

LAMAR ADVERTISING CO/NEW

Form S-4

May 31, 2007

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**As filed with the Securities and Exchange Commission on May 31, 2007**  
**Registration No. 333-**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**  
**Form S-4**  
**REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**  
**Lamar Advertising Company**  
*(Exact name of registrant as specified in its charter)*

<b>Delaware</b> <i>(State or other jurisdiction of incorporation or organization)</i>	<b>7311</b> <i>(Primary Standard Industrial Classification Code)</i>	<b>72-1449411</b> <i>(I.R.S. Employer Identification No.)</i>
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**5551 Corporate Boulevard**  
**Baton Rouge, Louisiana 70808**  
**(225) 926-1000**  
*(Address, Including ZIP Code, and Telephone Number,  
Including Area Code, of Registrant's Principal Executive Offices)*

**Kevin P. Reilly, Jr.**  
**President**  
**Lamar Advertising Company**  
**5551 Corporate Boulevard**  
**Baton Rouge, Louisiana 70808**  
**(225) 926-1000**  
*(Name, Address, Including ZIP Code and Telephone Number,  
Including Area Code, of Agent for Service)*

*with copies to:*

**Stacie Aarestad, Esq.**  
**Edwards Angell Palmer & Dodge LLP**  
**111 Huntington Avenue At Prudential Center**  
**Boston, Massachusetts 02199-7613**  
**(617) 239-0100**

**James J. Clark, Esq.**  
**Cahill Gordon & Reindel LLP**  
**80 Pine Street**  
**New York, New York 10005**  
**(212) 701-3000**

**Approximate date of commencement of proposed sale of the securities to the public:** As soon as practicable after this registration statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering.

### CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(1)
27/8% Convertible Notes due 2010 Series B	\$287,500,000	\$1,397.50	\$401,781,250	\$12,335
Class A common stock, par value \$0.001 per share	(2)	(2)	(2)	(2)

(1) Estimated pursuant to Rule 457(f) under the Securities Act of 1933, as amended, solely for the purpose of calculating the registration fee. These amounts reflect a reduction for an exchange fee of \$2.50 for each \$1,000 face value of the 27/8% Convertible Notes due 2010 Series B.

(2) Includes such indeterminate number of shares of Class A common stock as may be issued upon conversion of the new notes registered hereby.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the SEC, acting pursuant to said section 8(a), may determine.**

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**The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

PROSPECTUS

SUBJECT TO COMPLETION DATED MAY 31, 2007

**Lamar Advertising Company**

**Offer to Exchange a New Series of 27/8% Convertible Notes Due 2010 Series B  
and an Exchange Fee for All Outstanding 27/8% Convertible Notes due 2010**

**The Exchange Offer**

We are offering to exchange, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal, a new series of 27/8% Convertible Notes due 2010 Series B and an exchange fee for all of our 27/8% Convertible Notes due 2010. We refer to this offer as the exchange offer. We refer to our existing 27/8% Convertible Notes due 2010 as the outstanding notes and to the new series of 27/8% Convertible Notes due 2010 Series B as the new notes. The CUSIP number of the outstanding notes is 512815 AG 6, and the CUSIP number of the new notes is 512815 AH 4.

Upon completion of the exchange offer, each \$1,000 principal amount of outstanding notes that are validly tendered and not validly withdrawn will be exchanged for \$1,000 principal amount of new notes and an exchange fee of \$2.50.

The exchange offer expires at midnight, New York City time, on June 27, 2007, which we refer to as the expiration date, unless earlier terminated or extended by us.

Tenders of outstanding notes may be withdrawn at any time before midnight, New York City time on the expiration date of the exchange offer.

**The New Notes**

**Comparison:** The terms of the new notes differ from the terms of the outstanding notes in the following ways:

The new notes are convertible into shares of our Class A common stock, cash or a combination thereof, at our option.

