

Business Services

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Industry Overview

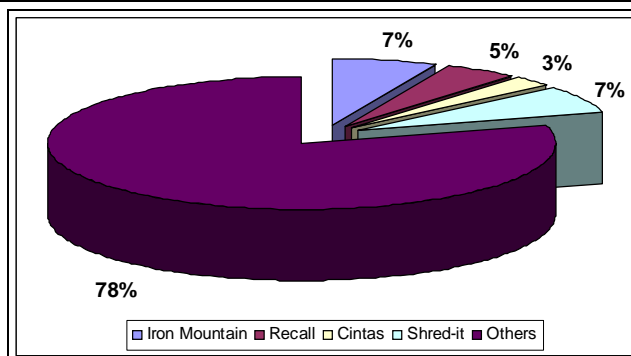
March 17, 2005

Shredding Industry Has a Decent Outlook

GICS SECTOR	INDUSTRIALS
Strategist's Recommended Weight	13.8%
S&P 500 Weight	11.8%

- IRM's and CTAS' Shredding businesses could grow at 5-year CAGR of 15%+**
 Even with solid organic growth, both would still have low market shares, although M&A will likely also add to shares. The key growth drivers include: 1) trend towards outsourcing, 2) regulations, 3) growing awareness, and 4) consolidation.
- Shredding is a \$3.0 billion market, with less than 50% outsourced to vendors**
 We estimate that overall market is growing at about a 10% rate, with the vended market growing at about 20%. While growth should eventually slow, support is now being driven by privacy concerns and related regulations such as HIPAA and FACTA.
- The market is highly fragmented, and consolidation is a key theme**
 Low barriers to entry and attractive returns on capital are attracting new entrants from contiguous industries. More than 90% of the players generate less than \$1.5 million in revenues. The top four account for only 20% of entire vended market.
- However, worsening competitive intensity is likely to constrain pricing growth**
 The emergence of alliances like IPSA will lead to greater competition. In some markets, pricing has been declining for the past couple of years. Also, a long-term shift away from paper documents represents a significant challenge.
- In-Line view of the Business Services industry**
 Given the diversity in the group, our rating assumes that there will be outperforming and underperforming individual stocks in the group.

Market Share of the Outsourced Shredding Industry



Source: Morgan Stanley Research

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Shredding Industry Has a Decent Outlook

Summary and Investment Conclusion

We recently conducted a survey of the players in the Shredding business to get a pulse on the trends shaping the industry. We conclude that Shredding is a large, fragmented market, \$3 billion in size, and is currently growing at about a 10% rate. More importantly, the outsourced portion of the shredding market is growing at a faster clip, perhaps 20%. The key highlights from our survey are noted below.

1. There is a lot of room for the larger players, including Iron Mountain and Cintas, to grow. We believe mid-teens organic revenue growth is sustainable for the next few years, and with higher near-term growth due to acquisitions. Even with a five year CAGR of 15%, Iron Mountain would account for less than 10% of the outsourced shredding market in five years.
2. The industry is getting increasingly competitive, as low barriers to entry and good return on capital characteristics are attracting entrants from contiguous industries. Some of the notables include Cintas, Weyerhaeuser, Hanna Paper, Empire Recycling Corporation, etc. Further, a group of 29 small shredding companies formed an alliance called Information Protection Solutions of America (IPSA) to provide broader geographic coverage. This may blunt some of the territorial advantage enjoyed by larger players.
3. Capacity increased at a faster pace than demand in many of the markets in the last two years. Also, as documents shift from a paper to a digital format, softening demand could exacerbate the excess supply.
4. Pricing growth has started to suffer, and may remain flat in the medium term. In some markets, it may even decline. With further consolidation, the pricing pressures may start to abate over the next few years.
5. Who will succeed in rolling up the industry? We believe that Iron Mountain's client relationships and the related cross-selling opportunities provide an edge, although Cintas will likely be a successful long-term player as well.

(We would like to acknowledge the contributions of Bijit Maji, in Morgan Stanley's Mumbai office, for his significant contributions to this report.)

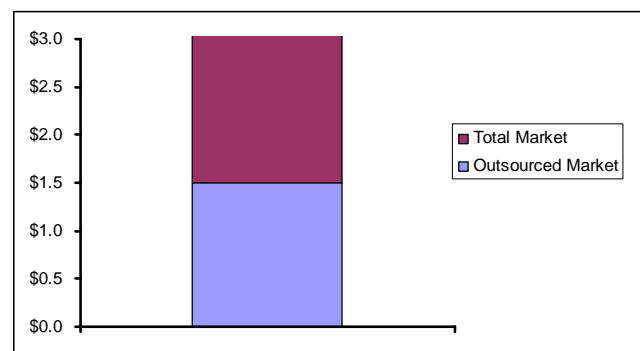
Attractive industry with good growth characteristics

The Shredding industry has evolved significantly over the past few years given the sensitivity to protection of confidential information. In today's environment, companies are well aware of the need to shred confidential documents.

