

LAMAR ADVERTISING CO/NEW

Form S-4/A

December 16, 2004

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As filed with the Securities and Exchange Commission on December 16, 2004

Registration No. 333-120937

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Amendment No. 1
to
Form S-4
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**

Lamar Advertising Company

(Exact name of Registrant as Specified in its Charter)

Delaware
*(State or other jurisdiction
of incorporation or organization)*

7311
*(Primary Standard Industrial
Classification Code Number)*

72-1449411
*(I.R.S. Employer
Identification Number)*

**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.

**Chief Executive Officer
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:

**Matthew J. Gardella
Palmer & Dodge LLP
111 Huntington Avenue
at Prudential Center
Boston, Massachusetts 02199
(617) 239-0100**

**Brian B. Obie
Chief Executive Officer
Obie Media Corporation
4211 West 11th Avenue
Eugene, Oregon 97402
(541) 686-8400**

**David C. Baca
Davis Wright Tremaine LLP
1300 S.W. Fifth Avenue
24th Floor
Portland, Oregon 97201
(503) 241-2300**

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective time of this Registration Statement and the effective time of the merger contemplated by the Agreement and Plan of Merger by and among Lamar Advertising Company, OMC Acquisition Corporation, and Obie Media Corporation, dated as of September 17, 2004 (the Merger Agreement), which is attached as Annex A to the proxy statement/ prospectus forming a part of this Registration Statement.

If the securities being registered on this Form are to be 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.

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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 statement number of the earlier effective registration statement for the same offering.

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, as amended, or until the registration statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

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OBIE MEDIA CORPORATION

4211 West 11th Avenue
Eugene, Oregon 97402

December , 2004

MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT

Dear Shareholders of Obie Media Corporation:

You are cordially invited to attend the special meeting of shareholders of Obie Media Corporation to be held at 1:00 p.m., local time, on January 14, 2005, at Obie's offices located at 4211 West 11th Avenue, Eugene, Oregon 97402. At the special meeting, you will be asked to consider and vote upon a proposal to (1) approve the merger among Obie, Lamar Advertising Company, and OMC Acquisition Corporation, pursuant to which Obie will become a wholly owned subsidiary of Lamar and you will become a stockholder of Lamar, and (2) adjourn the special meeting, if necessary. Upon the closing of the merger, all outstanding shares of Obie common stock will convert into the right to receive shares of Lamar Class A common stock, and, in certain circumstances, cash, with each Obie shareholder entitled to a pro rata share of the aggregate merger consideration valued at \$43,313,718.

If the merger is approved, at the effective time of the merger you will be entitled to receive shares of Lamar stock or shares of Lamar stock and cash, with a value of approximately \$7.00 per share for each share of Obie stock that you own. The number of shares of Lamar stock you will receive is equal to (A) the quotient of (i) \$43,313,718 divided by (ii) the number of Obie shares issued and outstanding immediately prior to the effective time of the merger, further divided by (B) the average closing sales price of a share of Lamar stock as reported on the Nasdaq National Market for the twenty trading days ending on the last trading day immediately prior to the third calendar day preceding the closing of the merger. If the average closing sales price of a share of Lamar stock is \$30.00 or less but greater than \$22.00, however, Lamar may elect, in its sole discretion, to pay up to \$10,756,696 of the merger consideration in cash in lieu of shares of Lamar stock. If the average closing price of a share of Lamar stock is \$22.00 or less, Lamar may elect, in its sole discretion, to pay up to \$21,083,124 of the merger consideration in cash in lieu of Lamar stock. If Lamar elects to pay a portion of the merger consideration in cash, then you will receive the Lamar stock and cash on a pro rata basis based on the number of shares of Obie stock you own. On December 14, 2004, the last practicable trading day before the date of this document, Lamar stock closed at \$42.44. **Because the form of the merger consideration is determined by the formula described above, you will not know, at the time you vote on the merger proposal: (a) how many shares of Lamar stock you will receive; (b) whether or not you will receive any cash in exchange for your shares of Obie stock; or (c) if you will receive cash, how much cash you will receive.**

Obie common stock is traded on the Nasdaq Small Cap Market under the symbol OBIE. Lamar common stock is traded on the Nasdaq National Market under the symbol LAMR.

