

EMMIS COMMUNICATIONS CORP

Form DEF 14A

June 03, 2011

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Emmis Communications Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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- o Fee paid previously with preliminary materials.
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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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[Emmis Logo]

June 3, 2011

Dear Shareholder:

The directors and officers of Emmis Communications Corporation join me in inviting you to attend the annual meeting of our shareholders on Wednesday, July 13, 2011, at 11:00 a.m. local time, at our headquarters, One Emmis Plaza, 40 Monument Circle, Indianapolis, Indiana. The formal notice of this annual meeting and the proxy statement appear on the following pages and are accompanied by a copy of our Form 10-K for the fiscal year ended February 28, 2011. After reading the proxy statement and other materials, ***please submit your proxy promptly by telephone or via the Internet in accordance with the instructions on the enclosed proxy card, or by marking, signing and returning a physical proxy card by mail, to ensure that your votes on the business matters of the meeting will be recorded.***

We hope that you will attend this meeting. Whether or not you attend, we urge you to submit your proxy promptly. Even after submitting the proxy, you may, of course, vote in person on all matters brought before the meeting. We look forward to seeing you on Wednesday, July 13, 2011.

Sincerely,

/s/

Jeffrey H. Smulyan  
Chief Executive Officer, President  
and Chairman of the Board

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**EMMIS COMMUNICATIONS CORPORATION  
INDIANAPOLIS, INDIANA  
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

The annual meeting of the shareholders of Emmis Communications Corporation will be held on Wednesday, July 13, 2011, at 11:00 a.m., local time, at One Emmis Plaza, 40 Monument Circle, Indianapolis, Indiana 46204.

Holders of common stock will be asked to consider and vote on the following matters:

- (1) election of three directors to Emmis' board of directors for terms of three years;
- (2) ratification of the selection of Ernst & Young LLP as Emmis' independent registered public accountants for the fiscal year ending February 29, 2012;
- (3) transaction of any other business that may properly come before the meeting and any adjournments or postponements of the meeting.

In addition, the holders of our 6.25% Series A Cumulative Convertible Preferred Stock will vote as a class separately from the common stock to elect two directors to hold office for a one-year term (unless their positions are eliminated sooner under our articles of incorporation).

We describe each of these proposals in more detail in the accompanying proxy statement, which you should read in its entirety before voting.

Only shareholders of record at the close of business on May 6, 2011 are entitled to notice of and to vote at this meeting and any adjournments or postponements of this meeting.

By order of the Board of Directors,

/s/

J. Scott Enright

Secretary

Indianapolis, Indiana  
June 3, 2011

**Important Notice Regarding the Availability of Proxy Materials for the  
Shareholder Meeting to be Held on July 13, 2011:**

**The proxy statement and annual report are available at [www.proxyvote.com](http://www.proxyvote.com).**

**Also available on the website are the Emmis proxy card, as well as additional voting information.**

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**EMMIS COMMUNICATIONS CORPORATION  
ONE EMMIS PLAZA  
40 MONUMENT CIRCLE  
INDIANAPOLIS, INDIANA 46204  
PROXY STATEMENT**

In this proxy statement, Emmis Communications Corporation is referred to as we, us, our, our company, the company or Emmis.

**QUESTIONS AND ANSWERS ABOUT THIS ANNUAL MEETING**

***Q: Why did I receive this proxy statement?***

As an Emmis shareholder, you received this proxy statement because our board of directors is soliciting your proxy to vote at the annual meeting of shareholders. The annual meeting will be held on Wednesday, July 13, 2011, at 11:00 a.m., local time, at One Emmis Plaza, 40 Monument Circle, Indianapolis, Indiana 46204.

This proxy statement summarizes the information you need to know to vote on an informed basis at the annual meeting; however, you do not need to attend the annual meeting to vote your shares. See How do I vote my shares before the Annual Meeting? We expect to begin sending this proxy statement, the attached notice of annual meeting and the proxy card(s) on June 3, 2011, to all shareholders entitled to vote.

***Q: What am I voting on?***

If you hold shares of common stock, you are being asked to consider and vote on the following:

- election of three directors to our board of directors for terms of three years; and
- ratification of the selection of Ernst & Young LLP as our independent registered public accountants for the fiscal year ending February 29, 2012.

If you hold shares of our 6.25% Series A Cumulative Convertible Preferred Stock (which we refer to in this proxy statement as simply Preferred Stock ), you are being asked to consider and vote on the election of two directors to our board of directors for a one-year term (unless their positions are eliminated sooner under our articles of incorporation).

***Q: Who is entitled to vote?***

Holders of outstanding Class A common stock and holders of outstanding Class B common stock as of the close of business on May 6, 2011, the record date, as well as holders of outstanding Preferred Stock as of that date, are entitled to vote at the annual meeting. As of May 2, 2011, 33,477,464 shares of Class A common stock, 4,722,684 shares of Class B common stock and 2,809,170 shares of Preferred Stock were issued and outstanding. As of May 6, 2011, there were no shares of Class C common stock issued or outstanding.

***Q: What does it mean if I get more than one proxy card?***

If you receive more than one proxy card, it means you hold shares registered in more than one account. Sign and return ALL proxy cards to ensure that all your shares are voted.

***Q: What are the voting rights of the common stock and the preferred stock?***

Each share of Class A common stock is entitled to one vote and each share of Class B common stock is entitled to ten votes. Generally, the holders of Class A and Class B common stock vote together as a single group. However, the two classes vote separately in connection with the election of certain directors, certain going private transactions and other matters as provided by law.



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At this annual meeting, the Class A and Class B common stock will vote together on the election of two directors and the ratification of Ernst & Young LLP as our independent registered public accountants, and the Class A common stock will vote separately as a class on the election of one other director (the Class A director ). The Class A and Class B common stock is not entitled to vote in connection with the two directors to be elected by the holders of the Preferred Stock.

Each share of Preferred Stock is entitled to one vote in connection with the two directors to be elected by the holders of the Preferred Stock (the Preferred Directors ). The Preferred Stock is not entitled to vote on any other question to be decided at the Annual Meeting.

### ***Q: How do I vote my shares before the Annual Meeting?***

**If you hold your shares in your own name**, you may submit a proxy by telephone, via the Internet or by mail.

*Submitting a Proxy by Telephone:* You can submit a proxy for your shares by telephone until 11:59 p.m. Eastern Daylight Time on July 12, 2011 by calling the toll-free telephone number on the enclosed proxy card, (800) 690-6903. Telephone proxy submission is available 24 hours a day. Easy-to-follow voice prompts allow you to submit a proxy for your shares and confirm that your instructions have been properly recorded. Our telephone proxy submission procedures are designed to authenticate shareholders by using individual control numbers.

*Submitting a Proxy via the Internet:* You can submit a proxy via the Internet until 11:59 p.m. Eastern Daylight Time on July 12, 2011 by accessing the web site listed on your proxy card, [www.proxyvote.com](http://www.proxyvote.com), and following the instructions you will find on the web site. Internet proxy submission is available 24 hours a day. As with telephone proxy submission, you will be given the opportunity to confirm that your instructions have been properly recorded.

*Submitting a Proxy by Mail:* If you choose to submit a proxy by mail, simply mark the appropriate proxy card, date and sign it, and return it in the postage paid envelope provided or to the address shown on the proxy card.

By casting your vote in any of the three ways listed above, you are authorizing the individuals listed on the proxy to vote your shares in accordance with your instructions. You may also attend the Annual Meeting and vote in person.

**If your shares are held in the name of a bank, broker or other nominee**, you will receive instructions from the holder of record that you must follow for your shares to be voted. The availability of telephonic or Internet voting will depend on the bank's or broker's voting process. Please check with your bank or broker and follow the voting procedures your bank or broker provides to vote your shares. Also, please note that if the holder of record of your shares is a broker, bank or other nominee and you wish to vote in person at the Annual Meeting, you must request a legal proxy from your bank, broker or other nominee that holds your shares and present that proxy and proof of identification at the Annual Meeting.

### ***Q: If I am the beneficial owner of shares held in street name by my broker, will my broker automatically vote my shares for me?***

Stock exchange rules applicable to brokers grant your broker discretionary authority to vote your shares without receiving your instructions on certain matters. Your broker has discretionary voting authority under these rules to vote your shares on the ratification of Ernst & Young LLP as our independent registered public accountants. However, unless you provide voting instructions to your broker, your broker does not have discretionary authority to vote on the election of directors. Therefore, it is particularly important that beneficial owners instruct their brokers how they wish to vote their shares.

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***Q: How will my shares be voted if I give my proxy but do not specify how my shares should be voted?***

If you provide specific voting instructions, your shares will be voted at the Annual Meeting in accordance with your instructions. If you return your signed proxy card but do not indicate your voting preferences, we will vote on your behalf **FOR** each of the nominees for whom you are entitled to vote and **FOR** the ratification of Ernst & Young LLP as our independent registered public accountants.

***Q: What is an abstention or a broker non-vote and how do they affect the vote?***

An abstention occurs when a shareholder sends in a proxy with explicit instructions to decline to vote regarding a particular matter. Abstentions are counted as present for purposes of determining a quorum. An abstention with respect to the election of directors is neither a vote cast for a nominee or a vote cast against the nominee and, therefore, will have no effect on the outcome of the vote. Abstentions with respect to the ratification of Ernst & Young LLP as our independent registered public accountants will also have no effect on the outcome of the vote.

A broker non-vote occurs when a broker or other nominee who holds shares for the beneficial owner is unable to vote those shares for the beneficial owner because the broker or other nominee does not have discretionary voting power for the proposal and has not received voting instructions from the beneficial owner of the shares. Brokers will have discretionary voting power to vote shares for which no voting instructions have been provided by the beneficial owner only with respect to the ratification of Ernst & Young LLP as our independent registered public accountants. Brokers will not have such discretionary voting power to vote shares with respect to the election of directors. Shares that are the subject of a broker non-vote are included for quorum purposes, but a broker non-vote with respect to a proposal will not be counted as a vote represented at the meeting and entitled to vote and, consequently, as a general matter, will have no effect on the outcome of the vote.

***Q: How can I change my vote?***

You may revoke your proxy at any time before it is exercised by:

Delivering to the Secretary a written notice of revocation, dated later than the proxy, before the vote is taken at the Annual Meeting;

Delivering to the Secretary an executed proxy bearing a later date, before the vote is taken at the Annual Meeting;

Submitting a proxy on a later date by telephone or via the Internet (only your last telephone or Internet proxy will be counted), before 11:59 p.m. Eastern Daylight Time on July 12, 2011; or

Attending the Annual Meeting and voting in person (your attendance at the Annual Meeting, in and of itself, will not revoke the proxy).

Any written notice of revocation, or later dated proxy, should be delivered to:

Emmis Communications Corporation

One Emmis Plaza

40 Monument Circle

Indianapolis, Indiana 46204

Attention: J. Scott Enright, Secretary

Alternatively, you may hand deliver a written revocation notice, or a later dated proxy, to the Secretary at the Annual Meeting before we begin voting.