Size: We estimate the current size of the Secure Shredding market in the U.S. to be around \$3 billion, the majority of which is *in-house* destruction of paper records. Between \$1.0-1.5 billion of the market is currently being outsourced to players like Iron Mountain, Shred-It, and Recall. Iron Mountain estimates the size of the vended market to be \$1.0 billion, while the National Association of Information Destruction (NAID) pegs the value in excess of \$1.5 billion. We anticipate an accelerating trend towards outsourcing of shredding services as more and more companies seek to get in compliance with various regulations like HIPAA and FACTA.

Exhibit 2

Total Versus Outsourced Shredding Market



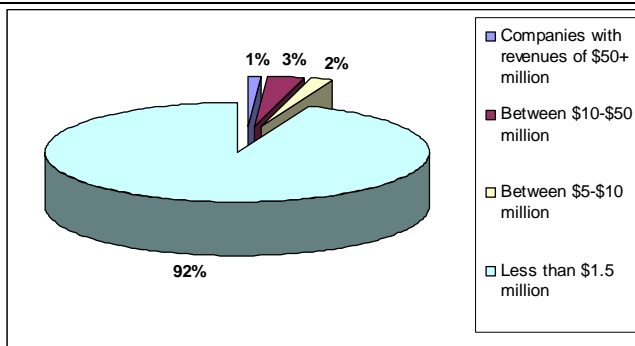
Source: NAID, Morgan Stanley Research

Fragmented market place, consolidation is a key theme- The secure shredding market is highly fragmented, perhaps due to low barriers of entry. According to NAID, there are several thousand smaller, regional operators, most of them providing mobile shredding services. Plant-based shredding tends to be more capital intensive. More than 90% of the companies in the industry derive annual revenues of less than \$1.5 million from secure shredding. Only three companies in the industry have some semblance of a

national presence, and generate annual revenues of about \$50+ million.

Exhibit 3

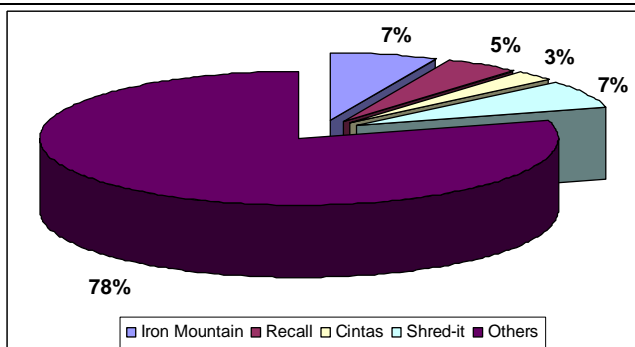
Extremely fragmented market



Source: Morgan Stanley Research, Recycling Today November 2004

Exhibit 4

Market share based on revenues



Source: Morgan Stanley Research

Iron Mountain and others have been active in rolling up the industry to rapidly expand their footprint to the major cities. Iron Mountain acquired around twenty two companies between 2000 and 2004. Some of the smaller players covered in our survey acknowledged receiving bids from Iron Mountain. We believe the hectic pace of acquisitions may start to moderate a bit, but consolidation is likely to be a key theme for the next few years. A combination among the top four cannot be ruled out, although it seems a bit unlikely at this juncture.

Low barriers to entry, but that may be changing:

Historically, all that one needed to get started was a mobile shredding truck, which can cost from \$190,000 to \$225,000, and several dozen bins and consoles costing about \$60 to \$70 each. Each mobile truck can generate monthly revenues ranging from \$20,000 to \$30,000 (assuming around eight hours of shredding per day) which includes recycling revenues. The survey respondents reported

operating margin ranging from 15-30%, the wide range perhaps reflecting the variance in route density and capacity utilization of the plants and trucks.

The dynamics affecting barriers to entry may be shifting with the emergence of larger, national players. As the industry matures, we believe larger clients may seek more sophisticated and integrated records management programs that tie in with compliance requirements. This would raise barriers for the smaller players. Further, the Director of NAID, Bob Johnson believes that Senators/Congressmen may raise the bar for new entrants to prohibit unscrupulous individuals from entering the shredding business and getting access to sensitive data.

Competitive Intensity is rising, and that is beginning to hurt pricing:

The intense competition in the industry is fueled by the low barriers to entry, and attractive returns on capital. In the past couple of years, several new entrants have entered the market. In such a crowded and competitive market we feel companies with established brand-equity, existing relationships, technical expertise, and route advantages are likely to succeed.

The increased competition has led to flat to negative pricing in recent times.

In fact, one of the companies that we surveyed told us that some of the leading companies were offering free paper shredding to clients in the Milwaukee area, hoping to generate revenues from the sale of recycled paper. As discussed later, recycling revenues can contribute up to 15% of the total revenues of established companies. We expect prices for shredding services to decline marginally in some markets, especially where the national players are trying to break in. Across the country, we agree with NAID that prices should start to stabilize at these levels, but with limited growth opportunities.

