Before the
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Washington, D.C.

In the Matter of ADJUSTMENT OF RATES AND TERMS FOR PREEXISTING SUBSCRIPTION SERVICES AND SATELLITE DIGITAL AUDIO RADIO SERVICES	)	Docket No. 2006-1 CRB DSTRA

REBUTTAL TESTIMONY OF

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WRITTEN REBUTTAL TESTIMONY OF SEAN BUTSON

My name is Sean Butson. I am a consultant and a Chartered Financial Analyst. I previously provided a written direct statement and oral testimony in this proceeding, and my background and qualifications as an expert are included within that testimony. I provide this statement to respond to claims by several witnesses from XM Satellite Radio, Inc. ("XM") and Sirius Satellite Radio Inc. ("Sirius") (collectively "SDARS"), including Mel Karmazin, David Frear, Mark J. Vendetti, and the SDARS' joint finance witness, J. Armand Musey. As part of this rebuttal, I also present the Court with updated financial models which show that broad assertions made by these witnesses about the SoundExchange rate are unsupportable. *See* Appendices A-H. In what follows, I explain why the amended royalty rate by SoundExchange will not jeopardize the SDARS' liquidity or their ability to generate significant amounts of free cash flow. Further, the proposed rates should not disrupt the "structure of the industries involved" or "generally prevailing industry practices."

In respect to the SDARS witnesses I will respond to two key points:

First, the SDARS argue that their historic start-up losses should be considered by the Court in setting the royalty rate. My testimony will explain why past start-up losses are irrelevant in forecasting the success and viability of the SDARS going forward, and irrelevant to the fourth statutory factor, at least as I understand it as a financial analyst. These witnesses also incorrectly argue that a higher rate that would delay the SDARS' recovery of these losses would somehow be "disruptive" to their business. My rebuttal testimony will explain why the predicate to this argument is incorrect. The SDARS' start-up losses were, in fact, expected by both the companies and investors due to significant initial investments in infrastructure and fixed costs,

which subsequently are compensated for through high incremental margins forecast for each additional subscriber. *See* Appendix H.

Second, the SDARS' witnesses have insisted that a rate higher than the 4-5% of revenue rate assumed by their analysts would create "devastating" consequences for the SDARS. They have even gone as far as to suggest that the rate proposed by SoundExchange could make it impossible for the SDARS to continue broadcasting music, or make their business unsustainable, particularly in light of subscriber growth that came in below expectations in the fourth quarter of 2006. The updated models I present as part of this rebuttal testimony – models based on the latest Wall Street analyst consensus and on the SDARS' own financial analysis – show otherwise. The SDARS can afford to pay sound recording copyright holders the amended rates proposed by SoundExchange, which are linked to subscriber growth rather than to calendar years.

I. The SDARS' Accumulated Net Losses Are Irrelevant to a Forward-Looking Assessment of their Businesses.

It is of course up to the Court to determine the meaning of the statutory goal of "minimizing any disruptive impact on the structure of the industries involved and on generally prevailing industry practices." However, as a financial analyst I cannot see how the historic losses of the SDARS would impact an analysis based of the fourth statutory factor. To me, the fourth factor is forward looking for the rate period the Court is considering and over the longer term, and the net accumulated losses of the SDARS are irrelevant to this statutory consideration.

The SDARS witnesses testified at trial that a rate higher than the 4-5% of revenue rate assumed by their analysts would create a financial hardship for the SDARS. However, such testimony relies almost entirely on measurements of prior company losses that reflect sunk start-up costs. These are all costs that are inherent to the business model of XM and Sirius and

include significant non-music content costs. As Sirius's witness David Frear admitted, it was always part of Sirius's business plan "that it would accumulate losses at the beginning," Tr., June 12, 2007, at 55 (Frear testimony). The SDARS own business plans verify that they expected to have financial losses as part of the building phase of their businesses.

As I explained in my written direct testimony, the SDARS' business model is one of high fixed costs, but also of high incremental margins. That is, once the fixed costs are covered, incremental SDARS subscribers generate substantial free cash flow. Written Direct Testimony of Butson at 12 ("Butson WDT"). Based on my models, I found that although fixed costs currently account for about 45% of revenue, in the longer term they will settle at around 15%-20%.

The SDARS witnesses presented "life to date deficits" (or accumulated deficits) as a key measure of their financial health. This is not a metric they use when discussing their prospects with investors or analysts, and it is not a metric that I or other analysts rely on in assessing a business' future prospects. As Mr. Vendetti acknowledged at trial, life to date deficits are a backwards-looking measure. Tr., June 6, 2007, at 21 (Vendetti testimony). Similarly, Mr. Frear acknowledged that given the tremendous start-up costs associated with a business model such as Sirius's, this past data "is not necessarily indicative of its future." Tr., June 12, 2007, at 51 (Frear testimony). In fact, Mr. Frear admitted at trial that his direct testimony is not meant to offer any projections or provide any insight into the direction of the company during the term of the license under consideration in this proceeding, Tr., June 12, 2007, at 57 (Frear testimony), and he confirmed that Sirius is substantially less risky an investment in 2007 than it was in 1990, in large part because these up-front capital investments have already been made and are in the past. Tr., June 12, 2007, at 202 (Frear testimony).

"Life to date" deficits represent the cumulative net losses of the company. It is not money owed to anyone, but rather simply reflects an investment the company has made in its infrastructure and operations. The SDARS and their investors expect this investment to generate profits in the future as their businesses grow and mature. For example, DirecTV, a highly successful provider of satellite video subscription services, continues to have an accumulated deficit of $2.9 billion. In fact, DirecTV didn't turn profitable (and start reducing its accumulated deficit) until 2005 – 11 years after it added its first subscriber. This fact does not make DirecTV an unsuccessful company.

Using the metric "life to date deficits" does not appear to serve any purpose other than to paint a bleak picture of the SDARS as a predicate to arguing that the SoundExchange proposed royalty rate would be "unfair". But these same witnesses in their other public statements (and, in fact, in oral testimony in this proceeding) have stated that the SDARS are likely to become profitable businesses in the future, and they are very optimistic about their businesses' prospects. In sum, past losses have always been part of the SDARS' business plan, and an analyst's understanding of the statutory term "disruptive" would not make them relevant to a forward looking analysis of setting a new royalty rate.

II. Development of the SDARS Business Since My Original Report and Description of New Financial Models

A. Recent Developments in the SDARS Businesses.

Since I submitted my written testimony on October 30, 2006, Sirius and XM have reported their financial results for the third quarter of 2006, fourth quarter of 2006, and first quarter of 2007. *See* SX Ex. 249-252 RP. In their oral testimony, the SDARS' witnesses asserted that these financial results made my October 2006 models outdated and undermined

their conclusions. This section discusses the major events that have occurred during that time period and how such events have affected my financial analysis.

In line with their attempt to paint a bleak picture of the SDARS' financial state (in contrast with the other public statements they make), the SDARS have focused on the fact that their fourth quarter 2006 subscriber acquisitions were below both their own guidance and the consensus of analyst estimates. It is important to note from the outset that this miss was largely due to weakness in the retail channel, whereas the auto channel continues to perform very well. As I noted in my direct testimony, the auto market will be key to the success of the SDARS, and all indications are that this channel is continuing its strong growth.

Also, despite the subscriber miss, Sirius's 2006 revenue and EBITDA came in better than expected in terms of the consensus and guidance. This positive variance was caused by strong ARPU and the fact that, paradoxically, fewer new subscribers results in higher EBITDA in the near term due to lower subscriber acquisition costs. On a positive note, in 4Q06 Sirius produced the first quarter of positive free cash flow in the history of the satellite radio industry. The company also announced on June 5, 2007, that it had received a $250 million term loan from Morgan Stanley, cementing the company's fully funded status.

XM's 2006 revenue and EBITDA also came in better than expected as compared to the consensus and guidance. While the company does not provide guidance on a quarterly basis, the first quarter 2007 results were roughly in line with analyst's current expectations. During the first quarter, XM also entered into a sale-leaseback transaction of one of its satellites, raising about $250 million of additional liquidity, solidifying also this company's fully funded status.

B. Updated Wall Street Consensus Used for New Financial Models

On February 19, 2007, Sirius and XM Radio announced that they would attempt to combine in a merger of equals. Importantly, the consensus, company guidance, and my models do not reflect this combination, although they do reflect costs associated with obtaining approval from the FCC, the Department of Justice, and shareholders.

Based on the various developments discussed above, the Wall Street analyst consensus expectations for Sirius and XM have obviously evolved since the time of my original testimony. The primary change has been to subscriber projections, with related impacts on revenue, EBITDA, and free cash flow. Certain other metrics have changed as well, but to a more minor degree.

In Sirius's case, the consensus subscriber estimate for 2010 has declined from 17 million to 13.2 million, and the 2007 projection has declined from 9.2 million to 8.1 million. The updated projection is consistent with Sirius's own guidance of more than 8 million. There have also been corresponding changes to projected revenues, with the current 2010 consensus revenue at $2 billion, and the 2007 consensus revenue expectation at $950 million, in line with Sirius's guidance of revenues "approaching $1 billion" this year.

For XM, the updated consensus projects 13.7 million subscribers in 2010, down from 16.9 million previously. The 2007 subscriber estimate is now at 9.1 million, again consistent with XM's guidance of 9-9.2 million. Given the similar long term subscriber forecasts for the SDARS, the XM consensus revenues are nearly the same as for Sirius: $2 billion in 2010 and $1.1 billion this year. The 2007 consensus subscription revenue forecast of $1 billion matches the company's own guidance.

While these downward adjustments from the analyst consensus of last fall (used as the basis of my original testimony) obviously have EBITDA and free cash flow impacts, as I show in what follows, this impact does not jeopardize the SDARS' liquidity or long term profitability if SoundExchange's second amended royalty proposal is adopted.

C. New Financial Models

To respond to claims made by the SDARS concerning the allegedly disruptive nature of SoundExchange's rate proposal, I am attaching to this rebuttal testimony four financial models – one for each company based on the most recent Wall Street analyst consensus, and one for each company based on the companies' most recent internal financial projections. *See* Appendices A, B, F and G; *see also* SX Ex. 215-238 RP, SX Ex. 239-248 RR. As with the models submitted with my initial report in October, these models each assume the sound recording royalty rate proposed by SoundExchange – in this case the second amended SoundExchange rate proposal.

I developed the consensus models to track closely the latest Wall Street analyst averages for the key figures of subscribers, revenue, and EBITDA. *See* Appendix C. Further, I matched the most important metric, free cash flow, exactly to these reports until 2010, which is the last year in which there is a sufficient number of published reports to calculate a reliable consensus. *See* Appendix D. I then extrapolated the subsequent years from the 2010 figures using reasonable growth rates, and a terminal growth rate of 4% after 2020.

In many respects, therefore, the consensus models I attach are merely applications of information derived from the Wall Street analysts' reports, to which I have superimposed the SoundExchange second amended proposed royalty rate. The key findings I discuss in the next part – that the SDARS can afford the proposed SoundExchange royalty – are therefore not based on my personal views of the development of the satellite radio industry, but rather the collective

view of the analyst community following the SDARS. My own view is that the consensus figures are very reasonable.

I am also including models directly based on the SDARS internal financial projections to show that using the companies' own numbers SoundExchange's rate proposal would not jeopardize their liquidity or long term profitability. *See* Appendices F and G; SX Ex. 239-248 RR. It is, in fact, interesting to note that the companies' internal models are consistently more bullish than the Wall Street analyst consensus. Because XM and Sirius have provided very different sets of data, I discuss them separately.

Sirius. Sirius's finance department has created a sophisticated set of financial models that in many respects resembles the model I have created using the analyst consensus, though populated with significantly more data. It has produced these models to SoundExchange in discovery. Referred to as "The Model" in Sirius's finance department, it is a series of linked Excel spreadsheets, all of which have apparently been produced to SoundExchange. I have relied on what appears to be the most recent and most complete spreadsheet, labeled "xSirius," which is within the "Model_5_27_07 Current Working Model" directory, which is within the "Drive 1-5323" directory. My understanding is that Sirius relies on the data and projections contained in The Model for its own internal purposes, including forecasting, business planning, and providing guidance to investors. I assume, therefore, that Sirius has no motive to be either unduly conservative or unduly optimistic in the projections it relies upon. Of course, Sirius's own modeling is based on its own internal projections, which are based on extensive information that is not made available to the public. Importantly, the Sirius internal model was not updated for publicly reported 1Q07 results or the company's recent $250 million term loan. As a result, I made the proper adjustments reflecting this new data when creating my own model.

XM. In discovery XM did not produce financial data similar to that of Sirius. Since I understand that SoundExchange requested this data and that XM had a legal obligation to produce it if it existed, I can only conclude that XM's finance department does not make use of standard financial planning tools to provide management and the board or directors with analysis of the financial outlook of the company. I find this surprising, to say the least. Without this data, I had to rely on the best information I was able to locate in the discovery materials – a draft financial forecast from last year that at least contained some relevant projections, along with public guidance issued by XM. Interestingly, assuming that XM's guidance is based on some sort of analysis, the relevant workpapers must no longer exist because they also were not produced in discovery. Although I was disappointed in the materials I had available to me in building the XM model, I was somewhat reassured by the fact that the projections I was able to locate are consistent with the critical current guidance that XM will have "high-teen millions" of subscribers in 2010. This guidance was reiterated as recently as April of this year on the company's 1Q07 earnings conference call. In respect to the XM company guidance model, my output can only be as good as the input.

In the analysis that follows, I make use of the data and results generated by the more conservative analyst consensus models, rather than the company guidance models. In every case, had I instead used the data provided by XM and Sirius themselves, the results would be even more favorable to SoundExchange and its rate proposal.

III. SoundExchange's Proposed Royalty Rate Will Not Disrupt the SDARS' Practices.

In their written statements, the SDARS' witnesses provided no testimony concerning the extent to which a royalty rate at a given level would affect their *business operations* on a going-forward basis. Instead, as I have outlined in Part I of my rebuttal testimony, the SDARS' written

financial testimony focused almost entirely on previous investments and the extent to which increased rates (like any other increased expense) would delay the time in which the future profits of the SDARS would recoup the natural and expected start-up losses. The financial expert, Mr. Musey, did present various forward-looking scenarios on how various changes would affect expected investor returns, but any connection between investor returns and the SDARS operations is tenuous at best.

A. The Irrelevance of Target Stock Price Analysis

One forward-looking metric presented by the SDARS' witnesses is the "target" stock price analysis presented by Mr. Musey. His testimony in particular makes the point that analysts are generally optimistic about the SDARS and predict that their stock prices will rise over the next 12-18 months. Musey then makes the rather obvious observation that any increase in costs, such as an increase in the sound recording royalty, that exceeds what analysts have projected will lower the analysts' estimates, all else being equal, and their stock price projections (i.e. target prices). There is no dispute about this point – any material increase in the SDARS' expenses not anticipated by the analysts will cause them to recalculate their target prices. The same would be true of any decrease in the SDARS' revenues not currently anticipated.

If the fourth factor of section 801(b) means that the Court is supposed to attempt to minimize any disruption to the expected increase in the SDARS stock prices, then Mr. Musey would be correct that any rate this Court set above the royalty predicted by the analysts could be "disruptive." However, if that is what the statute is instructing the Court to do, then the Court's job in addressing the fourth statutory factor concerning "disruption" would be simply to identify the analysts' predictions about the future royalty rate, and set the rate at that level.

B. Disruption of Business Operations

There is, however, a more reasonable way to understand "disruption" to the SDARS, as referring to disruptive changes in the "practices" of the SDARS' businesses, rather than changes in their stock prices. This definition of the term would relate it to the welfare of satellite radio *users* rather than to that of just satellite radio *shareholders*.

Obviously, the operations of a business are not wholly unrelated to the movement in its stock price, but they represent two very different ways to evaluate the disruptive effect of a rate. The business and its finances are related because a business needs adequate financing to operate, and over the long term it needs to generate free cash flow so that its investors earn an appropriate return on their investment. If a company is in a position in which it needs to raise money in the financial markets to operate (which, as my models show, XM and Sirius are not, except as it relates to refinancing maturing debt and, in XM's case, extending line of credit expirations), unless there is an expectation of future free cash flows it will not be able to raise the funds it needs to operate. Looked at in this light, a royalty rate would be disruptive to the SDARS' business practices if the SDARS were not fully funded and the rate were so high that it threatened the SDARS' ability to generate free cash flow over the longer term. In the extreme case, the SDARS would have to shut down their services, which would clearly be disruptive to subscribers. Alternatively, if the proposed royalty rate resulted in the SDARS reducing the quality of their service by cutting expenses, this could be considered disruptive to users depending on the nature of the reductions. Importantly, I have assumed no cost reductions in my models.

While Mr. Musey claimed that the SoundExchange proposal would make it "very difficult for the companies to stay in existence" and "would be devastatingly disruptive to the companies," Tr., June 13, 2007, at 140 (Musey testimony), none of the SDARS' witnesses

provided any evidence to support this claim. The SDARS' witnesses instead equate the *ability* of XM and Sirius to pay a higher royalty rate with the *desirability* of a higher royalty rate from the perspective of the SDARS' shareholders. Mr. Musey's oral testimony confirms this. Whereas Musey's written direct testimony stated that an increase in the current royalty payment structure could "have significant adverse effects on the satellite radio industry," Written Direct Testimony of J. Armand Musey, at 3 ("Musey WDT"), at trial, it was clear that he was only testifying to the obvious – that investors would *prefer* a lower royalty rate to a higher one. He testified that the dynamic he was describing in his written testimony was that the SDARS' failure to achieve a state of positive cash flow as soon as predicted could lead the SDARS' investors to sell their stock, and so put downward pressure on the stock price. But he did not make any claims about what a delay in achieving a state of positive cash flow would do to the underlying business. Tr., June 13, 2007, at 206 (Musey testimony). His testimony thus was strictly based on an investor point of view and reflected merely a statement of what the SDARS' *current* investors desire – not what potential investors would think of the SDARS and not whether the SDARS could afford to pay SoundExchange's proposed rate. In fact, he summarized his written testimony more accurately in his oral testimony by stating that "[i]nvestors would like to cut their costs where they can," Tr., June 13, 2007, at 210-11 (Musey testimony). Looking at the fourth statutory factor as a financial analyst, I am not able to see the connection between it and the investor interests Mr. Musey's statement discusses.

Mr. Musey also looked at the SDARS' stocks from the point of view of a hypothetical investor who bought at every public offering. This is not a well conceived exercise if the point is to consider whether the companies' financial prospects rest on a solid footing during the rate period. Further, Mr. Musey's concept of an "average" investor is illusory – many SDARS

investors have lost money and many (including many of my prior clients) achieved substantial profits via their SDARS stocks, depending upon when they bought and sold the stock. Finally, Mr. Musey's analysis ignores the returns for those who invested prior to the companies' IPOs.

Mr. Musey concluded his written statement with a broad statement that would, if proved, relate to a more reasonable sense of "disruption." He asserted that an increase in rates "could . . . have a disruptive impact on [SDARS'] ability to compete with other audio services, maintain and improve their services and potentially even to survive." Musey WDT at 40. As he admitted at trial, however, Mr. Musey provided no empirical support or analysis for this statement in his written testimony. Tr., June 13, 2007, at 198-201 (Musey testimony). Although their written testimony contained no relevant forward-looking statements, at trial, witnesses Karmazin, Vendetti and Frear made statements similar to Musey's, asserting that XM and Sirius could not "afford" to pay the royalty proposed by SoundExchange. *See* Tr., June 6, 2007, at 309 (Karmazin testimony); Tr., June 6, 2007, at 361 (Vendetti testimony); Tr., June 12, 2007, at 30 (Frear testimony). As the models I am attaching to this rebuttal statement show, and as discussed below, these conclusory statements are not supported either by the Wall Street analyst consensus or by the most recent financial data provided by the SDARS themselves.

C. Financial Metrics That Measure Disruption to Business Operations

If the Court concludes that the relevant question is whether a royalty disrupts the SDARS' *business* practices, and not the interests of individual investors buying and selling stock in the companies, there are several metrics in the companies' income statements that should inform the Court as to whether a rate is disruptive. In what follows I identify these metrics, describe their significance, and then provide sensitivities to show how changes in royalty rates affect these metrics.

Free Cash Flow: As I previously indicated, for a company to remain liquid and provide a return to its investors, it is essential that the company generate free cash flow over the longer term. Free cash flow ultimately rewards investors for their investment in the business and it is what makes possible the return on equity built into the company's stock price. A company's increased expenses, unless they are offset by decreased expenses elsewhere or increases in revenues, directly reduce its free cash flow. Therefore, all else being equal, an increase in royalty above the current level will decrease free cash flow, just as a decrease in the royalty will increase free cash flow. A royalty that decreased free cash flow to the point where there was no projected positive free cash flow in the future would be disruptive to the SDARS' business.

At the same time, in evaluating present and projected free cash flows of the SDARS, the SDARS businesses (as opposed to their stock prices) have grown and prospered even though the SDARS have not yet become consistently cash flow positive (Sirius achieved positive free cash flow for the first time in 4Q06. XM has yet to reach this milestone). That is not surprising or unusual. As I described above, the SDARS are businesses characterized by high initial capital expenditures, high fixed costs and high incremental margins. Such businesses are expected to produce negative free cash flow in the early years until they have achieved a sustainable scale, at which point they will generate increasingly positive free cash flow.

Here, therefore, the question is not whether the proposed royalty will result in the SDARS becoming immediately free cash flow positive. No royalty rate of any size would have that effect. That state of affairs does not suggest that these are anything but growing companies with bright futures, as Mr. Frear testified. It is not their *current* state of negative free cash flow, but their projected *future* state of positive and increasingly large free cash flows that signifies that the companies are robust and healthy businesses. Similarly, the question is not whether

SoundExchange's proposed royalty will delay the time when the SDARS become free cash flow positive as compared to a lower royalty rate. It will, by definition, just as any increased expense will have that effect. Rather, the question is whether SoundExchange's proposed royalty would eliminate future projected positive free cash flows or would delay the time at which the SDARS are projected to become free cash flow positive so much that it puts these projections in question.

Each of the updated financial models I have built – whether based on Wall Street analyst consensus or the companies own internal projections – establish that if the Court adopts SoundExchange's amended royalty rate, the new royalty would *not* have any of these negative consequences. Based on current analyst projections, adoption of SoundExchange's rate would delay the time the SDARS become free cash flow positive by approximately one year, and, as expected, would reduce the total amount of free cash flow somewhat. But once the companies become free cash flow positive, the models show that they will continue to produce positive and increasingly large free cash flows consistently from there on. In sum, the free cash flow analysis establishes that with SoundExchange's rate proposal the SDARS would remain successful companies with bright futures, and that adopting the royalty rate proposed by SoundExchange would not have any material impact on this assessment.

EBITDA: Beyond free cash flow, analysts and investors typically look to EBITDA, and to EBITDA margins, in evaluating a company's soundness and its ability to generate positive free cash flow in the future. EBITDA is a measure of the company's revenues less its cash operating expenses, excluding expenses associated with interest, taxes, depreciation and amortization, and stock based compensation. It essentially reflects the fundamentals of a company's operations and excludes how those operations were financed. The EBITDA margin is simply EBITDA divided by total revenue. Because the royalty is a cost, increases in the

royalty necessarily will lower EBITDA and the EBITDA margin. Just as with the analysis of free cash flow, the relevant question as to EBITDA therefore is whether SoundExchange's proposed royalty will prevent the SDARS from becoming EBITDA positive, will delay that time so significantly as to put it into question, or will lower the EBITDA margins to a point at which the success of the companies becomes questionable. And, once again, the answer to these questions is plainly no. SoundExchange's rate, as compared to the rate assumed by analysts, or the rate assumed by Sirius, would delay by approximately one year the time at which the SDARS become EBITDA positive, from 2009 to 2010. It would reduce the EBITDA margin to 23% for Sirius and 20% for XM at the time the SDARS reach a steady state in 2020.[1] Accordingly, these changes to EBITDA metrics caused by the SoundExchange rate proposal plainly would not be disruptive to the SDARS' business practices.

Liquidity: Finally, as I explained in my testimony in the direct case, in considering disruption to the SDARS' business operations, it is relevant to consider the extent to which the proposed royalty expense would make the SDARS dependant upon the capital markets for additional liquidity. As was the case with SoundExchange's original rate proposal and the SDARS' financial situation in October 2006, under SoundExchange's second amended rate proposal and the SDARS financial condition today, the SDARS would be fully funded. That is, to remain liquid, the SDARS would have only to refinance existing debt as it comes due and, in XM's case, renew lines of credit as they expire, which is customary. They would not have to access the credit markets for additional debt or raise funds by issuing new stock. Given the manageable amount of debt currently on their books, and their ability to digest the increase in

[1] For this calculation I conservatively forecast long term EBITDA margins of 32%-36% excluding the royalty rate increase, rather than using Mr. Frear's figure of 40%-50%. *See* Tr., June 12, 2007, at 66 (Frear testimony).

their variable costs that the proposed royalty rate would impose, there is no reasonable concern that SoundExchange's royalty would create a risk of illiquidity.

It could be argued (though I do not understand XM or Sirius to have offered any evidence on this point), that an increased expense would shake the market's faith in the SDARS, making it difficult, or, at least, more expensive to access the credit markets even to the extent necessary to refinance existing debt. Accordingly, as part of my analysis, I have conservatively assumed that all maturing SDARS bonds will be refinanced at 10%, which is above the current coupon rate of the bonds. I also conservatively assume that all maturing bonds will be refinanced, even though both Sirius and XM Radio have some convertible bonds whose conversion prices are well below the current stock prices, and are therefore likely to be converted into equity.

Further, most of the SDARS bonds mature in 2009, at which time the SDARS will only be about 1 year away from obtaining positive free cash flow, assuming the proposed royalty rate. Accordingly, I do not believe the companies will have a difficult time refinancing their outstanding bonds, assuming reasonably stable credit markets. In addition, I note that Sirius recently borrowed $250 million from Morgan Stanley and commented in its press release that "the issue was very well received in the marketplace with strong demand and attractive pricing". As Mr. Musey notes in his written testimony, Sirius and XM Radio have accessed the capital markets dozens of times over the years to raise capital to fund their operations. In this case, they will need only to refinance existing bonds, which is much more palatable to bond investors than increasing their capital bases. Finally, Sirius's bonds are currently trading at par, according to Bob Peck at Bear Stearns, and according to Mr. Vendetti, "during 2006, XM replaced its existing debt structure, moving from higher – rate secured debt to lower-rate unsecured debt." Written Direct Testimony of Mark J. Vendetti at 14 ("Vendetti WDT"). In particular, XM significantly

lowered the cost of its debt by replacing 12% and 14% notes with 9.75% notes. These are the practices of companies on sound financial footing.

Given this financial picture, even while they are asserting that adopting the SoundExchange rate proposal "could" be "devastating," the SDARS do not suggest that their ability to borrow would be affected by the increased expenses associated with the SoundExchange royalty. The companies' financials make clear why they cannot credibly make this argument. Absent materially negative unforeseen circumstances, companies with billions of dollars of annual revenue, projected double digit EBITDA margins, and significant expected free cash flow will be able to access the credit markets to refinance their debt.

D. Sensitivities

In considering free cash flow, EBITDA, and liquidity, I have run a sensitivity on the consensus models, which supports the claims that the SoundExchange rate poses no risk of disruption to the SDARS business. *See* Appendix E. As I have explained above, if I had run these sensitivities using the SDARS' own financial projections, the results would be even better, showing even more ample margins of safety if the SDARS projections fall short, and even less impact from the SoundExchange rate.

I show the effect of varying royalty rates on the three key metrics I have just discussed: free cash flow, EBITDA, and liquidity. In particular, I use as the baseline scenario a 4% royalty that XM claims analysts use. I next set out SoundExchange's rate proposal and several variations, representing steps in between a 4% rate and SoundExchange's rate proposal. I then show how adopting any of these rates would affect the company's expected results on the metrics I evaluate. These results show that while increased royalties, like any increased expense,

necessarily impact the companies' financial performance, by no stretch do they undermine these companies' prospects for growth or disrupt their prevailing business practices.

