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PARTICIPANTS

Corporate Participants

Melissa Marsden – Senior Vice President, Investor Relations, Iron Mountain, Inc.
William Leo Meaney – President and Chief Executive Officer, Iron Mountain, Inc.
Douglas Allen Pertz – President & Chief Executive Officer, Recall Holdings Limited
Roderick Day – Chief Financial Officer & Executive Vice President, Iron Mountain, Inc.

Other Participants

George K. F. Tong – Analyst, Piper Jaffray & Co (Broker)
Andrew Charles Steinerman – Analyst, JPMorgan Securities LLC
Shlomo H. Rosenbaum – Analyst, Stifel, Nicolaus & Co., Inc.
Han Zhang – Research Analyst, Churchill Capital
Andrew John Wittmann – Analyst, Robert W. Baird & Co., Inc. (Broker)
Kevin D. McVeigh – Analyst, Macquarie Capital (USA), Inc.

MANAGEMENT DISCUSSION SECTION

Operator: Good morning. My name is Deshonta, and I will be your conference operator today. At this time, you're online for the Iron Mountain and Recall Enter into Scheme Implementation Deed Conference Call. All lines have been placed on mute to prevent any background noise. After the speakers' remarks, there will be a question-and-answer session. [Operator Instructions]

Thank you. I'll now turn the conference over to Ms. Melissa Marsden, Senior Vice President of Investor Relations. Please go ahead.

Melissa Marsden, Senior Vice President, Investor Relations

Thank you, Deshonta, and welcome, everyone, to our joint conference call to announce this exciting transaction between Iron Mountain and Recall Holdings. This morning, we'll hear from Bill Meaney, Iron Mountain's CEO, and Doug Pertz, Recall's CEO, who will discuss the compelling rationale and terms of the transaction, followed by Rod Day, Iron Mountain's CFO, who will cover expected synergies and accretion associated with the deal.

After our prepared remarks, we'll open up the phones for Q&A. As is our custom, we have a user-controlled slide presentation available on the Investor Relations page of our website at www.ironmountain.com under Investor Relations/Events.

Referring now to page two of the presentation, today's conference call and slides will contain a number of forward-looking statements, most notably, our outlook for synergies and accretion. All forward-looking statements are subject to risks and uncertainties. Please refer to today's press release, 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 actual results to differ from those in our forward-looking statements.

With that, Bill, would you please begin?

William Leo Meaney, President and Chief Executive Officer

Thank you, Melissa, and good morning, everyone.

Needless to say, we at Iron Mountain are very excited about reaching a definitive agreement to acquire Recall. And today I'm joined by Doug Pertz, the CEO of Recall, here in the room with me this morning both to make some comments on the deal and with me to answer any questions that you may have this morning. And I'll take you through a number of slides, as well Doug, for our – that have been posted on our respective Investor Relations sites. And of course, I should add that the successful completion of the transaction is subject to the customary conditions as Melissa noted and is detailed in today's press release.

So if I can ask you now to turn to slide three, upon completion of the compelling transaction, this will accelerate our already successful strategy and create a company with both a broader footprint and enhanced growth profile. In short, we have here two companies that will be an excellent fit as one. The combined company will be better positioned to capitalize on the truly significant and global opportunities both in developed and the emerging markets.

In addition, both company's shareholders stand to benefit meaningfully from the cost synergies. In fact, our due diligence over the past several weeks reinforces our premise that this combination will result in significant synergies and be highly accretive. To summarize, the transaction meets our high bar for synergies, growth prospects and the ability to deliver shareholder value in the near term.

If we go to slide four, under the – you'll see that under the terms of the transaction, Recall shareholders will receive 0.1722 of an Iron Mountain common share plus $0.50 per share. Additionally, we have made a provision that each Recall shareholder may elect to receive a cash alternative. Under the cash alternative, Recall shareholders would receive total cash of A$8.50. The cash alternative is subject to a cap of A$225 million and will be subject to scale back.

We turn to slide five now. From an Iron Mountain perspective, the acquisition of Recall accelerates our already successful strategy by expanding our geographic footprint and enhancing our growth profile. Recall's history of solid growth characteristics will strengthen our sustainable growth strategy. Additionally, the transaction supports our deleveraging strategy, which remains very important to us. And I should add, moreover, the transaction is complementary to our REIT structure.

Now, I'd like turn it over to Doug so he can touch on the benefits from a Recall perspective.

Douglas Allen Pertz, President & Chief Executive Officer, Recall Holdings Limited

Thanks, Bill, and good morning. We at Recall are excited and pleased about this transformational combination. We believe it is in the best interest of our shareholders and will maximize future shareholder value. Since the April 29 signing of the term sheet, the due diligence process has resulted in this agreement that enhances consideration to Recall shareholders, while continuing to offer significant upside.

We agree with Iron Mountain that the due diligence process has also resulted in materially higher expected synergies and accretion levels than previously announced. The transaction offers Recall shareholders an attractive premium and, with 21% of the post-closing ownership of the combined businesses, the opportunity to participate in future value creation.

Excluding the $0.50 cash payment, other commercial terms are consistent with previously announced, including the addition of two Recall board members to the Iron Mountain board. We're confident that the synergies from the combination and accretion levels will drive strong increased value well into the future.

William Leo Meaney, President and Chief Executive Officer

Thank you, Doug.