Return on Capital and Margins:

Iron Mountain believes that the gross margins in the Shredding business could approach 50%. We believe the operating margin for mobile shredding business can range from 15-20%, translating into 20-25% EBITDA margins. Shredding is a labor intensive operation and margins are exposed to the inflation in worker's compensation and healthcare costs.

We calculate that the return on capital for a mobile shredding business can typically be 25-30%. The respondents to our survey had returns on capital ranging from less than 10% to as high as 40%. For a plant-based business, we believe steady state-margins should be a touch

higher, although return on capital characteristics are likely to be the same.

Given the pricing pressures currently afflicting the industry and the low barriers to entry, we feel margins are likely to be constrained in the medium term. As the industry gets more concentrated, pricing (especially for the plant-based business) could recover, and provide a boost to margins. Some of the key drivers to operating margins include:

- Increasing capacity utilization
- Increasing labor utilization
- Increasing route density
- Changes in the price of recycled paper
- Pricing growth

Industry is growing at a pace close to 10%

The overall (in-house and outsourced) market is probably growing at a rate close to 10%, although that is likely to slow over the next few years. NAID expects good demand in 2005 from smaller firms as they look to make themselves HIPAA and GLB compliant. Some smaller firms may be in the process of initiating their first ever shredding program, which should sustain the growth of the overall industry.

More importantly, we believe that the outsourced portion of the shredding market is growing at a faster pace, increasing from about \$500 million in 1999 to about \$1.0-1.5 billion currently. Some of the larger players in the Shredding industry have experienced revenue growth well in excess of 20% over the last 12 months. Iron Mountain and Cintas have both recently reported 20-25% organic revenue growth rates. The respondents to our survey indicate that revenues could grow sustainably by 15%-30% for the next few years.

Key growth drivers for the larger shredding companies

As per NAID, the demand for *outsourced* secure shredding services in 2005 should be flat to slightly up. While they think the currently high growth rate is due for a pause, we think that is a conservative view. We discuss some of the more important drivers of growth for the leading players in the industry.

Trend towards outsourcing. The twin imperatives of lowering cost and being compliance with regulations and legal obligations are likely to sustain the trend towards outsourcing of shredding services. Industry sources suggest

that to shred one ream of paper (about 4 lbs), it takes about 20 minutes, which would equate to \$4/ day for an in-house employee making \$12/ hour. Depending on the rate of paper production, the cost per employee could be as high as \$80 per month, and this analysis excludes other costs like payroll taxes, maintenance of shredder etc. On the other hand, it can be outsourced at roughly one-fourth of the cost of running an in-house program.

Regulations are likely to be the single most important driver of growth for the shredding business. Many states have enacted or amended laws to combat the growing problem of identity theft, by holding businesses responsible for careless disposal of confidential information. In 2004, 18 states enacted identity theft legislation and we expect more states to follow suit in 2005. Federal legislations like FACTA (which will come into effect from June 1, 2005), HIPAA, and GLB are expected to cause an up-tick in the demand for shredding services. (We discuss the various regulations in detail later in the report).

Growing awareness among individuals to the dangers of identity theft is likely to cause an up-tick in the demand for shredding services. There were approximately 9 million victims of identity theft in the U.S. last year and the numbers continue to rise. As individuals wake up to the dangers of this growing crime, they are likely to increasingly utilize the services of professional shredders, resulting in an up-tick in the demand for one time purge jobs.

Consolidation is a key variable in the growth equation for the larger companies in the industry. The top four companies account for about one-fifth of the total market in terms of sales. And these larger players seem to be in a race to complete the build-out of their geographic footprint.

On the flip side, we highlight some factors which could constrain growth.

Secular Changes, resulting in lower usage of paper, was listed as one of the key hurdles to growth by many of the respondents. Given the recent trend in the document management industry towards digital archiving, we find that such fears are not unfounded. In an industry where pricing is mostly based on the amount of documents shredded, and recycling revenues contribute up to 15% of the total revenues, an increasing shift towards digital storage is likely to have an adverse effect on revenues in the medium to long term.

Lack of capital for expansion to meet the growing demand can very easily derail the growth story. This is of particular concern to the smaller local players who play a crucial role in broadening the demand base.

Lastly, some of the respondents expressed concern that some unscrupulous operators may bring disrepute for the rest of the industry. Many fear something similar to the *60 Minutes* story on the for profit post secondary education industry, highlighting security lapses in the shredding business, might turn the tide against outsourcing and convince businesses to look towards in-house solutions.

Streams of revenue

The companies providing secure shredding services derive their revenues from three sources — Route-based revenues, Purge revenues, and Recycling revenues.

