

Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

IRON MOUNTAIN INC/PA  
Form 10-Q/A  
August 14, 2002

-----  
-----  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
-----

FORM 10-Q/A  
AMENDMENT NO. 1

(MARK ONE)

/X/ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2002  
OR

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

COMMISSION FILE NUMBER 1-13045  
-----

IRON MOUNTAIN INCORPORATED

(Exact Name of Registrant as Specified in its Charter)

PENNSYLVANIA 23-2588479  
(State or Other Jurisdiction of (I.R.S. Employer Identification No.)  
Incorporation or Organization)

745 ATLANTIC AVENUE, BOSTON, MA 02111  
(Address of Principal Executive Offices, Including Zip Code)

(617) 535-4766  
(Registrant's Telephone Number, Including Area Code)  
-----

Indicate by check mark whether the registrant: (1) has filed all reports  
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of

## Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes /X/ No / /

Number of shares of the registrant's Common Stock outstanding as of August 2, 2002: 84,747,435

---

---

### EXPLANATORY NOTE

This Amendment No. 1 on Form 10-Q/A is being filed primarily for the purpose of amending Items 1 and 2 of the Company's Form 10-Q for the quarter ended March 31, 2002 as filed with the Securities and Exchange Commission on May 15, 2002. The changes reflect the Company's initial adoption of Statement of Financial Accounting Standard ("SFAS") No. 142, "Goodwill and Other Intangible Assets" as of January 1, 2002. The adoption of SFAS No. 142 resulted in a goodwill impairment charge of approximately \$6.4 million (net of minority interest) and has been recorded as a cumulative effect of change in accounting principle as required by SFAS No. 142.

### IRON MOUNTAIN INCORPORATED

### INDEX

	PAGE
	-----
PART I -- FINANCIAL INFORMATION	
Item 1	
-- Unaudited Consolidated Financial Statements (Revised, see Explanatory Note above and Note 4 of Notes to Consolidated Financial Statements)	
Consolidated Balance Sheets at March 31, 2002 and December 31, 2001 (Unaudited).....	3
Consolidated Statements of Operations for the Three Months Ended March 31, 2002 and 2001 (Unaudited).....	4
Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2002 and 2001 (Unaudited).....	5
Notes to Consolidated Financial Statements (Unaudited).....	6-21
Item 2	
-- Management's Discussion and Analysis of Financial Condition and Results of Operations.....	22-26
Item 3	
-- Quantitative and Qualitative Disclosures About Market Risk.....	26
PART II -- OTHER INFORMATION	
Item 1	
-- Legal Proceedings.....	27
Item 6	
-- Exhibits and Reports on Form 8-K.....	27

Signature.....

28

2

## PART I. FINANCIAL INFORMATION

## ITEM 1. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

## IRON MOUNTAIN INCORPORATED

CONSOLIDATED BALANCE SHEETS  
(IN THOUSANDS, EXCEPT SHARE DATA)  
(UNAUDITED)

	MARCH 31, 2002	DECEMBER 31, 2001
	-----	-----
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents.....	\$ 11,419	\$ 21,359
Accounts receivable (less allowances of \$17,873 and \$17,086, respectively).....	228,399	219,050
Deferred income taxes.....	31,668	31,140
Prepaid expenses and other.....	40,502	37,768
	-----	-----
Total Current Assets.....	311,988	309,317
Property, Plant and Equipment:		
Property, plant and equipment.....	1,245,258	1,190,537
Less--accumulated depreciation.....	(261,749)	(238,306)
	-----	-----
Net Property, Plant and Equipment.....	983,509	952,231
Other Assets, net:		
Goodwill.....	1,506,773	1,529,547
Customer relationships and acquisition costs.....	39,756	32,884
Deferred financing costs.....	19,666	19,928
Other.....	15,053	15,999
	-----	-----
Total Other Assets, net.....	1,581,248	1,598,358
	-----	-----
Total Assets.....	\$2,876,745	\$2,859,906
	=====	=====
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current Liabilities:		
Current portion of long-term debt.....	\$ 37,415	\$ 35,256
Accounts payable.....	69,476	64,596
Accrued expenses.....	159,695	153,105
Deferred revenue.....	85,474	85,894
Other current liabilities.....	17,599	20,158
	-----	-----
Total Current Liabilities.....	369,659	359,009
Long-term Debt, net of current portion.....	1,465,812	1,460,843
Other Long-term Liabilities.....	20,309	23,705
Deferred Rent.....	18,370	17,884
Deferred Income Taxes.....	58,704	47,213
Commitments and Contingencies		
Minority Interests.....	51,469	65,293
Shareholders' Equity:		
Preferred stock (par value \$0.01; authorized 10,000,000		

Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

shares; none issued and outstanding).....	--	--
Common stock (par value \$0.01; authorized 150,000,000 shares; issued and outstanding 84,441,736 shares and 84,294,315 shares, respectively).....	844	843
Additional paid-in capital.....	1,008,460	1,006,836
Accumulated deficit.....	(97,573)	(103,695)
Accumulated other comprehensive items.....	(19,309)	(18,025)
	-----	-----
Total Shareholders' Equity.....	892,422	885,959
	-----	-----
Total Liabilities and Shareholders' Equity.....	\$2,876,745	\$2,859,906
	=====	=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

3

IRON MOUNTAIN INCORPORATED

CONSOLIDATED STATEMENTS OF OPERATIONS  
(IN THOUSANDS, EXCEPT PER SHARE DATA)  
(UNAUDITED)

	THREE MONTHS ENDED MARCH 31,	
	2002	2001
	-----	-----
Revenues:		
Storage.....	\$183,436	\$167,865
Service and storage material sales.....	129,743	116,057
	-----	-----
Total Revenues.....	313,179	283,922
Operating Expenses:		
Cost of sales (excluding depreciation).....	148,427	139,820
Selling, general and administrative.....	82,022	70,317
Depreciation and amortization.....	25,074	35,718
Merger-related expenses.....	300	801
	-----	-----
Total Operating Expenses.....	255,823	246,656
	-----	-----
Operating Income.....	57,356	37,266
Interest Expense, Net.....	32,880	33,987
Other Expense, Net.....	(262)	(9,187)
	-----	-----
Income (Loss) Before Provision (Benefit) for Income Taxes and Minority Interest.....	24,214	(5,908)
Provision (Benefit) for Income Taxes.....	9,962	(8,837)
Minority Interest in Earnings (Losses) of Subsidiaries.....	957	(270)
	-----	-----
Income before Extraordinary Item and Cumulative Effect of Change in Accounting Principle.....	13,295	3,199
Extraordinary Charge from Early Extinguishment of Debt (net of tax benefit of \$445).....	(777)	--
Cumulative Effect of Change in Accounting Principle (net of minority interest).....	(6,396)	--

Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

Net Income.....	\$ 6,122	\$ 3,199
	=====	=====
Net Income per Share--Basic:		
Income before Extraordinary Item and Cumulative Effect of Change in Accounting Principle.....	\$ 0.16	\$ 0.04
Extraordinary Charge from Early Extinguishment of Debt....	(0.01)	--
Cumulative Effect of Change in Accounting Principle.....	(0.08)	--
	-----	-----
Net Income per Share--Basic.....	\$ 0.07	\$ 0.04
	=====	=====
Net Income per Share--Diluted:		
Income before Extraordinary Item and Cumulative Effect of Change in Accounting Principle.....	\$ 0.15	\$ 0.04
Extraordinary Charge from Early Extinguishment of Debt....	(0.01)	--
Cumulative Effect of Change in Accounting Principle.....	(0.07)	--
	-----	-----
Net Income per Share--Diluted.....	\$ 0.07	\$ 0.04
	=====	=====
Weighted Average Common Shares Outstanding--Basic.....	84,372	83,141
	=====	=====
Weighted Average Common Shares Outstanding--Diluted.....	86,002	84,890
	=====	=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

4

IRON MOUNTAIN INCORPORATED

CONSOLIDATED STATEMENTS OF CASH FLOWS  
(IN THOUSANDS)  
(UNAUDITED)

	THREE MONTHS ENDED MARCH 31,	
	2002	2001
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income.....	\$ 6,122	\$ 3,199
Adjustments to reconcile net income to income before extraordinary item and cumulative effect of change in accounting principle:		
Extraordinary charge from early extinguishment of debt (net of tax benefit of \$445).....	777	--
Cumulative effect of change in accounting principle (net of minority interest).....	6,396	--
	-----	-----
Income before extraordinary item and cumulative effect of change in accounting principle.....	13,295	3,199
Adjustments to reconcile income before extraordinary item and cumulative effect of change in accounting principle to cash provided by operating activities:		
Minority interests.....	957	(270)
Depreciation and amortization.....	25,074	35,718
Amortization of deferred financing costs and bond		

Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

discount.....	1,224	495
Provision for doubtful accounts.....	3,838	2,381
Foreign currency loss and other, net.....	66	9,693
Changes in Assets and Liabilities (exclusive of acquisitions):		
Accounts receivable.....	(14,133)	(9,558)
Prepaid expenses and other current assets.....	1,268	(7,375)
Deferred income taxes.....	10,300	(6,428)
Accounts payable.....	5,170	(4,630)
Accrued expenses and other current liabilities.....	3,792	2,183
Deferred revenue.....	(269)	(739)
Deferred rent.....	488	391
Other assets and long-term liabilities.....	199	(1,161)
	-----	-----
Cash Flows Provided by Operating Activities.....	51,269	23,899
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures.....	(57,643)	(48,198)
Cash paid for acquisitions, net of cash acquired.....	(7,756)	(34,773)
Additions to customer acquisition costs.....	(1,622)	(2,307)
Proceeds from sales of property and equipment.....	227	29
	-----	-----
Cash Flows Used in Investing Activities.....	(66,794)	(85,249)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net repayment of term loans.....	(98,750)	(250)
Repayment of debt.....	(27,547)	(35,484)
Proceeds from borrowings.....	134,323	82,355
Debt repayment to minority shareholders.....	(2,147)	(6,560)
Equity contributions from (distributions to) minority shareholders.....	(18)	24,529
Proceeds from exercise of stock options.....	1,388	2,539
Financing and stock issuance costs.....	(1,955)	(235)
	-----	-----
Cash Flows Provided by Financing Activities.....	5,294	66,894
Effect of exchange rates on cash and cash equivalents.....	291	(1,841)
	-----	-----
Increase (Decrease) in Cash and Cash Equivalents.....	(9,940)	3,703
Cash and Cash Equivalents, Beginning of Period.....	21,359	6,200
	-----	-----
Cash and Cash Equivalents, End of Period.....	\$ 11,419	\$ 9,903
	=====	=====
Supplemental Information:		
Cash Paid for Interest.....	\$ 19,684	\$ 16,551
	=====	=====
Cash Paid for Income Taxes.....	\$ 800	\$ 1,144
	=====	=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

5

IRON MOUNTAIN INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(IN THOUSANDS, EXCEPT SHARE DATA)

(UNAUDITED)

(1) GENERAL

## Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

The interim consolidated financial statements presented herein have been prepared by Iron Mountain Incorporated (the "Company") without audit and, in the opinion of management, reflect all adjustments of a normal recurring nature necessary for a fair presentation. Interim results are not necessarily indicative of results for a full year.

The consolidated balance sheet presented as of December 31, 2001 has been derived from the consolidated financial statements that have been audited by the Company's predecessor independent public accountants. The unaudited consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in the annual financial statements prepared in accordance with generally accepted accounting principles have been omitted pursuant to those rules and regulations, but the Company believes that the disclosures are adequate to make the information presented not misleading. The consolidated financial statements and notes included herein should be read in conjunction with the consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2001.

Certain reclassifications have been made to the 2001 financial statements to conform to the 2002 presentation.

### (2) COMPREHENSIVE INCOME (LOSS)

Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income," requires presentation of the components of comprehensive income (loss), including the changes in equity from non-owner sources such as unrealized gains (losses) on hedging transactions, securities and foreign currency translation adjustments. The Company's total comprehensive income (loss) is as follows:

	THREE MONTHS ENDED MARCH 31,	
	2002	2001
Comprehensive Income (Loss):		
Net Income.....	\$ 6,122	\$ 3,199
Other Comprehensive Loss:		
Foreign Currency Translation Adjustments.....	(2,329)	(788)
Transition Adjustment Charge.....	--	(214)
Unrealized Gain (Loss) on Hedging Contracts.....	1,045	(4,040)
	\$ 4,838	\$ (1,843)
	=====	=====

### (3) DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Effective January 1, 2001, the Company adopted the provisions of SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 requires that every derivative instrument be recorded in the balance sheet as either an asset or a liability measured at its fair value. The adoption of SFAS No. 133 resulted in the recognition of a derivative liability and a corresponding transition adjustment charge to accumulated other comprehensive items of approximately \$214 as of March 31, 2001.

# Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

IRON MOUNTAIN INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IN THOUSANDS, EXCEPT SHARE DATA)

(UNAUDITED)

(3) DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES (CONTINUED)

Periodically, the Company acquires derivative instruments that are intended to hedge either cash flows or values which are subject to exchange or other market price risk, and not for trading purposes. The Company has formally documented its hedging relationships, including identification of the hedging instruments and the hedge items, as well as its risk management objectives and strategies for undertaking each hedge transaction.

The Company has entered into three interest rate swap agreements, which are derivatives as defined by SFAS No. 133 and designated as cash flow hedges. These swap agreements hedge interest rate risk on certain amounts of its term loan as well as certain variable operating lease commitments. For all qualifying and highly effective cash flow hedges, the changes in the fair value of the derivatives are recorded in other comprehensive income. As a result of these interest rate swap agreements, the Company has recorded a derivative liability of and a corresponding charge to accumulated other comprehensive loss of \$7,903 (\$5,026, net of tax) and \$9,857 (\$5,857, net of tax) at March 31, 2002 and December 31, 2001, respectively.

For the three months ended March 31, 2002 and 2001, the Company recorded additional interest expense of \$1,797 and \$59 resulting from interest rate swap settlements and \$439 and \$9 in additional rent expense, respectively. All interest rate swap agreements were determined to be highly effective whereby no ineffectiveness was recorded in earnings.

(4) GOODWILL AND OTHER INTANGIBLE ASSETS

The Company is revising its previously filed financial statements as of and for the quarter ended March 31, 2002 to reflect the initial application of SFAS No. 142, "Goodwill and Other Intangible Assets". As required by that standard, the Company performed an initial transition assessment of the recoverability of all of its recorded goodwill at January 1, 2002 in the amount of \$1,529,547, which was completed during the quarter ended June 30, 2002. The results of that transitional assessment indicated that impairment existed in the goodwill recorded on the books of the Company's South American reporting unit. In accordance with the requirements of SFAS No. 142, the Company is revising its financial statements as of and for the quarter ended March 31, 2002 to reflect the charge associated with this impairment as a cumulative effect of a change in accounting principle.

The effect of these changes is as follows, as of and for the quarter ended March 31, 2002:

	AS PREVIOUSLY REPORTED	AS REVISED
	-----	-----
Balance Sheet:		
Goodwill.....	\$1,521,576	\$1,506,773
Total Assets.....	2,891,548	2,876,745
Minority Interests.....	62,062	51,469
Total Shareholders' Equity.....	896,632	892,422



## Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

Statement of Operations:

Cumulative Effect of Change in Accounting			
Principle.....	\$	--	\$ (6,396)
Net Income.....		12,518	6,122

7

IRON MOUNTAIN INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IN THOUSANDS, EXCEPT SHARE DATA)

(UNAUDITED)

(4) GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

The following disclosure has also been revised to reflect implementation of SFAS No. 142 and completion of its transitional requirements.

Effective July 1, 2001 and January 1, 2002, the Company adopted the provisions of SFAS No. 141, "Business Combinations" and SFAS No. 142, respectively. SFAS No. 141 requires all business combinations initiated after June 30, 2001 to be accounted for using the purchase method. Under SFAS No. 142, goodwill and intangible assets with indefinite lives are no longer amortized but are reviewed annually for impairment or more frequently if impairment indicators arise. Separable intangible assets that are not deemed to have indefinite lives will continue to be amortized over their useful lives. Had SFAS No. 142 been effective January 1, 2001, goodwill amortization expense would have been reduced by \$14,376 for the first quarter of 2001.

The result of testing the Company's goodwill for impairment in accordance with SFAS No. 142, as of January 1, 2002, was a non-cash charge of \$6,396 (net of minority interest of \$8,487), which is reported in the caption "cumulative effect of change in accounting principle" in the accompanying Consolidated Statement of Operations. The charge relates to the Company's South American reporting unit within the Company's international reporting segment. The South American reporting unit failed the impairment test primarily due to a reduction in the expected future performance of the unit resulting from a deterioration of the local economic environment and the devaluation of the currency in Argentina. As goodwill amortization expense in the Company's South American reporting unit is not deductible for tax purposes, this impairment charge is not net of a tax benefit. Under SFAS No. 142, the impairment adjustment recognized upon adoption of the new rules is reflected as a cumulative effect of change in accounting principle in the Company's financial results as of January 1, 2002. Impairment adjustments recognized after adoption, if any, are generally required to be recognized as operating expenses.