Your board of directors has carefully considered and approved the merger and has determined that the merger is in your best interests. Accordingly, the Obie board of directors recommends that you vote **FOR** approval of the merger and **FOR** approval of the related adjournment proposal, if necessary. In connection with this determination, the Obie board has received the written opinion of D.A. Davidson & Co., which concludes that the consideration to be paid by Lamar in the merger is fair, from a financial point of view, to you. A copy of this opinion is attached to this proxy statement/prospectus as Annex B and we urge you to read this opinion in its entirety. A copy of the merger agreement is also attached to this proxy statement/prospectus as Annex A. We encourage you to read the merger agreement. Also enclosed is a proxy card so you can vote on the proposals without attending the special meeting.

THE MERGER INVOLVES CERTAIN RISKS TO OBIE MEDIA CORPORATION SHAREHOLDERS. SEE RISK FACTORS, BEGINNING ON PAGE 16.

It is important that your shares be represented at the special meeting. Whether or not you expect to attend in person, please promptly sign, date, and return the enclosed proxy card in the enclosed, postage prepaid envelope.

Thank you and we look forward to seeing you at the special meeting.

Very truly yours,

BRIAN B. OBIE

Chief Executive Officer

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE SHARES OF LAMAR ADVERTISING COMPANY COMMON STOCK TO BE ISSUED IN CONNECTION WITH THE MERGER OR DETERMINED IF THIS PROXY STATEMENT/ PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This proxy statement/ prospectus is dated December , 2004, and is first being mailed to shareholders on or about December , 2004.

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OBIE MEDIA CORPORATION

4211 West 11th Avenue
Eugene, Oregon 97402

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To Be Held on January 14, 2005

Dear Shareholders of Obie Media Corporation:

A special meeting of the shareholders of Obie Media Corporation, an Oregon corporation (Obie), will be held at 1:00 p.m., local time, on January 14, 2005, at Obie s offices located at 4211 West 11th Avenue, Eugene, Oregon 97402, for the following purposes:

1. to consider and vote upon a proposal to approve the merger of Obie with OMC Acquisition Corporation, a wholly owned subsidiary of Lamar Advertising Company, and Obie Media Corporation;
2. to consider and vote upon a proposal to approve one or more adjournments of the special meeting, if necessary, to permit further solicitation of proxies if there are insufficient votes at the time of the special meeting to approve the merger; and
3. to transact such other business as may be properly brought before the meeting.

Obie s board of directors, after carefully considering many factors, has unanimously determined that the proposed merger is advisable, fair to, and in the best interests of Obie and its shareholders and has unanimously approved the merger. Obie s board of directors unanimously recommends that you vote **FOR** the proposal to approve the merger at the special meeting and **FOR** approval of the related adjournment proposal. Please refer to the proxy statement/ prospectus accompanying this notice, which more fully describes the foregoing items of business.

All shareholders are cordially invited to attend the special meeting. Only shareholders of record at the close of business on November 10, 2004, the record date fixed by the Obie board of directors, however, are entitled to receive notice of the meeting and to vote at the meeting or any adjournment or postponement of the meeting. Shareholders may vote in person or by proxy.

We will admit to the special meeting (1) all shareholders of record at the close of business on November 10, 2004, (2) any persons holding proof of beneficial ownership as of that date, such as a letter or account statement from the person s broker or bank, (3) any persons who have been granted proxies, and (4) other persons that the Obie board of directors, in its sole discretion, may elect to admit. **All persons wishing to be admitted to the special meeting must present photo identification.** If you plan to attend the special meeting, please check the appropriate box on your proxy card according to the instructions provided.

By order of the Board of Directors,

DELORES M. MORD
Secretary

Eugene, Oregon
December , 2004

Your vote is important. Whether or not you intend to be present at the meeting, please sign and date the enclosed proxy card and return it in the accompanying envelope to ensure that your shares will be voted.

