

# LAMAR ADVERTISING CO

NASDAQ: LAMR  
Industry: Media

SABRIENT  
**HOLD**  
RATING

## Stock Fundamentals as of August 17, 2009

Sabrient Rating	<b>Hold</b>
Ticker	<b>LAMR</b>
Market Cap Designation	<b>Mid-cap</b>
Market Capitalization (Billions)	<b>\$1.7</b>
Price	<b>\$22.06</b>
52-Week High/Low	<b>\$41.00/5.35</b>
EPS (TTM)	<b>\$-0.40</b>
P/E Ratio (TTM)	<b>N/A</b>
Dividend Yield	<b>N/A</b>
S&P 500 P/E Ratio	<b>29.2</b>
Price/Book Ratio	<b>N/A</b>
Price/Sales Ratio	<b>1.5</b>
30-Day Average Volume (Millions)	<b>1.4</b>
Beta	<b>2.73</b>
Current Ratio	<b>N/A</b>
Short Interest Ratio	<b>10.6</b>
Shares Outstanding (Millions)	<b>76.6</b>

### Sabrient Ratings

Sabrient's Buy/Hold/Sell ratings are based on a combination of dynamic filters that determine which attributes of a stock are most predictive in the prevailing market and which stocks best reflect those attributes but are not yet rewarded.

Sabrient starts with an "extraction" process that uses the best performing filters to identify stocks having certain compelling attributes currently sought by the market. Then, a composite scoring process uses a weighted average of several key scores to quantify the relative likelihood of upside or downside price action. As a result, the Buy/Hold/Sell rating may, in certain cases, seem inconsistent with a simple average of the scores cited in this analysis.

A BUY rating means the stock is expected to outperform its relevant benchmark substantially over the next 6 months. A SELL rating means the stock is expected to underperform its relevant benchmark substantially over the next 6 months. A HOLD rating means the stock is expected to perform in line with its relevant benchmark over the next 6 months.

If a stock is rated HOLD, the investor should review the stock's history of Sabrient ratings to see if it has recently changed to HOLD from BUY or SELL. If so, this indicates one of the following: (1) there has been a significant change in the stock's fundamentals, (2) the stock is already appropriately rewarded or punished by the market, or (3) there simply has been some recent price consolidation that warrants attention. A reading of Sabrient's analysis should identify which it is.

More about Sabrient on Page 4

### Sabrient's Market Cap Designations

Large Cap	> \$5.0 Billion
Mid Cap	\$1.0 - \$5.0 Billion
Small Cap	\$150 Million - \$1.0 Billion
Micro Cap	< \$150.0 Million

Report prepared on August 18, 2009 Page 1

Please see important disclaimer on page 5 of this report.

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## LAMAR ADVERTISING CO



## Company Profile

Lamar Advertising Company, together with its subsidiaries, provides outdoor advertising services in the United States, Canada, and Puerto Rico.

**Earnings and Revenue Update:** For the quarter ended June 30, 2009, Lamar reported earnings of \$-11.9 million or \$-0.13 per share compared with \$-21.4 million or \$-0.23 per share for the prior quarter and \$12.5 million or \$0.14 per share for the same quarter one year ago. Revenues were \$274.7 million for the quarter ended June 30, 2009 compared with \$247.2 million for the prior quarter and \$323.8 million for the same quarter one year ago. Last twelve months' earnings were \$-0.40 per share compared with \$0.30 per share a year ago. Last twelve months' revenues were \$1.1 billion compared with \$1.2 billion a year ago.

## Sabrient Analysis

Sabrient rates LAMR a Hold, despite its considerable momentum strength. The stock displays unfavorable value characteristics and did not meet our strictly tested filtering criteria.

- **Momentum:** A Sabrient Momentum Score of 71.9 implies a favorable accumulation trend for LAMR. The score reflects price, earnings, and group momentum.
- **Growth:** With a Sabrient Growth Score of 41.7, LAMR exhibits a growth profile that is somewhat lower than average.
- **Value:** A rank of 25.1 for the Sabrient Value Score implies that historical and projected earnings are already priced into shares of Lamar.
- **Timeliness:** This stock has a Sabrient Timeliness Score of 86.8. This measures technical strength based on short-term and long-term price performance and long-term group strength.