The Company has a controlling 50.1% interest in Iron Mountain South America, Ltd ("IMSA") and the remainder is owned by another unaffiliated entity. IMSA has acquired a controlling interest in entities in which local partners have retained a minority interest in order to enhance the Company's local market expertise. These local partners have no ownership interest in IMSA. This has caused the minority interest portion of the non-cash goodwill impairment charge (\$8,487) to exceed the Company's portion of the non-cash goodwill impairment charge (\$6,396).

The changes in the carrying value of goodwill attributable to each reportable operating segment for the period ended March 31, 2002 are as follows:

Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

	BUSINESS RECORDS MANAGEMENT	OFF-SITE DATA PROTECTION	INTERNATIONAL	CORPORATE & OTHER	CON
	-----	-----	-----	-----	-----
Balance as of December 31, 2001.....	\$985,038	\$236,850	\$265,760	\$41,899	\$1
Goodwill acquired during the period...	--	--	--	4,769	
Adjustments to goodwill.....	(4,206)	35	(8,396)	(93)	
Impairment losses.....	--	--	(14,883)	--	
	-----	-----	-----	-----	-----
Balance as of March 31, 2002.....	\$980,832	\$236,885	\$242,481	\$46,575	\$1
	=====	=====	=====	=====	=====

8

IRON MOUNTAIN INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IN THOUSANDS, EXCEPT SHARE DATA)

(UNAUDITED)

(4) GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

In connection with adopting SFAS No. 142, the Company reassessed the useful lives and the classification of its identifiable intangible assets and determined the useful lives of customer relationships and acquisition costs to be between 5 and 30 years. The components of the Company's amortizable intangible assets at March 31, 2002 are as follows:

	GROSS CARRYING AMOUNT	ACCUMULATED AMORTIZATION
	-----	-----
Customer Relationships and Acquisition Costs.....	\$49,030	\$ 9,274
Non-Compete Agreements.....	20,002	13,831
Deferred Financing Costs.....	24,450	4,784
	-----	-----
Total.....	\$93,482	\$27,889
	=====	=====

Amortization expense for intangible assets (excluding deferred financing costs which are amortized through interest expense) during the first quarter of 2002 was \$1,339. Estimated amortization expense for the remainder of 2002 and the five succeeding fiscal years is as follows:

	ESTIMATED AMORTIZATION EXPENSE
	-----
2002 (remainder).....	\$3,998
2003.....	3,423
2004.....	2,562
2005.....	1,879
2006.....	1,607
2007.....	1,248

Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

9

IRON MOUNTAIN INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IN THOUSANDS, EXCEPT SHARE DATA)

(UNAUDITED)

(4) GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

Actual results of operations for the three-month period ended March 31, 2002 and pro forma results of operations for the three-month period ended March 31, 2001 had the Company applied the non-amortization provisions of SFAS No. 142 as of January 1, 2001 are as follows:

	THREE MONTHS ENDED MARCH 31,	
	2002	2001
	-----	-----
Net Income (Loss) before Provision for Income Taxes and Minority Interest.....	\$24,214	\$ (5,908)
Add: Goodwill Amortization.....	--	14,376
Provision for Income Taxes.....	9,962	4,624
Minority Interest in Earnings of Subsidiaries.....	957	415
	-----	-----
Adjusted Income before Extraordinary Item and Cumulative Effect of Change in Accounting Principle.....	13,295	3,429
Extraordinary Charge from Early Extinguishment of Debt....	(777)	--
Cumulative Effect of Change in Accounting Principle.....	(6,396)	--
	-----	-----
Net Income.....	\$ 6,122	\$ 3,429
	=====	=====
Net Income per Share--Basic		
Net Income before Extraordinary Item and Cumulative Effect of Change in Accounting Principle, as Reported.....	\$ 0.16	\$ 0.04
Add: Goodwill Amortization, Net of Change in Provision for Income Taxes and Minority Interest.....	--	--
	-----	-----
Adjusted Income before Extraordinary Item and Cumulative Effect of Change in Accounting Principle.....	0.16	0.04
Extraordinary Charge from Early Extinguishment of Debt....	(0.01)	--
Cumulative Effect of Change in Accounting Principle.....	(0.08)	--
	-----	-----
Net Income per Share--Basic.....	\$ 0.07	\$ 0.04
	=====	=====
Net Income per Share--Diluted		
Net Income before Extraordinary Item and Cumulative Effect of Change in Accounting Principle, as Reported.....	\$ 0.15	\$ 0.04
Add: Goodwill Amortization, Net of Change in Provision for Income Taxes and Minority Interest.....	--	--
	-----	-----
Adjusted Income before Extraordinary Item and Cumulative Effect of Change in Accounting Principle.....	0.15	0.04
Extraordinary Charge from Early Extinguishment of Debt....	(0.01)	--
Cumulative Effect of Change in Accounting Principle.....	(0.07)	--
	-----	-----

Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

Net Income per Share--Diluted..... \$ 0.07 \$ 0.04  
=====

10

IRON MOUNTAIN INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IN THOUSANDS, EXCEPT SHARE DATA)

(UNAUDITED)

(5) ACQUISITIONS

During the three months ended March 31, 2002, the Company purchased substantially all of the assets, and assumed certain liabilities, of two businesses.

Each of the 2002 acquisitions and all 16 of the records management businesses acquired during 2001 were accounted for using the purchase method of accounting and, accordingly, the results of operations for each acquisition have been included in the consolidated results of the Company from their respective acquisition dates. In connection with certain 2001 acquisitions, related real estate was also purchased. For the 2002 acquisitions, the aggregate purchase price exceeded the underlying fair value of the net assets acquired by \$4,769 which has been assigned to goodwill and, consistent with SFAS 142, has not been amortized.

In connection with the 2002 and 2001 acquisitions, the Company has undertaken certain restructurings of the acquired businesses. The restructuring activities include certain reductions in staffing levels, elimination of duplicate facilities and other costs associated with exiting certain activities of the acquired businesses. These restructuring activities were recorded as costs of the acquisitions and were provided in accordance with Emerging Issues Task Force Issue No. 95-3, "Recognition of Liabilities in Connection with a Purchase Business Combination." The Company finalizes its restructuring plans for each business no later than one year from the date of acquisition. Unresolved matters primarily include completion of planned abandonments of facilities and employee severance costs for certain 2002 and 2001 acquisitions.

The following is a summary of reserves related to such restructuring activities:

	MARCH 31, 2002	DECEMBER 31, 2001
	-----	-----
Reserves, Beginning Balance.....	\$16,225	\$28,514
Reserves Established.....	780	3,751
Expenditures.....	(1,435)	(7,805)
Adjustments to Goodwill, including currency effect....	(489)	(8,235)
	-----	-----
Reserves, Ending Balance.....	\$15,081	\$16,225
	=====	=====

At March 31, 2002, the restructuring reserves related to acquisitions consisted of lease losses on abandoned facilities of \$9,705, severance costs for

## Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

approximately 29 people of \$937 and other exit costs of \$4,439. These accruals are expected to be used prior to March 31, 2003 except for lease losses of \$5,956 and severance contracts of \$517, both of which are based on contracts that extend beyond one year.

11

### IRON MOUNTAIN INCORPORATED

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IN THOUSANDS, EXCEPT SHARE DATA)

(UNAUDITED)

#### (6) LONG-TERM DEBT

Long-term debt consists of the following:

	MARCH 31, 2002		DECEMBER 31, 2001
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT
Revolving Credit Facility.....	\$ 107,751	\$107,751	\$ --
Tranche A Term Loan.....	--	--	150,000
Tranche B Term Loan.....	--	--	198,750
Term Loan.....	250,000	250,000	--
9 1/8% Senior Subordinated Notes due 2007 (the "9 1/8% notes").....	115,328	125,100	115,106
8 1/8% Senior Notes due 2008 (the "Subsidiary notes").....	123,235	135,675	122,758
8 3/4% Senior Subordinated Notes due 2009 (the "8 3/4% notes").....	249,697	260,313	249,687
8 1/4% Senior Subordinated Notes due 2011 (the "8 1/4% notes").....	149,591	153,750	149,580
8 5/8% Senior Subordinated Notes due 2013 (the "8 5/8% notes").....	437,991	456,750	438,059
Real estate mortgage.....	18,937	18,937	19,337
Seller Notes.....	11,540	11,540	12,383
Other.....	39,157	39,157	40,439
	1,503,227		1,496,099
Total Debt.....			(35,256)
Less Current Portion.....	(37,415)		
	\$1,465,812		\$1,460,843
Long-term Debt, Net of Current Portion.....	\$1,465,812		\$1,460,843

The estimated fair values for the long-term debt are based on the borrowing rates available to the Company at March 31, 2002 and December 31, 2001 for loans with similar terms and average maturities. The fair values of the 9 1/8% notes, 8 3/4% notes, 8 1/4% notes, 8 5/8% notes (collectively, the "Parent notes") and the Subsidiary notes are based on the quoted market prices for those notes on March 31, 2002 and December 31, 2001.

