UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the period ended March 31, 2000

or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _______________ to _______________

Commission File Number 0-30242
Lamar Advertising Company
Commission File Number 1-12407
Lamar Media Corp.
(Exact name of registrants as specified in its charter)

| | |
|---|---|
| Delaware | 72-1449411 |
| 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) |

Registrants' telephone number, including area code: (225) 926-1000

Indicate by check mark whether each 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 ( )

The number of shares of Lamar Advertising Company's Class A common stock outstanding as of May 5, 2000: 71,566,572

The number of shares of the Lamar Advertising Company's Class B common stock outstanding as of May 5, 2000: 17,000,000

The number of shares of Lamar Media Corp. common stock outstanding as of May 5, 2000: 100

This combined Form 10-Q is separately filed by (i) Lamar Advertising Company and (ii) Lamar Media Corp. (which is a wholly-owned subsidiary of Lamar Advertising Company). Lamar Media Corp. meets the conditions set forth in general instruction H(1) (a) and (b) of Form 10-Q and is, therefore, filing this form with the reduced disclosure format permitted by such instruction.

## Corporate Restructuring

On July 20, 1999, Lamar Advertising Company completed a corporate reorganization to create a new holding company structure. The reorganization was accomplished through a merger under section 251(g) of the Delaware General Corporation Law. At the effective time of the merger, all stockholders of Lamar Advertising Company became stockholders in a new holding company and Lamar Advertising Company became a wholly-owned subsidiary of the new holding company. The new holding company took the Lamar Advertising Company name and the old Lamar Advertising Company was renamed Lamar Media Corp. In the merger, all outstanding shares of old Lamar Advertising Company's capital stock were converted into shares of the new holding company with the same voting powers, designations, preferences and rights, and the same qualifications, restrictions and limitations, as the shares of old Lamar Advertising Company. Following the restructuring, the Class A common stock of the new holding company trades under the symbol "LAMR" on the Nasdaq National Market with the same CUSIP number as the old Lamar Advertising Company's Class A common stock.

In this annual report, "Lamar," the "Company," "we," "us" and "our" refer to Lamar Advertising Company and its consolidated subsidiaries with respect to periods following the reorganization and to old Lamar Advertising Company with respect to periods prior to the reorganization, except where we make it clear that we are only referring to Lamar Media Corp. or a particular subsidiary.

In addition, "Lamar Media" and "Media" refer to Lamar Media Corp. and its consolidated subsidiaries with respect to periods following the reorganization and to old Lamar Advertising Company with respect to periods prior to the reorganization, except where we make it clear that we are only referring to Lamar Media Corp. or a particular subsidiary.

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PART I - FINANCIAL INFORMATION
ITEM 1.- FINANCIAL STATEMENTS

LAMAR ADVERTISING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

| Assets | March 31, 2000 | December 31, 1999 |
|---|---|---|
| Current assets: | | |
| Cash and cash equivalents | $ 9,905 | $ 8,401 |
| Receivables, net | 81,275 | 81,226 |
| Prepaid expenses | 28,735 | 21,524 |
| Other current assets | 14,862 | 14,342 |
| Total current assets | 134,777 | 125,493 |
| Property, plant and equipment | 1,441,825 | 1,412,605 |
| Less accumulated depreciation and amortization | (244,502) | (218,893) |
| Net property plant and equipment | 1,197,323 | 1,193,712 |
| Intangible assets | 1,914,110 | 1,874,177 |
| Other assets - non-current | 17,827 | 13,563 |
| Total assets | $ 3,264,037 | $ 3,206,945 |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Trade accounts payable | $ 9,992 | $ 11,492 |
| Current maturities of long-term debt | 4,312 | 4,318 |
| Accrued expenses | 26,711 | 57,653 |
| Deferred income | 12,200 | 11,243 |
| Total current liabilities | 53,215 | 84,706 |
| Long-term debt | 1,703,598 | 1,611,463 |
| Deferred income taxes | 104,821 | 112,412 |
| Deferred income | 1,221 | 1,222 |
| Other liabilities | 7,371 | 5,613 |
| Total liabilities | 1,870,226 | 1,815,416 |
| Stockholders' equity: | | |
| Series AA preferred stock, par value $.001, $63.80 cumulative dividends, authorized 1,000,000 shares; 5,719.49 shares issued and outstanding at 2000 and 1999 | -- | -- |
| Class A common stock, par value $.001, 125,000,000 shares authorized, 71,566,322 shares and 70,576,251 issued and outstanding at 2000 and 1999, respectively | 72 | 71 |
| Class B common stock, par value $.001, 37,500,000 shares authorized, 17,000,000 and 17,449,997 shares issued and outstanding at 2000 and 1999, respectively | 17 | 17 |
| Additional paid-in capital | 1,510,262 | 1,478,916 |
| Accumulated deficit | (116,540) | (87,475) |
| Stockholders' equity | 1,393,811 | 1,391,529 |
| Total liabilities and stockholders' equity | $ 3,264,037 | $ 3,206,945 |

See accompanying notes to consolidated financial statements.

LAMAR ADVERTISING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

| | Three months ended March 31, 2000 | 1999 |
|---|---|---|
| Net revenues | $ 151,267 | $ 85,766 |
| Operating expenses: | | |
| Direct advertising expenses | 52,512 | 29,764 |
| General and administrative expenses | 34,204 | 20,099 |
| Depreciation and amortization | 72,970 | 31,561 |
| | 159,686 | 81,424 |
| Operating income (loss) | (8,419) | 4,342 |
| Other expense (income): | | |
| Interest income | (327) | (686) |
| Interest expense | 32,890 | 18,145 |
| (Gain) loss on disposition of assets | 1 | (336) |
| | 32,564 | 17,123 |
| Loss before income taxes and cumulative effect of a change in accounting principle | (40,983) | (12,781) |
| Income tax benefit | (12,009) | (2,842) |
| Loss before cumulative effect of a change in accounting principle | (28,974) | (9,939) |
| Cumulative effect of a change in accounting principle | -- | (767) |
| Net loss | (28,974) | (10,706) |
| Preferred stock dividends | (91) | (91) |
| Net loss applicable to common stock | $ (29,065) | $ (10,797) |
| Loss per common share - basic and diluted: | | |
| Loss before accounting change | $ (.33) | $ (.17) |
| Cumulative effect of a change in accounting principle | -- | (.01) |
| Net loss | $ (.33) | $ (.18) |
| Weighted average common shares outstanding | 88,466,644 | 61,143,351 |
| Incremental common shares from dilutive stock options | -- | -- |
| Incremental common shares from convertible debt | -- | -- |
| Weighted average common shares assuming dilution | 88,466,644 | 61,143,351 |

See accompanying notes to consolidated financial statements.

