

LAMAR ADVERTISING CO/NEW

Form 8-K

August 18, 2005

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): **August 16, 2005**

LAMAR ADVERTISING COMPANY

LAMAR MEDIA CORP.

(Exact name of registrants as specified in their charters)

Delaware

0-30242

72-1449411

Delaware

1-12407

72-1205791

(States or other jurisdictions
of incorporation)

(Commission File
Numbers)

(IRS Employer
Identification Nos.)

5551 Corporate Boulevard, Baton Rouge, Louisiana 70808

(Address of principal executive offices and zip code)

(225) 926-1000

(Registrants telephone number, including area code)

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 (see General Instruction A.2. below):

- 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 1.01. Entry into a Material Definitive Agreement.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

Item 8.01. Other Events.

Item 9.01. Financial Statements and Exhibits.

SIGNATURES

EXHIBIT INDEX

EX-4.1 Indenture, dated as of August 16, 2005

EX-10.1 Registration Rights Agreement dated as of August 16, 2005

EX-99.1 Press Release of Lamar Advertising Company, dated as of August 16, 2005

Table of Contents

Item 1.01. Entry into a Material Definitive Agreement.

On August 16, 2005, Lamar Advertising Company (the Company) completed an institutional private placement of \$400.0 million aggregate principal amount of 6.625% senior subordinated notes due 2015 (the Notes) of Lamar Media Corp., its wholly owned subsidiary (Lamar Media), as previously announced. The institutional private placement resulted in net proceeds to Lamar Media of approximately \$393.7 million. The Notes were sold within the United States only to qualified institutional buyers in reliance on Rule 144A under the Securities Act of 1933, as amended (the Securities Act), and outside the United States only to non-U.S. persons in reliance on Regulation S under the Securities Act.

The net proceeds from the offering of the Notes were used to repay a portion of the amounts outstanding under Lamar Media s existing bank credit facility, which prepayment occurred on August 17, 2005.

On August 16, 2005, Lamar Media and its subsidiary guarantors entered into an Indenture (the Indenture) with The Bank of New York Trust Company, N.A., as trustee, relating to the Notes. A copy of the Indenture (including the Form of Note) is filed as Exhibit 4.1 to this current report on Form 8-K and is incorporated by reference into this Item 1.01.

The Notes mature on August 15, 2015 and bear interest at a rate of 6.625% per annum, which is payable semi-annually on February 15 and August 15 of each year, beginning February 15, 2006. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. The terms of the Indenture will, among other things, limit Lamar Media s and its restricted subsidiaries ability to (i) incur additional debt and issue preferred stock; (ii) make certain distributions, investments and other restricted payments; (iii) create certain liens; (iv) enter into transactions with affiliates; (v) have the restricted subsidiaries make payments to Lamar Media; (vi) merge, consolidate or sell substantially all of Lamar Media s or the restricted subsidiaries assets; and (vii) sell assets. These covenants are subject to a number of exceptions and qualifications.

Lamar Media may redeem up to 35% of the aggregate principal amount of the Notes, at any time and from time to time, at a price equal to 106.625% of the aggregate principal amount so redeemed, plus accrued and unpaid interest thereon (including additional interest, if any), with the net cash proceeds of certain public equity offerings completed before August 15, 2008. On or after August 15, 2010, Lamar Media may redeem the Notes, in whole or in part, in cash at redemption prices specified in the Indenture. In addition, if the Company or Lamar Media undergoes a change of control, Lamar Media may be required to make an offer to purchase each holder s Notes at a price equal to 101% of the principal amount of the Notes, plus accrued and unpaid interest (including additional interest, if any) up to but not including the repurchase date.

The Indenture provides that each of the following is an event of default (Event of Default): (a) default in payment of any principal of, or premium, if any, on the Notes; (b) default for 30 days in payment of any interest on the Notes; (c) default by Lamar Media or any Guarantor (as defined in the Indenture) in the observance or performance of any other covenant in the Notes or the Indenture for 45 days after written notice from the Trustee or the holders of not less than 25% in aggregate principal amount of the Notes then outstanding; (d) default or defaults under one or

Table of Contents

more agreements, instruments, mortgages, bonds, debentures or other evidences of Indebtedness under which Lamar Media or any Restricted Subsidiary (as defined in the Indenture) of Lamar Media then has outstanding Indebtedness (as defined in the Indenture) in excess of \$20 million, individually or in the aggregate, and either (i) such Indebtedness is already due and payable in full or (ii) such default or defaults have resulted in the acceleration of the maturity of such Indebtedness; (e) any final judgment or judgments which can no longer be appealed for the payment of money in excess of \$20 million (not covered by insurance) shall be rendered against Lamar Media or any Restricted Subsidiary and shall not be discharged for any period of 60 consecutive days during which a stay of enforcement shall not be in effect; and (f) certain events involving bankruptcy, insolvency or reorganization of Lamar Media or any Restricted Subsidiary.

