



XM RADIO AND MOTOROLA SIGN TECHNOLOGY AGREEMENT ALLOWING MOTOROLA TO DESIGN, DEVELOP, PRODUCE AND MARKET XM-CAPABLE RECEIVERS FOR THE AUTOMOTIVE MARKET

National, October 12, 1999 -- (NASDAQ:XMSR) announced today that it has signed an agreement with Motorola (NYSE:MOT) to license the technology for XM's new band of radio, allowing Motorola to design, develop, produce and market XM-capable receivers. A leading supplier of integrated electronic systems to automobile manufacturers, Motorola currently provides integrated electronics solutions to General Motors, Ford, DaimlerChrysler, BMW and Nissan, among others. Motorola's automotive packages include wireless communications, global positioning system and cellular handset technology. The announcement was made by Hugh Panero, President and CEO of XM Satellite Radio.

XM will create and package up to 100 channels of digital-quality music, news, sports, talk and children's programming at its Washington, DC, broadcast facility. The service will then be uplinked to XM's powerful satellites and transmitted directly down to vehicle, home and portable radios across the country. With an XM-capable radio and a small antenna, listeners everywhere in the continental United States will be able to enjoy their favorite XM channels.

Motorola is a global leader in providing integrated communications solutions and embedded electronic solutions. Sales in 1998 were \$29.4 billion. Motorola's Integrated Electronics Systems Sector (IESS), a division of Motorola, Inc., is a leading provider of electronic systems for customers who integrate them into their products. The five businesses of IESS deliver high value embedded electronic solutions that enable customers to differentiate their products and lead their markets.

XM Satellite Radio (NASDAQ: XMSR) is developing a new band of radio. The system will use direct satellite-to-receiver broadcasting technology to provide listeners in their cars and at home with crystal-clear sound seamlessly from coast to coast. The subscription service is scheduled to start during the first half of 2001 for \$9.95 a month. XM will offer a broad selection of listening choices created by its XM Originals programming unit and by premier content providers, including USA TODAY, the BBC World Service, Black Entertainment Television, the Hispanic Broadcasting Corporation (formerly HefTel), Bloomberg News Radio, C-SPAN Radio, CNN/Financial Network, CNN/Sports Illustrated, The Weather Channel, One-On-One Sports and many others.

XM Teams With Motorola

XM is partnering with industry leaders to build its service. Alpine, Delphi Delco, Pioneer and Sharp are among the consumer electronic firms that will design, manufacture and market AM/FM/XM radios. General Motors has signed a long-term agreement to factory-install and market XM service in new GM vehicles. It is also expected that agreements will be signed with other leading automakers. Hughes and Alcatel are building XM's satellites, the most powerful commercial satellites available.

American Mobile Satellite Corporation (NASDAQ:SKYC) holds controlling interest in the company, whose other investors include industry leaders Clear Channel Communications Inc.; DIRECTV, Inc., a unit of Hughes Electronics Corporation; the General Motors Corporation; Liberty Media Corporation, and a private investment group comprised of Columbia Capital, Telcom Ventures L.L.C., and Madison Dearborn Partners, which together recently invested \$250 million in the company. XM Satellite Radio obtained one of 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 in this document to differ materially from actual results are discussed in XM's Registration Statement on Form S-1 (No.333-38619) filed with the Securities and Exchange Commission on July 23, 1999 and declared effective on October 4, 1999.