

# Banc of America Media Conference

## New York

March 30, 2005



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Note: Certain statements in this presentation constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involved known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Reference is made to the Company’s Annual Report on Form 10-K and other public documents filed with the Securities and Exchange Commission for additional information concerning such risks and uncertainties.

In addition, Emmis is now subject to the SEC’s Regulation G. As a result, we will no longer refer to the financial measures “After Tax Cash Flow,” and the term “Broadcast Cash Flow” has been replaced with the term “Station Operating Income.” Additional disclosure related to non-GAAP financial measures can be found under the Investors on our website:

[www.emmis.com](http://www.emmis.com).





# Emmis Investment Highlights

- Unparalleled large market broadcasting assets
- Consistent outperformance of peer group and industry
- Strong Free Cash Flow generation & significant balance sheet improvement
- Disciplined acquisition strategy
- Performance driven organizations





# Emmis Radio



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# Emmis Television



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# Inside Emmis

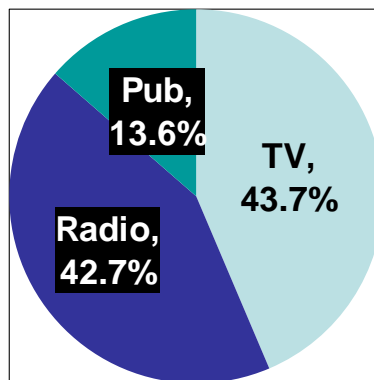
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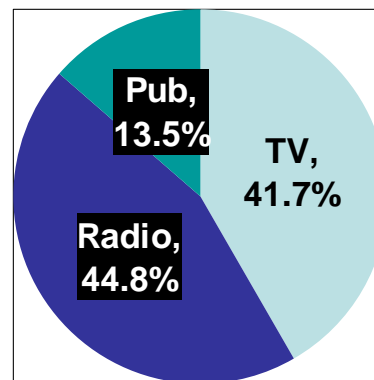


# Emmis Net Revenue by Division

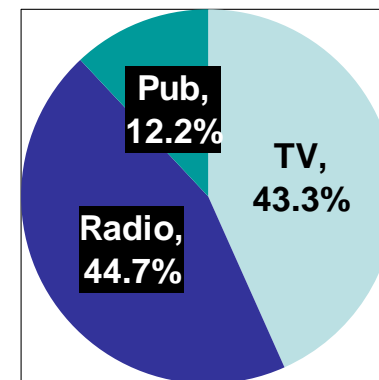
*(In Thousands)*



**FY 2003**



**FY 2004**



**9 months**  
**FY 2005**

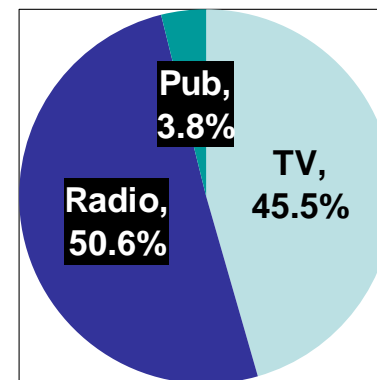
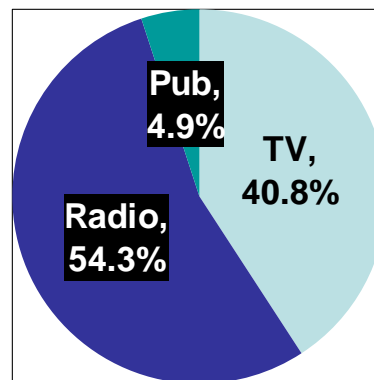
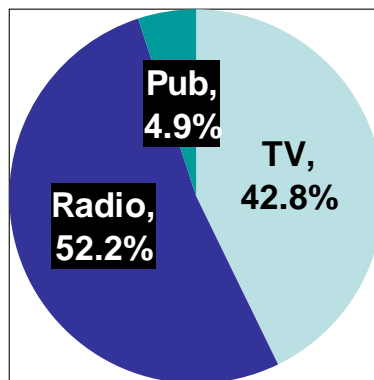
	<b><u>FY 2003</u></b>	<b><u>FY 2004</u></b>	<b><u>9 months</u></b> <b><u>FY 2005</u></b>
Television	\$234,752	\$235,938	\$208,248
Radio	228,810	253,108	214,708
Publishing	<u>72,793</u>	<u>76,108</u>	<u>57,654</u>
	\$536,355	\$565,154	\$480,610





# Emmis SOI by Division

(In Thousands)