If your shares are held by a bank, broker or other nominee, you must follow the instructions provided by the bank, broker or other nominee if you wish to change your vote.

***Q: Who will count the votes?***

Representatives of Broadridge Financial Solutions, Inc. will count the votes.

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***Q: What constitutes a quorum?***

A majority of the combined voting power of the outstanding Class A and Class B common stock entitled to vote at the meeting constitutes a quorum for the items to be voted on by the common stock at the Annual Meeting (*i.e.*, counting one vote for each share of outstanding Class A common stock and ten votes for each share of outstanding Class B common stock, present in person or represented by proxy).

A majority of the outstanding shares of Preferred Stock entitled to vote at the meeting constitutes a quorum for the election of the Preferred Directors at the Annual Meeting.

***Q: How many votes are needed for approval of each proposal?***

Directors to be elected by the holders of common stock will be elected by a plurality of the votes cast by the holders of outstanding common stock entitled to vote in the election who are present, in person or by proxy, at the meeting.

Consequently, the director nominees receiving the most votes of the holders of Class A and Class B common stock, voting together, will be elected to fill two director positions and the Class A director nominee receiving the most votes of holders of Class A common stock, voting as a class, will be elected as a Class A director. Only votes cast **FOR** a nominee will be counted.

Directors to be elected by the holders of Preferred Stock will be elected by a plurality of the votes cast by the holders of the Preferred Stock entitled to vote in the election who are present, in person or by proxy, at the meeting.

Consequently, the two Preferred Director nominees receiving the most votes of the holders of Preferred Stock will be elected to fill the two Preferred Director positions. Only votes cast **FOR** a nominee will be counted.

The ratification of Ernst & Young LLP as our independent registered public accountants for the fiscal year ending February 29, 2012 requires that the number of votes cast in favor of that proposal by holders of our outstanding Class A common stock and Class B common stock, voting together, exceed the number of votes cast against the proposal by such holders of our outstanding Class A common stock and Class B common stock.

***Q: What percentage of stock does our largest individual shareholder own? How does he intend to vote? What about all executive officers and directors?***

Jeffrey H. Smulyan, the Chairman, Chief Executive Officer and President, is our largest single shareholder, beneficially owning less than 1.0% of our Class A common stock and 100% of our Class B common stock as of May 6, 2011. Mr. Smulyan has informed us that he intends to vote for each of the nominees for director (with respect to his Class B common stock) and in favor of the proposal regarding the ratification of the selection of Ernst & Young LLP. If he does so, the election of Messrs. Leventhal and Sorrel and the proposal for ratification of the selection of Ernst & Young LLP are expected to be approved because Mr. Smulyan controls approximately 58.6% of the combined voting power of our outstanding common stock (not including the potential voting power of unexercised options). Mr. Smulyan is not permitted to vote his Class B common stock with regard to Mr. Lund, the Independent Director to be elected solely by the holders of Class A common stock, and holds no Preferred Stock that can be voted in favor of the preferred director nominees.

All directors and executive officers together own outstanding Class A common stock and Class B common stock representing approximately 60.9% of the combined voting power of our outstanding common stock (not including the potential voting power of unexercised options).

***Q: Does Emmis offer an opportunity to receive future proxy materials electronically?***

Yes. If you are a shareholder of record, you may, if you wish, receive future proxy statements and annual reports online. If you elect this feature, you will receive either a proxy card or an e-mail message notifying you when the materials are available, along with a web address for viewing the materials. You may sign up for electronic delivery by marking and signing the appropriate spaces on your proxy card or by contacting our Investor Relations Department by e-mail at [ir@emmis.com](mailto:ir@emmis.com) or toll-free by phone at (866) 366-4703. If you received these materials electronically, you do not need to do anything to continue receiving materials electronically in the future.

If you hold your shares in a brokerage account, you may also have the opportunity to receive proxy materials electronically. Please follow the instructions of your broker.



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Electronic delivery saves Emmis money by reducing printing and mailing costs. It will also make it convenient for you to receive your proxy materials online. Emmis charges nothing for electronic delivery. You may, of course, incur the usual expenses associated with Internet access, such as telephone charges or charges from your Internet service provider.

You may discontinue electronic delivery at any time. For more information, contact our Investor Relations Department by e-mail at *ir@emmis.com* or toll-free by phone at (866) 366-4703.

***Q: Who can attend the Annual Meeting?***

All shareholders as of May 6, 2011 can attend.

***Q: How can I obtain directions to attend the annual meeting in person?***

If you need directions to the location of the annual meeting, please contact our Investor Relations Department by e-mail at *ir@emmis.com* or toll-free by phone at (866) 366-4703.

***Q: What do I do if I have additional questions?***

If you have any questions prior to the annual meeting, please contact our Investor Relations Department by e-mail at *ir@emmis.com* or toll-free by phone at (866) 366-4703.

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**PROPOSAL 1: ELECTION OF DIRECTORS**

Three directors are to be elected by the holders of common stock. Richard A. Leventhal, Peter A. Lund and Lawrence B. Sorrel have each been nominated for a term of three years and until their respective successors have been elected and qualified. Messrs. Leventhal and Sorrel will be elected by the Class A and Class B common stock voting together as a single class. Mr. Lund will be elected by the Class A common stock voting as a class. Messrs. Leventhal, Sorrel and Lund are members of the present board of directors.

The terms of the Preferred Stock provide that because Emmis has not declared a Preferred Stock dividend for at least six quarters, the holders of the Preferred Stock are entitled to elect two persons to the board of directors. Accordingly, David Gale and Joseph R. Siegelbaum have each been nominated by holders of Preferred Stock for a one year term (subject to earlier elimination of their positions under our articles of incorporation), and until their respective successors have been elected and qualified. Messrs. Gale and Siegelbaum will be elected by the Preferred Stock voting as a separate class. Neither Mr. Gale nor Mr. Siegelbaum presently serves on our board of directors.

If, at the time of this annual meeting, any nominee is unable or declines to serve, the discretionary authority provided in the proxy may be exercised to vote for a substitute or substitutes. The board of directors has no reason to believe that any substitute nominee or nominees will be required.

**Name, Age, Principal Occupation(s) and  
Business Experience**

***Nominated for a term expiring in 2014:***

**Richard A. Leventhal**, Age 64

Mr. Leventhal is President and majority owner of LMCS, LLC, an investment, management and consulting company. Previously, Mr. Leventhal co-owned and operated Top Value Fabrics, Inc., a wholesale fabric and textile company in Carmel, Indiana, for 27 years.

**Peter A. Lund**,<sup>(1)(2)</sup> Age 70

Mr. Lund is a private investor and media consultant who formerly served as Chairman and Chief Executive Officer of Eos International, Inc., a holding company. Mr. Lund has over 40 years of broadcasting experience and most recently served as President and Chief Executive Officer of CBS Inc., and President and Chief Executive Officer of CBS Television and Cable. He is a director of The DIRECTV Group, Inc., a communications company; Crown Media Holdings, Inc., an owner and operator of cable television channels; and Eos International, Inc., a library automation and knowledge management company.

**Lawrence B. Sorrel**, Age 52

Mr. Sorrel is Managing Partner of Tailwind Capital where he has worked since 2002. From 1998 to 2002, Mr. Sorrel was a general partner of Welsh, Carson, Anderson & Stowe. Prior to May 1998, he was a Managing Director of Morgan Stanley and the firm's private equity affiliate, Morgan Stanley Capital Partners, where he had been employed since 1986.

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***Nominated by Holders of Preferred Stock for a term expiring in 2012:***

**David Gale,<sup>(3)</sup> Age 57**

Mr. Gale is the President and Chief Executive Officer of Delta Dividend Group, Inc., a San Francisco-based investment management firm, a position he has held since 1992. Mr. Gale has also served as a director of F&C Preferred Income Fund (NYSE:PDFD) since 1997, of F&C Preferred Income Opportunity Fund (NYSE:PFO) since 1997, of F&C Preferred Securities Fund (NYSE:FFC) since 2003 and of F&C Total Return Fund (NYSE:FLC) since 2004, and he served as a director of Metromedia International Return Group, Inc. from 2004 to 2008. Mr. Gale was nominated by Zazove Associates LLC, as general partner of Zazove Aggressive Growth Fund, L.P., which is an owner of Preferred Stock.

**Joseph R. Siegelbaum,<sup>(3)</sup> Age 63**

Mr. Siegelbaum is a Senior Partner in the Business Law Department of Goodwin Procter LLP, a law firm based in New York City, where he concentrates his practice on mergers and acquisitions and other corporate transactions. Mr. Siegelbaum was nominated by Zazove Associates LLC, as general partner of Zazove Aggressive Growth Fund, L.P., which is an owner of Preferred Stock.

***Directors whose terms expire in 2013:***

**Jeffrey H. Smulyan, Age 64**

Mr. Smulyan founded Emmis in 1979 and is our Chairman, Chief Executive Officer and President. Mr. Smulyan began working in radio in 1973, and has owned one or more radio stations since then. Formerly, he was also the owner and chief executive officer of the Seattle Mariners Major League Baseball team. He is former Chairman of the Radio Advertising Bureau and serves as a Trustee of his alma mater, the University of Southern California. He was a director of The Finish Line, a sports apparel manufacturer, from 1994 to 2008.

**Greg A. Nathanson, Age 64**

Mr. Nathanson served as our Television Division President before resigning in October 2000. He is currently a media consultant. Mr. Nathanson has over 30 years of television broadcasting experience, having served as President of Programming and Development for Twentieth Television from 1996 to 1998; as General Manager of KTLA-TV in Los Angeles, California from 1992 to 1996; and as General Manager of the Fox television station KTTV from 1988 to 1992. In addition, he was President of all the Fox Television stations from 1990 to 1992.

***Directors whose terms expire in 2012:***

**Susan B. Bayh,<sup>(1)</sup> Age 51**

Mrs. Bayh was the Commissioner of the International Joint Commission of the United States and Canada until 2001. She served as a Distinguished Visiting Professor at the College of Business Administration at Butler University from 1994 through 2003. Previously, she was an attorney with Eli Lilly & Company. She is a director of Wellpoint, Inc., a Blue Cross/Blue Shield company; Curis, Inc., a therapeutic drug development company; Dendreon Corporation, a biotechnology company; and Dyax Corp., a biopharmaceutical company. Previously, she served as a director for Esperion Therapeutics, Inc., Novavax, Inc., Cubist Pharmaceuticals, Inc. and MDRNA (formerly Natestch), each of which is a pharmaceutical company.

**Gary L. Kaseff, Age 63**

Mr. Kaseff served as our Executive Vice President and General Counsel until his resignation in March 2009. He remains employed by Emmis. Before becoming general counsel, Mr. Kaseff practiced law in Southern California. Previously, he was President of the Seattle Mariners Major League Baseball team and partner with the law firm of Eppert & Kaseff.