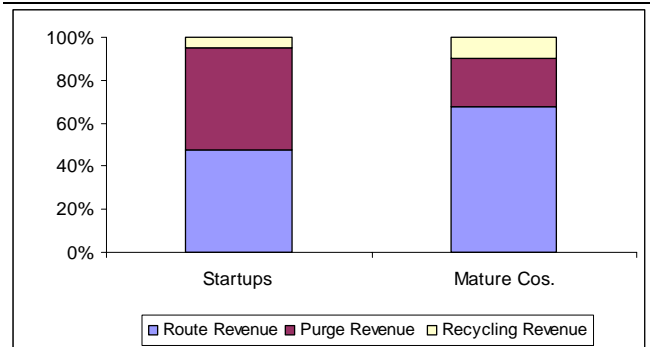
Route revenues are recurring in nature, and are derived from contracted accounts, and are the mainstay of the business. Mobile trucks shred the documents either onsite, or carry them back to the plant. As such, the importance of route density cannot be overstated in this business. Cintas believes that its competitive advantage stems from the ability to optimize routes in its core uniform rental business.

Purge revenues are from one time shredding jobs, and they form a substantial part of the business for a startup shredding company. For larger companies, route revenues are approximately three times the purge revenue, whereas for startups they are about equal.

Recycling revenues stem from the sale of shredded paper, and are influenced by the price of paper. Recycled paper generally sells for less than three cents per pound for loose paper and around five cents per pound for baled paper. Anecdotally, we have heard that in some of the regions, the larger companies are offering free shredding services and are relying on recycling revenues to generate profits. Typically, recycling revenues account for about 5% of the total revenues for startups whereas it is around 10% to 15% for the more mature companies.

Exhibit 5

Sources of Revenue



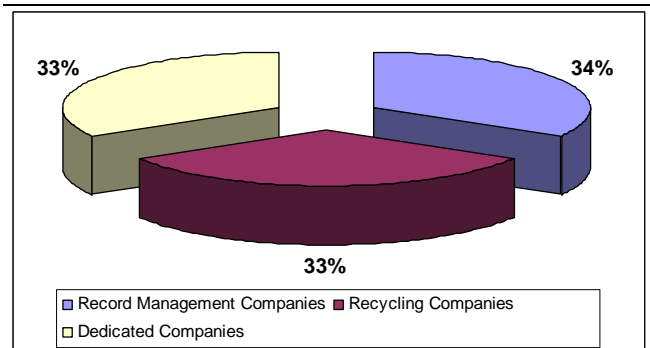
Source: *Recycling Today* November 2004, Morgan Stanley Research

David Versus Goliath - Who will prevail?

Our research reveals that only one-third of the competing companies are dedicated secure shredding companies. The rest are either record management companies (the likes of Iron Mountain and Recall) or recyclers (like Hanna Paper and Empire Recycling). In fact, Cintas is a uniform rental company that is branching into the shredding industry.

Exhibit 6

Shredding has attracted players from contiguous industries



Source: *Recycling Today*, Morgan Stanley Research

One of the biggest advantage that the national players like Iron Mountain enjoy over the local players is their ability to service large businesses having a presence across several cities. These businesses are increasingly turning to national players to meet their shredding needs.

But the small players are now fighting back. They are increasingly forming alliances to take on the likes of Iron Mountain and the others. One such alliance is the recently formed group of 29 secure shredding companies called Information Protection Solutions of America (IPSA). In a recent press release, IPSA claimed that it was the “the

largest AAA certified document destruction company in the United States”. Many of the members of IPSA have dropped their independent names and are operating under the IPSA label. The emergence of such alliances is likely to blunt the advantage of broader geographic presence enjoyed by the larger national players.

Regardless, we believe the key success factors in the Shredding business include some of the following attributes:

- Financial muscle
- Integrated service offering which ties with the client’s compliance needs.
- Geographic presence
- Employee training
- Professional service
- First mover advantage

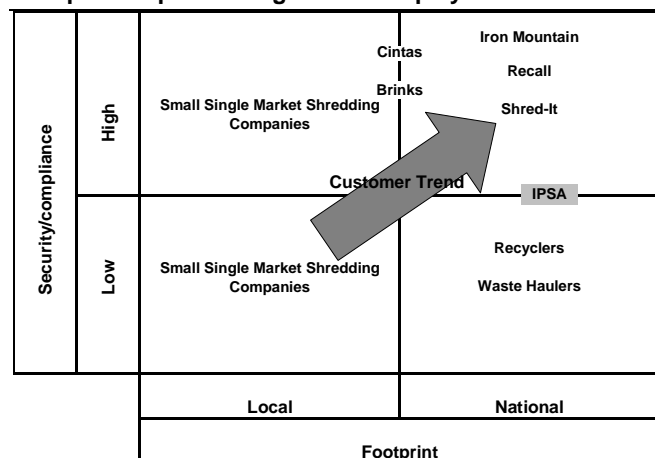
Health Insurance Portability and Accountability Act (HIPAA), 1996: This Act ensures that healthcare organizations in the United States will be responsible for the secure electronic transmission of patient information and the secure storage and disposal of that information.

