

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 10-Q/A

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

For the period ended September 30, 1999  
or

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

For the transition period from

Commission file number 0-30242

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

DELAWARE  
(State or other jurisdiction  
of incorporation)

72-1449411  
(I.R.S. Employer  
Identification No.)

5551 Corporate Blvd.,  
Baton Rouge, LA  
(Address of principal  
executive officers)

70808  
(Zip Code)

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

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

No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

| Class<br>-----                          | Outstanding as of<br>November 10, 1999<br>----- |
|---|---|
| Class A Common Stock, \$ .001 par value | 70,400,889                                      |
| Class B Common Stock, \$ .001 par value | 17,449,997                                      |

This Amendment No. 1 to Quarterly Report on Form 10-Q/A is being filed solely for the purpose of amending Part I, Item 1 in the Company's Quarterly Report of Form 10-Q for the period ended September 30, 1999, which was filed with the Securities and Exchange Commission on November 12, 1999 (the "September 30 10-Q") to correct typographical errors in footnote 2 "Acquisitions" contained therein. Item I "Financial statements" set forth in the September 30, 10Q is hereby deleted in its entirety and the following is substituted therefor.

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)

|   | September 30,<br>1999 | December 31,<br>1998 |
|---|-----------------------|----------------------|
|   | -----                 | -----                |
| <b>ASSETS</b>   |                       |                      |
| Cash and cash equivalents   | \$ 10,778             | \$ 128,597           |
| Receivables, net  | 84,294                | 40,380               |
| Prepaid expenses  | 22,235                | 12,346               |
| Other current assets  | 18,431                | 1,736                |
|   | -----                 | -----                |
| Total current assets  | 135,738               | 183,059              |
|   | -----                 | -----                |
| Property, plant and equipment   | 1,410,561             | 661,324              |
| Less accumulated depreciation and amortization  | (215,240)             | (153,972)            |
|   | -----                 | -----                |
| Net property, plant and equipment   | 1,195,321             | 507,352              |
|   | -----                 | -----                |
| Intangible assets   | 1,881,450             | 705,934              |
| Other assets - non-current  | 18,034                | 17,032               |
|   | -----                 | -----                |
| Total assets  | 3,230,543             | 1,413,377            |
|   | =====                 | =====                |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>   |                       |                      |
| Current liabilities:  |                       |                      |
| Trade accounts payable  | \$ 9,806              | \$ 4,258             |
| Accrued expenses  | 70,608                | 25,912               |
| Current maturities of long-term debt  | 4,670                 | 49,079               |
| Deferred income   | 13,178                | 9,589                |
|   | -----                 | -----                |
| Total current liabilities   | 98,262                | 88,838               |
| Long-term debt  | 1,593,690             | 827,453              |
| Deferred tax liability  | 124,364               | 25,613               |
| Deferred income   | 1,224                 | 1,293                |
| Other liabilities   | 4,732                 | 3,401                |
|   | -----                 | -----                |
| Total liabilities   | 1,822,272             | 946,598              |
|   | -----                 | -----                |
| Series AA preferred stock, par value \$.001, \$63.80 cumulative dividends,<br>authorized 1,000,000 shares; 5,719.49 shares issued and outstanding at<br>September 30, 1999                                      | --                    | --                   |
| Class A preferred stock, par value \$638, \$63.80 cumulative dividends, authorized<br>10,000 shares; 0 and 5,719.49 shares issued and outstanding at September<br>30, 1999, and December 31, 1998, respectively | --                    | 3,649                |
| Class A common stock, \$.001 par value, authorized<br>125,000,000 shares; issued and outstanding<br>70,365,850 shares and 43,392,876 shares at<br>September 30, 1999, and December 31, 1998,<br>respectively    | 70                    | 43                   |
| Class B common stock, \$.001 par value, authorized<br>37,500,000 shares; issued and outstanding<br>17,449,997 and 17,699,997 shares at September<br>30, 1999, and December 31, 1998, respectively               | 18                    | 18                   |
| Additional paid-in capital  | 1,470,291             | 505,644              |
| Accumulated deficit   | (62,108)              | (42,575)             |
|   | -----                 | -----                |
| Stockholders' equity  | 1,408,271             | 466,779              |
|   | -----                 | -----                |
| Total liabilities and stockholders' equity  | \$ 3,230,543          | \$ 1,413,377         |
|   | =====                 | =====                |

