



XM RADIO CLOSES ON \$129 MILLION IN NEW FINANCING; DEAL UPSIZED WITH EXERCISE OF OVER-ALLOTMENT OPTION

Washington D.C., December 10, 2001 -- XM Satellite Radio (Nasdaq: XMSR) today announced the close of its public offering of 11.5 million common shares at a price of \$11.25 per share, including the over-allotment option of 1.5 million shares, resulting in total gross proceeds of \$129 million. The underwriter of the deal was Morgan Stanley.

XM is transforming radio, an industry that has seen little technological change since FM, almost 40 years ago. XM provides music to soothe the mind and information to fill it. XM's programming lineup features 100 coast-to-coast digital channels: 71 music channels, more than 30 of them commercial-free, from hip hop to opera, classical to country, bluegrass to blues; and 29 channels of sports, talk, children's and entertainment. XM also brings to the car, for the first time on radio, the same diverse selection of 24-hour news sources available in the home on cable and DIRECTV.

XM radios are available at major electronics retailers including Best Buy, Circuit City, Tweeter, Ultimate Electronics, participating RadioShack Dealers and Franchisees, Crutchfield, Good Guys, CarToys, Audio Express and Sound Advice; and at independent retailers. Leading manufacturers such as Sony, Alpine and Pioneer offer a broad array of XM radios including models that will easily enable any existing car stereo system to receive XM service (the Pioneer Universal Receiver and the Sony Plug-and-Play) and over 20 models of new AM/FM/XM systems offering many other great features. General Motors this month rolled out factory-installed Delphi-Delco XM radios in Cadillac DeVille and Seville models, and will expand to more than 20 GM models next year. XM's strategic investors include America's leading car, radio and satellite TV companies -- General Motors, American Honda Motor Co. Inc., Clear Channel Communications and DIRECTV. For more information, please visit XM's web site: www.xmradio.com.

Factors that could cause actual results to differ materially from those in the forward-looking statements in this press release include uncertainties associated with demand for the company's service, the company's dependence on third party vendors, its continuing need for additional financing, as well as other risks described in XM Satellite Radio Holdings Inc.'s Form 8-K filed with the Securities and Exchange Commission on 2-22-2001. Copies of the filing are available upon request from XM Radio's Investor Relations Department.

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