** | **$944,873** | **$875,416** | **(7.4)%** |

| | Q3 2014 | Q3 2015 | % Change | YTD 2014 | YTD 2015 | % Change |
|---|---|---|---|---|---|---|
| Service Revenues | $313,633 | $286,477 | (8.7)% | $944,873 | $875,416 | (7.4)% |
| Less: Terminations/Permanent Withdrawal Fees | 7,049 | 6,897 | (2.2)% | 18,020 | 19,750 | 9.6% |
| **Adjusted Service Revenue** | **$306,584** | **$279,580** | **(8.8)%** | **$926,853** | **$855,666** | **(7.7)%** |
| **Less: Service Expenses** | | | | | | |
| Facility Costs[2] | 7,649 | 2,819 | (63.2)% | 21,281 | 15,546 | (26.9)% |
| Service Labor | 165,273 | 157,501 | (4.7)% | 496,827 | 481,790 | (3.0)% |
| Other Service Expenses | 56,731 | 44,489 | (21.6)% | 164,030 | 147,238 | (10.2)% |
| Allocated Overhead[3] | 27,523 | 25,150 | (8.6)% | 82,703 | 76,733 | (7.2)% |
| **Total Service Expenses** | **257,176** | **229,958** | **(10.6)%** | **764,841** | **721,308** | **(5.7)%** |
| **Total Service Adjusted OIBDA** | **$49,409** | **$49,622** | **0.4%** | **$162,012** | **$134,358** | **(17.1)%** |
| **Total Service Adjusted OIBDA %** | **16.1%** | **17.7%** | **160 bps** | **17.5%** | **15.7%** | **-180 bps** |
| Service Rent | 2,448 | 1,945 | (20.5)% | 6,894 | 5,733 | (16.8)% |
| **Total Service Adjusted OIBDAR** | **$51,856** | **51,567** | **(0.6)%** | **168,905** | **140,091** | **(17.1)%** |
| **Total Service Adjusted OIBDAR %** | **16.9%** | **18.4%** | **150 bps** | **18.2%** | **16.4%** | **-190 bps** |
| **Total Service Gross Profit** | **$83,979** | **$81,668** | **(2.8)%** | **$262,734** | **$230,841** | **(12.1)%** |
| **Total Service Gross Margin** | **26.8%** | **28.5%** | **170 bps** | **27.8%** | **26.4%** | **-140 bps** |

(1) Includes Fulfillment Services, Document Management Services, Intellectual Property Management, Data Center, Consulting, Entertainment Services and other ancillary services
(2) Includes Building Maintenance, Property Taxes, Utilities and Insurance costs for shredding, imaging and other services
(3) Refer to 'Components of Value' and appendix for overhead allocations and definitions

Iron Mountain provides storage and information management services to more than 155,000 customers in 36 countries around the world. This high quality, diversified customer base comprising numerous industries and government organizations includes more than 92% of the Fortune 1000. No single customer represents more than 2% of revenues and our Top 20 customers have historically represented between 6% to 7% of consolidated revenues. Customer retention is consistently high with annual losses of roughly 3% (on a volume basis), attributable to customer terminations.

**North America Q3 2015 Trailing Twelve Months Revenue by Vertical**




| | YTD 2015 | FY 2014 | FY 2013 | FY 2012 |
|---|---|---|---|---|
| **Customer Quality Metrics** | | | | |
| Volume Retention Rate (RM Global) | 93.4% | 93.7% | 92.9% | 92.7% |
| Bad Debt Expense as a % of Consolidated Revenues | 0.7% | 0.5% | 0.4% | 0.3% |

| **Turnover Expenditures (Storage Only)** | Q3 2015 | YTD 2015 |
|---|---|---|
| Sales, Marketing & Account Management | 33,327 | 98,488 |
| Customer Acquisition Costs | 10,956 | 35,163 |

(1) No single vertical within 'Other' comprises greater than 1% of North America Revenue

