

— PARTICIPANTS

Corporate Participants

Melissa Marsden – Senior Vice President-Investor Relations, Iron Mountain, Inc.

William Leo Meaney – President, Chief Executive Officer & Director, Iron Mountain, Inc.

Stuart B. Brown – Chief Financial Officer & Executive Vice President, Iron Mountain, Inc.

Other Participants

Kevin McVeigh – Analyst, Deutsche Bank Securities, Inc.

Andrew Charles Steinerman – Analyst, JPMorgan Securities LLC

George K. F. Tong – Analyst, Piper Jaffray & Co.

Shlomo Rosenbaum – Analyst, Stifel, Nicolaus & Co., Inc.

Justin P. Hauke – Analyst, Robert W. Baird & Co., Inc. (Broker)

Karin Ford – Analyst, MUFG Securities America, Inc.

— MANAGEMENT DISCUSSION SECTION

Operator: Good morning, and welcome to the Iron Mountain Fourth Quarter 2016 Earnings Conference Call. All participants will be in listen-only mode. [Operator Instructions] After today's presentation, there will be an opportunity to ask questions. Please note this event is being recorded.

I would now like to turn the conference over to Melissa Marsden, Senior Vice President of Investor Relations. Please go ahead.

Melissa Marsden, Senior Vice President Investor Relations

Thank you, Denise. And welcome, everyone to our fourth quarter 2016 earnings conference call. You may have noticed that we've modified our reporting to include a short slide presentation that will be referenced during today's prepared remarks. The user controlled slides are available on our Investor Relations site along with the link to today's webcast. You can find the presentation at www.ironmountain.com under About Us/Investors/Events & Presentations. Alternatively, you can access today's financial highlights press release, the presentation, and the full supplemental financial information together in one PDF file by going to investors.ironmountain.com and look under Financial Information.

On this morning's call, we will first hear from Bill Meaney, Iron Mountain's CEO who will discuss highlights and progress toward our strategic initiatives, followed by Stuart Brown, our CFO, who will cover financial results and guidance. After our prepared remarks, we will open up the phones for Q&A.

Referring now to page two of the presentation, today's call, this slide presentation and our supplemental financial information, will contain forward-looking statements most notably our outlook for 2017 financial and operating performance. All forward-looking statements are subject to risks and uncertainties. Please refer to today's press release, the earnings commentary, the Safe Harbor language on this slide, and our most recently filed Annual Report on Form 10-K for a discussion of the major risk factors that could cause our actual results to differ from those in our forward-looking statements. In addition, we use several non GAAP measures when presenting our financial results

and the reconciliations to these measures as required by Reg G are included in the supplemental financial information.

With that, Bill, would you please begin?

William Leo Meaney, President, Chief Executive Officer & Director

Thank you, Melissa, and good morning, everyone. We're pleased to be reporting a solid fourth quarter and full year results for 2016. Before I discuss in more detail our results, I want to point out that both the quarter and the year witnessed major progress on continuing as well as enhancing the durability of our business. This has been marked by continued strong internal volume and revenue growth before all acquisitions in our developed or mature markets.

Moreover, we further extended our business model into the faster and higher growth emerging markets. Additionally, we continue to building on our brand and reputation, serving 940 of the Fortune 1000 companies through our growth and expansion in Adjacent Businesses. A major support to all three pillars of durability has been the transformative nature of the Recall acquisition where we are ahead of plan in most areas. This transformative acquisition is having a major impact on both the financial and strategic goals of our company.

Turning to a more detailed overview of our progress in these areas, total revenue, adjusted EBITDA and core storage fundamentals were in line with our expectations, both on an internal and total basis. Notably, our adjusted EBITDA margins expanded more than 50 basis points, a sequential improvement over Q3, reflecting continued margin expansion as a result of Recall acquisition synergies and our Transformation Initiative, whilst integrating the historically lower margin Recall business. We also achieved storage internal revenue growth in Q4 of nearly 3%, internal volume growth was also positive in all storage segments and averaged 1.7% for the quarter. New volume from existing customers of more than 30 million cubic feet was consistent with the past few years, demonstrating the consistency of customer behavior related to storage of new regulatory and legal documents. In short, we maintained our focus even in the midst of the Recall integration related activity.

Stuart will have more shortly on our updated guidance for the year, which reflects consistent performance, expectations for the core business fundamentals, continued strong growth in high-single to low-double digits on an internal basis in our Adjacent Businesses and our Other International segment, which excludes Australia, updated foreign exchange expectations, the expected impact from the reinvestment of some Transformation savings into innovation and further efficiency initiatives, and our expected cash available to support distributions and growth investment.

Returning to our overall summary, slide 4 is a quick review of progress against our 2020 strategic plan during the year. In developed markets, which includes both North America RIM and our Western European segment, we continued to drive positive storage rental internal growth for the year with 1.9 million cubic feet of internal volume growth on a trailing 12-month basis. In terms of our progress of expanding our business model into faster growing emerging markets, we are just shy of 18% of total revenue on a 2014 constant dollar basis, a major improvement from over 10% just three years ago. Year-over-year progress was also supported by our other transactions in four additional new countries. In addition, we acquired tuck-in businesses in existing markets in Western and Eastern Europe that strengthened our market positions there.

In Adjacent Businesses, we achieved strong topline growth in our data center business where we continued to see attractive complementary opportunities. In October, we broke ground on our 80-acre site in Northern Virginia, which remains one of the strongest data center markets in the country. We expect to bring the first of four buildings online in the third quarter, and once fully built

out, this site will more than quadruple our existing capacity. Whilst the construction is under way, we continue to see good momentum and are managing the development of new space in our underground data center in Boyers, Pennsylvania, to address both new customer demand as well as growth from existing customers.

Between our Boston facility and the underground data centers in Boyers and Kansas City, we continue to see internal growth in excess of 20% in this business area, albeit off a relatively small base. We also solidified our leadership position in art storage with two tuck-ins during the year, Fairfield and Cirkers. We continue to see opportunities for consolidation in this storage market segment.