I do not mean to suggest that the SDARS' success, or that the projections in my model, are guaranteed. Obviously they are not. The SDARS' failure to meet their own subscriber guidance in the fourth quarter last year is evidence enough that projections, even informed short-term projections by the companies themselves, may not prove out. As my models demonstrate, the SDARS' success is dependent upon and reflected in several critical metrics: ARPU (average revenue per subscriber per month), SAC (subscriber acquisition cost per gross add), subscribers, and churn. The difference between the losses exhibited by the SDARS in the past, and the robust gains projected for the future, are almost entirely a function of projected increases in subscribers at SAC and subscription rates that allow the SDARS to become and remain profitable.

It follows that the factors that pose the most substantial risks to prevailing industry practices are those that might undermine the SDARS' projected customer growth. For example, as I stated in my opening report, competition from potential new modalities such as mobile Internet and high definition radio are risks that analysts consider when evaluating the SDARS' long-term prospects. But for purposes of this proceeding, what needs to be stressed is that the SDARS' success or failure will depend primarily on their ability to add subscribers profitably. If the SDARS grow as they project, they will be successful even if the SoundExchange rate is adopted. If they fail to grow at all, they will fail as businesses even if the royalty rate were set at zero. And, if they grow to the size they project, but more slowly, SoundExchange's rate increases in tandem and gradually, and should not be disruptive to the SDARS. Because of this feature of SoundExchange's rate proposal, the actual years in the income statement in my model are far less important than the relationship between the various metrics within each year. In

other words, if Sirius, for example, achieves 13 million subscribers in 2011 rather than in 2010 as projected, then SoundExchange's rate will not increase from 12% to 14% until sometime in 2011. That delay will have little effect on the long-term prospects of Sirius's business, so long as the subscriber count continues to rise profitably.

In sum, there are contingencies that if they came to pass could disrupt the prevailing practices of the SDARS industry. A sound recording royalty rate at the level proposed by SoundExchange is not one of them. The SDARS' testimony to the contrary is not supported by evidence.

I declare under penalty of perjury that the foregoing testimony is true and correct to the best of my knowledge and belief.

Sean Butson

Sean Butson

Date: 7/23/07

Exhibits Sponsored by Sean Butson, CFA

Restricted exhibits, which are identified by the suffix "RR," are not included in the Public Version of SoundExchange's Rebuttal Case

Exhibit No.	Description
SX Exhibit 211 RP	Sirius press release: "SIRIUS Satellite Radio Reports Strong First Quarter 2007 Results" (May 1, 2007)
SX Exhibit 215 RP	Analyst report re XM by Barrington Research (Goss) (Apr. 27, 2007)
SX Exhibit 216 RP	Analyst report re XM by Bear Stearns (Peck) (Apr. 27, 2007)
SX Exhibit 217 RP	Analyst report re XM by Deutsche Bank (Dix) (Apr. 27, 2007)
SX Exhibit 218 RP	Analyst report re XM by Lehman Brothers (Jayant) (Apr. 27, 2007)
SX Exhibit 219 RP	Analyst report re XM by Stifel Nicolaus (Spring) (Apr. 27, 2007)
SX Exhibit 220 RP	Analyst report re XM by Wachovia (Wlodarczak) (Apr. 27, 2007)
SX Exhibit 221 RP	Analyst report re XM by Wedbush Morgan Securities (Kidd) (Apr. 27, 2007)
SX Exhibit 222 RP	Analyst report re XM by Morgan Stanley (Swinburne) (Apr. 30, 2007)
SX Exhibit 223 RP	Analyst report re Sirius by Barrington Research (Goss) (May 1, 2007)
SX Exhibit 224 RP	Analyst report re Sirius by Wedbush Morgan (Kidd) (May 1, 2007)
SX Exhibit 225 RP	Analyst report re Sirius by Deutsche Bank (Dix) (May 2, 2007)
SX Exhibit 226 RP	Analyst report re Sirius by Lehman Brothers (Ratcliffe) (May 2, 2007)
SX Exhibit 227 RP	Analyst report re Sirius by Wachovia (Wlodarczak) (May 2, 2007)
SX Exhibit 228 RP	Analyst report re Sirius by Stifel Nicolaus (Spring) (May 7, 2007)
SX Exhibit 229 RP	Analyst report re Sirius by Morgan Stanley (Swinburne) (May 11, 2007)
SX Exhibit 230 RP	Analyst report re Sirius by Bear Stearns (Peck) (June 4, 2007)
SX Exhibit 231 RP	Sirius press release: "Sirius Reports Fourth Quarter and Full Year 2006 Results" (Feb. 27, 2007)
SX Exhibit 232 RP	Sirius Satellite Radio Q1 2007 Earnings Call Transcript (May 1, 2007)
SX Exhibit 233 RP	Sirius Satellite Radio Q4 2006 Earnings Call Transcript (Feb. 26, 2007)
SX Exhibit 234 RP	XM press release: "XM Satellite Radio Holdings Inc. Announces First Quarter 2007 Results" (Apr. 26, 2007)
SX Exhibit 235 RP	XM press release: "XM Satellite Radio Holdings Inc. Announces Fourth Quarter and Full Year 2006 Results" (Feb. 26, 2007)
SX Exhibit 236 RP	XM Satellite Radio Q1 2007 Earnings Call Transcript
SX Exhibit 237 RP	XM Satellite Radio Q4 2006 Earnings Call Transcript
SX Exhibit 238 RP	Supplement to "Automotive News Global Market Data Book" (June 25, 2007)
SX Exhibit 239 RR	xSIRIUS.xls (PL, BS, CF, and Metrics tabs) from Sirius documents produced in native format
SX Exhibit 240 RR	Liquidity analysis current.xls (XM and SIRI tab) from Sirius documents produced in native format
SX Exhibit 241 RR	Music Royalties.xls (Summary tab) from Sirius documents produced in native format

SX Exhibit 242 RR	Debt.xls (Summary tab) from Sirius documents produced in native format
SX Exhibit 243 RR	Activation Revenue.xls (Summary tab) from Sirius documents produced in native format
SX Exhibit 244 RR	DTC Revenue.xls (Subs tab) from Sirius documents produced in native format
SX Exhibit 245 RR	OEM Revenue.xls (All OEM, Bundled, Subs, and Summary tabs) from Sirius documents produced in native format
SX Exhibit 246 RR	Retail Revenue.xls (all tabs) from Sirius documents produced in native format
SX Exhibit 247 RR	Special Markets Revenue.xls (Subs and Summary tabs) from Sirius documents produced in native format
SX Exhibit 248 RR	XM Satellite Radio Holdings Inc. Attachment 4(c)31 (XMCRB 00145552-7)
SX Exhibit 249 RP	Sirius Satellite Radio Inc. Form 10-K annual report for 2006
SX Exhibit 250 RP	XM Satellite Radio Holdings Inc. Form 10-K annual report for 2006
SX Exhibit 251 RP	Sirius Satellite Radio Inc. Form 10-Q quarterly report for Q1 2007
SX Exhibit 252 RP	XM Satellite Radio Holdings Inc. Form 10-Q quarterly report for Q1 2007

App. A
Sirius Radio Model

($thousands)	2006A	1Q07A	2Q07E	3Q07E	4Q07E	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Income Statement																			
Subscription revenue	572,386	189,969	214,849	229,627	241,188	875,633	1,130,421	1,416,604	1,715,171	1,988,630	2,248,923	2,507,237	2,761,746	3,014,126	3,242,187	3,441,175	3,625,786	3,800,294	3,967,993
Activation revenue	15,612	5,319	4,461	3,940	7,986	21,706	22,357	23,028	23,719	24,431	25,164	25,918	26,696	27,497	28,322	29,171	30,047	30,948	31,876
Effect of mail-in rebates	-12,594	-4,492	-3,768	-3,327	-6,745	-18,331	-18,881	-19,448	-20,031	-20,632	-21,251	-21,889	-22,545	-23,222	-23,918	-24,636	-25,375	-26,136	-26,920
Subscriber revenue, net	575,404	190,796	215,543	230,240	242,430	879,008	1,133,897	1,420,185	1,718,859	1,992,429	2,252,836	2,511,267	2,765,897	3,018,401	3,246,591	3,445,710	3,630,457	3,805,106	3,972,949
Advertising revenue, net of agency fees	31,044	6,721	8,408	10,218	12,504	37,851	66,391	104,494	147,609	191,815	232,341	260,986	288,310	315,510	341,029	363,555	384,606	404,635	423,996
Equipment Revenue	26,798	4,671	3,917	4,528	9,056	22,172	31,041	40,353	48,424	53,266	55,929	57,607	59,336	61,116	62,949	64,838	66,783	68,786	70,850
Other revenue	3,989	1,849	1,849	1,849	1,849	7,396	9,615	11,538	12,692	13,326	13,992	14,692	15,427	16,198	17,008	17,858	18,751	19,689	20,673
Total Revenue	**637,235**	**204,037**	**229,717**	**246,835**	**265,839**	**946,427**	**1,240,943**	**1,576,569**	**1,927,583**	**2,250,836**	**2,555,099**	**2,844,552**	**3,128,969**	**3,411,224**	**3,667,577**	**3,891,961**	**4,100,597**	**4,298,216**	**4,488,468**
% growth	*163.1%*	*61.1%*	*53.1%*	*47.7%*	*37.5%*	*48.5%*	*31.1%*	*27.0%*	*22.3%*	*16.8%*	*13.5%*	*11.3%*	*10.0%*	*9.0%*	*7.5%*	*6.1%*	*5.4%*	*4.8%*	*4.4%*
SX royalty		9,182	25,197	19,503	20,934	74,815	97,534	154,413	226,380	308,683	426,093	475,004	523,048	570,713	613,961	651,763	686,874	720,099	752,057
Other royalty		6,121	6,892	7,405	7,975	28,393	37,228	47,297	57,828	67,525	76,653	85,337	93,869	102,337	110,027	116,759	123,018	128,946	134,654
Total Royalties		15,303	32,088	26,908	28,909	103,208	134,762	201,710	284,207	376,208	502,746	560,341	616,917	673,049	723,989	768,522	809,892	849,046	886,711
Revenue share		11,831	19,739	22,218	23,128	76,917	120,446	170,555	223,473	273,406	323,406	337,118	383,401	430,304	471,321	507,306	540,595	571,981	602,085
Total Rev. Share & Royalties		27,134	51,827	49,126	52,038	180,124	255,208	372,265	507,680	649,614	826,152	897,459	1,000,317	1,103,353	1,195,309	1,275,828	1,350,487	1,421,027	1,488,796
Sales and marketing (ex. revenue share)	195,770	32,518	50,466	36,063	87,330	206,377	227,015	238,365	245,516	252,882	260,468	268,282	276,331	284,621	293,159	301,954	311,013	320,343	329,954
Revenue share	26,722																		
Total Sales and marketing	222,492	32,518	50,466	36,063	87,330	206,377	227,015	238,365	245,516	252,882	260,468	268,282	276,331	284,621	293,159	301,954	311,013	320,343	329,954
Customer service and billing	68,137	21,654	17,444	17,834	27,865	84,797	95,614	104,185	119,578	139,175	157,852	176,456	194,930	213,320	230,574	245,804	260,037	273,579	286,669
Cost of Equipment	35,233	9,292	7,834	9,056	18,112	44,294	31,041	40,353	48,424	53,266	55,929	57,607	59,336	61,116	62,949	64,838	66,783	68,786	70,850
Subscriber acquisition costs	419,716	98,237	97,295	70,844	81,050	347,426	357,731	382,024	377,650	359,404	343,449	354,483	383,383	413,852	430,387	447,358	465,039	483,463	502,664
Other programming & content	100,542	30,567	33,624	36,986	40,685	141,861	170,234	187,257	196,620	206,451	216,774	227,612	238,993	250,942	263,490	276,664	290,497	305,022	320,273
Royalties	27,127																		
Howard Stern costs	79,810	20,000	20,000	20,000	20,000	80,000	84,000	88,200	92,610	97,241	102,103	107,208	112,568	118,196	124,106	130,312	136,827	143,669	150,852
NFL costs	22,736	6,496	0	6,496	9,744	22,736	22,736	22,736	22,736	22,736	23,873	25,066	26,320	27,636	29,018	30,468	31,992	33,591	35,271
Total Programming and content	230,215	57,063	53,624	63,482	70,429	244,597	276,970	298,193	311,966	326,427	342,749	359,886	377,881	396,775	416,613	437,444	459,316	482,282	506,396
Satellite and transmission	39,229	7,330	7,697	8,081	8,485	31,593	32,541	33,517	34,523	35,558	36,625	37,724	38,856	40,021	41,222	42,459	43,732	45,044	46,396
General and administrative	87,538	23,403	24,573	25,802	27,092	100,870	103,896	107,013	110,223	113,530	116,936	120,444	124,057	127,779	131,612	135,561	139,627	143,816	148,131
Engineering, Design, and Development	58,732	11,405	11,975	12,574	13,203	49,157	50,632	52,151	53,715	55,327	56,986	58,696	60,457	62,271	64,139	66,063	68,045	70,086	72,189
EBITDA	**-524,057**	**-83,999**	**-93,017**	**-46,026**	**-119,766**	**-342,809**	**-189,703**	**-51,497**	**118,307**	**265,653**	**357,952**	**513,514**	**613,421**	**708,116**	**801,611**	**874,653**	**936,517**	**989,789**	**1,036,423**
Depreciation expense	105,749	26,786	27,110	27,530	27,950	109,375	113,478	125,826	136,494	149,010	165,558	191,392	199,792	208,444	217,355	226,534	235,988	245,726	255,756
Equity granted to third parties and employees	437,918	24,260	24,260	24,260	24,260	97,040	97,040	97,040	97,040	97,040	97,040	97,040	97,040	97,040	97,040	97,040	97,040	97,040	97,040
Operating Income	**-1,067,724**	**-135,045**	**-144,387**	**-97,816**	**-171,976**	**-549,223**	**-400,221**	**-274,363**	**-115,227**	**19,603**	**95,354**	**225,082**	**316,590**	**402,633**	**487,216**	**551,079**	**603,488**	**647,023**	**683,627**
Debt restructuring	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest and investment income	33,320	6,042	3,298	5,737	5,052	20,129	17,462	6,546	2,024	3,945	10,077	14,647	36,958	65,637	100,516	139,888	183,920	232,815	286,612
Equity in net loss of affiliate	-4,445	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other income	79	5	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest expense on new debt	0	0	-4,766	-4,766	-4,766	-14,297	-19,063	-19,063	-19,063	-19,063	-19,063	-19,063	-19,063	-19,063	-19,063	-19,063	-19,063	-19,063	-19,063
Interest expense, net of amount capitalized	-64,032	-15,192	-16,125	-16,125	-16,125	-63,566	-66,812	-89,334	-89,334	-104,859	-104,859	-106,734	-106,734	-106,734	-106,734	-106,734	-106,734	-106,734	-106,734
Income before taxes	**-1,102,802**	**-144,190**	**-161,980**	**-112,968**	**-187,814**	**-606,952**	**-468,634**	**-376,213**	**-221,599**	**-100,373**	**-18,490**	**113,933**	**227,752**	**342,473**	**461,936**	**565,170**	**661,612**	**754,042**	**844,442**
Taxes	-2,065	-555	-555	-555	-555	-2,220	-2,220	-2,220	-2,220	-2,220	-2,220	-2,220	-2,220	-2,220	-2,220	-2,220	-2,220	-2,220	-2,220
Net Income	**-1,104,867**	**-144,745**	**-162,535**	**-113,523**	**-188,369**	**-609,172**	**-470,854**	**-378,433**	**-223,819**	**-102,593**	**-20,710**	**111,713**	**225,532**	**340,253**	**459,716**	**562,950**	**659,392**	**751,822**	**842,222**
Company Guidance																			
Revenue	$615M					approaching $1B													
Subscribers	6.3M					8M+													
OEM Subscribers	to double																		
Churn	1.8%					2.2%-2.4%													
SAC	$110					$95													
Capex	$110M																		
Cash Flow from Operations minus Capex	($500M)																		
EBITDA	($565M)																		
Margins																			
EBITDA	-82.2%	-41.2%	-40.5%	-18.6%	-45.1%	-36.2%	-15.3%	-3.3%	6.1%	11.8%	14.0%	18.1%	19.6%	20.8%	21.9%	22.5%	22.8%	23.0%	23.1%
Free Cash Flow	-66.4%	-118.9%	-24.0%	-32.3%	-20.7%	-45.7%	-20.2%	-5.6%	2.1%	4.4%	3.6%	15.7%	18.3%	20.5%	21.5%	22.6%	23.8%	25.0%	26.2%
FCF Conversion	80.7%	288.8%	59.3%	173.4%	45.9%	126.2%	131.9%	171.7%	35.0%	37.5%	25.5%	86.9%	93.5%	98.5%	98.2%	100.7%	104.4%	108.7%	113.3%
Tax rate	0.2%	0.4%	0.3%	0.5%	0.3%	0.4%	0.5%	0.6%	1.0%	2.2%	12.0%	-1.9%	-1.0%	-0.6%	-0.5%	-0.4%	-0.3%	-0.3%	-0.3%
Capex % of revenue	15.6%	6.1%	8.7%	8.1%	7.5%	7.7%	11.8%	8.1%	7.7%	8.8%	12.0%	3.5%	3.3%	3.1%	3.0%	2.9%	2.8%	2.8%	2.7%
Credit Ratios																			
Net Debt & Preferred / EBITDA	-1.3	-9.6	-9.2	-19.8	-8.1	-2.8	-6.3	-24.8	10.5	4.2	2.9	1.1	0.0	-1.0	-1.8	-2.7	-3.6	-4.5	-5.4
EBITDA / Net Interest Expense	-17.1	-9.2	-5.3	-3.0	-7.6	-5.9	-2.8	-0.5	1.1	2.2	3.1	4.6	6.9	11.8	31.7	-62.1	-16.1	-9.2	-6.4
Free Cash Flow																			
EBITDA	-524,057	-83,999	-93,017	-46,026	-119,766	-342,809	-189,703	-51,497	118,307	265,653	357,952	513,514	613,421	708,116	801,611	874,653	936,517	989,789	1,036,423
Capex	-99,467	-12,458	-20,000	-20,000	-20,000	-72,458	-147,000	-127,000	-149,000	-197,000	-307,542	-100,000	-103,000	-106,090	-109,273	-112,551	-115,927	-119,405	-122,987
Cash taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash interest expense	-59,929	-26,200	-15,371	-15,371	-15,371	-72,312	-63,796	-86,318	-86,318	-101,843	-101,843	-103,718	-103,718	-103,718	-103,718	-103,718	-103,718	-103,718	-103,718
Cash interest expense on new debt	0	0	-4,766	-4,766	-4,766	-14,297	-19,063	-19,063	-19,063	-19,063	-19,063	-19,063	-19,063	-19,063	-19,063	-19,063	-19,063	-19,063	-19,063
Cash interest income	33,320	6,042	3,298	5,737	5,052	20,129	17,462	6,546	2,024	3,945	10,077	14,647	36,958	65,637	100,516	139,888	183,920	232,815	286,612
Cash preferred dividends	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Working capital change	227,074	-125,967	74,730	597	99,918	49,278	151,791	188,886	175,467	147,955	151,814	140,837	148,971	152,713	117,350	101,448	96,171	95,505	97,039

($thousands)	2006A	1Q07A	2Q07E	3Q07E	4Q07E	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Free Cash Flow	**-423,059**	**-242,582**	**-55,126**	**-79,828**	**-54,932**	**-432,468**	**-250,310**	**-88,445**	**41,418**	**99,648**	**91,396**	**446,218**	**573,570**	**697,596**	**787,425**	**880,658**	**977,900**	**1,075,923**	**1,174,306**
Liquidity																			
Line of credit	0	0	100,000	100,000	100,000	100,000	100,000	0	0	0	0	0	0	0	0	0	0	0	0
Line outstandings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Line availability	0	0	100,000	100,000	100,000	100,000	100,000	0	0	0	0	0	0	0	0	0	0	0	0
Restriction	100,000	70,000	55,000	55,000	55,000	55,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Net line availability	-100,000	-70,000	45,000	45,000	45,000	45,000	100,000	0	0	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents	393,421	259,162	454,346	399,518	344,586	344,586	126,276	35,832	74,249	196,897	288,293	734,511	1,308,081	2,005,677	2,793,101	3,673,759	4,651,659	5,727,582	6,901,888
Marketable securities	15,500	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650
Liquidity	**308,921**	**193,812**	**503,996**	**449,168**	**394,236**	**394,236**	**230,926**	**40,482**	**78,899**	**201,547**	**292,943**	**739,161**	**1,312,731**	**2,010,327**	**2,797,751**	**3,678,409**	**4,656,309**	**5,732,232**	**6,906,538**
Balance Sheet																			
ASSETS																			
Cash and cash equivalents	393,421	259,162	454,346	399,518	344,586	344,586	126,276	35,832	74,249	196,897	288,293	734,511	1,308,081	2,005,677	2,793,101	3,673,759	4,651,659	5,727,582	6,901,888
Marketable securities	15,500	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650	4,650
Accounts receivable	24,189	15,462	12,969	11,452	23,216	23,216	23,216	23,216	23,216	23,216	23,216	23,216	23,216	23,216	23,216	23,216	23,216	23,216	23,216
Inventory	34,502	34,975	31,599	28,767	40,493	40,493	43,553	51,679	56,764	60,024	63,732	67,466	70,841	74,244	74,962	75,648	76,348	77,060	77,787
Restricted investments, short-term	25,000	25,310	25,000	35,000	35,000	35,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Prepaid expenses	52,588	53,939	60,437	54,843	72,210	72,210	80,131	91,188	101,338	111,190	123,062	130,562	140,896	151,401	160,523	169,000	177,220	185,305	193,349
Other current assets	72,066	86,304	96,701	87,750	115,538	115,538	128,211	145,904	162,143	177,908	196,903	208,902	225,438	242,246	256,841	270,404	283,558	296,494	309,364
Total current assets	617,266	479,802	685,701	621,980	635,694	635,694	406,038	352,468	422,360	573,884	699,857	1,169,307	1,773,122	2,501,435	3,313,293	4,216,677	5,216,651	6,314,308	7,510,255
Property and equipment, gross	1,279,514	1,290,929	1,310,929	1,330,929	1,350,929	1,350,929	1,497,929	1,624,929	1,773,929	1,970,929	2,278,471	2,378,471	2,481,471	2,587,561	2,696,834	2,809,385	2,925,312	3,044,717	3,167,705
Accumulated depreciation	-469,125	-495,911	-523,021	-550,550	-578,500	-578,500	-691,978	-817,804	-954,298	-1,103,308	-1,268,866	-1,460,257	-1,660,049	-1,868,492	-2,085,848	-2,312,382	-2,548,370	-2,794,096	-3,049,852
Property and equipment, net	810,389	795,018	787,908	780,379	772,429	772,429	805,951	807,125	819,631	867,621	1,009,605	918,214	821,422	719,069	610,986	497,003	376,942	250,621	117,852
FCC license	83,654	83,654	83,654	83,654	83,654	83,654	83,654	83,654	83,654	83,654	83,654	83,654	83,654	83,654	83,654	83,654	83,654	83,654	83,654
Restricted investments	52,850	52,850	52,850	17,850	17,850	17,850	20,850	22,850	25,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850
Other long-term assets	94,369	94,823	93,514	92,205	90,896	90,896	85,660	80,424	75,188	69,952	64,716	59,480	54,244	49,008	43,772	38,536	33,300	28,064	22,828
TOTAL ASSETS	1,658,528	1,506,147	1,703,628	1,596,068	1,600,523	1,600,523	1,402,153	1,346,522	1,426,683	1,597,962	1,860,682	2,233,505	2,735,292	3,356,015	4,054,555	4,838,720	5,713,397	6,679,497	7,737,440
LIABILITIES																			
Accounts payable and accrued expenses	437,913	301,060	337,327	306,103	403,040	403,040	447,248	508,966	565,615	620,607	686,871	728,728	786,409	845,045	895,957	943,270	989,154	1,034,279	1,079,177
Accrued interest	24,782	13,015	24,821	13,057	24,821	24,821	24,717	21,776	21,776	20,219	20,219	20,219	20,219	20,219	20,219	20,219	20,219	20,219	20,219
Deferred revenue	412,370	436,627	468,537	489,338	540,206	540,206	651,551	793,343	920,832	1,025,296	1,126,933	1,230,323	1,333,098	1,438,628	1,515,118	1,579,594	1,640,185	1,700,525	1,762,254
Total current liabilities	875,065	750,702	830,685	808,498	968,068	968,068	1,123,516	1,324,084	1,508,223	1,666,122	1,834,024	1,979,270	2,139,727	2,303,891	2,431,294	2,543,083	2,649,557	2,755,023	2,861,649
9 5/8% Senior Unsecured Note due 2013	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
2 1/2% Convertible Notes due 2009	300,000	299,998	299,998	299,998	299,998	299,998	299,998	299,998	299,998	299,998	299,998	299,998	299,998	299,998	299,998	299,998	299,998	299,998	299,998
3 1/2% Convertible Notes due 2008	36,505	35,597	35,597	35,597	35,597	35,597	35,597	35,597	35,597	35,597	35,597	35,597	35,597	35,597	35,597	35,597	35,597	35,597	35,597
8 3/4% Convertible Sub Notes due 2009	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744
LIBOR+225 Term Notes due 2012	0	0	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
3 1/4% Convertible Notes due 2011	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000
Long-term debt	1,068,249	1,067,339	1,317,339	1,317,339	1,317,339	1,317,339	1,317,339	1,317,339	1,317,339	1,317,339	1,317,339	1,317,339	1,317,339	1,317,339	1,317,339	1,317,339	1,317,339	1,317,339	1,317,339
Deferred revenue	76,580	74,054	79,466	82,994	91,622	91,622	110,506	134,555	156,177	173,895	191,133	208,669	226,100	243,998	256,971	267,907	278,183	288,417	298,887
Loral facility	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	27,705	35,962	36,322	36,685	37,052	37,052	38,163	39,308	40,487	41,702	42,953	44,242	45,569	46,936	48,344	49,794	51,288	52,827	54,412
TOTAL LIABILITIES	2,047,599	1,928,057	2,263,812	2,245,516	2,414,080	2,414,080	2,589,524	2,815,286	3,022,227	3,199,058	3,385,449	3,549,519	3,728,735	3,912,164	4,053,948	4,178,123	4,296,368	4,413,606	4,532,287
Common Stock	1,435	1,461	1,461	1,461	1,461	1,461	1,461	1,461	1,461	1,461	1,461	1,461	1,461	1,461	1,461	1,461	1,461	1,461	1,461
Additional paid-in capital	3,443,214	3,555,094	3,555,094	3,555,094	3,555,094	3,555,094	3,555,094	3,555,094	3,555,094	3,555,094	3,555,094	3,555,094	3,555,094	3,555,094	3,555,094	3,555,094	3,555,094	3,555,094	3,555,094
Deferred compensation	0	0	24,260	48,520	72,780	72,780	169,820	266,860	363,900	460,940	557,980	655,020	752,060	849,100	946,140	1,043,180	1,140,220	1,237,260	1,334,300
Accumulated (loss) income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accumulated deficit	-3,833,720	-3,978,465	-4,141,000	-4,254,523	-4,442,892	-4,442,892	-4,913,746	-5,292,179	-5,515,999	-5,618,592	-5,639,302	-5,527,589	-5,302,057	-4,961,804	-4,502,088	-3,939,138	-3,279,746	-2,527,924	-1,685,702
TOTAL EQUITY	-389,071	-421,910	-560,185	-649,448	-813,557	-813,557	-1,187,371	-1,468,764	-1,595,544	-1,601,097	-1,524,767	-1,316,014	-993,442	-556,149	607	660,597	1,417,029	2,265,891	3,205,153
TOTAL LIABILITIES & EQUITY	1,658,528	1,506,147	1,703,628	1,596,068	1,600,523	1,600,523	1,402,153	1,346,522	1,426,683	1,597,962	1,860,682	2,233,505	2,735,292	3,356,015	4,054,555	4,838,720	5,713,397	6,679,497	7,737,440
NOLs	2,973,000	3,117,190	3,279,170	3,392,138	3,579,952	3,579,952	4,048,586	4,424,799	4,646,399	4,746,772	4,765,262	4,651,329	4,423,577	4,081,104	3,619,168	3,053,998	2,392,386	1,638,344	793,902