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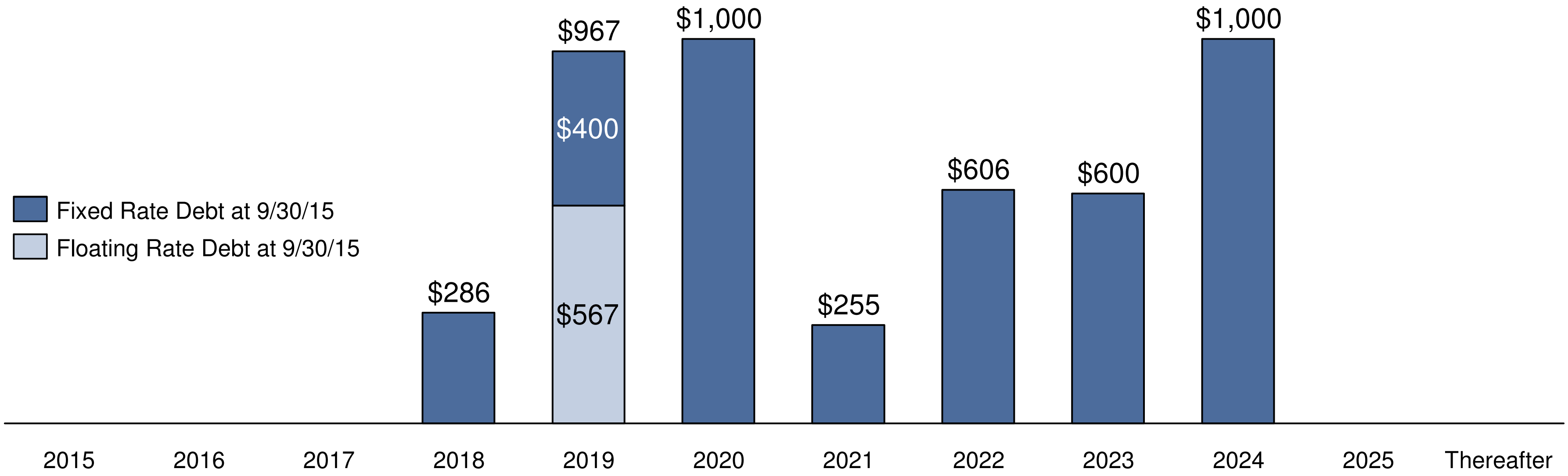
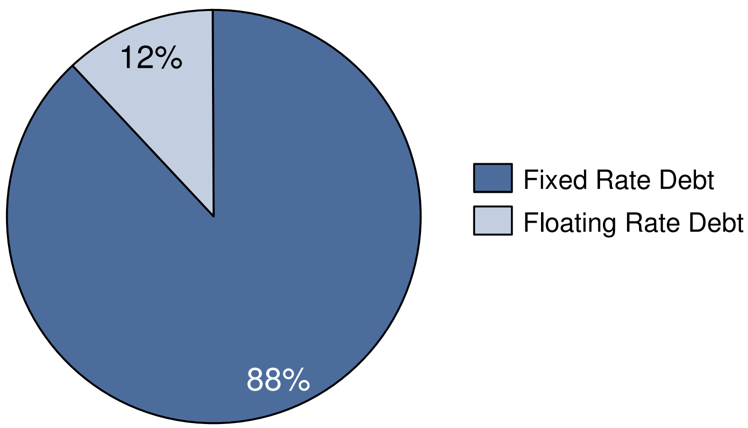
# Debt Schedule

## Senior, Unsecured & Subordinated Debt Maturity Schedule ($MM)(1)



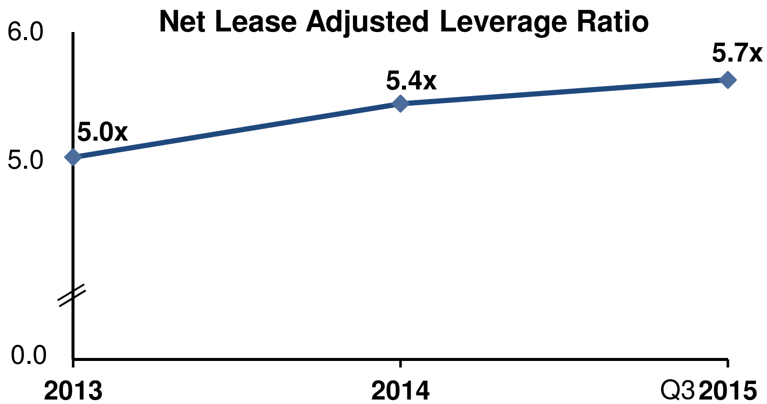

## Senior, Unsecured & Subordinated Fixed vs. Floating Rate Debt at 9/30/15(1)




(1) Includes our newly issued $1,000 million 6.00% 2020 notes but does not give the effect of redeeming $286 million of 2018 notes, $400 million of 2019 notes and $106 million of 2021 notes; each of which were called on 10/13/15.