Combining expansion in both Emerging Markets as well as Adjacent Businesses, we made good progress in 2016 with shifting our revenue mix in line with our 2020 plan goals as you can see on slide 5. As we noted in the past, we have an objective to reach 25% of total revenues from our higher growth portfolio. Supported by the acquisition of Recall, we are now quite close to 20% of our mix coming from these businesses. As I mentioned, our guidance includes M&A and near double-digit organic growth to support this transition, both in Emerging Markets as well as in Adjacent Businesses. As this shift progresses, we expect to see faster EBITDA growth and expansion in ROIC.

Turning to progress on the benefits from Recall integration on slide 6, as we noted last quarter, we've gotten off to a great start with integrating Recall's business and implementing actions that enabled us to achieve synergies faster than our original expectations. The integration has gone well. Our cultures were similar, thus enabling us to quickly combine teams and advancing a number of objectives that were key to achieving the synergies. As you can see, the financial impact is flowing through very strongly, and we are early in seeing some of the potential for further benefit in having by far the leading global platform.

Our guidance assumes \$80 million of net synergies to be realized in 2017, and roughly \$65 million of that was included in our 2016 exit rate. Overall, when combined with the \$100 million of cumulative benefits from our total \$125 million Transformation Program, we expect to generate a \$180 million of combined savings impact for 2017, with roughly \$20 million of that to be reinvested into innovation and shared service efficiency programs. I'll have more on that shortly.

Turning to Transformation on slide 7, when we started this effort in mid-2015, our three decades of acquisitions had left us with overly complex reporting structures, overlapping teams and processes and overhead costs that had ballooned to more than 28% of sales. That was four to five percentage points higher than most companies our size and breadth. So, we committed to further reduce our overhead by 2018 and to transform our teams and processes to enable us to work faster and more efficiently. We've made a lot of good progress to-date entering 2017 with our overhead as a percentage of sales including Recall at just under 25%, and excluding Recall at 24%. We have plans to derive this next \$25 million of Transformation benefit from moving to a new model for delivering HR, finance, and IT functions.

Moving forward, each of these functions will leverage best-in-class shared service providers to scale their service to our business partners around the world. Doing so allows us to retain cash for reinvestment and dividends without compromising our goal of having global excellence or centers-of-excellence. For example, the transformation of our finance function will include implementing a single finance system across the world to improve the consistency of our reporting and processes.

Similarly, the HR team's globalization effort will include implementing a standard people management system across the business. These shifts will require an investment this year that will slightly exceed the in-year benefits of our Transformation Program, which is reflected in our guidance. We expect this work to take the better part of this year with timelines varying by function and country. Stuart will have more in a few minutes on the impact of this on 2017 guidance.

The pace of our progress in Integration and Transformation can be seen in the year-over-year comparisons of financial performance on slide 8. Whilst the weighted average increase in our shares outstanding for 2016 relative to 2015 is roughly 16.5%, our growth in revenue, adjusted EBITDA, and AFFO exceed the growth in share count. Additionally, we increased our quarterly dividend per share by 13% in the fourth quarter so the majority of this improvement is going directly to shareholders without compromising future growth.

Switching gears for a moment on slide 9, we've all seen the linkage between rising interest rates and REIT public market valuations. And cycles have shown in the past that rising interest rates and rising inflation often go hand in hand. Given that we are a real estate company generating the majority of our profits from rental related activity, we believe we are unique among REITs in our ability to pass through inflation in the form of upward-only CPI type escalators in our contracts.

As our storage gross margins are 75%, the CPI escalators on our rental income have a positive and compound effect on margins, especially during periods of high inflation. Additionally, when we do have the opportunity to leverage inflation, it happens more quickly than for a typical REIT as we have shorter duration storage rental contracts on average of three years for large customers and one year for small customers, which allows for more timely price adjustments.

Furthermore, a portion of our customers have auto renewal contracts for which we implement quarterly pricing contracts or changes on a rolling basis that are tied to CPI. And I would note that the shorter term rental contracts are balanced against our average box age of 15 years coupled with 98% customer retention. So, the average customer stays with us for 50 years, supporting durability of the rental income stream.

In terms of rising interest rates, we don't generally see an impact on customer storage requirements, and the net operating income we derive from storage related activities doesn't change if the market value of the underlying real estate fluctuates. Our storage internal revenue growth has less variability than the same-store NOI and other real estate sub-sectors as we demonstrated during the great financial crisis, or GFC. Lastly, effective control of real estate through long term leases with multiple extension options means we aren't as impacted by fluctuations in the value of underlying real estate.

Before I turn the call over to Stuart, I'd like to say a few words of how we think about investing in new products and innovation. You may have seen our news a couple weeks ago that Fidelma Russo will join us as Chief Technology Officer in mid March. We are very excited to have Fidelma coming on board from Dell EMC, where she served as Senior Vice President and General Manager for the technology company's Enterprise Storage and Software business, one of the largest units of the EMC business. This is a new position that we're creating to respond to our customers who are increasingly asking us for enhanced solutions to their needs around information storage and data extraction.

In a sentence, our innovation efforts are focused on customer solutions and processes that can further strengthen our differentiation and support growth in service and storage. We have discussed some of these items previously and look forward to sharing more of these with you at Investor Day on the April 20. Fidelma will build upon the strong momentum established by our existing technology team lead by Tasos Tsolakis.

I'd like to thank Tasos for all he's done for our company over the years. Tasos transformed our IT function into a strategic enabler for the business. And over the last several years, he led our business improvement initiatives, most recently being the integration of Recall and our Transformation Program. Tasos has delivered enormous value in his time here and he leaves behind a highly capable team. We thank Tasos for his contributions and we wish him continued success in his future endeavors.

In summary, 2016 was a very good year with solid execution on all three pillars of our strategic plan as well as closing and successfully integrating Recall, making Iron Mountain the most global of information management companies. All of these accomplishments in the near term support increased sustainable cash flow and our ability to grow the dividend consistently, whilst continuing to de-lever, and even more importantly, longer term, they provide us with an enhanced strategic position.