On March 15, 2002, the Company entered into a new amended and restated revolving credit agreement (the "Amended and Restated Credit Agreement"). The Amended and Restated Credit Agreement replaced the Company's prior credit agreement. The Amended and Restated Credit Agreement has an aggregate principal

Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

amount of \$650,000 and includes a \$400,000 revolving credit facility and a \$250,000 term loan facility. The revolving credit facility matures on January 31, 2005 while the term loan is to be paid in full on February 15, 2008; however, if the 9 1/8% notes are not redeemed or repurchased prior to April 15, 2007 the term loan will mature on April 15, 2007. The interest rate on borrowings under the Amended and Restated Credit Agreement varies depending on the Company's choice of base rates and currency options, plus an applicable margin. All intercompany notes are now pledged to secure the Amended and Restated Credit Agreement. As of March 31, 2002, the Company had \$107,751 of borrowings under the Company's revolving credit facility, including balances denominated in Canadian dollars of 78,910 and British pounds sterling of 7,900. The Company also had various outstanding letters of credit totaling \$27,667. The remaining availability under the revolving credit facility was \$264,582 as of March 31, 2002.

12

IRON MOUNTAIN INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IN THOUSANDS, EXCEPT SHARE DATA)

(UNAUDITED)

(7) SELECTED FINANCIAL INFORMATION OF PARENT, GUARANTORS AND NON-GUARANTORS

The following financial data summarizes the consolidating Company on the equity method of accounting as of March 31, 2002 and December 31, 2001 and for the first quarter of 2002 and 2001. The Guarantor column includes all subsidiaries that guarantee the Parent notes and the Subsidiary notes. The Canada Company column includes Iron Mountain Canada Corporation ("Canada Company") and the Company's other Canadian subsidiaries that guarantee the Subsidiary notes, but do not guarantee the Parent notes. The Parent and the Guarantors also guarantee the Subsidiary notes issued by Canada Company. The subsidiaries that do not guarantee either the Parent notes or the Subsidiary notes are referred to in the table as the "non-guarantors."

	MARCH 31, 2002				
	PARENT	GUARANTORS	CANADA COMPANY	NON- GUARANTORS	ELIMI
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents.....	\$ --	\$ 5,509	\$ --	\$ 6,667	\$
Accounts Receivable.....	--	190,684	14,467	23,248	
Intercompany Receivable.....	710,385	--	--	10,743	(7)
Other Current Assets.....	--	62,346	1,492	8,332	
	-----	-----	-----	-----	-----
Total Current Assets.....	710,385	258,539	15,959	48,990	(7)
Property, Plant and Equipment, Net.....	--	797,144	74,948	111,417	
<b>Other Assets:</b>					
Long-term Intercompany Receivable....	53,260	--	--	--	(
Long-term Notes Receivable from					
Affiliates.....	1,094,773	--	--	--	(1,0
Investment in Subsidiaries.....	365,054	74,627	--	--	(4
Goodwill, net.....	--	1,261,494	115,369	119,633	
Other.....	30,506	46,944	10,696	1,077	(

Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

Total Other Assets.....	1,543,593	1,383,065	126,065	120,710	(1,5
Total Assets.....	\$ 2,253,978	\$2,438,748	\$216,972	\$281,117	\$ (2,3
LIABILITIES AND SHAREHOLDERS' EQUITY					
Intercompany Payable.....	\$ --	\$ 568,778	\$ 93,329	\$ 59,021	\$ (7
Other Current Liabilities.....	48,224	232,128	16,693	73,371	
Long-term Debt, net of current portion.....	1,313,332	1,662	125,411	25,407	
Long-term Intercompany Payable.....	--	53,260	--	--	(
Long-term Notes Payable to Affiliates.....	--	1,094,773	--	--	(1,0
Other Long-term Liabilities.....	--	106,460	908	4,763	(
Commitments and Contingencies					
Minority Interests.....	--	--	--	(9,036)	
Shareholders' Equity.....	892,422	381,687	(19,369)	127,591	(4
Total Liabilities and Shareholders' Equity.....	\$ 2,253,978	\$2,438,748	\$216,972	\$281,117	\$ (2,3

13

IRON MOUNTAIN INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IN THOUSANDS, EXCEPT SHARE DATA)

(UNAUDITED)

(7) SELECTED FINANCIAL INFORMATION OF PARENT, GUARANTORS AND NON-GUARANTORS  
(CONTINUED)

	DECEMBER 31, 2001				
	PARENT	GUARANTORS	CANADA COMPANY	NON- GUARANTORS	ELIMINATIONS
ASSETS					
Current Assets:					
Cash and Cash Equivalents.....	\$ --	\$ 11,395	\$ 1,696	\$ 8,268	\$ --
Accounts Receivable.....	--	181,640	14,415	22,995	--
Intercompany Receivable.....	685,601	--	--	24,404	(710,005)
Other Current Assets.....	--	64,378	460	4,094	(24)
Total Current Assets.....	685,601	257,413	16,571	59,761	(710,029)
Property, Plant and Equipment, Net.....	--	778,804	72,839	100,588	--
Other Assets:					
Long-term Intercompany Receivable.....	45,193	--	--	--	(45,193)
Long-term Notes Receivable from Affiliates.....	1,086,823	--	--	--	(1,086,823)
Investment in Subsidiaries....	379,816	82,434	--	--	(462,250)
Goodwill, Net.....	--	1,261,598	115,832	141,463	10,654

Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

Other.....	31,419	40,660	11,754	1,085	(16,107)
	-----	-----	-----	-----	-----
Total Other Assets.....	1,543,251	1,384,692	127,586	142,548	(1,599,719)
	-----	-----	-----	-----	-----
Total Assets.....	\$2,228,852	\$2,420,909	\$216,996	\$302,897	\$(2,309,748)
	=====	=====	=====	=====	=====
LIABILITIES AND SHAREHOLDERS'					
EQUITY					
Intercompany Payable.....	\$ --	\$ 560,699	\$ 92,555	\$ 56,751	\$ (710,005)
Other Current Liabilities.....	34,526	233,111	16,786	74,610	(24)
Long-term Debt, Net of Current Portion.....	1,308,367	1,289	125,075	26,112	--
Long-term Intercompany Payable.....	--	45,193	--	--	(45,193)
Long-term Notes Payable to Affiliates.....	--	1,086,823	--	--	(1,086,823)
Other Long-term Liabilities... Commitments and Contingencies	--	98,481	887	5,541	(16,107)
Minority Interests.....	--	--	--	(1,352)	66,645
Shareholders' Equity.....	885,959	395,313	(18,307)	141,235	(518,241)
	-----	-----	-----	-----	-----
Total Liabilities and Shareholders' Equity.....	\$2,228,852	\$2,420,909	\$216,996	\$302,897	\$(2,309,748)
	=====	=====	=====	=====	=====

14

IRON MOUNTAIN INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IN THOUSANDS, EXCEPT SHARE DATA)

(UNAUDITED)

(7) SELECTED FINANCIAL INFORMATION OF PARENT, GUARANTORS AND NON-GUARANTORS  
(CONTINUED)

	THREE MONTHS ENDED MARCH 31, 2002				
	PARENT	GUARANTORS	CANADA COMPANY	NON- GUARANTORS	ELIMINATIO
	-----	-----	-----	-----	-----
Revenues:					
Storage.....	\$ --	\$160,077	\$ 8,519	\$14,840	\$ --
Service and Storage Material Sales.....	--	109,147	9,993	10,603	--
	-----	-----	-----	-----	-----
Total Revenues.....	--	269,224	18,512	25,443	--
Operating Expenses:					
Cost of Sales (excluding depreciation).....	--	125,862	9,356	13,209	--
Selling, General and Administrative.....	12	72,090	2,904	7,016	--
Depreciation and Amortization.....	--	22,068	1,438	1,568	--
Merger-related Expenses.....	--	300	--	--	--
	-----	-----	-----	-----	-----



Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

Total Operating Expenses.....	12	220,320	13,698	21,793	--
Operating Income (Loss).....	(12)	48,904	4,814	3,650	--
Interest Expense, Net.....	2,965	24,908	3,297	1,710	--
Equity in the (Earnings) Losses of Subsidiaries.....	(9,391)	5,630	--	--	3,761
Other Income (Expense), Net.....	485	(717)	(481)	451	--
Income Before Provision for Income Taxes and Minority Interest.....	6,899	17,649	1,036	2,391	(3,761)
Provision for Income Taxes.....	--	8,605	691	666	--
Minority Interest in Earnings of Subsidiaries.....	--	--	--	957	--
Income before Extraordinary Item...	6,899	9,044	345	768	(3,761)
Extraordinary Charge from Early Extinguishment of Debt (net of tax benefit of \$445).....	(777)	--	--	--	--
Cumulative Effect of Change in Accounting Principle (net of minority interest of \$8,487).....	--	--	--	(6,396)	--
Net Income (Loss).....	\$ 6,122	\$ 9,044	\$ 345	\$ (5,628)	\$ (3,761)

15

IRON MOUNTAIN INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IN THOUSANDS, EXCEPT SHARE DATA)

(UNAUDITED)

(7) SELECTED FINANCIAL INFORMATION OF PARENT, GUARANTORS AND NON-GUARANTORS  
(CONTINUED)

	THREE MONTHS ENDED MARCH 31, 2001				
	PARENT	GUARANTORS	CANADA COMPANY	NON- GUARANTORS	ELIMINATIO
Revenues:					
Storage.....	\$ --	\$146,575	\$ 8,402	\$12,888	\$ --
Service and Storage Material Sales.....	--	99,988	8,267	7,802	--
Total Revenues.....	--	246,563	16,669	20,690	--
Operating Expenses:					
Cost of Sales (excluding depreciation).....	--	119,490	8,737	11,593	--
Selling, General and Administrative.....	75	62,273	2,751	5,218	--
Depreciation and Amortization.....	--	30,488	2,484	2,746	--
Merger-related Expenses.....	--	772	--	29	--
Total Operating Expenses.....	75	213,023	13,972	19,586	--

Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

Operating Income (Loss).....	(75)	33,540	2,697	1,104	--
Interest Expense, Net.....	13,170	14,881	4,050	1,886	--
Equity in the (Earnings) Losses of Subsidiaries.....	(16,444)	85	--	--	16,359
Other Expense, Net.....	--	(2,892)	(6,294)	(1)	--
Income (Loss) Before Provision (Benefit) for Income Taxes and Minority Interest.....	3,199	15,682	(7,647)	(783)	(16,359)
Provision (Benefit) for Income Taxes.....	--	(9,100)	617	(354)	--
Minority Interest in Losses of Subsidiaries.....	--	--	--	(270)	--
Net Income (Loss).....	\$ 3,199	\$ 24,782	\$ (8,264)	\$ (159)	\$ (16,359)

16

IRON MOUNTAIN INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IN THOUSANDS, EXCEPT SHARE DATA)

(UNAUDITED)

(7) SELECTED FINANCIAL INFORMATION OF PARENT, GUARANTORS AND NON-GUARANTORS  
(CONTINUED)

	THREE MONTHS ENDED MARCH 31, 2002				
	PARENT	GUARANTORS	CANADA COMPANY	NON- GUARANTORS	ELIMINATIO
Cash Flows from Operating Activities:					
Cash Flows Provided by (Used in)					
Operating Activities.....	\$ (9,179)	\$ 57,744	\$ 2,281	\$ 1,180	\$ (757)
Cash Flows from Investing Activities:					
Capital expenditures.....	--	(37,887)	(3,382)	(16,374)	--
Cash paid for acquisitions, net of cash acquired.....	--	(7,819)	--	63	--
Intercompany loans to subsidiaries.....	451	(16,864)	--	--	16,413
Investment in subsidiaries.....	(2)	(2)	--	--	4
Additions to customer acquisition costs.....	--	(1,486)	(26)	(110)	--
Proceeds from sales of property and equipment.....	--	224	3	--	--
Cash Flows Provided by (Used in) Investing Activities.....	449	(63,834)	(3,405)	(16,421)	16,417
Cash Flows from Financing Activities:					
Net repayment of term loans.....	(98,750)	--	--	--	--
Repayment of debt.....	(26,188)	(119)	(127)	(1,113)	--
Proceeds from borrowings.....	134,235	--	--	88	--
Debt repayment to and equity					

Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

distributions to minority shareholders.....	--	--	--	(2,165)	--
Intercompany loans from parent.....	--	321	(772)	16,864	(16,413)
Equity contribution from parent....	--	2	--	2	(4)
Proceeds from exercise of stock options.....	1,388	--	--	--	--
Financing and stock issuance costs.....	(1,955)	--	--	--	--
	-----	-----	-----	-----	-----
Cash Flows Provided by (Used in) Financing Activities.....	8,730	204	(899)	13,676	(16,417)
Effect of exchange rates on cash and cash equivalents.....	--	--	327	(36)	--
	-----	-----	-----	-----	-----
Decrease in cash and cash equivalents.....	--	(5,886)	(1,696)	(1,601)	(757)
Cash and cash equivalents, beginning of period.....	--	11,395	1,696	8,268	--
	-----	-----	-----	-----	-----
Cash and cash equivalents, end of period.....	\$ --	\$ 5,509	\$ --	\$ 6,667	\$ (757)
	=====	=====	=====	=====	=====

17

IRON MOUNTAIN INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IN THOUSANDS, EXCEPT SHARE DATA)

(UNAUDITED)

(7) SELECTED FINANCIAL INFORMATION OF PARENT, GUARANTORS AND NON-GUARANTORS  
(CONTINUED)

	THREE MONTHS ENDED MARCH 31, 2001				
	PARENT	GUARANTORS	CANADA COMPANY	NON- GUARANTORS	ELIMINATIO
	-----	-----	-----	-----	-----
Cash Flows from Operating Activities:					
Cash Flows Provided by (Used in)					
Operating Activities.....	\$ (21,070)	\$ 45,009	\$ 1,642	\$ (1,682)	\$ --
Cash Flows from Investing Activities:					
Capital expenditures.....	--	(42,528)	(1,592)	(4,078)	--
Cash paid for acquisitions, net of cash acquired.....	--	(19,813)	206	(15,166)	--
Intercompany loans to subsidiaries.....	(20,204)	2,537	--	--	17,667
Investment in subsidiaries.....	(6,523)	(6,523)	--	--	13,046
Additions to customer acquisition costs.....	--	(2,051)	(75)	(181)	--
Proceeds from sales of property and equipment.....	--	8	5	16	--
	-----	-----	-----	-----	-----
Cash Flows Used in Investing Activities.....	(26,727)	(68,370)	(1,456)	(19,409)	30,713

Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

Cash Flows from Financing Activities:					
Net repayment of term loans.....	(250)	--	--	--	--
Repayment of debt.....	(633)	(34,043)	(60)	(748)	--
Proceeds from borrowings.....	46,116	35,686	--	553	--
Debt repayment to minority shareholders.....	--	--	--	(6,560)	--
Equity contributions from minority shareholders.....	--	--	--	24,529	--
Intercompany loans from parent....	--	14,791	4,937	(2,061)	(17,667)
Equity contribution from parent....	--	6,523	--	6,523	(13,046)
Proceeds from exercise of stock options.....	2,539	--	--	--	--
Financing and stock issuance costs.....	(166)	(69)	--	--	--
	-----	-----	-----	-----	-----
Cash Flows Provided by Financing Activities.....	47,606	22,888	4,877	22,236	(30,713)
Effect of exchange rates on cash and cash equivalents.....	--	--	(4,044)	2,203	--
	-----	-----	-----	-----	-----
Increase (Decrease) in cash and cash equivalents.....	(191)	(473)	1,019	3,348	--
Cash and cash equivalents, beginning of period.....	191	3,336	302	2,371	--
	-----	-----	-----	-----	-----
Cash and cash equivalents, end of period.....	\$ --	\$ 2,863	\$ 1,321	\$ 5,719	\$ --
	=====	=====	=====	=====	=====

18

IRON MOUNTAIN INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IN THOUSANDS, EXCEPT SHARE DATA)

(UNAUDITED)

(8) EARNINGS PER SHARE

In accordance with SFAS No. 128, "Earnings per Share," basic net income (loss) per common share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding. The calculation of diluted net income (loss) per share is consistent with that of basic net income (loss) per share but gives effect to all potential common shares (that is, securities such as options, warrants or convertible securities) that were outstanding during the period, unless the effect is antidilutive. Potential common shares, entirely attributable to stock options, included in the calculation of diluted net income per share totaled 1,630,357 shares for the three months ended March 31, 2002.

