

LAMAR ADVERTISING CO/NEW

Form DEF 14A

April 25, 2008

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

**SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Lamar Advertising Company

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement,
if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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LAMAR ADVERTISING COMPANY

5551 Corporate Boulevard

Baton Rouge, Louisiana 70808

(225) 926-1000

NOTICE OF 2008 ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 22, 2008

To the Stockholders:

The 2008 Annual Meeting of Stockholders of Lamar Advertising Company, a Delaware corporation (the Company), will be held at the offices of Lamar Advertising Company, 5551 Corporate Boulevard, Baton Rouge, Louisiana, at 9:00 a.m. on Thursday, May 22, 2008, for the following purposes:

1. To elect eight directors, each for a one-year term.
2. To ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the 2008 fiscal year.
3. To transact any other business as may properly come before the meeting.

Only stockholders of record at the close of business on April 2, 2008 will be entitled to vote at the meeting.

It is important that your shares be represented at the meeting. Therefore, whether or not you plan to attend the meeting, please complete your proxy and return it in the enclosed envelope, which requires no postage if mailed in the United States. If you attend the meeting and wish to vote in person, your proxy will not be used.

By order of the Board of Directors,

James R. McIlwain

Secretary

Baton Rouge, Louisiana

April 25, 2008

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**LAMAR ADVERTISING COMPANY
PROXY STATEMENT
FOR THE ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MAY 22, 2008
GENERAL INFORMATION**

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Lamar Advertising Company for use at the Annual Meeting of Stockholders to be held at the offices of Lamar Advertising Company, 5551 Corporate Boulevard, Baton Rouge, Louisiana, at 9:00 a.m. on Thursday, May 22, 2008, and at any adjournments of the Annual Meeting.

We are mailing this proxy statement, along with our annual report to stockholders for the fiscal year ended December 31, 2007, to our stockholders on or about April 25, 2008. Our annual report to stockholders includes a copy of our annual report on Form 10-K for the fiscal year ended December 31, 2007 as filed with the Securities and Exchange Commission (the "SEC"), except for certain exhibits.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on May 22, 2008

The proxy statement and annual report to security holders are available at www.proxydocs.com/lamr.

Record Date, Voting Rights and Outstanding Shares

The Board of Directors has fixed April 2, 2008 as the record date for determining holders of our capital stock who are entitled to vote at the Annual Meeting.

We have two classes of common stock and one class of preferred stock issued and outstanding: Class A Common Stock, \$.001 par value per share, Class B Common Stock, \$.001 par value per share, and Series AA Preferred Stock, \$.001 par value per share. We refer to our Class A Common Stock and our Class B Common Stock collectively as our common stock.

With respect to the matters submitted for vote at the Annual Meeting, each share of Class A Common Stock is entitled to one vote, each share of Class B Common Stock is entitled to ten votes, and each share of Series AA Preferred Stock is entitled to one vote.

Our Class A Common Stock, Class B Common Stock and Series AA Preferred Stock will vote as a single class on the matters submitted at the Annual Meeting. On April 2, 2008, there were outstanding and entitled to vote 77,003,834 shares of Class A Common Stock, 15,372,865 shares of Class B Common Stock, and 5,719.49 shares of Series AA Preferred Stock.

The presence at the Annual Meeting, in person or by proxy, of the holders of one-third of the votes represented by the Class A Common Stock, the Class B Common Stock, and the Series AA Preferred Stock issued and outstanding on April 2, 2008 will constitute a quorum for the transaction of business. Proxies submitted by brokers that do not indicate a vote for the proposal because the brokers do not have discretionary voting authority and have not received instructions from the beneficial owners on how to vote on the proposal are called "broker non-votes." We will count broker non-votes, votes withheld, and abstentions as being present at the Annual Meeting in determining whether a quorum exists for the transaction of business at the Annual Meeting.

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Stockholders who do not attend the Annual Meeting in person may submit proxy cards by mail. Proxy cards in the enclosed form, if received in time for voting and not revoked, will be voted at the Annual Meeting according to the instructions on the proxy cards. If no instructions are indicated, the shares represented by the proxy will be voted:

FOR the election of the Director nominees named herein;

FOR the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the 2008 fiscal year; and

In accordance with the judgment of the proxy holders as to any other matter that may be properly brought before the Annual Meeting or any adjournments of the Annual Meeting.

We will not count shares that abstain from voting on a particular matter or shares represented by broker non-votes as votes cast on that matter. Accordingly, abstentions and broker non-votes will have no effect on the outcome of voting on matters to be voted on at the Annual Meeting that require the affirmative vote of a certain percentage or a plurality of the votes cast on a matter.

Voting of Proxies

You may vote by mail or in person at the Annual Meeting. To vote by mail, please sign, date, and complete the enclosed proxy card and return it in the enclosed self-addressed envelope. If you hold your shares through a bank, broker or other nominee, it will give you separate instructions for voting your shares.

Revocability of Proxies

Any stockholder giving a proxy has the power to revoke it at any time before it is exercised. You may revoke the proxy by filing an instrument of revocation or a duly executed proxy bearing a later date with our Secretary at our principal executive offices, 5551 Corporate Boulevard, Baton Rouge, Louisiana 70808. You may also revoke your proxy by attending the Annual Meeting and voting in person. If you do not revoke your proxy, we will vote the proxy at the Annual Meeting in accordance with the instructions indicated on your proxy card.

Householding of Annual Meeting Materials

Some banks, brokers, and other nominee record holders may be householding our proxy statements and annual reports. This means that only one copy of our proxy statement and annual report to stockholders may have been sent to multiple stockholders in your household. We will promptly deliver a separate copy of either document to you upon request. Requests may be made by phone ((225) 926-1000) or in writing to our principal executive offices at 5551 Corporate Boulevard, Baton Rouge, Louisiana 70808, Attention: Secretary. If you want to receive separate copies of the proxy statement or annual report to stockholders in the future, or if you are receiving multiple copies and would like to receive only one copy per household, you should contact your bank, broker or other nominee record holder, or you may contact us at the above address and telephone number.

Table of Contents**SHARE OWNERSHIP****Common Stock**

The following table sets forth certain information known to us as of April 1, 2008 with respect to the shares of our Class A and Class B Common Stock that are beneficially owned as of that date by: (i) each of our directors and each of our nominees for director; (ii) each of our executive officers named in the 2007 Summary Compensation Table; (iii) all of our directors and executive officers as a group; and (iv) each person known by us to beneficially own more than 5% of our Class A or Class B Common Stock. Our Class B Common Stock is convertible into Class A Common Stock on a one-for-one basis. Except as otherwise indicated, we believe each beneficial owner named below has sole voting and sole investment power with respect to all shares beneficially owned by that holder.

Beneficial Owner	Title of Class	No. of Shares Owned	Percent of Class
Directors, Nominees for Director and Executive Officers			
Kevin P. Reilly, Jr.	Class A	323,838 ⁽¹⁾	*
	Class B ⁽²⁾	11,362,250 ⁽³⁾⁽⁴⁾	12.9% ⁽⁵⁾
Sean E. Reilly	Class A	179,864 ⁽⁶⁾	*
	Class B ⁽²⁾	10,757,835 ⁽³⁾	12.3% ⁽⁷⁾
Anna Reilly	Class A	11,980	*
	Class B ⁽²⁾	10,540,280 ⁽³⁾⁽⁸⁾	12.0% ⁽⁹⁾
Wendell Reilly	Class A	229,636 ⁽¹⁰⁾	*
	Class B ⁽²⁾	9,712,500 ⁽³⁾⁽¹¹⁾	11.2% ⁽¹²⁾
Keith A. Istre	Class A	95,580 ⁽¹³⁾	*
Stephen P. Mumblow	Class A	33,279 ⁽¹⁴⁾	*
John Maxwell Hamilton	Class A	32,969 ⁽¹⁵⁾	*
Thomas V. Reifenheiser	Class A	32,202 ⁽¹⁶⁾	*
Robert M. Jelenic	Class A	9,349 ⁽¹⁷⁾	*
John E. Koerner, III	Class A	295	*
All Current Directors and Executive Officers as a Group (10 Persons)	Class A & B	16,321,857 ⁽¹⁸⁾	19.0% ⁽¹⁹⁾
Five Percent Stockholders			
The Reilly Family Limited Partnership	Class B ⁽²⁾	9,000,000	10.5% ⁽²⁰⁾
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202	Class A	15,011,413 ⁽²¹⁾	19.5%
SPO Advisory Corp. 591 Redwood Highway, Suite 3215 Mill Valley, CA 94941	Class A	12,526,214 ⁽²²⁾	16.3%
Janus Capital Management LLC 151 Detroit Street Denver, CO 80206	Class A	6,329,639 ⁽²³⁾	8.2%
Charles W. Lamar III	Class A	4,065,385 ⁽²⁴⁾	5.3%

* Less than 1%.

(1) Includes
122,500 shares

subject to stock
options
exercisable
within 60 days
of April 1, 2008.