**FY 2003**

**FY 2004**

**9 months**  
**FY 2005**

**Television**

**\$86,711**

**\$85,453**

**\$88,657**

**Radio**

**105,740**

**113,670**

**98,503**

**Publishing**

**9,968**

**10,299**

**7,467**

**\$202,419**

**\$209,422**

**\$194,627**

Stock Comp

**\$19,037**

**\$18,177**

**\$12,116**

Savings

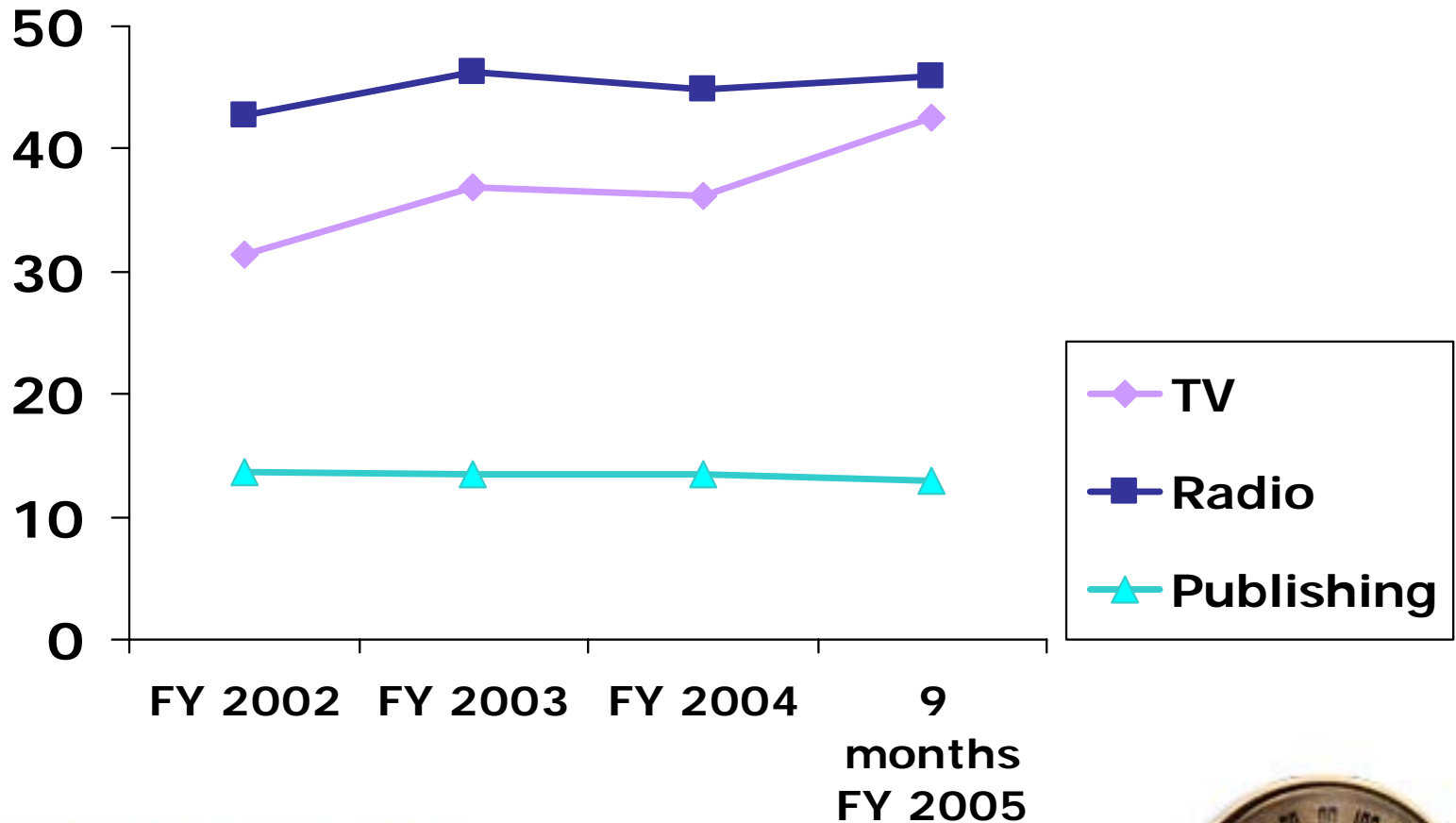
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The reconciliation and other disclosures required by Regulation G are located in an appendix to this presentation.



# Emmis SOI Margin By Division



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# Competitive Landscape

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# Compelling Upside in Radio

- Radio has 32.5% of consumer media usage but only 8% of advertising
- Time spent with radio projected to increase as commutes grow longer
- Fragmentation means consumers are hard to reach
- Trend toward more targeted advertising continues



# NYC – Increased Rating Dominance

	Winter 2004	Spring 2004	Summer 2004	Fall 2004
	9.5 #1	9.4 #1	10.3 #1 31 straight @ #1 18-34	10.2 #1 32 <sup>nd</sup> Straight @ #1 18-34
	5.7 #3	5.7 #3	6.1 #2 Highest since Spring 1996	5.2 #3 25-54
	3.5 #10 (tie)	3.5 #8 (tie)	3.1 #13 (Tie)	4.1 #6 (25-54)





# LA – Continued Ratings Dominance

- Power 106, has been #1 12+ and 18-34 in the ratings for **11 straight books** in the #1 U.S. revenue market
- Fast growing target demo
- Hot morning personality
- One of the top-billing stations in the U.S.





# Chicago – Strategic Fit

- Three Emmis Phoenix stations for WLUP-FM in Chicago and \$70m cash
- Cash received used to repay senior debt – deleveraging transaction
- Heritage classic rock station complements existing alternative rock station
- Significant revenue growth in next 2-3 years
- Cost synergies

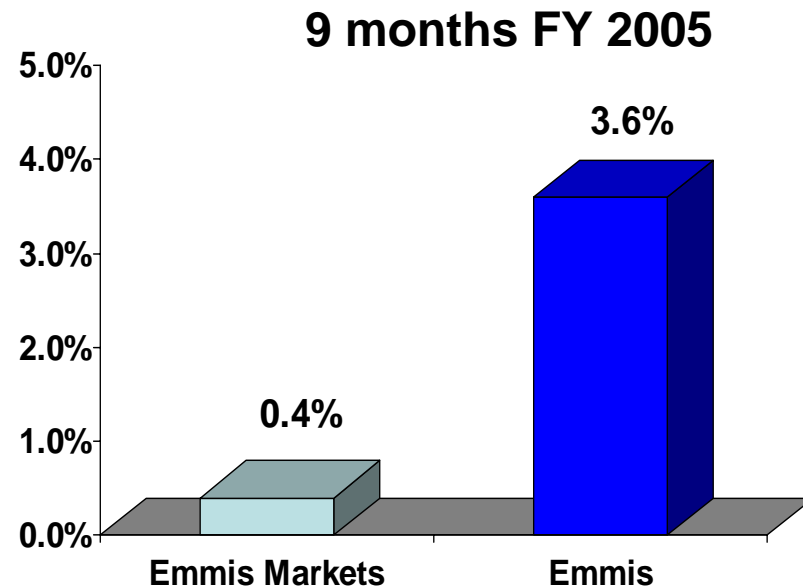
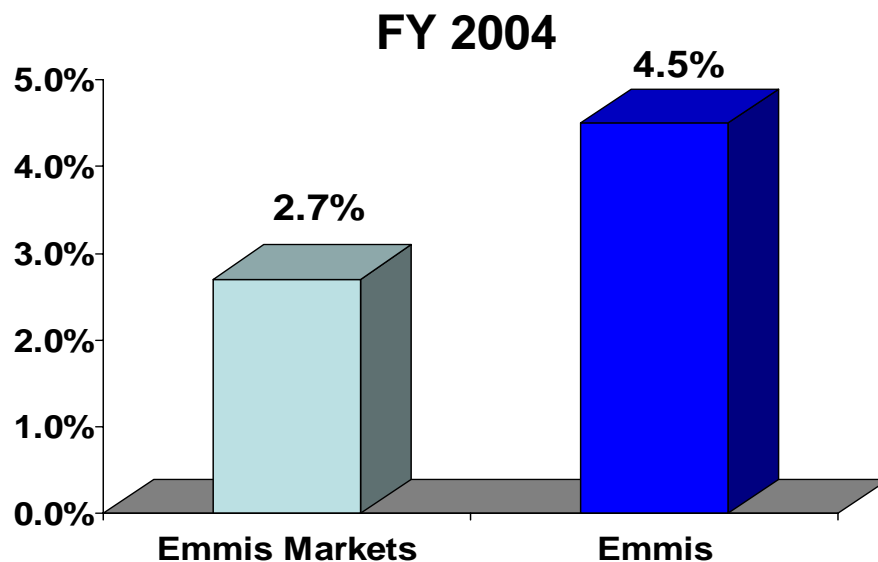




