UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K/A

[ ] Amendment No. 1 to Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 1998

[ ] 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 1-12407

LAMAR ADVERTISING COMPANY
(Exact name of registrant as specified in its charter)

DELAWARE	72-1205791
(State or other jurisdiction) of incorporation or organization)	(I.R.S. Employer Identification No.)
5551 CORPORATE BLVD., BATON ROUGE, LA	70808
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (225) 926-1000

Securities registered pursuant to Section 12(b) of the Act: Senior Subordinated Notes due 2006

Name of Exchange on which registered: New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: Class A Common Stock, $0.001 par value

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 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 ___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. (___)

The aggregate market value of the voting stock held by non-affiliates of the registrant of the registrant as of March 15, 1999: $1,529,483,247

The number of shares outstanding of the registrant's Class A Common Stock outstanding as of March 15, 1999: 43,510,884

The number of shares outstanding of the registrant's Class B Common Stock outstanding as of March 15, 1999: 17,699,997

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's proxy statement for the Annual Meeting of Stockholders that was held on May 27, 1999 (the "Proxy Statement") were incorporated by reference into Part III of the Registrant's Form 10-K for the fiscal year ended December 31, 1998.

This Annual Report on Form 10-K/A constitutes Amendment No. 1 to the Registrant's Form 10-K for the fiscal year ended December 31, 1998. Items 8, 13 and 14 are hereby amended and restated as follows:

PART II

ITEM 8. FINANCIAL STATEMENTS (following on next page)

LAMAR ADVERTISING COMPANY
AND SUBSIDIARIES

Independent Auditors' Report

Board of Directors
Lamar Advertising Company:

We have audited the accompanying consolidated balance sheets of Lamar Advertising Company and subsidiaries as of December 31, 1998, and December 31, 1997, and the related consolidated statements of operations, comprehensive income, stockholders' equity and cash flows for the years ended December 31, 1998 and 1997, the two months ended December 31, 1996, and the year ended October 31, 1996. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lamar Advertising Company and subsidiaries as of December 31, 1998 and December 31, 1997, and the results of their operations and their cash flows for the years ended December 31, 1998 and 1997, the two months ended December 31, 1996, and the year ended October 31, 1996, in conformity with generally accepted accounting principles.

KPMG LLP

New Orleans, Louisiana
February 5, 1999

LAMAR ADVERTISING COMPANY
AND SUBSIDIARIES

Consolidated Balance Sheets
(In thousands, except share and per share data)

December 31, 1998 and December 31, 1997

Assets	1998	1997
Current assets:		
Cash and cash equivalents	$128,597	7,246
Receivables:		
Trade accounts, less allowance for doubtful accounts of $2,722 in 1998 and $1,311 in 1997	39,681	29,854
Affiliates, related parties and employees	378	788
Other	321	1,284
	40,380	31,926
Prepaid expenses	12,346	9,112
Other current assets	1,736	1,136
Total current assets	183,059	49,420
Property, plant and equipment (note 5)	661,324	429,615
Less accumulated depreciation and amortization	(153,972)	(113,477)
	507,352	316,138
Intangible assets (note 6)	705,934	278,923
Investment securities (note 1)	--	679
Receivables-noncurrent	1,972	1,625
Other assets	15,060	4,551
Total assets	$1,413,377	651,336

(Continued)

LAMAR ADVERTISING COMPANY
AND SUBSIDIARIES

Consolidated Balance Sheets, Continued
(In thousands, except share and per share data)

Liabilities and Stockholders' Equity	December 31, 1998	December 31, 1997
Current liabilities:		
Trade accounts payable	$ 4,258	3,308
Current maturities of long-term debt (note 9)	49,079	5,109
Accrued expenses (note 8)	25,912	14,804
Deferred income	9,589	7,537
Total current liabilities	88,838	30,758
Long-term debt (note 9)	827,453	534,091
Deferred income taxes (note 10)	25,613	14,687
Deferred income	1,293	837
Other liabilities	3,401	2,250
	946,598	582,623
Stockholders' equity (note 12):		
Class A preferred stock, par value $638, $63.80 cumulative dividends, 10,000 shares authorized, 5,719 shares issued and outstanding	3,649	3,649
Class A common stock, par value $.001, 75,000,000 shares authorized, 43,392,876 and 28,453,805 shares issued and outstanding at 1998 and 1997, respectively	43	28
Class B common stock, par value $.001, 37,500,000 shares authorized, 17,699,997 and 18,762,909 shares issued and outstanding at 1998 and 1997, respectively	18	19
Additional paid-in capital	505,644	95,691
Accumulated deficit	(42,575)	(30,320)
Unrealized loss on investment securities	--	(354)
Stockholders' equity	466,779	68,713
Total liabilities and stockholders' equity	$ 1,413,377	651,336

See accompanying notes to consolidated financial statements.

LAMAR ADVERTISING COMPANY
AND SUBSIDIARIES

Consolidated Statements of Operations
(In thousands, except share and per share data)

Years ended December 31, 1998 and 1997,
the two months ended December 31, 1996 and
the year ended October 31, 1996

	Year Ended December 31, 1998	Year Ended December 31, 1997	Two Months Ended December 31, 1996	Year Ended October 31, 1996
Net revenues	288,588	201,062	23,262	120,602
Operating expenses:				
Direct advertising expenses	92,849	63,390	7,975	41,184
General and administrative expenses	60,935	45,368	5,034	29,466
Depreciation and amortization	88,572	48,037	3,928	16,470
	242,356	156,795	16,937	87,120
Operating income	46,232	44,267	6,325	33,482
Other expense (income):				
Interest income	(762)	(1,723)	(243)	(240)
Interest expense	60,008	38,230	3,803	15,441
Loss (gain) on disposition of assets	(1,152)	(15)	76	91
Other expenses	219	280	30	242
	58,313	36,772	3,666	15,534
Earnings (loss) before income taxes and extraordinary item	(12,081)	7,495	2,659	17,948
Income tax expense (benefit) (note 10)	(191)	4,654	1,199	7,099
Earnings (loss) before extraordinary item	(11,890)	2,841	1,460	10,849
Extraordinary item-Loss on debt extinguishment net of income tax benefit of $5,660	--	--	9,514	--
Net earnings (loss)	(11,890)	2,841	(8,054)	10,849
Preferred stock dividends	(365)	(365)	(61)	(365)
Net earnings (loss) applicable to common stock	(12,255)	2,476	(8,115)	10,484
Earnings (loss) before extraordinary item per common share (basic and diluted)	(.24)	.05	.03	.25
Extraordinary item	--	--	(.21)	--
Net earnings (loss) per common share (basic and diluted)	(.24)	.05	(.18)	.25
Weighted average common shares outstanding	51,361,522	47,037,497	45,520,784	41,134,476
Incremental common shares from dilutive stock options	--	363,483	--	114,057
Weighted average common shares assuming dilution	51,361,522	47,400,980	45,520,784	41,248,533

See accompanying notes to consolidated financial statements.

LAMAR ADVERTISING COMPANY AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income
(In Thousands)

Years ended December 31, 1998 and 1997,
the two months ended December 31, 1996 and
the year ended October 31, 1996

	Year Ended December 31, 1998	Year Ended December 31, 1997	Two Months Ended December 31, 1996	Year Ended October 31, 1996
Net earnings (loss) applicable to common stock	$ (12,255)	$ 2,476	$ (8,115)	$ 10,484
Other comprehensive income change in unrealized gain (loss) on investment securities (net of deferred tax expense (benefit) of $217, $(596), $(801), $1180 for the years ended December 31, 1998, and 1997, two months ended December 31, 1996, and the year ended October 31, 1996)	354	(974)	(1,364)	1,984
Comprehensive income (loss)	(11,901)	1,502	(9,479)	12,468

LAMAR ADVERTISING COMPANY
AND SUBSIDIARIES

Consolidated Statements of Stockholders' Equity
(In thousands, except share and per share data)

Year ended October 31, 1996, the
two months ended December 31, 1996
and the years ended
December 31, 1997 and December 31, 1998

	Class A Preferred Stock	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital	Accumulated Deficit	Unrealized Gain (Loss) On Investment Securities	Total
Balance, October 31, 1995	--	16	17	--	(28,187)	--	(28,154)
Conversion of 6,682,169 shares of common stock to 5,719.49 shares of preferred stock	3,649	(2)	(2)	--	(3,645)	--	--
Redemption of 5,427,305 shares of common stock	--	(4)	--	--	(2,958)	--	(2,962)
Issuance of 6,441,062 shares of common stock	--	4	--	62,745	--	--	62,749
Conversion of 765,225 shares of Class B common stock to Class A common stock	--	1	(1)	--	--	--	--
Additional consideration for redemption of common stock	--	--	--	(25,000)	--	--	(25,000)
Exercise of stock options	--	--	--	315	--	--	315
Unrealized gain on investment securities, net of deferred taxes of $1,180	--	--	--	--	--	1,984	1,984
Net earnings	--	--	--	--	10,849	--	10,849
Dividends ($.006 per common share and $63.80 per preferred share)	--	--	--	--	(740)	--	(740)
Balance, October 31, 1996	3,649	15	14	38,060	(24,681)	1,984	19,041
Issuance of 3,795,000 shares of common stock	--	3	--	54,168	--	--	54,171
Exercise of stock options	--	--	--	30	--	--	30
Net loss	--	--	--	--	(8,054)	--	(8,054)
Dividends (10.63 per preferred share)	--	--	--	--	(61)	--	(61)
Unrealized loss on investment securities, net of deferred taxes of $801	--	--	--	--	--	(1,364)	(1,364)
Balance, December 31, 1996	3,649	18	14	92,258	(32,796)	620	63,763
Exercise of stock options	--	--	--	3,448	--	--	3,448
Conversion of 1,811,552 shares of Class B common stock to Class A common stock	--	1	(1)	--	--	--	--
Net earnings	--	--	--	--	2,841	--	2,841
Dividends ($63.80 per preferred share)	--	--	--	--	(365)	--	(365)
Unrealized loss on investment securities, net of deferred taxes of $596	--	--	--	--	--	(974)	(974)
Three-for-two stock split (Note 12)	--	9	6	(15)	--	--	--
Balance, December 31, 1997	$ 3,649	28	19	95,691	(30,320)	(354)	68,713