| Senior Unsecured and Senior Subordinated Notes (as of 9/30/2015) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Type of Note | Subordinated (1) | Subordinated (1) | Unsecured | Subordinated (1) | Unsecured | Unsecured | Subordinated | Unsecured |
| Issuance Date | 1/15/07 | 9/20/11 | 8/13/13 | 8/10/09 | 9/18/14 | 8/13/13 | 8/7/12 | 9/29/15 |
| Denomination | EUR | USD | CAD | USD | GBP | USD | USD | USD |
| Original Principal Amount (FX Rate on Issue Date) | $329,792 | $400,000 | $193,720 | $550,000 | $654,960 | $600,000 | $1,000,000 | $1,000,000 |
| Exchange Rate at 9/30/2015 | 1.1217 | 1.0000 | 0.7462 | 1.0000 | 1.5155 | 1.0000 | 1.0000 | 1.0000 |
| Principal Amount at 9/30/2015 | $286,021 | $400,000 | $149,240 | $106,250 | $606,180 | $600,000 | $1,000,000 | $1,000,000 |
| Yield (on Issue Date) | 6.750% | 7.750% | 6.125% | 8.375% | 6.125% | 6.000% | 5.750% | 6.000% |
| Maturity Date | 10/15/18 | 10/1/19 | 8/15/21 | 8/15/21 | 9/15/22 | 8/15/23 | 8/15/24 | 10/1/20 |
| Current Call Price | 100.000 | 107.750 | N/A | 104.188 | N/A | N/A | N/A | N/A |
| Next Call Date | N/A | 10/1/15 | 8/15/17 | 8/15/16 | 9/15/17 | 10/15/18 | 8/15/17 | 10/1/17 |
| Next Call Price | 100.000 | 103.875 | 103.063 | 101.396 | 104.594 | 103.000 | 102.875 | 103.000 |

| Revolving Credit and Term Loan Facility (as of 9/30/2015) | |
|---|---|
| Capacity | $1,746,875 |
| Outstanding | $531,761 |
| Letters of Credit | $35,611 |
| Remaining Capacity | $1,179,503 |
| Interest Rate Spread (Prime) | 1.25% |
| Interest Rate Spread (LIBOR) | 2.25% |
| Weighted Average Interest Rate | 2.69% |
| Maturity Date | 7/3/19 |




| Revolving Credit Facility Debt Covenant Analysis (as of 9/30/2015) | | |
|---|---|---|
| **Metric** | **Limit** | **Current** |
| Fixed Charge Ratio | ≥ 1.5x | 2.3x |
| Net Total Lease Adjusted Leverage Ratio | ≤ 6.5x | 5.7x |
| Net Secured Lease Adjusted Leverage Ratio | ≤ 4.0x | 1.9x |

| Total Market Capitalization | |
|---|---|
| **# of Shares Outstanding at 9/30/2015** | 211,084 |
| Share Price at 9/30/2015 | $31.02 |
| Total Equity Value | $6,547,818 |
| Total Debt, Net of Cash (3) | $4,681,395 |
| **Total Market Capitalization** | **$11,229,213** |
| Net Debt to Total Market Capitalization | 42% |
| **Adj. OIBDA to Interest Expense** | **3.5x** |
| Total Market Capitalization to Adjusted OIBDA | 12.1x |

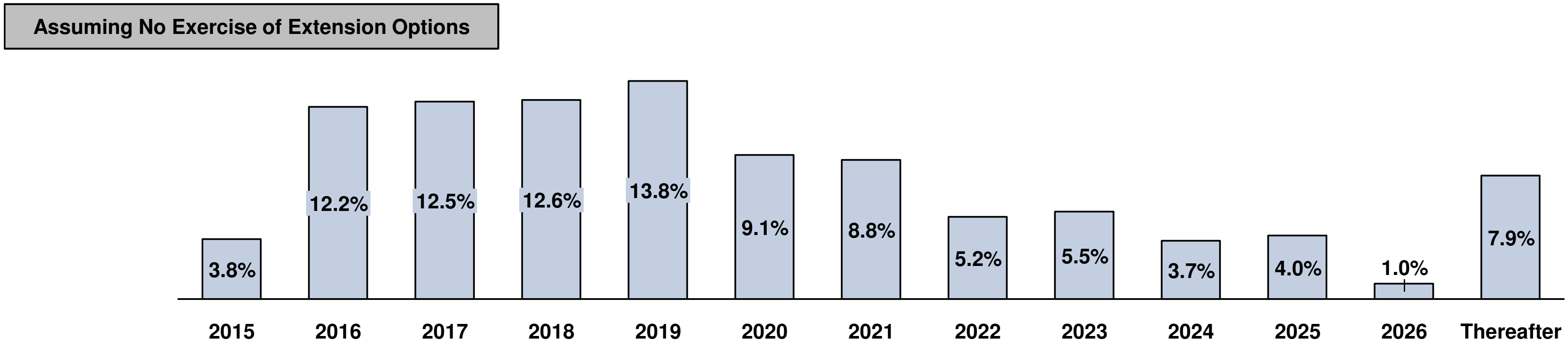
| Credit Ratings | | |
|---|---|---|
| | **S&P** | **Moody's** |
| Corporate | B+ | Ba3 |
| Senior | BB- | Ba3 |
| Unsecured (2) | B+ | Ba3 |
| Subordinated | B- | B2 |