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REFERENCES TO ADDITIONAL INFORMATION

This proxy statement/ prospectus incorporates important business and financial information about Lamar and Obie from other documents that are not included in or delivered with this proxy statement/ prospectus. Such information is included in documents filed by Lamar and Obie with the Securities and Exchange Commission and is available to you without charge upon your written or oral request. You may obtain these documents by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

Lamar Advertising Company
5551 Corporate Boulevard
Baton Rouge, LA 70808
(225) 926-1000
www.lamar.com

Obie Media Corporation
4211 West 11th Avenue
Eugene, OR 97402
(541) 686-8400
www.obie.com

You will not be charged for any of these documents that you request. If you wish to request documents, the applicable company must receive your request by January 7, 2005 (which is five business days before the scheduled date of the special meeting of Obie shareholders) in order for you to receive them before the special meeting. Information on the respective website of each company is NOT considered to be part of or incorporated by reference into this proxy statement/ prospectus unless specifically indicated to the contrary.

See Where You Can Find More Information beginning on page 84.

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QUESTIONS & ANSWERS ABOUT THE MERGER

The following are some questions that you, as a shareholder of Obie, may have about the merger and the answers to those questions. We urge you to read carefully the entire proxy statement/prospectus in order to consider all the information that might be important to you with respect to the merger and the other matters to be conducted at the special meeting. Additional important information is contained in the annexes to, and the documents incorporated by reference in, this proxy statement/prospectus.

Q: Why are Lamar and Obie proposing this merger?

A: Obie believes that the merger represents a unique opportunity to its shareholders to realize significant value for their shares as well as an opportunity to continue to participate in the out-of-home advertising industry by an investment in a well-capitalized, experienced company.

Lamar believes that the quality and location of Obie's billboards and the strength of Obie's transit business will expand and complement Lamar's existing business and will contribute to its goal of maintaining value for its stockholders.

Q: What risks should I consider?

A: You should review carefully our discussion of Risk Factors beginning on page 16.

Q: What will I receive in exchange for my Obie stock in the merger?

A: You will receive your proportional share of the merger consideration, which is valued at \$43,313,718. Your Obie common stock will convert into the right to receive shares of Lamar Class A common stock and, in some circumstances, cash. You will receive cash instead of fractional shares and you may receive cash instead of some shares of Lamar stock if the price of Lamar stock falls below \$30.00 per share. See The Merger Merger Consideration for Obie Stock.

Q: Will I be able to trade the shares of Lamar Class A common stock I receive in the merger?

A: The shares of Lamar Class A Common Stock will be quoted on the Nasdaq National Market under the symbol LAMR. You may freely trade these shares, unless you are an affiliate of Obie. Persons who are considered affiliates (generally directors, officers and 10% or greater shareholders) of Obie must either register their shares of Lamar stock for resale or fit within an exemption from registration under the Securities Act of 1933, as amended. Rule 145 is the most likely exemption an Obie affiliate would use to sell or otherwise transfer any of the shares of Lamar Class A common stock received in the merger. Generally speaking, under Rule 145 such persons may sell their shares of Lamar Class A common stock immediately upon receipt, subject to certain information requirements, volume limitations, and other conditions of Rule 144.

Q: What is the difference between the Lamar Class A common stock I will receive in exchange for my Obie stock in the merger and Lamar Class B common stock?

A: 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 (1) vote, while a share of Class B common stock entitles the holder to ten (10) votes. On December 1, 2004, there were 89,848,890 shares of Lamar Class A common stock outstanding, 15,672,527 shares of Lamar Class B common stock outstanding, and 5,719.49 shares of Lamar Series AA preferred stock outstanding, which constitute, in the aggregate 36.5%, 63.5% and less than 0.1%, respectively, of all outstanding votes. Accordingly, the holders of Lamar Class B common stock control approximately 63.5% of the voting stock of Lamar. References to Lamar stock in this proxy statement/prospectus refer to Lamar Class A common stock.

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Q: What are the tax consequences of the merger to me?