The new notes are convertible only under the following circumstances: (1) if the closing sale price of our Class A common stock reaches, or the trading price of the notes falls below, specified thresholds, (2) if specified distributions to holders of our Class A common stock occur, (3) if a fundamental change or change of control occurs or (4) during the 10 business days prior to maturity. The outstanding notes are convertible at the option of the holders without restrictions.

The conversion rate applicable to the new notes will be increased if we become a party to a consolidation, merger or sale of all or substantially all of our assets that constitutes a fundamental change as described in this prospectus, subject to certain exceptions. The conversion rate for the new notes also will be adjusted for certain events, including payment of cash dividends on our Class A common stock. The *conversion rate* as that term is used in this prospectus means the conversion rate in effect at any given time.

**Maturity:** The new notes will mature on December 31, 2010.

**Interest Payments:** We will pay interest on June 30 and December 31 of each year, beginning on June 30, 2007.

**Ranking:** The new notes are our general unsecured obligations and will rank equally in right of payment with all of our other senior, unsecured debt obligations.

**Repurchase at Option of Holders:** Holders may require us to purchase for cash all or a portion of their new notes upon a change of control.

**See Risk Factors beginning on page 10 for a discussion of certain risks that you should consider before participating in the exchange offer.**

Neither the Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The dealer-manager for this exchange offer is:

**Wachovia Securities**

The date of this prospectus is \_\_\_\_\_, 2007

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No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You should not rely on any unauthorized information or representations. This prospectus is an offer to exchange only the new notes offered by this prospectus, and only under the circumstances and in those jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

Lamar Advertising Company is a Delaware corporation. Our principal executive offices are located at 5551 Corporate Blvd., Baton Rouge, LA 70808, and our telephone number at that address is (225) 926-1000. Our web site is located at <http://www.lamar.com>. The information on or linked to from the web site is not part of this prospectus.

In this prospectus, except as the context otherwise requires or as otherwise noted, Lamar Advertising, we, us and our refer to Lamar Advertising Company and its subsidiaries, except with respect to the notes, in which case such terms refer only to Lamar Advertising Company. Lamar Media Corp., our direct wholly owned subsidiary, is referred to

herein as Lamar Media.

### **WHERE YOU CAN FIND MORE INFORMATION**

We are required to file annual, quarterly and current reports, proxy statements, any amendments to those reports and other information with the SEC. You may read and copy any document we file at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Copies of all or a portion of such materials can be obtained from the Public Reference Section of the SEC upon payment of prescribed fees. Please call the SEC at 1-800-SEC-0330 for further information. Our SEC filings are also available to the public at the SEC's website at <http://www.sec.gov> and our internet website at <http://www.lamar.com>. The information on our website does not constitute a part of this prospectus and is not incorporated herein by reference.

### **INCORPORATION BY REFERENCE**

The SEC allows us to incorporate by reference the information we have filed with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is deemed to be a part of this prospectus. The reports and other documents we file after the date of this prospectus will update, supplement and supersede the information in this prospectus. We incorporate by reference the documents listed below and any documents we file subsequently with the SEC under Section 13(a), 13(c), 14, or 15(d) of the Exchange Act after the date of the

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initial registration statement and prior to the effectiveness of the registration statement and after the date of the prospectus and prior to the termination of the offering; provided, however, that we are not incorporating any information furnished under Item 2.02 or Item 7.01 of any Current Report on Form 8-K.

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2006, filed with the SEC on March 1, 2007;

Our Current Reports on Form 8-K filed with the SEC on March 19, 2007, March 29, 2007 and May 30, 2007;

Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2007, filed with the SEC on May 10, 2007; and

The description of our common stock in our registration statement on Form 8-A/A, filed on July 27, 1999, including any amendment or reports filed for the purpose of updating this description.