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**Patrick M. Walsh**, Age 44

Mr. Walsh became Executive Vice President and Chief Financial Officer of Emmis in September 2006 and added the position of Chief Operating Officer in December 2008. Mr. Walsh came to Emmis from iBiquity Digital Corporation, the developer and licensor of HD Radio technology, where he served as Chief Financial Officer and Senior Vice President from 2002 to 2006. Prior to joining iBiquity, Mr. Walsh was a management consultant for McKinsey & Company, and served in various management positions at General Motors Acceptance Corporation and Deloitte LLP.

- (1) Independent director elected by the holders of the Class A common stock voting as a separate class.
- (2) In accordance with the Corporate Governance Guidelines, the Corporate Governance and Nominating Committee waived the mandatory director retirement age requirement with regard to Mr. Lund.
- (3) Nominee to be elected by the holders of the Preferred Stock voting as a separate class.

**Recommendation of the Board of Directors**

Our board of directors unanimously recommends that you vote FOR Richard A. Leventhal, Peter A. Lund and Lawrence B. Sorrel, the persons nominated by the Corporate Governance and Nominating Committee to be elected by the holders of common stock as directors.

The Corporate Governance and Nominating Committee believes that well functioning boards consist of a diverse collection of individuals that bring a variety of complementary skills. Although the board of directors does not have a formal policy with regard to the consideration of diversity in identifying directors, diversity is one of the factors that the Corporate Governance and Nominating Committee may, pursuant to its charter, take into account in identifying director candidates. The Corporate Governance and Nominating Committee generally considers each director eligible for nomination in the broad context of the overall composition of our board of directors with a view toward constituting a board that, as a body, possesses the appropriate mix of skills and experience to oversee our business. Depending on current membership of our board of directors, the Corporate Governance and Nominating Committee also may decide to seek or give preference to a qualified candidate who is female or adds to the ethnic diversity of the board. The experience, qualifications, attributes, or skills that led the Corporate Governance and Nominating Committee to conclude that each of the members of the board of directors nominated by the Corporate Governance and Nominating Committee should serve on the board are generally described below:

**Susan B. Bayh**

Mrs. Bayh is a lawyer with extensive experience in corporate governance and regulatory matters. She has served as a director of several large and small companies in the highly-regulated pharmaceutical and insurance industries. Her experience as a Commissioner of the International Joint Commission of the United States and Canada also provides international relations perspective relevant to our operations in foreign regulatory environments.

**Gary L. Kaseff**

Mr. Kaseff is a lawyer with extensive knowledge of the legal issues arising in the broadcast and publishing industries. His professional sports management experience is also helpful in the context of our sports broadcasting operations at certain of our radio stations.

**Richard A. Leventhal**

Mr. Leventhal is the former owner and operator of a small business, with experience in financial and operational issues affecting organizations, as well as management and development experience. He also brings the perspective to the board of a substantial segment of our local advertisers.



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**Peter A. Lund**

Mr. Lund has over 40 years of experience in the broadcasting industry, with particular concentration in the ownership and operation of radio and television stations. He is also familiar with radio and television network operations.

**Greg A. Nathanson**

Mr. Nathanson has extensive experience in the broadcasting industry, encompassing both individual station and network operations. He also has an insider's view of the operation of our company, having served as an executive officer until 2000.

**Jeffrey H. Smulyan**

Mr. Smulyan is the founder and Chief Executive Officer of Emmis, with extensive broadcasting experience. His experience ranges from running an individual radio station to chairing significant broadcast industry groups. He has developed with the Emmis team a variety of new and highly successful radio formats that contributed to the company's rapid growth and sustained the company during economic downturns. As our Chief Executive Officer and a recognized industry leader, Mr. Smulyan provides the board with information about the daily operations of the company as well as strategic insights into the broadcast industry and future trends that will likely affect the company's operations. His experience with sports management and as a director of a retail company are also valuable to the company's programming operations and customer relations activities.

**Lawrence B. Sorrel**

Mr. Sorrel has over 20 years of experience in the investment banking and private capital industries, including the purchase, sale and financing of individual broadcast properties and broadcasting groups. He has extensive experience in arranging and structuring financings for enterprises worldwide, including enterprises with credit profiles similar to ours. In addition, Mr. Sorrel's experience in the private equity industry adds a long-term strategic perspective to the board's deliberations.

**Patrick M. Walsh**

Mr. Walsh serves as the company's Chief Financial Officer and Chief Operating Officer. In addition to his background in finance, accounting and operations, Mr. Walsh has experience as a management consultant and has served in financial and operations capacities in a business that sold technology to the radio industry. He offers the board an inside view of the company's financing and operations along with a strategic perspective on aspects of the radio broadcasting industry's future.

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As of May 6, 2011, there were 33,477,464 shares of our Class A common stock and 4,722,684 shares of our Class B common stock issued and outstanding. The holders of Class A common stock are entitled to an aggregate of 33,477,464 votes, and the holder of Class B common stock is entitled to an aggregate of 47,226,840 votes. The following table shows, as of May 2, 2011, the number and percentage of shares of our common stock held by each person known to us to own beneficially more than five percent of the issued and outstanding common stock, by the executive officers named in the Summary Compensation Table below and our directors and nominees, and by our executive officers and directors as a group:

Five Percent Shareholders, Directors, Nominees and Certain Executive Officers	Class A Common Stock		Class B Common Stock		Percent of Total Voting Power
	Amount and Nature of Beneficial Ownership	Percent of Class	Amount and Nature of Beneficial Ownership	Percent of Class	
Jeffrey H. Smulyan	209,290(1)	*	5,893,480(13)	100.0%	63.9%
Susan B. Bayh	186,842(2)	*			*
Richard F. Cummings	638,551(3)	1.9%			*
David Gale					
Gary L. Kaseff	524,912(4)	1.6%			*
Richard A. Leventhal	343,426(5)	1.0			*
Peter A. Lund	346,554(6)	1.0			*
Greg A. Nathanson	535,781(7)	1.6%			*
Joseph R. Siegelbaum					
Lawrence B. Sorrel	385,113(8)	1.1			*
Patrick M. Walsh	116,798(9)	*			*
Alden Global Distressed Opportunities Master Fund, L.P.	2,837,078(10)	7.8%			3.4%
AQR Capital Management LLC	2,852,187(11)	8.5%			3.5%
All Executive Officers and Directors as a Group (13 persons)	3,432,559(12)	9.8%	5,893,480(13)	100.0%	66.4%

\* Less than 1%.

- (1) Consists of 8,441 shares held in the 401(k) Plan, 9,755 shares owned individually, 11,120 shares held by Mr. Smulyan as trustee for his children over which Mr. Smulyan exercises or shares voting control, 3,000 shares held by Mr. Smulyan as trustee for his niece over which Mr. Smulyan exercises or shares voting control, 30,625 shares held by The Smulyan Family Foundation, over which Mr. Smulyan shares voting control and 146,349 shares represented by stock options exercisable currently or within 60 days of May 2, 2011.
- (2) Consists of 113,668 shares owned individually and 73,174 shares represented by stock options exercisable currently or within 60 days of May 2, 2011. Of the shares owned individually, 4,390 are restricted stock subject

to forfeiture if certain conditions are not satisfied.

- (3) Consists of 155,550 shares owned individually, 8,260 shares owned for the benefit of Mr. Cummings' children, 6,429 shares held in the 401(k) Plan and 468,312 shares represented by stock options exercisable currently or within 60 days of May 2, 2011.
- (4) Consists of 151,890 shares owned individually by Mr. Kaseff, 3,411 shares owned by Mr. Kaseff's spouse, 1,346 shares held by Mr. Kaseff's spouse for the benefit of their children, 2,395 shares held in the 401(k) Plan, and 365,870 shares represented by stock options exercisable currently or within 60 days of May 2, 2011. Of the shares owned individually, 2,195 are restricted stock subject to forfeiture if certain employment agreement or other conditions are not satisfied.
- (5) Consists of 249,652 shares owned individually, 3,000 shares owned by Mr. Leventhal's spouse, 17,600 shares owned by a corporation of which Mr. Leventhal is a 50% shareholder and 73,174 shares represented by stock options exercisable currently or within 60 days of May 2, 2011. Of the shares owned individually, 6,585 are restricted stock subject to forfeiture if certain conditions are not satisfied.
- (6) Consists of 288,015 shares owned individually and 58,539 shares represented by stock options exercisable currently or within 60 days of May 2, 2011. Of the shares owned individually, 6,585 are restricted stock subject to forfeiture if certain conditions are not satisfied.
- (7) Consists of 403,973 shares owned individually or jointly with his spouse, 44,000 shares owned by trusts for the benefit of Mr. Nathanson's children and 87,808 shares represented by stock options exercisable currently or within 60 days of May 2, 2011. Of the shares owned individually, 2,195 are restricted stock subject to forfeiture if certain conditions are not satisfied.
- (8) Consists of 311,939 shares owned individually and 73,174 shares represented by stock options exercisable currently or within 60 days of May 2, 2011. Of the shares owned individually, 6,585 are restricted stock subject to forfeiture if certain conditions are not satisfied.
- (9) Consists of 39,608 shares owned individually, 4,017 shares held in the 401(k) Plan and 73,173 shares represented by stock options exercisable currently or within 60 days of May 2, 2011.
- (10) Information concerning these shares was obtained from an amendment to Schedule 13D filed on March 14, 2011, by Alden Global Capital Limited on behalf of Alden Global Distressed Opportunities Master Fund, L.P. and an additional affiliate, each of which has a mailing address of 885 Third Avenue, New York, New York 10022. The shares shown as beneficially owned and the calculated percentages of ownership of Class A Common Stock and Total Voting Power consist of shares of Class A Common Stock issuable upon conversion of 1,162,737 shares of the company's 6.25% Series A Preferred Stock.
- (11) Information concerning these shares was obtained from a Schedule 13G filed on February 11, 2011, by AQR Capital Management, LLC, which has a mailing address of Two Greenwich Plaza, 3<sup>rd</sup> Floor, Greenwich, Connecticut 06830.
- (12) Includes 1,496,858 shares represented by stock options exercisable currently or within 60 days of May 2, 2011.
- (13) Consists of 4,722,684 shares owned individually and 1,170,796 shares represented by stock options exercisable currently or within 60 days of May 2, 2011.



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**CORPORATE GOVERNANCE**

**General**

Emmis aspires to the highest ethical standards for our employees, officers and directors, and remains committed to the interests of our shareholders. We believe we can achieve these objectives only with a plan for corporate governance that clearly defines responsibilities, sets high standards of conduct and promotes compliance with the law. The board of directors has adopted formal corporate governance guidelines, as well as policies and procedures designed to foster the appropriate level of corporate governance. Some of these guidelines and procedures are discussed below. For further information, including electronic versions of our Code of Business Conduct and Ethics, our Corporate Governance Guidelines, our Audit Committee Charter, our Compensation Committee Charter, our Corporate Governance and Nominating Committee Charter and our Auditor Independence Policy, please visit the Corporate Governance section of our website (*www.emmis.com*) located under the Investors heading.