To touch on the synergies at a high level – I'll touch on a high level and Rod will provide more detail later. First of all, we estimate the total net synergies are approximately $155 million, driven by the combination of infrastructure and overhead. More specifically, we estimate $110 million in net synergies by year two or 2017, with $140 million net synergies by 2018. This will lead to significant accretion in Iron Mountain's adjusted EPS, FFO and AFFO by the end of year two as well and beyond. As you will note in the slide that the EPS already in 2017 – the EPS accretion, I should say, already by 2017 is 20%.

If we go now to slide six, you can – if you look at the pie chart, you can see that there is a highly complementary geographic mix between the two companies. Recall, for example, has more exposure to the faster-growing Asian market and Iron Mountain has the complementary emerging market footprint in Eastern Europe and in Latin America, where we both have a very complementary opportunity to combine our operations.

If we now move on to slide seven, you can see, as a follow on to the pie charts on slide six, there is significant growth prospects in emerging markets and together our combined company can expect to capitalize on those opportunities. Also, I shouldn't leave out North America; we have a complementary market platform. Whilst Recall has a more developed presence with small and medium sized business in the U.S., Iron Mountain has a strong presence with the large enterprise customers in the U.S., hence leading to a very complementary market match.

Douglas Allen Pertz, President & Chief Executive Officer, Recall Holdings Limited

Bill, we agree. Recall's broadly diversified geographic footprint will be complementary with Iron Mountain's geographic footprint and your growth – our growth profiles. Recall has market-leading positions in the mature market of Australia and leading positions also in Europe.

In addition, we have strong positions across Southeast Asia and Brazil, which we believe to be high growth markets due to economic growth, enhanced regulatory requirements and first-time records outsourcing in these locations. As a combined entity, we can better leverage our capabilities to further expand our presence in these markets and a large portion of these markets remain heavily unvended.

William Leo Meaney, President and Chief Executive Officer

Now, if I could ask you to turn to slide eight and to build on Doug's point, together we will certainly be in a stronger position to capture more of the estimated global market opportunity of some $23 billion, of which nearly 75% remains unvended and represents our exciting greenfield opportunity.

Our combined teams will bring to the market exceptional expertise in both penetrating developed markets as well as expanding into new emerging markets and showing customers the benefits of our services.

Douglas Allen Pertz, President & Chief Executive Officer, Recall Holdings Limited

Our estimates of the total unvended market are very much in line with Iron Mountain's. The total market remains highly unvended, and we continue to see a growing portion of our organic growth from this unvended segment. Together we can help existing and potential customers reduce cost and risk related to the protection and storage of their information assets.

In addition, Recall's focus on the SME segment, which exhibits premium pricing and higher growth, will complement and leverage Iron Mountain's focus on enterprise customers, further supporting attractive and growing organic revenue growth.

New products and services from both companies will also provide benefits to our customers and offer cross-selling opportunities to our expanded customer base.

William Leo Meaney, President and Chief Executive Officer

Moving on to slide nine, where we showcase global records management volume growth for both Iron Mountain and Recall, both companies are experiencing net internal volume growth of about 2%; i.e., in other words, before acquisition. As you can see for Iron Mountain, growth from existing customers continues to be consistent, in the 6% range.

In 2014 at Iron Mountain, we added more than 18 million cubic feet of net storage volume worldwide to an existing base of more than 500 million cubic feet. The growth was in part achieved as a result of the significant turnaround in North America from negative to positive internal volume growth, again, or before acquisition. We increased our focus on the small to midsize customer base and organized our sales force in a way that increases their accountability. We held customer losses to less than 2%, which just alone represents a 30% improvement over the level of customer losses experienced just two years ago.

Douglas Allen Pertz, President & Chief Executive Officer, Recall Holdings Limited

Again, we're seeing similar trends at Recall that showcase the complementary nature of our two businesses. Recall customer retention is also high at over 96%. And as we have shown in the last several reporting periods, we continue to focus on reducing customer losses, which will further support continued organic growth.

Recall's carton growth over the last five years has been positive every year, with an annual compounded net carton growth rate of over 5%. In the last year and a half, we accelerated net carton growth to over 10%, supported by acquisitions, a strong focus on the SME market, and increased exposure to emerging markets.

William Leo Meaney, President and Chief Executive Officer

Let's move to slide 10. The transaction greatly expands Iron Mountain's global enterprise storage real estate portfolio. As a combined entity, we expect to operate approximately 90 million square feet, a pretty sizeable real estate platform by anyone's standard. Recall leases a greater of their real estate, which enhances our opportunity to buy more leased facilities over the long term.

Now before we wrap up, I'm going to hand the call over to Rod Day, our CFO, who will walk us through the synergies and accretion of the deal in more detail.

Roderick Day, Chief Financial Officer & Executive Vice President

Thanks, Bill, and let's turn to slide 11. Let me look specifically at the subject of synergies. As we spent time with Recall and carefully examined our go-forward structure, we're encouraged with the results and the synergies we expect to achieve. As you can see from this slide, based on Iron Mountain's track record with past acquisitions, investors should have confidence in our ability to execute on this plan and realize these synergies. The 18% of total revenue which we expect, is very much in line with our experience.

Let's move to slide 12. This slide shows more detail of our estimated net synergies as well as our expected integration and other costs that will be incurred to deliver these synergies. Please note that the costs figures shown on these graphs are cumulative.

