



May 7, 2009

Dear Emmis Employees, Officers & Directors:

At Emmis, we pride ourselves on exhibiting the highest standards of professional and ethical conduct from our employees, officers and directors. Our reputation for honesty and integrity among our shareholders is key to the success of our business. No employee, officer or director will be permitted to achieve results through violations of laws or regulations, or through unscrupulous dealings.

Attached is a Code of Business Conduct and Ethics that reflects our commitment to a culture of honesty, integrity and accountability and outlines the basic principles and policies with which all employees, officers and directors are expected to comply in the performance of their duties on behalf of Emmis and in their dealings with Emmis. Please read this Code carefully.

In addition to following this Code in all aspects of your business activities, you are expected to seek guidance in any case where there is a question about compliance with both the letter and spirit of our policies and applicable laws. This Code sets forth general principles and does not supersede the specific policies and procedures that are covered in Emmis' Employee Handbook or in separate specific policy statements. Your cooperation is necessary to the continued success of our business and the cultivation and maintenance of our reputation as a good corporate citizen.

Sincerely,

A handwritten signature in black ink, appearing to read 'JH Smulyan', with a horizontal line extending to the right.

Jeffrey H. Smulyan  
Chairman, President and  
Chief Executive Officer

## **CODE OF BUSINESS CONDUCT AND ETHICS**

### **I. *Purpose of Code of Conduct and Ethics***

This Code of Business Conduct and Ethics (“Code”) is intended to document the principles of conduct and ethics which are to be followed by Emmis Communications Corporation’s or any of its subsidiaries’ (collectively, “Emmis”) directors, officers and employees, including its principal executive officer, principal financial officer and principal accounting officer. The purposes of this Code are to:

- Promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships,
- Promote full, fair, accurate, timely, and understandable disclosure in reports and documents that Emmis files with, or submits to, the Securities and Exchange Commission and other public communications made by Emmis,
- Promote compliance with applicable laws, rules and regulations,
- Provide a mechanism for the reporting of unethical conduct,
- Create accountability for adherence to this Code by all directors, officers and employees,
- Provide an enforcement mechanism that ensures prompt and consistent enforcement of this Code,
- Protect persons who report questionable behavior,
- Establish clear and objective standards for compliance with this Code, and
- Provide a fair process by which to determine violations of this Code.

This Code, along with Emmis’ policies and procedures, provides a framework and direction for Emmis’ directors, officers and employees for ethical business conduct on a daily basis. If you become aware of a material violation of any laws, rules or regulations applicable to Emmis by any employee, officer or director of Emmis in carrying out his or her official duties or responsibilities, you should bring such information to the attention of one of the following, as circumstances may warrant: the Chief Executive Officer (317-684-6530), the Chief Financial Officer (317-684-6535), the General Counsel (317-684-6565), the Director of Internal Audit (317-684-8160) or Human Resources (317-684-6537).

If you do not feel comfortable making a report through the channels outlined above, you may call Emmis’ toll free Ethics Hotline. The number is (877) 888-0040. Reports to the Ethics Hotline are confidential and you need not identify yourself.

### **II. *Respect and obey the laws of the cities, states and countries in which you operate.***

Compliance with both the letter and spirit of all laws, rules and regulations applicable to our business is critical to our reputation and continued success. If you are uncertain

about whether your activities are in compliance with law, you should contact the Emmis Legal Department.

**III. *Promote the responsible and efficient use of Emmis' assets and resources.***

Emmis assets, such as proprietary information, funds, equipment, supplies, products computers, and other assets owned, leased or used by Emmis, are provided for legitimate business purposes. Emmis assets may never be used for illegal purposes. Theft, carelessness and waste have a direct impact on Emmis' profitability.

**IV. *Afford equal employment opportunities to all qualified persons and treat your colleagues with respect and dignity.***

We value the diversity of our workforce and are committed to providing equal opportunity in all aspects of employment and a workplace that is free from unwelcome sexual or other harassment. Emmis has an Equal Opportunity Policy and a Workplace Harassment Policy that sets forth your specific obligations with respect to these matters.

**V. *Strive to maintain a safe and healthy workplace.***

We are all responsible for maintaining a safe workplace by following safety and health rules and practices, and by adhering to all applicable environmental laws. Threats or acts of violence or physical intimidation are prohibited, as is reporting to work under the influence of any substance that could prevent you from safely and effectively discharging your duties and responsibilities.

**VI. *Maintain the confidentiality of information that you acquire in the course of your work with Emmis, except when disclosure is authorized by senior management or the Legal Department, or is legally mandated.***

Confidential information includes all non-public information that, if disclosed, would be helpful to persons making decisions whether to buy or sell Emmis securities or harmful to Emmis or its customers. Confidential information also includes information that suppliers and customers have entrusted to us. This obligation to preserve confidential information continues even after you leave Emmis.