**Independent Directors**

Our board of directors currently consists of eight members. Of these, our board has determined that four (Mrs. Bayh and Messrs. Leventhal, Lund and Sorrel) qualify as independent directors under the listing standards of The Nasdaq Stock Market, Inc. Emmis is a Controlled Company as defined in the Nasdaq listing standards because more than 50% of the company's voting power is held by one individual. The company is therefore, pursuant to Nasdaq Marketplace Rule 5615(c)(2), exempt from certain aspects of Nasdaq's listing standards relating to independent directors. Nevertheless, as a matter of good corporate governance, the company has voluntarily complied with such rules. The only variance in the company's practices from the Nasdaq listing standards relating to independent directors is that one-half, rather than a majority, of the members of the board of directors are independent directors under Nasdaq rules.

**Code of Ethics**

Emmis has adopted a Code of Business Conduct and Ethics to document the ethical principles and conduct we expect from our employees, officers and directors. A copy of our Code of Business Conduct and Ethics is available in the Corporate Governance section of our website (*www.emmis.com*) located under the Investors heading.

**Leadership Structure, Lead Director and Risk Oversight**

The Emmis bylaws provide that the chairman of the board shall be the chief executive officer of the corporation. The board believes that this structure is in the best interest of the company's shareholders at this time because it makes the best use of the chief executive officer's extensive knowledge of the company and its industry and also facilitates communication between management and the board of directors.

Our independent directors appointed Richard A. Leventhal as the Lead Director effective March 1, 2011, replacing Susan B. Bayh who served in that role during the prior fiscal year. In that role, Mr. Leventhal is responsible for coordinating and leading the independent directors, presiding over executive sessions of the independent directors and acting as a liaison between the independent directors and the rest of the board of directors and Emmis management. The board of directors expects the company's management to take primary responsibility for identifying material risks the company faces and communicating them to the board, developing and implementing appropriate risk management strategies responsive to those risks with oversight from the board, and integrating risk management into the company's decision-making processes. The board regularly reviews information regarding the company's credit, liquidity and operational risks as well as strategies for addressing and managing such risks. Certain committees of the board, such as the audit and compensation committees, manage risks within their areas of responsibility. In particular, the Audit Committee monitors financial, credit and liquidity risk issues, and the Compensation Committee monitors the company's compensation programs so that such programs do not encourage excessive risk-taking by company employees.

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**Communications with Independent Directors**

Any employee, officer, shareholder or other interested party who has an interest in communicating with the Lead Director or any other Emmis independent directors regarding any matter may do so by directing communication to Mr. Leventhal as the Lead Director addressed to Lead Director, c/o Corporate Secretary, Emmis Communications Corporation, One Emmis Plaza, 40 Monument Circle, Suite 700, Indianapolis, Indiana 46204, by facsimile to (317) 684-5583, or by e-mail message to *LeadDirector@emmis.com*. The communication will be delivered to the independent directors as appropriate. For matters related to nominations or corporate governance, a communication should specify that it is directed to the Corporate Governance and Nominating Committee. For matters related to finance or auditing, a communication should specify that it is directed to the Audit Committee. For matters related to compensation, a communication should specify that it is directed to the Compensation Committee. Messages for any director or the board of directors as a whole may be delivered through the Lead Director as well.

**Certain Committees of the Board of Directors**

Our board of directors currently has several committees, including an Audit Committee, a Corporate Governance and Nominating Committee, a Compensation Committee and an Executive Committee.

*Audit Committee.* The Audit Committee's primary responsibility is to engage our independent auditors and otherwise to monitor and oversee the audit process. The Audit Committee also undertakes other related responsibilities as summarized in the Report of the Audit Committee below and detailed in the Audit Committee Charter, which is available in the Corporate Governance section of our website (*www.emmis.com*) located under the Investors heading. The board of directors has determined that the members of the Audit Committee, Richard A. Leventhal (chair), Peter A. Lund and Lawrence B. Sorrel, are independent directors under the Securities Exchange Act of 1934 and the Nasdaq listing standards. The board of directors has also determined that Lawrence B. Sorrel is an Audit Committee financial expert as defined in rules adopted under the Securities Exchange Act of 1934. The Audit Committee held three meetings during the last fiscal year.

*Corporate Governance and Nominating Committee.* The Corporate Governance and Nominating Committee's primary responsibility is to assist the board of directors by (1) identifying individuals qualified to become members of the board of directors and recommending nominees to the board of directors for the next annual meeting of shareholders and (2) evaluating and assessing corporate governance issues affecting Emmis. The Corporate Governance and Nominating Committee charter is available in the Corporate Governance section of our website (*www.emmis.com*) located under the Investors heading. The Corporate Governance and Nominating Committee evaluates current members of the board of directors and potential candidates with respect to their independence, business, strategic and financial skills, as well as overall experience in the context of the needs of the board of directors as a whole. The Corporate Governance and Nominating Committee concentrates its focus on candidates with the following characteristics and qualifications, though not necessarily limited thereto:

Chief executive officers or senior executives, particularly those with experience in broadcasting, finance, marketing and information technology.

Individuals representing diversity in gender and ethnicity.

Individuals who meet the current criteria to be considered as independent directors.

The Corporate Governance and Nominating Committee will consider and evaluate potential nominees submitted by holders of our Class A common stock to our corporate secretary on or before the date for shareholder nominations specified in the Shareholder Proposals section of this proxy statement. These potential nominees will be considered and evaluated using the same criteria as potential nominees obtained by the Corporate Governance and Nominating Committee from other sources.

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In its assessment of each potential candidate, including those recommended by shareholders, the Corporate Governance and Nominating Committee takes into account all factors it considers appropriate, which may include (a) ensuring that the board of directors, as a whole, is diverse and consists of individuals with various and relevant career experience, relevant technical skills, industry knowledge and experience, financial expertise (including expertise that could qualify a director as an audit committee financial expert, as that term is defined by the rules of the SEC), local or community ties, and (b) minimum individual qualifications, including strength of character, mature judgment, familiarity with our business and related industries, independence of thought and an ability to work collegially. The Corporate Governance and Nominating Committee also may consider the extent to which the candidate would fill a present need on the board of directors. Typically, after conducting an initial evaluation of a candidate, the Corporate Governance and Nominating Committee will interview that candidate if it believes the candidate might be suitable to be a director and may ask the candidate to meet with other directors and management. If the Corporate Governance and Nominating Committee believes a candidate would be a valuable addition to the board of directors, it will recommend to the full board that candidate's nomination as a director.

The members of the Corporate Governance and Nominating Committee are Susan B. Bayh (chair) and Richard A. Leventhal, both of whom are independent directors under Nasdaq standards. The Corporate Governance and Nominating Committee held two meetings during the last fiscal year.

*Compensation Committee.* The Compensation Committee provides a general review of our compensation and benefit plans to ensure that our corporate objectives are met, establishes compensation arrangements and approves compensation payments to our executive officers, and generally administers our stock option and incentive plans. The Compensation Committee's charter is available in the Corporate Governance section of our website ([www.emmis.com](http://www.emmis.com)) located under the Investors heading. The members of the Compensation Committee are Peter A. Lund (chair), Susan B. Bayh and Lawrence B. Sorrel, all of whom are independent directors under Nasdaq standards. The Compensation Committee held four meetings during the last fiscal year.

*Executive Committee.* The Executive Committee has the authority to manage the business of the corporation to the same extent that the board of directors has the authority to manage the business of the corporation except to the extent that the executive committee's powers may be limited by Ind. Code § 23-1-34-6(e). The members of the Executive Committee are Jeffrey H. Smulyan (chair), Lawrence B. Sorrel and Susan B. Bayh. The Executive Committee held no meetings during the last fiscal year.

**Meeting Attendance**

During our last fiscal year, our board of directors held 16 meetings, either in person or by telephone. Each director attended at least 75% of the aggregate of (1) the total number of meetings of our board of directors held while he or she was a director and (2) the total number of meetings held by all committees on which he or she served during the periods that he or she served on the committee.

We believe that communication between our shareholders and the members of our board of directors is enhanced by the opportunity for personal interaction at our annual meeting of shareholders. Accordingly, we encourage the members of our board of directors to attend our annual meeting of shareholders whenever possible. Unfortunately, at our annual meeting of shareholders held on December 17, 2010, only three of the eight members of our board of directors were able to attend.

**Compensation of Directors**

Directors who are not officers of Emmis are compensated for their services at the rate of \$3,000 per regular meeting attended in person, \$1,500 per regular meeting attended by phone and \$2,000 per committee meeting attended, whether in person or by phone. These fees are paid in the form of Class A common stock at the end of each calendar year. The per share price used for payment of these fees is established using the market value of Emmis Class A common stock prior to the end of the previous fiscal year, discounted by 20% to the extent the director attends at least 75% of the board and committee meetings applicable to the director. In addition, each director who is not an officer or employee of Emmis receives a \$30,000 annual retainer, the chair of our Audit Committee receives a \$10,000 annual retainer, the chair of our Compensation Committee receives a \$5,000 annual retainer, the chair of our Corporate Governance and Nominating Committee receives a \$3,000 annual retainer, and the Lead Director receives a \$3,000 annual retainer. These annual retainers were paid in cash or shares of Class A common stock at each director's

election. In addition, directors who are not officers of Emmis are entitled to receive annually 2,195 shares of restricted stock and options to purchase 7,317 shares of Class A common stock. The options are granted on the date of our annual meeting of shareholders at the fair market value of the underlying shares on that date and are to vest annually in three equal installments. Restricted stock is also granted on the date of our annual meeting of shareholders and will vest on the earlier of the end of the director's three-year term or the third anniversary of the date of grant.



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In the table below, we have set forth information regarding the compensation for the fiscal year ended February 28, 2011, received by each of our directors as of February 28, 2011 who is not an officer of Emmis. The dollar amounts in the table below for stock and option awards are the grant date fair market values associated with such awards.