A: For United States federal income tax purposes, (1) the receipt of Lamar stock in exchange for Obie stock generally will not cause you to recognize any taxable gain or loss, and (2) your income tax basis in the Lamar stock you receive in the merger will be equal to your basis in the shares of Obie stock you surrender in the exchange. If you receive a combination of cash and stock in exchange for your Obie shares, you will be required to recognize any gain to the extent that cash is received in the merger, and you will not be entitled to recognize any loss realized. See *The Merger* Material U.S. Federal Income Tax Consequences of the Merger.

We urge you to consult your tax advisor to explain the tax consequences of the merger to you, including whether you may be entitled to capital gains treatment for any gains you recognize. Tax matters are very complicated and, in many cases, tax consequences of the merger will depend on your particular facts and circumstances.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in this proxy statement/prospectus, please complete, sign, and date your proxy card and return it as soon as possible in the enclosed prepaid envelope so that your shares may be represented at the special meeting. If you sign and send in your proxy card, your shares will be voted as you indicate in your proxy card. **If you sign and send in your proxy card, but do not indicate how you want to vote, we will count your proxy as a vote FOR the proposal to approve the merger and FOR approval of any adjournment of the special meeting, if necessary.** Abstaining, failing to vote or withholding your votes will have the effect of voting against the proposal to approve the merger, but will have no effect on the proposal to adjourn the special meeting, if necessary.

Q: If my shares are held in street name by my broker, will my broker vote my shares for me?

A: Your broker or bank will vote your shares *only if* you provide instructions on how to vote. **As a general rule, your broker or bank does not have authority to vote on the proposal to approve the merger or the proposal to adjourn the special meeting, if necessary. Accordingly, your broker or bank will vote your shares held by it in street name with respect to the merger and adjournment proposals only if you provide instructions to it on how to vote.** Therefore, you should follow carefully the directions your broker or bank provides. Your failure to properly instruct your broker or bank to vote **FOR** the proposal to approve the merger will have the effect of voting your shares against the proposal to approve the merger, but will have no effect on the proposal to adjourn the special meeting, if necessary.

Q: Should I send in my Obie stock certificates now?

A: No. You should not send in your stock certificates at this time. Obie shareholders who hold their shares in certificated form will need to exchange their Obie stock certificates for Lamar Class A common stock and, in some circumstances, cash, after the merger is effective. Obie shareholders will receive instructions for exchanging Obie stock certificates following the effective date of the merger. Obie shareholders who hold their shares in book-entry form will receive instructions for exchanging their shares following the effective date of the merger. **Please do not send in your stock certificates with your proxy.**

Q: Can I change my vote after I have mailed my signed proxy?

A: Yes. You can change your vote in one of three ways at any time before your proxy is voted at the special meeting. First, you can send a written notice stating that you would like to revoke your proxy. Second, you can complete and submit a new proxy card dated after the date of your original proxy card. If you choose either of these two methods, the Secretary of Obie must receive your notice of revocation or your new proxy card at 4211 West 11th Avenue, Eugene, Oregon 97402 by the close of

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business on January 13, 2005, which is one business day prior to the special meeting. Third, you can attend the special meeting and vote in person. Simply attending the meeting, however, will not revoke your proxy; you must also vote at the special meeting.

Q: When is the shareholder meeting?

A: The shareholder meeting will take place on at 1:00 p.m., local time, on January 14, 2005 at Obie's offices located at 4211 West 11th Avenue, Eugene, Oregon 97402. Upon receipt of the required shareholder vote, Obie may adjourn the special meeting, if necessary, to solicit additional proxies.

Q: Can I attend the special meeting and vote my shares in person?

A: All Obie shareholders are invited to attend the special meeting. Only shareholders of record as of November 10, 2004, however, will be entitled to vote in person at the special meeting. If a bank, broker, or other nominee holds your shares in street name, then you are not the shareholder of record and you must ask your bank, broker, or other nominee how you can vote in person at the special meeting.

Q: What vote is required for approval of the two proposals under consideration at the special meeting?