(Continued)

LAMAR ADVERTISING COMPANY
AND SUBSIDIARIES

Consolidated Statements of Stockholders' Equity
(In thousands, except share and per share data)

Year ended October 31, 1996, the
two months ended December 31, 1996
and the years ended
December 31, 1997 and December 31, 1998

Balance, December 31, 1997	$ 3,649	28	19	95,691	(30,320)	(354)	68,713
Issuance of 13,338,005 shares of common stock	--	13	--	399,288	--	--	399,301
Exercise of stock options	--	1	--	10,665	--	--	10,666
Conversion of 1,062,912 shares of Class B common stock to Class A common stock	--	1	(1)	--	--	--	--
Net loss	--	--	--	--	(11,890)	--	(11,890)
Dividends (63.80 per preferred share)	--	--	--	--	(365)	--	(365)
Realized loss on investment securities, net of tax	--	--	--	--	--	354	354
Balance December 31, 1998	$ 3,649	43	18	505,644	(42,575)	-0-	466,779

See accompanying notes to consolidated financial statements.

LAMAR ADVERTISING COMPANY
AND SUBSIDIARIES

Consolidated Statements of Cash Flows
(In thousands)

Years ended December 31, 1998 and 1997, the
two months ended December 31, 1996 and the
year ended October 31, 1996

	Year Ended December 31, 1998	Year Ended December 31, 1997	Two Months Ended December 31, 1996	Year Ended October 31, 1996
Cash flows from operating activities:				
Net earnings (loss)	(11,890)	2,841	(8,054)	10,849
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:				
Depreciation and amortization	88,572	48,037	3,928	16,470
Loss (gain) on disposition of assets	(1,152)	(15)	76	91
Loss on debt extinguishment, net of tax	--	--	9,514	--
Deferred tax expense (benefit)	(7,537)	(2,839)	1,055	2,308
Provision for doubtful accounts	2,883	2,098	256	580
Changes in operating assets and liabilities:				
(Increase) decrease in:				
Receivables	(2,464)	(7,646)	(4,524)	(2,677)
Prepaid expenses	(521)	(367)	(28)	9
Other assets	(1,929)	29	(180)	(594)
Increase (decrease) in:				
Trade accounts payable	250	(1,951)	249	828
Accrued expenses	4,326	6,063	(3,121)	1,302
Deferred income	2,132	(425)	(38)	2,690
Other liabilities	(172)	(42)	18	637
Net cash provided by (used in) operating activities	72,498	45,783	(849)	32,493
Cash flows from investing activities:				
Capital expenditures	(55,196)	(36,654)	(4,877)	(25,944)
Purchase of new markets	(485,514)	(386,842)	(108,746)	(23,029)
Proceeds from sale of property and equipment	5,493	53,268	225	849
Net cash used in investing activities	(535,217)	(370,228)	(113,398)	(48,124)
Cash flows from financing activities:				
Net proceeds from issuance of common stock	402,629	2,403	54,927	63,064
Proceeds from issuance of long-term debt	70	193,926	247,813	5,000
Principal payments on long-term debt	(6,229)	--	(110,143)	--
Debt issuance costs	(3,035)	--	--	--
Net borrowing (payments) under credit agreements	191,000	54,720	(5,773)	(41,187)
Redemption of common stock	--	--	--	(7,962)
Dividends	(365)	(365)	--	(740)
Net cash provided by financing activities	584,070	250,684	186,824	18,175
Net increase (decrease) in cash and cash equivalents	121,351	(73,761)	72,577	2,544
Cash and cash equivalents at beginning of period	7,246	81,007	8,430	5,886
Cash and cash equivalents at end of period	128,597	7,246	81,007	8,430
Supplemental disclosures of cash flow information:				
Cash paid for interest	56,960	33,284	6,573	15,659
Cash paid for income taxes	1,107	8,792	15	3,756

See accompanying notes to consolidated financial statements.

LAMAR ADVERTISING COMPANY
AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Dollars in thousands, except share and per share data)
December 31, 1998, 1997 and October 31, 1996

(1) Significant Accounting Policies

(a) Nature of Business Lamar Advertising Company ("LAC" or the "Company") is engaged in the outdoor advertising business operating approximately 71,900 outdoor advertising displays in 36 states. The Company's operating strategy is to be the leading provider of outdoor advertising services in most of the markets it serves, with a historical emphasis on providing a full range of outdoor advertising services in middle markets with a population ranking between 50 and 250 in the United States.

In addition, the Company operates a logo sign business in 18 states throughout the United States and in 1 province of Canada. Logo signs are erected pursuant to state-awarded service contracts on public rights-of-way near highway exits and deliver brand name information on available gas, food, lodging and camping services. Included in the Company's logo sign business are tourism signing contracts. Revenues of the logo sign business contributed approximately 8%, 10% and 10% of the Company's net revenues for the years ended December 31, 1998, 1997 and October 31, 1996, respectively.

(b) Principles of Consolidation

The accompanying consolidated financial statements include Lamar Advertising Company, its wholly-owned subsidiary, The Lamar Corporation (TLC), and their majority-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

(c) Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is calculated using accelerated and straight-line methods over the estimated useful lives of the assets.

(d) Intangible Assets

Intangible assets, consisting primarily of goodwill, customer lists and contracts, and non-competition agreements are amortized using the straight-line method over the assets estimated useful lives, generally from 5 to 15 years. Debt issuance costs are deferred and amortized over the terms of the related credit facilities using the interest method.

(e) Investment Securities

Investment securities at December 31, 1997 consisted of the Company's investment in approximately 340,000 shares of common stock of Wireless One, Inc., a publicly-held company in the wireless cable business. The former Chief Executive Officer of Wireless One, Inc. is an employee and principal shareholder of the Company and has been nominated for election as a director of the Company at the 1999 Annual Meeting.

(Continued)

LAMAR ADVERTISING COMPANY
AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Dollars in thousands, except share and per share data)

The Wireless One, Inc. shares were classified as available-for-sale at December 31, 1997 and were carried at fair value with the unrealized gain or loss, net of the related tax effect, reported as a separate component of stockholders' equity. These shares were sold in May, 1998, resulting in a realized loss of $875. The cost of the Wireless One, Inc. shares owned by the Company was $1,250, and the market value was $679 at December 31, 1997.

(f) Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed of

The Company accounts for long-lived assets in accordance with the provisions of Statement of Financial Accounting Standards (SFAS) No. 121, "Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed Of." SFAS No. 121 requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

(g) Deferred Income

Deferred income consists principally of advertising revenue received in advance and gains resulting from the sale of certain assets to related parties. Deferred advertising revenue is recognized in income as services are provided over the term of the contract. Deferred gains are recognized in income in the consolidated financial statements at the time the assets are sold to an unrelated party or otherwise disposed of.

(h) Revenue Recognition

The Company recognizes revenue from outdoor and logo sign advertising contracts, net of agency commissions, on an accrual basis ratably over the term of the contracts, as advertising services are provided.

(i) Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

(Continued)

LAMAR ADVERTISING COMPANY
AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Dollars in thousands, except share and per share data)

(j) Earnings Per Share

Earnings per share are computed in accordance with SFAS No. 128, "Earnings Per Share." The calculation of basic earnings per share excludes any dilutive effect of stock options, while diluted earnings per share includes the dilutive effect of stock options.

(k) Stock Option Plan

The Company accounts for its stock option plan in accordance with the provisions of Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees", and related interpretations. As such, compensation expense is recorded on the date of grant only if the current market price of the underlying stock exceeds the exercise price. SFAS No. 123, "Accounting for Stock-Based Compensation", permits entities to recognize as expense over the vesting period the fair value of all stock-based awards on the date of grant. Alternatively, SFAS No. 123 also allows entities to continue to apply the provisions of APB Opinion No. 25 and provide pro forma net income and pro forma earnings per share disclosures for employee stock option grants made in 1995 and future years as if the fair-value-based method defined in SFAS No. 123 has been applied. The Company has elected to continue to apply the provisions of APB Opinion No. 25 and provide the pro forma disclosure provisions of SFAS No. 123.

(l) Cash and Cash Equivalents

The Company considers all highly-liquid investments with original maturities of three months or less to be cash equivalents.

(m) Reclassification of Prior Year Amounts

Certain amounts in the prior years' consolidated financial statements have been reclassified to conform to the current year presentation. These reclassifications had no effect on previously reported net earnings.

(n) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Change in Fiscal Year End

Effective January 1, 1997, the Company changed its fiscal year from a twelve-month period ending October 31 to a twelve-month period ending December 31. The year end change was made to conform to the predominant year ends within the

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LAMAR ADVERTISING COMPANY
AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Dollars in thousands, except share and per share data)

outdoor advertising industry. The consolidated statements of operations, stockholders' equity and cash flows are presented for the twelve months ended December 31, 1998, December 31, 1997, the two months ended December 31, 1996 and for the twelve-months ended October 31, 1996.