To level set, assume the transaction closes in early 2016. We believe in 2016 and 2017 will involve a lot of heavy lifting in terms of the cost to achieve. By the beginning of 2018, these costs should start to decline. As you can see from the chart, much of the synergies are driven by overhead and cost of sales reduction. At this point, we do believe there will also be some additional limited synergies from real estate consolidation and, in addition, tax savings from REIT conversion.

All that being said, estimates of potential synergies available through the transaction are preliminary and may increase as ongoing analysis and refinement of synergies progresses. The result of these high synergies is in short a highly accretive transaction across multiple financial metrics.

Slide 13 shows greater granularity of our forecasted accretion for adjusted EPS, FFO, and AFFO. Please note that this accretion is incremental to our expected growth from our strategic plan, which you will remember is expected to generate roughly 4% growth in revenue and adjusted OIBDA on a constant dollar basis.

These accretion rates reflect in-year estimates. As you can see, in 2017, we expect accretion of about 20% for adjusted EPS, 12% for FFO and 9% for AFFO. These figures rise in 2018 to 25% for adjusted EPS, 15% for FFO and 12% for AFFO. Please note that these estimates assume a pro forma tax rate of around 20% for the combined entity.

Our plan is to integrate Recall into Iron Mountain's existing REIT structure by leveraging our recent REIT conversion experience and the investment in the platform. As we've outlined on slide 14, this leads to increased REIT pre-tax income, which in turn increases our ability to sustain long-term dividend growth.

In terms of our dividend outlook, the integration of upfront costs of this acquisition do have a short-term impact on cash. However, subject to board approval, we intend to maintain the current ordinary dividend rate per share through 2015 and 2016. In 2017 onwards, earnings and cash flow accretion from the transaction will then provide ample opportunity for strong dividend growth.

Let's move to slide 15. As you know, importantly, deleveraging remains a key priority for Iron Mountain. Recall will help us achieve an enhanced leverage profile compared to our base case scenario of deleveraging on a stand-alone basis. There will be no additional equity issuances in this transaction beyond the shares issued to Recall shareholders. But as a REIT, Iron Mountain will, from time to time, issue both debt and equity to fund identified acquisitions that create clear additional value for Investors.

Let's move to slide 16, where we show sources and uses of cash for this transaction. This transaction represents about $3 billion of overall consideration at current share prices of which two-thirds will be conveyed by the issuance of 56 million shares assuming an all-stock deal. Additional cash requirements will be provided by a line of credit, temporary bridge financing, existing cash and/or potential dispositions.

As for uses, we obviously will be paying for Recall's debt – paying off Recall's debt shortly after closing as well as paying the transaction costs. Please note that the E&P estimate represents our best estimate at this time and may be refined as we progress through the transaction. As before, we anticipate making this payment through our typical 80:20 split between stock and cash.

Lastly from me, moving to slide 17, with respect to our 2015 standalone guidance, we're not making any adjustments to our operational performance guidance. However, given the size of the transaction, it's prudent for us to pare back real estate and M&A activities while we work through the integration of the two platforms. As such, for 2015, we've reduced our real estate investment expectations by $30 million and our projected M&A investment by $100 million at the midpoint.

I'll now turn the call back to Bill to wrap up before Q&A.

William Leo Meaney, President and Chief Executive Officer

Thank you, Rod.

Slide 17 (sic) [Slide 18] lays out our next step. As we said at the onset, the deal is subject to a number of conditions, including, among other things, receipt of antitrust and competition and other requisite regulatory approvals, no material adverse event affecting either party and Recall shareholder approval, Iron Mountain shareholder approval, Australian court approvals and other customary conditions for a transaction of this nature.

To wrap up, we are very excited to have reached an agreement with Recall. For Iron Mountain shareholders, the combination will accelerate our already successful strategy and enhance our geographic footprint and growth profile. Together, we will be better able to capitalize of the nearly 75% unvended portion of the $23 billion global market opportunity.

For Recall holders, they will receive an attractive premium on their shares and will also be able to share in the attractive upside potential of the combined company. I look forward to meeting the Recall employees, who will be joining us after the deal closes, and I will keep you updated on our integration progress in the quarters ahead.

I would like to end with saying that we are confident that we can achieve the level of accretion for our shareholders as outlined in today's presentation and we see this as a unique opportunity to further de-lever the Iron Mountain company.

With that operator, I'll turn it back over to you for questions.

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] Your first question comes from George Tong with Piper Jaffray.

<Q – George Tong – Piper Jaffray & Co (Broker)>: Hi. Thanks. Questions for Bill; can you discuss your findings over the past several weeks from a due diligence perspective as it relates to synergies? And how, if any, your synergies views from the transaction may have evolved?

<A – Bill Meaney – Iron Mountain, Inc.>: Okay. Thanks, George. Good morning. So I think if you remember that we were guiding a range between $125 million to $140 million before. And now, we're saying the synergies are $155 million and we're being pretty precise of that. In other words, we've obviously tightened the range down to a specific target. So, first of all, I think we're much more confident and we have much more visibility in terms of what the actual synergies are, so that's the first point. And I'll touch a little bit in terms of what increased that from, say, the midpoint that – if you took the midpoint that we had before to where we ended up, which is almost $30 million depending on what midpoint you choose, I'll talk a little bit to that.