Gramm-Leach-Bliley Act (GLBA), 1999: This piece of legislation requires banking and financial institutions across the United States to describe how they will protect the confidentiality and security of consumer information. Financial institutions are required to develop precautions to ensure the security and confidentiality of customer records and information, to protect against any anticipated threats or hazards to the security or integrity of such records and to protect against unauthorized access to or use of such records or information which could result in substantial harm or inconvenience to any customer.

Fair and Accurate Credit Transactions Act (FACTA), 2003: FACTA provides new tools to, among other things, help fight identity theft. The Act applies to any person or company that “maintains or otherwise possesses consumer information or any compilation of consumer information, derived from consumer reports for a business purpose.” The Act contains a number of provisions intended to combat consumer fraud and related crimes, including identity theft, and to assist its victims. In the past, the practice known as “dumpster diving” has provided identity thieves with a wealth of personal data. Irresponsible information disposal by businesses has been cited in numerous instances of fraud. Now, under new FACTA provisions, consumer reporting agencies and any business that uses a consumer report must adopt procedures for proper disposal

Exhibit 1

Competitive positioning of various players



Source: Iron Mountain

Regulations that are shaping the Industry

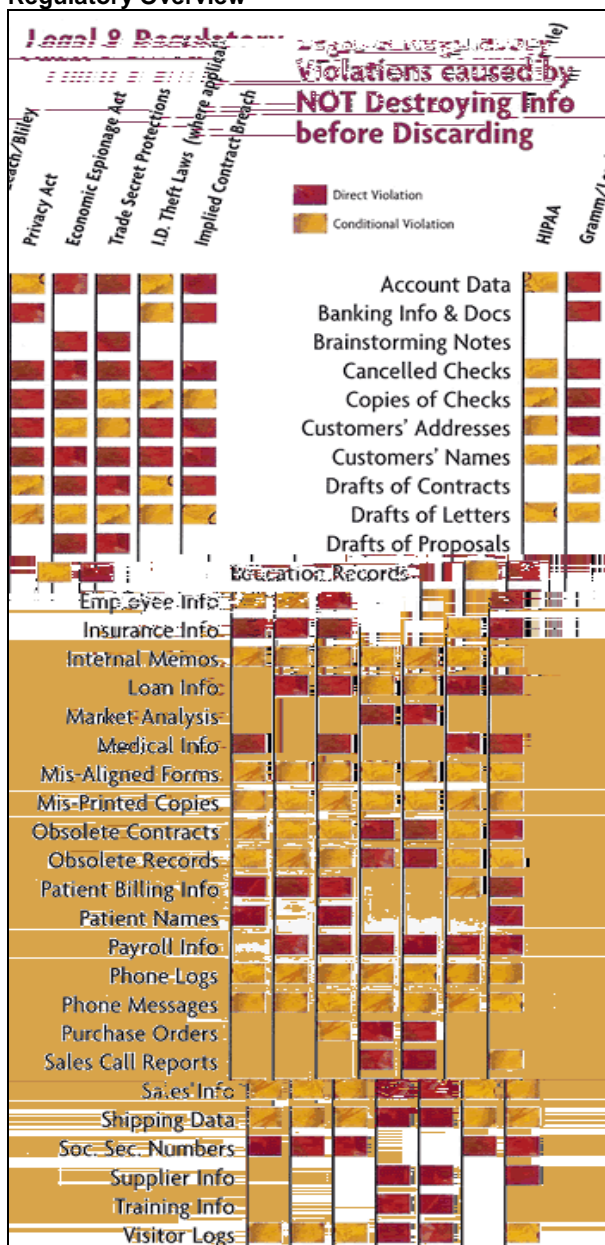
The following are some of the regulations that have played a key role in building the industry:

Economic Espionage Act, 1996: This is the first federal law that defines and severely punishes misappropriation and theft of trade secrets. However according to this Act, the government will only protect companies who take “reasonable measures” to safeguard their information.

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Exhibit 7

Regulatory Overview



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Iron Mountain (IRM, \$31, Underweight)

12-18 Month Stock View: The operating performance has been mixed in recent months, and we think that this reflects increased maturity of the business, as well as sub-par execution by management. Despite increased investments in the salesforce, management expects slightly slower organic growth in 2005 versus 2004, partly due to the inclusion of the Hays business in Europe, but also due to

pricing pressure. Margins are also under pressure due to higher selling costs, dilution from Shredding, Europe, and recent acquisitions. The company's earnings quality has been poor in recent quarters (reversal of bad debt expenses, etc.), so management may not have much discretion to help earnings in 2005. The business model is also becoming a bit more risky, as the mix shifts towards competitive markets like digital archiving and electronic vaulting. We see modest downside risk to Street estimates for 2006 and beyond, and we are not convinced that cash flow generation justifies the stock's valuation.