(3) Acquisitions

Year Ended October 31, 1996
During the year ended October 31, 1996, the Company completed twelve acquisitions of outdoor advertising businesses, none of which were individually significant, for an aggregate purchase price of $24,010. Each purchase was accounted for under the purchase method of accounting, and, accordingly, the accompanying financial statements include the results of operations of each acquired entity from the date of acquisition. The Company recorded an aggregate of approximately $6,100 of intangible assets as a result of these acquisitions. Proforma net revenues, assuming these acquisitions had occurred on November 1, 1995, would have been approximately $123,000. The effect on net earnings and net earnings per share would not have been material.

Fourteen months ended December 31, 1997
Effective November 1, 1996, the Company acquired all of the outstanding capital stock of FKM Advertising, Co., Inc. for a cash purchase price of approximately $40,000, and on December 10, 1996, the Company purchased substantially all of the assets of Outdoor East, L.P. for a total cash purchase price of approximately $60,500.

Effective April 1, 1997, the Company acquired all of the outstanding capital stock of Penn Advertising, Inc. for a cash purchase price of approximately $167,000. The Company subsequently sold approximately 16% of the outdoor displays acquired to Universal Outdoor, Inc. for a cash purchase price of $46,500.

On June 3, 1997, the Company purchased substantially all of the assets of Headrick Outdoor, Inc. for a cash purchase price of approximately $76,600. Simultaneous with the acquisition, the Company sold approximately 9% of the outdoor displays acquired for a total purchase price of $6,000.

On August 15, 1997, the Company purchased from Outdoor Systems, Inc. ("OSI") for a cash purchase price of approximately $116,000 (excluding approximately $2,000 in capitalized costs), certain outdoor advertising assets that OSI had acquired from National Advertising Company, a division of Minnesota Mining and Manufacturing Company.

During the year ended December 31, 1997, the Company completed 22 additional acquisitions of outdoor advertising assets, none of which were individually significant, for an aggregate cash purchase price of approximately $21,000.

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LAMAR ADVERTISING COMPANY
AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Dollars in thousands, except share and per share data)

Each of these acquisitions were accounted for under the purchase method of accounting, and, accordingly, the accompanying financial statements include the results of operations of each acquired entity from the date of acquisition. The acquisition costs have been allocated to assets acquired and liabilities assumed based on fair market value at the dates of acquisition. The following is a summary of the allocation of the acquisition costs in the above transactions.

	Current Assets	Property Plant & Equipment	Goodwill	Customer Lists	Other Assets	Current Liabilities	Long-term Liabilities
FKM	732	12,536	23,636	3,554	632	(83)	(1,007)
Outdoor East	1,579	35,431	16,148	7,958	1,069	(153)	(804)
Penn Advertising, Inc.	4,645	47,745	72,435	17,752	1,448	(1,144)	(22,208)
Headrick Outdoor, Inc.	825	46,553	1,640	11,494	11,091	--	--
Outdoor Systems, Inc.	6,243	27,091	63,148	23,611	--	(2,640)	--
Other	370	17,106	5,132	2,787	591	(132)	(5,127)
	14,394	186,462	182,139	67,156	14,831	(4,152)	(29,146)

The following unaudited financial information for the Company gives effect to the acquisitions during the two months ended December 31, 1996 and the year ended December 31, 1997 as if they had occurred on November 1, 1995. These proforma results do not purport to be indicative of the results of operations which actually would have resulted had the acquisitions occurred on such date, or to project the Company's results of operations for any future period.

	Year Ended December 31, 1997	Year Ended October 31, 1996
Revenues, net	$ 225,903	$ 207,023
Net loss applicable to common stock	(3,520)	(8,977)
Net loss per common share (basic and diluted)	(.07)	(.22)

Year Ended December 31, 1998
On January 2, 1998, the Company purchased all the outdoor advertising assets of Ragan Outdoor Advertising Company, Ragan Outdoor Advertising Company of Cedar Rapids, and Ragan Outdoor Advertising Company of Rockford, L.L.C. for a cash purchase price of $25,000.

On January 30, 1998, the Company acquired all of the outdoor advertising assets of three related outdoor advertising companies (Pioneer Advertising Company, Superior Outdoor Advertising Company and Overland Outdoor Advertising Company, Inc.) located in Missouri and Arkansas for a cash purchase price of $19,200.

On April 30, 1998, the Company purchased all the outdoor advertising assets of Northwest Outdoor Advertising, L.L.C. for a cash purchase price of approximately $70,000. The acquired displays are located in the states of Washington, Montana, Oregon, Idaho, Wyoming, Nebraska, Nevada and Utah.

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LAMAR ADVERTISING COMPANY
AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Dollars in thousands, except share and per share data)

On May 15, 1998, the Company purchased the assets of Odegard Outdoor Advertising, L.L.C., for a cash purchase price of approximately $8,500. This acquisition increases the Company's presence in the Kansas City, Missouri market.

On May 29, 1998, the Company entered into an agreement to purchase from Rainier Evergreen, Inc. or through its affiliates (i) all of the issued and outstanding common stock of American Signs, Inc., (ii) the assets of the Sun Media division and (iii) the assets of Sun Media of the Rockies, Inc. The asset purchases were closed on that date; while the stock purchase was delayed due to lease transfer issues involving the Bureau of Interior Affairs. The stock purchase was completed in September, 1998. The total purchase price was $26,550.

On September 1, 1998, the Company entered into an agreement to purchase all of the outdoor advertising assets of Nichols & Vann Advertising. The Company paid a cash purchase price of $11,000 of which $6,100 is held on deposit as of December 31, 1998, and is included in other assets in the acCompanying balance sheet at December 31, 1998.

On October 1, 1998, the Company purchased all of the outstanding stock of OCI for a purchase price of $385,000. The purchase price included approximately $235,000 in cash, the assumption of OCI debt of approximately $105,000 and the issuance of notes in the aggregate amount of $45,000 to certain principal stockholders of OCI. Pursuant to this acquisition, the Company acquired approximately 14,700 displays in 12 states. Funds for this acquisition were provided from borrowings under the New Revolving Credit Facility and the Term Facility.

During the twelve months ended December 31, 1998, the Company completed 60 additional acquisitions of outdoor advertising assets, none of which were individually significant, for an aggregate cash purchase price of approximately $89 million and issuance of 63,005 shares of Class A common stock valued at approximately $2,400.

Each of these acquisitions were accounted for under the purchase method of accounting, and accordingly, the acCompanying financial statements include the results of operations of each acquired entity from the date of acquisition. The acquisition costs have been allocated to assets acquired and liabilities assumed based on fair market value at the dates of acquisition. The following is a summary of the allocation of the acquisition costs in the above transactions.

	Current Assets	Property Plant & Equipment	Goodwill	Customer Lists	Other Assets	Current Liabilities	Long-term Liabilities
Ragan Companies	694	9,634	13,275	1,563	10	(176)	--
Pioneer and related companies	307	15,062	264	4,037	9	(479)	--
Northwest Outdoor Advertising, LLC	2,176	23,667	36,199	8,498	363	(697)	(273)
Odegard Outdoor Advertising, LLC	285	1,633	5,959	720	375	(272)	(300)
Rainier Evergreen, Inc.	359	3,205	21,681	1,755	100	(550)	(50)
Nichols & Vann Advertising	--	300	3,944	181	6,575	--	--
Outdoor Communications, Inc.	9,957	97,058	266,856	27,226	10,399	(54,112)	(121,296)
Other	1,036	33,227	46,756	11,511	4,904	(3,506)	(2,549)
	14,814	183,786	394,934	55,491	22,735	(59,792)	(124,468)

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The following unaudited pro forma financial information for the Company gives effect to the 1998 and 1997 acquisitions as if they had occurred on January 1, 1997. These pro forma results do not purport to be indicative of the results of operations which actually would have resulted had the acquisitions occurred on such date, or to project the Company's results of operations for any future period.

	Year ended December 31, 1998	Year ended December 31, 1997
Revenues, net	$ 342,101	307,530
Net loss applicable to common stock	(25,455)	(35,117)
Net loss per common share (basic and diluted)	(.50)	(.75)

(4) Noncash Financing and Investing Activities

A summary of significant noncash financing and investing activities for the years ended December 31, 1998, 1997 and the year ended October 31, 1996 follows:

	1998	1997	1996
Disposition of assets	$ 30	1,300	--
Acquisitions of assets	2,706	--	2,104
Issuance of preferred stock in exchange for common stock	--	--	3,649
Redemption of common stock for debt	--	--	20,000
Conversion of note receivable to equity investment	--	500	--
Debt issuance costs	--	4,750	--

Significant noncash financing activities during the two months ended December 31, 1996 include approximately $7,000 of debt issuance costs.

(5) Property, Plant and Equipment

Major categories of property, plant and equipment at December 31, 1998 and December 31, 1997 are as follows:

	Estimated life (years)	1998	1997
Land	--	$ 25,543	15,185
Building and improvements	10-39	28,924	20,672
Advertising structures	15	576,676	371,491
Automotive and other equipment	3-7	30,181	22,267
		$661,324	429,615

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(6) Intangible Assets

The following is a summary of intangible assets at December 31, 1998 and December 31, 1997:

	Estimated life (years)	1998	1997
Debt issuance costs and fees	7-10	$ 20,081	14,754
Customer lists and contracts	7-10	108,903	68,185
Non-compete agreements	7-15	19,318	15,313
Goodwill	15	554,685	178,047
Other	5-15	2,947	2,624
		$705,934	278,923
Cost		778,655	308,621
Accumulated amortization		(72,721)	(29,698)
		$705,934	278,923

(7) Leases

The Company is party to various operating leases for production facilities and sites upon which advertising structures are built. The leases expire at various dates, generally during the next five years, and have varying options to renew and to cancel. The following is a summary of minimum annual rental payments required under those operating leases that have original or remaining lease terms in excess of one year as of December 31:

1999	$ 32,262
2000	27,387
2001	23,449
2002	19,941
2003	16,977
Thereafter	84,201

Rental expense related to the Company's operating leases were $43,440, $31,411 and $19,387 for the years ended December 31, 1998, December 31, 1997 and October 31, 1996, respectively.

