



NON-GAAP FINANCIAL MEASURES AND RECONCILIATIONS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)
(UNAUDITED)

The following sets forth information required by Regulation G related to certain non-GAAP financial measures used by Lamar as discussed on the Company's conference call for the quarter ended September 30, 2015.

	Year Ended December 31, 2015	
	Low	High
Net income	\$ 265,700	\$ 270,700
Depreciation and amortization related to real estate	177,000	175,000
Gain from disposal of real estate assets	(7,500)	(9,000)
Adjustment for non-controlling interest	600	600
Funds From Operations	\$ 435,800	\$ 437,300
Straight-line expense	150	200
Stock-based compensation expense	25,000	25,000
Non-cash tax expense (benefit)	10,500	12,000
Non-real estate related depreciation and amortization	15,000	15,000
Amortization of deferred financing and debt issuance costs	4,800	4,800
Capitalized expenditures—maintenance	(52,000)	(50,000)
Adjustment for non-controlling interest	(600)	(600)
Adjusted Funds From Operations	\$ 438,650	\$ 443,700
Weighted average diluted shares outstanding	96,500,000	96,500,000
Diluted AFFO per share	\$ 4.55	\$ 4.60

The guidance provided above is based on a number of assumptions that management believes to be reasonable and reflect our expectation as of November 5, 2015. Actual results may differ materially from these estimates as a result of various factors, and we refer to the cautionary language regarding "forward looking" statements included herein when considering this information.

Forward Looking Statements

The financial information included herein regarding guidance for fiscal 2015 constitute forward-looking statements. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected in these forward-looking statements. These risks and uncertainties include, among others: (1) Lamar's significant indebtedness; (2) the state of the economy and financial markets generally and the effect of the broader economy on the demand for advertising; (3) the continued popularity of outdoor advertising as an advertising medium; (4) Lamar's need for and ability to obtain additional funding for operations, capital expenditures, debt refinancing or acquisitions; (5) Lamar's ability to continue to qualify as a Real Estate Investment Trust (REIT) and maintain its status as a REIT; (6) the regulation of the outdoor advertising industry by federal, state and local governments; (7) the integration of companies that Lamar may acquire and its ability to recognize cost savings or operating efficiencies as a result of these acquisitions; (8) changes in accounting principles, policies or guidelines; (9) changes in tax laws applicable to REITs or in the interpretation of those laws; (10) Lamar's ability to renew expiring contracts at favorable rates; (11) Lamar's ability to successfully implement our digital deployment strategy; and (12) the market for Lamar's Class A common stock. For additional information regarding factors that may cause actual results to differ materially from those indicated in our forward-looking statements, Lamar refers you to the risk factors included in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2014, as supplemented by any risk factors contained in its Quarterly Reports on Form 10-Q. Lamar cautions investors not to place undue reliance on the forward-looking statements contained in this document. These statements speak only as November 5, 2015, and Lamar undertakes no obligation to update or revise the statements, except as may be required by law.

Use of Non-GAAP Financial Measures

Lamar has presented the following measures that are not measures of performance under accounting principles generally accepted in the United States of America (GAAP): Funds From Operations (FFO), Adjusted Funds From Operations, (AFFO), and Diluted AFFO per share. Funds From Operations is defined as net income before depreciation and amortization related to real estate, gains or losses from the disposal of real estate assets and investments and including adjustments to eliminate non-controlling interest, which is the definition used by the National Association of Real Estate Investment Trusts (NAREIT). Adjusted Funds From Operations is defined as Funds From Operations before straight-line (revenue) expense, stock-based compensation expense, non-cash tax expense (benefit), non-real estate related depreciation and amortization, amortization of deferred financing and debt issuance costs, loss on extinguishment of debt, non-recurring, infrequent or unusual losses (gains), less maintenance capital expenditures and an adjustment for non-controlling interest. Diluted AFFO per share is defined as AFFO divided by the weighted average diluted common shares outstanding. These measures are not intended to replace financial performance measures determined in accordance with GAAP and should not be considered alternatives to operating income, net income, cash flows from operating activities, or other GAAP figures as indicators of the Company's financial performance or liquidity. The Company's management believes that Funds From Operations, Adjusted Funds From Operations and Diluted AFFO per share, are useful in evaluating the Company's performance and provide investors and financial analysts a better understanding of the Company's core operating results. Our presentation of these non-GAAP measures, including AFFO and FFO, may not be comparable to similarly titled measures used by similarly situated companies.