

Dollars in Thousands

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

**August 31, 2017
As Defined**

Numerator:

Senior credit facility debt outstanding	\$	79,421
Plus: Letters of credit outstanding		-
Less: Unrestricted cash and cash equivalents of the Borrower and its Domestic Subsidiaries, as defined		(3,659)
Total Emmis Operating Company debt outstanding, as defined	\$	<u>75,762</u>

Denominator:

Trailing twelve-months operating income from continuing operations	\$	105,768
Plus: Depreciation and amortization		4,051
Plus: Noncash compensation		2,800
Plus: Impairment loss		6,855
Less: Gain on sale of radio and publishing assets, net of disposition costs		(100,263)
Plus: Loss on disposal of property and equipment		11
Less: 49.9% of Austin radio EBITDA (Minority Interest)		(5,678)
Less: 98.7FM LMA LTM EBITDA		(9,081)
Plus: LTM EBITDA losses of Texas Monthly magazine (sold November 1, 2016)		235
Plus: LTM EBITDA losses of Terre Haute radio stations (sold January 30, 2017)		120
Plus: LTM EBITDA losses of Los Angeles, Cincinnati, Atlanta and Orange Coast Magazines (sold February 28, 2017)		1,097
Less: LTM EBITDA of KPWR-FM in Los Angeles (sold August 1, 2017)		(3,881)
Plus/Less: Pro forma adjustment for trailing twelve-months operating income of entities disposed (if not already excluded above)		89
Plus: LTM EBITDA losses of Digonex, Inc. (Excluded Subsidiary)		1,624
Plus: LTM EBITDA losses of NextRadio/TagStation (Excluded Subsidiaries)		12,979
Plus/Less: Other reconciling items as defined in credit agreement		768
Consolidated EBITDA, as defined in the credit agreement	\$	<u>17,494</u>

Leverage Ratio

4.33