The second thing, which is probably the biggest impact, is the speed at which we can get at those accretions. That accretion is, before I was estimating that by year two we'd get about a half of it and, as you can see in the presentation, we're getting $110 million by year two and $140 million by year three or 2018. So the speed at which we're able to get that accretion is much higher.

So let me speak to the two. I think what we found through the due diligence, first of all, just having the specifics before we were dealing with pretty much just public available information, we were able to see the level of synergies and overlap between, say, the SG&A and the overhead structure of the two companies much more clear. It's not that dissimilar to be quite honest with what we've been able to find in Cornerstone, but we just didn't have the detailed information to actually be that aggressive without doing the due diligence.

So we did find a number of new or additional synergies that we couldn't have seen before. Additionally, as I think we highlighted in Rod's presentation, some of those are specifically to do with the REIT transition. And those require both companies to cooperate closely in terms of the way that the transaction closes.

So that was a big part of the additional synergies that we found. And that's also what led to the $0.50 additional compensation to Recall shareholders is that we're sharing some of that benefit which, quite frankly, we wouldn't be able to get if the two companies don't cooperate in terms of the – some of the pre-closing conditions and requirements.

So to sum it up, we found more, especially around in the SG&A area, than we initially expected. There are some very specific REIT transition or transitional savings or benefits that we were able to identify, which requires cooperation on both sides, and we've been able to figure out how to do that. And then the other thing is, is we're able to get to it much quicker because a lot of these synergies, as I say, are more in the SG&A area. So I hope that answers your question.

<Q – George Tong – Piper Jaffray & Co (Broker)>: Yes, it does. And then as a follow-up, Bill, can you describe what work needs to be done to ensure that qualified Recall earnings will satisfy U.S. REIT revenue and asset requirements?

<A – Bill Meaney – Iron Mountain, Inc.>: You can imagine we did a lot of work on that, and it's – we used the same advisors, both financial and legal advisors, that we used in terms of doing our own REIT conversion. So we – part of the due diligence process was actually running mock asset test looking at the number of countries that we would have to convert to maintain our REIT status. So maybe to get into a little bit more specifics, I'll hand that over to Rod.

<A – Rod Day – Iron Mountain, Inc.>: I think there was probably sort of two aspects to it. The first is does the structure and the assets that Recall have fit well within our REIT structure. That was the first thing we wanted to establish. And you may recall from our REIT conversion exercise, the issue of racking was a key one. The Recall racking is very like, much like the Iron Mountain racking. That kind of gave us confidence around that. And particularly, as you say, in terms of type of company, there's very strong set of similarities. That was the first set of due diligence, if you like, that we needed to confirm.

The second was then could we convert enough countries quickly enough to be able to satisfy the acid test. And again so the working in good partnership with the Recall team through the due diligence, we were able to satisfy ourselves that we could. And I think I've taken the learnings that we've built up over the last couple of years on that subject, we feel very confident on that particular matter.

<Q – George Tong – Piper Jaffray & Co (Broker)>: Great, thanks and congratulations.

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

Operator: Our next question comes from Andrew Steinerman with JPMorgan.

<Q – Andrew Steinerman – JPMorgan Securities LLC>: Good morning. On page 10, I didn't catch if part of the $155 million synergies is counting utilization accretion from the deal.

<A – Bill Meaney – Iron Mountain, Inc.>: You mean in terms of utilization – good morning, Andrew. Do you mean the utilization in terms of both building shell and racking?

<Q – Andrew Steinerman – JPMorgan Securities LLC>: Yes.

<A – Bill Meaney – Iron Mountain, Inc.>: If you look at – actually let me get the slide in terms of the utilization. If you look at slide 10, you can see that we both have similar levels of utilization today in terms of both racking and in building shell.

<Q – Andrew Steinerman – JPMorgan Securities LLC>: Right.

<A – Bill Meaney – Iron Mountain, Inc.>: But if you look at the accretion in the $155 million breakdown, you will see the amount that's to do with real estate. We think that there are additional synergies or utilization they can get by rationalizing the real estate portfolio.

So just to be clear is that we're both, I would say, doing fairly well in terms of optimizing our current real estate footprint. But by putting the two companies together, we think we can enhance both shell utilization and to a certain degree racking utilization as well, and that's identified in that light green bar on page 12 where you see the $155 million.

<Q – Andrew Steinerman – JPMorgan Securities LLC>: So where would the utilization go to achieve the green?

<A – Bill Meaney – Iron Mountain, Inc.>: I think, Rod, you may want to comment in terms of the amount of shell utilization that we think we're going to be able to increase.

<A – Rod Day – Iron Mountain, Inc.>: It just goes up by a couple of percent, Andrew, to kind of get to those points. So it's not a huge increase, but it's what I said. It delivers a reasonable amount of synergy, which is important to the overall calculation.

<Q – Andrew Steinerman – JPMorgan Securities LLC>: That's sounds...

<A – Bill Meaney – Iron Mountain, Inc.>: The one thing I should add to that, Andrew, as well is that what we haven't built into these assumptions at this point but I think is further upside is that our intent when we do that rationalization between the two companies is to use that as a way of also buying in more of our real estate at the same time, which as you understand now especially that we're a REIT, increases or it creates even more value. But we haven't been able to build that in at this point because that takes a certain level of negotiation.

<Q – Andrew Steinerman – JPMorgan Securities LLC>: I got it, thank you.