(8) Accrued Expenses

The following is a summary of accrued expenses at December 31, 1998 and December 31, 1997:

	1998	1997
Payroll	$ 4,863	4,390
Interest	11,629	7,357
Insurance benefits	3,715	2,613
Other	5,705	444
	$ 25,912	14,804

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(9) Long-term Debt

Long-term debt consists of the following at December 31, 1998 and December 31, 1997:

	1998	1997
9-5/8% Senior subordinated notes	$ 255,000	255,000
8-5/8% Senior subordinated notes	198,785	198,696
Bank Credit Agreement	250,000	59,000
9-1/4% Senior subordinated notes	103,949	--
8% unsecured subordinated notes (see Note 12)	15,333	17,319
Other notes with various rates and terms	53,465	9,185
	876,532	539,200
Less current maturities	(49,079)	(5,109)
Long-term debt, excluding current maturities	$ 827,453	534,091

Long-term debt matures as follows:

1999	$ 49,079
2000	18,698
2001	22,673
2002	38,435
2003	38,713
Later years	708,934

In November 1996, the Company issued $255,000 in principal amount of 9 5/8% Senior Subordinated Notes due 2006 (the "1996 Notes"), with interest payable semi-annually on June 1 and December 1 of each year. The 1996 Notes are senior subordinated unsecured obligations of the Company and are subordinated in right of payment to all senior indebtedness of the Company, pari passu with the 1997 Notes (as defined below), and are senior to all existing and future subordinated indebtedness of the Company.

In September 1997, the Company issued $200,000 in principal amount of 8 5/8% Senior Subordinated Notes due 2007 (the "1997 Notes") with interest payable semi-annually on March 15 and September 15 of each year, commencing March 15, 1998. The 1997 Notes were issued at a discount for $198,676. The Company is using the effective interest method to recognize the discount over the life of the 1997 Notes. The 1997 Notes are senior subordinated unsecured obligations of the Company, subordinated in right of payment to all senior indebtedness of the Company, pari passu with the 1996 Notes and are senior to all existing and future subordinated indebtedness of the Company.

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The 1996 and 1997 Notes are redeemable at the Company's option at any time on or after December 31, 2001 and September 15, 2002, respectively, at redemption prices specified by the indentures, and are required to be repurchased earlier in the event of a change of control of the Company. The indentures covering the 1996 and 1997 Notes include certain restrictive covenants which limit the Company's ability to incur additional debt, pay dividends and make other restricted payments, consummate certain transactions and other matters.

The Bank Credit Agreement provides the Company with a committed $225,000 revolving credit facility and a $75,000 incremental term facility to be funded at the discretion of the lenders. As of December 31, 1997, there was $59,000 outstanding under the revolving credit facility and there were no borrowings under the incremental term facility. The revolving credit facility bears interest at a variable rate of interest based upon an applicable margin over LIBOR or the prime rate. The weighted average interest rate under the facility at December 31, 1997 was 7.93%.

The Bank Credit Agreement is guaranteed by the Company's subsidiaries and secured by the capital stock of the Company's subsidiaries. The Bank Credit Agreement contains various restrictive covenants, which require that the Company meet certain minimum leverage, and coverage ratios, restrict additional indebtedness, limit dividends and other restricted payments, limit capital expenditures and disposition of assets, and other restrictions. In September 1997, the Company amended certain financial and other covenants in the Bank Credit Facility, including increases in permitted capital expenditures and permitted acquisitions.

In July, 1998, the Company entered into a new Bank Credit Agreement (the "New Bank Credit Agreement") which consists of a committed $250,000 revolving credit facility (the "New Revolving Credit Facility"), a $150,000 term facility (the "Term Facility") and a $100,000 incremental facility (The "Incremental Facility") funded at the discretion of the lenders. As of December 31, 1998, the Company had borrowings outstanding of $150 million under the Term Facility, $100 million under the Incremental Facility, and $0 under the New Revolving Credit Facility. The New Bank Credit Agreement replaced the Company's previous Bank Credit Facility.

Availability of the line under the New Revolving Credit Facility is reduced quarterly beginning with the quarter ended March 31, 2000, in the following amounts:

March 31, 2000 - December 31, 2001	6,250
March 31, 2002 - December 31, 2003	9,375
March 31, 2004 - December 31, 2004	12,500
March 31, 2005 - December 31, 2005	18,750

The Term Facility will begin to amortize quarterly beginning September 30, 2000 in the following quarterly amounts:

September 30, 2000 - December 31, 2000	7,500
March 31, 2001 - December 31, 2001	3,750
March 31, 2002 - December 31, 2005	7,500

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The Incremental Facility will begin quarterly principal reductions of between 1% and 2% of the outstanding balance at the date the loans begin to amortize, beginning with the quarter ended March 31, 2001 and ending June 30, 2006.

The Incremental Facility and the Term Facility bear interest at a variable rate of interest based on the applicable margin over LIBOR or the prime rate. The weighted average interest rate on borrowings under the Bank Credit Agreement at December 31, 1998, was 7.37%

Revolving credit loans may be requested under the New Revolving Credit Facility at any time prior to maturity. The loans bear interest, at the Company's option, at the LIBOR Rate or Chase Prime Rate plus applicable margins, such margins being set from time to time based on the Company's ratio of debt to trailing twelve month EBITDA. EBITDA is defined in the New Bank Credit Agreement as operating income before depreciation and amortization, a commonly used measure of financial performance. The New Bank Credit Agreement contains restrictive covenants comparable to those under the prior agreement, and of a sort customary in credit facilities for outdoor advertising companies. The terms of the Company's credit facility and the indentures relating to the Company's outstanding notes restrict, among other things, the Company's ability to:

- dispose of assets;
- incur or repay debt;
- create liens; and
- make investments.

Under the Company's credit facility the Company must maintain specified financial ratios and levels including:

- cash interest coverage;
- fixed charge coverage;
- senior debt ratios; and
- total debt ratios.

The $103,949 of 9 1/4% Senior Subordinated Notes are due 2007, with interest payable semi-annually on February 15 and August 15 of each year, and were previously issued by OCI. The Notes are senior subordinated unsecured obligations of the Company, subordinated in right of payment to all senior indebtedness of the Company, and are senior to all existing and future subordinated indebtedness of the Company.

In November 1996, the Company commenced a tender offer for all of its $100,000 outstanding principal amount of 11% Senior Secured Notes due 2003 (the "1993 Notes"). As of December 31, 1997, approximately $98,827 of the 1993 Notes were tendered to the Company and retired. As a result of this tender offer and the extinguishment of other credit facilities, the Company recorded a loss on debt extinguishment of $9,514, net of income tax benefit of $5,660, during the two months ended December 31, 1996 (see Note 2).

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(10) Income Taxes

Income tax expense (benefit) for the years ended December 31, 1998, December 31, 1997, the two months ended December 31, 1996, and the year ended October 31, 1996, consists of:

	Current	Deferred	Total
Year ended December 31, 1998:			
U.S. federal	$ 6,269	(6,074)	195
State and local	1,077	(1,463)	(386)
	$ 7,346	(7,537)	(191)
Change in deferred tax attributable to unrealized losses on investment securities, included in stockholders' equity	--	217	217
	$ 7,346	(7,320)	26
Year ended December 31, 1997:			
U.S. federal	$ 6,108	(2,475)	3,633
State and local	1,385	(364)	1,021
	$ 7,493	(2,839)	4,654
Change in deferred tax attributable to unrealized losses on investment securities, included in stockholders' equity	--	(596)	(596)
	$ 7,493	(3,435)	4,058
Two months ended December 31, 1996:			
U.S. federal	$ --	1,028	1,028
State and local	144	27	171
	$ 144	1,055	1,199
Change in deferred tax attributable to unrealized losses on investment securities, included in stockholders' equity	--	(379)	(379)
	$ 144	676	820
Year ended October 31, 1996:			
U.S. federal	$ 3,991	2,683	6,674
State and local	800	(375)	425
	$ 4,791	2,308	7,099
Change in deferred tax attributable to unrealized gains on investment securities, included in stockholders' equity	--	1,180	1,180
	$ 4,791	3,488	8,279

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Income tax expense (benefit) attributable to continuing operations for the years ended December 31, 1998 and 1997, the two months ended December 31, 1996, and the year ended October 31, 1996, differs from the amounts computed by applying the U.S. federal income tax rate of 34 percent to earnings before income taxes as follows:

	Year Ended December 31, 1998	Year Ended December 31, 1997	Two Months Ended December 31, 1996	Year Ended October 31, 1996
Computed "expected" tax expense (benefit)	(4,108)	2,548	904	6,102
Increase (reduction) in income taxes resulting from:				
Book expenses not deductible for tax purposes	450	92	18	110
Amortization of non-deductible goodwill	3,752	1,730	--	--
State and local income taxes, net of federal income tax benefit	(255)	674	113	281
Other differences, net	(30)	(390)	164	606
	(191)	4,654	1,199	7,099

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The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 1998 and December 31, 1997 are presented below:

	1998	1997
Deferred tax liabilities:		
Plant and equipment, principally due to differences in depreciation	$ (4,915)	(3,125)
Plant and equipment, due to basis differences on acquisitions	(28,556)	(15,582)
Intangibles, due to differences in amortizable lives	(5,058)	(5,646)
Deferred tax liabilities	(38,529)	(24,353)
Deferred tax assets:		
Receivables, principally due to allowance for doubtful accounts	1,151	511
Plant and equipment, due to basis differences on acquisitions and costs capitalized for tax purposes	4,530	4,823
Investment in affiliates and plant and equipment, due to gains recognized for tax purposes and deferred for financial reporting purposes	941	941
Accrued liabilities not deducted for tax purposes	2,125	1,384
Net operating loss carryforward	3,563	1,673
Unrealized losses on investment securities	--	217
Other, net	606	117
Deferred tax assets	12,916	9,666
Net deferred tax liability	$(25,613)	(14,687)

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible.

Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not the Company will realize the benefits of these deductible differences. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carryforward period are reduced.

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(11) Related Party Transactions

Affiliates, as used within these statements, are persons or entities that are affiliated with Lamar Advertising Company or its subsidiaries through common ownership and directorate control.

As of December 31, 1998, and December 31, 1997, debentures and ten year subordinated notes totaling $16,749 and $19,153, respectively, are owned by shareholders, directors and employees. Interest expense under the debentures and ten year subordinated notes during the years ended December 31, 1998, December 31, 1997, and October 31, 1996 was $1,497, $1,719 and $494, respectively.

The Company purchased approximately $1,810 and $3,462 of highway signs used in its logo sign business from Interstate Highway Signs Corp., ("IHS") during the years ended December 31, 1998 and 1997, respectively. IHS is a company which is majority owned by certain directors, officers and stockholders of the Company.

(12) Stockholders' Equity

On December 31, 1997, the Board of Directors approved a three-for-two split of its Class A and Class B common stock subject to the approval by the shareholders of an increase in the authorized number of shares of Class A and Class B common stock. On February 26, 1998, the shareholders approved an increase in the authorized number of shares of Class A common stock to 75,000,000 and Class B common stock to 37,500,000. The stock split, which was effected by means of a 50% stock dividend, was paid to shareholders on February 27, 1998. Par value of the common stock remained unchanged at $.001. Common stock and additional paid in capital were adjusted to reflect the split as of December 31, 1997. All references to share and per share information in the consolidated financial statements and related footnotes have been restated to reflect the effect of the split for all periods presented.

During 1995 and 1996, the Company repurchased 3.6% and 12.9%, respectively, of its then outstanding common stock (1,830,750 and 5,427,305 shares, respectively) from certain of its existing stockholders for an aggregate purchase price of approximately $4 million. The terms of such repurchases entitled the selling stockholders to receive additional consideration from the Company in the event that the Company consummated a public offering of its common stock at a higher price within 24 months of the repurchase. In satisfaction of that obligation, upon completion of the Company's initial public equity offering in August 1996, the Company paid the selling stockholders an aggregate of $5.0 million in cash and issued to them ten-year subordinated notes in the aggregate principal amount of $20,000. The notes bear interest at 8% (1% above the ten-year treasury note rate when issued) and are payable in monthly installments of $167, plus interest. The balance outstanding under these notes at December 31, 1998 and December 31, 1997, was $15,333 and $17,319, respectively.

In June, 1998, the Company completed a public offering of 6,375,000 shares of Class A Common Stock at $29.00 per share. Net proceeds to the Company after underwriting discounts from the equity offering were $177.5 million. These proceeds were used to pay down outstanding bank debt of approximately $173.0 million with the remainder used for operations.

In December, 1998, the Company completed a public offering of 6,900,000 shares of Class A Common Stock at $35 per share. Net proceeds to the Company after underwriting discounts from the equity offering were $219.8 million. These proceeds were used to pay down outstanding bank debt of approximately $99.0 million with the remainder used for debt reduction and acquisitions in 1999.

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The rights of the Class A and Class B common stock are equal in all respects, except holders of Class B common stock have ten votes per share on all matters in which the holders of common stock are entitled to vote and holders of Class A common stock have one vote per share on such matters. The Class B common stock will convert automatically into Class A common stock upon the sale or transfer to persons other than permitted transferees (as defined in the Company's certificate of incorporation, as amended).

(13) Stock Option Plan

In 1996, the Company adopted the 1996 Equity Incentive Plan (the "1996 Plan"). The purpose of the 1996 Plan is to attract and retain key employees and consultants of the Company. The 1996 Plan authorizes the grant of stock options, stock appreciation rights and restricted stock to employees and consultants of the Company capable of contributing to the Company's performance. Options granted under the 1996 Plan generally become exercisable over a five-year period and expire 10 years from the date of grant. The Company initially reserved an aggregate of 3,000,000 shares of Class A Common Stock (as adjusted for the Company's February 1998 three-for-two stock split) for awards under the 1996 Plan. In September, 1998, the Board of Directors of the Company voted to increase the number of shares reserved for issuance under the 1996 Plan by 1,000,000 shares to 4,000,000 shares, subject to the approval of the stockholders of the Company, at its next regularly scheduled shareholders' meeting.

The Company has adopted the disclosure-only provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation." Accordingly, no compensation cost has been recognized for the stock option grants. Had compensation cost for the Company's stock option plan been determined based on the fair value at the grant date for awards in 1996, 1997 and 1998, consistent with the provisions of SFAS No. 123, the Company's net earnings (loss) and earnings (loss) per share would have been reduced to the pro forma amounts indicated below:

	Year Ended December 31, 1998	Year Ended December 31, 1997	Two Months Ended December 31, 1996	Year Ended October 31, 1996
Net earnings (loss) applicable to common stock - as reported	$ (12,255)	2,476	(8,115)	10,484
Net earnings (loss) applicable to common stock - pro forma	$ (15,145)	(603)	(8,666)	8,891
Earnings (loss) per common share - as reported (basic and diluted)	$ (.24)	.05	(.18)	.25
Earnings (loss) per common share - pro forma (basic and diluted)	$ (.29)	(.01)	(.19)	.22

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used:

Grant Year	Dividend Yield	Expected Volatility	Risk Free Interest Rate	Expected Lives
1998	0%	59%	5%	4
1997	0%	40%	6%	3
1996	0%	53%	6%	3

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Information regarding the 1996 Plan for the years ended December 31, 1998 and December 31, 1997, two months ended December 31, 1996, and year ended October 31, 1996, is as follows:

	December 31, 1998		December 31, 1997	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, beginning of year	1,868,804	$ 11.60	1,774,896	$ 10.85
Granted	950,500	29.88	399,000	15.20
Exercised	(538,154)	10.84	(225,256)	10.67
Canceled	(40,583)	18.24	(79,836)	10.96
Outstanding, end of year	2,240,567	$ 19.25	1,868,804	$ 11.60
Price for exercised shares	$ 10.84		$ 10.67	
Shares available for grant, end of year	963,682		873,599	
Weighted average fair value of options granted during the year	$ 13.09		$ 7.18	

	Two Months Ended December 31, 1996		October 31, 1996	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, beginning of year	1,742,753	10.67	--	--
Granted	36,750	17.93	1,772,250	10.67
Exercised	(2,844)	10.67	(29,497)	10.67
Canceled	(1,763)	10.67	--	--
Outstanding, end of year	1,774,896	10.85	1,742,753	$ 10.67
Price for exercised shares	$ 10.67		10.67	
Shares available for grant, end of year	1,192,763		1,227,750	
Weighted average fair value of options granted during the year	$ 10.06		$ 4.14	

The following table summarizes information about fixed-price stock options outstanding at December 31, 1998:

Range Of Exercise Prices	Number Outstanding At December 31, 1998	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable At December 31, 1998	Weighted Average Exercise Price
$ 10.67	979,467	7.62	$ 10.67	333,849	$ 10.67

10.67 - 13.67	149,000	7.66	13.25	17,750	13.25
13.83 - 18.42	137,100	7.63	16.86	1,200	17.67
26.17	63,000	8.14	22.79	0	0
26.69	209,000	7.61	26.69	0	0
30.34	694,000	7.62	30.34	116,100	30.34
37.50	9,000	7.60	37.50	0	0

No stock appreciation rights or restricted stock authorized by the 1996 Plan have been granted.

(14) Commitments and Other Contingencies

The Company sponsors a partially self-insured group health insurance program. The Company is obligated to pay all claims under the program, which are in excess of premiums, up to program limits of $150 per employee, per claim, per year. The Company is also self-insured with respect to its income disability benefits and against casualty losses on advertising structures. Amounts for expected losses, including a provision for losses incurred but not reported, is included in accrued expenses in the accompanying consolidated financial statements. The Company maintains a $500 letter of credit with a bank to meet requirements of the Company's worker's compensation insurance carrier.

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The Company sponsors The Lamar Corporation Savings and Profit Sharing Plan covering employees who have completed one year of service and are at least 21 years of age. The Company matches 50% of employees' contributions up to 5% of related compensation. Employees can contribute up to 15% of compensation. Full vesting on the Company's matched contributions occurs after five years. Annually, at the Company's discretion, an additional profit sharing contribution may be made on behalf of each eligible employee. In total, for the years ended December 31, 1998, December 31, 1997 and October 31, 1996, the Company contributed $952, $1,181 and $1,262, respectively.

The Company sponsors a Deferred Compensation Plan for the benefit of certain of its senior management who meet specific age and years of service criteria. Employees who have attained the age of 30 and have a minimum of 10 years of service are eligible for annual contributions to the Plan generally ranging from $3 to $8, depending on the employee's length of service. LAC's contributions to the Plan are maintained in a "rabbi" trust and, accordingly, the assets and liabilities of the Plan are reflected in the balance sheet of LAC. Upon termination, death or disability, participating employees are eligible to receive an amount equal to the fair market value of the assets in the employee's deferred compensation account. The Company has contributed $406, $190 and $182 to the Plan during the years ended December 31, 1998, December 31, 1997, and October 31, 1996, respectively. Contributions to the Deferred Compensation Plan are discretionary and are determined by the Board of Directors.