- (2) Upon the sale of
any shares of
Class B
Common Stock
to a person other
than to a
Permitted
Transferee, such
shares will
automatically
convert into
shares of
Class A
Common Stock.
Permitted
Transferees
include
(i) Kevin P.
Reilly, Sr.; (ii) a
descendant of
Kevin P. Reilly,
Sr.; (iii) a
spouse or
surviving
spouse (even if
remarried) of
any individual
named or
described in
(i) or (ii) above;
(iv) any estate,
trust,
guardianship,
custodianship,
curatorship or
other fiduciary
arrangement for
the primary
benefit of any
one or more of
the individuals
named or
described in (i),
(ii), and
(iii) above; and

(v) any corporation, partnership, limited liability company or other business organization controlled by and substantially all of the interests in which are owned, directly or indirectly, by any one or more of the individuals and entities named or described in (i), (ii), (iii), and (iv) above. Except for voting rights, the Class A and Class B Common Stock are substantially identical. The holders of Class A Common Stock and Class B Common Stock vote together as a single class (except as may otherwise be required by Delaware law), with the holders of Class A Common Stock entitled to one vote per share and the holders of Class B Common Stock entitled to ten votes per share on all matters on which the

holders of
common stock
are entitled to
vote.

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- (3) Includes 9,000,000 shares held by the Reilly Family Limited Partnership (the RFLP), of which Kevin P. Reilly, Jr. is the managing general partner. Kevin Reilly s three siblings, Anna Reilly (a nominee for director), Sean E. Reilly (the Chief Operating Officer and Vice President) and Wendell Reilly (a nominee for director) are the other general partners of the RFLP. The managing general partner has sole voting power over the shares held by the RFLP but dispositions of the shares require the approval of 50% of the general partnership interests of the RFLP. Anna Reilly, Sean Reilly, and Wendell Reilly disclaim beneficial ownership in the shares held by the RFLP, except to the extent of

their pecuniary interest therein.

- (4) Includes 377,474 shares held by the Kevin P. Reilly, Jr. Family Trust.
- (5) Represents 12.9% of the Class A Common Stock if all shares of Class B Common Stock are converted into Class A Common Stock.
- (6) Includes 122,500 shares subject to stock options exercisable within 60 days of April 1, 2008.
- (7) Represents 12.3% of the Class A Common Stock if all shares of Class B Common Stock are converted into Class A Common Stock.
- (8) Includes 1,540,280 shares owned jointly by Anna Reilly and her spouse.
- (9) Represents 12.0% of the Class A Common Stock if all shares of Class B Common Stock

are converted
into Class A
Common Stock.

- (10) Includes
 - (i) 104,171
shares held in
trusts of which
Wendell Reilly
is the trustee and
 - (ii) 125,233
shares pledged
pursuant to letter
of credit
facilities.

- (11) Includes
 - (i) 200,000
shares held in a
trust of which
Wendell Reilly
is the trustee and
 - (ii) 512,500
shares pledged
pursuant to letter
of credit
facilities.

- (12) Represents
11.2% of the
Class A
Common Stock
if all shares of
Class B
Common Stock
are converted
into Class A
Common Stock.

- (13) Includes 58,860
shares of Class A
Common Stock
subject to stock
options
exercisable
within 60 days of
April 1, 2008.

- (14) Includes 30,000
shares of Class A
Common Stock

subject to stock
options
exercisable
within 60 days of
April 1, 2008.

(15) Includes 30,000
shares of Class A
Common Stock
subject to stock
options
exercisable
within 60 days of
April 1, 2008,
and 1,000 shares
owned jointly
with his spouse.

(16) Includes 30,000
shares of Class A
Common Stock
subject to stock
options
exercisable
within 60 days of
April 1, 2008.

(17) Includes 8,000
shares of Class A
Common Stock
subject to stock
options
exercisable
within 60 days of
April 1, 2008.

(18) See Notes 1, 3,
4, 6, 8, 10, 11
and 13-17.

(19) Assumes the
conversion of all
shares of Class B
Common Stock
into shares of
Class A
Common Stock.

(20) Represents
10.5% of the
Class A

Common Stock
if all shares of
Class B
Common Stock
are converted
into Class A
Common Stock.

- (21) These securities are owned by various individual and institutional investors, which T. Rowe Price Associates, Inc. (Price Associates) serves as investment adviser with power to direct investments and/or sole power to vote the securities. For purposes of the reporting requirements of the Securities Exchange Act of 1934, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities. The address of Price Associates is 100 E. Pratt Street, Baltimore, MD 21202. Based on the

Schedule 13G
filed with the
SEC by Price
Associates for
the year ended
December 31,
2007.

- (22) Consists of
11,654,569
shares of the
issuer's common
stock that are
owned directly
by SPO Partners
II, L.P. (SPO
Partners), and
may be deemed
to be indirectly
beneficially
owned by
(i) SPO
Advisory
Partners, L.P.
(SPO Advisory),
the sole general
partner of SPO
Partners,
(ii) SPO
Advisory Corp.
(SPO Corp.), the
sole general
partner of SPO
Advisory, and
(iii) John H.
Scully (JHS),
William E.
Oberndorf
(WEO) and
William J.
Patterson (WJP),
the three
controlling
persons of SPO
Corp.
Additionally,
504,530 shares
of the issuer's
common stock
are owned
directly by San

Francisco Partners II, L.P. (SF Partners), and may be deemed to be indirectly beneficially owned by (i) SF Advisory Partners, L.P. (SF Advisory), the sole general partner of SF Partners, (ii) SPO Corp., the sole general partner of SF Advisory, and (iii) JHS, WEO & WJP, the three controlling persons of SPO Corp. Based on the Schedule 13D filed with the SEC by the SPO Advisory Corp. for the year ended December 31, 2007 and the Form 4 filed with the SEC by the SPO Advisory Corp. on April 1, 2008.

(23) Includes 99,141 shares beneficially owned by Enhanced Investment Technologies LLC over which Janus Capital Management LLC shares voting and investment power. The

address of Janus
Capital
Management
LLC is 151
Detroit Street,
Denver, CO
80206. Based on
the
Schedule 13G/A
filed with the
SEC by Janus
Capital
Management
LLC for the year
ended
December 31,
2007.

- (24) Includes (i) the following shares over which Mr. Lamar holds sole voting and dispositive power:
- (a) 100,000 shares that Mr. Lamar has exchanged for units in exchange funds over which he retains voting power;
 - (b) 200,000 shares that are subject to outstanding OTC call options;
 - (c) 1,538,861 shares held by CWL3, LLC, CWL3 No. 2DG, LLC, and Lamar Investment Fund, LLC, of which 300,000 shares have been pledged pursuant to forward sales contracts and

400,000 shares
are subject to
outstanding OTC
call options; and
(d) 5,710 shares
owned by
Mr. Lamar's
children, as to
which
Mr. Lamar
disclaims

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beneficial ownership; and
(ii) the following shares over which Mr. Lamar shares voting and dispositive power:
(a) 877,272 shares held in trust for Mr. Lamar's two children who reside with him, of which 70,000 shares have been exchanged for units in an exchange fund over which they retain voting power; Mr. Lamar disclaims beneficial ownership of the shares held by the trusts;
(b) 183,588 shares held by a charitable trust of which Mr. Lamar's spouse is the trustee; Mr. Lamar disclaims beneficial ownership of the shares held by the charitable trust; and
(c) 50,750 shares owned by Mr. Lamar's spouse; Mr. Lamar disclaims

beneficial
ownership of the
shares held by
his spouse.

Preferred Stock

The Company also has outstanding 5,719.49 shares of Series AA Preferred Stock. Holders of Series AA Preferred Stock are entitled to one vote per share. The Series AA Preferred Stock is held as follows: 3,134.8 shares (54.8%) by the RFLP, of which Kevin P. Reilly, Jr. is the managing general partner and Anna Reilly, Sean E. Reilly, and Wendell Reilly are the general partners; 1,500 shares (26.2%) by Charles W. Lamar III; and 1,084.69 shares (19.0%) by Mary Lee Lamar Dixon. The aggregate outstanding Series AA Preferred Stock represents less than 1% of the capital stock of the Company.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Our directors, our executive officers and anyone owning beneficially more than ten percent of our registered equity securities are required under Section 16(a) of the Securities Exchange Act of 1934 to file with the SEC reports of their ownership and changes to their ownership of our securities. They must also furnish copies of the reports to us. Based solely on our review of the reports furnished to us and any written representations we received that no other reports were required, we believe that, during the fiscal year ended December 31, 2007, our officers, directors and ten-percent stockholders complied with all Section 16(a) filing requirements applicable to them, except that the Reilly Family Limited Partnership failed to make a timely filing upon becoming a 10% holder, which filing was triggered by the decrease in shares outstanding resulting from the Company's stock repurchase plan.

EXECUTIVE OFFICERS OF THE REGISTRANT

Name	Age	Title
Kevin P. Reilly, Jr.	53	Chairman, President, and Chief Executive Officer
Keith A. Istre	55	Chief Financial Officer and Treasurer
Sean E. Reilly	46	Chief Operating Officer and President of the Outdoor Division

Each officer's term of office extends until the meeting of the Board of Directors following the next annual meeting of stockholders and until a successor is elected and qualified or until his earlier resignation or removal.