App. A
Sirius Subscribers

	2006A	1Q07A	2Q07E	3Q07E	4Q07E	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Subscribers																			
Beginning	3,316,561	6,024,553	6,581,043	7,000,742	7,341,289	6,024,553	7,944,011	9,663,432	11,643,923	13,379,013	14,847,177	16,208,917	17,475,142	18,631,526	19,716,279	20,489,375	21,105,179	21,602,675	22,010,561
Gross adds	3,758,163	988,458	893,052	813,004	1,144,406	3,838,920	4,129,068	4,899,415	5,381,465	5,690,506	6,042,106	6,396,125	6,716,088	7,038,694	7,106,706	7,171,786	7,238,100	7,305,690	7,374,598
Churned subs	-1,050,171	-431,968	-473,352	-472,458	-541,683	-1,919,462	-2,409,647	-2,918,925	-3,646,375	-4,222,342	-4,680,366	-5,129,900	-5,559,704	-5,953,940	-6,333,610	-6,555,982	-6,740,604	-6,897,804	-7,034,211
Ending subscribers	**6,024,553**	**6,581,043**	**7,000,742**	**7,341,289**	**7,944,011**	**7,944,011**	**9,663,432**	**11,643,923**	**13,379,013**	**14,847,177**	**16,208,917**	**17,475,142**	**18,631,526**	**19,716,279**	**20,489,375**	**21,105,179**	**21,602,675**	**22,010,561**	**22,350,948**
Avg. subscribers	*4,588,549*	*6,296,898*	*6,769,908*	*7,153,988*	*7,612,514*	*6,958,327*	*8,717,751*	*10,554,653*	*12,424,713*	*14,039,686*	*15,459,960*	*16,778,719*	*17,995,515*	*19,119,665*	*20,064,173*	*20,766,487*	*21,329,053*	*21,786,224*	*22,163,735*
Subscriber growth - yoy	*81.7%*	*61.4%*	*49.6%*	*43.4%*	*31.9%*	*31.9%*	*21.6%*	*20.5%*	*14.9%*	*11.0%*	*9.2%*	*7.8%*	*6.6%*	*5.8%*	*3.9%*	*3.0%*	*2.4%*	*1.9%*	*1.5%*
Net Adds	**2,707,992**	**556,490**	**419,699**	**340,546**	**602,723**	**1,919,458**	**1,719,421**	**1,980,490**	**1,735,090**	**1,468,164**	**1,361,741**	**1,266,225**	**1,156,383**	**1,084,754**	**773,096**	**615,804**	**497,496**	**407,886**	**340,387**
% growth - yoy	*24.6%*	*-26.9%*	*-30.1%*	*-22.8%*	*-33.4%*	*-29.1%*	*-10.4%*	*15.2%*	*-12.4%*	*-15.4%*	*-7.2%*	*-7.0%*	*-8.7%*	*-6.2%*	*-28.7%*	*-20.3%*	*-19.2%*	*-18.0%*	*-16.5%*
% growth - seq	*24.6%*	*-38.5%*	*-24.6%*	*-18.9%*	*77.0%*	*-29.1%*	*-10.4%*	*15.2%*	*-12.4%*	*-15.4%*	*-7.2%*	*-7.0%*	*-8.7%*	*-6.2%*	*-28.7%*	*-20.3%*	*-19.2%*	*-18.0%*	*-16.5%*
Gross Adds																			
% growth - yoy	*49.2%*	*2.9%*	*7.5%*	*11.0%*	*-7.3%*	*2.1%*	*7.6%*	*18.7%*	*9.8%*	*5.7%*	*6.2%*	*5.9%*	*5.0%*	*4.8%*	*1.0%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*
% growth - seq	*49.2%*	*-19.9%*	*-9.7%*	*-9.0%*	*40.8%*	*2.1%*	*7.6%*	*18.7%*	*9.8%*	*5.7%*	*6.2%*	*5.9%*	*5.0%*	*4.8%*	*1.0%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*
Total Churn (calculated)	**1.9%**	**2.3%**	**2.3%**	**2.2%**	**2.4%**	**2.3%**	**2.3%**	**2.3%**	**2.4%**	**2.5%**	**2.5%**	**2.5%**	**2.6%**	**2.6%**	**2.6%**	**2.6%**	**2.6%**	**2.6%**	**2.6%**
Total Churn (reported)	**1.9%**	**2.3%**																	
Subscribers																			
Retail and special markets	4,041,833	4,234,811	4,356,122	4,428,114	4,825,001	4,825,001	5,472,992	5,964,441	6,334,401	6,610,247	6,813,324	6,960,250	7,063,937	7,134,403	7,179,407	7,204,948	7,215,655	7,215,098	7,206,018
OEM	1,933,251	2,274,333	2,572,722	2,841,276	3,047,112	3,047,112	4,118,542	5,607,582	6,972,713	8,165,031	9,323,694	10,442,993	11,495,690	12,509,977	13,238,069	13,828,333	14,315,121	14,723,565	15,073,031
Hertz	23,718	22,556	22,556	22,556	22,556	22,556	22,556	22,556	22,556	22,556	22,556	22,556	22,556	22,556	22,556	22,556	22,556	22,556	22,556
Full-paying	1,348,307	1,425,599	1,481,511	1,516,872	1,601,688	1,601,688	1,850,943	2,118,774	2,312,772	2,438,239	2,528,774	2,590,004	2,623,322	2,637,253	2,603,629	2,547,787	2,477,452	2,398,018	2,313,347
Annual+	2,139,773	2,292,047	2,429,878	2,527,512	2,888,169	2,888,169	3,714,371	4,261,925	4,953,469	5,653,785	6,245,872	6,773,984	7,262,759	7,698,301	8,178,743	8,551,729	8,837,742	9,055,071	9,217,947
Family Plan	941,683	1,044,933	1,146,576	1,239,057	1,380,504	1,380,504	1,721,287	2,125,910	2,503,765	2,847,982	3,186,920	3,521,777	3,848,694	4,174,590	4,446,737	4,694,892	4,925,700	5,144,171	5,354,317
OEM Promo	1,571,072	1,795,908	1,920,221	2,035,292	2,051,094	2,051,094	2,354,276	3,114,758	3,586,450	3,884,615	4,224,795	4,566,822	4,874,194	5,183,580	5,237,711	5,288,216	5,339,225	5,390,746	5,442,781
Hertz	23,718	22,556	22,556	22,556	22,556	22,556	22,556	22,556	22,556	22,556	22,556	22,556	22,556	22,556	22,556	22,556	22,556	22,556	22,556
Subscriber Share																			
Retail and special markets	67.1%	64.3%	62.2%	60.3%	60.7%	60.7%	56.6%	51.2%	47.3%	44.5%	42.0%	39.8%	37.9%	36.2%	35.0%	34.1%	33.4%	32.8%	32.2%
OEM	32.1%	34.6%	36.7%	38.7%	38.4%	38.4%	42.6%	48.2%	52.1%	55.0%	57.5%	59.8%	61.7%	63.4%	64.6%	65.5%	66.3%	66.9%	67.4%
Hertz	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Full-paying	22.4%	21.7%	21.2%	20.7%	20.2%	20.2%	19.2%	18.2%	17.3%	16.4%	15.6%	14.8%	14.1%	13.4%	12.7%	12.1%	11.5%	10.9%	10.4%
Annual+	35.5%	34.8%	34.7%	34.4%	36.4%	36.4%	38.4%	36.6%	37.0%	38.1%	38.5%	38.8%	39.0%	39.0%	39.9%	40.5%	40.9%	41.1%	41.2%
Family Plan	15.6%	15.9%	16.4%	16.9%	17.4%	17.4%	17.8%	18.3%	18.7%	19.2%	19.7%	20.2%	20.7%	21.2%	21.7%	22.2%	22.8%	23.4%	24.0%
OEM Promo	26.1%	27.3%	27.4%	27.7%	25.8%	25.8%	24.4%	26.8%	26.8%	26.2%	26.1%	26.1%	26.2%	26.3%	25.6%	25.1%	24.7%	24.5%	24.4%
Hertz	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Net Adds																			
Retail share (NPD)																			
Retail share (actual)	66%	76%																	
Retail and special markets	1,576,470	192,978	121,311	71,992	396,887	783,168	647,991	491,450	369,960	275,846	203,078	146,926	103,687	70,466	45,004	25,541	10,708	-558	-9,079
OEM	1,135,309	341,082	298,389	268,554	205,836	1,113,861	1,071,430	1,489,041	1,365,130	1,192,318	1,158,663	1,119,299	1,052,696	1,014,288	728,092	590,263	486,788	408,444	349,467
Hertz	-3,786	-1,162	0	0	0	-1,162	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Add Share																			
Retail and special markets	61.8%	34.7%	28.9%	21.1%	65.8%	40.8%	37.7%	24.8%	21.3%	18.8%	14.9%	11.6%	9.0%	6.5%	5.8%	4.1%	2.2%	-0.1%	-2.7%
OEM	38.5%	61.3%	71.1%	78.9%	34.2%	58.0%	62.3%	75.2%	78.7%	81.2%	85.1%	88.4%	91.0%	93.5%	94.2%	95.9%	97.8%	100.1%	102.7%
Hertz	-0.3%	-0.2%	0.0%	0.0%	0.0%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Retail Subscribers																			
Beginning	2,465,365	4,041,833	4,234,811	4,356,122	4,428,114	4,041,833	4,825,001	5,472,992	5,964,441	6,334,401	6,610,247	6,813,324	6,960,250	7,063,937	7,134,403	7,179,407	7,204,948	7,215,655	7,215,098
Gross adds	2,245,209	432,431	362,695	320,291	649,290	1,764,707	1,764,707	1,764,707	1,764,707	1,764,707	1,764,707	1,764,707	1,764,707	1,764,707	1,764,707	1,764,707	1,764,707	1,764,707	1,764,707
Churned subs	-668,741	-239,453	-241,384	-248,299	-252,402	-981,539	-1,116,716	-1,273,257	-1,394,747	-1,488,861	-1,561,629	-1,617,781	-1,661,020	-1,694,241	-1,719,703	-1,739,166	-1,753,999	-1,765,264	-1,773,786
Ending subscribers	**4,041,833**	**4,234,811**	**4,356,122**	**4,428,114**	**4,825,001**	**4,825,001**	**5,472,992**	**5,964,441**	**6,334,401**	**6,610,247**	**6,813,324**	**6,960,250**	**7,063,937**	**7,134,403**	**7,179,407**	**7,204,948**	**7,215,655**	**7,215,098**	**7,206,018**
Avg. subscribers	*3,233,373*	*4,155,563*	*4,289,401*	*4,388,518*	*4,606,713*	*4,360,049*	*5,116,597*	*5,694,144*	*6,130,923*	*6,458,532*	*6,701,632*	*6,879,441*	*7,006,909*	*7,095,647*	*7,154,655*	*7,190,900*	*7,209,766*	*7,215,404*	*7,211,012*
Net adds	**1,576,470**	**192,978**	**121,311**	**71,992**	**396,887**	**783,168**	**647,991**	**491,450**	**369,960**	**275,846**	**203,078**	**146,926**	**103,687**	**70,466**	**45,004**	**25,541**	**10,708**	**(558)**	**(9,079)**
% growth - yoy	*1.4%*	*-63.9%*	*-56.1%*	*-65.0%*	*-29.0%*	*-50.3%*	*-17.3%*	*-24.2%*	*-24.7%*	*-25.4%*	*-26.4%*	*-27.7%*	*-29.4%*	*-32.0%*	*-36.1%*	*-43.2%*	*-58.1%*	*-105.2%*	*1527.7%*
% growth - seq	*1.4%*	*-65.5%*	*-37.1%*	*-40.7%*	*451.3%*	*-50.3%*	*-17.3%*	*-24.2%*	*-24.7%*	*-25.4%*	*-26.4%*	*-27.7%*	*-29.4%*	*-32.0%*	*-36.1%*	*-43.2%*	*-58.1%*	*-105.2%*	*1527.7%*
Gross Add Growth																			
% growth - yoy	*21.9%*	*-36.2%*	*-15.0%*	*-15.0%*	*-15.0%*	*-15.9%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
% growth - seq	*21.9%*	*-43.4%*	*-16.1%*	*-11.7%*	*102.7%*	*-21.4%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Retail Churn	**1.8%**	**2.0%**	**1.9%**	**1.9%**	**1.9%**	**1.9%**	**1.9%**	**1.9%**	**1.9%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**
OEM Subscribers																			
Beginning	823,694	1,933,251	2,274,333	2,572,722	2,841,276	1,933,251	3,047,112	4,118,542	5,607,582	6,972,713	8,165,031	9,323,694	10,442,993	11,495,690	12,509,977	13,238,069	13,828,333	14,315,121	14,723,565
Promo gross adds	1,340,000	490,000	484,580	444,648	444,648	1,863,875	2,167,057	2,927,539	3,399,231	3,697,396	4,037,576	4,379,603	4,686,975	4,996,361	5,050,492	5,100,997	5,152,006	5,203,527	5,255,562
Other OEM gross adds	150,987	43,597	45,777	48,066	50,469	187,909	197,304	207,169	217,528	228,404	239,824	251,815	264,406	277,626	291,508	306,083	321,387	337,457	354,330
OEM subs converted from promos	181,578	116,390	154,915	141,718	184,403	597,426	801,466	931,835	1,258,842	1,461,669	1,589,880	1,736,157	1,883,229	2,015,399	2,148,435	2,171,711	2,193,429	2,215,363	2,237,516
Promos converted to OEM subs	-181,578	-116,390	-154,915	-141,718	-184,403	-597,426	-801,466	-931,835	-1,258,842	-1,461,669	-1,589,880	-1,736,157	-1,883,229	-2,015,399	-2,148,435	-2,171,711	-2,193,429	-2,215,363	-2,237,516
Promo churn	-307,453	-172,366	-205,352	-187,859	-244,442	-810,019	-1,062,409	-1,235,223	-1,668,697	-1,937,562	-2,107,516	-2,301,418	-2,496,374	-2,671,576	-2,847,926	-2,878,780	-2,907,568	-2,936,644	-2,966,010
Other churn	-73,977	-20,149	-26,616	-36,300	-44,839	-127,905	-230,522	-410,445	-582,931	-795,920	-1,011,221	-1,210,701	-1,402,311	-1,588,124	-1,765,982	-1,938,036	-2,079,037	-2,195,896	-2,294,414
Ending subscribers	**1,933,251**	**2,274,333**	**2,572,722**	**2,841,276**	**3,047,112**	**3,047,112**	**4,118,542**	**5,607,582**	**6,972,713**	**8,165,031**	**9,323,694**	**10,442,993**	**11,495,690**	**12,509,977**	**13,238,069**	**13,828,333**	**14,315,121**	**14,723,565**	**15,073,031**
Avg. subscribers	*1,334,857*	*2,117,857*	*2,408,608*	*2,693,571*	*2,933,902*	*2,538,484*	*3,529,255*	*4,788,610*	*6,221,891*	*7,509,256*	*8,686,429*	*9,827,379*	*10,916,707*	*11,952,119*	*12,837,619*	*13,503,688*	*14,047,387*	*14,498,921*	*14,880,825*
Net adds	**1,135,309**	**341,082**	**298,389**	**268,554**	**205,836**	**1,113,861**	**1,071,430**	**1,489,041**	**1,365,130**	**1,192,318**	**1,158,663**	**1,119,299**	**1,052,696**	**1,014,288**	**728,092**	**590,263**	**486,788**	**408,444**	**349,467**
% growth - yoy	*83.0%*	*51.4%*	*-8.1%*	*13.6%*	*-41.0%*	*-1.9%*	*-3.8%*	*39.0%*	*-8.3%*	*-12.7%*	*-2.8%*	*-3.4%*	*-6.0%*	*-3.6%*	*-28.2%*	*-18.9%*	*-17.5%*	*-16.1%*	*-14.4%*
% growth - seq	*83.0%*	*-2.2%*	*-12.5%*	*-10.0%*	*-23.4%*	*-1.9%*	*-3.8%*	*39.0%*	*-8.3%*	*-12.7%*	*-2.8%*	*-3.4%*	*-6.0%*	*-3.6%*	*-28.2%*	*-18.9%*	*-17.5%*	*-16.1%*	*-14.4%*
Gross Add Growth																			
% growth - yoy	*124.7%*	*89.3%*	*31.2%*	*38.1%*	*4.5%*	*37.6%*	*15.2%*	*32.6%*	*15.4%*	*8.5%*	*9.0%*	*8.3%*	*6.9%*	*6.5%*	*1.3%*	*1.2%*	*1.2%*	*1.2%*	*1.2%*
% growth - seq	*124.7%*	*12.6%*	*-0.6%*	*-7.1%*	*0.5%*	*37.6%*	*15.2%*	*32.6%*	*15.4%*	*8.5%*	*9.0%*	*8.3%*	*6.9%*	*6.5%*	*1.3%*	*1.2%*	*1.2%*	*1.2%*	*1.2%*
Conversion Rate		**47%**	**43%**	**43%**	**43%**	**44%**	**43%**	**43%**	**43%**	**43%**	**43%**	**43%**	**43%**	**43%**	**43%**	**43%**	**43%**	**43%**	**43%**
Non-Promo Churn		**1.9%**	**1.9%**	**1.9%**	**1.9%**	**1.9%**	**1.9%**	**1.9%**	**1.9%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**
ARPU																			
Full-paying sub	$12.95	$12.95	$13.08	$13.21	$13.34	$13.15	$13.54	$13.95	$14.36	$14.80	$15.24	$15.70	$16.17	$16.65	$17.15	$17.67	$18.20	$18.74	$19.30
Annual+	$9.78	$9.78	$9.88	$9.98	$10.08	$10.01	$10.31	$10.62	$10.94	$11.26	$11.60	$11.95	$12.31	$12.68	$13.06	$13.45	$13.85	$14.27	$14.70
Family Plan	$6.99	$6.99	$7.06	$7.13	$7.20	$7.10	$7.31	$7.53	$7.75	$7.99	$8.23	$8.47	$8.73	$8.99	$9.26	$9.54	$9.82	$10.12	$10.42
OEM Promo	$12.14	$12.30	$12.43	$12.55	$12.67	$12.49	$12.86	$13.25	$13.65	$14.06	$14.48	$14.91	$15.36	$15.82	$16.29	$16.78	$17.29	$17.80	$18.34
Total	$10.63	$10.30	$10.76	$10.85	$10.88	$10.75	$10.99	$11.34	$11.64	$11.93	$12.24	$12.56	$12.90	$13.24	$13.57	$13.91	$14.27	$14.64	$15.02
Effect of Hertz subs	$0.05	$0.04	$0.04	$0.04	$0.03	$0.03	$0.03	$0.02	$0.02	$0.02	$0.02	$0.02	$0.02	$0.02	$0.02	$0.02	$0.02	$0.02	$0.02
ARPU before rebates	$10.68	$10.34	$10.80	$10.88	$10.91	$10.78	$11.02	$11.37	$11.66	$11.95	$12.26	$12.58	$12.91	$13.26	$13.58	$13.93	$14.28	$14.65	$15.04
Effect of hardware rebates	-$0.23	-$0.24	-$0.05	-$0.04	-$0.07	-$0.22	-$0.18	-$0.15	-$0.13	-$0.12	-$0.11	-$0.11	-$0.10	-$0.10	-$0.10	-$0.10	-$0.10	-$0.10	-$0.10
Subscriber ARPU	**$10.45**	**$10.10**	**$10.75**	**$10.84**	**$10.84**	**$10.56**	**$10.84**	**$11.21**	**$11.53**	**$11.83**	**$12.14**	**$12.47**	**$12.81**	**$13.16**	**$13.48**	**$13.83**	**$14.18**	**$14.55**	**$14.94**
Net advertising ARPU	$0.56	$0.36	$0.41	$0.48	$0.55	$0.45	$0.63	$0.83	$0.99	$1.14	$1.25	$1.30	$1.34	$1.38	$1.42	$1.46	$1.50	$1.55	$1.59

ARPU (reported)	**$11.01**	**$10.46**	**$11.17**	**$11.32**	**$11.38**	**$11.01**	**$11.47**	**$12.04**	**$12.52**	**$12.96**	**$13.40**	**$13.77**	**$14.14**	**$14.53**	**$14.90**	**$15.29**	**$15.69**	**$16.10**	**$16.53**
Equipment and other ARPU	$0.56	$0.35	$0.28	$0.30	$0.48	$0.35	$0.39	$0.41	$0.41	$0.40	$0.38	$0.36	$0.35	$0.34	$0.33	$0.33	$0.33	$0.34	$0.34
Total ARPU (estimated)	**$11.57**	**$10.81**	**$11.45**	**$11.62**	**$11.86**	**$11.37**	**$11.86**	**$12.45**	**$12.93**	**$13.36**	**$13.77**	**$14.13**	**$14.49**	**$14.87**	**$15.23**	**$15.62**	**$16.02**	**$16.44**	**$16.88**
ARPU per Hertz Sub	$9.70	$11.67	$11.67	$11.67	$11.67	$11.67	$12.02	$12.38	$12.75	$13.14	$13.53	$13.94	$14.35	$14.78	$15.23	$15.68	$16.15	$16.64	$17.14
Activation revenue per retail gross ad	$6.95	$12.30	$12.30	$12.30	$12.30	$12.30	$12.67	$13.05	$13.44	$13.84	$14.26	$14.69	$15.13	$15.58	$16.05	$16.53	$17.03	$17.54	$18.06
Costs																			
SAC	**$114**	**$104**	**$113**	**$93**	**$79**	**$96**	**$87**	**$78**	**$70**	**$63**	**$57**	**$55**	**$57**	**$59**	**$61**	**$62**	**$64**	**$66**	**$68**
S&M per gross add ex. rev. share	$52	$33	$57	$44	$76	$54	$55	$49	$46	$44	$43	$42	$41	$40	$41	$42	$43	$44	$45
Cash CPGA (est.)	**$166**	**$137**	**$170**	**$137**	**$155**	**$150**	**$142**	**$127**	**$116**	**$108**	**$100**	**$97**	**$98**	**$99**	**$102**	**$104**	**$107**	**$110**	**$113**
Mail-in rebate per retail gross ad	$5.61	$10.39	$10.39	$10.39	$10.39	$10.39	$10.70	$11.02	$11.35	$11.69	$12.04	$12.40	$12.78	$13.16	$13.55	$13.96	$14.38	$14.81	$15.25
Customer S&B/sub/month	**$1.24**	**$1.15**	**$0.86**	**$0.83**	**$1.22**	**$1.02**	**$0.91**	**$0.82**	**$0.80**	**$0.83**	**$0.85**	**$0.88**	**$0.90**	**$0.93**	**$0.96**	**$0.99**	**$1.02**	**$1.05**	**$1.08**

App. A
Sirius Auto Subscribers

(000s)

	2006A	1Q07A	2Q07A	3Q07E	4Q07E	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E
Ford													
Auto sales[1]	2,901	640	731	677	677	2,725	2,702	2,656	2,544	2,522	2,547	2,572	2,598
Sales growth	*-8.0%*	*-13.2%*	*-9.3%*	*-7.4%*	*8.0%*	*-6.1%*	*-0.9%*	*-1.7%*	*-4.2%*	*-0.9%*	*1.0%*	*1.0%*	*1.0%*
Installs	340	200	219	203	203	826	946	1,328	1,653	1,765	1,910	2,058	2,208
Install growth	*436.7%*	*231.4%*	*172.0%*	*148.6%*	*69.4%*	*142.8%*	*14.5%*	*40.5%*	*24.5%*	*6.8%*	*8.2%*	*7.7%*	*7.3%*
Penetration	12%	31%	30%	30%	30%	30%	35%	50%	65%	70%	75%	80%	85%
DaimlerChrysler[2]													
Auto sales[1]	2,391	593	638	605	605	2,441	2,416	2,365	2,336	2,364	2,392	2,416	2,440
Sales growth	*-5.5%*	*-3.4%*	*1.1%*	*8.0%*	*3.2%*	*2.1%*	*-1.0%*	*-2.1%*	*-1.2%*	*1.2%*	*1.2%*	*1.0%*	*1.0%*
Installs	900	250	230	218	218	915	1,087	1,419	1,518	1,655	1,794	1,933	2,074
Install growth		*62.2%*	*-10.9%*	*-3.2%*	*-22.1%*	*1.7%*	*18.8%*	*30.5%*	*7.0%*	*9.0%*	*8.4%*	*7.7%*	*7.3%*
Penetration	39%	42%	36%	36%	36%	37%	45%	60%	65%	70%	75%	80%	85%
BMW													
Auto sales[1]	314	76	89	59	59	284	298	301	325	347	371	389	405
Sales growth		*4.1%*	*6.0%*	*-18.7%*	*-29.3%*	*-9.6%*	*5.1%*	*0.8%*	*8.1%*	*6.8%*	*6.8%*	*5.0%*	*4.0%*
Installs	50	20	36	24	24	103	134	180	227	278	333	389	405
Install growth		*45.6%*	*164.4%*	*97.8%*	*42.3%*	*106.2%*	*30.1%*	*34.4%*	*26.1%*	*22.1%*	*20.2%*	*16.7%*	*4.0%*
Penetration	16%	26%	40%	40%	40%	36%	45%	60%	70%	80%	90%	100%	100%
Other Factory Installs[3]													
Installs	50	20	0	0	0	20	0	0	0	0	0	0	0
Total Sales	**5,606**	**1,309**	**1,458**	**1,341**	**1,341**	**5,450**	**5,416**	**5,322**	**5,205**	**5,232**	**5,309**	**5,377**	**5,443**
Total Installs	**1,340**	**490**	**485**	**445**	**445**	**1,864**	**2,167**	**2,928**	**3,399**	**3,697**	**4,038**	**4,380**	**4,687**
Penetration	**24%**	**37%**	**33%**	**33%**	**33%**	**34%**	**40%**	**55%**	**65%**	**71%**	**76%**	**81%**	**86%**

[1]Historical and projected auto sales through 2011 are from Auto News; I estimated 3Q07 and 4Q07 figures from the 2007 estimate and all figures after 2011 are my estimates

[2]Includes Mercedes Benz

[3]Mistubishi, VW, Nissan, Toyota, Porsche

2015E	2016E	2017E	2018E	2019E	2020E
2,624	2,650	2,677	2,704	2,731	2,758
1.0%	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*
2,362	2,385	2,409	2,433	2,458	2,482
6.9%	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*
90%	90%	90%	90%	90%	90%
2,464	2,489	2,514	2,539	2,564	2,590
1.0%	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*
2,218	2,240	2,262	2,285	2,308	2,331
6.9%	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*
90%	90%	90%	90%	90%	90%
417	425	429	434	438	442
3.0%	*2.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*
417	425	429	434	438	442
3.0%	*2.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*
100%	100%	100%	100%	100%	100%
0	0	0	0	0	0
5,505	**5,564**	**5,620**	**5,676**	**5,733**	**5,790**
4,996	**5,050**	**5,101**	**5,152**	**5,204**	**5,256**
91%	**91%**	**91%**	**91%**	**91%**	**91%**