(9) SEGMENT INFORMATION

An analysis of the Company's business segment information and reconciliation to the consolidated financial statements is as follows:

BUSINESS	OFF-SITE	
RECORDS	DATA	CORPORATE

Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

	MANAGEMENT	PROTECTION	INTERNATIONAL	& OTHER	CON
	-----	-----	-----	-----	-----
THREE MONTHS ENDED MARCH 31, 2002					
Revenue.....	\$ 202,544	\$ 52,180	\$ 43,488	\$ 14,967	\$
Adjusted EBITDA.....	54,169	14,128	10,965	3,468	
Total Assets.....	2,114,032	349,617	517,090	(103,994) (1)	2
THREE MONTHS ENDED MARCH 31, 2001					
Revenue.....	189,299	44,916	36,879	12,828	
Adjusted EBITDA.....	50,146	10,811	8,679	4,149	

(1) Total corporate & other assets include the intersegment elimination amount of \$1,618,775.

Adjusted EBITDA is defined as EBITDA (earnings before interest, taxes, depreciation and amortization) adjusted for extraordinary items, other income (expense), merger-related expenses, stock option compensation expense and minority interest. The Company uses Adjusted EBITDA as an internal measurement of financial performance of, and as the basis for allocating resources to, the Company's operating segments.

The Company has several hybrid business units, each generating revenues and incurring expenses from a combination of different product lines such as business records management, off-site data protection and confidential destruction. To the extent that certain operations are reclassified between segments, the related revenues and expenses are reported under the new segment. To the extent practicable, the prior period amounts shown above have been adjusted to reflect these changes.

19

IRON MOUNTAIN INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IN THOUSANDS, EXCEPT SHARE DATA)

(UNAUDITED)

(9) SEGMENT INFORMATION (CONTINUED)

A reconciliation from EBITDA to Adjusted EBITDA and income (loss) before provision (benefit) for income taxes and minority interest is as follows:

	THREE MONTHS ENDED MARCH 31,	
	2002	2001
	-----	-----
EBITDA.....	\$ 81,211	\$ 64,067
Other Expense, Net.....	262	9,187
Merger-related Expenses.....	300	801
Minority Interests in Earnings (Losses) of Subsidiaries...	957	(270)
	-----	-----
ADJUSTED EBITDA.....	82,730	73,785
Depreciation and Amortization.....	(25,074)	(35,718)

Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

Merger-related Expenses.....	(300)	(801)
Interest Expense, Net.....	(32,880)	(33,987)
Other Expense, Net.....	(262)	(9,187)
	-----	-----
INCOME (LOSS) BEFORE PROVISION (BENEFIT) FOR INCOME TAXES		
AND MINORITY INTEREST.....	\$ 24,214	\$ (5,908)
	=====	=====

Information about the Company's operations in different geographical areas is as follows:

	THREE MONTHS ENDED MARCH 31,	
	2002	2001
	-----	-----
Revenues:		
United States.....	\$269,691	\$247,043
International.....	43,488	36,879
	-----	-----
Total Revenues.....	\$313,179	\$283,922
	=====	=====

	MARCH 31, 2002	DECEMBER 31, 2001
	-----	-----
Long-lived Assets:		
United States.....	\$2,143,776	\$2,118,828
International.....	420,981	431,761
	-----	-----
Total Long-lived Assets.....	\$2,564,757	\$2,550,589
	=====	=====

(10) COMMITMENTS AND CONTINGENCIES

On March 28, 2002, the Company and Iron Mountain Information Management, Inc., one of the Company's wholly owned subsidiaries, commenced an action in the Middlesex County, New Jersey, Superior Court, Chancery Division, captioned IRON MOUNTAIN INCORPORATED AND IRON MOUNTAIN INFORMATION MANAGEMENT, INC., V. J. PETER PIERCE, DOUGLAS B. HUNTLEY, J. MICHAEL GOLD, FRED A. MATHEWSON, JR., MICHAEL DIANNI, J. ANTHONY HAYDEN, PIONEER CAPITAL, LLC, AND SEQUEDEX, LLC. In the complaint, the

## Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

### (10) COMMITMENTS AND CONTINGENCIES (CONTINUED)

Company alleges that defendant J. Peter Pierce, a member of the Company's Board of Directors and the former President of Iron Mountain Information Management, Inc. until his termination without cause effective June 30, 2000, has violated and is continuing to violate his fiduciary obligations, as well as various noncompetition and other provisions of an employment agreement with the Company, dated February 1, 2000, by providing direct and/or indirect financial, management and other support to defendant Sequedex, LLC. Sequedex was established in October 2000, and competes directly with the Company in the records and information management services industry. The complaint also alleges that Mr. Pierce and certain of the other defendants, who were employed by or affiliated with Pierce Leahy Corp. prior to the merger of Pierce Leahy with the Company in February 2000, have misappropriated and used the Company's trade secrets and other confidential information. Finally, the complaint asserts claims against Sequedex and others for tortious interference with contractual relations, against all of the defendants for civil conspiracy in respect of the matters described above, and against defendant Michael DiIanni for breach of his employment agreement with Iron Mountain Information Management, Inc., dated September 6, 2000. The litigation seeks injunctions in respect of certain matters and recovery of damages against the defendants. On April 12, 2002, the Company also initiated an arbitration proceeding against Mr. Pierce before the Philadelphia, Pennsylvania office of the American Arbitration Association on account of an arbitration clause in the employment agreement between the Company and Mr. Pierce. The Company intends to prosecute the litigation vigorously.

21

### IRON MOUNTAIN INCORPORATED

#### ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations for the three months ended March 31, 2002 and 2001 should be read in conjunction with the consolidated financial statements and footnotes for the three months ended March 31, 2002 included herein, and the year ended December 31, 2001, included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 20, 2002.

Effective July 1, 2001 and January 1, 2002, we adopted the provisions of SFAS No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets", respectively. SFAS No. 141 requires all business combinations initiated after June 30, 2001 to be accounted for using the purchase method. Under SFAS No. 142, goodwill and intangible assets with indefinite lives are no longer amortized but are reviewed annually for impairment or more frequently if impairment indicators arise. Separable intangible assets that are not deemed to have indefinite lives will continue to be amortized over their useful lives. Had SFAS No. 142 been effective January 1, 2001, goodwill amortization expense would have been reduced by \$14.4 million for the first quarter of 2001.

The result of testing our goodwill for impairment in accordance with SFAS No. 142, as of January 1, 2002, was a non-cash charge of \$6.4 million (net of minority interest of \$8.5 million), which is reported in the caption "cumulative effect of change in accounting principle" in our Consolidated Statement of Operations. The charge relates to our South American reporting unit within our international reporting segment. The South American reporting unit failed the impairment test primarily due to a reduction in the expected future performance of the unit resulting from a deterioration of the local economic environment and the devaluation of the currency in Argentina. As goodwill amortization expense in our South American reporting unit is not deductible for tax purposes, this impairment charge is not net of a tax benefit. Under SFAS No. 142, the

## Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

impairment adjustment recognized upon adoption of the new rules is reflected as a cumulative effect of change in accounting principle in our financial results as of January 1, 2002. Impairment adjustments recognized after adoption, if any, are generally required to be recognized as operating expenses.

We have a controlling 50.1% interest in Iron Mountain South America, Ltd ("IMSA") and the remainder is owned by another unaffiliated entity. IMSA has acquired a controlling interest in entities in which local partners have retained a minority interest in order to enhance our local market expertise. These local partners have no ownership interest in IMSA. This has caused the minority interest portion of the non-cash goodwill impairment charge (\$8.5 million) to exceed our portion of the non-cash goodwill impairment charge (\$6.4 million).

### RESULTS OF OPERATIONS

THREE MONTHS ENDED MARCH 31, 2002 COMPARED TO THREE MONTHS ENDED MARCH 31, 2001

Our consolidated revenues increased \$29.3 million, or 10.3%, to \$313.2 million for the first quarter of 2002 from \$283.9 million for the first quarter of 2001. Internal revenue growth for the first quarter of 2002 was 8.8%, comprised of 8.4% for storage revenue and 9.3% for service revenue. We calculate internal revenue growth in local currency for our international operations.