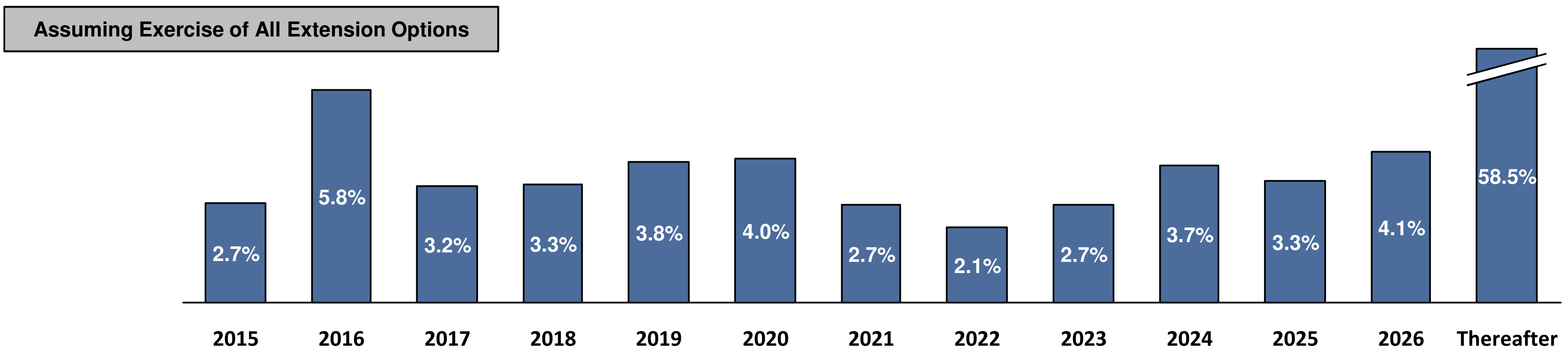
| Total Debt Weighted Average Rates (as of 9/30/2015) (4) | |
|---|---|
| Interest | 5.8% |
| Maturity | 5.9 years |

(1) All outstanding notes redeemed on 10/13/15
(2) CAD 6.125% 2021 notes are rated BB- by Standard & Poor's
(3) Debt net of cash is calculated as current portion of long-term debt of $254 million plus long-term debt net of current portion of $4,921 million less cash and equivalents of $493 million. Debt net of cash excludes letters of credit of $36 million.
(4) Includes our newly issued $1,000 million 6.00% 2020 notes, but does not give the effect of redeeming $286 million of 2018 notes, $400 million of 2019 notes and $106 million of 2021 notes

## Facility Lease Expirations

(% of total square feet subject to lease)




Weighted Average Remaining Lease Obligations (no exercise of extension options): 5.3 years
Weighted Average Remaining Lease Obligations (exercise of all extension options): 12.4 years

(1) Includes capital and operating lease obligations

# Investments (at C$ Budgeted Fx Rates)

## Real Estate Investment Activity

| Region | Total Expected Investment | Investment in Current Period | Cumulative Investment to Date | Estimated CuFt / DPUs | Historical Average NOI/CuFt or DPU[5] | Average Stabilization Period |
|---|---|---|---|---|---|---|
| **Racking Installations[1]** | | | | | | |
| North America | 25,037 | 7,525 | 19,151 | 7,671 | $2.16 | |
| Europe | 33,550 | 3,443 | 23,706 | 10,673 | $2.21 | |
| Latin America | 8,067 | 572 | 5,821 | 2,536 | $2.11 | |
| Asia Pacific | 5,060 | 390 | 4,217 | 2,285 | $2.08 | |
| **Worldwide** | **$71,713** | **$11,930** | **$52,896** | **23,165** | **$2.16** | **8 - 12 months** |

| Region | Total Expected Investment | Investment in Current Period | Cumulative Investment to Date | Total Potential CuFt / DPUs | Total Sq Ft | Historical Average NOI/CuFt or DPU[5] | Average Stabilization Period |
|---|---|---|---|---|---|---|---|
| **Building Development Projects[2]** | | | | | | | |
| North America | 15,689 | 4,583 | 9,212 | 545 | 464 | $2.16 | |
| Europe | 2,932 | 409 | 868 | 403 | 22 | $2.21 | |
| Latin America[3] | 40,265 | 82 | 21,217 | 7,828 | 388 | $2.11 | |
| Asia Pacific | 1,300 | 840 | 1,125 | 200 | 16 | $2.08 | |
| **Worldwide** | **$60,186** | **$5,914** | **$32,422** | **8,977** | **890** | **$2.16** | **24 - 36 months** |

| Region | Purchase Price | Total Sq Ft | Building CuFt Capacity | Building CuFt Utilization | Building DPU Capacity | Building DPU Utilization | Expected IRRs |
|---|---|---|---|---|---|---|---|
| **YTD 2015 Building Acquisitions[4]** | | | | | | | |
| North America | 32,261 | 763 | 4,996 | 84% | 393 | 70% | 9%-12% |
| Europe | - | - | - | - | - | - | - |
| Latin America | - | - | - | - | - | - | - |
| Asia Pacific | - | - | - | - | - | - | - |
| **Worldwide** | **$32,261** | **763** | **4,996** | **84%** | **393** | **70%** | **9%-12%** |

