

To Emmis Directors, Officers and Employees:

Attached is the Securities Trading Policy for directors, officers and other employees of Emmis Communications Corporation and its affiliates, which has been revised by the Board of Directors. Please read this material very carefully. Effective immediately, the revised Policy has become part of the Emmis Communications Corporation Policies and Procedures Manual and is applicable to all of our employees, officers and directors.

Emmis' common stock and preferred stock are publicly traded. The purchase or sale of, or other transactions in, publicly traded securities while aware of material non-public information, or the disclosure of material non-public information to others who then trade in publicly traded securities, is prohibited by the federal securities laws.

The federal securities laws impose liability not only on persons who trade, or tip inside information to others who trade, but on companies and other controlling persons who fail to take reasonable steps to prevent insider trading by company employees. As a result, if we do not take active steps to adopt preventive policies and procedures covering securities trades by Emmis personnel, the consequences could be severe.

In addition to responding to federal securities laws, we are adopting this policy statement to avoid even the appearance of improper conduct on the part of anyone employed by or associated with Emmis (not just so-called "insiders"). We have all worked hard over the years to establish our reputation for integrity and ethical conduct. We cannot afford to have that reputation damaged.

For purposes of this Securities Trading Policy, references to "trading" or to "transactions" in securities include purchases or sales of stock, bonds, options, puts and calls, as well as sales of Company common stock acquired upon the exercise of stock options and trades in Company common stock made under an employee benefit plan, such as the 401(k) plan.

The SEC has adopted a safe harbor rule, Rule 10b5-1, which provides a defense against insider trading liability for trades that are effected pursuant to a pre-arranged trading plan that meets specified conditions. The trading plans must be properly documented and all of the procedural conditions of the Rule must be satisfied to avoid liability.

The SEC has also adopted rules that require the Company to disclose certain transactions in securities to the SEC. As a result, this policy imposes certain reporting requirements on executive officers and directors of the Company.

The Consequences

The SEC and the U.S. securities exchanges are extremely effective in detecting insider trading. The SEC and the Department of Justice have prosecuted cases involving trading or tipping by employees at all levels of a business, trading or tipping by family members and friends, trading involving offshore accounts, and trading involving only a small amount of stock. The consequences of insider trading violations can be staggering:

For individuals who trade on inside information (or tip information to others):

- A civil penalty of up to three times the profit gained or loss avoided;
- A criminal fine (no matter how small the profit) of up to \$1 million; and
- A jail term of up to ten years.

For a company (as well as possibly any supervisory person) that fails to take appropriate steps to prevent illegal trading:

- A civil penalty of up to the greater of \$1 million or three times the profit gained or loss avoided as a result of the employee's violation; and
- A criminal penalty of up to \$2.5 million.

Moreover, if any employee violates the Securities Trading Policy, Emmis-imposed sanctions, including dismissal for cause, could result. Needless to say, any of the above consequences, even an investigation by the SEC that does not result in prosecution, can tarnish the reputation of both the Company, its management and the person involved, and irreparably damage a career.

If you have any questions, please feel free to contact Scott Enright, Executive Vice President, General Counsel and Secretary, at scotte@emmis.com, Ian Arnold, Vice President and Associate General Counsel, at iarnold@emmis.com or Jennifer Streit, Corporate Paralegal, at jstreit@emmis.com.

Once again, please read this material very carefully.

Yours truly,



Jeffrey H. Smulyan,
Chairman, President and
Chief Executive Officer

Enclosures

EMMIS COMMUNICATIONS CORPORATION

SECURITIES TRADING POLICY

I. Purpose

To describe standards concerning the handling of non-public information relating to Emmis Communications Corporation (“Emmis” or the “Company”) and the buying and selling of Emmis stock and other securities.

II. Persons Affected

This policy applies to all Emmis directors, officers and employees. Please note that the general prohibitions apply to all directors, officers and employees of the Company, while the restrictions set forth in Part IV (blackout periods) and Part V (pre-clearance procedures) apply only to directors, officers, general managers, publishers, editors-in-chief, and other designated employees.

III. Policy Statement

If an Emmis director, officer or other employee has material non-public information relating to Emmis, it is our policy that neither that person nor any related person:

- may buy or sell securities (other than a private sale to another director, officer or employee who is also in possession of such material non-public information or pursuant to a pre-arranged trading plan that complies with Rule 10b5-1 under the Securities Exchange Act of 1934 (“Rule 10b5-1”)) of the Company or engage in any other action to take advantage of that information, or
- may pass that information on to any person outside Emmis (unless the outside person can reasonably be expected to keep such information confidential) or suggest or otherwise recommend that any such person outside Emmis buy or sell securities of Emmis or engage in any other action to take advantage of that information.

This policy continues to apply after termination of employment to the extent that a former officer or employee is in possession of material non-public information at the time of termination. In such case, no trading may take place until the information becomes public or ceases to be material.