With that, I'd like to turn the call over to Stuart.

Stuart B. Brown, Chief Financial Officer & Executive Vice President

Thank you, Bill, and good morning, everyone. I'm excited to be reporting on another strong quarter and the continued success of our operations team to grow our customer base and control costs. Before diving into the details, let me first quickly cover a couple of administrative items. To simplify our reporting, we have made certain terminology and definition changes.

First, we are no longer using the term adjusted OIBDA and have replaced it with adjusted EBITDA. It's purely a terminology change. The measurement itself and historical numbers remain the same. EBITDA is easier for me to pronounce and simpler for new investors following the company. Second, we tweaked our future AFFO definition. Beginning in the first quarter of 2017, we will eliminate the deduction of discretionary growth capital, which we refer to as innovation investment as well as add back all depreciation and amortization, which will be more consistent with how other REITs treat certain non-cash adjustments. More detailed explanations of these changes are on slide 17 of this presentation.

Let's now turn to results. Our 2016 performance was generally in line with expectations as a result of the tremendous effort by the organization to successfully integrate Recall while delivering on our Transformation Initiative as Bill discussed.

Before diving into the details, let me walk you through the key financial results of the quarter. First, we achieved strong internal storage rental revenue growth of 2.9% excluding Recall and other smaller acquisitions. This is up from 2.1% in the third quarter, reflecting solid underlying business fundamentals and continued volume growth across all major markets. Second, we very effectively enhanced our profitability. Adjusted EBITDA margins improved to 31.7% with storage and service gross margin improvement, reflecting benefits from both Transformation and Recall synergies. Third, the integration of Recall continued on track, and we entered 2017 with a \$65 million annual run rate of net synergies toward our target of \$80 million to be realized in the year.

Now, let me quickly review our full year 2016 results compared to our guidance on slide 10. Both on a reported dollar basis and on a 2016 constant dollar basis, performance was generally within the ranges of our guidance. The 2016 constant dollar budget rate was set in January 2016 and currency changes had a minor positive benefit in our reported results compared to budgeted rates. Revenue both on a reported basis and a 2016 constant dollar basis was squarely within guidance. AFFO came at the high end of our expectations as we leveraged our scale and optimized our capital expenditures. Approximately 80% of the capital expenditure reductions were permanent as we implemented more cost effective solutions or eliminated spending, while the remainder was deferred into 2017.

On a constant dollar basis, adjusted EBITDA was within our range despite the lower overall profitability of the legacy Recall business. As we mentioned on prior calls, pre-acquisition, Recall had a lower margin profile compared to Iron Mountain's base business. Going forward, we continue to believe that we can optimize the legacy Recall business and bring it in line with our profitability levels. Adjusted EPS for the full year came in slightly below our guidance range due primarily to

real estate depreciation, which does not impact FFO or AFFO being non-cash. Re-negotiations of several legacy Recall leases resulted in shorter asset lives than expected. Therefore, real estate depreciation was higher than anticipated.

Let's now turn to slide 11 which shows our key financial metrics. Fourth quarter top-line growth of 24.2% was driven by acquisitions and strong internal storage revenue growth, slightly offset by foreign exchange headwinds compared to a year ago.

The fourth quarter total revenue growth rate was slightly lower than the third quarter, reflecting divestitures. The internal storage rental growth in the fourth quarter of 2.9% was driven primarily by net internal records management volume growth of 1.7%. Internal volume growth was positive in all of our major markets.

Service revenues increased 24.8% in the fourth quarter, but declined 0.9% on an internal basis primarily due to declines in transportation and handling activities as well as Western European service projects. As we've highlighted in previous calls, service business growth rates can fluctuate as on a relatively small base and our mix is shifting towards more project-based revenues. We continue to focus on sustaining and gradually improving gross profits as services are complementary to our core records management and data storage businesses.

The growth in adjusted EBITDA for the fourth quarter was driven by top line growth and acquisition benefits. In addition, we continued to benefit from our Transformation Initiative and Recall synergies. As a result, we've improved our adjusted EBITDA margins sequentially and year-over-year. Fourth quarter adjusted EBITDA margins improved from the third quarter by 50 basis points to 31.7%. Year-over-year, adjusted EBITDA margins increased 10 basis points as we effectively leveraged SG&A costs despite headwinds from Recall's lower gross profit margin.

The total gross profit margin continued to trend positively from Q3 as we realized Recall synergies and optimized operations. Compared to a year ago, the fourth quarter gross margin declined due to the mix of Recall's lower margins. Recall's gross margins as we've highlighted had higher rent expense, as pre-acquisition, at least close to 90% of their facilities. However, we were able to capture overhead efficiencies to more than offset this gross margin decline resulting in the expansion of adjusted EBITDA margins.

Let's turn quickly to slide 12 to cover financial performance by segment for the quarter. Before speaking to specific performance, it's important to understand the relative size of each segment and its contribution to the results. The pie chart on this slide shows the relative size of revenue to each business segment, split by storage and service. Storage provided more than 80% of our fourth quarter adjusted gross profit, while service provided less than 20%. While we continue to innovate on new service offerings for our customers, it is important to keep in mind the impact of service declines and increases.

For example, North American data management service revenues are less than 4% of total revenues, so the overall North America data management business continues to be highly profitable with increasing margins. In North America records and information management or RIM, internal storage rental revenue growth continued to be strong. This performance was driven by price improvement and volume growth. The improvement we saw in the North American internal service revenue was partly driven by the on-boarding of a large retail customer in the shred business for whom we began providing ongoing destruction services in over 10,000 locations. In North America data management, we saw strong internal storage rental growth revenue of 3%, reflecting an improvement from the third quarter. However, service internal growth declined due to the ongoing reduction of tape rotation as we discussed previously. The adjusted EBITDA margin in North America DM increased over last year to 54.4%.