## YTD 2015 Business and Customer Acquisition and Disposition Activity

| | Business Investments | Business Dispositions |
|---|---|---|
| Purchase Price | $44,559 | $0 [4] |
| Capital Consideration | $18,764 | - |
| **Synergized Total Expected Investment** | **$63,323** | **$0** [4] |
| Estimated Annual Revenues | $20,791 | - |
| Expected IRR Range | 10% - 14% | - |

(1) Racking Installations excludes consolidation spend in Total Expected Investment, Investment in Current Period and Cumulative Investment to Date of $49.9 million, $4.6 million and $43.3 million respectively
(2) Building Development Projects excludes consolidation spend in Total Expected Investment, Investment in Current Period and Cumulative Investment to Date of $4.7 million, $0.6 million and $4.9 million respectively
(3) Includes a large building development project, with a longer than average stabilization period
(4) Not related to M&A
(5) In USD R$

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# Components of Value

| Components | Annualized NOI $ |
|---|---|
| **North America** | |
| Records Management | 862,438 |
| Data Protection | 205,925 |
| Other | 9,279 |
| **Europe** | 252,984 |
| **Latin America** | 106,377 |
| **Asia Pacific** | 38,349 |
| **Total Portfolio Storage NOI** | **$1,475,352** |
| Service Adjusted OIBDAR(1) | 195,066 |

| | Balance at 9/30/2015 |
|---|---|
| Cash, Cash Equivalents & Other Tangible Assets(2) | 1,228,298 |
| Quarterly Building & Racking Investment, not reflected in NOI | 17,844 |
| Business and Customer Acquisition Consideration | 44,559 |
| Less: | |
| Debt, Gross Book Value | 5,174,294 |
| Non-Controlling Interests | 12,573 |
| Annualized Rental Expense(3) | 209,292 |
| Estimated Tax Liability | 17,451 |

## Components of Overhead(4)

Total overhead costs have been allocated as follows:

| | Q3 2015 | YTD 2015 |
|---|---|---|
| Storage | $35,637 | $107,432 |
| Service | 25,150 | 76,733 |
| Corporate | 100,827 | 282,868 |
| Sales, Marketing, & Account Management | 54,080 | 160,959 |
| **Total Overhead** | **$215,693** | **$627,992** |

(1) Trailing four quarter prior to rental expense
(2) Includes Cash, Cash Equivalents, Restricted Cash, Accounts Receivable, Other Tangible Current Assets, Deferred Income Taxes and Prepaid Expenses
(3) Includes Storage and Service
(4) Includes Recall Costs

## Non-GAAP Measures

Non-GAAP measures are supplemental metrics designed to enhance our disclosure and to provide additional information that we believe to be important for investors to consider when evaluating our financial performance. These non-GAAP measures should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with accounting principles generally accepted in the Unites States of America ("GAAP"), such as operating or net income (loss) or cash flows from operating activities from continuing operations (as determined in accordance with GAAP).

***Adjusted Earnings Per Share, or Adjusted EPS***

Adjusted EPS is defined as reported earnings per share from continuing operations excluding: (1) (gain) loss on disposal/write-down of property, plant and equipment (excluding real estate), net; (2) (gain) loss on sale of real estate, net of tax; (3) intangible impairments; (4) Recall Costs; (5) REIT Costs; (6) other expense (income), net; and (7) the tax impact of reconciling items and discrete tax items. We do not believe these excluded items to be indicative of our ongoing operating results, and they are not considered when we are forecasting our future results. We believe Adjusted EPS is of value to our current and potential investors when comparing our results from past, present and future periods.

***Adjusted Funds From Operations Applicable to Iron Mountain, or AFFO***

AFFO is defined as FFO (Normalized) excluding non-cash rent expense or income, plus depreciation on non-real estate assets, amortization expense (including amortization of deferred financing costs) and non-cash equity compensation expense, less maintenance capital expenditures and non-real estate investments. We believe AFFO is a useful measure in determining our ability to generate excess cash that may be used for reinvestment in the business, discretionary deployment in investments such as real estate or acquisition opportunities, returning of capital to our stockholders and voluntary prepayments of indebtedness.

***Adjusted Operating Income Before Depreciation, Amortization, Intangible Impairments, and REIT Costs, or Adjusted OIBDA***

Adjusted OIBDA is defined as operating income before depreciation, amortization, intangible impairments, (gain) loss on disposal/write-down of property, plant and equipment, net (excluding real estate), Recall Costs (as defined below) and REIT Costs (as defined below). Adjusted OIBDA Margin is calculated by dividing Adjusted OIBDA by total revenues. We use multiples of current or projected Adjusted OIBDA in conjunction with our discounted cash flow models to determine our overall enterprise valuation and to evaluate acquisition targets. We believe Adjusted OIBDA and Adjusted OIBDA Margin provide our current and potential investors with relevant and useful information regarding our ability to generate cash flow to support business investment. These measures are an integral part of the internal reporting system we use to assess and evaluate the operating performance of our business.

