



## **XM SATELLITE RADIO HOLDINGS ANNOUNCES FOURTH QUARTER 1999 RESULTS**

### **Approximately \$673 Million in Equity Proceeds Raised to Date to Advance XM Radio's Nationwide Satellite-Delivered Radio Service First Charter Advertisers Signed, Including J. Walter Thompson, Ogilvy & Mather, AT&T and Allstate Sony Joined XM Radio's Dream Team of Radio Manufacturers Building and Marketing XM-Ready Radios**

National, February 08, 2000 -- XM Satellite Radio Holdings (NASDAQ:XMSR) ("XM Radio"), an innovator in radio entertainment, today reported financial and operating results for the fourth quarter ended December 31, 1999. During the quarter, XM Radio's management team successfully took the company public, signed Sony and three other leading consumer electronics firms to manufacture and market XM-Ready Radios, and announced plans to create an exclusive channel with NASCAR.

#### **Fourth Quarter Financial and Operating Results**

The company reported a fourth quarter operating loss (EBIT) of (\$12.9) million and a net loss of (\$11.1) million, or (\$0.27) per share, as compared to an operating loss of (\$4.2) million and a net loss of (\$4.2) million, or (\$0.62) per share, for the 1998 fourth quarter.

In October 1999, XM Radio raised gross proceeds of \$123 million through the successful completion of an initial public offering of 10.2 million shares. In January 2000, the company raised additional gross proceeds of \$240 million in equity through a follow-on offering of 4.4 million shares of common stock and 2.0 million shares of convertible redeemable preferred stock.

Hugh Panero, President and CEO of XM Radio, said, "XM forged a wide range of strategic alliances with a 'dream team' of partners, including world-leading radio manufacturers, technology companies and programming providers. In January we completed a second successful round of equity financing, continuing the build out of our new national radio platform."

Panero continued: "Our nationwide, satellite-direct advertising platform and innovative programming strategy have been well received by advertising industry leaders, who have signed up to purchase bulk ad packages across XM's many channels. We will continue to expand our charter advertising team by attracting additional prominent agencies and large-scale advertisers. At the same time, we will further distinguish our superior entertainment and information offerings through an ongoing stream of programming agreements with national media and content brands."

Company Advanced Advertising and Programming Strategies, Announced New Headquarters,br> Earlier this month XM Radio announced that Premiere Radio Networks, one of the leading U.S. radio networks syndicating more than 60 radio programs and services to more than 7,800 radio-station affiliates, will serve as XM Radio's national advertising sales representative. The company also signed agreements with its first group of charter advertisers, including such major brands and agencies as Allstate Insurance (through Leo Burnett's Starcom Worldwide); AT&T (through Y&R's The Media Edge); Discovery Networks (through Creative Media); Grey Advertising; J. Walter Thompson; Looksmart.com (through Carat); Ogilvy & Mather; Saatchi & Saatchi's Zenith Media Services.

Sony, Audiovox, Clarion, Motorola, and Mitsubishi Electric joined XM Radio's elite team of radio manufacturers. Alpine, Delphi-Delco, Mitsubishi Electronics Automotive America, Motorola, Pioneer and Sharp previously had announced that they would manufacture and market XM-capable radios. Alpine, Pioneer and Sony alone represent over 50% of aftermarket radio sales.

The National Association for Stock Car Auto Racing (NASCAR), representing the #1 spectator sport in the United States, established an exclusive strategic alliance with XM Radio in January 2000 to create the nation's first all-NASCAR radio channel. XM Radio's strategic marketing relationship with NASCAR is the satellite radio industry's first alliance with a sports property, and it provides XM Radio with an extensive sales and marketing presence at all NASCAR events.

In October, XM Radio announced that it would move to permanent headquarters at the Eckington Place complex anchoring Washington, D.C.'s emerging high-tech corridor. The company has leased more than 120,000 square feet for its broadcast center and corporate headquarters, which will be ready for occupancy in mid-2000.

#### **About XM Radio**

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.

General Motors, DIRECTV and Clear Channel Communications are major strategic investors in XM Radio. XM Radio will originate a combination of commercial-free and advertiser-supported channels from its studios located at its Washington, D.C. headquarters. 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. Additionally, XM Radio 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 Heftel) and PBS's NewsHour with Jim Lehrer.

XM 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](http://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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