



## **XM RADIO ANNOUNCES NEW \$112.5 MILLION FINANCING DEAL AND CLOSES \$66.0 MILLION FINANCING PACKAGE WITH BOEING**

Washington D.C., December 06, 2001 -- XM Satellite Radio (Nasdaq: XMSR) today announced that it placed 10 million shares of its common stock in a public offering underwritten by Morgan Stanley resulting in gross proceeds of \$112.5 million to the company. In addition, XM has granted the underwriter an over-allotment option to purchase an additional 1.5 million shares of common stock. The offering is expected to close early next week.

Separately, XM today also announced that it has closed a \$66 million funding package with Boeing announced in October. The financing package included \$35 million in new debt financing with Boeing Capital Services Corporation and \$31 million in restructured obligations with Boeing Satellite Systems International, Inc.

XM President and CEO Hugh Panero said, "With these financings, representing \$147.5 million in new funding, XM is well positioned to operate its business into the fourth quarter of 2002. We are very pleased to satisfy our near-term funding needs and take another major step in our overall funding program. XM has been available nationwide since November 12th and we are on our way to making XM truly the next generation of radio."

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, 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](http://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.