



## **XM SATELLITE RADIO HOLDINGS ANNOUNCES QUARTERLY DIVIDEND ON SERIES B PREFERRED STOCK**

Washington D.C., January 04, 2002 -- XM Satellite Radio Holdings Inc. (NASDAQ: XMSR) announced today that it has declared a regular quarterly dividend on its 8.25% Series B Convertible Redeemable Preferred Stock.

The dividend is payable in shares of the Company's Class A Common Stock at a rate of \$1.0313 per share of Series B Preferred Stock owned, with fractional shares to be paid in cash. The shares of Class A Common Stock to be issued will be valued at 95% of the average daily price of the Class A Common Stock for the 10 consecutive trading days ending on January 14, 2002. The dividend is payable on February 1, 2002, to Series B convertible preferred stockholders of record of XM Satellite Radio Holdings Inc. as of January 22, 2002.

XM is transforming radio, an industry that has seen little technological change since FM, almost 40 years ago. 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 nationwide including Best Buy, Circuit City, Tweeter, Ultimate Electronics, 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 any other great features. General Motors in November rolled out factory-installed Delphi-Delco XM radios in Cadillac DeVille and Seville models, and will expand to more than 20 GM models later this 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.

XM was also recently named "Product of the Year" by *Fortune Magazine*, "Invention of the Year" by *Time* and won *Popular Science's* 2001 "Best of What's New" Grand Award in the electronics category. XM won several awards at the 2001 International Consumer Electronics Show, including "Best of CES" in the automotive category.

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 12-6-2001. Copies of the filing are available upon request from XM Radio's Investor Relations Department.

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