# Emmis Radio Outperformance

- Emmis met or beat market growth in each of last 7 quarters

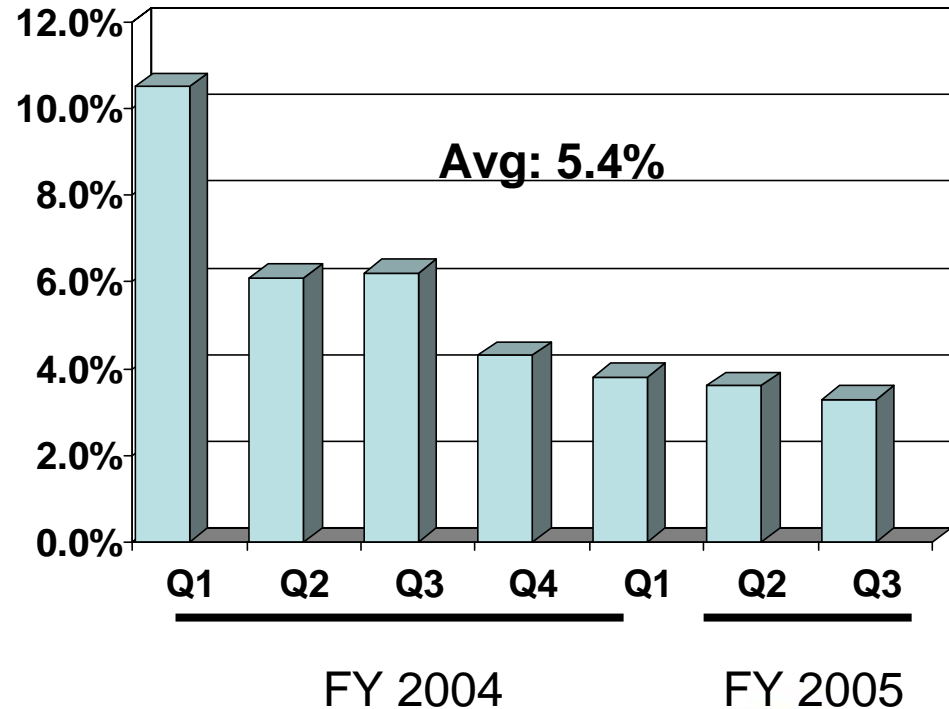
## Emmis vs. Markets



# Inventory Management

- Maximize revenues by managing inventory to maximize rate
- Consistent history of rate increases
- Expect to benefit from competitors' "less is more"

## Radio Rate Increases





# TV: Diversified location, affiliation

- Emmis owns and operates 16 TV stations in 14 markets
- Emmis' TV markets are predominantly middle-sized, with 2 large markets, Orlando & Portland
- Diversity of network affiliation
  - CBS(5), Fox(5), NBC(3), WB(2), ABC(1)
- The Television group has attained remarkable revenue growth by applying the same Emmis principles that proved successful in radio

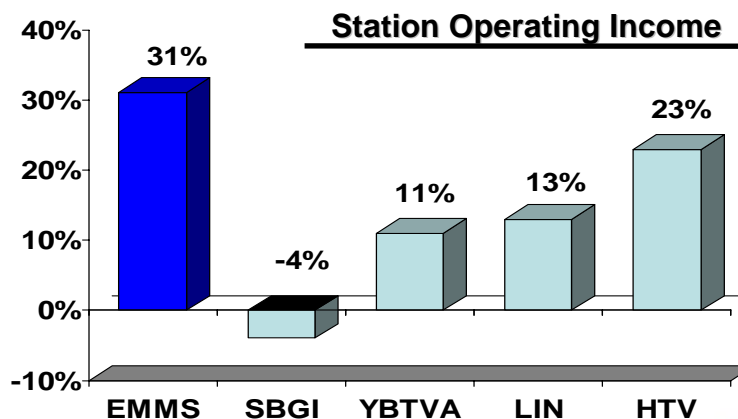
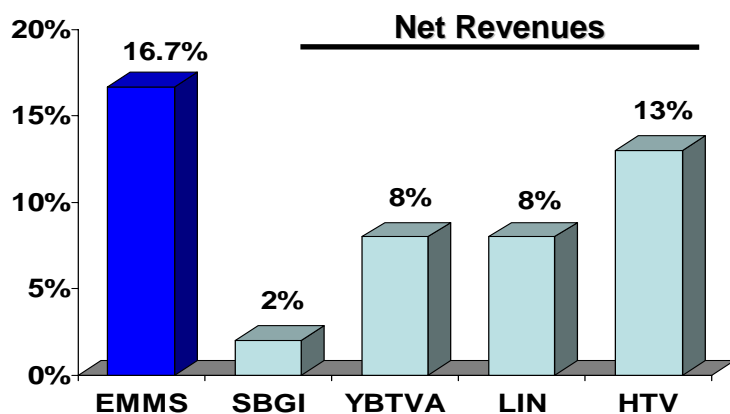




# Emmis TV Outperformance

- Increased margins from 29% to 40% since acquisition
- Emmis TV **grew revenue share** at 11 of 13 measured stations in calendar '03 and 9 of 15 in calendar '04
- Limited network compensation - \$2 m in FY '04

## 9 months FY 2005 vs. Peers



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The reconciliation and other disclosures required by Regulation G are located in an appendix to this presentation.