A: The merger proposal must be approved by a majority of the outstanding shares of Obie common stock entitled to vote. As of the record date, there were 6,061,512 shares of Obie stock outstanding and entitled to vote. Accordingly, the merger will be approved only if at least 3,030,757 shares of Obie Stock vote in favor of the proposal to approve the merger. Abstentions and the failure to vote have the effect of voting against the merger. You are entitled to vote on the proposal to approve the merger if you held Obie stock at the close of business on the record date, which is November 10, 2004.

The adjournment proposal must be approved by the affirmative vote of a majority of the shares of Obie common stock present in person or by proxy at the special meeting, without regard to abstentions, even if there is no quorum at that meeting.

Q: When do you expect the merger to be completed?

A: We are working toward completing the merger as quickly as possible. If approved by the Obie shareholders, we expect to complete the merger on or about January 17, 2005.

Q: Whom should I call with questions?

A: You can call Gary Livesay, Obie's Vice President and Chief Financial Officer, at (541) 686-8400 with questions about the merger.

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SUMMARY

*This summary highlights certain information that we believe is important to you in deciding how to vote on the proposals described in this document. It does not contain all of the information that may be important to you. We urge you to read carefully this entire proxy statement/prospectus and the other documents to which this proxy statement/prospectus refers you in order to help you understand the proposed transaction. See *Where You Can Find More Information*, beginning on page 84. Each topic in this summary refers to the page of this document on which that topic is discussed in more detail. The information contained on the respective websites for Lamar and Obie is not considered part of or incorporated by reference into this proxy statement/prospectus unless specifically indicated to the contrary.*

The Companies

Lamar Advertising Company (see page 30)

5551 Corporate Boulevard
Baton Rouge, LA 70808
(225) 926-1000
<http://www.lamar.com>

Lamar is one of the largest and most experienced owners and operators of outdoor advertising structures in the United States. Lamar also operates the largest logo sign business in the United States. Lamar has a holding company structure, under which Lamar Advertising Company and its wholly-owned subsidiary, Lamar Media Corp., serve as holding companies for Lamar's indirect subsidiaries.

Obie Media Corporation (see page 31)

4211 West 11th Avenue
Eugene, OR 97402
(541) 686-8400
<http://www.obie.com>

Obie Media Corporation is an outdoor advertising company that markets advertising space primarily on transit vehicles and outdoor advertising displays such as billboards and wallsapes. Obie serves the transit districts of nine of the thirty largest U.S. markets (in terms of demographic market area) and the third largest Canadian market. Obie also owns and operates advertising displays on billboards and walls primarily in Washington, Oregon, California, Montana, Wyoming, Idaho, Utah, and South Dakota.

OMC Acquisition Corporation (see page 30)

OMC Acquisition Corporation is a Delaware corporation and a wholly owned subsidiary of Lamar that was organized solely for the purpose of effecting the merger with Obie. OMC Acquisition Corporation has carried on no other activities other than in connection with the merger.

The Merger

Summary of the Transactions (see page 59)

In the proposed merger, Obie will be merged into OMC Acquisition Corporation. OMC Acquisition Corporation will be the surviving corporation and will be renamed Lamar Obie, Inc.

The merger will become effective only if the Obie shareholders approve the merger and all other conditions to the merger are satisfied or waived. The merger agreement is attached as Annex A to this proxy statement/prospectus. We encourage you to read it because it is the legal document that governs the merger.

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What the Holders of Obie Common Stock Will Receive in the Merger (see page 59)

