



Universal Music Group (UMG) and XM Satellite Radio Reach Agreement on Pioneer Inno

New Agreement Settles Dispute and Covers All Receivers in the XM Product Line with Recording Functionality

NEW YORK, Dec. 17 /PRNewswire-FirstCall/ -- Universal Music Group (UMG), the world's leading music company, and XM Satellite Radio, the nation's leading satellite radio company, today announced that they have resolved the lawsuit brought by UMG against XM over its Pioneer Inno, a portable satellite receiver with advanced recording functionality. The companies did not disclose terms of the deal.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20070313/XMLOGO>)

As part of the agreement, UMG becomes the first music company to reach a multi-year deal covering all XM radios with advanced recording functionality, including both those currently available as well as future product releases. In addition, UMG will withdraw as a party to the complaint filed by the major record companies against XM in May, 2006.

"We are pleased to have resolved this situation in an amicable manner," stated Doug Morris, Chairman & CEO, Universal Music Group. "We pride ourselves on empowering new technology and expanding consumer choice. And XM is providing a new and exciting opportunity for music lovers around the world to discover and enjoy our content, while at the same time recognizing the intrinsic value of music to their business and the need to respect the rights of content owners."

"Our agreement is a win for everyone involved, especially for consumers," said Nate Davis, President and CEO, XM Satellite Radio. "Today's announcement underscores the fact that XM competes in an audio entertainment market in which consumers have more options than ever. We commend UMG for being the first music company to take this step forward with us and look forward to continuing our discussions with our other partners in the music industry."

About Universal Music Group

Universal Music Group is the world's leading music company with wholly owned record operations or licensees in 77 countries. Its businesses also include Universal Music Publishing Group, the industry's largest global music publishing operation.

Universal Music Group consists of record labels Decca, Deutsche Gramophone, Interscope Geffen A&M Records, Island Def Jam Music Group, Lost Highway Records, MCA Nashville, Mercury Nashville, Mercury Records, Philips, Polydor Records, Universal Music Latino, Universal Motown Records Group, Universal South Records and Verve Music Group, as well as a multitude of record labels owned or distributed by its record company subsidiaries around the world. The Universal Music Group owns the most extensive catalog of music in the industry, which is marketed through two distinct divisions, Universal Music Enterprises (in the U.S.) and Universal Strategic Marketing (outside the U.S.). Universal Music Group also includes eLabs, a new media and technologies division, and Universal Music Mobile.

Universal Music Group is a unit of Vivendi, a global media and communications company.

About XM

XM (NASDAQ: XMSR) is America's number one satellite radio company with more than 8.5 million subscribers. Broadcasting live daily from studios in Washington, DC, New York City, Chicago, the Country Music Hall of Fame in Nashville, Toronto and Montreal, XM's 2007 lineup includes more than 170 digital channels of choice from coast to coast: commercial-free music, premier sports, news, talk radio, comedy, children's and entertainment programming; and the most advanced traffic and weather information.

XM, the leader in satellite-delivered entertainment and data services for the automobile market through partnerships with General Motors, Honda, Hyundai, Nissan, Porsche, Subaru, Suzuki and Toyota is available in 140 different vehicle models for 2007. XM's industry-leading products are available at consumer electronics retailers nationwide. For more information about XM hardware, programming and partnerships, please visit <http://www.xmradio.com/>.

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