This policy also applies to non-public information, obtained in the course of employment with, or by serving as a director of, the Company, relating to any other company, including:

- our customers or suppliers, or
- any company with which we may be negotiating a major transaction or business combination, or

- any company as to which we have an indirect or direct control relationship or a designee on the board of directors.

No director, officer or other employee may effect transactions in the securities of any such other company while in possession of material non-public information concerning such company that was obtained in the course of employment with , or serving as a director of, Emmis.

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are no exception. Even the appearance of an improper transaction must be avoided to preserve our reputation for adhering to the highest standards of conduct.

Our directors and executive officers are subject to rules under the securities laws (Section 16 of the Securities Exchange Act of 1934, as amended (“Section 16”)) that are designed to minimize the misuse of inside information. This policy neither supersedes, nor is superseded, by Section 16.

Material Information. “Material information” is any information that a reasonable investor would consider important in a decision to buy, hold or sell stock. In short, any information that could reasonably affect the price of the stock. Either positive or negative information may be material. Common examples of information that will frequently be regarded as material are:

- projections of future earnings or losses, or other guidance concerning earnings;
- the fact that earnings are inconsistent with consensus expectations;
- a pending or proposed merger, joint venture, acquisition or tender offer;
- a significant sale of assets or the disposition of a subsidiary or business unit;
- changes in dividend policies or the declaration of a stock split or the offering of additional securities;
- changes in senior management or other key employees;
- significant new products or discoveries;
- significant legal or regulatory exposure due to a pending or threatened lawsuit or investigation;
- impending bankruptcy or other financial liquidity problems; and
- the gain or loss of a substantial customer or supplier.

20-20 Hindsight. Remember, if your securities transactions become the subject of scrutiny, they will be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction you should carefully consider how regulators and others might view your transaction in hindsight.

Tipping Information to Others. Whether the information is proprietary information about Emmis or other information that could have an impact on our stock price, directors, officers and other employees must not pass the information on to others. The above penalties apply whether or not you derive, or even intend to derive, any profit or other benefit from another's actions.

When Information is Public. You may not trade on the basis of information that has not been broadly disclosed to the marketplace, such as through a press release or SEC filing, and the marketplace has had time to absorb the information. As a general rule, information should not be considered fully absorbed by the marketplace until twenty-four hours after the information is released.

Transactions under Company Plans. Although insider trading restrictions do not apply to the exercise of employee stock options, they do apply to the sale of common stock received upon exercise. In addition, the restrictions apply to the sale as part of a broker-assisted cashless exercise of a stock option and the market sale for the purpose of raising cash to fund the exercise of an option.. This policy also applies to the following elections under a 401(k) plan:

- increasing or decreasing periodic contributions allocated to the purchase of Emmis stock;
- intra-plan transfers of an existing balance in or out of Emmis stock;
- borrowing money against the account if the loan results in the liquidation of any portion of Emmis stock; and
- pre-paying a loan if the pre-payment results in allocation of the proceeds to Emmis stock.

Generally, the Securities Trading Policy prohibits the sale of Emmis stock during a blackout period (see Item IV).

Blackout periods will not affect employees' purchase of Emmis stock through an employee stock purchase Plan ("ESPP") if one is adopted by Emmis. However, Emmis employees will not be permitted to change any aspect of their ESPP enrollment during blackout periods or during the time that employees are in possession of any material, non-public information.

Transactions By "Related Parties." The same restrictions described in this policy apply to your spouse, minor children and anyone else living in your household, partnerships in which you are a general partner, trusts of which you are a trustee and estates of which you are an executor (collectively "Related Parties"). Directors, officers and other employees are expected to be responsible for compliance with this policy by their Related Parties.

Confidentiality Obligations. The restrictions set forth in this policy are designed to avoid misuse of material non-public information in violation of the securities laws. These restrictions are in addition to, and in no way alter, the general obligations that each Emmis officer, director and employee has to maintain the confidentiality of all confidential or proprietary information concerning Emmis and its business, as well as any other confidential

information, that may be learned in the course of employment. No such information is to be disclosed to any other person in the Company, unless that person has a clear need to know that information, and no such information may be disclosed to any third parties, except as required or otherwise contemplated by your function or position.

Avoiding selective disclosure. Emmis is required under Regulation FD to avoid the selective disclosure of material non-public information. Emmis has established procedures for the release of material information, including the designation of Company spokespersons, to achieve broad public dissemination of that information in accordance with Regulation FD. Accordingly, no Emmis officer, director or other employee may disclose material non-public information to any person outside the Company, except in accordance with these procedures. This prohibition extends to discussions concerning Emmis and its business in Internet chat rooms or similar forums.