Consolidated storage revenues increased \$15.6 million, or 9.3%, to \$183.4 million for the first three months of 2002 from \$167.9 million for the first three months of 2001. The increase was primarily attributable to: (1) internal revenue growth of 8.4% resulting primarily from net increases in records and other media stored by existing customers and sales to new customers; and (2) acquisitions. The total increase in storage revenues was partially offset by the unfavorable effects of foreign currency

22

### IRON MOUNTAIN INCORPORATED

translation of \$1.2 million as a result of the strengthening of the U.S. dollar against certain currencies, primarily the Argentine peso, the Canadian dollar and the British pound sterling.

Consolidated service and storage material sales revenues increased \$13.7 million, or 11.8%, to \$129.7 million for the first three months of 2002 from \$116.1 million for the first three months of 2001. The increase was primarily attributable to: (1) internal revenue growth of 9.3% resulting primarily from net increases in service and storage material sales to existing customers and sales to new customers; and (2) acquisitions. The total increase in service and storage material sales revenues was partially offset by the unfavorable effects of foreign currency translation of \$0.6 million as a result of the strengthening of the U.S. dollar against certain currencies, primarily the Argentine peso, the Canadian dollar and the British pound sterling.

Consolidated cost of sales (excluding depreciation) increased \$8.6 million, or 6.2%, to \$148.4 million (47.4% of consolidated revenues) for the first three months of 2002 from \$139.8 million (49.2% of consolidated revenues) for the first three months of 2001. The dollar increase was primarily attributable to the required costs to support our revenue growth. The decrease as a percent of consolidated revenues is primarily attributable to: (1) improved labor management (a decrease of 0.8%); (2) improved transportation efficiencies (a decrease of 0.5%); and (3) improved management of facilities costs including rent (a decrease of 0.2%) and decreased utility costs in comparison to high levels in 2001 (a decrease of 0.6%) offset by increased insurance expense due to increased premiums for property and casualty insurance (an increase of 0.3%).



## Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

Improvements in labor and facilities management as well as increased transportation efficiencies are the result of the increasing scale of our business and efficiencies gained through our merger integration with Pierce Leahy Corp.

Consolidated selling, general and administrative expenses increased \$11.7 million, or 16.6%, to \$82.0 million (26.2% of consolidated revenues) for the first three months of 2002 from \$70.3 million (24.8% of consolidated revenues) for the first three months of 2001. The dollar increase was primarily attributable to the required costs to support our revenue growth, while the increase as a percent of consolidated revenues was primarily attributable to: (1) our expenditures for our marketing and information technology initiatives related to the development of complementary technology-based service offerings (an increase of 0.3%); (2) increased information technology costs primarily as a result of higher data communications costs resulting from network deployment and migration activities (an increase of 0.6%); (3) increased investment in sales force (an increase of 0.4%); and (4) an increase in the provision for doubtful accounts (an increase of 0.4%) offset by improved labor absorption (a decrease of 0.3%).

Consolidated depreciation and amortization expense decreased \$10.6 million, or 29.8%, to \$25.1 million (8.0% of consolidated revenues) for the first three months of 2002 from \$35.7 million (12.6% of consolidated revenues) for the first three months of 2001. Depreciation expense increased \$4.1 million, primarily due to the additional depreciation expense related to the 2001 and 2002 acquisitions, and capital expenditures including storage systems, information systems and expansion of storage capacity in existing facilities. Amortization expense decreased \$14.7 million, primarily due to eliminating amortization expense related to the goodwill in accordance with SFAS 142 (See Note 4, Goodwill and Other Intangible Assets, of Notes to Consolidated Financial Statements).

Merger-related expenses are certain expenses directly related to our merger with Pierce Leahy that cannot be capitalized and include system conversion costs, costs of exiting certain facilities, severance, relocation and pay-to-stay payments and other transaction-related costs. Merger-related expenses were \$0.3 million (0.1% of consolidated revenues) for the first three months of 2002 compared to \$0.8 million (0.3% of consolidated revenues) for the same period of 2001.

23

### IRON MOUNTAIN INCORPORATED

As a result of the foregoing factors, consolidated operating income increased \$20.1 million, or 53.9%, to \$57.4 million (18.3% of consolidated revenues) for the first three months of 2002 from \$37.3 million (13.1% of consolidated revenues) for the first three months of 2001.

Consolidated interest expense, net decreased \$1.1 million, or 3.3%, to \$32.9 million for the first three months of 2002 from \$34.0 million for the first three months of 2001. This decrease was primarily attributable to a decline in our overall weighted average interest rate as a result of a general decline in interest rates coupled with our refinancing efforts. Savings attributable to these rate reductions have been partially offset by interest expense attributable to increased long-term borrowings through our 2001 bond offerings.

Consolidated other expense, net was \$0.3 million for the first three months of 2002 compared to \$9.2 million for the first three months of 2001. The change was primarily attributable to a non-cash foreign currency loss of \$9.2 million recorded in the first three months of 2001, primarily due to the effect of

## Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

further weakening of the Canadian dollar against the U.S. dollar from the previous year end, as it relates to Canada Corporation's 8 1/8% notes, and the intercompany balances with our Canadian and European subsidiaries.

As a result of the foregoing factors, consolidated income (loss) before provision (benefit) for income taxes and minority interests increased \$30.1 million to income of \$24.2 million (7.7% of consolidated revenues) for the first three months of 2002 from a loss of \$5.9 million (2.1% of consolidated revenues) for the first three months of 2001.

The provision for income taxes was \$10.0 million for the first three months of 2002 compared to a benefit of \$8.8 million for the first three months of 2001. The effective tax rate for the first quarter of 2002 was 41.1%.

Minority interest in earnings (losses) of subsidiaries increased \$1.2 million to income of \$1.0 million (0.3% of consolidated revenues) for the first three months of 2002 from a loss of \$0.3 million (0.1% of consolidated revenues) for the first three months of 2001. This represents our minority partners' share of earnings in our majority owned international subsidiaries that are consolidated in operating results. The increase is primarily a result of the elimination of goodwill amortization expense in accordance with SFAS No. 142 and increased profitability in our emerging businesses in Europe and South America in 2002.

Consolidated income before extraordinary item and cumulative effect of change in accounting principle increased \$10.1 million to \$13.3 million (4.2% of consolidated revenues) for the first three months of 2002 from \$3.2 million (1.1% of consolidated revenues) for the first three months of 2001.

In the first quarter of 2002, we recorded an extraordinary charge of \$0.8 million (net of tax benefit of \$0.4 million) related to the early retirement of debt in conjunction with the refinancing of our credit facility. The charge consisted primarily of the write-off of unamortized deferred financing costs associated with the extinguished debt. There was no such charge in the same period of 2001.

In the first quarter of 2002, we recorded a non-cash charge for the cumulative effect of change in accounting principle of \$6.4 million (net of minority interest of \$8.5 million) as a result of our implementation of SFAS No. 142. There was no such charge in the same period of 2001.

As noted in Note 9, Segment Information, of Notes to Consolidated Financial Statements, Adjusted EBITDA, defined as EBITDA (earnings before interest, taxes, depreciation and amortization) adjusted for extraordinary items, other income (expense), merger-related expenses, stock option compensation expense and minority interest, is used as our internal measurement of financial performance of our operating segments. In addition, substantially all of our financing agreements

### IRON MOUNTAIN INCORPORATED

contain covenants in which Adjusted EBITDA-based calculations are used as a measure of financial performance for financial ratio purposes.

As a result of the foregoing factors, consolidated Adjusted EBITDA increased \$8.9 million, or 12.1%, to \$82.7 million (26.4% of consolidated revenues) for the first three months of 2002 from \$73.8 million (26.0% of consolidated revenues) for the first three months of 2001. Excluding the \$1.8 million of development costs, net of recorded revenues, for the first quarter of 2002 and \$0.9 million of development costs, net of recorded revenues, for the first

## Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

quarter of 2001 related to our new technology-related service offerings, our Adjusted EBITDA margins were 27.0% and 26.3% for the first quarter of 2002 and 2001, respectively.

Adjusted EBITDA as a percent of segment revenue for our business records management segment increased from 26.5% to 26.7%, primarily due to an increase in gross margin as a result of labor and transportation efficiencies as a result of the increasing scale of our business, efficiencies gained through the integration of Pierce Leahy and lower cost of sales associated with facility management, including utilities. This increase was partially offset by: (1) an increase in cost of sales from higher insurance premiums for property, casualty and healthcare insurance; and (2) increased overhead expenses from information technology spending including higher data communications costs resulting from network deployment and migration activities.

