

*Dollars in Thousands*

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

**November 30, 2017  
As Defined**

**Numerator:**

Senior credit facility debt outstanding	\$	78,451
Plus: Letters of credit outstanding		-
Less: Unrestricted cash and cash equivalents of the Borrower and its Domestic Subsidiaries, as defined		(2,830)
Total Emmis Operating Company debt outstanding, as defined	\$	<u>75,621</u>

**Denominator:**

Trailing twelve-months operating income from continuing operations	\$	85,865
Plus: Depreciation and amortization		3,799
Plus: Noncash compensation		2,719
Plus: Impairment loss		6,855
Less: Gain on sale of radio and publishing assets, net of disposition costs		(82,726)
Plus: Loss on disposal of property and equipment		12
Less: 49.9% of Austin radio EBITDA (Minority Interest)		(5,710)
Less: 98.7FM LMA LTM EBITDA		(9,134)
Plus: LTM EBITDA losses of Texas Monthly magazine (sold November 1, 2016)		114
Plus: LTM EBITDA losses of Terre Haute radio stations (sold January 30, 2017)		227
Plus: LTM EBITDA losses of Los Angeles, Cincinnati, Atlanta and Orange Coast Magazines (sold February 28, 2017)		1,217
Less: LTM EBITDA of KPWR-FM in Los Angeles (sold August 1, 2017)		(1,964)
Plus/Less: Pro forma adjustment for trailing twelve-months operating income of entities disposed (if not already excluded above)		103
Plus: LTM EBITDA losses of Digonex, Inc. (Excluded Subsidiary)		1,606
Plus: LTM EBITDA losses of NextRadio/TagStation (Excluded Subsidiaries)		13,265
Plus/Less: Other reconciling items as defined in credit agreement		109
Consolidated EBITDA, as defined in the credit agreement	\$	<u>16,357</u>

Leverage Ratio 4.62

Note: Required Minimum EBITDA, as adjusted for sale of KPWR-FM in Los Angeles on August 1, 2017 \$ 13,589

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