## Non-GAAP Measures (continued)

### *Adjusted Operating Income Before Depreciation, Amortization, Intangible Impairments, and REIT Costs, or Adjusted OIBDA (continued)*

Adjusted OIBDA does not include certain items that we believe are not indicative of our core operating results, specifically: (1) (gain) loss on disposal/write-down of property, plant and equipment (excluding real estate), net; (2) (gain) loss on sale of real estate, net of tax; (3) intangible impairments; (4) Recall Costs (as defined below); (5) REIT Costs (as defined below); (6) other expense (income), net; (7) income (loss) from discontinued operations, net of tax; (8) gain (loss) on sale of discontinued operations, net of tax; and (9) net income (loss) attributable to noncontrolling interests. Adjusted OIBDA also does not include interest expense, net and the provision (benefit) for income taxes. These expenses are associated with our capitalization and tax structures, which we do not consider when evaluating the operating profitability of our core operations. Finally, Adjusted OIBDA does not include depreciation and amortization expenses, in order to eliminate the impact of capital investments, which we evaluate by comparing capital expenditures to incremental revenue generated and as a percentage of total revenues. Adjusted OIBDA and Adjusted OIBDA Margin should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with accounting principles generally accepted in the United States of America ("GAAP"), such as operating or net income (loss) or cash flows from operating activities from continuing operations (as determined in accordance with GAAP).

### *Funds From Operations Applicable to Iron Mountain, or FFO (NAREIT), and FFO (Normalized)*

Funds from operations (“FFO”) is defined by the National Association of Real Estate Investment Trusts ("NAREIT") and us as net income attributable to Iron Mountain Incorporated excluding (i) gain on sale of real estate, net of tax and (ii) depreciation on real estate assets (“FFO (NAREIT)”). FFO (NAREIT) does not give effect to real estate depreciation because these amounts are computed, under GAAP, to allocate the cost of a property over its useful life. Because values for well maintained real estate assets have historically increased or decreased based upon prevailing market conditions, we believe that FFO (NAREIT) provides investors with a clear view of our operating performance. Our most directly comparable GAAP measure to FFO (NAREIT) is net income attributable to Iron Mountain Incorporated. Although NAREIT has published a definition of FFO, modifications to FFO (NAREIT) are common among REITs as companies seek to provide financial measures that most meaningfully reflect their particular business. Our definition of FFO (Normalized) excludes certain items included in FFO (NAREIT) that we believe are not indicative of our core operating results, specifically: (1) (gain) loss on disposal/write-down of property, plant and equipment (excluding real estate), net; (2) intangible impairments; (3) Recall Costs; (4) REIT Costs; (5) other expense (income), net; (6) deferred income taxes and REIT tax adjustments; (7) income (loss) from discontinued operations, net of tax; and (8) gain (loss) on sale of discontinued operations, net of tax.

### *Service Adjusted OIBDA*

Service Adjusted OIBDA is calculated by taking service revenues excluding terminations and permanent withdrawals less direct expenses and allocated overhead tied to the service business. Terminations and permanent withdrawals are excluded from this calculations as they are included in the Storage NOI calculation.

## Non-GAAP Measures (continued)

***Service Adjusted OIBDAR***

Service Adjusted OIBDA as defined above, excluding rent expense associated with the service business. This is provided to enable valuation of Service Adjusted OIBDA irrespective of whether the company's properties are leased or owned. Related rent expense is provided in the Components of Value slide.

***Storage Net Operating Income, or Storage NOI***

Storage NOI is defined as revenue from rental activities (storage rental revenue, termination fees and permanent withdrawal fees) less storage rental costs.  Storage rental costs include facility costs (excluding rent), storage rental labor, other storage costs and allocated overhead. Storage NOI is commonly used in the REIT industry and enables investors to understand and value the income generated from the company's real estate. Rent expense is excluded to enable valuation of this income irrespective of whether the company's properties are leased or owned. Related rent expense is provided in the Components of Value slide.

## Definitions

**Average Stabilization Period** – For racking projects, the stabilization period is 8 to 12 months. For new buildings it is 24 to 36 months, assuming phased racking installations over three years. For business acquisitions it is 12 to 24 months, depending on the size of the transaction.

**Building Development Projects** – The construction of new facilities, or three-wall additions, including all initial and future racking installations.