5 million monthly readers

- Minimal capital requirements
- High returns on investment



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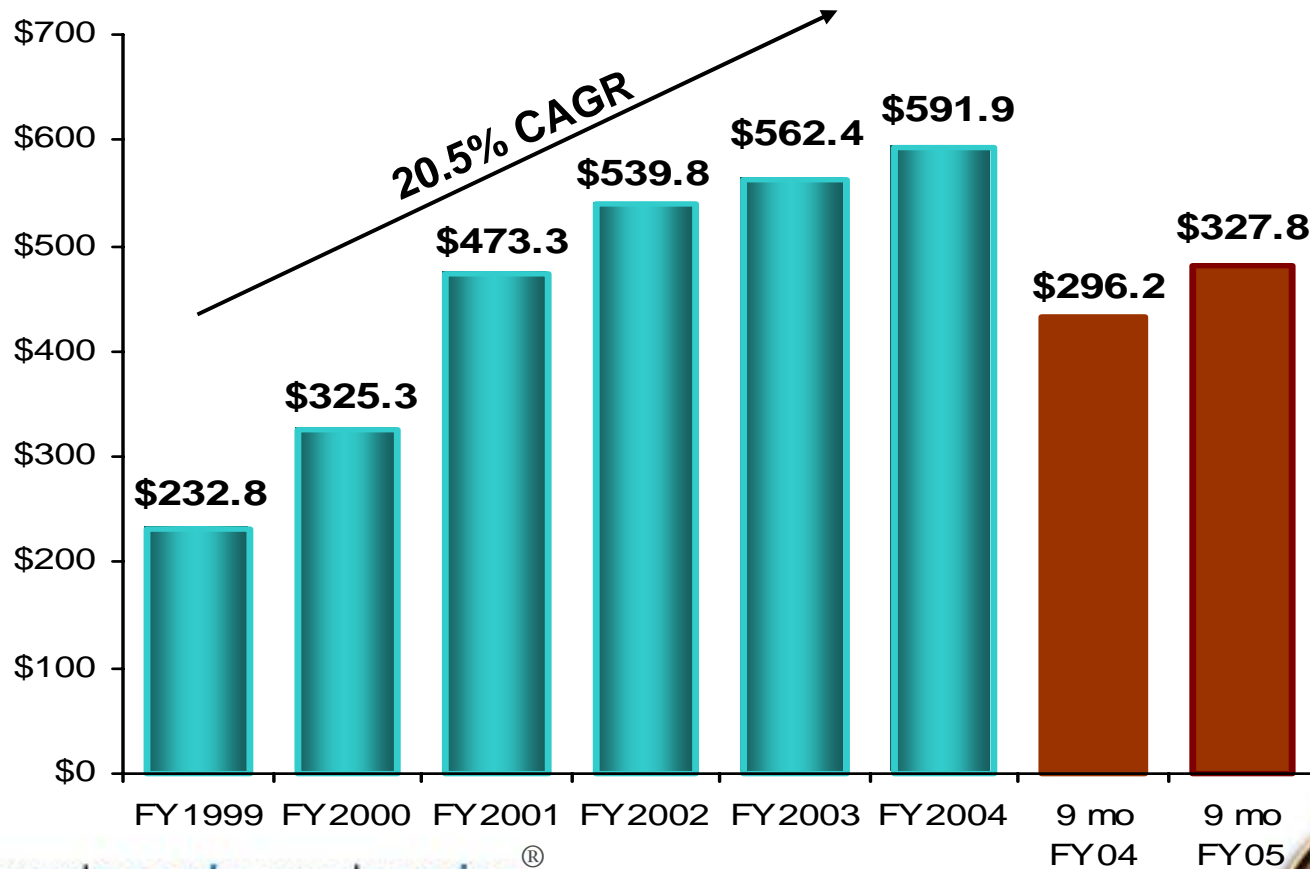
# Emmis Financials

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# Summary Historical Financials