Sabrient Analysis continued on Page 3

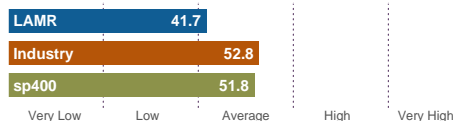
**Sabrient**

Leaders In Investment Research

## Current Sabrient Scores Compared with Industry and Relevant Benchmark

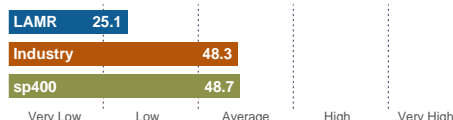
These Sabrient scores compare various aspects of LAMAR ADVERTISING CO with its industry and relevant benchmarks. The scores are percentile rankings from 0 to 99.9. Higher scores are better. We use a weighted average of several key scores to quantify the relative likelihood of upside or downside price action. Therefore, the Sabrient rating may seem inconsistent with a simple average of the scores cited in this analysis.

### Growth Score: 41.7



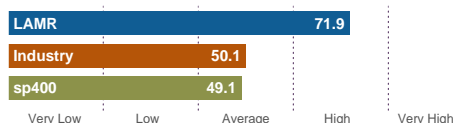
The Sabrient Growth Score reflects a company's historical and projected earnings growth, revenue and sales growth, projected cash flow, analyst activity, and changes in earnings estimates, each over various time periods. The higher the score, the better the combined performance of these key measures. With a Sabrient Growth Score of 41.7, Lamar is moderately lower than the average of its industry group, which has a Sabrient Growth Score of 52.8.

### Value Score: 25.1



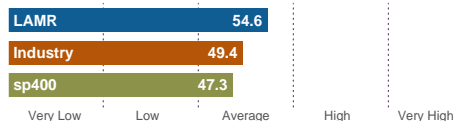
The Sabrient Value Score measures the relationship between a company's stock price and its intrinsic value, as indicated by earnings and balance sheet attributes, with an emphasis on earnings. Also considered are cash flow measures and fundamental valuation ratios. With a Sabrient Value Score of 25.1, Lamar is considerably lower than the average of its industry group, which has a Sabrient Value Score of 48.3.

### Momentum Score: 71.9



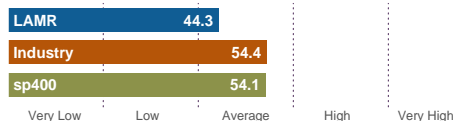
The Sabrient Momentum Score measures a company's earnings and price momentum, evenly weighted, and augmented by group strength, money flow, and relative volume. Core technical factors include current price relative to periodic highs and moving averages. With a Sabrient Momentum Score of 71.9, Lamar is considerably higher than the average of its industry group, which carries a Sabrient Momentum Score of 50.1.

### Earnings Score: 54.6



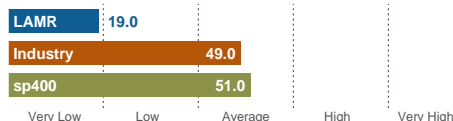
The Sabrient Earnings Score assesses a company's overall earnings performance and projected outlook. Time periods include an average look-back of three years with an emphasis on the past four quarters and a forward look of one to five years. With a Sabrient Earnings Score of 54.6, Lamar is marginally higher than the average of its industry group, which has a Sabrient Earnings Score of 49.4.

### Balance Sheet Score: 44.3



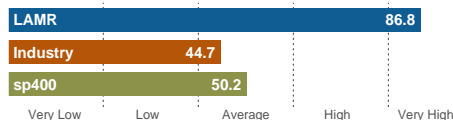
The Sabrient Balance Sheet Score measures a company's liquidity and debt issues, as well as receivables and inventory quality. This score is used to assess relative risk associated with a stock: the lower the score, most likely the higher the inherent risk. With a Sabrient Balance Sheet Score of 44.3, Lamar is moderately lower than the average of its industry group, which carries a Sabrient Balance Sheet Score of 54.4.

### Fundamental Score: 19.0



The Sabrient Fundamental Score is the broad measure of a company's financial health, including its balance sheet, cash flow, revenue, and earnings quality. With a Sabrient Fundamental Score of 19.0, Lamar is well below the average of its industry group, which carries a Sabrient Fundamental Score of 49.0.

### Timeliness Score: 86.8



The Sabrient Timeliness Score is an assessment of a stock's short and long-term price strength as determined by various chart-based indicators and measures of group momentum and relative price performance. With a Sabrient Timeliness Score of 86.8, Lamar is significantly higher than the average of its industry group, which carries a Sabrient Timeliness Score of 44.7.

## Peer Analysis

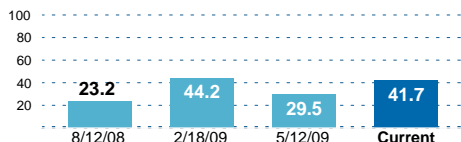
This table compares LAMR with other similar-sized companies in the same industry group, focusing on Sabrient's growth, momentum and value scores, which represent the three main investing styles. The Peer Analysis chart compares LAMR's 2-year total return with the average 2-year total return of these companies.