On the positive side, revenue visibility is in theory very high in the core business, and there are numerous margin improvement opportunities. The company essentially dominates the core business, and this may eventually lead to much better pricing dynamics in the core business. Also, the DA and Shredding businesses are ramping nicely in the short-term, and the growth opportunities in the core business are solid outside of North America. Given the potential for balance sheet de-leveraging, despite the lower forecasted growth, we still see the opportunity for EPS growth to be above 20% compounded in the next five years. Net of these factors, we see the stock in the high \$20s this year, so we would be a seller above \$30.

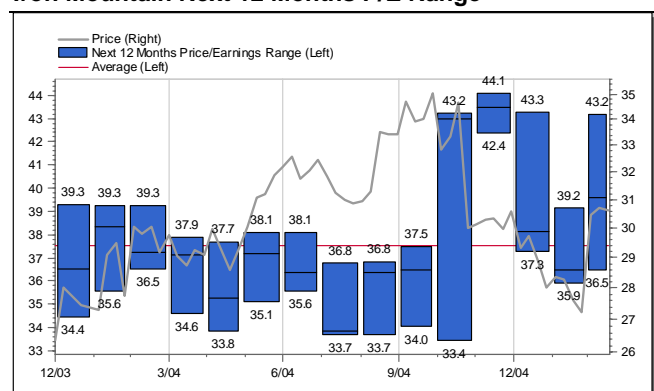
General Investment Thesis. We think that the company's core records management and storage business possesses some very attractive characteristics, and Iron Mountain is the dominant player in the market. We see sustainable organic revenue growth in the mid to high single digits, about half of which should come from net increases in boxes from existing clients. Only about one-third of the market is currently outsourced in the U.S., while expanding outsourcing should continue to drive at least mid-teens revenue growth outside the U.S. Further, we expect to see long-term margin expansion driven by integration of existing operations, especially in some International markets, rising capacity utilization, and optimization of transportation networks. Return on capital is quite low, but it should rise, and free cash flow should accelerate. De-leveraging of the balance sheet should allow for 20%+ EPS growth for the next five years. That said, management's long term growth expectations may be a stretch target, and execution has been choppy in recent years. Also, the business is maturing, and paper storage may peak in a few years.

Valuation Review: At about 43x 2005E EPS, 32x 2006E EPS, and 18x 2005E EV/EBITA, we think IRM's valuation

remains stretched, especially after today's rally. Our 12-month price target of \$27 for IRM is based on our discounted cash flow model, and corresponds to 39 times our depressed EPS estimate for 2005. Our DCF assumes a 5% terminal growth rate, and a 7.5% WACC, based on a beta of 0.85, a market risk premium of 5.8%, and a 4.4% after-tax cost of debt. We would be a buyer in the mid-\$20s.

Exhibit 8

Iron Mountain Next 12 Months P/E Range



Source: FactSet

The key risks that we see to our Under-weight rating are: 1) improved growth rates in the core storage business, as sales efforts gain traction, and further helped by regulations, 2) a recovery in margins sooner than expected, and 3) an acceleration in the company's digital archiving business. The key risks that we see to owning the stock are: 1) continued, poor operating performance in the core business, characterized by sluggish growth and margins, 2) a maturation of the business, as companies move away from paper documents, and 3) a continued focus on acquisitions, which may dilute near-term earnings.

Cintas (CTAS, \$42, Equal-weight)

12-18 Months View: We view CTAS as a core long term holding in the Business Services sector, and as a somewhat defensive stock. We think that long-term fundamentals remain solid. That said, we expect growth rates to recover only slowly, and we view management's long-term target of 14-16% organic growth as being optimistic. Even if growth gets back to low teens in a better economy, we only see that as being sustainable for a few more years. There are various cost pressures which could restrain the long-term growth in EPS. We don't expect much multiple expansion or recovery, but we think the stock can perform inline with low teens earnings growth. More recently, the overall equity market has gotten a bit expensive, and in this context, we view CTAS as being appropriately valued.

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We see CTAS as being range-bound, due to various cost pressures, and macro-related uncertainties. We would nibble on the stock in the low \$40s and be a more aggressive buyer below \$40.