**2011 DIRECTOR COMPENSATION TABLE**

Name	Fees Earned or	Stock Awards	Option Awards	All Other Compensation	Total
	Paid in Cash	(1)(2)	(3)	(4)	
Susan B. Bayh	\$ 36,000	\$ 43,574	\$ 2,906	\$	\$ 82,480
Gary L. Kaseff	30,000	22,210	2,906	100,498	155,614
Richard A. Leventhal	40,000	42,665	2,906		85,571
Peter A. Lund		77,688	2,906		80,594
Lawrence B. Sorrel		73,658	2,906		76,564
Greg A. Nathanson		51,840	2,906		54,746

- (1) On January 4, 2011, each director named in the table above received a grant of 2,195 restricted shares, having an aggregate date of grant fair value of \$1,756. In the following table we set forth for each named director the number of unrestricted shares the director received on January 4, 2011, for meeting fees, and in the case of Messrs. Lund, Sorrel and Nathanson, the unrestricted shares received for retainers for which they elected payment in stock for the fiscal year ended 2011:

Name	Shares
Mrs. Bayh	52,273
Mr. Kaseff	25,568
Mr. Leventhal	51,136
Mr. Lund	94,915
Mr. Sorrel	89,878
Mr. Nathanson	62,605

- (2) At February 28, 2011, each named director other than Mrs. Bayh, Mr. Kaseff and Mr. Nathanson held restricted stock awards for an aggregate of 6,585 shares, having an aggregate fair market value of \$7,244. Messrs. Kaseff and Nathanson each held 2,195 restricted shares having a fair market value of \$2,415. Mrs. Bayh held 4,390 restricted shares having a fair market value of \$4,829. Restricted stock awards vest on the earlier of the end of the director's three-year term or the third anniversary of the date of grant. With respect to Messrs. Leventhal, Lund and Sorrel, 2,195 restricted shares will vest on the earlier of July 15, 2011, or the day before the company's annual meeting for fiscal year 2011, 2,195 will vest on the earlier of July 14, 2012, or the day before the company's annual meeting for fiscal year 2012 and 2,195 will vest on the earlier of January 4, 2014, or the day before the company's annual meeting for fiscal year 2013. With respect to Mrs. Bayh, 2,195 restricted shares will vest on the earlier of July 14, 2012, or the day before the company's annual meeting for fiscal year 2012 and 2,195 restricted shares will vest on the earlier of January 4, 2014, or the day before the company's annual meeting for fiscal year 2013. With respect to Mr. Nathanson, 2,195 restricted shares will vest on the earlier of January 4, 2014, or the day before the company's annual meeting for fiscal year 2013.

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(3) In the following table we have set forth information regarding options held by each named director as of February 28, 2011. Options vest on the earlier of the dates shown, or the day before the annual meeting for the fiscal year in which the date shown falls.

Name	Number of Shares	Option Exercise Price \$	Option Expiration Date	Option Vesting Date
Mrs. Bayh	7,317	0.48	12/17/20	1/3 on each of 12/17/11, 12 & 13
	7,317	0.28	7/14/19	1/3 on each of 7/14/10, 11 & 12
	7,317	1.70	7/15/18	1/3 on each of 7/15/09, 10 & 11
	7,317	8.84	7/11/17	Fully Vested
	7,317	8.71	2/13/17	Fully Vested
	7,317	12.19	7/13/15	Fully Vested
	14,635	14.21	6/30/14	Fully Vested
	14,635	15.48	6/5/13	Fully Vested
	14,635	13.56	6/24/12	Fully Vested
Mr. Kaseff	7,317	0.48	12/17/20	1/3 on each of 12/17/11, 12 & 13
	175,000	0.295	3/2/19	1/3 on each of 3/2/10, 11 & 12
	36,587	2.95	3/1/18	1/3 on each of 3/1/09, 10 & 11
	36,587	8.21	3/1/17	Fully Vested
	36,587	11.17	3/1/16	Fully Vested
	36,587	12.81	3/1/15	Fully Vested
	73,174	17.45	3/1/14	Fully Vested
	73,174	11.22	3/4/13	Fully Vested
	73,174	19.90	3/1/12	Fully Vested
	58,539	19.82	3/1/11	Fully Vested
Mr. Leventhal	7,317	0.48	12/17/20	1/3 on each of 12/17/11, 12 & 13
	7,317	0.28	7/14/19	1/3 on each of 7/14/10, 11 & 12
	7,317	1.70	7/15/18	1/3 on each of 7/15/09, 10 & 11
	7,317	8.84	7/11/17	Fully Vested
	7,317	8.71	2/13/17	Fully Vested
	7,317	12.19	7/13/15	Fully Vested
	14,635	14.21	6/30/14	Fully Vested
	14,635	15.48	6/5/13	Fully Vested
	14,635	13.56	6/24/12	Fully Vested
	Mr. Lund	7,317	0.48	12/17/20

				1/3 on each of 12/17/11, 12 & 13
	7,317	0.28	7/14/19	1/3 on each of 7/14/10, 11 & 12
	7,317	1.70	7/15/18	1/3 on each of 7/15/09, 10 & 11
	7,317	8.84	7/11/17	Fully Vested
	7,317	8.71	2/13/17	Fully Vested
	7,317	12.19	7/13/15	Fully Vested
	14,635	14.21	6/30/14	Fully Vested
	14,635	15.48	6/5/13	Fully Vested
Mr. Nathanson			12/17/20	1/3 on each of 12/17/11, 12 & 13
	7,317	0.48		
	7,317	0.28	7/14/19	1/3 on each of 7/14/10, 11 & 12
	7,317	1.70	7/15/18	1/3 on each of 7/15/09, 10 & 11
	7,317	8.84	7/11/17	Fully Vested
	7,317	8.71	2/13/17	Fully Vested
	7,317	12.19	7/13/15	Fully Vested
	14,635	14.21	6/30/14	Fully Vested
	14,635	15.48	6/5/13	Fully Vested
	14,635	13.56	6/24/12	Fully Vested
	14,634	19.82	8/01/11	Fully Vested
	14,634	24.18	3/01/10	Fully Vested
Mr. Sorrel			12/17/20	1/3 on each of 12/17/11, 12 & 13
	7,317	0.48		
	7,317	0.28	7/14/19	1/3 on each of 7/14/10, 11 & 12
	7,317	1.70	7/15/18	1/3 on each of 7/15/09, 10 & 11
	7,317	8.84	7/11/17	Fully Vested
	7,317	8.71	2/13/17	Fully Vested
	7,317	12.19	7/13/15	Fully Vested
	14,635	14.21	6/30/14	Fully Vested
	14,635	15.48	6/05/13	Fully Vested
	14,635	13.56	6/24/12	Fully Vested

(4) During fiscal 2011, as a non-officer employee of the company Mr. Kaseff earned \$93,400 in employee compensation and an additional \$7,098 was paid for his health insurance premiums.

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Although Emmis no longer makes loans to executive officers and directors, we currently have a loan outstanding to Jeffrey H. Smulyan, our Chairman, Chief Executive Officer and President, that is grandfathered under the Sarbanes-Oxley Act of 2002. The largest aggregate amount outstanding on this loan at any month-end during fiscal 2011 was \$1,075,592 and the balance at February 28, 2010 and 2011 was \$1,046,818 and \$1,075,592 respectively. This loan bears interest at our cost of debt under our Credit Agreement, which at February 28, 2010 and 2011 was approximately 7.6% and 5.5% per annum, respectively.

Prior to 2002, the Company had made certain life insurance premium payments for the benefit of Mr. Smulyan. The Company discontinued making such payments in 2001; however, pursuant to a Split Dollar Life Insurance Agreement and Limited Collateral Assignment dated November 2, 1997, the Company retains the right, upon Mr. Smulyan's death, resignation or termination of employment, to recover all of the premium payments it has made, which total \$1,119,000.

On April 26, 2010, JS Acquisition, Inc. ( JS Acquisition ), a corporation owned entirely by Mr. Smulyan, and Alden Global Capital (together with its affiliates and related parties, Alden ) entered into a non-binding Letter of Intent (the Letter of Intent ) with respect to a series of transactions relating to the equity securities of Emmis. Subsequently, JS Acquisition and Alden entered into a formal Securities Purchase Agreement, and Emmis and JS Acquisition entered into a Merger Agreement, all of which were designed to take Emmis private in a series of transactions that involved (i) JS Acquisition offering to purchase all of the Class A Common Stock at a price of \$2.40 per share (the Tender Offer ), (ii) Emmis offering to exchange (the Exchange Offer ) all of its 6.25% Series A Cumulative Convertible Preferred Stock (the Existing Preferred Stock ) for 12% PIK Senior Subordinated Notes due 2017 (the New Notes ), (iii) the adoption of certain amendments to the terms of the Existing Preferred Stock (the Proposed Amendments ) and (iv) a subsequent merger of JS Acquisition into Emmis (the Merger and together with the Tender Offer, the Exchange Offer and the Proposed Amendments, the Going Private Transaction ).

On September 9, 2010, Emmis announced that the Proposed Amendments had not received the requisite shareholder vote to pass and that the Exchange Offer had terminated. The Exchange Offer was conditioned upon, among other things, the adoption of the Proposed Amendments. The same day, Emmis was informed that the Tender Offer, which was also conditioned upon adoption of the Proposed Amendments, had also terminated. The Company recorded \$3.6 million of costs associated with the transaction in the year ended February 28, 2011.

Emmis and certain companies controlled by our Chairman and CEO, Jeffrey H. Smulyan, incurred various expenses in connection with proposed Going Private Transaction. Those expenses included approximately \$1.6 million of expenses attributable to the preparation of a Proxy Statement/Offer to Exchange and related documents for the special meeting of shareholders to approve the Proposed Amendments to the Company's articles of incorporation and for the Exchange Offer, both of which were conditions to the Going Private Transaction. Emmis incurred approximately \$0.9 million of such expenses, which related to the special meeting and associated matters, and Mr. Smulyan's companies incurred approximately \$0.7 million of such expenses, which related to the Exchange Offer and associated matters.

On December 24, 2010, Emmis entered into an agreement with Bose McKinney & Evans, LLP ( Bose ) and JS Acquisition for the purpose of coordinating the prosecution of certain litigation (the Litigation ) by JS Acquisition against Alden relating to the Going Private Transaction in which Emmis, JS Acquisition and Alden participated. Under the terms of the agreement, Bose is representing both Emmis and JS Acquisition in connection with the Litigation. Emmis has agreed to initially invest up to \$0.2 million in support of the prosecution of JS Acquisition's claim in exchange for first recoupment of 150% of the amount invested from any JS Acquisition recovery. The investment by Emmis, was unanimously approved by Emmis' Board of Directors, including all of its independent directors. Subsequently, Alden sued each of the directors of Emmis in New York state court alleging breach of fiduciary duty and related claims. Emmis believes the Alden claims are without merit.

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In addition, on March 21 2011, Emmis filed suit against Alden in Federal District Court for the Southern District of New York, seeking recoupment of approximately \$0.3 million of short-swing profits under section 16 of the Securities Exchange Act of 1934.

*Review and Approval of Related Party Transactions*

Our board of directors has adopted a written policy for review, approval and monitoring of transactions between the company and related parties. Related parties are directors, executive officers, nominees to become a director, any person beneficially owning more than 5% of any class of our stock, immediate family members of any of the foregoing, and any entity in which any of the foregoing persons is employed or is a general partner or principal or in which the person has a 10% or greater beneficial ownership interest. The policy covers transactions involving amounts exceeding \$120,000 in which a related party had, has or will have a direct or indirect interest.