App. A
Discounted Cash Flow Model

[$000s]	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
EBITDA	-342,809	-189,703	-51,497	118,307	265,653	357,952	513,514	613,421	708,116	801,611	874,653	936,517	989,789	1,036,423
Depreciation	109,375	113,478	125,826	136,494	149,010	165,558	191,392	199,792	208,444	217,355	226,534	235,988	245,726	255,756
Operating Income	-452,183	-303,181	-177,323	-18,187	116,643	192,394	322,122	413,630	499,673	584,256	648,119	700,528	744,063	780,667
Taxes	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220
NOPAT	-454,403	-305,401	-179,543	-20,407	114,423	190,174	319,902	411,410	497,453	582,036	645,899	698,308	741,843	778,447
Depreciation	109,375	113,478	125,826	136,494	149,010	165,558	191,392	199,792	208,444	217,355	226,534	235,988	245,726	255,756
Capex	-72,458	-147,000	-127,000	-149,000	-197,000	-307,542	-100,000	-103,000	-106,090	-109,273	-112,551	-115,927	-119,405	-122,987
Working capital change	49,278	151,791	188,886	175,467	147,955	151,814	140,837	148,971	152,713	117,350	101,448	96,171	95,505	97,039
Unlevered FCF	-368,208	-187,133	8,169	142,554	214,389	200,004	552,131	657,172	752,519	807,469	861,330	914,540	963,668	1,008,255
% Growth	*NM*	*-49.2%*	*-104.4%*	*1645.0%*	*50.4%*	*-6.7%*	*176.1%*	*19.0%*	*14.5%*	*7.3%*	*6.7%*	*6.2%*	*5.4%*	*4.6%*
Terminal value	0	0	0	0	0	0	0	0	0	0	0	0	0	8,329,823
Total Cash Flow	-368,208	-187,133	8,169	142,554	214,389	200,004	552,131	657,172	752,519	807,469	861,330	914,540	963,668	9,338,078
Terminal Multiples														
EBITDA	8.0													
Unlevered FCF	8.3													
Cost of Capital														
Net Debt (after tax)	5.8%													
Preferred stock	0.0%													
Common stock	12.0%													
Weight of Capital														
Debt	15%													
Preferred stock	0%													
Common stock	85%													
WACC	**11.1%**													
Terminal growth	4.0%													
Unlevered FCF	$2,570,649													
Terminal Value	$2,128,474													
U.S. Operations EV	**4,699,123**													
Canadian EV	342,000													
Enterprise Value	**5,041,123**													

App. B
XM Radio Model

($thousands)	2006A	1Q07A	2Q07E	3Q07E	4Q07E	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Income Statement																			
Subscriber revenue	825,626	236,486	245,331	254,078	264,707	1,000,602	1,203,014	1,432,278	1,664,393	1,897,738	2,127,305	2,358,310	2,597,468	2,849,485	3,115,191	3,388,056	3,653,663	3,897,078	4,120,932
Activation	16,193	4,654	4,907	5,082	5,294	19,936	24,060	28,646	33,288	37,955	42,546	47,166	51,949	56,990	62,304	67,761	73,073	77,942	82,419
Merchandise	21,719	5,297	6,116	6,448	7,458	25,319	37,978	53,170	69,121	76,033	79,834	83,826	88,017	92,418	97,039	101,891	106,986	112,335	117,952
Net ad sales	35,331	7,478	9,459	8,530	10,312	35,779	63,221	102,794	151,167	200,992	240,743	267,086	294,465	323,423	353,955	385,201	415,271	442,815	468,357
Other	34,549	10,197	10,197	10,197	10,197	40,788	44,867	49,353	54,289	59,718	65,689	72,258	79,484	87,433	96,176	105,794	116,373	128,010	140,811
Total Revenue	**933,418**	**264,112**	**276,010**	**284,334**	**297,968**	**1,122,424**	**1,373,140**	**1,666,241**	**1,972,256**	**2,272,435**	**2,556,118**	**2,828,646**	**3,111,383**	**3,409,749**	**3,724,665**	**4,048,702**	**4,365,365**	**4,658,180**	**4,930,470**
% growth	*67.2%*	*27.0%*	*21.1%*	*18.3%*	*15.9%*	*20.2%*	*22.3%*	*21.3%*	*18.4%*	*15.2%*	*12.5%*	*10.7%*	*10.0%*	*9.6%*	*9.2%*	*8.7%*	*7.8%*	*6.7%*	*5.8%*
SX royalty		11,885	28,780	21,415	22,425	84,505	129,029	187,646	221,862	299,136	409,801	454,336	500,460	549,083	600,347	652,973	704,141	751,032	794,190
Other royalty		7,923	8,280	8,530	8,939	33,672	41,194	49,987	59,168	68,173	76,684	84,859	93,342	102,292	111,740	121,461	130,961	139,745	147,914
Royalties (est.)		17,736	37,060	29,945	31,364	118,178	170,224	237,633	281,029	367,309	486,485	539,195	593,801	651,375	712,086	774,434	835,102	890,777	942,104
Revenue share (est.)		29,690	32,442	35,017	36,527	133,677	179,441	224,574	277,430	328,189	374,851	417,581	456,889	493,002	553,033	613,768	672,205	725,685	774,763
Total Rev. Share & Royalties	149,010	47,426	69,503	64,963	67,892	251,855	349,665	462,207	558,459	695,498	861,336	956,776	1,050,691	1,144,377	1,265,119	1,388,202	1,507,307	1,616,462	1,716,868
Customer care and billings	103,533	27,488	29,507	28,389	28,651	114,035	120,899	126,370	128,657	135,425	151,886	168,506	185,779	204,049	223,312	243,025	261,996	279,374	295,488
Cost of merchandise	48,949	18,277	15,290	16,120	18,645	68,332	37,978	53,170	69,121	76,033	79,834	83,826	88,017	92,418	97,039	101,891	106,986	112,335	117,952
Ad sales	13,565	3,029	3,784	3,412	4,125	14,349	22,127	30,838	37,792	40,198	48,149	53,417	58,893	64,685	70,791	77,040	83,054	88,563	93,671
Subsidies and distribution	241,601	43,602	58,074	56,799	78,507	236,982	323,196	339,546	349,031	346,880	381,261	419,835	462,724	509,627	556,054	597,227	623,734	647,336	672,163
Advertising and marketing	147,639	32,809	41,657	30,433	58,382	163,281	171,445	184,303	193,518	199,324	205,304	211,463	217,807	224,341	231,071	238,003	245,143	252,498	260,072
Satellite and terrestrial	46,370	13,362	11,740	11,680	12,440	49,221	50,698	52,219	53,785	55,399	57,061	58,773	60,536	62,352	64,222	66,149	68,134	70,178	72,283
Broadcast	20,168	5,944	5,082	6,050	5,243	22,320	22,989	23,679	24,389	25,121	25,875	26,651	27,450	28,274	29,122	29,996	30,896	31,822	32,777
Operations	32,258	9,338	9,430	8,161	9,346	36,275	37,363	38,484	39,638	40,828	42,052	43,314	44,613	45,952	47,330	48,750	50,213	51,719	53,271
Programming and content	154,318	41,786	46,901	42,345	49,336	180,368	216,441	248,908	273,798	294,333	309,050	324,502	340,728	357,764	375,652	394,435	414,157	434,864	456,608
R&D	28,773	5,584	5,863	6,156	6,464	24,068	25,271	26,029	26,810	27,614	28,443	29,296	30,175	31,080	32,013	32,973	33,962	34,981	36,031
G&A	60,501	28,137	28,330	35,057	43,915	135,438	65,000	66,950	68,959	71,027	73,158	75,353	77,613	79,942	82,340	84,810	87,355	89,975	92,674
Retention and support	23,143	7,859	8,252	8,665	9,098	33,873	34,889	35,936	37,014	38,125	39,268	40,446	41,660	42,910	44,197	45,523	46,889	48,295	49,744
Amortization of GM liability	29,761	6,504	6,504	6,504	6,504	26,016	26,016	26,016	26,016	26,016	26,016	26,016	0	0	0	0	0	0	0
EBITDA	**-166,171**	**-27,033**	**-63,906**	**-40,398**	**-100,579**	**-233,987**	**-130,838**	**-48,415**	**85,268**	**200,615**	**227,426**	**310,473**	**424,698**	**521,979**	**606,403**	**700,678**	**805,542**	**899,778**	**980,869**
Depreciation and amortization	168,881	46,882	47,509	47,706	47,901	189,998	192,267	200,987	206,717	209,702	214,055	218,558	223,215	228,031	233,011	238,158	243,478	248,976	341,339
Stock-based compensation	68,046	14,131	14,131	14,131	14,131	56,524	56,524	56,524	56,524	56,524	56,524	56,524	56,524	56,524	56,524	56,524	56,524	56,524	56,524
Operating Income	**-403,098**	**-88,046**	**-125,546**	**-102,235**	**-162,610**	**-480,509**	**-379,629**	**-305,925**	**-177,972**	**-65,611**	**-43,154**	**35,391**	**144,958**	**237,424**	**316,868**	**405,996**	**505,540**	**594,278**	**583,005**
Interest income	21,664	3,544	3,992	2,637	2,310	12,483	2,661	477	4,770	4,368	4,743	3,048	6,527	23,710	47,238	76,201	110,527	149,668	154,263
Interest expense	121,305	27,609	28,708	28,708	28,708	113,732	114,830	166,893	166,893	160,793	147,830	147,830	149,330	149,330	149,330	149,330	149,330	149,330	149,330
Equity in net loss of affiliates	-23,229	-5,425	-5,425	-5,425	-5,425	-21,700	-23,870	-26,257	-28,883	-31,771	-34,948	-38,443	-42,287	-38,058	-34,253	-30,827	-27,745	-24,970	-22,473
Minority interest		-1,697	-1,697	-1,697	-1,697	-6,788	-6,788	-6,788	-6,788	-6,788	-6,788	-6,788	-6,788	-6,788	-6,788	-6,788	-6,788	-6,788	-6,788
Other income (expense)	-192,919	-2,521	0	0	0	-2,521	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income before tax	-718,887	-121,754	-157,383	-135,428	-196,130	-612,767	-522,456	-505,385	-375,766	-260,594	-227,977	-154,622	-46,920	66,957	173,735	295,252	432,204	562,858	558,677
Tax provision	-14	684	684	684	684	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736
Net Income	-718,873	-122,438	-158,067	-136,112	-196,814	-615,503	-525,192	-508,121	-378,502	-263,330	-230,713	-157,358	-49,656	64,221	170,999	292,516	429,468	560,122	555,941
Preferred stock dividend	12,820	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income to Common	**-731,693**	**-122,438**	**-158,067**	**-136,112**	**-196,814**	**-615,503**	**-525,192**	**-508,121**	**-378,502**	**-263,330**	**-230,713**	**-157,358**	**-49,656**	**64,221**	**170,999**	**292,516**	**429,468**	**560,122**	**555,941**
Company Guidance																			
Revenue	$900M+																		
Subscriber revenue	$810M-$820M					$1B													
Cash Flow from Operations						improved	positive												
EBITDA	($205M)-($230M)					($170M)-($180M)													
Subscribers	7.7M-8.2M					9-9.2M			High-teens millions										
SAC	decrease			increase from 1H07															
CPGA	$100-$110			increase from 1H07		$111-$114													
Margins																			
EBITDA	-17.8%	-10.2%	-23.2%	-14.2%	-33.8%	-20.8%	-9.5%	-2.9%	4.3%	8.8%	8.9%	11.0%	13.6%	15.3%	16.3%	17.3%	18.5%	19.3%	19.9%
Free Cash Flow	-52.0%	-49.5%	-39.3%	-9.2%	-44.2%	-35.5%	-14.1%	-9.9%	-0.4%	3.9%	5.3%	7.8%	11.0%	13.8%	15.6%	17.0%	17.9%	2.0%	19.9%
FCF Conversion	292.0%	483.6%	169.7%	64.6%	130.8%	170.5%	148.0%	339.0%	-9.4%	43.6%	59.8%	70.7%	80.9%	90.1%	95.5%	98.0%	97.2%	10.2%	100.0%
Tax rate	0.0%	-0.6%	-0.4%	-0.5%	-0.3%	-0.4%	-0.5%	-0.5%	-0.7%	-1.0%	-1.2%	-1.8%	-5.8%	4.1%	1.6%	0.9%	0.6%	0.5%	0.5%
Capex % of revenue	29.5%	9.4%	9.1%	8.8%	8.1%	8.8%	7.2%	4.3%	2.4%	2.6%	2.4%	2.3%	2.1%	2.0%	1.9%	1.8%	1.7%	18.9%	1.6%
Credit Ratios																			
Net debt & pref. / EBITDA	-6.4					-6.1	-12.4	-36.8	21.0	8.5	6.9	4.3	2.4	1.0	-0.1	-1.0	-1.9	-1.8	-2.6
EBITDA / Int. Exp.	-1.4					-2.1	-1.1	-0.3	0.5	1.2	1.5	2.1	2.8	3.5	4.1	4.7	5.4	6.0	6.6
Net DSOs	24					20	20	20	20	20	20	20	20	20	20	20	20	20	20
Free Cash Flow																			
EBITDA	-166,171	-27,033	-63,906	-40,398	-100,579	-233,987	-130,838	-48,415	85,268	200,615	227,426	310,473	424,698	521,979	606,403	700,678	805,542	899,778	980,869
Capex	-275,019	-24,872	-25,000	-25,000	-24,000	-98,872	-99,000	-72,000	-47,000	-60,000	-61,800	-63,654	-65,564	-67,531	-69,556	-71,643	-73,792	-882,356	-78,220
Cash taxes	14	-684	0	0	0	-684	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash interest expense	-67,100	-9,100	-28,708	-28,708	-28,708	-95,223	-114,830	-166,893	-166,893	-160,793	-147,830	-147,830	-149,330	-149,330	-149,330	-149,330	-149,330	-149,330	-149,330
Cash interest income	21,664	3,544	3,992	2,637	2,310	12,483	2,661	477	4,770	4,368	4,743	3,048	6,527	23,710	47,238	76,201	110,527	149,668	154,263
Cash preferred dividends	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

XM Radio Model

($thousands)	2006A	1Q07A	2Q07E	3Q07E	4Q07E	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Working capital change	1,465	-72,592	5,157	65,353	19,386	17,304	148,336	122,684	115,816	103,308	113,558	117,550	127,322	141,727	144,503	130,625	89,874	74,130	73,316
Free Cash Flow	**-485,147**	**-130,737**	**-108,464**	**-26,116**	**-131,590**	**-398,979**	**-193,671**	**-164,146**	**-8,038**	**87,499**	**136,097**	**219,587**	**343,654**	**470,555**	**579,257**	**686,531**	**782,820**	**91,890**	**980,897**
Liquidity																			
Lines of credit	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Bank line outstandings	0	0	0	0	0	0	0	250,000	250,000	170,000	0	0	0	0	0	0	0	0	0
GM line outstandings	0	0	0	0	0	0	150,000	150,000	150,000	150,000	150,000	0	0	0	0	0	0	0	0
Line availability	400,000	400,000	400,000	400,000	400,000	400,000	250,000	0	0	80,000	250,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Restriction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net line availability	400,000	400,000	400,000	400,000	400,000	400,000	250,000	0	0	80,000	250,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Cash and cash equivalents	218,216	319,391	210,927	184,811	53,221	53,221	9,550	95,404	87,366	94,865	60,961	130,548	474,202	944,757	1,524,014	2,210,545	2,993,365	3,085,255	4,066,152
Liquidity	**618,216**	**719,391**	**610,927**	**584,811**	**453,221**	**453,221**	**259,550**	**95,404**	**87,366**	**174,865**	**310,961**	**530,548**	**874,202**	**1,344,757**	**1,924,014**	**2,610,545**	**3,393,365**	**3,485,255**	**4,466,152**
Balance Sheet																			
ASSETS																			
Cash and cash equivalents	218,216	319,391	210,927	184,811	53,221	53,221	9,550	95,404	87,366	94,865	60,961	130,548	474,202	944,757	1,524,014	2,210,545	2,993,365	3,085,255	4,066,152
Accounts receivable, net	62,293	54,914	57,388	59,119	61,953	61,953	75,792	91,970	108,861	125,429	141,088	156,130	171,736	188,205	205,587	223,472	240,951	257,113	272,142
Due from related parties	13,991	8,672	8,672	8,672	8,672	8,672	8,672	8,672	8,672	8,672	8,672	8,672	8,672	8,672	8,672	8,672	8,672	8,672	8,672
Related party prepaid	66,946	71,021	71,021	71,021	71,021	71,021	71,021	71,021	71,021	71,021	71,021	71,021	71,021	71,021	71,021	71,021	71,021	71,021	71,021
Prepaid programming content	28,172	71,835	80,628	72,795	84,815	84,815	101,778	117,045	128,749	138,406	145,326	152,592	160,222	168,233	176,645	185,477	194,751	204,488	214,713
Prepaid and other current assets	43,040	42,818	49,991	47,758	58,613	58,613	64,990	74,094	81,541	89,528	100,628	108,815	116,097	124,786	134,746	144,675	153,827	162,408	170,670
Total current assets	432,658	568,651	478,626	444,175	338,295	338,295	331,802	458,205	486,209	527,920	527,695	627,779	1,001,950	1,505,674	2,120,685	2,843,862	3,662,586	3,788,957	4,803,370
Restricted investments, net	2,098	396	396	396	396	396	396	396	396	396	396	396	396	396	396	396	396	396	396
Gross PP&E	1,743,479	1,767,782	1,775,104	1,782,353	1,788,530	1,788,530	1,869,644	1,922,948	1,950,718	1,991,211	2,033,099	2,076,422	2,121,222	2,167,540	2,215,421	2,264,910	2,316,053	3,175,249	3,221,716
Accumulated D&A	-767,768	-814,339	-861,848	-909,554	-957,455	-957,455	-1,149,722	-1,350,709	-1,557,425	-1,767,128	-1,981,183	-2,199,741	-2,422,956	-2,650,988	-2,883,998	-3,122,156	-3,365,634	-3,614,609	-3,955,949
Net PP&E	975,711	953,443	913,256	872,799	831,075	831,075	719,923	572,239	393,293	224,084	51,916	-123,319	-301,735	-483,448	-668,577	-857,246	-1,049,581	-439,361	-734,233
DARS license, net	141,387	141,387	141,387	141,387	141,387	141,387	141,387	141,387	141,387	141,387	141,387	141,387	141,387	141,387	141,387	141,387	141,387	141,387	141,387
Intangibles, net	4,640	4,329	4,329	4,329	4,329	4,329	4,329	4,329	4,329	4,329	4,329	4,329	4,329	4,329	4,329	4,329	4,329	4,329	4,329
Related party prepaid	160,712	155,388	155,388	155,388	155,388	155,388	155,388	155,388	155,388	155,388	155,388	155,388	155,388	155,388	155,388	155,388	155,388	155,388	155,388
Prepaid and other assets	4,219	4,282	4,999	4,776	5,862	5,862	6,499	7,410	8,154	8,953	10,063	10,882	11,610	12,479	13,475	14,468	15,383	16,242	17,068
Investments	80,592	75,015	75,015	75,015	75,015	75,015	78,016	81,136	84,382	87,757	91,267	94,918	98,715	102,663	106,770	111,041	115,482	120,101	124,905
Deferred fin. fees & other assets, net	38,601	40,273	50,145	60,025	69,913	69,913	69,913	69,913	69,913	69,913	69,913	69,913	69,913	69,913	69,913	69,913	69,913	69,913	69,913
TOTAL ASSETS	1,840,618	1,943,164	1,823,541	1,758,290	1,621,660	1,621,660	1,507,653	1,490,404	1,343,451	1,220,127	1,052,355	981,673	1,181,953	1,508,781	1,943,765	2,483,537	3,115,284	3,857,353	4,582,524
LIABILITIES																			
Accounts payable	51,844	44,232	16,027	49,335	18,791	18,791	20,835	23,754	26,141	28,702	32,260	34,885	37,220	40,005	43,198	46,381	49,316	52,067	54,715
Accrued expenses	147,591	131,464	153,486	146,630	179,960	179,960	199,538	227,490	250,354	274,876	308,957	334,096	356,453	383,131	413,712	444,195	472,295	498,641	524,009
Accrued satellite liability	64,875	2,145	2,145	2,145	2,145	2,145	2,145	2,145	2,145	2,145	2,145	2,145	2,145	2,145	2,145	2,145	2,145	2,145	2,145
Current portion of long-term debt	14,445	14,365	14,365	14,365	14,365	14,365	14,365	14,365	14,365	14,365	14,365	14,365	14,365	14,365	14,365	14,365	14,365	14,365	14,365
Due to related parties	46,459	48,805	48,805	48,805	48,805	48,805	48,805	48,805	48,805	48,805	48,805	48,805	48,805	48,805	48,805	48,805	48,805	48,805	48,805
Accrued interest	18,482	34,704	34,704	34,704	34,704	34,704	34,704	34,704	34,704	34,704	34,704	34,704	34,704	34,704	34,704	34,704	34,704	34,704	34,704
Deferred income	9,915	9,915	9,915	9,915	9,915	9,915	9,915	9,915	9,915	9,915	9,915	9,915	9,915	9,915	9,915	9,915	9,915	9,915	9,915
Deferred revenue	340,711	358,974	383,105	407,114	441,451	441,451	571,638	677,092	777,860	865,878	953,477	1,049,300	1,155,231	1,270,994	1,387,689	1,494,192	1,569,884	1,633,479	1,696,497
Total current liabilities	694,322	644,604	662,551	713,013	750,137	750,137	901,945	1,038,269	1,164,289	1,279,390	1,404,627	1,528,215	1,658,838	1,804,065	1,954,534	2,094,703	2,201,429	2,294,122	2,385,155
10% senior sec. convert notes due 2009	28,036	28,378	28,378	28,378	28,378	28,378	28,378	28,378	28,378	28,378	28,378	28,378	28,378	28,378	28,378	28,378	28,378	28,378	28,378
9.75% senior notes due 2014	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
1.75% convertible senior notes due 2009	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Floating notes due 2009	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Mortgage	38,877	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital leases	33,711	34,123	34,123	34,123	34,123	34,123	34,123	34,123	34,123	34,123	34,123	34,123	34,123	34,123	34,123	34,123	34,123	34,123	34,123
LIBOR+225 Bank line of credit	0	0	0	0	0	0	0	250,000	250,000	170,000	0	0	0	0	0	0	0	0	0
LIBOR+800 GM line of credit	0	0	0	0	0	0	150,000	150,000	150,000	150,000	150,000	0	0	0	0	0	0	0	0
Debt of variable interest entity	0	230,800	230,800	230,800	230,800	230,800	230,800	230,800	230,800	230,800	230,800	230,800	230,800	230,800	230,800	230,800	230,800	230,800	230,800
Current portion of long-term debt	-14,445	-14,365	-14,365	-14,365	-14,365	-14,365	-14,365	-14,365	-14,365	-14,365	-14,365	-14,365	-14,365	-14,365	-14,365	-14,365	-14,365	-14,365	-14,365
Long-term debt, net	1,286,179	1,478,936	1,478,936	1,478,936	1,478,936	1,478,936	1,628,936	1,878,936	1,878,936	1,798,936	1,628,936	1,478,936	1,478,936	1,478,936	1,478,936	1,478,936	1,478,936	1,478,936	1,478,936
Due to related parties, net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred revenue, net	86,482	94,697	101,063	107,396	116,454	116,454	150,797	178,616	205,199	228,418	251,526	276,804	304,749	335,287	366,071	394,166	414,134	430,910	447,534
Deferred income	130,780	129,074	129,074	129,074	129,074	129,074	129,074	129,074	129,074	129,074	129,074	129,074	129,074	129,074	129,074	129,074	129,074	129,074	129,074
Other non-current liabilities	40,735	40,829	40,829	40,764	40,635	40,635	118,541	138,746	161,169	186,332	214,402	245,689	280,532	310,851	337,059	359,527	378,588	394,541	399,590
TOTAL LIABILITIES	2,238,498	2,388,140	2,412,453	2,469,183	2,515,236	2,515,236	2,929,294	3,363,642	3,538,667	3,622,149	3,628,566	3,658,718	3,852,129	4,058,213	4,265,674	4,456,406	4,602,160	4,727,583	4,840,289
MINORITY INTEREST		59,397	59,397	59,397	59,397	59,397	59,397	59,397	59,397	59,397	59,397	59,397	59,397	59,397	59,397	59,397	59,397	59,397	59,397
Series A convertible preferred	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54
Class A common	3,058	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061	3,061
Accumulated other comp. income	3,590	3,545	3,545	3,545	3,545	3,545	3,545	3,545	3,545	3,545	3,545	3,545	3,545	3,545	3,545	3,545	3,545	3,545	3,545
Additional paid-in capital	3,093,894	3,109,881	3,124,012	3,138,143	3,152,274	3,152,274	3,208,798	3,265,322	3,321,846	3,378,370	3,434,894	3,491,418	3,547,942	3,604,466	3,660,990	3,717,514	3,774,038	3,830,562	3,887,086
Accumulated deficit	-3,498,476	-3,620,914	-3,778,981	-3,915,093	-4,111,907	-4,111,907	-4,637,099	-5,145,220	-5,523,722	-5,787,052	-6,017,765	-6,175,123	-6,224,779	-6,160,557	-5,989,558	-5,697,043	-5,267,574	-4,707,452	-4,151,511
TOTAL EQUITY	-397,880	-504,373	-648,309	-770,290	-952,973	-952,973	-1,421,641	-1,873,238	-2,195,216	-2,402,022	-2,576,211	-2,677,045	-2,670,177	-2,549,431	-2,321,908	-1,972,869	-1,486,876	-870,230	-257,765
TOTAL LIABILITIES & EQUITY	1,840,618	1,943,164	1,823,541	1,758,290	1,621,660	1,621,660	1,507,653	1,490,404	1,343,451	1,220,127	1,052,355	981,673	1,181,953	1,508,781	1,943,765	2,483,537	3,115,284	3,857,353	4,582,524

XM Radio Model

($thousands)	2006A	1Q07A	2Q07E	3Q07E	4Q07E	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
NOLs	2,065,100	2,186,854	2,344,237	2,479,665	2,675,795	2,675,795	3,198,251	3,703,636	4,079,402	4,339,996	4,567,973	4,722,595	4,769,515	4,702,557	4,528,822	4,233,571	3,801,366	3,238,508	2,679,831