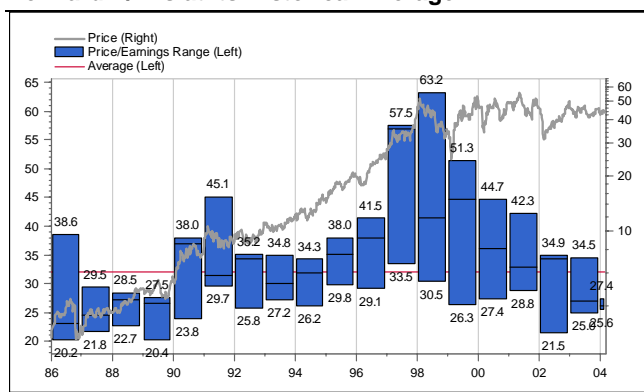
General Thesis: Cintas is the leading competitor in the consolidating uniform rental business. The company has 5-year contracts that produce visible, recurring, low cyclicality revenues. Given Cintas' strong management, Cintas has an excellent long-term track record, including double digit revenue and EPS growth in the past two decades. We think the uniform rental industry has long-term growth opportunities but the weak employment in the manufacturing industry has been compounded by an increase in competitive intensity. We believe the penetration of rented uniforms is about 8% of the U.S. workforce, and that could rise to 10%+ over the next decade, and hence we expect the industry to grow in the mid to high single digits longer term. We expect Cintas to produce low teens organic revenue and mid-teens EPS growth in the medium term, with 18% EPS growth including tuck-in acquisitions.

Valuation Review

On a calendar basis, CTAS is trading at 22x C2005E EPS and 19x C2006E EPS. On a calendar, adjusted EPS basis (adding back after-tax amortization of acquisition-related service contracts), CTAS is trading at 21x C2005E adjusted EPS and 19x C2006E adjusted EPS. The multiples are well below the midpoint of Cintas' historical range, as long term growth expectations have moderated. If the stock falls into the low \$40s, we would recommend nibbling.

Exhibit 9

Forward P/E is at Its Historical Average



Source: Factset

Our DCF and EVA analyses currently value CTAS at about \$43, with a 12-month target of \$47. CTAS has typically traded at a premium to our DCF value, and this could be due to the market recognizing incremental value that could be created through future acquisition opportunities. Our DCF assumes a WACC of 8.4% (including a beta of 1.0, 4.0% equity risk premium, and 4.3% after-tax cost of debt) and a 6% long-term growth rate.

The key risks that we see to the achievement of our price target include: 1) a slow recovery in growth rates, due to weak labor markets, sluggish sales-force productivity, and increased competition, 2) ongoing cost pressures, including energy and labor related costs, and 3) actions of UNITE, which is trying to organize the company's plant workforce.

Analyst Certification

The following analysts hereby certify that their views about the companies and their securities discussed in this report are accurately expressed and that they have not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report: Chris Gutek.

Important US Regulatory Disclosures on Subject Companies

The information and opinions in this report were prepared by Morgan Stanley & Co. Incorporated and its affiliates (collectively, "Morgan Stanley").

In the next 3 months, Morgan Stanley expects to receive or intends to seek compensation for investment banking services from Iron Mountain Inc. and Cintas Corporation.

Within the last 12 months, Morgan Stanley has provided or is providing investment banking services to, or has an investment banking client relationship with, the following companies covered in this report: Iron Mountain Inc. and Cintas Corporation.

The research analysts, strategists, or research associates principally responsible for the preparation of this research report have received compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors, firm revenues and overall investment banking revenues.

Morgan Stanley & Co. Incorporated makes a market in the securities of Cintas Corporation.

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Different securities firms use a variety of rating terms as well as different rating systems to describe their recommendations. For example, Morgan Stanley uses a relative rating system including terms such as Overweight, Equal-weight or Underweight (see definitions below). A rating system using terms such as buy, hold and sell is not equivalent to our rating system. Investors should carefully read the definitions of all ratings used in each research report. In addition, since the research report contains more complete information concerning the analyst's views, investors should carefully read the entire research report and not infer its contents from the rating alone. In any case, ratings (or research) should not be used or relied upon as investment advice. An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's existing holdings) and other considerations.

Global Stock Ratings Distribution

(as of February 28, 2005)

Stock Rating Category	Coverage Universe		Investment Banking Clients (IBC)		
	Count	% of Total	Count	% of Total IBC	% of Rating Category
Overweight/Buy	651	35%	261	39%	40%
Equal-weight/Hold	843	45%	295	44%	35%
Underweight/Sell	388	21%	107	16%	28%
Total	1,882		663		

Data include common stock and ADRs currently assigned ratings. For disclosure purposes (in accordance with NASD and NYSE requirements), we note that Overweight, our most positive stock rating, most closely corresponds to a buy recommendation; Equal-weight and Underweight most closely correspond to neutral and sell recommendations, respectively. However, Overweight, Equal-weight, and Underweight are not the equivalent of buy, neutral, and sell but represent recommended relative weightings (see definitions below). An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's existing holdings) and other considerations. Investment Banking Clients are companies from whom Morgan Stanley or an affiliate received investment banking compensation in the last 12 months.

Analyst Stock Ratings

Overweight (O). The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Equal-weight (E). The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Underweight (U). The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

More volatile (V). We estimate that this stock has more than a 25% chance of a price move (up or down) of more than 25% in a month, based on a quantitative assessment of historical data, or in the analyst's view, it is likely to become materially more volatile over the next 1-12 months compared with the past three years. Stocks with less than one year of trading history are automatically rated as more volatile (unless otherwise noted). We note that securities that we do not currently consider "more volatile" can still perform in that manner.