The Company is the subject of litigation arising during the normal course of business. In the opinion of management and the general counsel of the Company, those claims will not have a material impact on the financial position, results of operations or liquidity of the Company.

(15) Summarized Financial Information of Subsidiaries

Except as set forth below, separate financial statements of each of the Company's direct or indirect subsidiaries that have guaranteed the Company's obligations under the 1996 Notes and the 1997 Notes (collectively, the "Guarantors") are not included herein because the Guarantors are jointly and severally liable under the guarantees, and the aggregate assets, liabilities, earnings and equity of the Guarantors are substantially equivalent to the assets, liabilities, earnings and equity of the Company on a consolidated basis.

Summarized financial information for Missouri Logos, a Partnership, a 66-2/3% owned subsidiary of the Company and the only subsidiary of the Company that is not a Guarantor, is set forth below:

Balance Sheet Information:		1998	1997
Current assets		$ 248	237
Total assets		297	290
Current liabilities		7	7
Total liabilities		7	7
Venturers' equity		290	283
Income Statement Information:	**1998**	**1997**	**1996**
Revenues	$1,038	991	931
Net income	523	540	545

(Continued)

LAMAR ADVERTISING COMPANY
AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Dollars in thousands, except share and per share data)

(16) Disclosures About Fair Value of Financial Instruments

The following table presents the carrying amounts and estimated fair values of the Company's financial instruments at December 31, 1998 and 1997. The fair value of the financial instrument is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties.

	December 31, 1998		December 31, 1997	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Marketable investment securities	$ -0-	-0-	$ 679	$ 679
Long-term debt	$ 827,453	874,091	534,091	575,198

The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies as follows:

- The carrying amounts of cash and cash equivalents, receivables, trade accounts payable, accrued expenses, and deferred income approximate fair value because of the short term nature of these items.

- The fair value of the Company's marketable investment securities are based on quoted market prices.

- The fair value of long-term debt is based upon market quotes obtained from dealers where available and by discounting future cash flows at rates currently available to the Company for similar instruments when quoted market rates are not available.

Fair value estimates are subject to inherent limitations. Estimates of fair values are made at a specific point in time, based on relevant market information and information about the financial instrument. The estimated fair values of financial instruments presented above are not necessarily indicative of amounts the Company might realize in actual market transactions. Estimates of fair value are subjective in nature and involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

(17) Quarterly Financial Data (Unaudited)

	Fiscal Year 1998 Quarters			
	March 31	June 30	September 30	December 31
Net revenues	$ 58,397	69,675	73,528	86,988
Net revenues less direct advertising expenses	37,567	48,066	51,271	58,835
Net earnings (loss) applicable to common stock	(4,682)	(1,253)	1,538	(7,858)
Net earnings per common share (basic)	(.10)	(.02)	.03	(.15)
Net earnings per common share (diluted)	(.10)	(.02)	.03	(.15)

(Continued)

LAMAR ADVERTISING COMPANY
AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Dollars in thousands, except share and per share data)

	Fiscal Year 1997 Quarters			
	March 31	June 30	September 30	December 31
Net revenues	$ 37,847	50,108	55,485	57,622
Net revenues less direct advertising expenses	24,380	34,625	38,974	39,693
Net earnings (loss) applicable to common stock	1,205	1,402	916	(1,047)
Net earnings (loss) per common share (basic)	.03	.03	.02	(.02)
Net earnings (loss) per common share (diluted)	.03	.03	.02	(.02)

(18) New Accounting Pronouncements

In April 1998, the American Institute of Certified Public Accountants issued Statement of Position ("SOP") 98-5, Reporting on the Costs of Start-Up Activities. SOP 98-5 is effective for financial statements for fiscal years beginning after December 15, 1998, and requires that the costs of start-up activities, including organizational costs, be expensed as incurred. At December 31, 1998, the Company estimates that $1,169, of such capitalized costs are included in intangible assets on the Company's balance sheet.

The effect of SOP 98-5 will be recorded in the first quarter of fiscal 1999 as the cumulative effect of a change in accounting principle, as described in Accounting Principles Board Opinion No. 20 "Accounting Changes".

(19) Subsequent Events

Subsequent to December 31, 1998, the Company purchased substantially all of the assets of four outdoor advertising companies for a total purchase price of approximately $63,000 in cash. The acquisitions will be accounted for under the purchase method of accounting.

SCHEDULE 2

Lamar Advertising
Valuation and Qualifying Accounts
The Years Ended December 31, 1998 and 1997, the Two Months Ended
December 31, 1996, and the Year Ended October 31, 1996
(in 000's)

Description	Balance at Beginning of Period	Charged to Costs and Expenses	Deductions	Balance at end of period
Year ended December 31, 1998				
Deducted in balance sheet from trade accounts receivable: Allowance for doubtful accounts	$ 1,311	2,883	1,472	2,722
Deducted in balance sheet from intangible assets: Amortization of intangible assets	$ 29,698	43,023	--	72,721
Year ended December 31, 1997				
Deducted in balance sheet from trade accounts receivable: Allowance for doubtful accounts	$ 814	2,098	1,601	1,311
Deducted in balance sheet from intangible assets: Amortization of intangible assets	$ 9,273	20,425	--	29,698
Two months ended December 31, 1996				
Deducted in balance sheet from trade accounts receivable: Allowance for doubtful accounts	$ 551	263	--	814
Deducted in balance sheet from intangible assets: Amortization of intangible assets	$ 10,137	1,266	2,130	9,273
Year ended October 31, 1996				
Deducted in balance sheet from trade accounts receivable: Allowance for doubtful accounts	$ 551	580	580	551
Deducted in balance sheet from intangible assets: Amortization of intangible assets	$ 7,067	3,070	--	10,137

PART III

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The first part of the response to this item is incorporated by reference from the discussion responsive thereto under the caption "Certain Relationships and Related Transactions" in the Company's Proxy Statement relating to the 1999 Annual Meeting of Stockholders.

In October 1996, certain directors and officers of the Company and members of their immediate families have invested approximately $1,200,000 in Sign Acquisition Corporation, a privately-held holding company which owns all of the outstanding capital stock of Interstate Highway Sign Corp. Interstate manufactures the signs on which many of the Company's logo sign plates are affixed. Prior to the investment, the Board of Directors determined that it was not an investment of interest to the Company because the business of SAC was not consistent with the Company's overall business strategy and because SAC did not provide margins of the level historically produced by the Company. The Company had in the past purchased logo signs from Interstate as one of its suppliers and has continued to do so. The Company made approximately $3,462,000 in payments to Interstate during 1997 and approximately $1,810,000 in payments during 1998, and expects to make payments in comparable amounts in 1999. The payments made by the Company in 1997 represented approximately 15.7% of Interstate's consolidated gross revenues for its fiscal year ended February 28, 1998, and the payments made by the Company in 1998 represented approximately 8.2% of Interstate's consolidated gross revenues for its fiscal year ended February 28, 1999. Kevin P. Reilly, Jr., Sean E. Reilly, Charles W. Lamar, III, Gerald H. Marchand and Jack S. Rome, Jr. and members of their immediate families hold equity interests in SAC. These interests are comprised of shares of common stock beneficially owned by them and held in a voting trust for which Kevin P. Reilly, Jr. serves as the trustee, and warrants to purchase additional shares of common stock of SAC. The shares beneficially owned by these persons and members of their immediate families represent the following interests in the outstanding capital stock of SAC: Kevin P. Reilly, Jr. and Sean E. Reilly are each considered to own 26.7%; Mr. Lamar, 11.7%; Mr. Marchand, 4.4%; and Mr. Rome, 1.8%. Assuming that each of these persons and their immediate family members exercised in full the warrants to purchase common stock held by them, these persons would beneficially own approximately 35.1%, 15.3%, 5.9% and 2.2%, respectively, of the outstanding capital stock of SAC. Kevin P. Reilly, Sr., the father of Kevin P. Reilly, Jr. and Sean E. Reilly, is the Chairman of the Board of Directors of SAC. Kevin P. Reilly, Jr. and Jennifer Reilly, the wife of Sean E. Reilly, are members of the Board of Directors of SAC.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(A) 1. FINANCIAL STATEMENTS

The financial statements are listed under Part II, Item 8 of this Report.

2. FINANCIAL STATEMENT SCHEDULES

The financial statement schedules are included under Part II, Item 8 of this Report.

3. EXHIBITS

The exhibits are listed below under Part IV, Item 14(c) of this Report.

(B) REPORTS ON FORM 8-K

Reports on Form 8-K were filed with the Commission during the fourth quarter of 1998 to report the following items as of the dates indicated:

On October 15, 1998, the Company filed a report on Form 8-K in order to announce the acquisition of all of the outstanding capital stock of Outdoor Communications, Inc. ("OCI"), for a purchase price of approximately $385 million.

On October 19, 1998, the Company amended its report on Form 8-K originally filed on October 15, 1998 to present under Item 7 the historical financial statements and related notes for OCI (and its predecessor companies OCI Corp. of Michigan and Mass Communications Corp.) as well as to include pro forma financial information of the Company giving effect to the acquisition.

