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IRON MOUNTAIN INC/PA
Form 8-K
May 27, 2004

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 27, 2004

IRON MOUNTAIN INCORPORATED
(Exact name of registrant as specified in its charter)

PENNSYLVANIA
(State or other jurisdiction of incorporation)

1-13045 23-2588479
(Commission File Number) (IRS Employer Identification No.)

745 Atlantic Avenue
Boston, Massachusetts 02111
(Address of principal executive offices, including zip code)

(617) 535-4766
(Registrant's telephone number, including area code)

Item 5. Other Events.

On May 27, 2004, Iron Mountain Incorporated (the "Company") announced the authorization and approval of a three-for-two stock split effected in the form of a dividend on the Company's Common Stock, par value \$0.01 per share. Shares of the Common Stock will be issued on June 30, 2004, to all stockholders of record as of the close of business on June 15, 2004. For more information, see the Company's press release, dated May 27, 2004, which is attached herewith as Exhibit 99

Item 7. Financial Information and Exhibits.

(c) Exhibits.

EXHIBIT NO.	ITEM
99	Press release dated May 27, 2004.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

IRON MOUNTAIN INCORPORATED
(Registrant)

By: /s/ Jean A. Bua

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Name: Jean A. Bua
Title: Vice President and
Corporate Controller

Date: May 27, 2004

10pt"> \$145,768

US GOM

\$132,445 \$118,229

Southeast Asia

\$159,657 \$127,203

Other international

\$170,339 \$133,436

Total

\$173,221 \$156,513

Utilization:(5)

Northern Europe

96% 99%

Middle East

76% 60%

US GOM

60% 68%

Southeast Asia

88% 100%

Other international

97% 100%

Total

80% 75%

(1) Our rigs operating in the Middle East are located in Saudi Arabia and Qatar.

(2) "Other international" includes rigs operating in Egypt and Trinidad.

(3) Other revenues are primarily revenues received for reimbursable expenses.

(4) Average day rate is computed by dividing day rate revenues by the number of revenue-producing days, including fractional days. Day rate revenues include the contractual rates and amounts received in lump sum, such as for rig mobilization or capital improvements, which are amortized over the initial term of the contract. Revenues attributable to reimbursable expenses are excluded from average day rates.

(5) Utilization is the number of revenue-producing days, including fractional days, divided by the aggregate number of calendar days in the period.

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RESULTS OF OPERATIONS

Three months ended March 31, 2013, compared to three months ended March 31, 2012

Our operating results for the three months ended March 31, 2013 and 2012 are highlighted below (dollars in millions):

	Three months ended March 31, 2013			Three months ended March 31, 2012		
	Amount	% of Revenues		Amount	% of Revenues	
Revenues	\$394.2	100	%	\$333.5	100	%
Operating costs	(209.5)	-53	%	(182.1)	-55	%
Depreciation expense	(64.6)	-16	%	(59.0)	-18	%
Selling, general and administrative expenses	(29.4)	-7	%	(23.0)	-7	%
Net loss on property disposals	(0.3)	0	%	-	0	%
Material charges and other operating expenses	-	0	%	(4.6)	-1	%
Operating income	\$90.4	23	%	\$64.8	19	%

Revenues for the three months ended March 31, 2013, increased by \$60.7 million or 18% compared to the three months ended March 31, 2012, as a result of the following (in millions):

	Increase
Higher average day rates for existing rigs	\$35.7
Higher utilization of existing rigs	15.1
Addition of the Joe Douglas	8.6
Revenues for reimbursable costs and other, net	1.3
Net increase	\$60.7

The Joe Douglas commenced operations in February 2012 and contributed 45 revenue-producing days in the three months ended March 31, 2012, compared to 90 days for the three months ended March 31, 2013.

Operating costs for the three months ended March 31, 2013, increased by \$27.4 million or 15% compared to the three months ended March 31, 2012 as a result of the following (in millions):

	Increase
Increase due to rigs operating in higher-cost locations	\$18.0
Higher operating costs of rigs previously in shipyard or in transit	2.6
Addition of the Joe Douglas	2.1
Expansion of foreign shorebases	2.1
Other, net	2.6
Net increase	\$27.4

Our operating margin (revenues in excess of operating costs, other than depreciation, selling, general and administrative expenses and material charges) increased to approximately 47% of revenues in the first quarter of 2013 from 45% in the first quarter of 2012 due primarily to higher day rates. Depreciation increased by \$5.6 million or 9% compared to the first quarter of 2012 due primarily to the addition of the Joe Douglas.