Adjusted EBITDA as a percent of segment revenue for our off-site data protection segment increased from 24.1% to 27.1% primarily due to an increase in gross margin as a result of improved labor, transportation and real estate management. This increase was partially offset by: (1) higher insurance premiums for property, casualty and healthcare insurance; and (2) an increase in the provision for doubtful accounts.

The Adjusted EBITDA margin for our international segment increased from 23.5% to 25.2% primarily due to: (1) facilities management improvements and efficiency gains from the economies of scale achieved through the integration of the December 2000 acquisition of FACS Record Centre Inc., a Canadian company; and (2) improved margins from our European operations. This increase was partially offset by higher insurance premiums for property, casualty and healthcare insurance and reduced margins in our South American operations due to the deteriorating economic conditions and the devaluation of the currency in Argentina.

### LIQUIDITY AND CAPITAL RESOURCES

On March 15, 2002, we entered into the Amended and Restated Credit Agreement. The Amended and Restated Credit Agreement replaced our prior credit agreement. The Amended and Restated Credit Agreement has an aggregate principal amount of \$650.0 million and includes a \$400.0 million revolving credit facility and a \$250.0 million term loan facility. The revolving credit facility matures on January 31, 2005 while the term loan is to be paid in full on February 15, 2008; however, if our 9 1/8% notes are not redeemed or repurchased prior to April 15, 2007 the term loan will mature on April 15, 2007. The interest rate on borrowings under the Amended and Restated Credit Agreement varies depending on our choice of base rates and currency options, plus an applicable margin. The margin applicable to the term loan under the Amended and Restated Credit Agreement is lower than the margin applicable to term loans under our prior credit agreement and will result in reduced interest expense on our borrowings as compared to the previous credit agreement. All intercompany notes are now pledged to secure the Amended and Restated Credit Agreement. As of March 31, 2002, we had \$107.8 million of borrowings under our revolving credit facility, including balances denominated in Canadian dollars of 78.9 million and British pounds sterling of 7.9 million. We also had various

### IRON MOUNTAIN INCORPORATED

outstanding letters of credit totaling \$27.7 million. The remaining availability under the revolving credit facility was \$264.5 million as of March 31, 2002.

In addition, as of March 31, 2002, our synthetic leasing program had a total capacity of \$204.3 of which \$165.0 million had been utilized for property

## Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

acquisitions and \$39.3 million is currently available for future property acquisitions.

We have made significant capital investments, including: (1) capital expenditures, primarily related to growth, including investments in real estate, racking systems, information systems and expansion of storage capacity in existing facilities; (2) acquisitions; and (3) customer relationship and acquisition costs. Cash paid for these investments during the first three months of 2002 amounted to \$57.6 million, \$7.8 million and \$1.6 million, respectively. These investments have been funded primarily through cash flows from operations and borrowings under our revolving credit facilities. Included in capital expenditures is \$3.8 million related to our technology-based service offerings.

Net cash provided by operations was \$51.3 million for the first three months of 2002 compared to \$23.9 million for the same period in 2001. The increase resulted primarily from an increase in operating income, accounts payable, accrued expenses, deferred income taxes, and a decrease in prepaid expenses, which was partially offset by an increase in accounts receivable.

Net cash provided by financing activities was \$5.3 million for the first three months of 2002, consisting primarily of the proceeds from borrowings under our credit facilities of \$134.3 million, which was partially offset by net repayment of term loans of \$98.8 million and repayment of debt under our credit facilities and other debt of \$27.5 million.

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In December 2000 and January 2001, we entered into certain derivative financial contracts, which are variable-for-fixed swaps of interest payments payable on an aggregate principal amount of \$195.5 million of our term loan and certain variable operating lease commitments.

Our investments in Iron Mountain Europe Limited, Iron Mountain South America, Ltd. and other international investments may be subject to risks and uncertainties relating to fluctuations in currency valuation. One of our Canadian subsidiaries, Iron Mountain Canada Corporation, has U.S. dollar denominated debt. Gains and losses due to exchange rate fluctuations related to this debt are recognized in our consolidated statements of operations.

After consideration of the swap contracts mentioned above, as of March 31, 2002, we had \$189.4 million of variable rate debt outstanding with a weighted average variable interest rate of 5.35%, and \$1,313.8 million of fixed rate debt outstanding. If the weighted average variable interest rate on our variable rate debt had increased by 1%, such increase would have had a negative impact on our net income for the quarter ended March 31, 2002 of \$0.3 million. See Note 6 of Notes to Consolidated Financial Statements for a discussion of our long-term indebtedness, including the fair values of such indebtedness as of March 31, 2002.

26

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

On March 28, 2002, Iron Mountain and Iron Mountain Information Management, Inc., one of our wholly owned subsidiaries, commenced an action in the Middlesex County, New Jersey, Superior Court, Chancery Division, captioned IRON MOUNTAIN INCORPORATED AND IRON MOUNTAIN INFORMATION MANAGEMENT, INC., V. J. PETER PIERCE, DOUGLAS B. HUNTLEY, J. MICHAEL GOLD, FRED A. MATHEWSON, JR., MICHAEL DIIANNI, J. ANTHONY HAYDEN, PIONEER CAPITAL, LLC, AND SEQUEDEX, LLC. In the complaint, we allege that defendant J. Peter Pierce, a member of our Board

## Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

of Directors and the former President of Iron Mountain Information Management, Inc. until his termination without cause effective June 30, 2000, has violated and is continuing to violate his fiduciary obligations, as well as various noncompetition and other provisions of an employment agreement with Iron Mountain, dated February 1, 2000, by providing direct and/or indirect financial, management and other support to defendant Sequedex, LLC. Sequedex was established in October 2000, and competes directly with us in the records and information management services industry. The complaint also alleges that Mr. Pierce and certain of the other defendants, who were employed by or affiliated with Pierce Leahy Corp. prior to the merger of Pierce Leahy with Iron Mountain in February 2000, have misappropriated and used our trade secrets and other confidential information. Finally, the complaint asserts claims against Sequedex and others for tortious interference with contractual relations, against all of the defendants for civil conspiracy in respect of the matters described above, and against defendant Michael DiIanni for breach of his employment agreement with Iron Mountain Information Management, Inc., dated September 6, 2000. The litigation seeks injunctions in respect of certain matters and recovery of damages against the defendants. On April 12, 2002, Iron Mountain also initiated an arbitration proceeding against Mr. Pierce before the Philadelphia, Pennsylvania office of the American Arbitration Association on account of an arbitration clause in the employment agreement between Iron Mountain and Mr. Pierce. We intend to prosecute the litigation vigorously.

### ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

#### (a) EXHIBITS

EXHIBIT NO.	DESCRIPTION
*10.1	Amendment No. 1 and Consent to Lease Agreement, dated March 15, 2002, between Iron Mountain Statutory Trust--1998 and IMRM.
*10.2	Amendment No. 5 and Consent to Unconditional Guaranty, dated as of March 15, 2002 between the Company and Iron Mountain Statutory Trust--1998, and consented to by the lenders listed therein and the Bank of Nova Scotia, as Agent Bank for such lenders.
*10.3	Amendment No. 1 and Consent to Lease Agreement, dated March 15, 2002, between Iron Mountain Statutory Trust--1999 and Iron Mountain Information Management, Inc.
*10.4	Amendment No. 4 to Unconditional Guaranty, dated as of March 20, 2001 between the Company and Iron Mountain Statutory Trust--1999, and consented to by the lenders listed therein and Wachovia Capital Investments, Inc., as Agent Bank for such lenders.
*10.5	Amendment No. 5 and Unconditional Consent to Guaranty, dated as of March 15, 2002 between the Company and Iron Mountain Statutory Trust--1999, and consented to by the lenders listed therein and Wachovia Capital Investments, Inc., as Agent Bank for such lenders.
*10.6	Amendment to Master Lease and Security Agreement and Unconditional Guaranty, dated March 15, 2002, between Iron Mountain Statutory Trust--2001, Iron Mountain Information Management, Inc. and the Company.
99.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Edgar Filing: IRON MOUNTAIN INC/PA - Form 10-Q/A

-----  
\* Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2002, as filed with the Commission on May 15, 2002.

(b) REPORTS ON FORM 8-K

None.

27

IRON MOUNTAIN INCORPORATED

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Amendment No. 1 on Form 10-Q/A to be signed on its behalf by the undersigned thereunto duly authorized.

IRON MOUNTAIN INCORPORATED

August 14, 2002

By: /s/ JEAN A. BUA

-----  
(date)

-----  
Jean A. Bua  
VICE PRESIDENT AND CORPORATE CONTROLLER  
(PRINCIPAL ACCOUNTING OFFICER)

28