App. B
XM Radio Subscribers

	2006A	1Q07A	2Q07E	3Q07E	4Q07E	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Subscribers																			
Beginning	5,932,957	7,628,552	7,913,728	8,254,724	8,586,654	7,628,552	8,993,890	10,608,877	12,121,457	13,564,613	14,865,903	16,070,499	17,238,394	18,407,287	19,597,976	20,774,747	21,867,083	22,737,252	23,418,364
Gross adds	3,866,481	868,067	1,002,251	1,056,716	1,222,200	4,149,234	5,207,413	5,914,443	6,572,607	7,061,715	7,535,579	8,056,303	8,620,680	9,217,960	9,764,775	10,182,333	10,324,531	10,403,109	10,487,474
Churned subs	-2,170,886	-582,891	-661,255	-724,786	-814,964	-2,783,896	-3,592,426	-4,401,862	-5,129,452	-5,760,424	-6,330,983	-6,888,408	-7,451,787	-8,027,271	-8,588,004	-9,089,996	-9,454,362	-9,721,997	-9,943,812
Ending Subscribers	**7,628,552**	**7,913,728**	**8,254,724**	**8,586,654**	**8,993,890**	**8,993,890**	**10,608,877**	**12,121,457**	**13,564,613**	**14,865,903**	**16,070,499**	**17,238,394**	**18,407,287**	**19,597,976**	**20,774,747**	**21,867,083**	**22,737,252**	**23,418,364**	**23,962,025**
Avg. subscribers	*6,816,719*	*7,766,371*	*8,067,176*	*8,404,092*	*8,769,910*	*8,251,887*	*9,720,634*	*11,289,538*	*12,770,877*	*14,150,193*	*15,407,971*	*16,596,052*	*17,764,396*	*18,943,097*	*20,127,523*	*21,266,298*	*22,258,659*	*23,043,752*	*23,663,011*
Subscriber growth - yoy	*28.6%*	*21.7%*	*19.6%*	*19.5%*	*17.9%*	*17.9%*	*18.0%*	*14.3%*	*11.9%*	*9.6%*	*8.1%*	*7.3%*	*6.8%*	*6.5%*	*6.0%*	*5.3%*	*4.0%*	*3.0%*	*2.3%*
Gross Add Growth																			
% growth - yoy	*-6.4%*	*-13.8%*	*8.2%*	*21.7%*	*14.8%*	*7.3%*	*25.5%*	*13.6%*	*11.1%*	*7.4%*	*6.7%*	*6.9%*	*7.0%*	*6.9%*	*5.9%*	*4.3%*	*1.4%*	*0.8%*	*0.8%*
% growth - seq	*-6.4%*	*-18.5%*	*15.5%*	*5.4%*	*15.7%*	*7.3%*	*25.5%*	*13.6%*	*11.1%*	*7.4%*	*6.7%*	*6.9%*	*7.0%*	*6.9%*	*5.9%*	*4.3%*	*1.4%*	*0.8%*	*0.8%*
Net Adds	**1,695,595**	**285,176**	**340,996**	**331,929**	**407,236**	**1,365,338**	**1,614,987**	**1,512,581**	**1,443,155**	**1,301,291**	**1,204,596**	**1,167,895**	**1,168,893**	**1,190,690**	**1,176,771**	**1,092,336**	**870,169**	**681,112**	**543,661**
% growth - yoy	*-37.3%*	*-49.9%*	*-14.3%*	*16.1%*	*-8.0%*	*-19.5%*	*18.3%*	*-6.3%*	*-4.6%*	*-9.8%*	*-7.4%*	*-3.0%*	*0.1%*	*1.9%*	*-1.2%*	*-7.2%*	*-20.3%*	*-21.7%*	*-20.2%*
% growth - seq	*-37.3%*	*-35.6%*	*19.6%*	*-2.7%*	*22.7%*	*-19.5%*	*18.3%*	*-6.3%*	*-4.6%*	*-9.8%*	*-7.4%*	*-3.0%*	*0.1%*	*1.9%*	*-1.2%*	*-7.2%*	*-20.3%*	*-21.7%*	*-20.2%*
Total Churn	**2.7%**	**2.5%**	**2.7%**	**2.9%**	**3.1%**	**2.8%**	**3.1%**	**3.2%**	**3.3%**	**3.4%**	**3.4%**	**3.5%**	**3.5%**	**3.5%**	**3.6%**	**3.6%**	**3.5%**	**3.5%**	**3.5%**
Subscribers																			
Retail (ex. data services)	4,379,762	4,437,593	4,551,577	4,570,931	4,779,189	4,779,189	4,865,323	4,702,288	4,391,547	4,002,779	3,582,793	3,162,090	2,759,669	2,386,536	2,048,228	1,746,640	1,481,316	1,250,358	1,051,055
Data services	32,858	35,325	38,039	41,024	44,307	44,307	58,619	75,793	95,543	117,762	142,203	168,477	196,064	224,341	252,619	280,189	306,381	330,608	352,413
Total Retail	4,412,620	4,472,918	4,589,616	4,611,955	4,823,496	4,823,496	4,923,942	4,778,081	4,487,090	4,120,541	3,724,996	3,330,566	2,955,733	2,610,877	2,300,846	2,026,829	1,787,697	1,580,966	1,403,467
Avg. retail subs	*3,991,224*	*4,408,678*	*4,488,886*	*4,560,286*	*4,633,408*	*4,560,860*	*4,817,949*	*4,791,957*	*4,562,454*	*4,216,601*	*3,813,786*	*3,393,477*	*2,981,000*	*2,591,759*	*2,234,297*	*1,912,513*	*1,627,244*	*1,377,385*	*1,160,671*
Avg. total retail subs	*4,017,620*	*4,442,769*	*4,525,432*	*4,599,668*	*4,675,417*	*4,600,172*	*4,868,697*	*4,858,305*	*4,647,135*	*4,322,143*	*3,942,546*	*3,547,503*	*3,161,891*	*2,800,548*	*2,471,363*	*2,177,539*	*1,919,220*	*1,694,668*	*1,501,092*
OEM Subs	2,655,404	2,853,028	2,997,826	3,168,178	3,392,040	3,392,040	4,574,264	5,999,165	7,523,415	9,032,795	10,485,586	11,894,636	13,278,755	14,650,080	15,988,119	17,240,260	18,305,949	19,167,482	19,862,006
OEM Promo Subs	555,094	564,844	640,844	776,583	744,916	744,916	1,077,233	1,310,774	1,520,670	1,679,129	1,826,479	1,979,754	2,139,361	2,303,582	2,452,344	2,566,556	2,610,168	2,636,478	2,663,114
Total OEM	3,210,498	3,417,872	3,638,670	3,944,761	4,136,956	4,136,956	5,651,496	7,309,938	9,044,085	10,711,924	12,312,065	13,874,390	15,418,115	16,953,661	18,440,463	19,806,816	20,916,117	21,803,959	22,525,120
Rental car	5,434	22,938	26,438	29,938	33,438	33,438	33,438	33,438	33,438	33,438	33,438	33,438	33,438	33,438	33,438	33,438	33,438	33,438	33,438
Net Adds																			
Retail (ex. data services)	798,151	57,831	113,984	19,354	208,258	399,427	86,135	-163,035	-310,741	-388,768	-419,986	-420,704	-402,420	-373,134	-338,308	-301,588	-265,324	-230,958	-199,304
Data services	13,510	2,467	2,714	2,985	3,284	11,449	14,312	17,174	19,750	22,219	24,441	26,274	27,588	28,277	28,277	27,570	26,192	24,227	21,805
Total Retail	811,661	60,298	116,698	22,339	211,541	410,876	100,446	-145,861	-290,991	-366,549	-395,545	-394,430	-374,833	-344,856	-310,031	-274,017	-239,132	-206,731	-177,499
OEM Subs	827,949	197,624	144,798	170,352	223,861	736,636	1,182,224	1,424,901	1,524,250	1,509,380	1,452,791	1,409,050	1,384,118	1,371,325	1,338,039	1,252,140	1,065,689	861,533	694,524
OEM Promo Subs	94,479	9,750	76,000	135,739	-31,666	189,822	332,316	233,541	209,896	158,459	147,350	153,274	159,607	164,221	148,762	114,213	43,612	26,310	26,636
Total OEM	922,428	207,374	220,798	306,091	192,195	926,458	1,514,540	1,658,442	1,734,146	1,667,839	1,600,141	1,562,325	1,543,725	1,535,546	1,486,801	1,366,353	1,109,301	887,842	721,160
Rental car	-38,494	17,504	3,500	3,500	3,500	28,004	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Add Share																			
Retail (ex. data services)	47.1%	20.3%	33.4%	5.8%	51.1%	29.3%	5.3%	-10.8%	-21.5%	-29.9%	-34.9%	-36.0%	-34.4%	-31.3%	-28.7%	-27.6%	-30.5%	-33.9%	-36.7%
Data services	0.8%	0.9%	0.8%	0.9%	0.8%	0.8%	0.9%	1.1%	1.4%	1.7%	2.0%	2.2%	2.4%	2.4%	2.4%	2.5%	3.0%	3.6%	4.0%
Total Retail	47.9%	21.1%	34.2%	6.7%	51.9%	30.1%	6.2%	-9.6%	-20.2%	-28.2%	-32.8%	-33.8%	-32.1%	-29.0%	-26.3%	-25.1%	-27.5%	-30.4%	-32.6%
OEM Subs	48.8%	69.3%	42.5%	51.3%	55.0%	54.0%	73.2%	94.2%	105.6%	116.0%	120.6%	120.6%	118.4%	115.2%	113.7%	114.6%	122.5%	126.5%	127.7%
OEM Promo Subs	5.6%	3.4%	22.3%	40.9%	-7.8%	13.9%	20.6%	15.4%	14.5%	12.2%	12.2%	13.1%	13.7%	13.8%	12.6%	10.5%	5.0%	3.9%	4.9%
Total OEM	54.4%	72.7%	64.8%	92.2%	47.2%	67.9%	93.8%	109.6%	120.2%	128.2%	132.8%	133.8%	132.1%	129.0%	126.3%	125.1%	127.5%	130.4%	132.6%
Rental car	-2.3%	6.1%	1.0%	1.1%	0.9%	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Subscriber Share																			
Full-paying aftermarket, OEM, and other su	25.5%	24.9%	23.9%	22.1%	22.5%	22.5%	19.6%	17.9%	16.4%	15.3%	14.1%	12.9%	11.7%	10.5%	9.4%	8.4%	7.6%	6.8%	5.9%
Multi-year prepayment subs	44.2%	44.0%	44.2%	44.3%	44.5%	44.5%	45.0%	45.5%	46.0%	46.5%	47.0%	47.5%	48.0%	48.5%	49.0%	49.5%	50.0%	50.5%	51.0%
Family plan subs	22.5%	23.2%	23.5%	23.7%	24.0%	24.0%	24.5%	25.0%	25.5%	26.0%	26.5%	27.0%	27.5%	28.0%	28.5%	29.0%	29.5%	30.0%	30.5%
Aftermarket, OEM, & other subs	92.2%	92.1%	91.5%	90.1%	90.9%	90.9%	89.0%	88.3%	87.8%	87.7%	87.5%	87.3%	87.1%	86.9%	86.8%	86.8%	87.0%	87.2%	87.3%
Retail (ex. data services)	57.4%	56.1%	55.1%	53.2%	53.1%	53.1%	45.9%	38.8%	32.4%	26.9%	22.3%	18.3%	15.0%	12.2%	9.9%	8.0%	6.5%	5.3%	4.4%
Data services	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.6%	0.6%	0.7%	0.8%	0.9%	1.0%	1.1%	1.1%	1.2%	1.3%	1.3%	1.4%	1.5%
Total Retail	57.8%	56.5%	55.6%	53.7%	53.6%	53.6%	46.4%	39.4%	33.1%	27.7%	23.2%	19.3%	16.1%	13.3%	11.1%	9.3%	7.9%	6.8%	5.9%
OEM Subs	34.8%	36.1%	36.3%	36.9%	37.7%	37.7%	43.1%	49.5%	55.5%	60.8%	65.2%	69.0%	72.1%	74.8%	77.0%	78.8%	80.5%	81.8%	82.9%
OEM promo subs	7.3%	7.1%	7.8%	9.0%	8.3%	8.3%	10.2%	10.8%	11.2%	11.3%	11.4%	11.5%	11.6%	11.8%	11.8%	11.7%	11.5%	11.3%	11.1%
Total OEM	42.1%	43.2%	44.1%	45.9%	46.0%	46.0%	53.3%	60.3%	66.7%	72.1%	76.6%	80.5%	83.8%	86.5%	88.8%	90.6%	92.0%	93.1%	94.0%
Rental car subs	0.1%	0.2%	0.3%	0.3%	0.4%	0.4%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%
Aftermkt, OEM, & Other Subs																			
Beginning	5,409,066	7,035,166	7,290,621	7,549,404	7,739,109	7,035,166	8,171,228	9,439,587	10,701,452	11,914,961	13,035,574	14,068,379	15,056,726	16,038,424	17,036,615	18,036,347	18,986,900	19,787,265	20,417,840
Retail gross adds	1,781,085	330,892	357,608	276,063	472,915	1,437,477	1,149,982	919,986	735,988	588,791	471,033	376,826	301,461	241,169	192,935	154,348	123,478	98,783	79,026
Other gross adds/churn (est.)	99,307	36,754	40,429	40,429	40,429	158,043	158,043	158,043	158,043	158,043	158,043	158,043	158,043	158,043	158,043	158,043	158,043	158,043	158,043
Converted OEM promo subs (est.)	1,065,154	270,073	261,000	299,000	366,869	1,196,942	1,779,250	2,285,089	2,701,621	3,026,050	3,305,449	3,585,099	3,873,822	4,169,134	4,441,104	4,653,053	4,745,328	4,778,395	4,803,163
Retail churn (est.)	-982,934	-273,061	-243,624	-256,709	-264,657	-1,038,051	-1,063,847	-1,083,021	-1,046,729	-977,558	-891,019	-797,530	-703,881	-614,302	-531,243	-455,935	-388,802	-329,741	-278,330
Auto churn (est.)	-336,512	-109,203	-156,631	-169,077	-183,438	-618,349	-755,068	-1,018,231	-1,335,414	-1,674,712	-2,010,700	-2,334,091	-2,647,746	-2,955,851	-3,261,108	-3,558,955	-3,837,682	-4,074,904	-4,266,681
Ending Subscribers	**7,035,166**	**7,290,621**	**7,549,404**	**7,739,109**	**8,171,228**	**8,171,228**	**9,439,587**	**10,701,452**	**11,914,961**	**13,035,574**	**14,068,379**	**15,056,726**	**16,038,424**	**17,036,615**	**18,036,347**	**18,986,900**	**19,787,265**	**20,417,840**	**20,913,061**
Avg. subscribers	*6,255,117*	*7,158,498*	*7,407,073*	*7,634,771*	*7,933,563*	*7,533,476*	*8,741,990*	*10,007,426*	*11,247,531*	*12,419,237*	*13,500,336*	*14,513,135*	*15,498,490*	*16,487,610*	*17,486,495*	*18,464,096*	*19,347,064*	*20,071,024*	*20,640,689*
Subscriber growth - yoy	*30.1%*	*23.7%*	*20.6%*	*18.7%*	*16.1%*	*16.1%*	*15.5%*	*13.4%*	*11.3%*	*9.4%*	*7.9%*	*7.0%*	*6.5%*	*6.2%*	*5.9%*	*5.3%*	*4.2%*	*3.2%*	*2.4%*
Core subs	1,946,922	1,972,596	1,969,210	1,900,185	2,019,408	2,019,408	2,077,027	2,167,947	2,229,828	2,272,660	2,272,633	2,231,361	2,159,330	2,063,761	1,956,693	1,843,107	1,733,887	1,589,476	1,407,972
Avg. subscribers	*1,885,918*	*1,958,556*	*1,971,072*	*1,938,149*	*1,935,952*	*1,950,932*	*2,045,336*	*2,117,941*	*2,195,793*	*2,249,102*	*2,272,648*	*2,254,060*	*2,198,947*	*2,116,324*	*2,015,580*	*1,905,579*	*1,793,958*	*1,668,902*	*1,507,799*
Multi-year prepayment subs	3,371,820	3,482,040	3,644,461	3,803,888	3,997,784	3,997,784	4,768,690	5,509,202	6,232,940	6,905,212	7,545,099	8,179,618	8,826,294	9,495,220	10,169,239	10,813,273	11,357,257	11,814,564	12,208,652
Avg. subscribers	*2,903,193*	*3,424,827*	*3,555,130*	*3,716,203*	*3,862,057*	*3,639,554*	*4,344,692*	*5,101,921*	*5,834,884*	*6,535,462*	*7,193,161*	*7,830,633*	*8,470,622*	*9,127,311*	*9,798,528*	*10,459,054*	*11,058,066*	*11,563,046*	*11,991,904*
Family plan subs	1,716,424	1,835,985	1,935,733	2,035,037	2,154,037	2,154,037	2,593,870	3,024,304	3,452,194	3,857,702	4,250,647	4,645,747	5,052,800	5,477,634	5,910,416	6,330,521	6,696,121	7,013,800	7,296,437
Avg. subscribers	*1,411,454*	*1,775,115*	*1,880,871*	*1,980,420*	*2,070,737*	*1,926,786*	*2,351,962*	*2,787,565*	*3,216,854*	*3,634,673*	*4,034,527*	*4,428,442*	*4,828,921*	*5,243,976*	*5,672,386*	*6,099,463*	*6,495,041*	*6,839,076*	*7,140,986*
Retail Gross Add Growth																			
% growth - yoy	*-19.6%*	*-35.9%*	*-12.5%*	*-12.5%*	*-12.5%*	*-19.3%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*
% growth - seq	*-19.6%*	*-38.8%*	*8.1%*	*-22.8%*	*71.3%*	*-19.3%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*	*-20.0%*
Net Adds	**1,626,100**	**255,455**	**258,783**	**189,706**	**432,119**	**1,136,062**	**1,268,359**	**1,261,866**	**1,213,509**	**1,120,613**	**1,032,805**	**988,347**	**981,698**	**998,192**	**999,731**	**950,553**	**800,365**	**630,575**	**495,221**
% growth - yoy	*-37.7%*	*-47.4%*	*-28.8%*	*-27.9%*	*-16.0%*	*-30.1%*	*11.6%*	*-0.5%*	*-3.8%*	*-7.7%*	*-7.8%*	*-4.3%*	*-0.7%*	*1.7%*	*0.2%*	*-4.9%*	*-15.8%*	*-21.2%*	*-21.5%*
% growth - seq	*-37.7%*	*-50.3%*	*1.3%*	*-26.7%*	*127.8%*	*-30.1%*	*11.6%*	*-0.5%*	*-3.8%*	*-7.7%*	*-7.8%*	*-4.3%*	*-0.7%*	*1.7%*	*0.2%*	*-4.9%*	*-15.8%*	*-21.2%*	*-21.5%*
Self-pay Churn	**1.8%**	**1.8%**	**1.8%**	**1.9%**	**1.9%**	**1.9%**	**1.9%**	**1.9%**	**1.9%**	**1.9%**	**1.9%**	**1.9%**	**1.9%**	**1.9%**	**1.9%**	**1.9%**	**1.9%**	**1.9%**	**1.9%**
OEM Promo Subs																			

Beginning	460,615	555,094	564,844	640,844	776,583	555,094	744,916	1,077,233	1,310,774	1,520,670	1,679,129	1,826,479	1,979,754	2,139,361	2,303,582	2,452,344	2,566,556	2,610,168	2,636,478
Gross adds	2,085,396	522,000	598,000	733,739	702,072	2,555,811	3,885,076	4,819,241	5,658,826	6,292,662	6,882,063	7,495,160	8,133,589	8,790,472	9,385,520	9,842,372	10,016,818	10,122,056	10,228,600
Converted to Aftermkt., OEM, and Other S	-1,065,154	-270,073	-261,000	-299,000	-366,869	-1,196,942	-1,779,250	-2,285,089	-2,701,621	-3,026,050	-3,305,449	-3,585,099	-3,873,822	-4,169,134	-4,441,104	-4,653,053	-4,745,328	-4,778,395	-4,803,163
Churned subs	-925,763	-242,177	-261,000	-299,000	-366,869	-1,169,047	-1,773,510	-2,300,610	-2,747,308	-3,108,154	-3,429,264	-3,756,786	-4,100,160	-4,457,118	-4,795,654	-5,075,106	-5,227,878	-5,317,352	-5,398,801
Ending Subscribers	**555,094**	**564,844**	**640,844**	**776,583**	**744,916**	**744,916**	**1,077,233**	**1,310,774**	**1,520,670**	**1,679,129**	**1,826,479**	**1,979,754**	**2,139,361**	**2,303,582**	**2,452,344**	**2,566,556**	**2,610,168**	**2,636,478**	**2,663,114**
Avg. subscribers	*560,720*	*559,969*	*599,044*	*701,926*	*762,333*	*655,818*	*894,459*	*1,182,326*	*1,405,227*	*1,591,977*	*1,745,437*	*1,895,453*	*2,051,577*	*2,213,260*	*2,370,524*	*2,503,739*	*2,586,182*	*2,622,007*	*2,648,464*
Gross Add Growth																			
% growth - yoy	*8.8%*	*6.3%*	*15.5%*	*32.8%*	*33.9%*	*22.6%*	*52.0%*	*24.0%*	*17.4%*	*11.2%*	*9.4%*	*8.9%*	*8.5%*	*8.1%*	*6.8%*	*4.9%*	*1.8%*	*1.1%*	*1.1%*
% growth - seq	*8.8%*	*-0.5%*	*14.6%*	*22.7%*	*-4.3%*	*22.6%*	*52.0%*	*24.0%*	*17.4%*	*11.2%*	*9.4%*	*8.9%*	*8.5%*	*8.1%*	*6.8%*	*4.9%*	*1.8%*	*1.1%*	*1.1%*
Net Adds	**94,479**	**9,750**	**76,000**	**135,739**	**-31,666**	**189,822**	**332,316**	**233,541**	**209,896**	**158,459**	**147,350**	**153,274**	**159,607**	**164,221**	**148,762**	**114,213**	**43,612**	**26,310**	**26,636**
% growth - yoy	*61.2%*	*-88.8%*	*202.6%*	*233.4%*	*-46.1%*	*100.9%*	*75.1%*	*-29.7%*	*-10.1%*	*-24.5%*	*-7.0%*	*4.0%*	*4.1%*	*2.9%*	*-9.4%*	*-23.2%*	*-61.8%*	*-39.7%*	*1.2%*
% growth - seq	*61.2%*	*-116.6%*	*679.5%*	*78.6%*	*-123.3%*	*100.9%*	*75.1%*	*-29.7%*	*-10.1%*	*-24.5%*	*-7.0%*	*4.0%*	*4.1%*	*2.9%*	*-9.4%*	*-23.2%*	*-61.8%*	*-39.7%*	*1.2%*
Conversion to self-pay	**53.3%**	**51.5%**	**50.0%**	**50.0%**	**50.0%**	**50.3%**	**50.1%**	**49.8%**	**49.6%**	**49.3%**	**49.1%**	**48.8%**	**48.6%**	**48.3%**	**48.1%**	**47.8%**	**47.6%**	**47.3%**	**47.1%**
Rental Car Subs																			
Ending subscribers	**5,434**	**22,938**	**26,438**	**29,938**	**33,438**	**33,438**	**33,438**	**33,438**	**33,438**	**33,438**	**33,438**	**33,438**	**33,438**	**33,438**	**33,438**	**33,438**	**33,438**	**33,438**	**33,438**
Avg. subscribers	*31,013*	*14,177*	*24,513*	*28,013*	*31,513*	*24,554*	*33,438*	*33,438*	*33,438*	*33,438*	*33,438*	*33,438*	*33,438*	*33,438*	*33,438*	*33,438*	*33,438*	*33,438*	*33,438*
Net Adds	**-38,494**	**17,504**	**3,500**	**3,500**	**3,500**	**28,004**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Data Services Subs																			
Ending subscribers	**32,858**	**35,325**	**38,039**	**41,024**	**44,307**	**44,307**	**58,619**	**75,793**	**95,543**	**117,762**	**142,203**	**168,477**	**196,064**	**224,341**	**252,619**	**280,189**	**306,381**	**330,608**	**352,413**
Avg. subscribers	*26,529*	*34,092*	*36,546*	*39,382*	*42,009*	*38,007*	*50,748*	*66,347*	*84,681*	*105,542*	*128,760*	*154,026*	*180,891*	*208,789*	*237,066*	*265,025*	*291,975*	*317,283*	*340,420*
Net Adds	**13,510**	**2,467**	**2,714**	**2,985**	**3,284**	**11,449**	**14,312**	**17,174**	**19,750**	**22,219**	**24,441**	**26,274**	**27,588**	**28,277**	**28,277**	**27,570**	**26,192**	**24,227**	**21,805**
% growth - yoy	*-30.2%*	*-15.7%*	*-43.7%*	*-16.1%*	*48.5%*	*-15.3%*	*25.0%*	*20.0%*	*15.0%*	*12.5%*	*10.0%*	*7.5%*	*5.0%*	*2.5%*	*0.0%*	*-2.5%*	*-5.0%*	*-7.5%*	*-10.0%*
% growth - seq	*-30.2%*	*11.6%*	*10.0%*	*10.0%*	*10.0%*	*-15.3%*	*25.0%*	*20.0%*	*15.0%*	*12.5%*	*10.0%*	*7.5%*	*5.0%*	*2.5%*	*0.0%*	*-2.5%*	*-5.0%*	*-7.5%*	*-10.0%*
ARPU																			
Full-paying subs	$11.39	$11.57	$11.63	$11.68	$11.74	$11.66	$12.01	$12.37	$12.74	$13.12	$13.51	$13.92	$14.34	$14.77	$15.21	$15.66	$16.13	$16.62	$17.12
Multi-year prepayment subs	$11.34	$11.37	$11.37	$11.37	$11.37	$11.37	$11.71	$12.07	$12.43	$12.80	$13.18	$13.58	$13.99	$14.41	$14.84	$15.28	$15.74	$16.21	$16.70
Family plan subs	$6.99	$6.99	$6.99	$6.99	$6.99	$6.99	$7.20	$7.42	$7.64	$7.87	$8.10	$8.35	$8.60	$8.85	$9.12	$9.39	$9.68	$9.97	$10.27
Aftermarket, OEM, & other ARPU	$10.37	$10.34	$10.33	$10.31	$10.23	$10.30	$10.57	$10.83	$11.12	$11.41	$11.72	$12.04	$12.36	$12.69	$13.03	$13.38	$13.74	$14.12	$14.50
OEM promo. ARPU	$6.23	$6.39	$6.58	$6.43	$6.64	$6.52	$6.71	$6.91	$7.12	$7.34	$7.56	$7.78	$8.02	$8.26	$8.50	$8.76	$9.02	$9.29	$9.57
Rental car ARPU	$5.96	$7.51	$7.59	$7.66	$7.74	$7.64	$7.87	$8.11	$8.35	$8.60	$8.86	$9.13	$9.40	$9.68	$9.97	$10.27	$10.58	$10.90	$11.23
Data services ARPU	$31.74	$33.72	$33.94	$36.16	$38.92	$35.84	$36.92	$38.02	$39.16	$40.34	$41.55	$42.80	$44.08	$45.40	$46.76	$48.17	$49.61	$51.10	$52.63
Subscription ARPU	**$10.09**	**$10.15**	**$10.14**	**$10.08**	**$10.06**	**$10.10**	**$10.31**	**$10.57**	**$10.86**	**$11.18**	**$11.51**	**$11.84**	**$12.18**	**$12.54**	**$12.90**	**$13.28**	**$13.68**	**$14.09**	**$14.51**
Net Ad ARPU	$0.43	$0.32	$0.39	$0.34	$0.39	$0.36	$0.54	$0.76	$0.99	$1.18	$1.30	$1.34	$1.38	$1.42	$1.47	$1.51	$1.55	$1.60	$1.65
Activation, equipment, and other ARPU	$0.89	$0.87	$0.88	$0.86	$0.87	$0.87	$0.92	$0.97	$1.02	$1.02	$1.02	$1.02	$1.03	$1.04	$1.06	$1.08	$1.11	$1.15	$1.20
Total ARPU	**$11.41**	**$11.34**	**$11.40**	**$11.28**	**$11.33**	**$11.33**	**$11.77**	**$12.30**	**$12.87**	**$13.38**	**$13.82**	**$14.20**	**$14.60**	**$15.00**	**$15.42**	**$15.87**	**$16.34**	**$16.85**	**$17.36**
Costs																			
SAC	**$64**	**$65**	**$67**	**$63**	**$73**	**$67**	**$62**	**$57**	**$53**	**$49**	**$51**	**$52**	**$54**	**$55**	**$57**	**$59**	**$60**	**$62**	**$64**
Advertising & Marketing		$38	$50	$37	$55	$45	$40	$37	$35	$34	$32	$31	$30	$29	$28	$28	$28	$29	$30
CPGA	**$64**	**$103**	**$117**	**$100**	**$129**	**$112**	**$102**	**$95**	**$88**	**$83**	**$83**	**$83**	**$84**	**$84**	**$85**	**$86**	**$89**	**$91**	**$94**
Customer Care & Billings/sub/month	**$1.27**	**$1.18**	**$1.22**	**$1.13**	**$1.09**	**$1.15**	**$1.04**	**$0.93**	**$0.84**	**$0.80**	**$0.82**	**$0.85**	**$0.87**	**$0.90**	**$0.92**	**$0.95**	**$0.98**	**$1.01**	**$1.04**