LAMAR ADVERTISING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(IN THOUSANDS)

| | Three Months Ended March 31, 2000 | Three Months Ended March 31, 1999 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net loss | $ (28,974) | $ (10,706) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | |
| Depreciation and amortization | 72,970 | 31,561 |
| (Gain) loss on disposition of assets | 1 | (336) |
| Deferred tax benefit | (12,527) | (2,319) |
| Provision for doubtful accounts | 1,183 | 941 |
| Changes in operating assets and liabilities: | | |
| (Increase) decrease in: | | |
| Receivables | (785) | (1,923) |
| Prepaid expenses | (7,273) | (11) |
| Other assets | (508) | (1,915) |
| Increase (decrease) in: | | |
| Trade accounts payable | (1,531) | (194) |
| Accrued expenses | (11,208) | (6,432) |
| Deferred income | 955 | 675 |
| Other liabilities | 33 | 37 |
| Net cash provided by operating activities | 12,336 | 9,378 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Increase in notes receivable | (3,351) | (1,184) |
| Acquisition of new markets | (82,082) | (74,930) |
| Capital expenditures | (19,004) | (12,581) |
| Proceeds from disposition of assets | 531 | 749 |
| Net cash used in investing activities | (103,906) | (87,946) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Net proceeds from issuance of common stock | 1,213 | 1,312 |
| Principal payments on long-term debt | (1,048) | (45,939) |
| Proceeds from issuance of notes payable | -- | 2,860 |
| Net borrowings under credit agreements | 93,000 | -- |
| Dividends | (91) | (91) |
| Net cash provided by (used in) financing activities | 93,074 | (41,858) |
| Net increase (decrease) in cash and cash equivalents | 1,504 | (120,426) |
| Cash and cash equivalents at beginning of period | 8,401 | 128,597 |
| Cash and cash equivalents at end of period | $ 9,905 | $ 8,171 |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION: | | |
| Cash paid for interest | $ 36,504 | $ 18,835 |
| Cash paid for state and federal income taxes | $ 886 | $ 570 |

See accompanying notes to consolidated financial statements

LAMAR ADVERTISING COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(IN THOUSANDS, EXCEPT FOR SHARE AND PER SHARE DATA)

1. Significant Accounting Policies

The information included in the foregoing interim financial statements is unaudited. In the opinion of management all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the Company's financial position and results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the entire year. These condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K.

Certain amounts in the prior year's consolidated financial statements have been reclassified to conform with the current year presentation. These reclassifications had no effect on previously reported results of operations.

2. Acquisitions

On January 14, 2000, the Company purchased the stock of Aztec Group, Inc. for a purchase price of approximately $34,826. The purchase price consisted of approximately $5,600 cash and the issuance of 481,481 shares of Lamar Advertising Company common stock valued at approximately $29,226.

On March 31, 2000, the Company purchased the assets of an outdoor company in the Company's northeast region for a cash purchase price of approximately $33,600.

During the three months ended March 31, 2000, the Company completed 24 additional acquisitions of outdoor advertising assets for a cash purchase price of approximately $24,552.

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 preliminary allocation of the acquisition costs in the above transactions.

| | Current Assets | Property Plant & Equipment | Goodwill | Other Intangibles | Other Assets | Current Liabilities | Long-term Liabilities |
|---|---|---|---|---|---|---|---|
| Aztec Group, Inc. | 487 | 8,335 | 21,799 | 10,526 | -- | 708 | 5,645 |
| Northeast region acquisition | -- | 3,406 | 16,116 | 14,082 | -- | -- | -- |
| Other | 44 | 6,895 | 16,870 | 1,953 | 3 | 35 | 189 |
| | 531 | 18,636 | 54,785 | 26,561 | 3 | 743 | 5,834 |

Summarized below are certain unaudited pro forma statement of operations data for the three months ended March 31, 2000 and 1999 as if each of the above acquisitions and the acquisitions occurring in 1999, which were fully described in the Company's December 31, 1999 Annual Report on Form 10K, had been consummated as of January 1, 1999. This pro forma information does not purport to represent what the Company's results of operations actually would have been had such transactions occurred on the date specified or to project the Company's results of operations for any future periods.

| | Three Months Ended March 31, 2000 | Three Months Ended March 31, 1999 |
|---|---|---|
| Net revenues | $ 152,326 | $ 141,762 |
| Net loss applicable to common stock | $ (29,516) | $ (29,596) |
| Net loss per common share - basic | $ (.33) | $ (.34) |
| Net loss per common share - diluted | $ (.33) | $ (.34) |

3. Summarized Financial Information of Subsidiaries

Separate financial statements of each of the Company's direct or indirect wholly owned subsidiaries that have guaranteed the Company's obligations with respect to its publicly issued 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: | March 31, 2000 (Unaudited) | December 31, 1999 |
|---|---|---|
| Current assets | 239 | 288 |
| Total assets | 283 | 333 |
| Total liabilities | 10 | 6 |
| Venturers' equity | 273 | 327 |

| Income Statement Information: | Three months ended March 31, 2000 (Unaudited) | Three months ended March 31, 1999 (Unaudited) |
|---|---|---|
| Revenues | 254 | 274 |
| Net income | 164 | 214 |

4. New Accounting Pronouncements

In April 1998, the American Institute of Certified Public Accountants issued Statement of Position 98-5 ("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. The effect of SOP 98-5 is recorded as a cumulative effect of a change in accounting principle as described in Accounting Principles Board Opinion No. 20 "Accounting Changes" in the amount of $767, net of tax, for the three months ended March 31, 1999.

## 5. Earnings Per Share

Earnings per share are computed in accordance with SFAS No. 128, "Earnings Per Share." The calculations of basic earnings per share excludes any dilutive effect of stock options and convertible debt while diluted earnings per share includes the dilutive effect of stock options and convertible debt. The following information is disclosed for purposes of calculating the antidilutive earnings per share for the periods presented:

| | March 31, 2000 | March 31, 1999 |
|---|---|---|
| Net loss applicable to common stock | $ (29,065) | $ (10,797) |
| Income impact of assumed conversions | 2,302 | -- |
| Loss available to common shareholders assuming conversion | $ (26,763) | $ (10,797) |
| Weighted average common shares outstanding | 88,466,644 | 61,143,351 |
| Shares issuable upon exercise of stock options | 842,550 | 598,848 |
| Incremental shares from convertible debt | 6,216,210 | -- |
| Weighted average common shares plus dilutive potential common shares | 95,525,404 | 61,742,199 |
| Net loss per common share - diluted | $ (.28) | $ (.17) |

## 6. Subsequent Events

Lamar acquired the assets of Outdoor West, Inc for a total cash purchase price of approximately $40,000 and will be accounted for under the purchase method of accounting.

In addition, Lamar has signed a Definitive Agreement and Plan of Merger with Advantage Outdoor Company, Inc. ("Advantage"). At the effective time of the merger, all of the outstanding shares of Advantage common stock will be converted into between 2,000,000 and 2,300,000 shares of Lamar's Class A common stock depending on the average closing sales price of Lamar's common stock over a period prior to closing. In connection with the merger, Lamar will assume up to $79,000 of Advantage's obligations. This merger will add approximately 5,100 displays. Advantage has the right to terminate the merger agreement if the average closing sales price of Lamar's Class A common Stock over a 30 day period prior to closing is less than $42.00 per share. This merger is subject to approval under the Hart-Scott-Rodino Antitrust Improvements Act and the satisfaction of other customary closing conditions.