Kevin P. Reilly, Jr. has served as our President and Chief Executive Officer since February 1989 and as one of our directors since February 1984. Mr. Reilly served as the President of our Outdoor Division from 1984 to 1989. Mr. Reilly, our employee since 1978, has also served as Assistant and General Manager of our Baton Rouge Region and Vice President and General Manager of the Louisiana Region. Mr. Reilly received a B.A. from Harvard University in 1977.

Keith A. Istre has been Chief Financial Officer of the Company since February 1989. Mr. Istre joined the Company as Controller in 1978 and became Treasurer in 1985. Prior to joining the Company, Mr. Istre was employed by a public accounting firm in Baton Rouge from 1975 to 1978. Mr.

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Istre graduated from the University of Southwestern Louisiana in 1974 with a degree in Accounting.

Sean E. Reilly has been Chief Operating Officer and President of the Company's Outdoor Division since November 2001. Mr. Reilly also holds the position of Vice President of Mergers and Acquisitions. He began working with the Company as Vice President of Mergers and Acquisitions in 1987 and served in that capacity until 1994. He also served as a director of the Company from 1989 to 1996 and from 1999 until 2003. Mr. Reilly was the Chief Executive Officer of Wireless One, Inc., a wireless cable television company, from 1994 to 1997 after which he rejoined the Company. Mr. Reilly received a B.A. from Harvard University in 1984 and a J.D. from Harvard Law School in 1989.

PROPOSAL NO. 1: ELECTION OF DIRECTORS

The Board of Directors has fixed the number of directors at eight for the coming year. The Board of Directors, upon recommendation from the Nominating and Corporate Governance Committee, has nominated the individuals listed below for election as directors at the Annual Meeting of Stockholders to be held on May 22, 2008, to serve until the next Annual Meeting of Stockholders and until their successors are elected and qualified. Each nominee has consented to being named a nominee in this proxy statement and to serve, if elected, as a director. If any nominee is unable to serve, proxies will be voted for such other candidates as may be nominated by the Board of Directors.

Required Vote

Directors will be elected by a plurality of the votes cast by the stockholders entitled to vote on this proposal at the meeting. Abstentions, broker non-votes, and votes withheld will not be treated as votes cast for this purpose and will not affect the outcome of the election.

The Board of Directors recommends that you vote FOR the election of each of the nominees listed below.

Nominees for Director

The following table contains certain information about the nominees for director as of April 15, 2008. All of the directors' present terms expire in 2008.

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Name and Age	Business Experience During Past Five Years and Other Directorships	Director Since
Kevin P. Reilly, Jr. Age: 53	Kevin P. Reilly, Jr. has served as our President and Chief Executive Officer since February 1989 and as one of our directors since February 1984. Mr. Reilly served as the President of our Outdoor Division from 1984 to 1989. Mr. Reilly, our employee since 1978, has also served as Assistant and General Manager of our Baton Rouge Region and Vice President and General Manager of the Louisiana Region. Mr. Reilly received a B.A. from Harvard University in 1977.	1984
Anna Reilly Age: 44	From 1995 until 2000, Mrs. Reilly owned and operated Lula's Cafe, a restaurant, and served on the Board of Directors of several community-based organizations in South Bend, Indiana. Mrs. Reilly currently is a director of St. Joseph Capital Corporation in South Bend. Prior to living and raising her family in Indiana, Mrs. Reilly worked for the Corporation for National Service and the Ashoka Foundation in Washington, D.C. Mrs. Reilly received her B.A. from Emory University in 1985, and a Masters of Public Policy from Duke University in 1990.	2001
Wendell Reilly Age: 50	Wendell Reilly has been the Managing Partner of Grapevine Partners, LLC, a media and communications investment company, since 2000. Mr. Reilly is also the Chief Executive Officer of SignPost Networks, LLC, an advertising company focusing on electronic displays located in transit centers, and a director of Piedmont Television LLC. Mr. Reilly currently serves as a trustee of Emory University and as an advisory board member of Hands On Atlanta. Mr. Reilly previously served as the Company's Chief Financial Officer from 1985 to 1989 and director from 1999 to 2001, as well as the Chief Financial Officer of Haas Publishing Companies from 1989 to 1993. Mr. Reilly received a B.A. in English from Emory University in 1980, and an M.B.A. in Finance from Vanderbilt University in 1983.	2005
Stephen P. Mumbrow Age: 52	Stephen P. Mumbrow is the President of Manhan Media, Inc., an investment company in broadcasting and other media concerns. Mr. Mumbrow is also a director of the Journal Register Company. Until January 2002, Mr. Mumbrow was the President and a Director of Communications Corporation of America, a television and radio broadcasting company, having joined that company in 1998. Mr. Mumbrow was a Managing Director of Chase Securities, Inc., an investment banking firm, from March 1988 to August 1998. Prior to that, he was a Vice President of Michigan Energy Resources Company, an intrastate natural gas utility company and cable television and broadcasting concern, and Citibank, N.A., a commercial bank. Mr. Mumbrow is a 1977 graduate of The Wharton	1999

School, University of Pennsylvania with a B.S. Degree in Economics.

John Maxwell Hamilton
Age: 61

John Maxwell Hamilton has served as Dean of the Manship School of Mass Communications of Louisiana State University since 1992. In addition, Mr. Hamilton worked on the staff of the World Bank, the United States House of Representatives Subcommittee on Economic Policy and Trade, and the United States Agency for International Development. Mr. Hamilton received a B.A. in Journalism from Marquette University in 1969, an M.S. in Journalism from Boston University in 1974 and a Ph.D. from George Washington University in 1983.

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Name and Age	Business Experience During Past Five Years and Other Directorships	Director Since
Thomas V. Reifenheiser Age: 72	Thomas V. Reifenheiser was a Managing Director and Group Executive for the Global Media and Telecom Group of Chase Securities Inc., an investment banking firm, from 1995 to 2000. He joined Chase in 1963 and was the Global Media and Telecom Group Executive since 1977. He is a member of the Board of Directors of Mediacom Communications Corporation, Cablevision Systems Corporation and Citadel Broadcasting Corporation, and he served as a director of F+W Publications Inc. until that company was sold in 2005. Mr. Reifenheiser received a B.B.A. from Hofstra University and an M.B.A. from The Wharton School, University of Pennsylvania.	2000
Robert M. Jelenic Age: 57	Robert M. Jelenic was a director and the Chief Executive Officer of the Journal Register Company (NYSE: JRC) from 1990-2007, became Chairman of the Board in 1997, and served as President from 1990 until 2005. He was a director of the Audit Bureau of Circulations from 2003-2007. Admitted to the Ontario Institute of Chartered Accountants in 1974, Mr. Jelenic began his business career with Arthur Andersen in Toronto, Ontario, Canada in 1972. Mr. Jelenic has 32 years of senior management experience in the newspaper industry, including 12 years with the Toronto Sun Publishing Group. Mr. Jelenic grew up in Sudbury, Ontario and graduated from Laurentian University in Sudbury, Ontario with an honors Bachelor of Commerce degree.	2004
John E. Koerner, III Age: 65	John E. Koerner III has been the managing member of Koerner Capital, LLC, a private investment company, or the President of its predecessor, Koerner Capital Corporation since 1995. From 1976 to 1995, Mr. Koerner was President and co-owner of Barq's, Inc. and its subsidiary, The Delaware Punch Company. Mr. Koerner is a member of a number of civic boards including The Nature Conservancy of Louisiana and the World War II Museum. He served as Chairman of the New Orleans Regional Chamber of Commerce for 1995, was a past Co-Chairman of Metrovision, and was the 2002-2003 Chairman of the New Orleans Business Council. He serves on a number of business boards including Legg Mason, Inc., St. Charles Pharmaceuticals, Finetooth, Inc. and Selltis, LLC. Mr. Koerner earned a Bachelor of Science in 1965, a Juris Doctor in 1969 and a Master of Business Administration in 1971, all from Tulane University.	2007

Family Relationships

Kevin P. Reilly, Jr., our Chairman, President, and Chief Executive Officer, Sean Reilly, our Chief Operating Officer, and our directors Anna Reilly and Wendell Reilly are siblings. Kevin P. Reilly, Jr., Anna Reilly and Wendell Reilly are also nominees for director at the Annual Meeting.

BOARD OF DIRECTORS AND COMMITTEES

During the year ended December 31, 2007, our Board of Directors held four meetings. Each of our directors attended at least 75% of the aggregate of the total number of meetings of our Board and the total number of meetings of our Board's committee meetings for the committee(s) on which that director

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served. Mr. Koerner was elected to the Board and became a member of the Audit Committee on December 13, 2007. The Board has standing Audit, Compensation and Nominating and Governance Committees. During the year ended December 31, 2007, the Audit Committee held eight meetings, the Compensation Committee held eight meetings, and the Nominating and Governance Committee held three meetings. We encourage, but do not require, our board members to attend the Annual Meeting of Stockholders. Last year, all of our directors attended the Annual Meeting of Stockholders.