App. B
XM Radio Auto Subscribers

(000s)	2006A	1Q07A	2Q07E	3Q07E	4Q07E	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
GM																
Auto sales[1]	4,065	898	1,000	1,003	1,003	3,905	3,892	3,908	4,016	3,903	3,825	3,825	3,863	3,902	3,941	3,980
Sales growth	*-8.7%*	*-5.5%*	*-7.9%*	*-9.1%*	*8.5%*	*-3.9%*	*-0.3%*	*0.4%*	*2.8%*	*-2.8%*	*-2.0%*	*0.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*
Installs	1,515	404	450	451	451	1,757	1,751	1,953	2,208	2,341	2,486	2,677	2,897	3,121	3,349	3,582
Install growth		*32.9%*	*29.5%*	*1.0%*	*8.5%*	*16.0%*	*0%*	*12%*	*13%*	*6%*	*6%*	*8%*	*8%*	*8%*	*7%*	*7%*
Penetration	37%	45%	45%	45%	45%	45%	45%	50%	55%	60%	65%	70%	75%	80%	85%	90%
Toyota																
Auto sales[1]	2,543	606	725	651	651	2,633	2,717	2,818	2,850	2,857	2,857	2,886	2,914	2,944	2,973	3,003
Sales growth	*12.5%*	*11.2%*	*6.8%*	*-7.5%*	*5.9%*	*3.6%*	*3.2%*	*3.7%*	*1.1%*	*0.3%*	*0.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*
Installs	16	6	36	33	33	107	441	734	997	1,286	1,571	1,876	2,186	2,502	2,676	2,702
Install growth		*500.0%*	*1712.5%*	*365.1%*	*442.6%*	*571.0%*	*310%*	*67%*	*36%*	*29%*	*22%*	*19%*	*17%*	*14%*	*7%*	*1%*
Penetration	1%	1%	5%	5%	5%	4%	16%	26%	35%	45%	55%	65%	75%	85%	90%	90%
Honda/Acura																
Auto sales[1]	1,509	354	413	372	372	1,512	1,528	1,562	1,567	1,616	1,632	1,649	1,665	1,682	1,699	1,716
Sales growth	*3.2%*	*6.0%*	*1.5%*	*-11.3%*	*7.0%*	*0.2%*	*1.0%*	*2.3%*	*0.3%*	*3.2%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*
Installs	544	143	186	168	168	664	687	781	862	970	1,061	1,154	1,249	1,345	1,444	1,544
Install growth		*36.2%*	*45.2%*	*-1.4%*	*18.9%*	*22.1%*	*4%*	*14%*	*10%*	*13%*	*9%*	*9%*	*8%*	*8%*	*7%*	*7%*
Penetration	36%	40%	45%	45%	45%	44%	45%	50%	55%	60%	65%	70%	75%	80%	85%	90%
Nissan/Infiniti																
Auto sales[1]	1,019	279	256	274	274	1,083	1,094	1,117	1,171	1,164	1,164	1,176	1,188	1,199	1,211	1,224
Sales growth	*-5.4%*	*6.1%*	*2.8%*	*3.7%*	*12.7%*	*6.2%*	*1.1%*	*2.1%*	*4.8%*	*-0.6%*	*0.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*
Installs	18	10	13	14	14	50	492	838	937	990	1,048	1,058	1,069	1,080	1,090	1,101
Install growth		*233.3%*	*540.0%*	*95.6%*	*128.2%*	*178.8%*	*881%*	*70%*	*12%*	*6%*	*6%*	*1%*	*1%*	*1%*	*1%*	*1%*
Penetration	2%	4%	5%	5%	5%	5%	45%	75%	80%	85%	90%	90%	90%	90%	90%	90%
Hyundai																
Auto sales[1]	456	105	132	293	293	824	826	824	845	850	855	864	872	881	890	899
Sales growth	*0.2%*	*-0.9%*	*3.1%*	*134.6%*	*202.4%*	*80.6%*	*0.3%*	*-0.2%*	*2.5%*	*0.6%*	*0.6%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*
Installs	39	42	66	176	205	489	826	824	845	850	855	864	872	881	890	899
Install growth					*426.4%*	*1154.5%*	*69%*	*0%*	*3%*	*1%*	*1%*	*1%*	*1%*	*1%*	*1%*	*1%*
Penetration	9%	40%	50%	60%	70%	59%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Other																
Installs	-	-	25	25	25	75	79	83	87	91	96	101	106	111	116	122
Total Sales	**9,592**	**2,242**	**2,526**	**2,594**	**2,594**	**9,956**	**10,057**	**10,229**	**10,447**	**10,390**	**10,333**	**10,399**	**10,503**	**10,608**	**10,714**	**10,821**
Total Installs	**2,132**	**605**	**776**	**866**	**896**	**3,143**	**4,276**	**5,213**	**5,935**	**6,527**	**7,117**	**7,729**	**8,378**	**9,040**	**9,565**	**9,950**
Penetration	**22%**	**27%**	**31%**	**33%**	**35%**	**32%**	**43%**	**51%**	**57%**	**63%**	**69%**	**74%**	**80%**	**85%**	**89%**	**92%**

[1]Historical and projected auto sales through 2011 are from Auto News; I estimated 3Q07 and 4Q07 figures from the 2007 estimate and all figures after 2011 are my estimates

2018E	2019E	2020E
4,020	4,060	4,101
1.0%	*1.0%*	*1.0%*
3,617	3,654	3,690
1%	*1%*	*1%*
90%	90%	90%
3,033	3,063	3,094
1.0%	*1.0%*	*1.0%*
2,730	2,757	2,784
1%	*1%*	*1%*
90%	90%	90%
1,733	1,750	1,768
1.0%	*1.0%*	*1.0%*
1,559	1,575	1,591
1%	*1%*	*1%*
90%	90%	90%
1,236	1,248	1,261
1.0%	*1.0%*	*1.0%*
1,112	1,123	1,135
1%	*1%*	*1%*
90%	90%	90%
908	917	926
1.0%	*1.0%*	*1.0%*
908	917	926
1%	*1%*	*1%*
100%	100%	100%
128	135	141
10,929	**11,038**	**11,149**
10,055	**10,160**	**10,267**
92%	**92%**	**92%**

App. B
Discounted Cash Flow Model

[$000s]	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
EBITDA	-233,987	-130,838	-48,415	85,268	200,615	227,426	310,473	424,698	521,979	606,403	700,678	805,542	899,778	980,869
Depreciation & amortization	189,998	192,267	200,987	206,717	209,702	214,055	218,558	223,215	228,031	233,011	238,158	243,478	248,976	341,339
Operating Income	-423,985	-323,105	-249,401	-121,448	-9,087	13,370	91,915	201,482	293,948	373,392	462,520	562,064	650,802	639,529
Taxes	684	0	0	0	0	0	0	0	0	0	0	0	0	0
NOPAT	-424,669	-323,105	-249,401	-121,448	-9,087	13,370	91,915	201,482	293,948	373,392	462,520	562,064	650,802	639,529
Depreciation & amortization	189,998	192,267	200,987	206,717	209,702	214,055	218,558	223,215	228,031	233,011	238,158	243,478	248,976	341,339
Capex	-98,872	-99,000	-72,000	-47,000	-60,000	-61,800	-63,654	-65,564	-67,531	-69,556	-71,643	-73,792	-882,356	-78,220
Working capital change	17,304	148,336	122,684	115,816	103,308	113,558	117,550	127,322	141,727	144,503	130,625	89,874	74,130	73,316
Unlevered FCF	-316,240	-81,502	2,269	154,084	243,924	279,183	364,369	486,456	596,175	681,349	759,660	821,623	91,552	975,964
% Growth	*NM*	*-74.2%*	*-102.8%*	*6690.3%*	*58.3%*	*14.5%*	*30.5%*	*33.5%*	*22.6%*	*14.3%*	*11.5%*	*8.2%*	*-88.9%*	*966.0%*
Terminal value	-	-	-	-	-	-	-	-	-	-	-	-	-	7,992,466
Total Cash Flow	-316,240	-81,502	2,269	154,084	243,924	279,183	364,369	486,456	596,175	681,349	759,660	821,623	91,552	8,968,430
Terminal Multiples														
EBITDA	8.1													
Unlevered FCF	8.2													
Cost of Capital														
Debt (after tax)	6.0%													
Preferred stock	0.0%													
Common stock	12.5%													
Weight of Capital														
Debt	20%													
Preferred stock	0%													
Common stock	80%													
WACC	**11.2%**													
Terminal growth	4.0%													
Unlevered FCF	$2,094,948													
Terminal Value	$2,010,567													
U.S. Operations EV	**$4,105,515**													
Others assets	$65,000													
Enterprise Value	**$4,170,515**													

App. C
XM Analyst Consensus

	Analyst	Date	2006A	2Q07E	3Q07E	4Q07E	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E
Subscribers (000s)															
Barrington	Goss	4/27/07		8,312	8,627	9,136	9,136								
Bear	Peck	4/27/07	7,628	8,236	8,527	9,102	9,102	10,304	11,636	12,937	14,380	15,893	17,225		
Wedbush Morgan	Kidd	4/27/07	7,629	8,149	8,467	9,009	9,009	10,354	11,617	12,812	13,866	14,781	15,581	16,417	17,127
Deutsche Bank	Dix	4/27/07	7,629	8,195	8,480	8,985	8,985	10,561	12,427	14,426					
Lehman	Jayant	4/27/07	7,629	8,246	8,713	9,130	9,130	10,644	12,169	13,662	15,149	16,601	17,988		
Morgan Stanley	Swinburne	4/30/07	7,629	8,206	8,627	9,205	9,205	11,016	13,289	15,515	17,359	19,152	20,737	22,106	
Stifel Nicolaus	Spring	4/27/07	7,628	8,107	8,324	8,769	8,769	10,417	12,160	14,068	15,709	16,745			
Wachovia	Wlodarczak	4/27/07	7,628	8,213	8,613	9,063	9,063	10,456	11,468	12,286					
Hi			**7,629**	**8,312**	**8,713**	**9,205**	**9,205**	**11,016**	**13,289**	**15,515**	**17,359**	**19,152**	**20,737**	**22,106**	**17,127**
Low			**7,628**	**8,107**	**8,324**	**8,769**	**8,769**	**10,304**	**11,468**	**12,286**	**13,866**	**14,781**	**15,581**	**16,417**	**17,127**
Average			**7,629**	**8,208**	**8,547**	**9,050**	**9,050**	**10,536**	**12,109**	**13,672**	**15,293**	**16,634**	**17,883**	**19,261**	**17,127**
Retail Subs (000s)															
Barrington	Goss														
Bear	Peck														
Wedbush Morgan	Kidd		4,419	4,731	4,847	5,106	4,844	5,301	5,821	6,365					
Deutsche Bank	Dix		4,420	4,553	4,573	4,771	4,771	5,032	5,317	5,582					
Lehman	Jayant														
Morgan Stanley	Swinburne		4,400	4,580	4,680	4,920	4,920	5,487	6,108	6,661					
Stifel Nicolaus	Spring		4,326	4,423	4,431	4,539	4,539	4,590	4,548	4,436	4,303	4,129			
Wachovia	Wlodarczak														
Hi			**4,420**	**4,731**	**4,847**	**5,106**	**4,920**	**5,487**	**6,108**	**6,661**	**4,303**	**4,129**			
Low			**4,326**	**4,423**	**4,431**	**4,539**	**4,539**	**4,590**	**4,548**	**4,436**	**4,303**	**4,129**			
Average			**4,391**	**4,572**	**4,633**	**4,834**	**4,768**	**5,103**	**5,449**	**5,761**	**4,303**	**4,129**			
Retail % of Subs															
Barrington	Goss														
Bear	Peck														
Wedbush Morgan	Kidd		58%	58%	57%	57%	54%	51%	50%	50%					
Deutsche Bank	Dix		58%	56%	54%	53%	53%	48%	43%	39%					
Lehman	Jayant														
Morgan Stanley	Swinburne		58%	56%	54%	53%	53%	50%	46%	43%					
Stifel Nicolaus	Spring		57%	55%	53%	52%	52%	44%	37%	32%	27%	25%			
Wachovia	Wlodarczak														
Hi			**57.9%**	**58.1%**	**57.2%**	**56.7%**	**53.8%**	**51.2%**	**50.1%**	**49.7%**	**27.4%**	**24.7%**			
Low			**56.7%**	**54.6%**	**53.2%**	**51.8%**	**51.8%**	**44.1%**	**37.4%**	**31.5%**	**27.4%**	**24.7%**			
Average			**57.6%**	**56.0%**	**54.7%**	**53.7%**	**53.0%**	**48.2%**	**44.1%**	**40.7%**	**27.4%**	**24.7%**			
Auto Subs (000s)															
Barrington	Goss														
Bear	Peck														
Wedbush Morgan	Kidd		3,210	3,418	3,620	3,903	4,165	5,053	5,796	6,447					
Deutsche Bank	Dix		3,208	3,642	3,907	4,216	4,216	5,529	7,111	8,844					
Lehman	Jayant														
Morgan Stanley	Swinburne		3,223	3,602	3,924	4,262	4,262	5,474	7,094	8,735					
Stifel Nicolaus	Spring		3,300	3,682	3,890	4,228	4,228	5,825	7,610	9,630	11,405	12,614			
Wachovia	Wlodarczak														
Hi			**3,300**	**3,682**	**3,924**	**4,262**	**4,262**	**5,825**	**7,610**	**9,630**	**11,405**	**12,614**			

Low		**3,208**	**3,418**	**3,620**	**3,903**	**4,165**	**5,053**	**5,796**	**6,447**	**11,405**	**12,614**			
Average		**3,235**	**3,586**	**3,835**	**4,152**	**4,218**	**5,470**	**6,903**	**8,414**	**11,405**	**12,614**			
Avg. Subs (000s)														
Barrington	Goss													
Bear	Peck													
Wedbush Morgan	Kidd	6,817	7,914	8,149	8,467	8,073	9,423	10,699	11,927					
Deutsche Bank	Dix	6,643	8,054	8,337	8,703	8,239	9,694	11,401	13,327					
Lehman	Jayant													
Morgan Stanley	Swinburne	6,817	8,060	8,416	8,916	8,273	10,020	12,039	14,290	16,410	18,307	19,997	21,476	22,735
Stifel Nicolaus	Spring	6,781	8,010	8,215	8,546	8,199	9,593	11,288	13,114	14,889	16,227			
Wachovia	Wlodarczak	6,842	8,063	8,413	8,838	8,272	9,759	10,962	11,877					
Hi		**6,842**	**8,063**	**8,416**	**8,916**	**8,273**	**10,020**	**12,039**	**14,290**	**16,410**	**18,307**	**19,997**	**21,476**	**22,735**
Low		**6,643**	**7,914**	**8,149**	**8,467**	**8,073**	**9,423**	**10,699**	**11,877**	**14,889**	**16,227**	**19,997**	**21,476**	**22,735**
Average		**6,780**	**8,020**	**8,306**	**8,694**	**8,211**	**9,698**	**11,278**	**12,907**	**15,650**	**17,267**	**19,997**	**21,476**	**22,735**
Gross Adds (000s)														
Barrington	Goss													
Bear	Peck	3,857	995	1,028	1,357	4,248								
Wedbush Morgan	Kidd	3,866	865	958	1,222	3,913	4,374	4,614	4,843					
Deutsche Bank	Dix	3,857	1,006	978	1,280	4,132	4,884	5,749	6,448					
Lehman	Jayant	3,867	958	1,134	1,200	4,160	4,810	5,115	5,472	5,880	6,235	6,525		
Morgan Stanley	Swinburne	3,866	1,031	1,154	1,406	4,459	5,732	7,325	8,369					
Stifel Nicolaus	Spring	3,841	826	875	1,150	3,719	5,114	6,055	7,253	7,591	7,794			
Wachovia	Wlodarczak	3,866	901	1,047	1,132	3,948	4,558	4,643	4,851					
Hi		**3,867**	**1,031**	**1,154**	**1,406**	**4,459**	**5,732**	**7,325**	**8,369**	**7,591**	**7,794**	**6,525**		
Low		**3,841**	**826**	**875**	**1,132**	**3,719**	**4,374**	**4,614**	**4,843**	**5,880**	**6,235**	**6,525**		
Average		**3,860**	**940**	**1,025**	**1,250**	**4,083**	**4,912**	**5,584**	**6,206**	**6,736**	**7,015**	**6,525**		
Disconnects (000s)														
Barrington	Goss													
Bear	Peck													
Wedbush Morgan	Kidd	2,171	630	641	680	2,533	3,028	3,351	3,648					
Deutsche Bank	Dix	2,162	725	693	775	2,776	3,308	3,883	4,450					
Lehman	Jayant	2,171	626	667	782	2,659	3,296	3,590	3,979	4,393	4,783	5,138		
Morgan Stanley	Swinburne	2,171	739	733	828	2,882	3,921	5,052	6,143					
Stifel Nicolaus	Spring	2,145	633	658	705	2,579	3,466	4,313	5,344	5,949	6,759			
Wachovia	Wlodarczak		601	647	682	2,513								
Hi		**2,171**	**739**	**733**	**828**	**2,882**	**3,921**	**5,052**	**6,143**	**5,949**	**6,759**	**5,138**		
Low		**2,145**	**601**	**641**	**680**	**2,513**	**3,028**	**3,351**	**3,648**	**4,393**	**4,783**	**5,138**		
Average		**2,164**	**659**	**673**	**742**	**2,657**	**3,404**	**4,038**	**4,713**	**5,171**	**5,771**	**5,138**		
Net Adds (000s)														
Barrington	Goss		398	315	510	1,507								
Bear	Peck	1,695	323	290	575	1,474								
Wedbush Morgan	Kidd	1,696	235	317	542	1,380	1,346	1,263	1,195					
Deutsche Bank	Dix	1,695	281	285	505	1,356	1,576	1,866	1,998					
Lehman	Jayant	1,696	332	467	418	1,501	1,514	1,525	1,493	1,487	1,452	1,387		
Morgan Stanley	Swinburne	1,695	292	421	578	1,577	1,811	2,273	2,226					
Stifel Nicolaus	Spring	1,696	193	217	445	1,140	1,648	1,742	1,909	1,642	1,035			
Wachovia	Wlodarczak	1,696	300	400	450	1,435	1,392	1,013	818					
Hi		**1,696**	**398**	**467**	**578**	**1,577**	**1,811**	**2,273**	**2,226**	**1,642**	**1,452**	**1,387**		
Low		**1,695**	**193**	**217**	**418**	**1,140**	**1,346**	**1,013**	**818**	**1,487**	**1,035**	**1,387**		
Average		**1,696**	**294**	**339**	**503**	**1,421**	**1,548**	**1,614**	**1,607**	**1,565**	**1,244**	**1,387**		

Total Churn												
Barrington	Goss											
Bear	Peck	2.6%	2.8%	2.9%	3.0%	2.8%						
Wedbush Morgan	Kidd	2.7%	2.7%	2.6%	2.7%	2.6%	2.7%	2.6%	2.5%			
Deutsche Bank	Dix	2.7%	3.0%	2.8%	3.0%	2.8%	2.8%	2.8%	2.8%			
Lehman	Jayant	2.7%	2.6%	2.6%	3.0%	2.6%	2.8%	2.6%	2.6%	2.5%	2.5%	2.5%
Morgan Stanley	Swinburne	2.7%				2.9%	3.3%	3.5%	3.6%			
Stifel Nicolaus	Spring	2.6%	2.6%	2.8%	2.8%	2.8%						
Wachovia	Wlodarczak		2.5%	2.6%	2.6%	2.5%	2.7%	2.8%	2.8%			
Hi		**2.7%**	**3.0%**	**2.9%**	**3.0%**	**2.9%**	**3.3%**	**3.5%**	**3.6%**	**2.5%**	**2.5%**	**2.5%**
Low		**2.6%**	**2.5%**	**2.6%**	**2.6%**	**2.5%**	**2.7%**	**2.6%**	**2.5%**	**2.5%**	**2.5%**	**2.5%**
Average		**2.7%**	**2.7%**	**2.7%**	**2.8%**	**2.7%**	**2.9%**	**2.9%**	**2.9%**	**2.5%**	**2.5%**	**2.5%**
Self-pay Churn												
Barrington	Goss											
Bear	Peck											
Wedbush Morgan	Kidd											
Deutsche Bank	Dix											
Lehman	Jayant											
Morgan Stanley	Swinburne	1.7%				1.9%	1.9%	1.9%	2.0%			
Stifel Nicolaus	Spring	1.8%	1.8%	1.8%	1.8%	1.8%	1.9%	2.0%	2.0%	2.0%	2.1%	
Wachovia	Wlodarczak		1.8%	1.8%	1.8%	1.8%	1.9%	1.9%	1.9%			
Hi		**1.8%**	**1.8%**	**1.8%**	**1.8%**	**1.9%**	**1.9%**	**2.0%**	**2.0%**	**2.0%**	**2.1%**	
Low		**1.7%**	**1.8%**	**1.8%**	**1.8%**	**1.8%**	**1.9%**	**1.9%**	**1.9%**	**2.0%**	**2.1%**	
Average		**1.8%**	**1.8%**	**1.8%**	**1.8%**	**1.8%**	**1.9%**	**1.9%**	**2.0%**	**2.0%**	**2.1%**	
Total ARPU												
XM Reported Number												
Barrington	Goss	**$11.41**										
Bear	Peck	$11.37	$11.35	$11.28	$11.78	$11.43	$12.29	$12.73	$13.07	$13.57	$14.04	$14.53
Wedbush Morgan	Kidd											
Deutsche Bank	Dix	$11.71				$11.54	$11.66	$11.93	$12.46			
Lehman	Jayant											
Morgan Stanley	Swinburne	$11.41				$11.62	$12.49	$12.67	$12.97			
Stifel Nicolaus	Spring											
Wachovia	Wlodarczak	$11.37				$11.30	$11.97	$12.51	$13.12			
ARPU Growth												
Barrington	Goss											
Bear	Peck					0.5%	7.5%	3.6%	2.7%	3.8%	3.5%	3.5%
Wedbush Morgan	Kidd											
Deutsche Bank	Dix					-1.5%	1.0%	2.3%	4.4%			
Lehman	Jayant											
Morgan Stanley	Swinburne					1.8%	7.5%	1.4%	2.4%			
Stifel Nicolaus	Spring											
Wachovia	Wlodarczak											
Hi						**1.8%**	**7.5%**	**3.6%**	**4.4%**	**3.8%**	**3.5%**	**3.5%**
Low						**-1.5%**	**1.0%**	**1.4%**	**2.4%**	**3.8%**	**3.5%**	**3.5%**
Average						**0.3%**	**5.4%**	**2.4%**	**3.2%**	**3.8%**	**3.5%**	**3.5%**
Subscription ARPU												
XM Reported Number		**$10.09**										
Barrington	Goss											

Bear	Peck	$10.06	$10.05	$10.05	$10.05	$10.07						
Wedbush Morgan	Kidd											
Deutsche Bank	Dix	$10.19	$10.18	$10.19	$10.18	$10.15	$10.20	$10.54	$10.96			
Lehman	Jayant	$10.09	$10.23	$10.28	$10.25	$10.23	$11.51	$11.54	$11.51	$12.14	$12.04	$12.65
Morgan Stanley	Swinburne	$10.09				$10.22	$10.86	$10.97	$11.13			
Stifel Nicolaus	Spring	$10.09	$10.00	$10.00	$10.00	$10.04	$10.44	$10.86	$11.73	$12.43	$13.05	
Wachovia	Wlodarczak		$10.01	$9.98	$9.95	$10.02						
Subscrip. ARPU Growth												
Barrington	Goss											
Bear	Peck					0.1%						
Wedbush Morgan	Kidd											
Deutsche Bank	Dix					-0.4%	0.5%	3.3%	4.0%			
Lehman	Jayant					1.4%	12.5%	0.3%	-0.3%	5.5%	-0.8%	5.1%
Morgan Stanley	Swinburne					1.3%	6.3%	1.0%	1.5%			
Stifel Nicolaus	Spring					-0.5%	4.0%	4.0%	8.0%	6.0%	5.0%	
Wachovia	Wlodarczak											
Hi		**0.0%**	**0.0%**	**0.0%**	**0.0%**	**1.4%**	**12.5%**	**4.0%**	**8.0%**	**6.0%**	**5.0%**	**5.1%**
Low		**0.0%**	**0.0%**	**0.0%**	**0.0%**	**-0.5%**	**0.5%**	**0.3%**	**-0.3%**	**5.5%**	**-0.8%**	**5.1%**
Average		**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**0.4%**	**5.8%**	**2.2%**	**3.3%**	**5.7%**	**2.1%**	**5.1%**
SAC												
Barrington	Goss											
Bear	Peck	$64	$66	$67	$71	$68						
Wedbush Morgan	Kidd											
Deutsche Bank	Dix	$64	$60	$61	$84	$69	$62	$60	$60			
Lehman	Jayant	$64	$65	$62	$71	$66	$67	$68	$67	$68	$68	$68
Morgan Stanley	Swinburne	$61	$74	$79	$89	$78	$66	$61	$59			
Stifel Nicolaus	Spring	$68				$65	$55	$47	$42	$40	$40	
Wachovia	Wlodarczak	$70				$73	$64	$58	$54			
Hi		**$70**	**$74**	**$79**	**$89**	**$78**	**$67**	**$68**	**$67**	**$68**	**$68**	**$68**
Low		**$61**	**$60**	**$61**	**$71**	**$65**	**$55**	**$47**	**$42**	**$40**	**$40**	**$68**
Average		**$65**	**$66**	**$67**	**$79**	**$70**	**$63**	**$59**	**$56**	**$54**	**$54**	**$68**
CPGA												
Barrington	Goss											
Bear	Peck	$108	$116	$115	$116	$113						
Wedbush Morgan	Kidd											
Deutsche Bank	Dix	$108	$109	$115	$116	$111	$106	$102	$100			
Lehman	Jayant	$108	$117	$99	$130	$113	$111	$111	$110	$110	$109	$109
Morgan Stanley	Swinburne	$108	$111	$103	$127	$112	$96	$88	$97			
Stifel Nicolaus	Spring	$105				$112	$98	$85	$74	$72	$72	
Wachovia	Wlodarczak	$108				$114	$102	$99	$96			
Hi		**$108**	**$117**	**$115**	**$130**	**$114**	**$111**	**$111**	**$110**	**$110**	**$109**	**$109**
Low		**$105**	**$109**	**$99**	**$116**	**$111**	**$96**	**$85**	**$74**	**$72**	**$72**	**$109**
Average		**$108**	**$113**	**$108**	**$122**	**$113**	**$103**	**$97**	**$95**	**$91**	**$91**	**$109**
Total Revenue ($mils)												
Barrington	Goss	933	269	278	288	1,099	1,357	1,620	1,907	2,227		
Bear	Peck	933	275	284	312	1,134						
Wedbush Morgan	Kidd	933	270	281	294	1,109	1,457	1,782	2,081			
Deutsche Bank	Dix	933	278	287	313	1,141	1,357	1,632	1,993			
Lehman	Jayant	933	279	292	307	1,141	1,521	1,754	1,983	2,326	2,548	2,917
Morgan Stanley	Swinburne	933	282	296	312	1,154	1,502	1,830	2,224			