**VII. *Avoid activities that give rise to a conflict of interest unless the activities are specifically approved by your manager or, if you are an executive officer or director, by the Audit Committee of the Board of Directors.***

Generally, a conflict of interest occurs when your personal interests interfere or appear to interfere with Emmis' interests. It is not always easy to determine whether a conflict of interest exists, so any potential conflicts of interest should be discussed with senior management or the Emmis Legal Department. As guidance, some common conflicts of interest are:

- When you receive a payment from Emmis (other than as compensation or business expense reimbursement), or when a member of your family or another business with which you are affiliated receives a payment from Emmis;
- When you buy or sell goods or services to Emmis, or when a member of your family or another business with which you are affiliated buys or sells goods or services to Emmis;
- When you enter into an agreement with Emmis (other than an employment-type agreement), or when a member of your family or another business with which you are affiliated enters into an agreement with Emmis;
- When you take opportunities that properly belong to Emmis or that arise through the use of Emmis property or information, or when a member of your family or another business with which you are affiliated takes opportunities that properly belong to Emmis or that arise through the use of Emmis property or information;
- When you use Emmis property or information for personal gain, or when a member of your family or another business with which you are affiliated uses Emmis property or information for personal gain; and
- When you engage in or are affiliated with a business that competes with Emmis, or when a member of your family is engaged in or is affiliated with a business that competes with Emmis.

Nothing in this policy prohibits you from engaging in outside activities as long as those activities do not (i) conflict with the interests of Emmis or the responsibilities of Emmis' employees, or (ii) damage or misuse the reputation, relationships, confidential information or other property of Emmis.

***VIII. Ensure that Emmis' accounting and financial records meet the highest standards of accuracy and completeness and that Emmis' public communications and reports are timely, full and fair.***

Full, fair, accurate, timely and understandable disclosure in SEC reports and other public communications is critical for Emmis to maintain our good reputation and to comply with our obligations under the securities laws. If you are involved in the preparation of such reports or communications, exercise the highest standard of care in their preparation in accordance with the following guidelines:

- The accounting records, and the reports produced from such records, must be in accordance with accounting principles generally acceptable in the United States, and all reports produced from such records must be in compliance with all applicable laws;
- The accounting records must fairly and accurately reflect the transactions or occurrences to which they relate;
- The accounting records must fairly and accurately reflect in reasonable detail Emmis' assets, liabilities, revenues and expenses;
- No accounting records should contain any false or intentionally misleading entries;
- No transactions should be intentionally misclassified as to accounts, departments or accounting periods;

- Transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period;
- No information should be concealed from the internal auditors or the independent auditors; and
- Compliance with Emmis' system of internal controls is required.

***IX. Do not buy or sell Emmis stock or other securities when in possession of material non-public information.***

Insider trading is unethical and illegal. It is also illegal to “tip” or pass on inside information to any other person who might make an investment decision based on that information or pass the information on further. Emmis has a Securities Trading Policy, which sets forth your obligations in respect of trading in Emmis' securities.

***X. Strive to deal fairly with Emmis' customers, suppliers, competitors and employees.***

We have a history of succeeding through honest business competition. No employee, officer or director, in carrying out his or her official duties and responsibilities, should take unfair advantage of anyone through illegal conduct, manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

***XI. Engage in fair and open competition, and adhere strictly to the requirements of the antitrust laws.***

As a general proposition, any contact with a competitor may present problems under the antitrust laws. You should always proceed with caution when communicating with a competitor. Below are some general rules concerning contacts with competitors:

- Agreements among competitors, whether written or oral, which relate to prices are illegal per se. In other words, such agreements, by themselves, violate the antitrust laws even if there is no actual impact on competition. *There are no circumstances under which agreements among competitors relating to prices may be found legal.*
- Agreements among competitors, whether written or oral, to divide markets by territory or customer are illegal per se. *There are no circumstances in which an agreement with a competitor to divide markets is legal.*
- Agreements among competitors, whether written or oral, to not do business with a particular customer or supplier are illegal per se. *There are no circumstances in which an agreement with a competitor to not do business with a particular customer or supplier is legal.*
- The antitrust laws may be violated even in the absence of a formal agreement relating to prices. Under certain circumstances, an agreement to fix prices may be inferred from conduct, such as the exchange of price information, and from communications

among competitors even without an express understanding. Although exchanges of price information are permitted in certain circumstances, you Emmis should not participate in such exchanges without obtaining the approval of the Legal Department.

- Any communication between competitors concerning problems with any customer or supplier may violate the antitrust laws. You should not engage in such communications without obtaining the approval of the Legal Department.

The application of antitrust laws to a given set of facts may be complex. Do not hesitate to contact the Legal Department if you have any questions.