Selling, general and administrative expenses increased by \$6.4 million or 28% due primarily to professional fees, the impact of the new retirement policy on the vesting period for share-based compensation and fair market adjustments to share-based awards accounted for as liabilities.

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Outlook

Our backlog by geographic area as of April 18, 2013, and February 21, 2013 (as presented in our 2012 Form 10-K), is set forth below. Backlog for the US GOM and West Africa includes \$452 million and \$226 million, respectively, for the Rowan Renaissance, which is currently under construction and expected to commence operations in the first quarter of 2014 (in millions):

	April 18, 2013	February 21, 2013
Northern Europe	\$1,513	\$1,599
Middle East	724	790
US GOM	566	594
West Africa	226	226
Southeast Asia	148	183
Other international	171	203
	\$3,348	\$3,595

We estimate our backlog will be realized as follows (in millions):

2013	\$902
2014	1,028
2015	726
2016	574
2017	118
	\$3,348

About 64% and 41% of our remaining available rig days in 2013 and 2014, respectively, were under contract or commitment as of April 18, 2013.

Our collective shipyard, transit and inspection time declined to approximately 9% of our available rig days in the first quarter 2013, as compared to 10% in the fourth quarter 2012 and 11% in the first quarter 2012. We currently expect shipyard, transit and inspection time to consume approximately 10% of our available rig days for all of 2013, compared to 12% experienced for 2012.

LIQUIDITY AND CAPITAL RESOURCES

A comparison of key balance sheet amounts and ratios follows (dollars in millions):

	March 31, 2013	December 31, 2012
Cash and cash equivalents	\$1,019.3	\$1,024.0

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Current assets (excluding assets of discontinued operations)	\$1,555.0	\$1,529.6
Current liabilities (excluding liabilities of discontinued operations)	\$220.6	\$272.8
Current ratio (excluding assets and liabilities of discontinued operations)	7.05	5.61
Long-term debt	\$2,009.7	\$2,009.6
Shareholders' equity	\$4,606.1	\$4,531.7
Long-term debt/total capitalization	0.30	0.31

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Sources and uses of cash and cash equivalents were as follows (in millions):

	Three months ended March 31,	
	2013	2012
Net cash provided by operating activities	\$103.2	\$63.3
Capital expenditures	(112.0)	(138.1)
Repayments of borrowings	-	(12.3)
Increase in restricted cash	-	(10.6)
Proceeds from disposals of property and equipment	2.4	0.9
Proceeds from exercise of share options	1.5	0.2
Other	0.1	0.3
Total net use	\$(4.8)	\$(96.3)

Operating Cash Flows

Cash flows from operations increased to approximately \$103 million in the first quarter of 2013 from \$63 million in the comparable quarter of 2012. Operating cash flow for the first quarter of 2013 was favorably impacted by a reduction in the required minimum pension contribution as a result of the Moving Ahead for Progress in the 21st Century Act, which became effective in July 2012. The Company made no contributions to its qualified pension plan in the first quarter of 2013, compared to contributions totaling \$22.1 million in the first quarter of 2012. The Company anticipates contributing \$18.0 million to its qualified plan over the remainder of 2013.

The Company has not provided deferred income taxes on undistributed earnings of its non-U.K. subsidiaries, including Rowan Companies, Inc. and non-U.S. subsidiaries of Rowan Companies, Inc. It is the Company's policy and intention to permanently reinvest the earnings of non-U.S. subsidiaries of Rowan Companies, Inc. outside the U.S. Earnings of non-U.K. subsidiaries that are not subsidiaries of Rowan Companies, Inc. can be distributed to the Company without imposition of either U.K. or local country tax.

As of December 31, 2012, unremitted earnings of Rowan Companies, Inc. were approximately \$2,453 million, and unremitted earnings of the non-U.S. subsidiaries of Rowan Companies, Inc. were approximately \$400 million. Should the non-U.S. subsidiaries of Rowan Companies, Inc. make a distribution from these earnings, we may be subject to additional U.S. income taxes. It is not practicable to estimate the amount of a deferred tax liability related to the undistributed earnings, and Rowan Companies, Inc. has no plan to distribute earnings in a manner that would cause them to be subject to U.S., U.K. or other local country taxation.