LAMAR MEDIA CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

| Assets | March 31, 2000 | December 31, 1999 |
|---|---|---|
| Current assets: | | |
| Cash and cash equivalents | $ 9,905 | $ 8,401 |
| Receivables, net | 81,315 | 80,671 |
| Prepaid expenses | 28,735 | 21,524 |
| Other current assets | 24,146 | 25,193 |
| Total current assets | 144,101 | 135,789 |
| Property, plant and equipment | 1,441,825 | 1,412,605 |
| Less accumulated depreciation and amortization | (244,502) | (218,893) |
| Net property plant and equipment | 1,197,323 | 1,193,712 |
| Intangible assets | 1,892,188 | 1,851,965 |
| Other assets - non-current | 17,827 | 13,563 |
| Total assets | $ 3,251,439 | $ 3,195,029 |
| Liabilities and Stockholder's Equity | | |
| Current liabilities: | | |
| Trade accounts payable | $ 9,992 | $ 11,492 |
| Current maturities of long-term debt | 4,312 | 4,318 |
| Accrued expenses | 23,387 | 54,031 |
| Deferred income | 12,200 | 11,243 |
| Total current liabilities | 49,891 | 81,084 |
| Long-term debt | 1,703,598 | 1,611,463 |
| Deferred income taxes | 105,580 | 112,776 |
| Deferred income | 1,221 | 1,222 |
| Other liabilities | 7,371 | 5,613 |
| Total liabilities | 1,867,661 | 1,812,158 |
| Stockholder's equity: | | |
| Common stock, $.01 par value, authorized 3,000 shares; issued and outstanding 100 shares at March 31, 2000 and December 31, 1999 | -- | -- |
| Additional paid-in capital | 1,498,832 | 1,469,606 |
| Accumulated deficit | (115,054) | (86,735) |
| Stockholder's equity | 1,383,778 | 1,382,871 |
| Total liabilities and stockholder's equity | $ 3,251,439 | $ 3,195,029 |

See accompanying notes to consolidated financial statements.

LAMAR MEDIA CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(IN THOUSANDS)

| | Three Months ended March 31, 2000 | Three Months ended March 31, 1999 |
|---|---|---|
| Net revenues | $ 151,267 | $ 85,766 |
| Operating expenses: | | |
| Direct advertising expenses | 52,512 | 29,764 |
| General and administrative expenses | 33,818 | 20,099 |
| Depreciation and amortization | 72,307 | 31,561 |
| | 158,637 | 81,424 |
| Operating income (loss) | (7,370) | 4,342 |
| Other expense (income): | | |
| Interest income | (327) | (686) |
| Interest expense | 32,890 | 18,145 |
| (Gain) loss on disposition of assets | 1 | (336) |
| | 32,564 | 17,123 |
| Loss before income taxes and cumulative effect of a change in accounting principle | (39,934) | (12,781) |
| Income tax benefit | (11,615) | (2,842) |
| Loss before cumulative effect of a change in accounting principle | (28,319) | (9,939) |
| Cumulative effect of a change in accounting principle | -- | (767) |
| Net loss | (28,319) | (10,706) |
| Preferred stock dividends | -- | (91) |
| Net loss applicable to common stock | $ (28,319) | $ (10,797) |

See accompanying notes to consolidated financial statements.

LAMAR MEDIA CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(IN THOUSANDS)

| | Three Months ended March 31, 2000 | Three Months ended March 31, 1999 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net loss | $ (28,319) | $ (10,706) |
| Adjustments to reconcile net earnings (loss) to net cash provided by operating activities: | | |
| Depreciation and amortization | 72,307 | 31,561 |
| Gain (loss) on disposition of assets | 1 | (336) |
| Deferred tax benefit | (12,133) | (2,319) |
| Provision for doubtful accounts | 1,183 | 941 |
| Changes in operating assets and liabilities: | | |
| (Increase) decrease in: | | |
| Receivables | (1,389) | (1,923) |
| Prepaid expenses | (7,273) | (11) |
| Other assets | 2,907 | (1,915) |
| Increase (decrease) in: | | |
| Trade accounts payable | (1,531) | (194) |
| Accrued expenses | (13,656) | (6,432) |
| Deferred income | 955 | 675 |
| Other liabilities | 33 | 37 |
| Net cash provided by operating activities | 13,085 | 9,378 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Increase in notes receivable | (3,351) | (1,184) |
| Acquisition of new markets | (81,709) | (74,930) |
| Capital expenditures | (19,004) | (12,581) |
| Proceeds from disposition of assets | 531 | 749 |
| Net cash used in investing activities | (103,533) | (87,946) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Net proceeds from issuance of common stock | -- | 1,312 |
| Principal payments on long-term debt | (1,048) | (45,939) |
| Proceeds from issuance of long-term debt | 93,000 | 2,860 |
| Dividends | -- | (91) |
| Net cash provided by (used in) financing activities | 91,952 | (41,858) |
| Net increase (decrease) in cash and cash equivalents | 1,504 | (120,426) |
| Cash and cash equivalents at beginning of period | 8,401 | 128,597 |
| Cash and cash equivalents at end of period | $ 9,905 | $ 8,171 |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION: | | |
| Cash paid for interest | $ 36,504 | $ 18,835 |
| Cash paid for state and federal income taxes | $ 886 | $ 570 |

See accompanying notes to consolidated financial statements.

LAMAR MEDIA CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(IN THOUSANDS, EXCEPT FOR SHARE DATA)

1. Significant Accounting Policies

On July 20, 1999, Lamar Advertising Company reorganized into a new holding company structure. As a result of this reorganization (1) the former Lamar Advertising Company became a wholly-owned subsidiary of a newly formed holding company, (2) the name of the former Lamar Advertising Company was changed to Lamar Media Corp., (3) the name of the new holding company became Lamar Advertising Company, (4) the outstanding shares of capital stock of the former Lamar Advertising Company, including the Class A common stock, were automatically converted, on a share for share basis, into identical shares of capital stock of the new holding company and (5) the Class A common stock of the new holding company commenced trading on the Nasdaq National Market under the symbol "LAMR" instead of the Class A common stock of the former Lamar Advertising Company. In addition, following the holding company reorganization, substantially all of the former Lamar Advertising Company's debt obligations, including the bank credit facility and other long-term debt remained the obligations of Lamar Media. Under Delaware law, the reorganization did not require the approval of the stockholders of the former Lamar Advertising Company. The purpose of the reorganization was to provide Lamar Advertising Company with a more flexible capital structure and to enhance its financing options. The business operations of the former Lamar Advertising Company and its subsidiaries have not changed as a result of the reorganization.

Certain footnotes are not provided for the accompanying financial statements as the information in notes 2, 3, 4 and 6 to the consolidated financial statements of Lamar Advertising Company included elsewhere in this report is substantially equivalent to that required for the consolidated financial statements of Lamar Media Corp. Earnings per share data is not provided for the operating results of Lamar Media Corp. as it is a wholly-owned subsidiary of Lamar Advertising Company.

The information included in the foregoing interim financial statements is unaudited. In the opinion of management all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the Company's financial position and results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the entire year. These condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K.

Certain amounts in the prior year's consolidated financial statements have been reclassified to conform with the current year presentation. These reclassifications had no effect on previously reported results of operations.

ITEM 2.

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

LAMAR ADVERTISING COMPANY

The following is a discussion of the consolidated financial condition and results of operations of the Company for the three months ended March 31, 2000 and 1999. This discussion should be read in conjunction with the consolidated financial statements of the Company and the related notes.

The following discussion is a summary of the key factors management considers necessary in reviewing the Company's results of operations, liquidity and capital resources. The future operating results of the Company may differ materially from the results described below. For a discussion of certain factors which may affect the Company's future operating performance, please refer to Exhibit 99.1 hereto entitled "Factors Affecting Future Operating Results".

RESULTS OF OPERATIONS

Three Months Ended March 31, 2000 Compared to Three Months Ended March 31, 1999

Net revenues increased $65.5 million or 76.4% to $151.3 million for the three months ended March 31, 2000 as compared to the same period in 1999. This increase was attributable to the Company's acquisitions during 1999 and 2000 and internal growth within the Company's existing markets.