Stifel Nicolaus	Spring	933	274	280	295	1,113	1,377	1,677	2,088	2,486	2,692	
Wachovia	Wlodarczak	933	268	283	306	1,122	1,401	1,646	1,870			
Hi		**933**	**282**	**296**	**313**	**1,154**	**1,521**	**1,830**	**2,224**	**2,486**	**2,692**	**2,917**
Low		**933**	**268**	**278**	**288**	**1,099**	**1,357**	**1,620**	**1,870**	**2,227**	**2,548**	**2,917**
Average		**933**	**274**	**285**	**303**	**1,127**	**1,425**	**1,706**	**2,021**	**2,346**	**2,620**	**2,917**
Sub Revenue ($mils)												
Barrington	Goss		243	254	262	996						
Bear	Peck	826	243	253	266	999						
Wedbush Morgan	Kidd	826	241	248	258	984	1,292	1,560	1,830			
Deutsche Bank	Dix	826	246	255	273	1,011	1,198	1,456	1,766			
Lehman	Jayant	826	248	262	269	1,015	1,366	1,579	1,784	2,099	2,294	2,626
Morgan Stanley	Swinburne	826	248	260	270	1,015	1,306	1,585	1,909			
Stifel Nicolaus	Spring	826	240	247	250	974	1,202	1,471	1,845	2,221	2,541	
Wachovia	Wlodarczak	826	242	252	264	995	1,249	1,462	1,651			
Hi		**826**	**248**	**262**	**273**	**1,015**	**1,366**	**1,585**	**1,909**	**2,221**	**2,541**	**2,626**
Low		**826**	**240**	**247**	**250**	**974**	**1,198**	**1,456**	**1,651**	**2,099**	**2,294**	**2,626**
Average		**826**	**244**	**254**	**264**	**999**	**1,269**	**1,519**	**1,798**	**2,160**	**2,418**	**2,626**
Ad Revenue ($mils)												
Barrington	Goss		9	9	9	35						
Bear	Peck	35	10	10	12	39						
Wedbush Morgan	Kidd	35	9	12	15	44	79	130	153			
Deutsche Bank	Dix	35	12	12	17	49	73	93	126			
Lehman	Jayant	35	11	11	12	42	59	73	87	108	125	150
Morgan Stanley	Swinburne	35	13	15	18	54	83	123	176			
Stifel Nicolaus	Spring	35	11	10	13	41	60	81	105	120		
Wachovia	Wlodarczak	35	10	10	13	41	66	92	120			
Hi		**35**	**13**	**15**	**18**	**54**	**83**	**130**	**176**	**120**	**125**	**150**
Low		**35**	**9**	**9**	**9**	**35**	**59**	**73**	**87**	**108**	**125**	**150**
Average		**35**	**11**	**11**	**14**	**43**	**70**	**99**	**128**	**114**	**125**	**150**
Ad % of Total Revenue												
Barrington	Goss		3.3%	3.2%	3.1%	3.2%						
Bear	Peck	3.8%	3.6%	3.4%	4.0%	3.5%						
Wedbush Morgan	Kidd	3.8%	3.5%	4.4%	5.2%	4.0%	5.4%	7.3%	7.3%			
Deutsche Bank	Dix	3.8%	4.3%	4.2%	5.4%	4.3%	5.4%	5.7%	6.3%			
Lehman	Jayant	3.8%	3.9%	3.8%	3.9%	3.7%	3.9%	4.2%	4.4%	4.6%	4.9%	5.1%
Morgan Stanley	Swinburne	3.8%	4.6%	5.1%	5.8%	4.7%	5.5%	6.7%	7.9%			
Stifel Nicolaus	Spring	3.8%	4.0%	3.6%	4.4%	3.7%	4.4%	4.8%	5.0%	4.8%		
Wachovia	Wlodarczak	3.8%	3.6%	3.6%	4.3%	3.6%	4.7%	5.6%	6.4%			
Hi		**3.8%**	**4.6%**	**5.1%**	**5.8%**	**4.7%**	**5.5%**	**7.3%**	**7.9%**	**4.8%**	**4.9%**	**5.1%**
Low		**3.8%**	**3.3%**	**3.2%**	**3.1%**	**3.2%**	**3.9%**	**4.2%**	**4.4%**	**4.6%**	**4.9%**	**5.1%**
Average		**3.8%**	**3.9%**	**3.9%**	**4.5%**	**3.8%**	**4.9%**	**5.7%**	**6.2%**	**4.7%**	**4.9%**	**5.1%**
Revenue Share & Royalties ($mils)												
Barrington	Goss					168						
Bear	Peck	149	47	60	64	218						
Wedbush Morgan	Kidd	149	48	41	45	182	248	310	365			
Deutsche Bank	Dix	149	45	47	47	186	271	326	399			
Lehman	Jayant	149	55	59	62	223	340	426	494	595	653	763
Morgan Stanley	Swinburne	149	53	57	64	221	299	390	471			
Stifel Nicolaus	Spring	149	52	53	56	209	266	337	436	542	592	
Wachovia	Wlodarczak	149	46	48	50	191	231	263	281			

Hi		**149**	**55**	**60**	**64**	**223**	**340**	**426**	**494**	**595**	**653**	**763**		
Low		**149**	**45**	**41**	**45**	**168**	**231**	**263**	**281**	**542**	**592**	**763**		
Average		**149**	**49**	**52**	**55**	**200**	**276**	**342**	**408**	**569**	**623**	**763**		
Rev. Share & Royalites % of Total Revenue														
Barrington	Goss		14.9%	14.4%	13.9%	15.3%								
Bear	Peck	16.0%	17.1%	21.2%	20.5%	19.2%								
Wedbush Morgan	Kidd	16.0%	17.8%	14.8%	15.2%	16.8%	18.6%	18.3%	19.2%					
Deutsche Bank	Dix	16.0%	16.2%	16.4%	15.0%	16.3%	20.0%	20.0%	20.0%					
Lehman	Jayant	16.0%	19.7%	20.2%	20.2%	19.5%	22.4%	24.3%	24.9%	25.6%	25.6%	26.2%		
Morgan Stanley	Swinburne	16.0%	18.8%	19.3%	20.5%	19.2%	19.9%	21.3%	21.2%					
Stifel Nicolaus	Spring	16.0%	19.0%	18.9%	19.0%	18.8%	19.3%	20.1%	20.9%	21.8%	22.0%			
Wachovia	Wlodarczak	16.0%	17.1%	16.9%	16.4%	17.1%	16.5%	16.0%	15.0%					
Hi		**16.0%**	**19.7%**	**21.2%**	**20.5%**	**19.5%**	**22.4%**	**24.3%**	**24.9%**	**25.6%**	**25.6%**	**26.2%**		
Low		**16.0%**	**14.9%**	**14.4%**	**13.9%**	**15.3%**	**16.5%**	**16.0%**	**15.0%**	**21.8%**	**22.0%**	**26.2%**		
Average		**16.0%**	**17.6%**	**17.7%**	**17.6%**	**17.8%**	**19.4%**	**20.0%**	**20.2%**	**23.7%**	**23.8%**	**26.2%**		
Rev. Share & Royalites % of Sub. Revenue														
Barrington	Goss		16.5%	15.7%	15.3%	16.9%								
Bear	Peck	18.0%	19.3%	23.7%	24.1%	21.8%								
Wedbush Morgan	Kidd	18.0%	20.0%	16.7%	17.3%	18.9%	21.0%	20.9%	21.8%					
Deutsche Bank	Dix	18.0%	18.3%	18.4%	17.2%	18.4%	22.6%	22.4%	22.6%					
Lehman	Jayant	18.0%	22.2%	22.5%	23.0%	22.0%	24.9%	27.0%	27.7%	28.3%	28.5%	29.1%		
Morgan Stanley	Swinburne	18.0%	21.4%	21.9%	23.7%	21.8%	22.9%	24.6%	24.7%					
Stifel Nicolaus	Spring	18.0%	21.7%	21.5%	22.4%	21.5%	22.1%	22.9%	23.6%	24.4%	23.3%			
Wachovia	Wlodarczak	18.0%	19.0%	19.0%	19.0%	19.3%	18.5%	18.0%	17.0%					
Hi		**18.0%**	**22.2%**	**23.7%**	**24.1%**	**22.0%**	**24.9%**	**27.0%**	**27.7%**	**28.3%**	**28.5%**	**29.1%**		
Low		**18.0%**	**16.5%**	**15.7%**	**15.3%**	**16.9%**	**18.5%**	**18.0%**	**17.0%**	**24.4%**	**23.3%**	**29.1%**		
Average		**18.0%**	**19.8%**	**19.9%**	**20.3%**	**20.1%**	**22.0%**	**22.6%**	**22.9%**	**26.4%**	**25.9%**	**29.1%**		
EBITDA ($mils)														
Barrington	Goss													
Bear	Peck	-166	-48	-47	-85	-207	-79	51	165	315	491	739		
Wedbush Morgan	Kidd	-166	-56	-43	-96	-212	26	197	324	401	494	607	751	830
Deutsche Bank	Dix	-166	-52	-50	-56	-177	-136	-38	122	381	665	899	1,066	1,198
Lehman	Jayant	-166	-56	-43	-96	-222	14	88	170	333	422	618		
Morgan Stanley	Swinburne	-166	-43	-34	-98	-202	-6	81	153					
Stifel Nicolaus	Spring	-166	-41	-38	-79	-185	-2	164	389	626	777			
Wachovia	Wlodarczak	-166	-38	-41	-68	-175	-21	114	244					
Hi		**-166**	**-38**	**-34**	**-56**	**-175**	**26**	**197**	**389**	**626**	**777**	**899**	**1,066**	**1,198**
Low		**-166**	**-56**	**-50**	**-98**	**-222**	**-136**	**-38**	**122**	**315**	**422**	**607**	**751**	**830**
Average		**-166**	**-48**	**-42**	**-83**	**-197**	**-29**	**94**	**224**	**411**	**570**	**716**	**908**	**1,014**
EBITDA Margin														
Barrington	Goss													
Bear	Peck	-17.8%	-17.5%	-16.6%	-27.3%	-18.2%								
Wedbush Morgan	Kidd	-17.8%	-20.5%	-15.2%	-32.8%	-19.1%	1.8%	11.1%	15.6%					
Deutsche Bank	Dix	-17.8%	-18.7%	-17.4%	-17.9%	-15.5%	-10.0%	-2.3%	6.1%					
Lehman	Jayant	-17.8%	-20.1%	-14.7%	-31.3%	-19.5%	0.9%	5.0%	8.6%	14.3%	16.6%	21.2%		
Morgan Stanley	Swinburne	-17.8%	-15.2%	-11.5%	-31.4%	-17.5%	-0.4%	4.4%	6.9%					
Stifel Nicolaus	Spring	-17.8%	-14.9%	-13.6%	-26.7%	-16.6%	-0.2%	9.8%	18.6%	25.2%	28.9%			
Wachovia	Wlodarczak	-17.8%	-14.3%	-14.5%	-22.3%	-15.6%	-1.5%	6.9%	13.0%					
Hi		**-17.8%**	**-14.3%**	**-11.5%**	**-17.9%**	**-15.5%**	**1.8%**	**11.1%**	**18.6%**	**25.2%**	**28.9%**	**21.2%**		
Low		**-17.8%**	**-20.5%**	**-17.4%**	**-32.8%**	**-19.5%**	**-10.0%**	**-2.3%**	**6.1%**	**14.3%**	**16.6%**	**21.2%**		

Average		**-17.8%**	**-17.3%**	**-14.8%**	**-27.1%**	**-17.4%**	**-1.6%**	**5.8%**	**11.5%**	**19.7%**	**22.7%**	**21.2%**		
Capex ($mils)														
Barrington	Goss													
Bear	Peck	-275	-15	-15	-30	-165	-62	-60	-60	-60	-60	-60		
Wedbush Morgan	Kidd	-253				-385	-179	11	-60	-60	-60	-60	-60	-60
Deutsche Bank	Dix	-314	-26	-16	-16	-165	-116	-81	-84					
Lehman	Jayant	-275	-41	-41	-42	-164	-93	-95	-97	-99	-101	-103		
Morgan Stanley	Swinburne	-275				-190	-80	-71	-73					
Stifel Nicolaus	Spring	-274				-170	-75	-155	-75	-75	-75			
Wachovia	Wlodarczak													
Hi		**-253**	**-15**	**-15**	**-16**	**-164**	**-62**	**11**	**-60**	**-60**	**-60**	**-60**	**-60**	**-60**
Low		**-314**	**-41**	**-41**	**-42**	**-385**	**-179**	**-155**	**-97**	**-99**	**-101**	**-103**	**-60**	**-60**
Average		**-278**	**-27**	**-24**	**-29**	**-206**	**-101**	**-75**	**-75**	**-74**	**-74**	**-74**	**-60**	**-60**
Change in WC ($mils)														
Barrington	Goss													
Bear	Peck	-244	-46	8	68	82	95	89	100	109	125	117		
Wedbush Morgan	Kidd	-286				286	181	116	173	119	181	85	225	94
Deutsche Bank	Dix	-244	47	47	-3	78	83	119	141					
Lehman	Jayant	-244	35	-78	84	23	39	105	132	140	141	146		
Morgan Stanley	Swinburne	-244				88	116	113	95					
Stifel Nicolaus	Spring													
Wachovia	Wlodarczak													
Hi		**-244**	**47**	**47**	**84**	**286**	**181**	**119**	**173**	**140**	**181**	**146**	**225**	**94**
Low		**-286**	**-46**	**-78**	**-3**	**23**	**39**	**89**	**95**	**109**	**125**	**85**	**225**	**94**
Average		**-252**	**12**	**-8**	**50**	**111**	**103**	**108**	**128**	**123**	**149**	**116**	**225**	**94**
Free Cash Flow ($mils)														
Barrington	Goss													
Bear	Peck	-737	-86	-31	-25	-285								
Wedbush Morgan	Kidd													
Deutsche Bank	Dix	-778	-53	-37	-77	-396	-263	-100	101	410	684	908	1,104	1,309
Lehman	Jayant	-737	-71	-172	-66	-399	-51	84	198	394	519	774		
Morgan Stanley	Swinburne	-737				-408	-92	13	74					
Stifel Nicolaus	Spring	-758				-367	-73	18	336	579	727			
Wachovia	Wlodarczak	-567				-400	-161	-34	141					
Hi		**-567**	**-53**	**-31**	**-25**	**-285**	**-51**	**84**	**336**	**579**	**727**	**908**	**1,104**	**1,309**
Low		**-778**	**-86**	**-172**	**-77**	**-408**	**-263**	**-100**	**74**	**394**	**519**	**774**	**1,104**	**1,309**
Average		**-719**	**-70**	**-80**	**-56**	**-376**	**-128**	**-4**	**170**	**461**	**643**	**841**	**1,104**	**1,309**
WACC														
Barrington	Goss													
Bear	Peck											10.9%		
Wedbush Morgan	Kidd													
Deutsche Bank	Dix													
Lehman	Jayant											9.1%		
Morgan Stanley	Swinburne													
Stifel Nicolaus	Spring									10.3%				
Wachovia	Wlodarczak													
Hi												**10.9%**		
Low												**9.1%**		
Average												**10.0%**		

Cost of Equity		
Barrington	Goss	
Bear	Peck	14.5%
Wedbush Morgan	Kidd	
Deutsche Bank	Dix	
Lehman	Jayant	11.7%
Morgan Stanley	Swinburne	
Stifel Nicolaus	Spring	
Wachovia	Wlodarczak	
Hi		**14.5%**
Low		**11.7%**
Average		**13.1%**

Terminal Growth		
Barrington	Goss	
Bear	Peck	4.0%
Wedbush Morgan	Kidd	
Deutsche Bank	Dix	
Lehman	Jayant	3.5%
Morgan Stanley	Swinburne	
Stifel Nicolaus	Spring	
Wachovia	Wlodarczak	
Hi		**4.0%**
Low		**3.5%**
Average		**3.8%**

Target Price		
Barrington	Goss	
Bear	Peck	$15
Wedbush Morgan	Kidd	
Deutsche Bank	Dix	$18
Lehman	Jayant	$20
Morgan Stanley	Swinburne	NA
Stifel Nicolaus	Spring	$18
Wachovia	Wlodarczak	
Hi		**$20**
Low		**$0**
Average		**$18**

Canada Value ($mils)		
Barrington	Goss	
Bear	Peck	83
Wedbush Morgan	Kidd	
Deutsche Bank	Dix	
Lehman	Jayant	
Morgan Stanley	Swinburne	47
Stifel Nicolaus	Spring	
Wachovia	Wlodarczak	
Hi		**83**
Low		**47**
Average		**65**

App. C
Sirius Analyst Consensus

	Analyst	Date	2006A	2Q07E	3Q07E	4Q07E	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Subscribers (000s)																				
Barrington	Goss	5/1/07		6,982	7,496	8,243	8,243													
Bear	Peck	6/4/07				8,001	8,001	9,358	10,698	11,668	12,457	13,105	13,659							
Wedbush Morgan	Kidd	5/1/07	6,025	7,004	7,335	8,178	8,178	10,331	12,185	13,721	15,086	16,350	17,417	18,305	19,132					
Deutsche Bank	Dix	5/2/07	6,025	6,982	7,378	8,011	8,011	9,821	12,065	14,064	16,100	17,800	19,400	20,900	22,200	23,400	24,700	25,800	26,900	28,000
Lehman	Jayant	5/2/07	6,025	7,156	7,503	8,044	8,044	10,054	12,201	14,049	15,753	17,192	18,446							
Morgan Stanley	Swinburne	5/11/07	6,025	7,097	7,520	8,259	8,259	10,186	12,012	13,786										
Stifel Nicolaus	Spring	5/7/07	6,025	7,014	7,384	8,124	8,124	10,128	12,010	14,071	15,445	16,380								
Wachovia	Wlodarczak	5/2/07	6,025	7,031	7,456	7,981	7,981	9,451	10,439	11,111										
Hi			**6,025**	**7,156**	**7,520**	**8,259**	**8,259**	**10,331**	**12,201**	**14,071**	**16,100**	**17,800**	**19,400**	**20,900**	**22,200**	**23,400**	**24,700**	**25,800**	**26,900**	**28,000**
Low			**6,025**	**6,982**	**7,335**	**7,981**	**7,981**	**9,358**	**10,439**	**11,111**	**12,457**	**13,105**	**13,659**	**18,305**	**19,132**	**23,400**	**24,700**	**25,800**	**26,900**	**28,000**
Average			**6,025**	**7,038**	**7,439**	**8,105**	**8,105**	**9,904**	**11,659**	**13,210**	**14,968**	**16,165**	**17,231**	**19,603**	**20,666**	**23,400**	**24,700**	**25,800**	**26,900**	**28,000**
Retail Subs (000s)																				
Barrington	Goss			4,425	4,556	5,009	5,009													
Bear	Peck					4,780	4,780	5,077	5,168	5,104	4,929	4,675	4,372							
Wedbush Morgan	Kidd		4,066	4,387	4,517	4,907	4,907	5,401	5,633	5,693										
Deutsche Bank	Dix		4,066	4,382	4,478	4,905	4,905	5,565	6,188	6,763										
Lehman	Jayant					4,802	4,802													
Morgan Stanley	Swinburne		4,066	4,438	4,618	5,123	5,123	5,953	6,597	7,179										
Stifel Nicolaus	Spring																			
Wachovia	Wlodarczak		4,066	4,415	4,542	4,805	4,805													
Hi			**4,066**	**4,438**	**4,618**	**5,123**	**5,123**	**5,953**	**6,597**	**7,179**	**4,929**	**4,675**	**4,372**							
Low			**4,066**	**4,382**	**4,478**	**4,780**	**4,780**	**5,077**	**5,168**	**5,104**	**4,929**	**4,675**	**4,372**							
Average			**4,066**	**4,409**	**4,542**	**4,904**	**4,904**	**5,499**	**5,897**	**6,185**	**4,929**	**4,675**	**4,372**							
Retail % of Subs																				
Barrington	Goss			63.4%	60.8%	60.8%	60.8%													
Bear	Peck						59.7%	54.3%	48.3%	43.7%	39.6%	35.7%	32.0%							
Wedbush Morgan	Kidd		67.5%	62.6%	61.6%	60.0%	60.0%	52.3%	46.2%	41.5%										
Deutsche Bank	Dix		67.5%	62.8%	60.7%	61.2%	61.2%	56.7%	51.3%	48.1%										
Lehman	Jayant						59.7%													
Morgan Stanley	Swinburne		67.5%	62.5%	61.4%	62.0%	62.0%	58.4%	54.9%	52.1%										
Stifel Nicolaus	Spring																			
Wachovia	Wlodarczak		67.5%	62.8%	60.9%	60.2%														
Hi			**67.5%**	**63.4%**	**61.6%**	**62.0%**	**62.0%**	**58.4%**	**54.9%**	**52.1%**	**39.6%**	**35.7%**	**32.0%**							
Low			**67.5%**	**62.5%**	**60.7%**	**60.0%**	**59.7%**	**52.3%**	**46.2%**	**41.5%**	**39.6%**	**35.7%**	**32.0%**							
Average			**67.5%**	**62.8%**	**61.1%**	**60.8%**	**60.6%**	**55.4%**	**50.2%**	**46.3%**	**39.6%**	**35.7%**	**32.0%**							
Auto Subs (000s)																				
Barrington	Goss			2,556	2,939	3,233	3,233													
Bear	Peck					3,221	3,221	4,281	5,530	6,563	7,528	8,429	9,287							
Wedbush Morgan	Kidd		1,959	2,618	2,818	3,272	3,272	4,929	6,553	8,028										
Deutsche Bank	Dix		1,959	2,601	2,900	3,105	3,105	4,256	5,877	7,302										
Lehman	Jayant					3,242	3,242													
Morgan Stanley	Swinburne		1,959	2,659	2,903	3,137	3,137	4,233	5,415	6,606										
Stifel Nicolaus	Spring																			
Wachovia	Wlodarczak		1,959	2,616	2,914	3,176	3,176													
Hi			**1,959**	**2,659**	**2,939**	**3,272**	**3,272**	**4,929**	**6,553**	**8,028**	**7,528**	**8,429**	**9,287**							
Low			**1,959**	**2,556**	**2,818**	**3,105**	**3,105**	**4,233**	**5,415**	**6,563**	**7,528**	**8,429**	**9,287**							
Average			**1,959**	**2,610**	**2,895**	**3,198**	**3,198**	**4,425**	**5,844**	**7,125**	**7,528**	**8,429**	**9,287**							
Avg. Subs (000s)																				

Barrington	Goss		6,781	7,239	7,869	7,048						
Bear	Peck					7,008	8,677	10,028	11,183	12,062	12,781	13,382
Wedbush Morgan	Kidd	4,586	6,771	7,139	7,559	6,941	8,980	10,979	12,642			
Deutsche Bank	Dix	4,535	6,768	7,165	7,577	6,918	8,825	10,831	12,965			
Lehman	Jayant											
Morgan Stanley	Swinburne	4,589	6,813	7,287	7,816	7,053	9,126	11,008	12,810			
Stifel Nicolaus	Spring	4,671	6,797	7,199	7,754	7,074	9,126	11,069	13,041	14,758	15,913	
Wachovia	Wlodarczak	4,636	6,806	7,244	7,719	7,018	8,716	9,945	10,775			
Hi		**4,671**	**6,813**	**7,287**	**7,869**	**7,074**	**9,126**	**11,069**	**13,041**	**14,758**	**15,913**	**13,382**
Low		**4,535**	**6,768**	**7,139**	**7,559**	**6,918**	**8,677**	**9,945**	**10,775**	**12,062**	**12,781**	**13,382**
Average		**4,603**	**6,789**	**7,212**	**7,716**	**7,009**	**8,908**	**10,643**	**12,236**	**13,410**	**14,347**	**13,382**

Gross Adds (000s)

Barrington	Goss		855	754	1,272	3,870						
Bear	Peck					3,963	4,009	4,435	4,588	4,734	4,884	5,059
Wedbush Morgan	Kidd	3,758	816	790	1,339	3,934	4,591	5,000	5,342			
Deutsche Bank	Dix	3,758	876	881	1,246	3,999	4,576	5,513	6,073			
Lehman	Jayant	3,758	1,037	877	1,101	4,003	4,262	4,956	5,203	5,444	5,561	5,659
Morgan Stanley	Swinburne	3,758	941	973	1,320	4,223	4,883	5,691	6,472			
Stifel Nicolaus	Spring	3,755	930	877	1,292	4,087	4,508	5,058	5,921	6,106	6,228	
Wachovia	Wlodarczak	3,757	899	936	1,088	3,911	4,033	4,090	4,228			
Hi		**3,758**	**1,037**	**973**	**1,339**	**4,223**	**4,883**	**5,691**	**6,472**	**6,106**	**6,228**	**5,659**
Low		**3,755**	**816**	**754**	**1,088**	**3,870**	**4,009**	**4,090**	**4,228**	**4,734**	**4,884**	**5,059**
Average		**3,757**	**908**	**870**	**1,237**	**3,999**	**4,409**	**4,963**	**5,404**	**5,428**	**5,558**	**5,359**

Disconnects (000s)

Barrington	Goss		430	436	588	1,886						
Bear	Peck					1,986	2,652	3,095	3,619	3,944	4,236	4,505
Wedbush Morgan	Kidd	1,050	393	459	496	1,780	2,439	3,146	3,806			
Deutsche Bank	Dix	1,050	475	486	614	2,013	2,765	3,269	4,074			
Lehman	Jayant											
Morgan Stanley	Swinburne	1,050	426	549	581	1,988	2,956	3,865	4,698			
Stifel Nicolaus	Spring	1,047	498	507	552	1,987	2,504	3,176	3,861	4,732	5,293	
Wachovia	Wlodarczak	1,049	449	511	563	1,955	2,563	3,103	3,556			
Hi		**1,050**	**498**	**549**	**614**	**2,013**	**2,956**	**3,865**	**4,698**	**4,732**	**5,293**	**4,505**
Low		**1,047**	**393**	**436**	**496**	**1,780**	**2,439**	**3,095**	**3,556**	**3,944**	**4,236**	**4,505**
Average		**1,049**	**445**	**491**	**566**	**1,942**	**2,646**	**3,276**	**3,936**	**4,338**	**4,765**	**4,505**

Net Adds (000s)

Barrington	Goss		426	318	684	1,984						
Bear	Peck					1,977	1,357	1,340	970	789	648	554
Wedbush Morgan	Kidd	2,708	423	331	843	2,154	2,152	1,855	1,536			
Deutsche Bank	Dix	2,708	401	395	633	1,986	1,811	2,244	1,999			
Lehman	Jayant	2,708	575	347	541	2,019	2,011	2,147	1,848	1,704	1,439	1,255
Morgan Stanley	Swinburne	2,708	516	424	739	2,234	1,927	1,827	1,773			
Stifel Nicolaus	Spring	2,708	433	370	740	2,099	2,004	1,882	2,061	1,374	935	
Wachovia	Wlodarczak	2,708	450	425	525	1,956	1,470	987	672			
Hi		**2,708**	**575**	**425**	**843**	**2,234**	**2,152**	**2,244**	**2,061**	**1,704**	**1,439**	**1,255**
Low		**2,708**	**401**	**318**	**525**	**1,956**	**1,357**	**987**	**672**	**789**	**648**	**554**
Average		**2,708**	**460**	**373**	**672**	**2,051**	**1,819**	**1,755**	**1,551**	**1,289**	**1,007**	**904**

Total Churn

Barrington	Goss		2.1%	2.0%	2.5%	2.2%						
Bear	Peck	1.9%				2.4%	2.5%	2.6%	2.7%	2.7%	2.8%	2.8%
Wedbush Morgan	Kidd	2.0%	2.0%	2.2%	2.3%	2.2%	2.3%	2.4%	2.5%			
Deutsche Bank	Dix	1.9%	2.3%	2.3%	2.7%	2.4%	2.6%	2.5%	2.6%			
Lehman	Jayant	1.9%	2.2%	2.4%	2.4%	2.3%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
Morgan Stanley	Swinburne	1.9%	2.1%	2.5%	2.5%	2.4%	2.7%	2.9%	3.1%			