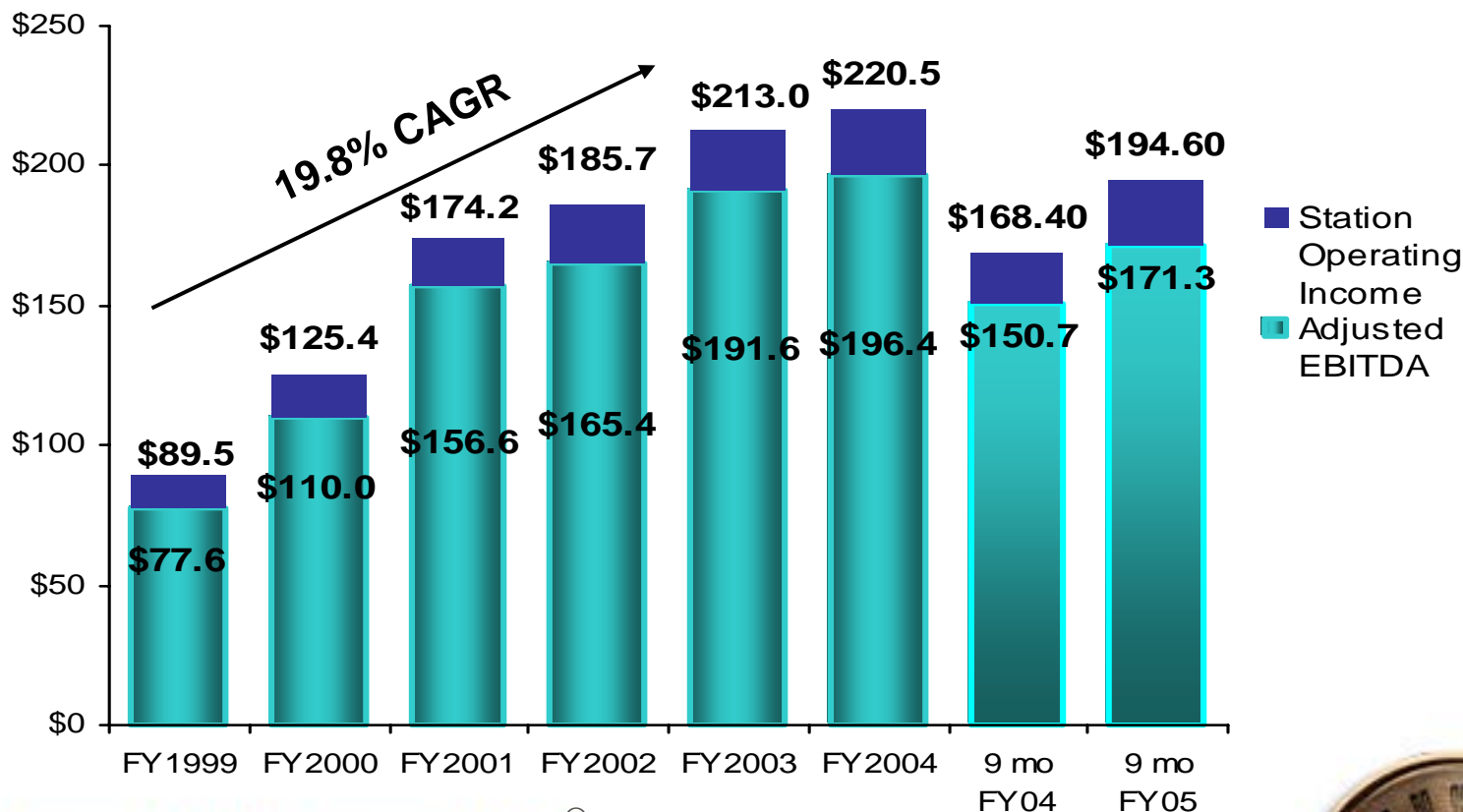
## Net Revenues





# Summary Historical Financials

## Station Operating Income and Adjusted EBITDA (a,b,c)



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a) Station Operating Income defined as net revenues, less station operating expenses.

b) Adjusted for time brokerage fee, non-cash compensation, impairment charges and corporate restructuring fees.

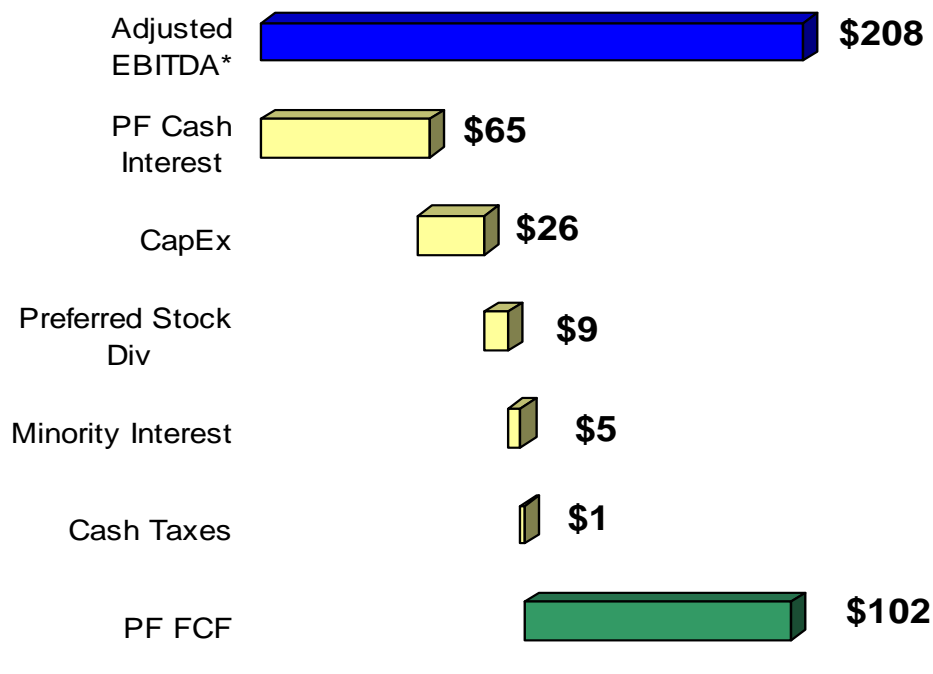
c) The reconciliation and other disclosures required by Reg G are in an appendix to this presentation.





# Substantial Operating Leverage

- Continue to use FCF to deleverage
- Refinancing dramatically reduced borrowing costs and increased FCF
- Free Cash Flow per share of **\$1.82**