See accompanying notes to condensed 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<br>September 30, |            | Nine Months Ended<br>September 30, |            |
|---|-------------------------------------|------------|------------------------------------|------------|
|   | 1999                                | 1998       | 1999                               | 1998       |
| Net revenues  | \$ 111,039                          | \$ 73,528  | \$ 294,614                         | \$ 201,600 |
| Operating expenses  |                                     |            |                                    |            |
| Direct advertising expenses   | 33,236                              | 22,257     | 93,481                             | 64,696     |
| Selling, general and administrative expenses  | 23,172                              | 14,954     | 64,025                             | 43,178     |
| Depreciation and amortization   | 40,738                              | 20,375     | 104,951                            | 57,471     |
|   | 97,146                              | 57,586     | 262,457                            | 165,345    |
| Operating income  | 13,893                              | 15,942     | 32,157                             | 36,255     |
| Other expense (income)  |                                     |            |                                    |            |
| Interest income   | (112)                               | (123)      | (1,067)                            | (359)      |
| Interest expense  | 21,092                              | 12,116     | 57,471                             | 39,357     |
| (Gain) loss on disposition of assets  | (5,189)                             | 81         | (5,666)                            | 473        |
|   | 15,791                              | 12,074     | 50,738                             | 39,471     |
| Earnings (loss) before income taxes, extraordinary item and cumulative effect of a change in accounting principle | (1,898)                             | 3,868      | (18,581)                           | (3,216)    |
| Income tax expense (benefit)  | 1,404                               | 2,239      | (362)                              | 816        |
| Earnings (loss) before extraordinary item and cumulative effect of a change in accounting principle               | (3,302)                             | 1,629      | (18,219)                           | (4,032)    |
| Extraordinary item - loss on debt extinguishment net of tax benefit of \$117                                      | (182)                               | --         | (182)                              | --         |
| Earnings (loss) before cumulative effect of a change in accounting principle                                      | (3,484)                             | 1,629      | (18,401)                           | (4,032)    |
| Cumulative effect of a change in accounting principle   | --                                  | --         | (767)                              | --         |
| Net earnings (loss)   | (3,484)                             | 1,629      | (19,168)                           | (4,032)    |
| Preferred stock dividends   | 91                                  | 91         | 365                                | 365        |
| Net earnings (loss) applicable to common stock  | \$ (3,575)                          | \$ 1,538   | \$ (19,533)                        | \$ (4,397) |
| Earnings (loss) per common share - basic and diluted:   |                                     |            |                                    |            |
| Earnings (loss) before extraordinary item and accounting change   | \$ (.05)                            | \$ .03     | \$ (.30)                           | \$ (.09)   |
| Extraordinary Item - loss on debt extinguishment  | --                                  | --         | --                                 | --         |
| Cumulative effect of a change in accounting principle   | --                                  | --         | (.01)                              | --         |
| Net earnings (loss)   | \$ (.05)                            | \$ .03     | \$ (.31)                           | \$ (.09)   |
| Weighted average common shares outstanding  | 65,953,441                          | 54,005,114 | 62,792,352                         | 50,076,742 |
| Incremental common shares from dilutive stock options   | --                                  | 596,604    | --                                 | --         |
| Incremental common shares from convertible debt   | --                                  | --         | --                                 | --         |
| Weighted average common shares assuming dilution  | 65,953,441                          | 54,601,718 | 62,792,352                         | 50,076,742 |

See accompanying notes to condensed consolidated financial statements

LAMAR ADVERTISING COMPANY AND  
 SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)  
 (UNAUDITED)  
 (IN THOUSANDS EXCEPT SHARE AND PER SHARE DATA)

|  | Three Months Ended<br>September 30,<br>1999 |                 | Nine Months Ended<br>September 30,<br>1998 |                   |
|--|---|-----------------|--|-------------------|
| Net earnings (loss) applicable to<br>common stock  | \$ (3,575)                                  | \$ 1,538        | \$(19,533)                                 | \$ (4,397)        |
| Other comprehensive income (loss)<br>unrealized loss on investment<br>securities (net of deferred<br>tax benefit of \$217 for the nine<br>months ended September 30, 1998) | --  | --              | --   | 354               |
| Comprehensive income (loss)  | <u>\$ (3,575)</u>                           | <u>\$ 1,538</u> | <u>\$(19,533)</u>                          | <u>\$ (4,043)</u> |