You may request a copy of these filings, at no cost, by writing or telephoning us at:

Lamar Advertising Company  
Attn: Keith Istre  
5551 Corporate Boulevard  
Baton Rouge, LA 70808  
(225) 926-1000

**INDUSTRY AND MARKET DATA**

The market data and other statistical information used throughout this prospectus are based on independent industry publications, government publications, reports by market research firms or other published independent sources. Some data are also based on our good faith estimates, which are derived from our review of internal surveys, as well as the independent sources listed above. Although we believe these sources are reliable, we have not independently verified the information and cannot guarantee its accuracy and completeness.

**STATEMENTS REGARDING FORWARD-LOOKING INFORMATION**

This prospectus contains forward-looking statements, including statements regarding our future financial performance and condition, business plans, objectives, prospects, growth and operating strategies and market opportunities. These are statements that relate to future periods and include statements regarding our anticipated performance.

Generally, the words anticipates, believes, expects, intends, estimates, projects, plans and similar expressions are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements or industry results, to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. These risks, uncertainties and other important factors include, among others:

risks and uncertainties relating to our significant indebtedness;

the demand for outdoor advertising;

the performance of the U.S. economy generally and the level of expenditures on outdoor advertising in particular;



our ability to renew expiring contracts at favorable rates;

the integration of companies that we acquire and our ability to recognize cost savings or operating efficiencies as a result of these acquisitions;

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our need for and ability to obtain additional funding for acquisitions or operations; and

the regulation of the outdoor advertising industry by federal, state and local governments.

Although we believe that the statements contained in this prospectus are based upon reasonable assumptions, we can give no assurance that our goals will be achieved. Given these uncertainties, you are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are made as of the date of this prospectus. We assume no obligation to update or revise them or provide reasons why actual results may differ.

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**PROSPECTUS SUMMARY**

*This summary highlights the information contained elsewhere in this prospectus. Because this is only a summary, it does not contain all of the information that may be important to you. For a more complete understanding of this exchange offer, we encourage you to read this entire prospectus and the documents incorporated by reference into the registration statement of which this prospectus forms a part. You should read the following summary together with the more detailed information and consolidated financial statements and the notes to those statements incorporated herein by reference. Unless otherwise indicated, financial information included or incorporated by reference into this prospectus is presented on an historical basis.*

**Lamar Advertising Company**

We are one of the largest outdoor advertising companies in the United States based on number of displays and have operated under the Lamar name since 1902. As of March 31, 2007, we owned and operated approximately 151,000 billboard advertising displays in 44 states, Canada and Puerto Rico, operated over 97,000 logo advertising displays in 19 states and the province of Ontario, Canada, and operated approximately 28,100 transit advertising displays in 17 states, Canada and Puerto Rico. We offer our customers a fully integrated service, satisfying all aspects of their billboard display requirements from ad copy production to placement and maintenance.

***Our Business***

We operate three types of outdoor advertising displays: billboards, logo signs and transit advertising displays.

***Billboards.*** We sell most of our advertising space on two types of billboards: bulletins and posters.

*Bulletins* are generally large, illuminated advertising structures that are located on major highways and target vehicular traffic.

*Posters* are generally smaller advertising structures that are located on major traffic arteries and city streets and target vehicular and pedestrian traffic.

In addition to these traditional billboards, we are also introducing digital billboards which are generally located on major traffic arteries and city streets. As of March 31, 2007, we owned and operated approximately 390 digital billboard advertising displays in 36 states.

***Logo Signs.*** We sell advertising space on logo signs located near highway exits.

*Logo signs* generally advertise nearby gas, food, camping, lodging and other attractions.

We are the largest provider of logo signs in the United States, operating 19 of the 25 privatized state logo sign contracts. As of March 31, 2007, we operated approximately 97,000 logo sign advertising displays in 19 states and Canada.

***Transit Advertising Displays.*** We also sell advertising space on the exterior and interior of public transportation vehicles, transit shelters and benches in 65 markets. As of March 31, 2007, we operated approximately 28,100 transit advertising displays in 17 states, Canada and Puerto Rico.