In the proposed merger, each holder of Obie stock will receive a pro rata share of the merger consideration valued at \$43,313,718. When we complete the merger, each outstanding share of Obie common stock will convert into the right to receive shares of Lamar stock or shares of Lamar stock and cash, with a value of approximately \$7.00 per share. The number of shares of Lamar stock received by each Obie shareholder is equal to (A) the quotient of (i) \$43,313,718 divided by (ii) the number of Obie shares issued and outstanding immediately prior to the effective time of the merger, further divided by (B) the average closing sales price of a share of Lamar stock as reported on the Nasdaq National Market for the twenty trading days ending on the last trading day immediately prior to the third calendar day preceding the closing of the merger. If the average closing sales price of a share of Lamar stock is \$30.00 or less but greater than \$22.00, however, Lamar may elect, in its sole discretion, to pay up to \$10,756,696 of the merger consideration in cash in lieu of shares of Lamar stock. If the average closing price of a share of Lamar stock is \$22.00 or less, Lamar may elect, in its sole discretion, to pay up to \$21,083,124 of the merger consideration in cash in lieu of Lamar stock. If Lamar elects to pay a portion of the merger consideration in cash, then Obie shareholders will receive the Lamar stock and cash on a pro rata basis based on their Obie holdings. On December 14, 2004, the last practicable trading day before the date of this document, Lamar stock closed at \$42.44. **Because the form of the merger consideration is determined by the formula described above, you will not know, at the time you vote on the merger proposal: (a) how many shares of Lamar stock you will receive; (b) whether or not you will receive any cash in exchange for your shares of Obie stock; or (c) if you will receive cash, how much cash you will receive.**

Throughout this proxy statement/prospectus, we often refer to the Lamar Class A common stock as Lamar stock and Obie common stock as Obie stock.

Material U.S. Federal Income Tax Consequences of the Merger (see page 60)

The merger will be treated as a reorganization within the meaning of Section 368 of the Internal Revenue Code in which no gain or loss will be recognized by Obie, Lamar, or OMC Acquisition Corporation as a result of the merger. In addition, you will not recognize gain or loss on the exchange of your shares of Obie stock for shares of Lamar stock, except you will recognize gain for any cash you receive.

Because the tax consequences of the merger depend upon your individual circumstances, we urge you to consult your own tax advisors about the federal, state, local, or foreign tax consequences of your receipt of the merger consideration in exchange for your Obie common stock.

Appraisal or Dissenters Rights (see page 63 and Annex C)

Under Oregon law, Obie shareholders are entitled to dissenters rights in connection with the merger so long as they follow the specific procedures set forth in the Oregon statute.

Obie's Reasons for the Merger (see page 50)

The Obie board of directors has concluded that the merger is advisable, fair to, and in the best interests of Obie and its shareholders. In reaching its decision, the Obie board of directors considered a variety of factors, without giving relative weight to any one factor, including the following:

- the merger consideration exceeds the value that could be expected to be realized in the foreseeable future by Obie shareholders if Obie continues as an independent entity;
- the combined company is expected to compete more effectively in the outdoor advertising market;
- the combined company will have greater depth of skill personnel, and expanded sales, art, and production services;
- the combined company will have better access to each company's existing company base and partners;

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the combined company will have a larger customer base, higher market profile, and greater financial strength, which will present greater opportunities for marketing the products and services of the combined company;

Obie shareholders will have the opportunity to participate in the potential for growth of Lamar's business after the merger; and

the combined company will be able to expand its offerings of products and services in the outdoor advertising market.

Lamar's Reasons for the Merger (see page 50)

In determining whether to approve the merger, Lamar's board of directors considered a variety of factors, including the degree to which Obie's billboard business complements Lamar's billboard business, both in terms of the quality of assets and their location in the Northwest, and the strengths of Obie's transit business, including: the number of larger markets served by Obie, its established management structure for serving those markets, and Obie's significant in-house production capabilities. Lamar's board of directors also considered Lamar's experience integrating past acquisitions and the anticipated process of integrating Obie into Lamar.

Fairness Opinion of Obie's Financial Advisor (see page 52 and Annex B)

In connection with the merger, the Obie board of directors received an opinion from its financial advisor, D.A. Davidson & Co. On October 1, 2004, D.A. Davidson & Co. delivered its written opinion to the Obie board of directors, concluding that, as of that date and based on and subject to the factors and assumptions set forth in the opinion, the merger consideration is fair, from a financial point of view, to Obie shareholders. The full text of this written opinion is attached as Annex B to this proxy statement/prospectus. We encourage you to read this opinion in its entirety carefully. **The opinion of D.A. Davidson & Co. is not a recommendation to any shareholder on whether to vote for or against the merger.**

The Special Meeting

General; Date; Time and Place (see page 27)

A special meeting of Obie shareholders will be held at 1:00 p.m., local time, on January 14, 2005, at Obie's headquarters at 4211 West 11th Avenue, Eugene, Oregon 97402. At the special meeting, Obie shareholders will be asked to approve the merger and, if necessary, the related adjournment proposal.