Operating expenses, exclusive of depreciation and amortization, increased $36.9 million or 73.9% for the three months ended March 31, 2000 as compared to the same period in 1999. This was primarily the result of the additional operating expenses related to the operations of acquired outdoor advertising assets and the continued development of the logo sign program.

Depreciation and amortization expense increased $41.4 million or 131.2% from $31.6 million for the three months ended March 31, 1999 to $73.0 million for the three months ended March 31, 2000 as a result of an increase in capitalized assets resulting from the Company's recent acquisition activity.

Due to the above factors, operating income decreased $12.8 million to an operating loss of $8.4 million for three months ended March 31, 2000 from operating income of $4.3 million for the same period in 1999.

Interest expense increased $14.8 million from $18.1 million for the three months ended March 31, 1999 to $32.9 million for the same period in 2000 as a result of additional borrowings under the Company's bank credit facility to fund increased acquisition activity and the issuance of $287.5 million convertible notes in August 1999.

There was an income tax benefit of $12.0 million for the three months ended March 31, 2000 as compared to an income tax benefit of $2.8 million for the same period in 1999. The effective tax rate for the three months ended March 31, 2000 is approximately 29.0% which is less than statutory rates due to permanent differences resulting from non-deductible amortization of goodwill.

Due to the adoption of SOP 98-5 "Reporting on the Costs of Start-Up Activities" which requires costs of start-up activities and organization costs to be expensed as incurred, the Company recognized an expense of $.8 million as a cumulative effect of a change in accounting principle for the three months ended March 31, 1999. This expense is a one time adjustment to recognize start-up activities and organization costs that were capitalized in prior periods.

As a result of the above factors, the Company recognized a net loss for the three months ended March 31, 2000 of $29.0 million, as compared to a net loss of $10.7 million for the same period in 1999.

LIQUIDITY AND CAPITAL RESOURCES

The Company has historically satisfied its working capital requirements with cash from operations and revolving credit borrowings. Its acquisitions have been financed primarily with borrowed funds and the issuance of Class A common stock.

During the three months ended March 31, 2000, the Company financed its acquisition activity of approximately $93.9 million with borrowings under the Company's bank credit facility. At March 31, 2000, following these acquisitions, the Company had $130 million available under the Revolving Facility and believes that this availability coupled with internally generated funds will be sufficient for the foreseeable future to satisfy all debt service obligations and to finance additional acquisition activity and current operations.

The Company's net cash provided by operating activities increased $3.0 million for the three months ended March 31, 2000 due primarily to an increase in noncash items of $31.8 million, which includes an increase in depreciation and amortization of $41.4 million and an increase in the income tax benefit of $10.2 million. The increase in noncash items was offset by an increase in net loss of $18.3 million, a decrease in accrued expenses of $4.8 million and an increase in receivables of $7.3 million. Net cash used in investing activities increased $16.0 million from $87.9 million for the three months ended March 31, 1999 to $103.9 million for the same period in 2000. This increase was due to a $7.2 million increase in acquisitions of new markets, a $2.2 million increase in notes receivable, and a $6.4 million increase in capital expenditures. Net cash provided by financing activities for the three months ended March 31, 2000 is $93.1 million due to $93.0 million in net borrowings under credit agreements used to finance acquisition activity during the period.

LAMAR MEDIA CORP.

The following is a discussion of the consolidated financial condition and results of operations of Lamar Media for the three months ended March 31, 2000 and 1999. This discussion should be read in conjunction with the consolidated financial statements of Lamar Media and the related notes.

The following discussion is a summary of the key factors management considers necessary in reviewing Lamar Media's results of operations, liquidity and capital resources. The future operating results of Lamar Media may differ materially from the results described below. For a discussion of certain factors which may affect Lamar Media's future operating performance, please refer to Exhibit 99.1 hereto entitled "Factors Affecting Future Operating Results".

RESULTS OF OPERATIONS

Three Months Ended March 31, 2000 Compared to Three Months Ended March 31, 1999

Net revenues increased $65.5 million or 76.4% to $151.3 million for the three months ended March 31, 2000 as compared to the same period in 1999. This increase was attributable to Lamar Media's acquisitions during 1999 and 2000 and internal growth within Lamar Media's existing markets.

Operating expenses, exclusive of depreciation and amortization, increased $36.5 million or 73.1% for the three months ended March 31, 2000 as compared to the same period in 1999. This was primarily the result of the additional operating expenses related to the operations of acquired outdoor advertising assets and the continued development of the logo sign program.

Depreciation and amortization expense increased $40.7 million or 129.1% from $31.6 million for the three months ended March 31, 1999 to $72.3 million for the three months ended March 31, 2000 as a result of an increase in capitalized assets resulting from Lamar Media's recent acquisition activity.

Due to the above factors, operating income decreased $11.7 million to an operating loss of $7.4 million for three months ended March 31, 2000 from operating income of $4.3 million for the same period in 1999.

Interest expense increased $14.7 million from $18.2 million for the three months ended March 31, 1999 to $32.9 million for the same period in 2000 as a result of additional borrowings under Lamar Media's bank credit facility to fund increased acquisition activity and the issuance of $287.5 million convertible notes in August 1999.

There was an income tax benefit of $11.6 million for the three months ended March 31, 2000 as compared to an income tax benefit of $2.8 million for the same period in 1999. The effective tax rate for the three months ended March 31, 2000 is approximately 29.1% which is less than statutory rates due to permanent differences resulting from non-deductible amortization of goodwill.

Due to the adoption of SOP 98-5 "Reporting on the Costs of Start-Up Activities" which requires costs of start-up activities and organization costs to be expensed as incurred, Lamar Media recognized an expense of $.8 million as a cumulative effect of a change in accounting principle for the three months ended March 31, 1999. This expense is a one time adjustment to recognize start-up activities and organization costs that were capitalized in prior periods.

As a result of the above factors, Lamar Media recognized a net loss for the three months ended March 31, 2000 of $28.3 million, as compared to a net loss of $10.7 million for the same period in 1999.

ITEM 3.

## QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

The Company is exposed to interest rate risk in connection with variable rate debt instruments issued by the Company. The Company does not enter into market risk sensitive instruments for trading purposes. The information below summarizes the Company's interest rate risk associated with its principal variable rate debt instruments outstanding at March 31, 2000.

Loans under Lamar Media's New Bank Credit Agreement bear interest at variable rates equal to the Chase Prime Rate or LIBOR plus the applicable margin. Because the Chase Prime Rate or LIBOR may increase or decrease at any time, the Company and Lamar Media are exposed to market risk as a result of the impact that changes in these base rates may have on the interest rate applicable to borrowings under the New Bank Credit Agreement. Increases in the interest rates applicable to borrowings under the New Bank Credit Agreement would result in increased interest expense and a reduction in the Company's and Lamar Media's net income and after tax cash flow.

At March 31, 2000, there was approximately $869 million of aggregate indebtedness outstanding under the New Bank Credit Agreement, or approximately 50.9% of the Company's and Lamar Media's outstanding long-term debt on that date, bearing interest at variable rates. The aggregate interest expense for the three months ended March 31, 2000 with respect to borrowings under the Bank Credit Agreement was $16.4 million, and the weighted average interest rate applicable to borrowings under these credit facilities during the three months ended March 31, 2000 was 8.0%. Assuming that the weighted average interest rate was 200-basis points higher (that is 10.0% rather than 8.0%), then the Company's and Lamar Media's March 31, 2000 interest expense would have been approximately $4.0 million higher resulting in a $2.5 million decrease in the Company's and Lamar Media's three months ended March 31, 2000 net income and after tax cash flow.