Director Independence. The Board has determined that Messrs. Hamilton, Jelenic, Mumblow, Reifenheiser and Koerner are independent directors as defined in the Nasdaq Stock Market listing standards. In making this determination, the Board considered that Mr. Hamilton serves as Dean of the Manship School of Mass Communications of Louisiana State University (the Manship School) of which the Reilly Center for Media & Public Affairs (the Reilly Center) is a part. The Reilly Center was originally formed based on charitable donations of Kevin Reilly, Sr. and Dee Dee Reilly (the parents of Kevin Reilly, Jr., Sean Reilly, Anna Reilly and Wendell Reilly). The Board also considered certain donations by the Reilly Family Foundation, a charitable foundation with which Mr. Kevin Reilly, Sr. is affiliated, to the Manship School. The Board noted the following: that Mr. Hamilton has never and does not currently receive any compensation from the Reilly Family Foundation or the Reilly Center; all decisions regarding donations made by the Reilly Family Foundation are made by an independent board of directors; and neither Kevin Reilly Jr., Sean Reilly, Anna Reilly nor Wendell Reilly contribute to or are affiliated with the Reilly Family Foundation, in making its determination that these relationships do not affect Mr. Hamilton's independence.

Meetings in Executive Session. Our independent directors have regularly scheduled meetings at which only independent directors are present. During 2007, the independent directors met in executive session on two occasions.

Audit Committee. The Audit Committee currently consists of Stephen P. Mumblow (Chairman), Robert M. Jelenic, Thomas V. Reifenheiser and John E. Koerner, III. Our Board of Directors has determined that each member of the Audit Committee satisfies the independence and financial literacy requirements as defined by applicable Nasdaq Stock Market listing standards governing the qualifications of Audit Committee members. Stephen P. Mumblow and Robert M. Jelenic each qualify as an audit committee financial expert under the rules of the SEC and satisfy the financial sophistication requirements under applicable Nasdaq Stock Market listing qualifications. The Audit Committee assists our Board of Directors in fulfilling its responsibility for general oversight over the integrity of our financial statements, including compliance with legal and regulatory requirements, the independent registered public accounting firm's qualifications and independence, and the performance of our internal audit function. The Audit Committee is also responsible for the appointment (and when appropriate, replacement) and oversight of our independent registered public accounting firm and our internal auditor. The Audit Committee operates under a written charter adopted by the Board of Directors.

Compensation Committee. The Compensation Committee currently consists of Thomas V. Reifenheiser (Chairman), John Maxwell Hamilton, and Stephen P. Mumblow, each of whom meets the independence requirements as defined by applicable Nasdaq Stock Market listing standards governing the independence of directors. The Committee's responsibilities include evaluating the performance of the Chief Executive Officer and our other executive officers and reviewing and determining such officers' cash and equity-based compensation and benefits. The Compensation Committee operates under a written charter adopted by the Board of Directors.

Nominating and Governance Committee. The Nominating and Governance Committee currently consists of Thomas V. Reifenheiser (Chairman) and Stephen P. Mumblow, each of whom meets the independence requirements as defined by applicable Nasdaq Stock Market listing standards governing the

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independence of directors. The Committee's responsibilities include identifying individuals qualified to become Board members and recommending to the Board the director nominees for the next Annual Meeting of Stockholders, as well as candidates to fill vacancies on the Board. Additionally, the Committee recommends to the Board the directors to be appointed to Board committees. The Committee also developed and recommended to the Board a set of corporate governance guidelines and oversees the effectiveness of our corporate governance in accordance with those guidelines. The Nominating and Governance Committee operates under a written charter adopted by the Board of Directors.

The process followed by the Nominating and Governance Committee to identify and evaluate director candidates includes requesting Board members and others to submit recommendations, meeting from time to time to evaluate biographical information and background materials relating to potential candidates, and interviewing (with Board members) selected candidates.

In considering whether to recommend any candidate for inclusion in the Board's slate of director nominees, the Nominating and Governance Committee will evaluate the candidate against the standards and qualifications set out in the Company's Corporate Governance Guidelines, including, among others:

the extent to which the candidate's skills, experience, and perspective adds to the range of talent appropriate for the Board and whether such attributes are relevant to our industry;

the candidate's ability to dedicate the time and resources sufficient for the diligent performance of Board duties;

whether the candidate meets the independence requirements under applicable Nasdaq Stock Market listing standards; and

the extent to which the candidate holds any position that would conflict with responsibilities to the Company. The Committee believes that the backgrounds and qualifications of the directors, considered as a group, should provide a significant composite mix of experience, knowledge, and abilities that will allow the Board to fulfill its responsibilities.

Stockholders may recommend candidates for the Nominating and Governance Committee to consider as potential director nominees by submitting names, biographical information, and background materials to the Nominating and Governance Committee, c/o General Counsel, Lamar Advertising Company, 5551 Corporate Boulevard, Baton Rouge, Louisiana 70808. The Nominating and Governance Committee will consider a recommendation only if appropriate biographical information and background material is provided on a timely basis as further described in the Committee's charter. See Board and Committee Meetings-Committee Charters. Assuming that appropriate biographical and background material is provided for candidates recommended by stockholders, the Nominating and Governance Committee will evaluate those candidates by following substantially the same process, and applying substantially the same criteria used for candidates submitted by Board members. The Committee will also consider whether to nominate any person nominated by a stockholder in accordance with the provisions of the Company's bylaws relating to stockholder nominations as described in Deadline for Stockholder Proposals and Director Nominations below. To date, no stockholder has recommended a candidate for director nominee to the Nominating and Governance Committee or to the Board of Directors.

Committee Charters. You may view copies of the charters of the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee, as currently in effect, on the corporate governance section of our website, www.lamar.com.

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Related Person Transactions

Effective July 1, 1996, the Lamar Texas Limited Partnership, our subsidiary, and Reilly Consulting Company, L.L.C., which Kevin P. Reilly, Sr. controls, entered into a consulting agreement, that was amended effective January 1, 2004. This consulting agreement, as amended, has a term through December 31, 2008 with automatic renewals for successive one year periods after that date unless either party provides written notice of termination to the other. The agreement, as amended, provides for an annual consulting fee of \$190,000 for the five year period commencing on January 1, 2004 and an annual consulting fee of \$150,000 for any subsequent one year renewal term. The agreement also contains a non-disclosure provision and a non-competition restriction that extends for two years beyond the termination of the agreement.

We also have a lease arrangement with Deanna Enterprises, LLC (formerly Reilly Enterprises, LLC), which Kevin P. Reilly, Sr. controls, for the use of an airplane. We pay \$100,000 per year for 125 guaranteed flight hours plus expenses. Total fees paid under this arrangement for fiscal 2007, 2006 and 2005 were approximately \$102,000, \$106,000 and \$104,000, respectively.

Kevin P. Reilly, Sr. is the father of Kevin P. Reilly, Jr., Sean Reilly, Anna Reilly, and Wendell Reilly. Kevin P. Reilly, Jr. is our Chairman, President, and Chief Executive Officer, Sean Reilly is our Chief Operating Officer, and Anna Reilly and Wendell Reilly are directors. Kevin P. Reilly, Jr., Anna Reilly, and Wendell Reilly are also nominees for director.

Policy on Related Person Transactions

Related persons include any of our directors or executive officers, certain of our shareholders and their immediate family members. A conflict of interest may occur when an individual's private interest interferes, or appears to interfere, in any way with the interests of the Company. Our Code of Business Conduct and Ethics requires all directors, officers and employees to disclose to management any situations that may be, or appear to be, a conflict of interest. Once management receives notice of a conflict of interest, they will review and investigate the relevant facts and will then generally consult with our General Counsel and the Audit Committee as appropriate.

Under the Audit Committee's charter, the Audit Committee is responsible for reviewing and pre-approving any related party transactions. Copies of our Code of Business Conduct and Ethics and of our Audit Committee charter are available on our website at www.lamar.com.

In addition to the reporting requirements under the Code of Business Conduct and Ethics, each year our directors and executive officers complete questionnaires identifying any transactions with us in which the executive officers or directors or any immediate family members have an interest. Any such transactions or other related party transactions are reviewed and brought to the attention of the Audit Committee as appropriate.

Compensation Committee Interlocks and Insider Participation

The Compensation Committee currently consists of Thomas V. Reifenheiser (Chairman), John Maxwell Hamilton, and Stephen P. Mumblow. None of our executive officers serves as a member of the

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board of directors or compensation committee of any other company that has one or more executive officers serving as a member of our Board of Directors or Compensation Committee.

Executive Officer and Director Compensation

Compensation Discussion and Analysis

Our Compensation Committee has responsibility for establishing, implementing and maintaining the compensation program for our Chief Executive Officer, Chief Financial Officer and Chief Operating Officer, which we refer to herein as our executive officers or the named executive officers. This Compensation Discussion and Analysis sets forth the objectives and material elements of the compensation paid to our named executive officers for fiscal 2007.

