

Dollars in Thousands

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

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			(3,290)
Total Emmis Operating Company debt outstanding, February 28, 2018			75,161
Less: Net proceeds from sale of St. Louis radio stations, inclusive of an estimated \$15.9 million of tax obligations due May 2019			(56,400)
Pro Forma Emmis Operating Company debt outstanding, February 28, 2018		\$	18,761

Denominator:

Trailing twelve-months operating income from continuing operations	\$	90,797	\$	90,797
Plus: Depreciation and amortization		3,628		3,628
Plus: Noncash compensation		2,654		2,654
Plus: Impairment loss		265		265
Less: Gain on sale of radio and publishing assets, net of disposition costs		(76,604)		(76,604)
Less: Gain on disposal of property and equipment		(69)		(69)
Less: 49.9% of Austin radio EBITDA (Minority Interest)		(5,672)		(5,672)
Less: 98.7FM LMA LTM EBITDA		(9,162)		(9,162)
Less: LTM EBITDA of Texas Monthly magazine (sold November 1, 2016)		(76)		(76)
Plus: LTM EBITDA losses of Terre Haute radio stations (sold January 30, 2017)		29		29
Plus: LTM EBITDA losses of Los Angeles, Cincinnati, Atlanta and Orange Coast Magazines (sold February 28, 2017)		173		173
Less: LTM EBITDA of KPWR-FM in Los Angeles (sold August 1, 2017)		(1,269)		(1,269)
Less: LTM EBITDA of St. Louis radio stations (sold April 30, 2018)		(4,234)		(4,234)
Plus/Less: Pro forma adjustment for trailing twelve-months operating income of entities disposed (if not already excluded above)		116		116
Plus: LTM EBITDA losses of Digonex, Inc. (Excluded Subsidiary)		1,568		1,568
Plus: LTM EBITDA losses of NextRadio/TagStation (Excluded Subsidiaries)		9,535		9,535
Plus/Less: Other reconciling items as defined in credit agreement		(332)		(332)
Consolidated EBITDA, as defined in the credit agreement	\$	11,347	\$	11,347

Pro Forma Leverage Ratio 1.65

Note: Required Minimum EBITDA, as adjusted for asset sales since April 18, 2017 \$ 8,391