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

Operator: Your next call comes from Shlomo Rosenbaum with Stifel.

<Q – Shlomo Rosenbaum – Stifel, Nicolaus & Co., Inc.>: Hi. Good morning and thank you for taking my questions. All that I'm seeing is focused on cost synergies. Are there any growth synergies between the two companies?

<A – Bill Meaney – Iron Mountain, Inc.>: Doug, do you want to handle that? I think I would just say up front, and then I'll turn that over to Doug, is that right now we are focused mainly on the cost synergy. We do think that there will be increased benefits to the customers because we have a larger R&D platform effectively, and you've seen the number of products that Iron Mountain has launched in the last 12 months. Recall has also launched a number of products in the last few months. And we think combined we're going to have a deeper R&D pool, if you will, to continue that acceleration.

But you're right, in the synergies that are outlined in this deck, we haven't assumed any more of that because it's much more prudent to lay your hand on the cost synergies because I think that's something that people can get their mind around. And then some of the what I would say acceleration of rollout of new products to customers and also some of the – stretching that platform even further across some of the unvended markets that we've highlighted in the presentation is further upside to the deal. But, Doug, you may want to comment.

<A – Doug Pertz – Recall Holdings Limited>: I'll elaborate on that a little bit, but I think you've covered them very well. Certainly, the primary focus up front is cost synergies, and those are the ones that will give us a significant accretion, as we've laid out, as a combined business. But we also talked today about the other synergies. And the top line synergies can be gained not just in the combinations in a geographic basis. But on a geographic basis, we can get better coverage by combining our businesses in each location, and that will give us the longer-term upside potential as well.

And Bill mentioned and as we talked about in the presentation new products. Both companies are developing in similar and also in complementary ways new products and new services for our customers. We think that will enhance what we provide our services both in terms of the core businesses that we're in today, but also in terms of new adjacent complementary service areas as well. And then we can cross-sell that and push that through and leverage it through both sides of our organizations.

Our focus as well on the Recall side has been some on the enterprise side larger customers, but heavier on the SME. And our focus in recent times has been to grow SME, and we have been growing SME at a faster pace than the rest of our overall business. And that generally is something again that we can leverage through both sides. So I think all of those will translate into longer-term, medium-term growth in the power of the combination of these two businesses. But that will just be additive to the focus up front on the cost synergies that are very important and very meaningful.

<Q – Shlomo Rosenbaum – Stifel, Nicolaus & Co., Inc.>: And have you guys looked at the respective contracts on each side and accounted for potential most favored nation status on each side that will have to be negotiated and clearly could be an offset to a little bit of these cost synergies?

<A – Bill Meaney – Iron Mountain, Inc.>: I think that we've accounted at a top level an estimate based on what we found in Cornerstone and other acquisitions on what that likely impact is. But I think you can appreciate; until we get antitrust approval from the various jurisdictions, we haven't shared that kind of data. So what we've relied on in terms of – and that's why we've been saying net synergies, what we've been relied on is past experience in terms of what we expect in those areas.

That being said, as Doug pointed out, whilst there is some overlap between our footprints, it's also quite complementary in terms of where their focus has been on customers versus our focus on customers. We've been focused much more, almost exclusively to a certain degree, not exclusively but much more on the large enterprise customers, whereas recently Recall has been focused on the fast-growing SME market. So that being said though, we have built some of that into our synergy assumptions. But I think you can appreciate we can't go into detailed analysis of that until the antitrust authorities give us the green light.

<Q – Shlomo Rosenbaum – Stifel, Nicolaus & Co., Inc.>: Okay, understood. And then just to be clear, there's no collar, right, on the stock price?

<A – Bill Meaney – Iron Mountain, Inc.>: No, there's no collar or other price protection.

<Q – Shlomo Rosenbaum – Stifel, Nicolaus & Co., Inc.>: Okay. And then it seemed to me that this is the message you're giving, but I just want to ask you directly. There's no need for cash other than for additional acquisitions going out for the duration of what you put in here into the 2020 or so timeframe?

<A – Bill Meaney – Iron Mountain, Inc.>: That's a great question. Let's – I want to emphasize your point, but it's a very good point to make. If you go to slide, I think it's 15, that shows you how much this transaction de-levers the company. So other than issuing the shares as part of the 0.1722 exchange of our shares to Recall shareholders, there is no need to issue equity and you can see the de-levering effect. And as Rod also pointed out, is any debt and equity that we issue going forward will be driven by opportunities for further investments that grow the business. But the nice thing about this transaction, it has a very strong and nice deleveraging effect on the company as you can see on page 15.

<A – Rod Day – Iron Mountain, Inc.>: I think the key message is we're not issuing equity to do this deal, so...

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

<Q – Shlomo Rosenbaum – Stifel, Nicolaus & Co., Inc.>: Okay, and just lastly and I'll get back in the queue. The message here is dividend stays the same for next year and a half after which you're anticipating raising it?

<A – Bill Meaney – Iron Mountain, Inc.>: That's correct. So we're able – and I should emphasize, dividend per share. So we are maintaining the payout per share even though that there's significant restructuring costs and transaction costs, we feel comfortable, subject to our board approval, that we can maintain that and then after that it goes back on its growth path tied to earnings growth. That's correct.

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

Operator: [Operator Instructions] Your next question comes from Han Zhang with Churchill Capital.

