

Dollars in Thousands

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

	August 31, 2018 As Defined	Leverage Ratio
<u>Numerator:</u>		
Senior credit facility debt outstanding	\$ 28,000	
Plus: Letters of credit outstanding	-	
Less: Unrestricted cash and cash equivalents of the Borrower and its Domestic Subsidiaries, as defined	(5,580)	
Total Emmis Operating Company debt outstanding, August 31, 2018	<u>\$ 22,420</u>	
<u>Denominator:</u>		
Trailing twelve-months operating income from continuing operations	\$ 41,057	
Plus: Depreciation and amortization	3,347	
Plus: Noncash compensation	2,159	
Plus: Impairment loss	265	
Less: Gain on sale of radio and publishing assets, net of disposition costs	(31,950)	
Less: Gain on disposal of property and equipment	(81)	
Less: 49.9% of Austin radio EBITDA (Minority Interest)	(5,344)	
Less: 98.7FM LMA LTM EBITDA	(9,155)	
Less: LTM EBITDA of Texas Monthly magazine (sold November 1, 2016)	(4)	
Less: LTM EBITDA losses of Terre Haute radio stations (sold January 30, 2017)	(5)	
Plus: LTM EBITDA losses of Los Angeles, Cincinnati, Atlanta and Orange Coast Magazines (sold February 28, 2017)	38	
Less: LTM EBITDA of KPWR-FM in Los Angeles (sold August 1, 2017)	(279)	
Less: LTM EBITDA of St. Louis radio stations (sold April 30, 2018)	(1,209)	
Plus/Less: Pro forma adjustment for trailing twelve-months operating income of entities disposed (if not already excluded above)	108	
Plus: LTM EBITDA losses of Digonex, Inc. (Excluded Subsidiary)	1,562	
Plus: LTM EBITDA losses of NextRadio/TagStation (Excluded Subsidiaries)	7,628	
Plus/Less: Other reconciling items as defined in credit agreement	(99)	
Consolidated EBITDA, as defined in the credit agreement	<u>\$ 8,038</u>	<u>2.8</u>
Requirement		<u>4.0</u>