On December 22, 1998, the Company filed a report on Form 8-K in order to furnish certain exhibits for incorporation by reference into the Registration Statement on Form S-3 of Lamar Advertising Company previously filed with Securities and Exchange Commission (File No. 333-50559), which Registration Statement was declared effective by the Commission on April 28, 1998, Lamar Advertising Company is filing an Underwriting Agreement dated December 18, 1998 between Lamar and Morgan Stanley & Co. Incorporated as Exhibit 1.2 to such Registration Statement and an opinion of Palmer & Dodge LLP, counsel to the Company, regarding the validity of certain shares of the Company's Class A Common Stock, sold by the Company pursuant to such Underwriting Agreement as Exhibit 5.3 to such Registration Statement.

On December 23, 1998, the Company filed a report on Form 8-K to announce that it sold 6.9 million shares of its Class A Common Stock at a price to the public of $32.50 through Morgan Stanley & Co., Inc. acting as the sole underwriter in this transaction. The shares sold included 900,000 shares under the underwriter's over-allotment option, which was exercised in full.

(C) EXHIBITS

INDEX TO EXHIBITS

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of the Company. Filed as Exhibit 3.1 to the Company's Registration Statement on Form S-1 (File No. 333-05479), and incorporated herein by reference.
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Company. Previously filed as Exhibit 3.2 to the Company's Annual Report on Form 10-K for fiscal year ended December 31, 1997, (File No. 1-12407), and incorporated herein by reference.
3.3	By-laws of the Company, as amended. Previously filed as Exhibit 3.2 to the Company's Registration Statement on Form S-1 (File No. 333- 05479), and incorporated herein by reference.
4.1	Specimen certificate for the shares of Class A Common Stock of the Company. Previously filed as Exhibit 4.1 to the Company's Registration Statement on Form S-1 (File No. 333-05479), and incorporated herein by reference.
4.2	Senior Secured Note dated May 19, 1993. Previously filed as Exhibit 4.1 to the Company's Registration Statement on Form S-1 (File No. 33- 59624), and incorporated herein by reference.
4.3	Indenture dated May 15, 1993 relating to the Company's 11% Senior Secured Notes due May 15, 2003. Previously filed as Exhibit 4.3 to the Company's Registration Statement on Form S-1 (File No. 33-59624), and incorporated herein by reference.
4.4	First Supplemental Indenture dated July 30, 1996 relating to the Company's 11% Senior Secured Notes due May 15, 2003. Previously filed as Exhibit 4.5 to the Company's Registration Statement on Form S-1 (File No. 333-05479), and incorporated herein by reference.
4.5	Form of Second Supplemental Indenture in the form of an Amended and Restated Indenture dated November 8, 1996 relating to the Company's 11% Senior Secured Notes due May 15, 2003. Previously filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on November 15, 1996 (File No. 1-12407), and incorporated herein by reference.
4.6	Notice of Trustee dated November 8, 1996 with respect to the release of the security interest in the Trustee on behalf of the holders of the Company's 11% Senior Secured Notes due May 15, 2003. Previously filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed on November 15, 1996 (File No. 1-12407), and incorporated herein by reference.
4.7	Form of Subordinated Note. Previously filed as Exhibit 4.8 to the Company's Registration Statement on Form S-1 (File No. 333-05479), and incorporated herein by reference.

4.8	Indenture dated as of November 15, 1996 between the Company, certain of its subsidiaries and State Street Bank and Trust Company, as trustee, relating to the Company's 9 5/8% Senior Subordinated Notes due 2006. Previously filed as Exhibit 4.11 to the Company's Registration Statement on Form S-3 (File No. 333-14789), and incorporated herein by reference.
4.9	Form of 9 5/8% Senior Subordinated Note due 2006. Previously filed as Exhibit 4.12 to the Company's Registration Statement on Form S-3 (File No. 333-14789), and incorporated herein by reference.
4.10	Form of 8 5/8% Senior Subordinated Note due 2007. Previously filed as Exhibit 4.10 to the Company's Annual Report on Form 10-K for fiscal year ended December 31, 1997, (File No. 1-12407), and incorporated herein by reference.
4.11	Indenture dated as of September 25, 1997 between the Company, certain of its subsidiaries, and State Street Bank and Trust Company, as trustee, relating to the Company's 8 5/8% Senior Subordinated Notes due 2007. Previously filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed on September 30, 1997 (File No. 1-12407), and incorporated herein by reference.
4.12	Indenture dated August 15, 1997, relating to Outdoor Communications, Inc. 9 1/4% Senior Subordinated Notes. Previously filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 1998, (File No. 1-12407) and incorporated herein by reference.
4.13	Supplemental Indenture to the Indenture dated August 15, 1997 among Outdoor Communications, Inc., certain of its subsidiaries and First Union National Bank as Trustee, dated October 1, 1998. Previously filed as Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 1998, (File No. 1-12407) and incorporated herein by reference.
4.14	Supplemental Indenture to the Indenture dated August 15, 1997 among Outdoor Communications, Inc., certain of its subsidiaries and First Union National Bank, as Trustee, dated October 23, 1998. Previously filed as Exhibit 4.3 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 1998, (File No. 1-12407) and incorporated herein by reference.
4.15	Supplemental Indenture to the Indenture dated November 15, 1996 among the Company, certain of its subsidiaries and State Street Bank and Trust Company, as Trustee, dated October 23, 1998. Previously filed as Exhibit 4.4 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 1998, (File No. 1-12407) and incorporated herein by reference.
4.16	Supplemental Indenture to the Indenture dated September 25, 1997 among the Company, certain of its subsidiaries and State Street Bank and Trust Company, as Trustee, dated October 23, 1998. Previously filed as Exhibit 4.5 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 1998, (File No. 1-12407) and incorporated herein by reference.

10.1	Consulting Agreement dated July 1, 1996 between the Lamar Texas Limited Partnership and the Reilly Consulting Company, L.L.C., of which Kevin P. Reilly, Sr. is the manager. Previously filed as Exhibit 10.2 to the Company's Registration Statement on Form S-1 (File No. 33-05479), and incorporated herein by reference.
10.2	Indenture dated as of September 24, 1986 relating to the Company's 8% Unsecured Subordinated Debentures. Previously filed as Exhibit 10.3 to the Company's Registration Statement on Form S-1 (File No. 33-59624), and incorporated herein by reference.
10.3*	The Lamar Savings and Profit Sharing Plan Trust. Previously filed as Exhibit 10.4 to the Company's Registration Statement on Form S-1 (File No. 33-59624), and incorporated herein by reference.
10.4	Trust under The Lamar Corporation, its Affiliates and Subsidiaries Deferred Compensation Plan dated October 3, 1993. Previously filed as Exhibit 10.11 to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1995 (File No. 33-59624), and incorporated herein by reference.
10.5*	1996 Equity Incentive Plan. Previously filed as Exhibit 10.14 to the Company's Registration Statement on Form S-1 (File No. 333-05479), and incorporated herein by reference.
10.6	Bank Credit Agreement dated December 18, 1996 between the Company, certain of its subsidiaries, the lenders party thereto and The Chase Manhattan Bank, as administrative agent. Previously filed as Exhibit 10.18 to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1996 (File No. 1-12407), and incorporated herein by reference.
10.7	Amendment No. 1 to the Bank Credit Agreement dated as of March 31, 1997 between the Company, the Subsidiary Guarantors party thereto, the Lenders party thereto and the Chase Manhattan Bank, as administrative agent. Previously filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 1997 (File No. 1-12407), and incorporated herein by reference.
10.8	Amendment No. 2 to the Bank Credit Agreement dated as of September 12, 1997 between the Company, certain of its subsidiaries, the lenders party thereto and The Chase Manhattan Bank, as administrative agent. Previously filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed on September 30, 1997 (File No. 1-12407), and incorporated herein by reference.
10.9	Amendment No. 3 to the Bank Credit Agreement dated as of December 31, 1997 between the Company, certain of its subsidiaries, the lenders party thereto and The Chase Manhattan Bank, as administrative agent. Previously filed as Exhibit 10.9 to the Company's Annual Report on Form 10-K for fiscal year ended December 31, 1997, (File No. 1- 12407), and incorporated herein by reference.
10.10	Contract to Sell and Purchase, dated as of October 9, 1996, between the Company and Outdoor East L.P. Previously filed as Exhibit 10.16 to the Company's Registration Statement on Form S-3 (File No. 333- 14677), and incorporated herein by reference.

10.11 Stock Purchase Agreement, dated as of September 25, 1996, between the Company and the shareholders of FKM Advertising, Co., Inc. Previously filed as Exhibit 10.17 to the Company's Registration Statement on Form S-3 (File No. 333-14677), and incorporated herein by reference.

10.12 Stock Purchase Agreement dated as of February 7, 1997 between the Company and the stockholders of Penn Advertising, Inc. named therein. Previously filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on April 14, 1997 (File No. 1-12407), and incorporated herein by reference. 10.13 Asset Purchase Agreement dated as of August 15, 1997 between The Lamar Corporation and Outdoor Systems, Inc. Previously filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on August 27, 1997 (File No. 1-12407), and incorporated herein by reference.

10.14 Bank Credit Agreement dated July 16, 1998, between the Company, certain of its subsidiaries, the lenders party thereto and The Chase Manhattan Bank, as administrative agent. Previously filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 1998, (File No. 0-020833), and incorporated herein by reference.

10.15 Amendment No. 1 to the Amended and Restated Bank Credit Agreement dated September 15, 1998, between the Company, certain of its subsidiaries, the lenders party thereto and The Chase Manhattan Bank, as administrative agent. Previously filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 1998 (File No. 0-20833) and incorporated herein by reference.

10.16 Stock Purchase Agreement dated as of October 1, 1998, between the Company and the stockholders of Outdoor Communications, Inc. named therein. Previously filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on October 15, 1998 (File No. 0-20833), and incorporated herein by reference.