<Q – Han Zhang – Churchill Capital>: Hi, thanks for taking my question. I have two questions, actually. One, is there any possible delays that you foresee in terms of the deal closing? You forecast early 2016 for now, is there any way that that date might be moved back later?

<A – Bill Meaney – Iron Mountain, Inc.>: Han, look, I think that's our best estimate at this particular point is that it's dependent on antitrust approvals in the jurisdictions that require pre-clearance. If you look at it, normally these things are nine months to 12 months. We think we can probably do that in kind of the six months to nine months – nine months to 12 months from initiation. Obviously, we've been in discussions now for a while.

So we're saying that our most probable outcome is first quarter for next year. We have allotted ourselves a full 12 months if we need to in the way that the agreement is structured, but we're going to do it as fast as we possibly can. But we're not necessarily the person that paces those as you can appreciate it. But the thing, the pacing element of this is to ensure getting the necessary pre-clearance in the jurisdictions that require that before we can put the two companies together.

<Q – Han Zhang – Churchill Capital>: Right. Okay, thanks. Now the second question is, you mentioned antitrust and my question is about antitrust. So have you had any formal filing with any antitrust organizations already?

<A – Bill Meaney – Iron Mountain, Inc.>: No, you don't do that until after you have a definitive agreement. So now that we've reached a definitive agreement by signing the Scheme of Implementation, we will make those filings in the next few weeks.

<Q – Han Zhang – Churchill Capital>: Okay. So, so far has there been any informal conversation?

<A – Bill Meaney – Iron Mountain, Inc.>: No, at this point, no. Most of the regulatory authorities don't want to talk in the hypothetical. So we have been making preparations, as you can imagine. We've retained what we think is amongst the best counsel and experienced counsel in the various jurisdictions to help us through that process. Their input was a big part of our diligence and evaluating the level of accretion that we think we can get out of this deal.

So, again, our modeling around levels of accretion is taking into effect what we think some of those hurdles and frictions will be to get through the various antitrust or regulatory hurdles. So it's – at this point, it's been based on experience outside counsel doing the due diligence with us to – for us to come to the modeling where we think the deal will finally end up. But we haven't spoken to the authorities themselves.

<Q – Han Zhang – Churchill Capital>: All right. I see. One last question. Do you need to get antitrust approval from China?

<A – Bill Meaney – Iron Mountain, Inc.>: I think at this point, I do not believe so. I know this question was asked before but our – right now, our understanding is we do not need to have pre-clearance in China. That doesn't mean that China does, like a number of countries, take a look at these transactions after they're consummated, but that – and that's most countries, but there are a few countries like Australia, like the United States and a few others where you are required to have pre-clearance. And our understanding right now is, in China we wouldn't need pre-clearance, but it doesn't mean that the Chinese authorities won't look at it.

I think I would expect at this point, whilst we have a very nice footprint coming together in China, relative to – it's a very large and a very fragmented records management environment in China. So, I think we would be one of the larger foreign players in China, but by far not the largest records manager in China. So we don't anticipate a major hurdle there.

<Q – Han Zhang – Churchill Capital>: All right. Thanks for taking my questions. Congrats.

<A – Bill Meaney – Iron Mountain, Inc.>: Thank you very much.

Operator: Your next question comes from Andrew Wittmann with Baird.

<Q – Andy Wittmann – Robert W. Baird & Co., Inc. (Broker)>: Hi, guys. Thanks for taking my question. I missed a short bit there and I think I missed the beginning of Shlomo's question. But I know you commented on the dividend growth that would be growing commensurate with earnings. I'm just wondering if you had a view of the quality of the dividend as you've underwritten this. Does the cash flow to fund the dividend increase, decrease or hold the same? Just maybe directional would be helpful there, if you have a view on that.

<A – Bill Meaney – Iron Mountain, Inc.>: You were breaking up a little bit, Andrew, but I think I got your question. A couple of things that are important on dividend is we're maintaining our – subject to board approval, we're maintaining our dividend per share during 2016 and 2017, which is when we have the – even though we were having the – we're paying the bulk of the transaction cost and implementation cost at that point.

So our expectation, subject to board approval, that we're going to maintain our dividend per share during that period even though that we have the transaction costs coming ahead of some of the benefits. After that period, we would expect to go back on our normal growth of dividends associated with growth in earnings. Does that answer your question because you were breaking up a little bit?

<Q – Andy Wittmann – Robert W. Baird & Co., Inc. (Broker)>: Yeah. Sorry. Hopefully, this is a little bit better now. It doesn't – the question I had was, I understand that the dividend will grow with the earnings, I was just wondering about the quality of the dividend. Your earnings are going to grow. That means your taxable income is going to grow, which is going to require your dividend to go higher. I'm curious about the cash flow to fund the dividends.

<A – Bill Meaney – Iron Mountain, Inc.>: From a cash flow – if you see this deal is accretive across all the metrics, including AFFO and FFO, so we do expect, although right now I wouldn't say that we're out of bounds in terms of the percentage of dividend to AFFO, but it's at the upper-end of the range. We do expect that to improve during that period. I don't know, Rod, if you want to comment further.

<A – Rod Day – Iron Mountain, Inc.>: No, I think that's a good summary, Bill. Actually, I'll just need to make a clarification. I think earlier, I said that the – Bill, you might've said the dividend would be maintained for 2016 and 2017, it's actually 2015 and 2016 and that's...