*Procedures.* The related party is required to notify our legal department of the facts and circumstances of any proposed related party transaction. The legal department makes an initial determination of whether the transaction is subject to the policy. If the legal department determines that the policy is applicable, the transaction is referred to our Audit Committee. Either the Audit Committee, or the chair of the Audit Committee between Audit Committee meetings, considers the facts and circumstances of the proposed transaction and determines whether to approve the transaction. The Audit Committee or the chair, as the case may be, considers, among other things:

- The benefits of the transaction to the company;
- The impact of the transaction on a director's independence;
- The availability of other sources for comparable products or services;
- The terms of the transaction; and
- The terms available to unrelated third parties.

The Audit Committee may seek bids, quotes or independent valuations from third parties in connection with assessing a related party transaction. The Audit Committee or the chair may approve only transactions that they determine are in, or are not inconsistent with, the best interest of the company.

*Ratification.* If a transaction that was not a related party transaction when it was entered into becomes a related party transaction, or our CEO, CFO or general counsel become aware that a transaction that was not approved is a related party transaction, they must promptly submit the transaction for review by the Audit Committee, or the chair of the Audit Committee between Audit Committee meetings.

*Annual Review.* From time to time, the Audit Committee will review previously approved related party transactions that have a remaining term of six months or more or remaining amounts involved in excess of \$120,000. Based on the factors described above, the Audit Committee determines whether to continue, modify or terminate the transaction.

**REPORT OF THE AUDIT COMMITTEE**

*The following Report of the Audit Committee shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement into any of our filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate this information by reference, and shall not otherwise be deemed filed under such Acts.*

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The Audit Committee is a separately-designated, standing committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended. It is composed of three directors whom the board of directors has determined are independent directors as defined by Nasdaq listing standards. The Audit Committee's responsibilities are set forth in its written charter approved by the board of directors. The charter is reviewed annually by the Audit Committee. A copy of the Audit Committee charter may be found in the Corporate Governance section of our website ([www.emmis.com](http://www.emmis.com)) located under the Investors heading. As required by Nasdaq listing standards, the Audit Committee has determined that its charter is adequate. The Audit Committee has also determined that its members meet the financial literacy requirements of Nasdaq listing standards.

Management is responsible for the company's internal controls and the financial reporting process. The independent registered public accountants are responsible for performing an independent audit of the company's consolidated financial statements in accordance with auditing standards generally accepted in the United States of America and to issue a report on them. The Audit Committee's responsibility is to engage the independent auditor and otherwise to monitor and oversee these processes. For the fiscal year ended February 28, 2011, the Audit Committee engaged Ernst & Young LLP to serve as the company's independent auditor.

The Audit Committee has met and held discussions with management and Ernst & Young LLP. Management represented to the Audit Committee that the company's consolidated financial statements as of and for the fiscal year ended February 28, 2011 were prepared in accordance with accounting principles generally accepted in the United States of America, and the Audit Committee has reviewed and discussed these consolidated financial statements with management. The Audit Committee discussed with the independent registered public accountants matters required to be discussed by Statement on Auditing Standards No. 114, as amended (Communication with Audit Committees), and Public Company Accounting Oversight Board AU section 380 (Communication with Audit Committees).

The board of directors, upon the recommendation of the Audit Committee, has adopted an Auditor Independence Policy that, among other things, prohibits the company's independent auditor from performing certain non-audit services for the company, requires prior approval of the Audit Committee for any services provided by the company's independent auditor, limits the hiring by the company of former employees of the company's independent auditor who have worked on the Emmis account and requires enhanced disclosure both to the Audit Committee and to shareholders of matters related to auditor independence.

The Audit Committee has received the written disclosures and the letter from Ernst & Young LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding Ernst & Young's communications with the Audit Committee concerning independence, and the Audit Committee has discussed with the independent registered public accountants that firm's independence. In addition, the Audit Committee (or the chairman of the Audit Committee with respect to engagements of less than \$100,000) approves in advance all engagements of the company's independent auditor. The Audit Committee determined that Ernst & Young's provision of non-audit services to the company as described in Matters Relating to Independent Registered Public Accountants is compatible with maintaining that firm's independence.

Based on these discussions and reviews, the Audit Committee determined that the audited financial statements for the company's last fiscal year should be included in our company's Form 10-K, and made a formal recommendation to the board of directors to that effect.

Richard A. Leventhal

Peter A. Lund

Lawrence B. Sorrel

**Table of Contents****EXECUTIVE COMPENSATION**

The following table sets forth the compensation awarded to, earned by, or paid to the chief executive officer and the two most highly compensated executive officers other than the chief executive officer (collectively, the Named Executive Officers ) during the fiscal years ended February 28, 2011, February 28, 2010 and February 28, 2009.

**2011 SUMMARY COMPENSATION TABLE (1)**

Name and Principal Position	Year	Salary (\$)	Bonus (2)(3) (\$)	Stock Awards (4) (\$)	Non-Equity Incentive All			Total (\$)
					Option Award (4) (\$)	Plan Compensation (2) (\$)	Other Compensation (5) (\$)	
Jeffrey H. Smulyan, Chief Executive Officer	2011	792,259	1,294,194				42,205	2,128,658
	2010	613,322	407,384		153,225		39,483	1,213,414
	2009	459,711	438,213		212,791		65,844	1,176,559
Patrick M. Walsh, Executive Vice President, Chief Financial Officer and Chief Operating Officer	2011	556,200	394,902				25,641	976,743
	2010	387,051	326,115				17,378	730,544
	2009	214,912	427,989	25,901	103,332		18,474	790,608
Richard F. Cummings, President Radio Programming	2011	455,000	267,900				21,851	744,751
	2010	330,327	274,277		89,381		12,000	705,985
	2009	264,231	236,288	38,854	63,836		18,074	621,283

- (1) We have adjusted the exercise prices and numbers of shares subject to options referred to in this and the following tables and accompanying text and footnotes for the effect of the \$4.00 per share special dividend we paid on November 22, 2006. We have also adjusted the numbers of restricted shares granted or to be granted after that date to reflect a 2 for 1 stock split in 2000. The shares we refer to in this and the following tables are Class A common shares of the company.
- (2) Under our 2009 Corporate Incentive Plan and 2010 Corporate Incentive Plan, no executive officer received a discretionary performance bonus for the fiscal years ended 2009 or 2010. During the fiscal year ended 2010, Mr. Smulyan received a \$200,000 cash signing bonus in connection with his new employment agreement. Under our 2011 Corporate Incentive Plan, we paid performance bonuses to executive officers as follows due to the attainment of certain pre-established goals based on EBITDA that were set forth in the 2011 Corporate Incentive Plan adopted at the beginning of the last fiscal year: Mr. Smulyan, \$594,194, Mr. Walsh, \$394,902; and Mr. Cummings, \$267,900. Mr. Smulyan also received a \$700,000 bonus during the year ended February 28, 2011 for attainment of certain performance goals as outlined in his employment agreement.
- (3) Under our TV Proceeds Quarterly Bonus Program, Emmis paid quarterly bonuses to certain employees to offset salary reductions. All of our executive officers participated in the TV Proceeds Quarterly Bonus Program. Effective September 1, 2008, we reduced to approximately \$15,000 the salaries of certain of our highly compensated employees, including our named executive officers, in order to increase defined consolidated operating cash flow under our Credit Agreement. Under the TV Proceeds Quarterly Bonus Program, the company paid the employees affected by the salary reduction quarterly bonuses in amounts equivalent to the forgone salary. The bonus was paid at the beginning of each fiscal quarter either (i) in cash out of the net proceeds from the sale of WVUE-TV if certain performance targets from a prior quarter were met, or (ii) in shares of the Company's Class A common stock under the company's 2004 Equity Compensation Plan if the performance

targets were not met. In fiscal 2009 and 2010, all amounts paid under the TV Proceeds Quarterly Bonus Program were paid in cash. The TV Proceeds Quarterly Bonus Plan was terminated as of June 1, 2009. The amount paid in fiscal 2009 to each executive officer under the TV Proceeds Quarterly Bonus Program was as follows:

Mr. Smulyan, \$438,213; Mr. Walsh, \$221,589; and Mr. Cummings, \$236,288. The amount paid in fiscal 2010 to each executive officer under the TV Proceeds Quarterly Bonus Program was as follows: Mr. Smulyan, \$207,384; Mr. Walsh, \$126,115; and Mr. Cummings, \$109,277.

- (4) A discussion of the assumptions used in calculating these values may be found in Note 4 to our audited financial statements beginning on page 65 of our annual report on Form 10-K for the fiscal year ended February 28, 2011 for fiscal year 2011 awards, in Note 4 to our audited financial statements beginning on page 72 of our annual report on Form 10-K for the fiscal year ended February 28, 2010 for fiscal year 2010 awards and in Note 5 to our audited financial statements beginning on page 77 of our annual report on Form 10-K for the fiscal year ended February 28, 2009 for fiscal year 2009 awards.



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(5) The following table sets forth the items comprising All Other Compensation for each named executive officer.

Name	Year	Perquisites and Other Personal Benefits		Tax Reimbursements	Insurance Premiums (B)	Company Contributions to Retirement and 401(k) Plans	Dividends Paid on Restricted Stock	Severance Payments	Total
		(A)	(A)						
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Jeffrey H. Smulyan	2011	24,000	147	10,000	8,058				42,205
	2010	27,655	201	10,000	1,627				39,483
	2009	64,144	700		1,000				65,844
Patrick M. Walsh	2011	12,000	74	5,000	8,567				25,641
	2010	13,218	110	1,896	2,154				17,378
	2009	13,793	61	3,620	1,000				18,474
Richard F. Cummings	2011	12,000	74	5,000	7,312				24,386
	2010	12,000							12,000
	2009	12,000	74	5,000	1,000				18,074

(A) Perquisites and other personal benefits for named executive officers includes an automobile allowance. The 2009 figures for Messrs. Smulyan and Walsh include the incremental cost to the company of personal use of the company's airplane. From time to time, family members and guests of the named executives accompanied the executives on business flights on the company's airplane, at no incremental cost to the company.

(B) The company paid premiums for life, disability or long-term care insurance for Messrs. Smulyan, Walsh and Cummings.