See accompanying notes to condensed consolidated financial statements

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

|   | Nine Months Ended<br>September 30, |            |
|---|------------------------------------|------------|
|   | 1999                               | 1998       |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                    |                                    |            |
| Net loss  | \$ (19,168)                        | \$ (4,032) |
| Adjustments to reconcile net loss to net cash provided by operating activities: |                                    |            |
| Depreciation and amortization   | 104,951                            | 57,471     |
| Cumulative effect of a change in accounting principle                           | 767                                | --         |
| (Gain) loss on disposition of assets  | (5,666)                            | 473        |
| Deferred taxes  | (9,765)                            | (2,548)    |
| Provision for doubtful accounts   | 2,114                              | 1,265      |
| Changes in operating assets and liabilities:                                    |                                    |            |
| Decrease (Increase) in:   |                                    |            |
| Receivables   | (8,866)                            | (1,520)    |
| Prepaid expenses  | 445                                | (714)      |
| Other assets  | 3,558                              | 978        |
| Increase (Decrease) in:   |                                    |            |
| Trade accounts payable  | 2,022                              | 770        |
| Accrued expenses  | 149                                | 1,288      |
| Other liabilities   | 18                                 | (144)      |
| Deferred income   | (5,248)                            | 2,252      |
|   | 65,311                             | 55,539     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                    |                                    |            |
| Increase in notes receivable  | (1,587)                            | (280)      |
| Acquisition of new markets  | (831,681)                          | (220,780)  |
| Capital expenditures  | (53,435)                           | (40,420)   |
| Proceeds from disposition of assets   | 3,943                              | 1,419      |
|   | (882,760)                          | (260,061)  |

(continued)

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

|   | Nine Months Ended<br>September 30, |           |
|---|------------------------------------|-----------|
|   | 1999                               | 1998      |
|   | -----                              | -----     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                  |                                    |           |
| Debt issuance costs   | (12,507)                           | (2,503)   |
| Net proceeds from issuance of common stock                    | 3,948                              | 181,450   |
| Proceeds from issuance of notes payable                       | --                                 | 70        |
| Principal payments on long-term debt                          | (78,040)                           | (4,152)   |
| Net proceeds from note offering                               | 279,594                            | --        |
| Net borrowings under credit agreements                        | 507,000                            | 29,000    |
| Dividends   | (365)                              | (365)     |
|   | -----                              | -----     |
| Net cash provided by financing activities                     | 699,630                            | 203,500   |
| Net decrease in cash and cash equivalents                     | (117,819)                          | (1,022)   |
| Cash and cash equivalents at beginning<br>of period           | 128,597                            | 7,246     |
|   | -----                              | -----     |
| Cash and cash equivalents at end of period                    | \$ 10,778                          | \$ 6,224  |
|   | =====                              | =====     |
| <br><b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b> |                                    |           |
| Cash paid for interest  | \$ 56,183                          | \$ 37,328 |
|   | =====                              | =====     |
| Cash paid for state and federal income taxes                  | \$ 6,500                           | \$ 6,129  |
|   | =====                              | =====     |
| Common stock issuance related to acquisitions                 | \$ 952,255                         | \$ 2,505  |
|   | =====                              | =====     |

See accompanying notes to condensed consolidated financial statements



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

1. Significant Accounting Policies

General

Lamar Advertising Company is principally a holding company ("Holdings") and conducts its operations principally through its wholly-owned subsidiary Lamar Media Corp. ("Lamar Media"). Holdings was incorporated in July, 1999 and became the parent of Lamar Media pursuant to the reorganization described in Note 5. References herein to the "Company" refer to Holdings and its subsidiaries, with respect to periods following the reorganization and to Lamar Media, (formerly known as Lamar Advertising Company) and its subsidiaries, with respect to periods prior to the reorganization. Prior to the formation of Holdings, the consolidated financial statements of the Company represented accounts of Lamar Media and its subsidiaries.