<A – Bill Meaney – Iron Mountain, Inc.>: Yes. Okay. Yes, yes. Sorry. Yeah.

<A – Rod Day – Iron Mountain, Inc.>: 2015 and 2016.

<A – Bill Meaney – Iron Mountain, Inc.>: I skipped the order, sorry about that.

<Q – Andy Wittmann – Robert W. Baird & Co., Inc. (Broker)>: No problem. So just in terms of the timing of the alliance, maybe you reiterated it or not, and you're talking about around year-end previously. Can you – if you're able to close this in calendar 2015, are you able to retroactively file Recall as a – in REIT status for 2015?

<A – Bill Meaney – Iron Mountain, Inc.>: I think I'll let Rod answer that. But one thing I would say is that, as much as I would love to close this before the end of 2015, just to handicap it, I think it's more likely in Q1 but – of 2016. But Rod – I'll let Rod answer the question.

<A – Rod Day – Iron Mountain, Inc.>: I think it's a bit hypothetical to be honest. I really can't see – I struggle to see us getting this done in 2015 just kind of given the process that we need to go through. So in a sense it's got a bit of a movement.

<Q – Andy Wittmann – Robert W. Baird & Co., Inc. (Broker)>: Yeah. Okay. That's fine. I got you. So before you talk about the tax benefit being $10 million, it sounds like there were some incremental that you found here. Were you able to quantify the new level of the tax savings?

<A – Rod Day – Iron Mountain, Inc.>: It's a little bit more. We think it's in the $10 million to $15 million range. I think the – just to be clear on this, the tax saving, as I'm sure you know, only relates to the storage earnings within the U.S. And the two issues, if you like, is also, one is what is the level of the contribution, and another, the secondary question is how much debt would be associated with that. So to some extent, it's a little bit imprecise at this stage until we sort of done more detailed financial planning, but we think it's in that zone.

<Q – Andy Wittmann – Robert W. Baird & Co., Inc. (Broker)>: Okay, thank you very much.

Operator: [Operator Instructions] Your next question comes from Kevin McVeigh with Macquarie.

<Q – Kevin McVeigh – Macquarie Capital (USA), Inc.>: Great, thanks and congratulations. Hey, with the acquisition, are there – and if you said this I apologize – would you need to do any additional E&P purchase and then just – is there opportunities to read other parts of the business outside of North America?

<A – Bill Meaney – Iron Mountain, Inc.>: I'll let – good morning, Kevin.

<Q – Kevin McVeigh – Macquarie Capital (USA), Inc.>: Good morning, Bill.

<A – Bill Meaney – Iron Mountain, Inc.>: I'll let Rod take you through that.

<A – Rod Day – Iron Mountain, Inc.>: On slide 16, we are assuming there will be a degree of E&P purge associated with the countries that we need to convert to put into the REIT structure. For sure, we will need to convert U.S., Canada, Australia, and the UK. And we've assumed a certain amount for that in terms of the level of the E&P purge that you'll see, as far as the $100 million on slide 16, which we assume is 80:20 between stock and cash. And obviously, the stock is effectively a stock split, as we've explained on a number of occasions.

We may then go beyond those countries I think rather like today where we tried to use the REIT structure to manage cash flow back to shareholders in the most effective way. As you know, if we do convert an overseas country, whilst we don't get a tax saving in that country, we are then effectively able to bring the cash home to the U.S. without paying double taxation. So that's a secondary benefit, if you like, from the REIT, and we'd obviously look at that to optimize that within the overall Recall portfolio over time.

<Q – Kevin McVeigh – Macquarie Capital (USA), Inc.>: That's helpful. And then just it may be early. But are there any milestones you can point to from a regulatory perspective? Would it be country by country, or would it be you just come out at one point between now and year end just as investors think about the close?

<A – Bill Meaney – Iron Mountain, Inc.>: I think as you can appreciate, Kevin, we're not in control of that. Generally, there are the filings, the further requests, and there's a lot of backward and forward. So I think to try to tell you when the smoke will come up the chimney, I think that's going to be a very difficult thing to say at this point where we haven't even started our engagement with the regulatory authorities. So I wouldn't set the expectation there will be a lot of blow by blow in terms of us describing it because there's a lot of – my expectation is there's going to be a lot of backwards and forwards, but we're going to push through it as quickly as we possibly can, but we're not the primary pacer for that.

<Q – Kevin McVeigh – Macquarie Capital (USA), Inc.>: Understood, thanks.

Operator: Your next question comes from Andrew Steinerman with JPMorgan.

<Q – Andrew Steinerman – JPMorgan Securities LLC>: Hi, it's Andrew again. I know Doug's team had been adding investments, of course, back into the infrastructure, particularly in terms of upscaled resources, which obviously makes sense when you're focused on the SME market. To achieve these merger synergies, are you talking about reversing some of the investments that Recall recently added into its infrastructure?

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

<A – Doug Pertz – Recall Holdings Limited>: I can't really comment necessarily what the final plan going forward nine months, a year from now. But I can comment about where we are today with our investments and most of those have been particularly in most of the sales and marketing end of this, which was – that was the primary area, the customer facing end that is where we had to reinvest from the 2012 – 2013 timeframe. Most all of that has been done. Significant new platform sales management has been put in place and our SPG programs have all been put in place, so we don't anticipate significant additional investment on that.