**Business Segments**

**North American Records and Information Management Business (“RIM”)** – Storage and information management services throughout the United States and Canada, including the storage of paper documents, as well as other media such as microfilm and microfiche, master audio and videotapes, film, X-rays and blueprints, including healthcare information services, vital records services, service and courier operations, and the collection, handling and disposal of sensitive documents for corporate customers (“Records Management”); information destruction services (“Destruction”); DMS; Fulfillment Services; and Intellectual Property Management.

**North American Data Management Business (“DM”)** – Storage and rotation of backup computer media as part of corporate disaster recovery plans throughout the United States and Canada, including service and courier operations (“Data Protection & Recovery”), server and computer backup services, digital content repository systems to house, distribute, and archive key media assets, and storage, safeguarding and electronic or physical delivery of physical media of all types, primarily for entertainment and media industry clients.

**Western Europe** – Records Management, Data Protection & Recovery and DMS throughout the United Kingdom, Ireland, Norway, Austria, Belgium, France, Germany, Netherlands, Spain and Switzerland. Until December 2014, our Western European Business segment offered Destruction in the United Kingdom and Ireland.

**Other International Business** – Storage and information management services throughout the remaining European countries in which we operate, Latin America and Asia Pacific, including Records Management, Data Protection & Recovery and DMS. Our European operations included within the Other International Business segment provide Records Management, Data Protection & Recovery and DMS. Our Latin America operations provide Records Management, Data Protection & Recovery and DMS throughout Argentina, Brazil, Chile, Colombia, Mexico and Peru. Our Asia Pacific operations provide Records Management, Data Protection & Recovery and DMS throughout Australia, with Records Management and Data Protection & Recovery also provided in certain cities in India, Singapore, Hong Kong-SAR and China. Until December 2014, our Other International Business segment offered Destruction in Australia.

**Corporate and Other** – Consists of our data center business in the United States, the primary product offering of our Emerging Businesses segment, as well as costs related to executive and staff functions, including stock-based employee compensation expense associated with all Employee Stock-Based Awards, as well as costs associated with finance, human resources and information technology, which benefit the enterprise as a whole. These costs are primarily related to the general management of these functions on a corporate level and the design and development of programs, policies and procedures that are then implemented in the individual segments, with each segment bearing its own cost of implementation.

## Definitions (continued)

### Capacity Measures

*Building Capacity* – The maximum number of cubic feet of records or standard DPUs that can be stored in a given facility.

*Building Capacity Utilization* – The number of cubic feet of records or standard DPUs in storage divided by the Building Capacity.

*Installed Racking Capacity* – The storage capacity of the racking installed in a given facility. Capacity is generally measured in cubic feet or standard DPUs.

*Installed Racking Capacity Utilization* – The number of cubic feet of records or standard DPUs in storage divided by the Installed Racking Capacity.

**Capital Expenditures and Investments** – Our business requires capital expenditures to support our expected storage rental revenue and service revenue growth and ongoing operations, new products and services and increased profitability. The majority of our capital goes to support business line growth and our ongoing operations. Additionally, we invest capital to acquire or construct real estate. We also expend capital to support the development and improvement of products and services and projects designed to increase our profitability. These expenditures are generally relatively small and discretionary in nature. We categorize our capital expenditures as follows:

**Real Estate:**

*Investment* – These expenditures are primarily related to investments in land, buildings, building improvements, leasehold improvements and racking structures that expand our revenue capacity in existing or new geographies, replace a long-term operational obligation or create operational efficiencies.

*Maintenance* – These expenditures are primarily related to the purchase or replacement of real estate assets such as buildings, building improvements, leasehold improvements and racking structures.

**Definitions (continued)**

**Capital Expenditures and Investments (continued)**

**Non-Real Estate:**

*Investment* – These expenditures support either (i) the growth of our business, and/or increase our profitability by investing in either supporting assets such as customer-inventory technology systems, and technology service storage and processing capacity, or (ii) they are directly related to the development of new products or services in support of our integrated value proposition and enhancements that support our leadership position in the industry, including items such as increased feature functionality, security upgrades or system enhancements.

*Maintenance* – These expenditures are primarily related to the replacement of customer-facing assets such as containers and shred bins, warehouse equipment, fixtures, computer hardware, or third-party or internally-developed software assets. This category also includes operational support initiatives such as sales and marketing and information technology projects to support infrastructure requirements.

**Components of Overhead**

*Allocated Overhead* **–** Includes overhead expenses directly associated with storage and service business operations allocated as follows:

Field Operation Costs – Allocated to storage and service operations based on percent of revenue.

Bad Debt Expenses – Allocated to storage and service operations based on percent of revenue.

Transportation Costs – Allocated fully to service operations.

*Corporate Overhead* **–** Includes all other overhead expenses associated with business support functions, including: Executive, Legal, Real Estate/Facilities, Accounting, Financial Performance & Analysis, Treasury, Tax, Internal Audit, M&A, Security, Procurement, HR, REIT, Other G&A, Integration Costs, IT, Product Engineering and Product Management.