Stifel Nicolaus	Spring	1.9%	2.4%	2.3%	2.4%	2.3%												
Wachovia	Wlodarczak	1.9%	2.2%	2.4%	2.4%	2.3%	2.5%	2.6%	2.8%									
Hi		**2.0%**	**2.4%**	**2.5%**	**2.7%**	**2.4%**	**2.7%**	**2.9%**	**3.1%**	**2.7%**	**2.8%**	**2.8%**						
Low		**1.9%**	**2.0%**	**2.0%**	**2.3%**	**2.2%**	**2.1%**	**2.1%**	**2.1%**	**2.1%**	**2.1%**	**2.1%**						
Average		**1.9%**	**2.2%**	**2.3%**	**2.5%**	**2.3%**	**2.4%**	**2.5%**	**2.6%**	**2.4%**	**2.5%**	**2.5%**						
Self-pay Churn																		
Barrington	Goss																	
Bear	Peck					1.8%	1.8%	1.8%	1.9%	1.9%	2.0%	2.0%						
Wedbush Morgan	Kidd																	
Deutsche Bank	Dix																	
Lehman	Jayant																	
Morgan Stanley	Swinburne																	
Stifel Nicolaus	Spring	1.7%	1.7%	1.8%	1.8%	1.7%	1.8%	1.8%	1.9%	1.9%	2.0%							
Wachovia	Wlodarczak																	
Hi		**1.7%**	**1.7%**	**1.8%**	**1.8%**	**1.8%**	**1.8%**	**1.8%**	**1.9%**	**1.9%**	**2.0%**	**2.0%**						
Low		**1.7%**	**1.7%**	**1.8%**	**1.8%**	**1.7%**	**1.8%**	**1.8%**	**1.9%**	**1.9%**	**2.0%**	**2.0%**						
Average		**1.7%**	**1.7%**	**1.8%**	**1.8%**	**1.8%**	**1.8%**	**1.8%**	**1.9%**	**1.9%**	**2.0%**	**2.0%**						
Total ARPU																		
Barrington	Goss																	
Bear	Peck	$11.45				$11.18	$12.04	$12.61	$13.26	$14.01	$14.59	$15.15						
Wedbush Morgan	Kidd																	
Deutsche Bank	Dix	$11.71	$11.18	$11.19	$11.22	$11.16	$11.56	$12.02	$12.42									
Lehman	Jayant	$11.54	$11.26	$11.34	$11.81	$11.30	$13.09	$13.03	$13.89	$13.82	$13.83	$14.76						
Morgan Stanley	Swinburne																	
Stifel Nicolaus	Spring																	
Wachovia	Wlodarczak	$11.45	$11.58	$11.68	$11.56	$11.42	$11.76	$12.07	$12.40									
ARPU (ex. equip. & other)																		
Sirius Reported Number		**$11.01**																
Barrington	Goss																	
Bear	Peck																	
Wedbush Morgan	Kidd																	
Deutsche Bank	Dix																	
Lehman	Jayant	$11.01	$10.95	$11.06	$11.06	$10.88	$12.74	$12.70	$13.60	$13.55	$13.57	$14.51						
Morgan Stanley	Swinburne	$11.01	$11.09	$11.32	$11.63	$10.89	$12.34	$12.70	$12.95									
Stifel Nicolaus	Spring	$11.01	$10.81	$10.71	$10.71	$10.66												
Wachovia	Wlodarczak																	
Subscription ARPU																		
Barrington	Goss																	
Bear	Peck	$10.32				$10.09	$10.55	$10.89	$11.23	$11.56	$11.86	$12.16						
Wedbush Morgan	Kidd																	
Deutsche Bank	Dix	$10.45	$10.07	$10.10	$9.86	$10.13	$10.57	$11.03	$11.44	$11.63	$11.79	$11.97	$12.12	$12.24	$12.35	$12.48	$12.59	$12.70	$12.82
Lehman	Jayant	$10.45	$10.44	$10.43	$10.29	$10.31	$11.92	$11.79	$12.53	$12.44	$12.40	$13.20							
Morgan Stanley	Swinburne	$10.45	$10.62	$10.68	$10.58	$10.24	$11.48	$11.61	$11.82										
Stifel Nicolaus	Spring	$10.45				$10.17	$10.38	$11.03	$11.74	$12.44	$12.94								
Wachovia	Wlodarczak	$10.34	$10.75	$10.85	$10.50	$10.56	$10.77	$10.99	$11.21										
Subscrip. ARPU Growth																		
Barrington	Goss																	
Bear	Peck					-2.2%	4.6%	3.2%	3.1%	2.9%	2.6%	2.5%						
Wedbush Morgan	Kidd																	
Deutsche Bank	Dix					-3.1%	4.3%	4.4%	3.7%	1.7%	1.4%	1.5%	1.3%	1.0%	0.9%	1.1%	0.9%	0.9%	0.9%
Lehman	Jayant					-1.3%	15.6%	-1.1%	6.3%	-0.7%	-0.3%	6.5%							
Morgan Stanley	Swinburne					-2.0%	12.1%	1.1%	1.8%										
Stifel Nicolaus	Spring					-2.7%	2.1%	6.3%	6.4%	6.0%	4.0%								

Wachovia	Wlodarczak					2.1%	2.0%	2.0%	2.0%										
Hi						**2.1%**	**15.6%**	**6.3%**	**6.4%**	**6.0%**	**4.0%**	**6.5%**	**1.3%**	**1.0%**	**0.9%**	**1.1%**	**0.9%**	**0.9%**	**0.9%**
Low						**-3.1%**	**2.0%**	**-1.1%**	**1.8%**	**-0.7%**	**-0.3%**	**1.5%**	**1.3%**	**1.0%**	**0.9%**	**1.1%**	**0.9%**	**0.9%**	**0.9%**
Average						**-1.5%**	**6.8%**	**2.7%**	**3.9%**	**2.5%**	**1.9%**	**3.5%**	**1.3%**	**1.0%**	**0.9%**	**1.1%**	**0.9%**	**0.9%**	**0.9%**
SAC																			
Barrington	Goss					$95													
Bear	Peck	$114				$100	$93	$92	$82	$72	$64	$56							
Wedbush Morgan	Kidd																		
Deutsche Bank	Dix	$114	$107	$105	$72	$95	$81	$73	$65										
Lehman	Jayant	$114	$110	$94	$85	$98	$90	$83	$78	$77	$75	$73							
Morgan Stanley	Swinburne	$114	$99	$92	$81	$93	$76	$69	$59										
Stifel Nicolaus	Spring	$114	$110	$95	$78	$95													
Wachovia	Wlodarczak	$114	$111	$103	$87	$101	$85	$73	$63										
Hi		**$114**	**$111**	**$105**	**$87**	**$101**	**$93**	**$92**	**$82**	**$77**	**$75**	**$73**							
Low		**$114**	**$99**	**$92**	**$72**	**$93**	**$76**	**$69**	**$59**	**$72**	**$64**	**$56**							
Average		**$114**	**$107**	**$98**	**$81**	**$97**	**$85**	**$78**	**$69**	**$75**	**$70**	**$65**							
CPGA																			
Barrington	Goss																		
Bear	Peck	$159				$147	$137	$133	$121	$110	$100	$92							
Wedbush Morgan	Kidd																		
Deutsche Bank	Dix	$171				$140	$131	$116	$110										
Lehman	Jayant	$162	$157	$129	$152	$143	$141	$131	$123	$125	$126	$128							
Morgan Stanley	Swinburne	$146	$131	$112	$116	$120	$112	$105	$98										
Stifel Nicolaus	Spring	$171	$153	$138	$121	$136													
Wachovia	Wlodarczak	$173	$165	$137	$164	$151	$142	$139	$136										
Hi		**$173**	**$165**	**$138**	**$164**	**$151**	**$142**	**$139**	**$136**	**$125**	**$126**	**$128**							
Low		**$146**	**$131**	**$112**	**$116**	**$120**	**$112**	**$105**	**$98**	**$110**	**$100**	**$92**							
Average		**$164**	**$152**	**$129**	**$138**	**$140**	**$133**	**$125**	**$118**	**$118**	**$113**	**$110**							
Total Revenue ($mils)																			
Barrington	Goss	637	226	247	283	960	1,380	1,788	2,243	2,748									
Bear	Peck	637				940	1,254	1,517	1,779	2,028	2,237	2,433							
Wedbush Morgan	Kidd	637	223	241	268	936	1,293	1,651	2,047										
Deutsche Bank	Dix	637	227	241	255	927	1,225	1,563	1,933	2,281	2,600	2,886	3,175	3,429	3,669	3,889	4,122	4,329	4,545
Lehman	Jayant	637	232	249	275	961	1,422	1,740	2,188	2,472	2,734	3,155							
Morgan Stanley	Swinburne	637	234	255	292	985	1,397	1,729	2,048										
Stifel Nicolaus	Spring	637	226	237	263	930	1,258	1,634	2,065	2,501	2,840								
Wachovia	Wlodarczak	637	236	254	268	962	1,230	1,441	1,604										
Hi		**637**	**236**	**255**	**292**	**985**	**1,422**	**1,788**	**2,243**	**2,748**	**2,840**	**3,155**	**3,175**	**3,429**	**3,669**	**3,889**	**4,122**	**4,329**	**4,545**
Low		**637**	**223**	**237**	**255**	**927**	**1,225**	**1,441**	**1,604**	**2,028**	**2,237**	**2,433**	**3,175**	**3,429**	**3,669**	**3,889**	**4,122**	**4,329**	**4,545**
Average		**637**	**229**	**246**	**272**	**950**	**1,307**	**1,633**	**1,988**	**2,406**	**2,603**	**2,825**	**3,175**	**3,429**	**3,669**	**3,889**	**4,122**	**4,329**	**4,545**
Sub Revenue ($mils)																			
Barrington	Goss		210	227	246	873													
Bear	Peck	575				862	1,119	1,324	1,514	1,681	1,830	1,963							
Wedbush Morgan	Kidd	575	208	224	234	858	1,178	1,503	1,862										
Deutsche Bank	Dix	575	205	217	229	841	1,120	1,434	1,780										
Lehman	Jayant	575	215	229	240	875	1,296	1,572	1,964	2,210	2,434	2,800							
Morgan Stanley	Swinburne	575	217	233	248	889	1,257	1,533	1,816										
Stifel Nicolaus	Spring	575	208	221	229	849													
Wachovia	Wlodarczak	575	219	236	243	889	1,127	1,311	1,449										
Hi		**575**	**219**	**236**	**248**	**889**	**1,296**	**1,572**	**1,964**	**2,210**	**2,434**	**2,800**							
Low		**575**	**205**	**217**	**229**	**841**	**1,119**	**1,311**	**1,449**	**1,681**	**1,830**	**1,963**							
Average		**575**	**212**	**227**	**238**	**867**	**1,183**	**1,446**	**1,731**	**1,946**	**2,132**	**2,382**							
Ad Revenue ($mils)																			

Barrington	Goss		8	11	14	40													
Bear	Peck	31				40	97	152	222	304	364	426							
Wedbush Morgan	Kidd	31	9	11	13	40	68	96	127										
Deutsche Bank	Dix	31	10	11	14	41	88	109	131	161	179	195	211	225	259	272	286	297	297
Lehman	Jayant	31	11	14	18	49	87	124	178	213	249	303							
Morgan Stanley	Swinburne	31	10	14	25	55	94	144	174										
Stifel Nicolaus	Spring	31	13	11	12	42													
Wachovia	Wlodarczak	31	10	11	12	40	68	90	110										
Hi		**31**	**13**	**14**	**25**	**55**	**97**	**152**	**222**	**304**	**364**	**426**	**211**	**225**	**259**	**272**	**286**	**297**	**297**
Low		**31**	**8**	**11**	**12**	**40**	**68**	**90**	**110**	**161**	**179**	**195**	**211**	**225**	**259**	**272**	**286**	**297**	**297**
Average		**31**	**10**	**12**	**15**	**43**	**84**	**119**	**157**	**226**	**264**	**308**	**211**	**225**	**259**	**272**	**286**	**297**	**297**

Ad % of Total Revenue

Barrington	Goss		3.6%	4.4%	5.0%	4.2%													
Bear	Peck	4.9%				4.2%	7.7%	10.0%	12.5%	15.0%	16.2%	17.5%							
Wedbush Morgan	Kidd	4.9%	4.1%	4.6%	5.0%	4.3%	5.3%	5.8%	6.2%										
Deutsche Bank	Dix	4.9%	4.3%	4.4%	5.3%	4.4%	7.2%	7.0%	6.8%	7.1%	6.9%	6.8%	6.6%	6.6%	7.1%	7.0%	6.9%	6.9%	6.5%
Lehman	Jayant	4.9%	4.7%	5.6%	6.5%	5.1%	6.1%	7.1%	8.1%	8.6%	9.1%	9.6%							
Morgan Stanley	Swinburne	4.9%	4.2%	5.5%	8.5%	5.6%	6.8%	8.3%	8.5%										
Stifel Nicolaus	Spring	4.9%	5.8%	4.6%	4.6%	4.5%													
Wachovia	Wlodarczak	4.9%	4.2%	4.4%	4.5%	4.1%	5.5%	6.2%	6.9%										
Hi		**4.9%**	**5.8%**	**5.6%**	**8.5%**	**5.6%**	**7.7%**	**10.0%**	**12.5%**	**15.0%**	**16.2%**	**17.5%**	**6.6%**	**6.6%**	**7.1%**	**7.0%**	**6.9%**	**6.9%**	**6.5%**
Low		**4.9%**	**3.6%**	**4.4%**	**4.5%**	**4.1%**	**5.3%**	**5.8%**	**6.2%**	**7.1%**	**6.9%**	**6.8%**	**6.6%**	**6.6%**	**7.1%**	**7.0%**	**6.9%**	**6.9%**	**6.5%**
Average		**4.9%**	**4.4%**	**4.8%**	**5.6%**	**4.6%**	**6.4%**	**7.4%**	**8.2%**	**10.2%**	**10.7%**	**11.3%**	**6.6%**	**6.6%**	**7.1%**	**7.0%**	**6.9%**	**6.9%**	**6.5%**

Revenue Share & Royalties ($mils)

Barrington	Goss											
Bear	Peck	68				132	308	314	387	458	524	590
Wedbush Morgan	Kidd		35	38	41	141	223	310	410			
Deutsche Bank	Dix		31	33	35	126	171	234	309			
Lehman	Jayant											
Morgan Stanley	Swinburne											
Stifel Nicolaus	Spring											
Wachovia	Wlodarczak		29	31	32	118	138	159	179			
Hi		**68**	**35**	**38**	**41**	**141**	**308**	**314**	**410**	**458**	**524**	**590**
Low		**68**	**29**	**31**	**32**	**118**	**138**	**159**	**179**	**458**	**524**	**590**
Average		**68**	**31**	**34**	**36**	**129**	**210**	**255**	**322**	**458**	**524**	**590**

Rev. Share & Royalites % of Total Revenue

Barrington	Goss											
Bear	Peck	10.7%				14.0%	24.5%	20.7%	21.8%	22.6%	23.4%	24.2%
Wedbush Morgan	Kidd		15.6%	15.7%	15.4%	15.1%	17.2%	18.8%	20.0%			
Deutsche Bank	Dix		13.5%	13.7%	13.9%	13.6%	14.0%	15.0%	16.0%			
Lehman	Jayant											
Morgan Stanley	Swinburne											
Stifel Nicolaus	Spring											
Wachovia	Wlodarczak		12.1%	12.1%	11.8%	12.3%	11.2%	11.0%	11.2%			
Hi		**10.7%**	**15.6%**	**15.7%**	**15.4%**	**15.1%**	**24.5%**	**20.7%**	**21.8%**	**22.6%**	**23.4%**	**24.2%**
Low		**10.7%**	**12.1%**	**12.1%**	**11.8%**	**12.3%**	**11.2%**	**11.0%**	**11.2%**	**22.6%**	**23.4%**	**24.2%**
Average		**10.7%**	**13.7%**	**13.8%**	**13.7%**	**13.7%**	**16.7%**	**16.4%**	**17.2%**	**22.6%**	**23.4%**	**24.2%**

Rev. Share & Royalites % of Sub. Revenue

Barrington	Goss											
Bear	Peck	11.8%				15.3%	27.5%	23.7%	25.6%	27.2%	28.6%	30.1%
Wedbush Morgan	Kidd		16.7%	16.9%	17.6%	16.5%	18.9%	20.7%	22.0%			
Deutsche Bank	Dix		15.0%	15.2%	15.5%	15.0%	15.3%	16.4%	17.4%			
Lehman	Jayant											
Morgan Stanley	Swinburne											

Stifel Nicolaus	Spring											
Wachovia	Wlodarczak		13.0%	13.0%	13.0%	13.3%	12.3%	12.1%	12.4%			
Hi		**11.8%**	**16.7%**	**16.9%**	**17.6%**	**16.5%**	**27.5%**	**23.7%**	**25.6%**	**27.2%**	**28.6%**	**30.1%**
Low		**11.8%**	**13.0%**	**13.0%**	**13.0%**	**13.3%**	**12.3%**	**12.1%**	**12.4%**	**27.2%**	**28.6%**	**30.1%**
Average		**11.8%**	**14.9%**	**15.0%**	**15.4%**	**15.0%**	**18.5%**	**18.2%**	**19.3%**	**27.2%**	**28.6%**	**30.1%**
EBITDA ($mils)												
Barrington	Goss		-86	-61	-137	-393	-79	87	298	563		
Bear	Peck	-524				-344	-202	-11	188	374	533	677
Wedbush Morgan	Kidd	-524	-41	-47	-113	-285	-145	12	187			
Deutsche Bank	Dix	-524	-67	-66	-129	-345	-148	38	243			
Lehman	Jayant	-524	-94	-44	-103	-318	-21	119	425	513	641	901
Morgan Stanley	Swinburne	-513	-77	-47	-88	-296	-88	64	242			
Stifel Nicolaus	Spring	-524	-73	-51	-91	-299	-62	204	437	709	897	
Wachovia	Wlodarczak	-524	-69	-41	-104	-297	-129	-20	48			
Hi		**-513**	**-41**	**-41**	**-88**	**-285**	**-21**	**204**	**437**	**709**	**897**	**901**
Low		**-524**	**-94**	**-66**	**-137**	**-393**	**-202**	**-20**	**48**	**374**	**533**	**677**
Average		**-522**	**-72**	**-51**	**-109**	**-322**	**-109**	**62**	**259**	**540**	**690**	**789**
EBITDA Margin												
Barrington	Goss		-38.3%	-24.7%	-48.6%	-41.0%	-5.7%	4.9%	13.3%			
Bear	Peck	-82.3%				-36.6%	-16.1%	-0.8%	10.6%	18.5%	23.8%	27.8%
Wedbush Morgan	Kidd	-82.3%	-18.5%	-19.4%	-42.3%	-30.5%	-11.2%	0.7%	9.1%			
Deutsche Bank	Dix	-82.3%	-29.5%	-27.4%	-50.6%	-37.2%	-12.1%	2.4%	12.6%			
Lehman	Jayant	-82.3%	-40.4%	-17.8%	-37.4%	-33.1%	-1.5%	6.8%	19.4%	20.8%	23.4%	28.6%
Morgan Stanley	Swinburne	-80.5%	-32.9%	-18.4%	-30.2%	-30.1%	-6.3%	3.7%	11.8%			
Stifel Nicolaus	Spring	-82.3%	-32.3%	-21.5%	-34.6%	-32.2%	-4.9%	12.5%	21.2%	28.3%	31.6%	
Wachovia	Wlodarczak	-82.3%	-29.2%	-16.2%	-38.8%	-30.9%	-10.5%	-1.4%	3.0%			
Hi		**-80.5%**	**-18.5%**	**-16.2%**	**-30.2%**	**-30.1%**	**-1.5%**	**12.5%**	**21.2%**	**28.3%**	**31.6%**	**28.6%**
Low		**-82.3%**	**-40.4%**	**-27.4%**	**-50.6%**	**-41.0%**	**-16.1%**	**-1.4%**	**3.0%**	**18.5%**	**23.4%**	**27.8%**
Average		**-82.0%**	**-31.6%**	**-20.8%**	**-40.4%**	**-33.9%**	**-8.5%**	**3.6%**	**12.6%**	**22.5%**	**26.3%**	**28.2%**
Capex ($mils)												
Barrington	Goss											
Bear	Peck	100	23	23	28	85	175	55	80	230	275	30
Wedbush Morgan	Kidd											
Deutsche Bank	Dix	100	18	18	18	65	217	69	71			
Lehman	Jayant	100	25	25	5	67	200	100	130	207	154	27
Morgan Stanley	Swinburne	100				64	220	105	213			
Stifel Nicolaus	Spring	100				126	200	100	125	125	133	
Wachovia	Wlodarczak	100				55	235	45	40			
Hi		**100**	**25**	**25**	**28**	**126**	**235**	**105**	**213**	**230**	**275**	**30**
Low		**100**	**18**	**18**	**5**	**55**	**175**	**45**	**40**	**125**	**133**	**27**
Average		**100**	**22**	**22**	**17**	**77**	**208**	**79**	**110**	**187**	**187**	**29**
Change in WC ($mils)												
Barrington	Goss											
Bear	Peck	113				175	176	180	159	141	130	117
Wedbush Morgan	Kidd											
Deutsche Bank	Dix	84	-61	53	237	186	143	-10	106			
Lehman	Jayant	117	65	-23	152	151	182	155	123	152	117	96
Morgan Stanley	Swinburne	129				125	325	114	104			
Stifel Nicolaus	Spring											
Wachovia	Wlodarczak	115				86	200	150	150			
Hi		**129**	**65**	**53**	**237**	**186**	**325**	**180**	**159**	**152**	**130**	**117**
Low		**84**	**-61**	**-23**	**152**	**86**	**143**	**-10**	**104**	**141**	**117**	**96**
Average		**112**	**2**	**15**	**195**	**145**	**205**	**118**	**128**	**147**	**124**	**106**

Free Cash Flow ($mils)																			
Barrington	Goss																		
Bear	Peck	-521	-73	-102	23	-298	-278	17	173	207	343	713							
Wedbush Morgan	Kidd																		
Deutsche Bank	Dix	-501	-154	-40	72	-269	-278	-161	152	107	312	558	1,030	1,190	1,352	1,521	1,464	1,272	1,434
Lehman	Jayant	-515	-63	-102	36	-275	-89	124	379	441	620	1,026							
Morgan Stanley	Swinburne	-515				-280	-39	21	96										
Stifel Nicolaus	Spring	-514				-351	-238	161	398	704	949								
Wachovia	Wlodarczak	-529				-333	-269	-20	81										
Hi		**-501**	**-63**	**-40**	**72**	**-269**	**-39**	**161**	**398**	**704**	**949**	**1,026**	**1,030**	**1,190**	**1,352**	**1,521**	**1,464**	**1,272**	**1,434**
Low		**-529**	**-154**	**-102**	**23**	**-351**	**-278**	**-161**	**81**	**107**	**312**	**558**	**1,030**	**1,190**	**1,352**	**1,521**	**1,464**	**1,272**	**1,434**
Average		**-516**	**-96**	**-82**	**44**	**-301**	**-199**	**24**	**213**	**365**	**556**	**766**	**1,030**	**1,190**	**1,352**	**1,521**	**1,464**	**1,272**	**1,434**

WACC																			
Barrington	Goss																		
Bear	Peck											11.0%							
Wedbush Morgan	Kidd																		
Deutsche Bank	Dix																		12.6%
Lehman	Jayant											9.0%							
Morgan Stanley	Swinburne																		
Stifel Nicolaus	Spring										9.5%								
Wachovia	Wlodarczak																		
Hi												**11.0%**							**12.6%**
Low												**9.0%**							**12.6%**
Average												**10.0%**							**12.6%**

Cost of Equity																			
Barrington	Goss																		
Bear	Peck											14.5%							
Wedbush Morgan	Kidd																		
Deutsche Bank	Dix																		
Lehman	Jayant											11.8%							
Morgan Stanley	Swinburne																		
Stifel Nicolaus	Spring										11.4%								
Wachovia	Wlodarczak																		
Hi												**14.5%**							
Low												**11.8%**							
Average												**13.2%**							

Terminal Growth																			
Barrington	Goss																		
Bear	Peck											4.0%							
Wedbush Morgan	Kidd																		
Deutsche Bank	Dix																		
Lehman	Jayant											3.5%							
Morgan Stanley	Swinburne																		
Stifel Nicolaus	Spring																		
Wachovia	Wlodarczak																		
Hi												**4.0%**							
Low												**3.5%**							
Average												**3.8%**							

Target Price		
Barrington	Goss	$4.5
Bear	Peck	$4
Wedbush Morgan	Kidd	
Deutsche Bank	Dix	$4.25
Lehman	Jayant	$5.40

Morgan Stanley	Swinburne		
Stifel Nicolaus	Spring	$5	
Wachovia	Wlodarczak		
Hi		**$5**	
Low		**$4**	
Average		**$5**	

Canada Value ($mils)			
Barrington	Goss		
Bear	Peck		342
Wedbush Morgan	Kidd		
Deutsche Bank	Dix		
Lehman	Jayant		
Morgan Stanley	Swinburne		
Stifel Nicolaus	Spring		
Wachovia	Wlodarczak		
Hi			**342**
Low			**342**
Average			**342**

App. D
Free Cash Flow Reconciliation

	9 Months 2007	2008	2009	2010
Sirius				
Analyst consensus FCF	-154,166	-199,498	23,816	213,051
Increased royalty	-32,226	-41,691	-83,467	-139,639
Increased net interest expense	-8,502	-10,662	-35,725	-41,338
Change in working capital	5,009	1,541	6,930	9,343
Butson consensus model FCF	-189,885	-250,310	-88,445	41,417
XM Radio				
Analyst consensus FCF	-234,810	-128,127	-4,029	170,499
Increased royalty	-33,996	-67,238	-112,665	-133,110
Increased net interest expense	-402	-1,568	-51,909	-47,414
Change in working capital	3,038	3,263	4,456	1,986
Butson consensus model FCF	-266,170	-193,671	-164,147	-8,039

App. E
Royalty Sensitivity

	2007	2008	2009	2010	2011	2012
Sirius						
Royalty	4%	4%	4%	4%	4%	4%
Liquidity	426,164	311,363	210,309	398,446	745,977	1,172,871
Free Cash Flow	-400,540	-201,802	946	191,137	324,530	426,895
EBITDA	-305,401	-140,937	41,150	269,227	486,141	683,787
Royalty	5%	6%	7%	8%	9%	10%
Liquidity	418,182	281,101	135,867	249,685	485,341	755,523
Free Cash Flow	-408,522	-224,081	-43,234	116,818	212,656	270,182
EBITDA	-314,753	-165,320	-5,173	193,767	375,897	533,402
Royalty	6%	7%	8%	9%	10%	12%
Liquidity	410,200	260,991	99,839	193,551	404,872	625,583
Free Cash Flow	-416,504	-236,209	-59,152	96,711	188,322	220,711
EBITDA	-324,105	-177,512	-20,615	174,902	353,848	483,273
Royalty	7%	8%	9%	10%	12%	14%
Liquidity	402,218	240,881	63,811	137,415	306,037	472,671
Free Cash Flow	-424,486	-248,337	-75,070	76,604	145,621	166,635
EBITDA	-333,457	-189,703	-36,056	156,037	309,751	433,145
SX Proposed Royalty	8%	8%	10%	12%	14%	17%
Liquidity	394,236	230,926	40,482	78,899	201,547	292,943
Free Cash Flow	-432,468	-250,310	-88,445	41,418	99,648	91,396
EBITDA	-342,809	-189,703	-51,497	118,307	265,653	357,952
XM Radio						
Royalty	4%	4%	4%	4%	4%	4%
Liquidity	492,195	374,444	336,470	486,182	800,817	1,271,766
Free Cash Flow	-360,005	-117,751	-37,974	149,711	314,635	470,949
EBITDA	-191,735	-53,420	76,683	233,176	414,284	540,803
Royalty	5%	6%	7%	8%	9%	10%
Liquidity	482,451	339,911	255,380	329,755	532,987	849,648
Free Cash Flow	-369,748	-142,541	-84,530	74,374	203,233	316,661
EBITDA	-202,298	-79,226	29,771	159,222	307,449	396,167
Royalty	6%	7%	8%	9%	10%	12%
Liquidity	472,708	316,999	215,943	270,126	449,284	716,194
Free Cash Flow	-379,492	-155,709	-101,056	54,183	179,158	266,910
EBITDA	-212,861	-92,129	14,134	140,734	286,082	347,955
Royalty	7%	8%	9%	10%	12%	14%
Liquidity	462,964	294,087	176,505	210,496	346,329	560,405
Free Cash Flow	-389,235	-168,877	-117,583	33,991	135,833	214,076
EBITDA	-223,424	-105,032	-1,503	122,245	243,349	299,743

SX Proposed Royalty	8%	10%	12%	12%	14%	17%
Liquidity	453,221	259,549	95,404	87,366	174,865	310,961
Free Cash Flow	-398,979	-193,671	-164,146	-8,038	87,499	136,097
EBITDA	-233,988	-130,838	-48,415	85,268	200,615	227,426

App. H
Incremental Subscriber Margins

	Amount	Margin
Churn	2.1%	
Average Subscriber Life (months)	48.0	
ARPU	$11.00	
Revenue	$528	
Variable Costs (excluding royalties)	190	36%
Sales and Marketing	40	8%
Incremental Cash Flow	**$297**	**56%**