Record Date; Voting Power (see page 27)

If you owned shares of Obie stock as of the close of business on November 10, 2004, the record date for the special meeting, you may vote on the proposal to approve the merger and other matters that may properly come before the meeting, including the related adjournment proposals. Obie shareholders will have one vote at the meeting for each share of common stock they owned on the record date. If you held your shares on the record date through a broker or bank, you may not vote the shares directly and must instruct the broker or bank to vote the shares on your behalf. Failure to do so will have the effect of casting your votes against the proposal to approve the merger, but will have no effect on the adjournment proposal.

On the record date, no directors and officers of Lamar owned shares of Obie stock, and directors and officers of Obie as a group owned 2,991,630 shares, or approximately 49.3%, of the 6,061,512 outstanding shares of Obie stock.

Quorum; Required Votes; Voting Agreement (see page 27 and Annex D)

The holders of a majority of the outstanding shares of Obie stock entitled to vote must be present, in person or by proxy, at the Obie special meeting for there to be a quorum.

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To approve the merger, holders of a majority of the outstanding shares of Obie stock entitled to vote must vote in favor of the proposal to approve the merger. To approve the adjournment proposal, a majority of shares present in person or by proxy at the special meeting must vote to adopt the proposal. If you fail to vote, withhold your vote, or abstain from voting, the effect will be a vote against the proposal to approve the merger but will have no effect on any adjournment proposal. A broker or bank that holds your Obie stock in street name will not have authority to vote your shares unless you provide the broker or bank with voting instructions.

In connection with the merger, Brian B. Obie, Obie's Chairman of the Board, President, and Chief Executive Officer, who holds 1,693,147 shares, or 27.5% of Obie's stock, has entered into a voting agreement under which he has agreed to vote all of his Obie shares in favor of the proposal to approve the merger.

The merger does not require the approval of Lamar's stockholders.

Recommendation of the Obie Board of Directors (see page 29)

After careful consideration, on October 1, 2004, the Obie board of directors unanimously approved and adopted the merger agreement and voted to recommend that the shareholders of Obie vote in favor of the merger. For the factors considered by the Obie board of directors in reaching its decision to approve and recommend to the shareholders to approve the merger, see the section entitled "Background and Reasons for the Merger - Obie's Reasons for the Merger" beginning on page 50. The Obie board of directors unanimously recommends that the Obie stockholders vote **FOR** the proposal to approve the merger and **FOR** the proposal to adjourn the Obie special meeting, if necessary, for the purpose of soliciting additional proxies.

Other Selected Information

Treatment of Obie Stock Options (see page 60)

Pursuant to the merger agreement, Obie has accelerated the vesting of its outstanding options and provided a period of not less than 30 days (ending before the effective time of the merger) during which the options may be exercised. Any options for Obie stock that remain outstanding at the effective time of the merger will be cancelled and will no longer represent the right to receive Obie stock or Lamar stock.

Treatment of Obie Benefits (see page 60)

The Obie employees who become employed by Lamar will be eligible to participate in Lamar's 401(k) plan and may transfer any assets they have in Obie's plan to Lamar's plan. Obie employees who become employed by Lamar will also be allowed to carry-over the years of service they currently have with Obie to Lamar's employee benefit plans.

Accounting Treatment (see page 60)

Lamar expects to account for the merger under the purchase method of accounting, which means the assets and liabilities of Obie, including its intangible assets, will be recorded on Lamar's balance sheet at their fair market values. Obie's results of operations and cash flows will be included in Lamar's financial statements prospectively as of the closing of the merger.