The internal storage rental revenue growth in Western Europe has also improved from the third quarter. However, revenues were impacted by certain contract renegotiations that we mentioned on prior earnings calls. The Western European adjusted EBITDA margin declined year-over-year due to Recall's lower margin business, overhead costs which are not yet fully synergized and a reduction in service project revenue compared to a year ago. In the Other International segment, which now includes the larger legacy Recall Australian business, we continued to see strong storage and service internal revenue growth and improving margins.

Before turning to our outlook for 2017, let me quickly touch on the composition of our global business. The first two pie charts on slide 13 reflect our revenue and adjusted EBITDA composition by U.S. dollar and other currencies based on fourth quarter results, which includes Recall's more global business. As you can see, roughly 60% of worldwide revenues are generated in the U.S., and importantly close to 70% of adjusted EBITDA is in U.S. dollars. Therefore, the impact of foreign exchange fluctuations may be more muted on adjusted EBITDA than many realize.

Also, we have matched our foreign-denominated debt to create natural currency hedges to mitigate translation exposure, while also being tax efficient. As of year-end, 23% of our debt was in non-U.S. currencies.

Let's turn to guidance for 2017 as summarized on page 14 of the deck. Our outlook for business trends and fundamentals remains unchanged. We expect storage rental growth of 2% to 2.5% and solid growth in our emerging markets and adjacent businesses. We refined 2017 guidance from our preliminary outlook presented in November due to negative currency impacts and finalizing our back-office shared service initiatives and innovation-related plans. Our guidance is now based on 2017 constant dollar budget rates, which reflects and holds constant January 2017 exchange rates.

Next year, we plan to issue initial guidance in connection with our fourth quarter earnings call consistent with many of our peers. Our 2017 guidance also reflects the full-year impact of divestitures of legacy Iron Mountain businesses in Australia and Canada, which represent a full-year impact of approximately \$47 million in revenues.

Please note that 2017 guidance excludes Recall integration cost of approximately \$135 million. For full-year 2017, at the midpoint, we expect adjusted EBITDA to grow by 17.5% with adjusted EBITDA margins expanding about 200 basis points to around 33%. We remain confident with the Recall synergy expectations as we continue to successfully integrate the two businesses. Further, our guidance assumes we invest about \$20 million in operating costs associated with innovation initiatives and global shared services programs that Bill mentioned. So not all of the savings from our Transformation program will flow through to the bottom line. These extra costs are expected to disproportionately hit the first quarter given our kickoff of the shared service programs.

Please note that due to the rapid integration with Recall, it is difficult to isolate integration benefits from Transformation benefits, so we'll be reporting these benefits together through the improvement in our overall adjusted EBITDA margins. Also, I'd like to point out that we will no longer be guiding to FFO as we believe AFFO is more representative of the cash generation characteristics of our operating businesses and provides a better measure for dividend coverage. In 2017, AFFO is expected to grow by 11.5% at the midpoint compared to 2016 supporting our dividend growth. Included in AFFO is the expectation that maintenance capital expenditures and non-real estate investments will be between \$150 million and \$170 million.

Regarding allocation of capital to real estate ownership, we plan on optimizing our real estate portfolio through capital recycling. This means funding purchases through selling buildings in non-strategic locations while cap rates are at near all-time lows, and using the proceeds to purchase properties in more strategic locations. These types of programs enable us to take advantage of market pricing opportunities, enhance our utilization, and ensure we own properties in key markets. Our strategy remains to invest where the value creation is most compelling and reflects the best

use of capital which generates the highest returns. Our guidance also assumes that we invest \$160 million to \$180 million in business acquisitions and acquisitions of customer relationships primarily building market share as we consolidate in our emerging markets.

Turning to slide 15 and our cash available for distribution and investments, or CAD; for 2017, we expect CAD to cover our anticipated full-year dividend, required capital expenditures, core growth racking, and a portion of our discretionary investments. As a result, inherent in our guidance is an assumption that we would have approximately \$125 million of capital available after funding the dividend to support core growth racking and other discretionary value-creating investments, and require \$200 million of external funding for the remainder excluding Recall costs.

Shifting briefly to the balance sheet, we had liquidity of nearly \$1 billion at year-end and a lease adjusted debt ratio of 5.7 times, which was in line with expectations. In the short-term, given the timing and proceeds of divestitures and investments related to innovation and shared services, we expect our leverage ratio to remain above long-term targeted levels and then trend down as we fully realize the synergies and Transformation benefits and continue internal growth.

Overall, we are pleased with our 2016 performance and with the progress we've made integrating Recall and executing on Transformation. Looking ahead, we are confident that we are well positioned to deliver on our financial projections for the year. Our expectations are underscored by the durability of our high-margin storage rental business, and we're extending that durability through solid execution of our strategic plan, including capitalizing on value-creating growth investments and optimizing our costs and capital expenditures.

With that, I'll turn the call over to Bill for closing remarks before Q&A.

William Leo Meaney, President, Chief Executive Officer & Director

Thanks, Stuart. And before opening up for Q&A, I'd like to reiterate that we are pleased with our performance in what was a very eventful yet positive year for the company. We successfully integrated Recall. We achieved strong performance in the business with solid operating fundamentals, and are excited by further opportunities in both emerging markets and the adjacent business area.

Our guidance for this year calls for solid gains in revenue, EBITDA, and AFFO, and that we expect will drive durable cash flow to support investment for both long-term growth as well as consistent increases in our quarterly dividend in line with our earlier expectations. We look forward to updating you on our multiyear plan at our upcoming Investor Day on April 20.

With that, operator, I'd like to open up to questions please.

QUESTION AND ANSWER SECTION

Operator: Thank you, sir. [Operator Instructions] And your first question will be from Kevin McVeigh of Deutsche Bank. Please go ahead.