Executive Compensation Philosophy

The primary objective of our executive compensation program is to attract, retain and reward executive officers who contribute to our long-term success. We believe this requires a competitive compensation structure as compared to similarly situated companies both in the media industry and other companies that are our peers in terms of annual revenues. Additionally, we seek to align a significant portion of executive officer compensation to the achievement of specified Company performance goals. Incentive cash bonuses are included to drive executive performance by having pay at risk so that total cash compensation is tied to goal achievement. We also include performance-based equity grants as a significant component of potential executive compensation so that the value of a portion of executive compensation is tied directly to the performance of our Class A Common Stock.

Use of Compensation Consultants and Peer Group Data

Our Compensation Committee did not consult with any compensation consultants in conjunction with its executive officer compensation determinations for fiscal 2007. The Committee had previously retained Hewitt Associates LLC, a nationally recognized compensation consulting firm, to review our compensation levels relative to external market practices and to develop suggestions for a performance-based annual incentive program that would tie compensation to enumerated performance goals. Following this analysis, the Committee developed the framework for executive compensation initially used in fiscal 2006; the Committee continued to use this framework when making its executive compensation determinations for fiscal 2007.

Material Elements of Executive Officer Compensation

The key elements of compensation for our executive officers are: base salaries, performance-based cash incentive awards and performance-based equity awards. Executives may also participate, on the same terms as all other employees, in a 401(k) retirement savings plan and health and welfare benefits.

Base Salary. We pay a base salary to each of our named executive officers. The objective of base salary is to provide a fixed component of cash compensation to the executive that is competitive with the base compensation the executive could earn in similar positions at comparable companies. Base salary for our named executive officers is reviewed annually in light of market compensation, tenure, individual performance and other subjective considerations. Typically the Chief Executive Officer makes recommendations to the Compensation Committee with regard to base salary for the executive officers that he believes are justified in light of these considerations. The Committee did not obtain an update to

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the peer group information used as part of its 2006 compensation process as it does not seek to set executive officer compensation to a specific percentile of the range of total compensation represented by this group.

The Compensation Committee reviewed the current base salaries in the context of the Company's performance and each executive's individual performance as assessed by the Committee after discussion (except with respect to his own individual performance) with the Chief Executive Officer. The Committee also looked at 2007 base salaries in the context of the increases made in 2006, which were in large part an effort to align executive officers' compensation with those of comparable companies. As a result, the Committee determined that no increases be made to the base salaries set in fiscal 2006.

Performance-Based Incentive Compensation. The incentive compensation program instituted by the Committee in February 2006 was continued for fiscal 2007. The incentive program consists of two types of awards that are granted under the Company's 1996 Equity Incentive Plan (the "Incentive Plan"): (i) a performance-based incentive cash bonus and (ii) a performance-based incentive equity award. This compensation program was designed by the Committee to link a significant portion of overall executive officer compensation to the achievement of enumerated performance targets while maximizing the Company's ability to deduct named executive officer compensation for tax purposes under Section 162(m) of the Internal Revenue Code. By including a fixed share equity award as a significant portion of executive compensation, the aggregate value of each executive officer's compensation is dependant on the performance of the Company's Class A Common Stock.

Incentive Cash Bonus. The Committee sets target amounts for incentive cash bonuses for each of the named executive officers with corresponding performance goals; these target cash bonus amounts for 2007 were unchanged from 2006. In line with the framework set up in 2006, each executive had the opportunity to earn up to 200% of the target cash bonus amount based upon achievement of performance goals that exceeded expectations for Company performance in the coming year.

When setting the performance goals for the executive officers' incentive cash bonuses for fiscal 2007 the Committee met with management to review current budgets and financial projections along with any current initiatives that could impact the Company's anticipated results for the coming fiscal year. The Committee believes that the Company's pro forma net revenue growth and pro forma EBITDA growth are the appropriate measures on which to base incentive compensation as these measures are the primary measures used by both management and the investor community to evaluate the Company's performance.

The Committee's goal when determining the specific performance thresholds is to set target (100%) goal achievement at a challenging but achievable level in order to provide appropriate incentives for management in the context of the current fiscal year's projected results and current business plan. For 2007 the Committee also refined the increments that had been used in the 2006 performance grid. The 2007 performance goals for incentive cash bonuses were based on achievement of pro forma revenue growth and pro forma EBITDA growth for fiscal 2007 over fiscal 2006 with 50% of the bonus amount tied to each metric. A table setting forth the actual performance thresholds for fiscal 2007 is set forth below on page 15.

In February 2008, the Committee reviewed the Company's performance and certified that (i) the Company's pro forma net revenue growth resulted in attainment of 100% of the executive officers' target bonus and (ii) the Company's pro forma EBITDA growth resulted in attainment of 150% of the executive officers' target bonus. These awarded amounts are reflected below and in the Non-Equity Incentive Plan Compensation column of the 2007 Summary Compensation Table on page 18 of this proxy statement.

Table of Contents**Incentive Cash Bonus**

Name and Position	Portion Based on Pro Forma Net Revenue Growth (\$)	Awards	
		Portion Based on Pro Forma EBITDA Growth (\$)	Total (\$)
Kevin P. Reilly, Jr. <i>President and Chief Executive Officer</i>	200,000	300,000	500,000
Keith A. Istre <i>Treasurer and Chief Financial Officer</i>	125,000	187,500	312,500
Sean E. Reilly <i>Chief Operating Officer and Vice President</i>	125,000	187,500	312,500

Incentive Equity Awards. The Committee also determined the target amount of incentive equity awards for each of the named executive officers at its February 2007 meeting. These target equity award amounts were set at 44,000 shares for both Kevin Reilly, Jr. and Sean Reilly and at 26,000 shares for Keith Istre, which amounts are unchanged from fiscal 2006. The same pro forma revenue growth and pro forma EBITDA growth metrics for fiscal 2007 over fiscal 2006 used in the context of the incentive cash awards are used to determine the achievement of incentive equity awards, except that there is no opportunity to achieve greater than 100% of the target equity awards.

Under the terms of the Company's incentive equity award program, no shares of stock are issued unless and until the relevant performance goals have been met and certified by the Compensation Committee. Earned shares were issued as soon as practicable following such certification and were fully vested at the time of issuance.

In February 2007, the Committee reviewed the Company's performance and certified that both the Company's pro forma net revenue growth and pro forma EBITDA growth resulted in attainment of 100% of the executive officers target equity award. These awards are reflected below and in the Stock Awards column of the 2007 Summary Compensation Table on page 18 of this proxy statement.

Incentive Equity Awards

Name and Position	Portion Based on Pro Forma Net Revenue Growth (#)	Awards	
		Portion Based on Pro Forma EBITDA Growth (#)	Total Shares (#)
Kevin P. Reilly, Jr. <i>President and Chief Executive Officer</i>	22,000	22,000	44,000
Keith A. Istre <i>Treasurer and Chief Financial Officer</i>	13,000	13,000	26,000
Sean E. Reilly <i>Chief Operating Officer and Vice President</i>	22,000	22,000	44,000

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The following tables set forth the level of pro forma net revenue and pro forma EBITDA growth required for fiscal 2007 over fiscal 2006 to achieve the stated percentage of target incentive awards for our named executive officers as set by the Committee in March 2007. These goals relate to achievement of both incentive cash and incentive equity awards, except that equity awards cannot exceed their target amount irrespective of goal achievement in excess of the 100% level.

POTENTIAL INCENTIVE AWARDS
Pro Forma Net Revenue Growth⁽¹⁾ 50%

Pro Forma Net Revenue Growth	Percentage of Target Bonus Earned	Pro Forma Net Revenue Growth	Percentage of Target Bonus Earned
At least 5% but less than 5.5%	50%	At least 7.5% but less than 8%	125%
At least 5.5% but less than 6%	62.5%	At least 8% but less than 8.5%	150%
At least 6% but less than 6.5%	75%	At least 8.5% but less than 9%	175%
At least 6.5% but less than 7%	87.5%	At least 9% or greater	200%
At least 7% but less than 7.5%	100%*		

* Equity awards cannot exceed the 100% target amount irrespective of performance in excess of 100% goals.

(1) Pro forma net revenue growth is based on the Company's net revenue growth in 2007 over 2006 based on actual 2007 net revenue versus 2006 net revenue as adjusted to reflect acquisitions and divestitures for the same time frame as actually owned in 2007.

POTENTIAL INCENTIVE AWARDS
Pro Forma EBITDA Growth⁽¹⁾ 50%

Pro Forma EBITDA Growth	Percentage of Target Bonus Earned	Pro Forma EBITDA Growth	Percentage of Target Bonus Earned
At least 6% but less than 6.5%	50%	At least 9.5% but less than 10%	94%
At least 6.5% but less than 7%	56%	At least 10% but less than 10.5%	100%*
At least 7% but less than 7.5%	63%	At least 10.5% but less than 11%	125%
At least 7.5% but less than 8%	69%	At least 11% but less than 11.5%	150%
At least 8% but less than 8.5%	75%	At least 11.5% but less than 12%	175%
At least 8.5% but less than 9%	81%	At least 12% or greater	200%
At least 9% but less than 9.5%	88%		

* Equity awards cannot exceed

the 100% target amount irrespective of performance in excess of 100% goals.