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.

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 dilution and is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock that then shared in the earnings of the Company. The following adjustments were excluded from the calculation of diluted earnings per share because of their anti-dilutive effect:

|  | Three Months Ended<br>September 30, |       | Nine Months Ended<br>September 30, |         |
|--|-------------------------------------|-------|------------------------------------|---------|
|  | 1999                                | 1998  | 1999                               | 1998    |
|  | -----                               | ----- | -----                              | -----   |
| Income impact of convertible securities  | \$ 1,261                            | \$ -- | \$ 1,261                           | \$ --   |
|  | =====                               | ===== | =====                              | =====   |
| Incremental shares from stock options    | 689,430                             | --    | 558,280                            | 564,937 |
| Incremental shares from convertible debt | 3,378,375                           | --    | 1,138,500                          | --      |
|  | -----                               | ----- | -----                              | -----   |
| Dilutive potential common shares         | 4,067,805                           | --    | 1,696,780                          | 564,937 |
|  | =====                               | ===== | =====                              | =====   |

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

Reclassifications

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 net earnings.

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. 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".

2. Acquisitions

On January 5, 1999, the Company purchased all of the outdoor advertising assets of American Displays, Inc. for a cash purchase price of approximately \$14,500.

On February 1, 1999, the Company purchased all of the outdoor advertising assets of KJS, LLC for a cash purchase price of \$40,500.

On April 1, 1999, the Company purchased all of the assets of Frank Hardie, Inc. for a cash purchase price of approximately \$20,300.

On June 1, 1999, the Company purchased the assets of Vivid, Inc. for a cash purchase price of approximately \$22,100.

On September 15, 1999, Lamar Media Corp. purchased the capital stock of Chancellor Media Outdoor Corporation and Chancellor Media Whiteco Outdoor Corporation, ("Chancellor Outdoor") for a combination of approximately \$700,000 in cash and 26,227,273 shares of Class A common stock valued at approximately \$947,000. The stock purchase agreement also contains a post-closing adjustment in the event that the net working capital of Chancellor Outdoor as shown on the closing balance sheet is greater or less than \$12,000. As of September 30, 1999, the estimated working capital adjustment to be paid by the Company is \$33,053.

During the nine months ended September 30, 1999, the company completed 45 additional acquisitions of outdoor advertising and transit assets for an aggregate cash purchase price of approximately \$61,000 and the issuance of 135,734 shares of Class A common stock valued at approximately \$5,300.

LAMAR ADVERTISING COMPANY AND  
SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(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 purchase price has 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 purchase price in the above transactions.

|                   | Current<br>Assets | Property<br>Plant &<br>Equipment | Goodwill | Other<br>Intangibles | Other<br>Assets | Current<br>Liabilities | Long-term<br>Liabilities |
|-------------------|-------------------|----------------------------------|----------|----------------------|-----------------|------------------------|--------------------------|
|                   | -----             | -----                            | -----    | -----                | -----           | -----                  | -----                    |
| American Displays | 87                | 899                              | 10,532   | 3,277                | --              | (284)                  | --                       |
| KJS, LLC          | 46                | 9,468                            | 30,543   | 4,489                | --              | (2,079)                | (1,921)                  |
| Frank Hardie      | 187               | 6,595                            | 10,451   | 3,630                | --              | (525)                  | --                       |
| Vivid, Inc.       | 357               | 8,402                            | 9,830    | 4,085                | --              | (593)                  | --                       |
| Chancellor        | 55,997            | 642,210                          | 298,486  | 779,775              | 169             | (19,829)               | (106,102)                |
| Other             | 265               | 16,098                           | 48,172   | 6,472                | --              | (1,271)                | (3,217)                  |
|                   | -----             | -----                            | -----    | -----                | ---             | -----                  | -----                    |
|                   | 56,939            | 683,672                          | 408,014  | 801,728              | 169             | (24,581)               | (111,240)                |
|                   | =====             | =====                            | =====    | =====                | ===             | =====                  | =====                    |

