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Iron Mountain Inc. Q3 2008 Earnings Conference Call Transcript

Question-and-Answer Session

[Operator Instructions]. Your first question comes from the Kevin Mcveigh with credit Suisse.

Brian P. McKeon - Executive Vice President and Chief Financial Officer

Hi Kevin.

Kevin Mcveigh - Credit Suisse

Hey guys. Nice job on the quarter. Just one quick thing Bryan, at some point your not updating the '09 guidance at this point, is it fair to say there maybe some incremental positive impact that could offset the incremental 3.2 from the currency headwind versus a couple of weeks ago in the business?

Brian P. McKeon - Executive Vice President and Chief Financial Officer

We just didn't want to get into a formal update of guidance so quickly after I Day. We're maintaining our underlying operating outlook Kevin. Obviously, FX has moved quite a bit. We wanted to highlight that for you and we'll be refining our outlook in the coming weeks. But we're not changing our underlying outlook and we can't predict the FX right now. They could obviously move in a different direction and we'll... year end we'll give you an updated perspective on that front.

Kevin Mcveigh - Credit Suisse

Great. And then just a quick, the core services... real nice job on the 13% internal growth. Can you just break that down little bit kind of see where the strength was, and kind of what you're thinking into the fourth quarter as well?

Brian P. McKeon - Executive Vice President and Chief Financial Officer

To our note, it was a strong quarter, it built on a strong quarter we had in Q2. Would you get some benefit from fuel surcharge increases. Just to revisit the fuel surcharges and our energy cost kind of move together, we... for our transportation related services. We see a benefit in revenue when our underlying transportation cost is going up and obviously that we have some offsets in higher costs.

In terms of our revenue growth that added about 4% to the core service growth rate in Q3. So having said that we're still at a solid 9%. We would expect some mitigation in the fuel surcharge increase, just given that oil prices have come down, that will also see some lowering of our transportation cost, so those should net... and other than that I think we're maintaining solid core service growth.

Unidentified Company Representative

This kind of great job.

Brian P. McKeon - Executive Vice President and Chief Financial Officer

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