- (1) Pro forma EBITDA growth is calculated in the same manner as pro forma net revenue growth with adjustments being made in the 2006 period to reflect acquisitions and divestitures for the same time frame as actually owned in 2007 and is also adjusted to eliminate the expense in the period related to executive bonuses.

Table of Contents***Other Compensation Components***

Perquisites. We provide certain perquisites to our executive officers, including use of the Company's aircraft and a Company car. Our executive officers are entitled to use our Company aircraft, as well as an additional aircraft leased by the Company for business purposes, and family members are allowed to accompany executive officers on the aircraft at the executive's discretion. Our executive officers also have access to Company aircraft for personal travel. These perquisites provide flexibility to the executives and increase travel efficiencies, allowing more productive use of executive time. More detail on these perquisites and other perquisites provided to our executive officers may be found below in the 2007 Summary Compensation Table.

Deferred Compensation. The Company has a deferred compensation plan for certain officers. Under this plan, officers who meet certain years of service and other criteria are eligible to receive Company contributions into their accounts in the Lamar Deferred Compensation Plan. Officers do not have the option of deferring any portion of their earned cash compensation through additional voluntary contributions to the plan.

The deferred compensation plan is not funded by us, and participants have an unsecured contractual commitment from us to pay the amounts due under the deferred compensation plan. When payments under the plan are due, the funds are distributed from our general assets. The Company does not offer preferential earnings on deferred compensation. Deferred compensation is intended as a long-term savings vehicle for our officers in light of the fact that the Company does not offer any traditional pension or defined benefit plan. The Compensation Committee does not consider deferred compensation accounts when setting executive pay levels, since this represents compensation that has previously been earned and individual accounts are a function of personal investment choices and market-based earnings.

Tax Implications

United States tax laws generally do not allow publicly-held companies to obtain tax deductions for compensation of more than one million dollars paid in any year to any of the chief executive officer and the next four highest paid executive officers (each, a covered employee) unless the compensation is performance-based as defined in Internal Revenue Code Section 162(m).

Stock options granted under an equity compensation plan are performance-based compensation if (a) stockholders approve a maximum aggregate per person limit on the number of shares that may be granted each year, (b) any stock options are granted by a committee consisting solely of outside directors, and (c) the stock options have an exercise price that is not less than the fair value of common stock on the date of grant.

In the case of restricted stock, restricted stock units and unrestricted stock issuable upon achievement of performance goals, Section 162(m) requires that the general business criteria of any performance goals that are established by our Compensation Committee be approved and periodically reapproved by stockholders (generally, every five years) in order for such awards to be considered performance-based and deductible by the employer. Generally, the performance goals must be established before the beginning of the relevant performance period. Furthermore, satisfaction of any performance goals during the relevant performance period must be certified by the Compensation Committee.

Our Compensation Committee has designed the 1996 Equity Incentive Plan with the intention of satisfying Section 162(m) with respect to stock options, incentive stock awards and incentive cash awards granted to covered employees. In making determinations with respect to specific incentive awards for covered employees, the Committee considers whether such awards will be deductible under Section

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162(m) with a view to maximizing deductibility to the extent feasible and consistent with the Company's overall compensation goals and objectives

Payments Upon Termination or Change-in-Control

We do not have employment agreements or other agreements with any of our executive officers that entitle them to payments upon termination or in the event of a change in control.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on this review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement, for the year ended December 31, 2007, for filing with the Securities and Exchange Commission.

By the Compensation Committee,

Thomas V. Reifenheiser (*Chair*)

John Maxwell Hamilton

Stephen P. Mumblow

Table of Contents**2007 Summary Compensation Table**

The following table sets forth certain compensation information for our named executive officers.

Name and Principal Position	Year	Salary (\$)	Stock Awards (\$) ⁽¹⁾	All Option Non-Equity Other Incentive Compensation			Total (\$)
				Awards (\$) ⁽¹⁾	Plan Compensation (\$) ⁽²⁾	Compensation (\$) ⁽³⁾⁽⁴⁾	
Kevin P. Reilly, Jr. <i>President and Chief Executive Officer</i>	2007	700,000	3,195,235 ⁽⁵⁾	89,546	500,000	214,645	4,699,426
	2006	700,000	2,151,600 ⁽⁶⁾	89,350	700,000	156,166	3,797,116
Keith A. Istre <i>Treasurer and Chief Financial Officer</i>	2007	450,000	1,948,440 ⁽⁵⁾	89,546	312,500	62,251	2,862,737
	2006	450,000	1,271,400 ⁽⁶⁾	89,350	437,500	62,287	2,310,537
Sean E. Reilly <i>Chief Operating Officer and Vice President</i>	2007	500,000	3,195,235 ⁽⁵⁾	89,546	312,500	104,673	4,201,954
	2006	500,000	2,151,600 ⁽⁶⁾	89,350	437,500	121,176	3,299,626

(1) Reflects the amount recognized for financial statement reporting purposes for each year in accordance with FAS 123(R), rather than the value of the actual award when issued to the officer. For the assumptions underlying the valuation of these awards see Note 14 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2007 filed with the SEC on February 28, 2008.

(2) Amounts shown in the Non-Equity Incentive Plan Compensation column reflect the cash incentive awards granted at the beginning of each year, earned based on performance during that fiscal year and paid in the following fiscal year.

The 2007 awards are described in further detail under the heading Performance-Based Incentive Compensation Incentive Cash Bonus in the Compensation Discussion and Analysis and are also reflected in the table Grants of Plan-Based Awards under the column Estimated Possible Payouts Under Non-Equity Incentive Plan Awards.

- (3) Includes \$119,462 and \$53,799 for Kevin P. Reilly, Jr. and \$46,436 and \$62,450 for Sean Reilly for the personal use of Company aircraft in 2007 and 2006, respectively, as further described below. The amounts included in the All Other Compensation column also include the following perquisites provided to our named executive officers (except as otherwise indicated), which are valued at the Company's incremental cost, none of which individually exceeded \$25,000:
- (a) personal use of a Company car,
 - (b) Company-paid health insurance premiums and medical reimbursements,
 - (c) Company paid premiums for term life insurance for Mr. Kevin P. Reilly, Jr. and
 - (d) membership fees to a country club and an

executive club for Mr. Kevin P. Reilly, Jr. Executives also have access to a country club at which the Company has a membership, but the executives pay all fees related to such personal use, resulting in no additional incremental cost to the Company.

The Company's incremental cost for personal use of the corporate aircraft is based on the incremental cost to the Company calculated based on the variable costs, related to the number of flight hours used, including fuel costs, landing/ramp fees, trip-related maintenance, crew travel expenses, supplies and catering, aircraft accrual expenses per hour of flight, any customs and foreign, permit or similar fees. Our fixed costs that do not change based on usage, such as pilot salaries and the cost of maintenance not related to trips are excluded. The incremental cost to the Company for personal use of a Company car is calculated as a portion of the annual lease, mileage and fuel attributable to the personal use.

- (4) Also includes employer contributions under the

Company's deferred compensation plan of \$57,500 for Mr. Kevin Reilly, Jr. and \$50,000 for each of Mr. Sean Reilly and Mr. Keith Istre for both 2007 and 2006.

- (5) Includes the FAS 123(R) value of the shares awarded pursuant to the achievement of performance goals for fiscal 2007, which award was certified as earned by the Compensation Committee and issued on February 14, 2008. Also includes the FAS 123(R) value of the shares awarded to each named executive officer in respect of their vested options on the record date of the Company's special stock dividend, which shares were granted to all holders of vested options (the special stock award). The amount attributed with respect to the special stock award to each of Mr. Kevin P. Reilly, Jr. and Mr. Sean E. Reilly is \$381,875 and the amount attributed to Mr. Keith A. Istre is \$286,000.
- (6) Consists of the FAS 123(R) value of the shares awarded pursuant to the achievement of performance goals for fiscal 2006. The award was certified as earned by the Compensation Committee on

February 19, 2007,
which was not a trading
day, and issued on
February 20, 2007.

Table of Contents**Grants of Plan-Based Awards in Fiscal Year 2007**

Name	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾				Estimated Possible Payouts Under Equity Incentive Plan Awards ⁽²⁾			Grant Date Fair Value of Stock and Option Awards (\$) ⁽³⁾
	Grant Date	Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	
Kevin P. Reilly, Jr.	3/15/07	200,000	400,000	800,000	22,000	44,000	44,000	2,813,360
Keith A. Istre	3/15/07	125,000	250,000	500,000	13,000	26,000	26,000	1,662,440
Sean E. Reilly	3/15/07	125,000	250,000	500,000	22,000	44,000	44,000	2,813,360

(1) Represents the possible cash bonus granted under our Incentive Plan that could be earned by achieving defined performance goals .

(2) These awards constitute possible shares of our Class A Common Stock issuable upon achievement of defined performance goals under our Incentive Plan.

