

Dollars in Thousands

**Computation of Emmis Operating Company Pro Forma Total Leverage Ratio
Under the Credit Agreement dated June 10, 2014:**

	May 31, 2017 As Defined	Pending Sale of KPWR	May 31, 2017 Pro Forma
<u>Numerator:</u>			
Senior credit facility debt outstanding	\$ 157,197		
Plus: Letters of credit outstanding	-		
Less: Unrestricted cash and cash equivalents of the Borrower and its Domestic Subsidiaries, as defined	(1,592)		
Total Emmis Operating Company debt outstanding, as defined	<u>\$ 155,605</u>	(76,750) (A)	<u>\$ 78,855</u>
<u>Denominator:</u>			
Trailing twelve-months operating income from continuing operations	\$ 28,484		
Plus: Depreciation and amortization	4,452		
Plus: Noncash compensation	2,753		
Plus: Impairment loss	9,843		
Less: Gain on sale of radio and publishing assets, net of disposition costs	(23,557)		
Plus: Loss on disposal of property and equipment	124		
Less: 49.9% of Austin radio EBITDA (Minority Interest)	(5,779)		
Less: 98.7FM LMA LTM EBITDA	(9,014)		
Plus: LTM EBITDA losses of Texas Monthly magazine (sold November 1, 2016)	2		
Plus: LTM EBITDA losses of Terre Haute radio stations (sold January 30, 2017)	84		
Plus: LTM EBITDA losses of Los Angeles, Cincinnati, Atlanta and Orange Coast Magazines (sold February 28, 2017)	1,387		
Plus/Less: Pro forma adjustment for trailing twelve-months operating income of entities disposed (if not already excluded above)	151		
Plus: LTM EBITDA losses of Digonex, Inc. (Excluded Subsidiary)	1,716		
Plus: LTM EBITDA losses of NextRadio/TagStation (Excluded Subsidiaries)	12,397		
Plus/Less: Other reconciling items as defined in credit agreement	1,355		
Consolidated EBITDA, as defined in the credit agreement	<u>\$ 24,398</u>	(6,411)	<u>\$ 17,987</u>
Leverage Ratio - As reported 5-31-2017	<u>6.38</u>		
Leverage Ratio - Pro forma 5-31-2017			<u>4.38</u>

(A) Gross proceeds of \$82.75 million net of estimated taxes of \$6 million.