



XM RADIO SIGNS FIRST CHARTER ADVERTISERS; PREMIERE RADIO NETWORKS TO SELL XM RADIO ADVERTISING

Grey Advertising, J. Walter Thompson, Ogilvy & Mather, Saatchi & Saatchi's Zenith Media, AT&T and Allstate Among First to Embrace XM's National Radio Platform

National, February 01, 2000 -- XM Satellite Radio Inc. (NASDAQ:XMSR) today announced its first Charter Advertisers, including Grey Advertising, J. Walter Thompson, Ogilvy & Mather, Saatchi & Saatchi's Zenith Media, AT&T, Discovery Networks, and Allstate Insurance, among others. XM Radio also announced that it has signed an agreement with Premiere Radio Networks, one of the top three radio networks in the United States, to be XM Radio's advertising sales representative.

Additionally, XM Radio's advertising sales staff will be integrated into Premiere's extensive national sales force, effectively giving XM Radio a national advertising sales presence at Premiere's offices in New York, Los Angeles, Chicago, Dallas, Detroit, St. Louis and Atlanta.

"It is a great privilege to announce that these leaders of the advertising world are making a solid commitment to the future of radio," said Hugh Panero, XM Satellite Radio's President and CEO, in making the announcement. "The fact that Premiere Radio Networks, with its prestigious national sales force, and these major agencies and advertisers have committed to XM Satellite Radio at this early date, demonstrates the value of our nationwide satellite-delivered radio advertising platform and the strength of our business and programming models."

Starting the first half of 2001, XM Radio will beam up to 100 channels of digital-quality music, news, sports, talk and children's programming directly from its two powerful satellites to vehicle, home and portable XM-Ready radios coast-to-coast for a monthly subscription fee of \$9.95. On January 31, 2000, the company completed concurrent securities offerings, which raised an additional \$228 million in capital only three months after its successful initial public offering in October 1999.

General Motors, DIRECTV and Clear Channel Communications are major strategic investors in XM Radio. XM will originate a combination of commercial-free and advertiser-supported channels from its studios located at its Washington, D.C. headquarters. Additionally, XM will offer dozens of channels created by well-known brand-name entertainment and information providers, among them NASCAR, BBC World Service, USA TODAY, BET, Radio One, One-On-One Sports, the CNN News Group, Bloomberg, Hispanic Broadcast Corporation (formerly Heffel) and PBS's NewsHour with Jim Lehrer.

In addition to launching the first national radio platform, XM Radio is offering advertisers a relatively uncluttered programming environment by limiting the number of commercials to an average of six minutes per hour and by offering a variety of creative sponsorship opportunities.

"Our service will offer advertisers the unique ability to reach targeted audiences across a variety of demographic groups through our various mass-market formats, niche music and talk formats, and ethnic channels," said Joseph Dorton, XM's Vice President of Advertising Sales. "We are also excited about combining XM's sales force with Premiere's energetic sales team."

"Premiere Radio Networks is very excited about this opportunity to participate in the next generation of national radio," commented Premiere Radio Networks' President and COO, Kraig T. Kitchin. "We look forward to a long and rewarding partnership with XM Radio."

Premiere Radio Networks, Inc., a subsidiary of Clear Channel Communications, Inc., currently syndicates more than 60 radio programs and services to more than 7,800 radio station affiliates. Premiere is one of the top three radio networks in the country, and the leading provider of morning show material nationwide. The number one syndicator of programming, Premiere features the following personalities: Rush Limbaugh, Dr. Laura Schlessinger, Jim Rome, Dr. Dean Edell, Art Bell, Michael Reagan, Phil Hendrie, Naomi Judd and Rick Dees.

XM Radio's first wave of charter advertisers includes Allstate Insurance (through Leo Burnett's Starcom Worldwide); AT&T, one of the largest advertisers in the US (through Y&R's The Media Edge); Discovery Networks (through Creative Media); Grey Advertising; J. Walter Thompson; Kelly Scott and Madison; Looksmart.com (through Carat); Media First International; Ogilvy & Mather; TBS Media; Saatchi & Saatchi's Zenith Media Services; and Turner Broadcastings' in-house agency RET Media. Each of XM Radio's Charter Advertisers has committed to buying bulk packages across XM Radio's many channels. In addition, XM

Radio has engaged Statistical Research, publisher of the RADAR report, to provide customized XM audience measurement reports.

"The XM model affords creativity, segmentation specificity and economy. These attributes are valued by The Media Edge and our clients; therefore, we encourage these opportunities in the marketplace," said Natalie Swed Stone, Senior Vice President, Manager Network Radio of Young & Rubicam's media buying division, The Media Edge. AT&T, a Media Edge client, is one of XM Radio's Charter Advertisers.

"XM will provide a new national radio platform for advertisers. We want to be a part of that," said Matthew G. Feinberg, Saatchi & Saatchi's Zenith Media Services, Inc.'s Vice President/Manager, Radio National Broadcast. "There have been very few technological changes in the radio industry until now. Satellite radio offers expanded program choices, coast-to-coast coverage and the ability for advertisers to effectively reach specific audiences in a cost-effective way in the mobile environment."

Reyn Leutz, Ogilvy & Mather's Senior Partner and Associate Director of National Broadcast, commented, "With the ability to aggregate targeted niche audiences nationwide, XM will provide the kind of targeted national, mass-market radio buy that our clients are looking for. We look forward to offering this unique opportunity to our clients."

XM Satellite Radio Inc. (NASDAQ:XMSR) is developing a new band of radio. The company has agreements with nine leading consumer electronics companies to manufacture and distribute radios capable of receiving the XM Radio signal, including Sony, Alpine and Pioneer Electronics Corporation, Delphi Delco Electronic Systems, Audiovox, Clarion, Mitsubishi Electronic Automotive America, Motorola and Sharp Corporation. In addition, XM Radio has entered into a 12-year distribution agreement with General Motors to integrate XM-Ready radios into its vehicles commencing in 2001.

American Mobile Satellite Corporation (NASDAQ:SKYC) holds a controlling interest in the company. XM Satellite Radio is backed by a group of industry-leading strategic investors, including General Motors, Clear Channel Communications and DIRECTV, respectively the leading car, radio and satellite TV companies in the US. First there was AM, then FM and soon ... XM Satellite Radio. For more information, please visit XM's new website: www.xmradio.com.

Factors that could cause forward-looking statements (including projections and business trends) in this document to differ materially from actual results are detailed from time to time in XM Radio's filings with the Securities and Exchange Commission.

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