**Employment Agreements**

Effective December 15, 2009, we entered into a three-year employment agreement with Mr. Smulyan, who serves as our Chairman, Chief Executive Officer and President. The term of the agreement commenced on March 1, 2010. Mr. Smulyan's base salary was reduced from \$833,957 to \$792,259 for the first year, then increased to \$825,000 for the second year, and will increase to \$850,000 for the third year. Mr. Smulyan received a \$200,000 signing bonus in connection with execution of the agreement, as well as a performance bonus of \$700,000. The performance bonus was earned quarterly during the first year of the term when the company met certain consolidated EBITDA requirements set forth in the Emmis Operating Company senior credit agreement. Both the signing bonus and any earned performance bonus will be repayable to the company in full in the event that Mr. Smulyan is terminated for cause or resigns without good reason prior to completion of the term. Mr. Smulyan's employment agreement will automatically renew each year following the initial three-year term for additional one-year terms unless either the company or Mr. Smulyan provides the other with written notice of non-renewal prior to December 31 of the final year of the initial or subsequent term, as applicable. Mr. Smulyan's base salary upon any such annual renewal will increase by \$25,000. Mr. Smulyan's annual incentive compensation target remains 125% of his base salary and will be paid, if at all, based

upon achievement of certain performance goals to be determined by our Compensation Committee. The company retains the right to pay any annual incentive compensation in cash, forgiveness of indebtedness or shares of our Class A common stock. Mr. Smulyan was not entitled to stock options during the first year of the term, but will be entitled to receive an option to acquire 150,000 shares of our Class A common stock in each of the second and third years of the term, as well as in any additional one-year renewal term. Mr. Smulyan will continue to receive an automobile allowance and will continue to be reimbursed for up to \$10,000 per year in premiums for life and disability insurance and retains the right to participate in all of our employee benefit plans for which he is otherwise eligible.

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Effective December 15, 2008, we entered into an employment agreement with Patrick Walsh, who serves as Chief Financial Officer and Chief Operating Officer of the company, extending his employment through September 3, 2011. Under the terms of his employment agreement, Mr. Walsh's annual base compensation for the first year of the employment agreement is \$540,000, and is \$556,200 for the remainder of the term. However, Mr. Walsh agreed to a 5% decrease to his base salary for the fiscal year ended February 28, 2010. Mr. Walsh's annual incentive compensation targets for fiscal years 2010, 2011, and 2012 are 100% of his base compensation. In the event that Mr. Walsh's employment terminates upon expiration of the employment agreement, Mr. Walsh's annual incentive compensation for fiscal year 2012 will be pro-rated based upon the seven months he will have been employed during the 2012 fiscal year. The award of annual incentive compensation is to be based upon achievement of certain performance goals to be determined each year by our Compensation Committee, and the company retains the right to pay any annual incentive compensation in cash or shares of our common stock. For the remainder of the 2009 fiscal year, Mr. Walsh's annual incentive compensation target was \$400,000, with \$200,000 to be earned based upon the performance goals established in the spring under his prior employment agreement, \$100,000 to be earned depending upon the extent to which the company met certain radio station operating income targets during the fiscal year, and the final \$100,000 to be earned in the discretion of the Compensation Committee based upon Mr. Walsh's performance in transitioning to his new position. Since Mr. Walsh continued to be employed as of September 3, 2009, his existing completion bonus of 20,000 shares of our common stock and \$200,000 was awarded and paid as previously provided under his previous employment agreement. Mr. Walsh is also scheduled to receive a completion bonus upon the expiration of the agreement equal to at least 100% of his annual base compensation minus \$200,000, with additional targets (inclusive of the minimum completion bonus amount) of \$750,000 and \$1,100,000 based upon certain levels of total shareholder return set forth in the employment agreement. Mr. Walsh will receive an automobile allowance of \$12,000 annually and will be reimbursed for up to \$5,000 per year in premiums for life and disability insurance and retains the right to participate in all of our employee benefit plans for which he is otherwise eligible.

Effective March 1, 2011, we entered into a new one-year employment agreement with Mr. Cummings to serve as President of Emmis Radio Programming. Under the agreement, Mr. Cummings' base salary is \$455,000 and his annual incentive compensation target is 60% of his base salary. The annual incentive bonus will be paid, if at all, based upon achievement of certain performance goals to be determined by the company. The company retains the right to pay such annual incentive compensation in cash or shares of our Class A common stock. Mr. Cummings will continue to receive an automobile allowance and will continue to be reimbursed for up to \$5,000 per year in premiums for life or other insurance and retains the right to participate in all of our employee benefit plans for which he is otherwise eligible. He will also be entitled to severance in the amount of \$470,000 in the event he is not offered substantially similar employment upon the expiration of the term and his employment terminates. If he is entitled to severance, Mr. Cummings will be offered a four year part-time programming role with total payments over the four years of \$530,000. The switch from full-time to part-time employment is designed to constitute a separation from service within the meaning of section 409A of the Internal Revenue Code.

Table of Contents**2011 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END TABLE**

Name	Option Awards				Stock Awards	
	Number of Securities	Number of Securities	Option	Option	Number of Shares or Units of Stock That Have Not	Market
						Value of
	Underlying	Underlying	Exercise	Expiration	Units of Stock That Have Not	Shares or Units of Stock That
Unexercised Options (#) Exercisable	Unexercised Options (1) (#) Unexercisable	Price (\$)	Date	Vested (#)	Vested (3) (\$)	
Jeffrey H. Smulyan		150,000	1.14	11/02/19		
		150,000	0.295	3/02/19		
	97,566	48,783	2.95	3/01/18		
	146,349		8.21	3/01/17		
	292,699		11.17	3/01/16		
	292,699		12.81	3/01/15		
	439,049		17.45	3/01/14		
Patrick M. Walsh		250,000	0.425	12/15/18		
	19,513	9,756	2.95	3/01/18		
	29,269	9,756	8.21	3/01/17		
	14,635		8.30	9/04/16		
					8,780(2)	9,658
Richard F. Cummings		87,500	1.14	11/02/19		
		87,500	0.295	3/02/19		
	29,269	14,635	2.95	3/01/18		
	43,904		8.21	3/01/17		
	43,904		11.17	3/01/16		
	43,904		12.81	3/01/15		
	73,174		17.45	3/01/14		
	73,174		11.22	3/04/13		
	73,174		19.90	3/06/12		
73,174		19.82	3/01/11			
				13,171(2)	14,488	

(1) Options expiring 3/01/18 became exercisable 1/3 on March 1, 2009, and 1/3 on March 1, 2010, and will become exercisable 1/3 on March 1, 2011. Options expiring 3/2/19 and 11/2/19 become exercisable on March 2, 2012. Mr. Walsh's options expiring 9/04/16 became exercisable 1/3 on September 4, 2007, 1/3 on September 4, 2008, and 1/3 on September 4, 2009. Mr. Walsh's options expiring 12/15/18 will become exercisable on September 3,

2011.

(2) Shares vest on March 1, 2011.

(3) Calculated based on the \$1.10 per share closing market price of our shares on February 28, 2011.

**Retirement Plan**

Emmis sponsors a Section 401(k) retirement savings plan that is available to substantially all employees age 18 years and older who have at least 30 days of service. Employees may make pretax contributions to the plans up to 50% of their compensation, not to exceed the annual limit prescribed by the Internal Revenue Service ( IRS ). Emmis may make discretionary matching contributions to the plans in the form of cash or shares of our Class A common stock. During the year ended February 28, 2009, we elected to match annual employee 401(k) contributions up to a maximum of \$1,000 per employee, made in Emmis stock. No discretionary 401(k) matching contributions were made during the year ended February 28, 2010. In April 2010, we reinstated the discretionary 401(k) match. Employee contributions have been matched at 33% up to a maximum of 6% of eligible compensation. Emmis discretionary contributions to the plan totaled \$0.9 million and \$1.1 million for the years ended February 28, 2009 and February 28, 2011, respectively.

**Table of Contents****Potential Payments upon Termination or Change in Control**

The employment agreements we entered into with Messrs. Smulyan, Cummings and Walsh provide for certain payments and benefits to the named executive officer in the event that executive officer is terminated by the company without cause, and/or terminates his own employment with good reason. Mr. Smulyan is also entitled to certain payments upon his death or disability.

We have also entered into a Change in Control Severance Agreement with each of the executives named in the preceding tables. Each such agreement provides that if the executive's employment is terminated by the company within two years after a change in control of the company (or, in certain instances, in anticipation of a change in control), other than for cause, or is terminated by the executive for good reason, the executive is entitled to (1) a payment equal to the executive's base salary through the termination date, plus a pro-rata portion of the executive's target bonus for the year and accrued vacation pay; (2) a severance payment equal in the case of Messrs. Smulyan, Walsh and Cummings to three times the executive's highest annual base salary and highest annual incentive bonus during the preceding three years; (3) continued accident and life insurance benefits for three years; (4) reimbursement for COBRA premiums for continuation of medical and dental benefits for 18 months and reimbursement for private medical and dental benefits of an equivalent level for 18 months following termination of the COBRA reimbursement; and (5) if the payments to the executive exceed certain limits, additional tax gross up payments to compensate the executive for the excise tax imposed by section 4999 of the Internal Revenue Code; provided, however that the amount of the gross up payment may be reduced by up to 10% if such reduction would prevent payment of the excise tax. In each case, the executive is obligated not to voluntarily leave employment with Emmis during the pendency of (and prior to the consummation or abandonment of) a change in control other than as a result of disability, retirement or an event that would constitute good reason if the change-of-control had occurred. In addition, under our 2004 Equity Compensation Plan, all outstanding restricted shares held by the executive vest immediately upon a change in control.

Under the Change in Control Severance Agreement, change in control, cause and good reason are defined as follows:

*Change in Control.* A change in control of the company occurs if:

- any individual, entity or group other than Mr. Smulyan or his affiliates becomes the beneficial owner of 35% or more of the company's outstanding shares, or of the voting power of the outstanding shares;
- the current members of the board of directors of the company (or persons approved by two-thirds of the current directors) cease to constitute at least a majority of the board;
- the company is a party to a merger that results in less than 60% of the outstanding shares or voting power of the surviving corporation being held by persons who were not our shareholders immediately prior to the merger;
- our shareholders approve a liquidation or dissolution of the company; or
- any other event is determined by our board to constitute a change in control.

*Cause.* Cause generally means:

- the willful and continual failure of the executive to perform substantially his duties; or
- the willful engaging in illegal conduct or gross misconduct which is materially injurious to the company.

*Good Reason.* Good Reason generally means:

- any materially adverse change in the duties or responsibilities of the executive;
- a material breach by the company of the executive's employment agreement or Change in Control Severance Agreement;
- a material reduction or series of reductions that result in the executive's annual base salary being decreased by more than 5%; or
- any requirement that the executive relocate more than 35 miles from the office where the executive works.

In addition to the occurrence of one or more of the events constituting Good Reason set forth above, in order to resign his employment, each of the executives named above is also required to give the company notice of the occurrence of any such event (except during the 30-day period commencing one year after the occurrence of a change in control, which is not so limited) within 90 days of such occurrence; and the company has the right to cure such occurrence within 30 days of such notice.



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When the company's board of directors determines that it is in the best interest of the company, the company may negotiate severance arrangements with a departing executive in addition to or in place of the arrangements described above. Circumstances under which the board may negotiate additional or different severance arrangements include but are not limited to:

- to avoid or settle litigation with the executive;
- to reduce an adverse financial effect on the company;
- to reduce adverse tax consequences on the executive; or
- to reward meritorious service by the executive.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our officers and directors, and persons who own more than 10% of existing common stock, to file with the Securities and Exchange Commission reports detailing their ownership of existing common stock and changes in such ownership. Officers, directors and greater-than-10% shareholders are required by Commission regulations to furnish us with copies of all Section 16(a) forms they file. Based solely on review of the copies of such forms furnished to us, we believe that during the last fiscal year all officers, directors and greater-than-10% shareholders complied with the filing requirements of Section 16(a), except that Gregory T. Loewen filed a late Form 4 report in connection with a 401(k) plan rebalancing transaction on February 28, 2011.