## Operating Strategies

We strive to be a leading provider of outdoor advertising services in each of the markets that we serve, and our operating strategies for achieving that goal include:

***Continuing to provide high quality local sales and service.*** We seek to identify and closely monitor the needs of our customers and to provide them with a full complement of high quality advertising services. Local advertising constituted approximately 80% of our net revenues for the three months ended March 31, 2007, which management believes is higher than the industry average. We believe that the

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experience of our regional and local managers has contributed greatly to our success. For example, regional managers have been with us for an average of 25 years. In an effort to provide high quality sales and service at the local level, we employed approximately 900 local account executives as of March 31, 2007. Local account executives are typically supported by additional local staff and have the ability to draw upon the resources of the central office, as well as offices in our other markets, in the event business opportunities or customers' needs support such an allocation of resources.

***Continuing a centralized control and decentralized management structure.*** Our management believes that, for our particular business, centralized control and a decentralized organization provide for greater economies of scale and are more responsive to local market demands. Therefore, we maintain centralized accounting and financial control over our local operations, but the local managers are responsible for the day-to-day operations in each local market and are compensated according to that market's financial performance.

***Continuing to focus on internal growth.*** Within our existing markets, we seek to increase our revenue and improve our cash flow by employing highly-targeted local marketing efforts to improve our display occupancy rates and by increasing advertising rates where and when demand can absorb rate increases. Our local offices lead this effort and respond to local customer demands quickly.

In addition, we routinely invest in upgrading our existing displays and constructing new displays. From January 1, 1997 to March 31, 2007, we invested approximately \$966 million in improvements to our existing displays and in constructing new displays. Our regular improvement and expansion of our advertising display inventory allow us to provide high quality service to our current advertisers and to attract new advertisers.

***Continuing to pursue strategic acquisitions.*** We intend to enhance our growth by continuing to pursue strategic acquisitions that result in increased operating efficiencies, greater geographic diversification, increased market penetration and opportunities for inter-market cross-selling. In addition to acquiring outdoor advertising assets in new markets, we acquire complementary outdoor advertising assets within existing markets and in contiguous markets. We have a proven track record of integrating acquired outdoor advertising businesses and assets. Since January 1, 1997, we have successfully completed over 800 acquisitions, including over 260 acquisitions for an aggregate purchase price of approximately \$670 million from January 1, 2004 to March 31, 2007. Although the advertising industry is becoming more consolidated, we believe acquisition opportunities still exist, given the industry's continued fragmentation among smaller advertising companies.

***Continuing to pursue other outdoor advertising opportunities.*** We plan to pursue additional logo sign contracts. Logo sign opportunities arise periodically, both from states initiating new logo sign programs and from states converting government-owned and operated programs to privately-owned and operated programs. Furthermore, we plan to pursue additional tourist oriented directional sign programs in both the United States and Canada and also other motorist information signing programs as opportunities present themselves. In an effort to maintain market share, we have entered the transit advertising business through the operation of displays on bus shelters, benches and buses in 65 of our advertising markets.

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**Summary of the Exchange Offer**