***XII. Do not make personal contributions to a candidate for elective office or a political party with Emmis funds or assets.***

We respect and support your right to participate in political activities. However, you will not be reimbursed for personal political contributions. Emmis may occasionally express our views on issues that affect our operations and may make limited contributions to political parties or candidates. In such cases, Emmis funds and resources may only be used when and to the extent permitted by law.

***XIII. Avoid offering or receiving any gift or entertainment that would unfairly influence a business relationship.***

Business gifts and entertainment are customary courtesies designed to build goodwill among business partners. In some cultures they play an important role in business relationships. However, a problem may arise when such courtesies compromise – or appear to compromise – our ability to make objective and fair business decisions. In considering whether to offer or accept a gift or entertainment, you should consider the following guidelines:

- The value of gifts should be nominal, both with respect to frequency and amount.
- Business entertainment should be moderately scaled and intended only to facilitate business goals.
- Use good judgment. “Everyone else does it” is not sufficient justification.
- If you are having difficulty determining whether a specific gift or entertainment item lies within the bounds of acceptable business practice, ask yourself: Is it legal? Is it clearly business related? Is it moderate, reasonable, and in good taste? Would public disclosure embarrass Emmis? Is there any pressure to reciprocate or grant special favors?

***XIV. Comply with the U.S. Foreign Corrupt Practices Act of 1977.***

The U.S. Foreign Corrupt Practices Act of 1977 (the “Act”) prohibits an offer, payment, promise of payment or authorization of the payment of any money or gift to a foreign official, foreign political party, official of a foreign political party or candidate for political office to influence any act or decision of such person or party to obtain or retain

business. The Act also prohibits a payment to any person with the intention that all or a portion of that payment will be offered or given, directly or indirectly, to any such political person for any such purpose.

Although so-called “grease” payments may not be illegal, Emmis’ policy is to avoid such payments. If any you find that adherence to Emmis’ policy would cause a substantial, adverse effect on operations, that fact should be reported to Legal Department which will determine whether an exception may lawfully be authorized. If the facilitating payment is made, such payment must be properly entered and identified on the books of Emmis and all appropriate disclosures made.

The Act further requires compliance with generally accepted accounting principles. Emmis must continue to maintain financial records which, in reasonable detail, accurately and fairly reflect transactions. In particular, all bank accounts that receive or disburse funds on behalf of Emmis must be properly authorized and any such transactions recorded on the official books and records of Emmis.

***XV. Report illegal or unethical behavior and any violations of this Code.***

We have a strong commitment to conduct our business in a lawful and ethical manner. If you become aware of a material violation of any laws, rules or regulations applicable to Emmis by any employee, officer or director of Emmis in carrying out his or her official duties or responsibilities, you should bring such information to the attention of one of the following, as circumstances may warrant: the Chief Executive Officer (317-684-6530), the Chief Financial Officer (317-684-6535), the General Counsel (317-684-6565), the Director of Internal Audit (317-684-8160) or Human Resources (317-684-6537).

If you do not feel comfortable making a report through the channels outlined above, you may call Emmis’ toll free Ethics Hotline. The number is (877) 888-0040. Reports to the Ethics Hotline are confidential and you need not identify yourself.

Reported potential violations will be investigated under the authority of Emmis’ Audit Committee, and ALL complaints involving allegations of financial impropriety or fraud, or involving alleged violations of this Code by directors, executive officers or senior financial officers will be forwarded to the Audit Committee. Directors, officers and employees are expected to cooperate in such investigations. When practical and appropriate under the circumstances, and in order to protect the privacy of the persons involved, Emmis will use reasonable efforts to keep confidential the identity of any person who reports a possible violation of this Code, unless the reporting person otherwise authorizes disclosure.

Emmis’ Audit Committee will determine whether violations of this Code by directors, executive officers or senior financial officers have occurred and, if so, will determine the appropriate corrective and disciplinary measures to take. Managers or members of senior management will determine whether violations of this Code by other officers and employees have occurred and, if so, will determine the appropriate corrective and disciplinary measures to take. The extent of any corrective or disciplinary measures will

depend on the circumstances of the violation. Consideration will be given to whether or not a violation was intentional, as well as to the level of good faith shown by a director, officer or employee in reporting the violation and in cooperating with any resulting investigation or corrective action.

***XVI. This Code applies to all employees, officers, directors of Emmis in the performance of their employee-related, officer-related or director-related activities and in connection with their dealings with Emmis.***

All employees, officers and directors are expected to comply with the Code. Any waiver of this Code must be approved by the Emmis Legal Department. Any waiver for senior financial officers, executive officers or directors will be made only by the Audit Committee and will be promptly disclosed as required by law.

This Code cannot, and is not intended to, address all of the situations you may encounter. There will be occasions where you are confronted by circumstances not covered by policy or procedure and where you must make a judgment as to the appropriate course of action. In those circumstances, use your common sense or contact your manager, Human Resources or the Legal Department for guidance.