In fact, our look as we go into 2016 is to start leveraging some of our overhead costs going forward as a percent of sales, and that I think we'll be in line especially as we look at the timeframe of integrating the two businesses. We'll then be saying let's not cut back on the customer facing expenditures, let's make the right decisions there, but then look at the rest of the cost synergies that we can be gaining. And I think that's been the primary look from both the teams getting together in the last four or five weeks.

<Q – Andrew Steinerman – JPMorgan Securities LLC>: Rod, that makes sense to you as well, meaning the combined organizations will benefit from the sales investments that Recall has made?

<A – Rod Day – Iron Mountain, Inc.>: It certainly does.

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

Operator: Your next question comes from Shlomo Rosenbaum with Stifel.

<Q – Shlomo Rosenbaum – Stifel, Nicolaus & Co., Inc.>: Hi, thank you for taking all my questions this morning. I just want to get back to slide 13 in terms of the accretion and AFFO accretion. Clearly, if you go to 2017, there's lower AFFO accretion versus EPS accretion. Can you talk about your thoughts on again, how the dividend would be tracking? Is it towards EPS accretion? Is it towards AFFO accretion? I think you touched on it but I didn't fully understand it before.

<A – Bill Meaney – Iron Mountain, Inc.>: Rod, do you want to take that?

<A – Rod Day – Iron Mountain, Inc.>: I think we would think of it primarily driven by earnings. But just the complication, if you like, that we have as a REIT is that we are required to – as you know, we're required to pay out 90% of our – at least 90% of our storage earnings, if you like, as a dividend. So if you're looking at these numbers, I would focus more towards the earnings part. But I'm just going to put that caveat in as an issue, if you like, that we have as a business.

<Q – Shlomo Rosenbaum – Stifel, Nicolaus & Co., Inc.>: Aren't you right now paying out anyway the max, isn't there's some cushion in there? What I'm trying to understand, am I supposed to figure out it's supposed to be somewhere between the 9% and 20% of how I should think about where the dividend is going, but leaning more towards the 20%? I'm just trying to figure out how I'm supposed to thinking about that.

<A – Bill Meaney – Iron Mountain, Inc.>: I hear you. I think part of it also – the part of the thing that's tricky with the max on this is, one of the primary reason why they look so different between EPS and AFFO and FFO is just the base that they're sitting on, right? So I think you can – we've always said that we've guided dividends to grow in line with earnings, which is what Rod said. We are conscious of where we are as a payout as a percentage of AFFO. But keep in mind that the AFFO and FFO accretion looks different than the EPS mainly because the base that they're sitting on.

<Q – Shlomo Rosenbaum – Stifel, Nicolaus & Co., Inc.>: Okay. And I think this is something I probably have to do more work on before I come back to you. But there's a note on slide 13 that says assumes IRM weighted average shares outstanding of 272 million and based on IRM share price of $37, which is clearly different from what it is today. This is a stock and some cash with no collar; does it make any difference in these calculations on this page where the IRM stock price is?

<A – Bill Meaney – Iron Mountain, Inc.>: No, the exchange rate is fixed. It does make a difference. It will make a difference in terms of the way the Recall shareholders will decide, I assume, on whether they elect cash, because remember that we have a maximum cash pool of A$225 million where people can decide to offer – for a certain number of their shares, can elect to take cash, right?

And I think if the implied price – and that's at A$8.50 for that. So if the implied price based on a 0.1722 exchange rate to Iron Mountain share at the time that they have to make that election is below A$8.50, then I would expect more people would elect for the cash election. But basically, it's an all-stock – our expectation it will be more than likely an all-stock deal, but the exchange rate is fixed and the $0.50 per share is fixed.

<Q – Shlomo Rosenbaum – Stifel, Nicolaus & Co., Inc.>: Okay. So it really doesn't make a difference. That $37 could say $32 and it would be the same thing really?

<A – Bill Meaney – Iron Mountain, Inc.>: Exactly. It's the same transaction.

<Q – Shlomo Rosenbaum – Stifel, Nicolaus & Co., Inc.>: Okay. And then the deleveraging chart that you guys have in there, that's the assumption of no additional acquisitions? Is that correct?

<A – Bill Meaney – Iron Mountain, Inc.>: That's right. That's how it is today. So...

<Q – Shlomo Rosenbaum – Stifel, Nicolaus & Co., Inc.>: Go ahead, I'm sorry.

<A – Bill Meaney – Iron Mountain, Inc.>: That's how it is today, that's right.

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

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

Operator: There are no further questions at this time. I'll turn the call over to Bill Meaney for closing remarks.

William Leo Meaney, President and Chief Executive Officer

Okay. Thank you, operator. I just want to thank all of you joining us at such short notice this morning. Needless to say, Doug and myself, I think, are very excited that we've been able to put our two companies together in this way.

As we said, we think it's highly accretive for our combined shareholders in terms of going forward and the synergies are even higher than we expected when we went into this. And we're able to actually do things together in terms of the way we put the two companies that drive that additional synergy value. So we're very excited about that.

We are confident that we will manage through the necessary regulatory hurdles and we've built those assumptions into our modeling. And the last thing, I would say, is we see it's also great opportunity for us to naturally de-lever the company going forward.

So, thank you again for joining us this morning. And we'll keep you apprised as we progress putting these two companies together.

Operator: Thank you. Ladies and gentlemen, this concludes today's conference call. You may now disconnect.