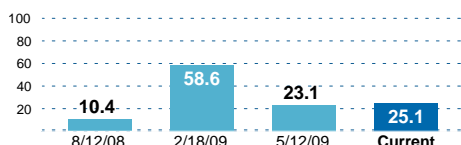
## Historical Sabrient Scores

The recent histories of key Sabrient scores provide insight into the stock's trends -- whether they are increasing or decreasing in strength in a particular area or simply holding steady. The Sabrient scores are percentile rankings from 0 to 99.9, with higher scores better. Keep in mind that Sabrient ratings may seem inconsistent with a simple average of these key scores because a weighted average of several key scores is used to quantify the relative likelihood of upside or downside price action.

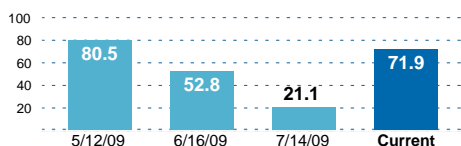
### Growth Score: 41.7



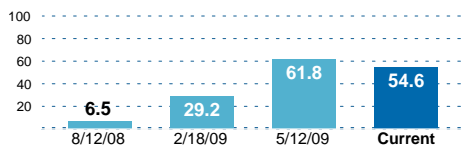
### Value Score: 25.1



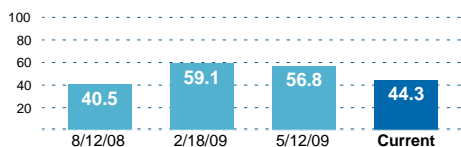
### Momentum Score: 71.9



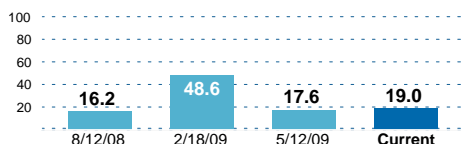
### Earnings Score: 54.6



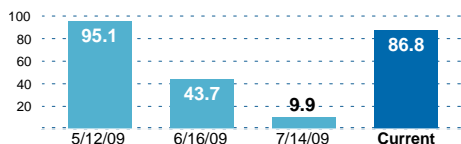
### Balance Sheet Score: 44.3



### Fundamental Score: 19.0



### Timeliness Score: 86.8



Sabrient Analysis continued from Page 1

- **Best Performing Filters:** To determine the likelihood of near-term performance, Sabrient builds and backtests "Smart Filters" to establish which caps, styles and attributes are drawing a premium in today's market. Currently, the three most predictive filters for the relevant segment are:

*Primary Value Filter:* The Primary Value Filter measures key growth and valuation ratios, both long-term and short-term. It is currently one of our best-performing filters, showing a significant premium to its mid-cap benchmark for the past three months. LAMR scores 34.8 for this filter.

*Price Trend Filter:* The Price Trend Filter uses a sophisticated statistical analysis to evaluate a stock's current price with respect to its long-term trend and to compare the result to the stock's core growth characteristics. A high score means the stock is below its long-term trend, especially in light of its earnings performance. A low score means the stock is above its long-term trend and may likely fall back to or below the mean. As of last month, this filter showed a substantial premium to its mid-cap benchmark. LAMR scores 64.4 for this filter.

*Financial Quality Filter:* The Financial Quality Filter assesses a company's financial health, emphasizing cash flow, along with projections for bottom-line and recent top-line growth. It is currently among Sabrient's best performing filters in the mid-cap market. LAMR scores 15.3 for this filter.

In summary, LAMR is rated a Hold because of its poor showing on our composite filtering process and its unfavorable value profile. Consider the discussion of recent market behavior below in conjunction with this analysis.

## What the Market Wants: August 2009

[Note: 'What the Market Wants' is now a weekly publication. To see related market stats, visit [www.sabrient.com](http://www.sabrient.com).]

### DREAM MEETS REALITY

By David Brown, Chief Market Strategist

(August 17, 2009, 4:05 pm PST)

We've spent our warm summer afternoons daydreaming about the bullish market which has moved inexorably higher since early July. We dreamed the world would come out of its recession smoothly, that joblessness would dissipate and everybody would earn more than expected, and we'd all live happily ever after.

Then reality hit, with a spate of not-so-good news last week. There was an increase in new jobless claims, which had been going the other direction. Retail stores reported very unpleasant sales news, and in general, news about the welfare and spirit of the consumer was poor indeed, with credit card defaults worsening in July, along with a decrease in consumer confidence. All of which put an end to the market's four-week winning streak.