Summarized below are certain unaudited pro forma statements of operations data as if each of the above acquisitions and the acquisitions occurring in 1998, which were fully described in the Company's December 31, 1998 Annual Report on Form 10-K, had been consummated as of January 1, 1998. 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<br>September 30, |             | Nine Months Ended<br>September 30, |             |
|--|-------------------------------------|-------------|------------------------------------|-------------|
|  | 1999                                | 1998        | 1999                               | 1998        |
|  | -----                               | -----       | -----                              | -----       |
| Revenues, net                          | \$ 156,025                          | \$ 146,722  | \$ 452,063                         | \$ 429,994  |
|  | =====                               | =====       | =====                              | =====       |
| Loss before extraordinary items        | \$ (17,481)                         | \$ (21,683) | \$ (67,602)                        | \$ (70,580) |
|  | =====                               | =====       | =====                              | =====       |
| Net loss applicable to<br>common stock | \$ (17,754)                         | \$ (21,774) | \$ (68,916)                        | \$ (70,945) |
|  | =====                               | =====       | =====                              | =====       |
| Net loss per common share - basic      | \$ (0.20)                           | \$ (0.40)   | \$ (0.79)                          | \$ (1.41)   |
|  | =====                               | =====       | =====                              | =====       |
| Net loss per common share - diluted    | \$ (0.20)                           | \$ (0.40)   | \$ (0.79)                          | \$ (1.41)   |
|  | =====                               | =====       | =====                              | =====       |

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

3. Long-term debt

In August 1999, the Company replaced its existing bank credit facility with a new bank credit facility under which The Chase Manhattan Bank serves as administrative agent. The new \$1,000,000 bank credit facility consists of (1) a \$350,000 revolving bank credit facility and (2) a \$650,000 term facility with two tranches, a \$450,000 Term A facility and a \$200,000 Term B facility. As a result of the holding company reorganization completed on July 20, 1999 and explained in footnote 5, the existing bank credit facility and the new bank credit facility are obligations of Lamar Media Corp., a wholly owned subsidiary, and not Lamar Advertising Company. As of September 30, 1999, the Company had borrowings under this agreement of \$757,000.

On August 10, 1999, Lamar Advertising Company, the new holding company, completed an offering of \$287,500 5 1/4% Convertible Notes due 2006. The net proceeds of approximately \$279,594 of the convertible notes were used to pay down existing bank debt.

In connection with the reorganization of Lamar Advertising Company into a new holding company structure, Lamar Media Corp. (formerly known as Lamar Advertising Company) made a change of control tender offer to the holders of its 9 1/4% Senior Subordinated Notes due 2007 in aggregate principal amount of approximately \$103,900. Pursuant to the change of control tender offer and in accordance with the Indenture, Lamar Media Corp. offered to repurchase the Notes for 101% of the principal amount plus accrued interest. A total of \$29,876 aggregate principal amount of Notes were tendered for payment on August 19, 1999, and the related 1% prepayment penalty is reflected as an extraordinary item in the Company's income statement, net of tax.

The Company's obligations with respect to its publicly issued notes are not guaranteed by the Company's direct or indirect wholly-owned subsidiaries. Certain obligations of the Company's wholly-owned subsidiary, Lamar Media Corp. are guaranteed by its subsidiaries. For a detailed description of these guarantees see Lamar Media Corp.'s quarterly report on Form 10-Q.

4. Preferred Stock

On July 16, 1999, the Board of Directors amended the Preferred Stock of the Company by designating 5,720 shares of the 1,000,000 shares of previously undesignated Preferred Stock, par value \$.001 as "Series AA Preferred Stock". The previously issued Class A Preferred Stock par value \$638 was exchanged for the new Series AA Preferred Stock. The new Series AA Preferred Stock have the same liquidation preferences, dividends and other rights as the previously issued Class A Preferred Stock. The new shares of Series AA Preferred Stock, however, are entitled to one vote per share.

5. New Holding Company

On July 20, 1999, the 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

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

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 Corp. 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 will not change as a result of the reorganization.

SIGNATURES

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: December 28, 1999

BY: /s/ Keith Istre

-----  
Keith A. Istre  
Chief Financial and Accounting  
Officer and Director