(3) Reflects the amount recognized for financial statement reporting purposes for fiscal year 2007 in accordance

with FAS 123(R), rather than the value of the actual award when issued to the officer. For the assumptions underlying the valuation of these awards see Note 14 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2007 filed with the SEC on February 28, 2008.

Outstanding Equity Awards at Fiscal Year-End 2007

Name	Option Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date
Kevin P. Reilly, Jr.	97,500		26.42 ⁽¹⁾	9/27/11
	20,000	5,000	37.35 ⁽²⁾	2/06/14
Keith A. Istre	10,000		30.34 ⁽³⁾	6/04/08
	40,000		33.38 ⁽⁴⁾	5/28/09
	18,000		26.42 ⁽¹⁾	9/27/11
	20,000	5,000	37.35 ⁽²⁾	2/06/14
Sean E. Reilly	97,500		26.42 ⁽¹⁾	9/27/11
	20,000	5,000	37.35 ⁽²⁾	2/06/14

(1) Granted on September 27, 2001. Forty percent vested upon grant and thirty percent

vested on each of September 27, 2002 and 2003.

(2) Granted on February 6, 2004. One-fifth vested upon grant and one-fifth vests on each of the next four annual anniversaries of grant.

(3) Granted on June 4, 1998. One fourth vested upon grant and one-fourth vested on each of the next three anniversaries of grant.

(4) Granted on May 28, 1999. One-fifth vested upon grant and one-fifth vested on each of the next four annual anniversaries of grant.

Option Exercises and Stock Vested in Fiscal Year 2007

Name	Option Awards		Stock Awards ⁽¹⁾	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Kevin P. Reilly, Jr.			44,000	1,870,440
Keith A. Istre			26,000	1,105,260
Sean E. Reilly			44,000	1,870,440

(1) The shares in this table were awarded pursuant to the

achievement of performance goals for fiscal 2007. The award was certified as earned by the Compensation Committee and issued on February 14, 2008. The value realized is based on a stock price of \$42.51, the closing price on the date of certification.

Table of Contents**Non-Qualified Deferred Compensation for Fiscal Year 2007**

Name	Registrant Contributions in Last FY (\$) ⁽¹⁾	Aggregate Earnings in Last FY (\$) ⁽²⁾	Aggregate Balance at Last FYE (\$) ⁽³⁾
Kevin P. Reilly, Jr.	57,500	226,260	3,510,130
Keith A. Istre	50,000	45,606	584,022
Sean E. Reilly	50,000	29,150	456,904

(1) Amounts in this column are included in the All Other Compensation column in the 2007 Summary Compensation Table.

(2) Amounts in this column are not included in the 2007 Summary Compensation Table because they were not preferential or above market.

(3) This column includes amounts in each named executive officer's total deferred compensation account as of the last day of fiscal 2007, which includes (i) the following total contributions reported in each of the Company's previous

proxies:
 Mr. Kevin P.
 Reilly, Jr.:
 \$639,000,
 Mr. Keith A.
 Istre: \$311,500
 and Mr. Sean E.
 Reilly:
 \$365,000 and
 (ii) aggregate
 earnings on all
 previously
 contributed
 amounts.

The Company sponsors a deferred compensation plan for the benefit of certain of its board elected officers who meet specific age, years of service and other criteria. Officers that have attained the age of 30, have a minimum of 10 years of service and satisfy additional eligibility guidelines are eligible for annual Company contributions to the plan, depending on the employee's length of service. The Company's contributions to the plan are maintained in a rabbi trust. Upon termination, death or disability, participating employees are eligible to receive an amount equal to the fair market value of the assets in the employee's deferred compensation account either in a lump sum distribution or in twenty percent installments over a five year period.

Director Compensation in Fiscal Year 2007

The following table sets forth a summary of the compensation we paid to our non-employee directors during 2007. Mr. Kevin P. Reilly, Jr. receives no additional compensation for Board service.

Name	Fees Earned or			Total (\$)
	Paid in Cash (\$)	Stock Awards (\$) ⁽¹⁾	Option Awards (\$) ⁽²⁾⁽³⁾	
John Maxwell Hamilton	55,500	119,121 ⁽⁴⁾	35,818	210,439
Robert M. Jelenic	58,500	54,075 ⁽⁴⁾	40,265	152,840
John E. Koerner, III	5,000	8,100		13,100
Stephen P. Mumblow	82,500	135,205 ⁽⁴⁾	35,818	249,528
Thomas V. Reifenheiser	76,500	131,210 ⁽⁴⁾	35,818	243,528
Anna Reilly	42,000	24,126		66,126
Wendell Reilly	42,000	24,126		66,126

(1) Reflects the amount recognized for financial statement reporting purposes for fiscal year 2007 in accordance with FAS 123(R) that relates to (i) the value of the

shares awarded upon each director's election in 2007 and (ii) the value of the shares awarded to each director who held vested options in respect of those options on the record date of the Company's special stock dividend, which shares were granted to all holders of vested options. For the assumptions underlying the valuation of these awards see Note 14 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2007 filed with the SEC on February 28, 2008.

- (2) Reflects the amount recognized for financial statement reporting purposes for fiscal year 2007 in accordance with FAS 123(R) that

relates to awards granted prior to 2007. For the assumptions underlying the valuation of these awards see Note 14 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2007 filed with the SEC on February 28, 2008.

- (3) Each of Messrs. Hamilton, Mumblow and Reifenheiser hold (i) an option for 20,000 shares of the Company's Class A Common Stock at an exercise price of \$37.19 per share, all of which is currently exercisable, that

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expires on
October 2, 2010
and (ii) an
option for
10,000 shares at
an exercise
price of \$37.35
per share, all of
which are
currently
exercisable, that
expires on
February 6,
2014.

Mr. Jelenic
holds an option
for 8,000 shares
of the
Company's
Class A
Common Stock
at an exercise
price of \$39.62,
all of which is
currently
exercisable, that
expires on
February 26,
2014.

- (4) Includes the
following
amounts related
to the special
stock award:
Mr. John
Maxwell
Hamilton:
\$91,000,
Mr. Robert M.
Jelenic:
\$25,954,
Mr. Stephen P.
Mumblow:
\$91,000 and Mr.
Thomas V.
Reifenheiser:
\$91,000.

For 2007, we paid our non-management directors an annual fee of \$42,000, paid monthly. We also reimburse non-management directors for travel expenses incurred to attend board and committee meetings and expenses incurred to perform other, related responsibilities.

For 2007, we also paid each member of a committee of the Board of Directors a fee of \$1,500 for each meeting attended. The Chairman of the Audit Committee received an additional annual fee of \$12,000 and the Chair of the Compensation and the Nominating and Governance Committees (the same director serves as the chair to both committees) received an additional fee of \$6,000. These fees are also paid on a quarterly basis.

Each non-employee director automatically receives upon his election or re-election at an annual meeting of stockholders a restricted stock award in shares of the Company's Class A Common Stock with a fair market value as set forth below (rounded down to the nearest whole share), which fair market value is determined based upon the closing price of the Class A Common Stock on the date of such election, 50% of which is fully vested on the grant date and 50% of which vests on the last day of such director's one-year term (the business day prior to the Company's next annual meeting of stockholders) with pro-rated grants upon an election other than at an annual meeting of stockholders whether by action of the board or the stockholders to fill a vacancy or otherwise.

Non-Employee Director	Fair Market Value of Restricted Stock Grant
Non-Committee Members	\$30,000
Committee Members (not Chair)	\$35,000
Chair of Compensation Committee	\$50,000
Chair of Audit Committee	\$55,000

Table of Contents**EQUITY COMPENSATION PLAN INFORMATION**

The following table provides information as of December 31, 2007 with respect to shares of our Class A Common Stock that may be issued under our existing compensation plans.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders ⁽¹⁾	2,691,141 ⁽²⁾	\$ 36.94 ⁽³⁾	1,865,298 ⁽⁴⁾⁽⁵⁾
Equity compensation plans not approved by security holders	n/a	n/a	n/a
Total	2,691,141	\$ 36.94	1,865,298

(1) Consists of the 1996 Equity Incentive Plan and 2000 Employee Stock Purchase Plan.

(2) Includes shares issuable upon achievement of outstanding performance-based awards under our 1996 Equity Incentive Plan. Does not include purchase rights accruing under the 2000 Employee Stock Purchase Plan because the purchase price (and therefore the number of shares to be purchased) will not be determined until the end of the purchase period.

(3) Does not take into account shares issuable upon achievement of outstanding performance-based awards, which will be issued for no consideration.

(4) Includes shares available for future issuance under the 2000 Employee Stock Purchase Plan. Under the evergreen formula of this plan, on the first day of each fiscal year beginning with 2001, the aggregate number of shares that may be purchased through the exercise of rights granted under the plan is increased by the lesser of (a) 500,000 shares, (b) one-tenth of one percent of the total number of shares of Class A Common Stock outstanding on the last day of the preceding fiscal year, and (c) a lesser amount determined by the board of directors. No shares were added to the plan pursuant to the evergreen formula in 2007 and, as of December 31, 2007, a total of 424,022 shares have been added to the 2000 Employee Stock Purchase Plan.

