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## Iron Mountain Incorporated Q1 2009 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from Andrew Steinerman – J. P. Morgan.

#### Andrew Steinerman – J. P. Morgan

I want to ask about core storage growth, the tick down to 7% after the previous six quarters have been 8%, but you chose to keep your targets for the year to 9%. Could you go over your thinking there? What do you think slowed it one tick in the quarter and what might keep it a slightly upward bias for the year?

#### Robert Brennan

It's really tough for comps early in the year. That's the punch line for this issue.

#### Brian McKeon

We did have some tougher comparison. We had some impacts from larger destructions in 2008. The public service contract that we've been talking about in Europe actually had a storage component that impacted it a bit.

We are seeing some impact from the economy on storage in the sense that customers have been looking at destructions as a way to save overall costs and that is putting some pressure on the number at the margin but we're continuing to target, as we work through the year, we think we'll be looking at some more favorable comparison and should be able to improve that growth rate.

#### Andrew Steinerman – J. P. Morgan

Could you give us a word on how volumes are doing in shedding?

#### Brian McKeon

The shredding is one area that I think I was just mentioning the impacts of the economy that we are seeing some factors impacting core revenues and I think shredding is one of those areas. The activity levels has been soft and we still posted solid growth in shredding excluding paper, but it was down from the much stronger growth rates we saw last year, and that is an area that we're monitoring closely. It is an area where we're seeing some pressure.

#### Operator

Your next question comes from Andrea Wirth – Robert W. Baird.

**Andrea Wirth – Robert W. Baird**

I wonder if you could talk a little bit about the SG&A. You obviously did a fantastic job of controlling the cost there but I believe you also mentioned that you saw a little bit of a shift in cost this quarter. I wonder if you could detail a little bit more what that shift was and maybe even quantify what it was in the quarter and when we should expect to see that actually make up later on in the year.

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