10.17 Amendment No. 4 to Credit Agreement dated as of March 31, 1998, between Lamar Advertising Company, certain of its subsidiaries, the lenders party thereto and The Chase Manhattan Bank, as administrative agent. Previously filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 1998 (File No. 1- 12407), and incorporated herein by reference.

**11.1 Statement regarding computation of per share earnings.

**21.1 Subsidiaries of the Company.

**23.1 Consent of KPMG LLP.

23.2 Consent of KPMG LLP. Filed herewith.

**27.1 Financial Data Schedule.

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* Management contract or compensatory plan or arrangement in which the executive officers or directors of the Company participate.

** Previously filed with the Company's Annual Report of Form 10-K for the fiscal year ended December 31, 1998 (File No. 1-12407)

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

LAMAR ADVERTISING COMPANY

DATED: August 4, 1999

By: /s/ Kevin P. Reilly, Jr.

Kevin P. Reilly, Jr.
President and Chief Executive Officer

INDEX TO EXHIBITS

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of the Company. Filed as Exhibit 3.1 to the Company's Registration Statement on Form S-1 (File No. 333-05479), and incorporated herein by reference.
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Company. Previously filed as Exhibit 3.2 to the Company's Annual Report on Form 10-K for fiscal year ended December 31, 1997, (File No. 1-12407), and incorporated herein by reference.
3.3	By-laws of the Company, as amended. Previously filed as Exhibit 3.2 to the Company's Registration Statement on Form S-1 (File No. 333- 05479), and incorporated herein by reference.
4.1	Specimen certificate for the shares of Class A Common Stock of the Company. Previously filed as Exhibit 4.1 to the Company's Registration Statement on Form S-1 (File No. 333-05479), and incorporated herein by reference.
4.2	Senior Secured Note dated May 19, 1993. Previously filed as Exhibit 4.1 to the Company's Registration Statement on Form S-1 (File No. 33- 59624), and incorporated herein by reference.
4.3	Indenture dated May 15, 1993 relating to the Company's 11% Senior Secured Notes due May 15, 2003. Previously filed as Exhibit 4.3 to the Company's Registration Statement on Form S-1 (File No. 33-59624), and incorporated herein by reference.
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4.7	Form of Subordinated Note. Previously filed as Exhibit 4.8 to the Company's Registration Statement on Form S-1 (File No. 333-05479), and incorporated herein by reference.

4.8 Indenture dated as of November 15, 1996 between the Company, certain of its subsidiaries and State Street Bank and Trust Company, as trustee, relating to the Company's 9 5/8% Senior Subordinated Notes due 2006. Previously filed as Exhibit 4.11 to the Company's Registration Statement on Form S-3 (File No. 333-14789), and incorporated herein by reference.

4.9 Form of 9 5/8% Senior Subordinated Note due 2006. Previously filed as Exhibit 4.12 to the Company's Registration Statement on Form S-3 (File No. 333-14789), and incorporated herein by reference.

4.10 Form of 8 5/8% Senior Subordinated Note due 2007. Previously filed as Exhibit 4.10 to the Company's Annual Report on Form 10-K for fiscal year ended December 31, 1997, (File No. 1-12407), and incorporated herein by reference.

4.11 Indenture dated as of September 25, 1997 between the Company, certain of its subsidiaries, and State Street Bank and Trust Company, as trustee, relating to the Company's 8 5/8% Senior Subordinated Notes due 2007. Previously filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed on September 30, 1997 (File No. 1-12407), and incorporated herein by reference.

4.12 Indenture dated August 15, 1997, relating to Outdoor Communications, Inc. 9 1/4% Senior Subordinated Notes. Previously filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 1998, (File No. 1-12407) and incorporated herein by reference.

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10.1 Consulting Agreement dated July 1, 1996 between the Lamar Texas Limited Partnership and the Reilly Consulting Company, L.L.C., of which Kevin P. Reilly, Sr. is the manager. Previously filed as Exhibit 10.2 to the Company's Registration Statement on Form S-1 (File No. 33-05479), and incorporated herein by reference.

10.2 Indenture dated as of September 24, 1986 relating to the Company's 8% Unsecured Subordinated Debentures. Previously filed as Exhibit 10.3 to the Company's Registration Statement on Form S-1 (File No. 33-59624), and incorporated herein by reference.

10.3* The Lamar Savings and Profit Sharing Plan Trust. Previously filed as Exhibit 10.4 to the Company's Registration Statement on Form S-1 (File No. 33-59624), and incorporated herein by reference.

10.4 Trust under The Lamar Corporation, its Affiliates and Subsidiaries Deferred Compensation Plan dated October 3, 1993. Previously filed as Exhibit 10.11 to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1995 (File No. 33-59624), and incorporated herein by reference.

10.5* 1996 Equity Incentive Plan. Previously filed as Exhibit 10.14 to the Company's Registration Statement on Form S-1 (File No. 333-05479), and incorporated herein by reference.

10.6 Bank Credit Agreement dated December 18, 1996 between the Company, certain of its subsidiaries, the lenders party thereto and The Chase Manhattan Bank, as administrative agent. Previously filed as Exhibit 10.18 to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1996 (File No. 1-12407), and incorporated herein by reference.

10.7 Amendment No. 1 to the Bank Credit Agreement dated as of March 31, 1997 between the Company, the Subsidiary Guarantors party thereto, the Lenders party thereto and the Chase Manhattan Bank, as administrative agent. Previously filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 1997 (File No. 1-12407), and incorporated herein by reference.

10.8 Amendment No. 2 to the Bank Credit Agreement dated as of September 12, 1997 between the Company, certain of its subsidiaries, the lenders party thereto and The Chase Manhattan Bank, as administrative agent. Previously filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed on September 30, 1997 (File No. 1-12407), and incorporated herein by reference.

10.9 Amendment No. 3 to the Bank Credit Agreement dated as of December 31, 1997 between the Company, certain of its subsidiaries, the lenders party thereto and The Chase Manhattan Bank, as administrative agent. Previously filed as Exhibit 10.9 to the Company's Annual Report on Form 10-K for fiscal year ended December 31, 1997, (File No. 1- 12407), and incorporated herein by reference.

10.10 Contract to Sell and Purchase, dated as of October 9, 1996, between the Company and Outdoor East L.P. Previously filed as Exhibit 10.16 to the Company's Registration Statement on Form S-3 (File No. 333- 14677), and incorporated herein by reference.

10.11 Stock Purchase Agreement, dated as of September 25, 1996, between the Company and the shareholders of FKM Advertising, Co., Inc. Previously filed as Exhibit 10.17 to the Company's Registration Statement on Form S-3 (File No. 333-14677), and incorporated herein by reference.

10.12 Stock Purchase Agreement dated as of February 7, 1997 between the Company and the stockholders of Penn Advertising, Inc. named therein. Previously filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on April 14, 1997 (File No. 1-12407), and incorporated herein by reference. 10.13 Asset Purchase Agreement dated as of August 15, 1997 between The Lamar Corporation and Outdoor Systems, Inc. Previously filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on August 27, 1997 (File No. 1-12407), and incorporated herein by reference.

10.14 Bank Credit Agreement dated July 16, 1998, between the Company, certain of its subsidiaries, the lenders party thereto and The Chase Manhattan Bank, as administrative agent. Previously filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 1998, (File No. 0-020833), and incorporated herein by reference.

10.15 Amendment No. 1 to the Amended and Restated Bank Credit Agreement dated September 15, 1998, between the Company, certain of its subsidiaries, the lenders party thereto and The Chase Manhattan Bank, as administrative agent. Previously filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 1998 (File No. 0-20833) and incorporated herein by reference.

10.16 Stock Purchase Agreement dated as of October 1, 1998, between the Company and the stockholders of Outdoor Communications, Inc. named therein. Previously filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on October 15, 1998 (File No. 0-20833), and incorporated herein by reference.

10.17 Amendment No. 4 to Credit Agreement dated as of March 31, 1998, between Lamar Advertising Company, certain of its subsidiaries, the lenders party thereto and The Chase Manhattan Bank, as administrative agent. Previously filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 1998 (File No. 1- 12407), and incorporated herein by reference.

**11.1 Statement regarding computation of per share earnings.

**21.1 Subsidiaries of the Company.

**23.1 Consent of KPMG LLP.

23.2 Consent of KPMG LLP. Filed herewith.

**27.1 Financial Data Schedule.

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* Management contract or compensatory plan or arrangement in which the executive officers or directors of the Company participate.

** Previously filed with the Company's Annual Report on form 10-K for the fiscal year ended December 31, 1998 (File No. 1-12407).

EXHIBIT 23.2

Independent Auditors' Report on
Financial Statement Schedule and Consent

The Board of Directors
Lamar Advertising Company:

The audits referred to in our report dated February 5, 1999, included the related financial statement schedule for the years ended December 31, 1998 and 1997, the two months ended December 31, 1996 and the year ended October 31, 1996. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement schedule based on our audits. In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We consent to incorporation by reference in the Registration Statement of Lamar Advertising Company (the "Company") on Form S-8 (No. 333-10337), the four Registration Statements of the Company on Form S-3 (Nos. 333-50559, 333-52851, 333-66059, and 333-71929) and the Registration Statement of the Company on Form S-4 (No. 333-60331) of our report dated February 5, 1999, relating to the consolidated balance sheets of Lamar Advertising Company and subsidiaries as of December 31, 1998, and 1997, and the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for the years ended December 31, 1998 and 1997, the two months ended December 31, 1996 and the year ended October 31, 1996, which report appears in the December 31, 1998, annual report on Form 10-K of Lamar Advertising Company.

KPMG LLP

New Orleans, Louisiana
August 4, 1999