(5) In addition to stock option awards, the 1996 Equity Incentive Plan, as currently in effect, provides for the issuance of restricted stock, unrestricted stock and stock appreciation rights.

AUDIT COMMITTEE REPORT

The following is the report of the Audit Committee with respect to the Company's audited financial statements for the year ended December 31, 2007.

The purpose of the Audit Committee is to assist the Board in fulfilling its responsibility to oversee the Company's accounting and financial reporting, internal controls, and audit functions. The Audit Committee Charter describes in greater detail the full responsibilities of the committee. The Audit Committee is comprised entirely of independent directors as defined by applicable Nasdaq Stock Market listing standards.

Management is responsible for our internal controls and the financial reporting process. The Independent Registered Public Accounting Firm is responsible for performing an independent audit of our consolidated financial statements and internal control over financial reporting in accordance with the standards established by the Public Company Accounting and Oversight Board (United States) and issuing a report thereon. The Committee's responsibility is to monitor these processes. The Audit Committee has reviewed and discussed the consolidated financial statements with management and KPMG LLP, our independent registered public accounting firm.

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In the course of its oversight of the Company's financial reporting process, the Audit Committee of the Board of Directors has:

reviewed and discussed with management the Company's audited financial statements for the fiscal year ended December 31, 2007;

discussed with KPMG LLP, the Company's independent registered public accounting firm, the matters required to be discussed by Statement on Auditing Standards No. 141, *The Auditors Communication with Those Charged with Governance*;

received the written disclosures and the letter from KPMG LLP required by Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees*;

discussed with KPMG LLP its independence; and

considered whether the provision of non-audit services by KPMG LLP is compatible with maintaining its independence.

Based on the foregoing review and discussions, the Committee recommended to the Board of Directors that the audited financial statements be included in the Company's annual report on Form 10-K for the year ended December 31, 2007 for filing with the SEC.

By the Audit Committee,
Stephen P. Mumblow (*Chair*)
Robert M. Jelenic
John E. Koerner, III
Thomas V. Reifenheiser

Table of Contents**PROPOSAL NO. 2: RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The firm of KPMG LLP, an independent registered public accounting firm, has audited our financial statements for the each of the years ending December 31, 2007, 2006 and 2005. Our Audit Committee has appointed them to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2008. Detailed disclosure of the audit and tax fees we paid to KPMG LLP in 2007 and 2006 are set forth below. Based on these disclosures and information in the Audit Committee Report on page 22 of this proxy statement, our Audit Committee is satisfied that our accountants are sufficiently independent of management to perform their duties properly. Although not legally required to do so, our Board considers it desirable to seek, and recommends, shareholder ratification of our selection of KPMG LLP as our independent registered public accounting firm for fiscal 2008. If the stockholders fail to ratify our selection, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in the best interest of the Company and its stockholders.

Required Vote

The ratification of KPMG LLP as our independent public accounting firm will require a majority of the votes cast by the stockholders entitled to vote on this proposal at the meeting. Abstentions, broker non-votes, and votes withheld will not be treated as votes cast for this purpose and will not affect the outcome of the election.

Audit Fees and Services

The fees for services provided by KPMG LLP to the Company in 2007 and 2006 were as follows:

	Fiscal 2007	Fiscal 2006
Audit Fees ⁽¹⁾	\$ 941,000	\$ 990,000
Audit-Related Fees ⁽²⁾	127,500	110,000
Tax Fees ⁽³⁾	134,873	181,115
All Other Fees	7,548	
Total	\$1,210,921	\$1,281,115

- (1) Audit Fees for the years ended December 31, 2007 and 2006 were for professional services rendered for the audits of our consolidated financial statements and review of financial statements included in our quarterly and annual financial statements and subsidiary audits. Audit Fees for the years ended December 31, 2007 and 2006 also include costs associated with KPMG LLP's audit of management's assessment of our internal control over financial reporting and KPMG's own audit of our internal control over financial reporting.
- (2) Audit related fees included professional services rendered issuance of comfort letters, consents and assistance with review of documents filed with the SEC.
- (3) Tax Fees as of the years ended December 31, 2007 and 2006, respectively, included tax compliance fees of \$16,250 and \$19,275, and tax planning fees of \$118,623 and \$161,840.

The Board of Directors recommends a vote FOR this Proposal.

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ADDITIONAL INFORMATION

Other Matters

The Board of Directors is unaware of any business to be conducted at the Annual Meeting of Stockholders other than the matters described in the Notice to Stockholders. If other business is properly presented for consideration at the Annual Meeting, the enclosed proxy authorizes the persons named therein to vote the shares in their discretion on that matter.

Communications From Stockholders

The Board will give appropriate attention to written communications submitted by stockholders, and will respond if and as appropriate. Absent unusual circumstances or as contemplated by committee charters, the Chairman of the Audit Committee will, with the assistance of our General Counsel, (1) be primarily responsible for monitoring communications from stockholders and (2) provide copies or summaries of such communications to the other directors as he considers appropriate. Communications specifically addressed to a particular director will be forwarded to that director.

Communications will be forwarded to all directors if they relate to substantive matters and include suggestions or comments that the Chairman of the Audit Committee considers to be important for the directors to know. In general, communications relating to corporate governance and long-term corporate strategy are more likely to be forwarded than communications relating to personal grievances and matters as to which we tend to receive repetitive or duplicative communications.

Stockholders who wish to send communications on any topic to the Board should address such communications to the Chairman of the Audit Committee, c/o General Counsel, Lamar Advertising Company, 5551 Corporate Boulevard, Baton Rouge, Louisiana 70808.

Deadline For Stockholder Proposals and Director Nominations

In order for a stockholder proposal to be considered for inclusion in our proxy materials for the 2009 Annual Meeting of Stockholders, we must receive it no later than December 26, 2008 at the following address: 5551 Corporate Boulevard, Baton Rouge, Louisiana 70808, Attention: Secretary.

In addition, our bylaws require a stockholder who wishes to bring business before an annual meeting or propose director nominations at an annual meeting to give advance written notice to the Secretary as described in the bylaws. To be timely for the 2009 Annual Meeting of Stockholders, proposals must be received by not later than the close of business on March 8, 2009.

Expenses Of Solicitation

We will bear the cost of the solicitation of proxies, including the charges and expenses of brokerage firms and others of forwarding solicitation material to beneficial owners of common stock. In addition to the use of mails, proxies may be solicited by our officers and any regular employees in person or by telephone. We expect that the costs incurred in the solicitation of proxies will be nominal.

April 25, 2008

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(FRONT OF PROXY CARD)
**THE BOARD OF DIRECTORS IS SOLICITING THIS PROXY
IN CONNECTION WITH THE ANNUAL MEETING OF STOCKHOLDERS OF
LAMAR ADVERTISING COMPANY
MAY 22, 2008**

Each undersigned stockholder of Lamar Advertising Company (the Company) hereby appoints Kevin P. Reilly, Jr. and Keith A. Istre, and each of them acting singly, with full power of substitution, as Proxies to vote on behalf of the undersigned all shares of capital stock of the Company that the undersigned is entitled to vote at the Annual Meeting of Stockholders of the Company to be held on May 22, 2008, and at all adjournments of the Annual Meeting. The undersigned hereby revokes any proxy previously given with respect to such shares.

This proxy, when properly executed, will be voted in the manner directed by the undersigned stockholder(s). If no specifications are made, the Proxies named above will vote the shares to which this Proxy Card relates FOR the proposals listed on the reverse side of this Proxy Card. THE PROXIES ARE AUTHORIZED TO VOTE IN THEIR DISCRETION ON ANY OTHER MATTERS PROPERLY COMING BEFORE THE MEETING.

(Continued and to be signed on reverse side)

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(REVERSE OF PROXY CARD)
**ANNUAL MEETING OF STOCKHOLDERS OF
LAMAR ADVERTISING COMPANY**

MAY 22, 2008

Please date, sign and mail your proxy card in the envelope provided as soon as possible.

THE DIRECTORS RECOMMEND A VOTE FOR ALL NOMINEES FOR DIRECTORS AND FOR PROPOSAL 2. PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE: Ꞥ

1. Election of directors:

o FOR ALL NOMINEES

o WITHHOLD AUTHORITY FOR ALL NOMINEES

o FOR ALL EXCEPT
(See instructions below)

Nominees:

o John Maxwell Hamilton

o Robert M. Jelenic

o John E. Koerner, III

o Stephen P. Mumblow

o Thomas V. Reifenheiser

o Anna Reilly

o Kevin P. Reilly, Jr.

o Wendell Reilly

2. Ratification of the appointment of KPMG LLP as the Company s independent registered public accounting firm for the 2008 fiscal year:

o FOR

o AGAINST

o ABSTAIN

INSTRUCTIONS: To withhold authority to vote for any individual nominee(s), mark **FOR ALL EXCEPT** and fill in the box next to each nominee you wish to withhold, as shown here: Ꞥ

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.

o

Signature of
Stockholder:

Date:

Signature of
Stockholder:

Date:

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If the signer is a partnership, please sign in partnership name by authorized person.