The Company attempts to mitigate the interest rate risk resulting from its variable interest rate long-term debt instruments by also issuing fixed rate long-term debt instruments and maintaining a balance over time between the amount of the Company's variable rate and fixed rate indebtedness. In addition, the Company has the capability under the New Bank Credit Agreement to fix the interest rates applicable to its borrowings at an amount equal to LIBOR plus the applicable margin for periods of up to twelve months, which would allow the Company to mitigate the impact of short-term fluctuations in market interest rates. In the event of an increase in interest rates, the Company may take further actions to mitigate its exposure. The Company cannot guarantee, however, that the actions that it may take to mitigate this risk will be feasible or that, if these actions are taken, that they will be effective.

ITEM 4.

## SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits

2.1 Agreement and Plan of Merger dated as of July 20, 1999 among Lamar Media Corp., Lamar New Holding Co., and Lamar Holdings Merge Co. Previously filed as exhibit 2.1 to the Company's Current Report on Form 8-K filed on July 22, 1999 (File No. 0-30242) and incorporated herein by reference.

3.1 Certificate of Incorporation of Lamar New Holding Co. Previously filed as exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 1999 (File No. 0-20833) filed on August 16, 1999 and incorporated herein by reference.

3.2 Certificate of Amendment of Certificate of Incorporation of Lamar New Holding Co. (whereby the name of Lamar New Holding Co. was changed to Lamar Advertising Company). Previously filed as exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 1999 (File No. 0-20833) filed on August 16, 1999 and incorporated herein by reference.

3.3 Bylaws of the Company. Previously filed as exhibit 3.3 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 1999 (File No. 0-20833) filed on August 16, 1999 and incorporated herein by reference.

3.4 Amended and Restated Bylaws of Lamar Media Corp. Previously filed as exhibit 3.1 to Lamar Media's Quarterly Report on Form 10-Q for the period ended September 30, 1999 (File No. 1-12407) filed on November 12, 1999 and incorporated herein by reference.

4.1 Supplemental Indenture to the Indenture dated November 15, 1996 among Lamar Media Corp., certain of its subsidiaries and State Street Bank and Trust Company, as Trustee, dated March 2, 2000 delivered by Lamar Advan, Inc. and, in substantially identical agreements, by the scheduled additional subsidiary guarantors. Filed herewith.

4.2 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 March 2, 2000 delivered by Lamar Advan, Inc. and, in substantially identical agreements, by the scheduled additional subsidiary guarantors. Filed herewith.

4.3 Supplemental Indenture to the Indenture dated September 25, 1997 among Lamar Media Corp., certain of its subsidiaries and State Street Bank and Trust Company, as Trustee, dated March 2, 2000 delivered by Lamar Advan, Inc. and, in substantially identical agreements, by the scheduled additional subsidiary guarantors. Filed herewith.

10.1 Joinder Agreement to the Lamar Media Corp. Credit Agreement dated August 13, 1999 by Lamar Advan, Inc. and, in substantially identical agreements, by the scheduled additional subsidiary guarantors, in favor of The Chase Manhattan Bank, as Administrative Agent dated March 2, 2000. Filed herewith.

27.1 Financial Data Schedule for the Company. Filed herewith.

27.2 Financial Data Schedule for Lamar Media Corp. Filed herewith.

99.1 Factors Affecting Future Operating Results of the Company and Lamar Media. Filed herewith.

(b) Reports on Form 8-K

Reports on Form 8-K were filed with the Commission during the first quarter of 2000 to report the following items as of the dates indicated:

On February 9, 2000, the Company filed a report on Form 8-K in order to update the financial statements filed on November 23, 1999, Lamar Advertising Company filed the report to include updated pro forma financial information of Lamar Advertising Company giving effect to the acquisition of Chancellor Media Corporation.

SIGNATURES

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

LAMAR ADVERTISING COMPANY

DATED: May 12, 2000

BY: /s/ KEITH A. ISTRE
---------------------------------
Keith A. Istre
Chief Financial and Accounting
Officer, Treasurer and Director

LAMAR MEDIA CORP.

BY: /s/ KEITH A. ISTRE
---------------------------------
Keith A. Istre
Chief Financial and Accounting
Officer, Treasurer and Director

# INDEX TO EXHIBITS

| EXHIBIT NUMBER | DESCRIPTION |
|---|---|
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| 4.2 | 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 March 2, 2000 delivered by Lamar Advan, Inc. and, in substantially identical agreements, by the scheduled additional subsidiary guarantors. Filed herewith. |
| 4.3 | Supplemental Indenture to the Indenture dated September 25, 1997 among Lamar Media Corp., certain of its subsidiaries and State Street Bank and Trust Company, as Trustee, dated March 2, 2000 delivered by Lamar Advan, Inc. and, in substantially identical agreements, by the scheduled additional subsidiary guarantors. Filed herewith. |
| 10.1 | Joinder Agreement to the Lamar Media Corp. Credit Agreement dated August 13, 1999 by Lamar Advan, Inc. and, in substantially identical agreements, by the scheduled additional subsidiary guarantors, in favor of The Chase Manhattan Bank, as Administrative Agent dated March 2, 2000. Filed herewith. |
| 27.1 | Financial Data Schedule for the Company. Filed herewith. |
| 27.2 | Financial Data Schedule for Lamar Media Corp. Filed herewith. |
| 99.1 | Factors Affecting Future Operating Results of the Company and Lamar Media. Filed herewith. |

Exhibit 4.1

SUPPLEMENTAL INDENTURE

OF

GUARANTORS

THIS SUPPLEMENTAL INDENTURE dated as of March 2, 2000 is delivered pursuant to Section 10.04 of the Indenture dated as of November 15, 1996 (as heretofore or hereafter modified and supplemented and in effect from time to time, the "Indenture") among LAMAR MEDIA CORP., a Delaware corporation, (formerly Lamar Advertising Company) certain of its subsidiaries ("Guarantors") and STATE STREET BANK AND TRUST COMPANY, a Massachusetts banking corporation, as Trustee ("Trustee") (all terms used herein without definition having the meanings ascribed to them in the Indenture).

The undersigned hereby agree that:

1. The undersigned is a Guarantor under the Indenture with all of the rights and obligations of a Guarantor thereunder.

2. The undersigned hereby grants, ratifies and confirms the guarantee provided for by Article Ten of the Indenture to guarantee unconditionally, jointly and severally with the other Guarantors, to each Holder of a Note authenticated and delivered by the Trustee, and to the Trustee on behalf of such Holder, the due and punctual payment of the principal of (and premium, if any) and interest on such Note when and as the same shall become due and payable.

3. The undersigned hereby represents and warrants that the representations and warranties set forth in the Indenture, to the extent relating to the undersigned as Guarantor, are correct on and as of the date hereof.

4. All notices, requests and other communications provided for in the Indenture should be delivered to the undersigned at the address specified in Section 12.02 of the Indenture.

5. A counterpart of this Supplemental Indenture may be attached to any counterpart of the Indenture.

6. This Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the undersigned have caused this Supplemental Indenture to be duly executed as of the day and year first above written.