Additional Prohibited Transactions

Because we believe it is improper and inappropriate for any Emmis personnel to engage in short-term or speculative transactions involving Emmis stock or other securities, it is the policy of the Company that directors, officers and employees should not engage in any of the following activities with respect to Emmis stock or other securities:

1. **"In and out" trading in Emmis securities.** Any Emmis stock or other securities purchased in the open market must be held for a minimum of six months and ideally longer. Note that the SEC has a short-swing profit recapture rule that already effectively prohibits Emmis executive officers and directors from selling any Emmis stock within six months of a purchase. We are simply expanding this rule to cover all employees. Note, also, that this rule does not affect shares acquired as a result of exercising stock options.
2. **Short sales** (*i.e.*, selling stock you do not own and borrowing the shares to make delivery).
3. **Buying or selling puts, calls or other derivatives in respect of securities of the Company.** Although the Company discourages speculative hedging transactions, the Company does permit long-term hedging transactions that are designed to protect an individual's investment in Emmis stock (*i.e.*, the hedge must be for at least one year and relate to stock or options held by the individual). If you wish to engage in any such transaction, you must pre-clear it in accordance with the pre-clearance procedures described below, whether or not you are otherwise subject to pre-clearance obligations. Because these activities raise issues under the U.S. federal securities laws, any person intending to engage in permitted hedging transactions is strongly urged to consult legal counsel.

IV. Blackout Periods – For Directors, Executive Officers and Certain Other Personnel with Access to our Results

Emmis' announcement of quarterly financial results has the potential to have a material impact on the market for Emmis' securities. Therefore, to avoid even the appearance of trading while aware of material non-public information, persons who are or may be expected to be aware of quarterly financial results will be subject to a quarterly blackout on trading. Thus, in addition to the general rule that directors, officers and other employees may not effect transactions in Emmis securities on the basis of material information until such time as the information becomes public, the following persons, and their Related Parties, may not effect any transactions in Emmis securities during the two-week period preceding the end of Emmis' fiscal quarter through the first business day following the public release of earnings for that quarter or, if the regular earnings release is issued prior to the opening of the market on a given day, through that day:

- Directors
- Executive Officers, Officers, General Managers, Publishers & Editors-in-Chief
- "Corporate" Employees
- Other employees designated by Executive Officers as being likely to have regular access to non-public quarterly financial information.

Emmis will treat the creation or modification of a pre-planned trading program or arrangement established to meet the requirements of Rule 10b5-1 as a transaction subject to the blackout rules. Transactions effected pursuant to a properly established Rule 10b5-1 plan will not be subject to blackout periods.

You should be aware that Emmis may modify the blackout period described above at any time. In addition, Emmis may from time to time determine that trading in Emmis securities is inappropriate at a time that is outside the blackout period and, accordingly, may reinstate a blackout period at any time. For example, a short blackout period may be imposed shortly before issuance of interim earnings guidance. Those subject to these blackout requirements will receive notice of any modification by Emmis of the blackout period policy or of any prohibition on trading during a non-blackout period.

Persons subject to the blackout period restrictions who terminate their employment with Emmis during a blackout period will remain subject to the restrictions until the end of such period.

V. Pre-Clearance of Securities Trades By Directors, Executive Officers and Corporate Employees

To provide assistance in preventing inadvertent violations and avoiding even the appearance of an improper transaction (which could result, for example, where an officer engages in a trade while unaware of a pending major development), we are implementing the following procedure:

All transactions in Emmis securities (purchases, sales, transfers, etc.) by directors, executive officers and “corporate” employees must be pre-cleared by Scott Enright or Ian Arnold. If you contemplate a transaction, you should contact Scott Enright or Ian Arnold in advance.

For purposes of the pre-clearance procedures, transactions in securities would not cover stock option exercises, but would cover market sales of option stock. You must contact Ian Arnold or Jennifer Streit before contacting your broker or taking any other step to initiate a transaction in option stock and, in view of the fact that sales of option stock are likely to occur immediately upon exercise, you are encouraged to pre-clear the exercise as well.

Emmis will treat the creation, modification or termination of a pre-planned trading program or arrangement established to meet the requirements of Rule 10b5-1 as a transaction subject to pre-clearance at the time the plan is established, modified or terminated. Persons subject to the pre-clearance policy should coordinate any such plans or arrangements with Scott Enright or Ian Arnold.

To the extent that a material event or development affecting the Company remains non-public, persons subject to pre-clearance will not be given permission to effect transactions in Emmis securities. Such persons may not be informed of the reason why they may not trade. Any person that is made aware of the reason for an event-specific prohibition on trading should in no event disclose the reason for the prohibition to third parties, and should avoid disclosing the existence of the prohibition, if possible. Caution should be exercised when telling a broker or other person who suggested a trade that the trade cannot be effected at the time.

Note that the pre-clearance procedures may delay the disposition of any security after it is purchased.

VI. Assistance

Any person who has any questions about this policy statement or about specific transactions may contact Scott Enright at scotte@emmis.com, Ian Arnold at iarnold@emmis.com or Jennifer Streit at jstreit@emmis.com. Remember, however, that the ultimate responsibility for adhering to the policy statement and avoiding improper transactions rests with you. In this regard, it is imperative that you use your best judgment.

VII. Amendment

The Board of Directors reserves the right to amend this policy at any time.