

LAMAR ADVERTISING CO/NEW

Form 8-K

March 19, 2007

Table of Contents

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 8-K
CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
Date of Report (Date of earliest event reported): March 15, 2007
LAMAR ADVERTISING COMPANY
(Exact Name of Registrant as Specified in Charter)**

| | | |
|--|--|--|
| Delaware (State or Other Jurisdiction of Incorporation) | 0-30242 (Commission File Number) | 72-1449411 (IRS Employer Identification No.) |
|--|--|--|

5551 Corporate Blvd.
Baton, Rouge 70808
(Address of Principal Executive Offices) (Zip Code)
(225) 926-1000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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TABLE OF CONTENTS

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Item 8.01 Other Events.

SIGNATURE

Table of Contents**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.****Executive Compensation**

On March 15, 2007, the Compensation Committee set the base salaries and approved performance-based cash and equity bonus programs for the Company's executive officers for fiscal 2007.

Under these bonus programs, each of the Company's executive officers has an opportunity to earn a cash bonus and an award of unrestricted shares of the Company's Class A Common Stock (the "Common Stock"). The amount of cash bonus and the number of unrestricted shares of Common Stock earned by each executive officer will be determined according to formulas set by the Compensation Committee at the meeting. The formulas are based upon levels of the Company's pro forma net revenue growth and pro forma EBITDA growth in fiscal 2007 over fiscal 2006. Under the formulas, each executive officer may earn up to a maximum of 200% of his target cash bonus and 100% of his target equity award. Any bonus under these programs will be paid and issued when the Compensation Committee certifies (after the close of fiscal 2007) that the performance criteria have been satisfied.

The following table sets forth the 2007 base salary and target and maximum cash and equity bonuses for each of the Company's executive officers:

| Executive Officer | 2007 Base Salary | 2007 Target Cash Bonus | 2007 Target Unrestricted Stock Grant |
|---|-------------------------|-------------------------------|---|
| Kevin P. Reilly, Jr. President, Chief Executive Officer and Chairman | \$ 700,000 | \$ 400,000 ⁽¹⁾ | 44,000 shares |
| Sean E. Reilly Chief Operating Officer and Vice President | \$ 500,000 | \$ 250,000 ⁽²⁾ | 44,000 shares |
| Keith A. Istre Chief Financial Officer and Treasurer | \$ 450,000 | \$ 250,000 ⁽³⁾ | 26,000 shares |

(1) Mr. Kevin P. Reilly, Jr. may earn up to 200% of his target bonus, for a total cash bonus opportunity of up to \$800,000, upon the attainment of certain performance goals under the bonus program.

(2) Mr. Sean E. Reilly may earn up to 200% of his target bonus,

for a total cash bonus opportunity of up to \$500,000, upon the attainment of certain performance goals under the bonus program.

- (3) Mr. Keith A. Istre may earn up to 200% of his target bonus, for a total cash bonus opportunity of up to \$500,000, upon the attainment of certain performance goals under the bonus program.

Item 8.01 Other Events.

Due to a technical error, the estimated amortization expense related to goodwill and other intangible assets for the years ended December 31, 2007 through December 31, 2011, as reported in the table included in footnote 5 to the notes to Lamar Advertising Company's consolidated financial statements that were included in the company's Annual Report on Form 10-K for the year ended December 31, 2006 as filed with the SEC on March 1, 2007, were misstated.

Table of Contents

The full text of footnote 5, as corrected, is set forth below.

(5) Goodwill and Other Intangible Assets

The following is a summary of intangible assets at December 31, 2006 and December 31, 2005:

| | Estimated Life (Year) | 2006 Gross Carrying Amount | Accumulated Amortization | 2005 Gross Carrying Amount | Accumulated Amortization |
|----------------------------------|--------------------------------------|---|-------------------------------------|---|-------------------------------------|
| Amortizable Intangible Assets: | | | | | |
| Customer lists and contracts | 7 10 | \$ 444,167 | \$ 380,374 | \$ 425,739 | \$ 344,125 |
| Non-competition agreements | 3 15 | 60,279 | 55,466 | 59,618 | 53,437 |
| Site locations | 15 | 1,262,525 | 474,151 | 1,195,581 | 391,926 |
| Other | 5 15 | 13,537 | 9,667 | 13,600 | 8,107 |
| | | 1,780,508 | 919,658 | 1,694,538 | 797,595 |
| Unamortizable Intangible Assets: | | | | | |
| Goodwill | | \$ 1,611,341 | \$ 253,635 | \$ 1,548,685 | \$ 253,635 |

The changes in the gross carrying amount of goodwill for the year ended December 31, 2006 are as follows:

| | |
|-----------------------------------|--------------|
| Balance as of December 31, 2005 | \$ 1,548,685 |
| Goodwill acquired during the year | 62,656 |
| Impairment losses | |
| Balance as of December 31, 2006 | \$ 1,611,341 |

The following is a summary of the estimated amortization expense:

| | |
|------------------------------|------------|
| Year ended December 31, 2007 | \$ 106,332 |
| Year ended December 31, 2008 | 99,575 |
| Year ended December 31, 2009 | 96,672 |
| Year ended December 31, 2010 | 93,591 |
| Year ended December 31, 2011 | 91,111 |
| Thereafter | 373,569 |
| Total | \$ 860,850 |

Table of Contents

SIGNATURE

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

LAMAR ADVERTISING COMPANY

(Registrant)

Date: March 19, 2007

By /s/ Keith Istre

Name: Keith Istre

Title: Chief Financial Officer