<Q – Kevin McVeigh – Deutsche Bank Securities, Inc.>: Great, thank you. Great job on the quarter. Hey, the internal growth's really strong at 2.9% bringing the full-year to 2.3%. Wanted to figure out how Recall factors into that. And then I know it's not included in. When it does, is that what kind of causes the range of 2% to 2.5% for 2017 appreciating. It's up from 2.3% for 2016 overall, but is 2% to 2.5%, how do we think about that relative to the 2.9% you put up in Q4 and again really nice job there.

<A – Bill Meaney – Iron Mountain, Inc.>: Okay. Thanks, Kevin, and welcome back.

<Q – Kevin McVeigh – Deutsche Bank Securities, Inc.>: Thanks, Bill. Great to be back.

<A – Bill Meaney – Iron Mountain, Inc.>: So you've got it right on the head, Kevin. So, basically, just to be clear, the internal growth is calculated on excluding Recall, right.

<Q – Kevin McVeigh – Deutsche Bank Securities, Inc.>: Okay.

<A – Bill Meaney – Iron Mountain, Inc.>: So it is purely internal growth. But, at the same time, it's including as the business has gone through the course of the year, it's including internal growth on the acquired portion of the Recall business. So that's why we're guiding next year for the 2%, 2.5% because the denominator will change in terms of that calculation. So you're right, it's very strong performance in the growth in the fourth quarter, but the denominator will change slightly in terms of the calculation going into 2017. So the guidance range is between 2%, 2.5%.

<Q – Kevin McVeigh – Deutsche Bank Securities, Inc.>: Got it. That's super helpful. And then in terms of how should we think about overall CapEx with maintenance being kind of \$150 million to \$170 million, as we think about the business overall, are we getting to a point where the total percentage starts to come down as you become more efficient in consolidation and things like that?

<A – Stuart Brown – Iron Mountain, Inc.>: Hey, Kevin, this is Stuart.

<Q – Kevin McVeigh – Deutsche Bank Securities, Inc.>: Hey, Stuart.

<A – Stuart Brown – Iron Mountain, Inc.>: Yeah, over time it will. We still in 2017 will have a little bit I'll call it of above-average run rate. Some of that's just due to the maintenance that we've got on some of the Recall facilities that are flowing through in 2016 and 2017 and then after that it should be trending down.

<Q – Kevin McVeigh – Deutsche Bank Securities, Inc.>: Awesome. And thanks again, congrats.

<A – Bill Meaney – Iron Mountain, Inc.>: Thanks.

Operator: The next question will be from Andrew Steinerman of JPMorgan. Please go ahead.

<Q – Andrew Steinerman – JPMorgan Securities LLC>: Good morning. It's Andrew. I think you zipped through North America RIM storage number real quick. 1.9% growth for the quarter and 1% for the year really is kind of a record level of growth for that segment. It might sound glacial, but you haven't done 1% organic in North America in RIM storage since 2012, and so just it feels like there's some momentum in that business. Do you agree with that assessment?

<A – Bill Meaney – Iron Mountain, Inc.>: Yeah, look, I think – good morning, Andrew. I think it is a fair – you probably know, I'm kind of always a glass-is-half-empty person focusing on what we have to do rather than what we've done. But, no, I think the North American team has made some really good progress, both on the volume side and on the pricing side, so I think it's starting to flow through. But there's always more that we can do, but I think you're right. I think they've done a nice job. And as you know, nothing happens really fast in this business. In fairness, it's not something that they've done in the last quarter or the last year. It's something that they've been doing over the last three years.

<Q – Andrew Steinerman – JPMorgan Securities LLC>: Okay. And could you just make a quick comment about 2017 for services organic, will that be close to flat this year?

<A – Stuart Brown – Iron Mountain, Inc.>: Yeah, Andrew. Yeah, that will be close to flattish. Again, you've got to remember, the service internal growth doesn't really have as big an impact as it flows through to gross profit in the bottom line, but flattish – it will be plus or minus 1% to 2%.

<Q – Andrew Steinerman – JPMorgan Securities LLC>: Okay. Thank you.

Operator: The next question will be from George Tong of Piper Jaffray. Please go ahead.

<Q – George Tong – Piper Jaffray & Co.>: Hi, thanks. Good morning. You are achieving Recall net synergies faster than you originally expected. Can you discuss where the upside in synergies is coming from? And if you see room for your original synergy targets to go higher?

<A – Bill Meaney – Iron Mountain, Inc.>: Okay. Good morning, George. Well, first of all, I think we are getting, as you pointed out, faster and I think we talked about that on the Q3 call. I think it really comes down to, first of all, before especially being a public takeover, to take over a public company, our level of diligence before we could close the deal was limited, right. So we had to make certain assumptions and we tend to be conservative in those assumptions until we actually can open the barn door, so to speak, and see what's there. So the good news is that we have been able to execute a lot harder and lot faster in terms of getting the synergies than what we had forecasted based on really almost publicly available data or very limited diligence. So that's the good news. And it sets us up well for 2017 where our target is \$80 million and we already had \$65 million exit rate in 2016.

In terms of getting more, we're still working through the upside. As we've always said, we do expect that there will be additional synergies coming out of this acquisition and we always consider that most likely or most probably in the real estate segment, and we're continuing to pick through that. The good news is some of that may come through quicker because of the shorter leases that we pointed out, but it still has to be a location-by-location basis. So we're not forecasting an uptick in the overall synergies at this point, but we're pleased by the progress we've made so far.

<Q – George Tong – Piper Jaffray & Co.>: Got it. That's helpful. You indicated plans to reinvest \$20 million of your combined \$180 million in Recall synergies and Transformation savings for 2017. Can you elaborate on these investments and when you might expect to see benefits?

<A – Bill Meaney – Iron Mountain, Inc.>: Okay. It's a good point. I think that any continuous improvement – think of Transformation as a continuous improvement program. It's any of those things that you would expect that you're going to reinvest when you have the right opportunities into the business. But it is fair to say that the first tranches of the Transformation program flowed straight through to the bottom line. So the two areas that we're investing: one of them think about getting the last \$25 million of the Transformation benefits or the continuous improvement benefit is associated with shared services in our IT and HR and finance functions. And that's going to require some double running while we transition to new service providers in those areas and some upfront investments. So that's one part of that \$20 million is that we will have some double running cost

during 2017, which will effectively mean that \$25 million of next tranche of Transformation benefit won't be self funding in the year, right. So that's part of it.