Purpose of the Exchange Offer	The purpose of the exchange offer is to change certain terms of the outstanding notes, including the type of consideration that we may use to pay holders upon conversion. The new notes are convertible into Class A common stock, cash or a combination thereof, at our option, subject to certain conditions, while the outstanding notes are convertible solely into Lamar's Class A common stock.
The Exchange Offer and Exchange Fee	We are offering to exchange \$1,000 principal amount of new notes and an exchange fee of \$2.50 for each \$1,000 principal amount of outstanding notes accepted for exchange.
Conditions to the Exchange Offer	The exchange offer is subject to customary conditions, which we may waive, including that the registration statement and any post-effective amendment to the registration statement covering the new notes be effective under the Securities Act of 1933, as amended, or the Securities Act. See The Exchange Offer Conditions to the Exchange Offer.
Expiration Date; Extension	This exchange offer will expire at midnight, New York City time, on June 27, 2007, unless extended or terminated by us, which date we refer to as the expiration date. We may extend the expiration date for any reason. If we decide to extend the exchange offer, we will announce the extension by press release or other permitted means no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date.
Procedures for Tendering Outstanding Notes	<p>In order to exchange outstanding notes, you must tender the outstanding notes together with a properly completed letter of transmittal and the other agreements and documents described in this prospectus and the letter of transmittal.</p> <p>If you own outstanding notes held through a broker or other third party, or in street name, you will need to follow the instructions in the letter of transmittal on how to instruct the broker or third party to tender the outstanding notes on your behalf, as well as submit a letter of transmittal and the other agreements and documents described in this prospectus and the letter of transmittal. We will determine in our reasonable discretion whether any outstanding notes have been validly tendered.</p> <p>Outstanding notes may be tendered by electronic transmission of acceptance through The Depository Trust Company's, or DTC's, Automated Tender Offer Program, or ATOP, procedures for transfer or by delivery of a signed letter of transmittal pursuant to the instructions described therein. Custodial entities that are participants in DTC must tender outstanding notes through DTC's ATOP, by which the custodial entity and the beneficial owner on whose behalf the custodial entity is acting agree to be bound by the letter of transmittal. A letter of transmittal need not accompany tenders effected through ATOP. Please carefully</p>

follow the

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instructions contained in this prospectus on how to tender your notes.

If we decide for any reason not to accept any outstanding notes for exchange, they will be returned without expense promptly after the expiration or termination of the exchange offer. See The Exchange Offer Procedures for Exchange.

**Guaranteed Delivery Procedures for Tendering Outstanding Notes**

If you cannot meet the expiration deadline or you cannot deliver your outstanding notes, the letter of transmittal or any other documentation to comply with the applicable procedures under DTC, Euroclear or Clearstream standard operating procedures for electronic tenders in a timely fashion, you may tender your notes according to the guaranteed delivery procedures set forth under The Exchange Offer Guaranteed Delivery Procedures.

**Acceptance of Outstanding Notes and Delivery of Exchange Notes**

We will accept any outstanding notes that are properly tendered for exchange before midnight, New York City time, on the day this exchange offer expires. The exchange notes will be delivered promptly after expiration of this exchange offer upon the terms and subject to the conditions in this prospectus and the letter of transmittal.

**Withdrawal Rights**

If you tender your outstanding notes for exchange in this exchange offer and later wish to withdraw them, you may do so at any time before midnight, New York City time, on the day this exchange offer expires.

**Consequences If You Do Not Exchange Your Outstanding Notes**

The liquidity and trading market for outstanding notes not tendered in the exchange offer could be adversely affected to the extent a significant number of the outstanding notes are tendered and accepted in the exchange offer. Holders who do not exchange their outstanding notes for new notes will not receive the exchange fee. Holders of outstanding notes who do not exchange their outstanding notes for new notes can continue to convert their outstanding notes during the term of the outstanding notes in accordance with the terms of the outstanding notes.

**United States Federal Income Tax Considerations**

The United States federal income tax consequences of the exchange of outstanding notes for new notes are not entirely clear. We intend to take the position, however, that the exchange of outstanding notes for new notes will not constitute a significant modification of the terms of the outstanding notes and that, as a result, the new notes will be treated as a continuation of the outstanding notes and there will be no United States federal income tax consequences to holders who participate in the exchange offer, except that holders will have to recognize the amount of the exchange fee as ordinary income. Unless an exemption applies, we may withhold at a rate of 30% from the payment of the exchange fee to any non-U.S. Holder (as defined herein) participating in the exchange offer. If, contrary to our position, the exchange of the outstanding notes for the new notes





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does constitute a significant modification to the terms of the outstanding notes, the U.S. federal income tax consequences to you could materially differ.

Exchange Agent

The Bank of New York Trust Company, N.A. is serving as the exchange agent. Its address and telephone number are provided on the back cover page of this prospectus. See [The Exchange Offer](#) [Exchange Agent](#).