*Customer Turnover Overhead* – Overhead associated with customer acquisition and retention including Sales, Marketing and Account Management expenses.

**Constant Dollar Growth (C$)** – The year-over-year growth rate excluding the impact of changes to foreign currency exchange rates. Constant currency growth rates are calculated by translating the 2014 results at the 2015 constant dollar budget rates.

**Cumulative Investment to Date** – Total spend to date since project approval.

**Definitions (continued)**

**Destruction Rate** – Calculated by dividing the total number of cubic feet of records removed from inventory due to destructions in a one-year period divided by the total number of cubic feet of records in storage at the beginning of the period.

**DPUs –** Data protection units, a unit of measurement specific to our Data Protection storage services.

**Estimated CuFt** / **DPUs** – Estimated based on expected growth and consolidation, resulting from moving boxes from one facility to another.

**Historical Average NOI** / **CF or DPU –** The quarterly annualized Storage NOI for a specific region (NA, Europe, Latin America, Asia Pacific) and product (Records Management or Data Protection).

**Internal Revenue Growth** – Internal revenue growth represents the year-over-year growth rate of revenues excluding the impacts of changes to foreign currency exchange rates, acquisitions and other unusual items. In general, only acquisitions that have been in our results for the full calendar year prior to the quarter of measurement are included in internal revenue growth.

**Investment in Current Period** – Spend within the quarter being reported.

**Lease Adjusted Leverage Ratio** – The calculation for this ratio is EBITDA plus rent expense divided by net debt including the capitalized value of lease obligations.

**Net Volume Growth –** New Records Management storage volume from existing customers, plus volume from new customers and volume from acquisitions, offset by volume related to destructions, permanent withdrawals and customer terminations. Quarterly percentages are calculated by dividing the trailing four quarters' total activity by the ending balance of the same prior-year period.

**Non-Cash Rent Expense** – Calculated as rent expense less cash paid for rent**.**

**Permanent Withdrawal Rate** – Calculated by dividing the total number of cubic feet of records removed from inventory due to permanent withdrawals in a one-year period divided by the total number of cubic feet of records in storage at the beginning of the period. Permanent withdrawals occur when records are permanently removed from inventory by customers for reasons other than the customer terminating its relationship.

**Racking Installations –** Defined as any incremental racking spend on buildings constructed or operated prior to January 1, 2014. Racking projects are tracked from first dollar spent until completion, which is defined as when the first box is entered into storage. Racking spend on buildings constructed subsequent to January 1, 2014 is included in Building Development Projects.

**Recall Costs** – Includes costs associated with our proposed acquisition of Recall, including costs to complete the acquisition (including advisory and professional fees) as well as costs to integrate Recall with our existing operations (including moving, severance, facility upgrade, REIT conversion and system upgrade costs).

**Definitions (continued)**

**REIT Costs –** Includes costs associated with our 2011 proxy contest, the previous work of the former Strategic Review Special Committee of the board of directors and costs associated with the Company's conversion to a REIT, excluding REIT compliance costs beginning January 1, 2014 which we expect to recur in future periods.

**REIT Countries –** Countries where we operate that have been converted into a Qualified REIT Subsidiary and Taxable REIT Subsidiary structure, the group includes the following: Australia, Canada, Germany, Ireland, Mexico, Netherlands, Poland, Spain, United Kingdom and the United States.

**Service Profit and Margin** – The Gross Profit and Margin attributable to the worldwide service business. Calculated as follows:

Services Adj. OIBDA
\+ Allocated Overhead Expenses
\+ Termination and Permanent Withdrawal Fees
= **Service Profit ($)**
/ Total Service Revenues (including Termination and Permanent Withdrawal Fees)
= **Service Margin (%)**

**Storage Profit and Margin** – The Gross Profit and Margin attributable to the worldwide storage business. Calculated as follows:

Storage Net Operating Income
\+ Allocated Overhead Expenses
\- Storage Rent
\- Termination and Permanent Withdrawal Fees
= **Storage Profit ($)**
/ Total Storage Revenues (excluding Termination and Permanent Withdrawal Fees)
= **Storage Margin (%)**

**Tangible Assets** – Includes PP&E, cash and cash equivalents, restricted cash, accounts receivable, deferred income taxes, and prepaid expenses.

**Total Expected Investment –** Is defined as follows:

*Total Expected Investment for Racking Installations* – The sum of expected investments for all approved racking projects, reported on a constant dollar basis.

*Total Expected Investment for Building Development Projects* – The sum of expected investments for all approved building projects, including the expected costs to fully outfit the building with racking, reported on a constant dollar basis.

**Volume Retention Rate** – One minus the result of dividing the total number of cubic feet of records removed from inventory due to customer terminations in a one-year period by the total number of cubic feet of records in storage at the beginning of the period.