And then the other part of it is in line with bringing Fidelma onboard to further accelerate what we've been doing over the last couple years and investing more in technology on behalf of our customers so that they can get more out of the information that we're storing for them. You'll see some of that on Investor Day, some of the investments that we're making and what we call innovation on behalf of our customers. So some of it goes into that and as Fidelma further builds on the team that we have there.

<Q – George Tong – Piper Jaffray & Co.>: Yeah, makes sense. And lastly, your Records Management internal volume growth was relatively consistent with prior quarters in the 1.7% range, but your internal storage revenue growth accelerated to 2.9% in the quarter. Can you discuss the drivers behind that I guess particularly pricing?

<A – Bill Meaney – Iron Mountain, Inc.>: I think that we are making some progress. As I pretty much say on every quarter, and also kind of reiterating part of my answer to Andrew, is nothing happens quickly in this business, because the good news is it's a highly durable, stable business; the bad news is it's a highly durable, stable business. In other words, any change I make today takes some time to actually start flowing through. And, as you know, that we've been working on making sure that we're getting the right value, i.e. price for some of the services that we're working on and that's starting to show real benefits, so.

<Q – George Tong – Piper Jaffray & Co.>: Got it. Thank you.

Operator: The next question will be from Shlomo Rosenbaum of Stifel. Please go ahead.

<Q – Shlomo Rosenbaum – Stifel, Nicolaus & Co., Inc.>: Hi, good morning. Thank you for taking my questions. Maybe this one is for Stuart. I'm just trying to bridge the \$30 million lowering of the top end of the guidance range; this \$20 million seems to be coming from increased investments, what's the other \$10 million coming from and then afterwards I'd like discuss, is the increased investment a pull forward from 2018 or is this just increased investment so just less expectation for profitability because of that?

<A – Stuart Brown – Iron Mountain, Inc.>: Yeah, Shlomo, I think that if you're focused on EBITDA, I think maybe the simplest way to look at it is to start with the Q4 run rate that we've got, so we start with a Q4 run rate of just under \$300 million and if you annualize that, that's going to get you to almost \$1.2 billion, \$1.188 billion.

You got to remember in Q4 also we were having increasing synergies and Transformation benefits. So not all that flows through the quarter. So you have to annualize those benefits as well. That will get you about \$40 million and you're going to have organic growth goes on in the business, right, every year. It's about 2%. And so that will get you about \$25 million.

Then you've got some incremental synergies that we've talked about, the difference between incremental synergies to be actioned in 2017, that's about \$15 million and then you've got M&A activities that we have built in the guidance, which will give you about \$10 million of EBITDA in 2017.

You take all that together and you get to almost \$1.280 billion when you add those up. And then we talked about the \$20 million that we're going to be reinvesting back into shared services and innovation, that gets you close to \$1.260 billion which is close to the midpoint of the guidance of \$1.265 billion, that's the easiest way to sort of walk through the change from where we're going from 2016 into 2017.

<Q – Shlomo Rosenbaum – Stifel, Nicolaus & Co., Inc.>: What changed last quarter to this quarter, just is it all the \$20 million, is there something else that's in there and also...

<A – Stuart Brown – Iron Mountain, Inc.>: If you're looking at guidance in November to guidance now, it's really the \$20 million and the FX rate that had a negative impact as well. Those are the two main changes.

<Q – Shlomo Rosenbaum – Stifel, Nicolaus & Co., Inc.>: But hasn't there been somewhat of an offsetting impact from rising paper prices also from November?

<A – Stuart Brown – Iron Mountain, Inc.>: Yeah. You could be, but we've assumed in guidance right now that the paper prices stay consistent from 2016 they're volatile. So we've assumed that 2016 stays on average flat with 2016 at about \$140-\$145 recycled sorted office paper pricing.

<Q – Shlomo Rosenbaum – Stifel, Nicolaus & Co., Inc.>: Okay. And then the \$20 million of costs that are coming in for this investment, is this something that is a pull forward from 2018 that you're expecting to happen in 2018 or is this just a new investment program here?

<A – Stuart Brown – Iron Mountain, Inc.>: I mean, you'll start getting the return to the benefits from them really more in 2018. So you think about the back office shared services that Bill talked about. We'll have double running costs this year, so in 2018 those double running costs go away and then we start to take back office costs out. So those will continue to have benefits as well as the revenue growth that we expect and some of the other innovations will really start to benefit 2018 as well.

<Q – Shlomo Rosenbaum – Stifel, Nicolaus & Co., Inc.>: What I'm getting at with this question is really, we had a certain expectation for a combination of both Transformation and Integration synergies in 2018. Is this cost investment of \$20 million then increase the number that we were expecting in total because there was \$125 million from Transformation, you had about \$100 million from Recall Synergies, does that now go up because we have this investment program in 2017, so does the aggregate number start to go up for 2018?

<A – Stuart Brown – Iron Mountain, Inc.>: It's going to be – yeah, what I'd tell you is that, and Bill sort of touched on it, we've really moved Transformation into a continuous program to really take cost out of the business, and improve capital deployment and keep growing the business. So what you'll do is, yeah, you should continue to see margin improvement in 2018 and 2019 as benefits from these in terms of, are we going to specifically call them out as Transformation benefits. I don't think we're going to sort of specify them that way.

<A – Bill Meaney – Iron Mountain, Inc.>: I think it's a good try, Shlomo, for us to kind of give you 2018 guidance, but we're not going to do that. I mean, I think you can take it to the bank that we're investing \$20 million back into the business because we expect to get a return on that. But to give you what the exact return on that's going to be in 2018, I'm not going to tell you. I mean you know that we're going to have \$25 million of more Transformation benefit, so part of that \$20 million goes to making sure that we smoothly get to that last \$25 million which requires double running cost to get there.