Information Agent

The Altman Group has been appointed as the information agent for the exchange offer. Its address and telephone number are provided on the back cover of this prospectus. See [The Exchange Offer](#) [Information Agent](#).

Dealer-Manager

Wachovia Capital Markets, LLC ( [Wachovia Securities](#) or [Dealer-Manager](#) ) has been retained to act as dealer-manager in connection with the exchange offer. Its address and telephone number are provided on the back cover of this prospectus. See [The Exchange Offer](#) [Dealer-Manager](#).

Use of Proceeds

We will not receive any cash proceeds from this exchange offer. See [Use of Proceeds](#).

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The material differences between the outstanding notes and the new notes are described in the table below. The table below is qualified in its entirety by the information contained elsewhere in this prospectus and the documents governing the outstanding notes and the new notes, copies of which have been filed as exhibits to the registration statement of which this prospectus forms a part. For a more detailed description of the new notes, see Description of the New Notes.

	<b>Outstanding Notes</b>	<b>New Notes</b>
Securities Offered	\$287,500,000 aggregate principal amount of 27/8% Convertible Notes due 2010 (the outstanding notes ).	Up to \$287,500,000 aggregate principal amount of 27/8% Convertible Notes due 2010 Series B (the new notes ).
Conversion Rights	<p>Holder may convert their outstanding notes at their option at any time.</p>	<p>Holder may convert their new notes under the following circumstances:</p> <ul style="list-style-type: none"> <li>during any calendar quarter commencing at any time after September 30, 2007, but only during such calendar quarter, if the closing sale price of our Class A common stock for at least 20 trading days in a period of 30 consecutive trading days ending on the last trading day of the preceding calendar quarter is more than 160% of the conversion price per share, which is \$1,000 divided by the conversion rate;</li> <li>during the five business day period after any five consecutive trading day period in which the trading price per \$1,000 principal amount of new notes for each day of that period was less than 98% of the product of the closing sale price of our Class A common stock for each day of that period and the conversion rate;</li> <li>if specified distributions to holders of our Class A common stock are made, or specified corporate transactions occur;</li> <li>if a fundamental change or change of control occurs; or</li> <li>during the 10 trading days prior to, but excluding, the maturity date.</li> </ul>
Settlement upon Conversion	Upon conversion of the outstanding notes, we will deliver	Upon conversion of the new notes, we will deliver, in respect of each \$1,000 principal amount of new



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	<b>Outstanding Notes</b>	<b>New Notes</b>
shares of our Class A common stock at the conversion rate.	notes shares of our Class A common stock, cash or a combination thereof at our option.	For a detailed description of these provisions, see Description of the New Notes Conversion Settlement.
Make Whole Upon Fundamental Change	None.	If a fundamental change occurs and a holder elects to convert notes in connection with such transaction, we will increase the conversion rate in connection with such conversion by a number of additional shares of Class A common stock based on the date such transaction becomes effective and the price paid per share of Class A common stock in such transaction as described under Description of the New Notes Conversion Rate Adjustments Make Whole Upon Fundamental Change in this prospectus.
Dividend Protection	<p>If we distribute a quarterly cash dividend on shares of our Class A common stock, we will increase the conversion rate (by multiplying the conversion rate in effect immediately before the dividend record date by a fraction, the numerator of which is the five day average closing sale price per share of the Class A common stock, and the denominator of which is the five day average closing sale price per share of the Class A common stock minus the amount of the cash dividend per share), based on the amount by which the quarterly cash dividend per share exceeds 1.25% of the five day average closing sale price per share of Class A common stock.</p> <p>If we distribute a non-quarterly cash dividend on our Class A common stock, we will increase the conversion rate by the same formula, based upon the full amount of the non- quarterly cash dividend per share.</p>	<p>If we distribute a quarterly or non-quarterly cash dividend on shares of our Class A common stock, we will increase the conversion rate (by multiplying the conversion rate in effect immediately before the dividend record date by a fraction, the numerator of which is the ten day average closing sale price per share of the Class A common stock plus the amount of the cash dividend per share, and the denominator of which is the ten day average closing sale price per share of the Class A common stock), based upon the full amount of the cash dividend per share.</p>