Guarantor:

LAMAR ADVAN, INC.
a Pennsylvania corporation

By: /s/ Keith A. Istre
---------------------------------------
Keith A. Istre
Vice President - Finance and Chief
Financial Officer

Attest:

By: /s/ James R. McIlwain
-----------------------------
James R. McIlwain, Secretary

Accepted:

STATE STREET BANK AND TRUST
COMPANY, as Trustee

By: /s/ Carolina D. Altomos
--------------------------

Title: Assistant Vice President
----------------------------

Additional Subsidiary Guarantors

Lamar Advertising of Iowa, Inc.
Interstate Logos, L.L.C.

Exhibit 4.2

SUPPLEMENTAL INDENTURE

TO INDENTURE DATED AUGUST 15, 1997

THIS SUPPLEMENTAL INDENTURE dated as of March 2, 2000, is delivered pursuant to Section 4.11 of the Indenture dated as of August 15, 1997 (as heretofore or hereafter modified and supplemented and in effect from time to time, the "1997 Indenture") among OUTDOOR COMMUNICATIONS, INC., a Delaware corporation, certain of its subsidiaries (the "Guarantors") and FIRST UNION NATIONAL BANK, a national banking corporation, as Trustee (the "Trustee") (all terms used herein without definition having the meanings ascribed to them in the 1997 Indenture).

The undersigned hereby agrees that:

1. The undersigned is a Guarantor under the 1997 Indenture with all of the rights and obligations of the Guarantors thereunder.

2. The undersigned has granted, ratified and confirmed, in the form and substance of Exhibit B to the 1997 Indenture, the Guarantee provided for by Article XI of the 1997 Indenture.

3. The undersigned hereby represents and warrants that the representations and warranties set forth in the 1997 Indenture, to the extent relating to the undersigned as Guarantor, are correct on and as of the date hereof.

4. All notices, requests and other communications provided for in the 1997 Indenture should be delivered to the undersigned at the following address:

Keith A. Istre<br>
Vice President - Finance and<br>
Chief Financial Officer<br>
Lamar Media Corp. and its Subsidiaries<br>
5551 Corporate Blvd.<br>
Baton Rouge, LA 70808

5. A counterpart of this Supplemental Indenture may be attached to any counterpart of the 1997 Indenture.

6. This Supplemental Indenture shall be governed by and construed in accordance with the internal laws of the State of New York.

IN WITNESS WHEREOF, the undersigned have caused this Supplemental Indenture to be duly executed as of the day and year first above written.

Guarantor:

LAMAR ADVAN, INC.
a Pennsylvania corporation

By: /s/ Keith A. Istre
---------------------------------------
Keith A. Istre
Vice President - Finance and Chief
Financial Officer

Attest:

By: /s/ James R. McIlwain
----------------------------
James R. McIlwain, Secretary

Accepted:

FIRST UNION NATIONAL BANK, as Trustee

By: /s/ Joanne M. Gonot
----------------------------
Title: Assistant Vice President
----------------------------

Additional Subsidiary Guarantors

Lamar Advertising of Iowa, Inc.
Interstate Logos, L.L.C.

Exhibit 4.3

SUPPLEMENTAL INDENTURE

OF

GUARANTOR

THIS SUPPLEMENTAL INDENTURE dated as of March 2, 2000, is delivered pursuant to Section 10.04 of the Indenture dated as of September 25, 1997 (as heretofore or hereafter modified and supplemented and in effect from time to time, the "Indenture") among LAMAR MEDIA CORP., a Delaware corporation, certain of its subsidiaries ("Guarantors") and STATE STREET BANK AND TRUST COMPANY, a Massachusetts banking corporation, as Trustee ("Trustee") (all terms used herein without definition having the meanings ascribed to them in the Indenture).

The undersigned hereby agree that:

1. The undersigned is a Guarantor under the Indenture with all of the rights and obligations of Guarantors thereunder.

2. The undersigned hereby grants, ratifies and confirms the guarantee provided for by Article Ten of the Indenture to guarantee unconditionally, jointly and severally with the other Guarantors, to each Holder of a Note authenticated and delivered by the Trustee, and to the Trustee on behalf of such Holder, the due and punctual payment of the principal of (and premium, if any) and interest on such Note when and as the same shall become due and payable.

3. The undersigned hereby represents and warrants that the representations and warranties set forth in the Indenture, to the extent relating to the undersigned as Guarantor, are correct on and as of the date hereof.

4. All notices, requests and other communications provided for in the Indenture should be delivered to the undersigned at the address specified in Section 12.02 of the Indenture.

5. A counterpart of this Supplemental Indenture may be attached to any counterpart of the Indenture.

6. This Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the undersigned has caused this Supplemental Indenture to be duly executed as of the day and year first above written.

Guarantor:

LAMAR ADVAN, INC.
a Pennsylvania corporation

By: /s/ Keith A. Istre
----------------------------------
Keith A. Istre
Vice President - Finance and Chief
Financial Officer

Attest:

By: /s/ James R. McIlwain
----------------------------
James R. McIlwain, Secretary

Accepted:

STATE STREET BANK AND TRUST
COMPANY, as Trustee

By: /s/ Carolina D. Altomos
--------------------------
Title: Assistant Vice President
--------------------------

Additional Subsidiary Guarantors

Lamar Advertising of Iowa, Inc.
Interstate Logos, L.L.C.

EXHIBIT 10.1

JOINDER AGREEMENT

JOINDER AGREEMENT dated as of March 2, 2000, by the undersigned, (the "Additional Subsidiary Guarantor"), in favor of The Chase Manhattan Bank, as administrative agent for the Lenders party to the Credit Agreement referred to below (in such capacity, together with its successors in such capacity, the "Administrative Agent").

Lamar Media Corp. (formerly Lamar Advertising Company), a Delaware corporation (the "Borrower"), and certain of its subsidiaries (collectively, the "Existing Subsidiary Guarantors" and, together with the Borrower, the "Securing Parties") are parties to a Credit Agreement dated August 13, 1999 (as modified and supplemented and in effect from time to time, the "Credit Agreement", providing, subject to the terms and conditions thereof, for extensions of credit (by means of loans and letters of credit) to be made by the lenders therein (collectively, together with any entity that becomes a "Lender" party to the Credit Agreement after the date hereof as provided therein, the "Lenders" and, together with Administrative Agent and any successors or assigns of any of the foregoing, the "Secured Parties") to the Borrower in an aggregate principal or face amount not exceeding $1,000,000,000 (which, in the circumstances contemplated by Section 2.01(d) thereof, may be increased to $1,400,000,000). In addition, the Borrower may from time to time be obligated to one or more of the Lenders under the Credit Agreement in respect of Hedging Agreements under and as defined in the Credit Agreement (collectively, the "Hedging Agreements").

In connection with the Credit Agreement, the Borrower, the Existing Subsidiary Guarantors and the Administrative Agent are parties to the Pledge Agreement dated September 15, 1999 (the "Pledge Agreement") pursuant to which the Securing Parties have, inter alia, granted a security interest in the Collateral (as defined in the Pledge Agreement) as collateral security for the Secured Obligations (as so defined). Terms defined in the Pledge Agreement are used herein as defined therein.

To induce the Secured Parties to enter into the Credit Agreement, and to extend credit thereunder and to extend credit to the Borrower under Hedging Agreements, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Additional Subsidiary Guarantor has agreed to become a party to the Credit Agreement and the Pledge Agreement as a "Subsidiary Guarantor" thereunder, and to pledge and grant a security interest in the Collateral (as defined in the Pledge Agreement).

Accordingly, the parties hereto agree as follows:

Section 1. Definitions. Terms defined in the Credit Agreement are used herein as defined therein.