Unless otherwise specified, the time frame for price targets included in this report is 12 to 18 months. Ratings prior to March 18, 2002: SB=Strong Buy; OP=Outperform; N=Neutral; UP=Underperform. For definitions, please go to www.morganstanley.com/companycharts.

Analyst Industry Views

Attractive (A). The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark named on the cover of this report.

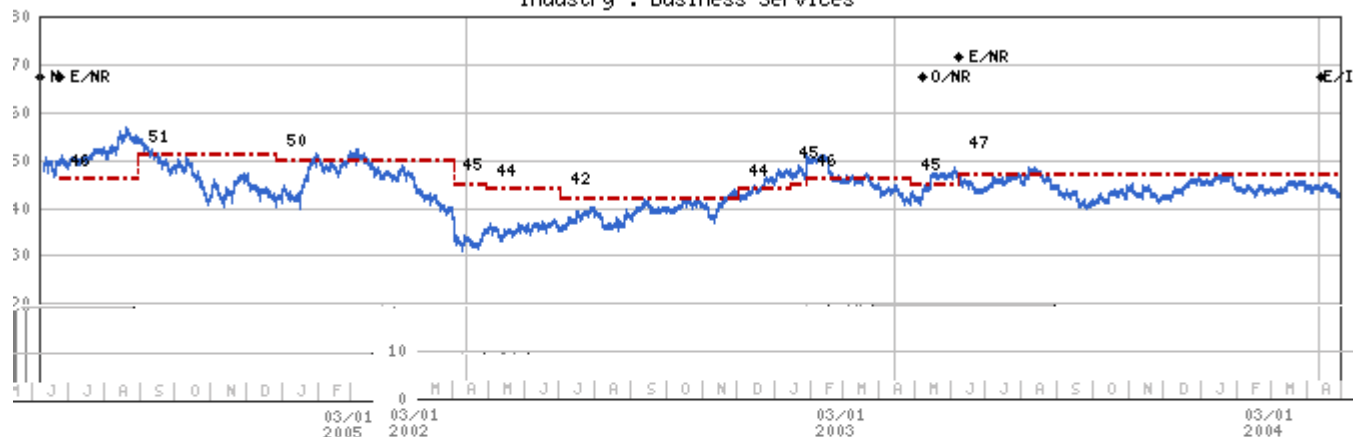
In-Line (I). The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark named on the cover of this report.

Cautious (C). The analyst views the performance of his or her industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark named on the cover of this report.

Stock price charts and rating histories for companies discussed in this report are also available at www.morganstanley.com/companycharts. You may also request this information by writing to Morgan Stanley at 1585 Broadway, 14th Floor (Attention: Research Disclosures), New York, NY, 10036 USA.

Stock Price, Price Target and Rating History (See Rating Definitions)

Cintas Corporation (CTAS.O) - As of 3/17/05 in USD
Industry : Business Services



Volatility (Introduced 3/9/01. Shading indicates "more volatile" (U) rating.)



Stock Rating History: 11/28/00 : N; 3/18/02 : E/NR; 3/25/04 : O/NR; 4/26/04 : E/NR; 3/2/05 : E/I
Price Target History: 11/28/00 : NA; 3/18/02 : 46; 5/24/02 : 51; 9/20/02 : 50; 2/18/03 : 45; 3/15/03 : 42; 10/20/03 : 44; 12/3/03 : 45; 12/17/03 : 46; 3/16/04 : 45; 4/26/04 : 47

No Price Target Assigned (NA)

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target --
Stock Price (Not Covered by Current Analyst) — Stock Price (Covered by Current Analyst) —
Stock Ratings abbreviated as below (Effective 3/18/02, ratings appear as Stock Ratings/Industry View)
Stock Ratings as of 3/18/02: Overweight (O) Equal-weight (E) Underweight (U) More Volatile (V)
Stock Ratings prior to 3/18/02: Strong Buy (SB) Outperform (OP) Neutral (N) Underperform (UP)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

View) ♦
(U) No Rating Available (NAV)
(UP) No Rating Available (NAV)

Iron Mountain Inc. (IRM.N) - As of 3/17/05 in USD
Industry : Business Services



Volatility (Introduced 3/9/01. Shading indicates "more volatile" (U) rating.)



Stock Rating History: 6/30/03 : E/NR; 11/19/04 : U/NR; 3/2/05 : U/I
Price Target History: 6/30/03 : 26.67; 10/20/03 : 27.33; 11/20/03 : 28; 2/12/04 : 28.67; 4/29/04 : 31; 10/28/04 : 30; 11/19/04 : 27

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target -- No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) — Stock Price (Covered by Current Analyst) —
Stock Ratings abbreviated as below (Effective 3/18/02, ratings appear as Stock Ratings/Industry View) ♦



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