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**Summary of the New Notes**

*The following is a summary of some of the terms of the new notes. For a more complete description of the new notes, see Description of the New Notes.*

Issuer	Lamar Advertising Company.
New Notes	Up to \$287,500,000 aggregate principal amount of 27/8% Convertible Notes due 2010 Series B.
Maturity Date	December 31, 2010.
Interest Rate	27/8% per year.
Interest Payment Date	June 30 and December 31 of each year, beginning June 30, 2007.
Conditions to Conversion	<p>                     Holders may surrender their notes for shares of our Class A common stock, cash or a combination thereof, as elected by us, at the conversion rate. The initial conversion rate for each \$1,000 principal amount of new notes is 20.4518, which is equivalent to an initial conversion price of approximately \$48.90 per share of Class A common stock. The new notes will only be convertible under the following circumstances:                 </p> <ul style="list-style-type: none"> <li> <p>during any calendar quarter commencing at any time after September 30, 2007 but only during such calendar quarter, if the closing sale price of our Class A common stock for at least 20 trading days in a period of 30 consecutive trading days ending on the last trading day of the preceding calendar quarter is more than 160% of the conversion price per share, which is \$1,000 divided by the conversion rate;</p> </li> <li> <p>during the five business day period after any five consecutive trading day period in which the trading price per \$1,000 principal amount of new notes for each day of that period was less than 98% of the product of the closing sale price of our Class A common stock for each day of that period and the conversion rate;</p> </li> <li> <p>if specified distributions to holders of our Class A common stock are made, or specified corporate transactions occur;</p> </li> <li> <p>if a fundamental change or change of control occurs; or</p> </li> <li> <p>during the 10 trading days prior to, but excluding, the maturity date.</p> </li> </ul>
Conversion Rate Adjustments	<p>                     If a fundamental change occurs and a holder elects to convert notes in connection with such transaction, we will increase the conversion rate in connection with such conversion by a number of additional shares of Class A common stock based on the date such transaction becomes effective and the price paid per share of Class A common stock in such transaction as described under Description of the New Notes Conversion                 </p>

Rate Adjustments Make Whole Upon Fundamental Change in this prospectus. The conversion rate for the new notes also will be adjusted for certain events, including payment of cash dividends on our Class A common stock.



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If we undergo a public acquirer fundamental change, however, we may elect to change the conversion rights of the new notes that are converted in connection with that public acquirer fundamental change (in lieu of increasing the conversion rate applicable to the new notes that are converted in connection with that public acquirer fundamental change), as described under Description of the New Notes Conversion Rate Adjustments Fundamental Change Involving a Public Acquirer Fundamental Change in this prospectus.

Repurchase at Option of Holders Upon a Change of Control If we undergo a change of control, as that term is defined in the new notes, you will have the right, subject to certain conditions and restrictions, to require us to repurchase your notes, in whole or in part, at 100% of the principal amount of the new notes, plus accrued interest to the date of repurchase. See Description of the New Notes Repurchase at Option of Holders Upon a Change of Control.

Ranking The new notes are our general unsecured obligations and will rank equally in right of payment with all of our other senior, unsecured debt obligations. The new notes will be effectively subordinated to all existing and future liabilities of our subsidiaries, partnerships and affiliated joint ventures. As of March 31, 2007, our subsidiaries had approximately \$2.2 billion of total debt outstanding (excluding a mirror note issued by Lamar Media to us in aggregate principal amount of \$287.5 million) that effectively ranked senior to the new notes.