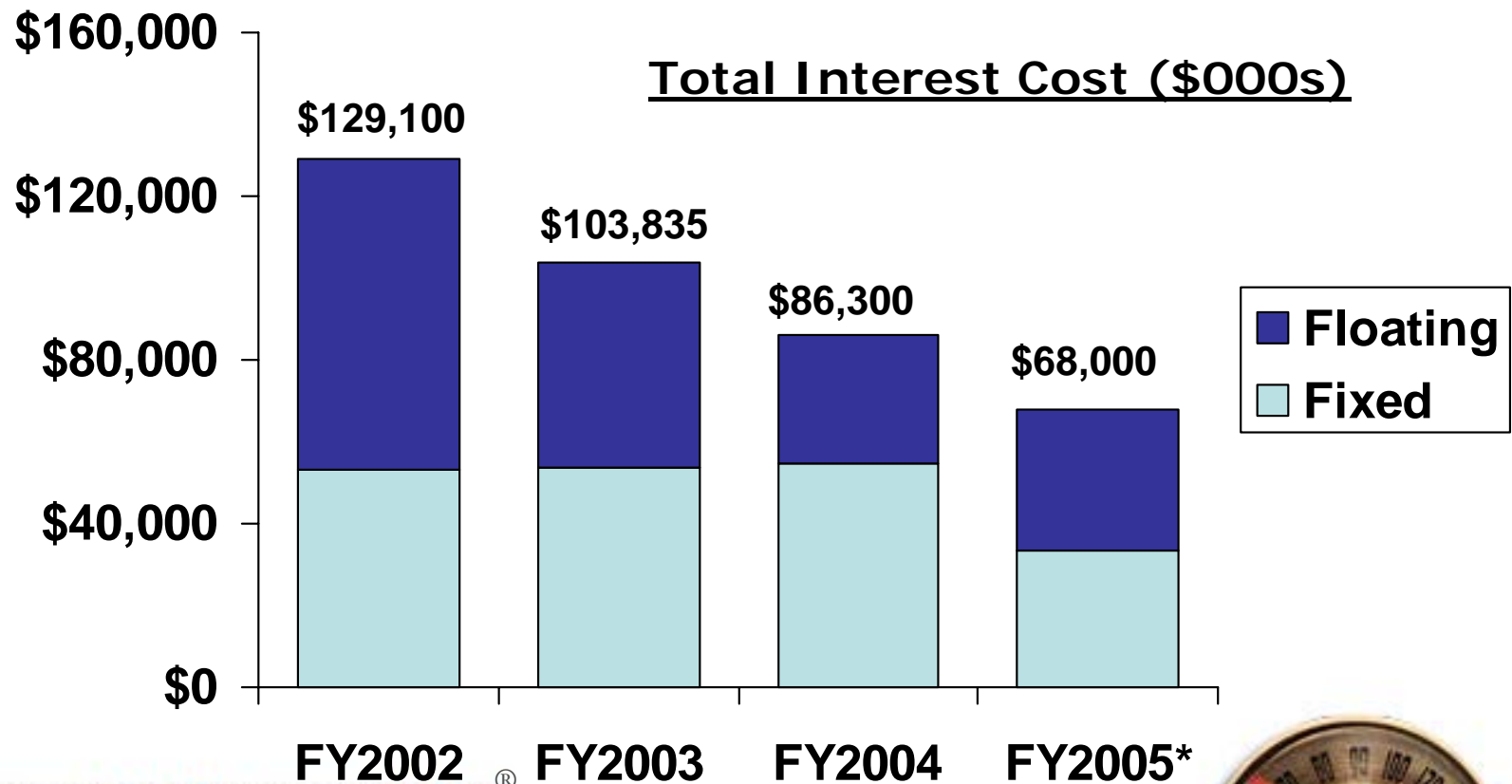


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Adjusted EBITDA and other components of Free Cash Flow are consensus analyst expectations for the fiscal year ended February 28, 2005 and are included in this presentation merely for convenience. Emmis does not adopt these figures as its own. Emmis will publicly announce its earnings for the fiscal year on April 14, 2005. Management views free cash flow as a measure of performance rather than liquidity. The reconciliation and other disclosures required by Regulation G are located in an appendix to this presentation.



# Significant Debt Reduction



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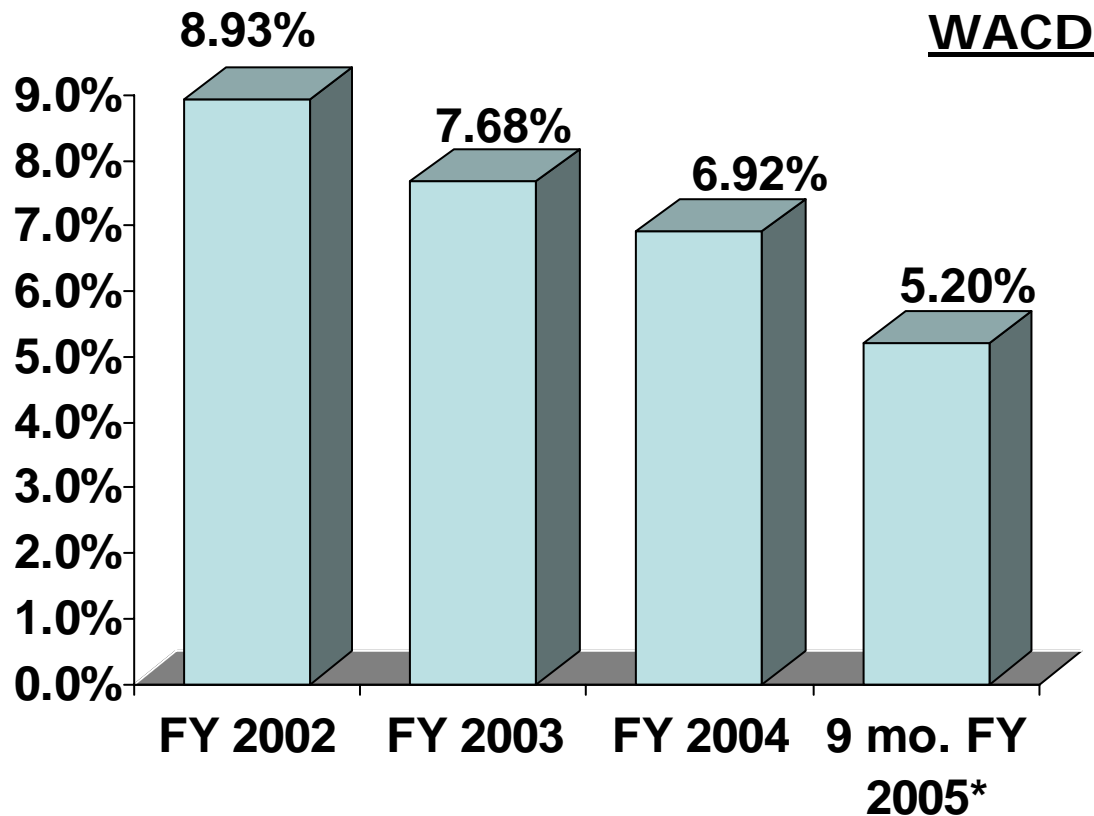
\*Fixed interest includes amortization of debt fees