Small-cap Value, which had done the best two weeks ago, did the worst last week, losing 1.6%, and Large-cap Growth, almost the weakest performer two weeks ago, turned in the best results this past week in a clear flight toward safety by the investing public.

Today (Monday, August 17), the news continues to be not so good; one example being the weaker-than-expected GDP report from Japan. The one bright spot in today's news is the New York Manufacturing Index, which showed its first positive reading since April 2008 and its best reading since November 2007. But so far, that gleam of light has done little to dissuade the bears from wreaking havoc, with the Nasdaq down 54 points today and the S&P down well over 2.4%.

To be sure, one down week doesn't necessarily mean the end of the rally, but the break toward the downside was significant. Recall my comment last week, that the next major move, whatever direction, would be significant because it would be coming on the heels of eleven days of consolidation. There is some mild support for the S&P500 in the region of 980, where we are at this time, but major support is at 940, which we thought we had left behind in early July.

From a sector viewpoint, there were four positive sectors on the weighted returns, led by Consumer Staples, up 0.5%, along with Health Care, Utilities and Technology. Health Care continues to do well today, as compromises seem to be forthcoming on the Obama health care plan. The worst sector was Consumer Discretionary, which along with Materials and Industrials, are all down more than 1%.

On a forward basis, the same four sectors that lead the current rankings -- Utilities, Health Care, Energy and Consumer Staples -- coincidentally continue to look the most favorable from Sabrient's forward-looking scores. Financials, Materials and Technology appear to have the worst forward outlook, based primarily on valuation issues.

This would be a good time for the prudent investor to take profits on issues that have reached full valuation and look for bargains, especially if the market falls further.

(To see this week's market stats and "stocks to consider", visit [www.sabrient.com](http://www.sabrient.com). To have "What the Market Wants" delivered via email, sign-up at [www.sabrient.com](http://www.sabrient.com).)

Next update: Monday, August 24.

## Company Description

Lamar Advertising Company, together with its subsidiaries, provides outdoor advertising services in the United States, Canada, and Puerto Rico. The company offers outdoor advertising displays, such as billboards, including bulletins, posters, and digital billboards; logo signs; and transit advertising displays. It provides its advertising services to restaurants, retailers, automotive, real estate, health care, gaming, service, hotel and motel, telecommunication, and amusement industries, including entertainment and sports. As of December 31, 2008, the company owned and operated approximately 159,000 billboard advertising displays in 44 states, Canada, and Puerto Rico; approximately 1,100 digital billboard advertising displays in 38 states, Canada, and Puerto Rico; approximately 100,000 logo advertising displays in 19 states and the province of Ontario, Canada; and approximately 29,000 transit advertising displays in 17 states, Canada, and Puerto Rico. The company was founded in 1989 and is headquartered in Baton Rouge, Louisiana.

## About Sabrient

Sabrient Systems is an independent research firm providing statistical analysis of a company's fundamental data to investment professionals. We use a computer-driven, quantitative methodology to identify stocks that appear poised to outperform or underperform the market.

The Sabrient methodology was developed by an experienced research team led by David Brown, a former NASA scientist and retired CEO of Telescan and designer of its premier stock search program, ProSearch. The research team employs a scientific approach to the creation and testing of multi-factor filters. Each filter targets a key area of traditional stock analysis, including value, growth, momentum, fundamentals, earnings, balance sheet, and group strength. Using an adaptive process, filters are continually tested and monitored to ensure that only the best performing filters are at work.

Sabrient's ratings begin with an extraction process in which each of the few best-performing filters scans the universe of equities to identify stocks having certain compelling attributes sought, but not sufficiently rewarded, by the current market. Then, a composite scoring system employs a broader set of "weighting" filters to rank the extracted stocks. To support individual investors, Sabrient uses the same sophisticated methodology to provide individual stock reports on a universe of approximately 5,600 stocks.

Sabrient regularly tests the performance of its stock selections, using its primary list of published rankings and statistical techniques it believes appropriate. These recommendations have consistently outperformed relevant benchmarks across a broad range of investing styles, market caps, time frames and market conditions, demonstrating the robustness of Sabrient's proprietary methodology. While past performance is no guarantee of future results, Sabrient believes it can maintain its strong performance through its rigorous, scientific approach to filter construction and ongoing backtesting within a dynamic and adaptive composite scoring system.

For more information on Sabrient and its performance, go to [www.sabrient.com](http://www.sabrient.com)

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