Section 2. Joinder to Agreements. Effective upon the execution and delivery hereof, the Additional Subsidiary Guarantor hereby agrees that it shall become "Subsidiary Guarantor" under and for all purposes of the Credit Agreement and the Pledge Agreement with all the rights and obligations of a Subsidiary Guarantor thereunder. Without limiting the generality of the foregoing, the Additional Subsidiary Guarantor hereby:

(i) jointly and severally with the other Subsidiary Guarantors party to the Credit Agreement guarantees to each Secured Party and their respective successors and assigns the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of all Guaranteed Obligations in the same manner and to the same extent as is provided in Article III of the Credit Agreement;

(ii) pledges and grants the security interests in all right, title and interest of the Additional Subsidiary Guarantor in all Collateral (as defined in the Pledge Agreement) now owned or hereafter acquired by the Additional Subsidiary Guarantor and whether now existing or hereafter coming into existence provided for by Article III of the Pledge Agreement as collateral security for the Secured Obligations and agrees that Annex 1 thereof shall be supplemented as provided in Appendix A hereto;

(iii) makes the representations and warranties set forth in Article IV of the Credit Agreement and in Article II of the Pledge Agreement, to the extent relating to the Additional Subsidiary Guarantor or to the Pledged Equity evidenced by the certificates, if any, identified in Appendix A hereto; and

(iv) submits to the jurisdiction of the courts, and waives jury trial, as provided in Sections 10.09 and 10.10 of the Credit Agreement.

The Additional Subsidiary Guarantor hereby instructs its counsel to deliver the opinions referred to in Section 6.10(a)(iii) of the Credit Agreement to the Secured Parties.

IN WITNESS WHEREOF, the Additional Subsidiary Guarantor has caused this Joinder Agreement to be duly executed and delivered as of the day and year first above written.

LAMAR ADVAN, INC.
a Pennsylvania corporation

By: /s/ Keith A. Istre
----------------------------------
Keith A. Istre
Vice President - Finance and
Chief Financial Officer

Attested:

By: /s/ James R. McIlwain
----------------------------
James R. McIlwain, Secretary

Accepted and agreed:

THE CHASE MANHATTAN BANK,
as Administrative Agent

By: /s/ William E. Rottino
----------------------------
Title: Vice President

The undersigned hereby respectively pledges and grants a security interest in the Pledged Equity and evidenced by the certificate listed in Appendix A hereto and agrees that Annex 1 of the above-referenced Pledge Agreement is hereby supplemented by adding thereto the information listed on Appendix A.

Lamar Advertising of Penn, LLC, Issuee of Stock

By: Lamar Company, L.L.C.
Its sole and managing member

By: Lamar Media Corp.
Its sole and managing member

By: /s/ Keith A. Istre
------------------------------------
Keith A. Istre
Title: Vice President-Finance

SUPPLEMENT TO ANNEX 1

APPENDIX A TO JOINDER AGREEMENT

| PLEDGOR OWNERSHIP | ISSUER | NO. SHARES | CERT. NO. | % |
| --- | --- | --- | --- | --- |
| Lamar Advertising of Penn, LLC | Lamar Advan, Inc. | 1,000 | 4 | 100 |

SCHEDULE OF ADDITIONAL SUBSIDIARY GUARANTORS

| GUARANTOR* | DATE OF JOINDER AGREEMENT |
| --- | --- |
| Lamar Advertising of Iowa, Inc. | March 2, 2000 |
| Interstate Logos, L.L.C. | April 17, 2000 |

*The supplements to Annex 1/Appendix A to the Joinder Agreements of each additional guarantor are set forth below in their entirety.

SUPPLEMENT TO LAMAR ADVERTISING OF IOWA, INC. JOINDER AGREEMENT

SUPPLEMENT TO ANNEX 1

APPENDIX A TO JOINDER AGREEMENT

| PLEDGOR OWNERSHIP | ISSUER | NO. SHARES | CERT. NO. | % |
|---|---|---|---|---|
| The Lamar Company, L.L.C. | Lamar Advertising of Iowa, Inc. | 1,000 | 7 | 100 |

SUPPLEMENT TO INTERSTATE LOGS, L.L.C. JOINDER AGREEMENT

SUPPLEMENT TO ANNEX 1

APPENDIX A TO JOINDER AGREEMENT

| PLEDGOR OWNERSHIP | ISSUER | NO. SHARES | CERT. NO. | % |
|---|---|---|---|---|
| Lamar Media Corp. | Interstate Logos, L.L.C. | 1,000 | 1 | 100 |

5
0001090425
LAMAR ADVERTISING COMPANY
1,000

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MAR-31-2000
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(12,009)
(28,974)
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(28,974)
(.33)
(.33)

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LAMAR MEDIA CORP
1,000

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MAR-31-2000
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151,267
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(11,615)
(28,319)
0
0
0
(28,319)
0
0

EXHIBIT 99.1

# Factors Affecting Future Operating Results

In this exhibit, "Lamar," "Lamar Advertising," the "Company," "we," "us" and "our" refer to Lamar Advertising Company and its consolidated subsidiaries, except where we make it clear that we are only referring to Lamar Media Corp., which is sometimes referred to herein as "Lamar Media."

## OUR DEBT AGREEMENTS AND THOSE OF OUR WHOLLY-OWNED, DIRECT SUBSIDIARY LAMAR MEDIA CORP. CONTAIN COVENANTS AND RESTRICTIONS THAT CREATE THE POTENTIAL FOR DEFAULTS.

The terms of the indenture relating to Lamar Advertising's outstanding notes, Lamar Media Corp.'s bank credit facility and the indentures relating to Lamar Media's outstanding notes restrict, among other things, the ability of Lamar Advertising and Lamar Media to:

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

Lamar Media's ability to make distributions to Lamar Advertising is also restricted under the terms of these agreements.

Under Lamar Media's bank credit facility we must maintain specified financial ratios and levels including:

- interest coverage;
- fixed charges ratio;
- senior debt ratios; and
- total debt ratios.

If we fail to comply with these tests, the lenders have the right to cause all amounts outstanding under the bank credit facility to become immediately due. If this was to occur and the lenders decide to exercise their right to accelerate the indebtedness, it would create serious financial problems for us. Our ability to comply with these restrictions, and any similar restrictions in future agreements, depends on our operating performance. Because our performance is subject to prevailing economic, financial and business conditions and other factors that are beyond our control, we may be unable to comply with these restrictions in the future.

BECAUSE WE HAVE SIGNIFICANT FIXED PAYMENTS ON OUR DEBT, WE MAY LACK SUFFICIENT CASH FLOW TO OPERATE OUR BUSINESS AS WE HAVE IN THE PAST AND MAY NEED TO BORROW MONEY IN THE FUTURE TO MAKE THESE PAYMENTS AND OPERATE OUR BUSINESS.

We have borrowed substantial amounts of money in the past and may borrow more money in the future. At March 31, 2000, Lamar Advertising Company had approximately $288 million of convertible notes outstanding. At March 31, 2000, Lamar Media had approximately $1,420 million of debt outstanding consisting of approximately $869 million in bank debt, $527 million in various series of senior subordinated notes of Lamar Media and $24 million in various other short-term and long-term debt of Lamar Media. This debt of Lamar Advertising and Lamar Media represents approximately 55% of our total capitalization.