**PROPOSAL 2: RATIFICATION OF SELECTION OF REGISTERED PUBLIC ACCOUNTANTS**

The Audit Committee, a committee of the board of directors, has appointed Ernst & Young LLP to serve as our independent registered public accountants for the fiscal year ending February 29, 2012, subject to ratification by the holders of our common stock. Our financial statements for the fiscal year ended February 28, 2011 were certified by Ernst & Young LLP. Representatives of Ernst & Young LLP are expected to attend the annual meeting with the opportunity to make a statement if they desire to do so, and will be available to respond to appropriate questions. If shareholders do not ratify the selection of Ernst & Young LLP as our independent registered public accountants, or if prior to the 2011 annual meeting of shareholders Ernst & Young LLP ceases to act as our independent registered public accountants, then the Audit Committee will reconsider the selection of independent registered public accountants.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE RATIFICATION OF ERNST & YOUNG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS.**



**Table of Contents****MATTERS RELATING TO INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS****Fees Paid to Independent Registered Public Accountants**

The following table sets forth the fees (including cost reimbursements) paid to Ernst & Young LLP for the fiscal years ended February 28, 2010 and February 28, 2011, for various categories of professional services they performed as our independent registered public accountants.

	<b>Year ended February 28,</b>	
	<b>2010</b>	<b>2011</b>
Audit Fees (1)	\$ 854,700	\$ 722,334
Tax Consulting and Advisory Services	44,550	64,285
Total Fees	\$ 899,250	\$ 786,619

- (1) Includes annual financial statement and internal controls audits and limited quarterly review services, statutory audits of foreign subsidiaries and providing consents for SEC filings and other services that are normally provided by the independent registered public accountants in connection with statutory and regulatory filings or engagements.

**Engagement of the Independent Registered Public Accountants and Approval of Services**

During the fiscal years ended February 28, 2010 and 2011, prior to engaging the independent registered public accountants to render the above services and pursuant to its charter, the Audit Committee approved the engagement for each of the services and determined that the provision of such services by the independent registered public accountants was compatible with the maintenance of Ernst & Young's independence in the conduct of its auditing services. Under its current charter, it is the policy of the Audit Committee (or in certain instances, the chairman of the Audit Committee) to pre-approve the retention of the independent registered public accountants for any audit services and for any non-audit services, including tax services. No services were performed during the fiscal year ended February 28, 2011, under the *de minimis* exception in Rule 2-01(c) (7)(i)(C) of Regulation S-X.

**SHAREHOLDER PROPOSALS**

Any of our shareholders wishing to have a proposal considered for inclusion in our 2012 proxy solicitation materials must set forth such proposal in writing and file it with our corporate secretary on or before the close of business on February 11, 2012 (unless we hold our annual meeting more than 30 days earlier next year, in which case the deadline will be 10 days after our first public announcement of the annual meeting date). The notice must provide certain specific information as described in our by-laws. Copies of the by-laws are available to shareholders free of charge upon request to our corporate secretary. Our board of directors will review any shareholder proposals that are filed as required and, with the assistance of the company's secretary, will determine whether such proposals meet applicable criteria for inclusion in our 2012 proxy solicitation materials or consideration at the 2012 annual meeting. In addition, we retain discretion to vote proxies on matters of which we are not properly notified at our principal executive offices on or before the close of business on the applicable 2012 shareholder proposal filing deadline, and also retain that authority under certain other circumstances.

**ANNUAL REPORT**

A copy of our Annual Report on Form 10-K for the year ended February 28, 2011, was sent to all of our shareholders of record as of May 6, 2011, and is available in the Investors section of our website ([www.emmis.com](http://www.emmis.com)). Certain shareholders who have previously given us their consent to receive materials electronically did not receive a physical copy of the Annual Report and can access the Annual Report from the Investors section of our website ([www.emmis.com](http://www.emmis.com)). The Annual Report is not to be considered as proxy solicitation material.

**OTHER MATTERS**

Our board of directors knows of no other matters to be brought before this annual meeting. However, if other matters should come before the meeting, it is the intention of each person named in the proxy to vote such proxy in

accordance with his or her judgment on such matters.

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**NON-INCORPORATION OF CERTAIN MATTERS**

The Report of the Audit Committee and the information on the Emmis website do not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Emmis filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent Emmis specifically incorporates the respective Report or website information therein by reference.

**EXPENSES OF SOLICITATION**

The entire expense of soliciting proxies, including preparing, assembling, printing and mailing the proxy form and the material used in the solicitation of proxies, will be paid by us. Solicitations may be made in person or by mail, telephone, facsimile or other means of electronic communication by our directors, officers and other employees, and none of those persons will receive any additional compensation in connection with the solicitation. We also will request record holders of shares beneficially owned by others to forward this proxy statement and related materials to the beneficial owners of such shares, and will reimburse those record holders for their reasonable expenses incurred in doing so.

**HOUSEHOLDING OF PROXY MATERIALS**

We have adopted a procedure permitted by Securities and Exchange Commission rules that is commonly referred to as householding. Under this procedure, a single proxy statement and annual report are delivered to multiple shareholders sharing an address unless we receive contrary instructions from any shareholder at that address. We will continue to send a separate proxy card to each shareholder of record. We have adopted this procedure because we believe it reduces the volume of duplicate information shareholders receive and helps to reduce our printing and postage costs. A number of brokers with account holders who are Emmis shareholders will be householding our proxy materials and annual reports as well.

If, at any time, you no longer wish to participate in householding and would prefer to receive a separate proxy statement and annual report, please notify your broker if you hold your Emmis shares through a broker, or notify us directly if you are a shareholder of record by sending us an e-mail at [ir@emmis.com](mailto:ir@emmis.com), calling us toll-free at (866) 366-4703 or writing to us at Emmis Communications Corporation, Investor Relations, One Emmis Plaza, 40 Monument Circle, Indianapolis, Indiana 46204.

If you currently receive multiple copies of our proxy statement and annual report at your address and would like to request householding of your communications, you should contact your broker, or, if you are a record holder of Emmis shares, you should submit a written request to our transfer agent, American Stock Transfer & Trust Company, Operations Center, 6201 15<sup>th</sup> Avenue, Brooklyn, New York 11219.

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**EMMIS COMMUNICATIONS CORP.  
40 MONUMENT CIRCLE  
INDIANAPOLIS, IN 46204**

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

KEEP THIS PORTION FOR YOUR  
M36934-P13709 RECORDS

DETACH AND RETURN THIS  
PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

**EMMIS COMMUNICATIONS CORP.**

**For All    Withhold All    For All Except**

To withhold authority to vote for any individual nominee(s), mark **For All Except** and write the number(s) of the nominee(s) on the line below.

**The Board of Directors recommends you vote FOR each of the Nominees to serve for a term of 3 years:**

- 1. Election of Directors

**Nominees**

- 01) Richard A. Leventhal
- 02) Peter A. Lund
- 03) Lawrence B. Sorrel

**The Board of Directors recommends you vote FOR proposals 2 and 3.**

**For    Against    Abstain**

- 2. Ratification of the selection of Ernst & Young LLP as Emmis independent registered public accountants for the fiscal year ending February 29, 2012.

3. Transaction of any other business that may properly come before the meeting and any adjournments or postponements of the meeting.

For address changes/comments, mark here.  
(see reverse for instructions)

**Yes    No**

Please indicate if you plan to attend this meeting.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name, by authorized officer.

Signature [PLEASE SIGN  
WITHIN BOX]

Date

Signature (Joint  
Owners)

Date

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**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Notice and Proxy Statement and Form 10-K are available at [www.proxyvote.com](http://www.proxyvote.com).

M36935-P13709

**EMMIS COMMUNICATIONS CORPORATION**

**One Emmis Plaza**

**40 Monument Circle**

**Indianapolis, Indiana 46204**

**This Proxy is Solicited on Behalf of the Emmis Communications Corporation Board of Directors**

The undersigned hereby appoints J. Scott Enright and Patrick M. Walsh as attorneys-in-fact and proxies, with full power of substitution (the Proxy ), to vote as designated on the reverse side all shares of Class A Common Stock of Emmis Communications Corporation which the undersigned would be entitled to vote if personally present at the Annual Meeting of Shareholders to be held on Wednesday, July 13, 2011, at 11:00 a.m., local time, at One Emmis Plaza, 40 Monument Circle, Indianapolis, Indiana 46204 and at any adjournment thereof.

**Address change/comments:**

(If you noted any Address Changes and/or Comments above, please mark corresponding box on the reverse side.)

**Continued and to be signed on reverse side**

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**EMMIS COMMUNICATIONS CORP.  
40 MONUMENT CIRCLE  
INDIANAPOLIS, IN 46204**

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M36938-P13709 KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION  
ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

**EMMIS COMMUNICATIONS CORP.**

**For All    Withhold All    For All Except**

To withhold authority to vote for any individual nominee(s), mark **For All Except** and write the number(s) of the nominee(s) on the line below.

**Preferred Shareholders have nominated each of the following to serve for a term of 1 year.**

- 1. Election of Directors

**Nominees**

- 01) David Gale
- 02) Joseph R. Siegelbaum

For address changes/comments, mark here.  
(see reverse for instructions)

**Yes    No**

Please indicate if you plan to attend this meeting.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary,

please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name, by authorized officer.

Signature [PLEASE SIGN  
WITHIN BOX]

Date

Signature (Joint  
Owners)

Date

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**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Notice and Proxy Statement and Form 10-K are available at [www.proxyvote.com](http://www.proxyvote.com).

M36939-P13709

**EMMIS COMMUNICATIONS CORPORATION**

**One Emmis Plaza**

**40 Monument Circle**

**Indianapolis, Indiana 46204**

**This Proxy is Solicited on Behalf of the Emmis Communications Corporation Board of Directors**

The undersigned hereby appoints J. Scott Enright and Patrick M. Walsh as attorneys-in-fact and proxies, with full power of substitution (the Proxy), to vote as designated on the reverse side all shares of 6.25% Series A Cumulative Convertible Preferred Stock of Emmis Communications Corporation which the undersigned would be entitled to vote if personally present at the Annual Meeting of Shareholders to be held on Wednesday, July 13, 2011, at 11:00 a.m., local time, at One Emmis Plaza, 40 Monument Circle, Indianapolis, Indiana 46204 and at any adjournment thereof.

**Address change/comments:**

(If you noted any Address Changes and/or Comments above, please mark corresponding box on the reverse side.)

**Continued and to be signed on reverse side**