\* estimate



# Refinancing Dramatically Reduces Cost of Capital

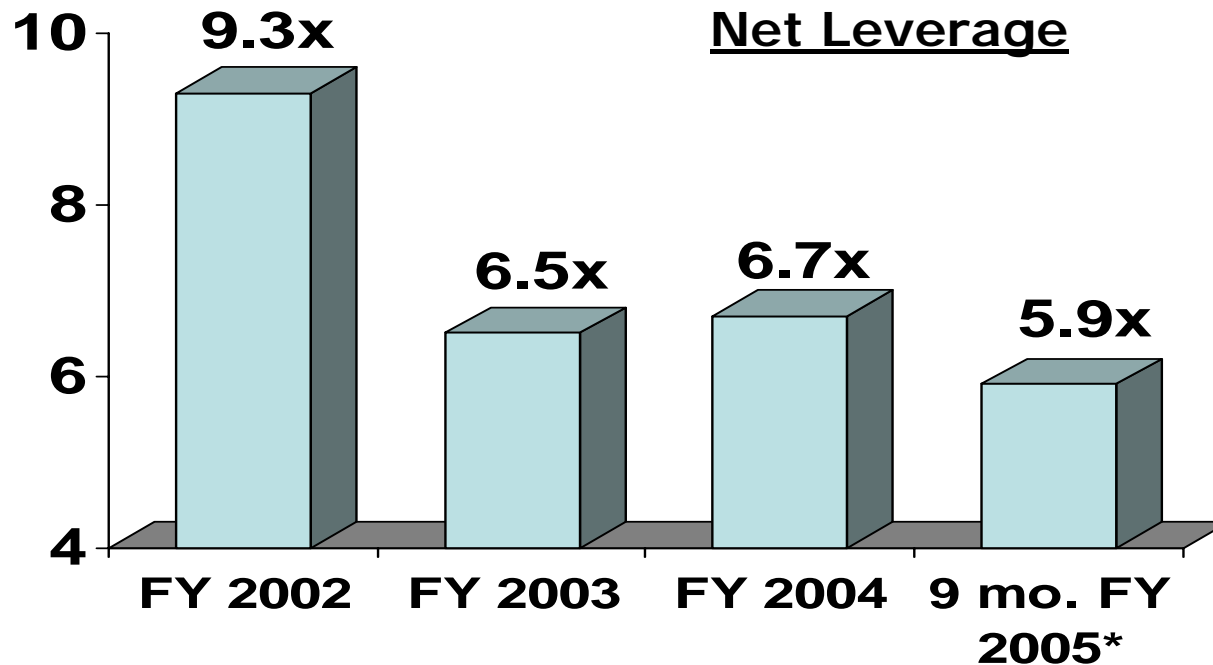


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\*Pro forma for consummated Phoenix-Chicago radio station exchange



# Significant Debt Reduction



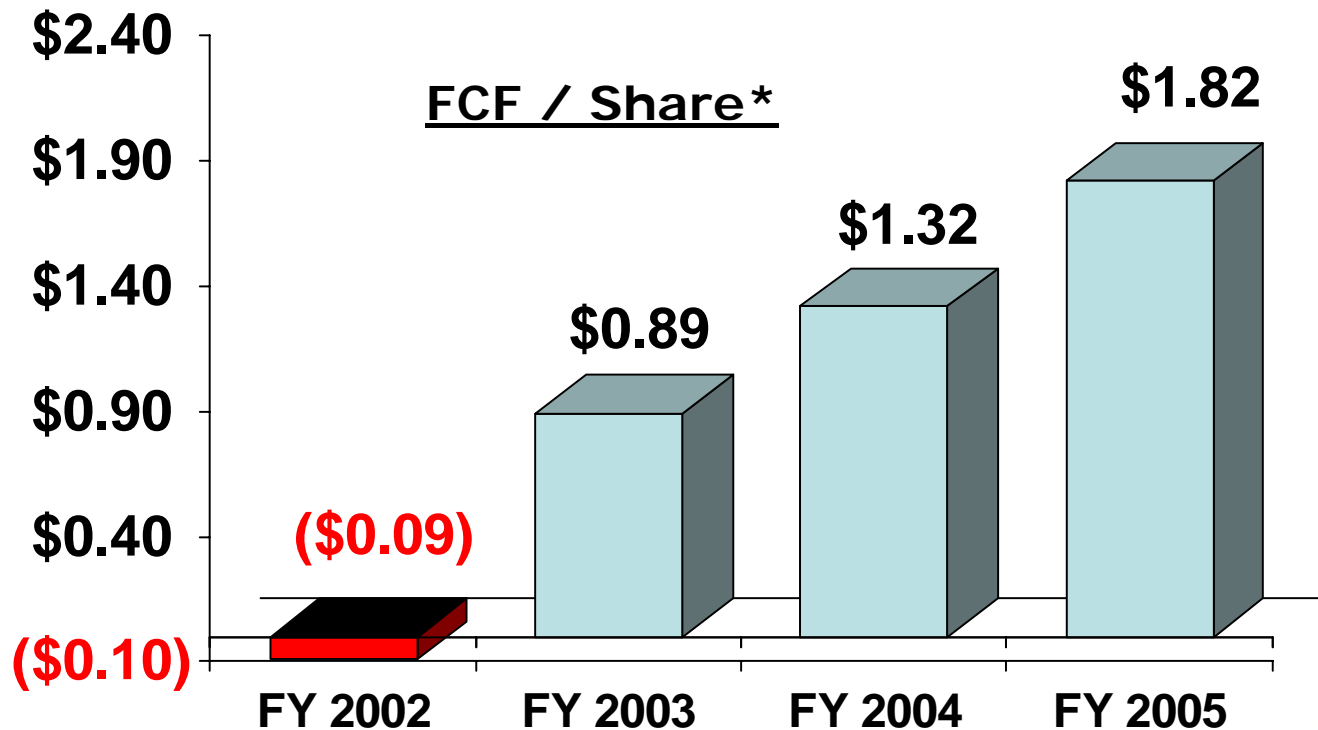
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\*Pro forma for consummated Phoenix-Chicago radio station exchange