But I'm not going to call out exactly what the return on investment is going to be on the innovation. But I think after the Investor Day, you'll probably have a better view of kind of the things that we're working on, but you're going to have to wait until this time next year for 2018 guidance.

<Q – Shlomo Rosenbaum – Stifel, Nicolaus & Co., Inc.>: Hey, I'm not asking for 2018 guidance. I'm just asking is it costing more to get there?

<A – Bill Meaney – Iron Mountain, Inc.>: No, I think you can argue that the \$25 million of Transformation, so that \$25 million of Transformation benefit is, you could argue it's costing us a bit more in the sense that what we always set up the Transformation Program, as much as we possibly could, we would self fund it. In other words, the cost to get the Transformation is we would action things early enough in the year, so that by the end of the year it paid for itself and then you got the full benefit the following year.

On this last \$25 million, what we're saying is that we're not going to be able to do that in 2017, but the full benefit will go through. So you could argue that it's costing us more because we're not able to self fund it in the benefit that we're going to get in 2017. I think that's fair.

<A – Stuart Brown – Iron Mountain, Inc.>: In risk of over answering this question, we could have staged it out to match funds, but the right answer for the business was to do HR and IT and finance all at the same time, and since you're doing all those at the same time, you've got more cost upfront and you'll get more of the benefits later on.

<Q – Shlomo Rosenbaum – Stifel, Nicolaus & Co., Inc.>: Okay. And then what's the total organic revenue growth implied in the guidance including services?

<A – Stuart Brown – Iron Mountain, Inc.>: Yeah, if you look at the revenue mix of the 2% to 2.5% storage and the flattish of service, you'll end up plus or minus 2%, unless you have an even number in front of me, because I think of them very differently because they are such different profit margins and such different drivers of the business.

<Q – Shlomo Rosenbaum – Stifel, Nicolaus & Co., Inc.>: Yeah. But in terms of shifting, we're seeing this shift to more emerging markets or starting to shift to adjacencies, I'm just trying to see if we're going to get a shift overall to overall better revenue growth.

<A – Bill Meaney – Iron Mountain, Inc.>: You are seeing some of that. You're already seeing that Shlomo, because you've been watching the story a pretty long time, is you're already starting to see that shift, right, because now, where 20% of the mix now is higher growth and you're starting to see that both on the top and the bottom line starting to – what I would call wind at our backs in terms of that 2%, 2.5% of storage and overall flattening to slightly positive growth in service. So you are starting to see that kind of build in. But at this point it's more, I would say, wind at your back than a major switch that's been flipped.

<Q – Shlomo Rosenbaum – Stifel, Nicolaus & Co., Inc.>: All right. Great, thank you.

Operator: The next question will be from Justin Hauke of Robert W. Baird. Please go ahead.

<Q – Justin Hauke – Robert W. Baird & Co., Inc. (Broker)>: Good morning. Thank you, guys.

<A – Bill Meaney – Iron Mountain, Inc.>: Justin, can you speak up a little bit because we can barely hear you.

<Q – Justin Hauke – Robert W. Baird & Co., Inc. (Broker)>: Is that better? Can you hear me now?

<A – Stuart Brown – Iron Mountain, Inc.>: Yeah.

<A – Bill Meaney – Iron Mountain, Inc.>: Great, thanks.

<Q – Justin Hauke – Robert W. Baird & Co., Inc. (Broker)>: Okay, good. So I guess I just wanted to ask a little bit and kind of a two-part question on the capital budget, and maybe I'll start first with just the dividend commitment that you have. One of the things is I mean with all the

restructuring, obviously your taxable income is lower than the dividend that you're paying out, so in other words you're paying more dividend than you would be required to as a REIT. And I guess the question is should we think of your dividend commitments that you've given as we kind of get past the restructuring as being more in line with that 90% of taxable income that you're required to or is it your intention to continue to over fund the dividend, if you will?

<A – Stuart Brown – Iron Mountain, Inc.>: I think over time you're going to continue to see us grow into the dividend, right, when we set the expectations for dividend growth out as part of our 2020 plan. That was always in anticipation of getting the synergies and Transformation benefits continuing to grow the business. And so, I think, yeah, so if you look at purely from what's required dividend for being a REIT, we're going to continue to return to shareholders more in dividends than is required, but we're going to grow into that over the next few years.

<A – Bill Meaney – Iron Mountain, Inc.>: Yeah. And the only thing I'd add to that Justin is we think about dividends as capital allocation. So AFFO is really the measure that we focus on, and we try to say okay, what's the right mix between giving capital back to our shareholders through dividends versus reinvesting in the business.

In the 2020 plan as a percentage of AFFO we do see ourselves trending down from say 80% down into the mid to low-70%s, and we continue to expect that to happen over time. But that's much more the – I mean, what you're saying is true and it's valid, but it's not what we're trying to solve for.

So it's much more of a capital allocation decision, and if you look in the 70%s, low-80%s is that there are a number of REITs that play in that range. So it is true what you're saying, but that's not the metric that we are trying to solve for. We are much more looking at how do we take the AFFO and carve that out between giving money back to shareholders versus growing the business?

<Q – Justin Hauke – Robert W. Baird & Co., Inc. (Broker)>: Okay. That's helpful. I mean, to paraphrase, I mean it kind of sounds like you're talking about it holistically over a multi-year period is what's forming the dividend policy as opposed to any given year's taxable income?

<A – Bill Meaney – Iron Mountain, Inc.>: Yeah, exactly.

<Q – Justin Hauke – Robert W. Baird & Co., Inc. (Broker)>: Okay. And then, I guess, the second question is just, this is the second time and I think it was last quarter, maybe it was the quarter before, but your maintenance CapEx needs to continue to come down, which is obviously a positive for your coverage and the ability to have more capital for the growth initiatives that you've talked about. To what extent is that now done? And is there anything that would be more properly characterized as deferred maintenance as opposed to kind of this is a structural shift in which these are not capital needs that the business actually has?