At March 31, 2013, Rowan Companies, Inc. and the non-U.S. subsidiaries of Rowan Companies, Inc. held approximately \$266 million and \$330 million, respectively, of the \$1.0 billion of consolidated cash and cash equivalents. The Company has significant net assets, liquidity, contract backlog and/or other financial resources available to meet its operational and capital investment requirements and otherwise allow us to continue to maintain our policy of reinvesting such undistributed earnings outside the U.K. and U.S. indefinitely.

Management expects to fund its cash requirements over the next twelve months from available cash, cash flow from operating activities, and potential financings, the exact timing of which will be subject to market conditions.

We were in compliance with our debt covenants at March 31, 2013, and we do not expect to encounter difficulty complying in the following twelve-month period.

Investing Activities

Reference should be made to Note 4 of Notes to Condensed Consolidated Financial Statements in this Form 10-Q for the status of our newbuild rig projects.

Capital expenditures totaled \$112.0 million for the quarter ended March 31, 2013, and included the following:

- \$28.9 million towards construction of the ultra-deepwater drillships Rowan Renaissance, Rowan Resolute, Rowan Reliance and Rowan Relentless;

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- \$66.8 million for improvements to the existing fleet, including contractually required modifications; and
- \$16.3 million for rig equipment inventory and other.

For the remainder of 2013, we expect our capital expenditures to be approximately \$1.3 billion, including \$756 million towards construction of our four ultra-deepwater drillships, \$228 million for life enhancement projects and existing fleet maintenance capital, \$183 million for partially reimbursed contractually required modifications to the fleet, \$72 million for riser gas-handling equipment, software certifications and drillship fleet spares in support of deepwater operations, and \$47 million for equipment spares, drill pipe and improvements to our shore bases.

We expect to fund our newbuild drillship program and other capital expenditures from available cash, cash flows from operations, amounts available under our revolving credit facility, if required, and potential future financings.

Critical Accounting Policies and Management Estimates

The Company's significant accounting policies are presented in Note 2 of "Notes to Consolidated Financial Statements" in Item 8 of our 2012 Form 10-K. These policies, and management judgments, assumptions and estimates made in their application underlie reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. We believe that our most critical accounting policies and management estimates involve carrying values of long-lived assets, pension and other postretirement benefit liabilities and costs (specifically, assumptions used in actuarial calculations), and income taxes (particularly our estimated reserves for uncertain tax positions), as changes in such policies and/or estimates would produce significantly different amounts from those reported herein.

During the quarter ended March 31, 2013, there have been no material changes to the judgments, assumptions or policies upon which our critical accounting estimates are based.

Recent Accounting Standards

There have been no new accounting standards issued that are expected to have a material effect on the Company's financial statements upon adoption.

FORWARD-LOOKING STATEMENTS

Statements contained in this report that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements include words or phrases such as "anticipate," "believe," "estimate," "expect," "intend," "plan," "project," "could," "might," "should," "will," "forecast," "potential," "outlook," "scheduled," "predict," "will be," "will continue," "will likely," and similar words and specifically include statements regarding expected financial performance; growth strategies; expected utilization, day rates, revenues, operating expenses, contract terms, contract backlog, capital expenditures, tax rates, insurance coverages, access to financing and funding sources; the availability, delivery, mobilization, contract commencement, relocation or other movement of rigs and the timing thereof; future rig construction (including construction in progress and completion thereof), enhancement, upgrade or repair and costs and timing thereof; the suitability of rigs for future contracts; general market, business and industry conditions, trends and outlook; future operations; the impact of increasing regulatory requirements and complexity; expected contributions from our new rigs and our entry into the ultra-deepwater market; expense management; the likely outcome of legal proceedings or insurance or other claims and the timing thereof; activity levels in the offshore drilling market;

customer drilling programs; and commodity prices. Such statements are subject to numerous risks, uncertainties and assumptions that may cause actual results to vary materially from those indicated, including:

