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## Lamar Advertising Company Q1 2009 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions). Our first question will come from Alexia Quadrani, JPMorgan.

#### Alexia Quadrani – JPMorgan

Hi, thank you. A couple of questions. First, if you can comment a bit on the rate of visibility that you have into the second quarter. And then specifically, I guess if you could give us some color on your conversations you're having with advertisers it looks like the rate of revenue decline a sort of beginning to stabilize given your guidance for Q2. Our advertisers maybe a bit more, I'd say less negative now than they were a few months ago? Any color on that would be great.

#### Kevin P. Reilly Jr.

On the tone of the economic climate out there, what we are hearing from the field is that activity seems to have picked up in terms of proposals. Advertisers willing to take meetings with our account executives, people kind of getting over the shock and looking to the future I guess is the best way to describe it. Its mixed regionally. I fully expect that as we recover its going to be an uneven recovery through Lamar land and through the various regions of the United States. And there are some of our local markets where they are not as optimistic as I described that activity picking up and people really sort of thinking to what their plans are for the back half of the year. So, it's uneven out there, and the anecdotal reports from the field of mix, but in general I think we can say with some confidence that the book of business is stabilized and we're not seeing declines.

#### Alexia Quadrani – JPMorgan

And then you mentioned earlier when you talked about 2011 being possibly a point where you pick you have spending in digital again. I guess what sort of magic about that 2011 number? Is that when you're assuming the revenue growth will assume? I guess any color on why you picked that year?

#### Keith A. Istre

Well there's nothing magical about it. It could be that the world changes in the fourth quarter, but if you look at our capital structure and you look at the amount of digital we have in the field right now relative to the advertising climate, until we see a clear pickup we're not going to add capacity in a marketplace that in many respects is a wash in capacity. So, nothing magical about 2011, but again if you look at the promises we're making to our senior lenders and our creditors about what we're going to do with the free cash flow, it sounds about right.

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