<A – Stuart Brown – Iron Mountain, Inc.>: Yeah. I think the one distinction I've made is the really the real estate, the actual maintenance piece has been pretty well on track with guidance, is the non-real estate CapEx which includes things like back office IT systems at corporate and out in the field, warehouse equipment, that's where we've gone through and really sat down and said, what do we need to be investing in the business or is it better to repair than buy new as well as looking out over the next couple years in terms of system replacements, what can we not replace today and just sort of keep it going and because we're going to upgrade over the next couple of years.

So we've gone through and sort of cleaned back or cut back some of the requests that have gone in that area. I think what you'll see us continue to do is on the maintenance side. Again, it'll be a little bit elevated in 2016 and 2017 because there is some deferred maintenance at Recall that we've got to do and that piece of it will trend down as a percentage of revenue or on a square foot basis.

<Q – Justin Hauke – Robert W. Baird & Co., Inc. (Broker)>: Okay, so the \$150 million to \$170 million in 2017, we should think is still a little bit elevated. It comes down a little bit more in 2018 and then it kind of grows in line with revenue?

<A – Stuart Brown – Iron Mountain, Inc.>: Yes.

<Q – Justin Hauke – Robert W. Baird & Co., Inc. (Broker)>: Okay. All right, great. Thank you very much guys. I appreciate it.

Operator: [Operator Instructions] The next question will come from Karin Ford of MUFG Securities. Please go ahead.

<Q – Karin Ford – MUFG Securities America, Inc.>: Hi good morning. I wanted to circle back to a previous question on the organic storage revenue growth trend, so the 2016 forecast was 2.5%, you hit 2.3% last year, and now the 2017 mid point is a deceleration from there despite the fact that you've got more emerging markets in the mix today. I recognize that they are small changes, but it's meaningful given storage's outsized contribution, so just could you explain what you think is causing the deceleration there?

<A – Bill Meaney – Iron Mountain, Inc.>: It goes back to my answer, so Kevin had it right. You can also say that 2.9% that we had in Q4 was also – I could show you the opposite Karin that, oh well you're really kind of trending up. I think what you're seeing where we're guiding between the 2% and 2.5% is the denominator is changing out, because don't forget, we integrated Recall. So what's happening is, is that we're getting similar or better continued growth in terms of absolute volume growth, but on a bigger base.

So the 2% to 2.5% is as much – is mainly a reflection of the denominator. It's not that we're going from 2.9% in Q4 and we're saying, okay, now we're trending down between 2% and 2.5%. It's because in the course of 2016, we had the go-forward growth on a bigger base as we went through the year, although we subtracted the base, the Recall base that we did it on an internal basis. But still the overall base number hadn't been adjusted. So as we start getting into Q3 and Q4 of 2017, you'll see effectively the denominator change. So it's really the math. Not a change in the business.

<Q – Karin Ford – MUFG Securities America, Inc.>: But said another way, so because it's organic growth, it's because Recall is growing slower organically than the base – than the legacy Iron Mountain business, is that right?

<A – Bill Meaney – Iron Mountain, Inc.>: Well, it's a little bit slower, yeah, because don't forget we have now a bigger business in Australia and they also had a sizeable business in North America.

<Q – Karin Ford – MUFG Securities America, Inc.>: Okay. Thanks very much.

Operator: And the next question will be a follow-up from Shlomo Rosenbaum of Stifel. Please go ahead.

<Q – Shlomo Rosenbaum – Stifel, Nicolaus & Co., Inc.>: Hi, guys. Thanks for letting me sneak back in here. I just wanted to ask on the organic growth on storage, does it allocate any growth to Recall or is all the growth of the combined company allocated solely to Iron Mountain?

<A – Bill Meaney – Iron Mountain, Inc.>: So the way it works Shlomo is we take out all the Recall base business, so if we bought – we bought Recall at the beginning of May and if we had a Recall customer that grew from May until the end of the year, the growth on that customer was part of the internal growth number, but the original volume for that customer was excluded.

<Q – Shlomo Rosenbaum – Stifel, Nicolaus & Co., Inc.>: So any incremental growth from Recall does count as Iron Mountain...

<A – Bill Meaney – Iron Mountain, Inc.>: Yes.

<Q – Shlomo Rosenbaum – Stifel, Nicolaus & Co., Inc.>: Internal volume growth?

<A – Bill Meaney – Iron Mountain, Inc.>: Yes.

<A – Stuart Brown – Iron Mountain, Inc.>: So when you look at the volume growth in the supplemental on slides 9 and 10, you'll see the overall trends increasing on new volume from existing customers and new sales, as well as destructions increasing as that volume comes in there, so that's the easiest place to see it.

<Q – Shlomo Rosenbaum – Stifel, Nicolaus & Co., Inc.>: So it's really just a math exercise over here. So going back to 2% to 2.5% is just more of a normalized thing, it is just kind of elevated because all the growth is allocated to Iron Mountain right now?

<A – Bill Meaney – Iron Mountain, Inc.>: Exactly. Exactly.

<Q – Shlomo Rosenbaum – Stifel, Nicolaus & Co., Inc.>: Okay, thank you.

Operator: And at this time, we have no additional questions. I'd like to hand the conference back to management for any closing remarks.

William Leo Meaney, President, Chief Executive Officer & Director

Okay, well, thank you all for your time this morning. Thank you, operator and I hope to see as many of you as possible on the April 20 in New York City. So have a good rest of reporting season.

Operator: Thank you, sir. The conference has now concluded. A replay of this event will be available in approximately one hour. To access the replay you may dial 1-877-344-7529 toll free within the United States. Outside of the United States, you may dial 412-317-0088. Please enter the access code 10099854. You will be asked to record your name and company. The conference has now concluded. Thank you for attending today's presentation. You may now disconnect your lines.

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