- drilling permit and operations delays, moratoria or suspensions, new and future regulatory, legislative or permitting requirements (including requirements related to certification and testing of blow-out preventers and other equipment or otherwise impacting operations), future lease sales, changes in laws, rules and regulations that have or may impose increased financial responsibility, additional oil spill contingency plan requirements and other governmental actions that may result in claims of force majeure or otherwise adversely affect our existing drilling contracts;
- governmental regulatory, legislative and permitting requirements affecting drilling operations in the areas in which our rigs operate;

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- tax matters, including our effective tax rates, tax positions, results of audits, changes in tax laws, treaties and regulations, tax assessments and liabilities for taxes;
- changes in worldwide rig supply and demand, competition or technology, including as a result of delivery of newbuild drilling rigs and reactivation of rigs;
- variable levels of drilling activity and expenditures, whether as a result of global capital markets and liquidity, prices of oil and natural gas or otherwise, which may cause us to idle or stack additional rigs;
- downtime, lost revenue and other risks associated with rig operations, operating hazards, or rig relocations and transportation, including rig or equipment failure, collisions, damage and other unplanned repairs, the limited availability of transport vessels, hazards, self-imposed drilling limitations and other delays due to weather conditions or otherwise, and the limited availability or high cost of insurance coverage for certain offshore perils or associated removal of wreckage or debris;
 - access to spare parts, equipment and personnel to maintain, upgrade and service our fleet;
- possible cancellation or suspension of drilling contracts as a result of force majeure, mechanical difficulties, delays, performance or other reasons;
- potential cost overruns and other risks inherent to shipyard rig construction, repair or enhancement, unexpected delays in rig and equipment delivery and engineering or design issues following shipyard delivery, or delays in the dates our rigs will enter a shipyard, be transported and delivered, enter service or return to service;
- actual contract commencement dates; contract terminations, contract extensions, contract option exercises, contract revenues, contract awards; the termination or renegotiation of contracts by customers or payment or operational delays by our customers;
- operating hazards, including environmental or other liabilities, risks, expenses or losses, whether related to storm or hurricane damage, losses or liabilities (including wreckage or debris removal), collisions, or otherwise;
- our ability to attract and retain skilled personnel on commercially reasonable terms, whether due to competition from other contract drillers, labor regulations or otherwise;
- governmental action and political and economic uncertainties, including uncertainty or instability resulting from civil unrest, political demonstrations, mass strikes, or an escalation or additional outbreak of armed hostilities or other crises in oil or natural gas producing areas of the Middle East or other geographic areas, which may result in extended business interruptions, suspended operations, or result in claims by our customers of a force majeure situation and payment disputes;
- terrorism, piracy, political instability, hostilities, acts of war, nationalization, expropriation, confiscation or deprivation of our assets or military action impacting our operations, assets or financial performance in our areas of operations, including the Middle East;
- the outcome of legal proceedings, or other claims or contract disputes, including any inability to collect receivables or resolve significant contractual or day rate disputes, any purported renegotiation, nullification, cancellation or breach of contracts with customers or other parties, and any failure to negotiate or complete definitive contracts following announcements of receipt of letters of intent;

- potential long-lived asset impairments;
- costs and uncertainties associated with our redomestication, or changes in foreign or domestic laws that could reduce or eliminate the anticipated benefits of the transaction;
- impacts of any global financial or economic downturn;
- effects of accounting changes and adoption of accounting policies;
- potential unplanned expenditures and funding requirements, including investments in pension plans and other benefit plans; and

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- other important factors described from time to time in the reports filed by us with the Securities and Exchange Commission (the Commission), and the New York Stock Exchange (NYSE).

In addition to the risks, uncertainties and assumptions described above, you should also carefully read and consider the risk factors and forward-looking statement disclosure contained in our Annual Report on Form 10-K for the year ended December 31, 2012.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our outstanding debt at March 31, 2013, consisted entirely of fixed-rate debt with a carrying value of \$2.010 billion and a weighted-average annual interest rate of 5.7%. Due to the fixed-rate nature of our debt, we believe that our exposure to risk of earnings loss due to changes in market interest rates is not material.

We have a \$750 million revolving credit facility that expires June 30, 2016. There were no borrowings outstanding under the facility at March 31, 2013.