Voting Rights of Class A Common Stock We have two classes of common stock: Class A common stock and Class B common stock. The Class A common stock and the Class B common stock have the same rights and powers, except that a share of Class A common stock entitles the holder to one vote and a share of Class B common stock entitles the holder to ten votes. The Reilly Family Limited Partnership, which is controlled by Kevin P. Reilly, Jr., our President and Chief Executive Officer, and certain members of the Reilly family are the beneficial owners of all the outstanding shares of Class B common stock, representing approximately 65% of the total voting power of the common stock.

**Risk Factors**

See Risk Factors for a discussion of certain factors that you should carefully consider before investing in the new notes.

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**RISK FACTORS**

*Before deciding whether to tender your outstanding notes, you should carefully consider the following information in addition to the other information contained in this prospectus and the documents incorporated by reference into this prospectus. If any of the following risks actually occurs, our business, financial condition and results of operations could be materially adversely affected.*

*This prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those implied by our forward-looking statements. See also **Statements Regarding Forward-Looking Information.***

**Risks Related to the Exchange Offer**

*Holders who fail to exchange their outstanding notes may have reduced liquidity after the exchange offer.*

We have not conditioned the exchange offer on receipt of any minimum or maximum principal amount of outstanding notes. As outstanding notes are tendered and accepted in the exchange offer, the principal amount of remaining outstanding notes will decrease. This decrease could reduce the liquidity of the trading market for the outstanding notes. We cannot assure you of the liquidity, or even the continuation, of any trading market for the outstanding notes following the exchange offer.

*The value of the new notes may be less than the value of the outstanding notes.*

We are not making a recommendation as to whether holders of the outstanding notes should exchange them. We have not retained, and do not intend to retain, any unaffiliated representative to act solely on behalf of the holders of the outstanding notes for purposes of negotiating the terms of the exchange offer or preparing a report concerning the fairness of the exchange offer. The value of the new notes received in the exchange offer may not in the future equal or exceed the value of the outstanding notes tendered, and we do not take a position as to whether you should participate in the exchange offer.

*You must comply with the exchange offer procedures to receive new notes.*

Delivery of new notes in exchange for outstanding notes tendered and accepted for exchange pursuant to the exchange offer will be made only after timely receipt by the exchange agent of the following:

certificates for outstanding notes or a book-entry confirmation of a book-entry transfer of outstanding notes into the exchange agent's account at DTC, New York, New York as a depository, including an agent's message, as defined in this prospectus, if the tendering holder does not deliver a letter of transmittal;

a complete and signed letter of transmittal, or facsimile copy, with any required signature guarantees, or, in the case of a book-entry transfer, an agent's message in place of the letter of transmittal; and

any other documents required by the letter of transmittal.

Therefore, holders of outstanding notes who would like to tender outstanding notes in exchange for new notes should allow enough time for the necessary documents to be timely received by the exchange agent. We are not required to notify you of defects or irregularities in tenders of outstanding notes for exchange. See **The Exchange Offer**

Procedures for Exchange and The Exchange Offer Miscellaneous.

If you exchange your outstanding notes in the exchange offer for the purpose of participating in a distribution of the new notes, you may be deemed to have received restricted securities. If you are deemed to have received restricted securities, you will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

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***An active trading market may not develop for the new notes.***

Although there is an active trading market in the Class A common stock of Lamar Advertising, the new notes have no established trading market and will not be listed on any securities exchange. The new notes will be eligible for trading in The PORTAL Market. The liquidity of any market for the new notes will depend upon various factors, including:

- the number of holders of the new notes;
- the interest of securities dealers in making a market for the new notes;
- the overall market for convertible securities;
- the trading price of our Class A common stock;
- our financial performance or prospects; and
- the prospects for companies in our industry generally.

Accordingly, we cannot assure you that a market or liquidity will develop for the new notes.

***The U.S. federal income tax consequences of the exchange of the outstanding notes for the new notes are not entirely clear.***

The U.S. federal income tax consequences of the exchange