# Significant Debt Reduction Fuels FCF Growth



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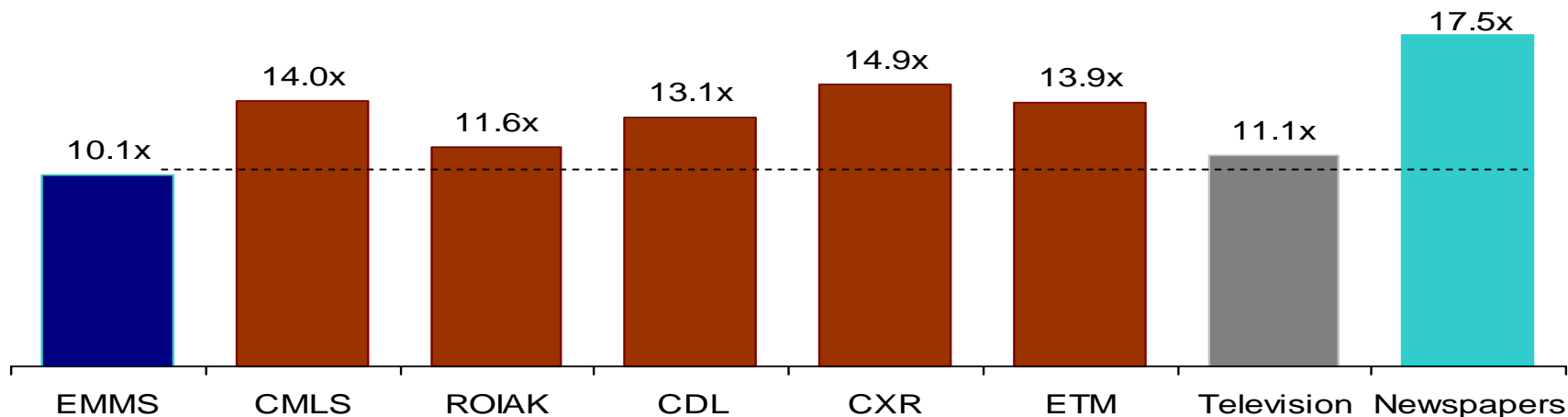
\*NOTE: FCF per Share defined as Adjusted EBITDA – cash taxes – all interest expense – capital expenditures.

- (1) Interest expense for FY 05 is pro forma for debt refinancing activities completed in May 2004
- (2) Free Cash Flow for FY 2005 is consensus analyst expectations for the fiscal year ended February 28, 2005 and is included in this presentation merely for convenience. Emmis does not adopt these figures as its own. Emmis will publicly announce its earnings for the fiscal year on April 14, 2005. The reconciliation and other disclosures required by Reg G are in an appendix to this presentation.



# Compelling FCF Valuation

■ EMMS      ■ Radio Peers      ■ Television      ■ Newspapers



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Source: Lehman Brothers for all companies





# Reg G Reconciliations

<i>Dollars in Thousands</i>				
<b>Computation of Emmis Total Leverage Ratio</b>				
<b>Under the Senior Discount Notes:</b>				
	<b>11/30/04 (1)</b>	<b>2/29/04</b>	<b>2/28/03</b>	<b>2/28/02</b>
<b>Numerator:</b>				
Senior credit facility debt outstanding	\$ 836,000	\$ 739,832	\$ 706,898	\$ 952,000
Plus: Letters of credit outstanding	2,822	2,497	1,437	6,612
Plus: Mark-to-market derivative instruments	-	-	4,348	10,683
Plus: Other	64	171	261	451
Plus: Senior subordinated debt outstanding	375,000	300,000	300,000	300,000
Plus: Senior discount notes outstanding	1,209	223,423	197,845	226,507
Total Emmis Communications Corporation debt outstanding, as defined	<b>\$ 1,215,095</b>	<b>\$ 1,265,923</b>	<b>\$ 1,210,789</b>	<b>\$ 1,496,253</b>
<b>Denominator:</b>				
Trailing twelve-months operating income	\$ 129,643	\$ 114,022	\$ 125,855	\$ 44,110
Plus: Depreciation and amortization	46,943	46,468	43,370	100,258
Plus: Noncash compensation	18,824	23,450	22,528	9,095
Pro forma net revenues for acquisitions (dispositions)	6,061	(1,140)	(1,238)	-
Pro forma operating expenses for (acquisitions) dispositions	(4,682)	947	708	-
Plus/Less: Other reconciling items as defined in indenture	10,363	4,909	(4,185)	8,229
Total pro forma EBITDA, as defined	<b>\$ 207,152</b>	<b>\$ 188,656</b>	<b>\$ 187,038</b>	<b>\$ 161,692</b>
Emmis total leverage ratio under the Senior Discount Notes	<b>5.9</b>	<b>6.7</b>	<b>6.5</b>	<b>9.3</b>
(1) Pro forma for consummated Phoenix-Chicago radio station exchange				





# Reg G Reconciliations

<b>Emmis Communications Corporation</b>					
<b>Reconciliation of Operating Income to Station Operating Income</b>					
<b>For the years ended February 2003 - 2005</b>					
			<b>Actual</b>	<b>Actual</b>	<b>9-mos</b>
			<b>FY 2003</b>	<b>FY 2004</b>	<b>11/30/2004</b>
Operating Income			\$ 116,972	\$ 104,494	\$ 122,912
Plus: Depreciation and amortization			42,334	45,701	34,931
Plus: Corporate expenses, excluding					
noncash compensation			21,359	24,105	23,354
Plus: Noncash compensation			21,754	22,722	13,430
Plus: Impairment loss			-	12,400	-
Station operating income			\$ 202,419	\$ 209,422	\$ 194,627





# Reg G Reconciliations

<i><b>Emmis Communications Corporation</b></i>		
<i><b>Reconciliation of FCF to net income - FY 04</b></i>		
<i><b>Dollars in Thousands</b></i>		
		<b>FY 2004</b>
Net income		\$ 2,256
Plus: Depreciation and amortization		46,468
Plus: Noncash compensation		23,450
Plus: Deferred tax provision		11,307
Plus: Impairment loss		12,400
Less: Gain on sale of assets		(1,130)
Plus: Loss in unconsolidated affiliates		375
Plus/Less: Other expense (income), net		1,065
Plus: Loss from discontinued operations		10,019
Less: Capital expenditures		(30,191)
Less: Preferred dividends		(8,984)
Free Cash Flow		\$ 67,035



# B of A Media Conference

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