



SONY TO TEAM WITH XM SATELLITE RADIO

Washington D.C., January 06, 2000 -- XM Satellite Radio Inc. (NASDAQ:XMSR) today announced that it has reached a preliminary agreement which allows Sony Electronics Inc. to design, manufacture and market XM-Ready audio products, including radios for the portable, home, aftermarket and OEM car stereo markets. The announcement was made by Hugh Panero, President and CEO of XM Satellite Radio Inc., at the outset of the Consumer Electronics Show in Las Vegas, Nevada. Terms of the agreement were not disclosed.

"XM Radio is extremely honored to announce this agreement with Sony, the world's most highly respected consumer electronics brand. Sony's cutting-edge product designs and market leadership in portable audio products, combined with our innovative nationwide radio service, will help redefine the consumer's radio listening experience," said Mr. Panero.

XM Satellite Radio is developing a new band of radio, targeted to launch in the first half of 2001. XM Radio will create up to 100 channels of digital-quality music, news, sports, talk and children's programming, which will be uplinked to XM Radio's powerful satellites and transmitted directly to vehicle, home and portable radios coast-to-coast for a monthly subscription fee of \$9.95. XM-Ready radios will be available in retail outlets throughout the US; and major automotive manufacturers will offer factory-installed XM-Ready radios in new car models.

"Sony is leading the portable digital audio revolution by facilitating the expansion of exciting new technologies such as the XM Satellite Radio service," said Fujio Nishida, President of Sony Electronics' Consumer Products Marketing Group. "We take great pride in making the most advanced technologies easy to use, and look forward to bringing the benefits of XM Satellite Radio's service directly to consumers in the not-too-distant future."

Headquartered in Park Ridge, NJ, Sony Electronics has more than 26,000 employees in manufacturing, engineering, customer service, sales and marketing at more than 100 locations in the U.S. and Mexico. The company had revenues of \$10.6 billion in the fiscal year that ended March 31, 1999.

In October 1999, XM Satellite Radio (NASDAQ:XMSR) completed a successful public offering on NASDAQ. American Mobile Satellite Corporation (NASDAQ:SKYC) holds controlling interest in the company. XM Radio's other investors include industry leaders Clear Channel Communications Inc.; DIRECTV, Inc., a unit of Hughes Electronics Corporation; the General Motors Corporation; and a private investment group comprised of Columbia Capital, Telcom Ventures L.L.C., and Madison Dearborn Partners, which together invested \$250 million in the company in July 1999. XM Radio has entered into a 12-year marketing and distribution agreement with General Motors to integrate XM-Ready radios into its vehicles commencing in 2001. XM Satellite Radio obtained one of only two satellite digital audio radio service (SDARS) licenses from the Federal Communications Commission in October 1997.

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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