Regulatory Approvals (see page 65)

We are not aware of any federal or state regulatory requirements that we must comply with or approvals that we must obtain for closing the merger, other than compliance with federal securities laws.

Conditions to the Merger (see page 69 and Annex A)

The following conditions must be satisfied before completing the merger:

Obie shareholders must approve the merger;

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none of the parties shall be subject to any court order, statute, rule, or regulation prohibiting the merger;

the registration statement of which this proxy statement/prospectus forms a part must have been declared effective by the Securities and Exchange Commission, which is referred to as the SEC, and must not be the subject of any stop order or related proceeding;

the shares of Lamar stock issued in the merger must be listed on the Nasdaq National Market;

the parties to the merger agreement shall have performed their respective obligations and their respective representations and warranties shall be true;

Obie and Lamar each shall have received an opinion from their respective counsel that the merger will qualify as a tax deferred reorganization;

Obie must meet certain conditions regarding the value of its assets and liabilities;

certain agreements must be executed and in effect;

not more than 5% of the shares of Obie stock shall be subject to a claim for dissenter's rights under the Oregon statute; and

other conditions regarding the resignation of Obie officers and the construction of certain advertising structures must be satisfied.

Termination of the Merger Agreement (see page 70 and Annex A)

We can mutually terminate the merger agreement without completing the merger. Either Lamar or Obie may be able to terminate the agreement if the merger is not completed by February 28, 2005, and under other circumstances, including the failure of the Obie shareholders to approve the merger.

Expenses (see page 71 and Annex A)

Each party is generally responsible for paying any expenses it incurs in connection with the merger. If the merger is not completed, Obie may be required to pay Lamar its expenses, up to \$200,000, and a break-up fee of \$1,090,803 under limited conditions.

Comparative Stockholder Rights (see page 73)

When we complete the merger, you will hold shares of Lamar stock. Your rights will then be governed by Lamar's certificate of incorporation and by-laws and Delaware law rather than by Obie's articles of incorporation and by-laws and Oregon law.

Comparative Stock Price Information (see page 15)

Lamar is quoted on the Nasdaq National Market. Obie stock is quoted on the Nasdaq Small Cap Market. The following table presents the market values of Lamar stock and Obie stock as of September 17, 2004, the last business day before we publicly announced the merger.

	Lamar Stock			Obie Stock		
	High	Low	Closing	High	Low	Closing
September 17, 2004	\$42.26	\$41.86	\$42.00	\$5.00	\$4.57	\$4.79

We encourage you to obtain current market quotations for Lamar stock and Obie stock.

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Lamar is providing the following information to aid your analysis of the financial aspects of the merger. The table below presents selected historical information from the consolidated statement of operations, statement of cash flows, and balance sheet of Lamar and its subsidiaries. Lamar derived this information from audited financial statements for the years ended December 31, 1999 through December 31, 2003 and from unaudited financial statements for the nine months ended September 30, 2003 and September 30, 2004.

In Lamar's opinion, the information for the nine months ended September 30, 2003 and September 30, 2004 reflects all adjustments, consisting only of normal recurring adjustments, necessary to present the results of operations and financial condition fairly. Results from interim periods should not be considered indicative of results for any other periods or for the year. This information is only a summary. You should read it in conjunction with Lamar's historical financial statements and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations, which are incorporated by reference into this proxy statement/prospectus.

	For the Years Ended December 31,					(Unaudited) Nine Months Ended	
	1999	2000	2001	2002	2003	September 30, 2003	September 30, 2004
					(Restated)	(Restated)	
	(Dollars in thousands, except per share data)						
Statement of Operations Data:							
Net revenues	\$444,135	\$687,319	\$729,050	\$775,682	\$810,139	\$604,119	\$659,513
Operating expenses:							
Direct advertising expenses	143,090	217,465	251,483	274,772	292,017	219,489	224,543
General and administrative expenses	94,372	138,072	151,048	167,182	171,520	126,156	138,387
Depreciation and amortization	173,647	312,191	349,550	271,832			