A large part of our cash flow from operations must be used to make principal and interest payments on our debt. If our operations make less money in the future, we may need to borrow to make these payments. In addition, we finance most of our acquisitions through borrowings under Lamar Media's bank credit facility which presently has a total committed amount of $1 billion in term and revolving credit loans. At March 31, 2000, we had approximately $130 million available to borrow under this bank credit facility. Since our borrowing capacity under Lamar Media's bank credit facility is limited, we may not be able to continue to finance future acquisitions at our historical rate with borrowings under this bank credit facility. We may need to borrow additional amounts or seek other sources of financing to fund future acquisitions. We cannot guarantee that such additional financing will be available or available on favorable terms. We also may need the consent of the banks under Lamar Media's bank credit facility, or the holders of other indebtedness, to borrow additional money.

OUR BUSINESS COULD BE HURT BY CHANGES IN ECONOMIC AND ADVERTISING TRENDS.

We sell advertising space to generate revenues. A decrease in demand for advertising space could adversely affect our business. General economic conditions and trends in the advertising industry affect the amount of advertising space purchased. A reduction in money spent on our displays could result from:

- a general decline in economic conditions;
- a decline in economic conditions in particular markets where we conduct business;
- a reallocation of advertising expenditures to other available media by significant users of our displays; or
- a decline in the amount spent on advertising in general.

OUR OPERATIONS ARE IMPACTED BY THE REGULATION OF OUTDOOR ADVERTISING.

Our operations are significantly impacted by federal, state and local government regulation of the outdoor advertising business.

The federal government conditions federal highway assistance on states imposing location restrictions on the placement of billboards on primary and interstate highways. Federal laws also impose size, spacing and other limitations on billboards. Some states have adopted standards more restrictive than the federal requirements. Local governments generally control billboards as part of their zoning regulations. Some local governments have enacted ordinances which require removal of billboards by a future date. Others prohibit the construction of new billboards and the reconstruction of significantly damaged billboards, or allow new construction only to replace existing structures.

Local laws which mandate removal of billboards at a future date often do not provide for payment to the owner for the loss of structures that are required to be removed. Some federal and state laws require payment of compensation in such circumstances. Local laws that require the removal of a billboard without compensation have been challenged in state and federal courts with conflicting results. Accordingly, we may not be successful in negotiating acceptable arrangements when our displays have been subject to removal under these types of local laws.

Additional regulations may be imposed on outdoor advertising in the future. Legislation regulating the content of billboard advertisements has been introduced in Congress from time to time in the past. Additional regulations or changes in the current laws regulating and affecting outdoor advertising at the federal, state or local level may have a material adverse effect on our results of operations.

OUR CONTINUED GROWTH THROUGH ACQUISITIONS MAY BECOME MORE DIFFICULT AND INVOLVES COSTS AND UNCERTAINTIES.

We have substantially increased our inventory of advertising displays through acquisitions. Our operating strategy involves making purchases in markets where we currently compete as well as in new markets. However, the following factors may affect our ability to continue to pursue this strategy effectively.

- The outdoor advertising market has been consolidating, and this may adversely affect our ability to find suitable candidates for purchase.

- We are also likely to face increased competition from other outdoor advertising companies for the companies or assets that we wish to purchase. Increased competition may lead to higher prices for outdoor advertising companies and assets and decrease those that we are able to purchase.

- We do not know if we will have sufficient capital resources to make purchases, obtain any required consents from our lenders, or find acquisition opportunities with acceptable terms.

- From January 1, 1997 to March 31, 2000, we completed 164 transactions involving the purchase of complementary outdoor advertising assets. We must integrate these and other acquired assets and businesses into our existing operations. This process of integration may result in unforeseen difficulties and could require significant time and attention from our management that would otherwise be directed at developing our existing business. Further, we cannot be certain that the benefits and cost savings that we anticipate from these purchases will develop.

WE FACE COMPETITION FROM LARGER AND MORE DIVERSIFIED OUTDOOR ADVERTISERS AND OTHER FORMS OF ADVERTISING THAT COULD HURT OUR PERFORMANCE.

We cannot be sure that in the future we will compete successfully against the current and future sources of outdoor advertising competition and competition from other media. The competitive pressure that we face could adversely affect our profitability or financial performance. Even though, as a result of the Chancellor Outdoor acquisition, we are the largest company focusing exclusively on outdoor advertising, we face competition from larger companies with more diversified operations which also include radio and other broadcast media. We also face competition from other forms of media, including television, radio, newspapers and direct mail advertising. We must also compete with an increasing variety of other out-of-home advertising media that include advertising displays in shopping centers, malls, airports, stadiums, movie theaters and supermarkets, and on taxis, trains and buses.

In our logo sign business, we currently face competition for state-awarded service contracts from two other logo sign providers as well as local companies. Initially, we compete for state-awarded service contracts as they are privatized. Because these contracts expire after a limited time, we must compete to keep our existing contracts each time they are up for renewal.

IF OUR CONTINGENCY PLANS RELATING TO HURRICANES FAIL, THE RESULTING LOSSES COULD HURT OUR BUSINESS.

Although we have developed contingency plans designed to deal with the threat posed to our advertising structures by hurricanes, we cannot guarantee that these plans will work. If these plans fail, significant losses could result.

A significant portion of our structures is located in the Mid-Atlantic and Gulf Coast regions of the United States. These areas are highly susceptible to hurricanes during the late summer and early fall. In the past, we have incurred significant losses due to severe storms. These losses resulted from structural damage, overtime compensation, loss of billboards that could not be replaced under applicable laws and reduced occupancy because billboards were out of service.

We have determined that it is not economical to obtain insurance against losses from hurricanes and other storms. Instead, we have developed contingency plans to deal with the threat of hurricanes. For example, we attempt to remove the advertising faces on billboards at the onset of a storm, when possible, which permits the structures to better withstand high winds during a storm. We then replace these advertising faces after the storm has passed. However, these plans may not be effective in the future and, if they are not, significant losses may result.

OUR LOGO SIGN CONTRACTS ARE SUBJECT TO STATE AWARD AND RENEWAL.

A growing portion of our revenues and operating income come from our state-awarded service contracts for logo signs. We cannot predict what remaining states, if any, will start logo sign programs or convert state-run logo sign programs to privately operated programs. We compete with many other parties for new state-awarded service contracts for logo signs. Even when we are awarded a contract, the award may be challenged under state contract bidding requirements. If an award is challenged, we may incur delays and litigation costs.

Generally, state-awarded logo sign contracts have a term, including renewal options, of ten to twenty years. States may terminate a contract early, but in most cases must pay compensation to the logo sign provider for early termination. Typically, at the end of the term of the contract, ownership of the structures is transferred to the state without compensation to the logo sign provider. Of our 20 logo sign contracts in place at March 31, 2000, three are subject to renewal in June, October and December 2000. We cannot guarantee that we will be able to obtain new logo sign contracts or renew our existing contracts. In addition, after we receive a new state-awarded logo contract, we generally incur significant start-up costs. We cannot guarantee that we will continue to have access to the capital necessary to finance those costs.

OUR OPERATIONS COULD BE AFFECTED BY THE LOSS OF KEY EXECUTIVES.

Our success depends to a significant extent upon the continued services of our executive officers and other key management and sales personnel. Kevin P. Reilly, Jr., our Chief Executive Officer, our nine regional managers and the manager of our logo sign business, in particular, are essential to our continued success. Although we have designed our incentive and compensation programs to retain key employees, we have no employment contracts with any of our employees and none of our executive officers have signed non-compete agreements. We do not maintain key man insurance on our executives. If any of our executive officers or other key management and sales personnel stopped working with us in the future, it could have an adverse effect on our business.