If any Event of Default arising under a clause other than clause (f) above occurs, then the Trustee or the holders of 25% in aggregate principal amount of the Notes may declare to be immediately due and payable the entire principal amount of all the Notes then outstanding plus accrued interest to the date of acceleration, and such amounts shall become immediately due and payable.

On August 16, 2005, in connection with the issuance of the Notes, Lamar Media and its subsidiary guarantors entered into a Registration Rights Agreement (the "Registration Rights Agreement") with J.P. Morgan Securities Inc. for itself and as representative for Wachovia Capital Markets, LLC, BNP Paribas Securities Corp., BNY Capital Markets, Inc., Calyon Securities (USA) Inc., Greenwich Capital Markets, Inc., RBC Capital Markets Corporation and SunTrust Capital Markets, Inc. (each individually, an "Initial Purchaser" and collectively, the "Initial Purchasers"). Pursuant to the terms of the Registration Rights Agreement, Lamar Media and its subsidiary guarantors agreed to file and cause to become effective a registration statement covering an offer to exchange the Notes for a new issue of identical exchange notes registered under the Securities Act and to complete the exchange offer on or prior January 23, 2006 (the "Target Registration Date"). Under certain circumstances, the Company may be required to provide a shelf registration statement to cover resales of the Notes. If the exchange offer is not completed (or, if required, the shelf registration statement is not declared effective) on or before the Target Registration Date, then the annual interest rate borne by the notes will be increased (i) 0.25% per annum for the first 90-day period immediately following the Target Registration Date and (ii) an additional 0.25% per annum with respect to each subsequent 90-day period, in each case until the exchange offer is completed or, if required, the shelf registration statement is declared effective, up to a maximum of 1.00% per annum of additional interest. A copy of the Registration Rights Agreement is filed as Exhibit 10.1 to this current report on Form 8-K and is incorporated by reference into this Item 1.01.

The Initial Purchasers and their affiliates perform various financial advisory, investment banking and commercial banking services from time to time for the Company, Lamar Media and their affiliates, for which they receive customary fees. The Bank of New York Trust Company, N.A., an affiliate of BNY Capital Markets, Inc., an Initial Purchaser, serves as trustee for the Notes. The net proceeds from the Notes offering were applied to repay indebtedness under the term loans of Lamar Media's existing bank credit facility, and each lender under the existing bank credit facility received its proportionate share of such repayment. JPMorgan Chase Bank, N.A., an affiliate of J.P. Morgan Securities Inc., is the administrative agent and a lender under the existing bank credit facility and is expected to be the administrative agent and a lender under Lamar Media's new bank credit facility, which

Table of Contents

was previously announced in a current report on Form 8-K filed on August 9, 2005. J.P. Morgan Securities Inc. is expected to be the arranger under the new bank credit facility. Other lenders under the existing bank credit facility include affiliates of the following initial purchasers: BNY Capital Markets, Inc., SunTrust Capital Markets, Inc., Wachovia Capital Markets, LLC, BNP Paribas Securities Corp. and Calyon Securities (USA) Inc. The lenders under the new bank credit facility are expected to include affiliates of each of the Initial Purchasers. Wachovia Bank of Delaware, National Association, an affiliate of Wachovia Capital Markets, LLC, serves as the trustee for our existing 7 1/4% senior subordinated notes.

The description above is qualified in its entirety by the Indenture and Registration Rights Agreement filed as Exhibits 4.1 and 10.1, respectively, to this current report on Form 8-K.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 above is incorporated by reference into this Item 2.03.

Item 8.01. Other Events.

On August 16, 2005, the Company issued a press release announcing the completion of an institutional private placement of senior subordinated notes of Lamar Media, its wholly owned subsidiary. The press release is furnished as Exhibit 99.1 to this current report on Form 8-K and is incorporated by reference herein, in accordance with Rule 135 of the Securities Act of 1933, as amended.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

Exhibit No.	Description
4.1	Indenture, dated as of August 16, 2005, between Lamar Media, the Guarantors named therein and The Bank of New York Trust Company, N.A., as Trustee.
10.1	Registration Rights Agreement, dated as of August 16, 2005, between Lamar Media, the Guarantors named therein and the Initial Purchasers named therein.
99.1	Press Release of Lamar Advertising Company, dated as of August 16, 2005, announcing the completion of a private placement of senior subordinated notes of Lamar Media Corp.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

Date: August 17, 2005

LAMAR ADVERTISING COMPANY

By: /s/ Keith A. Istre
Keith A. Istre
Treasurer and Chief Financial Officer

Date: August 17, 2005

LAMAR MEDIA CORP.

By: /s/ Keith A. Istre
Keith A. Istre
Treasurer and Chief Financial Officer

Table of Contents

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