The majority of our transactions are denominated in U.S. dollars. Our primary exposure to currency exchange is the British pound. In order to reduce the impact of exchange rate fluctuations, we generally require customer payments to be in U.S. dollars and generally limit local currency holdings to the extent they are needed to pay liabilities denominated in local currencies. In certain countries in which we operate, however, such as Egypt, local laws or contracts may require us to receive payment for a portion of the contract in the local currency. In such instances, we may hold a greater amount of local currency than would otherwise be the case. We currently do not hedge our foreign currency exposure.

Fluctuating commodity prices affect our future earnings materially to the extent that they influence demand for our products and services. As a general practice, we do not hold or issue derivative financial instruments and had no derivatives outstanding during the periods covered by this report.

Item 4. Controls and Procedures

Under the supervision and with the participation of our principal executive officer and principal financial officer, management has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based on that evaluation, our principal executive officer and our principal financial officer have concluded that our disclosure controls and procedures were effective as of March 31, 2013.

There has been no change to our internal control over financial reporting during the quarter ended March 31, 2013, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

There were no new material legal proceedings filed during the quarter nor any material developments to proceedings reported in prior periods.

Item 1A. Risk Factors

Security holders and potential investors in our securities should carefully consider the risk factors set forth in our 2012 Annual Report on Form 10-K in addition to other information in such annual report and in our Quarterly Reports on Form 10-Q. These risk factors are important factors that could cause our actual results to differ materially from those contained in any written or oral forward-looking statements made by us or on our behalf.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The following table presents information with respect to purchases of our shares for the first quarter of 2013:

Month ended	Total number of shares purchased 1	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs 2	Approximate dollar value of shares that may yet be purchased under the plans or programs2
Balance forward				\$24,987,408
January 31, 2013	4,983	\$0.125	-	24,987,408
February 28, 2013	29,966	\$34.33	-	24,987,408
March 31, 2013	99,042	\$34.58	-	24,987,408
Total	133,991	\$33.24	-	

1 The total number of shares purchased includes (i) shares purchased, if any, pursuant to a publicly announced share repurchase program described in note 2 below and (ii) shares acquired from employees and non-employee directors by an affiliated Employee Benefit Trust upon forfeiture of nonvested awards or in satisfaction of tax withholding requirements. There were no shares repurchased under the Company's share repurchase program during the first quarter of 2013.

2 On July 25, 2012, the Board of Directors of Rowan Companies plc, as successor issuer to Rowan Companies, Inc., approved the continuation of its \$150 million share repurchase program, of which approximately \$25 million remained available. Share repurchases may be commenced or suspended from time to time without prior notice. Any shares acquired under the share repurchase program will be canceled.

Restrictive provisions in the Company's debt agreements require the Company to maintain a minimum level of shareholders' equity equal to no less than the 100% of the book value of outstanding debt. The payment of future dividends, if any, would only be paid from distributable profits at the discretion of the Board of Directors.

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Item 6. Exhibits

The following is a list of exhibits filed with this Form 10-Q:

10.1†	2013 Rowan Companies plc Incentive Plan (incorporated by reference to Annex A to the Company's Definitive Proxy Statement filed on March 13, 2013 (File No. 1-05491)).
10.2†	Form of Restricted Share Unit Notice pursuant to the 2013 Rowan Companies plc Incentive Plan (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed April 30, 2013 (File No. 1-05491)).
10.3†	Form of Share Appreciation Right Notice pursuant to the 2013 Rowan Companies plc Incentive Plan (incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K filed April 30, 2013 (File No. 1-05491)).
10.4†	Form of Performance Unit Award Notice pursuant to the 2013 Rowan Companies plc Incentive Plan (incorporated by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K filed April 30, 2013 (File No. 1-05491)).
10.5†	Form of Non-employee Director Restricted Share Unit Notice pursuant to the 2013 Rowan Companies plc Incentive Plan (incorporated by reference to Exhibit 10.5 of the Company's Current Report on Form 8-K filed April 30, 2013 (File No. 1-05491)).
31.1*	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

* Filed or furnished herewith.

† Identifies a management contract or compensatory plan arrangement.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ROWAN COMPANIES PLC
(Registrant)

Date: May 10, 2013

/s/ J. KEVIN BARTOL
J. Kevin Bartol
Executive Vice President,
Chief Financial Officer and
Treasurer

Date: May 10, 2013

/s/ GREGORY M. HATFIELD
Gregory M. Hatfield
Vice President and Controller
(Chief Accounting Officer)